



INTERPOL

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# Parliamentary Joint Committee on Law Enforcement

*Theft and export of motor vehicles and parts*

**Submission by INTERPOL's  
Organized and Emerging Crime Directorate**

**11 May 2018**

# 1. Introduction

The INTERPOL General Secretariat (IPSG) welcomes the opportunity to make a submission to the Parliamentary Joint Committee on Law Enforcement *Theft and export of motor vehicles and parts*.

INTERPOL is the world's largest international police organization, with 192 member countries. Our role is to facilitate international law enforcement collaboration in order to identify and dismantle criminal groups. Our high-tech infrastructure of technical and operational support helps meet the growing challenges of fighting crime in the 21st century.

This is achieved by ensuring that law enforcement around the world has access to the tools, services, and expertise necessary to do their jobs effectively. We provide targeted training, expert investigative support, relevant data, and secure communications channels. This combined framework helps police on the ground understand crime trends, analyse information, conduct operations and, ultimately, dismantle criminal groups by arresting those responsible.

In order to assist the Inquiry, [Part 2](#) of this submission provides background about INTERPOL's role and responsibilities in the area of Vehicle Crime. [Part 3](#) focuses on the issues relevant to the Committee's consideration of its Terms of Reference.

## 2. The roles and responsibilities of INTERPOL's Stolen Motor Vehicle Unit

On a broader scale, INTERPOL's strategic goals are to:

- a) Serve as the worldwide information hub for law enforcement cooperation
- b) Deliver state-of-the-art policing capabilities that support member countries to fight and prevent transnational crimes
- c) Lead globally innovative approaches to policing
- d) Maximize INTERPOL's role within the Global Security Architecture
- e) Consolidate resources and governance structures for enhanced operational performance

It is within this framework that the Stolen Motor Vehicle (SMV) Unit operates in regards to Vehicle Crime. In order to achieve these objectives, a number of initiatives are currently in operation including but not limited to data sharing, capacity building, development of innovative tools for law enforcement, and assistance of member countries in investigations targeted organized crime groups.

**Stolen Motor Vehicle Database:** The INTERPOL Stolen Motor Vehicle (SMV) database is a vital tool in the fight against international vehicle theft and trafficking.

It allows law enforcement in INTERPOL member countries to run a check against a suspicious vehicle and find out instantly whether it has been reported as stolen. An international database of this nature is

crucial as vehicles are often trafficked across national borders, as is often the case with Australian vehicles.

In 2017, around 118,000 motor vehicles worldwide were identified as stolen, thanks to the SMV database. By the end of the year, the number of database records stood at almost 7.2 million.

### **Delivering training (Project FORMATRAIN)**

Project Formatrain has established a standardized training programme to facilitate investigations into international cases of vehicle theft. Courses are run at basic, intermediate and advanced level in order to assist investigators in areas such as vehicle and document identification; investigative strategies, techniques and tools; the use of INTERPOL's databases and global network; and legal considerations.

While each course is tailored to the member country's needs, it generally combines three days of classroom training with a two-day operation or practical exercise, allowing participants to consolidate their new skills by applying them in the field.

Training courses are delivered by a team of international experts, combining law enforcement officers from INTERPOL member countries and partners from the private sector. Courses are carried out on a regional participation basis, enabling countries to build working relationships and work together more effectively on cross-border cases.

At the moment of submission of this document, a total of 32 regional training courses had been delivered, most of them directly followed by field operations.

### **Supporting operations (SMV Task Force)**

INTERPOL regularly provides technical, organizational and human resources to its member countries to assist with the preparation and implementation of operations related to stolen motor vehicles (SMV).

The INTERPOL SMV Operational Task Force consists of police officers and private investigators – all experts in the field of vehicle crime.

This initiative aims to:

- a) Share operational skills and expertise between the different national experts;
- b) Improve the speed of access to the different national databases and information sources and thereby increase the accuracy of results;
- c) Analyse the outcomes of operations;
- d) Start investigations based on these operational outcomes and analysis.

### **Working with vehicle manufacturers**

INTERPOL's SMV Unit collaborate with a number of vehicle manufacturers to find new ways of detecting stolen motor vehicles and to increase the quality of the data in the Stolen Motor Vehicles database.

#### ***Project INVEX***

Project INVEX currently involves 16 countries and the German car manufacturers Audi, BMW, Porsche and Volkswagen and their sub-brands, which all regularly exchange data with INTERPOL. Since its inception, INVEX has contributed to the detection of stolen cars and components in about 80 member countries, leading to some 500 seizures and various follow-up investigations. Currently, Phase II of Project INVEX is being tested and will see the introduction of more participating manufacturers as well as an automation of data processing that will facilitate greater statistical and criminal analysis.

Project INVEX works as a covert tool for law enforcement. Therefore, the machinations of its operation cannot be placed in a public document such as this. However, the SMV Unit would be more than willing to discuss how it works, and the potential for Australia joining the Project with INTERPOL National Central Bureau (NCB) Canberra and the relevant Australian officials responsible for vehicle crime.

### ***Project FADA-RI***

Project FADA-RI provides secure access for INTERPOL member countries to the German vehicle identification facility known as FADA. It is a valuable tool for identifying forged vehicles and stolen vehicle components, giving valuable information to vehicle crime investigators. Specifically, the Project focuses on the German manufacturers Audi, BMW, Porsche, and Volkswagen as well as their subsidiary brands. However, discussions are already in place to see this type of search facility extended to a greater number of manufacturers.

### **Conferences and Working Group Meetings**

The SMV Unit also organizes a number of global and regional conferences and Working Group Meetings on various issues involving vehicle crime. The meetings focusing on the current challenges of organized vehicle crime and bring together an extensive network of experts drawn from the public and private sectors.

The meetings can place emphasis on a particular aspect such as cyber-infiltration of vehicles, or the theft of heavy construction and plant machinery. Otherwise, they look at vehicle crime with a holistic approach in an attempt to include as many stakeholders as possible. In these cases, highlighted topics include:

- a) The impact of the illicit trade of vehicle spare parts;
- b) Established car trafficking routes;
- c) The threat of organized vehicle crime as part of the financial and logistical operations of terrorist groups;
- d) Global supply chain security;
- e) Links between organized vehicle crime and cybercrime

### 3. Comments regarding the Inquiry

In regards to the Terms of Reference of this particular inquiry, INTERPOL's SMV Unit are encouraged by national administrations taking notice of what is a key cog of organized crime globally. A challenge faced by law enforcement is the lack of collaboration between entities within the legitimate vehicle supply chain. Vehicle manufacturers, police, registration authorities, insurance, and other private entities. INTERPOL's intention, is to bring together as many of these stakeholders as possible in order to share information on vehicles throughout the entirety of a vehicle's life. Criminal groups exploit this lack of cooperation by manipulating VINs, registration documents, and component serial numbers.

#### **Global Trends of international stolen motor vehicle trafficking**

The theft and export of stolen Australian motor vehicles overseas, particularly to South East Asia and East Africa is well known. However in this regard, the extent of, and trends in international trafficking and rebirthing of motor vehicles or their parts is not exclusive to Australia.

While the number of stolen 'entire' vehicles has steadied globally, in recent years there has been a significant rise in the exportation of stolen vehicle components. Vehicles are stolen and within hours can be dismantled into parts and sent anywhere in the world. There are a number of factors as to why this has become a preferred modus operandi for criminal groups operating in this domain throughout North America, Europe, and Australasia.

In these regions of the world, most frontline law enforcement officers are generally trained to be able to examine a vehicle and identify that it is stolen, provided that no serial number manipulation has taken place. This is thanks to their basic training in vehicle identification, as well as easy access to databases which are not readily available in other areas of the world. As law enforcement agencies were able to recover more vehicles through this type of identification, criminal groups were forced to change their activities in order to avoid detection.

Identifying a stolen part, as opposed to a stolen vehicle is much more difficult and requires expertise in vehicle crime, as well as access to a number of different databases and information sources. Unfortunately, this expertise is usually something that only specialized vehicle crime units possess, while access to data regarding spare parts is very hard to come by as it required collaboration with vehicle manufacturers. Therefore, the trade of parts has become very attractive to criminal groups as they are much less likely to be intercepted by the authorities. The growth of online trading websites such as eBay and Alibaba have also fueled the trafficking of stolen components as potential buyers can now be identified globally. Components are easy to transport and can be obtained and exported in a very short amount of time.

#### **Links between vehicle theft and other areas of crime**

Vehicle crime is a highly organized criminal activity affecting all regions of the world and with clear links to organized crime and terrorism. Vehicles are not only stolen for their own sake, but are also trafficked to finance or perpetrate other crimes.

According to an analytical report produced by INTERPOL in 2014 and completed in collaboration with member countries, 63.3% of countries stated that vehicle crime in their jurisdiction was often carried out by organized crime groups also undertaking other forms of criminal behavior. The areas most commonly highlighted were drugs, theft/robbery, trafficking in human beings, trafficking of illicit goods, and terrorism.

### **Drugs**

In certain regions of the world, it is common for stolen vehicles to be sold in order to pay for drugs directly, to finance drugs trafficking operations, or to distribute drugs. Bolivia, Argentina, Chile, and Brazil initiated combined activities to combat what is commonly known as “coke-for-cars”. This type of model is also very similar to those used by criminal syndicates operating in certain regions of the globe in regards to firearms trafficking.

### **Trafficking in Human Beings**

The fact that more cooperation between organized crime groups has been observed in combination with their transnational aspect and polycriminality is extended to the connection between trafficking in human beings and stolen vehicles. The Financial Action Task Force (FATF) in its 2011 report on Money Laundering Risks Arising from Trafficking in Human Beings and Smuggling of Migrants found links between the crime area of trafficking in human beings and smuggling of migrants and other forms of organized crime, stolen vehicles included.

Exchanging victims of trafficking in human beings for stolen vehicles; using stolen vehicles to transport victims and forcing victims to steal or transport vehicles are but a few examples of the reality of this connection.

### **Theft/Robbery**

Traditionally, a stolen vehicle is used as a “get-away” car after a robbery and beforehand during reconnaissance or ‘casing’ of a potential target. As extra precaution, these stolen vehicles may carry license plates which are stolen off yet another vehicle shortly before using the get-away car.

The practice of ram-raiding is a variation in which a vehicle is driven through the walls or windows of a building in order to gain access. The vehicles used in this particular crime are almost always stolen. Sometimes heavy equipment motor vehicles such as tractors or bulldozers are used, but often a family type car is found at the crime scene.

### **Terrorism**

One connection between motor vehicle crime and terrorism may be established through the traditional car bomb or the ram attacks that have been prevalent globally in recent times. Documented cases of car bombs in which stolen vehicles were used can be found from the end of World War II until the present, and geographically ranging globally. In past years investigation into the vehicle identification number often led to intelligence about the perpetrator or terrorist network involved. In 2005, a broad investigation of United States-based theft rings was undertaken, after discovering that some of the vehicles used in deadly car bombings in Iraq, were stolen in the United States. No evidence was found that the vehicles were stolen specifically for the car bombings. However, evidence was uncovered that the cars were smuggled from the United States

as part of a widespread criminal network that included terrorists and insurgents. Another aspect of the link between motor vehicle crime and terrorism is the funding of terrorist activities through motor vehicle crime.

### **Key areas where INTERPOL can provide assistance to Australia**

INTERPOL offers its member countries assistance in several areas that assist in countering this type of trafficking.

#### **Use of new technologies**

As previously mentioned in **Part 1**, the INTERPOL Stolen Motor Vehicle Database is an extremely important tool to identify vehicles that have been stolen and trafficked internationally. Often, frontline law enforcement only have access to their state or national database and in such cases, the detection of foreign vehicles is almost impossible. However, in order for the database to be effective, and to give foreign law enforcement the best chance of locating stolen vehicles trafficked from a different country, member countries must ensure that the information that they upload to the international database is accurate and frequently updated.

Project INVEX is an initiative that is run in collaboration with certain vehicle manufacturers that assists law enforcement detect vehicles that are reported as stolen. This project also identifies the components of vehicles that are reported as stolen and is able to alert law enforcement as to where in the world that component is. Project INVEX has assisted law enforcement around the world dismantle numerous organized criminal syndicates throughout Europe and abroad. In Australia's case, if INVEX was adopted then any stolen Australian vehicle (or component from a stolen vehicle) from a participating manufacturer could be detected in exportation hotspots such as South East Asia.

Project FADA-RI is also run in collaboration with manufacturers. The initiative gives law enforcement access to manufacturer databases containing vehicle identification numbers (VINs) and the serial numbers of all of the components that the vehicle in question should contain. This tool will soon be available for frontline law enforcement and will provide great assistance in the fight against both vehicle and component trafficking.

INTERPOL is hoping to have global participation in these projects and would welcome the possibility to discuss their implementation in Australia with both the INTERPOL National Central Bureau (NCB) in Canberra as well as the relevant national or state authorities dealing with vehicle crime.

#### **Capacity Building**

The entire vehicle sector is in a constant state of rapid evolution. Manufacturers are continuously updating their vehicles with the latest technologies, countries' legislative and registration frameworks are very fluid, and the tools that law enforcement have access to is different on a yearly basis. These changes also mean that the modi operandi of criminal syndicates adapt for them to be able to remain profitable and undetected.

In order to develop law enforcement's ability to counter this criminal evolution, INTERPOL offers its member countries regional trainings on vehicle crime that can be tailored to fit the particular need of the member country and its neighbors. Once again, INTERPOL would welcome the possibility to

discuss holding a South East Asian regional training course in Australia with both the INTERPOL National Central Bureau (NCB) in Canberra as well as the relevant national or state authorities dealing with vehicle crime.

### **International Agreements**

INTERPOL is a great proponent of increased cooperation amongst national law enforcement agencies. The advantages of this cooperation both formal and informal, are considerable on a number of fronts including but not limited to informing of the presence of a stolen vehicle, obtaining the necessary documents to seize a vehicle stolen in another country, repatriating the said vehicle, and conducting international investigations. Bilateral or regional agreements on vehicle crime are strongly encouraged and where possible, INTERPOL is able to assist in the development of such documents.

## **Conclusion**

The theft of vehicles should always be viewed in the wider scope of organized criminal syndicates. Of course, opportunist criminals do exist however the systematic theft, disassembly, and national and international trafficking of motor vehicles and their components is often carried out by highly professional groups. In order to combat this criminal trend, a holistic approach encompassing all stakeholders in the industry is vital to ensure that law enforcement has all of the required tools and data needed to identify and dismantle the groups responsible.

INTERPOL is always available to assist its 192 member countries in ensuring that the tools and expertise in our possession are made available upon request. Vehicle crime can no longer be viewed as a national issue. Criminal groups' disregard for national borders forces the international law enforcement community to cooperate as much as possible. INTERPOL's mandate is to facilitate this cooperation and we look forward to doing so with Australia.