



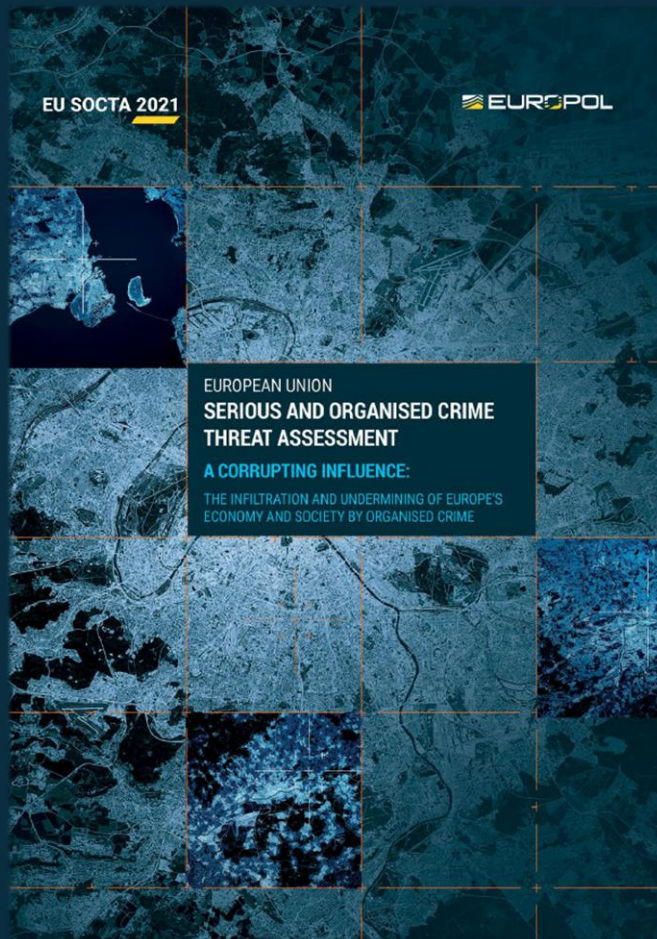
Organized Fraud

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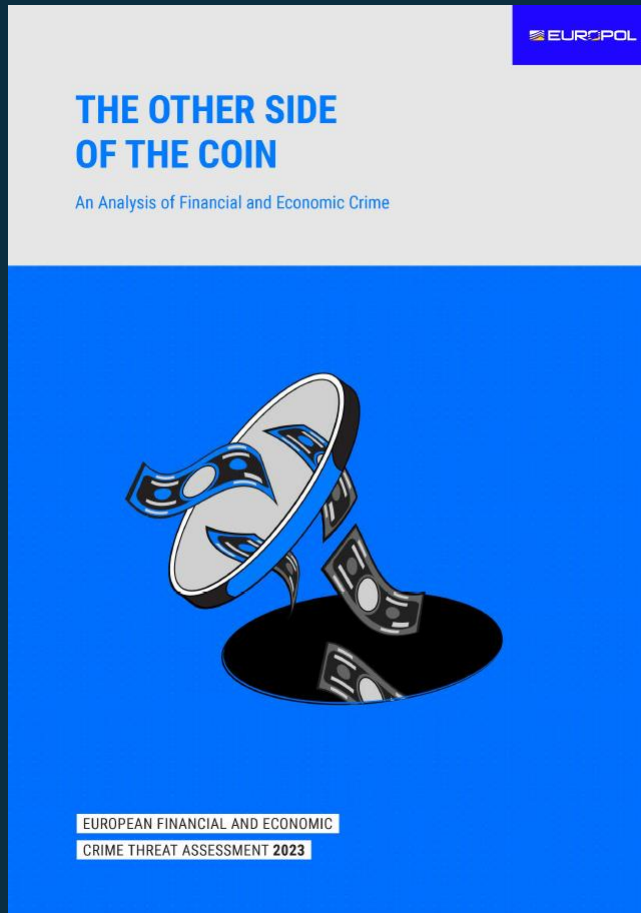
Serious and Organized Crime Threat Assessment

Key Findings Relating to Fraud



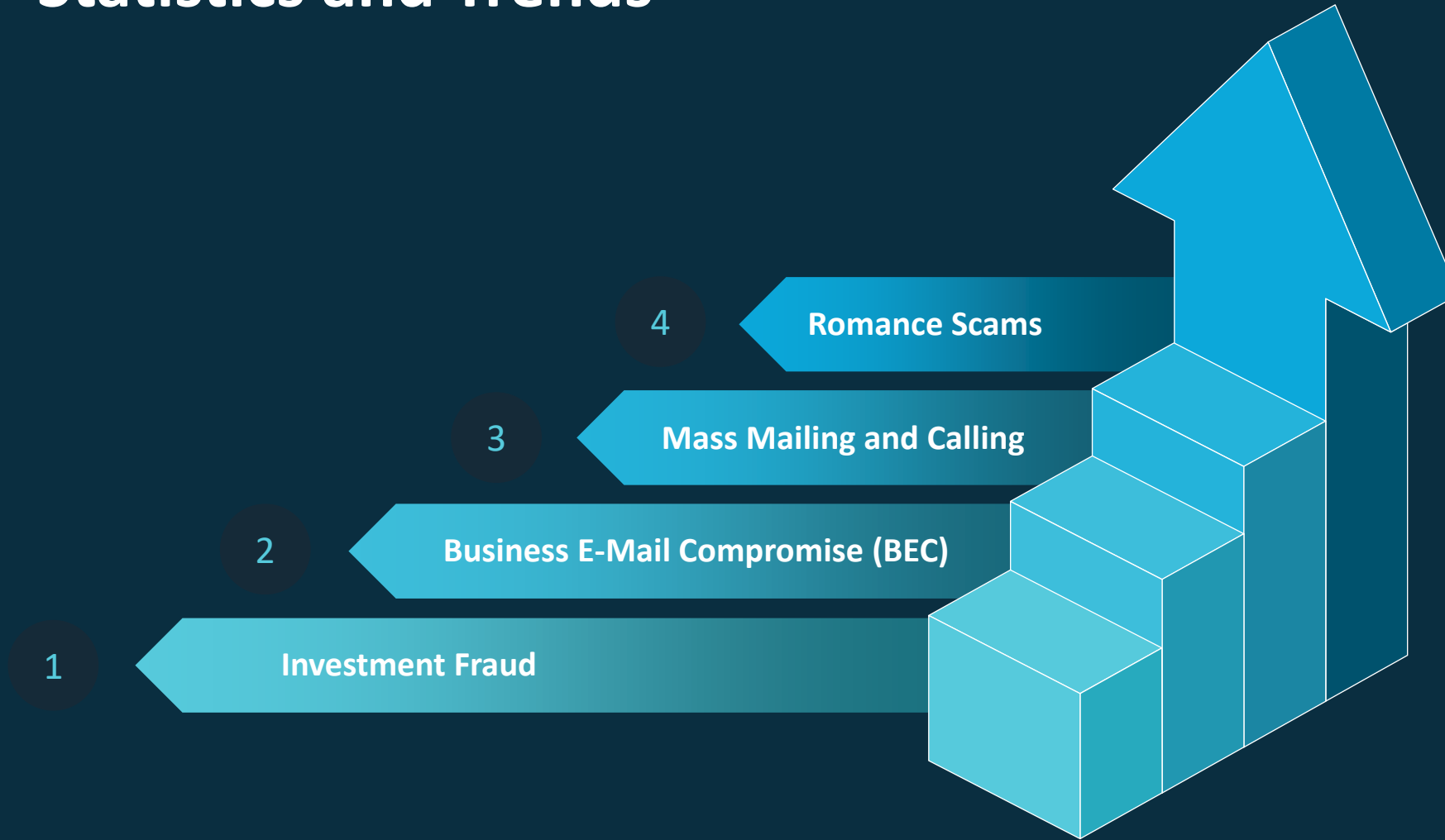
- The rapidly progressing **digitalisation constantly creates new opportunities for criminals involved in cyber-dependent crime**. Online fraud schemes target private individuals, businesses and public sector organisations.
- 32 % of OCGs have access to and make use of money laundering services. **Many illegal money brokers and bankers** are crucial in enabling money transfers and provide services to different clients.
- Key development: The **EU is on a path towards total digitalisation** – a development that will continue at a fast pace with significant impact on society, public administration, transport and trade.

European Financial and Economic Crime Threat Assessment (EFACTA)



- The criminal actors span from opportunistic individuals to highly organised networks, with mid-level management layers and external criminal service providers with expertise in tax, banking, law, finance, IT, and money laundering.
- Fraudsters are avid customers of cybercrime as-a-service;
- Fraudsters either target large pools of potential victims or victimise selected targets. Re-victimisation of targets is a common practice.
- Social engineering and impersonation are the most used techniques.

Statistics and Trends



Of all contributions received by Europol, fraud is the largest crime area.

Operation (JIT) Stoner

Ponzi-Scheme Fraud

- ▶ Starting in 2020, promising high return on capital via online crowd-growing of cannabis for therapeutic purposes
 - ▶ Approx. 550,000 member registered on the platform,
 - ▶ Approx. 186,000 investors (e-growers) invested between EUR 50 and EUR x-thousands;
 - ▶ According to judicial estimates, the total damages amount to EUR 650 million
- ▶ Affecting more than 30 countries;
- ▶ Over 400 law enforcement officers in 11 countries executed 9 arrest warrants and conducted 38 house searches

The screenshot shows a news article from a website. The header includes navigation links for 'Home / Media & Press' and a 'NEWS' category. The main headline is '9 arrests in EUR 645 million JuicyFields investment scam case'. Below the headline, a sub-headline reads 'Unreported damages presumably much higher, with 186 000 persons victimised by massive Ponzi scheme'. A button labeled 'Part of the EMPACT Cycle' is visible. The article text describes a joint investigation by several European law enforcement authorities, supported by Europol and Eurojust, which culminated in the arrest of 9 suspects following the notorious 'JuicyFields' investment fraud case. It details the execution of 9 arrest warrants and 38 house searches on 11 April 2024, involving 400 law enforcement officers in 11 countries. The article also mentions the seizure of various assets, including cash, cryptocurrencies, and luxury items, and provides details on the total damages and the number of participants involved in the Ponzi scheme.

Home / Media & Press

NEWS

9 arrests in EUR 645 million JuicyFields investment scam case

Unreported damages presumably much higher, with 186 000 persons victimised by massive Ponzi scheme

Part of the EMPACT Cycle

A joint investigation conducted by several European law enforcement authorities, supported by Europol and Eurojust, has culminated in the arrest of 9 suspects following the notorious "JuicyFields" investment fraud case. On an action day carried out on 11 April 2024, over 400 law enforcement officers in 11 countries executed 9 arrest warrants and conducted 38 house searches. During the investigation and action day, EUR 4 700 000 in bank accounts, EUR 1 515 000 in cryptocurrencies, EUR 106 000 in cash and EUR 2 600 000 in real estate assets were seized or frozen. Law enforcement also seized several luxury vehicles, works of art, cash and various luxury items, as well as large numbers of electronic devices and documents.

According to judicial estimates, the total damages resulting from fake investments in the advertised cannabis cultivation crowdsourcing platform amount to a staggering EUR 645 million, but actual and unreported damages could be significantly higher. In total, an estimated 550 000 participants worldwide, most of them European citizens, were registered as online investors. Using bank transfers or cryptocurrencies, around 186 000 participants actually transferred funds into the elaborate Ponzi scheme active from early 2020 to July 2022.

JuicyFields and its fake cannabis investment opportunities

The suspects, of mainly Russian but also Dutch, German, Italian, Latvian, Maltese, Polish, Jordanian, United States and Venezuelan nationality, used advertisements on social networks to lure victims to their websites. These platforms offered promising crowdsourcing investment opportunities in the cultivation, harvesting and distribution of cannabis plants to be used for medicinal purposes.

With a minimum initial investment of at least EUR 50 in this so-called 'e-growing' opportunity, investors were promised to be linked with producers of medical cannabis. Upon the purchase of a cannabis plant, the platform assured investors – also referred to as e-growers – they could soon collect high profits from the sale of marijuana to authorised buyers. While the company pledged annual returns of 100 percent or more, they did not reveal exactly how they would accomplish this, let alone be able to guarantee it.

The legalisation of cannabis cultivation or the expansion of permissible THC content in cannabis products for personal, recreational, and therapeutic purposes is a significant subject of public debate within the EU. This discourse is further fuelled by the reality that cannabis stands as one of the most widely consumed illicit substances both within the European Union and globally. As seen in other contexts, criminal networks are particularly adept at applying new narratives to existing criminal practices, particularly in periods of changes in regulatory frameworks, which may open up a window of opportunity for fraudsters to advertise low-risk, high-profit investment opportunities.

A classic "too good to be true" Ponzi scheme

Recommendations

- ▶ Conducting parallel financial investigations should be a standard practice throughout law enforcement – this is a prerequisite for the recovery of more criminal assets and for better protecting citizens and the legal economy;
- ▶ International co-operation and information exchange between law enforcement / judicial authorities is key. International Task Forces targeting specific High Value Targets and cases have proven effective;
- ▶ Establish public-private partnerships (PPP) to prevent criminal profits from entering the legal financial system.

Questions?

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