



ØKOKRIM

25



ANNUAL REPORT 2013

- Protects important values



ØKOKRIM

The Norwegian National Authority
for Investigation and Prosecution
of Economic and Environmental Crime

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Editorial

25 years of protecting important values



Director of ØKOKRIM **Trond Eirik Schea**

As in previous years, most of ØKOKRIM's resources were in 2013 dedicated to investigating and prosecuting criminal cases. This is the mainstay of our strategy, which aims to achieve general deterrence. In addition, our many highly skilled employees have helped the police districts in Norway to build the professional skills of both the employees working in the local economic crime teams, and others. Also, the Financial Intelligence Unit at ØKOKRIM has gathered intelligence based on information gleaned from suspicious transaction reports. To a large degree, we achieved our aims for 2013.

The threat from criminal activity falling within ØKOKRIM's purview has not diminished the last two years, nor is there any indication that it will abate in the coming two years. Several types of crime are increasing in volume and executed in an increasingly professional manner, and they are becoming harder to investigate and prosecute. The challenges facing ØKOKRIM and all other agencies and organisations involved in combating economic and environmental crime have been growing steadily for many years.

In 2014, ØKOKRIM celebrates its 25th anniversary. The anniversary will be celebrated in several ways – including by presenting a brief historical overview and a few congratulations in this report. ØKOKRIM's history over the past 25 years is one of fast-paced change in an organisation whose mandate has remained almost unchanged. This has been necessary to keep up with the speed of innovation that has taken place in and around the types of crime that ØKOKRIM investigates. But most importantly, the anniversary is an opportunity to highlight the main purpose behind the establish-

ment of ØKOKRIM in 1989: to provide Norwegian law enforcement agencies with an expert organisation with the skills and means to investigate and prosecute crimes committed by the most resourceful elements of society. Criminal justice will lose legitimacy if the general perception prevails that these individuals can commit their crimes with impunity while the less resourceful are caught and prosecuted.

Now more than ever, Norwegian police and prosecution authorities need a powerful agency to

«The anniversary is an opportunity to highlight the main purpose behind the establishment of ØKOKRIM in 1989: to provide Norwegian law enforcement agencies with an expert organisation with the skills and means to investigate and prosecute crimes committed by the most resourceful elements of society.»

spearhead the on-going battle against economic and environmental crime. ØKOKRIM's employees are continuously working to develop new professional skills and investigating methods. The Norwegian police are currently undergoing the most fundamental changes in several decades. ØKOKRIM's ambition is to become an ever more important contributor to the total law enforcement efforts against economic and environmental crime.

EFFEKTIVISERING AV ETTERFORSKING I ØKONOMISKE STRAFFESAKER

1. Bakgrunnen.

Umiddelbart etter at jeg tiltrådte embetet som riksadvokat begynte jeg å sysle med tanker om en ny giv i etterforskingen av økonomiske straffesaker av mer avansert og sofistikert karakter. Dette er et forsømt kriminalpolitisk område, til tross for at det synes å være en utbredt politisk og faglig vilje til i sin alminnelighet å styrke kampen mot den økonomiske kriminaliteten. Det som har vært savnet, er mer konkrete handlingsorienterte og målrettede initiativ. I mellomtiden har politi og påtalemyndighet lidd en rekke nederlag i saker på dette område. Ingen er i tvil om at samfunnet - fellesskapet - årlig unndras enorme beløp som følge av straffbare brudd på skatte- og avgiftslovgivning, tolllovgivning, valutaloggivning m.v. I takt med et økende antall konkurser, synes det også som om forbrytelser i gjeldsforhold har økt betraktelig i de senere år. I disse tilfelle er ofte næringslivet selv offer for kriminaliteten. Vårt lands tradisjonelt åpne og utadvendte næringsliv, kombinert med et høyt skatte- og avgiftsnivå innenlands, har ført til at mye av den økonomiske kriminalitet har internasjonale forgreninger. Denne side ved kriminaliteten er antakelig forsterket i løpet av de årene Norge er blitt en oljenasjon. Kriminalitetens internasjonale forgreninger synes ofte å føre til de såkalte "skatteparadis" på kanal-øyene eller i Karibien.

«In consultation with the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (ØKOKRIM) and the Director of Public Prosecutions, the Ministry proposes that the regulations governing the entity (...), with some minor changes, be included in a new chapter 35 of the Prosecution Instructions.»

«I began contemplating strengthening the investigation and prosecution of economic crime of a more sophisticated nature immediately after assuming the post of Director of Public Prosecutions. This is a neglected field of criminal justice.»

Georg Fr. Rieber-Mohn

KAST)

KONGELIG RESOLUSJON OM ENDRING I PÅTALEINSTRUKSEN (FASTSATT VED KONGELIG RESOLUSJON 28 JUNI 1985) - DEN SENTRALE ENHET FOR ETTERFORSKING OG PÅTALE AV ØKONOMISK KRI-MINALITET OG MILJØKRI-MINALITET (ØKOKRIM)

1. Innledning

I samråd med Den sentrale enhet for etterforskning og påtale av økonomisk kriminalitet og miljøkriminalitet (ØKOKRIM) og riksadvokaten, foreslår departementet at reglementet for enheten (fastsatt ved Kongelig resolusjon 25 august 1989), med noen mindre endringer inntas som nytt kapittel 35 i påtaleinstruksen.

Bakgrunnen er at det anses hensiktsmessig å ha reglene som angår påtalemyndigheten samlet i påtaleinstruksen. Reglementet for ØKOKRIM inneholder også noen bestemmelser av mer administrativ og generell karakter. Når reglementet nå innarbeides i påtaleinstruksen er det fra et informasjonssynspunkt en vesentlig fordel at også disse bestemmelsene tas inn. Enhetens generelle oppgaver - rådgivning, høring, etterretning og internasjonalt samarbeid - er viktige sider av virksomheten, og det er betydningsfullt at andre institusjoner blir kjent med denne delen av arbeidsområdet. For sammenhengens skyld er det også hensiktsmessig at reglementets bestemmelse om enhetens politikompetanse i henhold til politiloven § 3 inntas i påtaleinstruksen.

2. Endringer i reglementet for enheten

Med bakgrunn i forslag fra ØKOKRIM-enheten inntas samtidig noen mindre justeringer i reglementet for denne. Nåværende reglement fastsetter i pkt 9 at riksadvokaten kan bestemme at sak som ikke omfattes av enhetens primære saksområde skal behandles av enheten "såfremt saken er relatert til økonomisk kriminalitet eller miljøkriminalitet". Dette foreslås endret til at riksadvokaten kan treffe slik beslutning "i særskilte tilfelle", jf utkast til § 35-8 annet ledd. Utgangspunktet for beslutning om behandling etter bestemmelsen vil fortsatt være at saken er relatert til økonomisk kriminalitet eller miljøkriminalitet, men den avveger at det reises tvil om



Greetings

Greetings on ØKOKRIM's 25th anniversary

Eva Fröjelin, Swedish Economic Crime Authority
& **Jens Madsen**, The Danish State Prosecutor for Serious
Economic and International Crime (Photo: EBM / SØIK)



Investigation and prosecution of economic crime has become increasingly difficult. In line with developments in the rest of society, the complexity of the criminal cases and our various other tasks has increased significantly. Legislation has become more complex, something which places great demands on specialisation for law enforcement agencies involved in combating economic crime. Modern technology produces new types of crime, and increasing globalisation means that a share part of the criminal cases have links to one or more foreign countries. The result of all this is that cooperation, coordination and the sharing of knowledge and expertise with other national and international law enforcement authorities has become crucial to combatting economic crime.

It is therefore with great pleasure that we, ØKOKRIM's sister organisations in Sweden and Denmark – Ekobrottsmyndigheten and Statsadvokaten for Særlig Økonomisk og International Kriminalitet (SØIK) – can say that we have enjoyed a close and very rewarding collaboration with ØKOKRIM over these 25 years.

Our mutual commitment to this collaboration is renewed and strengthened at the annual conferences which bring together the economic crime units of Norway, Sweden, Denmark, Iceland and Finland. In the beginning, the conferences were about informing each other about changes in national legislation, judgments of common interest and new trends within the field of economic crime. Today, we also share experiences about how we solve our tasks. In recent years, subjects like the development of new work processes, efficiency and control of large investigations, management and development of skills and expertise have taken up more of the conference programmes.

Naturally, the Nordic countries' economic crime

units are in close contact also between conferences. Both Ekobrottsmyndigheten in Sweden and SØIK in Denmark have for the last 25 years enjoyed continuous – and increasing – collaboration with ØKOKRIM in on-going investigations, and our employees describe the assistance they get from ØKOKRIM as quick, smooth and as efficient as if we all belonged to the same organisation. Our collaboration has been particularly productive within the fields of securities market fraud and antitrust cases, but also in exchanging best practice and investigation methods, and in the development of new legislation. Also, ØKOKRIM serves a role model for the economic crime units of other countries when it comes to working in teams, something which is an important element of what we call the EBM model. Bringing together professionals from different fields to work on a problem or an investigation right from the start has proven to be a success in combatting these types of complex and demanding crime.

Over the years, a close and personal relationship has developed between employees and managers of our respective organisations. We very much appreciate these relationships, which are sustained by mutual respect and sympathy. The employees and managers of ØKOKRIM who we have met have always contributed actively to make our collaboration flexible, informal and inspiring. This is greatly appreciated in our joint fight against economic crime.

We congratulate all employees and managers of ØKOKRIM with your 25th anniversary, and we look forward to working closely with you on the projects we have initiated between our criminal intelligence units within the fields of intelligence gathering, methodology and analysis.





Greetings

Dear ØKOKRIM

Erik Keiserud, Chairman of the Board of the Norwegian Bar Association
(Photo: Elisabeth Tollisen)

We live in a time of rapid change in which everything is being professionalised and globalised at an ever faster pace. Experience and insight are exchanged across borders, professions, organisations and companies – and the learning curve is getting steadily steeper.

Unfortunately, this holds true also for many criminals. Fraud, money laundering, corruption, tax evasion, environmental crime, insider trading and other serious crime is committed by criminals with increasing skills and knowledge, not only about business and finance, but also about how public authorities exercise their duties and their investigation methods. At the same time, economic crime is continually finding new forms.

Economic crime can only be countered by law enforcement agencies staffed with highly qualified employees within policing and financial and environmental crime, both nationally and internationally. During its 25 years, ØKOKRIM has built skills and gathered experience that are of utmost importance in combatting financial and environmental crime.

The crime that falls with ØKOKRIM's scope is of the kind that in many cases threaten the foundations of our society. It threatens the competitiveness of law-abiding companies, it undermines the public sector's income base, it reduces the security of jobs and investments, it harms the public's trust in government institutions and private organisations, and certain

types of environmental crime threaten fundamental natural resources. If we allow this activity to go unchecked, it may threaten the welfare state.

With such an important mandate to protect follows a great responsibility. Not only to achieve its goals, but also to protect the values that make the efforts worth the cost. The members of the Bar Association are naturally focused on due process and the rights

«Crime will continue to develop at an increasingly rapid pace. I am confident that you will do the same»

of the accused, and that the methods employed by law enforcement agencies can stand up to scrutiny from lawyers and the media. This is not because we have different goals. Like you, we want to defend our model of society, on the model's own terms.

On behalf of the Norwegian Bar Association, I would like to thank ØKOKRIM for its work through 25 years and wish you the best of luck for the future. Crime will continue to develop at an increasingly rapid pace. I am confident that you will do the same.

25 years of ØKOKRIM

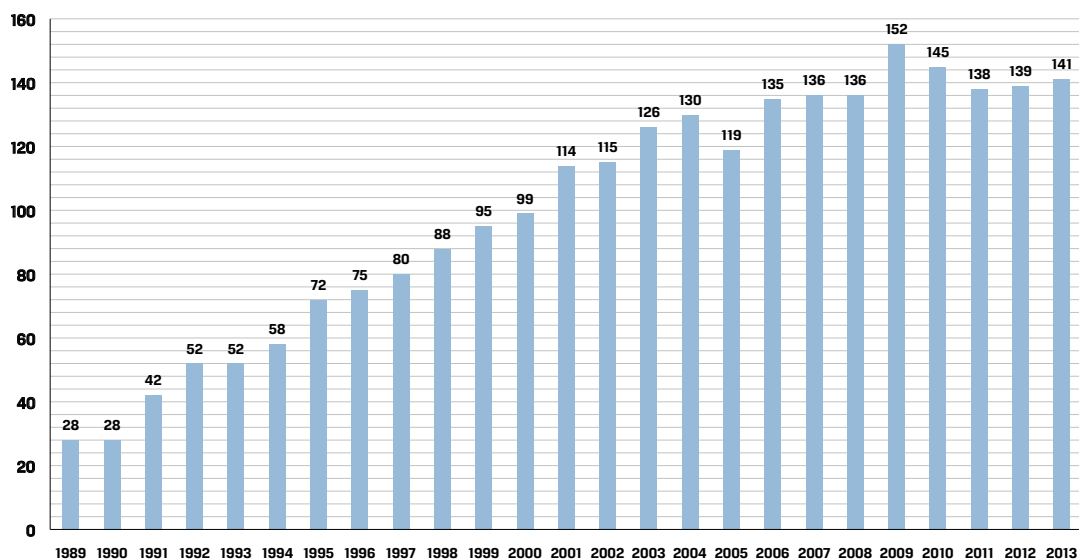
Resources

	Unit value	1994	1999	2004	2009	2013
Annual budget (as at 31 December) ¹⁾	NOK millions	41 406'	64 772'	111 428'	120 897'	147 144'
- Salaries:	NOK millions	18 734'	38 135'	67 308'	82 179'	103 608'
- Operating cost:	NOK millions	19 475'	25 312'	43 871'	38 002'	43 267'
Staff (as at 31 December) ²⁾	Number	58	95	130	152	141

1) Earmarked funds not included.

2) ØKOKRIM has previously reported the number of established posts (permanent and temporary).
From 2010, we report the number of man-years (employees as at 31 December).

Staff





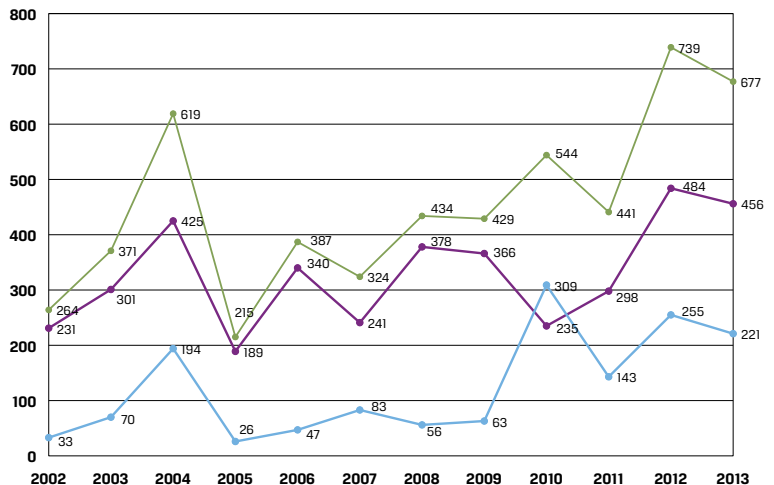
Results

Key figures	Unit value	1994	1999	2004	2009	2013
Convictions in enforceable decisions	%	*	87	91	86	66
Clear-up rate	%	*	91	92	93	77
Court cases (District Court, Court of Appeal, the Supreme Court)	Number	19	52	46	40	33
Enforceable decisions	Number	52	76	85	42	48
Enforceable confiscations/compensations	NOK million	21	50	129	21	119
Decisions to proceed with prosecution	Number	62	85	59	46	23
New cases	Number	42	87	40	26	20
Cases under investigation	Number	41	**	47	39	21
Case processing time	Days	240	239	176	314	499
Cases in which ØKOKRIM provides assistance ***	Number	216	127	257	53	48
Suspicious transaction reports	Number	160	788	6 082	6 161	4 272

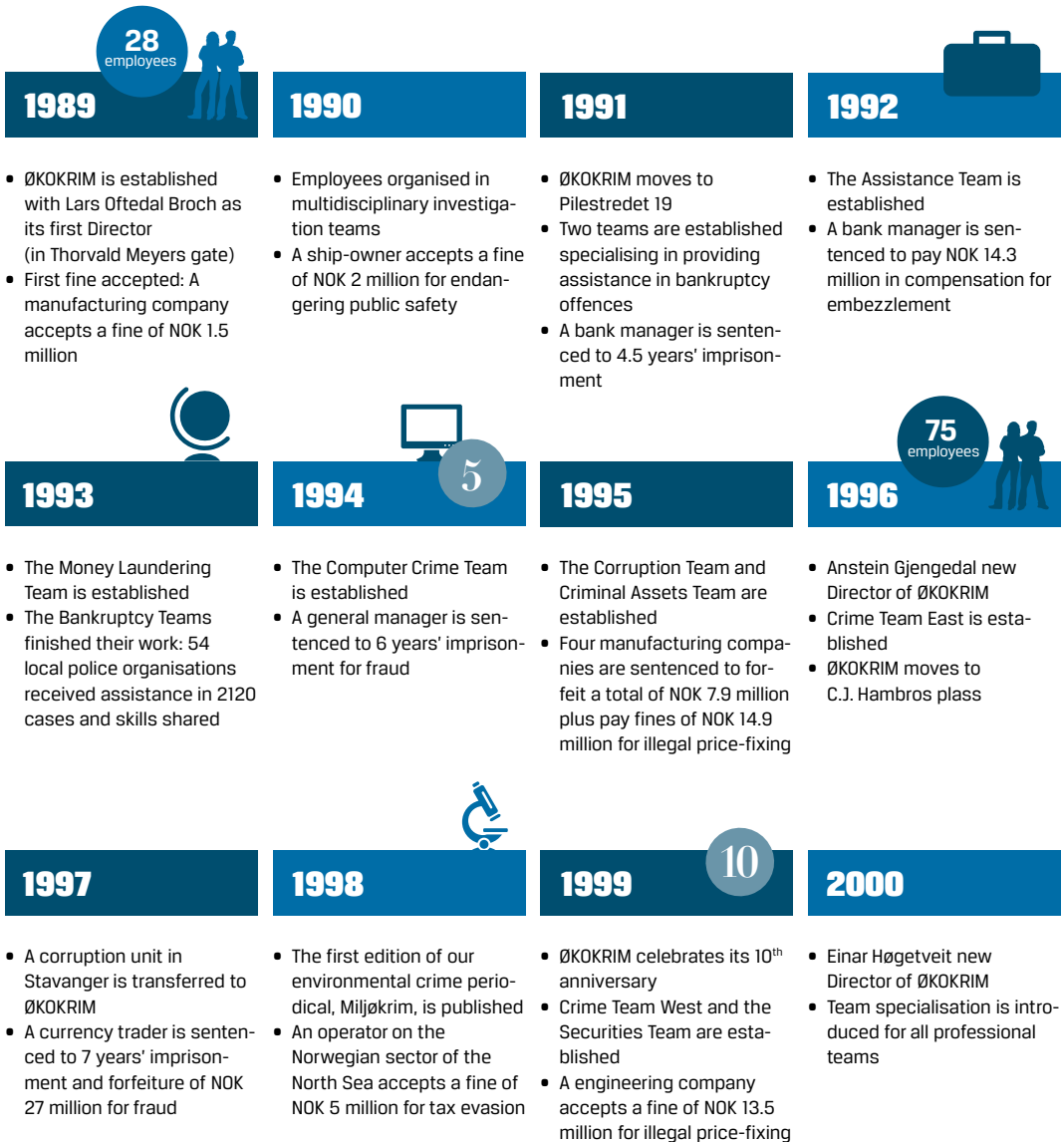
* In 1994 we did not dispose over a recording system that provided conviction and clear-up rates. ** No numbers are available for cases under investigation in 1999. *** The reduction in the number of assistance cases was caused by the transfer of the National Computer Crime Centre from ØKOKRIM to the National Criminal Investigation Service in 2005.

Number of court days per year

- ◆ District Court
- ◆ Court of Appeal and Supreme Court
- ◆ Total



ØKOKRIM year by year





2001 **2002** **2003** **2004**

115 employees  15

- Crime Team East is dismantled
- A poultry producer is sentenced to pay a fine of NOK 72.5 million plus forfeit NOK 11.7 million for, among other offences, violation of the Customs Act
- The Computer Crime Team is transformed into the National Computer Crime Centre and moves to Bryn
- The general manager of a fish processing company is sentenced to 7.5 years' imprisonment, among other offences for VAT fraud
- Official opening of the National Computer Crime Centre
- A department head is sentenced to 5.5 years' imprisonment and NOK 11.5 in compensation for corruption
- ØKOKRIM celebrates its 15th anniversary
- An MMI poll confirms the public's knowledge of and trust in ØKOKRIM
- The Subsidies Team is established
- A large Norwegian oil company accepts a fine of NOK 20 million for corruption

2005 **2006** **2007** **2008**

135 employees  

- The Corruption Unit in Stavanger is dismantled
- A general manager is sentenced to 6 years' imprisonment and forfeiture of NOK 9.1 million for, among other offences, fraud
- The Money Laundering Team changes its name to the Financial Intelligence Unit (FIU)
- A businessman is sentenced to 5.5 years' imprisonment and to pay compensation of NOK 32.1 million for, among other offences, VAT fraud
- The Proceeds and Money Laundering Team is established
- The general manager of a financing company is sentenced to 9 years' imprisonment and ordered to pay NOK 1.17 billion in compensation for, among other offences, fraud
- The Supreme Court decides that the reasoning behind all denials of applications for appeal must be explicitly stated
- The Proceeds and Money Laundering Team changes its name to the Money Laundering Team

2009 **2010** **2011** **2012**

20  

- Trond Eirik Schea Director of ØKOKRIM
- ØKOKRIM celebrates its 20th anniversary
- ØKOKRIM launches an investigation of the so-called «MP's pension case»
- DnB NOR ASA is fined NOK 12 million for violation of the Securities Trading Act
- The Court of Appeal sentences a former general manager of a public water supply utility to 7.5 years' imprisonment
- ØKOKRIM's Threat assessment for 2011-12 published
- A sentence of 2 years' imprisonment for corruption is meted out in the so-called Store Norske case
- A joint action with the customs, tax collection and fisheries' authorities against customs duty fraud results in fines and confiscation orders
- The Subsidies Team is dismantled
- Okokrim.no elected government website of the year
- A man is sentenced to 6 years' imprisonment for organised economic crime
- ØKOKRIM's longest lasting court case so far starts (9 months)
- Prison sentences meted out in two reopened cases
- ØKOKRIM publishes a book about confiscation

2013

- The «MP's pension case» is finally concluded: A man is sentenced to 6 months' suspended prison for gross negligent fraud
- A man is sentenced to prison for selling false Hamsun and Ibsen documents
- ØKOKRIM's Threat assessment for 2013-14 is published

141 employees 



25 years of ØKOKRIM cases

Judgments / Prison sentences

Date	Case/person convicted	Judgment
17.02.94	General manager	6 years' imprisonment for gross fraud and embezzlement
18.03.97	Investment director	7 years' imprisonment for gross fraud and embezzlement
15.10.97	Lawyer	5 years' imprisonment for gross misappropriation of funds
22.03.99	General manager	5 years' imprisonment for gross fraud
24.06.99	Sole trader	7.5 years' imprisonment for drugs offences
17.10.01	Owner of private company	5 years' imprisonment for gross fraud and customs fraud
26.02.02	General manager	7.5 years' imprisonment for gross embezzlement and tax fraud
03.04.03	Purchasing manager (UNICEF)	5.5 years' imprisonment for embezzlement
10.03.05	Manager of a limited company	6 years' imprisonment for providing incorrect information about the company and gross fraud
30.01.07	Head of Finance (the Norwegian Red Cross)	5.5 years' imprisonment for gross embezzlement and bribery
28.11.07	Finance professional (Finance Credit)	7 years' imprisonment for gross bank fraud
03.04.08	Accountant (the Taxi case)	8 years' imprisonment for gross tax fraud and accounting crime
12.06.10	General manager of a public water supply utility	7.5 years' imprisonment for gross corruption and embezzlement
05.04.11	Sole trader/consultant	5 years' imprisonment for investment fraud
19.1.12 / 05.09.13	General manager, chairman of the board and adviser (Vest Tank)	The most severe sentence for environmental crime: 2 years', 2.5 years' and 3 months' imprisonment for the general manager, chairman of the board and adviser, respectively, for environmental crime (pollution, etc.)
15.01.13	General manager	5.5 years' imprisonment for VAT fraud
18.04.13	Steel trader	6 years' imprisonment for gross embezzlement
21.05.13	Former police officer	7.5 years' imprisonment for gross fraud
27.08.13	Master carpenter (the Norwegian Red Cross case)	6 years' imprisonment for gross embezzlement and bribery

Note: The dates in the tables show the dates for enforceable judgments

Judgments / Largest fines imposed

Date	Case/company convicted	Judgement
29.12.95	Two manufacturing companies	NOK 5.5 and 5.3 million fines for price-fixing
07.09.04	Transport company	NOK 6 million fine for gross fraud

The most severe financial penalties

	Year	Penalty
Compensation	2007	Approx. NOK 1.1 billion (Finance Credit)
Confiscation orders*	1997	Approx. NOK 27 million (investment director)
	2011	Approx. NOK 30 million (financier)
Total financial penalties 1989–2013 = Approx. NOK 2.3 billion		

* Includes confiscation of assets of a value corresponding to the value of the proceeds of the criminal act only, not assets seized.

Accepted fines

Date	Case/company convicted	Judgment
30.04.99	Engineering company	NOK 13.5 million fine for illegal price-fixing
08.10.01	Manufacturing company	NOK 4 million fine for pollution
28.01.02	Telecom operator	NOK 2 million fine plus confiscation of NOK 8 million for competition crime
14.10.04	Oil Company	NOK 20 million fine for trading in influence abroad
19.02.10	Bank	NOK 12 million fine plus confiscation of NOK 14 million for violation of the Securities Trading Act
24.10.13	Oil Company	NOK 21.3 million in fines for illegal market manipulation

Reopening of cases

In 2008, Norway's process for the screening of appeals in criminal cases was criticised by the UN Human Rights Committee for its practice of denying access to appeal without providing the reasoning behind the decision. Later that year, the Supreme Court decided that the Court of Appeal had to provide the reasons for denying appeals in its screening process, and in October 2010 the Supreme Court opened for the reopening of criminal cases in which the convicted had been denied access

to appeal without the reason having been provided.

Following the Supreme Court's decision, ØKOKRIM received applications to reopen 13 cases. Two were rejected by the Norwegian Criminal Cases Review Commission. Of the remaining eleven cases which were reopened, two appeals were withdrawn (Red Cross), and the District Court's judgments became final again. Three applications for appeal were denied, and six cases were reopened with the following results:

Date	Case/person or company convicted	Judgment
18.1.12	Male	1.5 years' suspended imprisonment for drugs offences and receiving the proceeds of crime
15.11.12	Managing director (Sponsor Service)	4.5 years' imprisonment for gross fraud and manipulation of accounts (of which one year was suspended)
15.1.13	General manager	5.5 years' imprisonment for VAT fraud
21.5.13	Former police officer	7.5 years' imprisonment for gross fraud
27.8.13	Master carpenter (the Norwegian Red Cross case)	6 years' imprisonment for gross embezzlement and bribery
2014	Finance Credit	Judgment is expected to be passed in 2014





Important Supreme Court decisions

Date	Decision
April 2005	First conviction for violation of the general provision against environmental crime, Penal Code section 152 b.
September 2005	On the severity of the punishment for government subsidy swindle. (A former head of finance of Ofotens og Vesteraalens Dampskibsselskap (OVDS) was sentenced to 2 years' imprisonment for gross fraud.)
September 2006	The until then most severe punishment for insider trading. (The sentence was increased to 6 months' imprisonment for a former finance director for abuse of inside information.)
February 2007	A custodial sentence will normally be imposed for insider trading.
October 2008	The seller is responsible in cases where a company is held responsible.
January 2009	First Supreme Court conviction for stock market manipulation.
June 2010	The legal protection for sources applies also to Internet media (i.e. the editor of Internet news media may refuse to divulge the identity of a participant in a debate on its website even if there is reason to believe that he or she has committed a crime).
November 2010	Auditors can be convicted of being an accessory to violation of the Accounting Act.
December 2010	Transfers from client accounts: The duty of professional secrecy applies.
January 2011	A fine for illegal building on the shoreline is upheld.
February 2011	A confiscation order of NOK 30 million is upheld even though the value of the proceeds has been lost.
May 2011	Increased penalty for the illegal laying of a pipeline in the first case before the Supreme Court concerning contravention of the Water Resources Act.
September 2011	Journalists have a duty to testify when the source has been named.
November 2011	A heavy fine can be imposed in addition to custodial sentences for tax fraud.
January 2012	The most severe penalty ever for violation of the environmental protection legislation is meted by the Supreme Court (Vest Tank). (The general manager of Vest Tank was sentenced to two years' imprisonment.)
April 2012	No requirement that illegal insider trading must result in measurable price movements for it to be defined as such (the Nettavisen case).
June 2013	Insider trading in bonds is punishable with a custodial sentence. (The Supreme Court decides that the norms applied to punishment for insider trading in shares applies equally to insider trading in bonds and other financial instruments.)

25 years of environmental crime

The then Director of Public Prosecutions, Georg Fredrik Rieber-Mohn, launched an offensive when he, in the late 1980's, declared that environmental crime would be given the same priority as other crime that constitutes a serious threat to life, limb or society's collective goods. Environmental crime was included in the Director of Public Prosecutions' list of priorities, and ØKOKRIM was from its inception charged with a national responsibility for combating environmental crime. Before this, environmental crime was an almost unknown subject. It was not subject to overall legal and criminal analysis of any kind, nor were many cases prosecuted. This has changed substantially in the 25 years that the environmental crime team at ØKOKRIM – currently the Department of Environmental Crime – has existed. During this period, the team has investigated and prosecuted a large number of criminal cases, and quite a few reached their final conclusion at the Supreme Court. The team has published a number of books and articles about environmental and working environment crime, in addition to publishing the periodical *Miljøkrim* since 1998.

Increased efforts to combat environmental crime

During the last 25 years, legislation protecting the environment has been tightened substantially. Maximum penalties have been raised and the threat of



punishment has become more pronounced in more than 15 key environmental protection acts. For example, the maximum penalty in the general provision against environmental crime in the Penal Code section 152 b for serious fauna, environmental and cultural heritage crime has been increased to six years' imprisonment, and 15 years for pollution crime that has caused loss of life or serious damage to someone's health. For other environmental protection legislation, the maximum penalty has been increased to two years' imprisonment. Several important new laws promulgated the last few years provide for a maximum penalty of three years' imprisonment, e.g. the Svalbard Environmental Protection Act, the Marine Resources Act and the Nature Diversity Act. Environmental protection is a field of law which has experienced a significant strengthening of legal protection in a short time.

Environmental cases heard by the Supreme Court

The courts have followed up the legislators' intentions by meting out harsher sentences for environmental crime in recent years. Since 2001, the Supreme Court has, in a number of judgments passed in cases prosecuted by ØKOKRIM, emphasised the strengthening of the environmental protection legislation, something which the courts have heeded. For example, in the Norwegian Supreme Court Reports 2011, page 10, in a



Norway is blessed with a beautiful landscape and rich natural resources. Environmental crime threatens these natural resources and therefore important to combat.

In Norway, environmental crime is divided into crime against the external environment (pollution, wildlife, art and cultural heritage crime) and crime against the internal environment (working environment and labour market crime). Environmental crime often has economic motives, and although they only make up around 1% of total reported offences in Norway, both the number of unreported cases and the consequences are large.

judgment in a case against an owner who had built a cabin within the shoreline protection zone in violation of the Planning and Building Act, the Supreme Court writes: «This development shows that the legislator – not the least based on an acknowledgement of the increasing need to protect the environment – has adopted increasingly harsher punishments». And further: «The need for severe sanctions for environmental crime is illustrated by the development in legislation in recent years».

The Supreme Court followed this up in the Norwegian Supreme Court Reports 2012, page 65 (the Vest Tank case), which also referred to previous decisions to increase the sentences for environmental crime. These decisions deliver a clear message that the sentences for environmental crime have been increased overall.

The senior management's responsibility

A fine is the most common sanction for environmental crime, but custodial sentences have been imposed in many cases. In recent years, ØKOKRIM has increasingly focused on the companies' senior management. For example, in a case concerning the explosion of a tank filled with waste products from petroleum production in Gulen in May 2007 (the Vest Tank case). Not only was the company punished, the chairman of the board, the general manager and an adviser were

also convicted. They were sentenced to two years', two and a half years' and five months' imprisonment, respectively. More recently, a case related to fish farming was settled by the company being imposed a fine, in addition to charges being brought against the company's production manager.

Defending fundamental natural resources

Recent years have seen several serious cases of environmental crime that also involve economic crime or cost savings. There are also other motives, like defending special interests, pleasure-seeking, social prestige, hatred against predators and/or lack of knowledge of the law. These cases demonstrate how environmental crime damage community interests and the interests of future generations, and that pressure on the environment is steadily growing. This makes combating environmental crime even more important. A future in which the beaches are polluted with oil, exiting wildlife extinct and our cultural heritage lost, is not an appealing thought for anyone. If this happens, having money in the bank may not be able to help us. It is therefore of utmost importance that the police and prosecuting authority are able to deal with these cases in an effective and expedient manner. And in both respects there is room for approval.

ØKOKRIM's efforts against money laundering from 1993 to 2014

Current legislation and measures against money laundering have come about as a direct consequence of Norway's obligations as a member of the EEA. On adoption of section 2-17 of the Financial Institutions Act on 4 December 1992, the EU regulations on money laundering and the duty to report suspicious transactions were implemented in Norwegian law. As a result of this, the Money Laundering Team was established on 1 January 1993, and in 2006, the Money Laundering Team changed its name to the Financial Intelligence Unit (FIU). From the start, the team was tasked with receiving and analysing the suspicious transaction reports (STRs) that banks and insurance companies were required to forward to ØKOKRIM. The industry was sceptical towards the new duties, and it didn't help that the laws originated in the EU at a time of heated debate ahead of the plebiscite about whether or not Norway should join.

The duty to report suspected criminal acts pursuant to the Penal Code sections 147 a and 147 b (financing of terrorism) was adopted in 2002.

2003: The reporting duty is extended

Until the adoption of a new Money Laundering Act in 2003, the provisions covering money laundering mainly applied to financial institutions and insurance companies. The 2003 act extended the reporting duty to include lawyers, auditors, accountants, real estate agents and dealers of expensive objects, and the rules on the shearing and use of the information were changed considerably.

By the amendments adopted in 2009, focus was placed on the reporting entities' responsibility to continuously assess the risks associated with their



customers and products. The reasoning behind these changes was a desire to channel resources in the battle against money laundering and financing of terrorism to where the threat was greatest.

Better analysis tools

Where in 1993, employees at the unit had to rely almost exclusively on manual information collection and analysis, this work has to a large degree been replaced by automatic (computerised) collection of STRs, something which gives an immediate impression comprehensive overview of the amount of suspicious transactions and an excellent basis for further examination and analysis.

Following an evaluation in 2005, the Money Laundering Team's computer equipment and analysis capacity was severely criticised by the Financial Action Task Force (FATF). This resulted in the approval of a large investment in the development of a new IT solution. ASK was implemented in August 2008, and provides much improved functionality for analysing networks and large numbers of transactions.

In 2014, the FIU and Norway's measures against money laundering will again be evaluated by the FATF. In order better to meet international standards and expectations for operative effectiveness, the FIU's efforts are to an increasing degree focused on reports of violations of the Penal Code section 317 (handling the proceeds of crime and money laundering) and cooperation with supervisory authorities.

The Money Laundering Conference

In cooperation with the Financial Supervisory Authority of Norway and the industry organisation Finans Norge,



Money laundering comprises all acts designed to conceal that assets originate from a criminal act. Money laundering is a serious offence because criminals use illegally obtained assets to buy legal goods and services and in this way undermine the legal economy. We all have a responsibility to ensure that everything we buy, receive or store for others does not originate from crime. It is also a criminal offence for anyone to launder the proceeds of any crimes they have committed themselves.

the FIU has organised an annual Money Laundering Conference every year since 2005 where current developments within the fields of money laundering and financing of terrorism are discussed.

In 2007, the website hvitvasking.no was launched, owned and operated in conjunction by the Financial Supervisory Authority and ØKOKRIM.

Missing reports

The total number of suspicious transaction reports received in 2013 shows a small increase on the previous year. Though this is a positive development, indications are that there are still many suspicious transactions that go unreported. As part of its work to implement measure no. 5 of the Government's action plan against economic crime, the FIU has visited a number of banks all over Norway. By and large, the STRs returned by these banks increased both in numbers and quality after our visits.

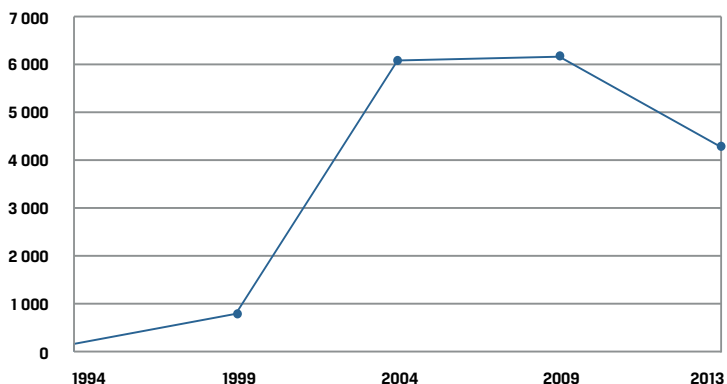
We also see great difference in the number of re-

ports received from banks of even size, that small banks report far more often than large banks and that reporting from some banks drops precipitously without any good reason. In our opinion, this demonstrates that the implementation and operationalisation of the rules in many of the entities with a reporting duty still leaves a lot to be desired. This worries us, because the risk-based approach to money laundering and financing of terror should by now have been implemented at the majority of the entities. Finans Norge has taken an active stance to this problem and clearly expressed its disappointment over missing reporting from its members.

Further, we note that the number of reports received from auditors is steadily sinking. We believe this is due to the lifting of the requirement for small companies with a turnover of less than NOK 5 million per year to have their accounts audited. It is with great pleasure we note that the number of reports returned by the insurance industry increased by 20% in 2013.

Number of STRs returned 1994-2013

At the start, the Money Laundering Team consisted of two employees. ØKOKRIM received the first 160 suspicious transaction reports (STRs) in 1994. The Money Laundering Team changed its name to the Financial Intelligence Unit (FIU) in 2006. In 2013, FIU counted 18 employees and received 4 272 STRs.





As he celebrates his 90th birthday next week, Ne...
trouble for several lifetimes. He liberated a count...
prejudice and helped unite white and black, oppre...
that had never been done before. In the 1990...
years on his autobiography, Long U...
company, I felt a terrible...
like the sun going out...
years, but...
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Greetings

ØKOKRIM's 25th anniversary

Anders Anundsen, Minister of Justice (Photo: Minister of Justice / Terje Heiestad)

On behalf of the Cabinet I would like to congratulate ØKOKRIM on its first 25 years and to express our gratitude for the tremendous work laid down by its employees.

ØKOKRIM plays an important role in combatting financial and environmental crime, and it has actively contributed to the development of law within the field and of professional skills in the rest of the police force. Also, ØKOKRIM has contributed to raising awareness about financial and environmental crime in general through appearances in the media, numerous speeches, lecturing and articles on legal affairs.

Over time, this has resulted in far better protection against the subversion of important governmental institutions and business entities, the financial markets, the environment and the welfare society that we are all dependent upon.

Notwithstanding all the good work, the challenges currently facing us are greater than ever due to criminal activity in general having become more complex through organisation and globalisation, and because

criminals increasingly avail themselves of the many technological advances of recent years. There is therefore no doubt that there is a great need for ØKOKRIM's services. If we are going to meet these challenges we

«ØKOKRIM plays an important role in combatting financial and environmental crime, and it has actively contributed to the development of law within the field and of professional skills in the rest of the police force.»

need to increase our efforts and make active use of new methods.

I wish ØKOKRIM the best of luck for the years to come, and I would like to note that combatting financial and environmental crime is high on the Cabinet's list of priorities.

ØKOKRIM's organisation 2013

