



PUBLIC PROSECUTION SERVICE

ANNUAL REVIEW CRIMINAL MONEY FLOWS **2022**



Increased accountability
Criminal Money Flows

ANNUAL REVIEW 2022

PUBLIC PROSECUTION SERVICE

Police

Fiscal Intelligence and Investigation Service

Human Environment and Transport Inspectorate

Netherlands Labour Authority

Netherlands Consumer Food and Product Safety Authority

Central Judicial Collection Agency

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PREFACE

Dealing with criminal money flows is of the utmost importance. Investigation and prosecution absolutely know that the biggest motivation for committing crimes is what one can earn from it. This way, the criminal system is maintained. This definitely applies to organized crime, such as drug trafficking, fraud and environmental crime. Therefore, we invest a lot in financial investigation and confiscating criminal money.

In the new safety agenda, the police and us have agreed to raise the confiscation objective in the period 2023 up to 2026 gradually from € 180 million in 2022 to € 220 million in 2026. The confiscation objective for the Special Investigation Services (BODs) is currently € 91.7 million and this year we will have a meeting to review the objectives for the years 2024 and beyond.

Since the (investigation) capacity of the police and the rest of the criminal justice system is under pressure the years to come, achieving this higher objective becomes a challenge. A challenge we like to face though. We will also agree upon new objectives with the Special Investigation Services, for the years 2024 and beyond. In order to facilitate our people regarding that, we worked hard on various supportive tools such as the Digital Platform Confiscation (Blue Portal at the police), the confiscation app and especially the asset file that we will introduce as from 2023.

However, the practice is stubborn for various reasons. Money laundering is a many-headed

monster with various appearances. Unlawful money closely related to drugs is often cash and remains underground for a part, but it is also used for consumption. Criminals still live off cash. At the same time, the past years we have seen a clear change from ownership to use, such as rent and lease. Where drugs money is brought into the financial system, the first step is often criminal underground banking – making use of an informal network that is not supervised. On the other side of the spectrum the investments in legitimate society use techniques that we know from fraud, such as making use of, for example, conduit companies, non-transparent finance and gatekeepers and facilitators; whether or not designated in the Money Laundering and Terrorist Financing (Prevention) Act.

Our investigations show that unlawful money basically does not stay in the Netherlands, but for example only passes through the Netherlands on paper via a conduit company, and therefore often is not actually in the Netherlands. Regarding all cases, it shows that dealing with money laundering, and therefore confiscating criminal assets, requires urgent cooperation with all cooperating organizations. Cooperation at every level, both public-public as public-private. Even though we have good initiatives that already amount to a lot, that cooperation at a larger scale is often difficult because of privacy issues.

Of course, international cooperation is also necessary. We invest in that by means of

partnerships such as the Carin network, our international advisors and our liaisons that are helpful from another country. However, we have to realise that there are quite some jurisdictions that we cannot, or can hardly, cooperate with. Therefore, financial investigation and confiscating criminal assets is difficult and it takes up a lot of time. Sometimes it just does not work, even when we can almost literally touch the unlawful money. If we really want to move forward, then it is absolutely necessary to share information easier and on a wider scale, especially with respect to serious crimes. Therefore, we pay more attention to hindering the criminal revenue model, a civil approach, developing barrier models and for example a gatekeeper approach.

If we really want to get ahead, then it is absolutely necessary to share information easier and on a wider scale, especially with respect to serious crimes. The legislative proposal for non-conviction based confiscation matches this properly, with regard to which we get the opportunity to confiscate criminal assets in a procedure with civil features.

Together we strive for more and better financial investigation, the approach of money laundering and confiscation. Confiscating more and better during a criminal investigation, in the end yields more collection and more compensation for victims and

injured parties. However, as is shown above, an effective approach is more than just confiscation. It is important to look beyond, in order to disrupt criminal money flows effectively. This is also about implementing a new legislation and regulations, doing justice to victims, handling matters via private law, enhancing cooperation and learning to apply gained knowledge. This current annual overview offers insight into what we do as investigation and prosecution, with regard to disrupting criminal money flows.



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1 DISRUPTING CRIMINAL MONEY FLOWS

Let's be clear about it: the world revolves around money and it is no secret that money is also the main objective for criminal organizations. One does not smuggle cocaine, commits fraud, or takes part in criminal activity, just for fun. One does this for money. Money in criminal circles has another objective though: maintaining the criminal circles. Money is the backbone of crime; it is a motivation, a purpose, but also a means. Without money one cannot purchase anything, one cannot invest in companies, one cannot corrupt or buy loyalty. In order to deal with criminal organizations and large-scale fraudsters as effectively as possible, we have to take a closer look at the financial world behind organizations.

The clout of investigation and prosecution to disrupt criminal money and assets, develops further every year. Partly because of further professionalism, more insight and gained knowledge. This occurs in various ways, such as by confiscating assets, by means of money laundering investigations, more use of civil authorities of the Public Prosecution Service. Moreover, the large-scale interception of criminal message traffic – so-called safe chat services – and even periodic reading along with those messages, have gained very valuable insights into how the criminal circles work. This has also yielded good information for investigations. We notice that drug criminals

spend a lot of cash in order to have a comfortable life, but also to spend on criminal investments.

Therefore, investigation and prosecution have the ambition to focus more on how to handle the criminal structures underlying the criminal circles and therefore the money that never directly affects legitimate society. 'If we can shoot bigger holes in that, we for example threaten the loyalty of criminals to their organization. It can also have a precautionary effect: we also disrupt the new increase of criminals who only get paid from criminal money,' Janneke de Smet, deputy chief public prosecutor of the National Public Prosecutor's Office says. 'That way, we hinder the motor and make it much more difficult to be a criminal entrepreneur.' In the end, this is the target: making sure that criminals can no longer make use of criminal money, in whatever way.

[Read the article 'Criminal money, the cork everything flows on.'](#)

Confiscating unlawful money is therefore important. But we learned that by solely focussing on confiscating as much as possible, we cannot be sufficiently effective. Rickert Ahling, information public prosecutor at the FP says about that: 'catching criminals and the integrity of the financial system are inextricably linked to each

other. You have to confiscate what you can, but at the same time you have to catch unlawful civil-law notaries, block loyalty payments, and check the obligation to notify of banks in case of unusual transactions.'

We see that our gatekeepers are confronted with unlawfully earned money that often has been part of the money laundering process for quite a while, which has as its objective safeguarding and laundering the assets. Criminal money also moves abroad via criminal banking, where it is ultimately brought into the common financial system. Money that is replaced abroad, is always difficult to trace for investigative services.

We should not forget though that a lot of money is earned by environmental crimes and fraud. In this area we are faced with concealed international constructions with many legal entities, fake documents and sometimes even entire accounting records, making use of all (international) loopholes that are to be found. All these aspects make it difficult for the Public Prosecution Service to get a proper view on the criminal assets of suspects and to confiscate it. Enhancing international cooperation to disrupt criminal money flows is therefore an important theme in various ways.

Criminal Money Flows Teams

The Public Prosecution Service accommodates various Criminal Money Flows Teams. These teams distinguish themselves from other teams because of the availability of various types of experts. Forensic accountants are used to calculate unlawfully obtained advantage in complex legal structures, international advisors for specialist advice regarding confiscation abroad and asset recovery officers to search for and to confiscate asset in current investigations.

Civil lawyers are also part of a Criminal Money Flows Team. The legislator has given the Public Prosecution Service more authority than any other traditional criminal prosecution,

confiscation and out-of-court settlement. The Public Prosecution Service also has civil supervision regarding foundations and is able for legal persons to make a request to ban, contrary to public order and can make a request for an enquiry at the Netherlands Enterprise Court. A director disqualification under civil law for fraudulent directors, can be requested.

In 2022 the National Office for Serious Fraud, Environmental Crime and Asset Confiscation (Dutch FP) started a pilot of three years, with regard to which the civil lawyers legally represent the National Office for Serious Fraud, Environmental Crime and Asset Confiscation. By conducting independent legal complex investigation, together with experts, more scope was created to expand knowledge and to professionalise the approach even more. Furthermore, this creates a more efficient use of the capacity of the Public Prosecution Service and of administration of criminal justice. The first pilot hearings were successful. A well-known example is the case against the Foundation Auxiliary Troops Alliance (*Dutch: Stichting Hulptroepen Alliantie* (the mouth masks deal) and *Viruswaarheid*, which has been in the news a lot. A less well-known example is about a Listed Building Foundation that you can read below:

Foundation for the preservation of monuments

At the request of the Public Prosecution Service, the district court of The Hague has suspended the board of directors of a foundation, and accordingly dismissed them. Cause for the investigation was the transfer of the listed monument to the chairman for a market price not in accordance with the market. Before the transfer there had been a buyer who was willing to pay € 2.7 million more. After the transfer, the chairman has honoured that purchase. By suspending the board of directors, it was prevented that the listed monument could be transferred to the buyer. The temporary director made

sure that the listed monument returned to the foundation. There has been media attention for this intervention.

A bill (*non-conviction based confiscation*) is before The Council of State for its opinion, with regard to which with the use of civil lawyers an additional instrument can be used to disrupt criminal circles, see chapter 4.6.2 for more information.

1.1 Confiscation result

An important aspect of handling unlawfully obtained proceeds, is confiscating criminally earned asset. We do this by focussing on confiscating a lot, and doing it properly.

It is important to mention that we, as Public Prosecution Service, focus on confiscating and not necessarily on collection. Collection only becomes visible after a case has been finished completely. That could take years. In many cases there is also an additional matter of payment in instalments to the Central Judicial Collection Agency. This makes collection difficult for the Public Prosecution Service to focus on directly. Confiscation is easier. The past year we have focused both on confiscation and on the quality of that confiscation.

In 2022 we confiscated for more than € 246 million. This seems lower than the previous years, and also lower than our objectives of € 271.6 million. The reason for this is mainly the fact that we are forced to report this year on a smaller basis. Because of phasing out of the registration in Compas towards GPS, registration took place soberly, for otherwise there would be a matter of double counting. Therefore, we were not able to process confiscations and its release in our temporary registers (mostly major investigations that are not yet visible for others than those who really need to follow it) in our confiscation figure. Therefore the figures of 2022 cannot be compared to the figures of the previous years, nor can this current year be compared to the objective that is based on the broader principles. We do believe that if 2022 would be registered in a similar way as the previous years that we would not be out of line with the previous years.

Apart from that, in general, we can state that solely the confiscation figures do not give the full picture of the actual confiscated assets. The confiscation figure that we include in our press releases is basically a snapshot in time. We know from experience that the confiscation figure that we mention in our press release will accrete in the course of time.

Confiscation per type in €	2018	2019	2020	2021	2022
Criminal organization	11,602,843	14,250,848	1,479,782	4,673,267	14,786,149
Hard drugs	13,746,686	21,844,436	52,142,189	30,612,499	27,340,526
Human trafficking	238,871	823,968	119,456	1,089,197	1,007,674
Not known yet					84,789,042
Other	257,858,476	111,670,716	150,521,957	49,861,810	49,668,053
Soft drugs	70,285,382	54,916,704	58,792,574	41,621,011	21,823,643
Money laundering	131,216,029	122,833,007	128,033,183	179,122,927	46,536,633
Grand total	484,948,286	326,339,679	391,086,140	306,980,711	245,951,721

One can read in the table above, per theme, how much is confiscated every year, inclusive of the 'after effect'. We have learned that the confiscated asset will continue to grow for 30% for about ten years later. This is called to so-called 'after effect', partly caused by confiscation that was done for us abroad, of which it only becomes clear later on what the exact value was. We only record this when it has actually been verified. Apart from that, confiscation rent, shares and bank balances increases because of, for example, in between return that is made. It also increased because of assessed values that are added to the confiscation figure after the matter has become irrevocable. Thus we approach (nearly) € 500 million of confiscation in the years 2016, 2017 and 2018, a much higher amount than when we reported about this.

1.1.1 National Seizure Authority of the Public Prosecution Service

The National Seizure Authority of the Public Prosecution Service (Dutch *LBA*) is responsible for the national administration of attachment before judgment, the administration of international and foreign attachment and has an advisory role with regard to attachment before judgment and confiscation of criminal assets. In 2022, the National Seizure Authority of the Public Prosecution Service has had the administration of a total amount of € 2,328,960,219.00. This concerns among other things, currency, immovable property, claims and exclusive goods/planes. The objective of the administration is to shorten retention periods, to fight decline in value and to optimize proceeds.

Project Confiscation

Volume 2022 has been characterized by the completion of the national project confiscation. With regard to this, the National Seizure Authority of the Public Prosecution Service has an advising, supportive and executional role. Part of this project was (1) the lay-out of the new

national method of work of confiscation, with amongst other things as its objective to uniform the confiscation process, (2) to lower the influx of confiscation of criminal assets and (3) lowering the stocks at the custodians. During the analytical phase of the project confiscation, it was concluded that quite a lot of goods were confiscated on criminal grounds, with regard to which the purpose of the goods concerned was questionable. Considering this conclusion, the project invested to improve the quality of the confiscation, so the influx of confiscation of criminal assets would come into being.

Handling the three action points mentioned above has provided great results in 2022.

- The average deposit percentage of the entire Public Prosecution Service decreased from 27% (2019) to 15%;
- The confiscated stocks at the repositories for seized goods have decreased by 71%;
- The stocks at State Property Service Movable Goods has decreased with about 50% as opposed to January 2020 and has been the lowest since 2015;
- The tightened up deposit KPI (from 25% to 20%) is made;
- The proceeds at the State Property Service Movable Goods has doubled.

The results mentioned above were obtained because of the effort of the project group, the component of the Public Prosecution Service and the National Seizure Authority of the Public Prosecution Service.

Confiscation Information System

This project has been running for some years now and seemed to reach the phase of completion in 2022, but after an audit the advice was given to currently not continue the development of a central (confiscation) system. Problem areas have to be listed and assessed. This process started with the cooperation within the criminal justice system. At the start of 2023 we will work on finding a solution for this.

Depending on the outcome, an assessment will be made to what extent a central system is desirable and whether it will contribute to the solution of the problem areas.

Confiscated goods will be stored at the State Property Service Movable Goods. The public prosecutor Hanneke Festen says in [this video of the Algemeen Dagblad](#) what the State Property Service Movable Goods has to offer.

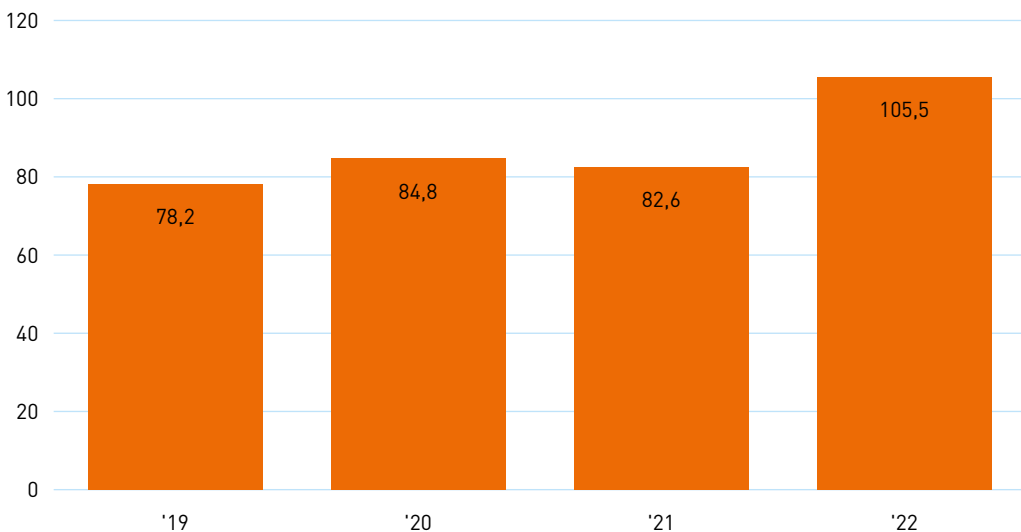
1.2 Collection result of all public prosecutor's offices

The collection of all public prosecutor's offices has increased in 2022 by 28% as opposed to 2021. This strong increase is partly because of an exceptionally high collection of one public prosecution office, namely the find of € 12.5 million euros. The Central Judicial Collection Agency has been responsible for the collection since the Enforcement of Criminal Law Decisions (Review) Act.

The 'money warehouse of Scrooge McDuck' filled with €12.5 million

The collection is always lower than the total amount that was confiscated. This has various reasons. When possible, always the victims are reimbursed before the injured parties. It also happens that the Tax and Customs Administration and curators levy third-party attachment. If the Public Prosecution Service lifts the attachment than third parties may benefit from that. Another important reason is the fact that the register records goods related to their WOZ value, while often a value of mortgage loan is associated with this. That surplus value is basically always much lower than the value of the attachment (WOZ value). Apart from that, the court can decide whether a suspect was prosecuted unjustly or that, considering the circumstances of a suspect, only part of the attachment should be given up. It is also possible that a case lasts long, so a levied attachment will only show later on in the collection results. Only when a confiscation case is irrevocable, the levied attachment can be collected. In many cases there is a matter of payment in instalments to the Enforcement of Criminal Law Decisions (Review) Act.

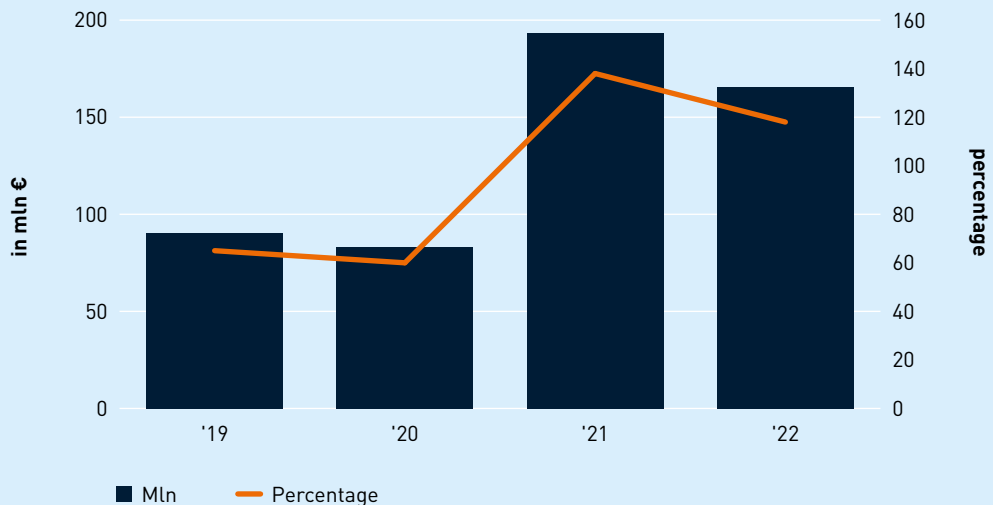
Total collection of all public prosecutor's offices (million €)



Confiscation, we all do it together

We notice that all components of the Public Prosecution Service pay more and more attention to levy an attachment. Currently, every Public Prosecution Office has appointed officers and secretaries who have confiscation as part of their job. Every Public Prosecution Office also has at least one asset recovery officer. This gave a proper impulse to financial investigation. The confiscation figures show that within the Public Prosecution Service there is a lot of attention for confiscation, but some Public Prosecution Offices perform above average. The Public Prosecutor's Office Midden-Nederlands (MNL) is a good example of this. The past two years have shown a steady growth in levied attachment. The past year, the MNL has met 118% of the confiscation objective.

Confiscated by Public Prosecutor's Office MNL



The change started by making a state-of-the-art plan together with the confiscation secretary for the Public Prosecutor's Office, attuned to the police, where project money of an RIEC (Regional Information and Expertise Centre) project with the name 'criminally good confiscation', was added to. Because of this, investments could be made in, for example, open source intelligence (OSINT) training programmes at the police, two asset recovery officers at the AP and more awareness for the councils. A closer and more structural cooperation with the Police and the Tax and Customs Administration was also introduced. This project and the new confiscation and *FinEc* officer were used more for the quality of financial investigation, which goes beyond confiscation. With the support of the Public Prosecutor's Office management, a suitable exemption was created and a close group of 'confiscators' came into being. This group had contacts in all the work areas of the Public Prosecutor's Office. Together this group has boosted confiscation within the police and the Public Prosecution Service.

They boosted this in various ways. MNL introduced thermometers that kept record of millions of confiscation and every Wednesday morning during consulting hours, the team was ready to answer questions from the region. Ideas from colleagues and major achievements were supported and celebrated. Every year a confiscation award is granted. It is an honour to win this award. Another success factor is the fact that a lot of time is spent on information and knowledge meetings, for example about crypto currency and how to levy a prejudgment attachment.

This positive development seemed to come to a halt when the project money ended and structural finance had to be sought for asset recovery officers. Because of a reorganization this was quite thrilling, but in the end it worked out. This should be the only result though, when recognizing its use. It is advisable though to have a blueprint about what a CG team should look like and what is expected of the Public Prosecutor's Offices. There is room for improvement in these areas.

The asset recovery officers are working on all kinds of projects that have increased the confiscation and collection results highly. An example of this is the code 250 project (hunting for assets of suspects with current enterprises). Together with the police per district hackathons are organized, in order to raise the confiscation changes. It is also fun to see the snowball effect to confiscate in current investigations. Our officers and secretaries are very good at this, despite the large numbers of vacancies in the MNL. Therefore, we are extra proud of this great result.

1.3 Money laundering

The year 2022 focused on, amongst other things, the evaluation by the Financial Action Task Force (FATF) of the Netherlands regarding handling money laundering and terrorism finance. It also supervised the effectiveness of the Public Prosecution Service and our cooperation organizations. We are proud to have scored well as a country, which makes that we belong to the top worldwide of handling money laundering and terrorism finance. The parts that score particularly high are 'international cooperation' and 'use of financial intelligence in criminal investigations', but the criminal prosecution of money laundering and terrorism finance also score very high.

This is partly the consequence of ten years of hard work regarding the investment of

dealing with money laundering by specific centres of expertise, such as the AMLC/ Fiscal Intelligence and Investigation Service (Dutch *FIOD*), but also data hubs, such as info box Criminal and Unaccountable Assets (iCOV), TRACK and the development of AMLC suite. The close cooperation with the FIU-Nederland and the partnerships such as the RIECs and the FEC, with regard to which the latter also falls under the public-private cooperation in the shape of Serious Crime Task Force (SCTF), contribute to handling money laundering. Our national coordination about the investigation and prosecution policy is assessed positively. An example of this is the National Risk Assessment (NRA) money laundering, where the biggest risks for the Netherlands are identified. The strategic programme fighting money laundering is linked to the NRA money laundering, with regard to which cohesion and synergy are

created between the different services that are involved with the criminal prosecution of money laundering. The strategic programme money laundering is a joint long-term vision with regard to which there is an agreement about who deals with which part of the fight and prosecution. Currently, a new and more detailed strategic programme is written.

Below we focus more in-depth on a number of these parts.

1.3.1 Money laundering figures

A repressive way of disrupting criminal money flows, is the criminal prosecution of money laundering. After all, money laundering is concealing money and assets gained in an illegal way. We have seen for years that the number of money laundering investigations increases and so we see as a result

of mutual effort for years more capacity for handling money laundering. This also is the result of more capacity nationally, knowledge development, a more intensive cooperation with the police and special investigation services and the various partnerships regarding the theme of money laundering. All in all, this led in 2022 to 4,351 money laundering cases of which the Public Prosecution Service has initiated 3,200 cases for a settlement that had consequences (conditional dismissal, transaction or summons) for the accused. The influx of the number of money laundering cases decreased in 2022 as opposed to 2021. The cause of the decrease cannot be explained at this moment. It could be related to the fact that the number of cases in 2021 were exceptionally high because of the consequences of the COVID-19 pandemic.



1.3.2 Info box Criminal and Accountable Assets (iCOV) figures

Another indicator for charting criminal money flows in criminal investigations are the Info box Criminal and Accountable Assets figures. In 2022 the focus of the Info box Criminal and Accountable Assets was again on the production of reports: Info box Criminal and Accountable Assets Report Capacity

and Income (iRVI) and Info box Criminal and Accountable Assets Report Relation (iRR). Contrary to the previous years in which growth of the number of reports showed, the total amount of 2022 now shows a decline as opposed to the previous years. This is about a quarter less reports than 2021 with a grand total of 16,946 reports, but there is a good explanation for this decline.

Table: Number of production of reports Info box Criminal and Accountable Assets

	2014	2015	2016	2017	2018	2019	2020	2021	2021
iRVI	1,587	2,641	4,511	5,957	7,814	12,794	14,500	15,402	11,057
iRR	278	358	546	746	833	1,728	1,647	1,541	1,185
iRT	11	17	19	12	24	24	3	3	0
Total	1,876	3,016	5,076	6,715	8,671	14,546	16,150	16,946	12,242

The decrease can be largely explained by altered threshold values, which caused in particular the decrease of inquiries by the supervisors. In order to act in accordance with the new legislation¹, members of the Info box Criminal and Accountable Assets have proactively brought more detail into their own thresholds. The effect of these measures are reflected in the production figures of 2022.

Another explanation for the decline of the figures is due to the consequences of the COVID-19 pandemic. Nearly for a year and a half, the account managers of Info box Criminal and Accountable Assets were not able to give (information) speeches for the individual teams, departments and units of the members. This may have an effect on the number of requests. In the past the effect of such a work visit or presentation was namely always reflected in the number of requests of

the specific organizational component. However, not all members show a decline; the Netherlands Food and Consumer Product Safety Authority (Dutch NVWA), the Customs and the National Police Internal Investigations Department have grown in 2022. In the particular the latter organization shows the effects of information and knowledge transfer between the Info box Criminal and Accountable Assets and the National Police Internal Investigations Department.

1.3.3 Evaluations money laundering and individual topics

In 2022 various evaluations regarding the Dutch way of handling money laundering and individual topics were completed and published. The Financial Action Task Force for example evaluated in 2019-2022 the Netherlands regarding legislation, policy and efficiency of the execution. Apart from that, the Netherlands Court of Audit investigated

1 This is about the implementation of the WGS and the Data Processing and Partnerships Act.

the (money laundering) chain of notification and which improvements should be made to this. Both the investigation of the FATF and the Netherlands Court of Audit have concluded that progress has been made the previous years, regarding the handling of money laundering and that this, of course, is

accompanied by improved achievements is a great compliment for the Public Prosecution Service and our cooperation organizations.

The table below shows the results of the Dutch FATF evaluation per effectiveness part (also called *Immediate Outcome*).

Theme	Score
1 National coordination, risk inventory and policy	Substantial
2 International cooperation	High
3 Supervision that the rules are observed by gatekeepers	Moderate
4 Rules are observed by gatekeepers	Moderate
5 Transparency of ultimate interested parties	Moderate
6 Availability and use of financial information for investigation and work FIU-NL	High
7 Criminal prosecution money laundering	Substantial
8 Confiscation criminal money	Substantial
9 Criminal prosecution terrorism finance	Substantial
10 Implementation financial penalties terrorism finance, risks charities	Substantial
11 Implementation financial penalties proliferation finance	Moderate

1.3.4 Enforcement of the money laundering notification chain

Of course recommendations have been made regarding how to handle money laundering and how to improve the (money laundering) chain of notification functions. Together with public and private parties, the Public Prosecution contributes to this via the policy agenda money laundering in various parts². An important priority for the Public Prosecution Service and our cooperation organizations are, amongst other things, the necessary improvements in the functioning of the chain of notification.

Via a suspicious transaction (Dutch VT) – working group of the FIOD, Financial Intelligence Unit (FIU)-Nederland, Police and the Public Prosecution Service, we work hard on the following four points: better file transfer of VTs to investigation, more insight in use and usefulness of VTs, enhancing the feedback loop and better chain cooperation. The objective is that public parties have more insight into how valuable VTs are for the investigation process and how the chain of notification as a whole can be improved. We support that the effectiveness of the chain of notification has to be improved further, but it is also a fact that the published figures are often read without the necessary nuance.

² Parliamentary Papers II 2022 -0000223027, page 1-10 (letter to the House of Representatives)

Based on the FIU annual report 2021, we know, after all that in 2021³ 1.2 million unusual transactions (Dutch OTs) were reported, of which 96,000 transactions were declared as suspicious transactions by the FIU-Nederland. This number of transactions consisted of 18,000 files.

The number of files is leading for the investigative bodies and the Public Prosecution Service, for we look at a composition of transactions and not at separate transactions. 72% of the VT files is accordingly found suspicious, based on investigation information (namely via the Video Registration Unmarked Surveillance (Dutch VROS) match and the LOvJ requests), consisting of 13,000 files. The investigation therefore basically gets 72% of the VT files 'own investigation information' transferred by the FIU-Nederland. This is absolutely relevant information for direction and tactic and in the end for the collection, but hardly any new investigations will be started in connection with them, for there is already a signal or case on operators.

Fraudster abused invoices of relatives for the benefit of bankruptcy fraud and money laundering

28% of the VT files will be transferred based on own investigation of the FIU-Nederland (and foreign FIU provisions), consisting of 5000 files. From those 5000 files, mainly new criminal investigations will be started. This figure gives a more shaded image regarding what investigation and the Public Prosecution Service can start with regard to criminal investigations, (partly) as a result of VTs. Lastly, a remark is made that a suspicious transaction is not equal to a reasonable

suspicious of a criminal offence (article 27 Dutch Code of Criminal Procedure), and that a VT always has to be enriched with other information, before a criminal investigation can actually start.

1.3.5 Projects and developments money laundering

Apart from repressive ways to handle criminal money flows, such as confiscation and money laundering investigations, there are other ways with which the Public Prosecution Service and its cooperation organizations make an effort for hindering criminal money flows and revenue models. This approach is possibly not easily expressed in figures, but means a lot in view of disrupting criminal money flows and money laundering in the Netherlands.

This is both about drugs money that is disrupted this way, and about the even bigger fraud money and money from environmental crime. The fact that these are connected is something we notice more and more often. Money is for example earned by online fraud, for example invested in cocaine trade⁴, but also in human trafficking and terrorism finance. For this reason, you cannot separate these two and we, as Public Prosecution Service and our cooperation organizations will have to match each other better regarding our approach.

Non-compliance approach

It follows from the National Information Undermining Image (Dutch: NIBO) that regarding (financial) crime there is a matter of an adaptive asset, so, after a criminal intervention there is a matter of organized continuity of the criminal service.

3 The FIU annual report 2022 has not yet been published, for this reason we refer to the figures of 2021.

4 See: [De wereld van F-game, hoe digitale fraude raakt aan de zware misdaad](#) (parool.nl)

It sometimes looks affective to give a 'short slap' in an organization, but this basically often pays an important contribution to enhancing criminal networks (the 'weak links' are filtered in this way). According to the NIBO it is effective to focus on facilitators, for that way crime and criminal money flows are fought more effectively.

For this reason the approach of gatekeepers is still important to us, and will be used permanently for the approach of gatekeepers who (un)consciously facilitate regarding crime. Where possible, we will look at crimes under ordinary criminal law, but we know from experience that from an evidential point of view, often only crimes that fall under the Money Laundering and Terrorist Financing (Prevention) Act/Economic Offences Act can be prosecuted.

Civil-law notary arrested on suspicion of money laundering and facilitating prohibited loans

The importance of incorruptible gatekeepers becomes even more clear in what is written above. If the underworld wants to launder great sums of money, it often cannot do this without the help of the legitimate world. A delaying factor in cases against gatekeepers with legal professional privilege, is that the legal proceedings of such cases are conducted very carefully and therefore criminal investigations take up a lot of time. For this reason, the FATF recommended the Netherlands to start working on limiting this delay as a consequence of the legal professional privilege⁵.

Further development approach *Trade Based Money Laundering*

It appears from analyses from cracked encrypted communication that there are various ways on which criminals relocate value. The following division is quite accurate: 50% is money lending, 40% are ways of *Trade Based Money Laundering* (TBML), 5% is bulk cash smuggle and another 5% passes via virtual currency. This shows that the approach of TBML is also important with regard to dealing with organised (drugs) crime. For this reason, the approach of TBML is developed further in the Netherlands. AMLC/FIOD for example, has targeted on cooperation and sharing knowledge with financial bodies. Because of this, suspicious transactions (VTs) become a very important source to search for TBML constructions. It was shown from inquiry into the VTS that sector knowledge is very important to understand signals. Is it possible to explain the flow of goods? How does financing mainly take place in a certain sector? Which parties are involved from production up to export? This knowledge is not only relevant to explain signals, but also to look for signals. Therefore, the AMLC and the Customs zoom in on sector per quarter. They do this by watching VTs, but also by analysing data from the customs and to investigate *open sources*. The focal point is one entire day, per quarter, together with the sector itself (public and private) to gain insight into the sector and its uses. All of this is input for a factsheet that is published jointly. A close look is also taken on which barriers can be raised to make the sector more compliant. Of course signals are also gotten for criminal investigations.

5 See recommendation 4 under 107: The Netherlands should enhance its efforts to reduce the delays in deciding the cases where the legal professional privilege has been invoked in Courts, by streamlining the judicial procedures to filter and assess these requests.

Serious Crime Task Force

In 2019 the Serious Crime Task Force (SCTF) started as a pilot and currently the public private cooperation has grown into an important and structural PPS cooperation, with which the following parties are involved: FIOD, FIU-NL, Police, the Public Prosecution Service and the banks that take part (ABN AMRO, Knab, Triodos Bank, ING bank, Rabobank and Volksbank), with regard to which Triodos Bank entered in 2022 as a new private partner.

In the SCTF mapping out financial money flows and networks of intermediaries are the focal point, for they are an essential chain in organized undermining crime. The objective of the SCTF is fighting organized crime by means of dealing with (financial) facilitators who facilitate extreme violence, corruption and money laundering. The SCTF has had various successes since the start. SCTF, for example, has played an important role at the case described below.

Couple bluffs entire exclusive beach club

The cooperation has led in 2022 to various investigations with more than 700 suspicious transactions, but also to a bigger focus on proceedings in the banking sector, so banks can fulfil an even better gatekeeper position. Apart from that, within the taskforce, a lot of important knowledge is gained about phenomena, for example how and where underground banking gets entangled with the legal financial sector. At the same time, within the analysis of these signals, a lot of knowledge is gained about how severely organized criminal financial ecosystems work. This valuable knowledge about modus operandi is shared with cooperating organizations and is used by the banks,

amongst other things to enhance the detection of unusual transactions. The cooperation in the chain provides a short feedback loop and makes sure that the entire chain is enforced.

Based on this, it shows that operational cooperation produces result, but because the sharing of information is sensitive to privacy, we can only work case by case and not on a larger scale. The current draft Data Processing by Partnerships Act will be of help, but only for the four partnerships included in that act.

Complex international concealing structures

'For years, we have known that money laundering does not stop at borders and that criminals make use, very handy, of international possibilities to channel money abroad, but 2022 was marked by more insight in complex international concealing structures,' Suzanne Visser says, head of AMLC. The AMLC/FIOD for example published a knowledge document with risk indicators who can see which offshore companies bought property in the Netherlands. These risk indicators are helpful regarding the process of recognizing money laundering risks concerning the incorporation or use of offshore companies related to property.⁶

But by Russia attaching Ukraine on 24 February 2022, a series of EU sanctions followed, so more information was gained about such international concealing structures.

After a request of the FIU-Nederland to bodies obliged to notify unusual transactions related to the conflict, many transactions were declared suspicious, which were analysed by the AMLC. We can learn from this that

6 See: <https://www.amlc.nl/wp-content/uploads/2022/02/risico-indicatoren-product-project-offshore-venootschappen-februari-2022.pdf>

typologies for money laundering also apply to sanction evasion and regarding Russian linked suspicious transactions, often the word ‘round-tripping’ is essential. This is pumping around money without economic motive. In short, these are ‘actions that cannot serve a reasonable company objective’ and ‘working with organizations working as a front’. In order to be able to pump around money, one needs legal persons which were put down in writing. This will often regard conduit companies that have hardly any economic activity, but through which a lot of money flows. The FATF evaluation showed a minor score at the part ‘legal persons and arrangements’, which deals with, amongst other things, insight into money laundering risks related to legal persons. The FATF recommendation for the Netherlands, is to start working with notifications regarding illegal trust offices and conduit companies.

Apart from that, the Netherlands has to limit money laundering risks related to conduit companies, starting with a better understanding of the money laundering and terrorism financing (TF) risks related to these companies. The problem related to this is that there is not a formal supervisor to legal persons (such as conduit companies) in the Netherlands that has a proactive look at the risks for money laundering, TF and underlying ground crimes such as drugs crime and environmental crimes, fraud and sanction evasion⁷.

Reporting these signals (more often) from parties who know what happens in the sector, such as cooperating organizations, would contribute to a better intelligence image and more insight into concrete signals.

Doing sustainable business in an honest way

A number of directives from Europe apply to the Netherlands that oblige companies to be accountable for themes such as environmental crime and child labour and forced labour related to their production chains. This is also called ‘standards of socially sound enterprise’ (Environmental Social and Governance (ESG)).

Listen to an interesting FEC podcast that will tell you more about CSRD and ESRS (as from minute 14)

Because of the Corporate Sustainability Reporting Directive (CSRD) and the underlying Standards (ESRS), many more companies within the European Union will have to report about sustainability. The coming into effect of the CSRD will happen in phases, starting in 2025. One of these directives – the Environmental Crime Directive – lays down more damaging actions for the environment, so the scope of criminal actions will expand.

As investigation and prosecution, we study which consequences this may have for handling money laundering. This would mean that companies that profit from criminal activities in their company or in their production chain, would be within reach of the criminal offence of money laundering sooner. It is already possible in the Netherlands to prosecute money laundering when something is produced, for example, with the assistance of child labour and is sold in the Netherlands. An important element for prosecuting money laundering is what the suspect knows. A requirement in the Netherlands is that a suspect knew, or should have known that an object – directly or indirectly came from any crime. Therefore it is

7 TRACK of Justis performs a check on Legal Entities (Supervision) Act and can signal abuse of legal persons by means of risk notification and network lay-out, but does not have any other authority than that.

sufficient to now know this, but to consciously accept the likely chance that this consequence occurs.

Because of these new directives, companies are obliged to know more and to report more about their production chains. Therefore we know more about what goes well and what is illegal. An example will illustrate this. A major clothing company with a factory outside the EU that produces clothes by means of child labour under horrible conditions, profits well when selling these clothes, for the labour was very cheap. To enter the atmosphere of money laundering, it is important to know whether the company had this knowledge. Because of the new ESG directives companies are however obliged to report regarding such themes, so companies knew – or should have known – that there was a case of child labour under horrible conditions in their production chains and that they profit from that.

1.4 Digital Criminal money flows

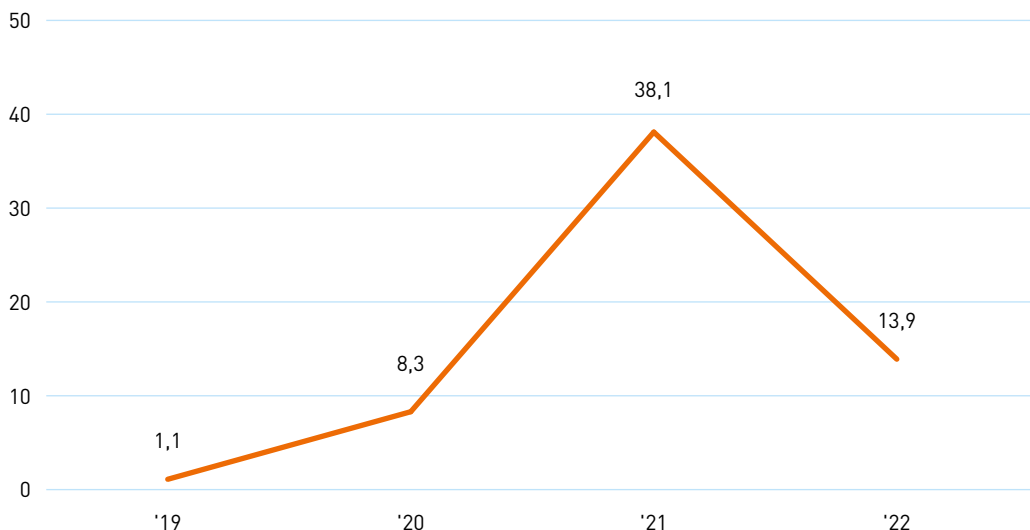
In accordance with previous years, we have seen an increase of the use and possession of crypto currency. The use and possession of this remains popular amongst criminals. Important reasons for this are the fact that criminal experience crypto currency as relatively anonymous and that crypto currency can be relocated around the world very fast. This makes the use of crypto currency very attractive for all kinds of crime, such as money laundering, tax evasion, hostage software and fraud. Also regarding drugs trafficking and human trafficking the use of crypto currency occurs more often.

The past year, the Public Prosecution Service has focused further by developing the fight on criminal use of crypto currency. This focus has been partly of an organizational nature. The

past year, for example, a coordinator has been appointed to implement the national coordinating roll of the National Office for Serious Fraud, Environmental Crime and Asset Confiscation regarding the theme of Digital Criminal Money Flows.

Furthermore, the focus was on confiscating digital criminal assets. In the previous annual report we could still speak of an absolute record amount, but this year that is out of the question. In 2022 digital criminal assets were confiscated for more than € 13.9 million. An increase as opposed to 2020, a decrease as opposed to 2021. The reason for this is that 2021 was characterized by a large haul in one case of about € 25 million. Besides that, these figures partly depend upon the current rate, for confiscated crypto currency can relatively quickly be turned into euros. This occurs for the market price that applies on that particular moment. A volatile rate logically leads to volatile confiscation figures.

In 2023 we will keep focussing on dealing with digital criminal money flows and enhancing the cluster in the areas of organization, policy, strategy and operations. Simultaneously, we will make an effort regarding the cooperation with public & private parties – both national and international – and when necessary we will intensify this cooperation. The past year this cooperation has led to great results. For example, for the first time a vast inquiry and a notification of a crypto service provider following from that, has led to a conviction for money laundering and a confiscation order at the criminal court. The judgment below describes this in more detail. This regards crypto currency turned into euros.

**Totaal gelegd beslag cryptovaluta
in Mln €****You can click on this link for
the entire judgment**

Within the Financial Expertise Centre (FEC) there is a cooperation between the public and private parties regarding crypto currency, with regard to which the Public Prosecution Service and the Rabobank are leading parties. The intended effect of this project is to detect and fight money laundering of criminal money and to detect and fight criminal money flows, where crypto currency

plays a part in as public and private parties concerned. An important prime focus with respect to this is improving the notification chain: gaining qualitatively good notifications of unusual transactions. A huge profit was made, by not only involving wholesale banks, but also some crypto service providers with this project. This has led to interesting and constructive insights for private and public partners.

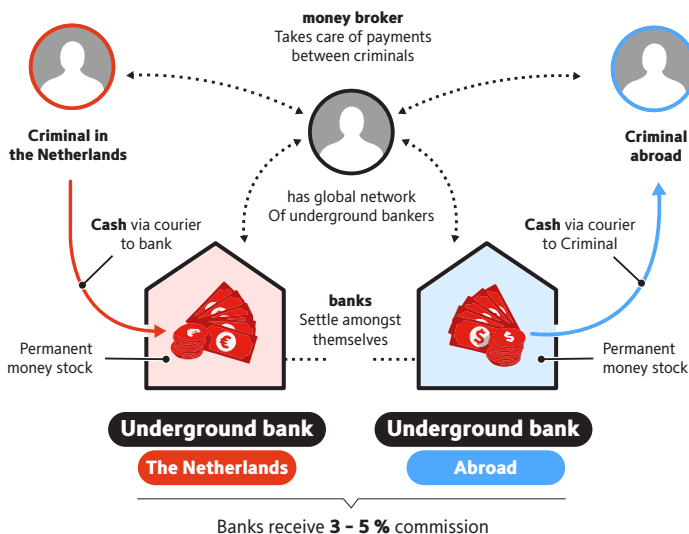
2 INTERNATIONAL

Money does not have a passport and thus easily crosses borders. For quite a long period of time, criminal networks and revenue models have not limited themselves anymore to our national borders. Therefore we need a genuine international view on matters for mapping out, disrupting and confiscating criminal money and money flows. Apart from the usual forms of money laundering, we also gain more insight into international networks of criminal underground banking, with regard to which criminals give each other in a concealing and inquisitive way large sums of mainly cash money. Crypto currency play a part in this process. Dealing with [Underground Banking](#) as a system has been an important focal point of the National Public Prosecutor's Office together with the National Investigation Service/Central Unit. It is a matter-of-course that we, in order to track down, disrupt or confiscate these money

flows, we have to cooperate really well with foreign investigative service and justice. We also have to think – together with other countries – about a legal framework, where countries can easily exchange information with each other or can grant mutual legal assistance to each other. Therefore the Netherlands is internationally in line with various initiatives.

Via [this link you can listen to a podcast](#) where Henk Vermeer, Team chef Finec of the National Investigation Service at the Central Unit explains what Underground Banking means.

Fortunately other countries within the EU are able to develop better policies and regulations together. The EU designed a special Regulation that makes it easier to confiscate criminal assets.



This Confiscation Regulation has been into force since 19 December 2020. It can be used easily and offers more authorities to, at the request of another country, track down and in the end confiscate assets. The use of this instrument will, at least in the EU, have a positive influence on our confiscation proceedings.

[Click here to read how a banker launders millions.](#)

Apart from regulations, we keep investing in international networks. We are, for example, active in the network of Asset Recovery Offices (ARO) within the EU, but also outside the EU. We work for example by means of the worldwide CARIN (Camden Asset Recovery Inter-Agency Network), a network where various EU member states, countries outside the EU and international organizations are connected to, in order *to exchange their best practises for investigating and confiscating criminal assets.*

Apart from that, we take part in important European networks who contribute to mapping out and disrupting international criminal money flows, such as the *European Multidisciplinary Platform Against Criminal Threats* (EMPACT) and the so-called 6 countries Coalition against organized crime (the Netherlands, Germany, Belgium, Spain, France and Italy). The objective of these partnerships is enhancing international cooperation regarding dealing with organized crime. Another good example of a partnership outside the EU is the J5, a connection between the Netherlands, Australia, the United Kingdom, the United States and Canada that focuses on dealing with international tax evasion and money laundering.

An example of a case with respect to which we cooperated successfully with different countries (via our CARIN network) is written below:

This regarded a matter of companies from various countries (Romania, Portugal, Italy, the United States, the Philippines, Kazakhstan) who had become a victim of swindle and identity fraud. These companies thought to have bought goods and appeared to have transferred money to Dutch bank accounts of 'straw men'. With the assistance of Dutch banks the suspicious transactions were detected, after which large sums of money were confiscated. Regarding accused who could not be found, the public prosecutor decided to give the money back to the entitled companies, after first a notice (article 116 paragraph 3 Code of Criminal Procedure) was given. In the search for the injured companies, the CARIN network was used and currently via the colleagues of the countries concerned (possibly with intervention of the Dutch police liaison officer or the magistrate liaison officer) an inquiry is conducted whether the companies have reported to police and desire repayment. The objective of these criminal proceedings is, apart from sentences, to make sure that the money is paid back to the injured companies.

In order to cooperate easier with other countries, the Public Prosecution Service and the police have posted liaison officers abroad. We now focus on expanding our network

of liaison magistrate, for we have noticed that currently this can make a difference at a diplomatic level. One of the main reasons for this is that by placing a liaison the

communication with the country concerned is easier, so we can work more effectively. Since the registration and feedback from Spain takes up extra time, the figures over 2022 are not yet accurate. It is to be expected that the use of liaisons will be reflected in

the confiscation figures of the next year.

To show what the work of a liaison magistrate looks like, we have a conversation with Boudewijn de Jonge.

Criminal assets in Spain

“Spain is a favourable destination for many Dutch people. They like to go there for their holiday, for a second home or to retire. This also applies to Dutch criminals. Therefore it is necessary regarding many criminal investigations to closely cooperate with Spain. Furthermore, we try to find criminal assets, to confiscate it and to execute court decision.”

What is it exactly that you do?

“Europe has developed proper instruments for various forms of cooperation, but in practice we often encounter hindrances. As a liaison magistrate, I am the bridge between the Spanish justice and try – together with the police – to make the cooperation as smoothly as possible. In order to do that, I read many drafts of requests, so they can be implemented here as soon as possible. This regards dozens of attachments (‘freezing’) annually. The ultimate objective of these actions is of course that Spain cannot become a safe haven for criminal money from our country.”

Can you give a nice example of a recent case?

“Yes, I can! A Dutch criminal investigation noticed that the suspects in that investigation could dispose of an expensive boat in Spain. This boat had the size and power that only occur in boys’ dreams and for the most of us it would be impossible to afford such a boat. When the suspects were arrested, the boat had not yet been found. The boat appeared to be registered under the name of ‘straw man’. When we found that out, we could locate the boat. We were able to confiscate the boat on the day the boat would be exported to Dubai. The boat will be sold now in Spain.”

What are the challenges according to you?

“These are mainly legal challenges. Spanish law, for example, acknowledges a limited variant of attachment that is applied, when the, to be safeguarded amount, is less than the value of the confiscated object. In practise we learned that this variant often follows confiscation for the benefit of forfeiture, for in that case the Netherlands did not index a value of the property, so basically it is not clear enough what the value of the object is. We are then left with a form of confiscation that does not fully comply with our needs. Whether this is allowed in accordance with European law is still to be discussed. We do not know yet whether this will change in the future. However, the solution to prevent this situation is in case of confiscation to name an amount that is to be safeguarded. We therefore remain being creative!”

The stubbornness of mutual legal assistance requests

Despite the continuous investments in international networks, there are various countries where our mutual legal assistance requests cannot always be offered or executed, because of capacity restriction.

Dealing with money that flows through the Netherlands from abroad under criminal law and/or is invested in the Netherlands, is often quite a challenge and is often faced with a halt because of the gathering of evidence caused by difficult legal assistance relationships with certain countries. The district court of Rotterdam once acquitted a suspect in a money laundering case, because the judge felt that the Public Prosecution Service had to conduct additional investigation into the statement of the suspect regarding the origin of the money from Turkey, Kuwait, Indonesia and Hong Kong, and that difficult legal assistance relationships with these countries should not to the disadvantage of the suspect.

[Click here to read the entire judgment](#)

Money laundering is often an international matter. An analysis of suspicious transactions that we received from the FIU in 2022, shows that apart from a number of European countries, the top ten consists of countries as Turkey, Morocco, Hong Kong, Switzerland, Surinam and Russia. Difficult or impossible legal assistance sometimes means a statement of a suspect regarding the origin of money that cannot be disputed, even though the statement raises a lot of questions. In that case, it is not possible/hardly possible to trace assets, or to confiscate the assets.

Legal assistance relationships

A difficult legal assistance relationship can lead to not detecting signals that we consider to be promising, as a result of the fact that legal assistance could not occur within

a reasonable term. In short, we see that the investigation does not even take up such a case.

This difficult relationship is sometimes caused by political reasons, sometimes by legal reasons, (for example no double criminality, so it has to be crime abroad as well, otherwise legal assistance is not possible), but also because of capacity restriction in other countries. Therefore, mutual legal assistance requests are not always offered to that country nor are they always executed. We then do not offer them, for because of the low capacity abroad, we have to prioritize which case is more important.

It is really unpleasant when a lot of assets are accommodated in those countries, both regarding evidence, tracking assets (which makes it difficult/impossible to make a calculation of the unlawfully acquired assets) as regarding levying an attachment for the benefit of the ultimate confiscation. Another problem we have is that some countries (such as Surinam and Morocco) do not have the legal ability to take on Dutch confiscation orders or forfeitures and to execute them. The execution and execution sale of levied attachment is therefore more difficult. In practice, we try to start an execution sale with alternatives, but we need the cooperation of an accused for that.

Since Russia invaded Ukraine, the Netherlands no longer sends requests to Russia, and we do not process any mutual legal assistance requests from them. The influx of mutual legal assistance requests from Hong Kong have also come to a standstill, because the Netherlands together with other European countries (because of the increasing influence of China on Hong Kong) has suspended their bilateral extradition treaties with Hong Kong. Accordingly, Hong Kong has decided to suspend the bilateral mutual legal assistance requests.

3 SPECIAL INVESTIGATION SERVICES AND POLICE

The special investigation services and the police acknowledge that dealing with criminal money flows is an important part of dealing with undermining, organized crime. The steering group Confiscating organized by the Public Prosecution Service deals with the coordination in the confiscation chain. The steering group Confiscation is focused on the decision-making process at a strategic level, such as start of projects and pilots, implementation of best practices, financial awards, new legislation and regulations and controlling quantitative and qualitative objectives.

Depending on the experiences, the steering group will possibly also focus on a number of focal points that have an effect on, for example dealing with money laundering and this way direct their attention more on 'Criminal Money Flows'. The consequence of a more intensive concern regarding strategic control could be that the frequency of meetings should be raised.

Investment fraud ECRINS

The long-term investment fraud investigation ECRINS has been successful. Partly because Team Criminal Money Flows joined the investigation of the FP Zwolle in time, the case was successfully completed. The criminal offences date from 2007-2011. Prosecutor Esther Duijts says that the entire investigation has been 'a matter of great patience, with regard to which the FIOD, case officers and advocates general were jointly involved with.' The effort has been rewarded up to now: on 19 April 2022 the court of appeal has delivered judgment in the criminal proceedings and sentenced two prime suspects for a prison sentence of 6 years. The judgment of the court was set aside, with regard to which a much lower punishment was given. Again the adage was true: 'to take an appeal is to take a risk'! Apart from that, judgment was delivered on 21 July for the accompanying confiscation case. Both prime suspects were sentenced to a confiscation order. For one of the suspects this amounted to an estimated advantage of about € 15 million, for the other suspect this was estimated on about € 22 million. Both suspects were imposed with a payment obligation, which meant that together they had to pay back about € 37 million to the State. A huge success as far as Team Criminal!

3.1 Special investigation services

The Netherlands has four Special investigation services, to wit: the FIOD, the Investigative Service of the Netherlands Labour Authority, the Investigative Service of the Netherlands Food and Consumer Product Safety Authority and the Intelligence and Investigative Agency of the Human Environment and Transport Inspectorate. The confiscation objective for the Special investigation services was € 91.7 million in 2022. That objective was met.

A separate consultation was set up in order to implement the joint objective to levy attachments in a sustainable way. This consultation is called the Confiscation Portfolio. The developments within this scope are shared with the Complete Consultation. The Confiscation Portfolio consists of the heads of the four Special investigation services, the strategic advisor Confiscation FP, a policy advisor FP, the national chain advisor Confiscation and the secretary Platform Special investigation services. In 2022 this team was chaired by the Intelligence and Investigative Agency of the Human Environment and Transport Inspectorate.

FIOD

The largest Special Investigative Service is the FIOD and has expertise in the area of financial and tax crime. Apart from the Confiscation Portfolio and steering group Confiscation, the FIOD is closely involved with the implementation of various projects that contributes to the objectives of all Special investigation services. Some of these projects are: the enhancement of the money laundering chain of notification further development approach Trade Based Money Laundering and Complex International concealing structures. More information on these projects can be found in chapter 1.3.

The past year, the FIOD has dealt with various much debated cases, with regard to which a lot of assets were confiscated, such as the [‘mouth mask deal’ that involved millions of euros](#).

The FIOD also worked on a case with respect to which the suspect was believed to have supplied microchips to Russia. Click below for more information about this case.

[Supplying microchips to Russia, possibly for the benefit of military objectives](#)

Investigative Service Netherlands Labour Authority

The Investigative Service Netherlands Labour Authority conducts a criminal investigation to labour exploitation, human trafficking, organized fraud with distributions & subsidies and healthcare fraud. In 2022 the Investigative Service Netherlands Labour Authority in the end levied an attachment a bit over € 12 million.

The year 2022 was partly characterized by how to handle COVID-19 related fraud, such as fraud regarding the Temporary Emergency Bridging Measure for Sustained Employment, the Temporary Bridging Scheme for Self-employed Professionals, the Subsidy Scheme COVID-19 jobs in healthcare and the so-called healthcare bonus.

The Netherlands Labour Authority has, in the investigation ‘Dracula’ focused on Temporary Emergency Bridging Measure for Sustained Employment fraud with a scope of € 2.5 million, attached before judgment mostly immovable property and bank accounts, but also expensive (lease) car and other valuable goods. This substantially covered the fraud amount.

The Investigative Service Netherlands Labour Authority also tried to levy an attachment in healthcare fraud investigations, wherever they can. Since wrongfully obtained healthcare money is often taken out in cash, or transferred to foreign accounts, or is invested in immovable property, attachment in these types of investigations is often a huge challenge.

In the year 2023, attention is paid to handling the Subsidy Scheme COVID-19 jobs in healthcare. The Netherlands Labour Authority has received notifications regarding this from banks and the FIU. It shows from the first investigation that possibly 54 healthcare companies have received about € 15 million in Subsidy Scheme COVID-19 jobs in healthcare subsidy, but have not spend this – presumptively – to wage costs of healthcare staff. The money is transferred to other companies or private accounts, after which it was transferred to foreign bank accounts.

Apart from that, investigations were conducted in the areas of healthy, safe and honest labour, such as abusing the vulnerable positions of labour migrants, whether or not via malicious temp agencies.

Investigative Service of the Netherlands Food and Consumer Product Safety Authority

The Investigative Service of the Netherlands Food and Consumer Product Safety Authority deals with the biggest social risks in the area of our food safety, product safety, nature and animal welfare in a risk focused way, based on knowledge. Together with other partners, the Investigative Service of the Netherlands Food and Consumer Product Safety Authority tries to prevent and fight fraud in these areas. By gathering and analysing information and by executing criminal investigations, circumstances are revealed that enable fraud and other illegal activities.

In 2022 again there was a lot of attention for how environmental crime was dealt with. The impact

of environmental crime can easily be underestimated because of the insidious effect. Dumping toxic substances or illegally cutting trees is not always immediately noticeable, but in the long run this may have a huge impact on the environment. 'Escaping environmental rules for financial gain is still an important revenue model, and will increase, as can be expected, the coming years. We have to find answer to this, for the damage is often irreversible,' deputy senior officer at the FP, Sander de Haas, says. In 2022, the Netherlands Food and Consumer Product Safety Authority had again successful operations.

The past few years, the detectives (general investigation officer working for the Intelligence and Investigation Agency) and inspectors (special investigating officers – working at other division), of the Netherlands Food and Consumer Product Safety Authority more and more often cooperate regarding the fight against fraud. Confiscating criminal assets also takes place within this division.

[Click here to read more about the case 'Marjolein' regarding the trade in damaging food products.](#)

3.2 Police

The police focuses on awareness in all layers of the organization and on the important of dealing with criminal money flows. The police intensifies this approach by means of the Programme Criminal Money Flows and by appointing a national programme manager. The programme manager focuses on cooperation and connecting with partners, enhancing intelligence, solidly positioning the financial perspective in the investigation, expanding the international cooperation and investing in development of knowledge and expertise. Enhancing intelligence combined with a national crime view on the topic, contributes to making better choices.

Digitalised crime

The rise and expertise of digitalised crime (such as *marktplaats* fraud, *vriend-in-nood* fraud) has, as a consequence, a new type of perpetrator. These are mainly young perpetrators who are dealing with this lucrative form of crime. This form of crime has increased hugely, especially during the pandemic.

The police, together with CENTURION programme has created a working method, which provides a better view on the perpetrators of this type of crime. They also more and more often use a civil bailiff via the procedure of non-banking fraud. Read more about this procedure (Dutch *PNBF*) by clicking on the article below.

Defrauded and lost your money? This way you can get your money back

All units of the Police are part of CENTURION. Even though dealing with this form of crime is currently the job of experts, CENTURION has as its objective that fighting this type of crime should be a normal part of the job of the police. An important development is that the residence of the suspect is leading for dealing with this form of crime (instead of the place of reporting to the police, as it used to be). The main objective is to get insight into the layer above the layer of the people doing the dirty job. This way, the criminal partnership can be dealt with.

Very young perpetrators

Various cooperating organizations (such as municipalities, the police, schools, community workers) work to try to keep very young (12 – 18 years old) perpetrators of serious offences, such as getting cocaine from the ports, transport of drugs and money, committing life offences, out of the world of crime. This way of dealing with this problem is quite new and the results have not yet been presented. The local safety houses, where various parties cooperate, play an important role in this process. This approach mainly focuses on offering perspective to vulnerable target groups, with regard to which the social environment (family, school, sports club) is involved.

Financial facilitators

An investigation into criminal underground banking got exposed by the NIBO/RIBO (Regional intelligence image undermining). During the FinEc investigation this appeared to be about a 'banker's family'. Ten men from one family were arrested, who are suspected of diverting dozens of millions, both in cash and in Bitcoins. Thousands of kilos of cocaine were also confiscated.



4 DEVELOPMENTS

In 2021 the investigation and prosecution implemented project developments and procedural developments. These contribute to the objective of mapping out more criminal assets and to confiscate this. Apart from that, there are important developments with regard to legislation and regulations that contribute to the power of the investigation and prosecution.

4.1 Digital Platform Confiscation

Since the start of the Reinforcement programme 'Confiscation' in 2011, a lot of knowledge and expertise in the area of confiscation is offered in a fragmented way. A lot of information could therefore not be found by the investigation and the police. The [Digital Platform Confiscation](#) (DPA) provides for the need to bring together available knowledge and expertise in the area of confiscation, in one place. This platform is an initiative of the joint Special investigation services and the FP. The primary target groups are the co-workers of the investigative service and the Public Prosecution Service. This is the reason that for now the choice was made for a private platform.

In the matters where a choice was made for a criminal approach, the co-workers gradually learn about attachment, and how to handle the registration and process of such an attachment. The DPA also supports calculating the unlawful advantage of writing an effective confiscation report. In 2022, the platform had about 6000 unique visitors.

4.2 Confiscation app



The confiscation app – that everyone, either working in investigation or not, can download – can easily help determine whether confiscation in a certain case is possible. This app will help you map out the various confiscation possibilities regarding administrative law, civil law, criminal law and disciplinary law. The confiscation wizard that can be used for the correct attachment pertaining to criminal procedure, is also part of the confiscation app. The results of every session with this app can be shared with others via email.

The modernized app was launched on 6 December 2022 and is partly created with the help of a financial contribution within the scope of the vast offensive against undermining crime. The app has been downloaded 900 times already.



4.3 Asset file

A file in which the financial investigation and all actions related to the assets or the attachment were laid down, did not yet exist. Therefore, the police, Special investigation services, the Public Prosecution Service and the Central Judicial Collection Agency searched for a proper way of registration/documentation. The results of this is creating the asset file in Summ-IT. All investigative actions are laid down in the asset file, with regard to tracking down the assets and levying an attachment. The asset file is usable and available in all phases of the process: intelligence, investigation, prosecution, and execution. The implementation will probably commence in the second quarter of 2023.

The use of Summ-IT for the asset file also means that asset file will be laid down in a structured manner. This makes it possible to generate control and management information.

This supports in turn prioritizing the capacity for investigation and accountability of the achieved results.

Introducing the asset file will lead to more effective and efficient confiscation results in the chain, for more cases can be confiscated. Furthermore, the confiscation will be much higher in some cases and the assets will be more exposed, so execution sale of the attachment/collecting unpaid claims will be easier.

4.4 Criminal Money Flows: 30 years of 'confiscate it' (Dutch *plukze*)

In 2022, because of the restrictive COVID-19 measures, again a digital version of the Confiscation festival (Dutch *Afpakfestival*) was organized. An interactive programme was created in cooperation with the Special investigation services. One hoped to offer this in a hybrid form, if the measures would allow this. However, during the months after the *Afpakfestival*, COVID-19 was very active again, and the decision was made to offer the programme only digitally. The objective was to share knowledge in an inspiring way for a large audience (the Public Prosecution Service and Investigation).

The programme consisted of various (cartoons) videos and webinars, offering basic knowledge but, also more in-depth knowledge. This way a large audience was reached. The topics were attachment, confiscation and cooperation within the 'confiscation chain'. Because of this lay-out, we were able to secure the knowledge, by publishing all the material on the Digital Platform Confiscation and on the intranet of the Public Prosecution Service. Apart from that, a lot of information is used during SSR courses.

This second digital edition again reached a large and enthusiastic audience. The learning effect was huge. In 2023 the event





will take place physically again and will have a new name and a new specific theme. The name and theme are: 'Criminal Money Flows: 30 years of *Plukze!*'

4.5 Social reuse

In 2019, the House of Representatives tabled a motion to start a re-designation pilot. Re-designating confiscated good contributes to a sense of justice: we give the signal that crime does not pay. We mainly try to give this signal in vulnerable housing estates. Simultaneously, social bodies and organizations are able to make use of these (im)movable goods.

The Public Prosecution has been exploring for a number of years what the possibilities of re-designating confiscated (im)movable goods are. Currently, there are three pilots almost ready to be implemented. It can be expected that they will be able to start in 2023. No policy has yet been made regarding the re-designation, which makes it currently

quite difficult to swiftly go from initiative to implementation. There are practical challenges to be met, such as the costs of maintenance and exploitation, and it is important to use the goods in such a way that they comply with the needs of the local inhabitants/users. Apart from that, there are pilot specific challenges to be faced. The pilots are meant to see challenges and to learn from them. The objective of that is to make a policy that focuses on a more structural approach of re-designation. The Ministry of Security and Justice and the Public Prosecution Service intend to further explore the policy possibilities in 2023 and to implement them.

4.6 Legislation and regulations

There are currently a few important developments regarding the law. In order to be able to make significant progress regarding dealing with organized crime, it is important to have a proper view on the exchange of

information and data between governmental parties, and between public and private parties. Because of privacy considerations, there has been a long-term discussion in politics that will have major consequences for investigation procedures. Despite the fact that we now have a better view on matters and we know where the assets of criminals are placed, the current legislation does not always allow us to take action. A swift implementation of the Data Processing by Partnerships Act is therefore desirable. We are also looking forward to the implementation of NCBC, which allows us to handle matters quicker and more efficiently.

4.6.1 Data Processing by Partnerships Act

The current draft of the Data Processing by Partnerships Act is a legal framework was included to exchange information between administrative and criminal enforcers, specifically for the four Partnerships: iCOV, FEC, RIECs and the cooperative healthcare homes and safety homes. Clear preconditions are included in this draft, also with respect to exchanging information and data between partnerships.

This draft Act offers in its current form a solid foundation for the exchange of information and data between partnerships and it could absolutely improve the cooperation within these partnerships. That way, the legislator could take a proper step in the right direction, with regard to handling criminal money flows and criminal or inexplicable assets.

The duration of this legislative procedure has, however, seriously hindered the development of new information techniques to map out criminal money flows and criminal assets. Criminals have been very busy to find new ways to transport and save assets, out of sight of the government. The Public Prosecution Service can only do its job

properly, if legislation is in line with social reality, which has changed significantly over the past few years.

In order to have a quicker and better view on criminal money flows, and to raise the efficiency of confiscating criminal assets, the Public Prosecution explores whether additional measures are necessary after the implementation of the Data Processing Partnerships Act.

4.6.2 Non conviction based confiscation

Apart from the 'tradition' criminal approach, a legislative proposal is being drawn up with which criminal assets can be confiscated under civil law. The legislative proposal for non-conviction based confiscation, makes it possible to confiscate criminal assets without us prosecuting a suspect. This, for example, could refer to a bag of money (of at least € 25,000.00) found during a house search, but with regard to which no suspects has entered the picture. It could also be of service to, despite the impossibility of international mutual legal assist requests, confiscate property. This is related to the civil aspect of this NBCB procedure, with regard to which the allocation of the burden of proof is somewhat different than in criminal law. Regarding these proceedings, of course always the civil court will rule about the confiscation. A number of countries in Europe already works with similar legislation and often with great results. The legislative proposal was sent for advice to the Council of State at the end of 2022. The Public Prosecution is looking forward to commencement of the NCBC and has high expectations of it.

4.6.3 Legislative proposal plan of action money laundering

Lastly, the Public Prosecution Service has a positive opinion about all part of the legislative proposal Plan of Action money laundering, but it mostly has a positive opinion

regarding the ban on cash transactions above € 3000.00 for professional or business traders. In practice, money laundering via cash happens a lot. At the same time regarding investigative practices, it becomes more and more obvious that criminals do not buy property and cars themselves, nor do they put this in their own name, but they rent or lease this with cash, in order to not be on the radar of the authorities. In practice it is visible that the expenditure patterns of criminals shifts from ownership and possession to use. Exploiting and using houses that are unlawfully occupied, and mala fide rent and lease of cars, is a form of spending criminal money (and is thus money laundering) that the Public Prosecution Service often encounters. It is an industry that deals with huge sums of criminal money. From that point of view, it is not logical that the Money Laundering and Terrorist Financing (Prevention) Act does not apply to professional and business traders who receive large sums of

digital money, coming from non-transparent, complex, international concealing structures, with which, for example, very expensive ships are build and/or bought in the Netherlands. This does not even apply when there are connections with sanction related countries. This money often runs via conduit companies. Criminal prosecution via money laundering is often difficult because of insufficient evidence, partly because of involvement of countries with which we have a difficult legal assistance relationship. However, it is also not possible in these cases to deal with it via the Money Laundering and Terrorist Financing (Prevention) Act/Economic Offences Act. This is undesirable when this concerns preventing criminal money flows and when this concerns dealing with money laundering effectively in the Netherlands.



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