

**IREb1007**

# **INTERNATIONAL SECURITY**

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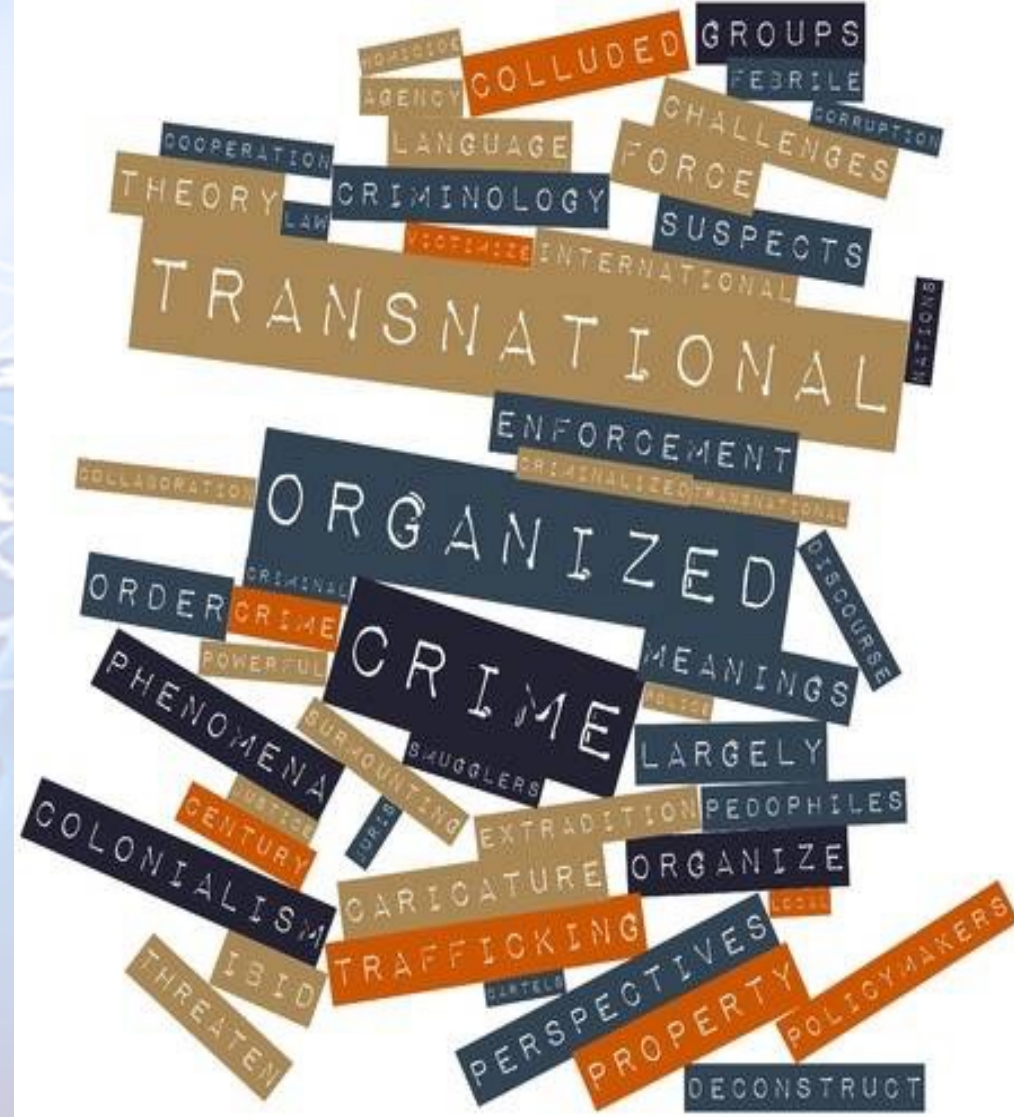
**Fall 2022**

**Session 12: Transnational Organized Crime**

# On the Agenda for Today

2

- **Transnational Organized Crime**
  - Definition
  - Contemporary Transnational Crime
  - Typology & Scope, groups, operating techniques
  - Regional perspective
- **TOC groups**
- **International Response to Transnational Crime**



# Transnational Crime

- **“Offenses** whose inception, prevention and/or direct or indirect effects involve **more than one country**” (UN,1995)
  - **Territory based definition**
  - **A single perpetrator/loosely organized group** engaging in transnational criminal activities
- Transnational Organized Crime (TOC) => **Well-organized criminal operations** that **cross national boundaries**
- **No single, universally agreed upon definition** of Transnational organized **groups** due to their extent, **diverse activities, structure**

# Contemporary Transnational Crime

- Transnational crime **ranges** from simple **fraudulent email** & phishing schemes perpetrated globally, to **illegal trafficking** in people, organs, illicit drugs, etc.
- **NOT a modern phenomenon**, yet **transnational crime** has emerged as **one of the most pressing security challenges of the early 21st century**
- What is **new** about transnational crime?
  - **Scope of activity** => Broad & diversified
  - **Magnitude** => **Global impact**



# Contemporary Transnational Crime

- Major enablers/supporters of the rise of **transnational organized crime** in **contemporary** times:
  - **Globalization:** Distance and boundaries have almost become a non-issue + globalization of the economy
  - **Improved communications technology & seamless electronic environment**
  - **Open borders for trade and travel**
  - **Emerging democracies**
- Transnational Organized Crime as a security threat (globally, multi aspects)
  - **Destructive impact on governance, anti-corruption, economic development, trade**
  - **Violations of human rights**
  - **Deforestation and unsustainable natural-resource extraction**

# Typology & Scope of TOC

Transnational Organized crime involves 2 types of activity:

1. Provision of illicit goods + services
2. Infiltration of legitimate business

## Criminal Activities:



CURRENCY  
COUNTERFEITING



CYBERCRIME  
Child sexual exploitation  
Cyber-dependent crimes  
Payment card fraud



DRUG PRODUCTION  
TRAFFICKING AND  
DISTRIBUTION



FRAUD  
Excise fraud  
Investment fraud  
Mass marketing fraud  
Payment order fraud  
Value Added Tax fraud



ILLICIT WASTE  
TRAFFICKING



INTELLECTUAL  
PROPERTY CRIME



MIGRANT SMUGGLING



ORGANISED  
PROPERTY CRIME



SPORTS  
CORRUPTION



TRAFFICKING OF  
ENDANGERED SPECIES

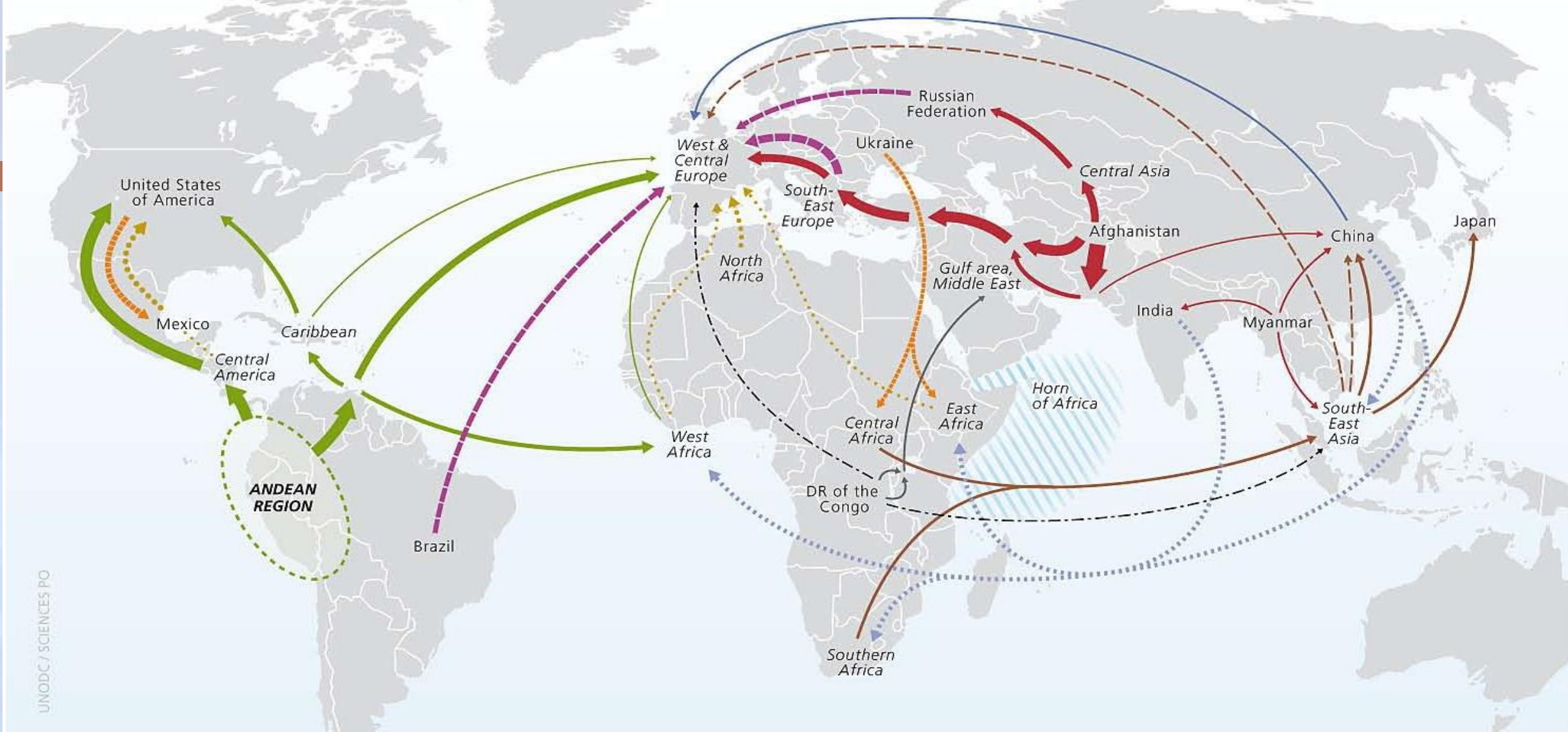


TRAFFICKING  
OF FIREARMS



TRAFFICKING IN  
HUMAN BEINGS

- Corruption, money laundering, Illegal gambling, Prostitution, Piracy



UNODC/SCIENCES PO

Source: UNODC

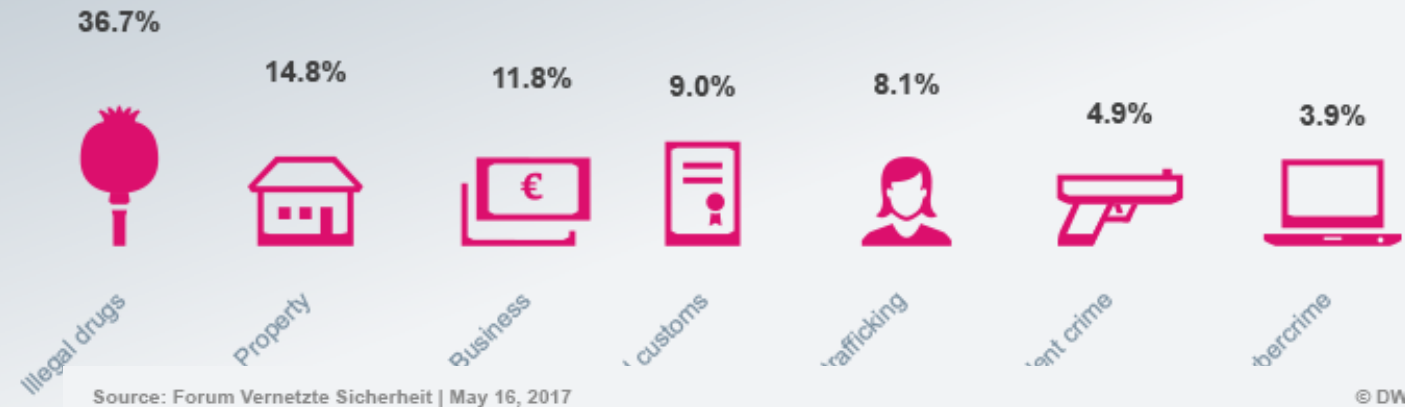
- |          |   |                               |             |
|----------|---|-------------------------------|-------------|
| Heroin   | Smuggling of migrants                     | Counterfeit medicines         | Timber      |
| Cocaine  | Female trafficking victims (main sources) | Piracy off the Horn of Africa | Gold        |
| Firearms | Counterfeit consumer goods                | Wildlife                      | Cassiterite |

# TOC in a Regional Perspective

## Europe =>

- **Germany:** Drug trafficking, various theft rings
- **Austria:** Human trafficking, drug trafficking ...
- **Denmark:** Smuggle illicit produce into Europe/Scandinavia, information technology, cybercrime, drug trafficking, property crime and terrorism
  - **Motorcycle gangs:** highest profile groups, involved in selling firearms + amphetamines
  - Links with **Colombian cartels** account for a significant percentage of **cocaine imports**

### Organized crime activities in illegal trade (Germany)







# Global Organized Crime Index 2021

1. TURKEY - 6.89
2. RUSSIA - 6.24
3. SERBIA - 6.21
4. UKRAINE - 6.18
5. MONTENEGRO - 6.00
6. BOSNIA A. H. - 5.89
7. ITALY - 5.81
8. SPAIN - 5.78
9. FRANCE - 5.66
10. ALBANIA - 5.63
11. BULGARIA - 5.43
12. N. MACEDONIA - 5.31
13. KOSOVO - 5.19
14. BELARUS - 5.08
15. CROATIA - 5.06
16. GREECE - 4.93
17. GERMANY - 4.90
18. IRELAND - 4.90
19. UNITED KINGDOM - 4.89
20. NETHERLANDS - 4.69
21. SLOVAKIA - 4.69
22. MALTA - 4.65
23. CZECH REPUBLIC - 4.63
24. ROMANIA - 4.59
25. SWEDEN - 4.56
26. PORTUGAL - 4.55
27. HUNGARY - 4.50
28. MOLDOVA - 4.45
29. BELGIUM - 4.34
30. SWITZERLAND - 4.34
31. SLOVENIA - 4.29
32. CYPRUS - 4.19
33. AUSTRIA - 4.04
34. POLAND - 4.01
35. DENMARK - 3.86
36. NORWAY - 3.81
37. ESTONIA - 3.60
38. LATVIA - 3.51
39. ICELAND - 3.39
40. LITHUANIA - 3.31
41. SAN MARINO - 3.01
42. ANDORRA - 2.96
43. FINLAND - 2.71
44. MONACO - 2.43
45. LUXEMBOURG - 2.36
46. LIECHTENSTEIN - 1.88

## HIGHEST SCORE

1. TURKEY - 6.89



2. RUSSIA - 6.24



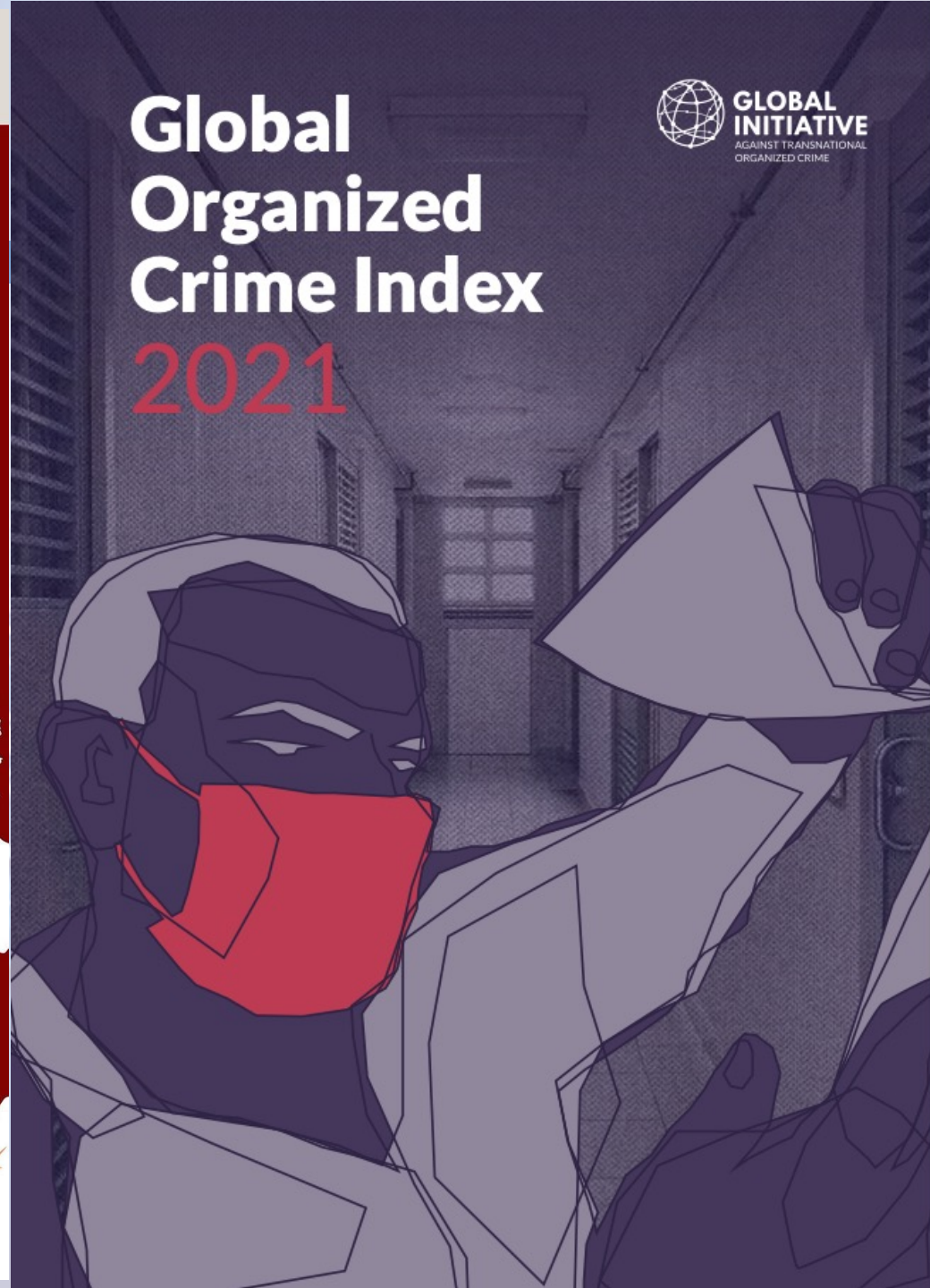
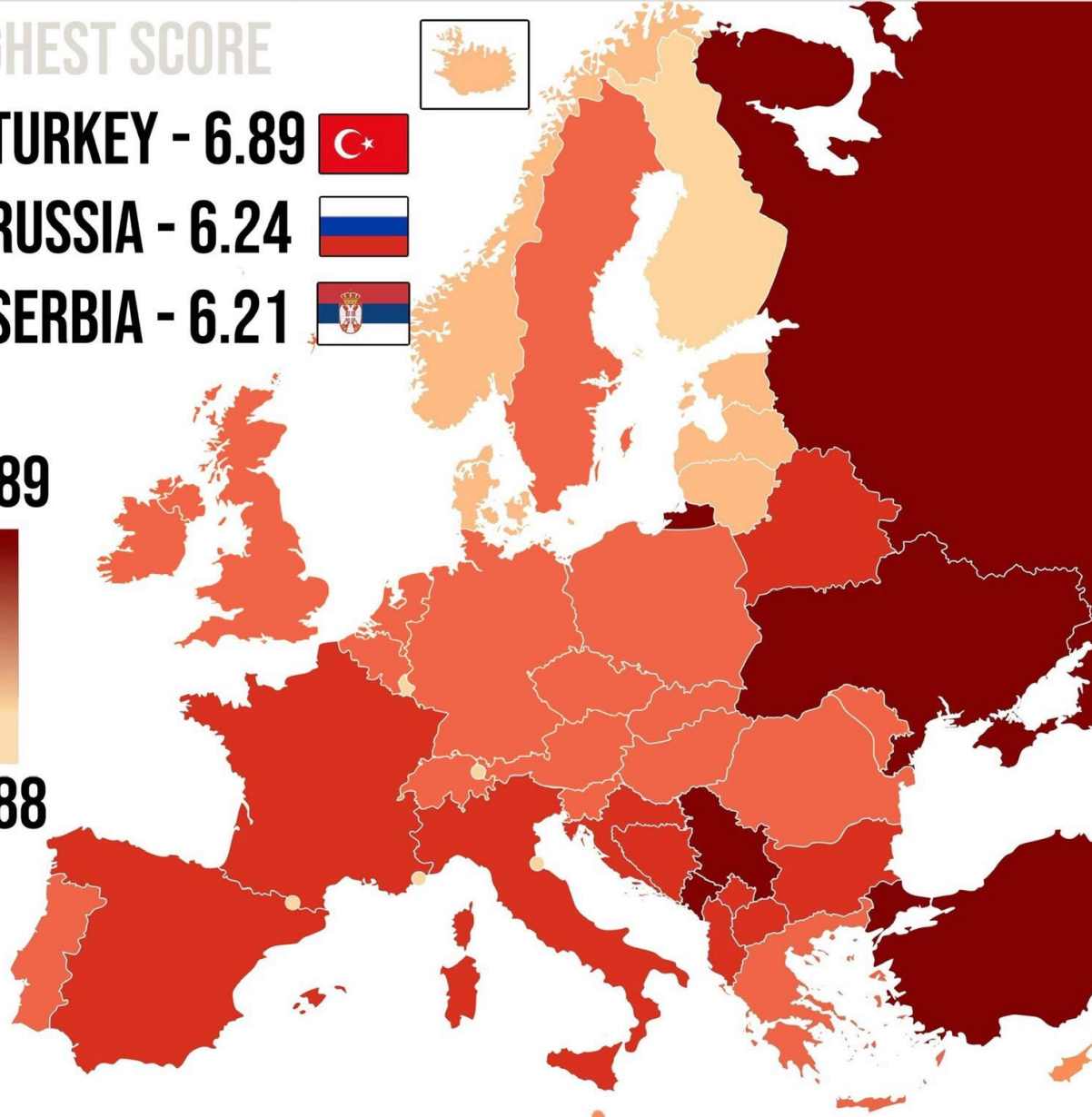
3. SERBIA - 6.21



6.89



1.88



# Organised Crime Groups

- Self-perpetuating **associations** of individuals who operate, wholly or in part, by **illegal means** and irrespective of geography
  - **Primary goal:** economic gain (also power, influence)
  - As **varied** as the markets they service & the activities they engage in
  - **Interconnected** and **internationally** active
  - Employ an **array of lawful + illicit schemes** to generate **profit**
  - **No single structure** under which TOCGs function
  - **Flexible** and **adaptable**
- TOCGs operate in a **criminal economy** + **social tolerance** for certain types of crime

# Organised Crime Groups

## Characteristics =>

- Existing **social** or **culturally-based** groups
  - **Hierarchical structures**
  - **Longstanding criminal activities + domestic influence**
  - **Socialize as a group**
- 'Ad Hoc' groups, **emerge** in order to **exploit** a **specific criminal opportunity**
  - **Small, inter-ethnic**
  - **Limited hierarchy + cohesiveness**
  - **Networking** among members occurs **when they need to carry out criminal activity**



# Transnational Mafias



- **Mafia** is a hierarchically structured society of criminals of primarily Italian or Sicilian birth or extraction
  - The term no longer only refers to Italian/Sicilian criminals
- **Transnational Mafias ‘export’ illegal activities through immigrant links** (Sicilian/Odessa Mafias in the US)
  - **Opening borders + mass emigration** after the break-up of the USSR provided Russian criminals an **opportunity to organize criminal enterprises abroad**, to create **networks among immigrants**
- The **Odessa Mafia** is considered the **dominant** Russian organized crime group in the **US**
  - Established in the **Brighton Beach** area of NYC, expanded in the 1980s
  - Involved in extortion, money laundering, fraud, loan sharking, homicide

# Operating Techniques

## Execute Transnational Criminal Activity =>

- Violence
- Online communication, satellite phones
- Money laundering & corruption

## Blending Formula

- Mixing **legitimate & illegitimate** activities/funds
- **Hard to detect** where criminal funds end and legitimate funds begin
  - **Bank of New York case in 1999: Global money laundering operation, Illegal transfer of billions of dollars through one of the world's biggest banks**

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## Russian mob 'used US bank' to launder cash

Detectives fear press reports have damaged transatlantic inquiry into illegal transfer of billions of dollars

Jane Martinson in New York and Dan Atkinson

Fri 20 Aug 1999 02:31 BST



3

United States authorities are investigating allegations that the Russian mafia has infiltrated the Bank of New York in what could be one of the largest ever money laundering operations on Wall Street.

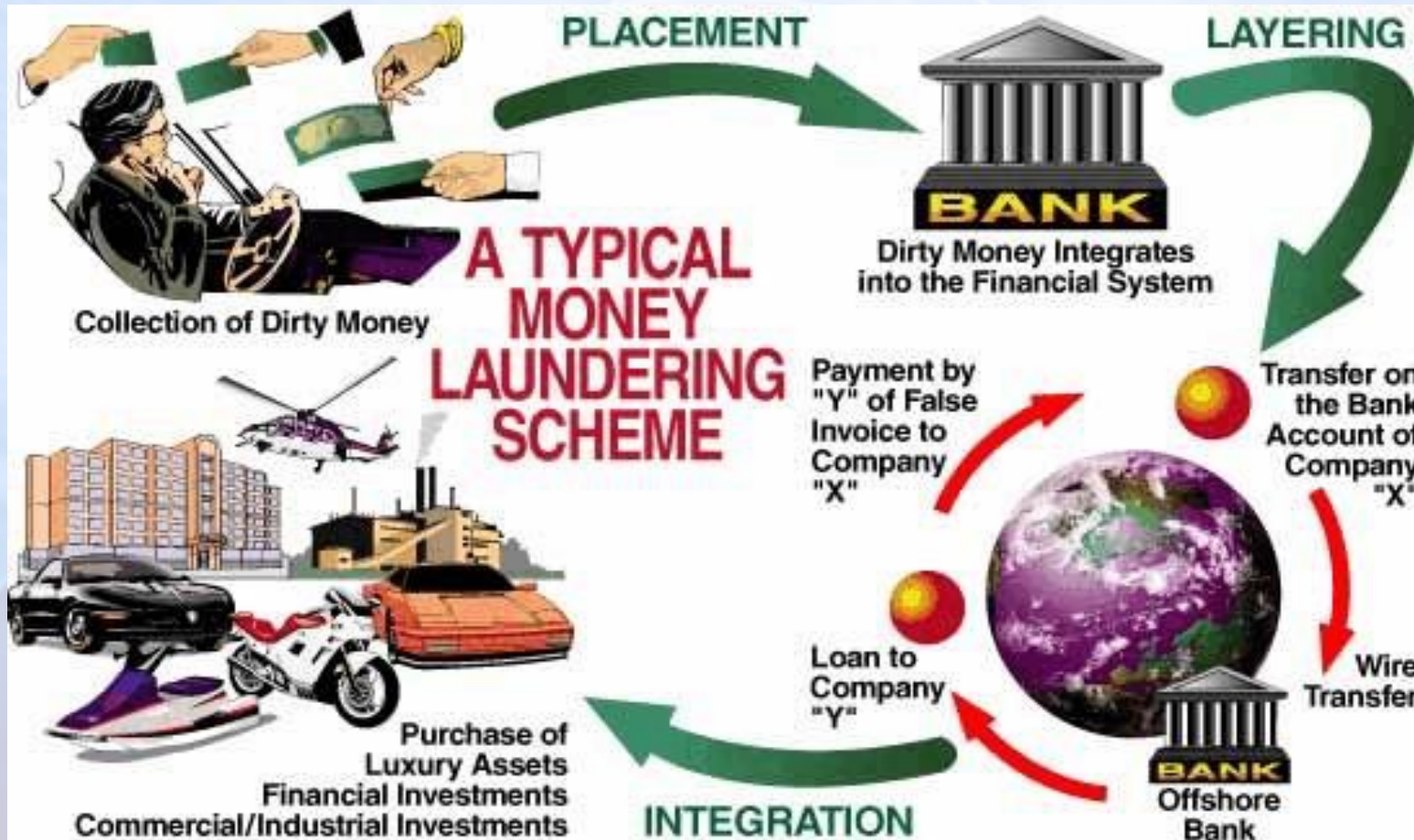
But American press reports have seriously compromised the London end of the inquiry carried out by Britain's national crime squad.

The investigation by the US attorney's office in New York and the FBI involves the alleged illegal transfer of billions of dollars through one of the world's biggest banks. A report in the New York Times has suggested that up to \$10bn (£6.25bn) passed through the bank's accounts in a global money laundering operation.

British authorities are understood to have first alerted the US investigators to the mafia's activity last year, after an investigation into Russian organised crime and the City.

# Money Laundering

- Movement of **illicit funds** for the purpose of **concealing** their true **source, ownership** or **use**



- Money derived from **criminal activity** turned to funds with a legal source
- Essential to long-term, lucrative criminal activity
  - Provides the **fuel** for criminal activities + **expansion** thereof

# Money Laundering

- **Rapid developments** in financial information, technology, communication, **globalization**, allow money to move **globally, quickly** and **easily**
  - **Dollarization** of black markets
  - General trend towards **financial deregulation**
  - Increase in financial secrecy havens
  - Cryptocurrencies
- Combating money-laundering is more **challenging** than ever



# Human Trafficking



- The **illegal sale/ trading of persons across borders** against their will for **financial gain**
- Often includes an element of **smuggling**, an **international crime**
- Negative consequences:
  - Fuels organized crime
  - Deprives of human capital
  - Undermines public health
  - Promotes social breakdown
- **Women** are particularly susceptible to be trafficked
  - **Not the same as prostitution**
- **Children's trafficking**



# Migrant Smuggling

- The procurement, to obtain a financial/other material benefit of the illegal entry of a person into a state of which the person is not a national or permanent resident (UN, 2000)
  - **Consent** to being engaged in criminal activity
  - **Economic deprivation, political instability + ethnic strife** may motivate individuals to **illegally cross borders** in search of a better life
  - Essex lorry deaths (October 2019)
- About 300k people are smuggled into western Europe each year (estimated)

## THE UK'S PEOPLE SMUGGLING ROUTES

Smuggling gangs charge illegal immigrants thousands to sneak them from the continent into Britain on dangerous journeys via these ports.



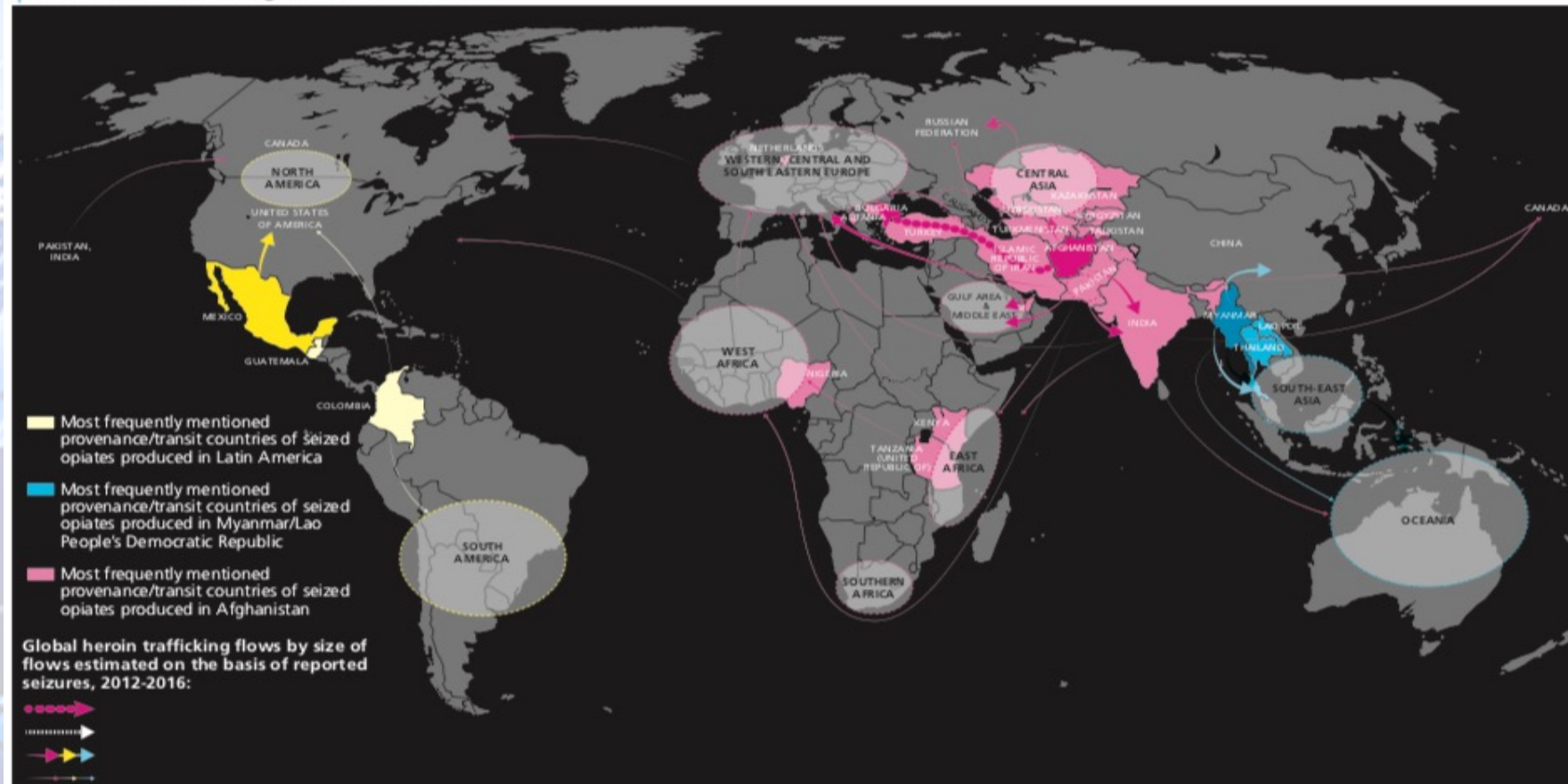
# Drug Trafficking

- Global illicit trade involving the cultivation, manufacture, distribution & sale of substances subject to drug prohibition laws

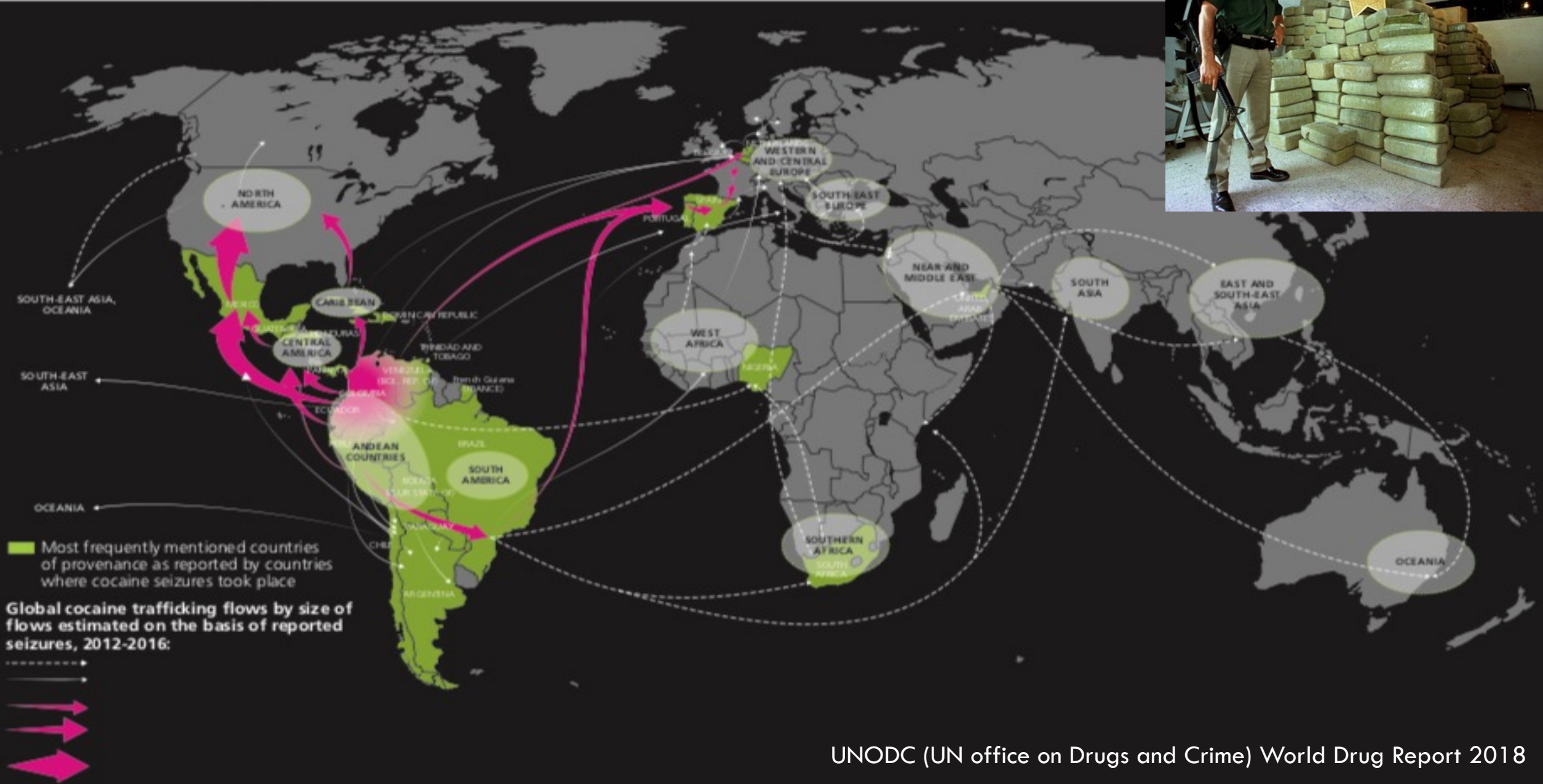
- **Illegal drug trafficking:** largest source of **profits** for international organized crime groups & **terrorists:**

- Narcotics: 2/7% of global economy (IMF/UN)

Main heroin trafficking flows, 2012–2016



# Main cocaine trafficking flows, 2012–2016



# Narco-terrorism

- **Link between terrorism & narcotics**
  - Drug cultivation, transport & distribution are **recurrently** used to **support terrorist activities**
- Threatens **public safety & national security**
  - **Compromise political systems** by increasing corruption, infiltration by criminal entities, undermine the legal economies, damage judicial & law enforcement capacity
- Narcoterrorism is also associated with:
  - Combating the **Colombian Medellin, Cali cartels, Tamil Tigers** (Sri Lanka)
  - The rise of the **Taliban** and **Al Qaeda** in **Afghanistan** and the Islamic Movement of Uzbekistan throughout the Central Asian Republics

# Crime & War Economies

War provides opportunities for organized crime through:

1. **Diminished law enforcement ability**
2. **Economic hardship, black-market economy**
  - Goods traffickers have an **interest** in a prolonged conflict
3. **Armed groups need to generate revenue**
  - Combatants in civil wars often **fund their activities through criminal activities**
  - Transborder involvement to **destabilise neighbours and exploit their resources illegally**



- Organized crime affects the **intensity & duration of war**

# International Response to TOC

## International conventions =>

- 1976: Declaration of Principles to combat the abuse of narcotic drugs
- 1988: Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances
- 1997: Association of Southeast Asian Nations Declaration on Transnational Crime
- 1998: Manila Declaration on the Prevention and Control of Transnational crime
- 2000: UN Convention against corruption
  
- TOC poses a threat to all **core areas** of the UN's work: **Peace & security, human rights, development**
- 2003 => **United Nations Convention Against Transnational Organized Crime**
  - Aimed at **developing & monitoring** binding **agreements** that **target TOC**

# International Response to TOC

- Such measures include:
  - Criminalizing participation in specific groups
  - Money-laundering laws
  - Extradition laws
  - Specific victim protection measures
  - Law enforcement provisions
- **Supplementing UN protocols:** Protocol to Prevent, Suppress and Punish Trafficking in Persons, Protocol against the Illicit Manufacturing and Trafficking in Firearms, their Parts and Components and Ammunition
- **Successful international response to TOC:** Countering piracy off the coast of Somalia (2009), significant & sustained reduction in the scale of a transnational threat
- 22/54 UNSC resolutions in 2018 (referred to organized crime), reflecting significant **recognition** of the problem, put it on the **international security agenda**

# Next Session...

24

- **Security Cooperation**
- 



**Thank You For Your Attention!**

**Questions???**

A stylized world map is centered on the slide, rendered in a light blue and white color scheme. The map is overlaid with a network of glowing white nodes and connecting lines, suggesting a global network or data flow. The background of the entire slide features a pattern of light blue rays emanating from the top center, creating a sense of depth and connectivity.