Research and Documentation Centre
Ministry of Security and Justice

Organised (Cyber)Crime: About Old and New Bottlenecks, Bitcoins and Cash

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Purpose and research questions

? **How does the use of IT affect the criminal operations of OC-groups?**

- Focus on three aspects of criminal operations:
    – Criminal cooperation
    – Logistics
    – Financial aspects

- Scope: a broad range of types of organized crime

Data

- Literature

- Empirical Data: 30 most recent cases of the Dutch organized Crime Monitor (DOCM):
    - 23 cases of traditional OC
    - 4 cases of cyber crime (banking malware, phishing)
    - 3 cases of IT facilitated traditional OC

Special investigative powers:

Wire taps

IP taps

Interrogations

Observations

Listening devices

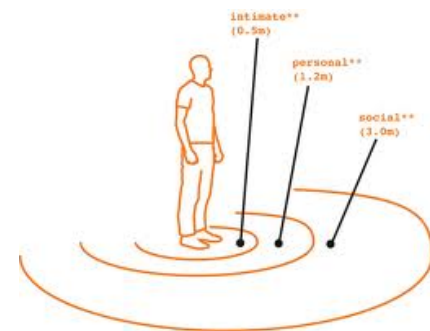House searches (incl computers etc).

Results

Criminal cooperation and the use of IT

- How do you find capable and trustworthy co-offenders?

  - Traditional organized crime: social ties

  - Cybercrime:
    - Many core members have social ties (offline)
    - Technical skills and tools are found on online forums
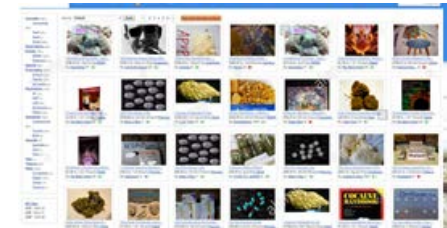   - Money mules are often locally found (offline)

Results

Criminal cooperation and the use of IT

- Finding buyers – the case of a Dark Net market (DNM)

  - DNM's broaden horizon for sellers and buyers!

  - But DNM's have local dimension too – our case:

    - Developers have same local background
    - Some transactions take place offline
    - Online transactions: cross-border but not so global?

Results

Money flows and the use of IT

- Traditional OC
  - Generates cash
  - Traditional forms of ML, no use of Bitcoin
  - Very limited use of pre paid cards

- Cyber – malware/phishing
  - Generates digital regular currencies (Euro)
  - These are cashed out (Euro)
  - Partly used to purchase Bitcoin, pre paid cards

- DNM
  - Generates Bitcoin
  - These are exchanged and cashed (Euro)

Results

Money flows and the use of IT

➤ **Cash is king!**
- – Traditional OC and Cyber OC offenders prefer cash?!

- Illegal financial service providers for cybercrime:
  - – Money mules
  - – Bitcoin exchangers

Conclusion

- Explorative study

- Main Question:
  How does the use of IT affect the criminal operations of OC-groups?

Conclusion

- IT introduces new possibilities for OC

- Traditional OC is still 'traditional'

- Cybercrime has local dimension
    - Criminal networks have local roots
    - DNM's are not 'borderless'
    - Cybercriminals use local facilities

- Cash is still king!

- Counter strategies to cybercrime rely on 'cyber' knowledge and measures as well as regular methods

Questions / remarks?

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How IT changes organized crime (or not) | 15 September 2017