

# Special Feature: Progress and Future Prospects Regarding Measures against Organized Crime

## Preface

The topic of the Special Feature in the White Paper on Police 2015 is “The Progress and Future Prospects of Measures against Organized Crime”.

The number of confirmed criminal cases in Japan continually increased from 1996 through 2002, when it reached 2.85 million, the largest number since the end of World War II.

The situation of public security worsened at that time due in part to the escalation in the seriousness of the crimes committed by criminal groups of visiting foreigners, crimes related to the smuggling and trafficking of drugs and firearms, and crimes committed by domestic organized crime groups such as Boryokudan.

With a view to controlling organized crime, the police established the Organized Crime Department at the National Police Agency (NPA) in April 2004 and have been strengthening measures against organized crime. The measures that the police have been taking include:

- Strategic crackdowns on organized crime through collecting, aggregating and analyzing relevant information;
- Promoting activities for eliminating Boryokudan and the funding sources of criminal organizations, and
- Border control in cooperation with agencies concerned of Japan and other countries.

The recent situation concerning organized crime activity indicates that these efforts by the police have resulted in positive outcomes.

For example, small to mid-sized organizations of Boryokudan and subordinate groups at the bottom of large Boryokudan hierarchies are suffering from a shortage of funds and members that support Boryokudan. Additionally, both cleared cases of crimes committed by visitors to Japan and international criminals have been decreasing.

On the other hand, criminal organizations continue to pose serious threats to Japanese society as they continually alter their activities for the purpose of evading police controls and achieving economic benefits in a shrewd and efficient manner. The core bodies of major Boryokudan organizations, in particular, have been increasingly concealing their actual activities by exploiting affiliate corporations and collaborators, while diversifying their funding activities in response to the development of the economy and society. Boryokudan is therefore likely to maintain a solid economic foundation and human network.

Demand for stimulants and other drugs are persisting, and these drugs are supplied to drug users illegally and regularly. Recent new issues include incidents and accidents caused by people under the influence of Dangerous Drugs (NPS: New Psychoactive Substances), and special fraud committed by ingeniously organized groups. These issues need to be solved urgently.

In order to weaken and eliminate criminal organizations as well as to eradicate organized crime, it is necessary to arrest not only members of subordinate groups but also the leaders and major executives of criminal

organizations, and break up the core bodies of these organizations by ensuring that they are stripped of criminal proceeds and also by eliminating all their sources of funding.

The police are aiming to promote effective countermeasures based on adequate understanding of changes in the situation of organized crime. The efforts of the police toward this purpose include improving skills for collecting and analyzing information, promoting strategic measures for cracking down on organized crime, positively utilizing investigation methods that are effective for controlling organized crime, and enhancing cooperation with all of the organizations and departments concerned.

In the Special Feature, Section 1 outlines recent changes in the situation of organized

crime and characteristic trends in criminal organizations. Section 2 introduces the efforts of the police for the elimination of organized crime. Lastly, Section 3 describes future prospects regarding measures against organized crime.

With the aim of maintaining and expanding their organizational influence, criminal organizations make full use of violence, power, and fraudulent means for the exploitation of diverse economic and social activities. Japanese society as a whole needs to weaken and eliminate criminal organizations. Hopefully, this Special Feature will help Japanese citizens to deepen their understanding of the efforts being made by the police and to think about future measures against organized crime.

## Special Feature: Progress and Future Prospects Regarding Measures against Organized Crime

### Section 1 Changes in the Situation of Organized Crime

#### 1. Situation of Boryokudan

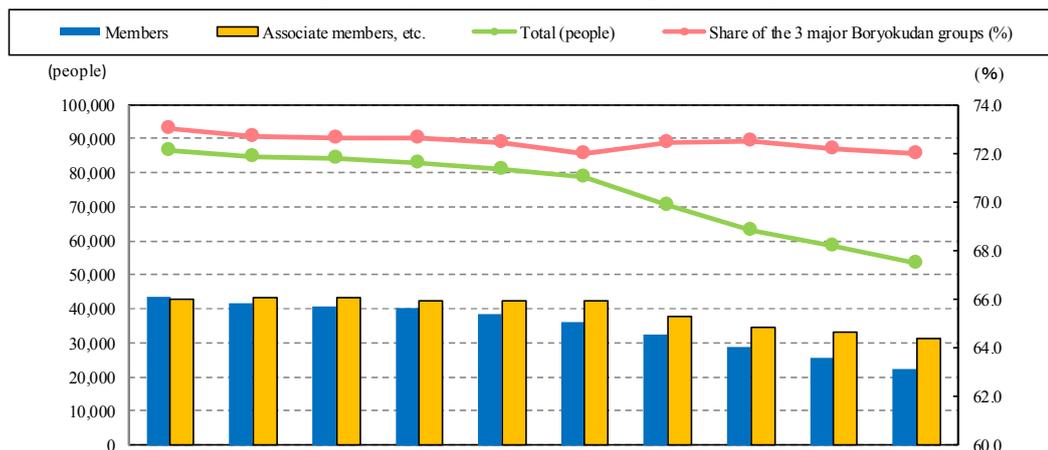
##### (1) Scale and Trends in Boryokudan

Full and associate members of Boryokudan have continually declined in number since 2005. At the end of 2014, the total number of members was 53,500, the smallest number since the enforcement of the Act on Prevention of Unjust Conducts by Organized Crime Group Members (hereafter referred to as the Anti-Boryokudan Act) in 1992. More than 70% of the full and associate members of Boryokudan belong to the Yamaguchi-gumi, Sumiyoshi-kai, or Inagawa-kai which have always been the three oligopolistic organizations of Boryokudan.

#### Column: Trends in Jun-Boryokudan

Recently, in downtown areas and entertainment districts, there are cases in which members of the groups that mainly consist of former motorcycle gangs collectively and/or habitually commit illegal acts of violence such as assaults and injuries. Although these groups are not organized as systematically as Boryokudan, they commit crimes and conduct criminal business and funding activities, and some groups are likely to be closely connected with Boryokudan or other criminal organizations. Having defined these groups as Jun-Boryokudan (i.e., quasi-Boryokudan), the police have been working toward thoroughly grasping the realities of Jun-Boryokudan, while tightening controls over their illegal activities.

Trends in Boryokudan (full/associate) membership (2005–2014)



Group	Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total (people)		86,300	84,700	84,200	82,600	80,900	78,600	70,300	63,200	58,600	53,500
Members		43,300	41,500	40,900	40,400	38,600	36,000	32,700	28,800	25,600	22,300
Associate members, etc.		43,000	43,200	43,300	42,200	42,300	42,600	37,600	34,400	33,000	31,200
Total no. in the 3 groups (people)		63,000	61,600	61,100	60,000	58,600	56,600	50,900	45,800	42,300	38,500
Share of the 3 major Boryokudan groups (%)		73.0	72.7	72.6	72.6	72.4	72.0	72.4	72.5	72.2	72.0

Note: The numbers of members and associate members are in round numbers.

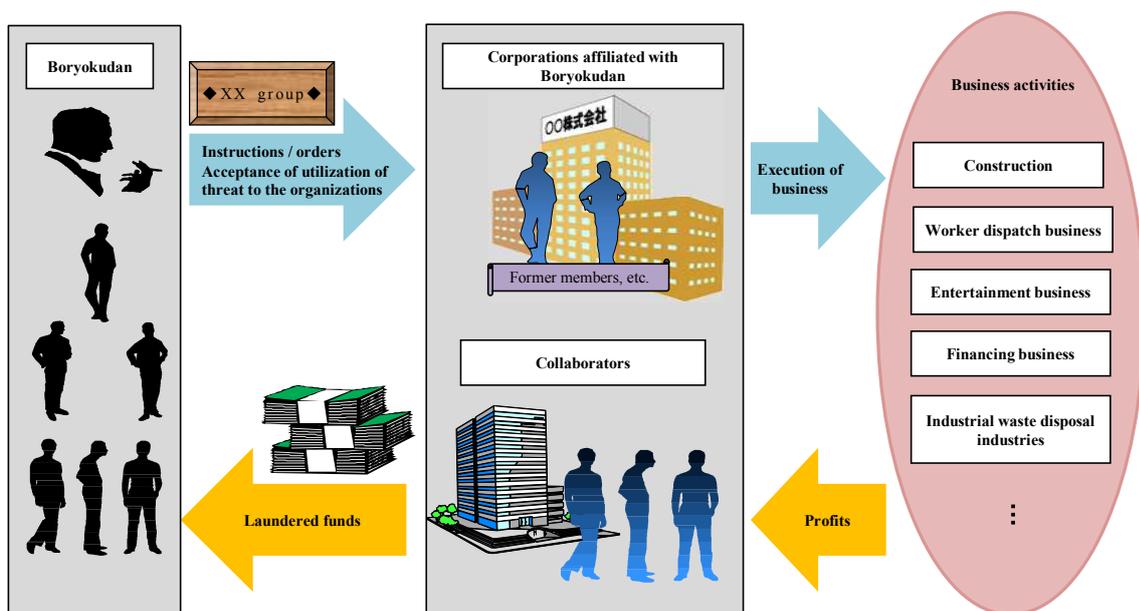
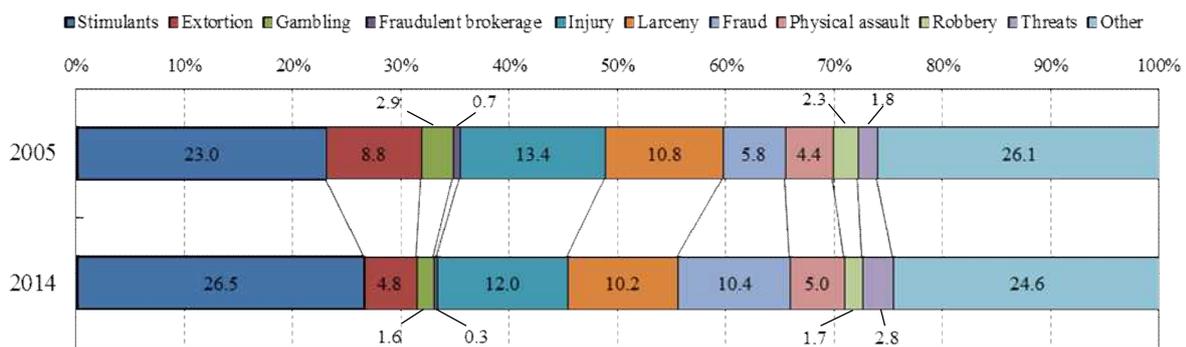
## (2) Actual Situation of Boryokudan's Funding Activities

Recent records on the arrests of Boryokudan members show that the types of offenses for which they tend to be arrested have changed. While the proportion of extortion, injuries, and other crimes Boryokudan members commit by openly wielding their power has decreased or remained unchanged, the proportion of frauds that Boryokudan members are able to commit without exercising their power has increased. The reasons behind this change include increased difficulty for Boryokudan to openly use their power for funding because of the tightened police controls that have been implemented on the basis of multiple

amendments over the years to the Anti-Boryokudan Act, and also due to the advances in activities aimed at eliminating Boryokudan.

On the other hand, with the tightening of police controls over Boryokudan, those who maintain strong ties with Boryokudan but are not its members are increasing in number. Additionally, the activities of people who are related to Boryokudan as well as the ways in which they keep relationships with Boryokudan have become diversified.

Proportions of various types of offenses in the total number of crimes committed by Boryokudan members (in 2005 and 2014)

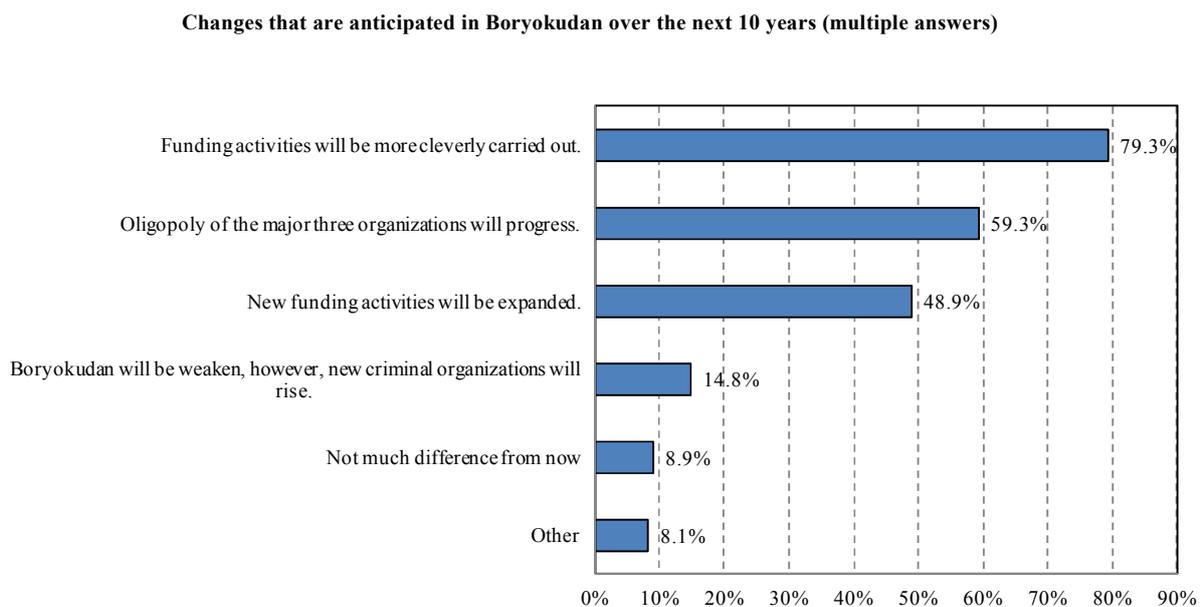
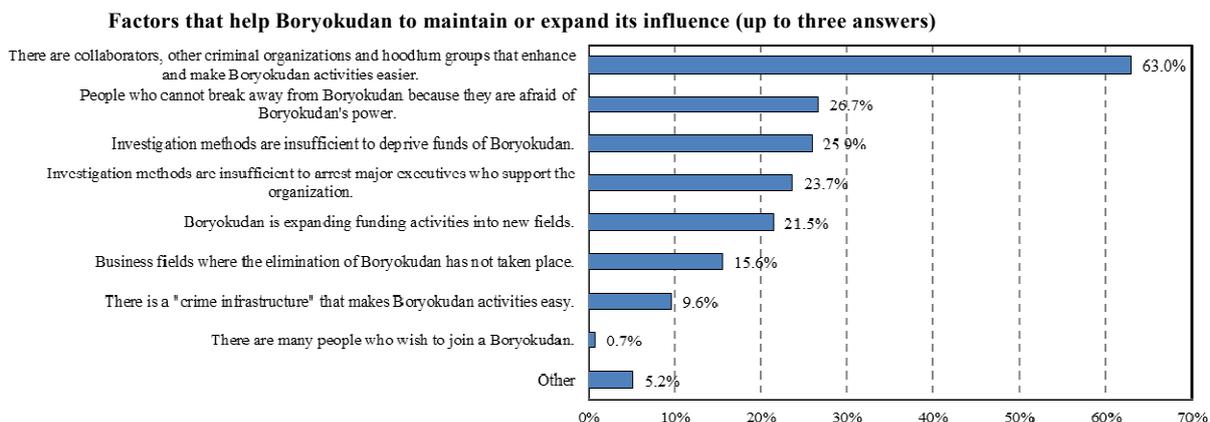


### (3) Trends in Boryokudan from the Viewpoint of Front-line Police Officers

The NPA conducted a questionnaire survey on officers responsible for crime information at the Tokyo Metropolitan Police Department and Prefectural Police Headquarters (PPH) from December 2014 through January 2015. Of all the respondents, 76.3% answered that at least some Boryokudan organizations were maintaining or expanding their influence. In response to a question about the factors that help Boryokudan to maintain or expand its influence, the majority of these 76.3% respondents said that collaborators were

helping or facilitating the activities of Boryokudan.

In response to a question about the changes that the respondents anticipated to take place in Boryokudan over the next ten years, the majority of them answered that the manner in which Boryokudan engage in funding activities would become more cunning. Many of the respondents also chose the answers that indicated that the oligopoly by the three major Boryokudan organizations would advance, and that Boryokudan would expand its sphere of criminal funding activities.



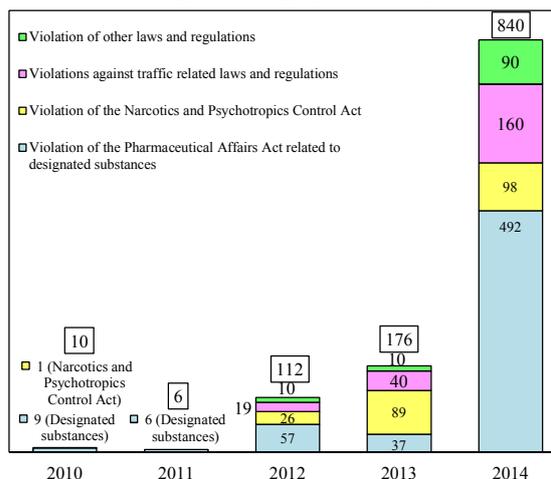
## 2. Drugs Situation

### (1) Situation in Clearance of Drug-related Crimes and Distribution of Abused Drugs

The number of arrests for crimes related to drugs was 13,121 in 2014, maintaining a high level. Although the number of arrests for crimes related to stimulants has been on the decrease in recent years, it was 10,958 in 2014, an increase of 49 (0.4%) from the previous year. This accounts for 83.5% of all arrests related to drugs. Cannabis-related arrests have also been decreasing in number recently. However, the number in 2014 increased by 206 (13.2%) from the previous year reaching 1,761, which accounts for 13.4% of all arrests for crimes related to drugs.

The number of people arrested for “Dangerous Drugs” (NPS: New Psychoactive Substances) in 2014 was 840, an increase of 664 (or 377.3%) from the previous year. Crimes related to Dangerous Drugs share common characteristics. For example, 80% of the Dangerous Drug abusers who were arrested in 2014 were first-time drug offenders, and 70% of all Dangerous Drug abusers under arrest were in their 30s or younger. While many (58.0%) of the

**Trends in arrests by applicable laws and regulations for Dangerous Drugs (2010 – 2014)**

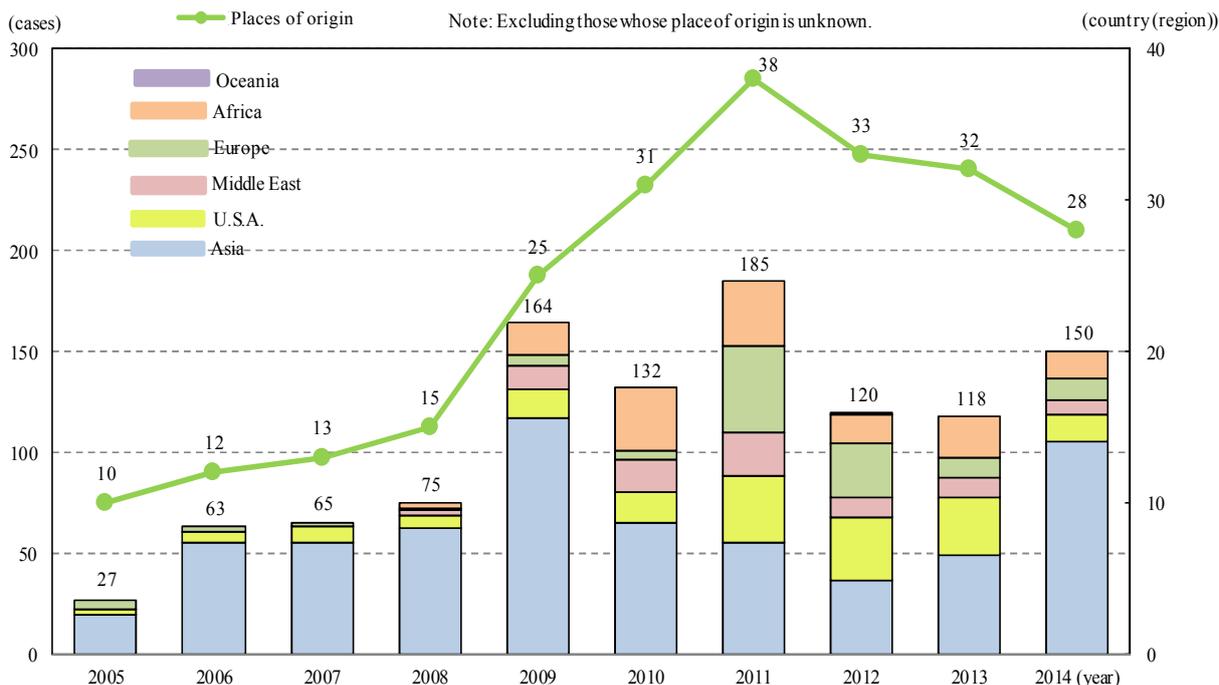


Dangerous Drug abusers arrested in 2014 purchased Dangerous Drugs at shops on the streets, 19.7% of the arrests purchased Dangerous Drugs online.

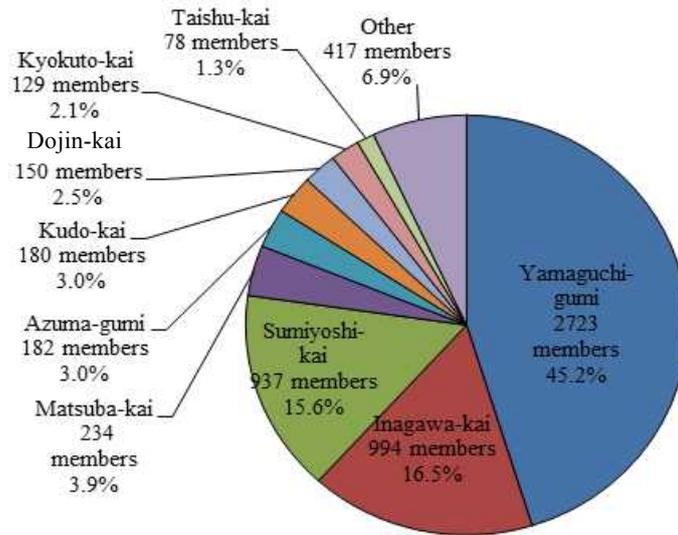
### (2) Actual Situation of Smuggling and Illegal Trafficking of Drugs by Criminal Organizations

Recent smuggling cases of stimulants are characterized by increasingly diversified places of origin. The number of places of origin of stimulants sharply increased from 10 in 2005 to 38 in 2011. While the number decreased in the following years, it still remains as high as 28 in 2014. Typically, the

**Trends in the number of places of origin of stimulants smuggling and the number of cleared cases by region (2005-2014)**



**Proportions of different Boryokudan organizations in the arrests for crimes committed by Boryokudan members in relation to stimulants (2014)**



majority of stimulants were smuggled from Asian countries including China, Malaysia, and the Philippines, but lately an increasing amount of stimulants are smuggled from Latin America, Africa, and the Middle East.

The number of arrests for stimulant offenses committed by Boryokudan members was 6,024 in 2014, a decrease of 72 (1.2%) from the previous year, but still accounting for 55.0% of stimulant-related arrests. For some of the small to mid-sized Boryokudan organizations that have a virtual monopoly on trafficking of stimulants in specific districts, trafficking of stimulants is the principal means for obtaining funds. The fact that leaders and executives of umbrella organizations of large Boryokudan organizations have been arrested for possessing, transferring or receiving stimulants for profit suggests that Boryokudan

members engage in trafficking of stimulants in an organized way and that stimulants are the major source of funding for Boryokudan.

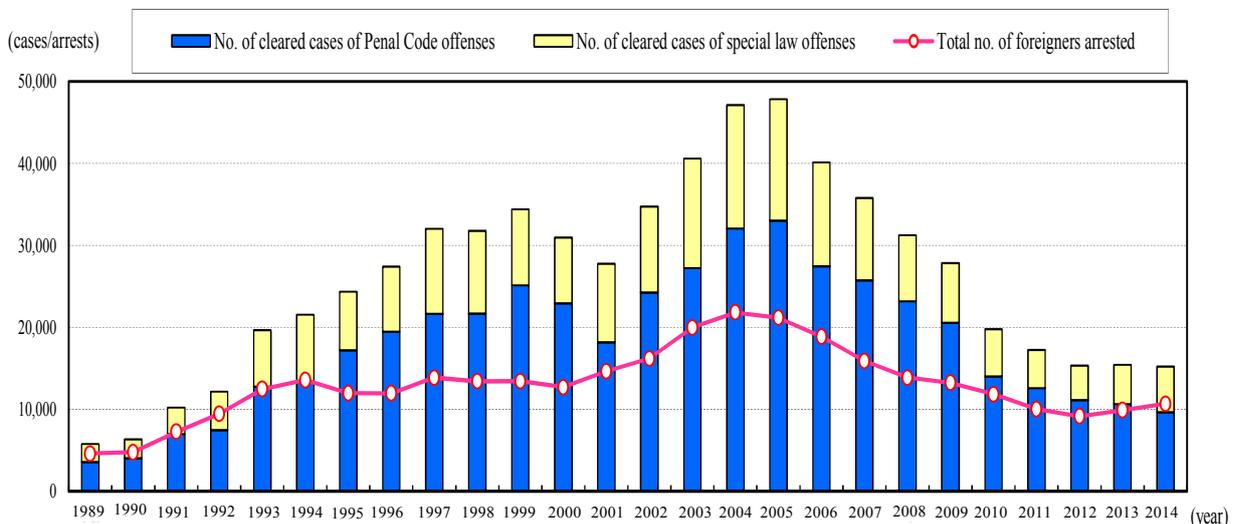
### 3. Situation of Transnational Organized Crime

#### (1) Arrests for Crimes Committed by Foreigners Visiting Japan

From 2005 through 2014, the number of arrests for Penal Code offenses committed by visiting foreigners decreased by 23,373 (70.7%).

Regarding arrests for Penal Code offenses committed by foreigners visiting Japan by nationality/region shows that Chinese visitors (excluding those from Taiwan and Hong Kong) have accounted for the largest proportion of arrests in the past ten years. Recently, the proportion of Vietnamese

**Trends in the number of cleared cases committed by foreigners and foreigners arrested in Japan (1989-2014)**



offenders has been on the rise. In 2014, 68.8% (782 persons) of Vietnamese who were arrested by police committed shoplifting.

## (2) Crime Infrastructure Exploited by Transnational Criminal Organizations

Transnational criminal organizations commit diverse crimes skillfully by exploiting the existing criminal infrastructure. They are engaged in unlawful money transfer through underground banks, fake marriages, false acknowledgment of parenthood, counterfeiting of passports and residence cards, and facilitation of illegal employment. Some cases aroused suspicion recently that these organizations have abused the system to grant asylum in order to have undocumented foreigners acquire resident's status or work illegally.

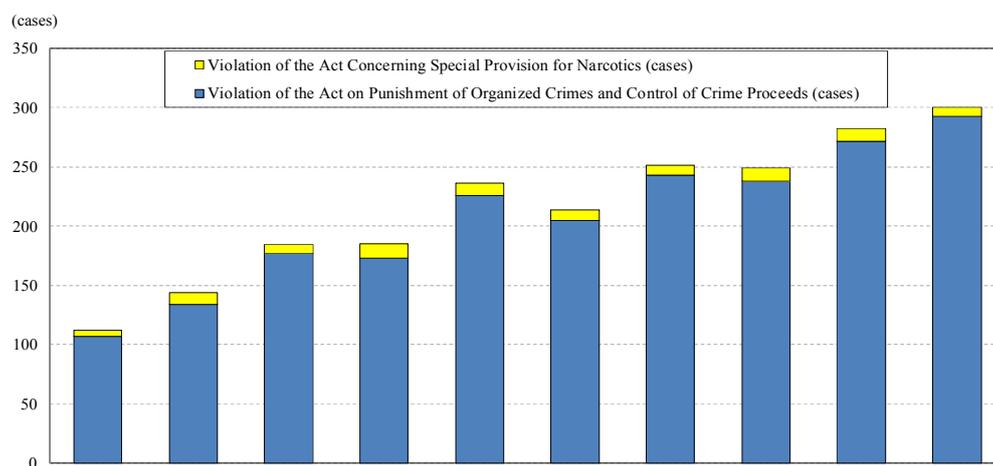
## 4. Money Laundering by Criminal Organizations

The number of arrests related to money laundering has been on the increase in recent years. Boryokudan is a particularly ingenious money launderer, presenting a threat to Japanese society. Of all crimes related to

money laundering in 2014, 60 cases were committed by Boryokudan members.

When money launderers are foreigners visiting Japan, they often transfer funds to other countries that are different from Japan in terms of legal and trading systems. These foreign money launderers remit criminal proceeds they acquire in Japan to other countries, or illegally export cash to their home countries. In these cases, it is more difficult to track illicit money flows in comparison to cases of money laundering transactions in Japan. In 2014, 36 money laundering cases were committed by visiting foreigners.

Trends in cleared money laundering cases (2005 - 2014)



Classification	Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Violation of the Act on Punishment of Organized Crimes and Control of Crime Proceeds (cases)		107(48)	134(53)	177(60)	173(63)	226(90)	205(90)	243(81)	238(55)	272(75)	293(55)
	Management control of enterprises (Article 9)	0(0)	1(0)	0(0)	1(1)	0(0)	1(0)	1(0)	0(0)	2(0)	1(1)
	Concealment of criminal proceeds (Article 10)	65(21)	91(18)	137(35)	134(41)	172(49)	139(46)	150(43)	158(27)	171(35)	180(26)
	Receipt of criminal proceeds (Article 11)	42(27)	42(35)	40(25)	38(21)	54(41)	65(44)	92(38)	80(28)	99(40)	112(28)
Violation of the Act Concerning Special Provision for Narcotics (cases)		5(4)	10(5)	7(5)	12(5)	10(4)	9(5)	8(3)	11(4)	10(10)	7(5)
	Concealment of drug criminal proceeds (Article 6)	3(2)	5(3)	5(4)	10(4)	5(1)	8(4)	8(3)	8(2)	6(6)	5(3)
	Receipt of drug criminal proceeds (Article 7)	2(2)	5(2)	2(1)	2(1)	5(3)	1(1)	0(0)	3(2)	4(4)	2(2)

Note: Numbers in parentheses indicate offenses committed by Boryokudan members

## Section 2 Background and Current Status of Measures against Organized Crime

### 1. Measures against Boryokudan

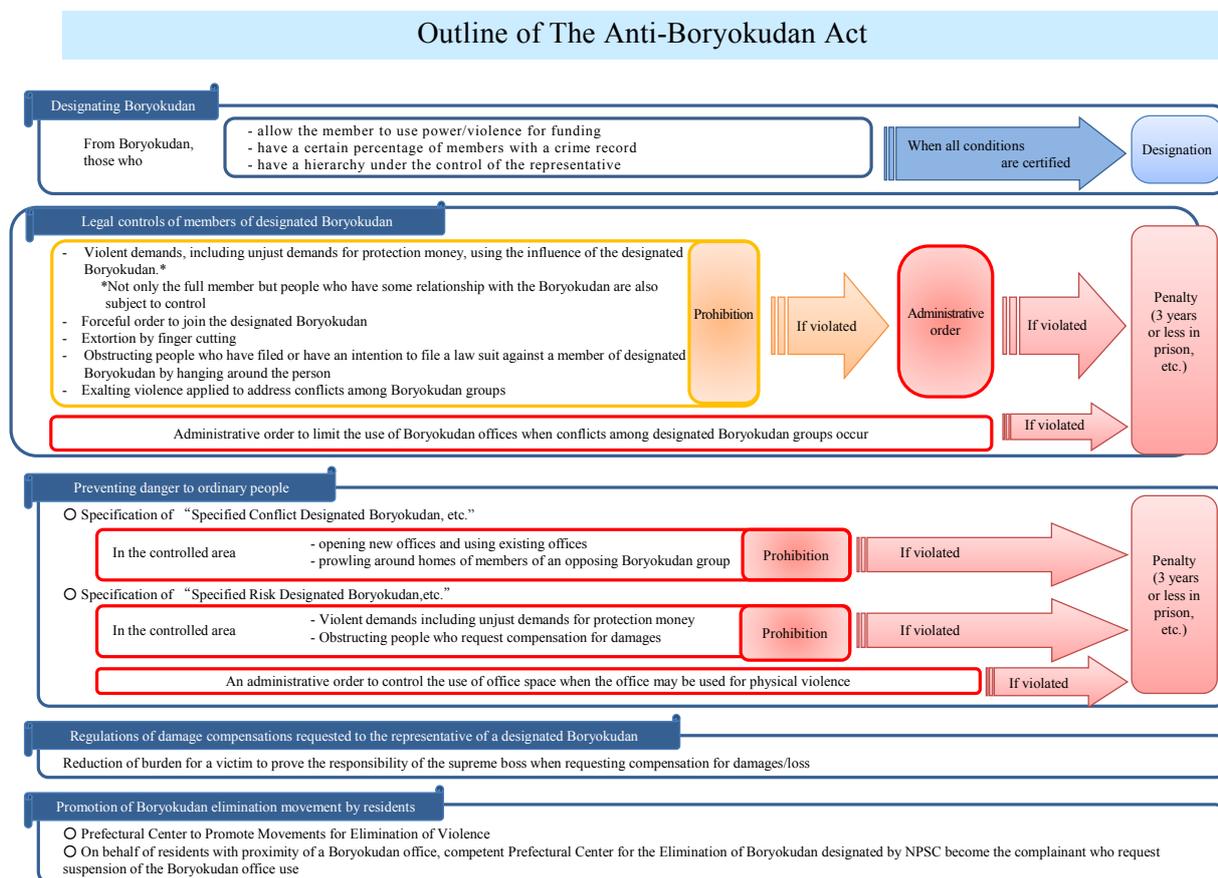
In keeping with socioeconomic changes, the police have been advancing effective application of the Anti-Boryokudan Act, strategic crackdowns on Boryokudan, and comprehensive measures for the elimination of Boryokudan.

#### (1) Revisions to and Effective Application of the Anti-Boryokudan Act

The Anti-Boryokudan Act was enacted in 1991 and enforced in March 1992. The social background that led to the establishment of this Act was the strong demand for effective countermeasures against wrongful conduct by

Boryokudan members. This included unjust funding activities (e.g., racketeering by interceding in civil disputes and threatening the use of violence) and turf wars among various Boryokudan groups.

To keep pace with changes in the situation of Boryokudan that took place after the enforcement of the Act, it has been amended five times (in 1993, 1997, 2004, 2008 and 2012). A system was introduced in the 2012 amendment to the Act for identifying designated Boryokudan groups in specific conflicts and designated Boryokudan groups of specific risks. This system has been helping deter turf wars among Boryokudan groups and attacks by Boryokudan on business operators.



## (2) Strategic Controls

With the aim of eliminating Boryokudan, the police are enhancing strategic crackdowns to inflict heavy damage on the organizational foundation and funding activities of Boryokudan. All-out efforts are being made across the entire police organization to crack down on activities of particularly violent and malicious Boryokudan groups and Boryokudan groups with great power.

The Kudo-kai is a designated Boryokudan group headquartered in Kitakyushu, Fukuoka Prefecture. Members of this group have frequently attacked business operators by using weapons, posing a serious threat not only to business operators but also to the lives of citizens. While implementing crackdowns on the Kudo-kai, the police have also been strengthening security for exercising strict control over the Kudo-kai's activities, and will continue to deter their dangerous activities utilizing thorough police control and application of the Anti-Boryokudan Act.

**Case: In January 2013, members of the Kudo-kai, including the leader, 67, and the vice leader, 58, stabbed a nurse several times with intention to kill, causing severe injuries to her face and right arm. From September through October 2014, 16 members of the Kudo-kai, including the two top leaders, were arrested for violating the Act on Punishment of Organized Crimes and Control of Crime Proceeds, on suspicion of organizing an attempted murder.**

The Yamaguchi-gumi is the largest Boryokudan organization in Japan. Having the largest number of members and associate members, this syndicate has built amicable relations with many Boryokudan groups and has thus maintained a status that allows it to exert influence on a majority of Boryokudan groups in Japan. Currently, key positions of the Yamaguchi-gumi are held by members of the Kodo-kai, a secondary Boryokudan

organization of the Yamaguchi-gumi. The first-generation head and the second-generation head of the Kodo-kai hold the top positions in the Yamaguchi-gumi.

The police organization's overall efforts in cracking down on the activities of the Yamaguchi-gumi, the Kodo-kai, their umbrella organizations, affiliate corporations and collaborators have produced some positive outcomes. However, the Yamaguchi-gumi and the Kodo-kai still have a very powerful influence and are active in developing various illicit enterprises. The police will continue to implement intensive controls over these Boryokudan organizations by making full use of various laws and regulations.

**Case: The head, 63, and other members of the Kodo-kai, a major affiliation of the Yamaguchi-gumi, extorted 40 million yen in so-called protection money from a construction business person under the pretext of helping him during the period from July 2005 through December 2006. Between December 2009 and November 2010, four members, including the head, were arrested for extortion.**

## (3) Comprehensive Activities for Eliminating Boryokudan

The efforts of the police alone are not sufficient to weaken and eliminate Boryokudan. Community-based efforts for eliminating Boryokudan are indispensable, so the police have been promoting comprehensive activities for the elimination of Boryokudan in close cooperation with agencies and organizations concerned.

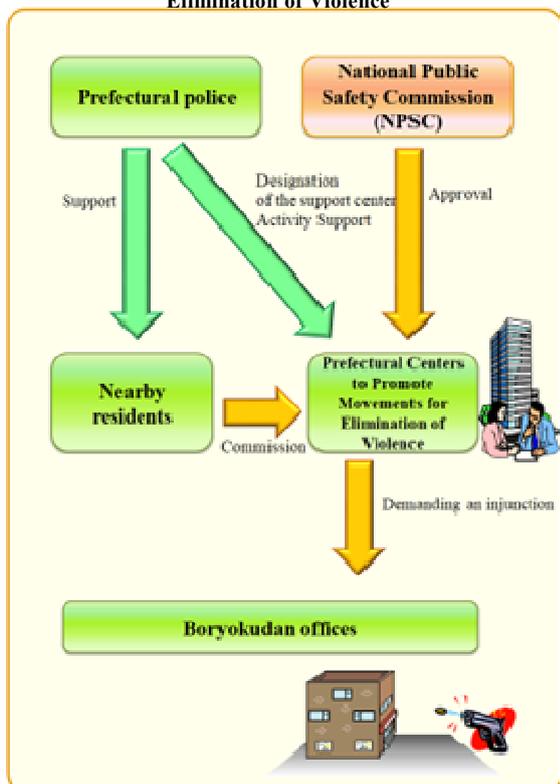
The past ten years saw particularly significant progress in these activities within Japanese society, tending to an increase of momentum toward the elimination of Boryokudan. For example, in June 2007, the Japanese government announced the Guidelines for Companies to Prevent Damage Inflicted by Anti-Social Forces. By October

2011, the Ordinance for Eliminating Organized Crime Groups was enforced by all prefectures in Japan.

In close cooperation with Prefectural Centers to Promote Movements for Elimination of Violence and bar associations, the police have been supporting citizens' activities for eliminating Boryokudan from their neighborhoods. For example, support is provided to residents who file a lawsuit seeking removal of Boryokudan's offices from their local area.

Pursuant to the 2012 amendment of the Anti-Boryokudan Act, each Prefectural Center to Promote Movements for Elimination of Violence that has been certified by the National Public Safety Commission (NPSC) as a competent center is allowed to file lawsuits in the name of the center, on behalf of the residents in the neighborhood of Boryokudan's offices, demanding injunctions against the use of those offices. By July 2014, all Prefectural Centers to Promote Movements for Elimination of Violence in Japan were certified as competent centers.

Outline of the system for certifying the competent Prefectural Centers to Promote Movements for Elimination of Violence



Additionally, in order to eliminate Boryokudan, it is essential to provide information to and to ensure the safety of those who wish to sever their relationships with Boryokudan. Thus, the police are making use of their collective strengths for providing these people with necessary information as well as for enhancing security precautions by designating in advance Protection Officers ("POs") who help to secure the safety of these people.



Security drills by the police

#### (4) Comprehensive Anti-Firearms Measures

The majority of shooting incidents are caused by Boryokudan, so the police have been implementing comprehensive anti-firearms measures by focusing on detecting handguns under the control of Boryokudan. To cope with the difficult situation regarding firearms, agencies concerned are implementing countermeasures under the leadership of the Council for Promoting Firearm Controls chaired by the Chairperson of the NPSC. In May 2014, the Plan for Promoting Firearms Control FY2014 was formulated with the aim to uncover caches of firearms in Japan, and also to secure public understanding of and cooperation for the control of firearms.

**Changes in the number of handguns seized by using the Dial 110 for Handgun Reward System (2008 - 2014)**

Classification	2008	2009	2010	2011	2012	2013	2014
No. of phone calls (cases)	695	1,315	1,646	1,145	1,981	2,662	3,811
No. of handgun seized by notifications (handgun)	1	2	1	8	1	1	17
Incentive (10,000 yen)	0	25	46	123	26	0	75

Note: The value for 2008 is that of from May 2008, when the operation started, to December 2008.

While thoroughly collecting information regarding illegal handguns, the police are also utilizing various investigation methods for seizing the arsenals of organized crime groups and exposing smuggling and trafficking of handguns. To strengthen border controls, the police have been reinforcing collaboration with the customs authorities, the Japan Coast Guard and other agencies concerned.

In order to encourage citizens to provide the police with information about illegal handguns, the Dial 110 for Handgun Reward System was initiated using a toll-free number as an emergency line to report illegal handguns. Prefectural police headquarters receive calls and provide rewards depending on the information provided or the extent of cooperation in the investigation.

## 2. Anti-Drug Measures

The police have been advancing comprehensive anti-drug measures that include both shutting off drug supply and eliminating drug demand by conducting crackdowns on drug offenses, as well as public relations and educational activities aimed at informing the public of the risks and harmful effects caused by drugs.

### (1) Shutting off Supply Routes of Drugs

In the investigation of drug offenses, it is important to uncover supply routes of drugs and to eliminate crime organizations lying above drug abusers. The police have been promoting effective investigation methods such as actively utilizing wiretapping and other methods in the crackdown on organized crime. Furthermore, in order to impose heavier penalties on traffickers and other related dealers, the police are advancing arrests on smugglers and trafficking pursuant to the Act Concerning Special Provisions for Narcotics. Also, for the purpose of cutting off

funds to criminal organizations related to drugs, the Act Concerning Special Provisions for Narcotics is applied to ensure the arrest of money launderers, as well as the confiscation or forfeiture of proceeds from crimes related to drugs.

The majority of the drugs abused in Japan come from abroad. Therefore, it is important to promote drug countermeasures in collaboration with concerned agencies of Japan and other countries. In order to stop the flow of drugs into the country at the border, the police have been reinforcing collaboration with the customs authorities, the Japan Coast Guard, and other agencies concerned. The police are developing international coordination, such as information sharing, by sending personnel abroad for overseas investigation and multinational conferences.

Additionally, because the Internet has made it easier for traffickers to sell drugs to unspecified abusers, the police carry out thorough crackdowns on drug trafficking by gathering information about drug trafficking online through reports from the Internet Hotline Center (IHC) and through cyber patrols.

### (2) Complete Elimination of the Demand for Drugs

In order to eliminate the demand for illicit drugs completely, Japanese society at large should uphold a moral standard under which drug abuse is never allowed. While cracking down on drug abusers, the police have been conducting public relations and educational activities to nurture public opinion favorable to the elimination of drug abuse from society as a whole. Particularly for the purpose of preventing young people from abusing drugs, the police have provided schools nationwide with brochures, which explains the harmful effects of drug abuse. The police have been

working together with the Ministry of Education, Culture, Sports, Science and Technology (MEXT) in order to send lecturers to junior and senior high schools throughout Japan to give classes on the topic of the prevention of drug abuse.

### (3) Measures against Dangerous Drugs

As there have been cases such as fatal car accidents caused by abusers of Dangerous Drugs, Dangerous Drugs have become a serious social issue. In view of this, a meeting of the Council for Promoting Measures to Prevent Drug Abuse was held in July 2014, which included the attendance of Cabinet members. At that meeting, Emergency Measures for Eradicating Dangerous Drug Abuse was formulated to thoroughly grasp the actual situation of Dangerous Drugs and to raise public awareness about their risks, among other matters. Based on this, the police have been working in close cooperation with other agencies concerned to ensure that the Japanese government can enhance various countermeasures in an integral manner.

With the amendment to the Pharmaceutical Affairs Act (now the Pharmaceutical and Medical Device Act: PMD Act, a ban on the possession and use of designated substances was enforced in April 2014. In order to eliminate the demand for Dangerous Drugs, the police rely on the PMD Act, other laws and regulations for the rigorous cracking down on Dangerous Drug abusers. Strict regulations are imposed on drivers exhibiting unusual behaviors seemingly under the influence of Dangerous Drugs, and traffic accidents caused by such drivers are strictly investigated. Some Dangerous Drugs which are labeled and sold as legal herbs can cause the death of abusers. The police have created educational materials to inform young people about the risks of Dangerous Drug abuse. These materials are used in classes on the topic of the prevention of drug abuse. Public relations and educational activities conducted in various traffic safety programs focus on the need to prevent the spread of Dangerous Drug

abuse.



Educational video about the risks of dangerous drugs  
(Osaka Prefectural Police)

In Japan, groups of substances having a chemical structure similar to that of narcotics or other designated substances are collectively regarded as designated substances as defined in the PMD Act. Dangerous Drugs containing designated substances are thus subject to regulations under law. The PMD Act was amended in December 2014 to increase the regulations that shops selling Dangerous Drugs must comply with the orders issued by the Minister of Health, Labour and Welfare for product inspection or suspension of sale, as well as to tighten restrictions on the advertisement of dangerous drugs. Currently, new Dangerous Drugs are developed in succession by slightly changing the chemical structures of existing designated substances. These drugs are beyond the control of the regulations. Additionally, many advertisements for dangerous drugs are posted on the Internet. In response to such situations, the police have been sharing information about Dangerous Drugs that they have collected in the course of their investigations with other agencies concerned so that these agencies can take appropriate measures.

### 3. Measures against Transnational Organized Crime

#### (1) Analyzing Networks of Transnational Crime Organizations and Tightening Strategic Control

Transnational crime organizations have members from various countries and have been expanding their networks in an

increasingly complex manner. The National Police Agency (NPA) integrates and analyzes the information on transnational crime organizations collected by prefectural police. The NPA cooperates actively with foreign law enforcement authorities and, if necessary, via INTERPOL to obtain and analyze information about their activities across national borders.

**(2) Cooperation Efforts with Relevant Agencies in Japan**

There exist different languages and lifestyles in areas having a high population density of foreign nationals, so problems between Japanese and foreign residents tend to occur in the course of their daily lives. Foreign residents find it often difficult to obtain safety information in their neighborhoods. Under such circumstances, some of these foreign residents cannot easily adapt their way of life to the Japanese one, or might become victims of crimes or accidents. It is also possible that transnational crime organizations may infiltrate these communities and recruit foreign residents for criminal activities. The police have been cooperating with residents of areas having a high population density of foreign nationals as well as with organizations and groups concerned in order to promote various programs, including classes given by the police on the topics of crime prevention, traffic safety, etc.



Futsal sports meet held in an area having a high population density of foreign nationals

**(3) Cooperation Efforts with Relevant Agencies Overseas**

It is vital to exchange information and cooperate in investigations with related foreign law enforcement authorities to fight against crime organizations operating across multiple countries/regions. Japanese police have been promoting international cooperation with foreign investigative agencies and, if necessary, via INTERPOL.

**Column: Inauguration of the INTERPOL Global Complex for Innovation**

The INTERPOL Global Complex for Innovation (IGCI) was officially inaugurated in April 2015 to complement the General Secretariat in Lyon, France. The IGCI aims at countering cybercrimes, boosting cyber security, and providing training for INTERPOL staff members and police officers of its member countries. The IGCI's first Executive Director is a Japanese official from the NPA.

The number of criminals and suspects who flee Japan after committing crimes has remained at a high level. When any suspects are likely to flee Japan, the police contact immigration authorities, under the Ministry of Justice, to seek help in the search and arrest of the suspects before they can leave Japan.

Changes in the number of suspects fleeing abroad (2005 - 2014)

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of suspects fleeing abroad (people)	819	833	817	775	845	879	847	818	798	745
Number of which are foreigners (people)	651	656	665	633	683	705	677	654	650	624

#### 4. Measures against Criminal Proceeds

In order to weaken criminal organizations such as Boryokudan and eliminate them, it is important to prevent criminal proceeds from being transferred to/from criminal organizations and to ensure that criminal organizations are stripped of criminal proceeds. The police are promoting comprehensive measures against criminal proceeds pursuant to the Act on Prevention of Transfer of Criminal Proceeds, the Act on Punishment of Organized Crimes and Control of Crime Proceeds, and the Act Concerning Special Provisions for Narcotics. These measures are implemented in cooperation with relevant agencies and business operators concerned as well as Financial Intelligence Units (FIUs) overseas.

##### (1) Enactment, Amendment, and Effective Application of the Act on Prevention of Transfer of Criminal Proceeds

The Act on the Prevention of Transfer of Criminal Proceeds was enacted in March 2007. This Act reinforces the provisions regarding identity verification and reporting on suspicious transactions, which were formerly included in the Act on Confirmation of Customers' Identification by Financial

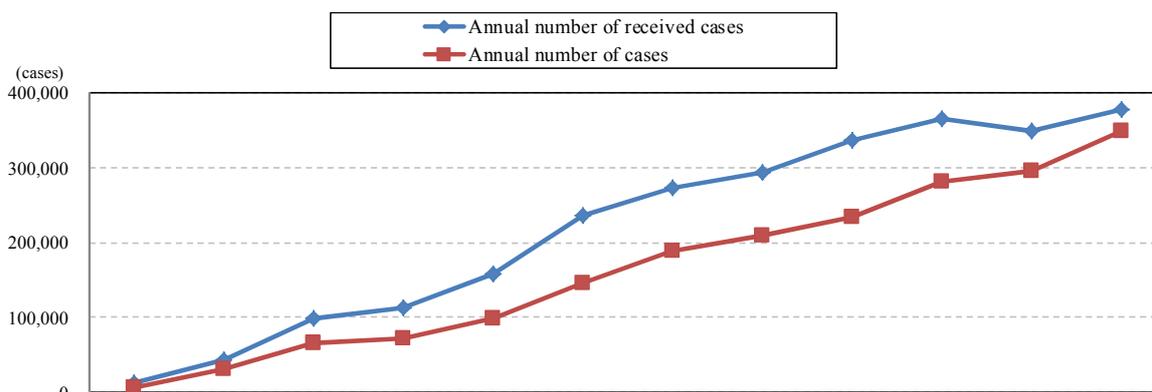
Institution etc. and Prevention of Unauthorized Use of Deposit Account etc. and the Act on Punishment of Organized Crimes and Control of Crime Proceeds. The applicable scope of the Act was expanded to include not only financial institutions but also other business operators. Additionally, the functions of the FIU - control over the collection, arrangement and analysis of information regarding reports on suspicious transactions - was transferred from the Financial Services Agency (FSA) to the NPA under the supervision of the NPSC.

On the basis of the deficiencies identified by the FATF in Japan's third mutual evaluation report, the Act on Prevention of Transfer of Criminal Proceeds was amended in April 2011 to include additional verification requirements for specified business operators conducting transactions, and amendments as a whole were enforced in April 2013.

##### Column: Amendment to the Act on Prevention of Transfer of Criminal Proceeds for Addressing Customer Due Diligence Requirements

After the amendment to the Act on

Trends in reports of suspicious transactions (2005 - 2014)



Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Annual no. of received cases (cases)	98,935	113,860	158,041	235,260	272,325	294,305	337,341	364,366	349,361	377,513
Annual no. of disseminated cases (cases)	66,812	71,241	98,629	146,330	189,749	208,650	234,836	281,475	296,501	348,778

Note 1: "Annual number of received cases" before March 2007 was the number of received cases by FSA and after April 2007 was the number of received cases by NPSC. The number of received cases in 2007 is the sum of those received by FSA and NPSC.

Note 2: "Annual number of disseminated cases" before March 2007 was the number of cases from FSA disseminated to NPA, and after April 2007 was the number of disseminated cases from NPSC to investigative agencies. The number of disseminated cases in 2007 is the sum of those disseminated by FSA and NPSC.

**Prevention of Transfer of Criminal Proceeds in 2011, the FATF noted that Japanese legislation lacked provisions explicitly stipulating some of the customer due diligence requirements that were included in the FATF's recommendations. In June 2014, the FATF published a statement in which the FATF encouraged Japan to promptly address its deficiencies in countering money laundering and in countering the financing of terrorism.**

**In response to the statement, the NPA deliberated on the legal revisions necessary for satisfying the customer due diligence requirements stated in the FATF recommendations. Based on the deliberation results, the Act on the Partial Revision to the Act on Prevention of Transfer of Criminal Proceeds was enacted in the 187th Diet session in November, 2014. The partial revision included additional provisions concerning requirements for determining methods of assessing reports of suspicious transactions.**

**(2) Deprivation of Criminal Proceeds**

In order to prevent criminal organizations from using criminal proceeds for their survival or expansion as well as for investing in their future criminal activities, it is important to ensure that these organizations are stripped of criminal proceeds. Criminal organizations should be deprived of opportunities to conceal or consume their criminal proceeds before a confiscation or forfeiture order is given by a court. Thus, the police are ensuring viability of confiscation or forfeiture by actively requesting restraining orders for confiscation from the court prior to indictments of relevant crime organizations pursuant to the Act on

Punishment of Organized Crimes and Control of Crime Proceeds and the Act Concerning Special Provisions for Narcotics.

**(3) Promotion of International Cooperation**

International cooperation is essential in order to fight against crimes of global scale such as money laundering and the financing of terrorism. Currently, within international frameworks such as the FATF, the APG and the Egmont Group of FIUs, efforts are being made for formulating and disseminating international standards regarding anti-money laundering and countering the financing of terrorism. The NPA has been actively involved in these efforts. As of the end of 2014, the NPA, under the supervision of the NPSC, had established frameworks for exchanges of information with the FIUs of 78 countries/regions.

**Trends in restraining orders for confiscation issued prior to indictments (2005 – 2014)**

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Classification										
Act on Punishment of Organized Crimes and Control of Crime Proceeds	8(0)	9(3)	21(7)	44(21)	54(23)	70(36)	101(30)	148(39)	160(54)	193(45)
Act Concerning Special Provision for Narcotics	8(5)	3(2)	4(3)	7(5)	8(5)	13(7)	14(4)	16(8)	4(4)	16(9)

Note: Numbers in parentheses indicate offenses committed by Boryokudan members

## 5. Countermeasures for Organized Crime Posing a New Threat

Organized crime constantly changes in line with socio-economic development to gain economic benefits in a more clever and efficient manner while evading crackdowns. To achieve the elimination of organized crime, it is important to gather and analyze information about the actual situation of organized crime, as well as that of criminal organizations and their activities. The police need to take effective measures based on an adequate understanding of the changes in these realities.

The police regard "special fraud" cases that have recently resulted in a rapid increase as an example of organized crime posing a new threat, because these frauds are likely to be committed by ingeniously organized groups. The entire police organization has been gathering information about these criminal groups in order to understand their activities in their efforts toward the complete

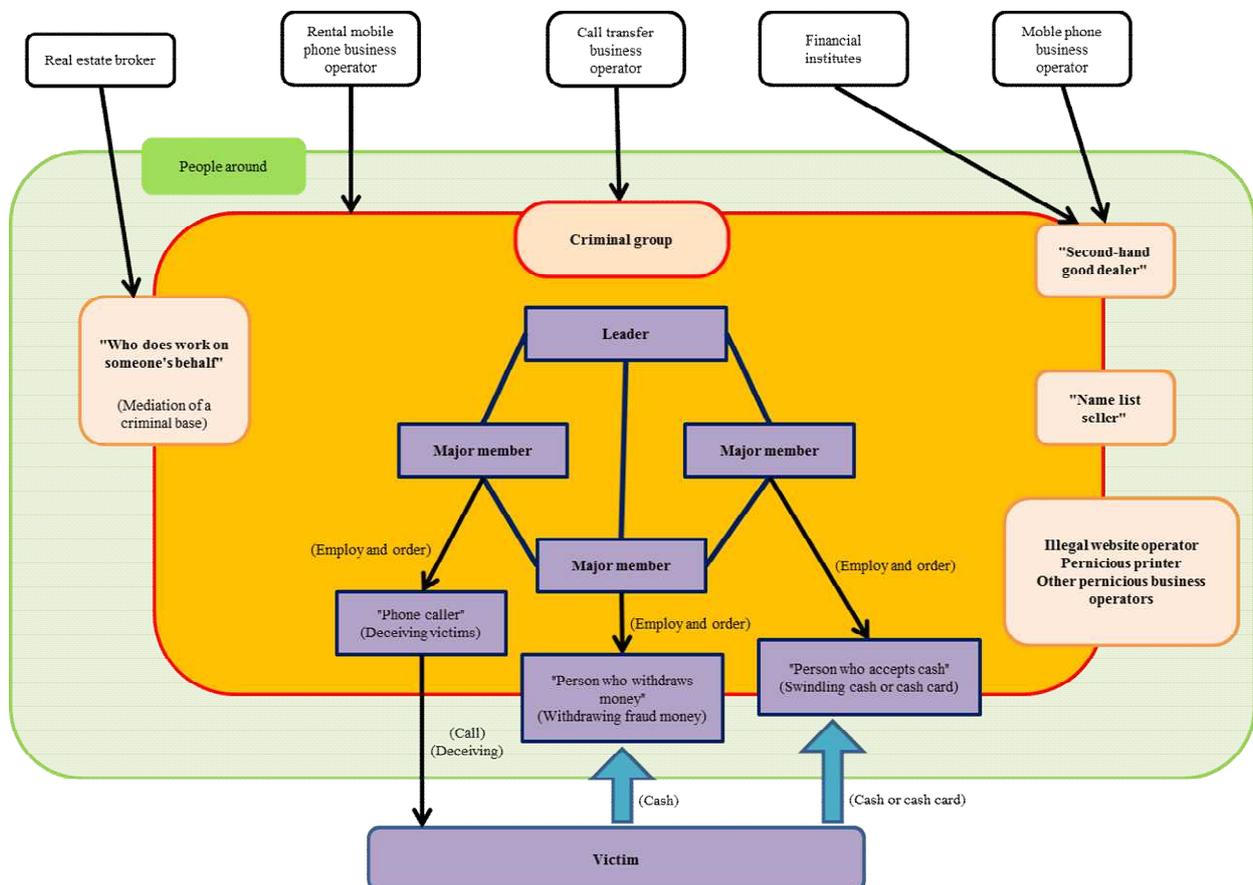
elimination of these groups.

### (1) Measures against Special Frauds Committed in an Organized Manner

Criminal groups that systematically carry out special fraud, particularly leaders and core members, take on different roles, such as the role of the person who repeatedly phones and dupes the victim, and the role of the person who goes to a home or other location to receive the cash. These criminal groups have collaborators who find locations from which the groups can make phone calls to victims, or provide the groups with surrogate bank/savings accounts in the names of people not connected to the groups. These collaborators are aware that these locations and accounts will be used for wrongful purposes, and are therefore aiding and abetting criminal groups with frauds.

In 2014, the number of Boryokudan members arrested for special frauds was 698, accounting for 35.2% of all those who were arrested for special frauds that year. These

Breakdown of one group committing special frauds



numbers suggest that special frauds are part of Boryokudan's funding sources.

For the purpose of arresting core members of the groups that commit special frauds and also of eradicating these groups, the police have decided to strengthen cooperation between the white-collar crime department responsible for investigations of fraud cases and the organized crime department specializing in the investigation of crimes committed by Boryokudan. Through this, the police use, in the investigation of group leaders, the statements and confessions of criminal group members who are under arrest for collecting cash from victims, as well as advance crackdowns on core group members by utilizing methods of organized criminal control including collection, integration and analysis of information regarding activities of criminal groups and monetary transferring of criminal proceeds.

**Case: An executive, 33, and other members of an umbrella organization of the Yamaguchi-gumi made phone calls to elderly people, impersonating securities salesmen, to tell them that they would receive a pamphlet concerning debenture investments. By convincing some of these elderly people that they would be able to later sell the debentures for 1.3 times as much as the price they paid, the Boryokudan members defrauded them of a total of 52 million yen. By January 2015, fourteen Boryokudan members, including the executive, were arrested on fraud and other charges.**

## [\(2\) Measures against Organized Crime in Line with the Local Crime Situation](#)

Not only special fraud cases but also other organized crime that are regarded as security concerns in each local area must be adequately understood and comprehensively countered in order to weaken and eliminate criminal organizations and to eradicate organized crime. The Organized Crime

Department of the police is working in close cooperation with other departments concerned for eliminating criminal groups taking into account the local crime situation.

## Section 3 Future Prospects for Measures against Organized Crime

### 1. The Status Quo and Challenges Facing Measures against Organized Crime

The police have been comprehensively countering organized crime by ensuring centralized control over measures against Boryokudan, drugs, firearms, international organized crimes and criminal proceeds.

However, criminal organizations continue to pose serious threats to Japanese society as they continually modify their activities for the purpose of evading police controls and achieving economic benefits more ingeniously and efficiently.

Boryokudan organizations, in particular, have been increasingly concealing and sophisticating their activities, while diversifying their illicit funding activities in response to the development of the economy and society. Core bodies of major Boryokudan organizations such as the Yamaguchi-gumi are maintaining a solid economic foundation and a human network. The number of arrests for crimes related to stimulants has remained at a high level, and trafficking of stimulants is likely to be an important source of funds for Boryokudan. The complete elimination of Dangerous Drugs is a major issue that the government must address within all its organizations. Crime infrastructure that is deeply rooted in Japan continues to make it easy for international crime organizations to commit crimes behind the scenes. Due to the perpetrating of special frauds by well organized criminal groups, it is of urgent necessity to eradicate these groups by making full use of all techniques in countering organized crime.

### 2. Future Efforts for Countering Organized Crime

#### (1) Enhancement of Capabilities for Gathering/Analyzing Information and Strategic Measures against Organized Crime

In order to weaken and eliminate criminal

organizations and to eradicate organized crime, it is necessary to arrest the leaders and major executives of criminal organizations. It is also important to break up the core bodies of these organizations by ensuring that they are stripped of criminal proceeds and also by eliminating their funding sources.

In order to strategically implement measures that are necessary for these purposes, information about the current situation of organized crime must be gathered. The information collected nationwide needs to be integrated and analyzed in order to precisely understand the members, the chain-of-command structures and the funding activities of criminal organizations. Strategic countermeasures can be formulated on the basis of this understanding. Each step in the entire process—collection, integration and analysis of information, elucidation of the realities of organized crimes, formulation of strategic measures, and implementation of these measures for cracking down on criminal organizations—should be integrated with each other in order to create a virtuous cycle and ensure the effectiveness of the process.

Criminal organizations have been expanding their sphere of activities by coming up with enterprises that current laws and regulations do not control or tightly regulate. Thus, it is necessary to accurately analyze and understand factors that facilitate criminal organizations' activities, so that the need for strengthened regulations can be examined and identified.

#### (2) Utilizing Investigation Methods Effective in the Controlling of Organized Crime

In September 2014, a report was submitted to the Legislative Council of the Ministry of Justice regarding modifications to the legal systems. These modifications were recommended to facilitate the rational and efficient use of wiretaps, as well as to introduce a system allowing the disposition of criminal charges by agreement between the

prosecutor and the accused. Currently, the related laws are being amended in response to this report. When the necessary legal instruments are in place, wiretaps can and will be effectively used in the investigation of special frauds. As procedures for implementing wiretapping will also be more rational and efficient, wiretaps are expected to be utilized widely in the future. The system for the disposition of criminal charges by agreement between the prosecutor and the accused is likely to work to the advantage of the police in the investigation of organized crime. On the basis of the legal instruments that will become available, the police will continue to seek and examine investigative methods that are effective for cracking down on organized crime.

The police will also continue discussing issues concerning conversation monitoring and witness protection, which were identified as future challenges in the report to the Legislative Council.

### (3) Stronger Partnerships with the Departments and Agencies Concerned

In order to counter criminal organizations that are expanding their sphere of activities, the police collect and analyze information concerning organized crime for the purpose of sharing the results with other departments and agencies concerned, irrespective of organizational boundaries. The collective strengths of the police will be utilized through the positive enhancement of joint investigations by multiple departments toward the effective crackdown on criminal organizations in their efforts to weaken and eliminate these organizations. Regarding the smuggling of drugs and other internationally organized crime, border control will be implemented in cooperation with the relevant agencies in Japan as well as investigative agencies overseas will also be reinforced.

In partnership with the agencies and groups concerned, the police continue to engage in comprehensive activities for eliminating Boryokudan. Information regarding the

systems that crime organizations tend to use for wrongful purposes will be shared with the public to ensure that countermeasures against organized crime will be promoted throughout the entire society.