

Annual Report

Økokrim

2008



Økokrim in brief

The Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim) is a resource centre for the police and the prosecuting authorities in combating these types of crime. Økokrim was established in 1989, and is both a police specialist agency and a public prosecutors' office with national authority. The formal rules about Økokrim can be found in chapter 35 of the Prosecution Instructions.

Vision

Norway is a good country to live in and has many important values to protect. Crime presents a threat to these values. By combating crime, Økokrim helps to protect important values in Norwegian society. The protection of important values is Økokrim's vision.

Main objective

Økokrim's main objective is to combat economic crime, environmental crime and the laundering of proceeds of crime.

Økokrim's responsibilities

- to uncover, investigate, prosecute and bring to trial its own cases
- to assist the national and international police and prosecuting authorities
- to boost the expertise of the police and the prosecuting authorities and to engage in the provision of information
- to engage in criminal intelligence work, dealing in particular with reports of suspicious transactions
- to act as an advisory body to the central authorities
- to participate in international cooperation

Deterrence is one of our main objectives. Through our work on specific criminal cases, we demonstrate to the public that anyone breaking the rules in our area of jurisdiction will be liable to penalties. Most of Økokrim's resources are devoted to specific criminal cases.

Økokrim is the leading unit in the combat against economic and environmental crime.

« *Økokrim is the leading unit in the combat against economic and environmental crime* »



Økokrim in brief	2
The Director of Økokrim	4
Økokrim statistics	5
Working methods	7
Case procedure	9
Økokrim's cases in 2008	11
Økokrim – the specialist agency	33
National and international cooperation	35

The Director of Økokrim



Acting Director of Økokrim
Trond Eirik Schea.
Photo: Kenneth Didriksen, Økokrim

As Økokrim is entering its 20th year, we have reason to be satisfied with what the unit has achieved. At the same time, Økokrim must prepare to meet ever changing challenges ahead.

We can look back on a year in which eight of ten trials ended in convictions. But 2008 was also a year when we had to decline several large cases for capacity reasons. We do not believe that fewer people will fall for the temptation to commit crimes as a result of the financial crisis. Økokrim's limited resources are intended for the large and complex cases. However, the resources allocated must be commensurate with the challenges.

The leading unit

Økokrim celebrates its 20th anniversary in 2009. During the years since its creation, Økokrim has established itself as a well known and well respected institution in the Norwegian society. During the last

four years, Økokrim has been included in the reputation surveys carried out by Synovate, a research company. Of the over 80 government institutions polled, Økokrim is well placed among the top ten.

The purpose of creating Økokrim 20 years ago was to establish a unit within the police and prosecuting authorities that would specialise in handling the serious and complex economic and environmental crime cases. Økokrim has managed to succeed in this respect, due to our "business secret" of interdisciplinary working methods and integrated prosecution. It is necessary to have a leading unit at the national level that is capable of handling such cases and of assisting and sharing skills with officers in the local police districts and other specialist units in order to ensure that sufficient priority is given to combating economic and environmental crime. The establishment of Economic Crime Teams in the local police districts during the last few years is important for the same reason.

Demanding investigations

Investigation and prosecution of economic and environmental crime generally demands considerable resources. Investigations have become more challenging the last few years, partly because of increased globalisation, technological development, and ever more active defence counsels. Investigating and prosecuting large criminal cases is demanding. And normally, a much bigger effort is required to lead a case through criminal prosecution than to file a complaint, whether the complaint comes from public administration agencies with supervisory tasks or others.

The next twenty...

The most important element in combating economic and environmental crime in the future, is to improve Økokrim and other police units' ability to handle the cases that emerge adequately and with due care. Økokrim works on areas of crime where the number of unreported cases is large. Even if it is impossible to uncover and investigate all crimes committed within these fields, the police should have enough resources to investigate and prosecute at least the known cases that are reported by public administration agencies with supervisory tasks or others.



8 of 10 trials ended in convictions in 2008

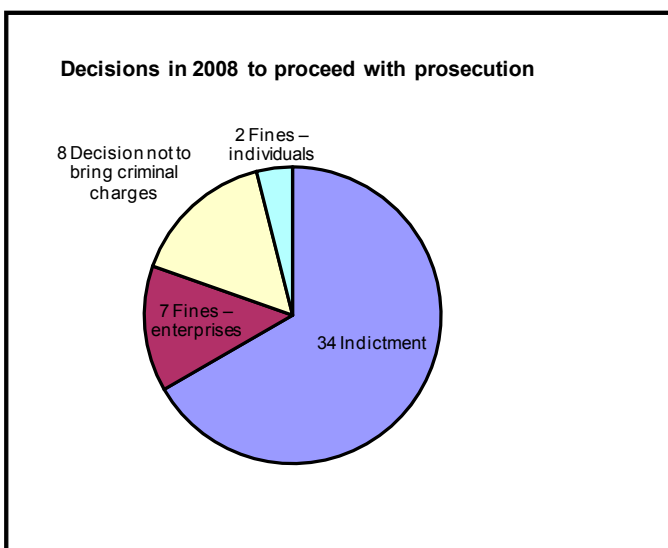
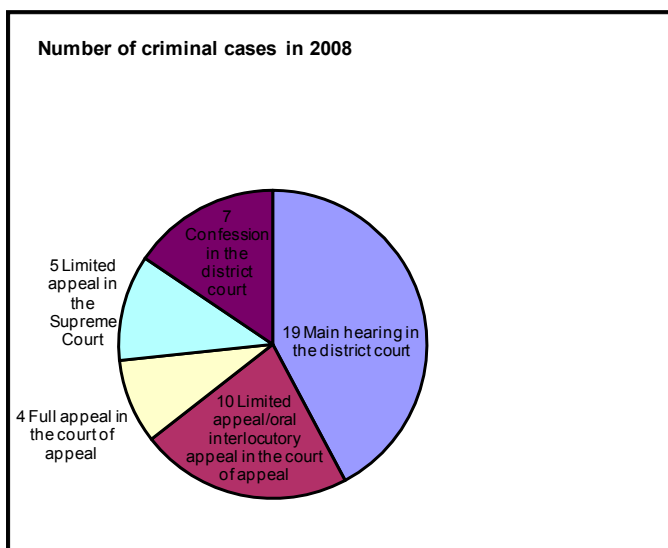


Økokrim statistics

Key figures	Unit	2008	2007	2006
Convictions in enforceable decisions	%	82	87	84
Clear-up rate	%	83	95	98
Criminal cases (district court, court of appeal, Supreme Court)	number	45	34	36
Enforceable decisions	number	42	59	58
Enforceable confiscation/compensation	NOK millions	94	2 448 ²	66
Decisions to proceed with prosecution	number	51	51	79
New case complexes	number	33	42	32
Cases under investigation as at 31 December	number	47	41	43
New cases in which we provide assistance	number	67	75	60
Suspicious transaction reports	number	9 026	7 543	7 042
Case processing time	Days	340	390	465
Budget (as of 31 December ¹)	Mill.kr.	110	106	100
Positions	number	136	136	135

¹ Excluding earmarked funds

² Compensations awarded in the Finance Credit case: NOK 2,357 million



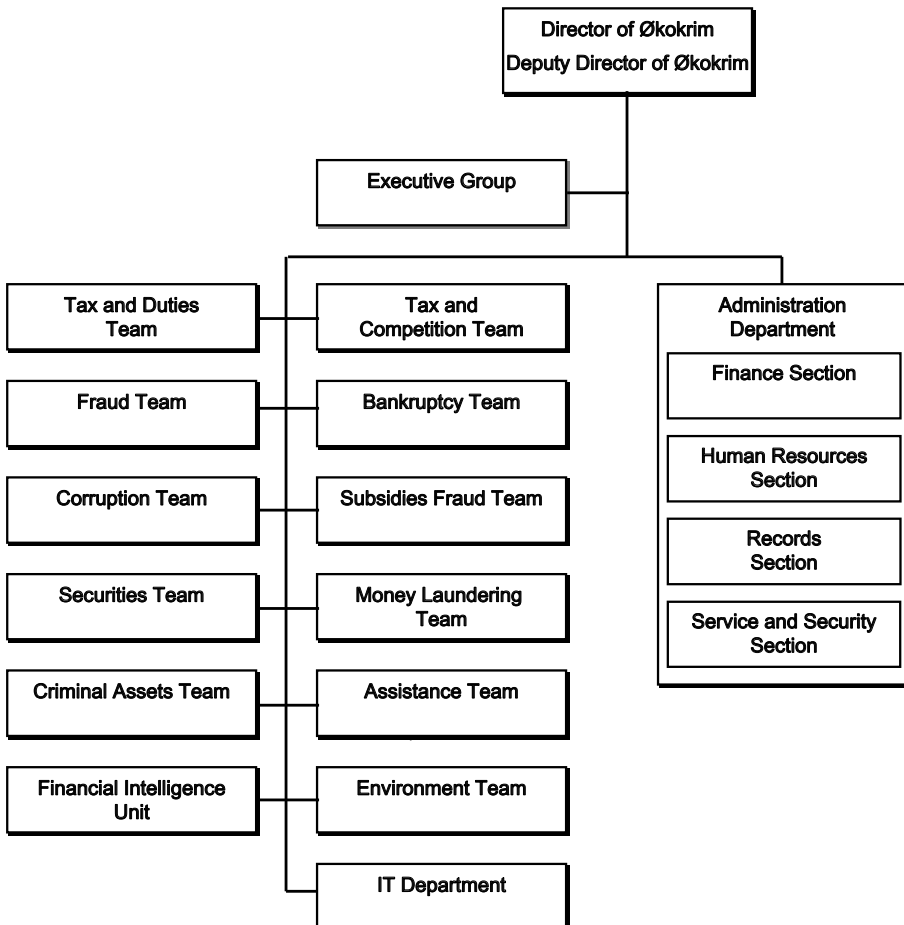
Organisation

Økokrim has a flat organisational structure. It is headed by the Director and Deputy Director. They are assisted in their day-to-day work by an executive group, consisting of the Head of the Administration Department, a Chief Superintendent, Senior Adviser with qualifications in finance, a Communications Adviser and a Human Resources Adviser, a Senior Public Prosecutor (team leader) and a secretary.

Investigation work is carried out by permanent, interdisciplinary teams. In 2008, Økokrim had twelve such teams. Each individual team has primary responsibility for specific areas, and most teams are primarily tasked with investigating and prosecuting their own criminal cases. The Assistance Team offers assistance to the police districts. Other teams – particularly the Environment Team and the Criminal Assets Team – also offer assistance within their specialist fields. The Financial Intelligence Unit (FIU) receives and follows up suspicious transaction reports (STRs) and other intelligence. In addition to the investigative teams, Økokrim has an IT Department and an Administration Department. The Administration Department consists of a Human Resources, a Finance Section, a Service and Security Section and a Records Section.

The investigation teams consist of investigation specialists, some with law enforcement background and some with financial and environmental background. Most of the teams are headed by a Senior Public Prosecutor, and they also have a police prosecutor. Investigators from other police districts or persons from the supervisory bodies are also involved, when needed, in the investigation of Økokrim’s own cases.

At the end of 2008, Økokrim had 134 permanent and two temporary positions, and three visiting trainees.



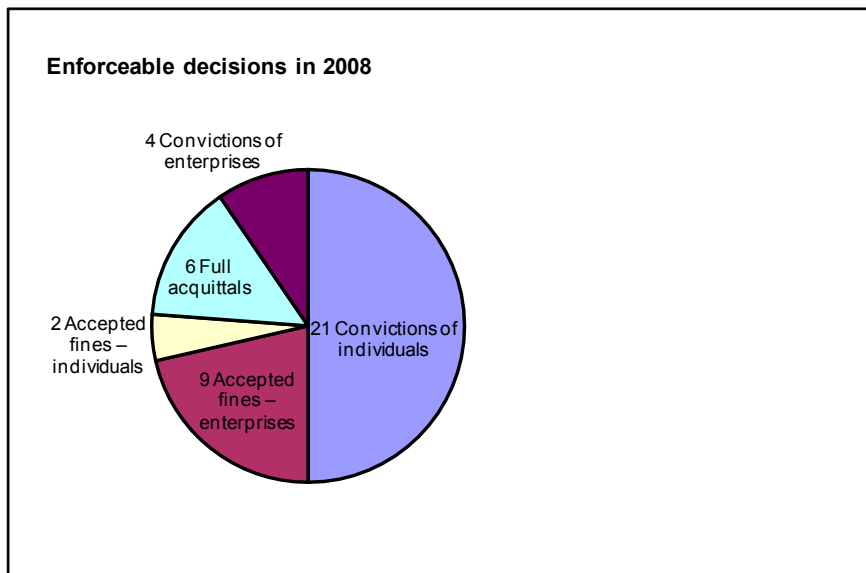
Working methods

Economic crime includes

- gross fraud
- social security fraud and misuse of government subsidies
- violation of the Accounting Act
- violation of the Insolvency Act
- tax evasion and customs duty evasion
- offences related to the stock market, and securities trading
- violation of the Competition Act
- corruption
- breach of trust, embezzlement
- money laundering (handling of stolen property)

Environmental crime includes

- illegal pollution (including crime relating to food and handling of dangerous waste)
- natural environmental crime (e.g. illegal hunting and trapping, illegally disturbing protected areas)
- cultural heritage crime (e.g. removing or damaging protected monuments/sites and violation of the Planning and Building Act)
- crime related to the working environment (e.g. insufficient training, inadequate safety procedures or defective equipment that may cause death or injury)





Most cases that fall under Økokrim's mandate are handled by the police districts. Økokrim investigates the larger, more complex cases and/or cases of legal principle. Illustration photo: yaymicro.no

Cases handled

Most cases that fall under Økokrim's case mandate are handled by the police districts. Økokrim investigates and brings to trial the larger, more complex cases and/or cases of legal principle. Several of these cases extend outside the country. Økokrim may handle cases involving matters of legal principle in order to clarify the interpretation of legal issues or the severity of penalties imposed.

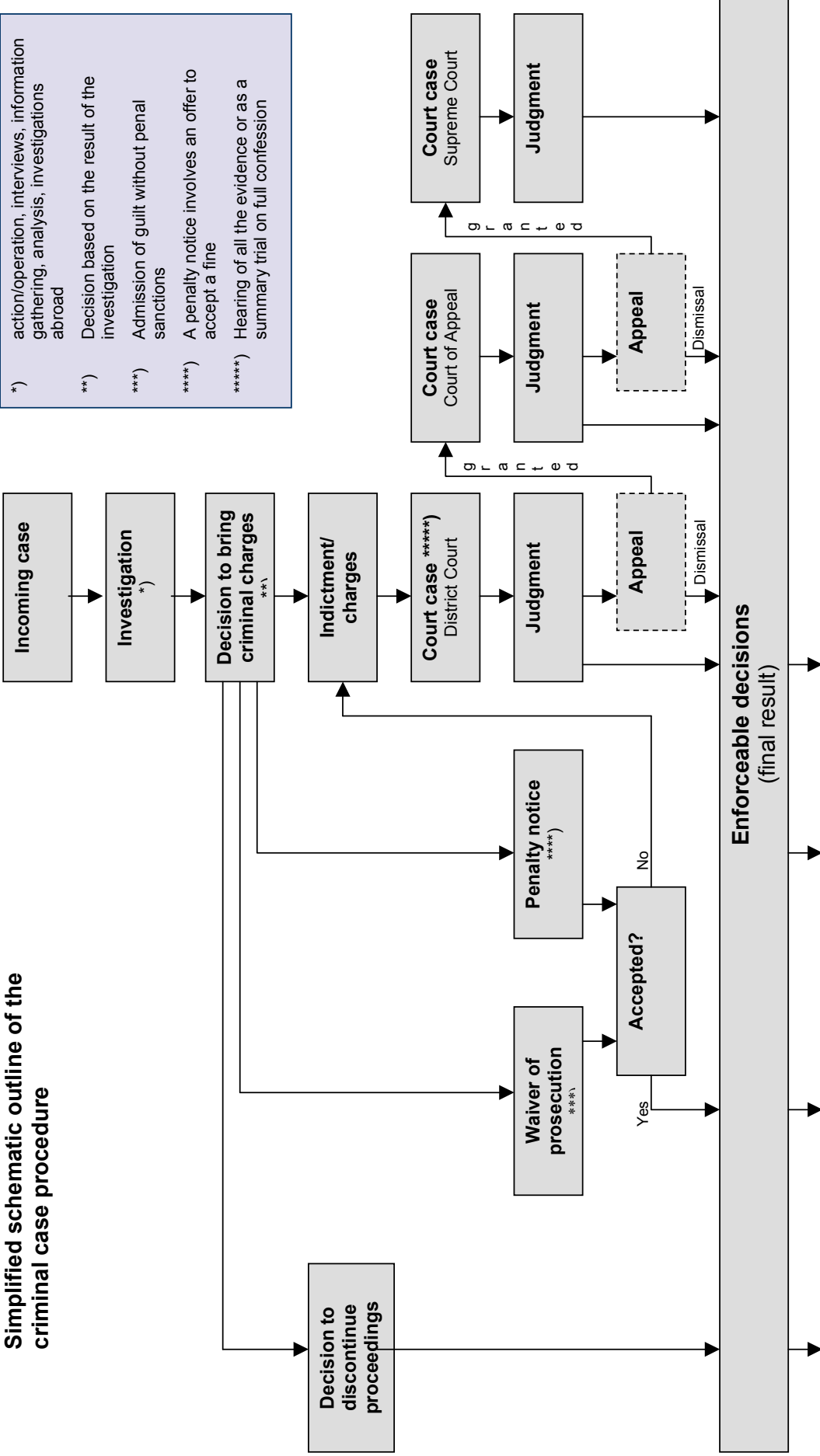
As regards economic crime cases, Økokrim's resources should primarily be used for cases relating to infringements which have an impact on society, e.g. gross breaches of legislation relating to regulation under public law, such as tax evasion, securities crime and breaches of competition rules. Other priority areas include corruption, gross fraud committed against large groups of people, the abuse of public subsidy schemes, major bankruptcy cases and the laundering of proceeds of criminal offences. In addition, we would like to have a varied and complex portfolio of cases in which most main categories of economic crime are represented. Økokrim's Director and Deputy Director decide which cases should be handled.

Cases involving environmental crime are usually investigated and prosecuted by the police districts. Økokrim's responsibility is to assist the local police in handling these cases correctly. However, in some cases it will be advantageous to transfer the investigation and/or prosecution to Økokrim. This particularly pertains to cases pursuant to section 152 b of the Norwegian Penal Code, or matters of legal principle, complex matters or matters extending outside the country.

« We shall not handle all cases. Økokrim's task is to handle the large, serious cases »

Case Procedure

Simplified schematic outline of the criminal case procedure



*) action/operation, interviews, information gathering, analysis, investigations abroad

**) Decision based on the result of the investigation

***) Admission of guilt without penal sanctions

****) A penalty notice involves an offer to accept a fine

*****) Hearing of all the evidence or as a summary trial on full confession

in the criminal records only

imprisonment, fine, confiscation, compensation, legal costs, loss of civil liberties

in the criminal records only

imprisonment, fine, confiscation, compensation, legal costs, loss of civil liberties

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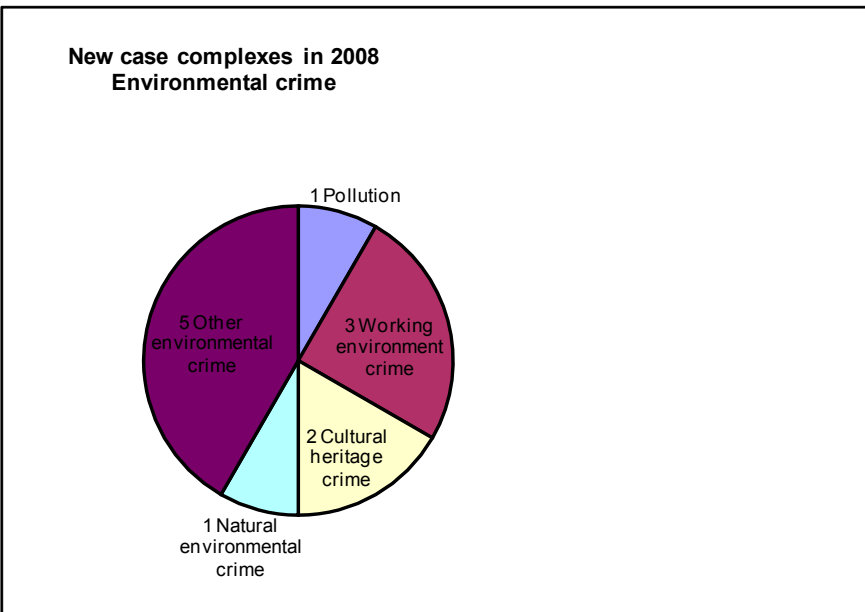
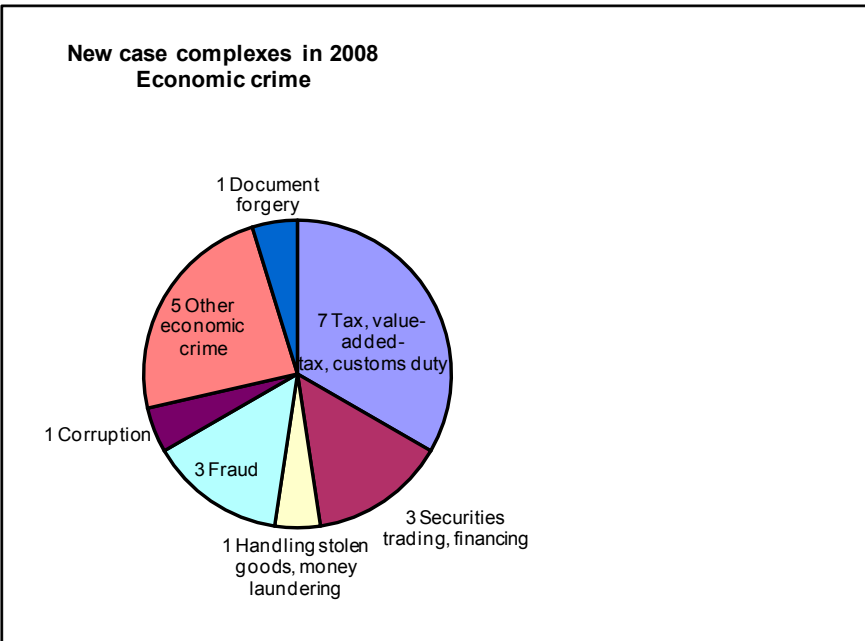
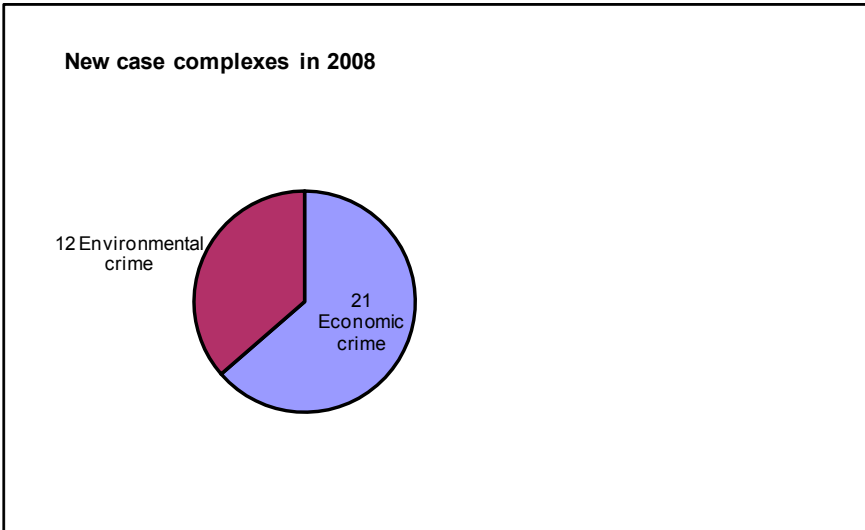
imprisonment, fine, confiscation, compensation, legal costs, loss of civil liberties

in the criminal records only

imprisonment, fine, confiscation, compensation, legal costs, loss of civil liberties



We keep a low profile during the investigation, so as not to jeopardise the investigation or harm the suspects





Økokrim's cases in 2008

Bankruptcy crime

Bankruptcy crime involves criminal acts committed in connection with bankruptcy or liquidation proceedings. A person filing for bankruptcy or a business that has gone into liquidation can hide assets after proceedings have been initiated, preventing the creditors from collecting their claims. However, most of the criminal acts are committed before bankruptcy/liquidation proceedings are initiated, e.g. the debtor has failed to keep accounts or has unlawfully withdrawn money from the business. Approx 3,500 bankruptcy or liquidation proceedings are initiated in Norway each year. Enquiries have revealed that criminal offences are uncovered in more than half of them.

It is important to combat bankruptcy crime because it causes considerable problems for society. Creditors can suffer losses to the extent that they in turn go bankrupt, often leading to the loss of jobs. Businesses that deliberately withdraw money and fail to pay their creditors can offer goods and services at prices lower than the lawfully run businesses within the same industry. This inflicts financial damage on the latter. Business and general moral is weakened. Repeat offenders represent a considerable and serious problem. They systematically put businesses into liquidation for personal gain.

A selection of cases:

Judgment in construction business liquidation

On 15 July 2008, a former project manager in the construction company Fageråsen Utvikling AS was sentenced to 3 years and six months' imprisonment and loss of the right to run a business for three years for gross fraud against two banks, gross disorderly business practices, breach of trust and violation of the Accounting Act. He was convicted of gross disorderly business practices because he attempted to carry out the building project without the necessary basis to lead and control the project, and so he was unable to make the right decisions as the work proceeded. Among other things, the project administration was too small for a project of its size; sufficient control procedures and tools, such as realistic plans and up-to-date bookkeeping, were not implemented. The company went bankrupt and the creditors lost almost NOK 100 million. The case has been appealed.

Sponsor Service

Two of Sponsor Service ASA's auditors were indicted for violation of the Auditors Act and the Accounting Act in 2007. The basis for the case is the criminal case against the company's former CEO and CFO, who were sentenced to long prison sentences for, among other things, having manipulated the accounts to show a much better financial result than what there were grounds for. The case against the two auditors was heard in February 2009.

Trends and challenges

The number of bankruptcies follows the general trend in the economy. There is now a sharp increase in the number of bankruptcies. The construction industry, retailing, property management and the hotel and restaurant industries are most at risk. Bankruptcy itself is not punishable, but there could be a certain relation between the number of bankruptcies and the number of bankruptcy crimes. We expect to see an increase in the number of bankruptcies in the years to come, when companies in the most vulnerable industries begin to experience payment difficulties. We also see that an increasing number of NUF (Norwegian Registered Foreign Company) companies are going into liquidation.



It is important to combat financial fraud because this kind of crime causes considerable problems for the persons affected. Private persons can be ruined and companies can suffer large losses. Illustration photo: yaymicro.no

Financial fraud

Financial frauds are criminal acts linked to financial instruments, in that investors are deceived into investing money in a financial instrument that is said to yield a high profit. This type of fraud comes in a number of forms, and new ones are being invented as we speak. The investors lose their money because no investment actually takes place, the instrument does not exist, the investment cannot produce the promised profit or it is a very high-risk investment.

The money is usually divided between the person who talked the investor into the deal and the various middlemen, who all played a part in the scheme. The investment scheme is presented as very complicated and difficult to understand. Investments in foreign instruments are common, e.g. US government bonds, currency, securities issued by foreign banks or shares in foreign and unlisted companies. Another type of financial fraud could be investments in pyramid companies.

It is important to combat financial fraud because this kind of crime causes considerable problems for the persons affected. Private persons can be ruined and companies can suffer considerable losses. Combating this kind of crime is also important in order to maintain trust in the financial market and to uphold a well-functioning securities market. Financial fraud is well suited for laundering the proceeds of crime. It is internationally known that some criminals finance serious crime through this type of fraud.

Example of financial fraud:

Conviction in The Five Percent Community (T5PC) case

In October 2008, Oslo District Court passed sentence on the former chairman of the board of T5PC, who was indicted for violation of sections 273 and 274 of the Norwegian Penal Code. He was convicted for having announced on several occasions that the company had, among other things, entered into agreements with other companies, agreements that would be profitable for T5PC and its shareholders. He was also convicted for having provided incorrect information about the identity of the company's largest shareholder and for stating that a share lock-in agreement had not been breached. This information was likely to influence the share price, and the company's shareholders and creditors were misled as to the company's financial position. He was sentenced to one year imprisonment. The case has been appealed.

Trends and challenges

Financial fraud appears to be on the increase, probably due to several factors such as increasing globalisation and the use of the Internet. Besides, more resources are available for investment purposes. This type of crime attracts criminals because there is great potential profit, and the risk of being investigated and convicted is low. This is planned and organised criminal activity committed within network-type structures. Criminal acts that fall within the scope of several areas of law, and complicated transactions involving a number of parties, make the investigation difficult and time-consuming. The persons who have been defrauded are usually reluctant to cooperate with the police, partly because undeclared money is involved, and partly because they believe the money will be lost forever if they involve the police.



Money laundering can involve using the proceeds of crime to acquire other assets. The purpose is to hide the proceeds' origin and to make them appear legally acquired. Illustration photo: yaymicro.no

Money laundering

Money laundering and the handling of proceeds of crime involve receiving or securing the proceeds of criminal acts. Money laundering can involve transferring proceeds to countries abroad, investing proceeds in a legal business or using proceeds to acquire other assets. The purpose is to hide its origin and to make it appear legally acquired. Money laundering takes place within all types of profit-motivated crime, such as embezzlement, fraud, misappropriation, corruption, robbery, distribution of narcotic drugs and trafficking in human beings. If the original perpetrator is the one trying to hide the proceeds' origin, we use the term self-laundering.

Combating money laundering and the handling of proceeds of criminal acts is important, as these types of crime make it more difficult to detect criminal acts and to return the proceeds to the aggrieved parties. Effectively combating money laundering will have a preventive effect on all economic crime, because it will be more difficult for the criminal to hide the origin of his yields, and enjoy them. Money laundering and the handling of proceeds of criminal acts can also be a threat to legal businesses and payment systems whose very existence is dependent on trust.

A selection of cases:

Indictment of a doctor

In October, a doctor was charged with transferring money from her practice to a foreign company. The transactions were reported as payments for renting laser equipment, but the rental agreement was not real. In this way she diverted funds from her own clinic. The crimes were discovered when the authorities in Guernsey granted Økokrim access to documents concerning the foreign company.

Judgment against a previous bank manager

In December, Gulating Court of Appeal passed a judgment against a previous bank manager for gross breach of trust against the bank where he worked. The bank manager had received bribes from one of the bank's customers. He received the money in cash abroad and smuggled the money into Norway, where he kept the money in a bank safety deposit box until he spent them. The judgment is not yet final.

Judgment in a shipping line case

In March 2009, the judgment in the so called Tordenskjold case was pronounced. A former charter manager in the shipping company Tordenskjold Rederi AS was sentenced to five years and six months' imprisonment after having been found guilty of several counts of gross breach of trust and gross fraud. Under his supervision, Norwegian companies that he represented were made to purchase ships at far higher prices than necessary. In this way, the shipping company was systematically drained of large sums of money over several years. In the same case, the former CEO of the shipping company was sentenced to seven months' imprisonment, of which six were suspended, for violation of the Penal Code, the Accounting Act and the Tax Administration Act. The case against the third defendant is scheduled to commence in September 2009.

Trends and challenges

Money laundering has received increased attention over the last few years; this is reflected in the complaint statistics. New money laundering methods are constantly being uncovered, and we believe there is a growing tendency for criminals to solicit assistance from professionals. Additionally, they use companies in so-called tax havens, which are reluctant to allow access to information. The companies often have complex company structures in several countries.

« *Money laundering and fencing also pose a threat to legal businesses and payment systems that are dependent on trust in order to function* »



Corruption undermines ethical and moral values in society and presents a threat to the rule of law, democracy and human rights. Corruption causes differential treatment and obstructs social justice. Illustration photo: Ingvil Trana, Økokrim

Corruption

Corruption is characterized by somebody using his/her position for personal gain. In the Penal Code, corruption is defined as the giving, offering, requesting, receiving or accepting of an improper advantage in connection with a position, office or assignment. The improper advantage does not have to be connected to a specific action or to not doing this action; it will suffice that it can be linked to a person's position, office or assignment. The Penal Code also prohibits giving, offering, requesting, receiving or accepting of an improper advantage in return for influencing the conduct of any position, office or assignment.

It is important to combat corruption because corruption undermines ethical and moral values in society and presents a threat to the rule of law, democracy and human rights. Corruption causes differential treatment and obstructs social justice. Corruption undermines honest competition, undermines and distorts competition and causes companies to lose money, and their reputation suffers.

A selection of cases:

The waterworks case

In 2007, Økokrim preferred indictments against four persons in the so-called waterworks case. The former CEO of Nedre Romerike Vannverk and Sentralrenseanlegget RA-2, his son and two contracting parties were indicted. The indictment included several counts of gross corruption and serious breach of trust. In February 2008, the former CEO was sentenced to eight years' imprisonment. He was also sentenced to forfeiture of all his African properties and to pay over NOK 63 million in compensation. The co-defendants also received prison sentences, and the construction company was issued an NOK 8-million fine. All the convicted persons have appealed, and the appeal hearing is scheduled to commence in September 2009.

The Ullevål case

A former property manager at Ullevål University Hospital was sentenced to two years imprisonment for gross corruption in a judgment passed by Oslo District Court in January 2009. He was convicted of having accepted bribes from a Swedish construction company. The bribes were given in connection with construction contracts that the property manager issued on behalf of the hospital. The judgment also includes bribes in the form of construction materials worth more than NOK 600,000 which he received when he was employed as head of construction projects with the Norwegian State Railways. The property manager had been convicted of the same crimes in the District Court in 2006, but the judgment was quashed by the Court of Appeal because of conflict of interest.

Judgment in a corruption case - the Norwegian employment and welfare service (NAV)

On 2 December 2008, Oslo District Court passed judgment in a case involving the bribing of two employees of Aetat (now NAV). One of the defendants was acquitted, while the other was sentenced to one year and eight months' imprisonment, of which six months were suspended. Økokrim has appealed against the acquittal, and the case is scheduled to be heard by the Court of Appeal in 2009. The case concerns receipt of approx NOK 2.4 million in bribes. Oslo District Court found that receipt of NOK 600,000 in bribes had been proven for one of the defendants, but this decision has also been appealed. The case concerns receipt of bribes from a Finnish businessman in return for awarding him contracts for language courses for Finnish nurses from Aetat.

Trends and challenges

A number of corruption cases have been uncovered over the last few years, and corruption in general has received a lot of attention in Norway. Several serious cases of corruption were tried by Norwegian courts in 2008. It is difficult to say whether this is an indication that the extent of corruption in Norway has increased. Regardless, we believe that the number of unrecorded cases is high, and there is reason to maintain a general alert concerning the threat of corruption in both the public and private sectors. Økokrim believes that investigating and prosecuting corruption cases has an important preventive effect.



When someone defrauds the government, society's common goods suffer, for example schools.
Illustration photo: yaymicro.no

Subsidy crime

Subsidy crime pertains to criminal offences committed in connection with the granting of government subsidies. A person or a business could provide incorrect information in connection with the granting of government subsidies, or use the subsidies contrary to the stipulations.

It is important to combat this type of crime, because each year the government pays out large sums in subsidies and other forms of support to enterprises, organisations and individuals. This applies to most sectors of society, e.g. health and social security, agriculture, transportation, education, research and manufacturing industries. Government disbursement is often based on information from the recipient, and on the recipient providing correct information.

The support schemes could therefore be vulnerable in terms of misuse. The schemes have often been introduced in order to attend to important societal tasks, and they are financed with community assets. Subsidy fraud will therefore affect important societal functions, and in the long run, undermine people's desire to contribute to financing them.

A selection of cases:

Private school convicted of defrauding the state

In June 2008, two former leaders of a private school in Oslo were sentenced to one year and ten months' imprisonment by Oslo District Court. The school had unlawfully received too large sums in government subsidies for running the school. Only two months of the sentence were made immediate. The two were convicted of gross fraud from the (then) Ministry of Education, Research and Church Affairs from 2000–2002. The two convicted persons reported that the school had students enrolled in studies that the school did not have permission to offer, and they claimed support for persons who had never been students at the school. This led the ministry to disburse approx NOK 13 million too much in subsidies to the school. In addition, the two were convicted of gross breach of trust and violation of the Limited Liability Companies Act. They were also sentenced to pay NOK 3 million in compensation to the government. The judgment is not yet final.

Fraud in connection with government subsidies to a transport company

In January 2009, Hålogaland Court of Appeal sentenced the former general manager of a transport company to three and a half years' imprisonment for subsidy fraud. The fraud was carried out in connection with government subsidies of ferry and buss transport. In addition, he lost the right to engage in business activities for a period of five years. Hålogaland Court of Appeal upheld the District Court's sentence for fraud concerning the bus transport, but following a dissent, the amount defrauded that the sentence was based on was reduced.

The former general manager of the transport company was convicted of subsidy fraud in the order of NOK 25 million, while the former operating officer, who was convicted by the district court, was acquitted by the Court of Appeal. Also, two companies were sentenced to fines totalling NOK 3 million. In a previous trial, the former finance director of the company had been sentenced to one year and ten months' imprisonment. The judgment is not yet final.

Trends and challenges

Over the last years, we have seen a growing tendency to abuse government subsidies in an organised manner. This particularly applies to social security fraud. We have seen examples where the physician and the patient, or the employer and the social security recipient, collaborate in providing incorrect information to the social security authorities. Such collaboration makes it more difficult to uncover the abuse. Another challenge we encounter when investigating some types of subsidy crime is that the criteria for allocating the subsidies are ambiguous. Also, the control procedures carried out by the body administering the subsidies may be inadequate.



Economic crime is like a cancer that breaks down society





Tax evasion inflicts financial losses on society in the order of NOK 30–50 billion each year. This harms common goods like schools, roads, healthcare and other important infrastructure in our society. Illustration photo: yaymicro.no

Tax evasion

Tax evasion can be divided into three main categories:

- undeclared work/business
- unlawful planning and adjustment of taxes by providing incorrect/incomplete information to the tax administration authorities or by failure to provide mandatory information
- exploitation of ambiguities or alleged “loopholes” in the legislation so as to obtain improper tax advantages

Combating tax evasion is important because it inflicts financial losses on society in the order of NOK 30–50 billion each year.

This is damaging both to individuals and society because there is less money to pay for common goods like schools, roads, healthcare and other important infrastructure in our society. Tax evasion results in an unacceptable redistribution between individuals in society and to undesirable distortion of business competition. The pricing mechanism of important benefits such as residential and leisure property, and other consumer and expensive investment goods favour those who evade their duties to society, but at the same time enjoy the benefits that society provides.

A selection of cases:

The construction industry

During the last year, Økokrim has argued several cases in court concerning VAT crimes committed by companies in the construction industry. The modus operandi is well-known: The contractor pays the craftsmen undeclared wages, with cash withdrawn from the bank, and covers the payments in the accounts with receipts and invoices (including VAT) from fictitious suppliers. The receipts and invoices are used for VAT fraud and breach of trust by the companies that receive the invoices, while the persons who sign the invoices receive small amounts as payment for their services. Among others, three persons were all sentenced to one year and four months’ imprisonment by the Court of Appeal in October 2008 for having signed such invoices. The “organizer” in the same case was sentenced to two years and nine months’ imprisonment for VAT fraud and gross breach of trust. All four were sentenced to forfeit the proceeds they had received from the acts.

Offshoots of the Finance Credit case

The last two of the cases that originated in the Finance Credit case were settled finally in 2008. A former business partner of Finance Credit was sentenced to one year and three months' imprisonment, of which seven months were suspended. The case concerned VAT fraud and violation of the Accounting Act in connection with a fictitious invoice that was used to inflate Finance Credit's accounts. He was also sentenced to forfeit the same amount that his company had received in VAT. Furthermore, in the same group of cases, the auditing company KPMG was sentenced to pay a NOK 5 million fine by the Supreme Court for deficient auditing, cf. Norwegian Supreme Court Reports 2008, page 996.

Tax havens

In cooperation with the tax authorities, Økokrim has investigated a number of cases in 2008 where large taxable profits had been hidden in tax havens. The cases involve relatively small IT companies in Norway that were sold to listed companies. The sales resulted in taxable profits of a total of approx NOK 130 million. Instead of selling the shares directly to the listed company, the owners first "sold" the shares for approx book value to companies in tax havens that they had established solely for this purpose. The shares were then sold to the listed companies for the real purchase price so that the profits were concealed in Norway. The owners failed to state the profits in their tax returns. The cases are expected to be heard in court in 2009.

Trends and challenges

Four main trends within the area of tax evasion have emerged during investigations:

- the use of tax havens to channel the flow of money
- the use of multiple companies and nominees
- the increasing use of Norwegian Registered Foreign Companies
- the use of advisers (e.g. accountants and lawyers) to design structures to evade taxation

The use of transfer companies in tax havens to conceal ownership in order to evade or minimise taxation appears to be rising concurrently with internationalisation and technological development. Moreover, the number of Norwegian Registered Foreign Companies is rising. This reduces the authorities' access to information.

A growing part of world trade takes place between and within groups of companies. Internal pricing of goods and services affect the tax base in Norway, primarily because marginal taxable profits are reported from Norwegian subsidiaries and branches in Norway, while the parent company abroad runs a large profit. It appears that the really large tax evasions are carried out by companies in large multinational conglomerates and that they, in addition to tax evasion, also carry out various types of criminal acts such as, corruption, cartel activity and price collaboration.

« Tax evasion costs society NOK 30–50 billion every year. This has damaging consequences for public benefits like schools, roads, health and welfare, and other important infrastructure »



You and I suffer when companies cooperate illegally on the pricing of their goods. We pay higher prices than if true competition prevailed in the market. Illustration photo: yaymicro.no

Competition crime

Competition crime is collaborating on and influencing prices, profits and discounts as well as tender and market sharing collaboration. The Competition Act provides a combination of prohibition and intervention regulations. The prohibition regulations in the Competition Act first of all target so-called cartel collaboration where market participants in a particular industry collaborate in order to limit competition. By, inter alia, dividing the market between them, they increase their market power, higher prices being one of the consequences.

Combating competition crime is important because cartel activity can inflict great losses to society and customers. Prices will be higher than if true competition prevailed in the market. Normally, it is very difficult to uncover cartel activity. Cartel participants want to hide their illegal activity, and deceived customers and competitors rarely discover what is going on. Official accounting records and documents kept in the company's regular archives will usually not contain information suggesting cartel activity.

One of the cases:

The Lemminkainen case

This case is one of several competition crime cases that have resulted in a corporate penalty, and where the company in question has been reorganised (e.g. as a result of a merger, split, sale of the company or its assets) after the competition violations have taken place, but before the criminal case has been settled. Reorganisation increasingly takes place within business and industry, without the regulations concerning corporate penalties being adequately clear as to who holds criminal liability.

The matter concerned one of several fines that were issued against a number of asphalt contractors in Norway for violation of the former Competition Act section 3-2, concerning market sharing and price collaboration in connection with tenders for asphalt and the pricing of asphalt.

Lemminkainen Norge AS was fined on three counts of customer sharing, price and tender collaboration, actual or attempted. The only question to be heard in court was which legal subject held the criminal liability. Icopal had sold their company assets related to roads activity to Lemminkainen prior to receiving the fine. The Supreme Court ruled that the selling company, i.e. Icopal, held the criminal liability, not the purchasing company, Lemminkainen.

Trends and challenges

Fewer and bigger participants within several industries, and increased internationalisation and rapid technological development make it more difficult to keep the activity under supervision. This increases the danger of cartel activity, nationally and internationally.

« *Økokrim contributes to fair and equitable competition* »



Violation of the Securities Trading Act undermines the role of the stock exchange as a marketplace for the supply of funds to the Norwegian business sector, both from Norway and abroad. Illustration photo: yaymicro.no

Crimes relating to securities trading

Securities crimes are criminal offences involving trade in financial instruments. The most serious offences are market manipulation and insider trading, for which the maximum penalty is six years' imprisonment.

The purpose of combating securities crime is first and foremost to uphold confidence in the Norwegian securities market. Violation of the Securities Trading Act undermines the role of the stock exchange as a marketplace for the supply of funds to the Norwegian business sector, both from Norway and abroad.

A selection of cases:

First Supreme Court judgment in a case of market manipulation

In 2008, a former fund manager who was indicted for several offences was sentenced to six months' imprisonment (of which 120 days were suspended) and a fine of NOK 1 million by Oslo District Court. He was indicted for manipulating the closing price of the shares in Findexa, a company listed on the Oslo Stock Exchange, on 31 December 2004, among other things. The Court of Appeal upheld the length of the sentence, but the number of days suspended was reduced to 60. The case was appealed to the Supreme Court, who set the penalty at 10 months' imprisonment of which 120 days were suspended.

The largest insider trading case so far

In a decision of 9 June 2008, Borgarting Court of Appeal dismissed an appeal against the sentence in what Økokrim in its annual report for 2007 characterised as Norway's largest insider trading case so far. The appeal was lodged by Økokrim and the three defendants.

The decision referred to a judgment passed by Oslo District Court on 11 July 2007, in which the court sentenced a PR adviser, an investor and one of his friends to ten, ten and eight months' imprisonment respectively for violation of the insider trading provision in the Securities Trading Act.

The Court of Appeal's decision was appealed by all parties, and the Supreme Court heard the case on 26 February 2009. One of the questions heard by the Supreme Court was: what importance was to be given to the Supreme Court's decisions in three extended sessions about reasons for dismissal of appeals? The Court of Appeal's decision to dismiss the appeal and the sentence imposed were both quashed.

In a case in the same group of cases, a stockbroker pleaded guilty to, by negligence, aiding the investor's insider trading of shares in the company Ignis ASA in November 2005. He was sentenced by Oslo District Court to 75 days' suspended imprisonment and a fine of NOK 40,000.

In a judgment dated 23 October 2008, Nord-Troms District Court sentenced another two persons in the same group of cases to 21 and 30 days' imprisonment respectively for insider trading, to which they had been induced to by the above-mentioned investor friend. The judgment was appealed to the Court of Appeal, which decided, on 3 February, not to allow the appeal.

First persons remanded in an insider trading case

At the end of January 2008, Økokrim intervened against an, at the time, general manager of a listed company and a second person in an equivalent position in a subsidiary of the listed company. Both were subsequently remanded in custody for eight weeks. This represented the first time that Økokrim obtained a decision to remand suspects in custody in an insider trading case. It is expected that a decision whether or not to prosecute will be made before the end of 2009

The DnB NOR case

In October 2008, the Financial Supervisory Authority of Norway filed a complaint against a Norwegian bank and two of its employees on suspicion of violation of the insider trading provision in the Securities Trading Act. The complaint came after the bank had traded in government bonds immediately before the introduction of government measures to improve the liquidity of Norwegian banks and their ability to grant credit. Early in 2009, the case is still under investigation.

Journalist indicted for insider trading

Late in 2008, Økokrim preferred indictments against two persons (father and son) for insider trading and incitement to insider trading. The case is one in a large group of cases. The trial is scheduled to commence at Oslo District Court in June 2009.

Trends and challenges

2008 saw an increase in requests for assistance from Sweden and the police districts in Norway. Here, we should mention the assistance that Økokrim provided to Rogaland Police District in the so called Acta case.

In our Annual Report for 2007, Økokrim referred to a trend analysis on crime relating to securities trading which concluded that: *"The latest development gives reason to expect that the violations will be more complicated, challenging and sophisticated in the future. For this reason, among others, it is probable that groups consisting of several persons, rather than individuals, will be our future offenders. We see, among other things, signs that investors collaborate with brokers in cases of more refined misuse of inside information, and that the information flow will be harder to follow"*.

It appears that this year too, the new cases we received confirmed this trend. In addition, it is very probable that the financial crisis and the global fall in stock market values in the second half of 2008 will present law enforcement bodies with new challenges. Økokrim therefore predicts an increased interest in the provisions on market manipulation. This is an area where the amount of case law is relatively limited.

« Violation of the Securities Trading Act undermines the stock exchange's role as market place and supplier of capital, from both national and international sources, to Norwegian industry »



The strain on nature increases in line with our economic wealth. Illustration photo: yaymicro.no.

Environmental crime

Environmental crime is crime that harms society's common goods, and which in the worst-case scenario could threaten the basis of our existence. Environmental crime is usually divided into four main groups:

- illegal pollution
- natural environmental crime
- cultural heritage crime
- working environment crime

Environmental crime represents less than one percent of all reported criminal offences, but the number of unrecorded cases is high.

Combating environmental crime is important because the pressure on nature increases in line with our economic wealth. At the same time, environmental crime causes long-lasting and serious problems for society, problems it will be difficult to solve after the damage has been done. Environmental crime damages the natural environment, in addition to the burden of crime. It is a contributing factor in reducing society's ability to control the future management of our natural resources.

A selection of cases:

Pioneer road in/on/along the shoreline

The Supreme Court quashed a judgment passed by the Court of Appeal in a case concerning the construction of a temporary pioneer road in the shoreline. The Supreme Court was of the opinion that the Court of Appeal had underestimated the importance of the fact that the road had been constructed in an area that was automatically protected by provisions in the Cultural Heritage Act.

Fines for illegal road construction

In recent years, Økokrim has handled several cases concerning illegal construction activities along the shore. In 2008, two cabin owners were fined NOK 80,000 and 30,000 respectively by the district court for having constructed an approx 30 metre long road to their cabins without applying for permission.

Municipality fined for violation of the Cultural Heritage Act

The district court fined a municipality NOK 150,000 for failure to report to the county municipality that it had received an application to establish a storage and drying facility for firewood on a farm where there were several burial mounds from before the year 1000 AD.

Sale of protected furniture from Østerdalen

Three persons were indicted after selling protected furniture at Koppang in Østerdalen in 2005. The furniture belonged to a house from around 1790 that was listed in 1923. The seller has been indicted for violation of the Cultural Heritage Act, while the buyer and the antiques dealer have been indicted for, by negligence, handling of the proceeds of crime. The case was heard in March 2009.

Violation of the Aquaculture Act

A fish farm in Hordaland accepted a fine of NOK 2.8 million for violation of the Aquaculture Act after around 300,000 trout escaped from the farm.

The Court of Appeal fined a fish farm NOK 700,000 for violation of the Aquaculture Act in connection with the escape of approx 54,000 salmon in the summer of 2005.

A fish farm in Møre og Romsdal accepted a fine of NOK 250,000 for among other things having turned a seine inside out, thereby letting 50–100 salmon swim off into the fiord. The farm had also failed to keep a journal over the moving of fish between net pens at the facility.

The Water Resources Act

Two persons were indicted for violation of the Water Resources Act after having built a 1,400 metre long pipeline from the regulated lake down to the fiord during the construction of a hydroelectric power plant in Sør-Trøndelag.

Defective marking of hazardous paint

Two suppliers to paint shops were fined NOK 100,000 and NOK 80,000 respectively for defective information on the products about the possible risks to health and the environment of their products.

Trends and challenges

The police and prosecuting authority are facing a number of major challenges within the area of environmental crime. The fight against natural environment crime will focus on preserving our biodiversity. Biodiversity can be preserved by limiting the release of fry or the introduction of foreign species that jeopardise diversity. For instance, when farmed fish escape, both species diversity and genetic diversity are jeopardised.

Illegal pollution is committed where companies and individuals are tempted by simple solutions and financial gain in handling and transporting hazardous waste. Increased oil activity in the northern areas and increased oil transportation along the Norwegian coast pose great challenges. In terms of cultural heritage crime, national and international trade in art and cultural monuments present major challenges, particularly because there are different kinds of participants in the market and different types of circulation. The Internet, for example, has created a market of its own, tailor-made for this type of crime.

Attempting to stop the continuing intentional and careless destruction of our cultural monuments in Norway is also a challenge.

In terms of working environment crime, one of the main challenges lies in the "social dumping" that is caused by increased labour from abroad. Increased pressure on time, poor HES routines and a demand for financial profit weakens the employees' security and worsens the working conditions at various workplaces in Norway. This particularly pertains to the construction and shipping industries and agriculture.



Crime should not pay. Is it okay that a criminal is allowed to keep luxury cars purchased with the proceeds of his/her crimes? Illustration photo: yaymicro.no

Forfeiture of the proceeds of criminal acts

Forfeiture of the proceeds of criminal acts means that the perpetrators are deprived of the profit acquired through different types of profit-motivated crime. Through financial investigation, the money flow and transactions are analysed so that unlawful income can be distinguished from lawful income. The result of this work is used as evidence to form the basis for the forfeiture.

Confiscating the proceeds of criminal acts is important, as money is the driving force behind a number of criminal offences. If crime pays, the attitudinal effects of the penal sanctions will be weakened. The public will perceive this as offensive. Moreover, the penal sanctions will appear less discouraging if some people can build a fortune based on criminal activity. Forfeiture will have both a general and an individual effect.

A selection of cases:

Assistance to the National Criminal Investigation Service (NCIS) – Money laundering

Økokrim has assisted NCIS in a case of money laundering. In 2007, the ringleader was convicted of organised theft. The ringleader's parents were charged with money laundering when they acted as pro forma owners of a flat valued at approx NOK 5 million. The case was tried in January 2009. The parents were acquitted of money laundering, but the real ownership of the flat was established. The flat can now be sold to cover the demands for compensation that have been filed against the ringleader, the sum of which far exceeds the value of the flat.

Organised loan fraud

Økokrim started investigating a case of organised loan fraud in May 2008. Properties were transferred to collaborating parties through several links in a chain, but without the deeds of transfer being registered. With the help of inflated valuations, the perpetrators managed to trick the banks into disbursing loans that far exceeded the value of the properties. The ringleader was sentenced to two and a half years' imprisonment in September 2008 after making a full confession. Following an appeal hearing in a different case, a combined sentence was imposed, and the ringleader was sentenced to two and a half years' imprisonment, of which 10 months were suspended. The judgment is final.

Financial fraud

In 2008, a case was tried where the defendant was indicted for fraud in the order of NOK 70 million. The victims had been deluded into investing large amounts of money with the promise that the investments would generate a 300% return per year. The money invested was, however, used for other purposes. The perpetrator had previously been convicted of fraud of NOK 68 million in the same case, and now chose to confess to the remaining charges. A combined sentence of eight and a half years' imprisonment was imposed. Forfeiture of approx NOK 70 million has been imposed in the case, of which approx NOK 52 million have been returned to the victims. In addition, the perpetrator has been sentenced to pay approx NOK 65 million in compensation.

The district court sentenced the organiser to five and a half years' imprisonment. This was reduced to five years by Borgarting Court of Appeal. In addition, the organiser was sentenced to pay NOK 2.5 million in compensation.

Trends and challenges

Getting the police to prioritise confiscating the proceeds of criminal acts is still a challenge, even though the applicable legislation within this area has improved, and to emphasise the importance of preventing criminals from keeping the proceeds of their criminal acts has been increased. The trend also indicates that, to an increasing extent, criminals use professionals to assist them, e.g. accountants and lawyers. They also establish their own companies, and illegal activity is often combined with legal business activity. This makes it more difficult for the police to access information and to map the actual financial circumstances that should form the basis for the confiscation.

« *If crime pays, the attitudinal effects of the penal sanctions will be weakened. The public will perceive this as offensive* »



The employees at FIU make use of advanced computer equipment, and are highly skilled and experienced in their use.
Photo: Ingvil Trana, Økokrim

The Financial Intelligence Unit - FIU

The Financial Intelligence Unit at Økokrim is Norway's national unit for financial intelligence. The FIU's primary task is to receive and analyse suspicious transaction reports (STRs) from entities with a reporting obligation. The FIU is also responsible for processing the information contained in these reports and forwarding financial information that can be linked to terrorism financing available to the police, cf. the Money Laundering Act section 7. The FIU received 9,026 STRs in 2008.

The FIU serves as a national resource centre for issues relating to money laundering. It shall monitor criminal developments and maintain contact with relevant partners in order to develop expertise and methodology within the Police Service and entities with a reporting obligation under The Money Laundering Act.

The FIU is also responsible for making relevant information from STRs available to the police and public administration agencies with supervisory tasks, in addition to other countries' FIUs. The information is forwarded both in formal complaints and in intelligence reports and analyses.

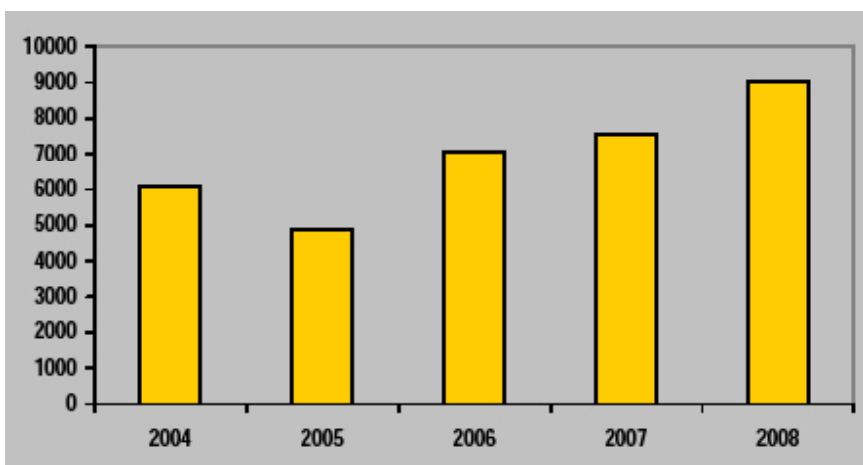


Table 1: Development in the number of STRs over the past five years. The FIU received 9,026 STRs in 2008.

The FIU received 9,026 STRs in 2008, an increase of 20% from 2007. The increase must be seen in connection with an increased focus on the reporting obligation under the Money Laundering Act for some groups with a reporting obligation. Money transfer services and accountants are groups that stepped up their reporting substantially in 2008, while banks, insurance companies and lawyers reduced the number of STRs in 2008 compared to previous years.

About the FIU's output

The FIU's aim for 2008 was to produce 300 intelligence reports and complaints. The actual number was somewhat below target, at 243 intelligence reports and 27 complaints. These were forwarded to the police and other public administration agencies with supervisory tasks and were based on information from 660 STRs.

The reason for the shortfall is mainly that the FIU used a large part of its resources to develop, test and implement the new IT system Ask. However, the relationship between the number of STRs received and intelligence reports and complaints produced equals other countries' FIUs.

There was a large increase in the number of inquiries from other countries' FIUs, from 34 in to 2007 to 65 in 2008. This reflects an increased focus on the possibilities of tracing objects and money across national borders.

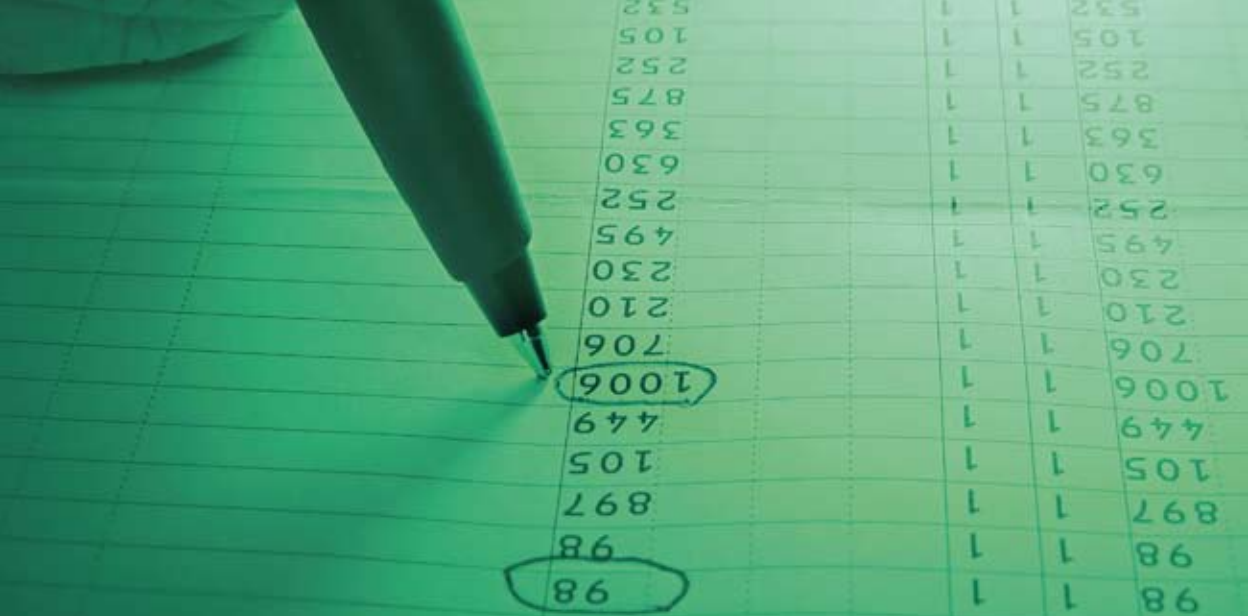
Ask – a new IT system for receiving and analysing STRs

Ask is the FIU's new IT system. It was implemented on 12 June 2008, and it offers advanced functionality for receiving, analysing and distributing financial intelligence. It also gives the FIU a unique opportunity to produce analyses of the correct object and network at the correct time. The concept Ask includes functionalities that are based on technologies new to the police and the justice sector. Ask is the first system in the justice sector to utilise advanced functionalities such as:

- rule-based weighting
- list-based notification (UN lists, self-defined lists, etc.)
- advanced navigator search
- automatic network building
- integration with Analyst's Notebook

With Ask and Altinn II, greater demands will be made to the quality of data that the FIU receives from the entities with a reporting obligation. This is necessary in order to utilize the resources in the most efficient manner.

The FIU publishes its own annual report, which, among other things, includes statistical data on the number of STRs that result in convictions and intelligence reports. A copy of the report is available on demand from Økokrim, and can also be found on www.okokrim.no and www.hvitvasking.no.



A large part of Økokrim's resources are used to assist the police districts' investigations of economic and environmental crime. Illustration photo: yajmicio.no

Cases in which Økokrim provides assistance

Økokrim provides assistance, both in terms of investigative support and on a consultant basis, in all types of economic crime and financial investigations. Assistance is also provided within all fields that Økokrim is responsible for: securities, bankruptcy, corruption, etc. Informal assistance (e.g. contact over the phone in a case) can be as important as more formal assistance, i.e. where Økokrim on request provides support in local investigations over a long period of time.

The Assistance Team

Økokrim has an Assistance Team whose only task is to assist local police districts and specialist agencies. The Team has investigators with a background in law enforcement and accounting, and it provides assistance in all phases of the investigation up to sentencing. Typical cases include large fraud, bankruptcy and corruption cases and fisheries crime.

The Assistance Team registered 35 new cases in 2008. The requests came from 13 police districts, NCIS and the independent unit for investigation of police and prosecution affairs. Also, the Assistance Team received a number of Letters of Request from other countries.

The Assistance Team is responsible for arranging two annual specialist seminars for the police districts' Economic Crime Teams. In 2008, the Assistance Team organized two training seminars at Gardermoen, of which the latter mainly dealt with international investigation. The Assistance Team also engages in skill sharing in the form of lectures. In 2008, the Assistance Team has given a number of lectures to the various regions of the Norwegian Tax Administration.

A selection of cases in 2008:

"The importation case" – assistance to Sogn og Fjordane Police District
Økokrim started assisting Sogn og Fjordane Police District in this case in the autumn of 2007, and in August 2008, judgment was passed on a 56-year-old business man. Fjordane District Court sentenced him to 3 years' imprisonment, a NOK 100,000 fine and forfeiture of NOK 1 million and two cars. From 2004 to 2007 he imported cars for sale and forged invoices that formed the basis

for calculating import duties and VAT. In addition, he rented out Polish workers during the years 2005-7 without being registered in the VAT register. He did not keep any accounts. He was convicted violation of the VAT Act, the Tax Administration Act and the Accounting Act, among other offences. The court noted in the judgement, that his consistent failure to comply with the rules in these areas demonstrated a gross breach of trust against the system, and that his actions may have distorted competition in the affected industries.

Corruption cases – assistance to Oslo Police District

In the "Screen case" in Nord-Trøndelag Police District, two of the three indicted main players were convicted and received custodial sentences for corruption and misappropriation of funds. In the wake of this case, the Assistance Team has assisted Oslo Police District in a total of eight cases of corruption. Six of these cases were concluded, with final judgments passed, in 2008.

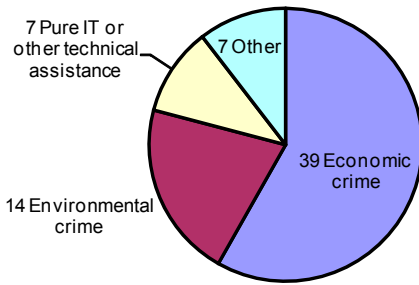
The common denominator in all these cases is that they involve senior staff (heads of sales and marketing, and the like) in large and well known companies in Norway. Those convicted in Oslo were convicted of receiving flat screens and other benefits from the company Screen Communication AS. They received suspended prison sentences of 21–45 days and fines of NOK 15,000–30,000. The screens and other objects have been forfeited to the Treasury. A total of ten convictions have been passed in similar cases in the wake of the Screen case.

The Fesil case – assistance to Helgeland Police District

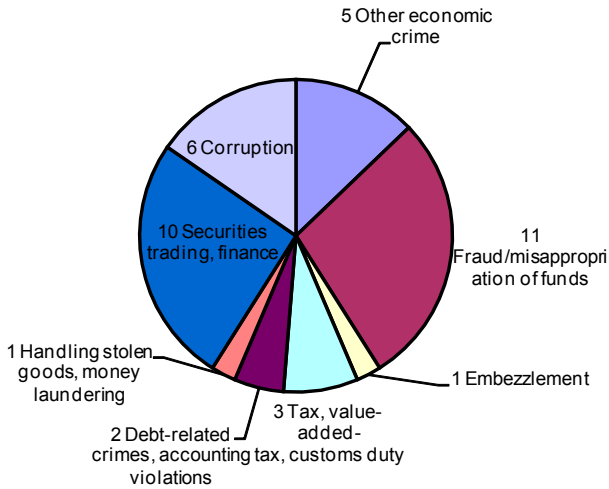
In all, five persons were sentenced to prison in the "Fesil case", and four of them were convicted of corruption in accordance with the new provisions. One of the persons convicted was the CEO of the listed company Fesil ASA. He was convicted of receiving an improper advantage to the amount of NOK 1,375,000. The four who were convicted of corruption by the District Court, were acquitted by the Court of Appeal (by the jury), but subsequently convicted by the Court of Appeal (in a court composed of both professional and lay judges). This conviction was later sustained by the Supreme Court.

« Each and every one of us has a responsibility to society, »
and should report criminal acts

Økokrim's assistance cases in 2008



**Økokrim's assistance cases in 2008
Economical crime**



**Økokrim's assistance cases in 2008
Environmental crime**





We prevent crime in various ways; we investigate, assist and teach. Illustration photo: Ingvil Trana, Økokrim

Økokrim – the specialist agency

In order to fulfil our role, we depend on highly skilled employees that continuously update their skills in order to meet the challenges within our fields.

Økokrim engages in extensive external training and information work in the form of talks, lectures and presentations at meetings, conferences and seminars. Such training and information measures also have a preventive effect. Some of Økokrim's employees write professional articles, books and opinion pieces. Many of them hold courses and lecture on specialist subjects that relate to their work, and several of them teach at the Norwegian Police University College or provide courses for the Norwegian Tax Administration, the business sector and other partners.

Økokrim actively uses its website to post information about judgments and other news, and to inform or warn the public about various forms of crime (e.g. "Nigeria scams", investment scams and various Internet and e-mail scams). Økokrim's Communications Adviser answers or passes on enquiries from the press, and the Desk answers enquiries received from people who have been the victims of attempted fraud. Information regarding individual criminal cases is largely provided by prosecutors, whereas statements on policy issues are, as a rule, made by the Director or Deputy Director.

We have carried out the following external training and information activities in 2008:

- held two seminars for the Economic Crime Teams in the country's police districts
- held a two-day Nordic skill-sharing seminar on corruption
- held a number of lectures on corruption
- arranged seminars for assisting and police accountants and for accountants at the tax crime units
- taught at the Norwegian Police University College's course about economic crime
- held presentations for auditor students at the Norwegian School of Economics and Business Administration, the Norwegian School of Management and the University of Agder

- taught at seminars for tax deduction inspectors
- arranged seminars on collaboration forms with the supervisory bodies for the Tax Crime Unit
- participated at a regional seminar on felonies in relation to debts, organised by the Norwegian Tax Administration in Stavanger
- participated at seminars on administration in bankruptcy and Chapter 27 of the Penal Code: Felonies in relation to debts, organised by the Norwegian Advisory Council on Bankruptcy in Bodø and Lillehammer
- arranged a regional seminar on financial intelligence and investigation for Hordaland Police District and for entities from the financial sector with a reporting obligation
- given lectures on money laundering and the reporting obligation under the Money Laundering Act for various groups with a reporting obligation
- made arrangements for a visiting trainee scheme at The FIU for investigators from the police districts
- arranged seminars on environmental crime for public prosecutors, environment coordinators and environment lawyers in the police districts
- held lectures at the police districts' environmental crime seminars
- held courses for inspectors at the Directorate of Fisheries
- made presentations on environmental crime at several prosecution meetings
- taught about environmental crime at the Norwegian Police University College
- lectured about Internet scams at Datamessen, a computer fair, organised by the Norwegian Computer Society

In 2008, Økokrim, among other things, participated in the Tax Evasion commission, the Government's commission on capital flight from poor countries, the senior level committee on economic crime, the Government commission for a new Money Laundering Act, and the commission to review intrusive police methods.

We have been engaged in the debates about the Data Retention Directive and the auditing requirements for small companies. In the field of environmental crime, we have emphasised the need for improving the follow-up of criminal cases involving escaped farm fish and heavier penalties in this area, and heavier penalties for working environment offences.

In addition, we prepare trend reports on economic and environmental crime; are responsible for maintaining the information page www.hvitvasking.no in collaboration with the Financial Supervisory Authority of Norway and for publishing three issues per year of the periodical *Miljøkrim* (Environmental Crime).



Crime knows no borders in a global world. A large part of our cases extend outside the country. Illustration photo: yaymicro.no.

National and international cooperation

National

Økokrim is engaged in extensive cooperation with various supervisory bodies with respect to both general and specific cases. Økokrim's Director and Deputy Director have regular semi-annual meetings with the management of the Financial Supervisory Authority of Norway, the Norwegian Tax Inspectorate, the Directorate of Customs and Excise, the National Criminal Investigation Service and the Norwegian Police Security Service. Økokrim also has contact with several other supervisory bodies on a less regular basis.

Through its meeting activities and presentations, Økokrim also strives to improve contact between the Economic Crime Teams in the police districts, local supervisory bodies and other natural partners. In 2008, we participated in, among other things, the project "Stop Internet Fraud", organised by the Consumer Ombudsman, and the identity theft programme lead by Security Valley.

International

Economic crime increasingly takes place across country borders. The investigation of complex cases with foreign ramifications requires that Økokrim be in contact with and cooperate with police authorities in other countries. In addition to cooperating on specific cases, Økokrim participates in international cooperation of a more general nature in various areas, e.g. through Interpol, Europol, OECD, GRECO (Group of States against Corruption) and FATF (Financial Action Task Force). FATF's objective is to enhance international cooperation in order to combat the laundering of proceeds of criminal acts. In 2008, Økokrim attended a meeting of the Egmont Group (cooperation between national financial intelligence units), and four meetings of the FATF.

Økokrim is also a member of a sub-committee of the Joint Norwegian-Russian Fisheries Commission. The purpose of the sub-commission is, among other things, to combat illegal fishing and to improve cooperation between the various involved government agencies on both sides.

In terms of environmental crime Økokrim was represented in the expert group set up to combat environmental crime in the Baltic countries (Baltic Sea Task Force) in 2008. Økokrim has also been represented in the North Sea Network, which works on regulations and the enforcing of laws against pollution by ships in the North Sea. Additionally, Økokrim has participated in Impel-TF5, a network dealing with regulations prohibiting cross-border transport of hazardous waste.

Moreover, Økokrim is represented on Interpol's project groups on pollution crime and World Wildlife.

Økokrim



Økokrim

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