

Europe-wide operations against OCG involved in online fraud

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The Public Prosecution Office (PPO) of Dresden, the Saxon State Office of Criminal Investigation (SSOCI) and the PPO of Vilnius conducted a successful six-year investigation, 'Operation Warenagent', into organised cyber fraud, delivering a major hit against an international organised criminal group (OCG). Eurojust and Europol provided support to the national authorities throughout the investigations.

Currently, 17 suspects are accused of having illegally obtained merchandise worth over EUR 18 million through a large number of fraudulent online orders.

In October 2017, Lithuanian and German police officers conducted 11 searches in various Lithuanian cities, leading to the arrest of 5 suspects. In the period from 12 to 15 June 2018, a cross-border operation was carried out in different States across Europe: 31 private residences and business premises were searched in Germany, Lithuania, Estonia, Switzerland, Cyprus, the UK, Finland, Latvia and Ukraine, 6 arrests were made in Germany, Switzerland and Lithuania, and the organiser of the OCG was arrested in Cyprus. Two further actions, with 4 arrests and 10 searches, took place in Lithuania between 26 and 29 June 2018.

The Dresden PPO's Department for Organised Crime, together with the CyberCrimeCompetenceCenter SachseN (SN4C) of the SSOCI, began investigating in September 2015; the PPO of Vilnius as well as the Vilnius Regional Police began investigating in September 2013. As a result of the judicial cooperation between the German and Lithuanian authorities, five coordination meetings were held at Eurojust. The two countries entered into a joint investigation team (JIT) with the support of Eurojust. The JIT helped simplify and accelerate the exchange of case-related information between the national authorities concerned. In total, national authorities from eight European countries were finally involved in the investigations. Eurojust contributed to the successful outcome of the operations by coordinating the pretrial investigation with national prosecutors and police officers as well as by facilitating and supporting the international judicial cooperation. Europol joined the JIT at a later stage and assisted in its activities.

The lengthy and extensive investigations revealed that since 2012, more than 35 000 pieces of high-quality merchandise, such as smartphones, computers, navigation devices, TVs, vacuum cleaners or branded clothing, are alleged to have been illegally obtained by the OCG, which maintained a strict hierarchy and distribution of roles. Various shippers ordered the merchandise through a network of agents recruited in Germany, using fraudulently obtained credit card information. The agents acted as recipients of the merchandise, and transferred the shipments to addresses located abroad. The merchandise was then forwarded to other accomplices to conceal their own as well as the final

recipients' identities. The illegal merchandise was reportedly sold mainly in Eastern Europe, i.e. Russia, Ukraine and the Baltics.

Difficulties encountered in the investigations included the following: offenders were active online using only nicknames and encrypted access codes; all payments were made using cryptocurrencies; and the OCG members communicated online using sophisticated databases regularly updated with illegal activity reports. The investigations led to the determination of the identity as well as the whereabouts of the alleged leader and other members of the OCG. In Finland, one person operating as parcel recipient and shipper was caught in the act.

The OCG members are accused of crimes related to tax evasion, money-laundering, participation in a criminal organisation, as well as production of counterfeit electronic means of payment, forgery of genuine electronic means of payment and unlawful possession of electronic means of payment or data thereof. According to the Lithuanian penal code, the sanctions for the aforementioned crimes may range from 6 up to 15 years of imprisonment.

During the operations, a large amount of data storage devices and valuables were seized. The evaluations of the extensive quantity of seized evidence, as well as further investigations, are in progress. Eurojust will continue to strengthen the judicial cooperation among European countries and provide them with operational and financial assistance, as well as legal advice and expertise, to combat cross-border organised criminality.