



ENGLISH EDITION

2022

ANNUAL REPORT



NCOZ

**NATIONAL ORGANIZED CRIME AGENCY OF THE
CRIMINAL POLICE AND INVESTIGATION SERVICE
POLICE OF THE CZECH REPUBLIC**

2022

NCOZ ANNUAL REPORT

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PO BOX 41/NCOZ

156 80 Prague 5 - Zbraslav

Tel: +420 974 842 420

E-mail: ncoz.sekretariat@pcr.cz

web: <https://www.policie.cz/clanek/narodni-centrala-proti-organizovanemu-zlocinu-skp>

Edited by: NCOZ Office of the Director's Public Relations & Prevention Department in cooperation with Criminal Analysis Division

NCOZ Spokesman: Col Jaroslav Ibehej

Contact: ncoz.tisk@pcr.cz

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FOREWORD BY THE DIRECTOR

Dear readers,

Meet the 2022 Annual Report which gives you an insight into the NCOZ operations, the most important cases dealt with, statistical data as well as other interesting facts referring to 2022. In this report, we would like to present the people with a yearly summary of what we do in order to protect their rights as well as the security of the Czech Republic.



As in 2020 and 2021, our work continued to be affected by the Covid-19 pandemic, albeit on the decline.

However, another new situation has arisen in 2022 which Europe had not been facing for decades – the Russian aggression against Ukraine. The war conflict has also directly affected our agency, as we began to gather and analyse information regarding war crimes.

I must not forget the recent migratory wave, which the NCOZ has been involved in responding to. At this point, I can already say that in 2023, our work will be crowned by having finalized several major cases.

This migration wave is also linked to the anticipated change in legislation which is expected to focus on the so-called “Schengen element”. Further in the report, the meaning of this term will be explained as well as why it is considered important.

In 2022, we of course continued to be engaged in detection and clarification of crimes that are within the jurisdiction of our agency. And I must say that again, the last year was a success. Several cases of very serious crimes were finalized throughout the year.

I can mention, for example, the case of looting from public procurement contracts offered by the Prague public transport company, known to the public as Operation DOZIMETR or serious corruption cases related to, inter alia, assigning of municipality-owned apartments and the privatization of blocks of flats located in Brno (Operation TAXIS). In the annual report, we will present some other interesting cases of our agency from 2022.

However, our agency has started to deal with new crime phenomena, such as environmental crime. A case of a public contract for the disposal of styrene resins is a good example. Here, the disposal of hazardous materials has never taken place and drums containing styrene were illegally dumped in a landfill.

We have again dealt with several cases of aggravated large-scale investment frauds. The growth of this particular area of crime made us launch a crime-prevention campaign named “NEBUĎ LABUŤ!” (Don’t be a fool!)

The good work of the NCOZ was attested by its success in the 2022 edition of the prestigious Police Officer of the Year award.

Our agency claimed the Team of the Year and Specialist of the Year awards while taking the second place in the Commander of the Year category.

Last year was also marked by some major organisational changes, as intensive preparations were underway for the breakaway of two of the Agency’s commands (Counter-Terrorism & Extremism and Cybercrime) to form the National Counter-Terrorism & Extremism and Cybercrime Agency (NCTEKK), a new unit with a national jurisdiction established on January 1, 2023.

In closing, I would like to thank all the officers and civilian staff of the agency for their dedication and high-quality performance they delivered last year.

A stylized, handwritten signature in black ink, belonging to Col. Jiří Mazánek.

Col. Jiří Mazánek
NCOZ Director

SUMMARY

For the NCOZ year 2022 marks the fading of the impact of the Covid 19 measures and a return of crime to normal levels. What fundamentally changed the security environment was Russia's aggression against Ukraine. Both by the movement of masses of war refugees and the activation of some groups such as hacktivist groups. For the NCOZ, this is the beginning of a more challenging period in terms of protecting citizens' rights, the rule of law and state sovereignty.

At the turn of 2022, cybercrime, terrorism and extremism have been removed from the NCOZ's responsibility to be assigned to a new stand-alone agency within the Police of the Czech Republic with a national jurisdiction – National Counter-Terrorism, Extremism and Cybercrime Agency (Národní centrála proti terorismu, extremismu a kybernetické kriminalitě – NCTEKK SKPV). Following the delimitation of the NCOZ and NCTEKK, Cyber-enabled Crime Department was established within the NCOZ. In addition to criminal proceedings, it provides advisory and support in the area of securing and tracing cryptocurren-

cies to the organisational units within the NCOZ as well as other agencies and services of the Police of the Czech Republic.

The professionalism of the NCOZ police officers has been recognised by receiving three individual and team awards in the scope of the 2022 Police Officer of the Year 2022 Award.

In 2022, 84 new cases were opened. In 67 cases, charges have been brought against the defendants and 71 cases were finalized and an indictment motion was filed to the supervising prosecutor. The major



cases of 2022 involved corruption, manipulation and profiteering from public contracts as well as the abuse of political office for enrichment and manipulations. Similarly, there was a number of financial crime cases related to tax evasion.

In the area of financial crime, investment fraud continues to be on the rise. Frequently, an "alternative fund" or a "mini-fund" is used as an





instrument in investment fraud schemes. The NCOZ has started to respond environmental crime cases. These include both frauds related to the disposal of old environmental burdens and illegal waste disposal and financial manipulations related to waste management.

Investigations of modern slavery continued, being related to the abuse of victims in a difficult social situation, where the offenders rely on the inability of their victims to resist the enslavement effectively. NCOZ detectives conducted a joint operation in relation to a criminal case of illegal migrant smuggling through several EU countries,

including the Czech Republic .

According to the annual statistics on seized property published by the Police of the Czech Republic, the property seized by law enforcement authorities in 2022 was worth approximately CZK 5.3 billion which is a decrease of approximately CZK 1.9 billion when compared to 2021 figures. NCOZ was the exception to this decline, as the volume of property seized by the agency has risen by some CZK 800 million. The total value of property seized by the NCOZ is estimated at CZK 2.82 billion.

NCOZ keep the public informed about its activities by publishing

press releases or, eventually, media interviews. A pre-emptive media campaign was carried out targeting potential investment fraud victims, explaining the manipulative practices used by fraudsters.

In the area of international relations, a Memorandum of Cooperation between the NCOZ and the FBI was signed. The NCOZ also participated in events related to the Czech Presidency of the EU Council – a meeting of weapons experts and a meeting of the EU Council Working Group on Terrorism. We continue to stay in touch with our Ukrainian colleagues, not only officially but also by providing personal support.

NCOZ

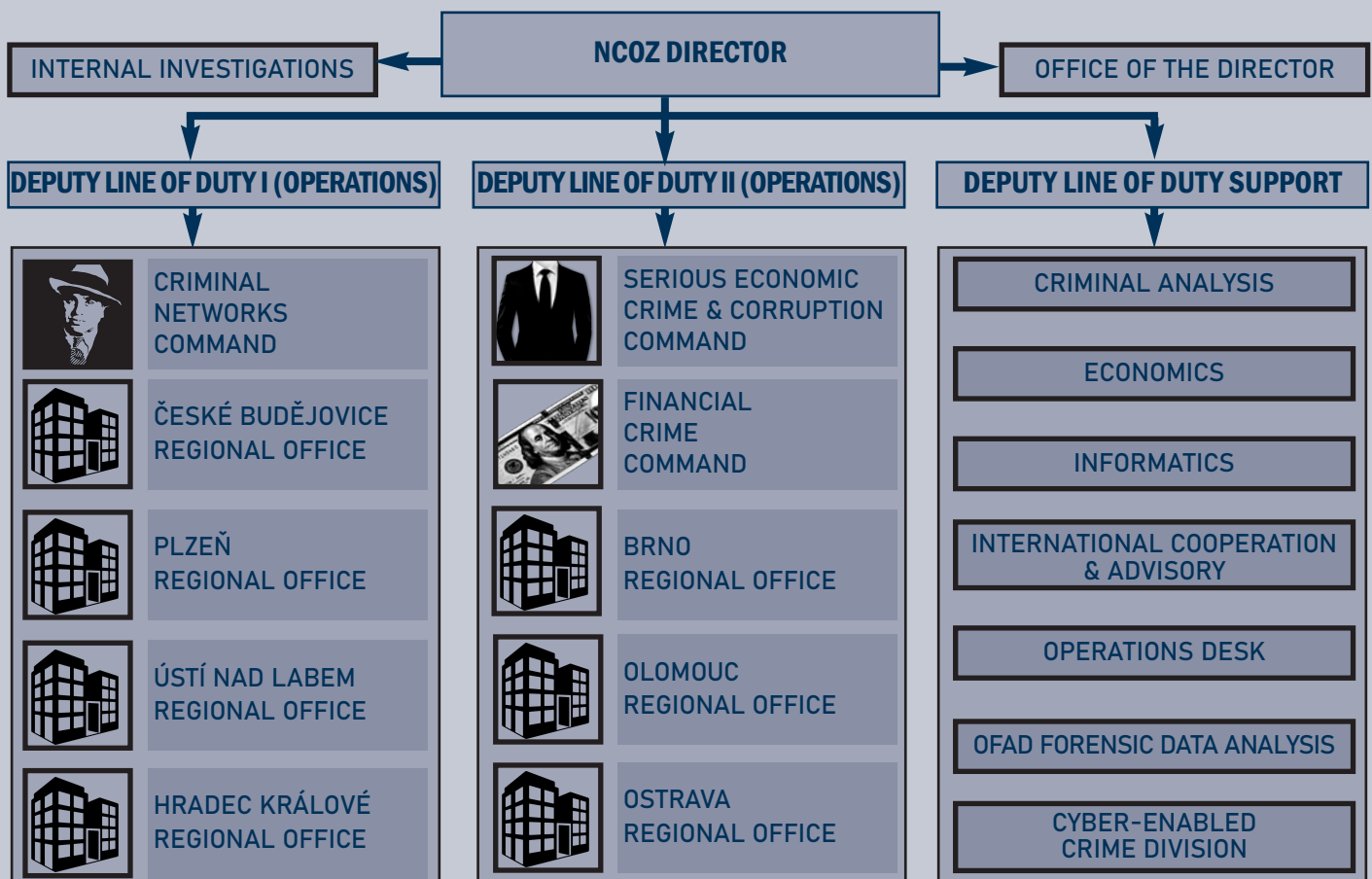
NATIONAL ORGANIZED CRIME AGENCY (NCOZ) is a law enforcement agency with national jurisdiction, formed within the Police of the Czech Republic. The agency comprises of three commands: Criminal networks, Serious economic crime & Corruption and Financial crime. By the end of 2022, the areas of cybercrime, terrorism and extremism were removed from the Agency's scope of responsibility and assigned to a new independent agency with a national authority: the National Counter-Terrorism, Extremism & Cybercrime Agency (NCTEKK).



Furthermore, the agency has its regional offices spread across the country and based in České Budějovice, Plzeň, Ústí nad Labem, Hradec Králové, Brno, Olomouc and Ostrava. There are also supporting departments providing criminal intelligence analysis, forensic analysis, administrative support, logistic services and international cooperation. The NCOZ specialises in the detection of organised crime to the extent of its functional and subject-matter jurisdiction as set by the Instruction of the Police President, re-

specting limitations resulting from national legislation as well as internal guidelines of the Police of the Czech Republic. The Agency's main responsibilities consist in enquiries, verification and investigation of selected aggravated crimes under the supervisory jurisdiction of the High Public Prosecutor's Offices in Praha and Olomouc as well as investigation of crimes within its own jurisdiction. In addition, the Agency contributes to the fulfilment of tasks of the Police Presidium of the Czech Republic.

Within a defined range, the NCOZ is also a coordination, advisory and supervisory body in relation to other departments and units within the Police of the Czech Republic. After the separation of the NCTEKK from the NCOZ, a new division of cyber-enabled crime has been established. Apart from dealing with their own investigations, the division provides the rest of the agency as well as other police units with its expert knowledge and support in the area of tracing and seizure of virtual currencies.



JURISDICTION

The NCOZ is a specialised agency of the Police of the Czech Republic with national jurisdiction which deals with criminal cases of utmost gravity. The NCOZ's subject-matter jurisdiction is determined by whether the crime is either related to high damage or has been committed by a so-called "special entity" or an organised criminal group. More than 50% of the cases fall within the jurisdiction of the High Public Prosecutors Offices.

Representatives of central government bodies

Criminal activity related to the exercise of powers by representatives of government bodies in their capacity as minister, deputy minister, MP, senator, director of a state office and his/her deputy.



Representatives of regional government bodies

Criminal activity related to the exercise of powers by representatives of regional governments in their capacity as governor and his/her deputy.



Judges and public prosecutors

Criminal offences committed by judges and prosecutors in connection with the exercise of their jurisdiction.



Harming financial interests of the European Union

Criminal offences related to the use of financial support from EU funds.



Tax crime and serious economic crime

Tax crime and serious economic crime with damage exceeding CZK 150 million.



Money laundering and violations of international sanctions

Crimes related to the laundering of criminal proceeds and violations of international sanctions.



Organized criminal groups

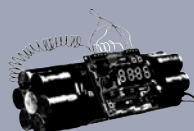
Criminal activities of organized criminal groups pursuant to Section 361 of the Criminal Code, or particularly serious and organized crimes in the areas of:

extortion



violent manifestations

IEDs used against life, health or property



illegal migration



human trafficking

crimes against currency and means of payment



Organized crime - our definition

Organized crime is a group-conducted criminal activity the preparation, way of execution or consequence of which:

- 1) may pose a threat or threatens the execution of public administration based on the principles of a democratic rule of law or
- 2) tends to the denial or denies fundamental human rights or otherwise interferes the constitution order or
- 3) harms the economic interests of the state and its critical infrastructure or
- 4) may cause harm or harms particularly vulnerable victims or
- 5) may cause or causes an extensive damage to life or property or
- 6) is of international character

Because of the high social danger, conspiratorial and organized nature, deployment of special police forces is required to detect this type of crime.

NCOZ COAT OF ARMS

NCOZ official coat of arms was introduced in 2016. It was designed by Radek Galaš, a police historian, author and the director of the Museum of the Police of the Czech Republic; a renowned expert in police symbols and their history.



NCOZ seal is a shield the shape of which corresponds to a basic shape reserved for agencies with national jurisdiction.

The actual seal consists of a dark blue shield with a golden double lining on the edges. In the background, there is a torn spider web in silver inside the shield, symbolizing the networks of organized crime. A two-tailed, rearing-up lion dominates the



seal, standing on his hind paws. In his right paw, the lion holds a sword which stands not only for the response against crime but also for tackling the organized crime.

The lion is in white colour, claws and the crown are in gold. With a high-risen sword, the rampant lion cuts the nets of the crime. The lion's figure represents the national jurisdiction of the agency



(it is a Czech lion) and also the fighting spirit and courage in the combat against organized crime, represented by the spider's web.

In heraldry, the lion symbolizes chivalric virtues, courage, strength and bravery – all the qualities not only of the officers serving the agency but Czech police officers in general.

CAREERS

NCOZ is always on the lookout for talented individuals who would like to join the Agency at some of our positions. NCOZ is a national law enforcement agency which investigates and prosecutes the most serious forms of crime in the areas of dismantling the networks of organised crime groups, economic crime and corruption and financial crime.

CANDIDATE PROFILE

Candidates are expected to be mature personalities with a high degree of personal integrity. He or she must be capable of making his or her own decisions but to work within a team as well. Teamwork is the essential method of our daily performance. All candidates are expected to prove their intelligence, experience, patience and determination to deliver a maximum work performance. Most jobs at the NCOZ require a university/college degree. In general, candidates with a criminal police case officer or similar background from another security force are preferred. Applicants with different work expe-

rience must prove their motivation as well as their preparedness for professional growth and further self-education. Exceptionally, civilian applicants are also accepted, provided they have the required level of a particular expertise and are able to adapt to serving a security force.

SELECTION PROCEDURE – WHAT IS PROCESS OF FINDING THE BEST CANDIDATES

The selection procedure consists of several elimination rounds and usually takes up to several months to complete. The reason is that we test the motivation of the applicants and their suitability

for working at the NCOZ. As the first step, a functional CV along with a cover letter needs to be sent to the Agency's HR specialists. We are interested in the applicant's views on working for the Agency as well as on his/her personal contributions he/she may offer. Most positions at NCOZ require a college degree. Promising candidates meeting initial requirements are shortlisted and invited to personal interviews and to join the next stage of selection procedure. Legal requirements towards the members of security forces include good health, stable personality and physical fitness.

Selection procedure includes the following:

- PHYSICAL FITNESS TESTS
- PSYCHOLOGICAL EXAMINATION
- ELABORATION OF A CASE STUDY
- DEALING WITH A TRAINING SCENARIO IN THE TRAINING AREA

Practical testing of professional and legal knowledge, tactical skills, performance and psychological profile. We are interested in advanced skills in the following areas: law, finance, ICT, foreign languages etc.

BASED ON THE RESULTS OF THE SELECTION PROCEDURE, FINAL DECISION ON THE ADMISSION IS TAKEN DURING THE INTERVIEWS OF SUCCESSFUL CANDIDATES.

MICROTEAM

The basic agency unit working on a particular case. The basic division of positions within the unit is an operative, a criminal analyst, financial investigator and investigator-in-charge (leading case officer). Every position requires a different personality.



There are field detectives (operatives) who gather information and intelligence in the criminal environment. Analysts are expected to evaluate, sort and put the information into context. Investigators (case officers) set out tactical directions of the investigation and are responsible for legal compliance.

NCOZ

NÁRODNÍ CENTRÁLA PROTI ORGANIZOVANÉMU ZLOČINU
SLUŽBY KRIMINÁLNÍ POLICIE A VYŠETŘOVÁNÍ
POLICIE ČESKÉ REPUBLIKY

POLICE OF THE CZECH REPUBLIC
CRIMINAL POLICE AND INVESTIGATION SERVICE
NATIONAL ORGANIZED CRIME AGENCY



BECOME AN NCOZ OFFICER

Would you like to protect the security of the Czech Republic and fight against organized crime? We investigate into the most serious and complex cases along with top professionals home and abroad using the newest technologies. We are seeking for new colleagues willing to work with us, making their own contribution to the safety of the people and the protection of their rights. NCOZ is a law enforcement agency with national jurisdiction, dealing with organized crime, financial crime, serious economic crime and corruption. Should you have the ambition of boosting your professional career to a next level, we will be glad to welcome you. We are interested not only in experienced officers but also in those willing to grow and become ones under the guidance of experienced colleagues. We are interested in experienced police officers but also in those with fewer professional experience but willing to grow under the auspices of experienced colleagues.

CONTACT FOR CANDIDATES:

NCOZ.PERSONALNI@PCR.CZ

OFFICER OF THE YEAR

The achievements of our Agency are also evidenced by our success in the prestigious 2022 Police Officer Of the Year awards. Having won the Team of the Year and Specialist of the Year categories, the success in this competition was enhanced by clinching the second place in the Commander of the Year category.



Specialist Of the Year Award – 1st place Col. Ondřej Pašek

Col. Ondřej Pašek is a top specialist in the field of illegal migration. With twelve years of professional experience in this particular area, he has significantly contributed to expert and advisory activities in reaction to increased number interceptions of illegal migrants crossing the Czech border in 2022. He prepared the basis for initiating changes in criminal law and intensified co-operation with relevant national and international partners. He participated in internal measures to intensify methodological research and formulate priorities for regional offices of the Agency with regard to the increase in illegal migration. At the same time, he actively participated in a number of factually and legally complex criminal trials.



Team Of the Year Award – 1st place Operation DOZIMETR investigation team

The team's activities focused on dismantling organised criminal activities in the area of corruption and public procurement in public administration and state organisations. Using all available covert means to gather intelligence and profiting from maximum level with supporting units of the criminal police, the prosecution of some twenty suspects has been initiated, the defendants being charged with the most serious crimes in the area of organized crime and corruption. The team's activities were characterized by maximum commitment, even at the expense of their private lives, professionalism, cohesion and overcoming difficulties the police authority had never faced before.



Commander of the Year Award – 2nd place Col. Pavel Luska

Only after two years of service, Colonel Pavel Luska was appointed to the leadership of a local police department for the first time. Since then, he has led police officers at many departments and levels, both within the patrol police and the criminal police, currently in charge of the NCOZ regional office in Brno. He has been involved, for example, in a number of complex investigations in the areas of corruption, tax evasion, illegal migration and human trafficking.

COOPERATION AND PARTNERS

Organized crime poses a complex threat. Teamwork is essential for an adequate response. To protect the safety of our citizens and their rights, we need to cooperate with our partners outside the Police of the Czech Republic. This is to express our thanks to at least a few of them.



SECURITY INFORMATION SERVICE



CUSTOMS ADMINISTRATION OF THE CZECH REPUBLIC



ČESKÁ INSPEKCE ŽIVOTNÍHO PROSTŘEDÍ

THE CZECH ENVIRONMENTAL INSPECTORATE



FINANCIAL ANALYTICAL OFFICE F.I.U.



FINANCIAL ADMINISTRATION OF THE CZECH REPUBLIC



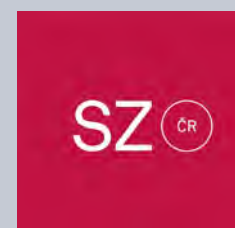
THE INSPECTORATE GENERAL OF THE SECURITY FORCES



NATIONAL CYBER AND INFORMATION SECURITY AGENCY



SUPREME AUDIT OFFICE



STATE PROSECUTOR'S OFFICES



OFFICE FOR FOREIGN RELATIONS AND INFORMATION



OFFICE OF THE PROTECTION OF COMPETITION



MILITARY POLICE



MILITARY INTELLIGENCE SERVICE

2022 CASE STATISTICS

FILED FOR PRE-INVESTIGATION

84 CASES



Initiation of criminal proceedings: An official record pursuant to Section 158 (3) of the Criminal Procedure Code filed in 84 cases of alleged criminal activity reported.

40 cases (48 %) resulted from Agency's own field intelligence operations



40 CASES

CRIMINAL PROSECUTIONS LAUNCHED

67 CASES



Initiation of criminal prosecution: a resolution on the initiation of criminal prosecution pursuant to Section 160 (1) and (5) of the Criminal Procedure Code in a total of 67 cases. This includes charges against:

246 NP

natural persons

34 LE

legal entities

FILING INDICTMENT MOTIONS

71 CASES



Motions to submit an indictment were filed in relation to 71 cases. Within these cases, indictment motions addressed:

311 NP

natural persons

32 LE

legal entities

CASE FILES UNDER INVESTIGATION

267

267 case files

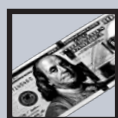


Number of files in progress as of December 2022
In total: 267 case files. Cases under investigation by Command as of 31 December 2022:



62

CRIMINAL NETWORKS COMMAND



68

FINANCIAL CRIME COMMAND



104

SERIOUS ECONOMIC AND CORRUPTION CRIME COMMAND



18

COUNTER-TERRORISM AND EXTREMISM COMMAND



15

CYBER CRIME COMMAND

FILES IN PROGRESS

2017-2022

year-on-year comparison



The total number of criminal files in progress as of the end of the calendar year. The decrease indicates that cases are being processed at a faster pace and higher quality.

2017

422 case files total

2018

386 case files total

2019

320 case files total

2020

285 case files total

2021

282 case files total

2022

267 case files total

PRESS AND MEDIA

The NCOZ informs the public and the media about its activities on a regular basis primarily by submitting press releases. In 2022, 54 press releases were published. In 2022, several major interviews were given by the Agency director Col. Jiří Mazánek regarding the activities of the NCOZ and some high-profile cases of great public interest. At the same time, NCOZ contributes to raising public awareness as a part of its prevention activities. In 2022, there was a “DON’T BE A FOOL!” campaign aimed at investment fraud prevention. All press releases are available from the Police of the Czech Republic official website www.policie.cz.

Act No. 106/1999 Sb.:

In 2022, 88 information requests under the Free Access to Information Act no. 106/1999 Sb. were processed.

2017	109
2018	74
2019	65
2020	96
2021	101
2022	88

Seznam Zprávy 23 Feb 2022



Interview by Veronika Sedláčková in the podcast series “I ask you”

The interview focused on the investigation of the Vrbětice blasts case along with the cases of prosecuted pro-Russian terrorists from eastern Ukraine and on the new trends in organised crime, mainly the increasingly extensive use of modern technologies. In the context of the CASA aircraft case, a question was raised about the possibilities of the police in relation to the final conclusions of the prosecution before court.

Aktuálně.cz 28 Jun 2022



NCOZ DIRECTOR: WHEN WE LAUNCH A RAID IN A CASE, IT MUST BE LIKE A STORM'S STRIKE

Interview by Jan Horák on the NCOZ cases of 2022.

On the occasion of the release of the 2022 Annual Report, Colonel Jiří Mazánek comments for Aktuálně.cz on the Vrbětice case, trends within the Russian mafia in the Czech Republic or online extremism. Money laundering and related predicate crimes were also discussed.

Echo24 5 Dec 2022



Interview by Jakub Fujáček on corruption cases, money laundering, war crime investigations and the ways the NCOZ gathers intelligence.

The Agency director Colonel Jiří Mazánek unveils the background of the biggest corruption cases and demurs on the allegations of the politicization of the Agency. “Under circumstances, a criminal may have a political function but we do not target politicians. Our targets are criminals abusing and influencing political power for criminal purposes.

Seznam Zprávy 28 Jun 2022



THE HLUBUČEK & REDL CASE WAS A TOP CRIME, THE DETECTIVES’ BOSS SAYS
Interview by Vojtěch Blažek and Ondřej Koutník on the biggest cases of the NCOZ which were under investigation in the summer of 2022.

According to Director Mazánek, these included the Celio illegal waste disposal site in north Bohemia, manipulated tenders at the Radioactive Waste Repository Authority (SÚRAO) worth hundreds of millions CZK and a recent case resulting in charges brought against thirteen defendants. The former assistant mayor of Prague Petr Hlubuček or Michal Redl the fellow of infamous Radovan Krejčíř ended up in custody. “I do not remember having ever dealt with three cases of such scale at a time,” Mazánek says. In the interview for Seznam Zprávy, he also talks on cases and trends in the “big” crime which are analysed in the freshly published Annual Report. He also comments, for example, on the questions of what has exactly happened during the blasts at the Vrbětice ammunition storage facility and whether the perpetrators will ever be brought to justice.

PREVENTION



NCOZ PREVENTION CAMPAIGN “DON’T BE A FOOL” FOCUSED ON THE POTENTIAL VICTIMS OF INVESTMENT FRAUD

CHARACTERISTIC FEATURES OF INVESTMENT FRAUD SCHEME

1. You are promised easy money or passive income.
2. No original product or service is sold. Everything is imaginary. It is difficult to put value on what is being sold or there is no information available on the product from a source other than the merchant offering the product.
3. Promises of high returns in the short term may mean that the appreciation is paid out of new recruits' money, not from the investment-related income.
4. The investment project focuses only on attracting other investors to join the scheme at a cost. It is likely to be a Ponzi-type (“pyramid”) fraud scheme.
5. Many scammers tend to use spam to reach potential victims, for example through a bulk email robot software. An unsolicited sales offer may be part of a fraudulent investment scheme.

Warning signs of extreme risk or outright fraud:
“IT SOUNDS TOO GOOD TO BE TRUE”

“INCREDIBLE PROFITS”

“ALMOST NO RISK”

“YOU GET ALL YOUR MONEY BACK”

“A 100% SAFE INVESTMENT”

Pressure to **“INVEST JUST NOW”** not to miss out
“A ONCE-IN-A-LIFETIME OPPORTUNITY”



HOW CAN YOU AVOID INVESTMENT FRAUD?

- 1) Be an educated investor. If you are not, think twice before entering into investing.
- 2) Be wary about bombastic-sounding, all too easy very profitable investment opportunities promising unrealistic returns over a short period of time.
- 3) Beware of unsolicited investment offers. Investment fraudsters seek victims for example on social networks, attracting them with bargain offers, discounts etc.
- 4) If someone contacts you by direct message, calls you, sends you an email or contacts you in any other unsolicited way and the communication is about an "investment opportunity", you should be very careful.
- 5) If you receive an unsolicited message containing an investment offer to invest from an unknown sender, do not respond.
- 6) Thoroughly investigate every aspect of the investment offer, even from a person you know personally and consider trustworthy, as even he or she may have been deceived!
- 7) If you don't understand exactly what the "bargain" investment is offering, do not sign anything, especially in a time-pressed, stressful situation.
- 8) The fact that the offeror states that they are registered with the Czech National Bank (ČNB) does not mean that the ČNB automatically supervises such an entity - this applies, for example, to the so-called "alternative funds".
- 9) Don't be fooled by a "tempting investment" promoted by a celebrity. It may not be true. Their names and faces can be easily misused.

REMEMBER!

- The person you only know online may not be who they say they are!
- Be careful about what private information you share, where and with whom!
- Do not disclose or publish your personal data and sensitive information that could attract the attention of fraudsters!

"EASY MONEY RIGHT NOW"

"PASSIVE INCOME"

"RAPID APPRECIATION"

"A ONCE-IN-A-LIFETIME OPPORTUNITY"



DON'T BE A FOOL!



OVERVIEW OF THE EVENTS

A brief overview of the events of 2022. For more detailed information, please see the other chapters of this report or the online press review. All press releases published by the Press and Prevention Unit can be found in full on the Police website: police.cz/ncoz-archive-press-reports.

07.01.2022

Motion to indict 66 persons of ČKD Praha DIZ for VAT evasion

NCOZ officers filed an indictment motion against 32 persons for the offence of tax evasion committed for the benefit of an organised criminal group or participation in the form of aiding this crime. The suspects are believed to have included fake invoices related to fictitious taxable transactions into the ČKD Praha DIZ accounts, or have intended to do so. The VAT loss caused by their concerted action to the state budget is totalling approx. CZK 438 million.

13.01.2022

WALLI case – waste related crime

The action day brought charges against 9 individuals and 2 legal entities. The investigation concerns a public tender related to the styrene resin disposal – barrels containing styrene resins were supposed to be removed from Nelahozeves landfill and subsequently, after being stabilized at Celio landfill site, thermally disposed of. The stabilization and thermal disposal phase was not carried out and the barrels were illegally deposited into the structure of the Celio landfill. Styrene barrels were neither fire-safe nor protected against weather irregularities. The prosecution is carried out for the offences of causing general danger, attempted fraud, environmental damage and environmental hazard and breach of regulations on rules of economic competition.

27.01.2022

Senate Committee on Foreign Affairs, Defence and Security meeting at NCOZ



Senators of the Committee on Foreign Affairs, Defence and Security were briefed on the NCOZ work results, including presentations on organised crime trends and expected developments in the near future security threats, such as international criminal organisations and state actors, money laundering and illegal migration.

02.02.2022

Memorandum between NCOZ and SÚJCHBO signed

On 02.02.2022 a memorandum on further cooperation in security research was signed between NCOZ and the National Institute for Nuclear, Chemical and Biological Protection (SÚJCHBO). The Memorandum was signed by the SÚJCHBO Director Mr. Tomáš Dropa, MBA and NCOZ Director.

04.02.2022

Charges in tender manipulation case

NCOZ officers charged 7 individuals and 2 legal entities with the offences of arranging advantage in commission of public contract, public contest and public auction, machinations in commission of public contract and public contest and fraud. The case concerns the manipulation of tenders for the provision of the substitute bus transportation in the course of scheduled rail closures announced by the Czech Railways.

09.02.2022**Two individuals charged with terrorism support and promotion**

NCOZ officers arrested 2 persons who were subsequently, in two separate proceedings, charged with the offence of terrorism support and promotion. Their prosecution is being carried out in relation to (live) video streaming on social networks in course of which the suspects were supposed to incite the commission of a terrorist crime in the form of violent actions against members of the Government of the Czech Republic and both chambers of the Parliament of the Czech Republic.

11.02.2022**WSM case – further initiation of prosecution**

NCOZ officers initiated criminal prosecution of an individual for the ongoing crime of fraud. Between 2012 and 2017 the suspect was supposed to fraudulently, via so-called Ponzi scheme, extract funds from 320 victims causing damage totalling 161 mil. CZK.

24.02.2022**Cyber attack in Ukraine – NCOZ information**

A large-scale cyber attack on Ukraine's banking system. The scale of the attack was intense, disabling cash withdrawals at some ATMs. Concurrently, a massive attack aimed at the Ukrainian Ministry of Defence was monitored. The initial media report suggested that Czech IP addresses were supposed to be involved. In the frame of international cooperation the NCOZ specialists launched an inquiry in order to confirm whether the cyber attack had been launched on the Czech territory. The initial findings indicated otherwise – the attack involved the so-called “spoofing” of IP addresses that appeared to have been used for the attack but in fact, as for an illegal activity, remained intact. It was established that some of the Czech IP addresses spoofed by the cyber attacker were not even used in the internet network at the moment.

03.03.2022**An individual charged with approval of aggression against Ukraine**

NCOZ officers arrested one person who was subsequently charged with the offence of denial, impugnation, approval and justification of genocide (Art. 405 of the Criminal Code) in relation to the public approval and justification of Russian aggression against Ukraine. The suspect supposedly committed the alleged crime via posts on social media.

04.03.2022**GAMP case – organised tax evasion**

On the basis of an extensive investigation conducted by officers of General Directorate of Customs, NCOZ detectives initiated criminal prosecution of 12 natural persons (5 men and 7 women) and 4 legal entities for the crime of evasion of taxes, fees and similar compulsory payment committed for the benefit of an organized criminal group and the offence of legalization of proceeds of crime. The criminal group was supposed gain the amount of 23 mil. CZK through the VAT curtailment.

16.03.2022**An indictment motion for forgery of money**

NCOZ police officers filed an indictment motion against 4 men who are believed to have produced counterfeit Euro banknotes. One of the suspects is known for having been involved in the production of counterfeit historical Czechoslovak banknotes. If convicted, the accused may face a prison sentence of eight up to twelve years. On 15.03.2022 one of the offenders was sentenced by the Regional Court in Brno, City of Zlín branch, to a 3-year-prison sentence suspended for 3,5 years and a pecuniary penalty, on the basis of a court-approved plea agreement.

17.03.2022**The accused believed to fake murders**

NCOZ police officers charged persons suspected of organizing serious violent and property crime. It concerns a case commenced in September 2021. The accused are believed to look for wealthy individuals and lure them into fictitious illegal business under pretext of a quick and high profit. Subsequently, the suspects pretended various situations, including fake murders, preventing the promised business transactions from happening. The fabricated circumstances were used by the defendants to blackmail victims, for instance they demanded large sums of money for pretended bribes to the police in order to prevent them from the investigation. The defendants are considered an OCG members; the damage caused by this crime is totalling approx. 29 mil. CZK

18.03.2022

Motion for indictment against 24 persons concerning VAT evasion

NCOZ officers filed a motion for indictment to the prosecutor-in-charge of High Public Prosecutor's Office in Olomouc against 24 natural persons. The individuals have been charged with the offence of evasion of taxes, fees and similar compulsory payment committed in relation to a so-called missing trader fraud concerning reinforced steel. The concerted action of the accused is believed to have caused the VAT loss to the state budget totalling circa 182 mil. CZK. A joint investigation team with Slovak police officers was established in the course of the investigation. The investigation was also supported by the assistance of Financial Administration and FIU unit. If convicted, the accused face up to 10 years of imprisonment.

25.03.2022

CZK 67 mil. VAT evasion

NCOZ police officers finalised the investigation of the aggravated offence of evasion of taxes, fees and similar compulsory payment. A group of individuals is believed to have imported electronics to the Czech Republic in 2021, declaring the goods purchase in another EU member state instead of its domestic origin. The VAT loss is totalling 67,5 mil. CZK. The investigation was finalised by an indictment motion. One of the co-organizers is a real estate entrepreneur, who was convicted to 6,5 years of imprisonment for the aggravated offence of evasion of taxes, fees and similar compulsory payment in relation to fuel import in 2018.

29.03.2022

NCOZ and EUROPOL meeting in The Hague

Meeting of NCOZ Director Col. Jiří Mazánek and EUROPOL Director Ms. Catherine De Bolle. During the meeting held on 29.03.2022 in The Hague, security topics related to combatting organised crime were discussed.

30.03.2022

Indictment motion against 12 individuals in relation to residence permit manipulation

The individuals are suspected of organizing crime related to Czech residence permit applications submitted by Vietnamese nationals. The suspects are believed to paralyse some means enabling the submission of residence permits, causing a partial disruption of the Czech Ministry of Foreign Affairs activities. NCOZ officers submitted an indictment motion against 12 individuals of Russian and Vietnamese origin for the offence of participation in an organised crime group, unauthorised access to a computer system and information media and money laundering.

07.04.2022

Forged vaccination certificates – one person charged

NCOZ police officers charged one individual in relation to the development and dissemination of a falsified digital Covid-19 vaccination certificate. The accused is believed to have offered the falsified certificate on the Internet since at least November 2021. The individual was charged with forgery and alteration of public documents. If convicted, he may face up to 3 years of imprisonment.

08.04.2022

234 mil. CZK siphoned off - charges against 4 persons

NCOZ detectives launched an operation concerning companies of RAMFIN holding. The suspects are believed to establish a chain of companies that approached the elderly via a discount promotion company under the pretext of providing assistance and advice. Subsequently the holding borrowed from them funds exceeding CZK 234 mil. Under a false pretext, the pensioners were offered their savings appreciation through an investment. The perpetrators took an advantage of victims unawareness, gullibility and impressionability. Contrary to the offer of the investment appreciation, the fraudsters are believed to make victims sign a loan agreement, which disguised their intention to obtain material benefit. Some of the accused were sentenced for a similar crime in the past. If sentenced, they face up to 10 years imprisonment.

12.04.2022

ZLOMKY (Fractions) case – tax evasion in precious metals business - final verdict

The High Court in Prague upheld the decision of the Municipal Court in Prague on the guilt of 4 individuals who participated in the commission of the aggravated offence of evasion of taxes, fees and similar compulsory payment causing loss to the Czech Republic amounting half a billion CZK (495 million CZK). Three individuals were sentenced to 7, 5 and 4 years in prison and to a prohibition of an activity. The fourth offender was sentenced to a suspended sentence. The fifth co-offender entered into a plea bargain in October 2020. The verdict has become final. The case codenamed ZLOMKY was solved by the NCOZ detectives. In March 2018, the indictment motion was filed to the prosecutor of the High Prosecutor's Office in Prague. The convicts (all Slovak nationals) established a chain of companies that simulated mutual business, between 2010 and 2012 they caused VAT evasion in relation to the acquisition of precious metals (in particular gold) from another EU member state and their subsequent domestic resale. Companies that purchased precious metals abroad failed to pay the VAT on these transactions.

25.04.2022

Memorandum between NCOZ and the FBI signed.

On 25.04.2022 a memorandum on cooperation was signed by the NCOZ Director Col. Jiří Mazánek and the FBI Associate Deputy Director, CCRSB branch, Mr. Brian C. Turner. The signing of this document follows the existing successful cooperation between the NCOZ and the FBI.

03.05.2022

15 persons charged with tax evasion caused by the use of fictitious documents

On 12.04.2022 NCOZ officers carried out almost two dozen house searches and arrested over three dozen persons. Subsequently, 15 individuals were charged with the aggravated offence of evasion of taxes, fees and similar compulsory payment. One of the accused had been convicted for a similar crime in the past and is currently serving a prison sentence. Together with the

spouse, the accused was in control of several companies that in fact ran no business. These companies are believed to issue invoices purporting non-existent transactions with the aim to circumvent the VAT control reporting system. Unspecified goods and services were declared in the invoices, upon request of prospective customers interested in fictitious cost-related documents, through which the tax obligation of their companies was curtailed. NCOZ concluded that by this activity the state budget suffered VAT loss amounting 80 mil. CZK. As the so-called equivalent value, the investigators seized real estate, cash, investment gold and luxury watches in the value corresponding to the damage caused.

05.05.2022

Indictment motion regarding child pornography

NCOZ officers proposed to file the indictment against one person in the position of a so-called special subject. In 2021 this individual was accused of attempted sexual duress, endangering a child's care, abuse of competence of public official and production and other disposal with child pornography.

06.05.2022

PRADĚ case – tax evasion with a damage of CZK 264 million

NCOZ police officers completed a tax crime investigation with damage of almost CZK 264 million. The offence was committed between 2016 and 2019 on behalf of a number of shell companies that issued, in return for a commission, fictitious invoices for a group of those interested. The invoices were intended to allow the tax evasion to the alleged customers. Different services, such as arrangement of agency employment, advertisement, IT services and construction material sale, were declared in the customer invoices as the subjects of the fictitious transactions. To create an impression of a real business, the OCG ran cigarette trade in fact, which, according to NCOZ conclusions, was intended to tax reduction only. The damage to the State caused by this activity of the accused is estimated at almost 264 mil. CZK.



10.05.2022

War crimes investigation concerning Russian aggression against Ukraine

It appears clear from available sources that Russian aggression against Ukraine is accompanied by activities that give rise to reasonable suspicion of war crimes, that comprise conducting combat operations and the use of military means against civilian targets and in areas populated by civilians. A typical example is the use of weapons of high destructive power against civilian objects, civilians or critical infrastructure elements. Suspected murders, kidnappings and torture are also publicly known, as well as sexual violence, thefts and looting in combat operation zones. NCOZ have launched an investigation into war crimes committed in relation to Russian invasion to Ukraine. The main objective is to gather information admissible as evidence in criminal proceedings against specific suspects.



16.05.2022

TRON case – SÚRAO tender manipulation

On 16 and 17 May 2022 NCOZ carried out a police operation related to manipulation of tenders awarded by the Radioactive Waste Repository Authority as the contracting authority. At the moment, 6 individuals and 3 legal entities are being prosecuted for the offence of arranging advantage in commission of public contract, public contest and public auction. The individuals are reasonably suspected of organised crime comprising manipulation of two tenders of this particular contracting authority between 2021 and 2022.

26.05.2022

Forged vaccination certificates – indictment motion

NCOZ police officers filed an indictment motion against one person concerning the development and dissemination of a software tool for generating forged digital vaccination certificate that served as the COVID-19 vaccination proof.

08.06.2022

Motion for Indictment in the ŠVÁB (“Cockroach”) case

On 08.06.2022 NCOZ officers filed a motion for indictment to the State Prosecutor of the High Public Prosecutor’s Office in Prague against 21 natural persons and 1 legal entity for the offence of influencing football matches results in the Czech Football League and Fortuna: National League and further for unauthorised withdrawal of funds from Pilsen’s Regional Football Association.

13.06.2022

OCTAVIAN case – Motion for Indictment

NCOZ officers finalized their investigation of a case of tax evasion and money laundering with damage approx. CZK 700 million. Within the OCTAVIAN case, 11 persons were prosecuted. The defendants should have committed the crimes from September 2009 until April 2012 by submitting excessive VAT deductions within the companies they controlled. NCOZ officers managed to seize assets in the height of the full damage caused to the Czech Republic as a replacement. The case was pursued by Tax Cobra team in close cooperation with Czech FIU (FAÚ).

15.06.2022

DOZIMETR case – Acts of Criminal Proceedings

After two-year investigation in the DOZIMETR case, on 15.06.2022 an action day took place. 46 house searches and searches of other premises were performed and initiation of criminal prosecution launched against 13 persons, among other things for an aggravated crime of participation in an organised criminal group, bribery, accepting bribery and laundering the proceeds of crime.

27.06.2022

Equipment from the U. S. A. to detect and monitor radiation

From its US partners (NSSA) NCOZ took over another special modular system to detect and identify radiation. The equipment is deployed also in preventive safety measures related to the Czech EU Presidency.

27.06.2022

NCOZ’s Crack down on Cryptocurrency traders

NCOZ officers performed a large-scale operation involving a group of companies under the umbrella structure of Platon Life. During the operation, a number of searches of homes and other premises were carried out and several persons were detained. Police officers initiated criminal prosecution of 2 persons for the crime of fraud under s. 209 of the Criminal Code. The detected damage amounts to hundreds of millions of CZK. Both accused persons were placed into custody by the judge. The case is supervised by the Metropolitan Public Prosecutor’s Office in Prague. If convicted, the defendants face a prison sentence of up to 10 years. The Czech FIU (FAÚ) officers have been involved in the case intensively.

29.06.2022

First case in cooperation with EPPO – Indictment

The European Public Prosecutor filed an indictment against 3 natural persons and 3 legal entities for the crimes of harming the financial interests of the EU, subsidy fraud and money laundering. The police authority collected a file in the number of 62 volumes (comprising of almost 19.000 pages of the criminal file) and presented it to the Court. From 2011 until 2021, the subsidy applicant should have gradually withdrawn from the EU budget and the CZ national budget subsidies amounting to almost CZK 133 million in at least 17 cases and attempted to withdraw another CZK 130 million.



30.06.2022

The BRANCH case – Indictment of persons for transporting illegal migrants

NCOZ detectives pursued a criminal case code-named BRANCH, which concerned the transfer of illegal migrants across several EU countries, including the Czech Republic, to the target countries - France or the UK. A joint investigation team in which the representatives of the police authorities of Belgium, Poland, Germany, Hungary and the Czech Republic were present carried out the investigation of the entire criminal activity. Support to the joint investigation team was provided by EUROJUST and EUROPOL. The attention of the detectives was focused on an international organised group of persons who were organizing the transport of illegal migrants from at least March 2021. If convicted, all accused persons face prison sentences of up to 2 to 8 years.



30.06.2022

The STOKA II case

On 14.06.2022 NCOZ police officers conducted an action day within the case STOKA II. From at least January 2014 to March 2019, the accused persons should have influenced small-scale contracts on repairs and maintenance of the real estate premises of one state institution located in the South Moravian Region and the Vysočina Region and one legal entity with seat in Brno. A certain percentage of the prices of the contracts was meant for bribes. NCOZ police officers came to a conclusion that dozens of contracts were influenced in this way.

20.07.2022

Production of explosive mixtures - One person charged

NCOZ police officers charged one man with the offences of illegal arming and possession of narcotic and psychotropic substances and poisons. NCOZ came to a conclusion that the accused person procured explosives' precursors and other chemical substances over prolonged period of time. Subsequently, he developed explosive mixtures, initiators and detonation devices, the functionality of which he was testing at a yet-not-identified forest site. All the chemical substances and other accessories that the man procured and produced were stored in a flat in Letňany and in the basement of this block of flats.



22.07.2022

Illegal Bitcoin mining

NCOZ police officers proposed an indictment of one person for illegal Bitcoin mining. It was established that in 2021, the accused man specifically selected computers with higher power of processors and special graphics cards in publicly accessible area of electronics stores (showrooms). Then, he illegally and in some cases repeatedly, installed into such computers special software designed to mine the virtual currency Bitcoin. This software monitored and controlled the functionality of the programme remotely via a website. The person was charged with a crime of unauthorised access to a computer system and information media. His actions caused damage of approximately CZK 70 thousand to the business company that owns the attacked computers.

04.08.2022

Vrbětice case - Joint Investigation Team of NCOZ and British police officers

NCOZ police officers who conduct the criminal proceedings in the case of the explosion of the ammunition depot in Vrbětice have formed a joint investigation team with police officers from the Metropolitan Police Service, Counter Terrorism Command, SO15. The agreement on the formation of the joint investigation team, facilitated by EUROJUST, was signed by a representative of the Supreme State Prosecutor's Office on behalf of the Czech Republic and a representative of the UK judicial authorities on behalf of the British side. The main reason for the formation of this joint investigation team is to exchange intelligence on the suspects.

17.08.2022

Sanitizing and disinfecting of football stadiums – Persons charged with crime

NCOZ police officers charged 6 natural persons and 4 legal entities with the crimes of fraud and laundering the proceeds of crime. The case concerns a contract related to the disinfection of football stadiums paid from the funds of the Czech Republic Football Association. All individuals were released under investigation and if convicted they face prison sentences from 2 up to 8 years. The case is supervised by the High Public Prosecutor's Office in Prague.

24.08.2022

Incitement to violence - Plea bargain

NCOZ police officers have proposed to file charges against one person for a serious crime of supporting and promoting terrorism. In his videos on social media, the person incited to terrorism for the approved Covid-19 measures against members of both chambers of the Parliament of the Czech Republic. The case file with motion to indictment had been handed over to the High Public Prosecutor's Office in Olomouc and on 24.08.2022 the prosecutor arranged a plea bargain. This arrangement was presented to the Regional Court in Brno, Zlín Branch, with a motion to be approved and final judgement reflecting the plea bargain issued.

02.09.2022

Motion for Indictment – False promissory notes

NCOZ police officers filed a motion for indictment of 9 individuals who attempted to enrich themselves with CZK 816 million by means of false promissory notes, which constituted a significant part of a writ of execution. In the end, during the execution proceedings the assessed value was not recovered. Investigators believe that the accused persons acted within an organised crime group.

15.09.2022

Meeting of the EU Council Working Party on Terrorism

Within The Czech Presidency in the Council of the EU a meeting of the experts of the EU Council Working Party on Terrorism (Terrorism Working Group) was held from 15.09.2022 to 16.09.2022 in Prague. The meeting was attended by representatives of NCOZ, who also participated in the organisation of the meeting.

04.10.2022

TAXIS case – First Action day

From 04.10.2022 to 06.10.2022, the first action day within the TAXIS case took place. The case concerned suspicions of corrupt behaviour in connection with the allocation of municipal flats in Brno. 19 house searches and 10 searches of other premises and lands were performed. After urgent and non-repeatable actions were carried out, the prosecution of 8 people was initiated. On 20.02.2023, the prosecution against two of the accused persons was discontinued.

08.10.2022

Production of explosive mixtures – Motion for Indictment

NCOZ police officers filed a motion for indictment of one man for the crimes of illegal arming and possession of narcotic and psychotropic substances and poisons. NCOZ came to a conclusion that the accused person procured explosives' precursors and other chemical substances over a prolonged period of time. Subsequently, he developed explosive mixtures, initiators and detonation devices.

12.10.2022

European Firearms Experts Meeting

Within The Czech Presidency in the Council of the EU a meeting of European Firearms Experts Steering Committee took place from 12.10.2022 to 14.10.2022. NCOZ experts also took part in the meeting.



18.10.2022

TAXIS case – Second Action day

From 18.10.2022 to 21.10.2022 a second action day within the TAXIS case took place. The case concerned suspicions of corrupt behaviour in connection with the allocation of municipal flats in Brno and corrupt contracts with a legal entity controlled by one of the Brno administrative districts. 16 house searches and 24 searches of other premises and lands were performed and 10 persons detained. After urgent and non-repeatable actions were carried out, the corruption-related criminal activity in connection with the Černovice sandpit was split from the main case to receive its own criminal proceedings and prosecution was initiated against 7 natural persons and 2 legal entities.

25.10.2022

Completed Investigation of Modern Slavery

NCOZ police officers proposed to file an indictment against 6 persons. The case relates to modern slavery, where a Joint Investigation Team of NCOZ police officers and British Nottinghamshire Police officers was formed. In the Ústí nad Labem region, an organised group of people offered "well-paid legal jobs" in the UK. 5 accused persons sought out Czech citizens from weak social and

living conditions. They focused especially on persons who had no close relatives and who were not expected to be missed by anyone. They gave the victims almost no money for the work they did or had payment cards to their bank accounts. The accused persons forced women to engage in prostitution. In the case, 5 persons are being prosecuted for the crimes of human trafficking and pimping. If convicted, 3 of the accused persons face sentences of between 5 to 12 years' imprisonment and the other 2 face sentences of between 2 to 10 years' imprisonment.

11.11.2022

Tax Evasion of nearly CZK 100 million

Within a close-knit team of NCOZ police officers, the national FIU (FAÚ) and the Financial Administration of the Czech Republic, the prosecution of 7 natural persons and 1 legal entity for tax evasion with damages amounting to almost CZK 100 million was initiated. A legal entity with significant income from providing IT services mainly to state authorities (e.g. the Ministry of Justice of the Czech Republic and the Ministry of Finance of the Czech Republic) was supposed to include fake invoices in its tax returns and thus evaded value added tax and income tax. It was concluded that the company's owner subsequently spent the funds

on luxurious goods or services for himself and his family. In order to reimburse the damage caused to the Czech Republic, luxury vehicles such as Aston Martin and Ferrari worth approximately CZK 30 million, a real estate and luxury watches worth approximately CZK 10 million were seized from the owner of the company. Based upon the request for Mutual Legal Assistance, acts to seize evidence and property of the accused persons also in Switzerland were carried out. If convicted the accused individuals face sentence of between 5 to 10 years' imprisonment. Two persons were taken into custody.



22.11.2022

Custom Administration and Police Officers disclosed Tax Evasion worth CZK 200 million

During a joint action day the Olomouc customs officers from the Investigation Section of the General Directorate of Customs cooperated with NCOZ police officers within a criminal case code-named STRING. As part of the criminal proceedings, they accused 13 natural persons (12 in the Czech Republic, 1 in Slovakia), who are suspected of committing a particularly serious crime of tax, fee and similar mandatory payment evasion. The damage caused is estimated at nearly CZK 200 million.

24.11.2022

Modern Slavery in Ceska Kamenice – 5 persons charged

NCOZ police officers charged 5 persons with an especially serious crime of trafficking in human beings. The case, called VÉVODA (The Duke), concerns labour exploitation. The accused persons sought out homeless persons or persons from socially vulnerable backgrounds with offers of employment; they were targeting victims located near train stations, parks or charities first in North Bohemia and subsequently within the whole Czech Republic. It was concluded that the accused persons then transported the victims to Česká Kamenice in the Ústí nad Labem Region and accommodated them in buildings unsuitable for housing purposes. Throughout the whole time, the victims were provided with food unfit for consumption (e.g. expired food) and their hardship and dependence on the accused were to be exploited. At all times, the victims performed construction-type of jobs on contract basis (e.g. excavation or demolition). At weekends they were forced (even under threat of violence) to work for the accused. This involved, for example, maintenance and repair of real estates or collecting firewood. At the same time, the accused took over all the money earned by the victims' work, giving them only a fraction of the money earned. It was concluded that the accused persons gained in this way about CZK 15 million.

Due to the nature of this crime, which may have been ongoing for an extended period of time, NCOZ is asking other possible victims who may be affected by this case to contact the investigators by e-mail: ncoz.02.obeti@pcr.cz or by phone: +420 705 925 534.

05.12.2022

“NEBUĎ LABUŤ!” (Don't be fool!) – Prevention Campaign to avoid Investment Scams

NCOZ, which is responsible for combating financial crime, launched a prevention campaign against investment fraud at the end of 2022. The aim is to raise general awareness of this type of crime, warn against the rapid increase in investment scams and appeal for increased caution of citizens when considering investment offers.



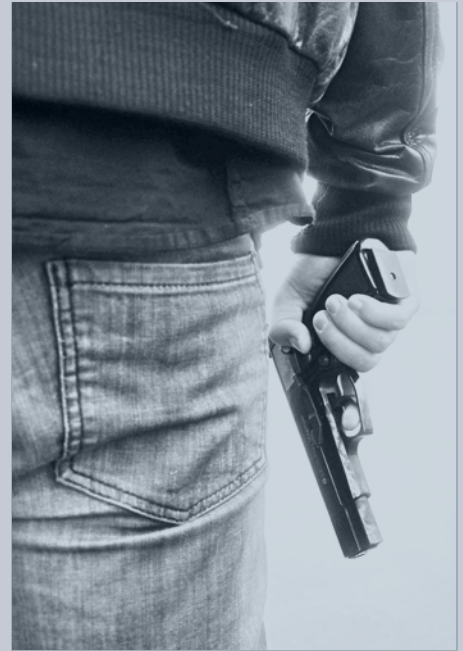
20.12.2022

SVYAZ case – 5 persons charged with Residence Permits ´ scheming

NCOZ police officers detained and initiated criminal proceedings against 5 persons of Russian and Ukrainian origin. They are accused of criminal activities related to the submission of applications for residence permits by citizens of Ukraine, Kazakhstan and Uzbekistan. Their actions were intended to paralyse the standard procedures while submitting applications for residence permits from certain destinations while disrupting the activities of the Ministry of Foreign Affairs of the Czech Republic at the same time. The accused persons committed crimes of money laundering and unauthorised access to a computer system and information media within in an organised crime group.

CRIMINAL NETWORKS COMMAND

The Criminal Structures Section covers violent crime, human trafficking and illegal migration, counterfeiting and Eurasian criminal structures.



Czech criminal networks

The current and long-term trend, which has been identified within the Czech criminal structures in 2022, is gaining control over public financial flows through the abuse of subsidies, influencing public procurement through corrupt practices or in the form of tax crimes. Also in 2022, efforts of Czech criminal structures to obtain personal contacts to persons having an influence on the functioning of public institutions were recognized.

In the case of criminal organisations and structures monitored by NCOZ, the trend towards the use of violence in the form of murder or kidnapping has been retreating. In addition, it is necessary to recall the fact that the statute of limitations has expired for most unsolved murder and missing cases, where there is a presumption of death of the missing person, associated with organized crime structures.

In contrast, in 2022, there has been a detection of incidence of various forms of extortion among entrepreneurs such as creating fictitious debts and enforcing them, where the primary threat is not violence but the use of legal means (especially insolvency proceedings).

The aim is to induce the blackmailed person to pay a fictitious or forged obligation (false promissory notes, false arbitral awards, etc.) without using this legal instrument. The victim is threatened with coercion (e.g. threat of serious bodily harm) if he or she resists the proposed insolvency resolution and refuses to pay the fictitious obligation voluntarily.

Environmental crime has long been one of the most latent areas of organised crime, and it is very difficult or impossible to commit it on a larger scale without the creation of a criminal organisation or structure. This organised crime is generally closely con-

nected to the crimes of tax or other compulsory fees evasion. Given the special circumstances of the Czech Republic - where there are still so-called old environmental burdens, which the state undertook to eliminate in the 1990s with the intention to accelerate the country's economic transformation - it is likely that the organized environmental crime has long been infiltrating the area of the acquisition of public contracts.

In connection with the crime of currency counterfeiting, the statistics show that there was a year-on-year decrease in the number of seized counterfeit banknotes in 2022 compared to 2021. The largest share of counterfeit currency in 2022 was made up of Czech banknotes with a total of 870pcs (decrease by 254pcs in comparison with 2021), followed by counterfeit Euro banknotes (616pcs - increase in comparison with 382pcs in 2021). The US dollar banknotes had also

their share in the number of 66 pcs (down by 291 pcs in comparison with 2021), followed by a total of 10 pcs of other counterfeit currency. As in previous years, foreign organised criminal groups with their own counterfeiting workshops dominate the counterfeiting of Euro currency with the main organisers operating outside the territory of the Czech Republic.

In cases related to the forgery of payment cards through data obtained by placing a special reading device on ATMs, so-called skimming, a sharp decline was recorded with only one skimming attack taking place in 2022 in the Czech Republic.

The year 2022 was quite exceptional in the increase of counterfeit Czech coins, when 170 pcs of counterfeit coins with a nominal value of CZK 20 were seized (an increase by 170 pcs) and 86 pcs of counterfeit Euro coins (an increase by 52 pcs).

The quality of the counterfeit 20 CZK coins completely deviated from the existing trends and was rated as grade 2, i.e. very dangerous.

The increasing trend in payments by so-called movie prop money, which is freely available in various shops and marketplaces and the possession of which does not qualify as a crime pursuant to the

opinion of the Supreme Court in Brno, continued also in 2022.

The EU faces a long-term challenge with the easy distribution of anti-counterfeiting security features from Chinese online marketplaces. These include, in particular, holographic elements (the so-called China-hologram), linen paper almost in the quality used for originals, the necessary inks and metal raw materials for the production of counterfeit Euro coins.

In 2023, the trends of 2022 will probably persist. The decline in skimming attacks is related to better security of ATMs and payment cards (NFC technology).

Human trafficking

The Czech Republic is to be continued considered as a target, transit and a source country in this area of crime. OCGs operating usually in the Czech Republic and another state (mainly the Great Britain), exploited their victims for prostitution or forced labour.

Status, structure and dynamics of THB crime in 2022 was comparable to 2021. Modus operandi in 2022 has seen an increase in the sophistication of the crime when individual OCGs used deceit, abuse of created dependence or misleading of the victims in the first place. Only in the later stages the perpetrators used violence or threat of violence to force the victims into the relevant work activities. The perpetrators took away all or most of the wage the victims earned. The women were then often forced into prostitution or marriage with non-EU

citizens. The perpetrators forced their victims to take bank loans, the money paid by the bank was taken away and the instalments were not paid back. Similar modus operandi – recruiting of homeless people in the Czech Republic and sending them abroad to perform physically demanding work without adequate remuneration – was recorded also in connection with Germany the target country.

New phenomenon was recognized in the issues of surrogacy. OCGs started to take advantage of the fact that it is very difficult to establish the borderline when the matter can be already perceived as organized crime of trafficking of newborns.

Illegal Migration

OCGs have taken advantage of the release of anti-epidemic measures in 2022 and the migration-related crime has increased.

In 2022, the trend from previous periods when migrants were smuggled into the Czech Republic via the Western Balkan migration route – from Turkey to Western and Northern parts of EU – continued.

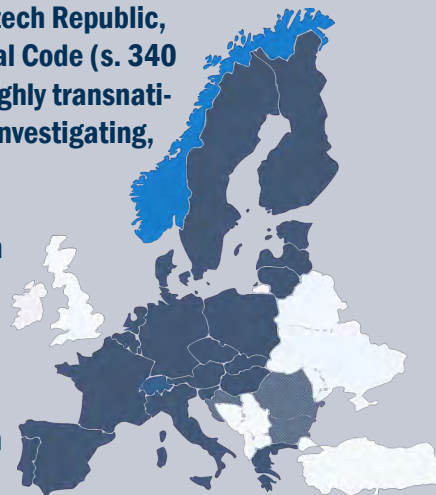
However, there has been a significant increase in the number of intercepted migrants. The modus operandi infers that there has been assistance of OCGs on their journey. OCGs used cars and vans to secure the secondary migration across the territory of the Czech Republic. These vehicles were usually acquired car rentals. For the communication between illegal migrants and OCGs providing their transport, encrypted mobile apps were used largely (WhatsApp, Telegram, etc.) while the OCG's members instructed the migrants to systematically delete this communication.

Migrants were also instructed to

Schengenský prostor

In connection with the increase in migration flows across the territory of the Czech Republic, NCOZ has prepared documents to amend the relevant legislation of the Criminal Code (s. 340 and s. 341), which should result in a tougher sentencing and respond to this highly transnational type of organized crime in the form of extending the jurisdiction of Czech investigating, prosecuting and adjudicating bodies to the entire Schengen area.

A long-standing unresolved issue in the area of dealing with illegal migration in the Czech Republic lies in the wording of the facts of the crime in Organizing and Facilitation of Unauthorised Crossing of State Border under s. 340 of the Criminal Code and Assisting in Unauthorized Stay in the territory of the Czech Republic under s. 341 of the Criminal Code. The draft amendments, including the justification, were incorporated as an initiative into the forthcoming Action Plan to fight organised crime in 2022 and 2023.



deny using the services of OCGs.

In addition to the above, the modus operandi of transporting the migrants by air from Greece to the Czech Republic continued to be used. OCGs kept providing the migrants with forged identity documents issued originally for the Schengen area. In 2022, Romanian identification cards were used with the intention to circumvent the residence approval mechanisms for persons who do

not possess EU citizenship and have applied for a job.

In 2022, new OCGs procuring the transport to the Czech Republic and across the Czech territory closer to target countries (Germany, Nordic countries) emerged. Czech nationals took part in those activities as well. These perpetrators, so-called soldiers procured vehicles for the transport of migrants and provided drivers for individual trips or acted as dri-

vers themselves. Other OCG's members - in a similar positions - were foreign nationals with residence permits on the territory of the Czech Republic.

The senior members of these organisations were mostly foreigners who had been operating in several countries outside the territory of the Czech Republic for a long time, thus confirming the long-term trend of supranational OCGs in this area of crime.

A major challenge appears to be the latent and long-term risk with possible serious consequences due to the number of migrants who are anonymous and their criminal history in their country of origin is thus unknown.

Another challenge is the migration to the EU of the so-called war generation who has a personal experience of a civil or religious conflict (Middle East, African countries), where migrant young people have expectations that are not adequate to the real possibilities of the target country.



Balkan OCGs



Except the crimes which belong to the jurisdiction of the National Drug Headquarters (i.e. illegal production and distribution of narcotics and psychotropic substances), the Balkan OCGs with ties to former Yugoslavia states took part in burglaries and robberies. Balkan crime groups often have roots in family clans and common law, and the custom is to have the male members

performing the crimes, which makes the police penetration inside of the OCG complicated.

In 2022, a robbery of a luxury watch shop in Prague was reported and there is a suspicion on a Balkan OCG that is usually involved in jewel robberies. The damage in this robbery was estimated at CZK 30 million.

In 2022, the criminal organisations from the Western Balkans continued in the break-ins into family homes and commercial establishments on the peripheries of Prague and also into branded and luxury stores in shopping centres in Prague.

Balkan OCGs, which operate on the territory of the Czech Republic, invest their criminal profits (originally from the CZ territory but also from abroad) in real estate development, gambling and betting and to the gold trade (establishing jewellery shops). This way the criminal proceeds are legalized together with the reduction of tax, fee and similar compulsory payments.

An expected trend for 2023 and beyond could be an increase in illegal arms trafficking, which could be available after a possible end or freeze of the armed conflict in Ukraine.

Russian-speaking and post-Soviet OCGs



In 2022, there were significant changes in the structure and character of the Russian-speaking OCGs.

The main stimulus for this change was Russia's aggression against Ukraine, which resulted in an increased number of Ukrainians living in the Czech Republic from the original 200 thousand people in 2022 to 615 thousand people. In this context, labour agency-related crimes became more important in 2022. The labour agencies that are controlled by OCGs commit tax crimes in the first place - social or health insurance and income tax are not paid for the agency's em-

ployees. In 2022, as the wealthy persons from post-Soviet area moved to the Czech Republic, isolated cases of protection rackets were recorded in South-Moravian Region.

In 2022, foreign-language OCGs were aiming to establish themselves in the Czech Republic. The migration of people from the post-Soviet area was used by some OCG's members to migrate to another country within the Schengen area. This migration was accompanied by transfers of (usually criminal) capital, which was often transported in cash and attempts to invest and legalize such capital in the Czech Republic.

The start of the Russian aggression and the subsequent imposition of international sanctions have prompted a significant number of Russian citizens (including members of Russian OCGs) to transfer their ownership rights and investments. This wave of

assets divestment accelerated the decline in Russian citizens' holdings in Czech business legal entities observed in 2020 - 2021. However, this is only partial and often fake withdrawal from holdings whose ownership is replaced by straw persons.

Criminal activity in the field of violation of international sanctions is a sophisticated and organised activity. Its actors are OCGs that work together with the business community and assist in circumventing the sanctions regime. They also cooperate with the Russian secret services, who coordinate the import of embargoed military material (electronic components for the production of guidance sets, thermal imaging and communication systems).

The influence of Russian intelligence services on OCGs with links to Russia was observed in previous periods, but in 2022 it has clearly strengthened.

Asian OCGs



In the long term, the South East Asian community continues to be part of the structure of the most powerful group of Asian organized crime in the territory of the Czech Republic which, as in the past, focuses on the commission of crimes in areas of illegal production and distribution of narcotic drugs and psychotropic substances, tax fraud, laundering of proceeds of crime, legalization of residence rights on the territory of the Czech Republic, corruption, migration and others.

Significant and permanent area of, the crime committed by Asian OCGs is tax crime, which in 2022, as in the past periods, consisted of duty or tax evasion, mostly in the form of document forgery in combination with the reporting of container import of goods from Asian countries to non-existing firms. This activity is also linked to the subsequent wholesale of various consumer goods in the so-called Asian shopping centres in Prague and Brno.

The Asian community in the Czech Republic is very closed and its scope of interest is more economic. Asian organised crime is highly sophisticated and is committed mainly at the international level across the EU.

The Asian criminal structures already include members of the younger generation, who have become well established in the Czech environment. Members of the Asian OCGs from this generation are therefore able to apply the knowledge and contacts they have acquired not only for the benefit of their own community, but also in the context of cooperation with other foreign language groups.

In connection with the extreme profits generated by Asian OCGs operating in the territory of the Czech Republic real estate purchases or covert exports are carried out, funds are transferred abroad, mostly to their home country.

UKRAINE 2022

Russia's war against Ukraine has shown how external security threats affect the internal security environment. Cooperation with our foreign partners is indispensable to ensure the security of the citizens of the Czech Republic. We have been meeting our Ukrainian colleagues in the context of joint work on criminal cases and at international conferences. On 24.02.2022, the situation changed for many of our colleagues and instead of regular police work they are fighting on the front line, eliminating subversive groups or ensuring effective use of defence resources. Collegiality for us also means that we do not forget our friends and we support them on various levels since the first days of the war with the aggressor. Contacts at official levels as well as personal support continue.



UKRAINIAN PARTNERS OF NCOZ



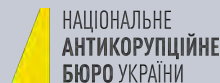
National
Police
of Ukraine



State Border
Guard
Service



Security
Service
of Ukraine



National
Anti-Corruption
Bureau of Ukraine



Economic
Security Bureau
of Ukraine



State
Bureau
of Investigation

NCOZ continues to monitor post-Soviet OCGs and perceives changes in the security environment caused by Russian aggression.

Trends in the security environment

There is an observed influx of members of the post-Soviet OCGs and family members of criminal authorities, which may result in the strengthening of the permanent presence of Russian-language OCGs in the Czech Republic, even in the period after the end of the war conflict and the return of most of the war refugees to their home countries. This risk is increased by high mutual coordination and

communication (typical of post-Soviet OCGs) and the ability to operate in the field of crime in a new location.

In 2023, it can be expected that new members or higher positioned members of the OCGs from other post-Soviet countries will continue to establish themselves in the territory of the Czech Republic.

The state of war and the associated economic, social, legal instability, together with the EU's willingness to provide security for refugees, will lead post-Soviet OCGs to further attempts to move people and property abroad in 2023 (mainly to the EU

countries, the Czech Republic included). The uncertainty associated with the estimation of an end of the Russian aggression will then lead to efforts of the OCGs to establish themselves in a new territory. This means that these groups will evaluate criminal opportunities and try to take advantage of them.

Given the expected economic downturn and the likely reduction in the amount of financial support for war refugees by the Czech Republic, it cannot be ruled out that there could be increased labour exploitation of Ukrainian workers through employment agencies in 2023.

INTERNATIONAL SANCTIONS

From the criminal law perspective, the issue of international sanctions belongs to the jurisdiction of the NCOZ. Beyond this, NCOZ police officers also participate in the inter-agency activities that are dedicated to the effective application of sanctions legislation.

The issue of international sanctions is – in the opinion of NCOZ – close to the issue of foreign OCGs, crimes committed by state representatives, as well as to the issue of financial investigation and legalization of proceeds of crime.

In the past, NCOZ has been involved in addressing this issue at the inter-agency level and partly at the EU level.

The proximity of these issues lies not only in the area of seizure or freezing of assets, but above all in the search for assets of interest and their connection with persons of interest or sanctioned persons.

The existing experience of the state institutions in tracing sanctioned assets so far clearly declares that the sanctioned persons have already transferred their assets to persons close to them or to commercial companies in the past years and have also used so-called offshore companies in this concealment activity. The same practice is naturally encountered by the Police of the Czech Republic when conducting financial investigations.

In the context of responding to violations or circumvention of sanctions regimes in the Czech Republic, there is a lack of broader experience with the practical implementation of search activities and with the follow-up of evidence, including the absence of relevant case law. The national sanctions legislation linked to the European is also new and NCOZ's assignment will be to put in practice. The control and prosecution of suspicious financial transfers has long

been limited by certain aspects of legal framework, including, for example, the (long-standing) necessity to prove that suspicious foreign financial transfers are linked to specific criminal activities on the territory of a foreign state (very often one that is insufficiently or completely uncooperative in the matter). Without this being changed, it is extremely difficult to prosecute the ongoing laundering of criminal profits represented by the transfers of substantial sums of money or cash, which occurred in the context of Russian aggression in Ukraine in 2022.



SERIOUS ECONOMIC CRIME & CORRUPTION COMMAND

The Serious Economic Crime and Corruption Command deals primarily with the detection, investigation and prosecution of the most serious forms of economic crime characterised by the volume of damage to state property or selected financial institutions exceeding CZK 150 million. Particular types of corruption-related crimes are characterised by the involvement of so-called special entities as perpetrators.

The major aspects of committing these kinds of crimes remain to be the area of as public procurement, the distribution of funds in relation to subsidies both at national and EU levels, credit frauds, the abuse of power, corruption or criminal activities in the financial sector. At present, the most serious economic crime tends to have a national scale in the vast majority of cases, regardless of the location of the registered offices of suspected companies and the place of residence of their directors or other related persons. In a large number of cases, there is an international aspect present, often a multiple one (involvement of foreign companies and companies, persons, bank accounts etc.) and the organized character of the criminal conduct.

PUBLIC TENDERS

An important feature of influen-

cing of public procurement is the creation of a sophisticated system involving multiple actors with the aim of long-term influencing the particular sectors in which public tenders are executed.

Failure to infiltrate the area at the time of decision-making, assessment or implementation of such a contract, makes proving the offence by gathering sufficient evidence virtually impossible. In this area, strong links are created between the various actors who work together to influence a public contract in favour of a pre-selected entity using conspiratorial methods and means. Public procurement thus remains an ever-generous source of unjust enrichment at the expense of public budgets.

Organized groups of perpetrators continue to be a significant actor in this area of crime, using their



knowledge of the functioning of the public administration system, local government system as well as the personal contacts to the representatives of these authorities. As a result of this insider knowledge, key positions in state-owned enterprises are often filled by friendly managers to allow them influencing various tenders in order to receive bribes from the winning bidders. The perpetrators act in a sophisticated manner, using state-of-the-art technology and conspiratorial measures (encrypted phones, magnetic boards, security checks etc.) and the knowledge of the legislation. Serious economic crime thus generates significant amounts of funds which are, in part, used to commit other criminal activities or improve it.

CORRUPTION

Certain activities and areas can be specified in which corruption


tends to occur more frequently. Corrupt behaviour continues to be the domain of public procurement, especially in relation to construction, IT services, health, cleaning and technical services. In the past year, the Agency succeeded in detecting corrupt practices in the activities of public administration bodies and local governments. A very important issue is also the sports corruption which has been already advised in the past. Corruption and serious economic crime is concentrated especially in the larger cities and their surroundings. This refers primarily to the possibility of perpetrators of corruption-related crimes to influence tenders and public procurement to their advantage. Hand in hand with such manipulated tenders there is corruption, often a reliable tool to successfully influence the outcome of public procurement tenders in the offender's favour. These crimes are also linked to subsidy fraud and damage to the financial interests of the European Union, since public contracts are often paid for by subsidies, funded by either national sources or EU grants.

Even on the regional office level, case officers have dealt mainly with credit frauds as well as fraud cases related to the distribution of national and EU subsidies. A side-effect of these crimes was almost certainly corrupt behaviour. However, this conduct often fails to be proven. The perpetrators refrain from the classic forms of bribery. Frequently, the very act of installing the bribed person to a lucrative position within the public administration by a hidden organizer of the crime scheme (usually a person with significant political or social influence) is the bribe itself. At the same time, the actions performed by the offenders – both public officials and bidders or subsidy applicants are steered from behind by the head of the scheme.

PROTECTION OF THE INTERESTS OF THE EUROPEAN UNION

In the area of the crimes violating the interests of the European Union, similar unlawful conducts appeared as in the previous years. These included primarily

fraudulent misrepresentation of data which had resulted in unauthorized use of funds originating from different EU funds. False figures often relate to fictitious costs for e.g. construction works, IT services or labour costs. The compulsory exchange of information among state agencies also contributes to the detection of such illicit activities. This is set out by the Regulation No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999. The involvement of the European Public Prosecutor's Office (EPPO) plays a significant role in the protection of the Union's financial interests. The EPPO comes in useful primarily in the area of serious economic crime where funds allocated and distributed to EU Member States are invested in the scope of particular projects implemented by the respective countries.



EPPO – EUROPEAN PUBLIC PROSECUTOR'S OFFICE

EPPO is an independent authority within the EU responsible for investigation and prosecution of crimes violating financial interests of the Union (e.g. fraud, corruption, cross-border VAT fraud with tax gaps exceeding CZK 10 million) and bringing the offenders to justice. In this respect, the Office investigates and prosecutes, acting also as the public prosecutor in cases tried at courts of the EU Member States. The EPPO started its operations on June 1, 2016. Immediately afterwards, prosecution was initiated by the NCOZ in a number of criminal cases under the supervision of an EPPO Delegated Prosecutor. EPPO-related legislation was implemented by amending selected laws [Act no. 315/2019 Sb. amending the Act no. 283/1993 Sb. On the Public Prosecution, as amended; Act no. 141/1961 Sb. (Code of Criminal Procedure), as amended; Act no. 40/2009 Sb., Criminal Code, as amended; plus several other acts].

CYBERCRIME

At the end 2022, this particular area has been removed from the NCOZ's scope of responsibility and assigned to a new standalone police agency with a national jurisdiction: National Counter-Terrorism, Extremism and Cybercrime Agency (Národní centrála proti terorismu, extremism a kybernetické kriminalitě – NCTEKK).

The Cyber Crime Command specialised in the investigation of crimes committed in the form of cyberattacks in its most serious form, typically targeting critical information infrastructure. At the same time, it was engaged in advisory activities including the coordination of cyber incident investigations dealt with by regional or local police forces.

The Command provided expertise and professional assistance to other police authorities in criminal cases falling within the competence of the Agency and in the field of cybercrime in general.

In the area of cyber-dependent crime, there was a stable level of attacks targeting computer systems followed by a subsequent extortion using ransomware. Despite various ICT security measures, these attacks seem to appear at the similar rate as in 2021. Medium-sized enterprises seem to be the most frequent objects prone to become targets of cyberattacks. The threat of being attacked by such malicious code can still be consi-

dered a constant security issue mainly in the post-Covid-19 times as many institutions still apply remote working measures. It should be noted that a certain part of cybercrime-related unlawful conduct consists in attacking e-mail accounts of natural persons or their credentials. Under circumstances, credentials to social media user accounts or online banking are also vulnerable. Furthermore, it is necessary to point out that the

offenders use sophisticated software tools to achieve unlawful enrichment and maximize the volume of extracted funds over a short period of time.

The year-on-year rise of reported crimes featuring illegal access to a computer system has reached 53 per cent.

In the light of Russian aggression against Ukraine, pro-Russian hacker groups have emerged,

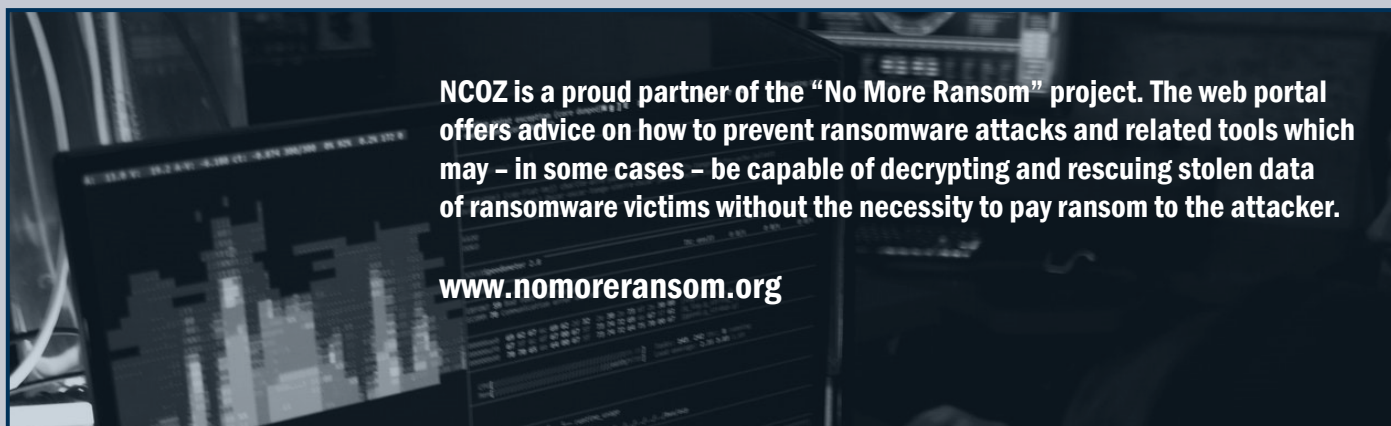


CYBER-DEPENDENT CRIME

The definition of cyber-dependent crime is set out in the Instruction of the Police President no. 103/2013. Cyber-dependent crime (as a subset of cybercrime) is defined as crime committed in the environment of information and communication technologies including computer networks. The main object of the attack is the very area of information and communication technologies and the data contained therein.

CYBER-ENABLED CRIME

Cyber-enabled crime includes the areas of traditional general and economic crime but committed in cyberspace, i.e. crimes perpetrated with significant use of ICT. The main object of crime is primarily life, health, property, freedom, human dignity and morality.



organizing primarily DDoS attacks on various targets in democratic countries. Media institutions of the country tend to be primary target but there have been attacks on government agencies or banking sector. In some cases, these attacks did not have the desired effects. Thanks to the long-term activity of the National Cyber and Information Security Agency (NÚKIB), the attacks against the critical information infrastructure seem to stagnate while cyberattacks on information systems which may fall under the “major information systems” category have become predominant.

From the cybercrime perspective, one of the main challenges are the risks related to the settings of legal framework (mainly outside the criminal law) governing

procedures in responding cybercrime but also the area of providing services in cyberspace within, but not limited to, the territory of the Czech Republic. Furthermore, the long-term underfinancing of IT security may be mentioned which is the case of government institutions in particular.

When responding cybercrime, the general issue both in the Czech Republic and abroad is the fight against a virtual enemy whose actual location is unknown. Everything is anonymous, fraudulent domains seem to work on a global scale. While false identities, payments in cryptocurrencies or the use of software robots seem to be clear adversary factors, in some cases, bureaucracy and lack of willingness to share information should also be noted.

As regards to crime prevention (and cybercrime prevention in particular), the cooperation with the expert community is a one of the main challenges, as is the creation of easy-to-follow prevention projects capable of having an impact on the majority of society.



FINANCIAL CRIME COMMAND

Financial Crime Command's mission is to detect, investigate and effectively prosecute the perpetrators of the most serious forms of tax crime, money laundering, investment and credit frauds and seizure of criminal proceeds.

Investment frauds

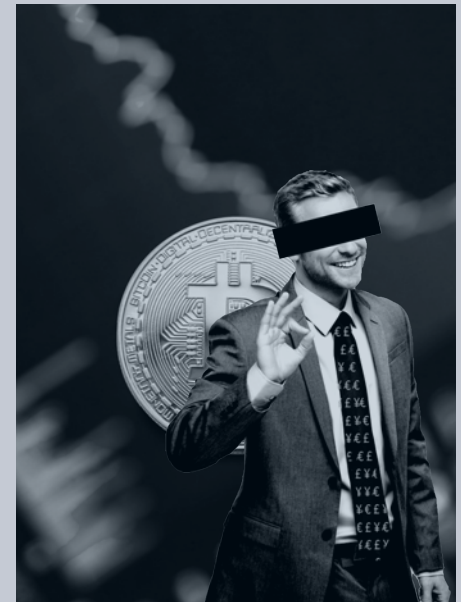
There is a continuing trend from previous years, consisting in introducing large-scale investment fraud schemes (hundreds to thousands of victims, dozens to hundreds of millions of CZK seized for the purpose of criminal proceedings) and investment fraud related to virtual assets based on the so-called Ponzi scheme. The number of both processed and publicized cases has increased mainly in the 2020-2022 period, in consequence of increased inflation and the growing motivation of people to increase their savings. Among the cases of suspected investment fraud (some of which already confirmed by court decisions), there were the WSM group case, Growing Way, J.O. Investment, to name a few. Doubts cast on a number of other schemes.

Trends in investment frauds

The continuation of the last years' trend consisting in the presence of large-scale investment fraud schemes. Pretexts used to attract victim investors seem to repeat – investment opportunities into various financial products and instruments, advertisement, virtual assets and cryptocurrencies, celebrity investors, forex-related investments, the development of own payment gateway, revolving of promissory notes etc.

VAT-related tax fraud

Regarding to evasion of taxes and related fees, we continue to detect fraud schemes aimed primarily at VAT evasion (for example, invoices on fictitious performance). This is a typical scenario for an organized criminal group dealing with buying non-existent services. The group usually focuses on reducing or even completely neutralizing the tax liability of legal entities which are economically active achieve significant profits. An increase in level of sophistication and organization has become apparent. Today, such crimes cannot be perpetrated in any other way than as organized (as e.g. the purchase of legal entities with economic history, their use within the scheme over a very short period of time, subsequent sale of legal entity, recruitment of strawmen, production of false



invoices, simulated shipping etc.). Newly established schemes now involve a much larger number of subjects than before. These remain active only for a very short period of time, only to be replaced by others. Having acted as either missing traders or buffers, individual companies are resold to other perpetrator groups and are introduced into other schemes to allow tax evasion. That said, one legal entity may appear in different tax fraud schemes with different commodities. The business may be either just fictitious or the same goods is being resold or reshipped in circles. On the contrary, there has been a stable decline in volume of cases overstated VAT deduction claims (the positive effect of the so-called VAT control statement). This seems to reflect a trend of gradual retreat from the so-called carousel fraud schemes, irrespective of commodity.

In 2022, there has been an increase in the abuse of frauds related to customs procedures under the codes 4000 and 4200. This refers to goods imported into the EU which is free to move within the EU without any further control once customs-cleared upon entry. The taxable entity designated as liable in the customs declaration is liable to declare VAT in the State of consumption. However, cleared goods never longer reach its declared final destination and disappears, staying out of the sight not only of customs but also of tax authorities. The goods, now no longer subject to VAT, are then resold throughout the EU (via online marketplaces or e-shops).

Environmental taxes

Another important area where billions of dollars in damages have been recorded and which the NCOZ is intensively involved in, is waste management and related environmental taxes (waste disposal fees and charges). The area in question is very broad. In terms of its scope, it is, apart from taxes and fees, also closely linked with subsidies, public procurement and the closely related risk of corruption. Organised crime seeks to penetrate intensively into the public administration, gaining connections starting at grass-roots level, i.e. from municipal politicians who have

influence over the redistribution of public funds. Then, there are the local government employees who may have similar influence on the distribution of funds at awarding public contracts.

Money laundering

New trends are also emerging, such as the abuse of the “small-scale financial services provider” status. These entities are licensed through the central bank (ČNB). Their activities in the field of financial transactions can be considered identical when compared to banks but almost completely lacking the possibility of proper and timely detection of suspicious transactions under the AML regulations. In the case of the participation of a foreign entity in the ownership structure of a small-scale financial services provider, it is also possible that the foreign entity has additional virtual IBAN, which allows even more efficient handling of funds, even those belonging to foreign clients. Cases of non-standard exchange transactions (in the order of billions of CZK) continue to be recorded. The origin of the funds is unknown and there is a reasonable suspicion of laundering of criminal proceeds. Despite all the efforts, investigating authorities mostly fail to detect the origin of these funds, as they do when trying to establish the predicate crime.

Law enforcement authorities are still being confronted with the impossibility of a proper recovery of seized funds. This impossibility or inability lies in both the passivity of foreign jurisdictions in dealing with international judicial cooperation requests (mainly the countries of the former Soviet Union), and at the same time by deficiencies of Czech legislation on the criminal asset recovery which is linked with reasonable doubt on the legal origin of the assets subject to investigation.

The so-called flow-through accounts may be definitely added to the list of long-standing unresolved issues. This topic is linked to the extension of legal instruments used to recover assets in criminal proceedings, administrative or civil proceedings. The issue has been repeatedly addressed at various levels, e.g. through an inter-ministerial working group coordinated by the Ministry of Justice of the Czech Republic in the framework of the National Risk Assessment of money laundering and terrorism financing. The current security situation requires acceleration of these efforts, particularly regarding removal of detected deficiencies from domestic legislation. In 2022, the challenge was to address the implementation of international sanctions in the context of Russian aggression against Ukraine, including their criminal overlap.

Flow-through accounts

Suspicious transfers of funds mainly form the post-Soviet countries to the Czech Republic. Law enforcement authorities are still facing the impossibility to properly investigate into criminal cases related to the so-called flow-through bank accounts and to properly recover seized proceeds of crime. This impossibility is caused by the passivity of foreign jurisdiction at responding judicial cooperation requests (speaking mainly of the former Soviet countries) but also by domestic legislation which requires the predicate offence to be proved.

ALTERNATIVE FUNDS AND MINI-FUNDS

The use of so-called “mini-funds” in investment fraud schemes

Resulting in damages worth billions and being subject to an intensive response by the NCOZ, the so-called alternative investment funds or mini-funds represent a significant subgroup of investment fraud cases. These entities are regulated under Section 15 of the Investment Company and Fund Act (Act no. 240/2013 Sb., on Investment Companies and Investment Funds).

There is a major problem today and may grow even bigger tomorrow. In early May 2023, the list of so-called alternative investment funds available on the website of the Czech central bank (ČNB) listed 403 entries. A massive increase has occurred since 2020 to the present while in previous years, the number of these entities had been marginal.

It is also interesting to note that most of these entities are based in Prague and Brno. The registered entities are frequent clustering at the same addresses in the centre of Prague. The massive growth of these companies in recent years correlates with the number of newly registered cases.

Another typical feature of these fraudulent entities is that their websites point out the informa-

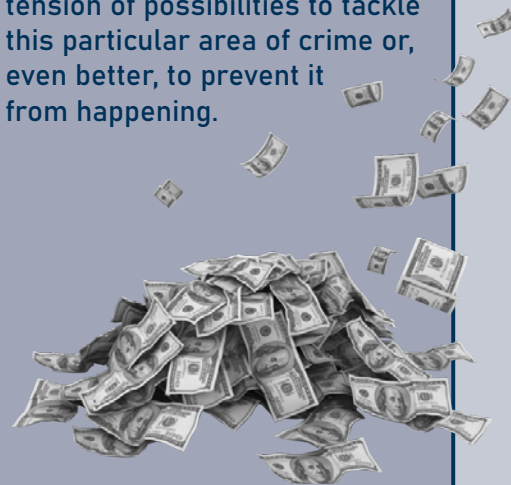
tion that their activities fall under the supervision of the Czech central bank. This helps to raise the impression of running a “legitimate” business and gain confidence of the investor.

In reality, there is not much regulation towards the activity of these legal entities as they are only required to register themselves to a list administered by ČNB and provide a relatively brief report to the central bank once a year. In the course of their business, there is no direct supervision of the central bank whatsoever. That said, there is no regular control over the extent and methods used to invest funds received from their clients. It should be noted that the original idea behind this particular way of administration of assets was a joint investment performed by a limited group of friends or family members. This

tool was definitely not meant to gather funds from thousands of retail investors.

The NCOZ decided to address the issue of fraudulent investment scheme by launching a prevention campaign “DON'T BE A FOOL!”. In simple words, only an investment company or fund complying with all legal requirements and duly registered with the central bank is authorized to collect funds from retail investors. Other forms of underhand investments, i.e. gathering funds from the public, are not permitted.

In the scope of the National Action Plan to respond organized crime, NCOZ will initiate the extension of possibilities to tackle this particular area of crime or, even better, to prevent it from happening.



THE SUPERVISION OF THE CENTRAL BANK (ČNB) OVER MINI-FUNDS AND ALTERNATIVE FUNDS

A typical feature of these fraudulent entities is that their websites feature the information that their websites point out that their business activities fall under the supervision of the Czech central bank. This should instill confidence to the investor. In reality, there is minimum regulation of activities of these legal entities. They are only required to register themselves to a list administered by ČNB and report briefly to the central bank once a year. In the course of their business, there is no direct supervision of the central bank whatsoever. There is no control over the extent and methods used to invest funds gathered from their clients.

RECOVERY OF CRIMINAL PROCEEDS

According to the statistics on seized property kept by the Police of the Czech Republic, investigating and prosecuting authorities managed to seize assets worth approximately CZK 5.3 billion in 2022, a decrease by approx. CZK 1.9 billion compared to 2021. The NCOZ alone, however, made an exception by increasing the amount of seized criminal assets by ca. CZK 0.8 billion. Data reflect the figures as of late December 2022.



CZK 5,26 bn



CZK 2,82 bn

Assets seized by the Police of the Czech Republic in 2022 (figures in CZK)

Regional Police Directorates	2 331 216 723 , - Kč
National Organized Crime Agency	2 828 849 281,- Kč
National Anti-Drug Headquarters	105 272 512,- Kč
POLICE OF THE CZECH REPUBLIC (IN TOTAL)	5 265 338 516,- Kč



Regional

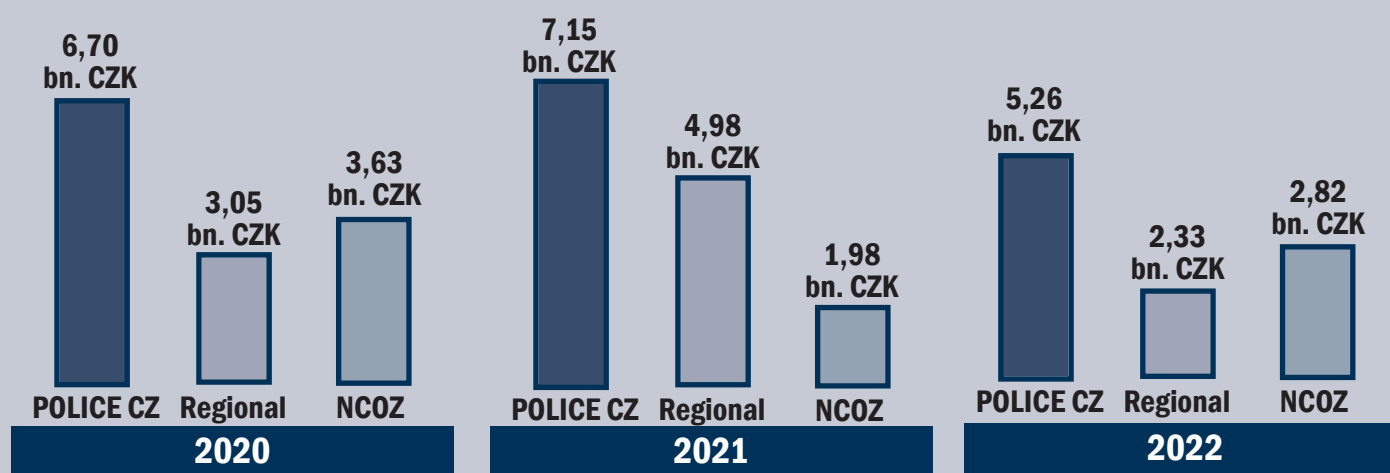
CZK 2,33 bn



CZK 0,105 bn

Assets seized by the Police of the Czech Republic
2020 – 2022 year-to-year comparison

	2020	2021	2022
Regional Police Directorates	3 049 986 030	4 989 475 233	2 331 216 723
National Organized Crime Agency	3 632 552 599	1 987 220 591	2 828 849 281
National Anti-Drug Headquarters	25 735 146	180 942 838	105 272 512
Police of the Czech Republic (in total)	6 708 273 775	7 157 638 662	5 265 338 516



COUNTER-TERRORISM AND EXTREMISM

At the end 2022, this particular area has been removed from the NCOZ's scope of responsibility and assigned to a new standalone police agency with a national jurisdiction: National Counter-Terrorism, Extremism and Cybercrime Agency (Národní centrála proti terorismu, extremismu a kybernetické kriminalitě – NCTEKK).

Counter-terrorism and Extremism Command has been focused on the identification and detection of crimes and manifestations related to the activities of religiously and politically motivated extremist movements. The Command monitored all activities of terrorist organizations, individuals or small groups that may seek to achieve their goals through violent methods and means. Furthermore, the Command focused on human rights violations, such as investigations into state terrorism, crimes of genocide or war crimes as well as trafficking in arms and dangerous materials.

Throughout 2022, the security environment has changed dramatically, affecting the areas of counter-terrorism, extremism, arms and ammunition trafficking and CBRN.

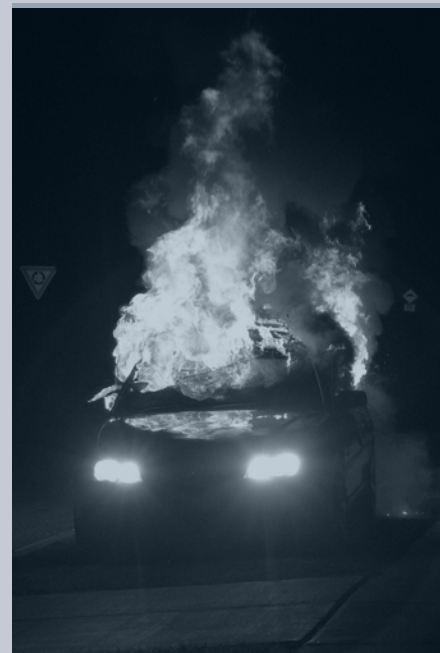
WAR IN UKRAINE

The Ukrainian war is the biggest change, significantly influencing the area of internal security. Many of today's manifestations have been detected since 2014 when a regional conflict in eastern Ukraine was taking place. Both direct and indirect effects of war can be identified in all monitored areas, e.g. the disinformation and alternative media landscape has been reactivated within the online environment. The war has practically eliminated the topic of the declining Covid-19 pandemic. Instead, a number of cases of endorsing the military aggression against Ukraine. Throughout 2022, more than 500 applicants willing to join

the armed forces of Ukraine. More than a half of candidates were given a negative recommendation mainly because of their history of unlawful conduct.

The issue of violation of sanctions, mainly in the areas of commodities and dual-use goods but also arms and military material. Apart from the returnees with certain combat experience, the know-how is also available online. The relative availability of arms, military material or dangerous substances increases secondary security impacts into the future, with UAVs and IEDs being on a particular rise.

War crimes and crimes against humanity represent a specific chapter of the conflict. The Czech Republic contributes to the documentation of these crimes, primarily by securing necessary evidence from open sources or by recording statements of eyewitnesses.



ONLINE THREATS

The so-called radical online communities represent a major threat. Within these communities, a particular ideology does not seem to play any major role (although there are communities profiling themselves to neo-Nazi ideology, speaking of e.g. siege or militant accelerationism or the followers of various jihad-related groups), replaced by the belief that violence is the only way to reach their goals or, quite frequently, a sort of personal satisfaction.

The risk increases as minors become followers or perhaps users and "members" of such online communities. There are some visible links to gaming community, the public manifestations of violence or hate. Not only (ideological) inspiration seems to spread via online communities. The users tend to motivate one another, encouraging and instiga-

ting acts of violence. Not only (ideological) inspiration spreads across communities. The users motivate and support one another but also instigate to commit violent acts. At the same time, know-how is shared in the form of various manuals or tutorials. It is necessary to pay adequate attention to a timely identification of users who speak out in their communities as well as manual-like documents being spread within. Decentralization has become a common phenomenon. Many times, neither the communication nor the activity of users is limited to a particular group, chat or platform but may be conducted simultaneously on different platforms and by different means.

RELIGIOUSLY MOTIVATED EXTREMISM AND TERRORISM

Speaking of extremism and terrorism with religious background, the key topic remains to be the spreading of the Islamic State-related propaganda or similar rhetoric of hate via kindred priests. Despite its partial withdraw from the Middle East, IS still seems to resonate mainly in the West-European muslim communities. The influence of propaganda may result not only in the area of terrorism financing but potentially also in recruitment for various regions of conflict (Mali, Afghanistan) or in preparation of violent operations in Europe.

In the scope of the current conflict in Ukraine, the activity of Chechen combat groups under the influence of radical Islam has been detected. These troops are involved in military operations fighting for Ukraine and Russia. It is believed that these groups may move to Europe after the current conflict is terminated.

The threat of return or move of persons posing a potential threat from troubled regions (primarily Middle East) in the course of current migration wave from Turkey remains. Due to the volume of migration, the execution of effective controls and identification of individuals is much more difficult.

DISINFORMATION

In the area of disinformation and alternative media, there has been a significant change in topics. The recent topic of Covid-19 pandemic has been replaced by the war in the Ukraine. In a variety of forms and extent, the aggression against Ukraine is advocated and favoured, the source being the official Russian media and propaganda. Not only alternative media, dedicated websites and information portals are used, but also personal contributions by users of social media networks a various communication apps are present. In result, the society is polarised and protests are organized to support Russia and the invasion to Ukraine. This leads to the arise and growth of the so-

called anti-institutional movement which mobilizes against the state, its structure, institutions and requires complex or partial changes, primarily by revolution instead of a lawful manner. It may be foreseen that for 2023, the primary factor determining the security environment shall be the war conflict in Ukraine which has an impact on the character and intensity of crimes across the areas of terrorism, weapons, ammunition and hazardous materials. Security situation is expected to be negatively influenced by the worsened economic situation, economic recession, social and economy-related frustration in the society which create the potential for further polarization of the society along with the activities of political extremist groups and their growing impact.



NCOZ REGIONAL OFFICES

As a law enforcement authority with jurisdiction covering the whole Czech Republic, the NCOZ cannot do without its regional offices. At present, there are seven such offices located in České Budějovice, Plzeň, Ústí nad Labem, Hradec Králové, Brno, Olomouc and Ostrava. The offices cover all the Agency's primary responsibilities

České Budějovice - REGIONAL OFFICE E 1

TUREL case - tax crime

NCOZ police officers have initiated criminal proceedings in a criminal case code named TUREL against three natural persons of whom are two citizens of Slovakia, for extremely serious crime of tax evasion.

From September 2017 to November 2020 the perpetrators, who committed the crime, made purchases of goods without VAT in other EU Member States, mainly consumer electronics. Then through Czech legal entity, they offered the goods for sale on internet sites to domestic custo-

mers. Subsequently, without the purchasers' knowledge, the perpetrators disguised the sale of electronics with a lease agreement taxing the rent for the goods of CZK 0.54 per year and thus deceiving the tax administrator and state authorities.

The rest of the payment from the buyer, corresponding to the actual value of the goods, was declared as a deposit, which, unlike payments for the sale of goods are not subject to value added tax. By doing so, the perpetrators obscured the real tax liability arising from the acquisi-

tion of goods from another EU Member State and their subsequent sale to the final consumer on the domestic market, i.e. they have breached the obligation to declare and pay the value added tax.

The damage amounts to a value added tax of approximately CZK 78.2 million, which they were able to wilfully reduce and also apply an excess deduction of approximately CZK 6.5 million, thus causing a total damage of CZK 84.7 million to the Czech Republic.

KOMÁR case (Mosquito) - human trafficking



In 2022, prosecution of 2 perpetrators was initiated for trafficking in human beings for labour exploitation, pimping and rape. Criminal proceedings have been

initiated against a man and a woman of Romanian nationality. The accused man organised the recruitment of workers in Romania, promising them jobs in

the logging industry in the Czech Republic for salary of at least CZK 30 thousand, although he was aware that he was not able to pay such a salary to the workers.

The accused man took advantage of their hardship and had them transported to the Czech Republic where they lived in unsuitable conditions (without toilet or water). The perpetrator arranged for them the work of forestry operatives, where they worked for 12 hours per day including Saturdays and Sundays.

To these people, who, without financial means, knowledge of local customs and knowledge of the Czech language, found themselves in an unfamiliar environment, wages were deliberately withheld by the offender for his own benefits. Only once a month did he pay them financial sums in hundreds of Czech Crowns for food and other living expenses. In cases where the workers demanded their wages, he assaulted them and threatened them that they would be physically eli-

minated. This way he should have gained more than CZK 1 million for his own benefit.

Further, in cooperation with the second accused person, they ran a nightclub with the sole intention of obtaining a steady financial income from the provision of sexual services by other persons. They recruited and arranged for girls from Romania to perform prostitution, provided them with accommodation in the nightclub and organized the operation of

the nightclub in such a way that there has always been sufficient number of girls for prostitution. The accused man is also being prosecuted for the crime of rape, when in a nightclub he forced the victim of Romanian nationality into sexual intercourse.

Extensive cooperation with foreign partners from Romania was used in this criminal case, this international cooperation has contributed significantly to the clarification of the case.

Plzeň - REGIONAL OFFICE E 2

Monitor II case – Indictment Motion for False Promissory Notes

In June 2022, NCOZ officers filed a motion to indict 9 individuals who attempted to defraud CZK 816 million to the detriment of one individual through the use of false promissory notes, which were the basis for the issuance of a writ of execution. The recovery of the amount in the execution proceedings eventually did not take place. According to the officers the accused persons

acted as an OCG. The police authority classified the acts according to the degrees of culpability of the individual persons as the crimes of attempted fraud, unauthorised obtaining, forgery and alteration of the means of payment and participation in OCG. The crimes should have been committed in 2010 on the territories of the Czech and Slovak Republics. Criminal proceedings

were led in cooperation with investigating, prosecuting and adjudicating bodies of the Slovak Republic. All persons were prosecuted at large. The main perpetrators are facing punishment in the form of imprisonment up to 16 years. The case file with indictment motion was referred to the state prosecutor of the High Public Prosecutor's Office in Prague.

Ústí nad Labem - REGIONAL OFFICE E 3

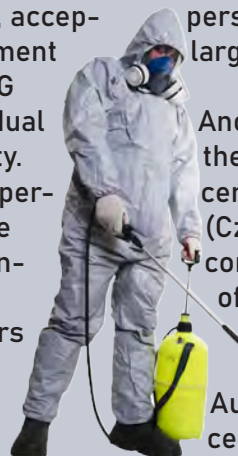
ŠVÁB case (the Cockroach) – Corruption in Football

On 08.06.2022 NCOZ officers filed a motion for indictment to the State Prosecutor of the High Public Prosecutor's Office in Prague against 21 natural persons and 1 legal entity for the offence of influencing football matches results in the Czech Football League and Fortuna: National League and further for unauthorised withdrawal of funds from Pilsen's Regional Football Association. The prosecution is led for

the offences of bribery, accepting bribery, embezzlement and participation in OCG according to the individual perpetrator's culpability. If convicted, four main perpetrators are facing the punishment of imprisonment up to 12 years (1 person), resp. 10 years (3 persons), the others are facing lower punishments. All natural

persons were prosecuted at large.

Another case of corruption in the procurement of bus replacement for České dráhy, a.s. (Czech Railways) surfaced in connection with intercepting of a close associate of the former Czech Football Association Vice-President. In August 2022, the police officers filed an indictment



motion against 7 natural persons and 2 legal entities. NCOZ detectives concluded that the now-already-convicted persons operated as an OCG. Through their former employer České dráhy, a. s. (Czech Railways) they were gathering information on the price offers in ongoing competitions. This way they tried to influence contracts for bus transport replacement to the benefit of the cooperating supplier in order to obtain a commission. In total, there were eight contracts with a total value of CZK 18 million,

while in two counts the commission of the crimes was completed and in six cases the commission of the crimes was attempted. České dráhy, a.s. suffered a direct damage of



CZK 3 million. Case ŠVÁB (Cockroach) has a bifurcation. In a related case codenamed DEZINFEKCE (Sanitation) a contract for the disinfection of football stadiums paid from the funds of the Czech Football Association is concerned. Until now, 6 natural persons and 4 legal entities have been convicted in connection with crimes of fraud and laundering the proceeds of crime.

All of the abovementioned cases were supervised by the High Public Prosecutor's Office in Prague.

Brno - REGIONAL OFFICE E 5

GAMP – tax evasion in tens of millions of CZK using fictitious costs



On 22. 02. 2022 in cooperation with members of the General Directorate of Customs - Tax Cobra, joint action day within the case called GAMP took place in South Moravian region and in Prague.

After having performed extensive covert investigation, the prosecution of 12 natural persons and 4 legal entities was initiated for

the extremely serious crime of tax evasion committed by an OCG. Within this group, the accused legal persons were to generate high revenues through business activities from the provision of services, particularly in the area of building maintenance and cleaning, which gave rise to an increased tax liability for these companies. In order to reduce

these taxes, the OCG created dozens of business companies which were generating fictitious expenses for the legal entities. In such a way, the tax liability was artificially reduced and tax evasion worth tens of millions of Czech Crowns took place within the last two years. As part of the joint action day, which involved more than 200 officers of the Czech Police and the General Directorate of Customs, more than 20 searches of houses, flats, vehicles and other premises and a number of other acts of criminal proceedings were carried out. The accused were detained and transported into custody upon the order of the judge of the Municipal Court in Brno.

During the action day, the seizure of property values was also carried out, with approximately CZK 10 million seized in bank accounts, two vehicles and various valuables, including several luxury Breitling watches.

TAXIS case - corrupt behaviour in connection with the allocation of municipal flats in Brno

From 04.10.2022 to 06.10.2022, the first action day within the TAXIS case took place. The case concerned suspicions of corrupt behaviour in connection with the allocation of municipal flats in Brno. 19 house searches and 10 searches of other premises and lands were performed. After urgent and non-repeatable actions were carried out, the prosecution of 8 people was initiated. On

20.02.2023, the prosecution against two of the accused persons was discontinued. From 18.10.2022 to 21.10.2022 a second action day within the TAXIS case took place. The case concerned suspicions of corrupt behaviour in connection with the allocation of municipal flats in Brno and corruption-related closure of contracts in connection with the Černovice sandpit. Within the action day 16

house searches and 24 searches of other premises and lands were performed and 10 persons detained. After urgent and non-repeatable actions were carried out, the corruption-related behaviour within the Černovice sandpit case was split from the main case to receive its own criminal proceedings and prosecution was initiated against 7 natural persons and 2 legal entities.

Olomouc - REGIONAL OFFICE E 6

Plea bargain replaced cartel agreement



In August 2022, NCOZ officers filed an indictment motion against 3 natural persons and 1 legal entity for the crime of interference within a public construction contract awarded by the public authority – statutory city of Olomouc. According to the

findings, the representatives of all six construction companies that bid for the contract agreed on a common procedure that led to the victory of one of the companies at a price not lower than the agreed amount. Following the agreement, they proceeded

during the electronic auction of the contract.

The mutual agreement came to light when one of the companies participating in the auction did not follow the previous agreement because an employee of the company participating in the auction was not sufficiently instructed by the company's management about the auction and offered a lower price than the agreed price, which caused a conflict between the auction participants.

The accused subsequently pleaded guilty on the basis of the evidence gathered and entered into a plea agreement with a state prosecutor from the High Public Prosecutor's office in Olomouc.

CRIMINAL ANALYSIS

On the most basic level, the Criminal Analysis Division provides analytical support of criminal proceedings as well as the whole analytic community within the NCOZ. In terms of agency structure, the Division falls under the responsibility of the Deputy Director Line of Duty Support. In the course of investigation of organized crime cases, the contribution of an analyst is essential. The basic unit working on individual cases consists of operatives, analyst and leading case officer / investigator. As needed, the team may be complemented by expert specialists, e.g. expert analysts, financial investigator, forensic data analysts. For this reason, the NCOZ analyst community is bigger than usual when compared to other police forces. NCOZ analysts are expected to deliver more than just a mechanical response to a request. By putting data into context, they give a significant value-added to information available. They are also capable of giving recommendations for further progress on the case.



The basic responsibility of the Criminal Analysis Division is providing criminal intelligence analysis. This is the processing and assessment of information leading to the detection of crimes, identification of offenders behind the most complex crimes within the agency's jurisdiction. Criminal Analysis Division also provides analytical support, special types of analyses including relation, asset and financial analyses. The division also contributes to the criminal analysis methodology and deals with strategic aspects of criminal intelligence and the use of analytical tools. Criminal intelligence includes

monitoring, collection, processing and analysis of information. Criminal Analysis Division also provides strategic analyses. It secures and prepares data for statistical assessment of the agency's assignments, composing statistics and evaluation reports for the needs of Agency leadership, Police of the Czech Republic's leadership as well as public administration bodies. The division provides expert opinions and strategic analyses in the area of development of new trends in gathering criminal intelligence, criminal investigation and contributes to the preparation of drafts of bills to amend legislation. It

cooperates with expert departments of the Police Presidium of the Czech Republic and the Ministry of the Interior. Analytical support to case officers is provided by the Screening Department. The department performs a thorough, in-depth checks in available databases for the decision-making process of the NCOZ leadership. Detailed checks are also performed on external requests based on applicable legal regulations. Requesting authorities include, but are not limited to, the Ministry of the Interior, the National Security Authority (NBÚ) and intelligence services.

BIFITO – A PROJECT AIMED AT THE ANALYSIS AND VISUALISATION OF FINANCIAL FLOWS



In the scope of the “2016 – 2021 Security Research Programme for the Needs of the State”, a public contract under the provisions of the Act no. 134/2016 Sb. was signed between the state (represented by the Ministry of the Interior of the Czech Republic) and Ceos

Data s.r.o.. Based on this contract, the NCOZ Criminal Analysis Division was actively involved in the development of BIFITO software tool. The app is intended to provide a complex, bulk, fully automatized processing, analysis and visualisation of financial flows from source banking data processed by the police in the course of their tasks in the area of criminal investigation. The data

are provided in compliance with the provisions of the Section 8 (2) of the Act no. 141/1961 Sb. (Criminal Procedure Code). The BIFITO software shall ensure standardization of documenting crimes and the detection of money laundering offences pursuant to Sections 216 and 217 of the Act no. 40/2009 Sb. (Criminal Code). Currently, the application is in trial run.

FORENSIC DATA ANALYSIS DEPARTMENT (OFAD)

In the theory of criminal forensic science, the two basic types of criminal evidence are testimonial and physical are recognized. From this perspective, digital evidence secured by OFAD is specific. Frequently, digital evidence may be separated from its storage media, which may be a data repository, mobile phone, virtual space, Internet etc. With the growing importance and volume of digital evidence, the importance of correct detection, collection, storage and analysis of digital data in the course of criminal proceedings is also growing to prevent it from not being admissible as evidence. Just for this reason, a special department was established within the NCOZ with officers capable of collecting this particular type of evidence in an appropriate manner from almost any type of device.

OFAD is an organisational unit under the NCOZ Deputy Director (Line of Duty Support), responsible for a wide range of tasks somewhat split among the fields of informatics, analysis, advisory and operational field intelligence gathering. The number of staff is rising, as is the level of their

expertise. The cooperation with other departments of the Agency and the Police of the Czech Republic is also on the rise. To ensure a full territorial coverage, there are two offices of the Department based in Prague and Olomouc.

The main activities of OFAD include collection, gaining access to and preservation of digital evidence in criminal proceedings and cooperation in their evalu-

ation. OFAD provides expert advice and support during preparation and planning of procedural acts which include securing digital evidence.

An important aspect of the activities of OFAD is professional education and training in the area of digital evidence towards police forces. For this reason, OFAD officers took part in expert conferences of criminal analysts, giving lectures on best practice in collecting and analysing digital evidence.

The key part of securing digital evidence in criminal proceedings is hashing. In this process, the complete volume of collected digital data is transformed into a chain of characters and num-

bers called “hash” using a special algorithm. This sequence serves as digital seal and ensures data integrity. By using hash, it is guaranteed that preserved digital data have not been altered or manipulated in any way and match with the original source. This is of crucial importance for criminal proceedings. Case officer is allowed to analyse digital evidence without the need for securing original media or using it for investigation.

As long as there is no change in hash value – and therefore no change in source data – there is a very little room for challenging procedural accuracy and value of preserved digital evidence.

INTERNATIONAL COOPERATION

Within the NCOZ, international relations are coordinated by the International Cooperation and Advisory Department (OMSM).

The office is responsible for the area of international police cooperation as well as assignments resulting from the country's membership in the European Union, other international organisations and expert networks. Over the responsible departments of the Police Presidium of the Czech Republic, the Department coordinates international cooperation and activities of the Agency, providing operative cooperation with special police forces of other countries. The Department provides additional support consisting mainly of interpretation services at case-related coordination meetings and legal assistance acts in the Czech Republic and abroad, joint investigation team meetings under the auspices of Eurojust, various operational meetings often under the patronage Europol. Last but not

least, OMSM organizes trainings, seminars and other educational activities, arranging the presence of NCOZ officers in these events.

Police Liaison Officers

Similar to previous years, there were regular meetings dedicated to exchange of operational intelligence and response to cooperation requests with designated officers or liaison officers of foreign security forces as well as Czech police liaison officers deployed abroad.

Asset Recovery Office - ARO

Apart from detection and investigation of crimes, NCOZ acts also as the expert and advisory body in the field of tracing and seizure of criminal proceeds, fulfilling the tasks of the national Asset Reco-

very Office (ARO). Beyond that, the Agency delegates an officer as the national point of contact within the CARIN network (an informal inter-agency network joining international law enforcement and judicial practitioners in the field of asset recovery). One of the network's main goals is to promote cooperation and information exchange in the fields of tracing and seizure of criminal proceeds.

In 2022, over 550 non-MLAT requests were handled by the OMSM in the scope of ARO / CARIN cooperation or based on bilateral cooperation agreements.

EMPACT

As the cooperation on the various priorities set within the EMPACT (EU Multidisciplinary Platform against serious and organised

THE CZECH EU COUNCIL PRESIDENCY



From June to December 2022, the Czech Republic held presidency of the EU Council. NCOZ contributed to the preparation and the course of the Presidency by arranging security measures during individual events and by contributing to the events' agenda. Two meetings were organized in Prague:



European Firearms Steering Committee in Prague 2022

- Terrorism Working Group, EU Council Counter Terrorism Group, expert meeting on June 15 - 16, 2022
- European Firearms Experts, European firearm expert network, conference on October 12- 13, 2022

crime), representatives of the Agency have been participating in a number of joint meetings and videoconferences focused on responding arms trafficking, cybercrime, illegal migration, labour exploitation and financial crime. The OMSM is the substantive leader of the project "Deepening professional skills of law enforcement authorities law enforcement professionals in the fight against corruption, laundering of proceeds of crime and financing of terrorism" funded by the European Economic Area and Norway. Within the framework of this project, a dedicated cryptocurrency tracing software was purchased in 2022 and a series of seven training sessions on the topic was organised. The participants included almost 350 officers of the NCOZ and other agencies and departments of the Police of the Czech Republic along with prosecutors and representatives of other public administration agencies. An international meeting of asset recovery experts of the ARO platform was also organized.

European Anti-Fraud Office (OLAF)

At the end of 2021, an inter-minis-

terial agreement was concluded between the Ministry of Finance of the Czech Republic and the Police of the Czech Republic regarding the exchange of information and mutual cooperation in the field of the protection of financial interests of the European Union and the Czech Republic. On the basis of this agreement, the NCOZ took over the responsibility from the Prosecutor General's Office and became the national point of contact of the AFCOS network (in the area of protecting financial interests of the EU) to ensure the necessary cooperation with OLAF in the area of criminal proceedings. In order to make this cooperation more effective, meetings with OLAF representatives were held in March and September 2022.

European Public Prosecutor's Office (EPPO)

In the framework of the cooperation with EPPO, the NCOZ was commissioned to develop a methodology for criminal proceedings in relation to cases under the jurisdiction of the EPPO's remit and to train the representatives of regional police directorates on the topic. The

EPPO Office launched its operations on June 1, 2021. Its subject matter jurisdiction is limited to criminal offences damaging or endangering financial interests of the EU while the following conditions must be met: the damage must exceed either EUR 10 000 or EUR 10 million (for VAT-related damage in connection to at least two EU Member States). For the actual exercise of jurisdiction of the EPPO, there are European Delegated Prosecutors in every Member State. Speaking of the Czech Republic, eight European Delegated Prosecutors are currently appointed. Regional directorates of the Police of the Czech Republic carry out their tasks in criminal cases in which the EPPO exercises its own jurisdiction. For each regional directorate, officers were appointed to act as contact persons for the EPPO. These officers specialise in investigating public procurement- and EU subsidy-related criminal offences, focusing also on cases under the jurisdiction of the EPPO. In 2022, these staff were being updated on the new developments in the field of the EPPO's remit. In March 2022, an online training session was organized.

ASSET RECOVERY OFFICE (ARO)

NCOZ International Cooperation Department performs the tasks assigned to the Agency as the designated national asset recovery office (ARO). The ARO team handles criminal asset tracing requests placed by the Agency's Commands or forwarded by other agencies and departments of the Police of Czech Republic, mainly regional economic crime departments or the national anti-drug office (NPC). Incoming requests from partner ARO offices are also handled. CZ ARO representatives regularly join international meetings within the so-called "ARO platform", organized by the Euro-

pean Commission's General Directorate for Migration and Home Affairs (DG HOME) in cooperation with Europol.



In 2022, the process to discuss the text of a new confiscation directive was launched to introduce the Directive as a common legal instrument for confiscation of assets (while replacing the existing Framework Decision no. 845/2007/JHA on AROs) and a new EU-wide legislation covering the area of management and sale of confiscated property.

CONTACTS:

Mailing address: PO BOX 41/NCOZ

156 80, Praha 5 – Zbraslav

Databox: eesyd9x

Telephone: +420 974 842 683

FAX: +420 974 842 594

To submit your report, please use the email address of the filing office of the Police of the Czech Republic, adding “For NCOZ” to the message subject.

Email: epodatelna.policie@pcr.cz

Online presentation: <https://www.policie.cz/clanek/narodni-centrala-proti-organizovanemu-zlocinu-skp>

MEDIA CONTACTS:

NCOZ Spokesperson: Col. Jaroslav Ibehej

Email: ncoz.tisk@pcr.cz

All NCOZ press releases are available on the official website of the Police of the Czech Republic at: [policie.cz/ncoz-archiv-tiskovych-zprav](https://www.policie.cz/ncoz-archiv-tiskovych-zprav)

ENGLISH EDITION

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ANNUAL
REPORT
NCOZ



**NATIONAL ORGANIZED CRIME AGENCY OF THE
CRIMINAL POLICE AND INVESTIGATION SERVICE
POLICE OF THE CZECH REPUBLIC**