

Policy Paper

**Organised Crime and the Fight Against
Crime in the Western Balkans: a
Comparison with the Italian Models
and Practices. General overview and
perspectives for the future**



Edited by:

Roberto FORTE

Authors:

Natale ARGIRÒ

Mauro BALDASCINO

Mario BATTELLO

Atanas RUSEV

Luigi GAY

Dafne PAPANDREA

Domenico ZINZI

*With the financial support from the Prevention of and Fight against Crime Programme of the European Union
European Commission - Directorate-General Home Affairs. This publication reflects the views only of the
author, and the European Commission cannot be held responsible for any use which may be made of the
information contained therein.*

Foreword

Hon. Dr. Domenico ZINZI, President of the Province of Caserta

The project SAPUCCA (Sharing Alternatives Practices for the Utilization of Confiscated Criminal Assets), funded by the EU programme “Security and Safeguarding Liberties - Prevention of and fight against crime” (ISEC 2007-2013, DG Home Affairs), has the objective to fight organised crime through strategies aimed to re-use of confiscated properties with a multilevel approach.

The re-use of confiscated criminal assets, which are transferred to the allocated territories, occurs through the involvement of all social authorities and associations, accepting the various requests and territorial proposals, applying the model of Action-Research (AR) already experimented by the Province of Caserta with the Observatory of the Province on confiscated assets which provides for the sharing with the involved actors of community to the destination of such assets.

The SAPUCCA initiative was launched with the involvement of three Italian Provinces: the Province of Caserta (the leader, the Province of Catania and the Province of Pistoia) with the objective to define and transfer best practices relating to the social destination of confiscated assets and their re-use in other Italian and European territories.

Besides the involvement of local authorities, an important role was carried out, since the planning phase, by the partner FLARE Network, by the Bulgarian partners Centre for the Study of Democracy (CSD) and Commission for establishing of property acquired from criminal activity (CEPACA) and by the Italian partners, National Agency for the management and destination of assets confiscated to organised crime and Comitato Don Peppe Diana, with the coordination and support of the Association TECLA - Association for the local and European trans-regional cooperation, able to intercept synergies, cooperation and instances of political, institutional and civil society organisations, enhancing the role and responsibility of each partner involved in the SAPUCCA project.

SAPUCCA is an important project for three reasons: it enhances the inter-institutional cooperation, promotes a strong awareness of public opinion about the confiscation and re-use of assets, and in the end, strengthens the activity of the Province of Caserta in the fight against organised crime in collaboration with the judicial authorities, the police and the associations.

I am very proud because the Province of Caserta is able to spread best practices about the re-use of assets confiscated to the mafia and other Italian and foreign criminal organisations, contributing to the realisation of a cultural and social offensive towards organised crime with which our institutions are very busy within our territory, achieving previously unheard-of successes.

I would like to express my special thanks to the representatives of all partners that have collaborated with interest and commitment to the realisation of our idea.

The Project: activities, results, general overview and prospects for the future

Mario BATTELLO, Managing Director of the TECLA Association

Market unification and the free movement of people, goods and capital have had a positive impact on society. However, they have also, albeit indirectly, resulted in the emergence of organised crime on a transnational scale. This has become a global and European issue and, as such, needs addressing: the strategy for combating transnational organised crime must, therefore, be based on unified and uniform legislation.

A first step in this direction has already been taken by the European Parliament, which has approved the Resolution on organised crime in the European Union (2010/2309 (INI) of 25 October 2011). This resolution seeks to put the fight against organised crime on the political agenda and requests a specific and horizontal European strategy in this matter. In many respects the indications expressed in the resolution, which outline strict guidelines for the national legislature, represent an extraordinary opportunity to build on and hone the experience gained in Italy in the fight against organised crime, both on a legislative and judicial level, from the Rognoni - La Torre law and from the activities of the Anti-mafia Pool.

In light of the Lisbon Treaty, the resolution takes on an important political significance and sets out a clear plan of action for the fight against organised crime and mafia organisations at a European level. For the first time in the institutional history of Europe, reference has been made to mafia-type criminal systems in an official text, evidence of an acquired political awareness of the need for adequate forms of countering this crime. The innovative scope of the resolution consists of a series of proposed measures, including: confiscation and re-use of criminal assets for social purposes, recognition of mafia-related criminal activities across the 27 Member States, laws on the control and transparency of public funds, countering money laundering, ineligibility of people convicted of serious crimes and the establishment of an anti-mafia parliamentary commission.

In this context, the Commission has proposed the Directive on the freezing and confiscation of proceeds of crime in the European Union (COM(2012) 85 final of 12 March 2012), which provides minimum standards for the Member States in the freezing and confiscation of proceeds of crime through direct confiscation, alternative penalties for the amount in dispute, an extension of the powers of confiscation, non-conviction based confiscation (in limited circumstances) and confiscation from third parties. The adoption of these minimum standards is designed to further harmonise Member States' regulations on the freezing and confiscation of assets and promote effective regional cooperation. They consist of a set of guidelines that attempt to link "judicial anti-mafia" with "social anti-mafia", giving substance to the idea that the answer to crime does not lie solely with the state, but is also entrusted in part to civil society.

In line with these considerations, the thrust of the Project Sharing Alternatives Practices for the Utilisation of Confiscated Criminal Assets – SAPUCCA (funded under the EU Framework Programme "Security and Safeguarding Liberties - Prevention of and Fight against Crime" - ISEC 2007-2013 - DG Home Affairs) is embodied in the ability to function in an integrated manner on two levels:

- the local level (the reference is to the activities targeting schools, young people and the local community by using the Action Research methodology),
- the international or, rather, supranational level (the reference is to activities carried out with Bulgaria and the Balkans, more particularly with: Croatia, Macedonia, Montenegro and Serbia).

The SAPUCCA initiative was launched upon the institutional wishes of the three Italian provinces involved (Province of Caserta - Lead, and the provinces of Catania and Pistoia) to encourage the improvement of existing laws, regulations and procedures on the confiscation and appropriation of property seized from organised crime and to pass on the Italian experience of promoting the reuse of confiscated assets

for socio-institutional purposes to other contexts, both national and European. In addition to the local authorities, a significant role was played right from the planning stages of the SAPUCCA initiative by the national partner FLARE- Freedom Legality and Rights in Europe, the Bulgarian partners, the Centre for the Study of Democracy, and the Commission for establishing of property acquired from criminal activity, and the associated Italian partners, the National Agency for the administration and the destination of seized and confiscated goods from organised crime and the Don Peppe Diana Committee, coordinated and supported by the TECLA Association - Association for the local and European trans-regional cooperation, which I run, which was able to intercept political - institutional synergies and enhance the role and expertise of each partner of the voluntary sector, topping off the success of this initiative.

In an effort to, briefly, retrace this path, which lasted thirty months, through the main actors who made it possible along with the results obtained, we can safely say that the SAPUCCA project has been implemented in a very timely context in the light of the ongoing debate on the proposal for a Directive, designed to promote, through study activities, the improvement of laws, regulations and procedures relating to confiscation.

Cooperation with the Bulgarian partners has enabled some of the Italian regulatory model to be transferred, with success, to Bulgaria who just recently (October 2012) has adopted ad hoc legislative instruments on confiscation. The contribution of the associated partner, the National Agency for the administration and the destination of seized and confiscated goods from organised crime helped to structure this path that reflects the European Union's contribution to the fight against organised crime, which in Italy is embodied in the regulations and the creation of ad hoc agencies to ensure genuine judicial cooperation.

The project is characterised, as mentioned earlier, by a supranational dimension. It has opened fruitful discussions in the Balkans, a particularly sensitive area with respect to the issue of organised crime and Italian legislation on the re-use of confiscated assets for social purposes. As a result of the four workshops held in the Balkans (in Croatia, Macedonia, Montenegro and Serbia), a strong demand has emerged for this area to structure and strengthen cooperation with Italy and, more generally, with the European Union, both on a regulatory-legislative level and an operational-managerial one, as highlighted in a detailed and articulated manner later in this publication, the fruit of the research and investigation work of the regulatory framework by the partner FLARE – Freedom Legality and Rights in Europe and also from the qualified participation in the seminars of the partners, national agencies, parliamentarians, judges and magistrates and the organised civil society.

The TECLA Association has applied its working methodology in this project to strengthen the network of local authorities and to enhance the experiences and territorial specifics developed in 20 years of activity. The SAPUCCA project is the result of efforts from all the territorial components: schools and youths, volunteer and social associations, law enforcement operatives, the judiciary and prosecutors, Italian Embassies abroad and the national and European parliamentarians. The project has shown great capacity to involve the partner areas: the Province of Caserta, the leader, and the Provinces of Catania and Pistoia. The reality from one to the other is very different: Caserta and Catania have always engaged in the fight against organised crime; Pistoia, however, has traditionally always been very sensitive to the social culture and the involvement of youth and civil society.

The SAPUCCA Project has also carried out awareness-raising activities for the dissemination of a culture of legality and the importance of the re-use of proceeds confiscated from organised crime for social purposes through school twinning programmes with the partners and the final Competition "Ambassador of legality". The activities were intended as a meeting and exchange of ideas between the schoolchildren with the help of scholars and witnesses and visits centred on confiscated and reused goods. With these activities, we wanted to give young people the opportunity to gain concrete cooperative experiences of confiscated assets, transforming them from "a symbol of the criminal power" to "common heritage". This initiative also contains an important educational value in itself, with education in law and possible social redemption. Returning the vast wealth acquired illicitly to the citizenship also takes on a deeper meaning of strengthening the image of the state, especially in areas where degradation has created regulatory alienation and distrust of institutions. From this perspective, the goods confiscated from the mafia fall into the most classic definition of communal assets: recovery centres, cooperatives and associations become

the focus of a new city life; they return unlawfully gained spaces to the people and represent a tangible sign of payback from an entire community.

The journey with SAPUCCA strengthens my conviction that in order to counter organised crime, there is a need for a unified effort, which can only be achieved thanks to the institutions, local authorities and organised civil society working together. This experience has also consolidated the efforts of countries such as the Balkans, which, although less structured than Italy, are starting to prepare similar pathways in response to organised crime. Europe must continue to insist on this, supporting projects and similar initiatives, incorporating these issues into a plan and a long-term strategy. Italy is a country made up of many realities (municipalities, provinces, businesses, voluntary associations and organised civil society) which are our backbone, and Europe would do well, with its approach, to turn to all actors involved at a local and regional level, in addressing structural problems of an international nature such as organised crime.



Part 1. Organised crime in the Western Balkans

Introduction: the general situation of organised crime in the Western Balkans

Dafne PAPANDREA, Researcher

To understand how and why Western Balkans became a nucleus for international organised crime, it is useful to consider its political and cultural history, as well as its geographical location.

The geographical position of the Balkans, between the markets and powers of the East and the West, has always been both a blessing and a curse. From the middle ages, this region represented a kind of rural buffer zone between competing interests, which on the one hand gave it great strategic importance but on the other hand generated few incentives for its development. In more recent times, the region has become a transit zone for a wide range of criminal trade, including drug smuggling, trafficking in human beings, whether in the form of illegal immigrant smuggling or for sexual exploitation, trafficking in weapons and smuggling of licit goods such as cigarettes and oil products in order to avoid taxation.

The geographic location of the Balkan region is placed between the world's main supply of heroin and its most lucrative destination market, consequently it was destined to suffer the effects of being a transit area for smuggling. The so called Balkan route – which is the main corridor for smuggling heroin - passes from Afghanistan through Pakistan or Iran, Turkey, Bulgaria, the former Yugoslav Republic of Macedonia or Serbia, Bosnia and Herzegovina, Croatia, Slovenia, and ending in Italy and Western Europe.

If these geographic vulnerabilities are important to analyse the development of the criminal international organised crime, the particular nature of organised crime in the Balkans was strongly influenced by the history in the recent decades, with the dramatic political events that have affected the region, such as the successive shocks of communism, conflict, and the transition to market economy.

After the Second World War, every country in the region fell under the control of authoritarian communist regimes, although of distinctly different characters in Albania, Yugoslavia, Bulgaria, Romania, and Moldova. While Tito's Yugoslavia was relatively wealthy and liberal, the regimes in Romania and Albania were among the most austere in the communist world.

Under Communist rule extensive black markets were established and flourished, often with the complicity of party officials.

An essential part of absolutist communist governance was the internal security police and intelligence agencies connected. Underground operators and the security services joined forces to create an extensive informant system, which included professional criminals as informants or operatives.

With the fall of communism in the late 1980s, members of the secret police and their criminal allies were in a favourable position for taking advantage of the new capitalism.

Through the so-called Nomenklatura Privatization, party functionaries received state-owned companies, finance, and concessions at non-competitive rates.

These functionaries were often secret policemen, who teamed their criminal contacts to create local monopolies and shady multinational conglomerates. To protect their advantage, they maintained their links with those in political power. And when conflict emerged in Yugoslavia, these individuals were well positioned to take advantage of international sanctions as a money-making opportunity.

During the Yugoslav war, organised crime began to expand considerably, both within Yugoslavia and throughout the region.

A distinctive feature of the Yugoslav conflict was the use, in addition to traditional military, of irregular combat groups by all sides.

At the beginning of the conflict, national military were of limited use. First, many of the emerging countries had little standing military capacity. Secondly, the largest standing force, the Yugoslav army, was ethnically mixed and less than enthusiastic about the war.

Consequently, all parties to the conflict began to consider the use of paramilitary or volunteer units, which proved to be more effective than the traditional forces in achieving one of the main objectives, implement ethnic cleansing in the disputed territories.

In addition to looting, paramilitary groups found many other ways to make money off of the conflict, such as stealing, extorting or buying the international aid to resell to desperate communities who, finally, saw their exploiters as lifelines.

The international sanctions against Yugoslavia (comprised essentially of Serbia and Montenegro) provide great opportunities for criminal groups throughout the region, bringing war profits at higher levels.

Yugoslavia inherited the former army, so there was no need to import weapons, in addition, being a largely agricultural country, it was self-sufficient in terms of food.

What lacked was oil, that was illegally imported from Albania, Bulgaria, Romania, and Macedonia, under the coordination of the secret police.

The partnership between the political, commercial and criminal elites was further strengthened in that period.

As the war between Serbs, Croatians and Bosnians was concluded in 1995, the conflict in Kosovo began. Being Kosovo one of the poorest area of the region, the Kosovars were not sufficiently armed to face the Yugoslav army, so the rebellion necessitated fund raising. The source of many of these funds is believed to have been heroin trafficking and other forms of organised crime.

One of the most important developments of the wars was the creation of new states. Both the novelty and the size of these new national entities leave them vulnerable to criminal infiltration.

During the conflict, traffickers were able to simultaneously enrich themselves and serve their respective causes, rapidly gaining both economic and political capital. In the post-conflict period, they assumed different roles, some pursued legitimacy in business or politics, some remained marginal, and some straddled both worlds.

One of the main sources of investment was the reconstruction industry, and many war profiteers opened construction firms. Since these men were often the only ones in the region to have resources to invest, the international community unwittingly contributed to their further enrichment by contracting them to rebuild what they had destroyed.

On the other hand, due to their connections with the security services, those who opted to remain in crime were able to operate with substantial impunity. Some paramilitary fighters even became members of the state security units, further reinforcing the link between the government and the underworld.

In recent years, in the Balkans, there was an increased commitment by governments in the fight against organised crime.

Most countries have ratified international conventions on the suppression of organised crime and terrorism, as the UN Palermo and Mérida Conventions - respectively against Transnational organised Crime and against corruption; the Council of Europe Convention on the Prevention of Terrorism; the Convention for the Suppression of the Financing of Terrorism and the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime.

To strengthen the fight against corruption and organised crime, most countries developed police cooperation and reformed the judicial system, introducing new methods of investigations or new special unit and implementing rules, as the matter of confiscation.

Albania, Serbia, Macedonia in recent times reformed the law on confiscation in order to make it more efficient.

The reform of law provisions against organised crime and in particular the enforcement of the law instrument of seizure and confiscation, could be placed in different dynamics.

First the EU priorities in recent years have focused increasingly on Home Affairs, in particular the fight against terrorism and organised crime, with an emphasis on the funding of terrorist or criminal activities. The integrated approach guiding the action of the EU in fighting organised crime extends from prevention to law enforcement. This is based essentially on effective cooperation between the authorities of the Member States, and especially the law enforcement agencies, including the exchange of information and mutual assistance in seizures and confiscations. Several countries in the region have carried out the procedures for application as EU member and therefore the alignment with European standards on these issues is a key factor for approbation.

Secondly, for years, police and judicial cooperation - such as the implementation of the Interpol instruments - was at the centre of policies for the fight against transnational organised crime; there was a tendency to prefer policies focused on the persecution and punishment of the crime. In recent years the focus has shifted on the resources and how to hit them effectively in order to weaken criminal organisations; in this new context, the principle of confiscation has become particularly important. On the one hand, it affects the economic resources of the organisation, on the other, giving back to the society the goods confiscated, it becomes possible to change the local social situations leading to a further weakening of the criminal group.

This report presents an analysis of four countries of the Balkans: Croatia, Macedonia, Montenegro and Serbia.

It provides a brief overview of the political history of each country, with the aim to point out the links and also the relevance of organised crime.

Then it analyses the situation of organised crime in each of the four countries, with a particular focus on the main criminal activities.

Finally it illustrates the legal framework of each country, with attention to the criminalization of the various offences related to organised crime and of the instrument of seizure and confiscation.

Croatia

Dafne PAPANDREA, Researcher

General political overview

Formerly a constituent republic within socialist Yugoslavia, Croatia held its first multi-party elections in 1990, which were won by the former communist general and dissident Franjo Tuđman and his Croatian Democratic Union (HDZ).

Independence was subsequently declared in June 1991 under Tuđman's leadership.

In the period 1991-1995, during the war accompanying Yugoslavia's disintegration, criminals were engaged by paramilitary units and official security forces.

At the end of the war, during the transition towards the new authoritarian regime led by Tuđman, former criminals were protected as a sort of national heroes by the state authorities. Crime and corruption increased dramatically and the political elites were not exempted by contacts with organised crime groups. The most notorious criminals protected by the government were Mladen Naletilic, known as Tuta, and Vinko Martinovic, known as Stel, who had served as intermediaries for the participation of the Croatian Ministry of Defense in arms trafficking.

Tuđman's HDZ continued to rule Croatia until his death in December 1999.

Parliamentary elections in January 2000 resulted in a victory for a centre-left coalition led by the Social Democratic Party (SDP) and Ivica Račan, leader of the SDP, became prime minister.

The policy of the new government was to focus on a process of democratisation and national reconciliation, which included, as a key pillar, an intensive programme to fight crime and corruption.

The HDZ returned to power in 2003 under the leadership of Prime Minister Ivo Sanader, reshaped as a conventional European centre-right party. Key purposes of the government were to enter into NATO and the European Union (EU).

In January 2010, SDP won the elections, in a situation where government corruption was dominating the public debate. In October 2011, the State Attorney's Office for the Suppression of Corruption and organised Crime (USKOK) included in its investigation Sanader and other HDZ officials, accused of funnelling money from public companies to a slush fund from 2003 to 2009. In November, a Croatian court added two other corruption indictments against Sanader. On 9 December, he was spotted crossing the border into Slovenia, shortly before the Croatian parliament voted to remove his immunity from prosecution by the Croatian Bureau for Combating Corruption and organised Crime (USKOK). The next day he was arrested on charges of corruption near Salzburg, in Austria.

Sanader was extradited by Austria on 18 July 2011 and transferred to Zagreb.

During 2012 it was announced that Sanader was facing a new set of corruption charges, related to financial irregularities of the Croatia's state-owned electric company HEP and the sale of electricity to Croatian petrochemical company Dioki Group at prices below market.

On 20 November, Sanader was sentenced to 10 years in prison in a first-degree verdict. He was the highest official in Croatia to be convicted of corruption.

Corruption

Corruption is considered one of the greatest social problems in Croatia, and is counted in the top social issues throughout the region.

Among the sectors most affected by corruption are those linked to the privatisation process: industries, banking and real estate.

In the report by Transparency International, the Corruption Perceptions Index for 2012 ranks Croatia 62/176, with score 46/100. 57% of people feel that from 2007-2010 the level of corruption in the country has increased; for 33% it stayed the same, and only 10% consider that it has decreased.

Organised crime

As in other countries in the region, it was the lack of transparency in checking the source of the money invested in the privatization process that allowed some criminals to gain their current prominence by investing their illicit gains in the process.

Organised crime in Croatia seems to be characterized by many groups which have their own organisation and structure; they are concentrated in two areas of the country, Zagreb and Split. Most of these criminal groups do not have a vertical hierarchy, but are horizontally organised. According to the available information there are some criminal figures who are dominant but no top-level leader is present. The most famous protagonist of national organised groups was Zlatko Bagaric, known as "The king of dice"; he is considered the godfather of the Croatian mafia and of the Zagreb clan. After his death he was replaced by Nikica Jelavic. In Split the two main clan are Ahmeti gang and Cipic gang, which are rival in the control of drug trafficking.

The criminal groups can be made only of Croatian or of both nationals and non-nationals, belonging to different nationalities, in particular from Bosnia and Herzegovina, Albania, Serbia, Montenegro, Italy, and Slovenian.

Croatian criminals operate on both a national and transnational scale. Following a trend that is common among most of the countries in the region, the members of certain groups cooperate with foreign criminal organisations based outside the country and commit crimes outside state borders. Not only do contacts exist with the groups present in neighbouring countries, but also with Albanian, Italian, German, Austrian, French, Irish, Dutch, Spanish, Hungarian, Czech, Slovak, Yugoslavian, Bulgarian, Chinese, Russian and Ukrainian organisations. At the same time some of the foreign organisations use these contacts with the Croat groups in order to widen their criminal activities in Croatia.

Main activities

One of the principal activities of organised crime in Croatia is **drugs trafficking**.

Like many other countries in the region, it is on the Balkan Route, which is exploited to transfer drug from the production countries to western Europe.

Heroin is trafficked through Croatia by the Central (Original) Balkan route which start in Afghanistan and through Pakistan, Turkey, Serbia, Bosnia and Herzegovina, Croatia, Slovenia and finish in Italy.

The majority of the cannabis products originate from Albania and Bosnia and Herzegovina, however, products originating from Morocco and Afghanistan are also available.

Cocaine found in the Croatian market is traditionally produced in Colombia, Bolivia or Peru, and smuggled to the country via air or sea. In fact, because of its extensive coastal borders, which are difficult to patrol effectively, the country is susceptible to the attention of trafficking organisations.

Amphetamines are primarily smuggled from west European countries and recently, also from east European and Asian countries.

A report by the Council of Europe's Group of Experts on Action against Trafficking in Human Beings (GRETA) concluded that the extent of **human trafficking** in Croatia could be considerably higher than that identified by the government.

The same criminal groups that operate in the field of trafficking in human beings often are also involved in the forgery of identity documents. In fact, in order to traffic people it is essential to provide them with forged documents and there is a tendency for the organised crime groups that traffic human beings to also provide these 'instrumental services'.

Croatia is a destination, source, and transit country for men, women, and children subjected to conditions of sex trafficking and forced labour.

Croatia is considered a popular transit zone for victims trafficked for sex exploitation from the Balkans and former Soviet countries (e.g. from Ukraine, Hungary, Romania, Moldavia, Bulgaria and Slovakia, and former Yugoslav states) to Western Europe (Italy in particular).

In the last years Croatia is also a destination country, as foreigners, mostly Bosnians, are trafficked into the country for sexual exploitation in tourist areas. Also Croatian nationals, mostly women and young girls are trafficked both internally and abroad.

Over sex exploitation, women and men have been subjected to forced labour in agricultural sectors, and children, including Roma, are subjected to forced begging, pick pocketing, and labour.

Croatia is a link in **stolen vehicle trafficking**. Due to its geographical position, Croatia is a country through which vehicles stolen in Western Europe are trafficked on their way to Eastern markets. The country is both a transit country and an origin country. The nature of the crime and the pattern of vehicle trafficking in neighbouring countries (together with the fact that vehicles are often moved through various states) suggest that it is possible that vehicle trafficking is undertaken on an organised basis and also in cooperation with foreign criminal groups.

Other crimes linked to organised crime are the smuggling of petrol and of cigarettes. With regards this latter crime, data show that it took place on a massive and organised scale during the conflict as way of financing efforts. Cigarettes, produced in Croatia are smuggled mainly towards Serbia and Montenegro, from where they are further smuggled to the recipient countries in both the SEE region and the EU. However it appears that much of this activities has substantially decreased.

Money laundering cases are mainly related to domestic financial crime such as privatisation fraud and tax evasion, in addition to a recent rise related to drug trafficking, extortion, racketeering, theft and smuggling of vehicles, prostitution.

The economy of Croatia is still mainly cash-based, moreover, a range of numerous non-bank financial institutions exist, which are not tightly regulated. This makes the country's financial system vulnerable to money laundering, particularly in the placement stage.

The most common ways for money laundering are through investments in real estate, car purchase, bank transaction through physical person's accounts, and business investments by fictitious loans. To infiltrate the economy criminals also exploit the tourism sector, casinos and night-life services. Bureaux de change seem also to be exploited for money laundering.

Legal framework

Croatia joined the UN on 22 May 1992, the OSCE on 24 March 1992 and the Council of Europe on 6 November 1996. In June 2011 it completed European Union accession negotiations, with membership expected in 2013.

The country has ratified 14 key **international conventions** on the suppression of organised crime and terrorism, including the United Nations Palermo Convention against Transnational Organized Crime (with three Protocols) and the United Nations Mérida Convention against Corruption. Additionally, at the regional level, Croatia has ratified the Council of Europe Convention on the Prevention of Terrorism and the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime.

Croatia has been an independent parliamentary Republic since 1990, following the break up of former Yugoslavia; the Croatian Constitution was adopted in 1991 and its **criminal law code** and **criminal procedure code** enter into force respectively in 1998 and 1991. The Criminal Code was amended in order to improve the fight against organised criminal activities, contributing to the advancement of Croatian criminal law provision towards international and European legal standards.

Croatian criminal procedure is characterized by a mixed system. Accusatory elements are particularly evident in the preliminary stages of the proceedings and during the trial, while the judge plays a leading role during all the stages of the proceedings. In particular, it is up to the instructing judge to decide whether to begin the criminal trial.

There are central offices which are responsible for conducting investigations into organised crime or into criminal activities typically related to organised crime, such as the Office for Combating Corruption and Organized Crime (UKSOK), the Organized Crime Department, the Drug Department and the Economy Crime and Corruption Department.

Investigation methods are regulated by the Criminal Procedure Code. It contains provisions on so-called **special investigative measures**. These are measures used to temporarily limit certain constitutional rights and freedoms of citizens for the purpose of criminal proceedings. Measures which can be taken includes surveillance and technical recording of telephone conversations and other means of long-distance technical communication; secret surveillance and technical recording of persons and objects; use of undercover investigators and informers; controlled transport and delivery of objects related to a criminal offence. The Art. 192 defines the criminal offences to which these measures may apply includes association for the purpose of committing a criminal offence, as well as criminal offences committed by a group or criminal organisation in concurrence.

The **Criminal Code** defines a criminal organisation as a hierarchically structured association of at least three persons who act within a specific period and have gathered to commit criminal offences in order to realize pecuniary gain or to realize and supervise certain economic or other activities, while a group of people is a group of at least three persons who are connected for the purpose of the regular or occasional perpetration of criminal offences, whereby each of them exercises his share in the perpetration of a criminal offences (Art. 89).

The Code provides the crime of Associating for the Purpose of Committing Criminal Offences (Art. 333), punished by imprisonment, which includes whoever organises a group of people or, in some other way, associates three or more persons in joint action with an aim to commit criminal offences, and whoever organises a criminal organisation or manages it.

Furthermore this represents an aggravating for other crimes, such as Unlawful Deprivation of Freedom (Art. 124), Kidnapping (Art. 125), Coercion (Art. 128), Threat (Art. 129), Abuse of Narcotic Drugs (Art. 173), Trafficking in Human Beings and Slavery (Art. 175), Illegal Transfer of Persons Across the State Border (Art. 177), Robbery (Art. 218), Fraud (Art. 224), Extortion (Art. 234), Blackmail (Art. 235), Concealing (Art. 236), Counterfeiting of Money (Art. 274), Counterfeiting of Securities (Art. 275), Money Laundering (Art. 279), Illegal Debt Collection (Art. 330).

If these offences are committed on the basis of membership in a group or criminal organisation, the perpetrator shall be punished by imprisonment for a longer period.

The **confiscation of pecuniary gain** acquired by a criminal offence is regulated by Art. 82 of the Criminal Code. It provides that the court shall confiscate a pecuniary gain acquired by means of a criminal offence. The confiscation of a pecuniary gain shall be ordered by a court decision establishing that a criminal offence has been committed. If it is impossible to seize in full or in part the pecuniary gain consisting of money, securities or objects, the court shall obligate the perpetrator of the criminal offence to pay the equivalent sum of money. The pecuniary gain shall also be confiscated if it is in possession of a third party on any legal ground and it has not been acquired in good faith. If an injured party has been granted his claim of ownership, the court shall confiscate only the part of the pecuniary gain which exceeds the granted claim.

Proceeding for seizure of objects and confiscation of pecuniary benefit is regulated by Chapter XXVIII of the **Criminal Procedure Code**.

Art. 556 provides that objects which must be seized under law, and all other objects, shall also be seized when criminal proceedings do not terminate with a judgement of conviction, provided that this is required by considerations of public safety or the protection of the honour and dignity of citizens. The authority before which proceedings were held at the time they were terminated shall render a separate ruling

on the seizure of objects shall also be rendered by a court when it has failed to render such a decision in a judgement of conviction.

According to Art. 557, pecuniary benefit obtained as a result of the commission of an offence shall be determined in the criminal proceedings by virtue of the office. The court and other authorities before which criminal proceedings are conducted shall in the course of proceedings obtain evidence and investigate circumstances that are relevant for the determination of pecuniary benefit. If the injured person made a claim for indemnification that, with regard to its ground, excludes the confiscation of pecuniary benefit obtained as a result of the commission of an offence, the pecuniary benefit shall only be determined for the part exceeding the claim for indemnification.

Finally, Art. 560 asserts that the court may order the confiscation of pecuniary benefit by a decision in which the defendant is found guilty of the offence charged. In the ordering part of the judgement the court shall state which object is to be seized or which sum confiscated.

According to the Report on Croatia's state of preparedness for EU membership, implementation of the legal framework on the seizure and confiscation of assets needs to be consolidated, as does the coordination between criminal and financial investigations. The total level of assets seized and confiscated is relatively low and further efforts are necessary in this regard.

Macedonia

Dafne PAPANDREA, Researcher

General political overview

Since independence (1991), power has alternated between centre-left (Social Democratic Party of Macedonia - SDSM) and centre-right governments (Internal Macedonian Revolutionary Organization – VMRO – and Democratic Party for Macedonian National Unity - DPMNE), though an ethnic Albanian party has sat in each ruling coalition.

In 2000–01, Albanians mounted an armed insurgency, demanding better political representation. Unofficially, however, the insurgents also wanted control of lucrative smuggling routes in north-western Macedonia. The August 2001 negotiations known as the “Ohrid Accords” prevented civil war, but violent incidents continued to erupt periodically.

VMRO-DPMNE won parliamentary elections in July 2006, with Nikola Gruevski becoming prime minister. The polls were marred by pre-election violence and significant irregularities on election day. The VMRO-DPMNE won a majority of seats in early parliamentary elections held in 2008; the polls were widely seen as the worst since independence. Irregularities - mainly in Albanian areas - included attacks on party offices and ballot box stuffing.

In November 2010, police raided the headquarters of the opposition-oriented A1 Television to investigate alleged financial irregularities at companies controlled by the station’s owner, Velija Ramkovski. In late December, Ramkovski and more than a dozen associates were charged with crimes including money laundering and tax evasion.

The opposition SDSM subsequently boycotted the parliament in January 2011. Parliament was dissolved in April, and early elections held in June led to a third consecutive victory for the VMRO-DPMNE-led coalition. International observers called the polls competitive and transparent but noted some problems, including a pro-government bias from the public broadcaster.

Corruption

Corruption in Macedonia represent a serious problem since its independence. In 1998 election the ruling party lost because of corruption scandals. In 2003 it was estimated that more money was wasted through corruption than the entire amount received through international assistance.

Corruption is one of the common modus operandi of organised criminal groups. It has evolved from passive exploitation to active coercion and has acquired the capacity to not only slow economic progress but to also feed organised crime and in turn, political and communal instability.

Organised crime

Criminal groups are mainly made up of both nationals and non-nationals and their structure is mostly hierarchical. They mainly operate on a transnational scale and specifically in Eastern European countries (Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Serbia, Montenegro, Hungary, Moldova, Romania, Slovakia, Slovenia, Turkey, Russia and Ukraine) and in some EU countries (Austria, Germany, Greece and Italy). In general Macedonian organised criminal groups cooperate with each other and with groups based abroad in the same countries where the activities take place (except Greece, Russia, and Ukraine).

Main activities

With regard to **drug trafficking**, Macedonia is increasingly becoming a transshipment point for South-west Asian heroin and hashish and it is a minor transit point for South American cocaine destined for Europe.

Macedonia is part of one of the branches of the Southern Balkan Route. Heroin originating in Afghanistan, destined for Western European markets crosses Bulgaria and Turkey, then passes through Macedonia, where it is further trafficked to the countries of the Former Yugoslavia that are used as gateways for the markets of EU countries. Some of the heroin that reaches Macedonia is taken to Albania and from there is transferred to various European countries. Organised criminal groups from Macedonia are said to have started profitable cooperation with Albanian and Serbian criminal organisations involved in the heroin and in the synthetic drug trade. Ethnic Albanians from Macedonia and Kosovo hold a big share of the drug markets in Austria, Germany, Hungary, the Czech Republic, Poland and Belgium and supply the Swiss market almost exclusively.

There has been a noticeable increase in the trafficking of cannabis via the country in recent years. The main route of cannabis and its derivatives is from Albania, via the north-western to the south-eastern part of the country in the direction of Greece and Bulgaria.

Trafficking in synthetics also increased from 2003. These cheap drugs, are originated mainly in Bulgaria and Serbia, but also in the Netherlands and arrive on the Macedonian market in small amounts by small vehicles.

Heroin comes most often from Turkey, Bulgaria or Greece in the direction of Albania or Serbia, cocaine is taken by air via Skopje airport or by sea to ports in Albania and Bulgaria, while synthetic drugs come most frequently from the direction of Bulgaria and Serbia.

Organised crime deals in **trafficking in human beings**; as regards sex trafficking, Macedonia is mainly an origin and transit country. Foreign girls are trafficked through the same routes used for drug trafficking; they are introduced into Macedonia from Bulgaria and are then trafficked mainly to Albania, from where they are introduced to European prostitution markets.

Macedonia has also recently become a destination country, especially in the tourist areas of Struga and Ohrid in the south and in Tetova and Gostivar.

Concerning **forced labour**, children, in particular ethnic Roma, are subjected to forced begging in streets and public markets.

During the year, authorities reported an increase in undocumented foreign migrants in the country, a group vulnerable to trafficking. A 2011 labour sector assessment found the prevalence of labour exploitation to be greatest in Macedonia's textile sector, mostly in south-east Macedonia, and significantly prevalent in civil engineering, tourism, catering, and agriculture. Trafficking offenders increasingly used false marriage, particularly among the ethnic Roma population, as a tactic to lure victims into forced prostitution.

Macedonia is not only a conduit for heroin and trafficked women, but also for **stolen vehicles** smuggled into the country in violation of tax laws. The country is a stop on a well-known trafficking route that starts in Western European countries and ends in Albania after passing through Bulgaria and Macedonia.

The **smuggling of weapons, tobacco, cigarettes and goods** have also become increasingly serious problems in the country.

The absence of well developed financial infrastructures limits the country's utility as a **money laundering** centre.

Money laundering in Macedonia is mostly connected to financial crimes such as tax evasion, smuggling, financial and privatization fraud, insurance fraud, bribery, misuse of official position, and corruption. Most of the laundered proceeds come from domestic criminal activities.

Organised crime groups involved in smuggling in drugs and weapons or trafficking in humans in Macedonia laundered the proceeds from these activities by investing in businesses.

Legal framework

The Former Yugoslav Republic of Macedonia (FYROM) became UN member the 8 April 1993 and OSCE member the 12 October 1995. It has signed and ratified most of the relevant international and European conventions against organised crime, in particular: the UN Convention against Illicit Traffic in Narcotic Drug and Psychological Substances, the UN Mérida Convention against Corruption, the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and the Criminal Law Convention on Corruption.

The Macedonian **criminal justice system** has a mixed nature as it has elements belonging to both inquisitorial tradition and to the accusatory system. In particular, the principles that characterized the criminal proceedings, provided in the **Criminal Procedure Code**, are the oral proceedings (Art. 339), the publicity (Art. 279), the presumption of innocence (Art.2) and the equal position of the parts in the process (Art. 4). At the same time there is no possibility for cross-examining the witnesses and private actors (both defendants and victims) cannot provide evidence in the proceedings.

In 2003 FYROM adopted an Action Plan for the fight against organised crime.

Special investigative units have been established to carry out investigations into organised crime or into activities typically related to organised crime. They are the Organized Crime Department in the Ministry of Interior, the Drug Department in the Ministry of Interior, the Money Laundering Agency in the Ministry of Finance, the Custom Office in the Ministry of Finance and the Finance police in the Ministry of Finance. Moreover the Police Reform Strategy adopted on November 2003 provides for the establishment of a Special Department for the fight against organised crime to work on suppression of the most grievous forms of organised crime.

In the last years the Law on Interception of Communications was amended, removing the direct involvement of the Minister of Interior in the authorisation of interceptions and aiming at improved control and supervision of the process by the public prosecutor and the relevant parliamentary oversight committee. The use of special investigative techniques still needs to be increased in practice, as does the systematic use of financial investigations. The customs administration and financial police still have limited capacity to apply special investigative measures, significantly limiting the efficiency of the fight against organised crime.

The Criminal Code contains the offence of **Criminal Association** (Art.394), which included the creation of such a group (Sec. 1) and the membership of that group (Sec. 2).

Moreover the Code criminalizes the main forms of organised criminal activities: money laundering (Art. 273), drug trafficking (Art. 215) and human trafficking (Art.418).

In 2009 amendments to the Criminal Code was made to harmonize the matter of **confiscation** with the latest international standards and to facilitate the application of this measure in practice. The new Art. 98-a of the Criminal Code provides that for perpetrator of offence committed within a criminal association which has realized profit and for which is provided a sentence of at least four years, or offence in connection with terrorism (Art. 313, 394-a, 394-b, 394-c, 419) for which is provided a sentence of at least five years, or offence linked to money laundering offence for which is provided a sentence of at least four years, the court shall confiscate property acquired in the period before the sentencing – determined by the court from the circumstances of the case, but not more than five years before committing the offence – when based on all the circumstances the court is satisfied that the grounds of the property exceeds the statutory income of the offender and comes from such offence.

A new paragraph was added in Art. 273, which stipulates that if there are factual and legal obstacles to establish the previous offence and prosecution of the perpetrator, the existence of such offence is determined on the basis of the factual circumstances of the case and the existence of reasonable doubt that the property is acquired by such offence. The duty and the opportunity to know that the property was added by the offence can be determined based on objective factual circumstances of the case.

Property could be confiscated also from members of the offender family for which is derived or transferred, if there is evidence that they didn't give compensation corresponding to its value, and from third person if he/she did not prove that the object or property was obtained with compensation corresponding to their value.

Adopting these legal provisions FYROM has introduced expanded confiscation in its criminal legislation, following the recommendations of international documents and comparative experience of developed countries, in which this approach has already been successfully applied in dealing with organised crime. The problem remains the enforcement of this new legal instrument.

Montenegro

Dafne PAPANDREA, Researcher

General political overview

After the dissolution of the Former Republic of Yugoslavia (FRY) in 1992, Montenegro remained part of a smaller Federal Republic of Yugoslavia along with Serbia.

In 1996, Milo Đukanović's government severed ties between Montenegro and the Serbian regime, which was then under Slobodan Milošević. Subsequent governments have pursued pro-independence policies and political tensions with Serbia simmered despite the political changes in Belgrade.

In 2002, Serbia and Montenegro came to a new agreement which replaced the FRY with the State Union of Serbia and Montenegro.

On May 2006 the referendum on Montenegrin independence approved the final break with Serbia, and on June, the Parliament declared the independence of Montenegro, which was immediately recognized by Serbia, the member-states of the European Union, and the permanent members of the United Nations Security Council.

The September 2006 parliamentary elections confirmed voter support for the ruling pro-independence coalition. Đukanović retired in October, but returned as prime minister in April 2008, allegedly after a brief attempt to control the country from behind the scenes. Also in April, President Filip Vujanović of Đukanović's Democratic Party of Socialists (DPS) was elected to a second five-year term.

A string of privatizations followed in the wake of Montenegro's 2006 independence. The process was overseen by president and six-time Prime Minister Milo Đukanović. He was part of the group that set the rules and conditions for the privatization of Niksicka Banka, then a small financial institution from his home town. Shortly thereafter, his brother and sister purchased enough shares to gain a controlling stake in the bank.

Reports from the Central Bank, Montenegro's financial regulator and a classified audit conducted by Pricewaterhouse Coopers obtained by the Organised Crime and Corruption Reporting Project (OCCRP) and BBC Newsnight reveal that the bank leadership consistently mismanaged the bank, despite repeated warnings from the regulator, in lending money to bank shareholders and family friends, employing scant or inconsistent anti-money laundering measures, and even paying more than €4 million for a Madonna concert when the bank didn't have enough cash in its coffers to meet obligations to its account holders.

Loans worth millions were made to personal friends of Đukanović and companies they owned. Loans also went to companies connected to Stanko Subotić, who was indicted by the Italian anti-mafia unit and was sentenced in Serbia for abuse of office, and to Darko Sarić, a suspected drug smuggler also from Serbia, now on the run.

Đukanović himself was investigated and indicted by the Italian anti-mafia unit in the southern city of Bari over a cigarette smuggling operation based in Montenegro worth billions. Charges against him were dropped in 2009 because he had diplomatic immunity as head of state.

In January 2009, Vujanović called snap parliamentary elections, reportedly because of fears that the global economic crisis could erode voter support before the legislature's full term ended.

The March polls saw the DPS-led coalition win a comfortable majority.

Since gaining independence, Montenegro has sought to join NATO and the European Union (EU), and in December 2010, the EU granted the country candidate status. A few days later, Đukanović resigned as prime minister for a second time, asserting that he had successfully guided the country toward European integration. However, there were indications that his continued tenure could have obstructed Montenegro's EU candidacy as a result of allegations that he had been involved in cigarette smuggling in the 1990s. Đukanović remained chairman of the DPS, and Finance Minister Igor Lukšić, also a DPS member, succeeded him as prime minister.

Corruption

Corruption in the country attains on high level. The government remains the largest employer in Montenegro, and budget allocations indicate that companies benefit disproportionately from direct relationships with certain government officials.

The "Global Corruption Report 2008" also focuses on the fact that a number of EU countries have accused Montenegro's elite of links with organised crime. Furthermore, the report highlights that officially most public enterprises have been privatized through transparent tender processes; with government seeking strategic partners with related experience. In practice, the obligations defined in the contracts are rarely fulfilled and the strategic partner often turns out to be an offshore company.

According to the Foreign Affairs Magazine, Montenegro can be considered a "**mafia state**" (like Bulgaria, Guinea-Bissau, Myanmar and Ukraine), a country where criminals have penetrated governments to an unprecedented degree. The reverse has also happened: rather than stamping out powerful gangs, some governments have instead taken over their illegal operations. Unlike normal states, mafia states do not just occasionally rely on criminal groups to advance particular foreign policy goals. In a mafia state, high government officials actually become integral players in, if not the leaders of, criminal enterprises, and the defence and promotion of those enterprises' businesses become official priorities. The national interest and the interests of organised crime are now inextricably intertwined. Foreign Affairs Magazine writes that "in mafia states, government officials enrich themselves and their families and friends while exploiting the money, muscle, political influence, and global connections of criminal syndicates to cement and expand their own power". Indeed, top positions in some of the world's most profitable illicit enterprises are no longer filled only by professional criminals; they now include senior government officials, legislators, spy chiefs, heads of police departments, military officers, and, in some extreme cases, even heads of state or their family members, the magazine added. Mafia states defy easy categorization, blurring the conceptual line between states and non-state actors. As a result, their behaviour is difficult to predict, making them particularly dangerous actors in the international environment.

Organised crime

According to the working paper for the European Consortium for Political Research Organised Crime in the Western Balkans, during the 1990s Montenegro had a strong police force, which had strong ties to political arena, as well as to underworld. The police were very often engaged in illegal activities and Montenegro then became a paradise for all kinds of trafficking. The mafia in Montenegro has always collaborated with the local police, either manifestly or invisibly.

In **Podgorica** there are four prominent gangs, each loosely working with one another.

The Đurašević Brothers are leaders of a criminal organisation operating in drug smuggling from Albania. They additionally smuggle weapons and export stolen luxury cars into Albania. They are associated with the other prominent groups in Podgorica, also doing business with the Nikšić Mob, Serbian and Albanian mafia.

The Drešaj Brothers run a drug cartel based in Podgorica, dealing with major heroin trafficking from Albania into Montenegro. They work closely with the Đurašević Brothers and together control the transit of illicit drugs across the Montenegrin border into the rest of the Balkan states.

The Đoković organisation has been known to deal with human trafficking (primarily Albanians and Kosovars being illegally smuggled into Western Europe and America).

The Lambulić Brothers control a drug-dealing operation, operating in Switzerland, funnelling money back to Montenegro. In 2003 they opened up a business firm and restaurant in Podgorica, using these locations as fronts to hide their source of income.

Vjeko was recently arrested in Belgrade, wanted by Interpol and Swiss police for drug dealing. In court he was tried for smuggling three and a half kilos of Cocaine and Money Laundering and sentenced to 20 years in prison.

In **Bar** there are two main organised criminal groups.

The larger is the “Bar Kartel”, led by Saša Boreta, Ljubo Bigović and Armin “Mušo” Osmanagić. This group is known in Bar for its violence and is believed to have strong connections to organised criminal groups in the Belgrade underworld as well as the surrounding former Yugoslavian countries, Albania, Western Europe and South America. It is believed the Bar Kartel deals with extortion, drug trafficking and human trafficking. The Bar Kartel were responsible for many high-profile criminal acts in Montenegro, such as the murder of the Montenegrin Police Commissioner Slavoljub Šćekić and the bombing of Hotel Splendid during its construction.

The other gang from Bar is controlled by brothers Dragoslav and Duško Ivanović, who’s primary focus is drugs trafficking.

Other areas where organised crime has activities are **Nikšić, Rožaje** and **Berane**.

The Nikšić Mob is the largest criminal organisation within Montenegro, reputedly active in drug trafficking, distribution, extortion, loan sharking, gambling and arms dealing. They work mainly with the Podgorica groups and the Bar Cartels.

The gang of Rožaje became very wealthy and powerful very quickly with the strife in nearby Kosovo and the financial means. This group deals almost completely in trafficking heroin from Albanians. The leadership of the group is divided between two sets of brothers, the Musić and Bećiragić. Many of the members operate outside of Montenegro.

The gang based in the town of Berane largely operates outside of the country and Berane’s “tough guys” are widespread across Europe, mainly Switzerland, Germany, Denmark, Sweden, Italy, even in Latin America. They deal mostly in drug distribution, dealing cocaine and heroin in Serbia and Western Europe (notably Sweden).

Main activities

Drug trafficking is one of the principal activities of organised crime. Montenegro is mostly a transit area on a smuggling route of some types of drugs moving from the middle East and Far East towards Western Europe.

The “Balkan Route” of drug trafficking is used to smuggle heroin that is mostly produced in Afghanistan, via Turkey and the Balkan countries (mostly Albania and Kosovo) to Montenegro and beyond to the Bosnia and Herzegovina, Croatia and EU countries.

Smuggling marijuana is done by international criminal groups, formed by association of criminal structures from Albania, Montenegro and other former Yugoslav republics, which have been engaged in production, smuggling and distribution of this kind of drug for a longer period. Cannabis products are produced in Albania, and then smuggled through the region to Bosnia and Herzegovina, Croatia, Serbia, Slovenia and further towards other EU countries.

Marijuana and heroin are the most popular in the domestic market, while synthetic drugs are less frequently used (and mostly by the tourists during the duration of the summer tourist season); consumption of cocaine is less prevalent due to its high price.

The port of Bar is often implicated in drug trafficking, in particular cocaine from South America, and smuggled through Bosnia and Herzegovina and Serbia to enter in Hungary and Western Europe.

Main activities of organised crime include **human trafficking**, in particular sex exploitation. Trafficking victims are mostly women and girls from Eastern Europe and other Balkan countries, including Serbia and Kosovo, who migrate or are smuggled through the country en route to Western Europe and subjected to sex trafficking in Montenegro. Moreover, Montenegrin women and girls are vulnerable to sex trafficking in other Balkan countries.

Roma children are coerced into street begging in the country; many of these children come from Albania, Kosovo, Serbia, and from within Montenegro.

In prior years, there were reports that mainly foreign men and boys are subjected to forced labour in Montenegro's growing construction industry.

In Montenegro a significant black market exists for smuggled items such as **stolen cars, cigarettes, and counterfeit products**; these items are trafficked by organised criminal groups.

These criminal activities are connected to the **money laundering**. Evidence exists that the proceeds of narcotics trafficking and other illegal activities are being laundered through businesses engaged in food service and gambling, along with construction and real estate transactions; consistent investment by foreigners in real estate along Montenegro coasts has raised many suspicions of money laundering, in particular with money coming from the Russian Federation.

Factors that increase Montenegro's vulnerability and facilitate money laundering are the high use of cash for purchases and Montenegro's use of the Euro without being within the Euro Zone.

Investigations by Montenegrin government agencies into organised crime operations and suspicious financial transactions show money moving from and through foreign off-shore financial institutions, including institutions located in the British Virgin Islands, Cyprus, the Seychelles, Panama, and Switzerland. Funds transferred from these institutions are being used to purchase real estate and luxury consumer goods, and to invest in businesses.

Legal framework

Montenegro ratified the UN Convention against Corruption and UN Convention against transnational organised crime. Montenegro has acceded to the Council of Europe Criminal Law Convention on Corruption in December 2002 and the Council of Europe Civil Law Convention on Corruption in January 2008.

In October 2011, the European Union (EU) cleared Montenegro to begin accession negotiations. However, the EU noted that further efforts were needed in the areas of anti-corruption and anti-discrimination legislation, as well as judicial reforms.

In July 2006 changes have been introduced into the **Criminal Code** and the **Criminal Procedures Code** to increase penalties for **corruption** and the misuse of power, but the Parliament turned down a request that police be allowed to use undercover surveillance in cases of suspected corruption.

In August 2006 the Government adopted the Action Plan for the Fight against Corruption and Organised Crime, and subsequently established a Commission to monitor its implementation. The National Commission responsible for monitoring the implementation of the 2011-2012 Action Plan adopted its first report in April. The Commission approved new procedural rules enabling it to centralise complaints related to graft and public misconduct and requested ad hoc reports on corruption from state agencies. In July, the government subsequently adopted the suggested revisions to the Action Plan that comprised 106 new provisions and improved indicators.

In addition to the National Commission, Montenegro has 14 anti-corruption bodies, but - according to European Commission report - they have no clear partition of competence.

Since September 2011, the new Criminal Procedure Code is being implemented by all relevant state bodies. More specialised organisational units within the police have been introduced. An action plan for combating organised crime was adopted in January, introducing operational measures and indicators in line with the priorities identified in the 2011 organised crime threat assessment (OCTA). OCTA's classified version needs to be made available to the Office of the Special Prosecutor, given its leading role in the investigations against organised groups' affiliates.

The Criminal Code provides the offence of **Criminal Association** (Art. 401), which included anyone who organises a group or other association with a view to commit criminal offences. On the basis of the offence that the group aim to commit, the organiser of the association shall be liable to imprisonment for a term from 6 month to 13 years, and a member of the association from 6 month to 5 years. The organiser of the association who reports the association or prevents in some other way the commission of criminal

offences for which the association was set up, shall be liable to imprisonment for a term not exceeding three years, and may also be acquitted of punishment. A member of the association who reports the association before s/he as a member of the association or for the association has committed a crime for which the association was founded, shall be liable to a fine or imprisonment for a term not exceeding one year, and may also be acquitted of punishment.

The Code criminalizes the main forms of **organised criminal activities** and for Extortion (Art. 250), **Blackmail** (Art. 251), **Money laundering** (Art. 268) and **Trafficking in human beings** (Art. 444); it provides that if these offences are committed by more persons in an organised way the imprisonment will be longer. Also for the crime of Unauthorized production, keeping and releasing for circulation of narcotics (Art. 300), if the offence is committed by more persons or the offender organised a network of dealers and mediators, the perpetrator shall be punished by a longer imprisonment.

Chapter Seven of the Code regulated the **Seizure of material gain**. Art. 112 on the **Ground for seizure of material gain** provides that no one shall be allowed to retain any material gain obtained by a criminal offence, which shall be seized on conditions envisaged by the Code, by a judicial decision ascertaining that is a perpetration of a criminal offence.

According to Art. 113 (which regulated **Conditions and manner of seizure of material gain**) money, things of value and all other property gains obtained by a criminal offence shall be seized from the offender; if such a seizure will be not possible, the perpetrator shall be obliged to pay for the monetary value of the obtained property gain. A material gain obtained by a criminal offence shall also be seized from the persons it has been transferred to without compensation or against compensation that is obviously inadequate of its real value.

In June, amendments to the Law on Management of Seized and Confiscated Property were enacted, extending the definition of property and improving its management.

Serbia

Dafne PAPANDREA, Researcher

General political overview

After World War II, Serbia became a constituent republic of the Socialist Federal Republic of Yugoslavia, under the rule of Josip Broz Tito. In that period organised crime did not exist. The closed socialist economy and controlled market by a single-party, ideological and semi-police state did not provide for manifestation and development of that form of crime. Trade and economic relations with other countries were limited and well controlled. In former Yugoslavia only some rudimentary forms of organised crime existed, such as drug trafficking.

In 1989, Slobodan Milošević became president of the Republic of Serbia and his ultra-nationalist calls for Serbian domination led to the violent breakup of Yugoslavia along ethnic lines. In 1991, Croatia, Slovenia, and Macedonia declared independence, followed by Bosnia in 1992. The remaining republics of Serbia and Montenegro declared a new Federal Republic of Yugoslavia (FRY) in April 1992 and under Milošević's leadership, Serbia led various military campaigns to unite ethnic Serbs in neighbouring republics into a "Greater Serbia."

In these years large scale of organised crime emerged. The regime tacitly accepted organised crime as a source to provide for the minimum existence needs of the population as the UN economic sanctions implied the impossibility of normal and legal supply of oil, medications and other goods. organised crime was also used for purchasing armament and ammunition for local wars.

At that period the state was fully integrated in crime and crime was fully integrated in the state; no one knew who was a criminal and who was a member of the police, who was a customs officer and who was a smuggler, who was a member of the criminal underground, who was a colonel and who a hit man. Active policemen, even officers, served the leaders of organised crime after working hours in the capacity of advisers, bodyguards or security guards of their families, property or facilities.

In the last decade of XX century numerous criminal associations started to appear. Local wars enabled the expansion of illegal trade in arms, which brought enormous profit.

Drug trafficking was held by powerful gangs in Belgrade and Novi Sad; cannabis was grown in the country. Trafficking in women and children and child pornography became widespread. Some of the main routes of trade in radioactive material passed (and still pass) through Serbia.

Milošević was forced from office in October 2000, and after the parliamentary elections in December, Zoran Đinđić of the Democratic Party (DS) became Serbia's prime minister.

Privatisation was partially carried out without a legislative framework and the economic transition of Serbia was largely financed by dirty money. It happened that the directors of the state-owned companies operated in a way that led the companies to bankruptcy. As a consequence the price of the companies fell and in the process of property transformation or privatisation the companies were sold for very low price, despite their real high value, and bought by the former director or some person close to him/her.

The assassination of Prime Minister Đinđić's (March 12, 2003) showed the capacity of organised crime to directly affect the political process of transition towards democracy; Đinđić was in fact assassinated by organised crime groups allied with Milošević-era security structures.

After parliamentary elections in December, Koštunica became prime minister, leading a fragile coalition government, while the new DS leader, Boris Tadić, won the Serbian presidential election in June 2004. In June 2006, Montenegro seceded from the federation and declared itself an independent nation. Serbia subsequently gave notice that it was the successor state to the union of Serbia and Montenegro. This necessitated new Serbian elections, and in January 2007 the main anti-Milošević parties - including the DS, the DSS, and the liberal G17 Plus - collectively out-pollled the ultra-nationalist Serbian Radical Party (SRS) and the SPS. In May, Koštunica formed another coalition government. Tadić won a second term as president in early February 2008, taking 51 percent of the vote.

Later that month, Kosovo unilaterally declared its independence from Serbia. Debate over the proper response increased tensions in the Koštunica government, which ultimately resigned in March, prompting new elections. The May balloting resulted in an undisputed victory for the DS and its smaller allies. The new government, led by Mirko Cvetković promotes economic reform and European Union integration.

On March 1, 2012, the European Council granted Serbia the status of candidate country, on the basis of the Commission Opinion on Serbia's membership application adopted on 12 October 2011, and the government of Serbia has set a goal for EU accession in 2014.

Corruption

Corruption remains a serious concern, widespread in many spheres.

A new Anti-Corruption Agency, operating since January 2010, has the task of monitoring the conflict of interest, overseeing the financing of political parties, and other prevention activities.

A new law adopted in June 2011 requires political parties to report all financial contributions they receive, and stipulates that these contributions must be made through official bank transfers.

According to the Freedom House Report, despite several high-profile arrests in 2011, a systematic legislative effort and the political will to tackle large-scale corruption in public tenders are still seen to be lacking.

The Corruption Perceptions Index for 2012, drafted by Transparency International, ranks Serbia 80/176, with score 39/100. 49% of people feel that from 2007-2010 the level of corruption in the country has increased; for 37% it stayed the same, and 14% consider that it has decreased.

Organised crime

Organised crime groups in Serbia are mainly structured in a horizontal manner; there is no strict hierarchy in the groups and higher-ranked members are not necessarily coordinated by any leader.

The organised groups operate on both, national and transnational scale, and cooperate with each other. They also cooperate with other criminal associations based abroad in countries such as Bulgaria, Bosnia and Herzegovina, Croatia, Macedonia, Romania, Turkey, Austria, Germany and Italy. Albanians are said to maintain a large presence in Serbia and to play an important role in drug trafficking throughout the country, in particular heroin.

Organised criminal groups seems to have links with several Italian organisations and to cooperate with them in trafficking drugs, arms and cigarettes.

During the period starting with the Yugoslav wars and ending with the assassination of Prime Minister Đinđić, connections between the mafia and the government were evident and corruption was rampant in most branches of the government, from border patrols to law-enforcement agencies.

In those years the main groups in the organised crime scene were the **Surčin clan** and the **Zemun clan**. The Surčin clan operated in the municipality of Surčin, in the neighbourhood of Belgrade, and its principal activities were car thefts and smuggling of petrol, cigarettes and narcotics. The Zemun clan between 2000 and 2003 was one of the most powerful organisations in South-east Europe; its principal activities were drugs trafficking, contract-killing and abduction. One of its leaders was Milorad Lukovic, known as Legija, who was a member of the Serbian Unit for Special Operations, also called Red Berets, formed in 1991 under Milošević regime and operating during the war in Croatia, Bosnia and Herzegovina and Kosovo. This organised crime group was also accused of taking part in the 2003 conspiracy that resulted in the assassination of Zoran Đinđić. After this assassination the government set in motion a major bust on criminality, the "Operation Sablja", which led to more than 10,000 arrests. Milan Sarajlić, the Deputy State Prosecutor of Serbia, was arrested and later confessed to being on the payroll of the Zemun clan.

In the last years the extent of the organised crime groups in Serbia can be well represented by the case of the Saric group. The organisation of Darko Saric has displaced 1.3 billion Euros to Serbia, but may have

accumulated up to 5 billion, according to the investigators. Saric and his companions laundered the drug money through companies in Serbia, Montenegro and some Western European countries.

Moreover, the clan, considered as one of the major cocaine suppliers in Europe, was involved in the attempt to smuggle 2.7 tons of cocaine to Europe in the autumn of 2009 from Latin America, in cooperation with the Italian 'Ndrangheta.

The Saric group shows also that the structure and activities of the criminal groups has changed: this clan seems to have reached much higher levels, both in terms of profits and organisation. In addition, with respect to the Zemun clan (which was characterized by massive use of violence) Saric is much more interested in investing in clean businesses.

Main activities

Drug trafficking is one of the most frequent organised crime activities.

Almost the 90% of incoming narcotics are smuggled to western countries and the remaining 10% is used on the Serbian market. The Republic of Serbia is an important transit country for narcotics and other drugs along the traditional Balkan smuggling corridor leading from Afghanistan, Central Asia and Turkey to Central and Western Europe. Heroin (grown and processed in Afghanistan) and marijuana (moving from Albania through Montenegro) are the main illicit drugs transiting Serbia.

During recent years, the situation in Serbia has significantly changed. Among the reasons causing that change is the accession of neighbouring countries — Bulgaria and Romania — to the EU, as well as the separation of Kosovo and Metohija. These events have had a significant impact on the change of heroin smuggling routes used by organised criminal groups. Consequently, a heroin smuggling route became directed towards so-called Schengen borders and the direction Bulgaria–Romania–Hungary became used for transport towards west European countries. In this manner, and increasing checks of passengers and goods on the border from the former Yugoslav Republic of Macedonia and Kosovo, transport through Serbia tends to be avoided.

Recently, the organised drug crime groups of Serbian origin are becoming more prominent also in the transcontinental cocaine smuggling market from South America to European countries. As far as Serbia is concerned, cocaine appears in transit to Europe and in small quantities intended for selling on the local market. These organised criminal groups have their facilitators in Brazil, Argentina, Columbia and Venezuela.

In recent years there is a new trend of smuggling of synthetic narcotic drugs produced in the country to markets of the west European countries, such as Sweden, Denmark and Holland. To produce synthetic drugs, illegal laboratories in Serbia use chemicals smuggled from the Middle East.

Organised crime is very active in **human trafficking**. Serbia is primarily a transit country for the trafficking of human beings and illegal immigration, directed mainly to western Europe. Although Serbia is also a source and destination country for men, women, and children subjected to sex trafficking and forced labour, including domestic servitude. During the past year, foreign trafficking victims in Serbia originated from Montenegro, Bosnia, Ukraine, Moldova, Albania, Turkey, Slovenia, Russia, and Austria.

Serbian women and girls are subjected to sex trafficking, and Serbian men and boys are vulnerable to forced labour within the country. Children throughout the country, including ethnic Roma, continue to be exploited in the commercial sex trade, subjected to involuntary servitude while in forced marriage, or forced to engage in street begging. Country experts reported an increased detection of labour trafficking victims in the country in 2011.

Arms trafficking was a business that involved many organised associations, but this crime has decrease in the last years. Some Serbian groups provide(d) arms and money-laundering services to the Colombian Cartels, in return for Cocaine.

Organised crime is also involved in **smuggling vehicles**, stolen in Western Europe and trafficked to Albania and Bulgaria.

Organised crime groups are also linked to activities such as **kidnapping for ransom** and **blackmail**.

Criminal associations also commit other kinds of crimes, such as **armed robbery, bank fraud, racketeering and counterfeiting of goods**.

Serbia has long been and continues to be a black market for smuggled goods. The black market emerged as a consequence of the war and the embargo. At that time petrol and tobacco were the products most illegally introduced in the country. The smuggling of those has largely decreased in the last years.

Money laundering concerns illegal proceeds generated from drug trafficking, corruption, tax evasion and organised crime, as well as other types of crimes. Proceeds from illegal activities are invested in all forms of real estate and into sports, particularly football (soccer) club operations. Some grey money flows to Cyprus, reportedly as payment for goods and services; although these monetary flows have become less significant over the past few years. Banks in Macedonia, Hungary, Switzerland, Austria and China continue to be destinations for laundered funds. Trade-based transactions, in the form of over- and under-invoicing, are a commonly used method for laundering money. There are reports that purchases of some private and state-owned companies have been linked to money laundering activities.

Legal framework

Serbia joined UN on 1 November 2000, OSCE on 10 November 2000 and the Council of Europe on 3 April 2003.

Serbia officially applied for European Union on 2 December 2009, in June 2011 it completed European Union accession negotiations and on 1 March 2012 it received full candidate status. The government of Serbia has set a goal for EU accession in 2014, as per the Papandreu plan - Agenda 2014.

Serbia has ratified numerous international conventions on the suppression of organised crime and terrorism, including the United Nations Palermo Convention against Transnational Organised Crime (including its three Protocols) and the Mérida Convention against Corruption. Additionally, at the regional level, the country has ratified the Council of Europe Convention on the Prevention of Terrorism, the Convention for the Suppression of the Financing of Terrorism and the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime.

The fight against organised crime requires special criminal procedure law. This is why classical **procedural instruments** and methods, in particular in the collection of evidence, are replaced by new solutions that either relate to use of modern technology or to the very criminal prosecution authorities and their collaborators. The first group includes: Phone tapping, control of other types of communication, optical recording, surveillance, set-up purchase or sale of objects and the like. The second group includes: special organisation of investigation, public prosecutor and police departments, undercover agents, recruitment of cooperating witnesses among suspects or accused, etc.

The Criminal Code defines an **organised group** as a group comprising minimum three persons acting in conspiracy to commit criminal offences (Art.112, Meaning of Terms for the Purpose of this Code).

The Code provides the offence of Conspiracy to Commit a Crime (Art. 345), which determinates that whoever conspires with another to commit a particular offence punishable by imprisonment of 5 or more years, shall be punished by fine or imprisonment up to 1 year.

Criminal Alliance is criminalized in the Article 346, and includes whoever organises a group or other alliance whose purpose is committing criminal offences. On the basis of the offence which the group aims to commit, the organiser of the association shall be liable to imprisonment for a term from 3 to 40 years, and a member of the association from 6 month to 5 years. The organiser of the group who by exposing the alliance or otherwise prevents commission of the offences for which the group was organised, shall be punished by imprisonment up to 3 years and may be remitted from punishment. A member of the group who exposes the group before committing as a member or on behalf of such group an offence for whose commission the alliance was organised, shall be punished by fine or imprisonment up to one 1, and may be remitted from punishment.

Furthermore committing offences by organised group represents an aggravating for other crimes, such as Abduction (Art. 134), Coercion (Art. 135), Extortion (Art. 214), Blackmail (Art. 215), Illegal Crossing of State Border and Human Trafficking (Art. 350), Human trafficking (Art. 388), Unlawful Production, Keeping and Circulation of Narcotics (Art. 246). In such cases if the offence is committed by an organised group, the offender shall be punished with a longer period of imprisonment.

The Code also criminalizes other forms of organised criminal activities, such as Money Laundering (Art. 231) and Smuggling (Art. 230).

The existing legal framework in the Republic of Serbia - both the Criminal Code and the Criminal Procedure Code - passed in 2005, allows and orders the **confiscation of the proceeds from crime**. Criminal Code (articles 91-93) and Criminal Procedure Code (articles 513-520) are in accordance with the general legal principle that illegal activities cannot result in the acquisition of a right.

On 23rd of October 2008 the National Parliament adopted the Law on the Confiscation of the Proceeds from Crime, entered into force on 1st March 2009. By adopting this law, Serbia fulfilled one of its obligations resultant from international conventions.

Chapter Seven of the Criminal Code regulates the Confiscation of material gain.

Article 91, concerning the Grounds for Confiscation of Material Gain, prescribes that no one can retain pecuniary benefit obtained by criminal offence and that such benefit shall be seized, under the conditions prescribed by the Code and the Court decision determining that a criminal offence has been committed.

Article 92 established that money, items of value and all other material gains obtained by a criminal offence shall be seized from the offender, and if such seizure should not be possible, the offender shall be obligated to pay a pecuniary amount commensurate with obtained material gain. Material gain obtained by a criminal offence shall also be seized from the persons it has been transferred to without compensation or with compensation that is obviously inadequate to its actual value. Also if material gain is obtained by an offence for another, such gain shall be seized.

The procedure for seizure of pecuniary benefit if the injured party has a property claim is prescribed by the law provision entitled Protection of the Injured Party (Art. 93). It established that if in criminal proceedings a property claim of the injured party is accepted, the court should order seizure of material gain only if it exceeds the adjudicated amount of the property claim. The injured party who in criminal proceedings has been directed to institute civil action in respect of his property claim, may request compensation from the seized material gain if (s)he institutes a civil action within six months from the day the decision referring her/him to litigation becomes final. The injured party who does not file a property claim during criminal proceedings may request compensation from the seized material gain if (s)he has instituted civil action to determine her/his claim within three months from the day of learning of the judgement ordering seizure of material gain, and not later than three years from the day the order on seizure of material gain became final. In cases referred in §2 and §3 of this Article, the injured party must - within three months from the day the decision accepting her/his property claim became final - request to be compensated from the seized material gain.

Criminal Procedure Code regulates procedural rules for seizure of pecuniary benefit, in Articles 513 to 520.

Article 513 prescribes that in the course of proceeding, the Court and other authorities before which criminal proceedings are conducted are bound to obtain evidence and investigate circumstances which are relevant for the determination of a pecuniary gain.

Article 515 provides that the Court may establish the amount of pecuniary gain freely, if establishing it precisely would cause disproportionate difficulty or considerable prolongations of procedure.

Article 516 enables the application of provisional measures of securing the property that is the subject matter of the seizure. This measure is used only in case of enabling the pecuniary request of the accused and not the possible confiscation of pecuniary gain.

According to Article 517, the Court may pronounce the confiscation of pecuniary gain in the convicting

judgement and other mentioned decision in which the Court decided on the responsibility of the accused.

The Law on the Confiscation of the Proceeds from Crime regulates the **conditions, procedures and bodies responsible for detection, seizure and management of the proceeds of crime**.

The competent bodies are the Special Unit for Financial Investigation, under the Ministry of Interior, and the Directorate for Confiscated Property Management, under the supervision of the Ministry of Justice.

The main role of the Directorate is to manage confiscated assets derived from criminal offences, the proceeds from crime and the property given in pledge to a third party from criminal proceedings. The Directorate participates in the provision of international legal assistance in connection with the seizure of property stemming from criminal acts. The Directorate also manages the proceeds derived from business criminal offences.

The Special Unit for Financial Investigation performs financial investigations and the provisional seizure of the proceeds from crime, in collaboration with the competent Prosecutor.

This Law also defines such crimes are subject to these provisions, in particular the criminal offences containing the element of organised crime, some criminal offences committed against commerce, humanity and crimes against public office, such as corruption related offences.

The Law on the Confiscation of the Proceeds from Crime represents a very important step by the state authorities of Serbia in the fight against organised crime and corruption. The law establishes the legal framework for the confiscation of proceeds from perpetrators of serious criminal offences when they fail to prove that they have been legally acquired, resulting in **reversal of the burden of proof**. If suspects will be unable to do so, the state seizes the property and the revenues end up in the state budget. The law also blocks suspects to send money abroad and to transfer property to their friends and relatives.

Management and disposal of confiscated criminal assets in Bulgaria

Atanas RUSEV, Research Fellow, Center for the Study of Democracy

Confiscation of proceeds from illegal activities is a widely applied mechanism in combating organized crime. The introduction and application of this mechanism is defined in several international and European acts¹, and is motivated by the need to restore social justice.

Both the UN Convention against Transnational Organized Crime and the UN Convention against Corruption² address the disposal of confiscated assets and recommend its use primarily for compensating the victims of crime. A number of European countries have implemented respective measures and mechanisms like: distribution schemes for compensation of victims of crime, financing of programs for fight against drug use, social re-use of confiscated property.

Overview of the Bulgarian Asset Recovery System

According to Bulgarian law, the seizure of proceeds from crime is done by the Court upon claims by the Prosecution Office under the provisions of the Penal Code, and upon claims from the Commission for Establishing the Property Acquired from Criminal Activities (CEPACA) in compliance with the provisions of the Law on Forfeiture of Proceeds of Crime (LFPC). The issued court orders on forfeiting assets acquired from criminal activities for the benefit of the state are sent for execution to the National Revenue Agency (NRA). The NRA is focused on selling the recovered property, though the law also provides the option for transferring confiscated assets to budgetary organizations. The latter option is applied mostly to confiscated motor vehicles.

The first court orders on confiscating assets following claims from CEPACA in accordance with the LFPC came into force in 2009, with proceeds amounting to 677,198 BGN. The following year eleven court decisions were issued (for a total value of 6,798,434 BGN), and 25 more followed in 2011. These decisions provided for the confiscation of both moveable property and real estate – e.g. in 2010, 44 real estate properties and 20 motor vehicles were confiscated.

Data from the NRA Sales Directorate shows that by the end of 2011 the number of case files on confiscated real estate amounted to 175: 47 of them were confiscated following claims under the Penal Code and 122 on claims under the LFPC, while 6 properties were confiscated on other legal grounds. In 2010 – 2011 the NRA did not manage to sell on public auctions none of the confiscated assets. Instead, in 2011, the title of one of the real estate properties was transferred from the NRA to the Plovdiv administrative region. In addition, the NRA Sales Directorate transferred the titles of 48 motor vehicles in 2010 and 76 more in 2011 to several state and local government institutions.

Problems with the management and safeguarding of seized real estate property following court orders

After a court order for confiscating proceeds from crime is issued, the assets become public property. The court order execution is carried in accordance with a joint instruction of CEPACA and NRA (see Figure 1).

1 The UN Convention against Transnational Organized Crime (15.11.2000), The UN Convention against Corruption (31 October 2003), The Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime, Decision 2007/845/JHA (06.12.2007) of the Council of the European Union, Framework Decision 2006/783/ (06.10.2006) of the Council of the European Union, etc.

2 Article 14 from the UN Convention against Transnational Organized Crime and article 57 of the UN Convention against Corruption.

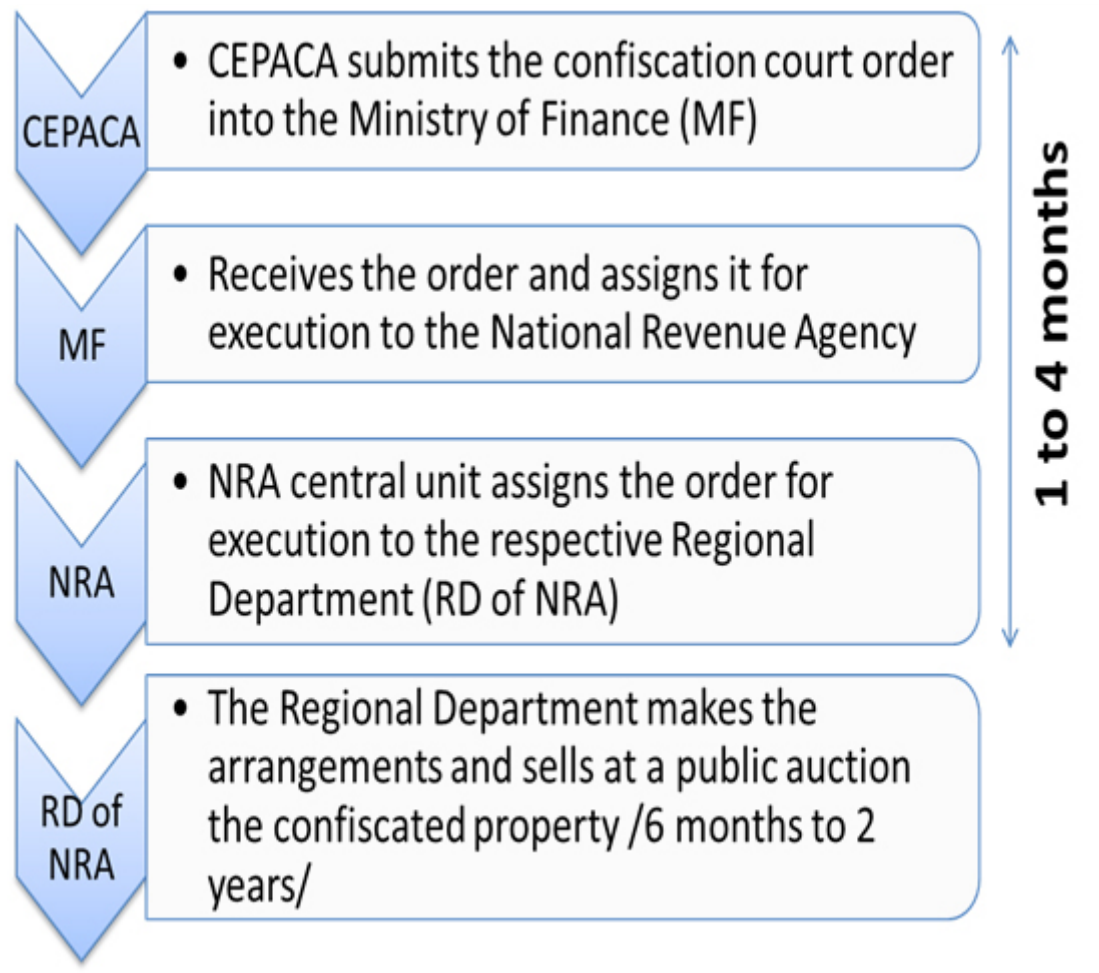


Fig. 1. Procedures for enforcement of a court order for confiscation

Usually, communication and coordination between the different departments in charge of implementing the court orders take between one and four months. The time immediately following the issuance of a court order is critical in safeguarding the confiscated assets. This is due to the fact that the existing procedure creates a 'grey period', during which no institution is in charge of safeguarding and managing the confiscated property. Moreover, in the majority of the cases the seized proceeds are left for management and safeguarding to the investigated persons themselves. The court's logic is that until the case is closed, the investigated persons remain bona fide owners and therefore most capable of safeguarding their own property.

With the issuance of the confiscation order the convicted owners are no longer interested in safeguarding their former property, and as a result it usually gets plundered or destroyed during the so called 'grey period'. Furthermore, there are other legal gaps, for example the fact that the experts from the NRA Sales Directorate are not specifically empowered to seal off the entrance to the confiscated real estate property to prevent intruders.

Sale of Confiscated Property

The current situation

The public sale of confiscated property under the provisions of the Penal code and the LFPC is currently arranged by the NRA Sales Directorate following a procedure defined in the Law on the NRA¹ and in accordance with the Tax and Social Insurance Procedure Code (See Figure 2).

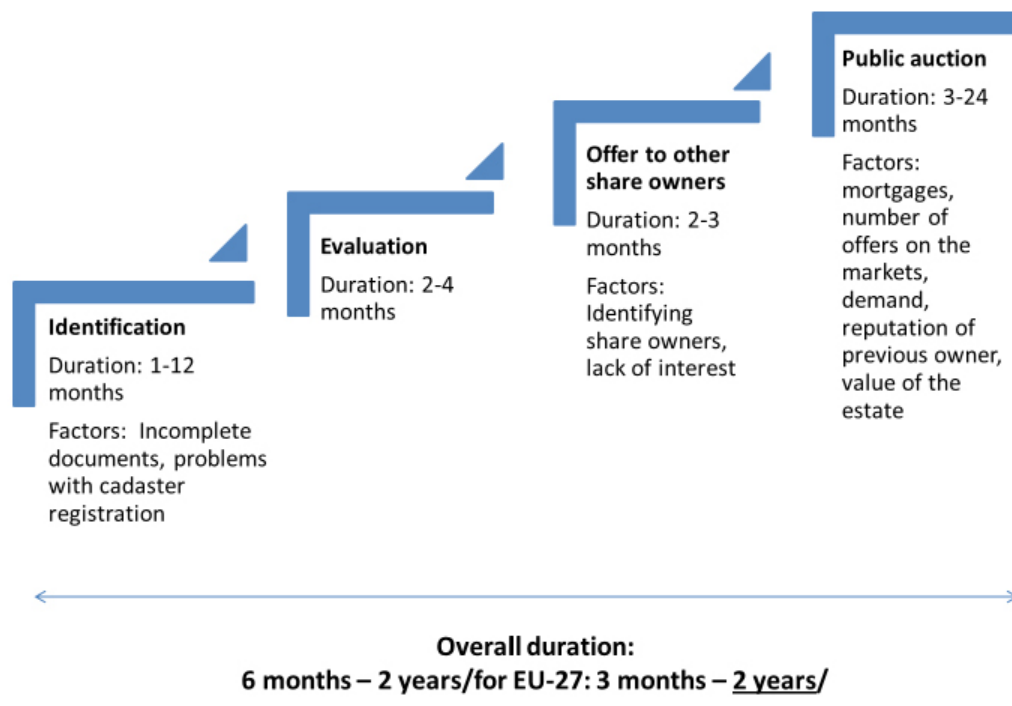


Fig. 2. Procedure for sales of confiscated property according to the Tax and Social Insurance Procedure Code

The sales procedure for confiscated property in compliance with the Tax and Social Insurance Procedure Code takes between 4 months and 2 years. Available data shows that the average period for selling confiscated property in the EU member-states is 15 months, but that usually it takes 24 months to complete the deals¹. This fact indicates that lengthy procedures are not an exception in other countries as well.

Key obstacles for sales of confiscated property

Problems related to the property ownership (mortgages and shared ownership of property)

The most frequently encountered problem in the process of selling the confiscated property is the **existence of real estate mortgages**. When the state acquires such a property, it also inherits the burdens upon it. Since the market value of the mortgaged properties fell after 2009, in most cases the creditors have been reclaiming the entire proceeds from the sale of the confiscated asset. Most often the NRA is not successful in selling the mortgaged confiscated properties, leaving the state with the obligation to cover the expenses for their management and safeguarding. On the other hand, putting this type of real estate property under state ownership denies the creditors the right to start enforcement proceedings to collect their dues. Therefore mortgaging becomes one of the successful money laundering strategies of the persons pursued under the provisions of the LFPC. In case their property is confiscated they find themselves relieved from the obligation to repay their mortgages to the bank and leave the state with a mortgaged property, which would hardly bring any revenue.

Another frequently encountered problem with real estate is the sale of shares in shared ownership of property. In these cases the NRA is under the obligation to first find the co-owners and offer them to buy the state owned shares in the property. This process is often marred by difficulties in finding the co-owner/s and by their efforts to prolong the procedure, in addition to the expenses related to the management of such property.

Procedural problems (related to incomplete / inaccurate ownership documents)

The most frequent difficulties in this respect come from **incomplete or inaccurate documentation required for the identification of the property** – e.g. lack of registration in the cadastral register, missing or inadequate data about the property in the court orders and/or in the ownership documents of the

¹ Assessing the effectiveness of EU Member States' practices in the identification, tracing, freezing and confiscation of criminal assets, Brussels: European Commission, 2009, p.63

previous owner, etc. These difficulties are even more severe when shared ownership is concerned. As a rule, these problems lead to extended sales procedures and higher expenses for safeguarding and managing the property.

These problems are exacerbated by type of **procedure** applied by the NRA, which was **generally intended for collecting unpaid taxes and social or health insurance fees**. The lack of specific legal procedure under the Tax and Social Insurance Procedure Code covering public auctions of confiscated property creates various 'grey zones' and legal gaps affecting the practical outcome of the sales.

The owner's reputation

The owner's reputation also influences to a great extent the outcome of the sales at auctions. In the cases when a property owned by members of organized criminal groups is offered, seldom any buyer can be found.

Market conditions (number of real estate offers, demand at the market, and price of the property)

Market factors such as the demand and the value of real estate have major impact on the ability of the NRA to sell the confiscated property. During the last several years the falling rates of real estate values and the contraction in the market¹ was among the main barriers to successful sales. This period coincided with the first successful confiscations of criminal assets. The boom in real estate development prior to 2008 and the sharp decrease in prices in the period after resulted in an increased supply of real estate. The 'buyers' market situation allowed many buyers to have sufficient choice and low prices so as to avoid high-risk acquisitions, such as properties of owners with criminal reputation. Moreover, public auction of real estate assumes that **the buyer pays the whole sum in cash when closing the deal**, which also narrowed the number of potential buyers.

The type and value of the real estate property itself also define the chances for selling it at a public auction. The more expensive and luxurious the property, the less likely it is to be sold, especially in the economically underdeveloped regions of the country.

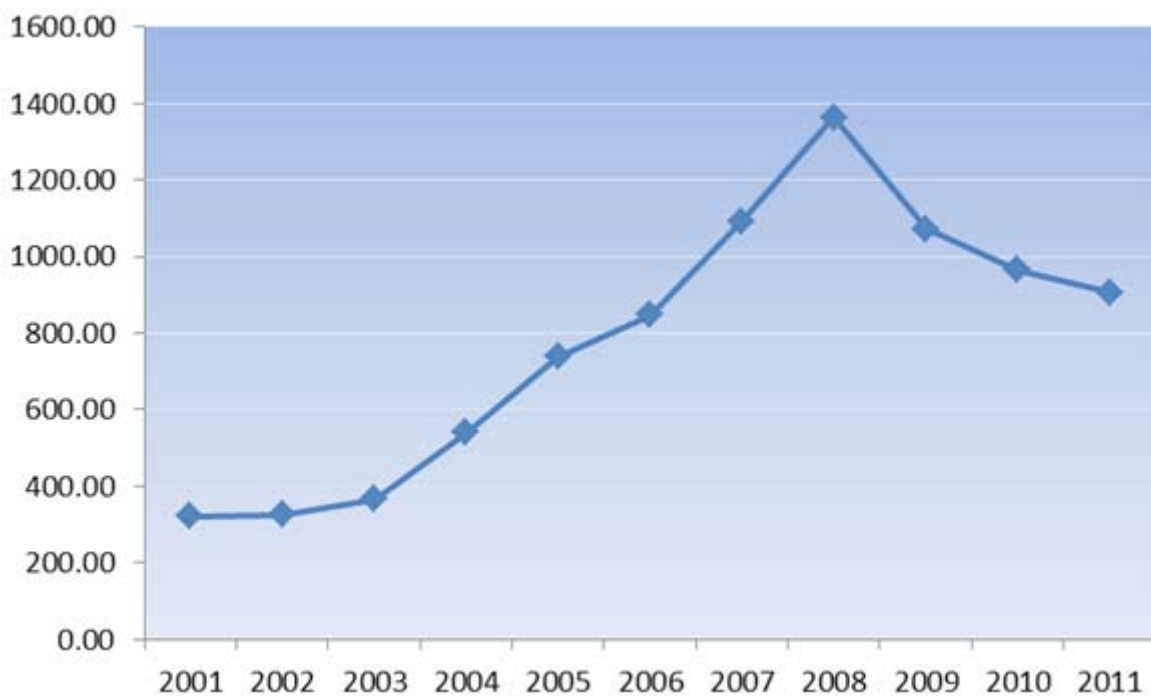


Fig. 3. Average market prices of real estate in Bulgaria in BGN per square meter (National Statistics Institute)

1 According to the Bulgarian Registry agency the number of real estate sales drop from 40906 deals in 2008 to 21787 deals in 2010.

The distribution of revenues from the sale of confiscated property

In accordance with the UN conventions on transnational organized crime and on corruption, some of the EU member-states have developed distribution schemes for redirecting of the revenues from the sales of confiscated property to financing of different programs – for example programmes for combating drug abuse (Spain, France) or crime preventing crime programmes¹. Such schemes aim to support the victims of crime and more broadly to compensate society and especially the local communities for any related harms. The existing Bulgarian law, however, does not provide for such opportunities, which is a serious gap in the existing procedures, as it does not comply with the overall goal of the confiscation as a means for restoring of social justice.

Possibilities for the use of confiscated property for social purposes

The existing procedure

In Bulgaria, the Act for the National Revenue Agency also provides a possibility for re-use of confiscated assets, including re-use for social purposes (see Figure 4). Until now, however, this procedure is applied mainly for confiscated movables (motor vehicles), and to a much lesser extent for real estate property.

The focus on sales, the relatively limited number of confiscated property and the lack of awareness among the potential beneficiaries are some of the most important reasons for the low level of real estate property re-use in Bulgaria.

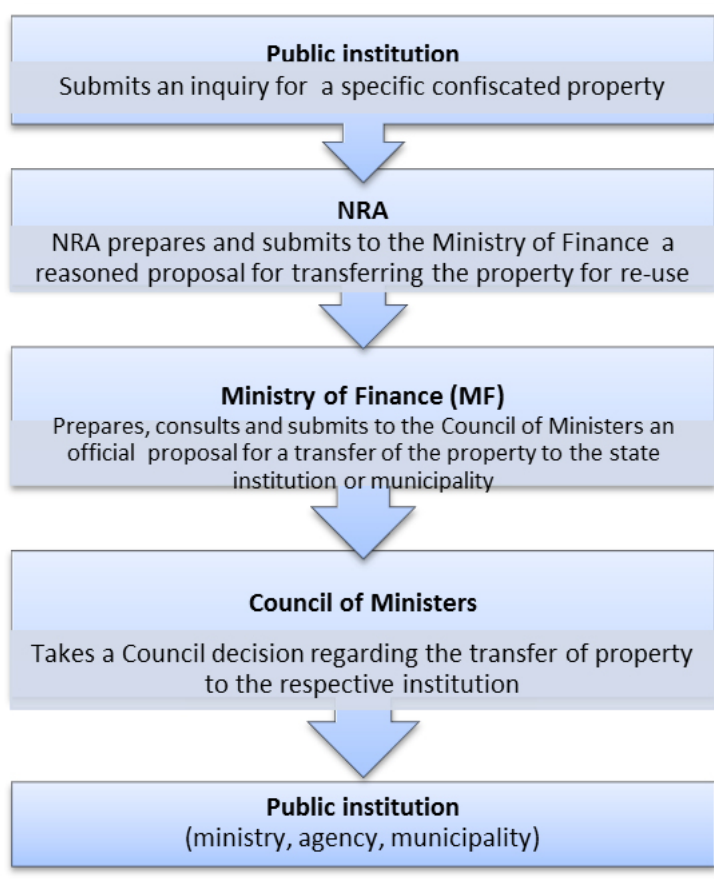


Fig. 4. Transfer of confiscated property for re-use by a budget/public organisation

1 Ibid.

The use of confiscated property for social purposes (or the so-called 'social re-use') is a widely established practice in Italy. The procedure includes transfers of confiscated real estate to local authorities on the condition that the property would be used for delivering social services and with involvement of community based organisations. There are several reasons for opting for such an approach. The most important among these are the difficulties of finding buyers of this type of property and the existing risk the property to be bought back by organised crime accomplices at a minimal price. Another reason is the urge to resist the 'culture of crime', which makes criminals popular role models. Last but not least, it is the idea to bring back to local communities the wealth accumulated by the criminals at their expense¹.

Preparedness of municipalities and NGOs to apply for and manage confiscated estates

The above mentioned procedure for transferring real estate property for re-use in the public interest is mainly focused on facilitating the administrative needs of state institutions and does not sufficiently address those of municipalities and NGOs. On the other hand, the falling prices of real estate and the low market demand are additional incentives for a wider application of the existing possibilities for re-use of confiscated property for social purposes.

The municipalities and NGOs generally express willingness to benefit from the confiscated property, which is driven by the lack in most of the cities of appropriate premises suitable for delivering social services. On the other hand, they raise the concern that it would be difficult to secure additional financing for renovation and reconstruction, if such properties are transferred to them.

Generally, the municipalities list several conditions for expressing interest in acquiring confiscated property:

- The real estate must be lent without any additional payments or burdens;
- the municipalities must have the discretion whether to express interest in a property, i.e. property will be transferred to them only if there is a specific need identified in the municipality;
- the property could be remodelled according to the identified needs and comply with the existing standards for delivering social services;
- clear legal procedures should be introduced regarding transfer and re-use of confiscated property;
- that the state secures additional financial resources needed for reconstruction and renovation of the premises according the existing standards, in addition to finances for providing the social services themselves.

The main parameters of the NGO's interest in acquiring confiscated property include:

- The estate should be suitable for carrying out the specific social services provided by the NGOs;
- The period over which the NGOs will obtain the right to use the property should be at least 5 to 10 years, to guarantee sustainability of the services delivered;
- The introduction of a transparent and objective procedure for applying for use of confiscated property,
- which will guarantee fair conditions to all NGOs interested in social re-use of confiscated property;
- Coupling the lending of property with the existing opportunities for applying to the European operational programs and to state financing for delegated public services.

¹ Antimafia: The Italian experience in countering organized crime (in Bulgarian), Sofia: Center for the Study of Democracy, 2011.

Public attitudes to the re-use of confiscated real estate property

Public attitudes towards the management and disposal of confiscated real estate property are closely linked to the perception of organised crime in the country as a whole. A small proportion of the respondents perceive organized crime as a serious problem for their city, though the bigger the city the higher the perception of threat. Thus, citizens at the capital indicate 3 times more often the organised crime as a problem compared to people living in villages (Figure 5).

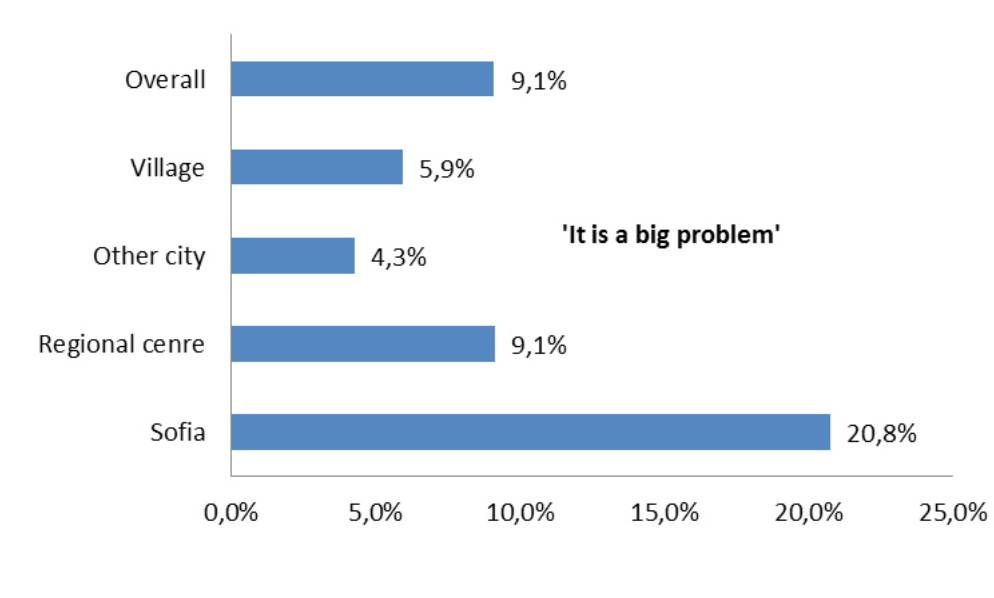


Fig. 5. To what extent organized crime presents a problem in your city? (CSD Survey, 2012)

Fear from organized crime is to a great extent moderated by the level of public visibility of local criminal figures (see Figure 6). This level is higher in the capital as a result of the greater exposure of such persons through the media, while in the regional cities and the smaller towns similar information is gathered mainly through personal networks and individual experience. For example, a higher number of respondents in the capital indicate that they have learned about gangsters from the electronic media (32,1%), from the newspapers (21,5%), and through internet (9,2%).

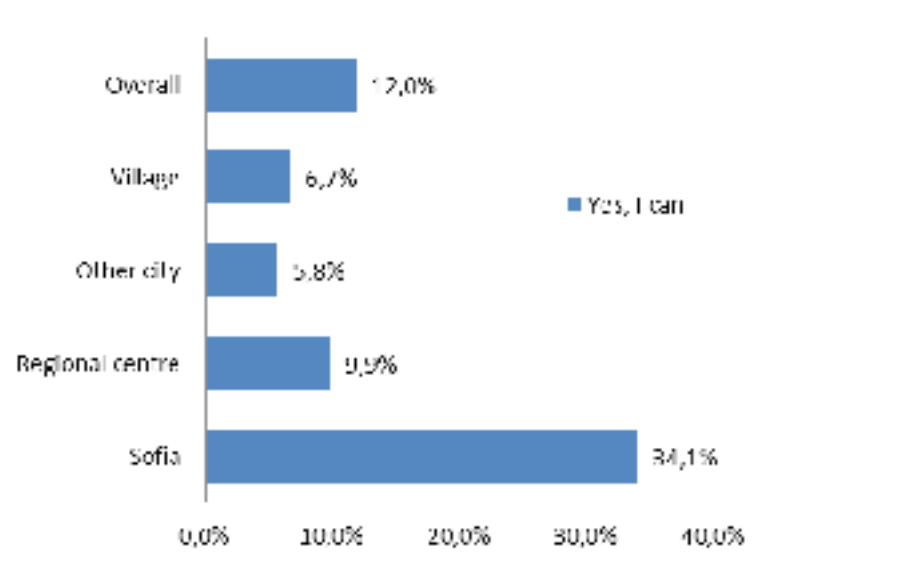


Fig. 6. Can you name a person from the underworld in your city? (CSD Survey, 2012)

On the other hand, in regional cities it is the informal networks ('according to rumours in the city...') that constitute the main source of information (8,2%), followed by electronic media (3,1%) and newspapers (2,8%). Finally, in small towns the informal networks provide 6,7% of such an information, followed by individual experience (2,4%) – which means that people know personally the main criminal figures.

The major part of the citizens are not informed about specific cases of real estate property frozen and confiscated in their town – only 8,3% admit they know about such cases. Despite such a poor publicity, most of the respondents support the policies of re-use of confiscated real estate for social purposes.

Transferring of confiscated real estate property to municipalities for social re-use is supported by a majority 4 to one in comparison to options like sale of property, managing it by the state or simply demolishing it. This public support is strong not only in the capital, but also in the regional centres and in the smaller towns, which means that public attitudes are unanimously in favour of introduction of appropriate procedures and mechanisms for transferring such property to the municipalities (Figure 7).

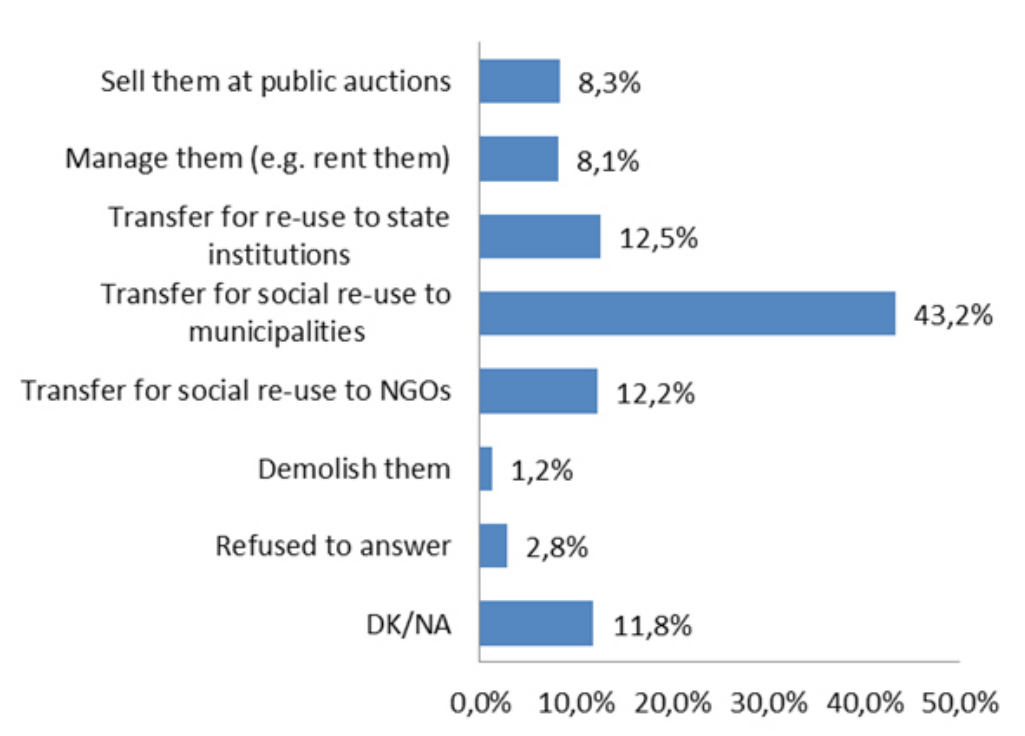


Fig. 7. What should the state do with the confiscated real estate property? (CSD Survey, 2012)

Recommendations for management and disposal of confiscated real estate property

Recommendations for improving the safeguarding of confiscated estates

- The body upon which the newly submitted draft law on forfeiture lays the responsibility for managing of confiscated property (the so-called Interdepartmental Council) should coordinate relevant measures for safeguarding the confiscated property even before the issuing of the court order.
- The court order for confiscation should also determine compulsory sealing off of the property and continuous security protection of the estate effective from the date the confiscation order is issued.

Recommendations for the sales procedures and the distribution of proceeds from property sales

- The existing procedure for public auctions of confiscated property according to the Tax and Social Insurance Procedure Code should be preserved in the new act on forfeiture. It should not be preconditioned that the confiscated property cannot be sold at a lower price than the initial one. Neither should the number of public auctions be decreased.
- A possibility should be introduced for demolishing those estates which cannot be sold, for which there is no interest for their re-use, or their use is impossible.
- The former owners, whose property was confiscated, and their relatives, should be barred from participation in public auctions for their ex-property.
- The revenues from the confiscated property should be re-distributed to the annual budgets of the NRA, the Ministry of Justice, the Ministry of Interior and the Supreme Judicial Council and these institutions should be obliged to use these additional amounts to cover expenses for managing confiscated properties, compensating victims of crime and implementing programs for crime prevention.

Recommendation for transferring of confiscated real estate property for social re-use

- Transfers of confiscated property with the purpose of social re-use through contracts for donation or through contracts for establishing of limited property rights should be introduced. Among the potential beneficiaries should be the municipalities, the state institutions, and the non-profit legal entities registered for the public benefit.
- A public online register for the confiscated properties should be introduced, containing all estates suitable for social re-use.
- A follow-up control to be exerted by the respective regional governors should be introduced on all cases of transferring of confiscated real estate property for social re-use.
- The transfers of such property should be carried upon selection through competitive procedure based on transparent and objective criteria for participation.

Main conclusions

- The management and disposal of confiscated assets are important aspects of the overall process of confiscation, but they still remain marginal to the public debate in Bulgaria.
- The existing legal and procedural gaps impede the effective management of confiscated property, frequently causing its plundering or demolishing.
- The sale of confiscated real estate is further complicated by problems with mortgages and executive charges, incomplete property documentation, reputation of the former owner, and unfavourable market conditions.
- The Bulgarian legislation concerning the allocation of proceeds from the sale of confiscated property is not in compliance with the relevant ratified UN conventions, which recommend using these revenues for compensation of the victims of crime.
- The legal possibilities provided by Bulgarian law for re-use of confiscated property for socially beneficial purposes are seldom applied and are not sufficiently publicised among the potential beneficiaries.
- Among the important legislative gaps is the lack of a specific procedure for the transfer of confiscated real estate. The introduction of such an instrument could facilitate the utilization of these assets for the public benefit.



Part 2. The Italian approach

Fighting organised crime: the case of Caserta

Kn. Comm. Dr. Natale ARGIRÒ, Director of the Observatory on Legality of the Province of Caserta

The contemporary organised crime in the province of Caserta turned 100 years of age, thanks to “Camorra”, a criminal association, which is not a criminal unitary phenomenon but as years go by, new godfather and families have been part of it. In fact, sometimes they were organised as head of crime mafia body of a nineteenth-century secret society with initiation rites, a court, a statute and a supreme head and other times they have become a centrally, hierarchically ordered (named New Organized Camorra) or federated (New Family) structure, later dissolved in a lot of opposed clans between them looking for more control of illegal lucrative activities.

A feature has never changed overtime, from the Bourbon period to nowadays: his vocation and his criminal tradition that originate from environmental, cultural and economic policies that determined its birth 100 years ago and which are of topical interest enough to make it still young and strong but especially up with the times.

In order to reverse the disastrous trend, indicated by the crime rate, that has lasted for too many years in the province of Caserta, therefore, a series of initiatives have been assumed with the awareness that security is a prerequisite for the productive and trade establishment, to ensure work to new generations and, ultimately, for the development of the territory under each aspect.

Certainly the most important initiative is the “Caserta Model”, a model expressly created for the fighting of crime that has been exported from Campania region in other Italian regions such as Apulia, Calabria, Sicily, the Emilia and Lombardy.

The Caserta Model, named and created by the Minister of the Interior Roberto Maroni, has the main aim to put together all the technical and operational components that directly or indirectly interface with issues of public policy dealing with the security of citizens.

In particular the great news is not to leave alone the traditional policemen dedicated to the mere suppression of crimes assigning them and the examining magistrate especially the representatives of local authorities, those of Public Administration, Industry, Trade and voluntary associations in the territory and devoted to activities against Camorra.

The standing technical board at the Prefecture of Caserta has often been chaired by the Minister of the Interior who in this way, with the contribution of all, has given the maximum incentive to the achievement of legality and security in the province of Caserta.

Then in order to rid the police from the heavy task of stakeout and security with also a waste of personnel, all the high risk objectives, within the Province, have been assigned to the Army that provides a contingent on a national level. Moreover this contingent supports the Police for a capillary control of the area assigned to joint patrols of soldiers and police officers.

The psychological effect, for the renewed presence of the State, resulted, in a short time in the populations of Caserta afflicted by Camorra, a sense of rebellion against the Camorra clan and therefore collaboration with the institutions leading to extraordinary results in terms of justice.

The Spartacus Process 1 is certainly the biggest mafia trial in the history of organised crime in Europe, comparable only to the maxi trial against “Cosa Nostra”, the true name of Mafia, prepared by Giovanni Falcone and Paolo Borsellino.

The trial was launched on the 1st July 1998 to the Court of Assise of the Santa Maria Capua Vetere Court where 1300 persons under investigation and 508 witnesses (25 of them were informers) appeared for 626 hearings and ended the 15th September 2005 with a sentence filed in June of the following year with 95 convictions (21 of them life sentences), 21 acquittals (almost all the politicians involved and the representatives of Police acquitted) while other ten defendants have died before the conclusion of the hearing.

On 18th June the judgment of the appeal sentence has been passed at the Court of Assise of Naples with which 16 requests of life sentences pronounced by the Public Prosecutor have been fully accepted.

The maxi trial ended on 15th January 2010 with the sentence of the Court of Appeal that has hit hard the management structure of the Casalese Camorra organisation, both in terms of military and economic, as well as those who have contributed in various ways to the birth of the current leadership team. All the appeals filed by Camorra members sentenced to life imprisonment on appeal were rejected.

As well as, we have gone on with confiscation of criminal assets, private real estates and companies for an invaluable value belonged to members of the clan.

After the Spartacus 1 process, thanks to the declaration of different "informers" the inquiry has continued under the name Spartacus 2 with the aim of identifying the links between politicians and Caserta Camorra which was followed by the process Spartacus 3 culminated with instance judgement issued the 14th May 2012 by the Court of Assise of the Santa Maria Capua Vetere with four centuries inflicted to 47 members of Casalesi clan.

But the Model is best expressed through a complex legislative action, the so called "Security Package 2008" by the Minister of Interior Maroni with the intent to change the anti-mafia discipline achieving a more efficient institutional framework to contrast the illegal immigration and the organised crime and also rules for defending the road traffic security.

The President of Province of Caserta, as soon as he has inducted, proposed to the Board and established a Standing Provincial Observatory on Legality and Security ("Osservatorio Permanente provinciale sulla legalità e la sicurezza").

In this way the Province of Caserta, through the Observatory, has already promoted the coordination and participation of all those involved in security sector within the province, a pact for security and legality, in accordance with authority, as well to analyze the provincial and local policies in this field, through the collection and sharing of new generation data, playing a role of information and evaluation of solutions may be carried out.

The Province of Caserta has also benefited several times by the security policy of the European Commission for the fight against crime in Campania Region, as well as Sicily, Calabria and Apulia through the financing of projects under National Operative Programme (PON) from 2007 to 2013.

The Province of Caserta is among the Local bodies that have made use of European Union funds promoting projects for restructuring confiscated assets from the Camorra and then assigned for social use. A lot of initiatives have been carried out on the territory in order to spread, first of all among young people, the concepts of legality and organised crime. SAPUCCA (Sharing Alternatives Practices for the Utilization of Criminal Assets confiscated) is a project promoted by the Province of Caserta with national partnership Province of Catania, Province of Pistoia, Agenzia Nazionale per l'amministrazione e la destinazione dei beni sequestrate e confiscate alla criminalità organizzata, Comitato Don Pepe, Tecla Association, Flare Association (Freedom, Legality and Right in Europe) and two transnational partners: CEPACA (Commission for Establishment of Proceeds Acquired from Criminal Activities) and Centre for the Study of Democracy.

Thanks to the highlighted initiatives, in the last years, investigative activities of Police with a lot of criminal proceedings of national importance to members of criminal organisations, allowed to bring to Justice many ruthless Camorra members and to confiscate their assets of significant economic value. But it was not sufficient to stem the diffusion of the delinquency in the Province of Caserta especially among young people ready to displace those arrested offering services in return of easy money or other benefits.

It was understood that it was necessary to attack the mafia treasure definitely through confiscatory action in order to leave the mafia members only the memory of their treasures and that these were used for social and economic purposes.

An additional mean of fight to organised crime was born, the new legal framework of confiscated assets and so the mafia members, after they have been deprived of their heritage, have been unable to hire new conscripts in their ranks losing finally their charismatic power. This refers to Decree Law number 4 February 2010 converted in Law 31 March 2010 number 50 which

aims to meet the “priority need to make rapid and effective the use of the treasures for institutional and social objectives”, providing for a new system able to ensure a better administration of assets subjected to confiscation due to the new policies of aggression mafia members wealth of confiscated assets.

In this context it also conceives a new anti-mafia organisation: National Agency for Administration and Destination of seized and confiscated assets (“Agenzia Nazionale per l’Amministrazione e la Destinazione dei Beni sequestrati e Confiscati alla criminalità organizzata”, ANSBC), which are only those seized in the process of prevention of Law 31st May 1965, n. 575 (Provisions against mafia criminal organisations, including foreign ones) and in the criminal trial pursuant in accordance with art. 12 sexies of Law Decree 306/92, converted into Law 356/92 (called enlarged confiscation) with reference to the crimes provided for by art. 51 Paragraph 3 bis ccp¹, becoming holder of the judicial administration and the final destination of seized and confiscated assets.

In this way, it is carried out a direct relationship between the Agency and the Judicial Authority, in charge of criminal proceedings and prevention that is reducing the time between the initial seizure and the final destination of the assets. This period was likely to cause an irreversible crisis in the system of the fight against mafia organisation, with considerable assets designed for neglect and degradation with negative consequences for the credibility and authority of the institutions.

At the same time the activities of the Agency have been differentiated from those of the Judicial Authority because the Agency has the opportunity to take the necessary decisions to ensure the timely disposal of confiscated assets without the obligation of any communication or injunction of judge. In fact it is provided for the mere communication to the judge of the requests made to the competent authorities. Concerning the acts of extraordinary administration (waiting trial, taking out a loan, entering into transactions, compromises, bank guarantee, granting mortgage, transfer real estate, etc.) it is provided for to issue the release of a mere authorization of the judge rather than the preventive authorisation.

1 Art.51 - 3-bis c.p.p.. Offices of Public Minister. When it is about the proceedings for committed or attempted crimes, of articles 416, Sixth paragraph, 600, 601, 602, 416 bis and 630 of Penal Code, for crimes committed under conditions provided for aforementioned article 416-bis in order to facilitate the activities of association provided by the same article, as well the crimes provided by article 74 of Law Text approved by decree of the President of Republic October 9 1990, number 309 and by article 291. Quarter of Law approved under decree of the President of Republic 23 January 1973 number 43, functions indicated in paragraph 1 letter a) are assigned to the public prosecutor’s office at the court of district capital within which the competent court is based.

Symbols and resources of free communities. Research - action results and good practices

Mauro BALDASCINO, Observatory on the social use of assets confiscated from the Camorra - APS; Father Peppe Diana Committee

Introduction

To understand the need to promote and develop horizontal methods and tools for preventing and fighting organised crime by using assets, confiscated from criminal organisations, for social and institutional purposes, we need to understand the essential elements of Mafia-style action and of the action taken to combat it.

This paper contains a summary of elements defining Mafia-style criminal organisations and of strategies designed to combat them implemented in Italy, dwelling on the reasons underpinning the need to build horizontal prevention strategies and actions, to be used in conjunction with repressive ones. It illustrates the characteristics of action taken in Italy, thanks to the SAPUCCA - Sharing Alternative Practices for the Utilisation of Confiscated Criminal Assets project using the Action-Research (AR) method, with a particular focus on a series of activities designed to provide solutions for critical issues identified with regard to the use of confiscated real estate.

The document also analyses the most innovative aspects implemented by Campania's new Regional Law entitled "New Measures for Utilisation of Confiscated Criminal Assets", which adopted many of the requirements and policies that emerged from the AR work.

Finally, it highlights some important experiences in the use of confiscated properties for social purposes, revealing some distinguishing elements.

The essence of mafia-style activities and the actions designed to combat it

The essence of the action of Mafia-style organisations¹ is to take over, directly or indirectly, the management or control of the economic activities of economic enterprises and to influence the activity of the local Public Administration². This dangerous and pervasive capacity is increased through the use of vast financial resources, accumulated by the criminal organisations through violence, crime and clandestine trafficking. This stream of "dirty money" destined to expand the unlawful activities and to condition the legal economy, has now become a transnational phenomenon. Mafia-style organisations have the capacity "to act as economic operators in the markets, distorting their proper mechanisms, through the use of massive economic and financial resources gathered from the exercise of a multiplicity of illegal activities - ranging from drug trafficking to contraband dealings, from property speculation to tendering for public works, from racketeering to extortion - carried out in Italy and abroad, and often in synergy with foreign criminal groups"³.

1 Criminal association of the Mafia type is a crime covered by art. 416 b of the Italian Penal Code, introduced by Law no. 646 of 13 September 1982 and subsequent amendments and additions. The Law states that "Association is of the Mafia type when those who belong use group-inspired intimidation and adhere to a vow of silence to commit crimes, in order to obtain, directly or indirectly, the management or in some way the control of economic activities, concessions, authorisations, tenders and public services or to impede or hamper the free exercise of the right to vote or to solicit votes for oneself or others during elections" (art. 416 b, para. 4, Law no. 646 of 1982).

2 Parliamentary Commission of Enquiry on Mafia-style Organised Crime. Report on the state of implementation of the regulation and of practices to implement it as regards seizures, confiscations and allocations of the proceeds of organised crime, 17-11-2007, p. 3.

3 Ibid., p. 6.

An understanding of the ways in which Mafia-style organisations operate has made it possible to intervene more effectively to protect the economy and the right to freely run a business, as well as protect individual freedoms, by promoting legal measures that aim to seize definitively from those engaging in organised crime any proceeds of their criminal actions.

Strategies for combating organised crime

Italy has effective repressive measures to combat criminal, Mafia-style organisations and the accumulation of illicit capital¹, exported to Europe or globally.

Actions combating Mafia-style crime have increased thanks to the strengthening of the Italian legal statutes allowing the authorities to take action against assets illegally acquired².

The strategy for combating organised crime can be separated into two distinct phases. The first is to attack the illicit assets and involves the identification, seizure and confiscation of the wealth of Mafia-style organisations³.

The second is the allocation of the assets and wealth to serve public ends. As distinct from the illicit wealth confiscated in penal trials, and which, once realised in monetary terms, end up in the state coffers, not earmarked for particular purposes but used for general public expenditure, the possessions and wealth taken from Mafia-style organisations are mainly returned to the community, to be reused for social and institutional purposes⁴.

The values and symbolic message underlying this trend in the legislation are extremely important: they demonstrate that the State is succeeding in striking at the wealth accumulated by criminal associations, thereby restoring or building trust in the institutions. The assets confiscated from Mafia-style associations constitute a precious resource for local territories, providing an opportunity for development that can help trigger and sustain processes of social and economic growth, guided by respect for the rules of good civil life and the law⁵.

Beyond repressive action: the reconstruction of social capital

Mafia-style criminal associations are a complex phenomenon because, parallel with the use of violence, that also have the capacity to construct a social consensus, and to become a dominant cultural model in the districts where they operate, and to orientate values and behaviours.

To defeat Mafia-style criminal organisations it is necessary to combine repressive actions with preventive strategies and measures, which weaken and destroy “the Mafia’s (or Camorra’s) social capital”, interpreted as the network of relationships that enables such organisations to “communicate in a lucrative manner with the economic and social context within which they operate, drawing further advantage from a position

1 Noteworthy among these are the measures for illegal wealth prevention (Section II of Legislative Decree no. 159 of 6 September 2011, known as the Anti-Mafia Code), which provide for the seizure and confiscation of assets for which no legitimate provenance has been demonstrated, and which are found to be at the direct or indirect disposal of someone suspected of belonging to a Mafia-style organisation. These measures, aimed at deterring persons deemed socially dangerous from committing crimes are, therefore, applied independently of a previous crime having been committed, and hence they are termed measures applicable ante delictum or praeter delictum.

2 On this point see Book I & II of the “Code of Anti-Mafia laws and measures of prevention”, known as the Anti-Mafia Code, approved on 6 September 2011.

3 This wealth consists of current assets (sums of money, government stock, personal accruals, jewellery, etc), registered current assets (cars, motorcycles, boats, aeroplanes, etc.), non-current assets in the form of property (villas, apartments, farm buildings, retail premises, lands, etc.), and company assets (company quotas, shares, factories, industrial premises, manufacturing plant, commercial activities, etc.)

4 This prospect is of great democratic significance. It was introduced in Italy by Law no. 109 of 7 March 1996, internationally unique of its kind and providing a model for the European Community in the struggle against Mafia-style organisations at international level. The Law grew out of a popular initiative promoted by “Libera: Associations, names and numbers against Mafias”, which gathered more than a million signatures.

5 To give further impetus to the utilisation of assets confiscated from Mafia-style associations, and to improve efficient management of these assets, the National Agency ANBSC was founded - ANBSC being the Italian acronym for the National Agency for the Administration and Management of Assets Seized and Confiscated from Criminal Organisations. The Agency guarantees the effective administration and allocation of seized and confiscated assets that are the proceeds of organised crime, also through a stable accord between the judicial authorities and the Public Administrations concerned.

of intrinsic strength and assuming the false guise of a normal operator in the market"¹. The attack on "the Mafia's social capital" can in fact lead to its being allocated differently, to support the promotion of the substantive freedom of people and the general interests of a democratic community².

In other words, it means promoting programmes for the empowerment³ and development of territories, in which action is taken with regard to the supply and quality of the social capital, which helps to promote respect for democratic rules, civil life and public institutions. Such measures require the advocacy and intervention of a variety of local players, institutional (and non-institutional) that establish voluntary, mutual and innovative relationships to reach shared social objectives, combining their resources and skills, to promote the gradual development of local well-being, free from Mafia-style oppression.

The return to local communities of assets gained illegally by organised crime so that they can be used for social purposes, appears to be an effective strategy for the re-allocation of social capital to the general public.

A new development indicator: social use of confiscated criminal assets

Properties confiscated from criminal organisations are not merely non-current assets as they are for other criminals. They have been symbols of the power exercised by the Mafiosi over the territories they dominate. When institutions and civil society make effective use of these assets for social purposes, it is a signal of the loss of control and prestige of these criminals in the very areas they claim as theirs. This is a signal that the system of Mafia power does not easily accept. The social use of confiscated assets therefore becomes an indicator of the growth of communities that provide alternatives to the practices and culture of organised crime; a real proof of a change taking place on Mafia terrain. It demonstrates how local entities and the institutions as a whole are encouraging the construction of social capital and a sense of civil society in their territories.

This inversion of a paradigm - in which the social use of assets confiscated from Mafia-style organisations is not just a matter for the Public Administrations, but can successfully trigger steady growth in the whole territory - involves a wider concept of development than that used hitherto in social-economic practice and discourse.

Development in fact means both economic growth and social inclusion, where by growth is meant the releasing of the potential for an increase in a territory's average income, while social inclusion refers to the proportion of citizens who, across a range of aspects of their lives (over and above income - for instance in health, sense of security, education, quality of relationships with others, air quality, etc.), are above socially accepted levels.

If development is thought of as, in particular, the process of expanding the real freedoms that human beings enjoy in the private sphere as well as in the social and political spheres⁴, then we can clearly see how the criminal domination of local communities by Mafia-style organisations is the very antithesis of progress in any given territory.

This approach tackles the challenge of development in terms of the elimination of the various types of "freedom deficits", among them tyranny, intolerance and repression, the lack of health care, of environmental protection, and of freedom of expression, illiteracy, hunger and extreme poverty, which limit or negate for individuals, men and women, the opportunity and capacity to act in a rational manner, building the life they prefer⁵.

1 Cf., Sciarrone R., 2011.

2 Baldascino M. and Mosca M., "La gestione dei beni confiscati: un'occasione perduta per le imprese sociali?" ("The Management of Confiscated Assets: A Lost Opportunity for Social Enterprises?"), in *L'impresa sociale in Italia. Pluralità dei modelli e contributo alla ripresa* ("Social Enterprises in Italy. Plurality of Models and Contribution to Recovery"), Venturi P. and Zandonai F., eds., *Altroeconomia*, 2012, pp. 213-236.

3 Empowerment is a process of social action whereby persons, organisations and communities take responsibility for their lives with a view to changing their social and political environment to improve equity and quality of life. On this subject cf. Wallerstein N. (2006), Zimmerman M.A. (2000), Rappaport J. (1984).

4 As suggested by the Nobel prize winner for Economics, Amartya Sen. Cf. A. Sen, *Development as Freedom*, translated into Italian as *Lo sviluppo è libertà. Perché non c'è crescita senza democrazia*, *Economia Oscar saggi Mondadori*, Milano, 2001.

5 Ibid.

By contrast, the power systems represented by Mafia-style organisations feed and draw strength from these freedom deficits; they create and foster conditions of non-development, drawing advantage from them through their intrinsic position of strength acquired over time by violence, crime and investment of illicit proceeds.

“There exists a growing consensus in interpreting ‘traps of non-development’ [...] as the result of conscious choices by the governing classes at local and government levels. Such choices are dictated by the convenience of extracting a sure benefit from preservation of the status quo - uneducated youth, inadequate transport connections, inefficient businesses requiring assistance, administrative barriers to revenue collection, a degraded environment, tenders and projects executed badly - instead of competing for uncertain benefits in a context of innovation and growth [...]. In other words, public action is of bad quality not because of the incapacity of the governing classes that are responsible for it, but because that is their express intention”¹.

Thus, the effective utilisation of confiscated criminal assets, an indicator of the effectiveness of local Public Administration action, “*can defuse these traps of non-development*” and open up “*avenues for innovators, in terms of both the public assets produced and the way in which they are produced*”².

Action-Research results

Action-Research³ is a method the object of which is not to advance theoretical knowledge, but to analyse a practice relevant to a field of experience, with the explicit aim of introducing changes to improve that practice. AR has been useful for increasing awareness, in local public opinion and among the political decision-makers, of the importance of the social use of assets confiscated from organised criminal organisations. The Action-Research initiatives have been carried out in various Italian territories: in the Province of Caserta, as a form of horizontal subsidiarity, thanks to the project “Provincial Observatory on Utilisation of Assets Confiscated from the Camorra”⁴; and in the Provinces of Catania and Pistoia, where the first phases of the AR programme were set up thanks to support for the Sapucca programme from the Provincial Authority in the case of Catania and the TECLA Association in the case of Pistoia.

The AR work⁵ made it possible to initiate a number of measures to sensitise public opinion to the opportunities offered by the Law no. 109 of 1996⁶, and to the advantages, in socio-economic and employment terms, which the utilisation of confiscated assets can generate in the particular territories.

Analyses performed using the AR method identified a series of critical issues in the ways in which confiscated assets are used by local Public Administrations, and made it possible to define a plan of action,

1 Cf. the document *Metodi e obiettivi per un uso efficace dei fondi comunitari 2014-2020*, (Methods and Objectives for an Effective use of EU Funds 2014-2020), produced by the Ministry for Regional Cohesion, Fabrizio Barca, which proposes a method for spending well, in fact better than before, the European financing scheduled for the period 2014-2020.

2 Ibid.

3 Action Research is a reflective method of participatory planning that leads to a deliberate modification of an existing situation, over and above the production and promulgation of knowledge about a specific topic. The main objective is to help change conditions judged to be unsatisfactory by a number of individuals or groups. The central idea is to involve, from the very beginning, the persons caught up in a problematic situation in the research process, in order to identify possible planning solutions in collaboration with the research team. On Action Research see K. Lewin, *Resolving Social Conflicts*, original edition 1946, translated into Italian as *I conflitti sociali*, Milano, Franco Angeli, 1980.

4 The project began in January 2007. Promoted as a form of horizontal subsidiarity by two associations engaged in social promotion, “Libera. Associations, names and numbers against Mafias” and the “Father Peppe Diana Committee”, with the support of the Caserta Provincial Authority up until December 2009, the project has accomplished a number of outcomes using the Action-Research (AR) method. The results of the first phase of research were published in the volume Baldascino M., Pannella R., Addelio E., (2007), “*Simboli e risorse di comunità libere. Contesti e pratiche per l’uso sociale di beni recuperati alla camorra*” (Symbols and Resources of Free Communities. Contexts and Practices for the Social Use of Assets Confiscated from the Camorra), published by the Osservatorio provinciale sull’uso sociale dei beni confiscati alla camorra (Provincial observatory on the social use of assets confiscated from the Camorra).

5 The research team in the Province of Catania was composed of Luciana Deni, Antonella Incognito and Laura Pinieri; and, in the Province of Pistoia, of Valentina Chericoni and Giovanni Pace.

6 See note 2.

with different operational objectives¹, in particular in the Province of Caserta, where the project work was more advanced. On the basis of the critical issues identified, it was possible to construct responses to resolve them.

The major critical issues identified in the AR programme were as follows:

- a lack of information about the Regional Law and the number of properties confiscated locally;
- planning inadequacies;
- poor “team work” between various local players;
- “difficult” relationships between the institutions and social organisations;
- insufficient action to combat the issues/system;
- lack of attention to the symbolic value of the assets.

Also in evidence were “obstacles and resistances within the social context to implementing a participatory process”². In fact, the project counted on a consensus among the local public players of sensitivity to and interest in the promotion and preparation of horizontal methods and tools for preventing and combating organised crime, through the utilisation of criminal assets for social and institutional purposes; but it emerged that such a consensus did not exist but had to be constructed³. The feeling that there was very little interest on the part of the decision-making local authorities in the idea of the social use of assets confiscated from criminal organisations may have helped feed “the perception of a ‘sense of precarious security’ offered by the public authorities, who leave it up to the various social cooperatives to seek to fill the gap in fostering a sense of community”, together with “a profound sense of distrust on the part of the associations of the legislation instituting confiscation and of the public management of the assets confiscated”⁴.

This reflection, on the low level of sensitivity and interest on the part of local public institutions regarding the activation of effective procedures for utilisation of confiscated assets, may provide an interpretive key to understanding the success of analogous but innovative initiatives undertaken by social organisations, as a form of horizontal subsidiarity⁵.

Actions undertaken

It is appropriate to specify briefly in the following sections the actions undertaken during the AR work⁶, subdividing them, for simplicity of presentation, into different macro-areas relating to the objectives intended to be achieved, though we should emphasise that each individual action applied a strongly integrated approach. The macro-areas are: promoting practices for the social and productive utilisation of confiscated assets; making up the information deficit; achieving a deeper understanding of the utilisation of confiscated assets.

Promoting practices for the social and productive use of confiscated assets

The need to promote good practices for the utilisation of confiscated assets arose from the low percentages of use of property assets in the territories concerned. The public decision-makers put this down to the

1 Cf. Baldascino M., Report entitled “Simboli e risorse di comunità libere. Gli esiti della ricerca – azione e le buone pratiche in provincia di Caserta” (Symbols and Resources of Free Communities. The Outcomes of Action-Research and Good Practices in Caserta Province), March 2013.

2 Cf. Chericoni V., Pace G., Report della ricerca-azione svolta sul territorio della Provincia di Pistoia (Report on the Action-Research carried out in Pistoia Province), December 2012, p. 17.

3 Ibid.

4 Cf. Deni L., Incognito A., Pinieri L., Report della ricerca-azione svolta sul territorio della Provincia di Catania (Report on the Action-Research carried out in Catania Province), July 2012.

5 The principle of horizontal subsidiarity, which guarantees the autonomous initiative of the public in carrying out activities in the general interest, is present in the Constitution, art. 118, final para., which states that: “the State, Regions, Provinces, Metropolitan Cities and Municipalities encourage the autonomous initiative of citizens, individuals and associates, to carry out activities in the general interest, on the basis of the principle of subsidiarity.”

6 For further information on the work done by the Provincial teams, see the publication cited and the relevant research reports.

very poor condition of the properties after they had been handed over, since they had been vandalised or in a state of disrepair.

The limited financial resources available became, in these cases, a central issue.

However, the failure to include the refurbishment and utilisation of confiscated assets in the triennial plans of public works or in plans relating to deeds authorising local development (such as Integrated Projects, Social Zoning Plans, Integrated Urban Development Plans, District Contracts, etc.) was picked up by the researchers as one reason for the further delay in refurbishments.

It was also noted that the refurbishment of a property that had been vandalised or was in bad disrepair did not in fact solve the problem of its utilisation.

The problems relating to the procedures for utilisation appeared evident in cases where the properties were already usable or not in an excessive state of disrepair, or in the utilisation of confiscated land.

In all of these cases, procedures for utilisation could have, indeed should have, already been under way.

To resolve this critical issue, a project has been promoted to start up the first agro-alimentary social cooperative in Campania, with products branded Libera Terra (Free - i.e. Freed – Land)¹.

Promotion of the Libera Terra project

Experiences of and good practices in the social and productive utilisation of property, particularly land, were already present on the scene in Italy, linked to the Libera Terra project². These were examples where young people were given the opportunity to work in social cooperatives and to sell their produce throughout Italy. This model could, if backed by a strong political will, be reproduced in the territory as whole.

The experiences of Libera Terra also taught the need to vigorously re-launch collaboration within the territory around strongly symbolic projects with the capacity to knit together a number of different players, both in the local communities and in other communities in Italy. What was found to be lacking in the territory of Caserta was an appropriate team game approach when it came to the utilisation of confiscated assets.

Therefore, with the support of the Agenzia Cooperare con Libera Terra (Cooperate with Libera Terra Agency)³, steps were taken to promote the setting up of the first Libera Terra Cooperative in Campania, after a first phase of monitoring already undertaken during the first year of the Observatory⁴.

After numerous meetings with institutional and non-institutional players, a plan of action was analysed and drawn up, around which consent, commitment and understanding was built up. The project involved the creation of a business spread through the territory of Caserta operating in the agro-alimentary and dairy sector employing an organic method of production, utilising the lands, livestock and cheese factories confiscated from criminal organisations operating in Caserta Province. The initiative brought together the institutions and civil society responsible for working towards the cultural, social and economic regeneration of a territory that no longer wished to be a land of the Camorra.

The feasibility study, carried out by the Agenzia Cooperare con Libera Terra, envisaged the creation of an experimental teaching farm, at the service of the environmentally sustainable development of the territory, with a responsible tourism component and the use of innovative production technology. It would be a farm using sustainable energy from renewable sources (sun, wind and natural gas), committed to ensuring the goodness and quality of the products and of the land, and the training of workers in the relevant sectors.

1 For further information on these experiences, visit the website www.liberaterra.it.

2 Ibid.

3 A national agency with the backing of public bodies, cooperative associations, and various kinds of public entities, which aims to provide services to assist in the creation, development and integration of entrepreneurial initiatives to manage properties and business assets confiscated from criminal organisations.

4 In the context of the research activity carried out in the 1st year of the Observatory, a programme was set up to monitor the lands in the territory of Caserta Province, to assess their characteristics, availability, agricultural produce whether existing or to be planted; 28 Municipal Authorities, those where these lands were located, were asked to report on availability. An official response to this request came from only 3 of the 28 contacted.

The project, with a strongly symbolic thrust, started up on 19 March 2009 at Casal di Principe. On that occasion, before thousands of people who came from all over Italy to mark the 15th anniversary of the murder of Father Peppe Diana, an operational memorandum of understanding was signed by all of the following: the Special Government Commission for the Management and Allocation of Assets Confiscated from Mafia-style Organisations, the Caserta Prefecture, the Campania Regional Authority, the Caserta Provincial Authority, the Caserta Local Health Board 2, the Municipal Council of Cancellò and Arnone, Castel Volturno, the Libera Association, the Father Peppe Diana Committee Association, and the Cooperate with Libera Terra Association. All these were united in promoting the constitution of a social cooperative to be named "The Lands of Father Peppe Diana - Libera Terra", whose members, as for Libera Terra's other cooperatives in Sicily, Calabria and Puglia, were selected through a public call for applications¹, encouraging local capabilities, talents and enthusiasm. The selection process produced a group of young people who, after the training and start-up phase, are giving concrete form to the business plan of the first Libera Terra cooperative in Campania, working together with those who share in the aspiration to regenerate the territory.

In the transitional stage of setting up the entrepreneurial activities, the property confiscated at Castel Volturno was used as a collective facility by various organisations including trade union, entrepreneurial, financial, cultural and local government groups which responded to the invitation from Libera and the Father Peppe Diana Committee to preside over the building, bringing it to life with programmes, events, camps for those working in the voluntary sector, information points and service counters. The aim was to constitute a group to promote the cooperative named "Creating the Father Peppe Diana Land Cooperative - Libera Terra Campania", a network supporting the creation of models of socio-economic development alternative to Mafia-style control.

The confiscated property of Castel Volturno in the Centore district has therefore become a centre for numerous public initiatives, among which the most significant has been that of the "Work Camps - The Father Peppe Diana Lands". These experiences, which have been repeated over the years, have led thousands of young people from all over Italy, belonging to scouting, parish, and environmental groups, as well as individual members of the public, to engage in numerous initiatives for the regeneration and care of the property at Castel Volturno, (with murals, fences, the creation of a library, refurbishment of rooms, cultivation of fields) and to meet dozens of witnesses with special local knowledge (families of victims of the Camorra, anti-racket entrepreneurs, magistrates, writers, social workers, etc.).

The cooperative was constituted in September 2012, and today the cheese factory, located in the confiscated property, produces organic mozzarella, thanks to the involvement of local farmers with livestock, who have chosen to adopt organic techniques of production.

School observatories on confiscated assets

Schools and young people have provided a pool of sensitivity and energy on which the project has drawn.

Thanks to the motivation and passion of some staff, programmes have been created for high school students to study and adopt confiscated assets.

Many students have examined Law no. 109 of 1996 and have become leading players in mapping the confiscated assets, actively involving local administrations, and stimulating forms of joint planning for the use of these common assets recovered from criminal gangs (with onsite visits, video work and reportage photography, etc.).

Many schools have also carried out mini-tours of confiscated properties, to learn how they are being used in the Province. This has allowed them to see positive businesses operating in the district, and both pupils and teachers have considered it to be a valuable learning experience.

These courses, which have been running for some years now, appear most important for the growth of cultural models of active citizenship, alternative to those of the Camorra.

¹ The public notice inviting applications was published on 16 February 2012. The selection process was looking for one farm worker, two workers to help in the cheese factory, one agronomist or agricultural technician or agrarian expert; one produce manager.

The result has been that authentic Workshops of active citizenship have been created to teach and promote the topics related to the social and productive use of assets confiscated from the Camorra.

The specific objectives of the Workshops have centred on three fundamental points.

Through a guided study of the law - its history, development, and application - students have been made aware of the opportunities for economic and social development opened up by the use of assets confiscated from the Camorra, with strong emphasis placed on the ethical, symbolic and economic dimensions of such actions.

Agreements with universities

Besides schools, the universities have also become involved in studying the utilisation of confiscated assets.

The collaboration agreement entered into with the "Luigi Vanvitelli" Architecture Faculty of the Second University of Naples (SUN) has provided an interesting opportunity for reflection and further development of the project. Thanks to the memorandum drawn up with the University, a useful synergy has been created and actioned between the world of the university and local bodies, the aim of which is, on the part of the university, to fill in the lack of knowledge about the assets confiscated and, on the other, to make up the deficit in ideas for forward planning on the part of the local bodies.

The result has been that some training apprenticeships have been set up for students at the local bodies on the specific topic of the utilisation of confiscated assets and of collaborations in the Architecture Faculty's Project Workshops, which have allowed some graduands to choose projects for the utilisation of confiscated assets as the subject for the degree thesis.

This synergy has made it possible for many new graduates to display the completed designs at the Venice Biennale, one of the most prestigious international exhibitions of contemporary architecture, in the Italian Pavilion, in a section with the title "Ethics liberates beauty. What to do with assets seized from Mafia-style organisations?"¹. This section was devoted to the conversion of properties confiscated from criminal organisations and the roles that architecture, the Public Institutions and the local Universities can have in creating a new sensibility and producing concrete results in the territories tainted by the culture of dramatic Mafia-style crime.

Regional consultative committee on social economy for the utilisation of confiscated assets

The synergy created around the topic of the utilisation of confiscated assets was then extended to other Faculties, leading to a memorandum of understanding between the Interuniversity Centre of Campania for Lifelong Learning, the SUN Faculty of Jurisprudence, the Political Science Faculty of the University of Naples "Federico II", the Libera Association and the Father Peppe Diana Committee, for the creation of a Regional Consultative Committee on Social Economy for the Valorisation of Confiscated Assets.

The aim of the accord has been to encourage a better understanding of the social use of assets confiscated from the Camorra, of the culture of legality and of democratic rules, of the ways in which the Public Administrations function, and of the mechanisms whereby public and economic corruption is generated and exercised.

Thanks to the memorandum of understanding, educational initiatives for the adults of Campania have been promoted, activated and developed, particularly targeting university students, graduands, those in work placements, research students, teachers and lecturers at different levels, and public servants².

Making up the information deficit: identifying opportunities for utilisation of assets

It has been found that one of the critical issues has been the low level of information about the legislation governing the social use of confiscated assets (Law no. 109 of 1996), and also the very low awareness of the availability of properties confiscated in the individual municipalities and of the rules for assigning them.

1 <http://www.labiennale.org/it/architettura/archivio/mostra/padiglione-italia/>

2 Worthy of particular mention are the first Advanced Level Experimental Course to Produce Specialists in Social Economy on Properties Seized and Confiscated from Criminal Organisations, run in 2011-2012, and the recently introduced 2nd level Master's Degree in "Analysis of Phenomena of Organised Crime and Strategies for the Social use of Confiscated Assets".

It was crucial to make up the information deficit, and this could be actively achieved.

It is difficult to believe that organised civil society can utilise the confiscated assets and exercise a useful activity of social control without facilitating the public's access to a minimum of essential information, such as the location of the properties concerned, their state of repair, the procedures for allocating them and the ways and means to participate in forms of shared management of businesses using these properties¹.

In this case these problems have been solved by widening the fact-finding base and experimenting with tools to spread information about the quantity and quality of properties confiscated.

Data collection and widening the fact-finding base

Ample data on the confiscated assets has been collected, and the information has been collated by the Provincial Authorities. The data consists of documents, regulations, notes, informative and illustrated materials, and this lies at the disposal of the Authorities for future initiatives of publicising, raising awareness, and educating the public.

Mapping confiscated assets: www.cosenostre.info

A pilot project has been set up to map the assets confiscated in Caserta Province, making it possible to identify the properties visually, through satellite photographs. A dynamic website has thus been conceived, planned, designed, set up and activated, using the domain www.cosenostre.info².

This website is an interactive tool providing information about the properties recovered from the Camorra³.

The work carried out has led to the satellite mapping and documentation of 125 properties confiscated, and the collection of photographic and other informative material, often obtained by direct on-site observation and specific searches.

Regional observatory on utilisation of confiscated assets

The initiative taken to construct information tools that are qualitative as well as quantitative, promoted through the pilot project mapping confiscated assets, has been sanctioned in a regulation brought in by the Campania Regional Authority.

The need for a Regional Observatory was signalled in various hearings of the Campania Regional Authority's Special Commission into confiscated assets⁴ and the necessity was subsequently recognised in some parts of Regional Law no. 7 of 2012⁵.

This Law provided for the creation of "the Regional Observatory on the Utilisation of Confiscated Assets", which should be equipped with an "interactive system to monitor the confiscated criminal assets, and this will collect and provide information, of both a quantitative and qualitative nature, on the assets confiscated, located in the Region of Campania, through georeferencing techniques"⁶.

The interactive monitoring system was to interact with the IT system of the National Agency for the Administration and Allocation of Assets Seized and Confiscated from Criminal Organisations and "must preferably be developed through the use of free, open source systems, which do not involve expenditure

1 This type of information then became a requirement under the Law, on the basis of the new text of the Anti-Mafia Code of 2011, art. 48, para. 3, l. C), which states that: "The local bodies shall draw up an appropriate list of assets confiscated and transferred to themselves, which must be periodically updated. The list, to be made public in adequate forms and in a permanent manner, must contain the data concerning the extent, allocation and utilisation of the properties and also, in the case of properties assigned to third parties, the identification details of the party to whom the concession is made, and the particulars, object and duration of the concession."

2 The website has been built using Joomla, an open source content management system (CMS), written in PHP, and released under license GPL v.2

3 The Satellite Map Prototype was produced in conjunction with the Prefecture of Caserta and the Italian Confederation of Inter-provincial Farmers of Naples - Caserta.

4 Minutes of the hearings of. 6/10/2010 e 19/10/2010 of the III Special Council Commission (Control over environmental reclamations and waste disposal sites and eco-Mafias and utilisation of confiscated assets).

5 Regional Law no. 7 of 15 April 2012, "New Measures for Utilisation of Confiscated Criminal Assets".

6 R.L. no. 7 of 2012, art. 6, para 4.

for the local body, and which guarantee the involvement of the public and the development of active citizenship, as happens with the USHAIDI platform¹.

The documentary “Use and disuse of confiscated assets”

A project was devised to make a documentary on confiscated assets.

The idea was to make a documentary, using a video-ed investigation format, about some representative properties recovered from organised crime, in order to deal with the subjects of Camorra control over the region, the business dealings of the criminal economy, the web of interests linking corruption in politics and the Camorra, and practices of social promotion.

The investigation was the work of journalists Raffaele Sardo and Tina Cioffo, with direction by Nino Gravino, and contributions from experts and those working in the sector.

The documentary aimed both to inform and to teach², and to produce a useful communication tool that would increase public and institutional awareness of the great symbolic, educational and economic value which the utilisation of assets confiscated from organised crime has for the promotion and growth of communities that are alternative to those created by the Camorra.

Using confiscated assets

During the work, it was observed that public opinion was paying close attention to the use of the assets confiscated. This attention was also supported and promoted by running various courses on the question of how to use confiscated assets.

Networking

The research activity made it possible to draw on the energies of the local network, both by bringing volunteers working in the local organisations together to collaborate with one another, and also by introducing the subject of the confiscation of assets into programmes being run in the Provinces of Campania relating to the topics of legality and citizenship³.

Programme with the voluntary sector

At the instigation of the Asso.Vo.Ce, the association promoting voluntary work in Caserta Province, it was possible to mount a series of orientation and information courses, to promote practices of active citizenship for the utilisation of confiscated assets divided among voluntary associations potentially interested in being granted the right to use of these assets, and in taking steps to obtain such authorisation. An education-action course was therefore created, divided into three distinct modules⁴.

The programme made it possible to draw up some strategic proposals for the implementation of measures to obtain the right to use. Those who completed the course therefore gained greater specific knowledge of some very complex problems, and were able to suggest structured measures to raise awareness in the Region. These proposals were addressed especially to the Public Institutions and young people, through collaboration with the schools⁵.

1 Ibid.

2 The DVD, made in collaboration with the voluntary association “Father Peppe Diana Peace School”, was duplicated in 4,000 copies, some of which were distributed free in all newspaper kiosks in Caserta Province together with the monthly magazine *Fresco di Stampa* (“Hot off the Press”), while the others were delivered to schools and third-sector organisations in the Province.

3 For example the Alba Chiara (“Bright Dawn”) project, in Pistoia Province.

4 The course was structured in 15 hours of training divided into three distinct modules, with classrooms containing about 20 participants. Using methodologies of action-teaching, problem-solving and focus groups with special witnesses, the students were given various assignments on topics such as: “The gallery of dreams”, “The social speedometer”, “The spider’s web”, add “Analysis of the force-field”. The exercises proved to be valuable training tools for implementation of the Law on confiscated assets.

5 In particular, concrete proposals came in from: Casal di Principe, with the idea of a home for associations; from Caserta, with the project of creating an agency for confiscated assets, to tutor and mentor people in implementation of the Law and the social use of the asset; from Sessa Aurunca and Caserta with the suggestion of seeking to activate a programme of communication with the media about how they might support the programme on the social use of confiscated goods.

New memorandum of understanding with the voluntary sector

The outcome of the collaboration with Asso.Vo.Ce. was a new accord to boost the commitment to bring about social use of confiscated assets.

In December 2012, the Father Pepe Diana Committee, the Centre for Voluntary Services in Caserta Province (Asso.Vo.Ce.) and the Coordinating Committee of the Libera Association for the Province of Caserta signed a "Memorandum of Understanding for the Promotion of the Social use of Assets Confiscated from the Camorra".

The objective was to promote action and put concrete projects into place to encourage active utilisation of assets confiscated from the Camorra on the part of third sector organisations, voluntary organisations in particular, convinced that the social use of confiscated assets is "an indicator of the growth of communities alternative to those created by the Mafia, the real proof of the process of change taking place in the lands of the Camorra"¹.

The Father Diana Committee and the Libera Coordination Committee for Caserta Province also made available all their work and the initiatives already undertaken in the context of the "Provincial Observatory on Utilisation of Assets Confiscated from the Camorra"². This constitutes a precious reservoir of experiences and skills that the Father Diana Committee, Libera, and Asso.Vo.Ce. were absolutely determined not to see wasted.

Orientation programme for the social use of assets confiscated from the Camorra

The need to expand the educational work also to reach employees in the Public Administration persuaded those working on the project to devise and present to the Councillor for Education and Work at the Provincial Offices in Caserta an educational project for mixed groups made up of administrators/officials of the Local Bodies and managers/workers in third sector organisations in the Province.

The programme aimed to provide participants with information and orientation aiming to trigger actions of active citizenship, to support the utilisation of confiscated assets.

Support for the definition of a management model for confiscated assets

A study was produced defining a management model for confiscated assets³. The resulting document seeks to outline some principles that should inspire the practices involved in the utilisations of confiscated criminal assets. The main characteristics of the principles governing such practices should be: analysis of the socio-economic context; local relevance of the projects to make use of such assets; active participation of the local district; socio-economic sustainability of the projects; ethical management practices; payment of workers; a projected and final social account to be rendered.

Campania's new Regional Law supporting utilisation of confiscated assets

The outputs of the Action-Research and of the Action Plan, and the characteristics of good practices operating in Caserta Province have been explained on various public occasions and during the work of the III Special Advisory Commission of the Campania Regional Council⁴, that was looking to revise the Regional Law governing the utilisation of confiscated assets.

Many of the reflections and proposals emerging from the AR work were in fact adopted in the new Law unanimously approved by the Council (Regional Law no. 7 of 17 April 2012, "New Measures for Utilisation

1 Memorandum of Understanding between the following Associations for Social Promotion: Father Pepe Diana Committee; Libera: Associations, Names and Numbers against Mafias; Coordination Centre of Caserta Province and the Voluntary Service Centre of Caserta Province Asso.Vo.Ce., 01/12/12.

2 In the Memorandum of Understanding, the criticism was made that the Observatory, as a good practice that saw a synergy developed between the third sector and the public entity, was no longer supported by the Caserta Provincial Authority.

3 This action stemmed from a request, received from an organisation managing a number of confiscated assets in Caserta Province, to be supported in drawing up its own model of confiscated asset management.

4 Minutes of the hearings of. 6/10/2010, 19/10/2010, 02/11/10 and 30/11/10 of the III Special Council Commission (Control over environmental reclamations and waste disposal sites and eco-Mafias and utilisation of confiscated assets).

of Confiscated Criminal Assets”), the most significant and innovative aspects of which deserve some comment.

The Law sets itself the objective, through utilisation of confiscated criminal assets, of encouraging the following developments in the Region: a) the reinforcement of policies and of a culture promoting legality, and combating criminality; b) the exercise of active citizenship; c) improvement in the quality of life; d) new opportunities for employment, social integration, and the fight against stigmatisation”¹.

Confiscated criminal assets are therefore assigned a particular, instrumental function for reaching objectives relating to an improvement in the quality of life, social inclusion and an increase in active citizenship; and the particular symbolic value of these assets for local development is forcibly restated. “Therefore, with the objective of making the utilisation of confiscated assets a central plank of Regional policies... [...] ...and to promote the transversality of the measures supporting the utilisation of these assets, promoting, within the limits imposed by the prevailing regulations, forms of prioritisation and/or the award of such assets in Regional public notices... [...] ...for the evaluation of projects that allow the use for social purposes of confiscated criminal assets”².

Such emphatic statements have created a small revolution, because they indicated new approaches to the use of confiscated assets, which were no longer to be treated by sector but in a transversal manner. This represents a strategic choice on the part of the Regional Authority, spelt out in art. 7 of the Law (Integration of policies combating criminality), which affirms the principle that “the implementation of repair work and projects at the confiscated assets, by the local bodies and the assignees, is a criterion for an award to be made and is a requirement to be advertised in the Regional public notices” (paragraph 1) and that in the context of the implementation of repairs drawing on EC funds “criteria of prioritisation and the award of assets are defined, for repair work which will allow for the utilisation of confiscated criminal assets.” “Ensuring that support for projects to utilise confiscated criminal assets is a common objective of all Regional policies, guaranteeing [...] that criteria of prioritisation and the award of such assets in favour of such projects be included both in the requirements for Regional public notices, and in the context of carrying out the repairs drawing on [EU structural funds]”³.

The Law provides that the Regional Observatory on Utilisation of Confiscated Assets be set up with “the functions of promotion, consultation and support for planning activities, monitoring and control over the utilisation of confiscated assets” and identifying “forms of cooperation with the National Agency for the administration and allocation of assets seized and confiscated from criminal organisations” and with “the Authority for Managing the National Operational Programme (PON) to Ensure Safety in Development” (art. 6).

The Observatory was to be presided over by the Councillor for Local Bodies, and be “made up of the most representative organisations in terms of the social use of confiscated criminal assets, social integration and combating criminality, as well as representatives of autonomous local bodies, trade union and trade sector organisations experienced in the matter of confiscated assets, and by the President of the Regional Consultative Committee for the Full Integration of People with Handicaps into Social Life” (art. 6).

The Observatory was therefore instituted as a body amply representative of the most socially engaged civil society, with the mission to coordinate all actions taken in the Region regarding the social use of confiscated assets.

The Law adopted the need to make up the information deficit on the quality of the assets confiscated, with instruments guaranteeing the involvement of the public. It states that the Regional Observatory “shall equip itself with an interactive system to monitor the confiscated criminal assets, and this will collect and provide information, of both a quantitative and qualitative nature, on the assets confiscated, located in the Region of Campania, through georeferencing techniques”. The interactive monitoring system is to interact with the IT system of the National Agency and must preferably be developed through the use of free, open source systems, which guarantee the involvement of the public and the development of active citizenship,

1 Report on Bill to introduce the Regional Law, G.R. no. 154 of 21/01/2011.

2 Ibid.

3 Ibid.

as happens with the USHAHIDI platform¹.

In addition, the Law identifies three specific funds to facilitate the utilisation of confiscated assets: the “Confiscated Asset Utilisation Fund” (art. 1), the “Rotational Technical Planning Fund” (art. 3), and the “Loan Amortisation Fund” (art. 4). In particular, the means of accessing the Confiscated Asset Utilisation Fund appear of particular importance: priority is given to the social, collective and sustainable use of confiscated assets, rewarding initiatives that privilege “the creation of partnership networks, the integration of the weaker members of society, and the self-sustainability of the projects” (art. 2, para. 2)².

Finally, for the first time a Regional Law tackles the subject of enterprises seized and confiscated, with the creation of a Concertative Board with specific objectives (art. 5 - Enabling support for the policies to manage seized and confiscated enterprises).

Good practices in the social use of confiscated assets

It may be of interest to report on examples of the promotion and utilisation of confiscated assets effected in Provincial districts, indicating their main features.

Social economic activities on confiscated properties

The Le Terre di don Pepe Diana - Libera Terra social cooperative

Born of a programme of synergy between the institutions and responsible civil society, the Le Terre di don Pepe Diana (The Lands of Father Pepe Diana) - Libera Terra Social Cooperative was constituted on 20 September 2010, between five partners with specific professional profiles, selected by public notice of competition. It is dedicated to Father Pepe Diana, the priest assassinated in his church by the Camorra at Casal di Principe.

The Cooperative is the enterprise that manages the greatest number of confiscated properties in Campania, with about 80 hectares of land, 3 rural buildings and a cheese factory, distributed over five different municipalities in Caserta Province³.

The cheese factory produces organic mozzarella, thanks to commercial agreements with local raisers of livestock, who have shared in the programme of conversion to organic farming for their herds of buffaloes. The wheat grown on part of the confiscated lands is processed into flour at Gragnano to be made into the “Paccheri di don Pepe Diana” pasta (“paccheri” are a type of traditional Neapolitan pasta). The other agricultural products are taken to the Libera Terra Mediterranean Consortium⁴, which brings together all those, throughout the whole of Italy, involved in enterprises engaged in the productive utilisation of confiscated criminal assets, creating products bearing the Libera Terra trademark⁵.

The Beppe Montana – Libera Terra social cooperative

The Beppe Montana - Libera Terra Social Cooperative was constituted in June 2010 and is formed of four working partners, selected by public notice of competition. It presently manages agricultural lands confiscated from the Riela gang of the Mafia, in local districts in the Province of Catania, and from the

1 Ushahidi, which in Swahili means “testimony” or “witness”, is an open source platform for information collection, visualisation and interactive mapping. The Ushahidi platform is capable of aggregating information received in various ways, such as by email, text message, twitter and web reports. The information is collected on a dashboard by means of which the group manager can approve the message (thus placing it at a specific point on a map), and thus making it visible from the front end of the map as a red point and/or icon. Every report includes place, date, hour and description and allows users to comment and thus add information.

2 “In the criteria for selection, priority is given to the following requirements: a) creation of partnership networks also through the institution of temporary associations formed for the purpose; b) measures with policies to integrate the weakest members of society, pursuant to Regional Law no. 11 of 23 October 2007 (Law for dignity and social inclusion. Implementation of Law no. 328 of 8 November 2000); sustainability and repeatability of the proposed programme”.

3 The municipalities where the confiscated properties managed by the cooperative are located are Castel Volturno, Cancellorosso and Arnone, Carinola, Pignataro Maggiore and Teano.

4 <http://www.liberaterra.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPage/7>

5 Libera Terra is the trademark that distinguishes all organic products from cooperatives that are members of Libera and manage productive buildings and lands confiscated from Mafia-style organisations.

Nardo gang in districts in the Province of Syracuse.

The Municipalities affected are Belpasso, Motta Sant'Anastasia and Ramacca in the Province of Catania, and Lentini in the Province of Syracuse. The lands cover a surface of 100 hectares and are distributed through one of the most fertile areas in eastern Sicily, extending from the district of Etna on the slopes of the Hyblaean Mountains, and crossing the Plain of Catania. The lands are mainly planted in citrus trees, with a number of rows of olives and a part that is devoted to the cultivation of crops. Because of the lengthy time that passed between confiscation and allocation, about twelve years, the crops initially suffered, because of the unusually intensive maintenance work required, but the potential shown by both the citrus fruit and olives, and indeed by the crops too, have made it possible for the business to enter a new and more specific planning phase. Unfortunately, a fire in 2012, probably due to arson, destroyed about six hectares of citrus trees at Casabianca in the district of Belpasso-Catania, sending about 2,000 orange trees and 100 olive trees up in smoke.

The Cooperative uses organic farming methods, and currently produces red orange marmalade and extra virgin olive oil. It too belongs to the Libera Terra Mediterranean Consortium, to which it sends part of its agricultural produce.

NCO - Nuova cooperazione organizzata (New organised cooperation)

A meeting between four Social Cooperatives¹ which for some years have been using properties confiscated from the Camorra in Caserta Province gave rise to the NCO - New Organised Cooperation - Consortium².

The Consortium aims to contribute to the civil growth of the territory, sustained by a culture of inclusion and legality, by developing sustainable socioeconomic activities that create dignified work for persons in difficulty. The activities aim to involve the community, in order to achieve the socio-cultural change of the territory, and to make the confiscated assets and/or particular Municipalities be increasingly seen as symbols and resources of communities free from the Camorra³.

The Consortium has managed the project, promoted by the Father Don Peppe Diana Action, Protection and Environmental Sustainability Committee, called "Facciamo un pacco alla camorra" (see below for more detail); the implication of name is to wrap up all the products created on properties confiscated from the Camorra, together with products from anti-racket entrepreneurs, as Christmas presents.

RES – Rete di economia sociale (Social economic network)

The first Italian attempt to construct a different model of local development, utilising assets recovered from the Camorra, was born in one of the districts where the presence of organised crime was at its strongest.

The RES - Social Economic Network project, supported by the Foundation with the South, experimented with an action aimed at the whole economic system: it sought to promote, across a pilot area that was one of the most complex in Caserta Province, a model of integrated local development founded on the idea of the social economy becoming an essential part of the local infrastructure, by making properties confiscated from organised criminal organisations become productive, pursuing "the general interest of the community in human promotion and the social integration of citizens, and increasing social capital invested in a system of legality".

The integrated development programme set itself three objectives in the measures undertaken:

- To promote and implement practices and chains of social economy through the use of assets confiscated from the Camorra, with a view to creating a network;
- To promote the positive freedoms of people, beginning with the most disadvantaged, and respect for cultural differences, in order to construct educative communities with a sense of social solidarity,

1 The Cooperatives belonging to the Consortium are Agropoli Onlus, Eureka Onlus, Al di là dei sogni ("Beyond Dreams") and Un fiore per la vita ("A Flower for Life") ["ONLUS" is the Italian acronym for Non-profit Social Utility Organisation]

2 <http://www.ncocooperazione.com>

3 Ibid.

- promoting the good practices of social inclusion and innovative models of welfare¹;
- To ensure that the actions taken by the local Public Administrations in favour of sustainable local development and to combat organised crime are accessible, transparent, and open to evaluation.

The organisation that is responsible for the project is an APS (Association for Social Promotion), the Father Pepe Diana Committee, together with a partnership comprising 31 public and private organisations². The territory over which the action is spread falls within the Municipalities of Casal di Principe, Casapesenna, Castel Volturno, Cancellò and Arnone, Grazzanise, Santa Maria la Fossa and Frignano.

Essential to the project was the first “Network Contract” drawn up in Italy between parties using (or intending to use) confiscated assets, with an agreement to set up a “Joint Network Programme” and a “Solidarity Fund”, to make the programmes of social economy sustainable, through the use of assets recovered from the Camorra. In particular, specific sector chains will be implemented for social agro-alimentary activities, responsible tourism and social communication, while close political, economic and cultural relations will be promoted between enterprises, entities and/or extra-Regional territories and local operators.

Activities promoting utilisation of confiscated assets

The “Lands of Father Pepe Diana” Festival of Civil Involvement

The “Lands of Father Pepe Diana” Festival of Civil Involvement is the first artistic festival in Italy to be held on property confiscated from criminal organisations, transformed into a place where people can come to enjoy themselves and be entertained.

The Festival, born in Caserta Province, was promoted by the Father Pepe Diana Committee and the Association “Libera: Associations, names and numbers against Mafias”, to sensitise communities to the social re-utilisation of confiscated criminal assets and to build a network among people with skills, talents, local knowledge and national and international experience, founded on the development of culture, art, creativity and innovation.

The objectives of the Festival are:

- To remember and to remind people of the innocent victims of organised crime, paying particular attention to the figure of Father Pepe Diana, the Parish Priest at Casal di Principe assassinated by the Camorra on 19 March 1994;
- To contribute to the growth, reinforcement and spread of an anti-Mafia consciousness and to the emancipation of communities, by pursuing legality, justice, and the social use of confiscated criminal assets;
- To promote, through activities and events, the assets confiscated from criminal organisations and their social use, as a fundamental way to boost an economy that is an alternative to the criminal economy;

1 For a discussion of the characteristics of a functional welfare model in contrast with organised crime see Mosca M., “Welfare e contrasto alla criminalità”, in “La fine è l’inizio”, edited by Musella M., Giappichelli, Torino 2011, pp. 347-355. For an analysis of the characteristics of the co-management model trialled in the Region of Campania, see Baldascino M. and Mosca M., “Il modello di cogestione del welfare di comunità: l’esperienza della Campania” in “La sussidiarietà orizzontale. Economia, politica, esperienze territoriali in Campania”, edited by Marco Musella, Carocci editore, 2012. For a discussion of the particular features of a new welfare model in accordance with the principles of subsidiarity see Baldascino M. and Mosca M., “Sussidiarietà orizzontale, welfare comunitario ed economia sociale”, De Frede editore, Napoli, 2012.

2 Partners in the project are: the Provincial Authority of Caserta, Caserta Chamber of Commerce, Second University of Naples (SUN), Political Science Faculty University of Naples “Federico II”, Faculty of Letters and Philosophy University of Naples “Federico II”, Agrorinasce Scarl, Confederazione Italiana Agricoltori Caserta-Napoli, Coldiretti Caserta, Confagricoltori Caserta, Legacoop Campania, Association for Industrial Design Campania, Libera, Arci, Aislo, Git Caserta Banca Etica, Euricse, Parish of San Nicola di Bari, Associazione Centro Laila, Coop. soc. Le Terra don Pepe Diana – Libera Terra, Associazione Nero e non solo! O.n.l.u.s., Coop. soc. Eureka onlus, Coop. soc. Agropoli onlus, coop. soc. Al di là dei sogni, Coop. soc. EVA, Associazione di Volontariato Onlus Black and White, Associazione Auser Caserta, Archdiocese of Capua – Centro Immigrati Fernandes, A.R.CA. Associazione Risanamento CastelVolturno, Associazione di volontariato medico sociale Jerry Essan Masslo, Coop. soc. DAVAR Onlus, Associazione Foro di Giano.

- To involve all citizens and instate them as leading players in the change process, through their participation in collective events and in the organisation of them, in a perspective of cooperation and openness to others and to change.

The Festival, now in its 6th year, obtained the Distinguished Patronage of the President of the Republic for the years 2011 and 2012.

The broad artistic areas of Festival events are: music, theatre, cinema, and literature, with particular attention to local cultures and traditions. The artistic presentations will always be accompanied by debates and discussions on social questions that impact on the community.

The Festival of Civil Involvement is now considered by many artists to be a leading venue at which to present their works and to create new ones.

The Festival has a bottom-up structure, and the organisations proposing events are invited to submit their possible contributions in accordance with guidelines and underlining the social use of confiscated criminal assets as a central theme. Every association or group that intends submitting a Festival event to the organising committee must respect the format and characteristics indicated by the promoter, and send in a detailed proposal form.

The entire project of the Festival, which depends on the commitment of so many volunteers from the Father Peppe Diana Committee and the Libera Association of Caserta, carefully watched over and coordinated by an attentive and prestigious Festival Artistic and Technical Committee, has, over the years, won the support of the Institutions, from the Office of the President of the Republic, to the Campania Regional Authority, the Caserta Provincial Authority, and the individual Municipal Councils. The 2013 Festival was included on the official programme to celebrate the 150th anniversary of the Unity of Italy.

The “Le terre di don Peppe Diana - Estate Liberi” (The Lands of Father Peppe Diana - Summer in Freedom) camps for volunteers

For many years now, the programme conducted in Caserta Province has seen thousands of young people from all over Italy choosing to take part in a civil training camp for volunteers on lands confiscated from the Camorra, managed by social cooperatives¹. The main object of the volunteer camps is to spread a culture founded on legality and social justice, able to be an effective counterweight to the culture of violence, privilege and blackmail.

Between the months of June and September, hundreds of young people belonging to scouting, parish, and environmental groups, as well as individual citizens, arrive in the Province of Caserta from all the Regions of Italy, to paint murals, build fences, set up libraries, refurbish rooms, scythe and mow, and cultivate hectares of land. Above all, they meet dozens of special witnesses living locally (family members of victims of the Camorra, anti-racket entrepreneurs, writers, social workers, etc.).

A fundamental characteristic of the Camps is in fact the deeper study of the phenomenon of organised crime through discussions with family members of victims of the Mafia, with representatives of the public institutions, and with those working in social cooperatives. The experience of the Work Camps is divided into three different kinds of work: agricultural labour or work on refurbishing the property; education; and meeting with locals for intercultural exchange. The activity of the Camps is the most effective example of how memories of the past can inspire commitment for the future; it is a tangible sign of the necessary change that must counter material and cultural Mafia culture.

“Facciamo un pacco alla camorra” (“Let’s give the Camorra a Christmas present”²)

“Facciamo un Pacco alla Camorra” is the result of a web project promoted by the Father Peppe Diana Committee, with the support of the NCO - New Organised Cooperation - Consortium³, which has involved numerous organisations, including social cooperatives, enterprises that have denounced racketeering, and associations.

1 For further information see <http://www.libera.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/7635>

2 The name of the initiative refers to regional slang of southern Italy, where the term “pacco” (literally “gift wrap”) is sometimes ironically used as a synonym for an unwanted “homage” such as a practical joke, con, or swindle.

3 <http://ncocooperazione.com/>

Products that have been created on confiscated properties are sold in various gift wrappings, thanks to the work of disadvantaged people who are members of cooperatives.

The initiative aims to promote innovative cultural and economic models, in particular that of the social economy as an antidote to the criminal economy, starting from the promotion of the activities that have sprung up on properties confiscated from the Camorra. In those places, these properties were once symbols of violence and oppression, and they are now restored to a new life, due to the collaboration with the public institutions and all social organisations in the territory.

The initiative, started up some years ago, has had a vast resonance both a national and international level. In 2012 it was presented to the European Parliament, receiving the commendation of its President, Martin Shulz¹.

Conclusion

The methodological approach underpinning the activities undertaken is based on the assumption that to defeat Mafia-style criminal organisations it is necessary to combine repressive actions with preventive strategies and measures, which weaken and destroy the "Mafia's (or Camorra's) social capital", interpreted as the network of relationships that enables such organisations to communicate in a lucrative manner with economic and social context within which they operate. The act of dismantling the "Mafia's social capital" can in fact lead to its being allocated differently, to support the promotion and substantive freedom of people and the general interests of a democratic community.

It means promoting programmes for the empowerment and development of territories, in which action is taken with regard to the supply and quality of the social capital, which helps to promote respect for democratic rules, civil life and public institutions. Such measures require the advocacy and the intervention of a variety of local players, institutional (and non-institutional) that establish voluntary, mutual and innovative relationships to reach shared social objectives, combining their resources and skills, to promote the gradual development of local well-being, free from Mafia-style oppression. The investment in social innovation involved in these measures may be essential for defusing the traps of non-development, fuelled by the powerful systems of organised crime.

This task of reallocating "democratic social capital" to local communities, returning assets gained illegally through organised crime to the community for social purposes, appears to be an effective strategy that should be encouraged and supported. From this perspective, the effective use of assets confiscated from Mafia-style organisations for social purposes may be considered an indicator of the effectiveness of the local Public Administration, and it can destabilise the traps of non-development and open up avenues for entrepreneurial innovators, both in terms of the public assets produced and the way in which they are produced.

The work performed using the AR method has made it possible to define, through extensive involvement of those potentially interested in the utilisation of confiscated assets - both institutional and non-institutional players - a series of critical issues underlying the failure to utilise such assets and, subsequently, to define and implement a plan of action to attempt to overcome them.

The major critical issues identified were as follows:

- a lack of information about the Regional Law and the number of properties confiscated locally;
- planning inadequacies;
- poor "team work" between various local players;
- "difficult" relationships between the institutions and social organisations;
- insufficient action to combat the issues/system;

¹ Video message from the President of the European Parliament, Martin Shulz, on 27/11/2012 www.youtube.com/watch?feature=player_embedded&v=AuuoIEMyYgM

- lack of attention to the symbolic value of the assets.

These difficulties have been tackled by promoting initiatives and projects that have brought together a multitude of local players, who have pooled their resources and skills to reach the common goal of promoting and implementing the use of properties confiscated from the Camorra.

The idea of using confiscated assets for social purposes has thus become an effective trigger for launching local empowerment processes, which has united the action of institutions and society around concrete projects with a high symbolic value and around initiatives designed to transform the cultural models of both young people and adults. At the same time, the results and practices that emerged were a stimulus towards preparation of the new Regional Law issued by the Region of Campania, R.L. no. 7 of 2012, which acknowledged the particular symbolic value that these assets have for local development.

Action taken on properties recovered from the Camorra has in fact been identified as a strategic option for the Region, transforming initiatives concerning such assets from being sector-focused to transversal, cutting across the sectors. In fact the Law sanctions "Ensuring that support for projects to utilisation confiscated criminal assets is a common objective of all Regional policies, guaranteeing [...] that criteria of prioritisation and the award of such assets in favour of such projects be included both in the requirements for Regional public notices, and in the context of carrying out the repairs drawing on [EU structural funds]" This support favours the social, joint and sustainable use of confiscated assets, rewarding initiatives implemented through "the creation of partnership networks, the integration of the weaker members of society, and the self-sustainability of the projects". The Law seeks to introduce, into assessments made by the Public Administration, a special focus on the reproducibility, throughout the entire Region of Campania, of those local empowerment processes that have been tested in the Province of Caserta.

The new Law provides for the institution of a Regional Observatory on Utilisation of Confiscated Assets, designed to coordinate all the actions taken in the Region regarding the social use of confiscated assets. The Observatory is identified in an innovative manner as a meeting point between local institutions and the most committed members of civil society, which, thanks also to specific IT systems providing information on quality as well as quantity, aims to involve and develop forms of active citizenship. The Law sanctions the idea that commitment on this front requires the involvement of a variety of players, both institutional and non-institutional, who must establish voluntary, mutual and innovative relationships to promote the gradual development of local well-being, free from Mafia-style oppression, thanks to the utilisation of assets recovered from the Camorra. Such an approach could help convert Mafia-style social capital into democratic social capital.

It must however be noted that in many cases there was a strong perception that local public players lacked sensitivity to and interest in the promotion and preparation of horizontal methods and tools for preventing and combating organised crime, through the utilisation of criminal assets for social and institutional purposes. This reluctance to take an active interest, which can be attributed to certain political attitudes on the part of local public decision makers, calls for special, additional reflection by organisations at a higher level, about the sort of control and direction that needs to be displayed, to ensure that public expenditure does not end up in the hands of those responsible for the backwardness and resistance to change of certain territories.

On the other hand, what appear to be emblematic and of particular interest are all of the successful, innovative initiatives undertaken by social organisations, as a form of horizontal subsidiarity, which show the potential to achieve positive results from the social use of confiscated assets, when there is a will to act in the general interest of the community.

Everything that has been accomplished has shown that the Action-Research method is an effective tool capable of introducing changes for the better, in practices surrounding the utilisation of confiscated assets, on the part of motivated social players. At the same time, the activities produced as a result of the re-allocation of confiscated assets can be seen as forms of social innovation, highlighting the effectiveness of those collective processes that serve to regenerate democratic social capital in local communities. The practices, methods, horizontal tools and strategies brought to light could, if the political will is present, translate into tangible improvements in the laws, regulations and procedures governing the utilisation and management of confiscated criminal assets.



Part 3. Integrations and conclusions

The Italian legislation and experience with regard to the seizure, confiscation and re-use of the assets of criminal organisations in a European perspective

Luigi GAY, Deputy Attorney of the Republic, Santa Maria Capua Vetere

In the field of modern strategies for the fight against the common and organised crime, the matter of patrimonial measures is acquiring an increasingly central role.

It is a vanguard sector of criminal law, the subject of growing attention at the national and transnational policy centres, as well as in the jurisprudence of the European Court of Human Rights and in those of other Countries, recipients of requests of international judicial collaboration.

On both the European and international levels, an orientation is increasingly gaining ground toward introducing of strengthening forms of “enlarged confiscation” based upon mechanisms of evidentiary simplification that unburden the obligation of the prosecutor to demonstrate the illicit origin of property or assets belonging to subjects taking part in criminal organisations, however not reducing trial guarantees.

I just wish to remind the European Union Council Framework Decisions 2005/212/GAI of February 24, 2005, and 2006/783/GAI of October 6, 2006, and lastly the Directive of March 12, 2013, which subsidize on one side the objective that all EU Member States provide with effective norms to discipline the confiscation of proceeds of crime, and on the other side underline the importance of the application of the principle of reciprocal recognition of the confiscation decisions, through the essential passage concerned with the harmonisation of the national laws.

The growing regard, as mentioned, of patrimonial measures in the field of the strategies for the fight against organised crime, was transferred into our judicial system as the configuration of a multiplicity of forms of seizure and confiscation that can be brought back to some specific categories and activated principally in criminal trials (preventive seizure, seizure for equivalent and so-called extended or enlarged confiscation, ex Art. 12 sexies Law Decree No. 306, June 8, 1992), but also in another ambition, denominated “Prevention Measures”, a judiciary category that is peculiar of our system.)

The Countries of the Western Balkans have been the ideal locations to analyse what is commonly defined as a European model of “Patrimony trial”, intended as an efficient strategy of fight against the economy of organised crime, that is, that complex of goods and economic relationships used for the conservation and development of criminal power.

The most diffused confiscation model in the European “landscape”, founded upon the presumption of illicit origin of the assets owned by subjects sentenced for specific crimes and connected to improper enrichment, can certainly be related to the so-called “extended confiscation” provided for by the Italian system at Art. 12 sexies of the Law Decree No. 306, June 8, 1992. The presumption of illicit origin is extended to the whole patrimony of the convicted, but under the condition that the prosecutor proves the disproportion between the patrimonial accumulation of the convicted and his/her income declared for tax purposes, or his/her legal economic activity.

This model is accompanied by the Italian system of personal and patrimonial prevention measures that, compared to the so-called civil forfeiture procedures, diffused in Anglo-Saxon systems (e.g. England, Scotland, USA, EIRE, Australia), feature the important advantage of using investigation instruments similar to the ordinary criminal trial, and is characterised by a certainly more libertarian probationary level, requiring for a rigorous demonstration of the illicit origin of goods or rather of the disproportion between the accumulated wealth and the legitimately acquired income.

The normative production and the experience in application acquired in Italy constitute, in my opinion, a coordinated complex of measures that give concrete answers to what is envisaged in the political programme of the Resolution on organised crime in the European Union, as adopted by the European Parliament on October 25, 2011, which had the objective of building a “European model of patrimonial intervention”, and which has as valuable benchmarks: the patrimonial prevention measures, the extended confiscation, the norms on the re-use of confiscated assets for social purposes, the activities of specialised investigation bodies (the National Anti-mafia Directorate; the Anti-mafia Investigating Directorate; the ROS - Special Operative Group - of the Carabinieri; the SCICO – Organised Crime Central Investigation Service – of the Guardia di Finanza, the Italian financial police; the SCO – Central Operative Service – of the State Police.)

An essential point in the Italian system is constituted by the capacity of combining effectiveness and trial guarantees in a relationship of reciprocal reinforcement, receiving a generously positive evaluation by the European Court of Human Rights, that recognised the preventive confiscation as being within the appreciation margin granted to every State in ruling the use of goods in conformity with the public interest, especially in the framework of policies directed at fighting the phenomenon of organised crime.

The system pertaining the procedures for the application of personal and patrimonial measures, as of Legislative Decree 159/2011, so-called “Anti-mafia Code”, is one of the most effective instruments.

In conclusion, one of the foremost reasons that led the Strasbourg Court to positively evaluate the Italian system of Prevention Measures is the libertarian contents of the application procedures, that are carried out in the debate between parts, with a notification analogous to that of criminal trials, against three successive jurisdictions, with the attribution to propose exceptions and to submit the means of evidence deemed as necessary. A judgement not founded, then, upon simple suspicion, but upon an objective assessment of the de facto circumstances proposed by the prosecutor and by the defence, on unjustified accumulation of wealth and on relationships with elements of organised crime.

In order to safeguard the application of the principle of reciprocal recognition of confiscation decisions, and consequently the circulation of Italian patrimonial measures in the European juridical space, the internal normative provision is not enough, but it is necessary to reformulate some of the norms included in the new Directive on the freezing and confiscation of proceedings of crime, submitted to the European Commission on March 12, 2012.

The matter is therefore the implementation of a European model of patrimonial intervention, which, in the current economic crisis, acquires an even higher relevance, in the realisation that illegal economies are likely to grow, which would be a source of momentous imbalance in the legal economic system.

In conclusion, the deficiencies observed in the cited Directive could cause numerous negative effects, among which the most serious would be the prevention of the circulation in Europe of extremely modern and effective confiscation instruments, the risk of not affecting the fictitious registration of goods, the weakening of the culture of proof and of trial guarantees, referring to generic judgement parameters, and the creation of obstacles to the social destination of confiscated assets, in the merely cash-wise perspective of the sale of such assets.

Conclusions: feasibility of the extension of the model of enlarged confiscation to the Western Balkans

Roberto FORTE, Executive Director, FLARE Network

During the last 10 years, and particularly in the last 5, we witnessed a repositioning of the European political framework. The Nineties were characterised by an almost exclusive centrality of the policies for economic development and the liberalisation of the market; the race of governments and European institutions to procure effective instruments to ride and tame the macro-phenomenon of globalisation has been at the centre of the political reflection and of the regulatory development.

At the beginning of the 21st century, generating from a series of cross-related events – such as the Twin Towers attack in New York – the explosion of a global financial and productive crisis, the re-explosion of massive – and less apt to be absorbed by economies affected by job crises – migratory phenomena, we witnessed the progressive repositioning of the focus of political reasoning from economic development to internal security.

Such repositioning has finally generated in the institutions and governments a different attention than in the past to the phenomenon of organised crime, both local and transnational. We witnessed a progressive – if still incomplete in our opinion – awareness of the fact that organised crime has become, and not so recently, a lumbering actor that besides moving in the sphere of criminal – and as such, socially dangerous – activities, operates in an increasingly massive fashion within our economic systems.

The evolution of criminal organisations in the latest 15 years followed, and at times anticipated, the phenomena of globalisation and “financialisation” worldwide, although forms of criminal organisation of international nature existed ever since the Eighties, especially oriented to drug trafficking; during the last decade we witnessed the replication of organised crime models not unlike large multinational companies in their internal organisation and structure. Furthermore, the endless opportunities for the movement of money that became the centre of advancement of the world’s finance, and the hyper-development of tax havens, created enormous chances for those who generate illegal economy.

Under an exquisitely sociological point of view, today the criminal organisations are born and develop around a basic concept: their primary scope is the accumulation of wealth, through which power and political control can be generated, in order to guarantee the organisation the persistence of the status quo. The criminal acts per se are irrelevant, be it drug trafficking, or human trafficking, or smuggling of toxic waste or weapons, etc.

This liberalisation of the financial market has factually opened a new channel investment for the criminal organisations to generate cash, and consequently power: money laundering, that turned from a cost to a source of profit.

The dangerousness of this phenomenon is threefold: firstly, it guarantees a new source of income to criminal organisations; secondly, it introduces an unfair competitor into the legal market, able to undermine the economic development of territories; lastly, but not least, it obviously continues to create social danger through the perpetration of crimes.

This introduction is useful to understand the importance of the repositioning of attention mentioned at the beginning: what becomes obvious if we take as an example the route taken by the European Union’s framework decisions on the matter of organised crime since 2001 (see Table 1) is that we finally realised that the mere action of fight against crimes is ineffective when such complex phenomena have to be faced, as they often have supra-national interconnections and remarkable distinctions in behaviour.

2001: Framework Decision on Money Laundering, the Identification, Tracing, Freezing, Seizing and Confiscation of the Instruments of and the Proceeds from Crime.
2003: the Framework Decision on Mutual Recognition of Orders Freezing Property or Evidence extends the mutual recognition to pre-trial orders thus accelerating the execution of freezing orders between member states. The 2006 Council Decision on the Application of the Principle of Mutual Recognition to Confiscation Orders applies the principle of mutual recognition to confiscation orders.
A further (2007) Council's decision obliges member states to designate at least one national Asset Recovery Office (ARO) and to ensure effective and simplified cooperation among them.
April 2009: the LIBE Commission passes a resolution at the European Parliament concerning measures of Freedom, Security and Justice. The resolution suggests to: "Reinforce EU policy regarding the fight against certain types of organised crime such as cybercrime, trafficking in human beings, sexual exploitation of children and corruption, by taking effective action and using all available cooperation tools to achieve measurable results, including action with a view to the adoption of a legislative instrument on the confiscation of financial assets and property of international criminal organisations and on their re-use for social purposes".
The "Pagano Report" of 2009, regarding the creation of a common EU criminal law framework, was approved by the European Parliament with 427 favorable votes, 49 black-balls and 9 neutrals. The Report recommends the Council of Europe to adopt a European legislation regarding the social re-use of properties and goods seized from organised crime.
March 2012: establishment of the Special Committee on Organised Crime, Corruption and Money Laundering (CRIM) at the European Parliament.

Table 1: EU Framework decisions and main developments concerned with organised crime

The real core of criminal organisations stands indeed in their assets; without adequate policies for the aggression to such resources, we are at risk of frustrating the actions of repression that operate on the perpetration of the crimes *per se*.

Of such a strategy, Italy is a forerunner Country: our long and unfortunately gory history with the mafias made it so that we developed more refined and advanced system for the fight against crime than other Countries, in all fields of the system of repression. In particular, one of the great turning points in the history of the fight against the mafias in Italy was the introduction of the Law "Rognoni – La Torre"¹ in the matter of property confiscation.

Exactly for all the considerations explained above, it is possible to fully understand the centrality of the aggression to criminal wealth in the policies for the repression of the phenomenon of organised crime. In this publication, we tried to focus upon two different perspectives related to this context of reference. On one side, we tried to analyse the regulatory and juridical responses of 4 Countries in a rather peculiar geographical area: on the other side, we tried to analyse the social evolution brought by the confiscation of criminal property in Italy, in order to try and outline a reference for policy making that could be implemented.

In the Country profiles we presented, two fundamental macro-phenomena can be noticed. There is a steady push toward the necessary standards – not only in the technical sense – for a possible accession to the European Union, and this led to strong reforms, also in the fields of the fight against organised crime and corruption, as shown by the regulatory frameworks we presented. We can also take into consideration that the social and economic pressure of organised crime in that area did progressively increase, in social and economic terms rather than in terms of criminalisation.

¹ Legge 13-9-1982, n. 646; called Rognoni – La Torre from the names of its promoters.

This situation paves the way for a more comprehensive line of reasoning on the importance of the confiscation of assets to criminal organisations. We are faced with the possibility to hit two targets at the same time: on one side, to strongly reduce the impact of criminal organisations, and on the other, to revamp the local and territorial economies.

By analysing the status quo, it is possible to realise, as explained above, that on all of our territories we find ourselves to deal with a double burden: on one side, we have a social risk, caused by the more or less heavy presence of criminal phenomena, and on the other side we have an economic actor as well, that directly influences the processes of democracy and the market even if it places itself out of their rules. How can a territory be competitive if it is burdened by the presence of, for instance, investors who are able to draw from funds originated by criminal activities, and as such can take advantage of a derisive price of money? How can the economy of a sector be developed, if it heavily influenced by assets criminally originated assets?

Here the perspective begins to become definite: the confiscation of assets leads as a first step to two results: the repression of the phenomenon, and the liberation of the economy by the effects of the phenomenon itself, by which it is curbed.

There we come to the second angle this publication handles, that is, the case of Italy, that tried to build policies for the re-use of confiscated property.

The long experience of Italy in the matter allowed us to test and validate on the field the combined effects of different policies for the fight against the mafias; numerous are the approaches experimented on the national and local levels, with different results – that lead however to the same conclusion.

An effective policy for the aggression to criminal assets opens a great opportunity for social and economic development to all Countries: such an opportunity is crucial, not only for the social and economic fortune of the territories, but also for the reinforcement of the efficacy of the actions of repression and especially prevention.

According to a study promoted by the Bocconi University¹, the average percentage of GDP generated by criminal activities in the Italian provinces between 2005 and 2008 is 10.9%, whereas, according to Friedrich Schneider², the ratio between GDP and shadow economy in European Countries ranges from 8.3% in Switzerland to 37.7% in Bulgaria³.

It is easy to understand how important it is to be able to bring a significant share of such riches from the hands of criminal organisations back to legal economy.

To achieve this, and to create a positive effect on all fronts, it is necessary to develop managed policies for the re-use of the assets taken away from organised crime. It is necessary for three crucial reasons.

The first is a simple criterion of convenience: in a moment such as this, when the global financial crisis is bringing whole Countries and production chains to deep water, those resources might be considered and used as a zero-cost strategic reserve to revamp the economy. Secondly, those resources might be considered such as a real ace in the pack, as they can be re-used to experiment new – and more sustainable – development models, and they can therefore pave the road to new forms of social economy, as experimented in Italy. Thirdly, they are crucial to come full circle in the institutional action of prevention and repression.

This last feature is critical: the implementation of a model that directly gives back to the citizens the benefit of those resources, that had been stolen from legal economy, generates without fail a renewed sense of trust and belonging in the institutions. If we consider in particular the territories where the presence of

1 Measuring the Underground Economy with the Currency Demand Approach: A Reinterpretation of the methodology, with an application to Italy. Guerino Ardizzi (Bank of Italy), Carmelo Petraglia (University of Basilicata), Massimiliano Piacenza (University of Torino), Gilberto Turati (University of Torino). Bank of Italy, 2012.

2 Size and Development of the Shadow Economy of 31 European Countries from 2003 to 2010. Friedrich Schneider, 2010.

3 These data aggregate the estimates on black labour; it is therefore difficult to calculate the quota of economy exclusively related to criminal organisations. By comparing other data, such as those cited in Ardizzi et al. – see the previous note – the “criminal economy” can be estimated at between 20% and 40% of the overall size of the shadow economy.

criminal organisations is very invasive, such as in Italy, or in the Balkan Countries briefly analysed here, it is easy to notice how the criminal organisations have the tendency to substitute for and integrate with the political and administrative system as well as the economic, creating a fracture between the institutions and the citizens, and thus undermining the activity of repression and especially of prevention of criminal phenomena.

Undoubtedly, to begin the creation of a virtuous circle that leads to the generation of positive economies on the local level – with the resources taken back from criminal organisations – a positive spiral is generated on the territories, drawing the civil society closer to the institutions, and indeed generating a hostile environment for the resurgence of organised crime.

As can be inferred by the contents of this publication, the situation in the target Countries present rather marked traits of homogeneity, both related to the presence and dangerousness of criminal phenomena on the territories and to the current normative developments undertaken by the governments in order to improve the effectiveness of the strategies for the fight against organised crime. As mentioned above, all the Countries taken into account are working to enhance their instruments for the confiscation of criminal assets, trying to align themselves as much as possible to the EU standards. In particular, all have deemed the Italian legislative framework as central and all have considerably drawn on it; especially Serbia, that through a OSCE programme has elaborated parts of its current legislation in collaboration with the Italian government. As can be inferred from Part 1, in all of these Countries there are prerequisites already in place in terms of juridical instruments for the enlarged confiscation and management of criminal assets.

Furthermore, significant traits of similarity exist between the target Countries and some geographical areas of southern Italy, in this specific case the province of Caserta. All the territories analysed suffer from a burdensome phenomenon of criminal infiltrations within economic scenarios that are per se already depressed, partly due to the infiltrations themselves, especially under the occupational point of view.

Therefore, the results achieved by the Italian policies and by the Province of Caserta in its own jurisdiction, albeit in an experimental and not yet complete fashion, can be considered as exportable and – with the opportune modifications and legislative adaptations – applicable in all the target Countries.

The model described here in Part 2, a model which contributes in the creation of a virtuous circle, is a neutral model, that is, although generated from - and for - territories with specific social and cultural characteristics and with specific criminal phenomena to confront, it substantially underlies simple basic principles, that are apt to be adapted to any context. Under a strictly normative point of view, none of the Countries analysed is very far from the possible application of a system of confiscation and managed re-use of resources taken away from criminal organisations; actually, it is already possible, de jure, to implement such a model. The crime of criminal association exists in different forms in all five Countries; Croatian law provides for the “confiscation per equivalent” (see page 12), whereas Macedonia-FYROM, Montenegro and Serbia introduced the “expanded confiscation” principle; the Serbian law even provides for the reversal of the burden of proof, similarly to Italy, under certain conditions (see page 25); and the Bulgarian law provides for the possibility of social re-use (see page 30), although this instrument mainly used for movables and seldom applied.

The essential obstacle to the implementation of such strategies for the fight against organised crime is to be recognised as the consequence of a social and cultural barrier, which is anyhow the case in Italy as well.

As well described in the Chapter “Symbols and resources of free communities. Research - action results and good practices”, hindrances and mistrust still exist between the citizens and the institutions regarding the policies for the fight against organised crime, as well as misconceptions in the application of the principle of subsidiarity. Such issues are inherent to the very nature of the matter at stake. Historically, ever since the birth of the rule of law, justice and its administration, as well as the protection of citizens, are and must remain an exclusive prerogative of the State, that exerts it through its bodies. This did create, and still does create, a natural diffidence on one side, and a normal reluctance when it comes to unite the State and the citizens to build policies to fight organised crime.

In Italy, this still stands as a grounds of confrontation and dispute of democratic spaces: the Italian civil society has a long and regrettably gory history of social anti-mafia, and over the years it succeeded in acquiring a role, recognised by the institutions. Nevertheless, the issues underlined in the aforementioned chapter by Mr Baldascino make us understand how long the route still is.

In the target Countries, even though there is a strong ferment within civil society, which experienced remarkable social and cultural dynamics, especially in the latest 20 years, there is no real awareness of the role of citizens in this scope. Very few are the organisations that engage themselves in the field, and under the point of view of public opinion the debate can be considered as non-existent. Furthermore, the relationships between the State and the citizens still resents the recent conflicts and nationalisms. This bring to an extremely high level of “delegation” by the citizens to the State. But then, the state structures themselves – think for instance to Serbia – discourage the proximity of the citizens to the political and administrative matters, by means of strong centralisation of the power in the hands of the central government, with the consequence of an exiguous autonomy of cities and provinces.

On the other side, it is undeniable that organised crime is a cumbersome reality, heavily impacting the analysed economies, and therefore societies. It is then very important to be able to foster the attempt to create synergies between the State’s policies and the citizens. In order to achieve this, it is necessary to work on two fronts in parallel: on one side, it is necessary to try and generate social attention to the theme of organised crime, to build paths to active citizenship, stimulating the growth of an informed social fabric, attentive and ready to support and sustain policies for the prevention and managed re-use of the resources, and therefore involved in the territorial development; on the other side, it is necessary to continue the endeavour of information and training addressed to the State’s bodies appointed to face these phenomena, so that they fully understand its importance and that they try and manage the gradual, and my opinion beneficial, engagement of civil society in the processes of governance and of prevention and non-repressive fight against organised crime.

For these reasons, we believe it to be essential that the opportunity we face be seized: coordinated and cohesive policies by the European institutions and by all states, to intensify and coordinate the action of aggression to criminal wealth, can generate in a relatively short time a bulk of freed resources, that in this phase could support our societies in the path out of the economic crisis. Moreover, it might constitute an outstanding opportunity to reform our development model, building participative routes with the citizens in order to inaugurate a phase of cultural and social innovation, that might in turn influence the efficacy of the prevention of phenomena such as the mafias and organised crime.

Bibliography

Please Note: items marked with a star () pertain to the bibliography of the chapter "Symbols and resources of free communities. Research – action results and good practices"*

* Amadore N. (2007), *La zona grigia. Professionisti al servizio della mafia*, La Zisa, Palermo,

* Amerio P. (2000). *Psicologia di comunità*. Bologna, Il Mulino

Anastasijevic, Dejan, *Organized Crime in the Western Balkans*, 2006, HUMSEC Human Security, Terrorism and Organised Crime in the Western Balkans, http://www.humsec.eu/cms/fileadmin/user_upload/humsec/Workin_Paper_Series/Working_Paper_Anastasijevic.pdf

* Arcidiacono C.(2001) "Appartenenza, senso di comunità e identità personale tra eccesso e negazione" in *Identità personale. Un dibattito aperto*. (Bottani, Vassallo cur.) CNR, Centro di studi sulla filosofia contemporanea, pp. 45-64, Loffredo Editore, Napoli.

Ashtalkovska, Tatijana, *Extended confiscations regulated in Macedonian criminal law: in law and in practice*, International Seminar "The Italian, Bulgarian and Balkan Experience in Investigating, Confiscating and Administering Property Acquired from Criminal Activity. SAPUCCA - Sharing Alternatives Practices for the Utilization of Confiscated Criminal Assets"

ASTRA – Anti Trafficking Action, *Human trafficking in the Republic of Serbia, Report for the period 2000-2010*, 2011, <http://www.astra.org.rs/eng/wp-content/uploads/2008/07/palermo-2010-ENG-web.pdf>

* Baldascino M. e Mosca M. (2011), "Il ruolo dell'Impresa Sociale nel processo di trasformazione del Welfare", lavoro presentato al V Colloquio Scientifico Nazionale sull'Impresa Sociale, Università Bocconi..

* Baldascino M. e Mosca M. (2012), "La gestione dei beni confiscati: un'occasione perduta per le imprese sociali?", in "L'impresa sociale in Italia. Pluralità dei modelli e contributo alla ripresa", (a cura di) Venturi P. e Zandonai F.), *Altroeconomia*.

* Baldascino M. e Mosca M. (2012), *Sussidiarietà orizzontale, welfare comunitario ed economia sociale*, De Frede, Napoli.

* Baldascino M. e Mosca M. (2012), "Il modello di cogestione del welfare di comunità: l'esperienza della Campania" in "La sussidiarietà orizzontale. Economia, politica, esperienze territoriali in Campania" (a cura di) Marco Musella, Carocci editore.

* Baldascino M., Pannella R., Addelio E., (2007), "Simboli e risorse di comunità libere. Contesti e pratiche per l'uso sociale di beni recuperati alla camorra", Osservatorio provinciale sull'uso sociale dei beni confiscati alla camorra.

* Barca F. (2013), *Metodi e obiettivi per un uso efficace dei fondi comunitari 2014-2020*, Ministero per la coesione territoriale, Roma.

* Beccatini G. (1989), *Modelli locali di sviluppo*, Il Mulino, Bologna.

* *Beni confiscati alle mafie: il potere dei segni. Viaggio nel paese reale tra riutilizzo sociale, impegno e responsabilità*, Fondazione Libera Informazione, (2010), Roma.

Bilgen, Arda, *Trafficking of Women in the Balkans: A Modern-Day Slavery*, March 25, 2012, The European Strategist, <http://www.europeanstrategist.eu/2012/03/trafficking-of-women-in-the-balkans-a-modern-day-slavery/>

Bodrero, Lorenzo, *EU Commission fosters confiscation of mafia assets*, March 14, 2012, Flare Network, http://www.flarenetwork.org/report/analyses/article/eu_commission_fosters_confiscation_of_mafia_assets.htm

* Borzaga C e Musella M., (2003), (a cura di) "Produttività ed efficienza nelle organizzazioni non profit". Casa editrice Edizioni 31, ISBN 88-88 224-13-0.

* Borzaga C e Fazzi L, (2011), *Le imprese sociali*, Roma: Carocci.

* Borzaga C. e Zandonai F. (2009), *L'impresa sociale in Italia. Economia e istituzioni dei beni comuni*, Donzelli editore, Roma.

* Bruni, L., Zamagni, S. (2004), "Economia Civile. Efficienza, equità, felicità pubblica", Il Mulino, Bologna.

* Centorrino M., Signorino G. (1993), "Criminalità e modelli di economia locale", in Zamagni S. (a cura di) (1993), *Mercati illegali e mafie. L'economia del crimine organizzato*, Il Mulino, Bologna.

* Centorrino M., La Spina A., Signorino G. (1999), "Il nodo gordiano. Criminalità mafiosa e sviluppo nel Mezzogiorno", Laterza, Roma-Bari.

CODEXTER Committee of Experts on Terrorism, Profiles on Counter-Terrorist Capacity, The Republic of Serbia, March, 2012, http://www.coe.int/t/dlapil/codexter/Country%20Profiles/CODEXTER%20Profiles%20_2012_%20Serbia_EN.pdf

CODEXTER Committee of Experts on Terrorism, Profiles on Counter-Terrorist Capacity, Croatia, April, 2009, http://www.coe.int/t/dlapil/codexter/4_theme_files/Country_Profiles/Codexter%20Profile%20%282009%29%20Croatia.pdf

* Coleman J. S, (1990), "Foundations of Social Theory", Cambridge, Mass., Cambridge University Press.

* Commissione Consiliare Speciale III (Controllo sulle bonifiche ambientali e sui siti di smaltimento rifiuti e ecomafie e riutilizzo dei beni confiscati) del Consiglio Regionale della Campania, *Relazione delle audizioni del 6/10/2010, 19/10/2010, 02/11/10 e 30/11/10.*

* Commissione parlamentare d'inchiesta sul fenomeno della criminalità organizzata mafiosa e similare. *Relazione sullo stato di attuazione della normativa e delle prassi applicative in materia di sequestro, confisca e destinazione dei beni della criminalità organizzata, 17-11-2007*

* Davigo P., Mannozi G. (2007), *La corruzione in Italia. Percezione sociale e controllo penale*, Laterza, Roma-Bari

* Directorate General for Internal Policies, Policy departments B & C, *Western Balkans – Towards a more integrated Europe*, April 2011, <http://www.europarl.europa.eu/committees/en/cult/studiesdownload.htm?languageDocument=EN&file=35611>

Ecchia G., Tortia E., (2009), *Impresa sociale e sviluppo economico locale*, in (a cura di) Borzaga C. e Zandonai F. (2009), *L'impresa sociale in Italia. Economia e istituzioni dei beni comuni*, Donzelli editore, Roma.

Echo, Sofia, *Organised crime and the Balkans*, June 4, 2010, Flare Network, http://www.flarenetwork.org/report/analyses/article/organised_crime_and_the_balkans_100720.htm

European Commission, *Communication from the Commission to the European Parliament and the Council on the Main Findings of the Comprehensive Monitoring Report on Croatia's state of preparedness for EU membership*, October 10, 2012, http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/hr_rapport_2012_en.pdf

European Commission, *Commission Communication to the Council and the European Parliament of 2 June 2005: "Developing a strategic concept on tackling organised crime"*, June 2, 2005, http://europa.eu/legislation_summaries/justice_freedom_security/fight_against_organised_crime/l33250_en.htm

European Commission, *Commission Staff Working Document, Montenegro – 2012 Progress Report, accompanying the document Communication from the Commission to the European Parliament and the Council Enlargement Strategy and Main Challenges 2012-2013*, October 10, 2012, http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/mn_rapport_2012_en.pdf

European Commission, Commission Staff Working Document, Serbia – 2012 Progress Report, accompanying the document Communication from the Commission to the European Parliament and the Council Enlargement Strategy and Main Challenges 2012-2013, October 10, 2012, http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/sr_rapport_2012_en.pdf

European Commission, Commission Staff Working Document, The Former Yugoslav Republic of Macedonia – 2012 Progress Report, accompanying the document Communication from the Commission to the European Parliament and the Council Enlargement Strategy and Main Challenges 2012-2013, October 10, 2012, http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/mk_rapport_2012_en.pdf

European Commission – Press release, Crime does not pay: cracking down on criminal profits, March 12, 2012, http://europa.eu/rapid/press-release_IP-12-235_en.htm?locale=fr
Ferrara, Cecilia, The new “Balkan warriors”, Flare Network, http://www.flarenetwork.org/report/enquiries/article/the_new_balkan_warriors.htm

Forte, Roberto, An antidote against organised crime: confiscation and social re-use, March 1, 2010, Flare Network, http://www.flarenetwork.org/report/enquiries/article/an_antidote_against_organised_crime_confiscation_and_social_re_use.htm

Foster, Katelyn, Croatia: Corruption, Organized Crime and the Balkan Route, January 25, 2012, Adriatic Institute for Public Policy.

Freedom House, Freedom in the World 2012 – Country Reports, <http://www.freedomhouse.org/report/freedom-world/freedom-world-2012>

* Fukuyama F. (1996), *Fiducia*, Rizzoli, Milano.

* Gui B., Sugden R., (2005) “Economics and Social Interactions”, Cambridge University Press.

* Hansmann H.B., (1980), “The Role of Nonprofit Enterprise”, *Yale Law Journal*, 89, pp. 835-901.

* Iamiceli P., (2009), “La disciplina dell’impresa sociale: potenzialità, limiti e prospettive”, in (a cura di) Borzaga C. e Zandonai F. (2009), *L’impresa sociale in Italia. Economia e istituzioni dei beni comuni*, Donzelli editore, Roma.

Institute for Comparative Political Research, Faculty of Social Studies, Masaryk University, Organized Crime in the Western Balkans, Working Paper for the ECPR Conference in Pisa, 6-9 September 2007, http://ispo.fss.muni.cz/uploads/2download/Working_papers/ispo_wp_2007_5.pdf

* Karadaku, Linda, Balkans embraces asset forfeiture to fight organised crime, July 6, 2012, Southeast European Times in Pristina.

* La Spina A., Lo Forte G. (2006), “I costi dell’illegalità”, *Rivista economica del Mezzogiorno*, 3-4, pp. 509-570, settembre-ottobre.

Lewin K. (1946), *I conflitti sociali*, Milano, Franco Angeli, 1980.

Mafia News, Nikica Jelavic – Uncrowned King of Zagreb’s Mafia, July 11, 2008, mafia-news.com

MANS, Capacities to fight corruption and Anticorruption policies, December 17, 2009, <http://www.mans.co.me/en/fight-against-corruption/corruption-and-eu-integrations/areas/capacities-to-fight-corruption-and-anticorruption-policies/>

MANS, Judiciary, December 17, 2009, <http://www.mans.co.me/en/fight-against-corruption/corruption-and-eu-integrations/areas/judiciary/>

MANS, Money laundering, December 17, 2009, <http://www.mans.co.me/en/fight-against-corruption/corruption-and-eu-integrations/areas/money-laundering/>

* Mattei U. (2011), “Verso un nuovo paradigma”, in “I beni della comunità. Asset comunitari tra tradizione e modernità”, (a cura di Zandonai F.) in *Communitas* n. 51, Vita altra idea, Milano, p.231-239.

* Mezzogiorno e politiche regionali Seminari e convegni Workshops and Conferences, Banca d’Italia 2009.

* McMillian, D.W., Chavis, D.M. (1986), *Sense of Community: A Definition and Theory*, *Journal of Community Psychology*, 1, pp. 6-23.

Michaletos, Ioannis, *Balkan based organised crime activities gaining ground*, October 22, 2010, Flare Network, http://www.flarenetwork.org/report/analyses/article/balkan_based_organised_crime_activities_gaining_ground.htm

Michaletos, Ioannis, *The Balkan Gate of Transnational Cocaine Trade*, August 6, 2012, Worldpress.org

Michaletos, Ioannis, *Trends in Balkan Organized Crime Activities*, April 1, 2011, Worldpress.org.

MONEYVAL Committee of experts on the evaluation of anti-money laundering measures and the financing of terrorism, CDPC European Committee on Crime Problems, *Mutual Evaluation Report, Anti-Money Laundering and Combating the Financing of Terrorism, Montenegro*, March 17, 2009, http://www.coe.int/t/dghl/monitoring/moneyval/Evaluations/round3/MONEYVAL%282009%2910Rep-MNE_en.pdf

MONEYVAL Committee of experts on the evaluation of anti-money laundering measures and the financing of terrorism, CDPC European Committee on Crime Problems, *Mutual Evaluation Report, Anti-Money Laundering and Combating the Financing of Terrorism, Serbia*, December 8, 2009, http://www.coe.int/t/dghl/monitoring/moneyval/Evaluations/round3/MONEYVAL%282009%2929Rep_SER3_en.pdf

MONEYVAL Committee of experts on the evaluation of anti-money laundering measures and the financing of terrorism, CDPC European Committee on Crime Problems, *Third Round Detailed Assessment Report on Croatia, Anti-Money Laundering and Combating the Financing of Terrorism*, April 10, 2008, http://www.coe.int/t/dghl/monitoring/moneyval/Evaluations/round3/MONEYVAL%282008%2903Rep-HR3_en.pdf

MONEYVAL Committee of experts on the evaluation of anti-money laundering measures and the financing of terrorism, CDPC European Committee on Crime Problems, *Third Round Detailed Assessment Report on "the former Yugoslav Republic of Macedonia", Anti-Money Laundering and Combating the Financing of Terrorism*, July 16, 2008, http://www.coe.int/t/dghl/monitoring/moneyval/Evaluations/round3/MONEYVAL%282008%2921SumMKD3_en%201.pdf

* Mosca M. e Villani S. (2011), *"L'impresa sociale ed il riutilizzo a fini sociali dei beni confiscati: verso un nuovo modello di sviluppo del Mezzogiorno fondato sul capitale sociale e sul "territorio"*, in *Impresa sociale*, 2011, in corso di pubblicazione.

* Mosca M. e Villani S. (2010), *"Il ruolo dell'impresa sociale nella produzione di fiducia. Il caso del riutilizzo a fini sociali dei beni confiscati alle mafie"*, lavoro presentato al IV Colloquio Scientifico Nazionale sull'Impresa Sociale, Università Roma Tre, 20-22 Maggio 2010.

* Musella M. (2008), *L'economia politica e le miserie del presente*, Giappichelli, Torino.

* North, D. C. (1994), *"Istituzioni, cambiamento sociale, evoluzione dell'economia"*, Il Mulino, Bologna.

OCCRP Organized Crime and Corruption Reporting Project, *Balkans: Shifting Landscape of Human Trafficking*, August 6, 2012, <https://reportingproject.net/occrp/index.php/en/ccwatch/cc-watch-indepth/1612-balkans-shifting-landscape-of-human-trafficking>

Petrillo, Roberta, *The Shadow Triangle: when smuggling replaces welfare*, April 19, 2012, Flare Network, http://www.flarenetwork.org/report/analyses/article/the_shadow_triangle_when_smuggling_replaces_welfare.htm

* Putnam R. D. (1993), *"La tradizione civica nelle regioni italiane"*, Mondadori, Milano.

* Putnam R. D. (1995), *"Bowling Alone: America's Declining Social Capital"*, in *Journal of Democracy*, n.1, pp. 65-78.

* Rappaport J. (1984), *Studies in Empowerment: Introduction to the Issue*, *Prevention in Human Services*, 3, pp. 1-7.

* *Relazione illustrativa alla Proposta di Legge Regionale campana, R.G. n°154 del 21/01/2011*

Republic of Croatia, Criminal Code, The Official Gazette of the Republic of Croatia 'Narodne novine' (NN) No. 110 of October 21, 1997, and Corrections to the Criminal Code NN 27/98 of February 27, 1998, Amendments and Supplements to the Criminal Code NN 129/2000 of December 22, 2000, Amendments to the Criminal Code NN 51/2001 of June 6, 2001, Amendments and Supplements to the Criminal Code NN 111/2003 of July 15, 2003.

Republic of Croatia, Criminal Procedure Code, The Official Gazette of the Republic of Croatia 'Narodne novine' NN 152/08 and NN 76/09 of July 3, 2009,

Republic of Montenegro, Criminal Code, Official Gazette of the Republic of Montenegro no. 70/2003, and Correction no. 13/2004

Republic of Serbia, Criminal Code, Official Gazette of Republic of Serbia, Nos. 85/2005, 88/2005, 107/2005

Republic of Serbia, Criminal Procedure Code, PR Number 89, Belgrade, September 28, 2011

Republic of Serbia, Ministry of Justice, Law on Seizure and Confiscation of the Proceeds from Crime, Official Gazette of the Republic of Serbia" No. 97/08

* Sales I. (1993), *La camorra, le camorre*, Editori Riuniti, Roma.

* Saviano R. (2006), *Gomorra. Viaggio nell'impero economico e nel sogno di dominio della camorra*, Mondadori, Milano,

* Sciarrone R. (2011), (a cura di), *"Alleanze nell'ombra. Mafie ed economie locali in Sicilia e nel Mezzogiorno"*, Fondazione Res,

* Sen A. (2001), *"Lo sviluppo è libertà, perché non c'è crescita senza democrazia"*, Economia Oscar saggi Mondadori, Milano

* Svimez, *"Rapporto Svimez 2010 sull'economia del Mezzogiorno"*, Il Mulino, Bologna.

* Tartaglia Polcini G. (a cura di) (2006), *Manuale delle buone prassi- Le buone prassi in materia di confisca e gestione dei beni confiscati*, Ministero dell'interno –Dipartimento della Pubblica Sicurezza, Napoli,

Transcrime, The Office of the Special Coordinator of the Stability Pact for South Eastern Europe, Seci Regional Centre for Combating Trans-border Crime, The contribution of data exchange system to the fight against organised crime in the see countries – Final Report, November 2004, http://transcrime.cs.unitn.it/tc/fso/pubblicazioni/TR/10_Data_Exchange.pdf

Transparency International, Corruption Perceptions Index 2012, December 5, 2012, www.transparency.org

* Trigilia C. (2006), *"Sviluppo locale, un progetto per l'Italia"*, Laterza, Bari.

UNODC United Nation Office on Drugs and Crime, Crime and its impact on the Balkans and affected countries, March 2008, http://www.unodc.org/documents/data-and-analysis/Balkan_study.pdf

UNICRI United Nations Interregional Crime and Justice Research Institute, The Fight against Organised Crime in Serbia, From the Existing Legislation to a Comprehensive Reform Proposal, 2008, UNICRI

United States Department of State, Bureau of International Narcotics and Law Enforcement Affairs, 2012 International Narcotics Control Strategy Report (INCSR) - Volume I: Drug and Chemical Control, March, 2012, <http://www.state.gov/documents/organisation/187109.pdf>

United States Department of State, Bureau of International Narcotics and Law Enforcement Affairs, 2012 International Narcotics Control Strategy Report (INCSR) -Volume II: Money Laundering and Financial Crimes, March, 2012, <http://www.state.gov/documents/organisation/184329.pdf>

United States Department of State, 2012 Trafficking in Persons Report - Croatia, June 19, 2012, <http://www.unhcr.org/refworld/docid/4fe30cd331.html>

- * Wallerstein N. (2006). What is the Evidence on Effectiveness of Empowerment to Improve Health?, Copenhagen, WHO Regional Office for Europe (Health Evidence Network report; December 2007)
- * Zamagni S. (1993), "Mercati illegali e mafie. L'economia del crimine organizzato", Il Mulino, Bologna.
- * Zamagni S., (2005) "Dalla Filantropia all'impresa sociale", Aiccon, sito www.aiccon.it.
- * Zandonai F. (2011), (a cura di), "I beni della comunità. Asset comunitari tra tradizione e modernità", *Communitas* n. 51, Vita altra idea, Milano, ISBN 978-88-95480-00-8 ISSN 1825-4993
- * Zimmerman, M.A. (2000). Empowerment Theory. Psychological, Organizational and Community Levels of Analysis. In Rappaport, J., Seidman, E., *Handbook of Community Psychology*. New York: Kluwer Academic/ Plenum Publishers

Table of Contents

Organised Crime and the Fight Against Crime in the Western Balkans: a Comparison with the Italian Models and Practices. General overview and perspectives for the future	1
Foreword	3
<i>The Project: activities, results, general overview and prospects for the future</i>	5
Part 1. Organised crime in the Western Balkans	9
<i>Introduction: the general situation of organised crime in the Western Balkans</i>	11
<i>Croatia</i>	15
<i>Macedonia</i>	21
<i>Montenegro</i>	25
<i>Serbia</i>	31
<i>Management and disposal of confiscated criminal assets in Bulgaria</i>	37
Part 2. The Italian approach	47
<i>Fighting organised crime: the case of Caserta</i>	49
<i>Symbols and resources of free communities. Research - action results and good practices</i>	53
Part 3. Integrations and conclusions	71
<i>The Italian legislation and experience with regard to the seizure, confiscation and re-use of the assets of criminal organisations in a European perspective</i>	73
<i>Conclusions: feasibility of the extension of the model of enlarged confiscation to the Western Balkans</i>	75
<i>Bibliography</i>	81

