

Economic crime and corruption in South-eastern Europe

What risks and opportunities should we focus on in the future?

Alexander.seger@coe.int
Economic Crime Division
DGHL, Council of Europe
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1 Organised crime as economic crime

Organised/economic criminal activities in south-eastern Europe:

- Fraud, smuggling, tax and customs evasion
- Trafficking in drugs
- Trafficking in human beings
- Smuggling of persons
- Money laundering
- Corruption
- Cybercrime

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2 Trafficking in human beings and exploitation of children

Progress in terms of policies, legislation and enforcement in South-eastern Europe against THB

Need more action on prevention and protection of victims + specific focus on children

Opportunities:

- **Can build on progress made and cooperation by countries**
- **CoE Convention 197 on THB ratified by Albania, BiH, Croatia, signed by Montenegro, Serbia, FYR Macedonia, not signed/ratified by Turkey**
- **Future monitoring mechanism**
- **CoE Convention 201 on Protection of Children against Sexual Exploitation and Abuse**
- **CoE Convention 185 on Cybercrime (article 9 on child pornography)**

= Need to support this process through cooperation programmes

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3 Corruption and democracy

- **TI index: Improvements in all countries of South-eastern Europe but still below most other European countries**
- **TI GCB 2007: Albania, „the former Yugoslav Republic of Macedonia“, Kosovo among countries/areas most affected by bribe paying**
- **Perception of political parties as among most corrupted institutions**
- **World Executive Opinion surveys (WEF): SEE among countries with highest level of dissatisfaction re corporate illegal corruption, corporate legal corruption, corporate ethics, public sector ethics and in particular judicial/legal integrity and effectiveness**
- **Impact of political corruption on democracy?**

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3 Corruption and democracy: the issue

Political corruption as the misuse of an entrusted position in exchange for an undue political or other advantage in violation of democratic principles or processes

Critical issues:

- 1 Political finances
- 2 Conflicts of interest, patronage and revolving doors
- 3 Lobbying
- 4 Influence on the justice system



Corruption of democratic principles and processes

- Political equality
- Political competition and elections
- Accountability
- Transparency
- Rule of law
- Separation of powers
- Government for public interest

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3 Corruption and democracy: opportunities

Opportunities:

Anti-corruption measures as a contribution to democracy

Anti-corruption measures can reinforce

- the rule of law
- transparency and accountability
- political equality
- pluralism of interest
- political competition
- government for public interest
- public confidence and participation in democracy

TO DO: enhance transparency and accountability

- Enforce rules on political finances
- Criminalise bribery of elected reps
- Limit immunities
- Regulate conflicts of interest and codes of conduct for elected representatives
- Regulate lobbying
- Facilitate media scrutiny
- Ensure independence of justice
- De-politicise anti-corruption measures (long-term strategies and independent anti-corruption services)

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3 Corruption and democracy: opportunities

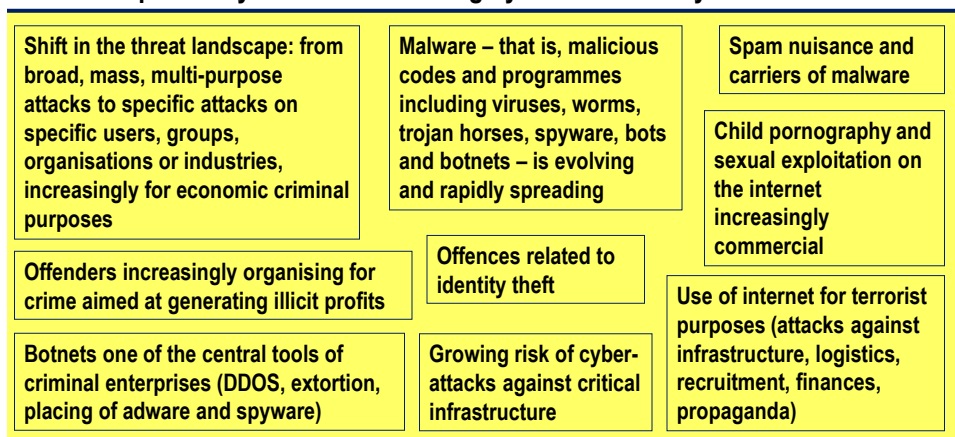
Opportunities in South-eastern Europe

- Key international treaties ratified
 - Full participation in GRECO (3rd round focusing on funding of political parties)
 - Countries cooperative
 - Regulations on political finances and conflicts of interest
 - Anti-corruption strategies adopted
 - CoE: follow up to standards through monitoring and technical cooperation
- = Need to provide further support to ensure momentum

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4 Cybercrime: current challenges

Dependency of societies on information and communication technologies.
This dependency makes societies highly vulnerable to cybercrimes



But: Vast majority of people use ICT for legitimate purposes
Need to balance security and civil rights concerns

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4 Cybercrime: opportunities

The Convention on Cybercrime

- Criminalising conduct + procedural tools + international cooperation
- Becoming a global treaty
- Ratified by Albania, BiH, Croatia, „the former Yugoslav Republic of Macedonia“

Need to support countries of SEE in the actual implementation of the Convention:

- further improvement of legislation,
- training of law enforcement, prosecutors, judges
- strengthening of 24/7 contact points
- Law enforcement – ISP cooperation

Further work on data protection and privacy required:

- Convention 108 ratified by all countries
- Protocol 181 ratified by Albania, BiH, Croatia

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5 Proceeds from crime: the issue

Convention on Laundering, Search, Seizure and Confiscation of Proceeds from Crime (ETS 141)

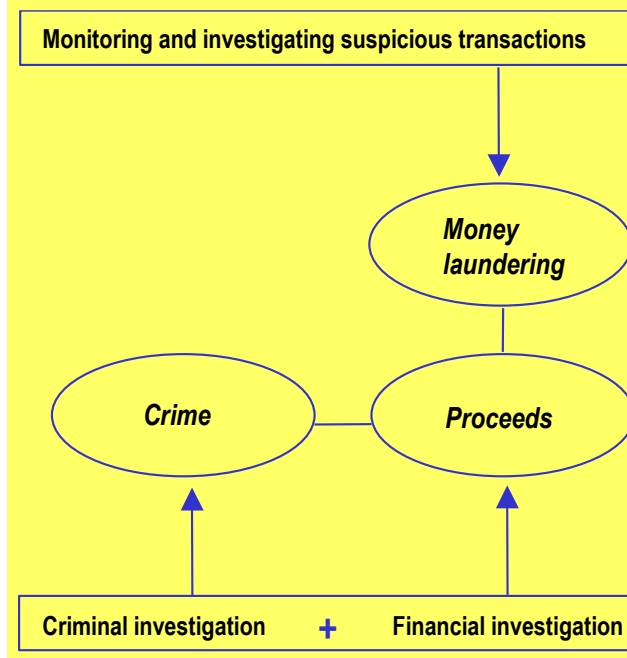
Parties to this convention shall adopt...measures to enable them to:

- confiscate instrumentalities and proceeds or property the value of which corresponds to such proceeds (article 2)
- identify and trace property which is liable to confiscation, and to prevent any dealing in, transfer or disposal of such property (article 3)
- empower its courts or other competent authorities to order that bank, financial or commercial records be made available or be seized in order - to carry out the actions referred to in Articles 2 and 3 (article 4, para 1)
- use special investigative techniques facilitating the identification and tracing of proceeds and the gathering of evidence related thereto (article 4, para 2).

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5 Proceeds from crime: financial investigations



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5 Proceeds from crime: financial investigations

In South-eastern Europe (2001):

Core problem: Legal provisions on the confiscation of proceeds from crime are available but not sufficiently applied

- **PACO Proceeds Project 2001**
- **CARPO Regional Police Project (2004-2006): component on financial investigations (legislation, investigative policies, interagency cooperation, specialisation)**

Opportunities:

- **Build on progress made**
- **All countries party to CoE Convention 141 and members of Moneyval**
- **Ensure implementation of CoE Convention 198 (ratified so far by Albania and BiH)**

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Thank you.

Alexander.seger@coe.int