

Protocol Conference “TIE - Tackling the Illegal Economy” Stara Zagora 4 -5 June 2014

Within the project **TIE - Tackling the Illegal Economy**, funded by the European Commission, DG Home Affairs, ISEC program fund financial and economic crime (FINEC), coordinated by the NGO "LIBERA", in Stara Zagora on 4 and 5 June 2014 took place 5th International partner Conference, organized by the BIBO- Bulgarian Italian Business Organization - bulgarian partner in the project. The main theme and subject of discussion and debate were

"Origin, state of the art and strategies for combating organized crime and illegal structures in Bulgaria and Eastern Europe over the last twenty years"

The conference was moderated by Dr. Rosen Dimov



Opening and congratulations

Greetings and opening of the conference by Mrs Tania Benedetti, president of BIBO - Bulgarian-Italian Business Organization and host of the event

Ms. Benedetti congratulated the participants and guests for your interest in the subject, the subject of this forum and thanks to the presence of all though sad day for Stara Zagora-announced mourns murdered 4-year-old pedestrian zone dishonest driver. In her speech, Ms Benedetti stressed questionableness of organized crime and its negative impact in every sphere of our lives. But our ability to talk about it openly with facts and names makes us stronger, freer and it is our powerful weapon in the fight against its existence and expansion.. Ms. Benedetti invited all participants after the statements of the speakers to be active not so much questions as facts and events they have witnessed or opinions and recommendations based on their experience or citizenship or civil position. This will be of particular benefit and added value to the project since the end product of the entire project will be a document with recommendations on best practices to combat organized crime, especially illegal economy in each EU Member State and a partner in this project.

Francesco Martino - Osservatorio Balcani e Caucaso.
Topic "Origin, state of the art of the organized crime in Eastern Europe "in which I am here to talk much extensive



All the countries of Eastern Europe lived his transformation transition from totalitarianism and state economy in liberalization and a free market and it's the only common factor which unites them as geopolitical Balkans or Eastern Europe. In fact, every country has its own style of profiteering from criminal acts. In this sense, Ex Yugoslavia differs significantly from all others because of the war. For reasons of clarity I would like to focus on specific cases. Here Mr. Martin outlines in detail the organization of criminal groups and profiteering by criminal means in the particular case of the sale of arms to drug trafficking through the story of a key character that became an international boss nicknamed "Il Pope" namely Darko Sharic arrested in Uruguay

in 2009 in a joint operation with the United States. Speaking of accumulated benefits worth 320 million euros until the arrest of Darko Sharic.

The topic continues with additions and analysis

Matteo Tacconi Journalist - Economy, markets and politics in CEE, SEE and former USSR

Birth of crime there are two processes:

- banditism
- banditism against the authorities (the Italian case)

In later Sicilian Mafia took advantage of the free market and acts as an entrepreneur. Turkish mafia is very similar to Italian. Russian Mafia also has roots banditism and revenge to the political power.

As for the growth in recent years, this is the transformation of the the mafia in white collar and the transformation of capi mafia in entrepreneurs and business owners.

large role in the globalization of the mafia has Turkey, 70 years was the largest producer and exporter of heroin and opium.

Currently 90% opium and 60% refined heroin globally be produced in Afghanistan. So Turkey today has become manufacturer broker, by continuing to be the most important factor in the illegal trade and trafficking of drugs. So I confirmed that if Turkey was not, perhaps there would be no drug market.

The seminar continues **Mr. Stoyan Vlaykov** - ex Inspector General Criminal Police, Stara Zagora.



The theme that Mr. Vlaykov head is

"Roots, models, facts, stories and links to crime in Bulgaria and Eastern Europe."

One of the models of a criminal organization is one that finances political parties.

Another type of criminal groups are on a family basis "family clans." They smuggle medical products throughout Bulgaria, Czech Republic, Poland, and the with accumulated funds used way back for the transfer of amphetamines on Turkey, Afghanistan, Iraq. The profit from this type of smuggling 4.7% of the gross domestic product of Bulgaria.

Another model is the trafficking of people, mostly women for sexual favors -1.8 billion euros a year.

Drug trafficking - usually to Italy, Spain, Germany, where profit is multiplied 6-10 times.

Trafficking in stolen cars - from Italy, Spain, Germany to Syria Ex USSR, Iraq.

Diesel - gain from 2.3 to 6 billion lev year

Money counterfeiting.

The following questions and comments from the audience, as were affected topics:

- The protection of cultural and historical values;
- Direct impact on the business of criminal organizations;
- Confiscation of illegally acquired property;
- Effective use of such confiscated - get debate with questions and recommendations.

Despite the many affected themes, the day ended with a clear desire by both the institutions and the civil society these topics to be deepened and more often discussed in such a transparent way because it is a mandatory step for mutual trust and achieving results in the fight against organized crime.

Start of the second day of the conference gave **Marco Genovese** - Coordinator of TIE - LIBERA. He made a review the path of the project since its inception, priorities and desired

result. He followed the events of the project, paying attention to the role and contribution of each partner to date and analyze the similarity of the action of the mafia in all European countries. Announced the next major step namely that in October 2014 in Rome will be officially presented research results of a major event in Rome under the title of "Contro mafia"

Sig. Genovese remarked call of the representatives of institutions from each partner country about the need for a common European strategy and better coordination at European level on the fight against crime.



The huge flow of money into hiding
Financial Crimes and organized
crime in Europe is the theme that opens

Professor Vincenzo Ruggiero

- Professor of Sociology, Middlesex University, Лондон.

The information that you offer've used
Official sources are: EC, Europol, UN,
European Central Bank.



Europe been divided into separate criminal areas:

- Scandinavian
- Baltic
- Eastern Europe and the Balkans
- Southern Europe

Each area has its own methodology of crime.

Professor Ruggiero describes various traffic patterns at the regional level and cross-border cooperation. Giving examples lists commodities traffic:

- drugs
- migrants
- Transport services
- VAT fraud (VAT) gain over 5 billion euro
- Criminal business of white-collar
- Trafficking in cigarettes or making false Poland, Ukraine
- Printing of counterfeit notes
- Registration of offshore companies
- International networks

The biggest success of the Mafia is to create a method for formalization and legalization of funds obtained by criminal and illegal manner. It exists even with this method because someone supports it in conclusion Prof. Ruggiero.

"Strategies to combat organized crime and illegal structures in Bulgaria and Eastern Europe over the last twenty years," has hit the financial Inspector Angel Filipov and judge Plamen Zlatev.



Mr. Angel Filipov touch upon basically the problem of organized crime and make a statement on few basic law in Bulgaria

- For PPL / Public Procurement Law / mentioned practices are not in moral frameworks, eg in Bulgaria is necessary to have three bids for a contract but when I applied there are cases in which it appears that the three offers from three different companies with the same owner;
- Analyse and Mr. Filipov "the forfeiture to the State of illegally acquired property", the late adoption by the National Assembly and controversial debate make valid law of 19/11/2012, it shows not gained much practice because Mr Filipov mention, that "Bulgaria can use the best practices of other countries of the European family" and was an example of Italy, where the law works for many years. Explained that Bulgaria already has a structure that deals with this activity, the law is designed, that this structure has four members committee, indicating a representative from the Council of Ministers of the Presidency and a member of the parliamentary parties, is not legally possible to have two members of a parliamentary group;
- It was affecting channel drugs passing through Bulgaria, this channel is known as the "Silk Road" and in Bulgaria only passing, used the channel to reach the goods to other sources;
- Financial instruments and mechanisms used by organized crime make us more informed analyzes Mr. Filipov. He gave an example of how cash flows move from one place to another to not force institutions to analyze the movement, explained how as Switzerland, which is in the Schengen area but is not a member of the European Union, the bailiff can not seize a bank account in that territory, have the possibility of other mechanisms complied with international law and directives, but the given case, may be delayed and prolonged. In European Union countries account could be sequestration by a bailiff. Another practice as it is to transfer money through WESTERN Union and Money Gram and the ability of these systems to translate cash flows to anywhere in the world, weighing can be performed with just an ID card from the same person from multiple sources from one location and from several locations;
- According to Mr. Filipov in the EU operate around 3600 international criminal organizations. Ability to be part of the European Parliament led him to strongly support the idea of building a common framework, to include more - good judicial and police cooperation, the creation of public prosecution service at EU level to coordinate national

investigations and measures against banking secrecy and tax havens. According to him, one of the - the great achievements of the EU single market, but you have to make sure that companies convicted of corruption or money laundering, be excluded from participation in public procurement across the EU. Data presented and the United Nations Office on Drugs and Crime, which showed that illegal activity represents 3.6% of world GDP, and the Commission estimates the damage from corruption only in the EU 120 billion euros per year or 1.1% of EU GDP. And he thinks that should be considered a crime, adjusting your sports scores and vote buying, although benefits are intangible.

Mr. Plamen Zlatev judge of the District Court of Stara Zagora present the and analyzes the basic "Law on Forfeiture of the State of illegally acquired property".

- He said that this law regulates the conditions and procedure for forfeiture of illegally acquired state property. The Commission for forfeiture of criminal property hereinafter "the Commission" is a permanent independent specialized state body. The Commission is a collective body, composed of five members, including the chairman and deputy chairman. Chairman of the Committee shall be a person with a law degree and at least 10 years experience. Vice-President and members of the committee may be persons with higher legal or economic education and at least 5 years experience. Commission initiates proceedings under this Act when it can make a reasonable assumption that a property is illegally acquired. Reasonable assumption is present when after is found on inspection significant disparity in the property of the inspected person. To the Committee can not be formed on an anonymous tip. The court shall rule immediately with a definition of what is granted or refused enforcement of a lien. Where it is not possible to take separate property under Art. 62 takes cash equivalent is determined by the market price at the time of submission of the request forfeiture. The Commission for forfeiture of criminal assets exchange information for the purposes of this Act, the competent authorities of other countries and international organizations on the basis of international agreements and treaties that are in force in the Republic of Bulgaria.

Mr. Zlatev added many other practices related to the law.



In conclusion, Ms. Tania Benedeti thanked the each one of the speakers for the facts and analysis, and the participants for their activity.

During these two days were involved so many different arguments, all part of the theme combating organized crime and illegal economy.

Wishing you conferences like this to be the beginning of a process of meetings and open debate between institutions and civil society organizations such as BIBO Bulgarian-Italian Business Organization to be leading figures in development of opinions, proposals and join forces in the fight against the different models of crime and the soil of its existence.