Datacros risk assessment tool

Final prototype version – Summary description

Project Acronym	DATACROS
Project Title	Developing A Tool to Assess Corruption Risk factors in firms' Ownership Structure
Project Coordinator	Ernesto Savona Università Cattolica del Sacro Cuore ernesto.savona@unicatt.it
Project Duration	March 2019 – February 2021 (24 months)
Deliverable No.	D5.2
Dissemination level	Public
Work Package	WP5 – Implementation of the tool
Description of deliverable	*D5.2: DATACROS tool (final prototype version)* Final DATACROS prototype.
Lead beneficiary	UCSC – TRANSCRIME
Due date of deliverable	28 February 2021

Introduction

Project DATACROS has been funded by the European Union Internal Security Fund - Police (ISFP-2017-AG-CORRUPT-823792). The project lasted two years (March 2019-February 2021) and it has been coordinated by Transcrime – Università Cattolica del Sacro Cuore. Partners of the project Consortium were:

- Agence Française Anticorruption (AFA, France)
- Cuerpo Nacional de la Policia (CNP, Spain)
- Investigative Reporting Project Italy (IRPI, Italy)

The project has produced:

1) An **aggregate analysis of ownership anomalies across EU27**: the full results of the analysis will be published in the Final Report of the project (April 2021). Selected findings from the analysis can be freely explored in the Public Area of the DATACROS prototype tool (see Section *1. Public Area* of this report)

2) A **prototype tool for risk assessment of legitimate companies,** able to detect anomalies in firms' ownership structure that can flag high risks of collusion, corruption and money laundering (see section *2. Restricted Area* of this report).

1. Public Area

The Public Area of DATACROS is a dashboard environment that includes selected results of the **analysis of ownership anomalies** 29 European countries[1], conducted by Transcrime. For full details on the analysis, please see the final report of project DATACROS (available from April 2021).

The Public Area is freely and publicly accessible at: https://datacros-public-area.app.crimetech.space/

The dashboard includes **interactive maps, charts and statistics** on European businesses, namely:

- **Anomalous complexity** of ownership structures;
- Links with **blacklisted jurisdictions**;
- Links with **opaque corporate vehicles**;
- Links with **Politically Exposed Persons** (**PEPs).**

Figure 1 - Examples of visualizations of the DATACROS Public Area tool prototype. Representation of ownership anomalies at country level (left) and sector level (right) , EU 27 + UK and Switzerland (2019)

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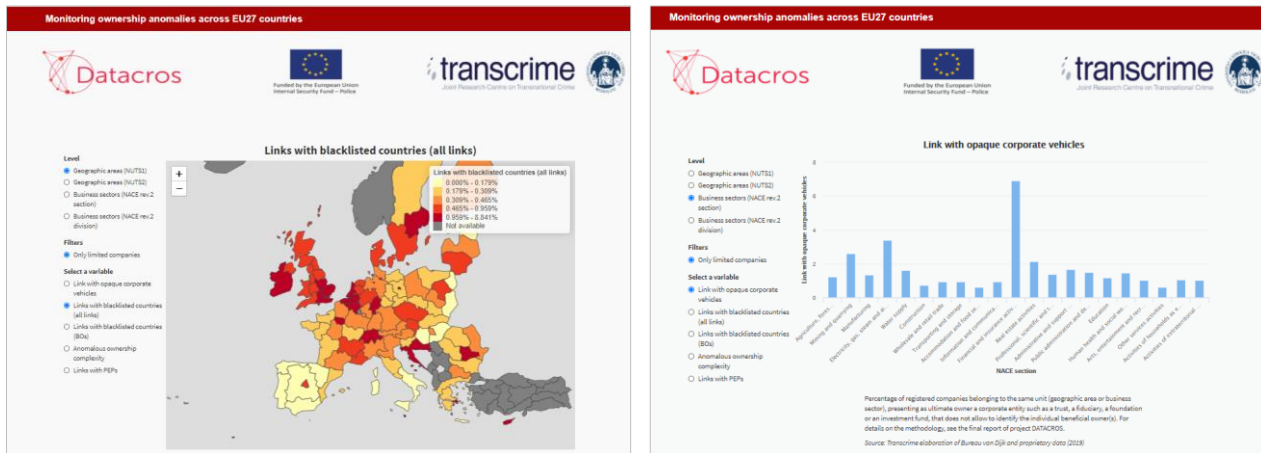
[1] EU27 + UK and Switzerland

2. Restricted Area

The Restricted Area of the **DATACROS prototype tool** is a real-time analytical platform prototype with coverage limited to EU MS, UK and Switzerland, specifically designed for (and hand-in-hand with) Law enforcement agencies (LEAs) and Anticorruption Authorities (ACAs), to support the identification of companies at high risk of corruption, money laundering, tax fraud and financial crimes. The platform is a prototype limited in scope, which can be strengthened in terms of geographical coverage, risk indicators, embedded data sources and risk assessment algorithms. Nevertheless, to date it has been successfully tested by project Partners and an array of relevant authorities at EU level.

Il allows public authorities to:

1. **Identify and map anomalies** and risk factors in companies' ownership structures (e.g. owners from blacklisted jurisdictions, unjustified complexity, presence of trusts, fiduciaries or other opaque corporate vehicles);
2. **Score companies and related entities** through risk indicators to orient and prioritize investigations;
3. Detect **cartels and clusters of firms** that may signal collusive behaviours (e.g. participants in public procurement);
4. Trace and reconstruct **cross-border links among firms**, individuals and related entities (e.g. beneficial owners, shareholders, manager and directors);
5. Allow for **identifications of PEPs and local administrators** at national level,EU level and local level in Italy, France and Spain;
6. Identify links with firms targeted by previous **sanctions** or **enforcement measures;**
7. Allow customization by Law Enforcement or other End-Users with proprietary data (e.g. internal blacklists/white lists).

*Figure 2 – **Ownership analytics**: Reconstruction of a complex ownership chain in the DATACROS Restricted Area*
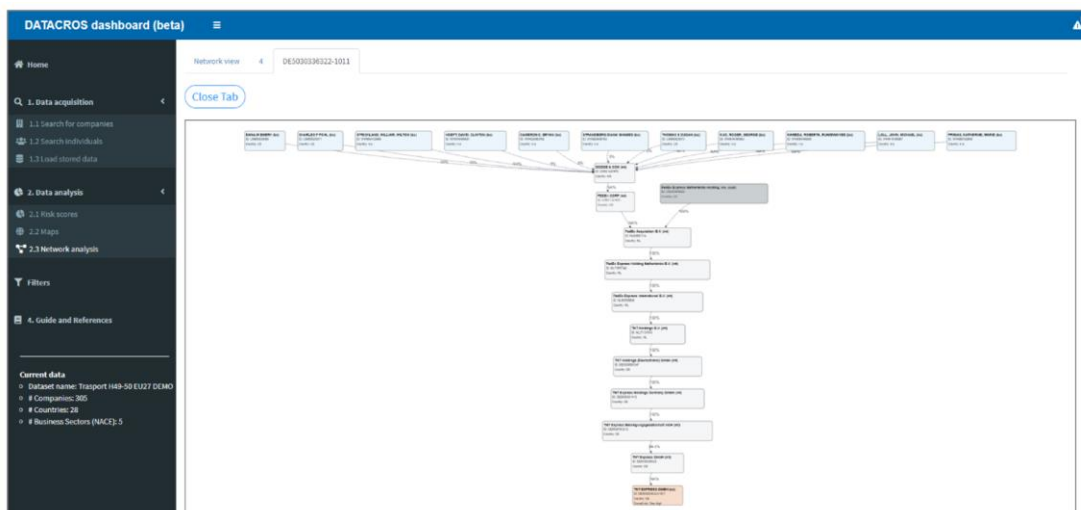
*Figure 3 – **Network analytics:** Identification of networks of connected companies (ownership links) in the DATACROS Restricted Area*
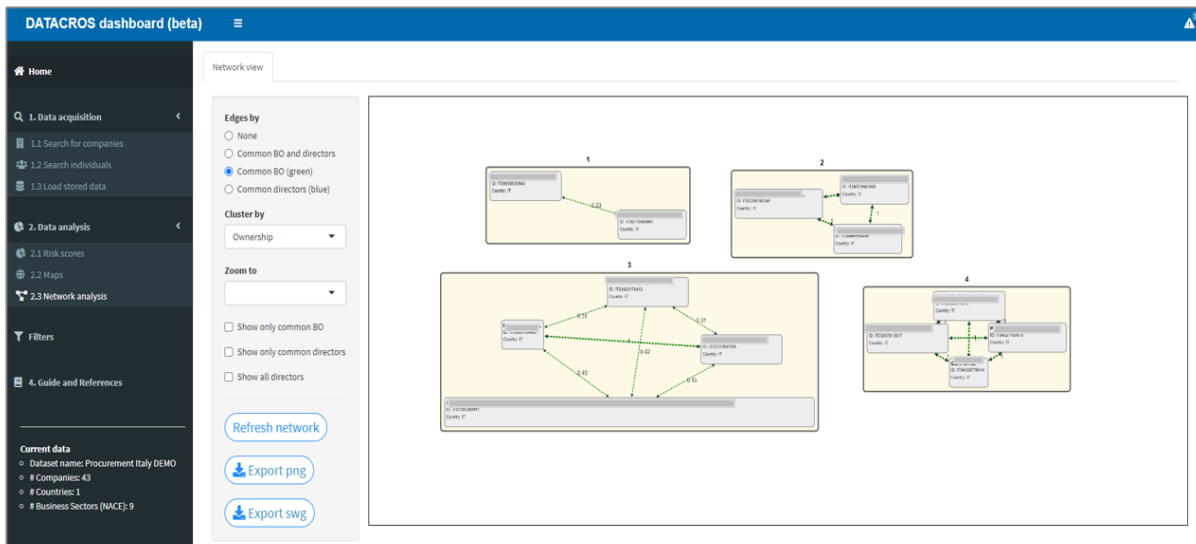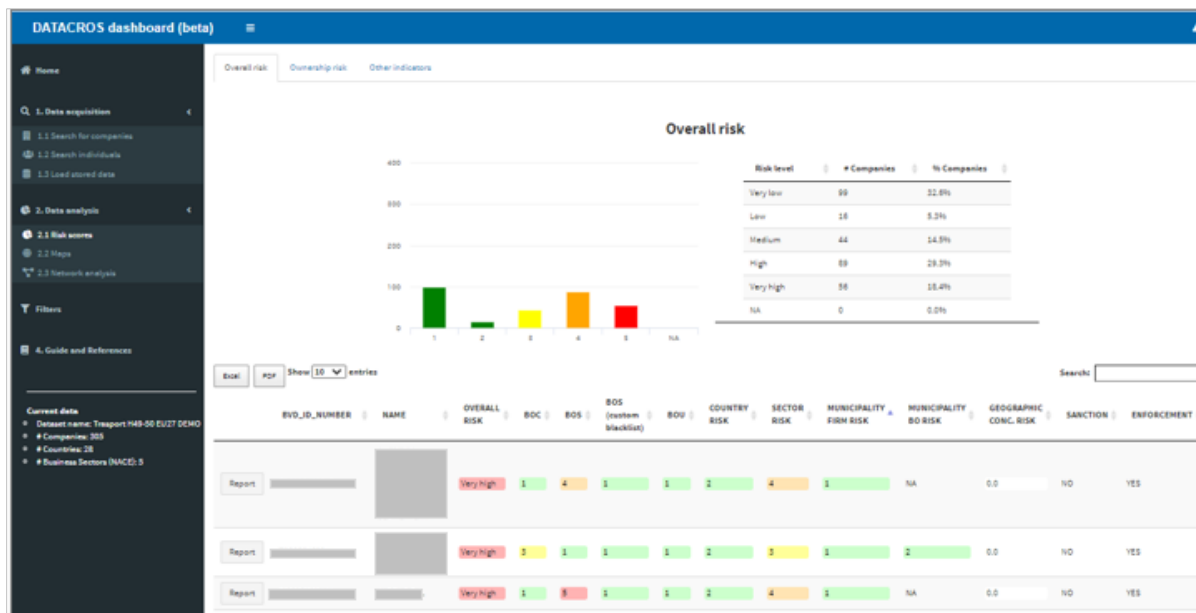

*Figure 4 – **Risk scoring:** example of triage of a portfolio of selected companies based on the calculated risk profiles*

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