



2016  
**ANNUAL REPORT**

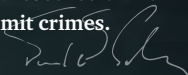


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The fundamental idea behind the establishment of ØKOKRIM was to provide police and prosecuting authorities with the wherewithal to investigate society's most resourceful individuals and entities when they commit crimes.



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## Preface

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As in previous years, most of ØKOKRIM's resources in 2016 were focused on investigating and prosecuting serious economic and environmental crimes, with a large number of days spent in court. Significant resources were also allocated to assisting other domestic and foreign police agencies, and the number of cases where ØKOKRIM provides assistance to the investigations of other agencies has increased. The need to balance the available resources between own cases and providing assistance is one of the reasons why the number of new cases opened in 2016 is so low.

The fundamental idea behind the establishment of ØKOKRIM was to provide police and prosecuting authorities with the wherewithal to investigate society's most resourceful individuals and entities when they commit crimes. Criminal justice will lose legitimacy if the general perception prevails that these individuals can commit their crimes with impunity while the less resourceful are caught and prosecuted.

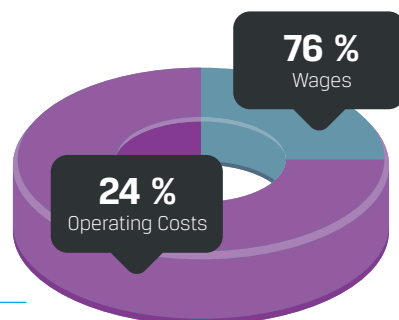
factors: Cross-disciplinary investigation teams with leading national expertise, led by the same people that will present these cases in court, often all the way to the Supreme Court. A dedicated focus on serious economic and environmental crimes, preventing resources from being reassigned to other crime categories. Sufficient independence to handle cases involving high-level executives and officials.

ØKOKRIM's staff is eager to ensure the continuous development of new methods and solutions to raise the quality of its work. This is expected to generate substantial added value to the new groups targeting economic crime, now being set up in the 12 new police districts. Developments in this crime category – both as regards crimes that harm society as a whole and crimes that harm businesses and individuals – indicate that we must use this opportunity to significantly strengthen the police's efforts in this area.

ØKOKRIM's advantage lies in the combination of three

Director of ØKOKRIM **Trond Eirik Schea**

## ØKOKRIM statistics 2016



Resources	2014	2015	2016	Unit
<b>Budget (as approved at 31 December)*</b>	151 687'	153 922'	156 963'	NOK thousand
– Of which wages:	112 579'	120 380'	116 301'	NOK thousand
– Of which operating costs:	38 245'	33 179'	35 979'	NOK thousand
<b>Full-time equivalents (employees as at 31 December)</b>	144	145	145	Number

\* Earmarked funds not included.

Results (key figures)	2014	2015	2016	Unit
<b>Cases under investigation</b>	25	27	27	Number
<b>New cases</b>	25	15	12	Number
<b>Case processing time</b>	248	298	313	Days
<b>Clearance rate</b>	88	92	95	%
<b>Decisions to proceed with prosecution</b>	41	20	29	Number
<b>Court cases (District Court, Court of Appeal, the Supreme Court)</b>	28	30	20	Number
<b>Final decisions</b>	31	35	35	Number
<b>Convictions in final decisions</b>	94	85	71	%
<b>Enforceable confiscations/financial sanctions</b>	1 575**	84	69	Mill. NOK
<b>Cases in which ØKOKRIM provided support</b>	57	47	64	Number
<b>Suspicious transactions reports</b>	5 795	4 714	8 776	Number

\*\* The figure includes compensation awarded following the reopening of and a new final and enforceable judgment in the Finance Credit case.

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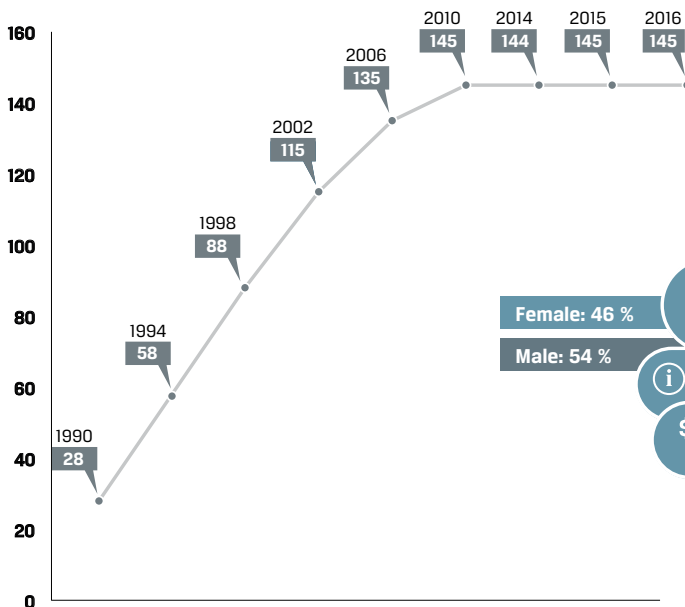
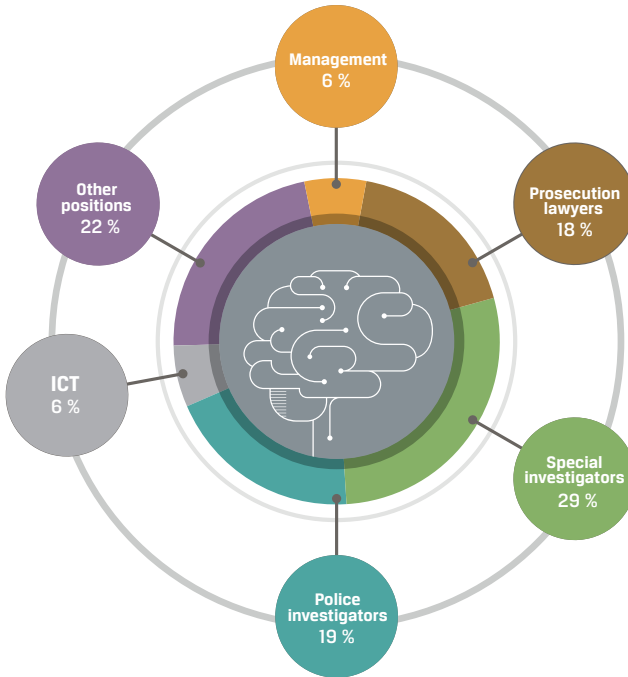
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## ØKOKRIM's expertise





The most extensive case involved fraud  
of more than EUR 300 million  
in multiple EU countries.



## Assistance provided to 20 police districts

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In 2016, ØKOKRIM assisted 20 different police districts in cases involving economic or environmental crimes. Assistance was provided in broad range of economic cases, but also in other major investigations into human trafficking (prostitution), as well as one case involving multiple police districts where large quantities of illegal firearms and ammunition were seized.

Two public prosecutors' offices and the Norwegian Bureau for the Investigation of Police Affairs also received assistance from ØKOKRIM. ØKOKRIM and the National Criminal Investigation Service (NCIS) worked closely together in a major labour-market crime case which is expected to result in an indictment in spring 2017, and support was provided in the Lime case trial, which was ongoing for most of 2016.

ØKOKRIM also receives letters rogatory from abroad, and provided assistance to 18 different countries in 2016. The most extensive case involved fraud of more than EUR 300 million in multiple EU countries.



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NTAES was established as part of the government's strategy.

## NTAES established

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As part of the government's strategy to combat labour-market crime, a decision was made in January 2016 to establish a National cross-disciplinary analysis and intelligence centre (NTAES) at ØKOKRIM. The centre's partner agencies are the Tax Administration, the Customs Service, the Labour and Welfare Administration, the Labour Inspection Authority and the Police Directorate. NTAES opened in June 2016.



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The significant increase in the number of reports is probably due to both raised awareness of the threat posed by money laundering and terrorism financing among entities required to report suspicious transactions, as well as closer follow-up of and dialogue with these entities.

## Cooperation yielded increase in suspicious transaction reports

The number of suspicious transaction reports submitted to ØKOKRIM's Financial Intelligence Unit (FIU) increased from 4,714 in 2015 to 8,776 in 2016. The reports submitted by those entities required by law to report suspicious transactions, such as banks, lawyers, securities firms and estate agents, make up an important element in a well-functioning effort to combat money laundering. The significant increase in the number of reports is probably due to both raised awareness of the threat posed by money laundering and terrorism financing among entities required to report suspicious transactions, as well as closer follow-up of and dialogue with these entities.

ØKOKRIM experiences that key players in the estate agency business are showing a significant commitment to these efforts, resulting in a tripled number of reports from estate agents.

Although the number of suspicious transaction reports are at a record level, there is reason to emphasise that the quality of the reporting varies substantially and that some product areas and reporting segments are almost completely absent from the statistics, without ØKOKRIM being aware of any natural explanation for this.

The activities at FIU have, in addition to covering national intelligence needs, been characterised by the work on the new national threat assessment and the government's national strategy to combat money laundering, terrorism financing and financing of the spread of weapons of mass destruction. FIU has also participated in the Money Laundering Act committee, which published Official Norwegian Report 2016:27 in December.

### Suspicious transactions

Category	2016
Lawyers, etc.	12
Others covered by the Money Laundering Act section 4	67
Banks	6 292
E-money businesses	0
Dealers in objects	62
Insurance companies	68
Estate agents	134
Accountants	69
Auditors	50
Securities firms, etc.	9
Payment solution providers	2 013
<b>TOTAL</b>	<b>8 776</b>

## An overview of the case processing at ØKOKRIM



**Handing of  
incoming  
cases**



**Investigation**



**Decision to  
prosecute**



**In court**



**Final and  
enforceable judgment**



Potentially criminal matters are reported to ØKOKRIM by companies, private individuals, estates in bankruptcy, government ministries or supervisory agencies such as the Financial Supervisory Authority of Norway, the Tax Administration and the Norwegian Gaming Authority. ØKOKRIM decides which matters to investigate. At year-end, there were 27 cases under investigation.

ØKOKRIM conducts searches and makes seizures, often in the form of databases, computers, mobile phones and the like. Suspects and witnesses are interviewed, and many cases are also investigated abroad. During this stage of the investigation, the suspect will often be formally charged. The average case processing time from when the case came in and until a decision to prosecute or not was made was 313 days in 2016.

Once the investigation has been completed, there are several possible outcomes: the person charged can be fined in lieu of prosecution or be indicted, or the case can be dropped. ØKOKRIM only indicts when the prosecutor in charge of the case is convinced that the person charged is criminally liable and that this can be proven in court. The criminal case can also be decided without an indictment or main proceedings, as a summary trial on full confession, should the required terms and conditions be met.

Once an indictment has been issued, the case is scheduled for court proceedings. A defendant can be found guilty, partially guilty or not guilty. The case is first heard by the district court, but the outcome can be appealed to the court of appeal and then to the Supreme Court. Twelve out of 20 cases prosecuted in court by ØKOKRIM in 2016 were appeals.

The final and enforceable judgment can find the defendant not guilty or punishable by imprisonment (suspended or immediate), fine, confiscation, payment of legal costs or loss of rights. The Norwegian Correctional Services is responsible for ensuring that those found guilty serve their penalty. If certain terms and conditions are met, the Norwegian Criminal Cases Review Commission can reopen cases decided by a final and enforceable judgment. ØKOKRIM's average conviction rate for the last three years is 83 per cent.



Frankfurt DAX Index

6932.00

11567.62

5.5

-0.02%

0.12%

Frankfurt DAX Index

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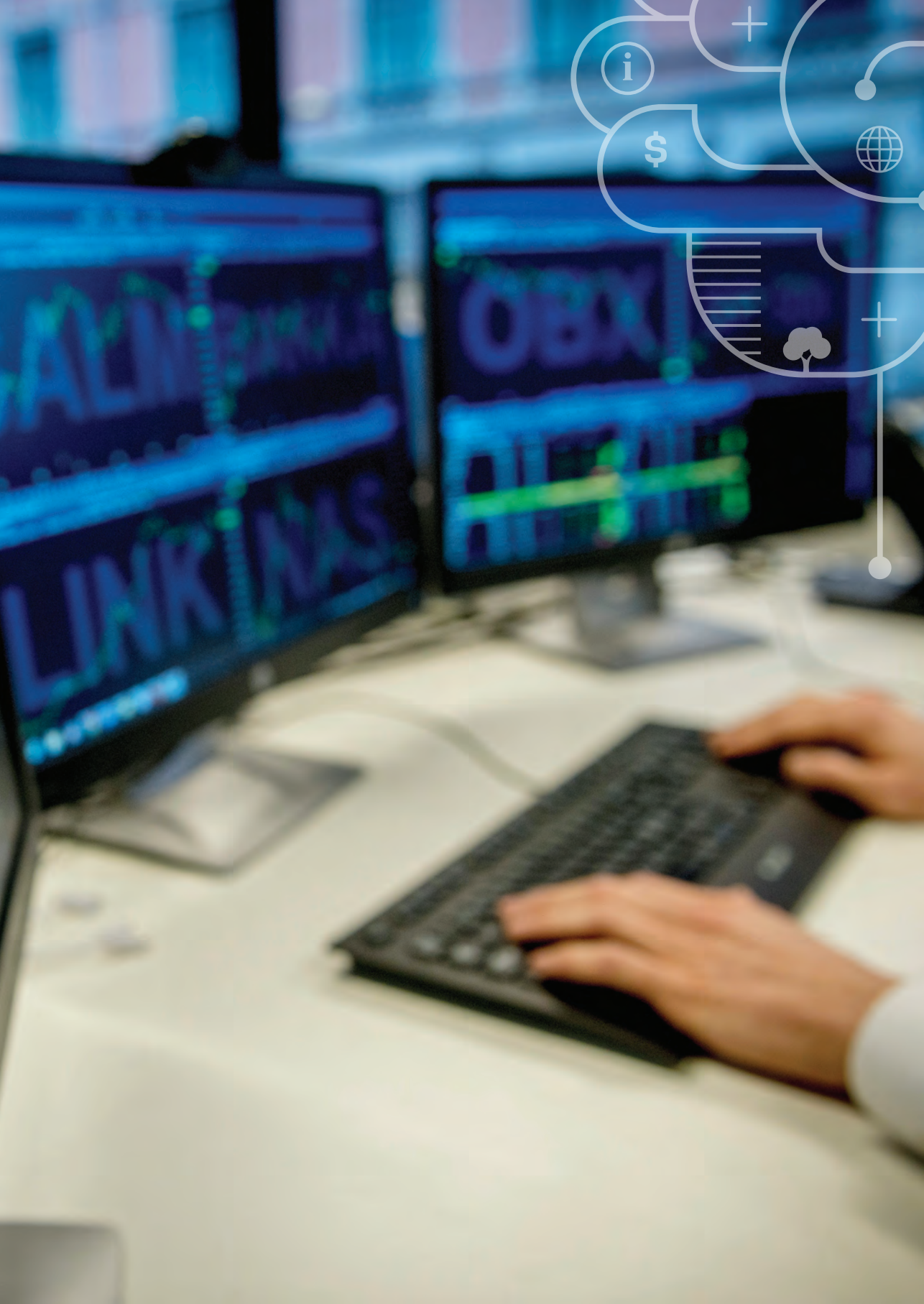
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The Yara case is the most serious corruption case ever heard in Norway, considering the size of the bribes.

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## International investigation of the Yara case

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In December 2016, the jury of Borgarting Court of Appeal found the former legal director of Yara International ASA guilty of two counts of aggravated corruption, in Libya and in India. The Yara case is the most serious corruption case ever heard in Norway, considering the size of the bribes. The case is also serious due to the facts that it involved a high-ranking executive in a listed company and that the persons bribed were high-ranking public officials. The bribes offered amounted to approx. NOK 43.5 million, and were camouflaged as agent fees. Three other persons were also indicted, but were found not guilty. The judgment, handed down in January 2017, sentenced the former legal director to seven years in prison. The judgment has been appealed to Norway's Supreme Court and is therefore not final and enforceable.

In January 2014, Yara accepted a fine in lieu of prosecution issued by ØKOKRIM, totalling NOK 295 million for the matters covered by the conviction, and one other matter involving payment of bribes to a supplier in Russia.

ØKOKRIM has conducted an extensive international investigation in the matter, and has received substantial assistance from authorities in Switzerland, France and the USA to uncover the facts. In all, 13 jurisdictions have assisted ØKOKRIM in the investigation.



In a decision announced in November 2016, the European Court of Human Rights ruled that Norway had not violated protocol 7, article 4 of the European Convention on Human Rights



## The European Court of Human Rights upholds Norwegian Supreme Court judgment

In a decision announced in November 2016, the European Court of Human Rights ruled that Norway had not violated protocol 7, article 4 of the European Convention on Human Rights (the case A and B v. Norway, applications nos. 24130/11 and 29758/11) in connection with the handling of two criminal cases. The background for the ECHR case was two ØKOKRIM cases in which two persons were convicted of aggravated tax fraud. In parallel with the prosecutions, the two persons' tax assessments were amended and an administratively stipulated penalty tax of 30 per cent was imposed pursuant to the Tax Assessment Act. The penalty tax decisions were not appealed, and their processing concluded before the criminal cases were decided. The convicted persons claimed that the criminal cases against them should have been stopped when the penalty tax was imposed, as continued prosecution would violate the ECHR's rules on double jeopardy. The Norwegian Supreme Court considered this in a case against one of the two in 2010, but unanimously decided that continuation of the prosecution to achieve a decision would not violate the ECHR's rules on double jeopardy, as the penal sanctions imposed were causally and temporally closely connected. The question that the ECHR had to decide was whether such parallel penal proceedings as seen in these cases violated the European Convention on Human Rights. The ECHR upheld Norway's Supreme Court decision from 2010.





## NOK 59 million tax fraud

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2016 saw convictions in three ØKOKRIM cases where personal taxpayers were charged with extensive tax fraud totalling NOK 59 million. The largest case involved tax fraud of NOK 37 million. The persons charged were sentenced to three, two and four years in prison, respectively. Some of the penalty for the first two offenders was suspended. Two of the judgments are now final and enforceable.

## Return of material from the Netherlands

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A Dutch national had taken a tool artefact and other old antler materials from an old protected butchering site on the Hardangervidda mountain plateau back to the Netherlands with him. When Norwegian cultural heritage authorities became aware of this, the Dutch national was reported to the police for violation of the Cultural Heritage Act and the Penal Code's misappropriation provisions.

The Ministry of Culture demanded the return of the artefact from Dutch authorities via the EU information system for the inner market, IMI. ØKOKRIM aided the process with expertise and coordination between the parties involved, and provided assistance to the Ministry of Culture in the work to have the artefact returned. The tool artefact was returned in August 2016. This is the first time that Norway or anyone has exercised the IMI directive's provisions on return of cultural artefacts.



The fact that the Supreme Court applied the Penal Code section 152b, with a maximum penalty of six years' imprisonment, in its sentencing, sends a powerful signal that this type of environmental crime must be taken seriously and severely penalised.

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## Stricter penalty for poaching

In September 2016, the Supreme Court handed down one of the most important environmental crime judgments ever in Norway (the Supreme Court's judgment of 1 September 2016). The Supreme Court handed down stricter sentences for four men convicted of illegal wolf hunting in Elverum in February 2014. The case involved only attempts at illegal hunting, as no wolves were shot. The Supreme Court ruled that the illegal hunting should be penalised pursuant to the Penal Code and not the Nature Diversity Act, and therefore handed down stricter sentences. The sentences ranged from four to twelve month's immediate imprisonment. In addition, the four men were sentenced to suffer the loss of the right to hunt for an extended period. They were sentenced for trying to kill a wolf, section 152b of the Penal Code of 1902, i.e. aggravated environmental crime.

The fact that the Supreme Court applied the Penal Code section 152b, with a maximum penalty of six years' imprisonment, in its sentencing, sends a powerful signal that this type of environmental crime must be taken seriously and severely penalised.



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## The Panama Papers

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On 3 April 2016, media all over the world published information from the massive Panama Papers document leak. 11.5 million documents were leaked from the law firm Mossack Fonseca in Panama.

ØKOKRIM has kept in close contact with the tax authorities in 2016 to discuss possible cases of tax evasion in connection with the Panama Papers. ØKOKRIM considers that the use of tax havens remains a common strategy to evade contributing to the public purse. By transferring revenues and assets to companies in tax havens, it becomes more difficult for Norwegian authorities to stipulate correct taxes. ØKOKRIM and Norwegian tax authorities are working internationally, through e.g. OECD, to find solutions that will make it easier to reveal such strategies across national boundaries.



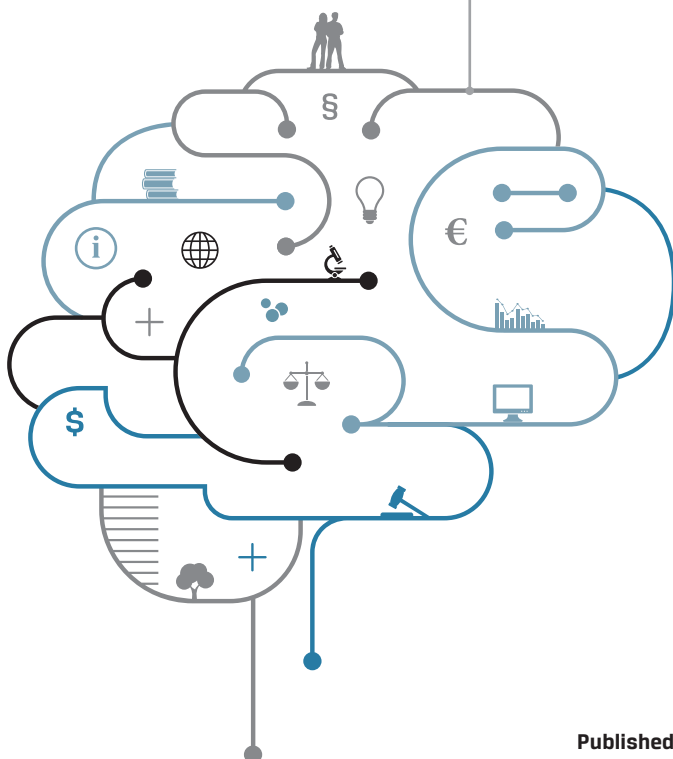
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## ØKOKRIM and the media

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ØKOKRIM experiences that its prosecutions attract great interest from the media. In 2016, printed media published more than 1600 items about ØKOKRIM, according to the database Atekst. The media monitoring company Opoint counted a total of 5000 news items mentioning ØKOKRIM in paper, radio, TV and online media in 2016. The online media are the largest category, contributing almost half the items. ØKOKRIM publishes items on all indictments and judgments on its own website, and also uses Twitter and LinkedIn to distribute news, vacant positions and the like.



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