



Organized Crime – A Threat to the Swedish Welfare System

*Mari Heidenborg
Chief Judge, Solna District Court
Sweden*

Ladies and gentlemen, colleagues

I am honoured to have been invited to speak here today.

These two days we have heard a lot about organized crime and their involvement in drugs and prostitution. We have, in some extent, these problems also in Sweden. However, I'm not going to address those issues. Instead I'm going to talk about another area, which recently has been discovered by criminal elements as a real goldmine. And that area is our social welfare system. The topic also includes aspects of trafficking and modern slavery.

Sweden, as most other countries, has its share of organized crime. In Sweden organized crime has, however, until recently mostly been concentrated to certain kinds of crimes such as, as I mentioned, drugs and prostitution.

In recent years, organized crime has shifted into new areas, areas that threaten our social structure and our welfare system. And, which also is important, involves victims of trafficking as cheap labour. And it is not until very recently we have discovered how threatening

This new type of crime is for our society.

As you may know, Sweden has a highly developed social safety net. This welfare system includes for example parental leave benefits, subsidised healthcare, unemployment and pension benefits. These and other benefits run up to significant amounts.

People within organized crime have come to realize how very easily they can take advantage of our social welfare system. The typical criminal within organized crime used to rob banks or sell drugs. Nowadays, they prefer to set up a business, use poor people as cheap labour or scapegoats and produce forged certificates to claim benefits from different public welfare programs. The risk of getting caught is close to non-existent since the control system is not at all effective. And if someone does get caught the potential sentence is quite low.

Lately, several incidences of crime against the public welfare system have taken place. In a number of cases criminals have succeeded to extract very large amounts from, for example, the program for assistance to ill or disabled people, or from the program for assisting elderly people in their homes.

The way such crimes are organised differs from case to case. In some cases poor immigrants have been brought to Sweden from countries usually outside of Europe to be taken advantage of as part of the criminal plan. The Swedish national intelligence centre, NUC, recently released a report on the use of immigrants by organized crime to commit crimes against the public welfare system. When the immigrants arrive in Sweden, they are deprived of their passports and forced to work for example as assistants for elderly or disabled people without – or in some cases only on a very low – salary. At the same time the people who mastermind the crime are making large profits by collecting the entire benefit payments.

In other cases disabled or sick people are brought to Sweden. If a benefit is granted the criminals will take the whole amount and the ill person will be left without any care or treatment. In other words, the criminals use migrants or poor foreigners as tools in their criminal plan. These people are used in many ways. On the one hand the criminals demand that the foreigners pay them to get work permits or for expenses for the journey to Sweden. On the other hand the criminal organization uses them as cheap labour while collecting the benefits, hence making large profits. And we are talking about massive amounts, even comparable with profits from narcotics. And this type of crime is so much safer to commit.

This kind of crime constitutes a threat to the entire Social Welfare system in Sweden. Taxpayers can consider themselves contributors to organized crime which in the long run will decrease their will to pay taxes. This kind of crime also leads to people in real need of benefits not getting help since the costs of the Welfare system becomes too high. And, of course, it is another area for criminals to use victims of trafficking.

So, how can we come to term with this problem? My personal point of view is that more severe punishments are not the appropriate solution. Tough sentences do not tend to have a deterring effect on crime among this type of clientele. A much more effective way would be to ensure that the judicial system has the appropriate legal means to seize and forfeit the profits from the criminal organizations. Most important, it boils down to a need for better control systems and joint actions between different government authorities if these criminals are to be stopped.

Lately the Swedish government has come to understand how serious this new kind of organized crime really is. During the autumn 2015 a decision was made by the government to appoint a special investigator with instructions to make a review of the welfare state's ability to respond to organized and systematic, economic crime. The task of the special investigator is to identify existing risks in public welfare programs in order to prevent, and take legal measures against, the kinds of crimes I have described. This initiative is most welcome, not least due to the fact that such crimes can lead to unforeseen consequences when it comes to the ability of the state to uphold and further develop the Welfare system in the future. I really hope the special investigator succeed with his assignment. Our Welfare system has to be protected! People in real need of benefits have to get benefits. And, finally, we have to stop criminals using poor migrants and victims for trafficking as tools in their criminal plans gaining benefits unlawfully. Thank you for listening.