

REPUBLIC OF MACEDONIA  
MINISTRY OF INTERIOR



**Serious and Organized Crime  
Threat Assessment**

## SERIOUS AND ORGANIZED CRIME THREAT ASSESSMENT

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*Developed during the project “Enhancing Capacities for Strategic Analysis and Strategic and Strategic Assessments in the Criminal Investigation Directorates of the Serbian, Montenegrin and Macedonian Ministries of Interior”*



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S k o p j e

## **SERIOUS AND ORGANIZED CRIME THREAT ASSESSMENT**

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## FOREWORD

*Dear all,*

*It is my pleasure to introduce you the First Serious and Organized Crime Threat Assessment (SOCTA). This document, as the name itself presents, is an assessment of the present and expected future threats from organized and serious crime in regards to our country.*

*I hope that this document will be a basis for further reports, but also a challenge for undertaking decisions for organized and comprehensive approach towards combating crime.*

*The fighting against serious and organized crime is a strategic priority of the Ministry of Internal Affairs. The big part of the Assessment is based on an existing knowledge and expertise and it is created in order to enable the decision makers to undertake certain measures when dealing with growing threats.*

*All the national law enforcement agencies gave their significant contributions to the preparation through submitting intelligence information, strategic analysis and work reports which, along with the publicly available information, enabled the creation of the overall image of the organized crime in the Republic of Macedonia.*

*I would like to express my special gratitude to the Organization for Security and Cooperation in Europe (OSCE), the Government of Switzerland and DCAF which enabled support within the project “Strengthening the capacities for creating SOCTA in the Republic of Macedonia, Serbia and Montenegro”, and also to the experts from EUROPOL who provided support in the whole creating process.*

*The last, and maybe the most important, the employees from the Ministry of Internal Affairs who participated in the creation of this document also deserve respect. I appreciate their work and effort and I thank them for this significant and pioneer work. The Assessment will be an important step for increasing the cooperation between different competent law enforcement agencies and our national and international partners. It will contribute to the further development of joint tasks in fighting against organized and serious crime.*



**Director in Public Security Bureau  
Mr. Goranche Savovski**

## LIST OF ABBREVIATIONS

|       |  |
|-------|--|
| ATM   | Automated Teller Machine                             |
| ATC   | Amphetamine stimulus                                 |
| DCAF  | Democratic Control of Armed Forces                   |
| EU    | European Union                                       |
| MOI   | Ministry of Interior                                 |
| OCG   | Organized crime group                                |
| OSCE  | Organization for Security and Co-operation in Europe |
| OCG   | Organized Crime Groups                               |
| SELEC | Southeast European Law Enforcement Center            |
| SEPA  | Single Euro Payments Area                            |
| SOCTA | Serious and Organized Crime Threat Assessment        |
| UNODC | United Nations Office on Drugs and Crime             |
| USA   | United States of America                             |
| VAT   | Value Added Tax                                      |

## Introduction

The Serious and organized crime threat assessment is a strategic report whose goal is to identify the current threats, to determine priorities and to suggest future activities for eliminating or reducing these threats. The creation of this document will contribute to a better and wider understanding of the criminal phenomena and it will serve as an alarm, which in the coming years will signal for new and significant criminal activities.

Serious and organized crime represents the most complex and the most dangerous crime, which threatens the security of the country, its economy, the rule of law and the democracy and it increases the vulnerability of the countries, including the Republic of Macedonia. This crime is dynamic, flexible, includes a huge variety of criminal activities and in great deal is invisible and connected with the legal business. The prevention and the suppression of serious and organized crime, to a great extent depend on the recognition of the complete picture of this crime and the consequences of its activity.

This Assessment will, first of all, assist the political decision makers, law enforcement agencies, as well as all affiliated sides dealing with transnational organized and serious crime in this time of globalization when the borderlines do not represent obstacles at all to the criminals. At the same time, it will help in undertaking initiatives for efficient actions against serious and organized crime in terms of better prevention, intervention and cooperation, in order to ensure safety in the country, to increase the public trust, and to effectively protect the state and its population from the consequences of this crime.

The national assessment is made within the project “Strengthening the capacities for creating SOCTA in the Republic of Macedonia, Serbia and Montenegro”. This Assessment represents a public version of the National Serious and Organized Crime Threat Assessment. Beside this version, a classified version is being made, which is available only to the decision makers within the Ministry of Internal Affairs.

The aim of this report is to identify, in a single document, the present and future threats of organized and serious crime in the Republic of Macedonia. In addition, this document will provide a signpost to the


decision makers for possible measures and activities which should be undertaken to reduce the threats



## Terms of reference

The National Serious and Organized Crime Threat Assessment (SOCTA) is prepared at the request of the leadership of the Bureau for Public Security. The crime areas that are analyzed in the National SOCTA are determined in the Strategic assessment of the Bureau for Public Security, done in March 2015. For the preparation of the National SOCTA a working team within the Bureau for Public Security has been formed, composed of analysts who took part in specialized training courses in the area of strategic assessment. Experts from EUROPOL provided the training for the analysts and they also mentored the whole process.

This National SOCTA does not include the terrorism as a separate phenomenon, as well as the ties between the terrorism and the organized and serious crime. The Assessment also does not include the money laundering and the corruption as a separate area of crime; it considers them as facilitators of the areas of crime that are analyzed.


The report is prepared using methodological approach with an exceptional focus on the organized crime groups, on the areas of serious and organized crime and the acting in the surroundings 

## Methodology


The threat assessment is being made in accordance with the methodology prepared by the working team and it is derived from the Serious and organized crime threat assessment (SOCTA) – Methodology in 2012, developed by EUROPOL. While preparing the report the working team determined the assessment margins within the crime areas which are subject of the analysis. Thus, a developed conceptual model was used for collecting information, where all sources for gathering information were identified. Information was gathered based on questionnaires that were previously prepared and distributed to the institutions and organizations.

During the process of analyzing the gathered information, assessment methodology for intelligence information evaluation was used, so called 5x5. In addition, for each crime area several indicators were taken into consideration, such as: indicators for organized crime groups, indicators in the area of serious and organized crime and Effect-indicators.

The processing and analyzing of the gathered information are made by methodological approach using crime relevant factors (crime enablers). Scanning of the environment in which law enforcement agencies operate was also carried out. As a result of such analysis, hypotheses were formed for each crime area which describe possible future trends in the area of Serious and Organized Crime. In addition, according to the SMART model, specific, measurable, achievable, real and time relevant recommendations were prepared. The ranking of the crime groups is made in accordance with the methodology established in the Guidance for crime researches and dealing with crime groups of the Bureau for Public Security. Crime networking is a process which is developed in order to identify, assess, manage and consider the crime groups (CG) which operate in the Republic of Macedonia.

In processing and analyzing the information, the software NVivo 10, aimed for advanced quality researches, was used 

## Sources of information

The assessment was made based on previously prepared questionnaires which were distributed to the MOI organizational units. The information available from annual reports, and conducted investigations in certain crime areas were also utilized. International reports which are quoted in details in the notes of this report (footnotes and end-notes) were used as well. Besides, other open sources information was taken into consideration 



# EXECUTIVE SUMMARY

**S**erious and organized crime in the Republic of Macedonia is manifested through the organized crime groups (OCGs) acting on a national and regional level in one or more crime areas in order to acquire financial and material benefit. In the organized and serious crime, OCGs use all the financial resources at their disposal, they apply expertise for concealing the criminal activities and in certain situations they use legal businesses for accomplishing criminal aims – gaining profit. The serious and organized crime is adjusted to the surroundings. The involved persons apply countermeasures for protection and innovation in their methods and a moderate influence in the public sector through corrupted activities. The main crime areas which the criminal actors are engaged in are drug trafficking, smuggling of migrants, cyber-crime, property crime, smuggling of goods and tax evasion.

Organized crime groups in the Republic of Macedonia through their criminal activities act on both national and international level, mostly in drug trafficking, smuggling of migrants, and violent and serious crime. They differ according to their number, origin of the members and are not characterized with a strict hierarchy. Beside the groups which act occasionally, certain OCGs are characterized with continuity in their activities which is based on family ties, or on criminal interests. One third of the OCGs are poly-criminal since they spread their criminal activities in many crime areas. The

biggest part of the OCGs do not have a big financial power at their disposal and in their criminal activities they corrupt employees working on a lower levels in the institutions, thus they acquire protection in their criminal performance. For their protection, they use simple and traditional criminal countermeasures, as well as the legal businesses in their criminal acts. Violence occurs only in sporadic cases within the groups and out of them. The control over crime areas is noticeable only with certain OCGs and criminal activities are tolerated only with some ethnic communities in environments where the group members live and it is manifested with an ignorance of the criminal activities.

Drug trafficking is one of the most profitable criminal activities which includes the biggest number of the OCGs. Republic of Macedonia represents transit area through which a part of international routes passes. It is a territory that produces certain types of drugs and there is also a drug market as a final destination. In the heroin trafficking OCGs that organize international transports aiming the Western European countries are included. Small quantity ends up on the local drug market. The origin of the heroin is Turkey, which comes to the Republic of Macedonia through Greece and Bulgaria; it is partially stored for the further transport or it transits directly towards Kosovo or Serbia to the final destination. Cocaine is represented in small portions on the drug market in the Republic of Macedonia, generally because of the high price and a small demand for this type of drugs. Republic of Macedonia is an extension to the already established

transport routes for cocaine through the transit points in the ports of the states in the region. Cocaine trafficking is usually secondary criminal activity of the OCGs which use the same modes, routes and resources that are already established for the other types of drugs. Marijuana trafficking recorded expansion in the previous period, until the reduction of production in the Republic of Albania, which was the major supplier to the market. After this reduction the offer declined which resulted in a price increase on the market. The largest amount of marijuana that entered from Albania was intended to be transported to the European Union countries. A certain part ends up on the domestic market. With reduced supply of marijuana produced in Albania the production of marijuana in Macedonia is intensified. Synthetic drugs on the local market in Macedonia mostly originate from the neighboring countries in the region and they enter in smaller quantities. There is an upward trend regarding the popularity of synthetic drugs on the drug market, especially ecstasy, due to the lower price compared to the prices of other types of drugs that are in growth. The synthetic drugs trafficking is a secondary criminal activity of the OCGs that have already established methods of drugs trafficking. Besides the ecstasy, as the most represented on the drug market, new types of synthetic drugs appeared. There are attempts by OCGs for domestic production of the synthetic drugs. Illegal migration has reached the highest level in Macedonia with the increased number of migrants from North Africa and the Middle East that use the "Western Balkan"

route as a part of the secondary movement towards the final destination - the European Union countries. The illegal crossing of the state border on the entry from Greece and at the exit towards Serbia is being facilitated by the local crime groups which collect money for their services (for the acceptance), for providing temporary residence and transportation through the territory of the state and over the illegal crossings. The surroundings, in which the crime groups act, meaning the political decisions regarding the potential migrants or refugees, have an impact on the scope of this crime area. The high prices for services while smuggling migrants through the country and the huge demand are making this crime area highly profitable in the criminal circles, they strengthen OCGs and they increase the need of creating criminal ties with crime groups abroad.


Cybercrime is a fast growing criminal activity that includes criminal acts committed through Internet or through other forms using computer technology. The development and the increased use of Internet technology have a huge impact on the development of this crime area - a facilitator of the criminal activities. The increased use of Internet in the business sector with using payment cards for online purchase, electronic transactions between business entities and business Internet communication make this crime area attractive for crime groups and individuals. The individuals who are involved in this crime area, besides cooperating with individuals abroad, increase their skills for executing criminal activities and for concealing them. They

direct their activities towards destinations abroad, in cooperation with associates from abroad due to Internet frauds in which data for electronic addresses are collected and exchanged, as well as numbers of payment cards, user names of the e-mails, profiles on social networks and e - banking accounts.

The main forms of tax evasion in the Republic of Macedonia occur at the creating of the tax report, while hiding a part of the revenues in the "Offshore" states, filing false reports or fictitious documents, untaxed benefits, abuse of humanitarian organizations, hiding the corporate ownership and calculations of wages. In some cases the tax evasion appears as a secondary activity in some other crime areas in which the OCGs use legal businesses. The members of the OCGs are often managers, or authorized personnel in legal entities, who create fictive invoices and fictive contracts for non-existing business relations in order to acquire unlawful material benefit.

Property crime is the most present in the criminal surroundings with registered criminal offenses and offenders in which severe thefts dominate. Due to the high level of committed severe thefts and the serious material damage caused, this crime area represents serious threat to the security of the citizens and the property. Most often the targets of serious thefts are residential properties. The thefts are executed by individuals – recidivists who often organize themselves in groups. The professionalism of some of the groups while executing serious thefts is significant. They become mobile, execute series of serious thefts, change locations and they are involved in other

crime areas. While committing severe thefts money, valuable objects, weapons and technical goods are stolen. Robberies have a continuous trend of decreasing with the highest percentage of registered robberies executed outdoors. The least represented are robberies of business facilities where perpetrators target the cash funds.

Republic of Macedonia represents a country of origin, transit and a final destination of smuggled goods. The most smuggled goods are tobacco and tobacco products, textile products, golden and silver jewelry, medications, medical products, electrical equipment and mobile phones. The main factors of influence on the smuggling of goods are economic differences in the surrounding states as well as incompatible fiscal policy in the region. In the criminal activities on smuggling goods, in most cases the members of OCGs are not involved, but temporarily united persons who acquire significant financial funds through tax evasion, excise goods and customs. Smuggling of cigarettes, as the most smuggled merchandise by OCG in Macedonia, records a decline in the last period 

# CRIME RELEVANT FACTORS

**Geo-strategically** Macedonia is located in the central part of the Balkan Peninsula and at the junction of the main east-west and north-south corridors resulting in increased flow and circulation of passengers, which has an impact on the transit and transport of illegal goods, mainly drugs. Contributors to this condition are also the neighboring countries that produce illegal goods (drugs and cigarettes) and they use the territory of Macedonia as a transit country to the final consumers.

The different levels of **economic development** of the countries in the region, the non-compliant fiscal policy and the big difference in the prices of certain goods in the countries in the region, stimulates the smuggling of goods.

Kin ties, friendship, work related and other **ties with the diaspora** in Europe, facilitate the crime by providing logistical and financial support.

**The infiltration of legitimate businesses** facilitates the crime through the means of transport and depots, and also cause unfair market competition.

Avoiding the payment of taxes to the country leads to **unfair competition** with regard to the goods brought into the country by paying taxes.

By actualizing the legalization of cannabis and its use for medical purposes in the region, **social tolerance** that facilitates the execution of this criminal business is increasing.

There is a “hidden” tolerance of the Albanian ethnic community in the living environment of

the members of criminal groups dealing with this criminal activity and the criminal activities are not being reported due to the fear of revenge.

The **social tolerance** is partially present when it comes to smuggling, especially in the border areas of the Macedonian-Bulgarian border, where the people that carry out this type of crime live.

Incomplete **implementation of legislation** by the judicial authorities not imposing measures as confiscation of property for persons involved in criminal activity, when a disproportion between current assets and legally generated income is evident 



# Organized crime groups

**Organized crime groups are involved in drug trafficking, migrant smuggling, violent and serious crime at national and international level. Some 26% of organized crime groups are poly-criminal and operate in more than one area of crime. Relations between the members of organized crime groups are often based on family or friendly relationship. More than half of the organized crime groups are medium-sized composed of five to 14 members. The acquired funds from criminal activities are laundered through investments in financial markets, in legitimate businesses, movable property or real estates. A small number of organized crime groups use corruption in their criminal activities; this is especially present among lower level law enforcement officers and influencing on the trials in relation to their members.**

## Organized crime groups

According to the national legislation of the Republic of Macedonia, the crimes committed by an OCG is defined as a criminal act performed by a structured group of three or more persons, which exists for a certain period of time and which acts in order to execute one or more criminal acts, aiming directly or indirectly to gain financial or other benefit, for which the imprisonment of at least four years is envisaged.

46 OCGs have been identified in the period 2013-2015 in Macedonia, out of which 31 are OCGs with high level of organization and 15 OCGs with low level of organization, and they operate both nationally and internationally. **The areas of crime** in which they operate often include drug trafficking, and violent and serious crime. Most of the OCGs have been created by their members who are still active within these groups. There is membership continuity and the organizers of the groups rarely change. OCGs, which are created exclusively with short-term criminal interest, do not have continuity in the execution of their criminal activities. The connections within the structure of the OCGs is mostly characterized with family ties and with criminal interests among friends, which is especially expressed in the top of the OCGs structure that act for longer period of time.

**The OCGs structure** is not strictly defined and they are connected through families and friends, especially the core of the structure. The criminal interest connects the members of the group and provides continuity in OCGs acting on a long term, while the OCGs that are connected just for a short term criminal interest do not have continuity in performing their criminal activities. The ethnic background of the members of the OCGs provides the homogeneity of the group.

Macedonian nationality dominates in 52% of the cases with OCGs, in 43% of the cases the Albanian

nationality dominates, and in 5% of the cases other nationalities are prevailing. It is estimated that about 63% of the OSGs are composed of five to 14 members, 22% of the OCGs are composed of 15 members or more, and 15% of the OCGs consist of three or four members.

OCGs in the Republic of Macedonia are involved in drug trafficking, economic organized crime, violent and serious crime and smuggling of migrants on **regional and international level.**

Considering the **type of crime** in which they are involved, 43% of the OCGs are involved in only one crime area, 26% of the OCGs are poly-criminal and act in several crime areas, 20% of the OCGs are involved in one crime area, but occasionally engage in other crime areas. For 11% of OCGs the crime areas,

**In the period 2013/2015, in the Republic of Macedonia are identified 46 OCGs, of which 31 are OCGs with high level of organization and 15 OCGs with low level of organization, and that with their criminal activities operate on a national and international level. The areas of crime, which often include the act of drug trafficking, violent and serious crime.**

in which they are active, are not clearly identified. OCGs that operate for a longer period, are typically involved in drug trafficking, violent and serious crime. Few of the OCGs operate in financial crimes.

According to the **financial power**, most of the OCGs do not have big financial assets, which limit their accessibility to the resources. OCGs that obtain relatively bigger financial ability invest a part of their financial assets in a legal trade through legal businesses they possess, invest in real estate, luxurious vehicles, catering industry and financial markets. Big financial ability as well as the corruptive activities of OCGs makes the recruitment of new members in the lower group structure easier.

The OCGs are using the **legal businesses** to increase their financial power, for concealing the criminal activities in the country and abroad, to launder money and invest the illegally obtained assets in movable property or real estate. The bigger number of legal businesses which are established by the OCGs members on purpose, most often deal with transport that is used for smuggling the illegal goods. The organiz-

ers and the members of the OCGs are appearing in businesses as founders and managers of the businesses through which money deposit is made, in order to conceal the real origin, and as individuals that are part of managerial team with dominant role in decision making. Their only aim is to transfer the wealth from one legal business to another in order to obtain the wealth on the other businesses expense.

**The corruptive activities** are represented in small number of OCGs that corrupt officials who are executing the law on a lower level. These make the performing of their criminal activities easier and obtain protection. The corruptive methods which are applied by OCGs are checked and already used and they adapt to the temporary conditions of the criminal activities. The corruptive influence of the OCGs over the law enforcement agencies, aside covering the criminal activities, provides for them knowledge about tactics and techniques for discovering crime and for providing evidences. Through this knowledge OCGs are planning their counter measures.

The **expertise** is represented during concealment of criminal activities and avoiding responsibility. OCGs are using experts or technical tools for certain criminal activities through using expert knowledge of their own members, or specialized experts from the legal business structures. Aside expertize of individuals that are familiar with the laws, OCGs are using experts for drug trafficking, as well as expertize while legalizing the criminally obtained goods and money laundering.

The biggest part of the OCGs provides the **protection of the criminal activities** by using the simple and traditional countermeasures, such as direct personal meetings when arranging the criminal activities and using methods for securing the transport routes for smuggling of goods. While executing the criminal activities across the state border, the

OCGs often use technical means for protection from surveillance. Certain members of the OCGs make changes to their personal information or use double nationality for free movement in the countries of Western Europe, where previously were registered as perpetrators of criminal activities and were banned from entering the countries.

**Violence** by OCGs is used just in isolated cases when executing criminal activities within the group and out of it. Due to the hierarchical subordination and the high level of loyalty towards the organizers, the violence in OCGs is used for maintaining the discipline within the group and for obtaining power and respect in the surroundings they are acting in. The violence is characteristic for the OCGs that are involved in drug trafficking and in the violent

**Organized crime groups in the Republic of Macedonia will pose a serious threat to the safety of the citizens in the future. The structure of OCGs will continue to change in terms of their heterogeneous composition and will include members of different nationalities. In terms of the crime areas, most of the groups will be poly-criminal and will get involved in crime areas that bring greatest profits. In certain areas of crime, OCGs will strengthen relationships internationally in order to facilitate the criminal activities abroad, especially in drug trafficking and migrants smuggling**

crime, which is demonstrated through extortion methods by using personal or telephone intimidations, using weapons and property damage. Some OCGs are using low level of threats by using physical attacks, verbal threats

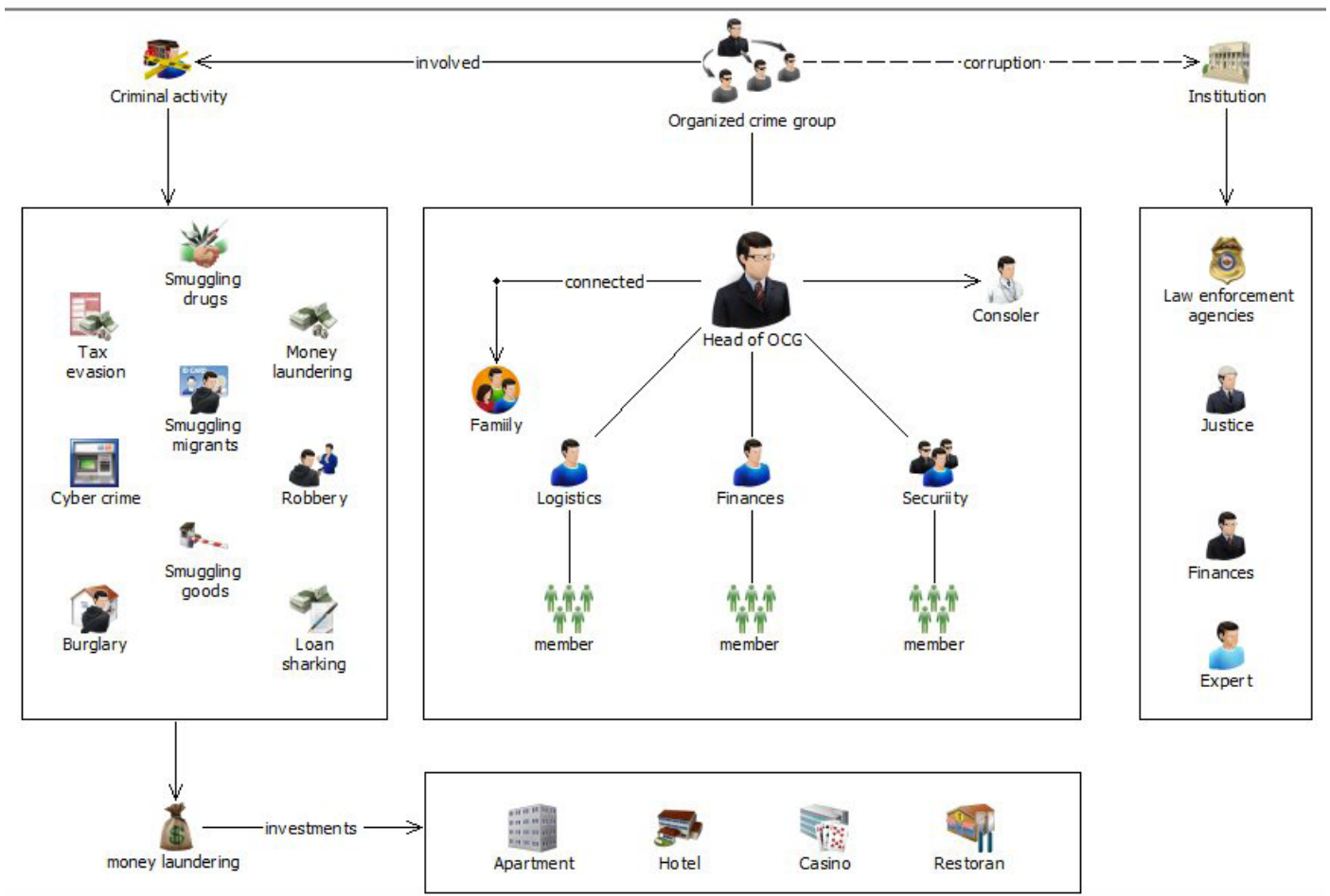
and causing physical

violence in order to intimidate the victims and the witnesses in court trials.

The biggest number of identified OCGs does not have their own **strategy** and they act on a local and regional level. Some have a tendency of expanding their activities internationally. They act on a traditional way, have rigid hierarchy and delegated roles and tasks in the group. The members of the OCGs that are created only by financial interest do not have strong hierarchy in the structure and most often, a part of their members cooperate with other OCGs. They cooperate with other OCGs in the country and abroad especially when purchasing, transporting and selling of drugs and smuggling of migrants.

Most of OCGs are not connected with **criminal - ex-**

# Organized crime groups



**extremist groups.** However, there are indications that some of the OCGs members have family ties with individuals that were involved in criminal - extremist activities, and they have occasional cooperation with other criminal-extremist groups. The members of one OCG are radical and extreme in their activities and they act on an international level.

**The control** over the area of activity is not the characteristic for most of the OCGs in the Republic of Macedonia. The exemption are OCGs that are involved in drug trafficking and OCGs that act in misusing the official position and authorization. The OCGs dealing with drug trafficking have high control level of the drug market, while the OCGs dealing with misusing of the official position and authorization are active in bribing and receiving rewards for issuing work permits and the domination is provided

through the political influence of the leader.

**The impact** of the OCGs on the surrounding is noticeable in isolated cases through a “hidden” tolerance by the local population where the members of the OCGs live, which is partly motivated by so called loyalty towards the ethnic background and partly because of the huge financial power which is demonstrated by its members and because of the fear of retaliation by the OCG. “Hidden” tolerance is represented in some ethnic communities in surroundings where members of the crime groups live. It is demonstrated by reluctance to report the criminal activities because of the fear of retaliation, and the enormous and fast earnings are crucial in explaining why many young individuals engage in the criminal activities







# Drug trafficking

First and foremost, the Republic of Macedonia is a transit country and less a country in which drugs are stored. It is also a country that produces smaller quantities of drugs for the local drug market needs. The drug market is dynamic and already established routes for smuggling of particular kind of drugs are used for smuggling of other types of drugs, including the “cocktail parcels”, as well as for performing other criminal activities. The biggest number of identified organized crime groups in Macedonia are involved in drug trafficking. These are poly-criminal groups that include legal businesses as means for performing this type of crime.

# Drug trafficking



**D**rug trafficking is one of the most profitable activities, which includes the majority of OCGs. The Republic of Macedonia is a transit area through which a part of drug transport channels pass, but in the same time, it is a country in which the drugs are produced and consumed. The presence of the drugs could be seen by the quantity of seized drugs in which cannabis and its derivative, and the heroin, are dominating.

**The heroin market** in Europe records oscillations. By joining the European Union of few countries from South-East Europe, the North branch of the Balkan route became more and more topical. The majority of the heroin comes to Macedonia from Turkey and it enters from Greece and Bulgaria, after which it is transported to the final destinations in Western European countries, and the smaller portion remains on the local drug market in Macedonia.

Generally the **global production of cocaine** is decreasing and the Balkan route is more and more secondary route for cocaine smuggling to Europe. Cocaine smuggling does not represent a serious threat for Macedonia and because of the high price of cocaine on the drug market, its demand is minor. Cocaine comes in small quantities in Macedonia, through the ports in the region from South America, The Netherlands and Belgium.

**The Balkan region** records expansion of marijuana trafficking. The transport route for cannabis and its derivative from Albania is going through the territory of Macedonia towards Greece, Serbia, Kosovo and Bulgaria. After the police actions undertaken in Albania, the presence of marijuana in the country lessened, which led to the significant growth of its price that is still increasing.

Globally the **production of synthetic drugs** is still increasing and, because of the insufficient control of the precursors in the region and their availability, it represents a serious threat for the Republic of Macedonia. Synthetic drugs are smuggled into the country from Bulgaria, Serbia and The Netherlands. Ecstasy is dominant on the Macedonian drug market and the new types of drugs are also present



## Heroin

**Global surroundings** – The global production of opium in 2014 is 7, 554 tons, out of which 85% is produced in Afghanistan (UNODC, 2015). The production of heroin is increasing and it is expected the final stadium of the production to be transferred to Europe (EMCDDA, 2015). The heroin enters and transits to Europe through the Balkan, Northern and Southern route that records modifications. The Balkan route loses its topicality due to the Southern route and there are efforts for finding new ways through the Northern route (EMCDDA, 2015).

**Regional condition** – The Balkan route, which is divided in three branches: Northern, Southern and Western branch is still topical for entering of the heroin in the region. This route is a two way route and it is used for heroin to be smuggled into the European countries, while the precursors and the synthetic drugs are smuggled to the East. By joining the European Union of few countries from South-Eastern Europe, the Balkan route sustained certain modifications and therefore the Northern branch is more topical (EMCDDA, 2015).

The Republic of Macedonia is a transit point through which the Western branch of the Balkan route for heroin trafficking is passing. The opium production is not found in the Republic of Macedonia and the poppy for medical purposes is cultivated in the Eastern and the Central part of the country (EMCDDA, 2015). The biggest part of the heroin transits through our country, the smaller part is stored in certain locations where the re-packing and quality changing is made, after which it is transported to the final destinations and a small portion of heroin stays in the country. In the period from 2013

to 2014 the domestic seizures record reducing and 91% out of 41.41 kilograms of heroin, were intended for international transport. On the other note, more and more Macedonian citizens were involved in heroin trafficking in Western Europe, mostly in Austria and Germany.

The market for illicit heroin trade in the Republic of Macedonia is stable. The price of heroin as the second most represented drug in the country was stable for a long period of time. The increasing of its price is recorded in 2015, which is a result of the increase of the price of heroin in Turkey.

**The North branch of the Balkan route is dominant for transport of heroin, while in Macedonia the heroin enters from Greece and Bulgaria. Macedonian citizens, who possess personal documents from the EU members' countries, or the legal entities registered in the EU members' countries, are used for the transport. Macedonian citizens are also recruited for street sale of heroin in the European Union countries.**

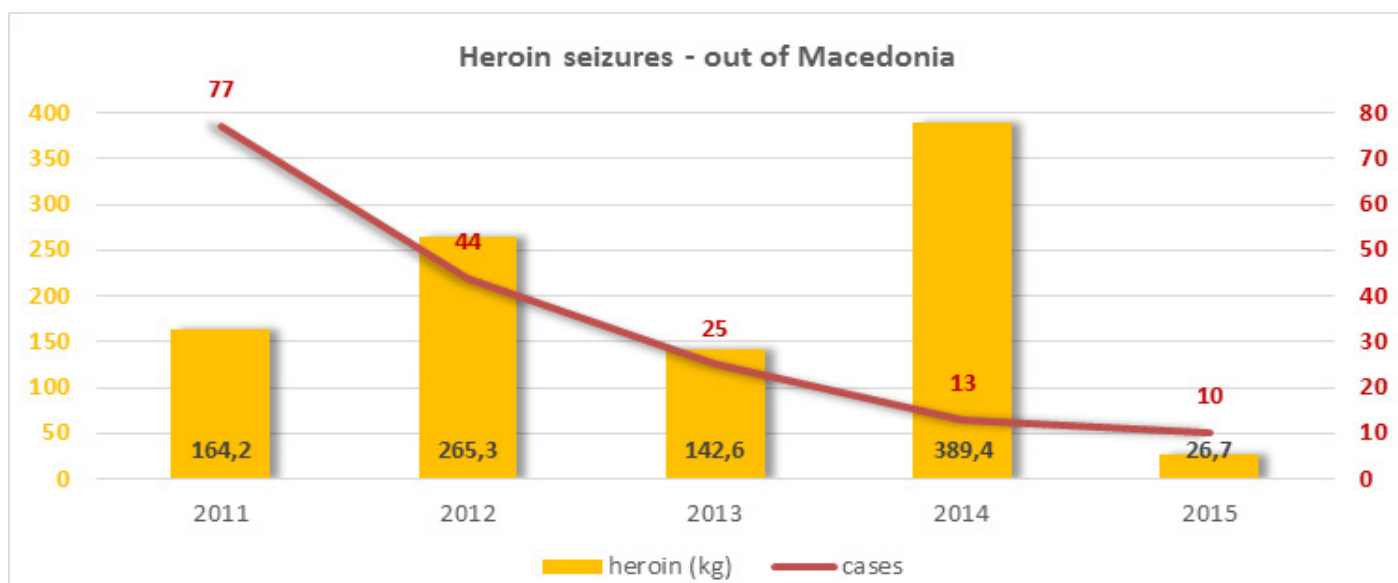
In the Republic of Macedonia, OCGs purchase larger quantities of heroin from Turkey for transporting it to the Western European countries, bypassing the Macedonian territory.

A part of the crime groups that organize transports of the heroin through Macedonia separate certain amount of it for the domestic market and, through organized local dealer networks, supply customers on the domestic market.

These groups provide logistical and financial support through criminal and family ties with diaspora in European Union countries. For the drugs concealment and drugs storage they include experts, and in certain phases they abuse even legal businesses for concealment of the criminal activities. Crime groups organize street sells of heroin in some European Union countries and for that purpose they engage Macedonian citizens without previous criminal record.

**The main routes** for entering of the heroin in Macedonia are from Greece and from Bulgaria. The

# Drug trafficking



*Note: This is concerning only seizures of drugs out of Macedonia, transported by Macedonian citizen. The drug has transited across Macedonia.*

Northern border towards Serbia and Kosovo remains the exit route for transporting heroin to the Western Europe. Most of the heroin which transits through the country is mainly intended for Austria, Germany and Switzerland.

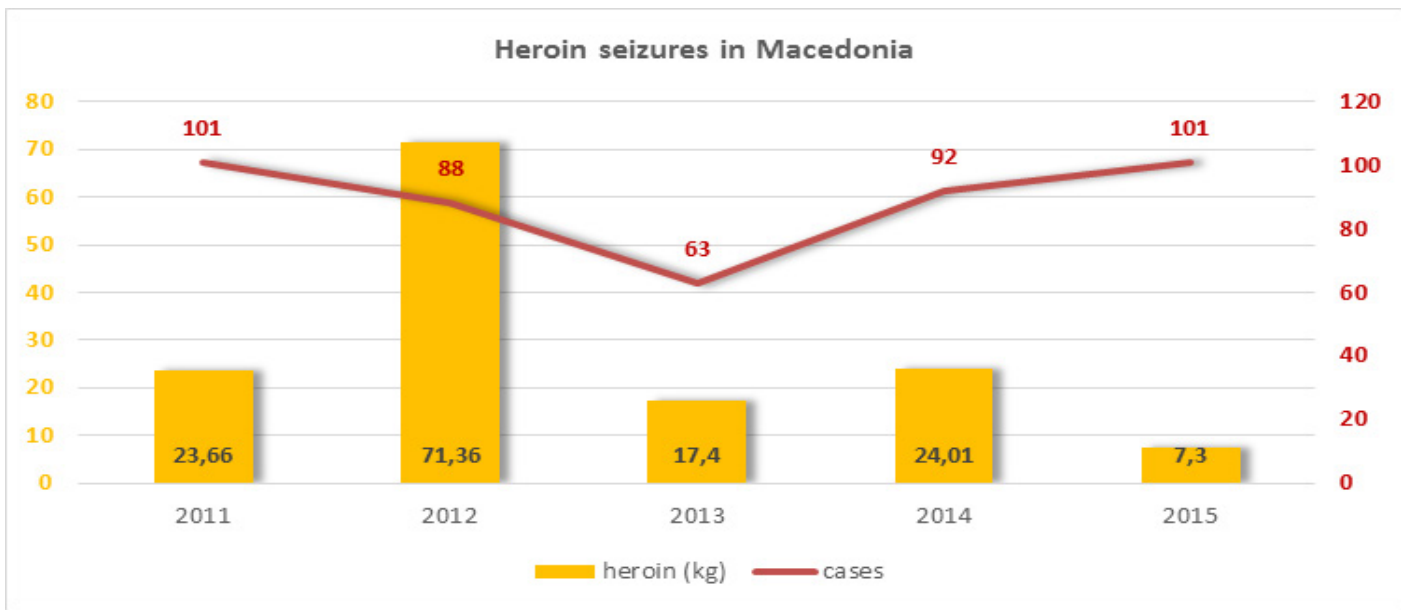
Passenger, heavy vehicles or regular bus lines are used for the **transport of heroin**, organized by the crime groups. During the transportation, different modes of concealment of heroin inside the vehicle are being used: hidden in the vehicle's interior between various legal trade goods, or taped on the transporters' bodies. The crime groups act professionally in transporting

the heroin and for that purpose they make special cavities (bunkers) in the vehicles designed for this type of transportation. Macedonian citizens who possess travel documents of the EU members' countries

**The organized crime groups are going to continuously bypass Macedonia while organizing the drug transportation. It is expected the recruitment of Macedonian citizens as transporters, or street dealers in Western European countries, to continue. The demand of heroin is going to decrease in favor of the synthetic drugs.**

are being recruited for the transportation of heroin. For concealment of the criminal activities even the legal business activities of the international entities are often abused, with or without the knowl-

edge of the ownership structure 



## Cocain

**Global surrounding** – In general, the global production of cocaine continues to decline and for many years Bolivia, Peru and Colombia are the three main producers of the cocaine (UNODC, 2015). Spain is considered to be the main entering point and distribution center for the European drug market, and countries such as Belgium, The Netherlands, France and Italy are of significant importance (UNODC, 2014). West African countries play significant role as transit countries.

### Regional surrounding –

For certain quantities, cocaine entry points in Europe are both the Eastern European and the Balkan ports and airports, from where the cocaine is transported to the Western European countries that are the main consumers of this type of drugs. Opposite to the Balkan route for smuggling heroin, South-Eastern Europe represents just a **secondary route for smuggling cocaine** to the Western European countries (UNODC, 2014).

**Cocaine trafficking** does not represent a serious threat for the Republic of Macedonia, due to its high price on the drug market and to the slight demand.

The Republic of Macedonia is used as a transit country for smuggling cocaine using the established channels for transportation of other types of drugs, while small amounts are intended for the users of the domestic drug market.

The domestic cocaine market in the Republic of Macedonia has been relatively stable for a long time. The seized cocaine intended for the local drug market in 2013 and 2014 declined due to its slight representation and as a result of low demand. The

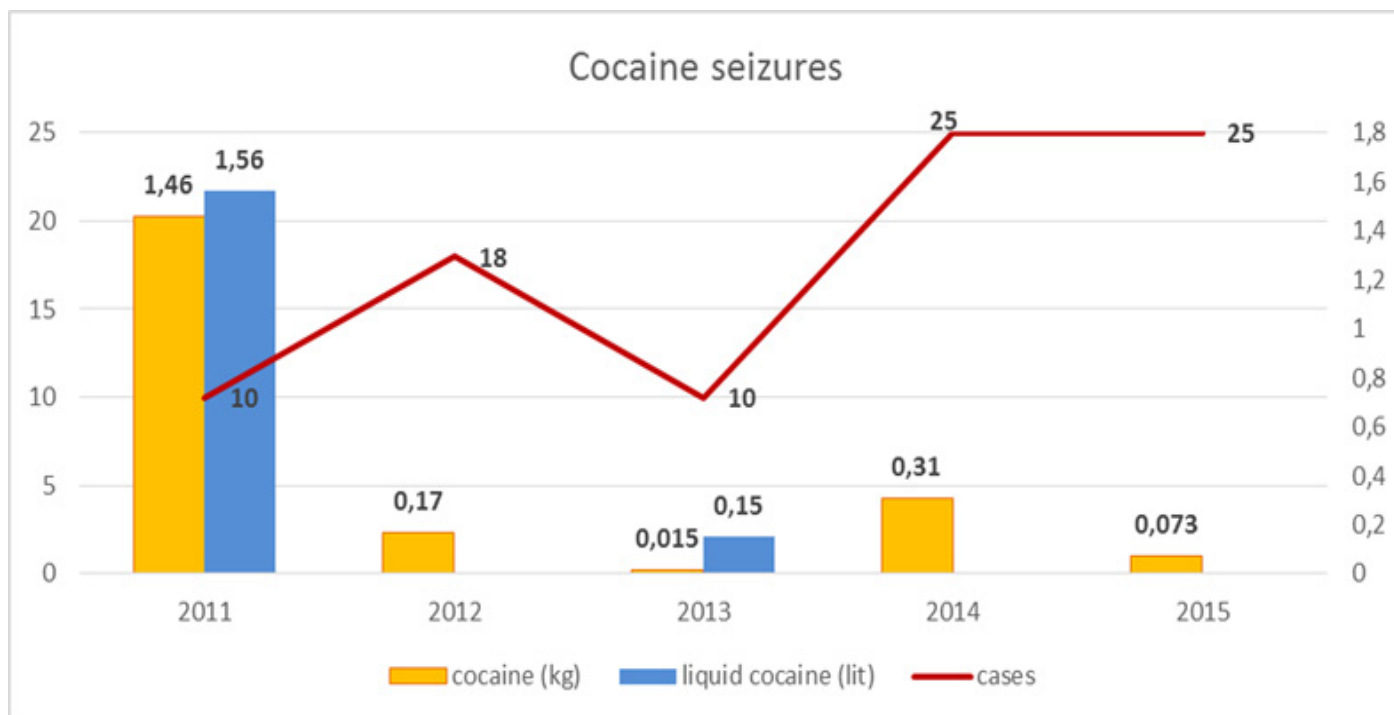
wholesale price of the larger quantities of cocaine is stable and the retail price follows the trend of increasing which is also characteristic of the whole region.

The OCGs involved in cocaine trafficking are also involved in the trafficking of other types of drugs. Their

activities are based on already established criminal connections that are used for cocaine trafficking and they use the same channels of transport and the same expertise and modes of concealment of the criminal activities and transportation. The crime groups involved in trafficking and smuggling of cocaine are adaptable to the environment and often use legal

**Cocaine enters the Republic of Macedonia in small quantities from South America, Belgium and The Netherlands, through the ports in the region. Cocaine is present in small amount on the domestic drug market due to its high price and low demand compared to other types of drugs. In Macedonia there are organized crime groups that commit multiple drug trafficking and they use the established channels of the Balkan route as a secondary route for transporting cocaine.**

# Drug trafficking



business structures, primarily the transport sector, to cover up the criminal activities. Cocaine intended for the domestic drug market is purchased in small quantities, while larger amounts are taken from the ports in the region and their transport to the western European countries is being arranged.

**The routes** for entry of cocaine into Macedonia are an extension of the transport routes from Belgium, The Netherlands and from the countries of South America through the transit points of the ports in the countries of the region. Cocaine arrives by sea to the ports in the region hidden in legal goods that are regularly transported

by legal business processes.

The crime groups are smuggling cocaine in powdery or liquid form from the transit points. Cocaine trafficking uses innovative modes of concealment of

**The cocaine market in Macedonia will remain unchanged in the future. The modus operandi of trafficking and the established routes for transit of other types of drugs will continue to be used for the transportation of cocaine by the organized crime groups. The cocaine market will not face changes in terms of supply and demand.**

drugs and it is primarily transported hidden inside passenger vehicles, or with the transporters and, as a new mode, via regular postal parcels. A case of transporting cocaine by so-called “swallowers” in attempt to transfer the cocaine through the territory of the Republic of Macedonia to its final destination is being registered

by legal business processes. The crime groups are smuggling cocaine in powdery or liquid form from the transit points. Cocaine trafficking uses innovative modes of concealment of drugs and it is primarily transported hidden inside passenger vehicles, or with the transporters and, as a new mode, via regular postal parcels. A case of transporting cocaine by so-called “swallowers” in attempt to transfer the cocaine through the territory of the Republic of Macedonia to its final destination is being registered



## Canabis

**Global surrounding** – Cannabis with its two products– marijuana and hashish, has long been the most traded drug on the illegal drug markets worldwide. The production of marijuana is prevalent in all countries, apart from the production of hashish, whose production is limited to a certain number of countries.

The last report of EMCDDA in 2015 indicates the large presence of cannabis, with estimated 75.1 million people in Europe that used cannabis (EMCDDA, 2015). Also, there has been an increase in use of oil from cannabis intended for medical purposes.

**Regional conditions** – The Balkan region records expansion of trafficking marijuana produced in Albania. The OCGs mostly use the Albania-Italy and Albania-Greece-Italy routes for transportation of the Albanian marijuana (SELEC, 2015). Important tran-

sit points for smuggling of marijuana from Albania are Montenegro, Kosovo, Serbia and Macedonia.

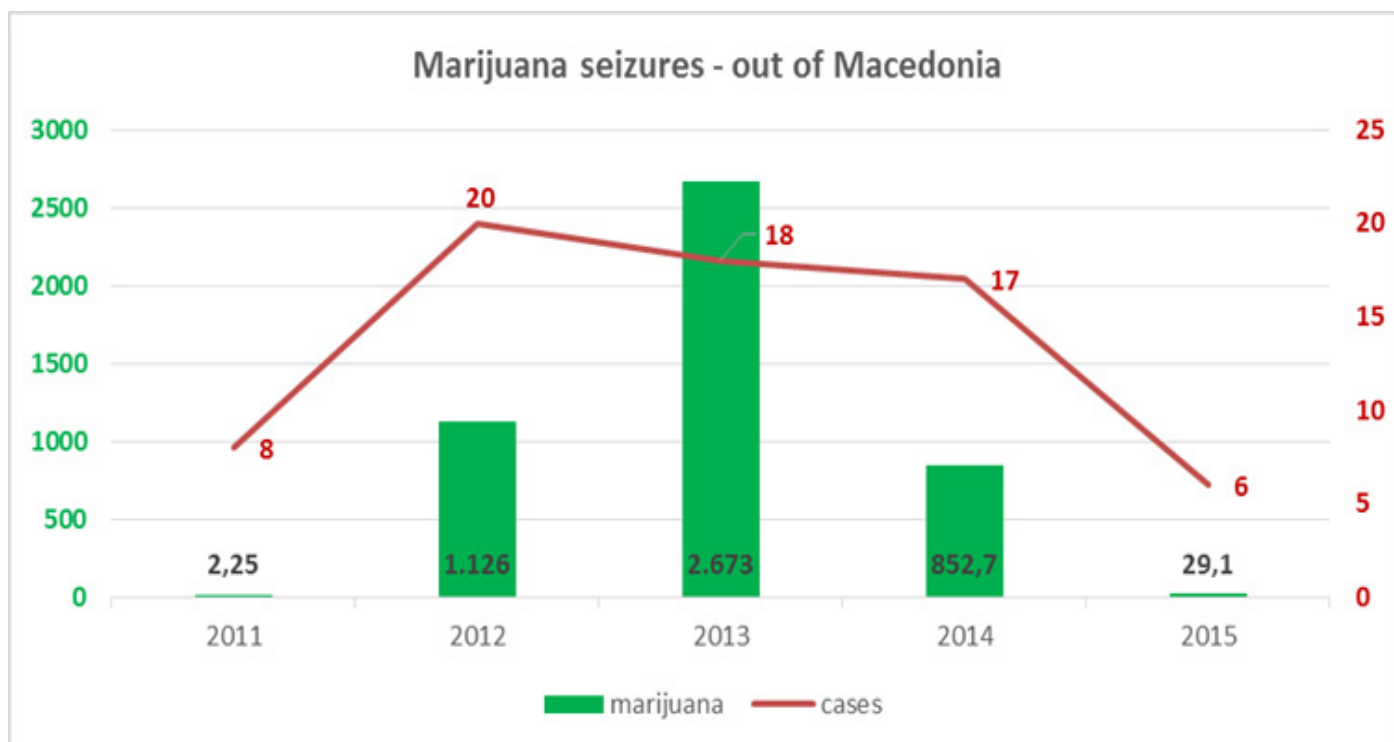
**Cannabis trafficking in the Republic of Macedonia** – the drug market with marijuana in our country is the biggest compared to the other types of drugs. The Republic of Macedonia is a country producer of this

**Republic of Macedonia is a country of production, transit, storing and the final destination of marijuana. The biggest amount of marijuana transiting through Macedonia, or is intended for the domestic drug market, comes from Albania. The reduction of production in Albania significantly increases the cost of marijuana intended for transport and for the domestic market. The organized crime groups are attempting a domestic outdoors production of marijuana in improvised laboratories. Organized crime groups are innovative and introduce new modes of cross-border transportation of marijuana through Macedonia. The route Macedonia-Bulgaria is a two-way route.**

type of drugs. It is a territory over which the marijuana produced in the neighbouring countries intended for Western European Countries is smuggled and a country where the certain quantities of drugs intended for the “domestic drug market” is stored. In 2013-2014 a quantity of 1,920 kilograms

marijuana was seized, out of which 90% were aimed for the international transport. In the second half of 2014, after police operations carried-out in the Republic of Albania, the presence of marijuana in the region, as well as the organized transport and smuggling of marijuana towards the European Union

# Drug trafficking



*Note: This is concerning only seizures of marijuana out of Macedonia, transported by Macedonian citizen. The marijuana has transited across Macedonia.*

countries dropped for more than 70%. The reduction of the supply of marijuana on the illegal drug markets significantly affected the increasing of the price, and it's constantly growing.

In the period from 2013 to 2015, the activities of the suppressed OCGs involved in marijuana trafficking, included activities such as purchasing marijuana from Albania, organizing transport of the drugs into Macedonia across the border, temporary storage and organizing transport to its final destination, to the countries in the region, and to the European Union countries. Part of the smuggled drugs is stored in the Republic of Macedonia and is intended to supply the local crime groups on the domestic drug market. Crime groups recruit individuals to transport drugs into and from the Republic of Macedonia and they have easily accessible resources to trans-

port it. The crime groups change their composition and become more heterogeneous, due to the ethnic backgrounds. In addition to the ethnic mixing, crime groups involved in marijuana trafficking become

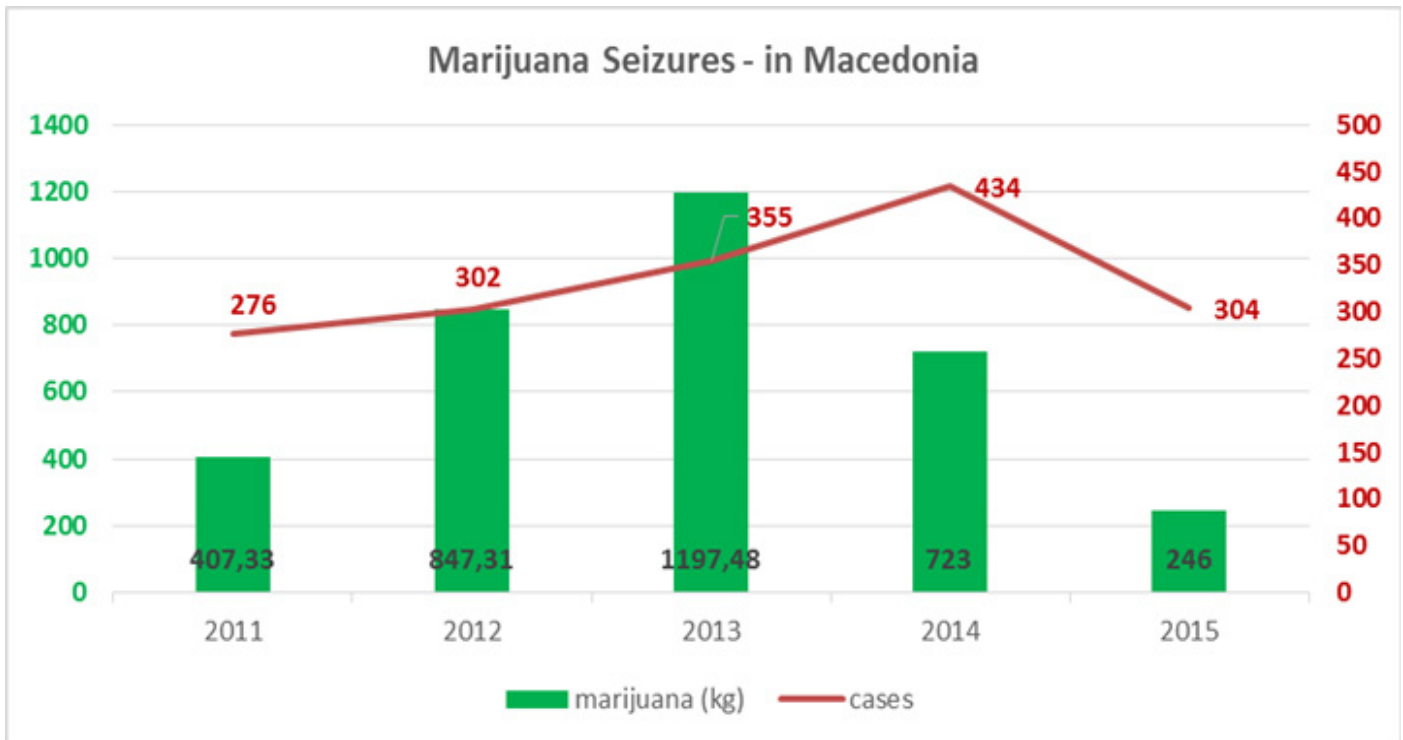
poly-criminal and get involved in other crime areas that can provide profits, such as smuggling of migrants, excise goods, illegal weapon trafficking and usury. The crime groups in the other areas of crime use the already established cross-border connections and illegal routes.

**The illegal entry routes** of marijuana from the Republic of Albania into the Republic of Macedonia are different. The drugs enter through the legal border crossing

points, through the illegal crossings at the green border and by waterway through both Ohrid and Prespa Lake. The crime groups are innovative in smuggling of marijuana from Albania, which largely depends







on the quantity of drugs and the weather conditions.

The drugs are transferred by sailing vessels through the Ohrid and Prespa Lake, on foot or loaded onto cattle through the green border, while through the legal border crossings it is usually transferred hidden in specially made cavities in vehicles (bunkers) or hidden in legal

goods in the motor vehicles or trucks. Smaller quantities of drugs are transferred hidden in clothing by intermediaries that use the international lines of public transportation. For transportation of

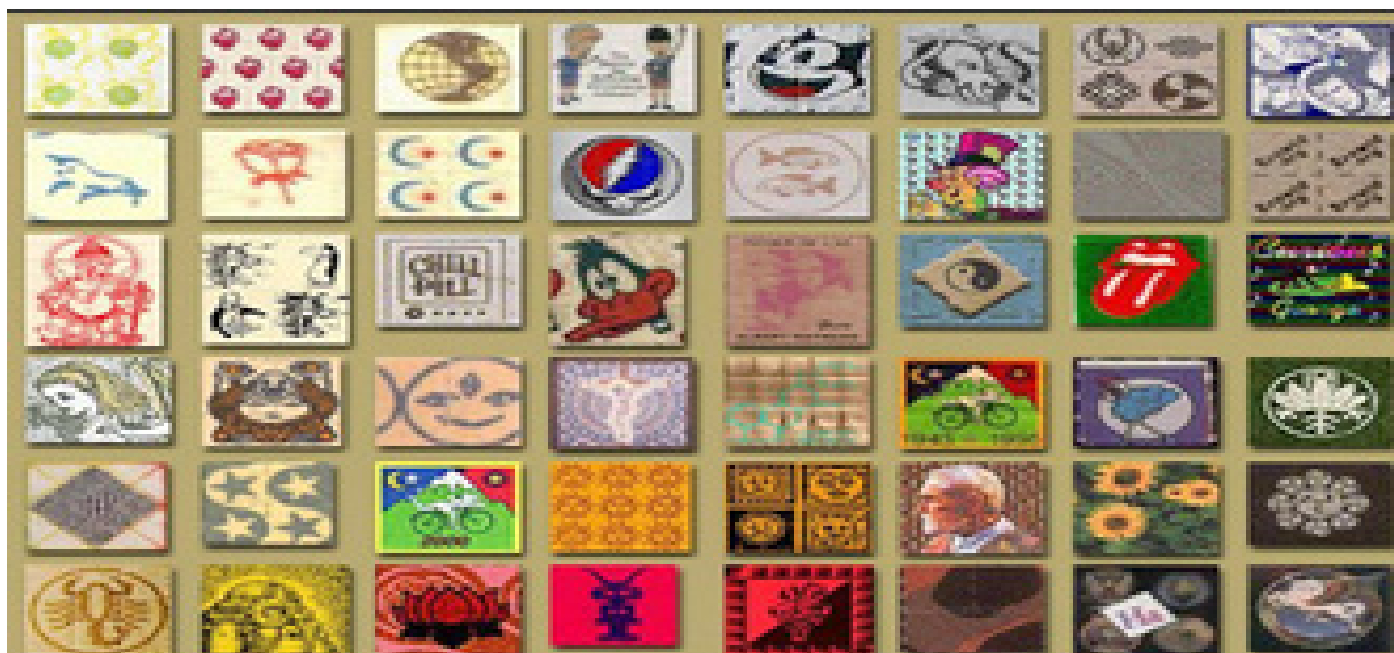
larger quantities of marijuana, crime groups make special areas in the construction of the trailer of the transport motor vehicles. Some portion of marijuana smuggled from the Republic of Albania is stored in the Republic of Macedonia for certain period of time, until transport to its last destinations is being organized. The marijuana stored in the Republic of Macedonia is routed through several directions to the final destinations on the drug markets in Croatia, Bosnia and Herzegovina, Slovenia, Greece, Italy, Austria, Switzerland, and Germany. One part is

directed through the route towards Bulgaria, which was registered as a two-way route in 2013. Through this route the crime groups use the same modes as for the transport of heroin. A part of marijuana that enters from Albania is transported through two other routes, through Greece to Italy or through Kosovo and Serbia.

**The price of marijuana will continue the upward trend depending on the general current situation related to this drug. The domestic production of marijuana will increase due to cultivation of cannabis in Macedonia in open areas or in improvised laboratories by users, local dealers and organized crime groups. The trafficking of marijuana will become an attractive crime area for the organized crime groups, which will reorient their criminal activities in the future, due to the possibility of increasing their profits.**

The production of marijuana in the Republic of Macedonia is not of large scale and the marijuana produced on our territory is generally intended for the domestic drug market needs.

Home produced marijuana is of low quality and is not competitive on the markets abroad. The crime groups do not have significant expertise in manufacturing high quality marijuana. The production is primarily performed by individual manufacturers on small surfaces in rural communities in the mountainous areas, or in improvised laboratories for production, which are not equipped with the proper gear to produce quality marijuana 🇲🇰



## Synthetic drugs and new types of psychoactive substances

**Global situation** - The group of synthetic drugs – amphetamine-type stimulants (ATS) refers to a group of drugs which mainly includes amphetamines and methamphetamines. However, a number of other substances also fall into this group, such as methcathinone, fenethylamine, ephedrine, pseudoephedrine, methylphenidate and MDMA or “ecstasy” – an amphetamine derivative with hallucinogenic characteristics (WHO, 2015).

The production of amphetamine and ecstasy in the last period is mostly concentrated in Belgium, The Netherlands and Poland (EMCDDA, 2015). New psychoactive substances are emerging on the illegal drug markets and are in continuous growth. The appearance of new psychoactive substances known on the global market as “designer drugs“, “sea salt“, “research chemicals“ and “laboratory reagents“ which are produced in China, are more and more present on the market (SELEC, 2015). The development of the Internet technology and the social media increasingly contribute and facilitate the trade of these types of

drugs.

**Regional situation** – The regional drug markets for synthetic drugs, especially in Serbia, Romania, Bulgaria and Croatia is mainly supplied from The Netherlands (UNODC, 2014). In some countries of the region there is a trend of production of synthetic drugs by the local crime groups. There is a trend in Serbia

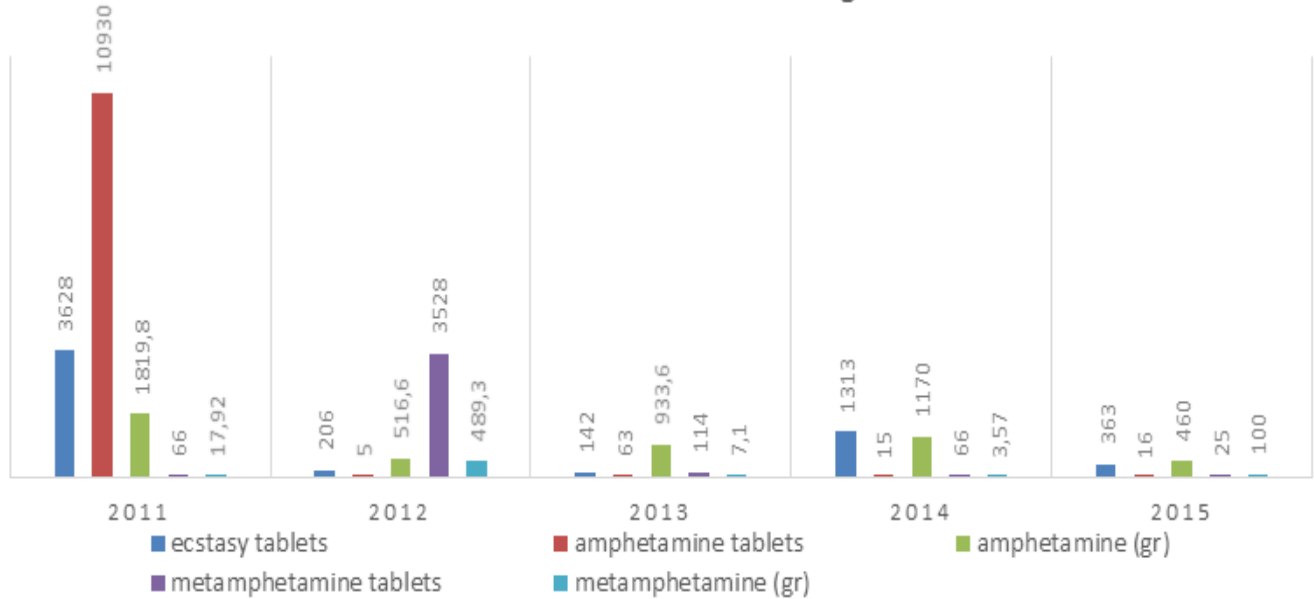
of production of synthetic drugs in illegal laboratories, presence of new psychoactive substances, and their increased use (EMCDDA, 2014). Bulgaria has noted an increase in the sale and use of the designer

drugs, and production of methamphetamine in mini laboratories (UNODC, 2014). These changing conditions on the regional drug market of synthetic drugs and the emerging production of synthetic drugs in the region can significantly affect the supply and the prices of synthetic drugs in the Republic of Macedonia.

Illicit trade in synthetic drugs in Macedonia – The synthetic drugs present on the local drug market in the Republic of Macedonia are imported from

**Synthetic drugs in Macedonia are imported from Bulgaria, Serbia and Netherlands.**  
**A phenomenon of extasys with specific names and colors;**  
**The new psychoactive substances trend typical for the region is also present in Macedonia since 2014**

Seizures of synthetic drugs



abroad, mostly from the neighboring countries in the region. Small quantity of synthetic drugs enters the country and they are generally intended for the local drug market, without registered occurrences of transiting towards some other destination, as it is the case with other illegal drugs. The popularity of synthetic drugs on the domestic market has an upward trend, due to the low price of the drug compared to the rise of prices of the other types of drugs. The low price of the synthetic drugs is a factor of its promotion on

the drug market by the crime groups. In 2012 in the Republic of Macedonia, the first improvised laboratory for producing methamphetamine was found, with a recipe and necessary substances obtained from Bulgaria.

Seizures of synthetic tablets are decreasing. The dominating ones on the drug market are ecstasy with different logos and distinctive names, with interesting form and colour (“louis vuitton”; ‘chupa chups”). As a result of the drug supply and its presence on the market, the price of synthetic drugs is steady and low

compared to other types of drugs.

OCGs that are involved in trafficking in synthetic drugs cooperate with the crime groups in the region. The purchase, transportation and the distribution of drugs on the domestic drug market is carried out by crime groups that are involved in trafficking of other drugs. Crime groups from the Republic of Macedonia are involved in the transportation and distribution of synthetic drugs on the domestic drug market

**The growing presence of synthetic drugs on the drug market in Macedonia, will increase the use of this type of drug. Organized crime groups and individuals will make an attempt to start their own production of synthetic drugs due to the increasing demand in Macedonia. Trafficking in synthetic drugs will become a main criminal activity to some of the organized crime groups that were involved in trafficking of other narcotic drugs in the past. The regional surroundings of the drug market of synthetic drugs and the emerging production of synthetic drugs in the region will significantly affect the supply and the price of synthetic drugs in Macedonia.**

or they organize the transport of synthetic drugs in the region. Trafficking in synthetic drugs uses similar modes of smuggling and also uses legal business structures to conceal the criminal activities.


Synthetic drugs enter the country through the legal border crossing points, hidden in motor vehicles by persons with no criminal record and through illegal crossings at the green border by persons who live in the proximity of the state border.

Synthetic drugs often enter the country as “cocktail” parcels along with other drugs, using modes of concealment typical for other types of drugs.

# Drug trafficking

The routes typical for smuggling synthetic drugs in the Republic of Macedonia are from Bulgaria into Macedonia, from The Netherlands into Macedonia and from Serbia into Macedonia.

**Trafficking in new psychoactive substances** – The Republic of Macedonia strengthens the legal framework for dealing with the new trends associated with the new psychoactive substances. Two new psychoactive substances “MDPV methylendioxyprovaleron“ and ”25 C-NBOMe“ have been discovered in Macedonia in 2014.

The newly discovered psychoactive substance, ”MDPV - methylendioxyprovaleron“ is a synthetic cathinone, which is present on the European drug market since 2008 and is sold as a legal or a synthetic version of cocaine. ”25 C-NBOMe“ is legally sold as an alternative to LSD on the European market can emerge on the market of controlled drugs or as an alternative to already controlled drugs 





# Irregular migration

Political and socio-economic situation in the countries of origin of migrants are the main factors for illegal migration. The Republic of Macedonia is an attractive transit route for secondary movement of illegal migrants as a part of the so-called "Western Balkan route". Smuggling of migrants as a crime area remains highly attractive. Local crime groups are involved in facilitating illegal migration. Routes and modus for smuggling migrants will change in the future depending on the surrounding in which crime groups operate. Crime groups from the Republic of Macedonia cooperate with crime groups from the neighboring countries.

# Irregular migration



Political conflicts in the Middle East, Africa and South Asia lead to the reshaping of the migration flows towards Europe. The number of discovered illegal border crossings of the ports of entry in EU started to increase in 2011 when thousands of people from Tunisia started to arrive on the Italian coast after so-called Arabian Spring. The latest wave of discovered migrants at the sea borders of the European Union is a result to the increasing number of the migrants and refugees from Syria, Afghanistan and Eritrea.

There is no clear picture in dividing the migrants on asylum seekers and refugees, because these groups have different rights on different levels of assistance and protection according to the international law. Asylum seekers are defined as individuals who escape from tyranny or a conflict and that is the reason they seek international protection according to the 1951 Refugee Convention. A refugee is an asylum seeker whose claim is approved. However, the United Nations consider that migrants run away from war and tyranny in order to be refugees, even before they get asylum. Economic migrants are individuals whose primary motivation is to leave their country because of a certain benefit. The term “migrants” is like an umbrella that covers all three terms (all the refugees are migrants, but not all the migrants are refugees). Today, Europe is the witness of a phenomenon called mixed migration in which the economic migrants and asylum seekers travel together and overlap themselves.



**Illegal migration in the Republic of Macedonia** - The appearance of the illegal migration in the Republic of Macedonia in the past years has significantly evolved in terms of the country of origin of the migrants, number of registered migrants, structure of the individuals that transit through the country, as well as the modus of transiting through the country. In the past period, the number of migrants originating from North Africa and the Middle East is significantly increasing. They are using the “Western-Bal-



**Migratory Routes Map**

kan route” from Turkey through Greece, Macedonia, and Serbia to the European Union members’ states. In the period from 2013 to 2015 continuously, increasing number of illegal border crossings into Macedonia was registered. This refers to the border with Greece as well as to the border with Serbia. The number of migrants has been repeatedly increasing during 2015 because the Republic of Macedonia was used more and more as a part of Western Balkan transit route.

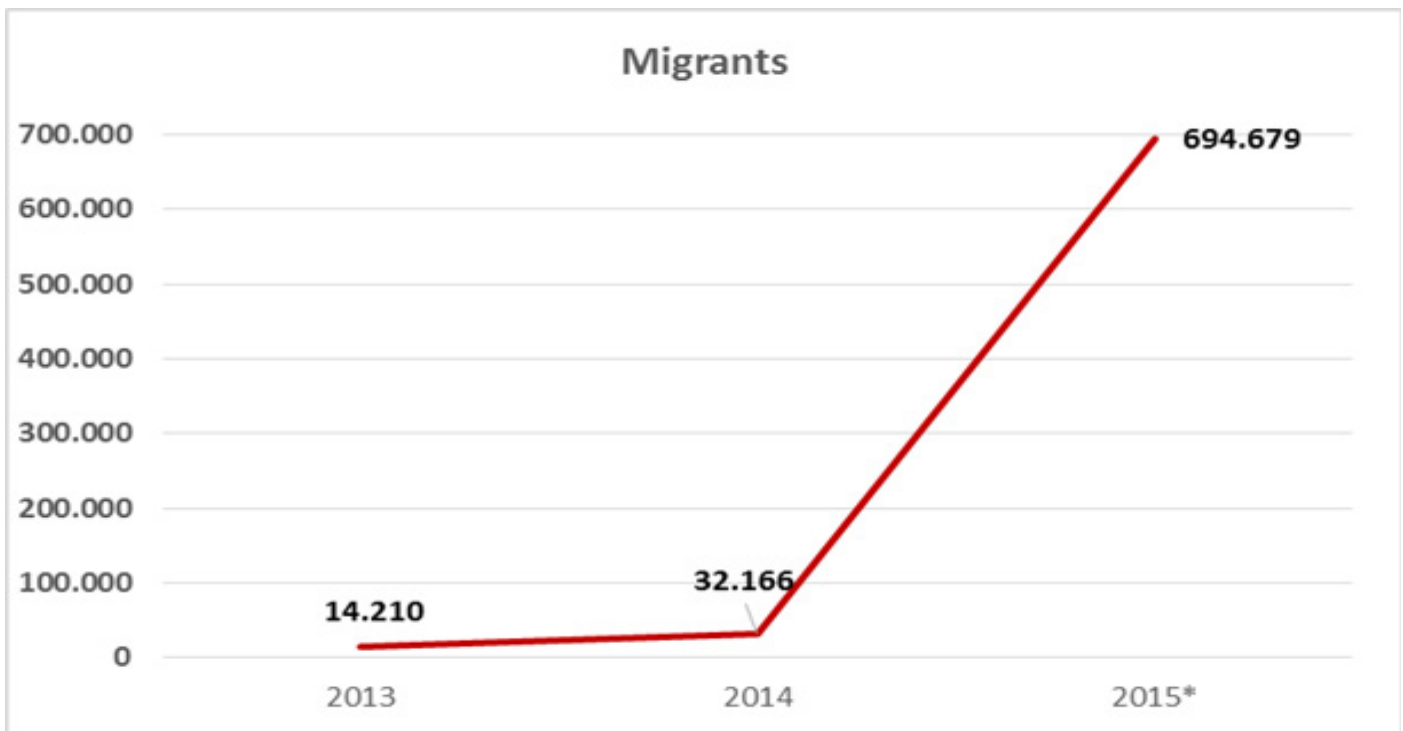
The Republic of Macedonia does not represent a final destination for the migrants. It is a part of the secondary movement of migrants from the North Africa and Middle East countries and they stay only temporary on their journey to the final destination - Western-European countries. While transiting through the Macedonian territory the migrants enter through Greek-Macedonian border on the Southeast part, and for the exit from the country they use Macedonian – Serbian border on the North-East part.

The situation with illegal migration in the Republic

of Macedonia changed in June 2015 with adopting the amendments of the “Law on asylum and temporary protection” which provided migrants to show intention for submitting an asylum claim within 72 hours, or to leave the Macedonian territory within this period. With this measure the migrants are provided to legally transit through the Republic of Macedonia by using the public transport, while the state controls the migrants flow by keeping the evidence at the entrance and on the exit of the state. The change significantly reduced the smuggling of migrants and their demanding of services provided by crime groups for crossing the country’s territory.

**Smuggling of migrants** - Smuggling of migrants is a criminal offence which includes intermediation for illegal entry of a person in the state in which state that person is not a citizen, for a certain financial or other material benefit. The migrants, who illegally enter into Macedonia, enter the country through the Southern border with Greece. While crossing the border, most often they are supported by the local population.

# Irregular migration



Smuggling of migrants through Macedonia is intensified with the increase of the number of migrants who use the “Western Balkan route” with which the registered criminal acts of giving services while crossing the state border by local crime groups and individuals is increased. In the period from 2013 to 2015 the permanent increasing of criminal acts regarding illegal migration is registered: “*smuggling migrants*” and “*organizing of group and stimulating of committing acts regarding trafficking in human beings and smuggling of migrants*”.

This phenomenon was typical until June 2015, when crime groups and individuals stopped to be active following the adopted amendments to the “Law on asylum and temporary protection”. The crime groups resumed their activities when a selective approach in allowing migrants to enter the country was introduced, thus only migrants who were categorized as refugees and whose origin was from the war zones in the Middle East (Iraq, Syria and Afghanistan) were allowed to enter Macedonia, while the other nationalities, that were considered to be economic migrants, were refused entry.

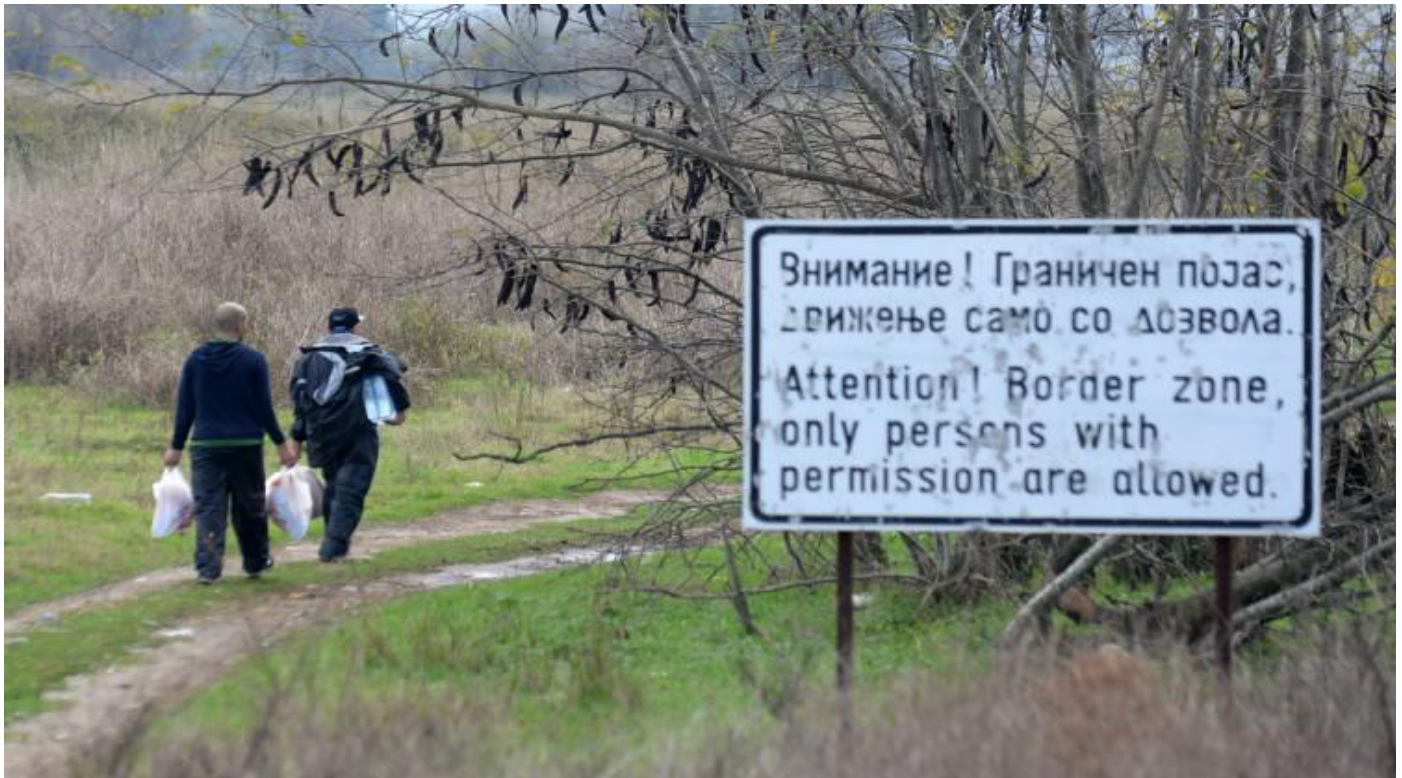
**Crime groups** - The crime groups more and more provide services for smuggling migrants in order to avoid the border controls and migration regulations. While transiting through the country, they usually use services of OCGs offered for certain financial

benefit. Smuggling of migrants is a highly profitable business in which criminals are facing a low risk of being detected and punished, which further makes this criminal activity more and more popular within the criminal circles. The crime groups become organized on a higher level, make bigger profits, and create professional networks that surpass state borders and regions.

The majority of illegal migrants seek assistance from crime groups in order to avoid border controls. The crime groups profit out of it. As a result of better border controls, the migrants cancel the attempts to solely illegally cross the border and they shift to the crime groups by themselves.

**Routes and ways of smuggling migrants** - Migrants are crossing the state border with the Republic of Greece with “leaders” who help them to enter the territory of the Republic of Macedonia. These individuals stay in deserted premises close to the state border where from they are taken by individuals – transporters who, for the certain amount of money, transport them through the territory of the Republic of Macedonia to the northern border with the Republic of Serbia. The migrants stay few days close to the border with the Republic of Serbia, until the organizing of the crossing the border is completed. In the settlements located in the proximity of the state border, the local population charge for their stay,





as well as for assistance in crossing the state border towards the Republic of Serbia.

Local crime groups who facilitate the crossing of state border and the transportation through the Republic of Macedonia, beside cooperation with crime groups from Greece and Serbia cooperate with individuals and crime groups from Afghanistan and Pakistan residing in Greece and Turkey, as organizers of the migrants' trip. They recruit leaders among migrants and train them on how to travel through the transport route. Macedonian citizens are involved in the phase of transport from the southern to the northern border towards Serbia. Transport means include light vehicles, mini vans, but often a public transportation by bus or by train is used. Illegal migration becomes more and more organized, while smuggling of migrants gets transnational character.

Entering of illegal migrants in the country through the Greek-Macedonian border is facilitated by “lead-

ers” who transfer migrants across the border and immediately go back to Greece. Illegal migrants are by other persons who organize further transportation through the state, or provide a temporary stay for the migrants in premises or shelters close to the state border, until transporters take them and transport them to the northern border.

For transportation services from Greece through the Macedonian territory to Serbia the migrants are

charged from 300 to 1500 EUR per person. Money is deposited to a person in Thessaloniki, Greece, and in some cases the money is given directly to the driver, or to another person whose role is a “janitor” of the route – predecessor of the vehicle that transports the migrants.

**Macedonia will remain a part of the secondary movement through the Western Balkan route for the migrants originating from North African and the Middle East countries. Not being able to cross the territory of Macedonia, migrants are forced to seek services from local criminal groups that are actively involved in smuggling of migrants. Organized crime groups will remain involved in crime areas depending on the conditions in the surroundings in which they operate. Connecting with criminal groups from the neighbouring countries will affect the role of local criminal groups in this crime area.**


The funds for paying the transportation services to the crime groups, the migrants quite often get through financial institutions for fast money transfer. These funds are paid by persons from Greece and Afghanistan to the persons that stay in Macedonia

# Irregular migration



with asylum status. With applying the selective approach of letting migrants and refugees in the country, on the economic migrants' expense, falsifying documents of the Syrian, Iraqi and Afghan citizens is more present.

The main route through the country which is used

when smuggling of migrants is the route Gevgelija – Valandovo – Demir Kapija – Negotino – Veles – Skopje – Kumanovo. The secondary route of smuggling the migrants is the route Gevgelija – Valandovo via Strumica, Radovish, Shtip, Sveti Nikole to Kumanovo 



# Cyber crime

**The number of Internet users in the Republic of Macedonia rises, as well as the number of criminal offences caused by cyber-crime.**

**The biggest threats from cyber-crime come from abroad, and due to the small market, crime groups bypass the Republic of Macedonia while committing criminal acts.**

**Members of the crime groups from the Republic of Macedonia become more organized, they connect with foreign organized crime groups and they act in certain phases of the cyber-crime.**

# Cyber crime



**Cyber-crime** is a fast growing crime area that includes criminal acts performed through Internet, or through some other forms of computer technology. The speed, practicality, availability and the anonymity of the Internet are more and more in favor of the individuals that are involved in this type of criminal activities and they enable them to perform different types of criminal offences. One of the main characteristics of this crime area is the fact that cyber-crime does not have limits, neither physical nor virtual; it causes serious damages and represents real threat to the potential victims worldwide.

On a global level, the number of cyber-attacks on an annual basis is estimated to be some 1.5 million, which means that each minute (globally) there are approximately three cyber-attacks (CSI: Cyber, 2015). Losses caused by cyber-crime in the world economy are estimated to be some 445 billion dollars annually, while the damage caused by individual hackers' attacks is some 160 billion dollars – annually (McAfee, 2014).

The region of South-Eastern Europe is a serious cyber threat to Europe, USA and Canada. Based on a 47,000 reported incidents connected with this type of crime in 2012, Bulgaria represented the fourth main source of cyber threat with high 7% of all damages on a global level.

According to the law enforcement agencies in USA, Bulgaria is a number one country source of crime connected with payment cards. Transnational OCGs from Bulgaria create devices for stealing data from payment cards and send their members abroad in order to unlawfully obtain illegal data from payment cards. The annual estimation is that, the crime groups from Bulgaria that operate worldwide, stole more than 50 million EUR - 4 million EUR in Bulgaria (RISC, 2015).

Use of and the access to the Internet in the Republic of Macedonia constantly increases and at the moment around 70% of the households have an Internet access. Computers are used by 69.2% out of the total population aged from 15 to 74 and the Internet is




used by 70.4%. Most of the Internet users use the cell phones or the smart phones in order to access Internet outdoors or from their work places.

The number of criminal acts caused by cyber-crime is constantly rising with, in total, 167 registered criminal acts in 2014 while 147 registered criminal acts were registered in 2013.

The cyber-crime is in progress and it turns into industry with “suppliers, markets, service providers, financing, trade systems and proliferation of business models”. The development of technology, Internet access and the increasing use of payment through the Internet have influence over criminals to direct their actions that way. More and more the development of this “industry” is supported by increased usage of crypto currencies, such as Bitcoin and by protection

that persons committing these criminal acts have by using technologies for concealing Internet activities, mainly the applications that provide concealed use of the Internet

Internet forums are places where everything in connection with the cyber-crime could be found, such as: videos with lectures regarding modes or tools which could be used for obtaining data from potential victims.

The easy way of video transfer to various distances enables the criminals to make direct (live) projection of materials through video cameras, such as children abuse. The access and the increasing usage of social networks represent an easy way of finding potential victims 

## Payment cards

The increasing use of the payment cards, as one of the basic means of payment, causes a constant increase of loss in these transactions. The damage caused by transactions using fake payment cards – worldwide in 2014 is 16.31 billion dollars (McAfee, 2014). It is estimated that losses caused by transactions

with fake payment cards in 2014 globally are 5.7 cents out of each 100 dollars.

There is also increasing of the loss from the transactions with fake payment cards in the European Union countries. During 2013 within the Single

Euro Payments Area (SEPA) the losses were 1.44 billion EUR, which is 8% increase comparing to 2012 .

The most represented payment, out of the total value of the payments with fake payment cards, is the pay-

ment via Internet or via telephone (66%), followed by point-of-sale (POS) terminals (20%) and ATM transactions (14%)<sup>9</sup> (ECB, 2015).

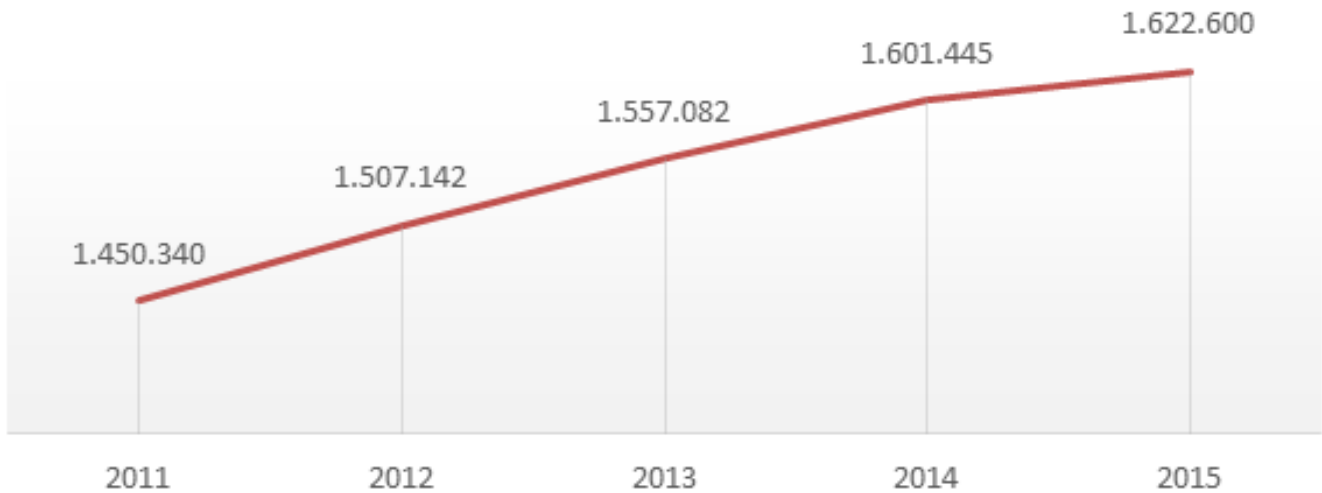
The number of issued payment cards and transactions made by using them in Macedonia is constantly increasing. By the end of 2014 the banks in

**The crime groups from the Republic of Macedonia are getting more serious in committing criminal acts. The criminal activities are more and more directed towards the foreign countries and towards committing online crimes. Payments, issuing of payment cards and the number of devices for paying with payment cards in the Republic of Macedonia is constantly increasing. The increasing safety of the devices, which the banks implement, significantly limits the opportunities for action in this crime area.**

Macedonia issued a total of 1.601.445 payment cards with 2.230.000.000 EUR of payments through them (NBRM, 2015). Use of ATM for withdrawing cash is the most common way of using the payment cards.

In general, the use of ATMs in Macedonia is safe. Criminal acts using falsified payment cards at the ATMs most often are committed by individuals who exploit moments of inattention of the payment cards’

## Payment card users in Macedonia



owners, or they abuse the trust of the victims – usually acquaintances. While misusing the payment card, the offenders withdraw all available funds from ATMs, or they make transactions in stores, or via Internet.

Citizens from the neighboring countries come to the Republic of Macedonia and with fake documentation and falsified payment cards make transactions in the stores. These transactions include purchasing goods with high prices, technical goods (cell phones, computers), or jewelry that could be easily transferred across the state border and sold.

According to the information from the National Bank, the number of the vendors that accept payment cards is constantly increasing. By the end of June 2015 there were in total 26,320 legal entities in the Republic of Macedonia who allow payment with payment cards for their goods and services. With the increasing use of Internet and of payment cards in the Republic of Macedonia, the use of online services is also increasing. Out of the total number of Internet users, 15.4% used online purchase services and almost 70% of them have purchased clothes or sport's equipment (SSO, 2015).

The most misused payment cards on global level are for online transactions with falsified payment cards where the payment card is not present while paying. The criminal activities regarding payment with falsified payment cards in Macedonia is committed mainly by young individuals who illegally, on various

Internet forums obtain information regarding payment cards of foreign citizens and later on use them on the web sites of the domestic legal entities. Fake personal data and telephone numbers, created exclusively for that purpose, are used while making online transactions.

The Macedonian citizens and the crime groups who deal with falsified payment cards crime are getting more serious in their activity. They connect their Internet activities with international OCGs who deal with obtaining information regarding payment cards of the foreign citizens and selling them over the Internet. Usually the role of the Macedonian citizens in these crime groups is to create fake web sites through which the information from the payment cards are gained, as well as joining the forums where these information are offered.

The financial assets gained from selling the bank information regarding the payment cards are paid through services for fast money transfer that come from abroad – most often from Mexico, Portugal, Russia, China and USA.

With increased use of payment cards, the number of criminal acts involving these cards is increasing; respectively the threat to the Macedonian citizens from this type of crime is also increasing. Banks and the other financial institutions that issue payment cards will continue to increase the safety of the payment cards, especially with introducing payment cards that enable contactless payment. The OCGs from



Macedonia will continue to strengthen their ties with the foreign crime groups, especially with those from

the neighboring countries and they will direct their activities abroad 

## Sexual exploitation of children on Internet

The number of photographs and video materials with abusing children is constantly increasing. Since 2005, when the number of photographs and video materials posted on the Internet was estimated to be over one million, this number is increasing every year with some 50,000 new contents. Huge number of the content, out of which some 70% refer to children under the age of 10, will stay on the Internet forever and will be available for free access (Commission, 2015).

The trend of easy Internet accessibility for children in the Republic of Macedonia and the insufficient parental control regarding the individuals whom their children communicate with via social media, creates favorable conditions for sexual exploitation of the children via Internet.


The registered cases of sexual exploitation of children in the Republic of Macedonia are individual cases, committed by individuals whose victims are

randomly chosen or they are related to the offenders. The sexual exploitation of children is characterized with abusing and showing pornographic material via social media - Facebook, video transfer via Skype, and so on.

The individual cases of sexual exploitation of the children through browsing pornographic material

**Abusing children via Internet is constantly increasing on a global level. In the Republic of Macedonia the contents with children abuse, which are most often on the web sites or social networks, are reviewed by individuals who just browse them without saving them on the memory carrier. Information regarding the criminal activities with sexual exploitation of children is mostly obtained through international cooperation**

is characterized with separate instances of browsing contents which are available on Internet, without being stored on the local memory disk. According to the national legislation this type of Internet browsing is not punishable, unlike its production, storing, and distribution. There are

no registered cases of sexual exploitation of children through posting the content with child pornography on the web site hosted by “.mk” domain in the Republic of Macedonia, as well as the production of child pornography in order to distribute it and to make profit out of it 

## Internet frauds

With the globalization of the market and with the huge Internet use by the business sector, the Internet use by crime groups and individuals is increasing in order to achieve their criminal interests. The Internet possibilities are used in order to switch classic frauds, which were executed in the past via telephone or via personal contacts with the victim.

Internet fraud is committed by undertaking user accounts, most often from business profiles, with manipulation or adduction of the individuals through changing the content of the e-mails in order to obtain certain material or financial benefit. In these frauds, most often by using phishing of the e-mails, the control over the accounts is taken over and the accounts are observed by fraudsters until the business communication is intercepted where the directions for the payment and invoice delivery is given. At that certain moment, the alteration of the content of a certain e-mail is made by the fraudsters, while the bank details and account numbers where the agreed payment should be made, are being altered.

The aim of Internet frauds is obtaining information about electronic accounts, numbers of payment cards, usernames on the profiles of social media and usernames of the e-banking accounts. A new trend in online frauds is the occurrence of Internet frauds with illegal undertaking and fraudulent mediation in a business communication via e-mail between Macedonian companies and their business partners from abroad, mostly from Asia, Africa and South America (MOI, 2015).

Most often, the victims of Internet frauds from the legal entities' side are those ones who have business cooperation with companies abroad and who practice online transactions, while from individuals' side the most vulnerable are individuals who are not aware of types of current Internet frauds and who do not have adequate protection in their computers.

The main threat by Internet frauds of individuals, are the transactions while purchasing goods and services from Internet locations with suspicious safety.


The method used for committing Internet frauds by the well-organized international crime groups is by receiving so called spam message, by using "phishing" and "social engineering". They succeed to "steel" the password to the e-mail of one of the business partners, thus they obtain the unobstructed access to the history of the entire communication. They create a new e-mail address that is slightly different from the existing one and could hardly be recognized in the communication. They undertake the original message, modify it and send it to the fake e-mail address of the user, which usually indicates the partner

**Internet frauds represent serious problem for the legal entities that practice their businesses electronically and via internet. The fraudsters most often intercept the electronic communications and create delusion of the legal entities' representatives by redirecting the payments to other accounts. These criminal acts most often are preceded by so-called phishing, which includes stealing the password of the participant in the internet communication.**

that some changes in the bank account are made, and that the financial assets should be transferred to a new bank account that is attached.

The cyber frauds are also present in the electronic advertisements on the Macedonian web sites posted by individuals

who are not citizens of the Republic of Macedonia. The advertisements are characterized with a fake content, which is poorly translated through online translators, with lots of spelling errors, in which most often goods with unreal low prices are offered. These electronic advertisements offer contacts as electronic addresses or telephone numbers from abroad.

Individuals involved in this crime area in the Republic of Macedonia are not characterized with high level of professionalism and expertise, they follow the trends and new executing modules that are already in use in other countries and apply them without special skills and without creating new modules. Criminal activities in this area in the future will become more sophisticated which will increase the number of criminal acts and the damages caused by them 





# Tax evasion

**Tax evasion is present in preparing a tax return, hiding a part of income in "offshore" states, filing false entry forms or fictitious documents, untaxed benefits, abuse of humanitarian organizations, concealment of corporate ownership and salary calculations. In certain cases, tax evasion appears as a minor criminal activity in other crime areas in which organized crime groups use legal businesses. Members of organized crime groups are often managers or authorized persons in legal entities who, in order to gain illegal profit, prepare fictitious and false contracts for nonexistent business relationship.**

# Tax evasion

Globalization of the world's economy revolutionary changes the surroundings where the financial criminal operates. The complex organization of the economies within a market system, as well as connection of the national economies demand better knowledge, cooperation and caution in order to prevent abusing the weaknesses of the financial systems in the countries and the relations between them.

The most common forms of tax evasion are at preparing the tax report, hiding incomes in „Offshore“ countries, submitting fake reports or fictive documents, untaxed benefits, abusing humanitarian organizations, hiding corporate ownership and calculation of the wages.

Criminal acts of “tax evasion” have declined in 2014 compared to the previous year for some 41% - there were 161 criminal offences reported regarding committed criminal act “tax evasion” for the period 2013-2014<sup>1</sup>. For the period from 2013 until the first nine months of 2015, statistical data on resolved criminal offences of tax evasion by the law enforcement agencies shows withheld tax obligations at the expense of the Budget of the Republic of Macedonia in amount of approximately 1 billion and 845 million MKD. Out of the total number of the submitted criminal charges (275) for the period from 2013 to 2014, the biggest part is submitted by the Public Revenue Office (121) and the rest of them are by the Financial Police Office (81), and by the Ministry of Internal Affairs (73).

In some cases, the tax evasion appears as a secondary criminal activity where criminal offences in the area of economic crime are resolved, along with other criminal acts against public finances, payments and economy, falsifying or wrecking business books, abusing official position and authorization.

Low financial and economic power of the taxpayers, as well as the certain law provisions that include extenuating circumstances when settling tax obligations, are the main generators of this crime area.

<sup>1</sup> Competent institutions for submitting criminal charges regarding tax evasion are the Ministry of Internal Affairs, Public Revenue Office and Financial Police Office

**Годишна даночна пријава**  
за утврдување на персонален данок на доход

ПДД-ГДП

ЕМБГ: 0 5 0 5 9 7 8 4 5 0 5 2 3

Име и презиме и адреса на живеење за контакт: Петко Петковски  
Бул. Јане Сандански 54/7  
Скопје

Датум и број на прием: [ ]

Деночен период: од 0 1 . 0 1 . 2 0 1 5 до 3 1 . 1 2 . 2 0 1 5

Рако за поднесување: 1 5 . 0 3 . 2 0 1 6

Исправка на "ПДД-ГДП": [ ]

Телефон: 0 7 0 2 2 2 2 2 2

е-пошта: petkopetkovski@yahoo.com

**ОСТВАРЕНИ ПРИХОДИ**

| Вид на остварен приход   | Бруто износ на приход | Вуен износ на одбиток | Вуен износ на платена амортизација |
|--|-----------------------|-----------------------|------------------------------------|
| Плата и надоместоци на плата од работен однос и исплата по основи на деловна успешност на работодавецот на кои се платени придонеси  | 3 7 0 1 8 8           | 9 9 9 4 8             | 1 8 2 4 0                          |
| Плата и надоместоци на плата од работен однос и исплата по основи на деловна успешност на работодавецот на кои не се платени придонеси на работните места на физички лица  |                       |                       | 0                                  |
| Плата и надоместоци на плата од работен однос и исплата по основи на деловна успешност кај заштитни друштва  |                       |                       | 0                                  |
| Плата и надоместоци на плата од работен однос и исплата по основи на деловна успешност кај судирници на технолошка индустријска развојна зона  |                       |                       | 0                                  |
| Плата и надоместоци на плата од работен однос и исплата по основи на деловна успешност на работодавецот на кои не се платени придонеси по член 99 од Законот за зголемување и осигурување во случај на невработеност | 1 0 0 0 0             |                       | 1 0 0 0                            |
| Дополнителни приноса и надоместоци на трошоци од работен однос на кои не се платени придонеси  |                       |                       |                                    |
| Гласови  |                       |                       |                                    |
| Приноса на основани на организите на управување и на организите на надзор во трговските друштва  |                       |                       |                                    |
| Приноса на функционери, пратеници, советници и други носители на дини функции  |                       |                       |                                    |
| Надоместоци за работа на суви парнички, кошти лица и стечени улогички или некако сфртно на работни места во соодветните институции или друштва   |                       |                       |                                    |
| Надоместоци на членови на Македонска академија на науките и уметностите  |                       |                       |                                    |
| Приноса по основи на договор за повремено или привремено вршење на услуги  | 6 0 0 0 0             |                       | 4 4 8 2                            |
| Имот и имотни права (закупнина)  | 6 0 0 0 0             | 1 5 0 0 0             | 4 5 0 0                            |
| Авtorsки права и права од индустријска сопственост   | 1 0 0 0 0             | 2 5 0 0 0             | 7 5 0 0                            |
| Дивиденди и други приходи остварени со учество во добивката кај правни и физички лица  | 6 0 0 0 0             |                       | 6 0 0 0                            |
| Камати за или постоење обврска за плаќање на денек   |                       |                       |                                    |
| Добивки од игри на среќа и други награди игри  | 1 2 0 0 0             |                       | 1 2 0 0                            |
| Други приходи на кои амортизацијата на данокот се плаќа по одбиток   |                       |                       |                                    |
| Други приходи на кои амортизацијата на данокот не се плаќа по одбиток  |                       |                       |                                    |
| Нето-приход остварен од вршење на самостојна дејност   |                       |                       |                                    |
| Вуен приход од рогодесна дејност според паучално управан приход  |                       |                       |                                    |
| Капитални добивки  | 1 2 0 0 0             | 3 6 0 0 0             | 8 4 0 0                            |
| Даночно ослободување по основи на донации во висина од 20% од годишниот данокот долг, но не повеќе од 4,000 денари   |                       |                       |                                    |
| Исклучително даночно ослободување при заклучително одлучување  |                       | 8 7 8 4 0             |                                    |
| <b>ВКУПНО:</b>   | <b>7 9 2 1 8 8</b>    | <b>2 6 3 7 8 8</b>    | <b>5 1 3 2 2</b>                   |

**ПОДАТОЦИ ЗА ПОДНОСИТЕЛОТ НА ПРИЈАВАТА**

Име и презиме и пошти: Петко Петковски

Датум на поднесување: 0 8 . 0 3 . 2 0 1 6

Criminal activities include legal entities that partially or totally do not pay taxes to the state, as well as other charges. The individuals possess required skills and knowledge regarding the finances and taxations, and also the legislative which are all in their favor when it comes to the criminal pursuit. The offenders are most often the owners or the managers of the legal entities. They have the right to manage financial assets and, with a direct insight into overall financial operations of the entity, they participate in preparation of the financial documentation or they give order this documentation to get prepared.

Tax evasion, which involves managers of the legal entities, includes payment evasion of the personal income tax, value added tax (VAT) and income tax through creating fictive contracts and invoices for supposedly delivered services, presenting fictive material expenditures, fake data regarding financial operations in accounting evidence and selling goods and services in cash without record-keeping.

**The method of tax evasion** when creating tax reports is made through a fake tax returning claim, collecting inadequately high payment for services and attracting new clients with pledge that their taxes will be returned. Creation of the tax reports by unprofessional and unregistered individuals, without having an unique tax number, does not provide huge protection for the taxpayers, it lessen the trust in the tax system as well as in the compliance with the tax laws on a long term and in a voluntarily fulfillment of tax obligations.

Hiding the incomes through criminal transactions “Offshore” is made by professionals, their supporters and by other individuals who facilitate and enable fraudulent schemes. The taxpayers are trying to evade paying taxes in our country by hiding incomes in “Offshore” banks, through brokers’ accounts, or by using a nominated subject. Taxpayers also avoid tax obligations by using “Offshore” debit cards, credit cards, scheme of cash payments, foreign companies and leasing schemes.

**At submitting fake reports and fictive documents,** various cases in which involved subjects submit fake

reports claiming tax return are revealed, by using fictive or falsified documents. By claiming tax return based on fake documents, among involved tax entities which are part of the chain of entities for generating fictive and false documents, certain entities become a part of that chain because of their negligence, which is also punishable. In order to evade tax, the taxpayers give fake information in their tax reports, especially in the parts where certain facilitation and reduction of the tax bases are given in order to avoid tax payment, or groundless tax return is claimed.

A frequent occurrence of the evasion of tax payment is the **abuse of organizations exempt from tax**, such as donations through humanitarian organizations. By inclusion of the arrangements of improper concealment of income or assets for the taxation by donors, an attempt to hold control over donated assets or income of donated property is made. Different patterns of donations of cashless funds often include donations that are highly overestimated, and donations and the taxpayers claim humanitarian contribution.

Because of the tax evasion, certain legal entities are established and they function abroad in order to mask the ownership and the incomes, or the financial activity by using third sides or entities for transferring incomes in the countries with lower tax rates and reporting lower taxes. These subjects are used for illegal transactions and money laundering.

The taxpayers often submit **fake calculations of the wages** with aim to hide tax obligations and the obligations for payment the salary contributions and personal income tax. By expressing the lower amount of salaries compared to the realistically paid, or by not declaring all the employees to the competent agency, the taxpayers evade paying contributions and the personal tax. With this kind of tax evasions the state budget is damaged, as well as the funds and the employees themselves.


Members of the OCGs that operate on a national and regional level are most often managers or authorized individuals in the legal entities who, aiming to gain unlawful material benefits, make fictive invoices and fictive contracts for a business relation which does

# Tax evasion

not exist. They also register legal entities abroad and by using non-resident bank accounts and submitting fake information to the Public Revenue Office they create and submit tax reports with fake data and with no grounds they claim VAT back. They do not calculate and do not pay VAT, as well as the personal income tax.

At the registering of legal entities, very often individuals with low material status are appointed as founders and managers, whose role is creating fake invoices for undelivered goods and money transfer on transaction accounts of more individuals, finding fictive buyers interested in receiving and using fake invoices and users of a withdrawn cash, based on a non-existing trade.

Tax evasion as a criminal activity, beside the fact that causes damages to the state incomes, it also has a negative impact on the public perception regarding the capacity of the institutions dealing with it. Tax evasion lessens the financial power of the state, it

has a negative impact on entire social and security conditions and some entities increase their financial power for continuing with the criminal activities. The unfavorable economic situation, unemployment, willingness and ability of making quick profit, are key factors that encourage this criminal activity. Payment of minimum income to the employees in order to lower the tax basis when calculating the tax leads to the declension of the standard and the quality of the social life. The financial effects have a direct impact on the functioning of the state and on the current servicing of the state obligations. This crime area has a negative impact on the public and it causes lessening of the trust in the economic system of the country, state organs and jurisdiction, lessening the social moral among the citizens, and a feeling of uncertainty in the legal state and unlawful competition within the business community 



# Property and violent crime

**Property crime represents a serious threat due to the large number of criminal offences, the direct consequences on the citizens and the great material damage caused by this type of crime. The easy and quick profit that the persons involved in this type of crime make, attracts new perpetrators that primarily belong to the younger generation. The organized crime groups that primarily deal with property crime very often change locations of criminal activities in order to avoid detection.**


# Property crime



**T**he effect of property crime, that influences the normal course of living of the citizens, primarily due to the violation of the guaranteed human rights, the right to inviolability of the home and property rights, causes a threat and a feeling of insecurity and is one of the main reasons that all countries pay special attention to and with dedication they have this type of crime as a part of the priorities of policing. The criminal activities in the area of property crime, to a large extent worry the states and the citizens, primarily because of its great presence and the material damages caused, which are extremely high.

The property crime represented by the "serious thefts" ("burglaries") and the "robberies" is characterized with massiveness, large number of unsolved cases, high level of professionalism in its execution, use of sophisticated tools and recidivism among the perpetrators. The possibility of fast and easy profit in this criminal activity has a high impact on the recruitment of new offenders, particularly young people (minors) who get involved in this criminal activity.

**The scale** of property crime in the Republic of Macedonia is no different from the situation in the region or the countries in the European Union. Even though there is a significant decrease in reported cases, the property crime is almost 70% of the total crime in the Republic of Macedonia. Geographically, the presence of property offenses in the Republic of Macedonia varies depending on the size of the cities and their population, with an extremely high level of presence in the city of Skopje.

**The crime groups** involved in the area of property crime, especially burglaries, have these activities as primary and continuous, or they carry them out periodically based on their requirements. Better organized crime groups often change the locations and residential areas where they carry out their activities and have contacts and cooperate with the local criminals 





## Serious thefts (burglaries) in residential buildings

**Global environment and regional situation** - Property crime, especially burglaries in houses and apartments (residential buildings) is recognized as a global trend including the European Union. The criminal activities in residential facilities per day in some

European Union countries are represented at a high level and they exceed the figure of one thousand a day (EUROPOL, 2015).

In the European Union countries these criminal activities are usually performed by "mobile" OCGs, who transfer from

one region to another after the execution of series of serious thefts (EUROPOL, 2015). The migration of the crime groups is also a characteristic of the groups in the Republic of Macedonia and in the countries of the region. The crime groups from the region get involved in criminal activities of executing serious

thefts outside their home countries, in countries from the region and in the European Union countries (EUROPOL, 2015).

The weak penal policy, individual and insufficient systematic research of this crime area makes it relatively attractive to

crime groups and they frequently change their modus operandi, they adapt to the environment and are becoming more innovative (EUROPOL, 2013).

The increasing trend of registered burglaries in houses and

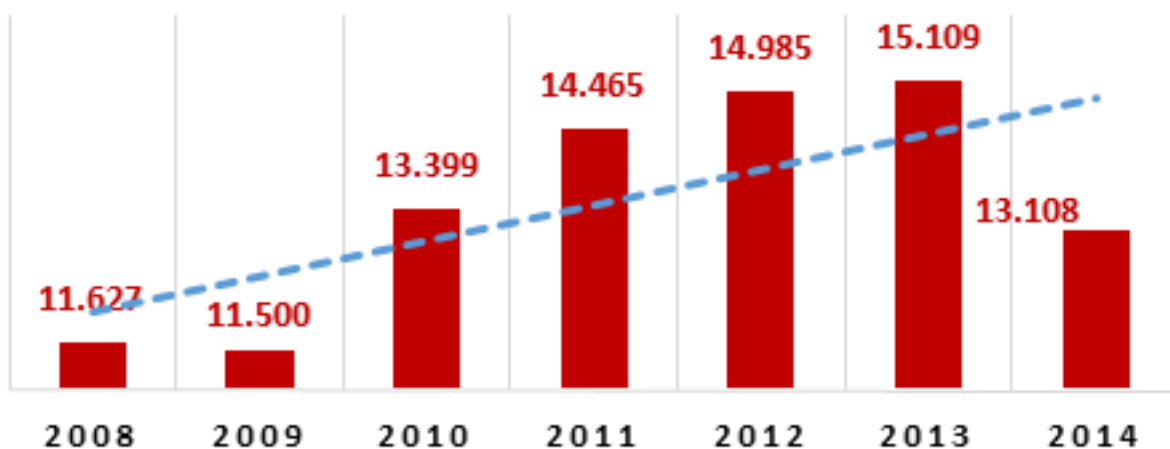
apartments is typical for the countries of the European Union. As of 2013, the number of such crimes is in expansion in Greece, Spain, Italy, Romania and Croatia, while the biggest drop was recorded in Lithuania and Slovakia (Eurostat, 2015).

The situation in the surroundings is not different

**Although the serious thefts in total represent over 50% of the overall registered crime on the territory of Macedonia, they note a slight trend of declining. The individualism and the recidivism are dominating among the perpetrators who deal with burglaries in houses and apartments. The increasing professionalism, using the special tools in performing serious thefts in houses and apartments, is evident. The crime groups that execute burglaries in houses and apartments act locally and regionally without activities out of the state borders. Some of the perpetrators of these crimes are involved in other crime areas, mostly in drugs trafficking.**

# Property crime

## Number of burglaries

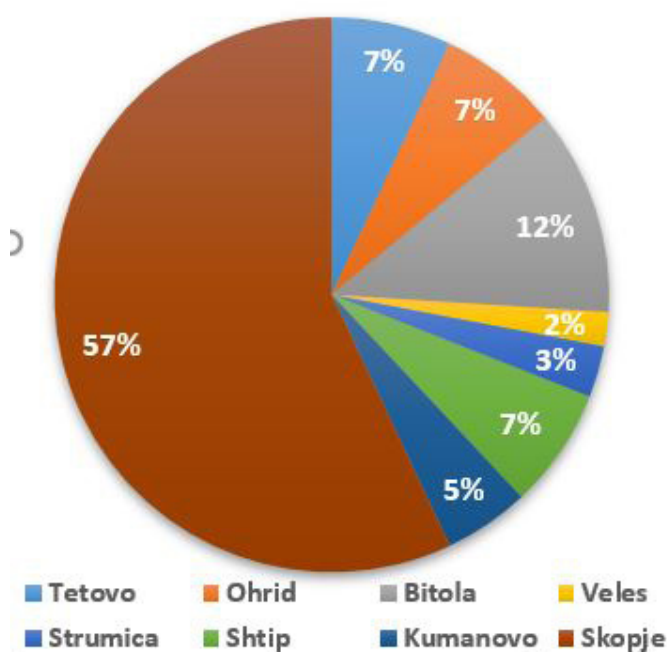


from the one in the wider region. The burglaries in Kosovo slightly increased in 2013, and then in 2014 they decreased by the same percent. There is a continuous trend of increasing in recorded burglaries in the Republic of Albania in the last five years. The number of burglaries in the Republic of Serbia oscillates, while in Bosnia and Herzegovina there has been a continuous decline in burglaries committed in the last three years. According to the processed cases in Bosnia and Herzegovina a number of persons involved in crime groups engaged in drug trafficking, especially addicts, are often recorded as perpetrators of burglaries and robberies as well.

In the Republic of Macedonia the term “severe theft” matches with a common term for the criminal act “theft”, and it is a qualified form that takes into consideration the circumstances under which the thefts are executed, the modus operandi of execution and the participants. The severe thefts are almost half of all crimes committed in Macedonia with 38,651 registered crimes in the period 2013-2015. Despite the large presence of these criminal activities, they are in continuous decrease in the last period. The majority of severe thefts are registered in the city of Skopje, with a great material damage caused to the property of the citizens. There is a downward trend in severe thefts from motor vehicles, business facilities and weekend houses throughout the country, and a slight increase of burglaries in residential buildings (houses and apartments). The greater material benefit that is acquired by burglaries in residential buildings makes them more attractive for the perpetrators compared

to the other form of severe theft.

The modus operandi of severe thefts differs and it depends on the environment of the object of theft. Breaking the front door lock with the use of special tools is one of the modes of entry in residential buildings. The special tools, used to break the safety locks are obtained from abroad by the perpetrators of these criminal activities or they make and use modified tools for that purpose. The increased awareness







about the safety of their residential buildings and the additional measures of protection taken individually affect the inventiveness of the perpetrators of the burglaries.

The mode of entering residential buildings through the balcony doors and windows is typical throughout the country, especially in

periods of the year or of the day when residents are traditionally absent from home. Balcony doors and windows are easier obstacle to overcome for the perpetrators of burglaries. This mode of conducting burglaries is specific for crime groups with successive burglaries committed in a particular geographic area.

Before carrying out a series of severe theft, the group observes the surroundings and determines objects for the burglaries, and the perpetrators are divided into different roles.


The main interest of the perpetrators is cash or items of greater value, gold and jewelry, which can easily be sold later at the "black market". They also often

steal technical goods with higher value (computers, TV sets) and mobile phones that can be easily sold. There is also a phenomenon in the last period of recorded stolen weapons, which is taken from residential buildings, while committing burglaries.

Items that are stolen are usually offered for sale in other cities or abroad,

depending on the type and are rarely sold in the cities where stolen.

OCGs that commit burglaries have an intermediate level of organization. The members are connected based on a common criminal past or by a common financial interest. Organizers of the crime groups

participate in the burglaries and organize the sale of the items. The crime groups execute their activities locally, on the territory of their residence or in other cities where they reside only while executing the criminal activities. OCGs that commit burglaries are often involved in drug trafficking, and they use the profit from the sale of stolen property for purchasing drugs 

**▪ Serious thefts (burglaries) in residential buildings will continue to be the most prevalent crimes in relation to other criminal activities. Major changes neither in supply nor in demand of items originating from committed burglaries in houses and apartments are not expected. There is a possibility that the crime groups will move and commit criminal acts in different regions of the Republic of Macedonia, or go beyond its borders in the countries of the European Union, primarily due to the easier movement enabled by the visa-free regime. ▪**

## Roberries

**Global and regional environment** – The robberies in the European Union countries and the region in the last period do not have a significant trend, which vary from country to country depending on the environment in which the perpetrators act. The committed robberies decrease continuously during 2012 and 2013, and in the last two years there is a notably reduction of organized robberies of banks, while transporting money or at ATMs (EUROPOL, 2015).

There is a change of the nationality of crime groups operating in this crime area in the European Union countries. In the last period the most common are the crime groups from the Baltic States instead of the crime groups from the Western Balkan who were the most common perpetrators of robberies (EUROPOL, 2015).

At the regional level, in addition to their home countries, crime groups commit robberies in the neighboring countries. Crime groups from Albania, besides acting in their own country are involved in robberies in Macedonia, while crime groups from Bosnia and Herzegovina act and commit robberies in Montenegro. In the Republic of Serbia there is a trend of decreasing of robberies, but Serbian citizens are involved in committing robberies in the countries of the region and in the European Union countries, mostly in the jewelry shops. Bosnia and Herzegovina has a continuous increase in robberies in which weapons are used, usually committed by well-organized smaller groups that are not firmly connected or have no hierarchy.

A common feature for almost all countries is that the most of the targets of attack are elderly people, who can be easily deceived. With an increasing number of this category of persons within European Union, the

possibility of increasing the number of victims of this type of crime is concerning (EUROPOL, 2013).

In the Republic of Macedonia, robbery as an offence in the area of property crimes involves use of violence in its committing, i.e. “by using force or by threatening to directly attack the life or body of another, takes another’s movable object with the intention to unlawfully appropriate it”.

In the period 2013 - 2015, a total of 1051 robberies have been registered, and they are almost 2% out of the total recorded crime during this period. There has been a downward trend in robberies in the last two years, and most of them are registered on the territory of Skopje.

**The robberies in the Republic of Macedonia are continuously decreasing, with a significant increase in solving and criminal processing of these acts. On average, there is one robbery daily on the territory of Macedonia; and two to three persons without an organized form of a crime group usually commit them. Use of violence in committing robberies is less present, without the usage of weapons that are only used to intimidate. Victims of robberies, most often are vulnerable categories – young individuals, women and seniors. The business facilities targeted for robberies are most attractive to the perpetrators because of the funds that are taken during the robberies.**

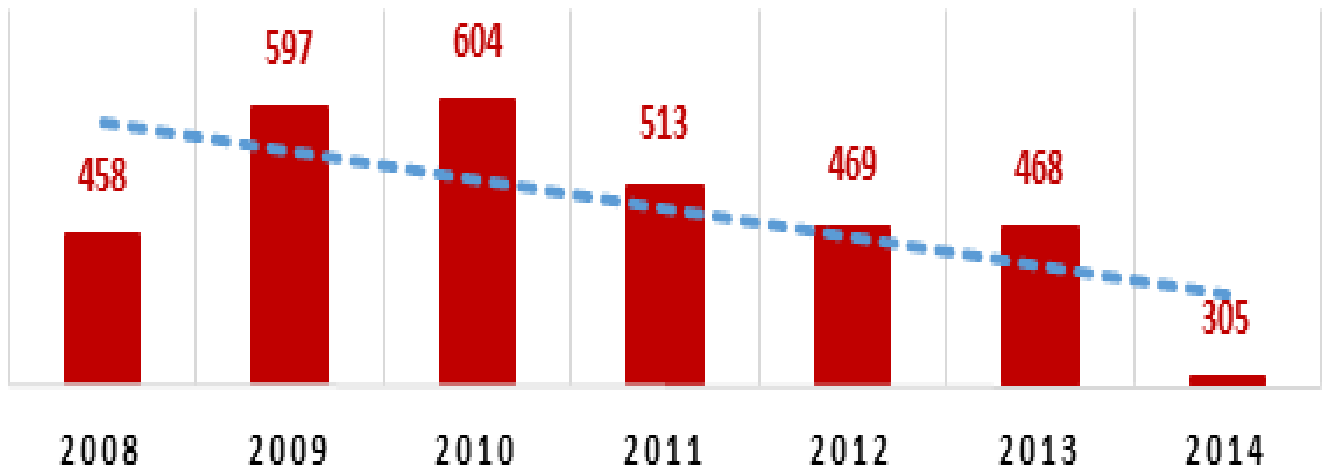
In terms of **locations of committing robberies**, more than a half of the registered robberies are an easier type committed in an open space (street robberies) with young people as a main target of attack. Other lo-

cations of committing robberies are the shops, where money is taken from the employees, mostly females, and in residential premises where the victims are mostly elderly people. The number of robberies at gas stations, casinos, sports betting shops, post offices, banks and other locations where the access to money is fast and easy, is low.

Usually, almost all robberies are committed in the period of the day when the visibility is reduced. Typically for the robberies in commercial buildings, is that they are being committed before closing of business, when the frequency of people is reduced.

Firearms are most **common means for a threat** while committing robberies, but mostly are used

## Number of robberies




as means of intimidation, without their using. The physical force is also a method that is used by the perpetrators of robberies. Perpetrators also use a number of devices (knives, sprays, masks) that facilitate the robbery, or they are used for concealing their identity. For concealment of identity, besides the use of masks, the perpetrators wear wardrobe that is not easily recognized and avoid communication with the victims. There are isolated

cases of serious injuries being inflicted to the victims, and only in two cases, there have been fatal consequences. **The main target**

**No changes are expected in the scale, the manner of execution, or in the use of violence and type of victims in the area of robberies as a part of the property crime. The most frequent victims of robberies will continue to be younger people and women. Rapid profits in robberies will be a factor of influence, which will attract perpetrators, with a possibility of formation of larger crime groups that will get involved in this crime area.**

in robbery is cash or valuable items that can easily be sold by the perpetrators.

There are no registered crime groups in the Republic of Macedonia that commit robberies which have an organized form, except smaller groups

of two or three people who after committing series of robberies stop with those criminal activities 





# Smuggling of goods

The Republic of Macedonia is a country of origin, transit and the final destination of smuggled goods. Tobacco manufactured in Macedonia is being smuggled to the neighboring countries through the legal and illegal border crossings. Cigarettes are smuggled into Macedonia and into the neighboring countries including legally purchased cigarettes or cigarettes that are illegally produced. Across the Albanian and Kosovo borders, illegally produced cigarettes enter while legally purchased and illegally produced cigarettes are smuggled to Bulgaria.

# Smuggling of goods



The globalization has significantly changed the nature of smuggling goods in terms of their origin, destination, and route of transport, type and price of the goods. Smuggling goods as a criminal activity is attractive for the crime groups because of the low risk and the high profit.

Trafficking tobacco and tobacco products is a global threat that causes a loss of over ten billion euros within the European Union (Commission, 2013). At the global level, most of the seized products that violate the intellectual property rights, originate from China.

The South East European countries are a transit region for smuggling goods. Non-compliance of the fiscal politics on a regional level, the big price difference, increasing of excise duties in the neighboring countries is a possible reason for appearance of this type of crime. In the region, Bulgaria and Greece are countries with highest tax burden and excise duty where the presence of illegal cigarettes alone is from 20-30%. The tobacco market in Macedonia is stable and the illicit trade in cigarettes is the smallest in the region - it is just 2%.

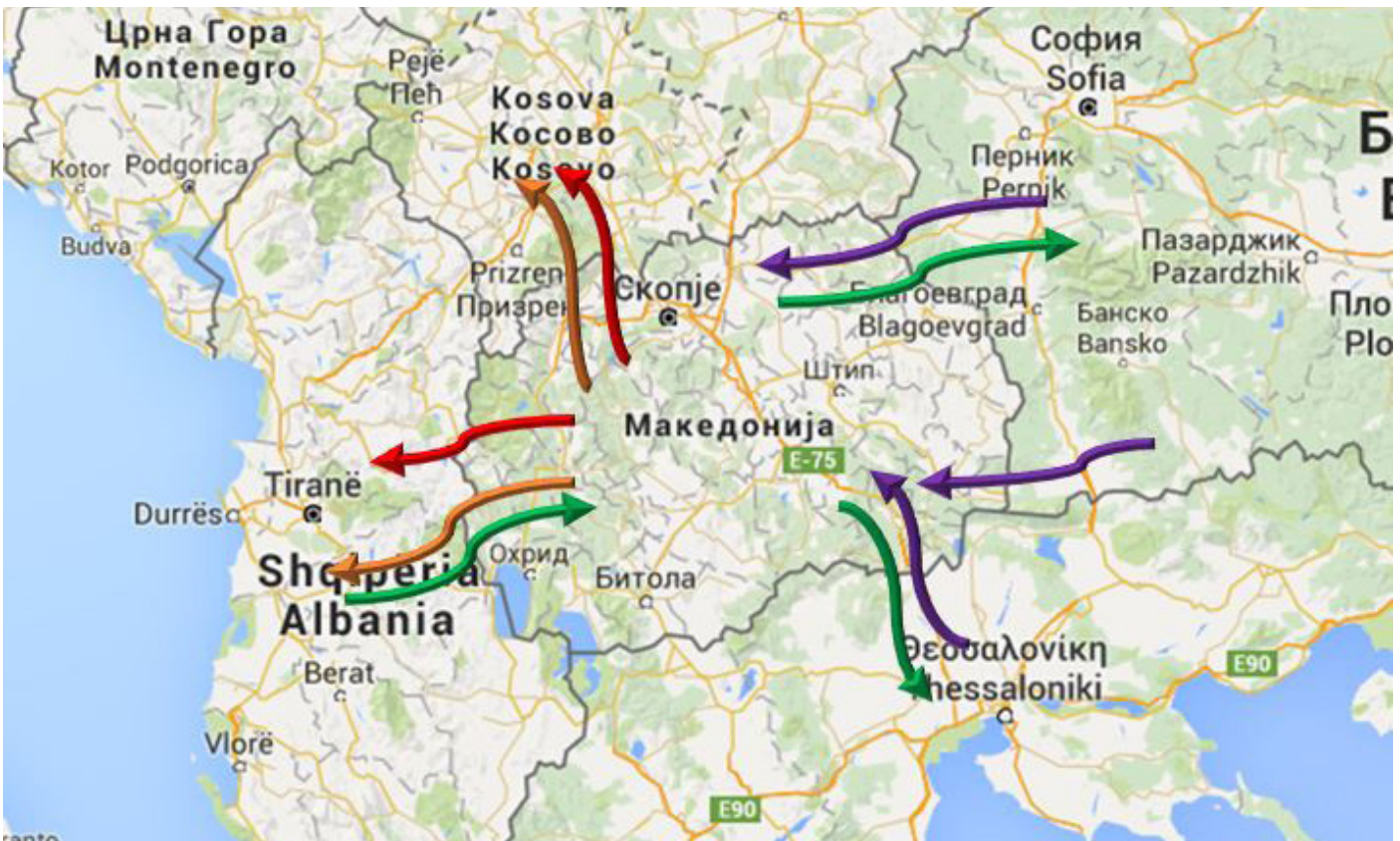
The Republic of Macedonia is a country of origin, transit and the final destination of smuggled goods. In line with the changes in customs regulations, social and economic changes of the society structure, the types of smuggling are changed, as well as the types of smuggled goods and more alternative routes that bypass Macedonia as a transit country, are used.

In the period 2013 - 2015 in and around the country different kinds of goods were being smuggled, especially cigarettes, tobacco, cattle, food products, pharmaceuticals and medical products and devices, electrical appliances, mobile phones, textile, gold and silver jewelry.

In these criminal activities, in most cases, there were no members of OCGs involved, but individuals with a temporarily affiliations who acquire significant funds by avoiding taxes, excise and customs clearance of goods.

Modes typical for smuggling legal goods are also

# Smuggling of goods



used for smuggling illegal goods: in passenger and heavy vehicles, buses, hidden in the luggage or wrapped around the body of persons crossing the

state border, in factory cavities or in specially made bunkers in the vehicles. 

## Smuggling of tobacco and tobacco products


Smuggling tobacco and tobacco products includes the smuggling of cigarettes into Macedonia intended for the domestic market or further smuggling to the neighboring countries and smuggling of tobacco and cigarettes into neighboring countries. Tobacco manufactured in Macedonia is smuggled abroad to Kosovo, Serbia, Bulgaria, Greece and Albania through illegal and legal border crossings. Smuggling cigarettes as a type of excise goods is carried out from Macedonia to Bulgaria (for legally purchased cigarettes), from Albania to Macedonia towards Bulgaria and Greece (for illegally produced cigarettes) and from Bulgaria to Macedonia towards Kosovo and again to Bulgaria for cigarettes with fictitious export sales in Kosovo, which afterward return to Bulgaria.

Smuggling cigarettes in Macedonia, as most smuggled goods, decreased in the last two years. In the period from 2013 until 2014 smuggling of 1.3 tons of crushed tobacco was suppressed; it was mainly smuggled into Kosovo, Albania, Bulgaria and Serbia because of the low price in Macedonia. In the period from 2011 until 2014, in total 48,120,903 cigarettes are seized.

Legally produced cigarettes with control mark, as well as illegally produced cigarettes and cigarettes without control mark are smuggled into the Republic of Macedonia. The borderlines with Kosovo and Albania are one of the most important points for entering of illegal cigarettes and the borderline with Bulgaria is the main exit of the smuggled cigarettes.

# Smuggling of goods



Through the legal border crossing points, cigarettes are being smuggled by using counterfeit documents or hidden among other goods. Smuggling cigarettes through illegal border crossings depends on the terrain and is carried out with passenger and heavy vehicles, cattle or vessels through the Ohrid Lake. The locals who know the terrain very well often commit the smuggling of cigarettes through the illegal border crossings. The criminal activities of cigarette smuggling help the crime groups to gain high profits because of the huge price difference, while often the legal businesses are included for concealing the criminal activities 

## Smuggling of other goods

In the period 2013 - 2014, when attempts to smuggle textile goods were prevented, 220,000 pieces were seized. Textile goods are primarily smuggled from Bulgaria and Greece into Macedonia, as a final destination, or as a transit destination to Kosovo. Crime groups do not apply sophisticated methods while smuggling textile goods as in other types of smuggling legal and illegal products, and the char-

acteristics is corrupt activities towards the border officials. Most of the textile goods that are crossing Macedonian - Greek border originate from China. These products often violate the intellectual property rights and end on the domestic market or are intended for transit through the territory of the Republic of Macedonia, mostly towards Kosovo 

**In the future, alternative routes for smuggling goods will bypass Macedonia as a transit country. Smuggling cigarettes into Bulgaria will continue to be prevalent among the crime groups, with an expected increase of intensity of smuggling cigarettes into Greece.**



# RECOMMENDATION

## PREVENTION

- » Intensifying cooperation and joint activities of governmental and non-governmental organizations in the implementation of preventive debates, lectures, educational content in electronic media to involve non-law enforcement parts of the society. Active participation of students and teachers in educational campaigns conducted in the educational system for the sole purpose of developing measures that will contribute in reduce of drug abuse, early warning of their harmfulness and increase the awareness of the problems of drug abuse.
- » Implementation of educational campaigns in education to increase awareness of the dangers and risks for the children who are exposed to the Internet and implementation of preventive debates, lectures, educational content in electronic media for introducing the measures for protection against cybercrime.
- » Intensification of preventive police work in the local community based on analyzes made for objects and places where crime is committed;
- » Strengthen prevention by taking concrete measures to fulfill the tax obligations, as well as organizing and implementing preventive actions to address the public about the negative consequences of carrying out criminal activities related to migrant smuggling, trafficking in excise and other types of goods, etc.

## INTELLIGENCE

- » Collection of information based on identified intelligence gaps for producing analysis of all phenomena of organized and serious crime;
- » Providing intelligence, as well as comprehensive operational activities to the most serious criminal threats.
- » Establishing joint investigation teams between law enforcement agencies and taking actions and measures to the most threatening organized crime groups operating in the country.
- » Suppressing and tracking online sales, control of widely used medications also used for the production of synthetic drugs, enhanced control of precursors and raw materials for the production of synthetics.

# RECOMMENDATION

## ENFORCEMENT

- » Preparation and conducting of strategic and operational action plans in priority threats;
- » Constant training and technical support for institutional capacity in order to adequately respond to the crime deviation, particularly with regard to the application of new techniques and the use of alternative routes;
- » Continuous strengthening of capacity especially in financial investigation in order enabling investigation for financial proceeds from the crime and intensifying the application of confiscation of property by judicial authorities;
- » Work towards the providing of appropriate and targeted training for police and customs officers to identify new synthetic drugs, new psychoactive substances on the market and the diversion of certain chemicals (precursors) for the illegal production of drugs.
- » Standardization of the method of collecting information over previously identified and developed key indicators in certain crime area;
- » Focusing on the capacities of forensic analysis aimed at determining the purity of seized drugs and focusing on institutions designated by law in order to provide data on the number of drug users in the country, after the previously determined indicators;
- » Further strengthening the legal framework in dealing with new trends in illegal activities related to drugs - the emergence of new psychoactive substances;
- » Strengthen measures to prevent money laundering;
- » Continuous extension of integrating international cooperation through the promotion and implementation of multilateral, regional and bilateral cooperation among judicial, customs and police services to combat organized and serious crime and improve the exchange of information;
- » Participation and support of international operations and investigations;
- » Establishing a national system for early warning of new drugs on the market under current EU regulations and actively participating in it;
- » Active participation in the analytical files of Europol through the submission of data for strategic intelligence.
- » Strengthen cooperation with agencies of the European Union in the field of drugs through intelligence sharing and establishing of joint investigation teams and taking measures with countries where organized crime groups have developed their own criminal networks.

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