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CORRUPTION

CORRUPTION

THE WAY WE LOSE OUR RIGHTS
IN DEMOCRACY

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INTRODUCTION

Corruption is among the most evil threats of our times.

Considering the financial crisis that the world is facing, probably the biggest one.

On the other hand, it is awesome – to say the least – how corruption has become a resource for overcoming financial losses: nothing appears to be wronger than this.

December 9 is the International Anti-Corruption Day, designated by the UN General Assembly in 2003. Such event shows how seriously the problem is challenged by international institutions and the awareness that needs to be raised around it.

The present dossier is an attempt to such scope: we bring to your attention some figures that give a clear picture of how corruption is spread around the globe and particularly in Europe.

We tried as well to bring to light those countermeasures that are in place now and that will be implemented in the future in order to fight corruption.

Such analyses could not have been possible without the support of those people and institutions that fight corruption systematically, professionally and on a daily basis.

We also start from the premise that organised crime should be tackled and considered as a form of organised crime activity, since they cannot be measured and faced separately.

On this matter, corruption needs to be equaled to organised crime and challenged accordingly.

Finally, we propose a countermeasure that counts on a long list of successes in Italy: to be able to confiscate and use for social purposes those assets acquired through criminal or corrupt activities is likely to become the next European frontier in the fight against criminality.

It is a tool capable of damaging the power of crime syndicates, of fuelling economy with clean and licit capitals, but above all it is a clear sign for the civil society: organised crime can be defeated.

by Lorenzo Bodrero, FLARE Communication & Information department



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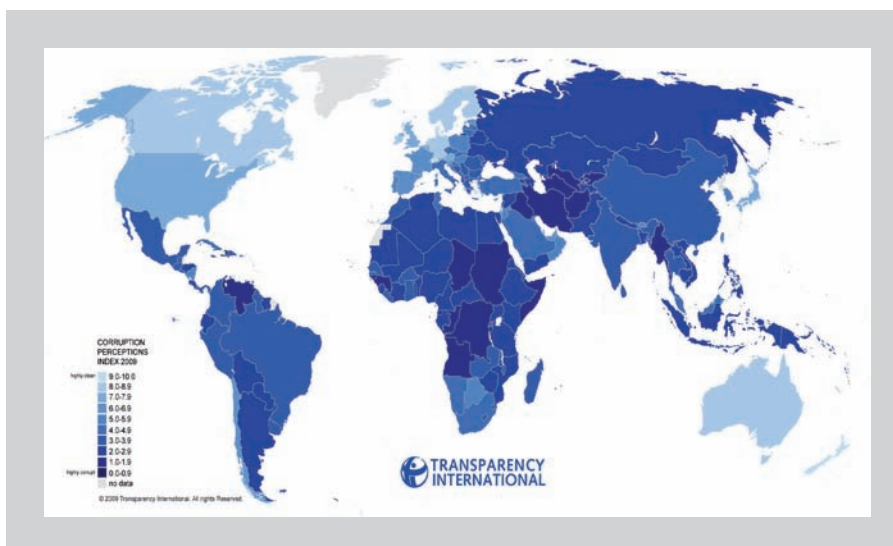
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TRANSPARENCY INTERNATIONAL CALLS FOR THE ESTABLISHMENT OF A ROBUST EUROPEAN PUBLIC PROSECUTOR

by Transparency International

In the following pages we have decided to publish two official press releases from Transparency International, the global civil society organisation leading the fight against corruption. The first one (April 20, 2010) is about the creation European Public Prosecutor's Office, while the second one (October 26, 2010) is dedicated to the 2010 edition of the Corruption Perceptions Index, the annual research led by TI to measure the perceived levels of public sector corruption in 178 countries around the world.



Crimes affecting the financial interests of the Union can be efficiently confronted through the creation of a European Public Prosecutor's Office, said Transparency International (TI), the global coalition against corruption, ahead of the next European Justice and Home Affairs Council meeting in Luxembourg.

With the entry into force of the EU Lisbon Treaty in December 2009, the EU now explicitly has the mandate to set up a European Public Prosecutor's Office. Whether this opportunity will be seized is now largely a question of political will. «The Lisbon Treaty offers a golden opportunity for the EU to boost actual enforcement of anticorruption legislation» said Jana Mittermaier, Head of TI's Liaison Office to the EU. «We are convinced that the number of corruption cases in domestic courts will increase, if EU-level investigations conducted by the European Anti-Fraud Office (OLAF) are systematically followed up by a European Public Prosecutor».

At present cross-border fraud and corruption

investigations are not being pursued actively enough. Domestic prosecution offices are seen as being slow, hesitant or even hampered in pursuing such complex cases. Consequently, the chances of timely convictions are currently relatively limited. «The missing link in the procedural chain is an efficient European Public Prosecutor Office that is equipped with the authority to direct and coordinate the work of domestic judicial institutions, the European network of judicial authorities (Eurojust) and OLAF», said Mittermaier.

In the longer term, and once the European Public Prosecutor Office is established, it should be provided with a comprehensive mandate that includes not only crimes that directly affect the financial interests of the EU, but also serious cross-border crimes, such as cross-border corruption and others.

A European Public Prosecutor's Office would ultimately help to restore trust in EU institutions and their capacity to deal effectively with

transnational corruption-related cases. The reputation of the institutions has suffered considerably, as was demonstrated by a recent European Commission Eurobarometer survey in which 78 per cent of EU citizens responded that the EU should do more to fight against corruption.



Transparency International, the global civil society organisation leading the fight against corruption, brings people together in a powerful worldwide coalition to end the devastating impact of corruption on men, women and children around the world. Since its founding in 1993, TI has played a lead role in improving the lives of millions around the world by building momentum for the anti-corruption movement.

RESPONSE TO GLOBAL CRISES MUST PRIORITISE ZERO TOLERANCE FOR CORRUPTION

by Transparency International

With governments committing huge sums to tackle the world's most pressing problems, from the instability of financial markets to climate change and poverty, corruption remains an obstacle to achieving much needed progress, according to Transparency International's 2010 Corruption Perceptions Index (CPI), a measure of domestic, public sector corruption released today.

The 2010 CPI shows that nearly three quarters of the 178 countries in the index score below five, on a scale from 0 (perceived to be highly corrupt) to 10 (perceived to have low levels of corruption), indicating a serious corruption problem.

«These results signal that significantly greater efforts must go into strengthening governance across the globe. With the livelihoods of so many at stake, governments' commitments to anti-corruption, transparency and accountability must speak through their actions. Good governance is an essential part of the solution to the global policy challenges governments face today» said Huguette

Labelle, Chair of Transparency International (TI).

To fully address these challenges, governments need to integrate anti-corruption measures in all spheres, from the responses to the financial crisis and climate change to commitments by the international community to eradicate poverty. For this reason TI advocates stricter implementation of the UN Convention against Corruption, the only global initiative that provides a framework for putting an end to corruption.

«Allowing corruption to continue is unacceptable; too many poor and vulnerable people continue to suffer its consequences around the world. We need to see more enforcement of existing rules and laws. There should be nowhere to hide for the corrupt or their money» said Labelle.

Corruption Perceptions Index 2010: The results

In the 2010 CPI, Denmark, New Zealand and Singapore tie for first place with scores of 9.3. Unstable governments, often with a legacy of

conflict, continue to dominate the bottom rungs of the CPI. Afghanistan and Myanmar share second to last place with a score of 1.4, with Somalia coming in last with a score of 1.1. Where source surveys for individual countries remain the same, and where there is corroboration by more than half of those sources, real changes in perceptions can be ascertained. Using these criteria, it is possible to establish an improvement in scores from 2009 to 2010 for Bhutan, Chile, Ecuador, FYR Macedonia, Gambia, Haiti, Jamaica, Kuwait, and Qatar. Similarly, a decline in scores from 2009 to 2010 can be identified for the Czech Republic, Greece, Hungary, Italy, Madagascar, Niger and the United States.

Financial Fallout

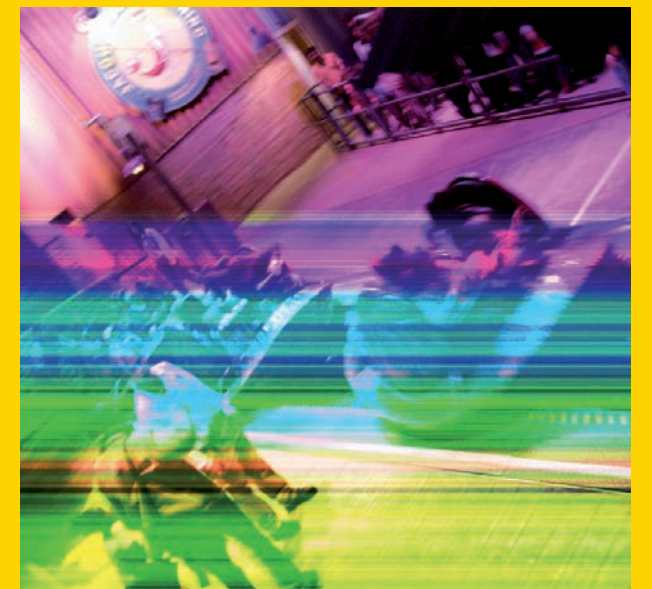
Notable among decliners are some of the countries most affected by a financial crisis precipitated by transparency and integrity deficits. Among those improving, the general absence of OECD states underlines the fact that all nations need to bolster

their good governance mechanisms.

TI's assessment of 36 industrialised countries party to the OECD anti-bribery convention, which forbids bribery of foreign officials, reveals that as many as 20 show little or no enforcement of the rules, sending the wrong signal about their commitment to curb corrupt practices. While corruption continues to plague fledgling states, hampering their efforts to build and strengthen institutions, protect human rights and improve livelihoods, corrupt international flows continue to be considerable.

«The results of this year's CPI show again that corruption is a global problem that must be addressed in global policy reforms. It is commendable that the Group of 20 in pursuing financial reform has made strong commitments to transparency and integrity ahead of their November summit in Seoul - said Labelle -. But the process of reform itself must be accelerated».

TI calls on the G20 to mandate greater government oversight and public transparency in all measures they take to reduce systemic risks and opportunities for corruption and fraud in the public as well as in the private sector. The message is clear: across the globe, transparency and accountability are critical to restoring trust and turning back the tide of corruption. Without them, global policy solutions to many global crises are at risk.



CORRUPTION, PLAYED BY THE NUMBERS

Corruption is a hidden tax that impoverishes the country economically, politically and culturally. It strikes the most vulnerable and leaves the guilty unpunished. The figures of an alarming situation along with a summary of possible remedies.

by Elena Ciccarello

On December 9, the European Day against Corruption, Italy will show a blushing face in the international spotlight. The country is overwhelmed by the recent legal scandals and still dogged by its poor results in Transparency International's rankings, 67th in the world and bringing up the rear in the old continent.

Corruption Vs Antimafia score: one to five

In Italy, corruption is the system, and not only in the words of outside observers. The Court of Auditors argues the same, the Italians believe it, and data proves it. The comparative reading of two figures is enough to get an idea: on one hand the € 18 billion representing the value of goods seized and confiscated from the mafia in the past two and a half years under Roberto Maroni, Minister of the Interior; on the other hand is the «hidden tax» of corruption that, according to statistics, costs citizens around 50/60 billion Euros each year. A ratio of 1 to 5: for every Euro intercepted, taken away from organised crime and returned to the State over the past two years, at least 5, on average, were stolen from the Italians and moved into the shadows as a result of corruption. Nevertheless, while the commitment against organised crime seems to have become the leitmotiv of every politician stepping onto the stage – at least in words – corruption stays shrouded in silence and substantial impunity. This tragic paradox blatantly disregards the 2003 UN Convention of Merida: the exchange of favors and bribes is the hallmark of criminal infiltration, «the pick that opens doors for criminal business to switch from illegal markets to the management of legal ones».

Who pays the check?

Corruption costs, and this cost is not fairly shared. The weakest layers of society are more widely affected, since where public expenditure is more distorted fewer resources are allocated for health care, education, research. Corruption needs money, stolen from, let's say, production and investment. In tainted markets, there is no guarantee of the quality of work and manufacturing costs are increasingly high.

In the end, the public coffers, through calls for bids for works, services and supplies, represent the most exposed sector, even in consideration of the amount of money moved: about 79.4 billion Euros (6% of GDP) in 2009 alone allocated through public tenders, exceeding 150 thousand Euro each (source: Bank of Italy). This remarkable market, run by a cumbersome bureaucracy, is a breeding ground for corruption and therefore, of criminal business. Efficiency and meritocracy are sacrificed in the name of private interest, for the benefit of businessmen unable to lubricate the mechanism with "fair" methods.

It is not just a matter of money. The cost of the wicked pact between the corrupt and the corruptors is not limited to economic losses. Our never ending *Bribeland* story (Tangentopoli, in the Italian neologism), although altered over the years, «not only digs craters in public accounts, but it also creates a dangerous deficit in democracy» writes Professor Alberto Vannucci of the University of Pisa. When the payment of bribes becomes common practice to obtain licenses and permits, and public resources are always sucked up in the same old lobbies, the very relationship of trust between citizens and institutions is sacrificed on the altar of scoundrels. What hope, what push forward can a country express, if its people are convinced that only robbery hides the key to success? A shared cost. Well, not really.

The corrupt usually do not pay – or seldom do – and remain largely unpunished. Few crimes are reported (although they are increasing, +229% in 2009 compared to the previous year), which makes the phenomenon a «shadow or fog that envelops and dominates the country's most vital and active fabric» as it was described by the President of the Court of Auditors, Tullio Lazzaro, during the last opening of the legal year. Illicit pacts are hidden at the will of the corrupted and corruptors, but they leave their mark. According to the experts, corruption is often preceded by crimes such as false accounting, which permits setting aside the needed amounts for later bribery, followed by laundering for placement of the illegal proceeds.

To find clues of corruption we should begin by focusing on financial and corporate crimes or cases of misfeasance. We should, but it is increasingly hard, because punishment of alarming offenses were mitigated in recent years, «by certain regulatory changes voted on

by any political force» writes the adviser to the Supreme Court, Piercamillo Davigo. This has led to an abrupt reduction in the number of cases. L'Espresso, the Italian weekly magazine, recently showed the obvious decrease in sentencing for corruption and related offenses in recent years, due to the launching of certain reforms. Particular reference is made to Law 61 of 2001, which reduced the punishment on false accounting, the Cirami law on reasonable suspicion of 2002, and the so-called ex-Cirielli law, which came into force in 2005, reducing the terms of statutes.

An example of the consequences: In 2001, 419 sentences for false accounting were issued. In 2008, there were only 69. Moreover, from a peak of over 1,700 judgments for corruption in 1996, we moved to 239 in 2006. A paradoxical case is found in Calabria, where the criminal records seemingly show that this region is virtually free from the phenomenon. The situation has raised international concern. The officers at the Council of Europe's Group of States against Corruption (GRECO) who authored the detailed 2008 report on our country, have expressed words of concern about "the troubling" percentage of corruption cases that fail in Italy, even when "solid evidence" is filed, because of time constraints, i.e. offence time-barring. «A serious flaw – they write – that clearly reduces the efficiency and credibility of criminal law as an essential tool in the fight against corruption».

A look at Europe

And yet, remedies do exist. Let's start with the reception of the guidelines set forth in the Strasbourg Convention on Corruption (1999), signed but never ratified by Italy. With the enforcement of the Convention, our code

would at last include certain offenses deemed essential at the international level, such as the trafficking of unlawful influences (corruption through favors and gifts instead of the classic bribe), corruption between individuals, and self-laundering.

Piercamillo Davigo, among other judges and experts, has long insisted on the need to correct the rules allowing the emergence of corruption, such as more severe penalties for "false accounting" decriminalized by the Berlusconi II government.

According to GRECO directions, adjustments would be needed to ensure the rule of law, again, changing the terms for time-barring. Finally, to break the rule of silence between the corrupted and corruptors, we could envisage «some sort of incentives for those who report» in the vision of Piero Grasso – the Anti-Mafia prosecutor – which would lead to the birth of the justice collaborator against corruption, treating the mafia and corruption equally under the law. Meanwhile, as the anti-corruption draft law stays in the Senate and the Government packs its bags, the GRECO guidelines for our country, set out in 2008 to "develop a national plan" against corruption to be submitted to the Council of Europe by January 31, 2011 remain unheard. It is hard to believe that the required regulatory action will be undertaken within the deadlines set. It is much more likely, however, that this will lead to the opening of an infringement procedure against Italy. So, due to the inertia of those who did not take timely action, the citizens will bear both the ordinary costs of corruption, and the risk of a fine from Europe. In short, insult is added to injury.

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ORGANISED CRIME AND CORRUPTION IN PUBLIC BODIES

by Center for the Study of Democracy

The following paper is a synthesis of the dossier “Examining the links between organised crime and corruption”, published in 2010 by CSD (Center for the Study of Democracy). We have decided to offer a focus on the links between organised crime and corruption in public bodies, a key element to understand the real impact of corruption in the everyday life of European citizens.

The present analysis aims to present an overview of how criminals use corruption as a tool to influence politicians and a country's government administration.

One of the possible ways to analyse corruption in public bodies is by examining and comparing their internal or national statistical information on public sector corruption.

Comparing judicial statistics across the EU offers little value, as penal codes across the EU differ considerably. In addition, national corruption prosecution statistics shed little light either on the extent of corruption in a country, or on its nature: generally they do not provide details about the particular public institution to which the conviction is related. These factors make it impossible to estimate whether the problem lies in the administration, or the government, customs, police, or other institutions. Neither do prosecution statistics indicate which cases are in some way related to organised or white-collar crime.

The scope and the level of complexity of corruption schemes targeting politicians, as well

as the damage inflicted on the state or society, are usually far greater than when targeting other public institutions. Political corruption is the most effective and powerful tool that criminals could use, as it also enables them to influence the bureaucracy, law-enforcement, and the judiciary. Politicians much more rarely associate with low-level criminals involved in activities related to illegal markets, such as drugs or prostitution, than, for example, police or customs officers. The higher the sophistication and complexity of the crimes and their seeming ‘cleanliness’, the higher the likelihood of association between criminals and politicians is. The range of corrupt relations starts from association with businessmen involved in excise tax fraud (smuggling of cigarettes, alcohol and oil), gambling and money laundering, and extends to connections with respected corporations involved in multi-million euro fraud schemes, rigged public procurement contracts, illegal party financing, etc.

The prevalent patterns of political/criminal links is determined both by the nature of organised

crime and by the nature of political culture and the political system in a Member State.

If and when criminals manage to extend their criminal activities from illegal into any legal markets, and acquire a respected public face, their ability to corrupt politicians increases. The “legitimate” face of a criminal provides him/her with the legitimacy to meet openly with public officials, to donate to their political campaigns, or use his/her economic clout to support political parties. Whenever one observes direct links of politicians and criminals involved in illegal markets, the latter also have acquired significant legitimate economic power, which allows them to also use corruption to commit more sophisticated ‘white collar’ crimes.

Generally, such direct links in EU-17 are observed only at the local level, while in some countries where ‘white-collar’ criminals have no involvement in illegal markets, there is no evidence of connection of politicians. On the other hand, in EU-10E, where many criminals started their careers during the chaotic period of privatisation fraud and cross-border smuggling of consumer or excisable goods in the 1990s, they managed to transform themselves into significant economic actors in a position to influence politics directly. Yet in recent decades their involvement in ‘white-collar’ crimes, such as EU funds fraud, public contract rigging, and real-estate fraud has allowed them to transform their relationship to politicians into a more socially acceptable form.

Furthermore, there is a well pronounced tendency in EU-10 for political instability and frequent change of governments. Unlike EU-17, the countries of the former Soviet bloc experienced a series of restructurings of their political parties and the electorates that support them. Due to the lack of a well-functioning system of financing of political parties, both old parties from the beginning of the transition and newly emerged parties have resorted to funds provided by “gray sector” and criminal businesses. Large and legitimate companies have no incentive to offer financial support unless they expect some special privileges in return. In countries where the banking systems were under a special regime (or where such a regime existed before but has now been cancelled) like Austria, Cyprus and Luxembourg, the state policy allows entrepreneurs who have been linked to white-collar crime, or even outright criminal businessmen, to use the financial system and invest in these countries.

Usually, politicians turn out to be the middlemen assisting foreign gray entrepreneurs (AU, PL, RO, BG).

Modes of association

Most interviewees in EU-17 described cases of political corruption as random and haphazard. In reality, however, while corruption networks could be activated whenever they are needed, bonds of trust are developed over much longer periods of time. For white-collar criminals, this usually involves a long-term investment. They would make donations to support someone’s campaign, or do favours without the expectation for an immediate or short-term return, but for benefits in or over a number of years. This is particularly true for white-collar criminals, whose public image is usually untarnished. They might demonstrate ‘socially responsible’ behaviour and establish a positive image in the local community, and make their relationship with politicians seem perfectly legitimate. The common types of corrupt relations could be discerned as sporadic and symbiotic. Sporadic relationships could be used by businessmen or criminals so that they can operate undetected, or to win a public tender. Corrupt exchanges based on such relations take place via intermediaries, who provide the ‘trust’ needed for a corrupt deal.

At the local level, businessmen might take advantage of public procurement contracts; local criminal figures might ‘activate’ a corrupt network to get political protection from prosecution; at the national level white-collar criminal might use political connections to obtain protection from investigation/access to contracts.

Such ad hoc relations at the national level are less frequently to be observed with professional criminals, especially in big countries.

Symbiotic relations are long-term relations that can be observed when protection is provided to cover up continuous criminal activities, or

when white-collar criminals ‘live off’ fraudulent public tenders. At the national level, this almost exclusively refers to white-collar criminals, with some notable differences and exceptions. At the local level, symbiotic relations seem to be much more common in many countries of the EU. They are particularly common in border regions, tourist regions, or other areas where the local mafia has a stronghold. Similarly, criminals often invest their illegitimate proceeds in legitimate businesses that have disproportionate influence on local economies.

Direct participation

When individuals with criminal past or presently involved in criminal activities enter into politics, then one can speak of corruption of the political process. Direct participation of criminals in politics is uncommon, and is rarely their preferred method of exerting influence. On the one hand, direct electoral participation inevitably would put them in the limelight. On the other hand, though, it could provide them with legitimacy, ability to influence the criminal justice process and the redistribution of economic resources. At the national level, there are three more common examples: members of parliament, executive branch and local level.

Modes of corruption

There are a number of ways to establish the above dependencies:

Direct – bribes and favours are probably the most obvious ways. At the highest level, direct bribes were mostly dismissed, especially by EU-17 respondents. Exchanges of favours or trading in influence were deemed as much more common. The practice of ‘pantouflage’ in France is common, whereby after their term expires, officials

responsible for public tenders would receive a job at a company for which a contract has been secured.

Elite networks. They exist throughout the EU. They may be built on different principles: family ties, classmates, club members, etc. Various forms of mediated corruption take place through these networks. Entrepreneurs can win a public tender, or legislation favouring their business may be passed, just because they belong to the right social network. The ‘favour’ may be returned after a long time. The most precious capital in this type of social networks is trust. In smaller countries, networks tend to have a smaller number of members and fewer power centres.

The political investor is probably the most common long term support for political parties, and if needed through illegal political donations are most common.

The vote provider: in areas where organised crime or white-collar criminals have influence over a significant number of voters, or could influence voters as employers, this type of ‘corrupt exchange’ is used.

Insistent lobbying is another common form it takes. PR companies support the interests of certain politicians.

Threatening/blackmailing politicians has also been observed, particularly at the local level. Some cases were reported, where local politicians are offered a prostitute or a large bribe. Following this the criminals collect evidence of the misbehaviour of the politician, and use it for blackmail him/her. A similar tactic is used for other public officials.

Factors for political corruption

The factors that influence political corruption, and should be accounted for in any analysis of its scale and causes, are complex and not sufficiently researched across the EU. In individual countries there could be specific local circumstances that are conducive to corrupt practices, but generally the interviews and the case studies have outlined the following:

Cultural factors/public perceptions: public perception that corruption is “normal” plays a major role, especially on the local level. The re-election of leaders who are under investigation is probably the most notable example, although at the local level similar cases have been observed elsewhere as well. Patron-client systems: in these, an exchange system of favours and patronage is considered common and acceptable. The lack of distance between politicians and businessmen is normal. Political parties are expected to have ‘circles’ of companies that fund their political campaigns, and receive reciprocal favours once the politicians are elected.

A history and prevalence of secret societies: one factor that facilitates corruption that some interviewees mentioned, as well as shown in the case studies, is the existence of ‘secret’ societies, like Masonic lodges. These societies provide an opportunity for politicians to meet in private with businessmen or criminal entrepreneurs. In some countries, elite private clubs with restricted memberships play a similar role.

Class differentiation: the formation of elites in EU-17 is a process that has gone on for hundreds of years, starting from elite schools, universities, and neighbourhoods. These elites create networks of political, economic, and judicial that facilitate above all white-collar.

Public perceptions: organised crime figures may be perceived as cultural heroes or “men of honour”. Criminals, particularly white-collar ones, may

manage to build a public image that manipulates public opinion.

High-level corruption: as corruption spreads from the elite downwards to other social groups, impunity seems to increase its multiplying effect. This process causes increasing familiarisation with and tolerance for unorthodox practices, even among those who benefit very little from their own corrupt practices.

Local vs. national level: local politicians and administrators, as explained above, are more vulnerable. These actors are geographically closer to organised criminal groups; they operate in the same social environment and therefore are subject to the pressures that such groups exert.

Political cycles and corruption: one feature that is revealed when analysing corruption-related scandals in member states for which case studies were carried out is that in recent decades many governments have won elections run on anti-corruption platforms. In France (1995), Greece (2004), and Bulgaria (2009) changes of government were accompanied by a number of revelations of past corrupt practices.

Linking administrative and political corruption: in EU-10E, there is a fusion of bureaucratic and political corruption. For many interviewees administrative corruption is simply an aspect or outgrowth of political corruption. The politicization of the public administration could be considered as an indicator of political corruption. In most EU-10E countries, and in Greece, the government bureaucracy is politically dependent.

Anti-corruption measures

Political anti-corruption measures are broader than specific institutional ones, such as in the police, because they must include all political parties, local and national government, or legislative branches. The following measures were particularly quoted as relevant to white-collar and organised-crime related corruption:

Local council dissolution: this is a rather extreme measure to fight local level political corruption, but has proven the only effective tool to reverse ‘state capture’ at the local level where democratic principles and the fairness of electoral process have been subverted.

Commission against ‘pantouflage’: in France one of the solutions that have been promoted to counter the ‘pantouflage’ phenomenon was the establishment of a special commission that vets former public officials looking to enter the private sector.

Laws on the regulation of political parties and political party financing. These laws function differently across the EU.

Specialised bodies for political corruption investigations: some Member States have established specialized bodies aimed at investigating political corruption. The most challenging task in establishing them has been to ensure independence from political pressures. It would be premature to judge these bodies’ effectiveness, as they have been established in the past few years.

Reporting on the assets of public officials: this is probably one measure common to all member states. However, it is largely inefficient as offshore havens and various legal tricks make it irrelevant.

Laws on civil servants: these prevent dismissals of bureaucrats for political purposes.

Special thanks to Prof. Vincenzo Ruggiero



Founded in 1989, the Center for the Study of Democracy (CSD) is an interdisciplinary public policy institute dedicated to the values of democracy and market economy. CSD is a non-partisan, independent organization fostering the reform process in Bulgaria through impact on policy and civil society.

CORRUPTION AROUND THE GLOBE

by FLARE editorial staff

Corruption is a global and transnational phenomenon. In order to show its real dimensions, we have selected six cases of corruption that have affected several countries and companies in the last months.

Spain faces biggest corruption trial ever

Ninety-five people are accused of running glitzy Marbella on a cash-for-votes system that amassed € 670 millions in bribes.

One of the largest corruption scandal trials Spain starts today in the fashionable resort of Marbella, in the south of the country, 95 people are involved with heavy accusation, including two former mayors, 15 town councillors and a German aristocrat. All those people are packed into the dock of the courthouse, accused of involvement in a crime syndicate network of graft that left the town carpeted in concrete. Cash-for-votes system operated was simple and profitable, defendants allegedly had meeting

in Marbella town hall and took € 670m (£ 569m) in bribes, and from municipal funds, over three years.

One of the major characters of this legal drama is Juan Antonio Roca, the alleged “Mr Big”.

Also known as JR, after the millionaire oilman JR Ewing from TV show Dallas, Roca ran Marbella from his private offices for more than a decade. He was right-hand man of the late former mayor Jesús Gil, who many blame for a culture of corruption, was banned from public office and faced numerous court cases at the time of his death.

Prosecutors claim he took a one-third cut of bribes he handled. Building developers handed him more than € 30m over two years, according

to court documents. Now he faces fines of some € 800m and 35 years in prison sentences.

«Roca partially financed his business dealings with money obtained from businessmen on trial in this case and given in exchange for favourable town hall decisions, mainly in the planning area» state prosecutors said. The two other main protagonists are the former mayors; Julián Muñoz and Marisol Yagüe are among those said to have been on Roca's payroll, which extended across parties and covered more than half of the town's councillors. The first one, a former waiter, allegedly made € 3.5m in his years as a councillor. Marisol Yagüe is described by investigators as a "puppet" in his hands. She allegedly tried to pay a builder out of town hall funds for working on her house. Prosecutors say she took € 1.8m in bribes. The last big character of this legal drama is called Isabel García Marcos. One-time socialist councillor and ferocious critic of corruption in Marbella, he became soon one of Roca's favourite councillors. «I do not sign a piece of paper, or even read one, if I do not get money» she was caught saying on one phone tap recording. Police found € 378,000 in € 500 banknotes at her home. After spending six months in jail on remand she has since gone back to her former job as a health inspector.

All these people were allegedly paid for each vote where they approved planning permits or contracts to run municipal services. Planning laws, as a consequence, were widely flouted and the once-charming Mediterranean beach resort was carpeted with concrete.

There are much more city hall staff involved in this huge scandal, like the municipal police chief Rafael del Pozo and town hall secretary Leopoldo Barrantes among the accused. Evidence probes more details of regular pay-outs to councillors in multiples of € 6,000, according to court documents. Envelopes full of cash were allegedly handed out holding up to € 84,000.

The Marbella case has spawned dozens of other investigations into corruption on the Costa del Sol. Isabel Pantoja, one of Spain's most famous singers and former girlfriend of Muñoz, is being investigated in one of 30 separate cases spun off from the main case.

Among those in the dock today were the German aristocrat Alexandra Grafín von Bismark, on money-laundering charges, and José María González, former chair of first division football club Sevilla. Many defendants are accused of helping Roca handle the money. A network of 70 companies was said to have been created to launder it through farms, hotels and real estate, with Roca buying three Madrid palaces which he converted into hotels.

From this drama, one name appears most frequently on prosecutors: Roca. «He is a man with total control over the town hall, the councillors are subordinate to him. He is the person who all developers go to in order to see their wishes satisfied» the local magistrate Miguel Ángel Torres said during the preparatory investigation. «Over 15 years he has gone from being on the dole to amassing tens of millions of euro».

The magistrate Francisco Javier de Urquía was found guilty in 2008 of taking money from Roca in exchange for a court order banning the airing of a TV programme that revealed the extent of his wealth.

After the arrests of Roca and others in 2006, administrators were appointed to run the town hall. They found it staffed by friends and relatives of former councillors. They discovered nearly 18,000 homes that had been built without proper planning permission. Permits have since been given to most though 500 might be bulldozed. The trial is expected to last a year.



Financial scandal involve former Dubai Islamic Bank executives

A Dubai court restarted a financial fraud trial against two former executives of Dubai Islamic Bank (DIB). They have been charged by government officials, which are making a stricter punishment more likely. Dubai Islamic Bank, in which the Dubai government owns a 30 percent stake, of 1.8 billion dirhams (\$496.5 million), was defrauded by five suspects who are accused.

It was not clear why they were charged previously as private sector workers.

The United Arab Emirates penal code undertake more severe punishment for government employees and UAE law treats all workers in state-related entities as public sector employees.

The new law came a little over a month after Dubai World, the emirate's largest conglomerate, shocked global markets when it asked creditors for a payment standstill on no less than \$ 26 billion of debt.

Dubai, the Gulf's tourism and most famous trading hub, launched an anti-corruption campaign in 2008 that resulted in the arrest of several high-profile business figures, including government ministers.

According to that since its debt crisis, in the same year, Dubai, one of the UAE's seven emirates, has been doing forensic audits at state-linked firms.

The two men, Pakistani citizens, were arrested in 2008 and first appeared before a Dubai criminal court in March this year. But prosecutors refilled the case against the two defendants after the court asked them to do so in August, charging them as government officials.

Dubai police has not been able to arrest two of the other suspects, a U.S. and a Turkish citizen, who ran away from the country. Prosecutors say the seven suspects defrauded DIB by submitting «documents and invoices about fraudulent deals».

The case also involves three British businessmen who are being detained in Dubai and are facing trial. Last December, Dubai adopted a new law under which the state can impose prison terms of up to 20 years for financial crimes.



India fall into corruption scandal after Commonwealth Games

As the Indian domestic economy is growing, corruption too is increasing and much of it has effect with the Commonwealth Games (CWG), which made headlines for all the wrong reasons. As a result, India has left three places in global rankings of most corrupt countries, from 84 in 2009 to 87 this year. The rankings of 178 countries brought out by Transparency International reflect how corrupt India's public sector is perceived to be.

Besides slipping on the overall corruption index, the country's integrity score, where 10 is the lowest level of corruption perceived and 0 the highest, scored from 3.4 last year to 3.3 in 2010. The Commonwealth Games took much of the fault for India's poor show. The games damaged the country's image on the international panorama with allegations of large-scale corruption emerging out of the closet; from building material to furnishings and constructions to overlays, the corruption was everywhere, forcing Prime Minister Manmohan Singh to appoint a panel to probe allegations of financial scandal.

Suresh Kalmadi, Games organising committee chairman, and his team emerged as the most suspects. But there were also demands that the role played by the Delhi government, the Union urban development ministry and other government departments associated with CWG projects be probed.

Investigating agencies like the Central Bureau of Investigation, Central Vigilance Commission, Enforcement Directorate, Comptroller and Auditor General and the Income Tax (I- T) department swooped down on the suspects and people like BJP member Sudhanshu Mittal came under the By Kavita Chowdhury in New Delhi scanner. However this big scandal is still far away to the end, and much more skeletons

must be tumbling out of the closet.

«India has gone down in ranking as well as integrity score and this is a matter of concern and regret. It appears that the level of governance has not improved despite India having a skilled set of administrators» Transparency International India chairman P.S. Bawa said.

«It shows how most ministries in some way or the other are guilty of corruption. The blame game is on now but that's what happens in all cases. The guilty are never punished and no responsibility is fixed. Even the institutional mechanisms that exist to check corruption are highly politicised. And that is why there

has been no abatement but rather a rise in corruption» political scientist Zoya Hasan said. Anupama Jha of Transparency International India said: «Apart from the Commonwealth Games, India is replete with instances of bureaucratic corruption».

«RTI activists are routinely killed. The CVC issued a guideline in 2007 asking PSUs to adopt the Integrity Pact which was developed by Transparency International as a tool to check corruption in tendering. This was adopted by 39 PSUs, but did they actually implement it?». Some of the parameters on which India was ranked include the government's capacity to punish the corrupt, transparency and accountability.





UK top banks alleged aid Nigerian leaders in corruption and money laundering

Top banks in the United Kingdom could have helped fuel corruption in Nigeria by accepting millions of dollars in deposits from dubious politicians in the West African nation, the international corruption agency Global Witness said. A report released by the watchdog said that five leading banks, including Barclays, NatWest, Royal Bank of Scotland (RBS) and HSBC, as well as Swiss UBS, have not been enough accurate on investigating the source of millions of dollars.

Those alleged banks might take money from two Nigerian governors accused of corruption scandals. Global Witness acknowledged, also, that in accepting the money, those top banks might not have broken the law, but noted that the Financial Services Authority (FSA) must do more to prevent money laundering through British banks.

«The FSA needs to do much more to prevent banks from facilitating corruption. As yet, no British bank has been publicly fined or even named by the regulators for taking corrupt funds, whether willingly or through negligence» Global Witness said in their report.

«Banks are quick to penalise ordinary customers for minor infractions but seem to be less concerned about dirty money passing through their accounts - Robert Palmer, a campaigner at Global Witness, wrote on the group's website - Large scale corruption is simply not possible without a bank willing to process payments from dodgy sources, or hold accounts for corrupt politicians».

One of the biggest banks involved in the scandal, HSBC, refused the allegations in the International Thief Thief report, saying that it had taken the lead in tackling holes in the financial system, particularly regarding funds from "politically exposed persons" (PEPs) deemed to pose a higher money laundering risk.

«As a bank that has been at the very forefront

of developing global PEP guidance over the last decade, we are deeply disappointed with these misguided allegations - a spokesman for HSBC told the Reuters news agency - Rest assured, rigorous and robust compliance procedures were followed diligently. To ignore this is to ignore the facts».

Global Witness said its findings were based on court documents from cases the Nigerian government has brought in London in an attempt to get funds returned that it said were stolen by two former state governors: Diepreye Alamieyeseigha of Bayelsa state and Joshua Dariye of Plateau state.

Alamieyeseigha was accused of corruption after he was caught with about \$ 1.6m in cash at his London home. He was briefly jailed in Nigeria after pleading guilty to embezzlement and money laundering charges two years later.

Dariye was arrested in 2004 in London and was found to have purchased properties worth millions of dollars even though his legitimate

earnings amounted to the equivalent of \$ 63,500 a year. He returned to Nigeria, where the anti-corruption agency accused him of looting public funds. Dariye has denied any wrongdoing; furthermore the report did not provide any evidence that the funds accepted by the banks were the direct proceeds of any crime.

Nigeria is Africa's most populous nation and it is regularly ranked one of the most corrupt countries in the world. It ranked 130th out of 180 nations in Transparency International's list of countries perceived as most transparent in 2009.

Most of its 150 million people survive on \$ 2 a day or less, yet the country is one of the world's top champagne importers and its wealthiest residents are among the richest. «Without access to the international financial system, it would be much harder for corrupt politicians from the developing world to loot their treasuries or accept bribes» Global Witness said in its report.



Puerto Rico police swept up in US corruption probe

Hundreds of FBI agents, in pre-dawn raids, moved into Puerto Rico to round up dozens of police officers accused of aiding drug traffickers. It was one of the darkest days yet for a force sullied by recent allegations of brutality, discrimination and incompetence.

About 1,000 federal agents dragged in about 130 people, including nearly 90 law enforcement officers accused of providing security to drug dealers on a U.S. territory where police are struggling to curb spiralling crime and rampant drug smuggling.

U.S. Attorney General Eric Holder said it was the largest police corruption investigation in the FBI's history. «We will not allow the corrupt actions of a few to destroy the good work of so many - Holder said at a news conference in Washington - The people of Puerto Rico deserve better». FBI haul involved as well dozens of prison guards, including two soldiers in the U.S. Army and three National Guard soldiers and civilians. Those people, according to the indictments, alleged law enforcement officers, provided security for drug deals in exchange for payments ranging from \$ 500 to \$ 4,500.

Federal agents conducted a huge investigation which involved more than 125 undercover drug transactions between July 2008 and September 2010, which formed the basis of the indictment.

77 police officers, in total, from state and municipal precincts across the island were indicted, including a member of the governor's motor pool, said Luis Fraticelli, special agent in charge of FBI operations in Puerto Rico. He said another officer admitted to an undercover officer that he had killed a man.

«Honour was sold for drug money» U.S. Attorney Rosa Emilia Rodriguez said. She also added that the defendants did not appear to collaborate as part of a single conspiracy. Rather, Rodriguez said, several groups of corrupt officers came to work for traffickers separately.

Holder said the arrests were certain to disrupt the flow of drugs through Puerto Rico, a Caribbean island that traffickers use as a starting point for South American cocaine and heroin trafficking destined for the profitable U.S. market.

Those arrests shocked the island as the governor and other local officials involved in the scandal to denounce the alleged corruption. Officers have been charged with crimes in the past, including providing security to drug traffickers, but nothing on this scale.

Wilson Maldonado, a retired police officer tending to some personal business at police headquarters in San Juan, said he was disgusted by the arrests, which he attributed in part to a lack of supervision. «This is a sad



and deplorable moment for the department» Maldonado said. Carlos Cotto, a police officer who works alongside federal agents as part of a special task force, said: «Here, they forgive agents for a lot of things. It is about who you know».

Cotto added that the department needs to provide more training and rarely punishes officers for incidents that should lead to dismissals. The civil rights division of the U.S. Justice Department is pursuing its own investigation into an alleged pattern of abuses including use of excessive force, unconstitutional searches and discriminatory policing. That investigation could lead to the federal government taking a role in reforming Puerto Rico's police.

Shell bribes among ‘culture of corruption,’ Panalpina admits

Panalpina, Shell and five oil services companies agreed to pay \$ 236.5 million to settle probes by the U.S. Justice Department and Securities and Exchange Commission.

Panalpina, which admitted to bribing government officials in seven nations, will pay \$81.5 million, and Shell will pay \$48.1 million. Prosecutors agreed to defer prosecution of five companies, including Panalpina and Shell. Panalpina said it paid at least \$49 million in bribes to government officials in Angola, Azerbaijan, Brazil, Kazakhstan, Nigeria, Russia and Turkmenistan. The bribes from 2002 to 2007 let its clients avoid the customs process, pass off phony documents or smuggle contraband including medicines and explosives, Panalpina said.

“Prior to 2007 a culture of corruption within Panalpina emanated from senior level management in Switzerland who tolerated bribery as business as usual,” the company said in a 34-page statement filed in federal court in Houston. “Dozens of employees throughout the Panalpina organization were involved in various schemes to pay bribes to foreign officials.”

The company said Shell’s Nigerian employees “specifically requested Panalpina Nigeria to provide false invoices with line items to mask the nature of the bribes.” Shell wanted to “hide the nature of the payments to avoid suspicion if anyone audited the invoices,” Panalpina said.

Panalpina, based in Basel, Switzerland, dropped 4.1 percent to 123.2 francs (\$128.63) yesterday, ending an eight-day rise.

Shell Bribes

Shell separately admitted paying \$2 million to Nigerian subcontractors on its deepwater Bonga Project. Shell knew some money would go as bribes to Nigerian officials to circumvent the customs process and give the company “an improper advantage,” according to its admission in federal court in Houston.

Prosecutors charged Shell’s Nigerian subsidiary with conspiring to violate the anti-bribery and books and records provisions of the FCPA. The Justice Department will defer prosecution for three years as long as the company makes required reforms.

The SEC said Shell, based in The Hague, reaped about \$14 million in profit as a result of the payments related to the Bonga Project.

Panalpina helped oil and gas industry customers move rigs, ships, workboats and other equipment in Nigeria. Its workers there had 160 different terms for bribes, like “evacuations” and “export formalities,” while its Kazakh workers called them “sunshine” and “black cash,” Panalpina said.



Throughout Government

The bribes in Nigeria were spread throughout the government for specific transactions, while some were weekly or monthly allowances to ensure “officials would provide preferential treatment to Panalpina and its customers,” the company said.

Knowledge of the bribes reached the directors, where a former chairman “actively resisted” an outside auditor’s proposal in 2001 to adopt a code of ethics with an anti-bribery provision, according to the statement.

The criminal probe of Panalpina, which had 15,000 workers in 80 countries, began in 2006, and the company’s cooperation after 2007 was “exemplary,” according to a Justice Department filing yesterday.

“Panalpina acknowledged and accepted responsibility for misconduct, investigated and identified the nature and extent of the misconduct,” and undertook a global remediation program, said a court filing by Panalpina and prosecutors.

The company replaced most of its top leaders, as well as U.S. managers implicated in improper conduct, ended its Nigerian business in 2007, and changed its operations in high-risk countries, according to the filing.

“The settlement of these claims marks the closing of an extremely burdensome chapter in Panalpina’s history and the end of a very demanding three-year effort to address and eliminate serious concerns,” Chief Executive Officer Monika Ribar said in a statement yesterday.

Prosecutors filed a two-count criminal charge accusing Panalpina World Transport of conspiracy to violate the Foreign Corrupt Practices Act and a violation of the law’s anti-bribery provisions. Panalpina U.S. will plead guilty to conspiracy to falsify books and records and to aiding and abetting those violations of the FCPA. The company also settled a lawsuit with the SEC.

Bribed Shipments

TESTO: In Nigeria, the company established Pancourier Inc., which used distinctive packaging to alert Nigerian customs officials to bribed shipments. As a result of bribes, the unit’s shipments sailed through customs without required paperwork or a pre-inspection process that “could take weeks to complete” according to the SEC.

Bribes were paid to sidestep Angolan immigration laws, the SEC said. Angolan

officials were bribed to fake employees’ exit and entrance documents, overlook visa inspections, and avoid deporting employees who overstayed visas, the agency said. One scheme involved bribing Angolan military officers so customers could “use military cargo aircraft to transport their commercial goods,” according to the SEC.

The other companies that settled with the U.S. were Transocean Ltd., Tidewater Marine International Inc., Pride International Inc., GlobalSantaFe Corp. and Noble Corp. GlobalSantaFe merged with Transocean in 2007. Transocean is the world’s largest offshore drilling contractor. Tidewater is the world’s largest offshore energy support-services company.

Pride International will pay \$56.1 million; Transocean will pay \$20.6 million; Tidewater will pay \$15.7 million; Noble will pay \$8.1 million; and GlobalSantaFe will pay \$5.9 million, authorities said.

The cases are SEC v. Noble Corp., 10-cv-4336; SEC v. Panalpina Inc., 10-cv-4334; SEC v. Pride International, 10-cv-4335, U.S. District Court, Southern District of Texas (Houston); and SEC v. Transocean Inc., 10-cv-1891, U.S. District Court for the District of Columbia (Washington).

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EUROPEAN UNION: THE ADOPTION OF CONFISCATION AS A MEAN TO COUNTER ORGANISED CRIME

by Enrico Incisa

Confiscation as a tool in the fight against organised crime had been at first conceived within the EU boundaries as a useful measure in the struggle against drug trafficking. Once realised the great offensive potential against criminal wealth it was quickly extended to non drug related crimes, especially to criminal proceeds. Contemporary criminal organisations are indeed nothing but illegal enterprises whose goal is the multiplication of capitals: so what better threat to their profits than a legal instrument consisting in a juridical order resulting in the final deprivation of property? Confiscation of criminal proceeds has a twofold value: it reduces the risks of financial destabilisation and corruption and works as a deterrent to crime by making it no longer remunerative.

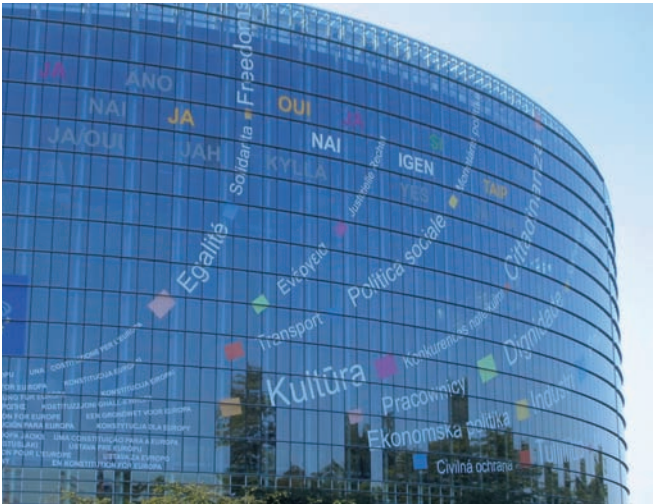
Beyond being a sanction, the confiscation of criminal assets is also a preventive tool of organised crime by making known that criminals will not be allowed to enjoy their illicit wealth. For over a decade the EU has been considering the fostering and implementation of confiscation as a staple in the struggle against organised crime. The EU Action Plan¹ to combat organised crime of April 1997 states: «The European Council stresses the importance for each Member State of having well developed and wide ranging legislation in the field of confiscation of the proceeds from crime». Three years later the so called Millennium Strategy² confirmed this bias by stating as fundamental «that concrete steps are taken to trace, freeze, seize and confiscate the proceeds of crime». After those first declarations, concrete steps

have been made to introduce the confiscation of criminal assets at European level. The 1998 Joint Action³ and its modifications borne by the 2001 Framework Decision on Money Laundering, the Identification, Tracing, Freezing, Seizing and Confiscation of the Instruments of and the Proceeds from Crime⁴ urges the Member States to withdraw possible reservations to the Strasbourg Convention⁵. Furthermore, member states are compelled to introduce value confiscation and to enable confiscation of proceeds from offences that have a maximum penalty of at least one year of imprisonment. It also requires member states to ensure that all requests from other member states relating to assets identification, tracing, freezing and confiscation, are processed with the same priority as is given to such measures in purely domestic proceedings.

The 2003 Framework Decision on Mutual Recognition of Orders Freezing Property or evidence⁶ extends the mutual recognition to pre-trial orders accelerating the execution of freezing orders between member states when the order is issued for securing evidences or in the anticipation of a subsequent confiscation. The **2005 Council Framework Decision on Confiscation of Crime- Related Proceeds, Instrumentalities and Property**⁷ member states should ensure that the appropriate measures are taken to allow a Court to order the confiscation of assets of a person convicted of criminal offences where the assets in question are derived from criminal activity including the proceeds coming from the offence itself . When the offence is committed within a framework of a criminal organisation member states should at least take the necessary measures to enable confiscation along one of this three options:

- 1. When the Court is “fully convinced” that the assets belonging to the convicted person were derived from criminal activity over a period of time prior to conviction which the Court considers reasonable
- 2. Member states should provide for confiscation of the convicted person assets where the Court is fully convinced that these were derived from “similar” criminal activity to the one for which the person has been convicted
- 3. Member states should provide for confiscation where it is established that the value of the convicted person assets is disproportionate to his lawful incomes and the Court is fully convinced that is due to that person criminal activity.

The idea behind this development is that organised criminals are unlikely to be engaged in criminal activities on a one-off basis, so that it is presumed that gains acquired in a given period (normally five or six years) before conviction derive from crime and are confiscated unless the defendant can prove their licit origin. The 2006 Council Decision on the Application of the Principle of Mutual Recognition to Confiscation Orders⁸ applies the principle of mutual



recognition to confiscation orders and is intended to strengthen cooperation between the member states by enabling judicial decisions to be executed immediately obviating the need for the decision to be reviewed by the requested State. The 2007 Council Decision concerning cooperation between Asset Recovery Offices (AROs) of the Member States in the Field of Tracing and Identification of Proceeds from, or other Property related to Crime⁹ obliges member states to designate at least one national Asset Recovery Office and to ensure effective and simplified cooperation among the AROs. The AROs are to share best practices, fostering the improvement of the confiscation procedure all over Europe. Whether the ARO is established as administrative, law enforcement or judicial body is up to the discretion of the member states. Until today, not all Member States of the European Union have established Asset Recovery Offices and those that exist are equipped with varying powers, structures and practices. As has been displayed above, the main legal instruments used by the European Union are framework decisions, which are to be adopted unanimously by the member states and which are used to approximate the laws and regulations of the nations. Framework Decisions are binding on the member states as to the result to be achieved, however, they leave the choice of form and method to the national authorities. This instrument has been chosen, as member states have been reluctant in the past to transfer competence concerning criminal law and criminal justice to the European Union. The negative consequence of a framework decision is that substantial differences in national systems remain and that some member states might only do the absolute minimum in order to comply with the European framework thus affecting the efficiency of Europe as a wholesome entity sided against organised crime. Since the Council and Commission Action Plan of June 2005 implementing the Hague Programme on strengthening freedom, security and justice in the European Union¹⁰ was released the return of confiscated assets as compensation to identifiable

- 1 1997 Council Action Plan, Political Guideline No. 11
- 2 Council Strategy on the Prevention and Control of Organised Crime: a Strategy for the Beginning of the New Millennium (EU), 3 May 2000, O.J. (C 124)
- 3 Council Joint Action on the Creation of a European Judicial Network (EU), 29 June 1998, (98/428/JHA)
- 4 Council Framework Decision on Confiscation of Crime- Related Proceeds, Instrumentalities and Property (EU), 26 June 2001, (2001/500/JHA)
- 5 1990 Council of Europe (CoE) Convention on Laundering, Search, Seizure and Confiscation of Proceeds from Crime: State parties are obliged to introduce systems of value confiscation, meaning the confiscation a sum of money corresponding to the value of the criminal gain: that instead of confiscating the specific assets derived from crime, States are required to merely confiscate a sum of money equal to the value of these assets, thereby facilitating the process. Where the confiscation of money is not feasible the claim may be realized on any property available.
- 6 Council Framework Decision on Mutual Recognition of Orders Freezing Property or Evidence (EU), 22 July 2003, (2003/577/JHA)
- 7 Council Framework Decision on Confiscation of Crime- Related Proceeds, Instrumentalities and Property (EU), 24 February 2005, (2005/212/JHA)
- 8 Council Framework Decision on the application of the principle of mutual recognition to confiscation orders (EU), 6 October 2006, (2006/783/JHA)
- 9 Council Framework Decision concerning Cooperation between Asset Recovery Offices of the Member States in the Field of Tracing and Identification of Proceeds from, or other Property related to, Crime, 6 December 2007, (2007/845/JHA)
- 10 Council and Commission Action Plan implementing the Hague Programme on strengthening freedom, security and justice in the European Union (2005/C 198/01)

victims or for public benefit purposes has been stressed as a priority. The same priority has been confirmed by the Stockholm Programme and will probably be enforced within next year. If those displayed above were very important steps towards the adoption of a consistent European confiscation regime the latter could be considered as a long stride in the direction

of a more aware European contrast against organised crime. The return of confiscated assets as compensation to identifiable victims or for public benefit purposes is an extraordinary tool to build consensus and to involve the citizenship in a process that otherwise would be undertaken only by law enforcement agencies and judges.

Transparency International, the global civil society organisation leading the fight against corruption, brings people together in a powerful worldwide coalition to end the devastating impact of corruption on men, women and children around the world. Since its founding in 1993, TI has played a lead role in improving the lives of millions around the world by building momentum for the anti-corruption movement.



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