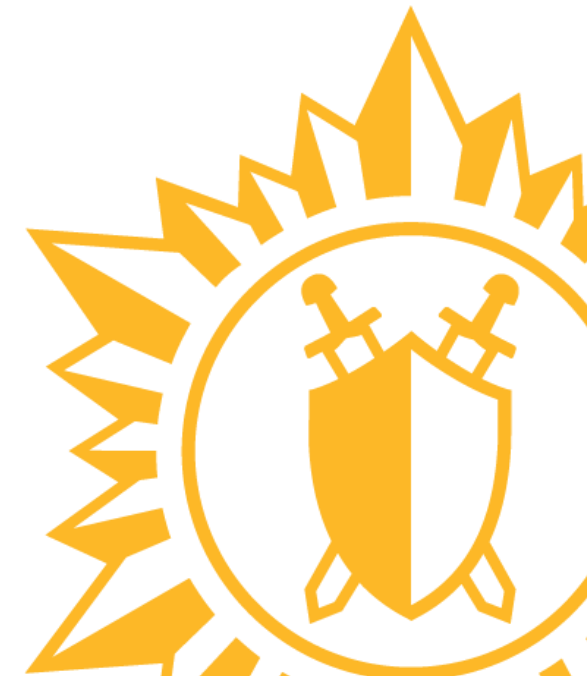


# Serious and organised crime

The need and ability to launder criminal profits



# Organised Crime – Criminal Organisation

Paragraph 2, article 175 a in the General Penal Code:

- ‘Criminal organisation’ here refers to an association of **three or more persons**, the **main aim** of which is to commit, directly or indirectly, **for profit** and in **an organised manner**, **criminal actions** that are punishable by at least 4 years’ imprisonment, or which have the commission of such actions as a **substantial part of their activities**.



# How the profit is generated?

- “The analysis indicates that criminal structures are more fluid and flexible than previously thought, use of violence by organized crime appears to be increasing, **and use of corruption and abuse of legal business structure are key features of serious and organized crime activities.**” (SOCTA 2021)
- In addition, in many cases, organized criminal activity is related to legal activity, and the criminal activity is hidden in that way, so the public is usually not aware of it. (Grd RLS – 2021)



# The need to launder illegal profit

The organised crime landscape is characterised by a networked environment where cooperation between criminals is fluid, systematic and driven by a profit-oriented focus. Several key actors cooperate in criminal networks with service providers and brokers in pivotal roles. (SOCTA 2021)

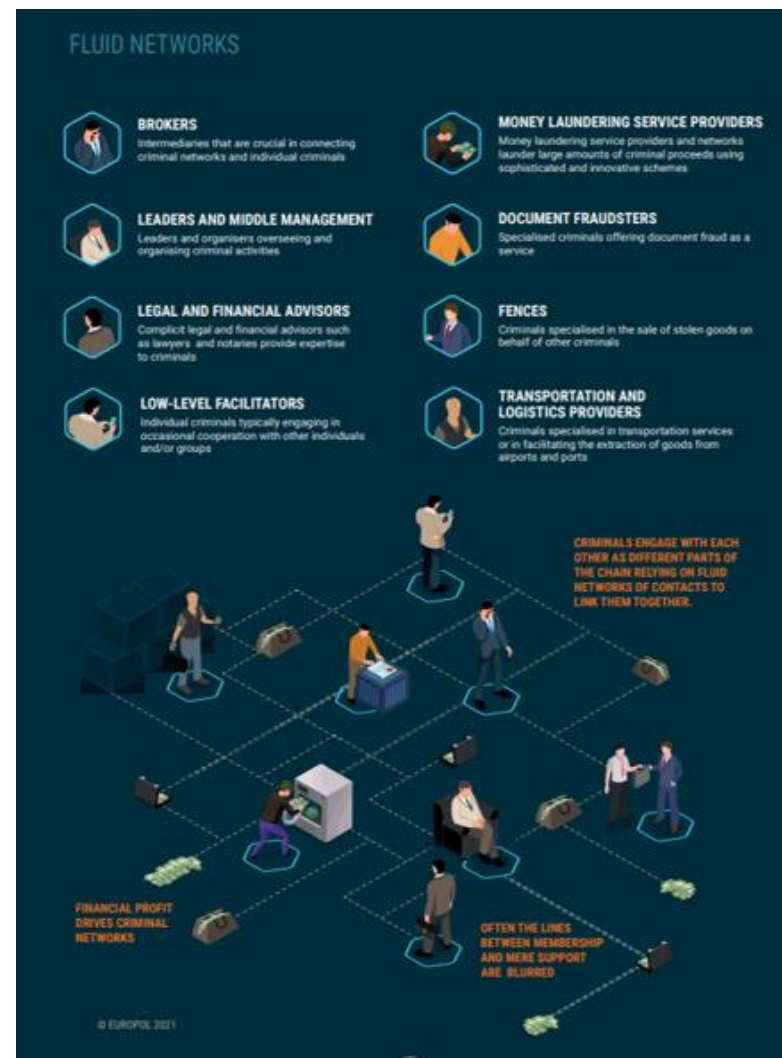


# Criminal network

Each of these key actors has a specified task to complete the illegal act, including to launder the profit.

Picture from SOCTA 2021

[https://www.europol.europa.eu/cms/sites/default/files/documents/socta2021\\_1.pdf](https://www.europol.europa.eu/cms/sites/default/files/documents/socta2021_1.pdf)



# How their Profit is generated

Organised criminal groups in Iceland are mainly involved in:

- Drugs,  
importation  
production  
distribution
- Trafficking in Human Beings / Migrant Smuggling  
prostitution – sexual exploitation  
forced labour
- Organised property crime  
Mobile criminal groups



# The Profit

- Cash is king
  - personal consumption
  - rent a house/car
- Cryptocurrencies
- Trade based ML



# The Profit – different approach

- Steady cash flow
- One time lump sum





# The Profit

- Over 80 % of the reported criminal networks are involved in the trade in drugs, organised property crime, excise fraud, THB, online and other frauds or migrant smuggling. Nearly half of these are involved in the drugs trade (38 %).
- Organised crime undermines our economies, society and the institutions of state. The investment of billions of euros in illegal profits generated by organised crime in the EU in our licit economy distort competition and hinder economic development. Professional money launderers have established a parallel underground financial system to process transactions and payments isolated from any oversight mechanisms governing the legal financial system. This parallel system ensures that the criminal proceeds cannot be traced as part of a sophisticated criminal economy.



# The ability

Criminal groups launder profit through legal entities, such as (not limited to):

- Construction companies  
Tax fraud
- Restaurants  
Income vs cost



# The need and ability to launder criminal profits



# Consequences

- Organised crime undermines our economies, society and the institutions of state. The investment of billions of euros in illegal profits generated by organised crime in the EU in our licit economy distort competition and hinder economic development. **Professional money launderers** have established a parallel underground financial system to process transactions and payments isolated from any oversight mechanisms governing the legal financial system. This parallel system ensures that the criminal proceeds cannot be traced as part of a sophisticated criminal economy. (SOCTA 2021)
- Áhætta vegna skipulagðrar brotastarfsemi á Íslandi telst mjög mikil. Aukin notkun brotahópa á stafrænni tækni eykur álag á ýmsum sviðum löggæslunnar. Skipulögð brotastarfsemi felur í sér ógn við öryggi samfélags og einstaklinga. (Skipulögð brotastarfsemi – GRD RLS 2021)

