





The crime against businesses in Europe – A pilot survey

Final Report of the Project: EU Survey to assess the level and impact of crimes against business – Stage 2: Piloting the survey module (Contract Reference N° HOME/2010/ISEC/PR/042-A2)

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Graphic project: Anna Maria Stefani (Transcrime)

# INTRODUCTION

Crime against businesses is a significant and complex phenomenon. It can cause substantial damage to the socio-economic fabric of a territory both directly, by creating an economic loss for the victimised businesses, and indirectly, considering the impact of the business closure and the cost of the protection measures that may cause a rise of the goods prices.

Nevertheless, this is still a poorly investigated area in many European countries (Burrows & Hopkins, 2005). Except for a few distinguished international experiences<sup>1</sup>, and some national ones (e.g. the Netherlands, England and Wales, Scotland, Italy, Finland, Estonia, Bulgaria, Cyprus and Switzerland)<sup>2</sup>, the majority of the public organizations of the EU Member States do not systematically collect data on business victimisation.

There are some surveys at international, national and local level by private organizations and private accounting/audit and insurance multinational companies, as KPMG<sup>3</sup> and PRICE-WATERHOUSE-COOPERS<sup>4</sup>, that tried to investigate the topic, but a lack of knowledge still involves the academia and the public sector. Indeed, law enforcement agencies and public institutions traditionally saddled the single businesses or business groups with the burden of analysing their specific problems and situations to identify possible countermeasures. This sectorial approach is often encouraged by the businesses themselves, which do not want to publicize or externalize private information regarding their security fails mostly for reputational reasons.

This gap of knowledge in the research field is obviously negative for criminal justice and public policies and for their capacity to support the development, competitiveness and integrity of the business infrastructure. According to the previous studies, crime against business is actually frequent and costly (Mugellini, 2013). In addition, it is likely to be connected with the activity of organised crime groups (Alvazzi Del Frate, 2004; Mugellini & Caneppele, 2012; Tulyakov, 2004).

Nowadays, the European Union is facing two main problems related to the investigation of the business crime victimisation:

- Most EU Member States do not collect data on crime against businesses.
- The existing surveys are not comparable since they use different methodologies.

These problems make the topic unexplored in most countries and impede any comparison among the EU countries.

The EU-BCS project aims at fulfilling these problems by conducting a pilot survey on the victimisation of businesses among twenty selected EU Member States in order to explore the issue in countries that have not implemented any crime business surveys yet, and to create a standardised methodology that will allow comparison among countries. Comparison is a key-feature of this kind of analysis (Hopkins, 2002). Its importance is related to the possibility to compare the results of this pilot among different countries in order to support Member States and EU-level evidence-based approaches to policy making and evaluation, in line with the objective of the Stockholm Programme and of the EU Action Plan (Call for Tender No. Home/2010/ISEC/PR/042-A2:8).

The main goal of this project is bringing to a more complete picture and knowledge of the phenomenon as a whole across all the EU countries, by overcoming too narrow sectorial approaches and allowing a greater methodological homogeneity.

1. See for example the International Commercial Crime Survey - 1994 and the International Crime Business Survey (UNICRI/UNODC/Gallup) - 2000; The World Development Report (World Bank) - 1997 and the Crime and Corruption in Business Survey (UNODC) - 2005/2006.

2. See for example the Business crime monitor in the Netherlands (WODC) – 1989, 1992, 2004, 2005, 2006, 2007, 2008, 2009; the Commercial Victimization Survey in England and Wales (Home Office) – 1994, 2002 (scoping exercise for a new survey of business crime commissioned in 2010); the Scottish Business Crime Survey in Scotland (Scottish Executive and Scottish Business Crime Centre) – 1998; the Italian Business Crime Survey in Italy (Italian Ministry of the Interior and UCSC-TRANSCRIME) – 2008. For targeted crime areas see the Foreign Companies and Crime in Eastern Europe (Finland and Estonia) (Finnish National Research Institute of Legal Policy) – 1994/1995; the Corruption Monitoring System and the Evaluation of Grey Economy, Corruption and Crime rates in the Bulgarian business environment in Bulgaria (Vitosha Research with the Centre for the Study of Democracy) – 1997 and 2005; the Study of Encounters of Enterprises with Crime in Estonia (Ministry of Justice) - 2007; the Company Fraud Victimization Study 2009 (Cyprus University of Technology) – 2009; the Swiss Business Crime Survey (University of Zurich) – 2011.

3. KPMG Fraud and Misconduct Survey in Australia and New Zealand – biennial since 1993; KPMG Fraud and Misconduct Survey in the United States – 2003, 2008, 2009; KPMG Fraud and Misconduct Survey in Hong Kong – 2003, 2006.

4. Global Economic Crime Survey (Price-Waterhouse-Coopers) – biennial since 2001; Swiss Economic Crime Survey 2011 (Price-Waterhouse-Coopers).

## *EU-BCS project – Stage 2: Piloting the survey module*

This report presents the results of the “EU Survey to assess the level and impact of crimes against business. Stage 2: Piloting the survey module”. The overall aim of the study is carrying out a pilot survey on the victimisation of business across the EU Member States, ensuring the comparability of the data collected at a national and EU level. The pilot investigates victimisation and costs of crime among enterprises registered and active in 20 selected Member States of the European Union. In order to achieve the overall aim of the project, the study was developed based on specific objectives:

**Objective 1** – Implementing business victimisation crime pilot survey in unexplored countries of the EU.

**Objective 2** – Developing a common methodology.

**Objective 3** – Collecting comparable data.

**Objective 4** – Analysing data in order to produce comparable results.

**Objective 5** – Reporting the results in order to produce policy implications.

### *Presentation of final results and structure of the final report*

The pilot results provide a set of comparable data to assess the level and impact of crime against business across EU countries. All the elaborations presented in the final report are based on the dataset obtained from the questionnaire administered to the sample of businesses surveyed. The report is organised in two main chapters, one focused on the survey method and the other one on the presentation of the main results of the study.

**Chapter 1** provides information about the survey mode and universe, the countries covered and the sample size, the fieldwork period, the development of the questionnaire, the weighting process and the response rate.

**Chapter 2** focuses on the general prevalence rate, prevalence rate per type of crime and economic sector, incidence and concentration rate, analysis of single types of crime, crime prevention costs, insurance and anti-crime measures and the last crime incident experienced by European businesses connected with a brief evaluation of the law enforcement activity.

**Annex** include the English version of the survey questionnaire, the glossary needed for the explanation of the main important concepts included in the questionnaire, some general information regarding the sample composition and a methodological addendum with the formula used for calculating the victimisation rates in the analysis.