

# Judicial cooperation across borders crucial for successful confiscation of criminal assets

12 February 2019

✘ In a [new report](#) published today, Eurojust, the European Union's Judicial Cooperation Unit, takes an in-depth look at the experience on the ground in cross-border asset recovery investigations in the European Union between January 2014 and March 2018. The report is a practical guide for prosecutors and investigative judges around the European Union working on criminal financial investigations, explaining how to follow the money and subsequently freeze, confiscate and recover the assets.

Transnational criminal networks have one thing in common: money. Most criminal activity is profit-driven and all criminal groups need resources to finance their activities. Tracing, freezing and confiscating money that has been acquired by breaking the law is therefore a strategic priority in the EU's fight against organised crime.

To be successful in asset recovery, judicial authorities and police need to work effectively across borders. Criminals exploit loopholes within the European Union to move their assets and try to avoid freezing or confiscation orders. Financial investigations therefore often have a cross-border element and are often only one of the many aspects of a criminal case.

The detailed analysis of cases referred to Eurojust in the period 1 January 2014 – 31 March 2018 that is presented today is a practical guide for prosecutors and investigative judges around the European Union working on these cases. It identifies best practice and shows how to overcome common problems. The report outlines how Eurojust offers various types of practical support, including:

- **Helping judiciary and police to quickly identify the competent national authorities, and assisting in speeding up the execution of different asset recovery measures**

In one case, Eurojust's legal assistance made the arrangement of an urgent execution of a freezing order of approximately EUR 26 million possible in less than 24 hours, which prevented the illegal profits from being transferred to other bank accounts.

- **Extensive support to complex investigations, including the setting up of joint investigation teams and the organisation of coordinated action days**


In 2014, Eurojust supported the cooperation and coordination of criminal

and financial investigations in Italy, Malta, Romania, Czech Republic, the UK, Germany and Greece in a large-scale fraud case. Eurojust set up a coordination centre for the national authorities of the involved Member States, as well as OLAF and Europol, to coordinate joint action and simultaneously execute 61 searches and 43 freezing orders in a number of Member States. As a result, more than EUR 2.8 million in criminal proceeds was recovered.

- **Contacts beyond EU borders to mobilise the participation of foreign judicial authorities**

In a bribery case involving state-owned licences to access the telecommunications market in Uzbekistan, Eurojust organised coordination meetings between the eight States involved, including both EU and non-EU participants, to enhance cooperation on parallel investigations, and facilitated the meetings between Uzbek representatives and national authorities of the Member States to build mutual trust and understanding. As a result of this exchange of information and Eurojust's coordination support on joint action between the participating Member States, liaison prosecutors, and contact points in third States, more than EUR 1.2 billion in assets was frozen in 12 countries.

The asset recovery process has four stages (*click on image to enlarge*):

 **(1) Asset Tracing.** Tracing of assets is the process by which investigators 'follow the money' by examining the revenue generated by criminal activity and following the revenue trail. The faster the tracing of assets derived from crime, the more effective the freezing, confiscation and recovery of criminal profits can be.

**(2) Asset Freezing.** Freezing of assets means temporarily retaining property, pending a final decision in the case. It prevents the assets from being destroyed, transformed, removed, transferred or disposed of before the case is closed.

**(3) Asset Confiscation.** Confiscation of assets stops the criminals from accessing the property, which is permanently taken away.

**(4) Asset Disposal.** Disposal of assets is the actual recovery of the criminal assets. The confiscated assets can revert to the State or be returned to the victims of crime.

In 2018, the EU agreed on new rules concerning the mutual recognition of freezing and confiscation orders (Regulation on mutual recognition of freezing orders and confiscation orders).

The new rules will apply to the Member States bound by it as from 19 December 2020 and will introduce a single regulation covering freezing and confiscation orders, directly applicable in the Member States and based on the principle of mutual recognition. The new regulation will complement the

2014 directive on the freezing and confiscation of instrumentalities and proceeds of crime.