Organised crime, corruption, and money laundering: recommendations on action and initiatives to be taken

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The Special committee on organised crime, corruption and money laundering adopted the **final initiative report** by Salvatore IACOLINO (EPP, IT) on the same subject and proposed recommendations on action and initiatives to be taken.

Members reiterated the substance of its interim report, adopted by resolution of 11 June 2013, the importance of supporting a **coherent uniform regulatory framework** on organised crime, corruption and money laundering. The Commission is called upon to launch a **European action plan** against organised crime, corruption and money laundering, which should include legislative measures and positive action designed to combat these criminal activities effectively.

Members urged all Member States to promptly and correctly **transpose into their national legislation all existing EU and international legal instruments** concerning organised crime, corruption and money laundering.

Although endorsing the proposals in the 11 June 2013 resolution (please refer to the summary of the resolution), Members made a series of new general and specific proposals which seek to combat organised crime, corruption and money laundering:

1. A coherent uniform regulatory framework: the Commission should propose and include a list of concrete recommendations for **each Member State** and EU institution, highlighting best practice examples in combating corruption. The Commission should ensure the publication of the next report in 2015 to track progress of the efforts in Member States and EU institutions to fight corruption over time.

2. Strengthen the legislative measure by proposing common judicial standards to strengthen integration and cooperation among Member States. A legislative proposal should set out a common definition of organised crime, which should include, inter alia, the offence of participation in a transnational criminal organisation. The Commission is called upon to submit, by the end of 2013, a proposal to harmonise criminal law on money laundering, providing a common definition of the offence of self-laundering based on Member States' best practices. They insisted on the need for the full application, and the strengthening, of the existing mutual recognition instruments.

3. Seizure of assets: Members called for measures to enhance the current framework on this issue and promote the reuse of seized criminal assets for social purposes such as redirecting these proceeds to victims and communities which have been devastated by drugs and organised crime. The Commission is called upon to bring forward a legislative proposal aimed at effectively ensuring the mutual recognition of seizure and confiscation orders linked to the asset protection measures adopted by the Italian judicial authorities and to the civil law measures adopted in various EU countries. They called on the Member States to foster administrative, police and judicial cooperation enabling criminal assets to be traced anywhere in EU territory with a view to their seizure or confiscation, including through full activation of the network of Asset Recovery Offices.

4. Strengthen judicial and police cooperation at European and international level: Member States are called upon to create national bodies for investigating and combating criminal and mafia-type

organisations, with the possibility of developing – with Europol coordination and support from the Commission – a streamline and informal '**anti-mafia operational network**'. Members considered that the globalisation of organised crime requires stronger cooperation among Member States, at EU and international level. Therefore, they encouraged greater interaction between the EU, the UN, the OECD and the Council of Europe in the fight against organised crime, corruption and money laundering. They also strongly recommended the need to draw up, without further delay, a European action plan to combat cybercrime.

5. An efficient and corruption-resistant public administration: Members recommended that stronger systems be put in place to bring transparency and integrity to, and eliminate 'red tape' from, government departments and other public bodies, with this meaning that there must be full access to information on every aspect of administrative organisation and activity. They encouraged the use of the resources available for covert operations to enable official corruption to be **uncovered** more effectively.

6. More accountable politics: Members recommended that Member States provide, in their respective penalty systems, that those convicted by final judgement of participation in organised crime, money laundering, corruption, or other serious offences, be deemed ineligible for inclusion on the election lists. Such a penalty should be applied for a period of at least five years and that the same period of disqualification should apply to government posts at every level. Moreover, they recommended that Member States should require people to forfeit political office or management and administrative positions once they have been convicted of organised crime, corruption or money laundering offences.

As in the interim report, Members made a number of recommendations to ensure:

- **a more credible criminal justice**: Members encouraged Member States to provide for both prison sentences and large fines for all types of serious offences that harm citizens' health and security. They urged the Member States to provide for punishments offering an alternative to imprisonment, such as fines or community service, in cases where this is permitted. For Members, penalties should be **proportionate to the sums involved**.
- **more honest companies**: in addition to measures of self-regulation and transparency, Members called for a public list of companies which have been convicted of corrupt practices to be excluded from participating in European public procurement procedures;
- **more transparent banking system**: Members called once again for a common definition of tax havens and especially the **abolition of bank secrecy**.

To ensure that **crime does not pay**, Members called on the Commission to **propose an appropriate legislative framework to combat money laundering linked to gambling and betting**, in particular sports betting and betting on animals used in blood sports. They regretted differences in the legislation as regards euro counterfeiting.

Members recommended that a culture of prevention and **cybersecurity** be made more widespread, taking an integrated and multidisciplinary approach with the aim of raising public awareness and promoting research and technical and specialist training, cooperation between the public and private sectors and the exchange of information both nationally and internationally.

Final recommendations: Members make a series of final recommendations. The main elements may be summarised as follows:

- this resolution should be implemented by means of a European action plan for the period 2014-2019 to eradicate organised crime, corruption and money laundering, which shall provide a roadmap and adequate resources and, with due respect for the principles of subsidiarity and proportionality;

- a definition of organised crime (to include, inter alia, the crime of involvement in a mafia-type organisation), corruption and money laundering (including self-laundering) should be based, inter alia, on a report on the implementation of the relevant European legislation;
- eliminate tax havens throughout the European Union and put an end to tax evasion and tax avoidance by adopting the 'origin of wealth' principle recommended by the OECD;
- guarantee full access to information on the actual owners of companies, foundations and trusts ('beneficial ownership'), also by adapting and interconnecting Member States' business registries accordingly;
- introduce the principle of the legal liability of legal entities – in particular of holdings and parent companies for their subsidiaries – in cases of financial crime;
- eradicate trafficking in human beings and forced labour, especially as regards minors and women, through tougher sanctions, and make sure that the victims of trafficking are duly protected and supported;
- make sports-rigging a criminal offence in order to strengthen the fight against illegal sports betting;
- make vote buying a criminal offence, even where its benefits are intangible and accrue to third parties;
- introduce Europe-wide corporate taxation that is as uniform, equal and homogeneous as possible;
- strengthen the agreements on judicial and police cooperation between the Member States and between the EU and third countries;
- strengthen the fight against environmental crimes and drug trafficking;
- provide for economic players convicted by final judgement of organised crime, corruption or money laundering to be excluded from public procurement procedures anywhere in the European Union;
- establish and launch the European Public Prosecutor's Office;
- recognise the relevant role of investigative journalism in identifying serious crimes;
- introduce standard pan-European rules on the protection of witnesses, informers and those who cooperate with the courts;
- etc.