



EUROPEAN COMMISSION - PRESS RELEASE

Crime does not pay: cracking down on criminal profits



Brussels, 12 March 2012 – Every year in Europe, hundreds of billions of euro go straight into the pockets of criminal gangs and the mafia. Despite efforts by law enforcement around Europe, much of the illegal profits remain in the hands of criminals. This makes criminal groups stronger and robs European citizens of tax money which could be invested in health care or schools.

Today the Commission proposed new rules for more effective and widespread confiscation of funds and other property acquired through crime. This will enhance the ability of Member States to confiscate assets that have been transferred to third parties, it will make it easier to confiscate criminal assets even when the suspect has fled and will ensure that competent authorities can temporarily freeze assets that risk disappearing if no action is taken.

"We need to hit criminals where it hurts, by going after the money, and we have to get their profits back in to the legal economy, especially in these times of crisis. Law enforcement and judicial authorities must have better tools to follow the money trail. They also need greater means with which to recover a more significant proportion of criminal assets," said Cecilia Malmström, Commissioner for Home Affairs.

At present, the amounts recovered from organised crime are modest if compared to the huge revenues generated by illegal activities such as drug trafficking, counterfeiting, human trafficking and small arms smuggling.

According to [UN estimates](#), the total amount of criminal proceeds generated in 2009 may have been approximately \$2.1 trillion, or 3.6 per cent of global GDP in that year. While most of this dirty money is laundered and reinvested into the legal economy, currently less than 1% of the proceeds of crime are frozen and confiscated.

In the EU the profits derived from organised crime are substantial. For example, EU sales of illicit drugs generate an estimated €100 billion per year.

In Italy the proceeds of organised crime are estimated at €150 billion yearly. In 2009, the Italian authorities temporarily froze criminal assets worth around €800 million.

In the United Kingdom in 2006 organised criminal revenue was estimated at £15 billion. In the same year, £125 million were recovered by the state.

In Germany in 2009, €113 million were seized from organised crime. This sounds impressive, but is less so when you consider that the estimated profit that went to the criminals in these cases amounts to some €903 million.

Boosting confiscation – protecting the economy

The proceeds of organised criminal groups are increasingly invested outside their home country, often in several Member States, or transferred to third parties (often relatives or 'front men') in order to avoid confiscation. Houses, cars, restaurants, small businesses and company shares are only few examples of how illicit profits can be reinvested into legal assets or activities.

Facilitating asset confiscation will hamper criminal activities and deter criminality by showing that crime does not pay. It will also protect our economy against criminal infiltration and corruption. Recovering more assets in favour of the State will have a significant impact on victims of crime, taxpayers and society as a whole. Once confiscated, the proceeds of crime may also be re-used for social purposes, or to provide funds to be re-invested into law enforcement or crime prevention initiatives.

Today's proposal will simplify existing rules and fill important gaps which are exploited by organised crime. It will:

- Lay down clearer and more efficient rules for confiscating assets not directly linked to a specific crime, but which clearly result from similar criminal activities by the convicted person (extended confiscation).
- Strengthen the rules on the confiscation of assets that are transferred from the suspect to a third party who should have realised that they derive from crime (third-party confiscation).
- Allow confiscation of assets where a criminal conviction is not possible because the suspect is dead, permanently ill or has fled (limited non-conviction based confiscation).
- Ensure that prosecutors can temporarily freeze assets that risk disappearing if no action is taken, subject to confirmation by a court (precautionary freezing).
- Require Member States to manage frozen assets so that they do not lose economic value before they are eventually confiscated (asset management).
- Ensure that actions taken to freeze and confiscate assets are balanced by strong measures to protect fundamental rights, in particular to ensure that individual's right to a presumption of innocence and the right to property are respected.

Background

On 22 November 2010 the Commission adopted an '[EU Internal Security Strategy in Action](#)' ([IP/10/1535](#) and [MEMO/10/598](#)). Confiscation has been given strategic priority within the EU as a way of fighting organised crime.

Today's proposal on confiscation is part of a series of measures that seek to protect the legal economy from criminal infiltration, linked to the EU 2020 Strategy and Growth agenda. These include the EU Anti-Corruption Package ([IP/11/678](#) and [MEMO/11/376](#)) and the Commission Anti-Fraud Strategy.

For more information

[MEMO/12/179](#)

Homepage of Cecilia Malmström, Commissioner for Home Affairs

www.ec.europa.eu/malmstrom

Homepage DG Home Affairs:

http://ec.europa.eu/dgs/home-affairs/index_en.htm

Audiovisual material can be downloaded at:

<http://tinyurl.com/confiscatedassets>

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