



Summary

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Swedish Economic Crime Authority

– combating organised economic crime

Summary

Advanced forms of economic crime are often used in organised crime. It is estimated that every year the State loses billions as a consequence of this. The Swedish Economic Crime Authority was created in 1998 in response to the need for a specialist agency focused on combating economic crime. Having different occupational categories protected and working together in one and the same agency would make the work against economic crime more effective and prioritised.

The Swedish National Audit Office (Swedish NAO) has audited the effectiveness of the Economic Crime Authority's work to combat organised economic crime. The focus of the audit is how the Economic Crime Authority and the Government have guided and organised the work. The Swedish NAO's overall conclusion is that there are several circumstances that prevent the work of the Economic Crime Authority to combat economic crime from being fully effective. The Swedish NAO notes that this is partly due to the Authority's shortcomings in its internal control and information sharing. The problems are also amplified in that the Government has not created certain external conditions needed for the Economic Crime Authority to work effectively. Overall, the Swedish NAO considers that this means that the Economic Crime Authority's work does not take advantage of the efficiency gains that are the purpose of the Authority's design.

The Economic Crime Authority is failing in its internal control

The Swedish NAO notes that the Economic Crime Authority has not guided and organised its activities so that its work to combat organised economic crime can be fully effective. The issue is that the Economic Crime Authority lacks certain reference data for managing, prioritising and targeting operations.

Knowledge of economic crime is a prerequisite for being able to work effectively. Through its activities, the Economic Crime Authority has access to both information and statistics on the development of economic crime. The crime prevention operations are to spread knowledge of economic crime to other actors who in turn can put in place various measures to combat crime. However, the Economic Crime Authority has not prioritised crime prevention and does not monitor economic crime in sufficient detail.

Nor has the Economic Crime Authority analysed how the operations of local public prosecution offices (investigation and prosecution) should best be resourced, organised and dimensioned at national level to deal effectively with organised economic crime. There are also shortcomings in internal support that impair the effectiveness of the work. Among other things, the various IT environments lead to inefficient work and employees state that there are insufficient national forums for internal experience and knowledge sharing within the public prosecution offices.

The Government should steer the coordinated work against organised economic crime to be more effective

The Swedish NAO notes that the Government has not provided the Economic Crime Authority with certain conditions that would enable it to work effectively against organised economic crime. Some obstacles have existed since the Authority was created and have been known for a number of years. For example, the intelligence operations have not been given direct access to the financial information needed to detect and prevent organised economic crime. The Swedish NAO considers that the Government needs to ensure that intelligence operations are given the legal conditions necessary to detect and prevent economic crime. The Swedish NAO further notes that the current regulation of intelligence operations leads to internal discussions within the Economic Crime Authority as to whether the Police Authority or the Economic Crime Authority is to be regarded as competent to obtain intelligence for the purposes of the Economic Crime Authority.

The fact that the Economic Crime Authority is affected by other agencies' governance and management places special demands on the Government's

governance in order for the operations to function efficiently and effectively. The Government has not required the Swedish Tax Agency to consult the Economic Crime Authority ahead of major changes in its operations and organisation, in the same way that the Economic Crime Authority is obliged to consult the Swedish Tax Agency. Nevertheless, since the creation of the Economic Crime Authority the Swedish Tax Agency has been a central partner. The Swedish Tax Agency assists the Economic Crime Authority in about one third of the preliminary investigations that the Authority starts, but employees of the Authority state that regional cooperation is difficult because the Economic Crime Authority and the Swedish Tax Agency are organised in different ways nationally and regionally. The Swedish NAO notes that the Government needs to have coordinated governance of the agencies on which the Economic Crime Authority is dependent in order to be able to work effectively.

The efficiencies that are the purpose of the Economic Crime Authority are not fully exploited

The Swedish NAO's overall assessment is that certain obstacles need to be addressed in order to make the Economic Crime Authority's efforts to combat organised economic crime more effective. Since it is the Government that has decided on the design of the Economic Crime Authority, it is also the Government that is ultimately responsible for ensuring that the design enables efficient and effective work. However, the Swedish NAO notes that the Government has not contributed to solving certain problems, even though they have existed for a long time.

At the same time, the Economic Crime Authority, through its governance, has not ensured that the Authority's purpose is achieved in all essential aspects. The Economic Crime Authority is obliged to deal with all crime within its catalogue of offences, regardless of the complexity or severity of the crime. The Authority's throughput times and case balances have increased for the particularly demanding cases, while staff with specialist expertise must also work on the simpler cases. Nevertheless, the Economic Crime Authority has not analysed whether the operations of the local public prosecution offices need to be organised in a different way in order to deal more effectively with the increasingly complex economic crime. The Economic Crime Authority's five separate IT environments also create obstacles for specialists to work effectively together.

The Swedish NAO's assessment is that this means that the Economic Crime Authority's work does not take advantage of the efficiency gains that are the purpose of the Authority's design. This, in turn, prevents the Authority from being fully effective in its work against organised economic crime. The Swedish NAO therefore considers it justified for the Government to carry out a review of the

Economic Crime Authority's mandate and design to ensure that the Authority can make greater use of the efficiency gains that are the purpose of its design.

Recommendations

In order to increase the effectiveness of the Economic Crime Authority's work against organised economic crime, the Swedish NAO makes the following recommendations.

The Government should:

- conduct an open-minded review of the Economic Crime Authority's remit and design.

In addition, the Swedish NAO considers that the Government should:

- ensure that the Economic Crime Authority is given the conditions to carry out effective work against organised economic crime. This means:
 - ensuring that intelligence operations are given the legal conditions necessary to detect and prevent economic crime
 - clarifying the responsibilities between the Economic Crime Authority and the Police Authority in relation to intelligence operations.

The Economic Crime Authority should:

- dimension the overall planning and distribution of resources according to the different needs of the operating areas and local public prosecution offices. In order to do so, the Economic Crime Authority needs to develop the follow-up of operations and knowledge of economic crime
- compile the knowledge available within the Economic Crime Authority on organised economic crime in a structured way and share it with all areas of operation and other actors working to combat economic crime
- ensure that there are opportunities to share experience and knowledge between different specialists in the local public prosecution offices
- ensure that there are technical aids that make it possible to work effectively
- clarify what the crime prevention operations should include and how they should be carried out in practice in order to be integral to the entire Authority.