

Transnational Crime and Security Threats


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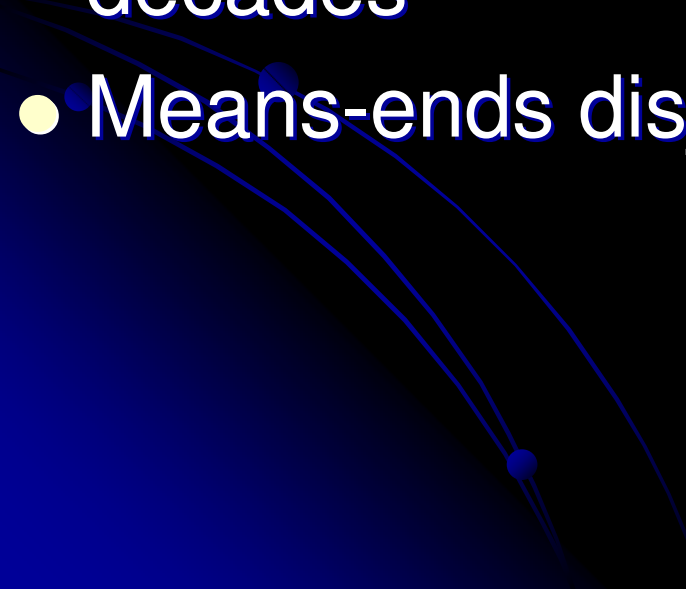
Growing security threat?

- Systematic research and reliable data are lacking
- Anecdotal and incomplete information
- Neglect of structural factors underlying the demand for illegal goods and services
- Baseless speculation
- Selective (in-) attention
- Counter-productive policies

- Some risks exaggerated
 - TOC-T connection overblown
 - Serious problems unattended
 - International community overwhelmed with new standards and rules
 - Legitimacy issues (intl governance)
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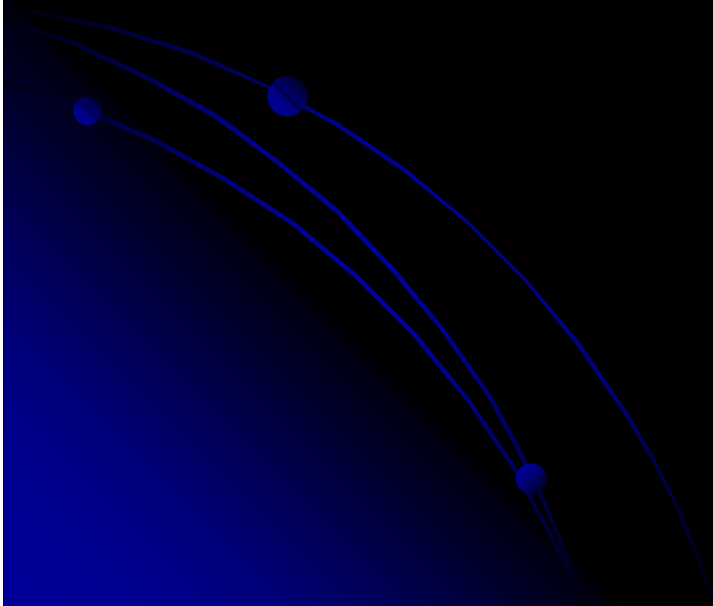
Criminogenic Asymmetries

- Structural discrepancies in the realms of law, the economy, politics, culture, technology
- Produced when unequal actors or systems with distinctive features interact
- Crime-producing potential
 - Fuel demand for illegal goods and services
 - Incentives to participate
 - Weak controls

- Globalism and neo-liberal policies foster new needs and desires left unfulfilled
 - Promises of more freedom, prosperity, and equality broken
 - Economic and power inequalities widened within and across countries in the last 2.5 decades
 - Means-ends disjunctions systematically created
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Effect of globalization and market reforms

- Multiply asymmetries
- Activate their criminogenic potential
- Intensify their effects



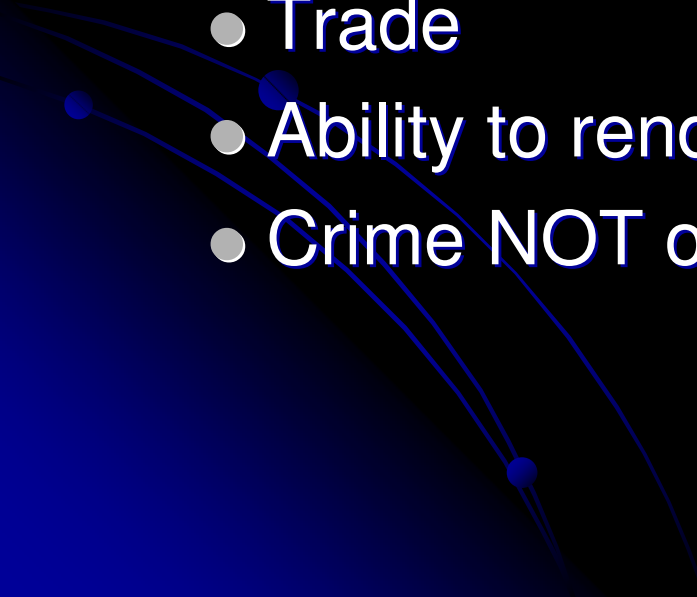
Examples of criminogenesis

- Toxic waste dumping
- Tax evasion
- Pharmaceuticals and marketing/testing
- Money laundering
- Corruption – speed money
- Pinto prosecutor-defense
- Subsidies and EU CAP

Global Anomie and Asymmetries

- Anomie is a withdrawal of allegiance from conventional norms and a weakening of these norms' guiding power on behavior
- Caused by structural conditions
- These make deviance 'thinkable' and affect likelihood of misconduct
 - Strain
 - Conformity to deviant [sub]-culture

Crime is more global too

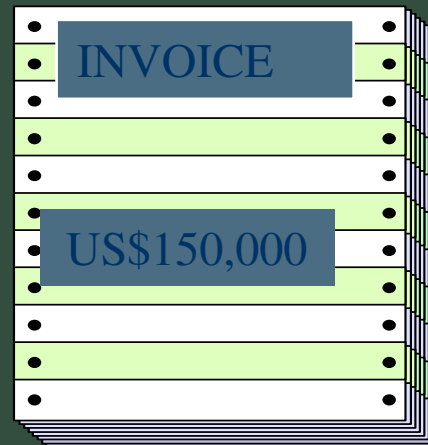
- Small players and non-state actors empowered
 - Control capacity stronger or weaker?
 - Regimes with vulnerabilities and big gaps
 - Trade
 - Ability to render transparent
 - Crime NOT out of control
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Under Invoicing



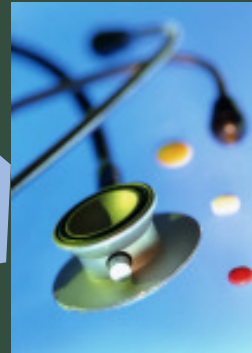
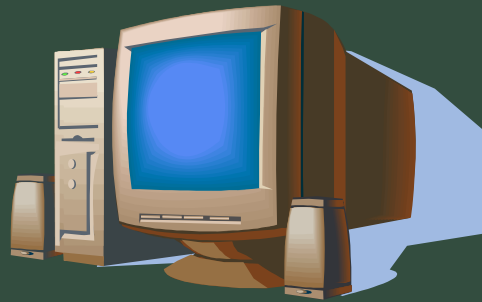
Value goes from London to South Asia

Under Invoicing



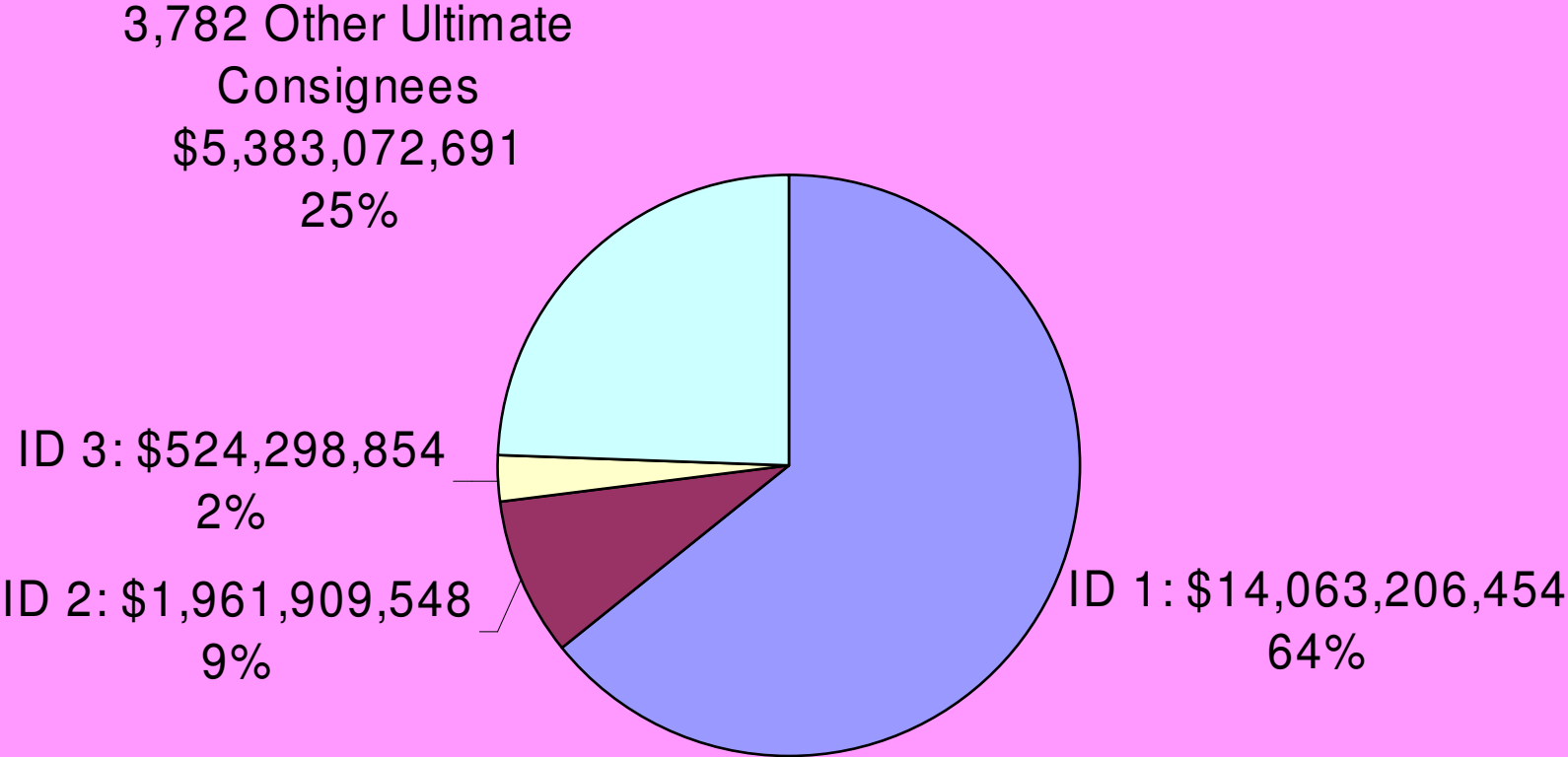
SA sends B \$150,000 and receives invoice

Under Invoicing



for \$250,000 worth of computer hardware or medical equipment, which balances B's \$100,000 debt to SA

Top 1 Diamonds broker > .5 Carats \$21,932,487,547



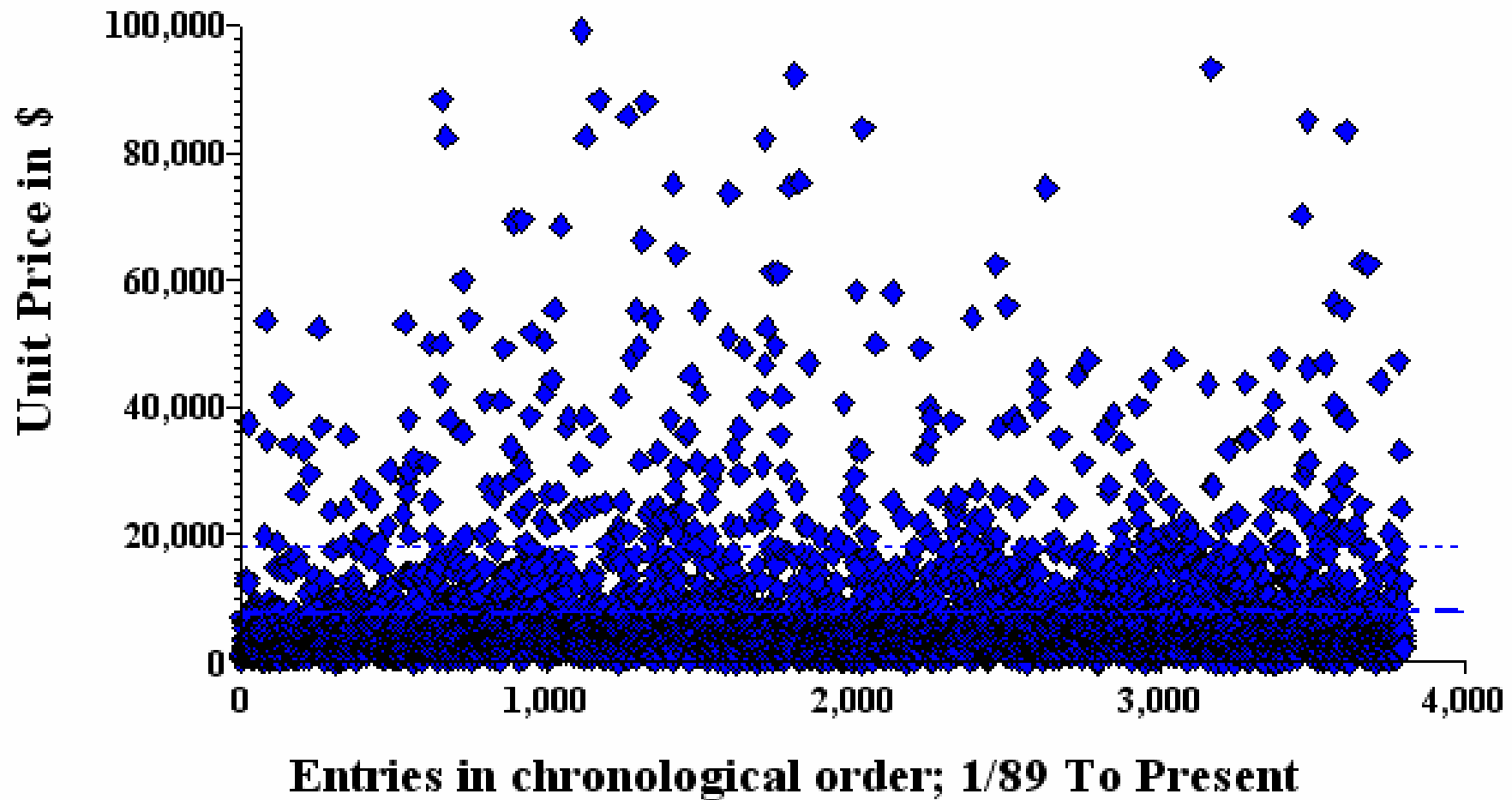
Is anybody watching?



DATE	CO. OF ORIGIN	CO. OF EXPORT	
20030709	GB	GB	Rough diamond import declarations
20030711	GB	GB	
20030715	GB	GB	
20030722	GB	GB	
20030725	GB	GB	
20030821	GB	GB	
20030822	GB	GB	
20030823	GB	GB	
20030827	GB	GB	
20030830	GB	GB	
20030910	GB	DE	
20030925	GB	GB	
20030929	GB	GB	
20031002	GB	GB	
20031007	GB	GB	

Polished diamonds

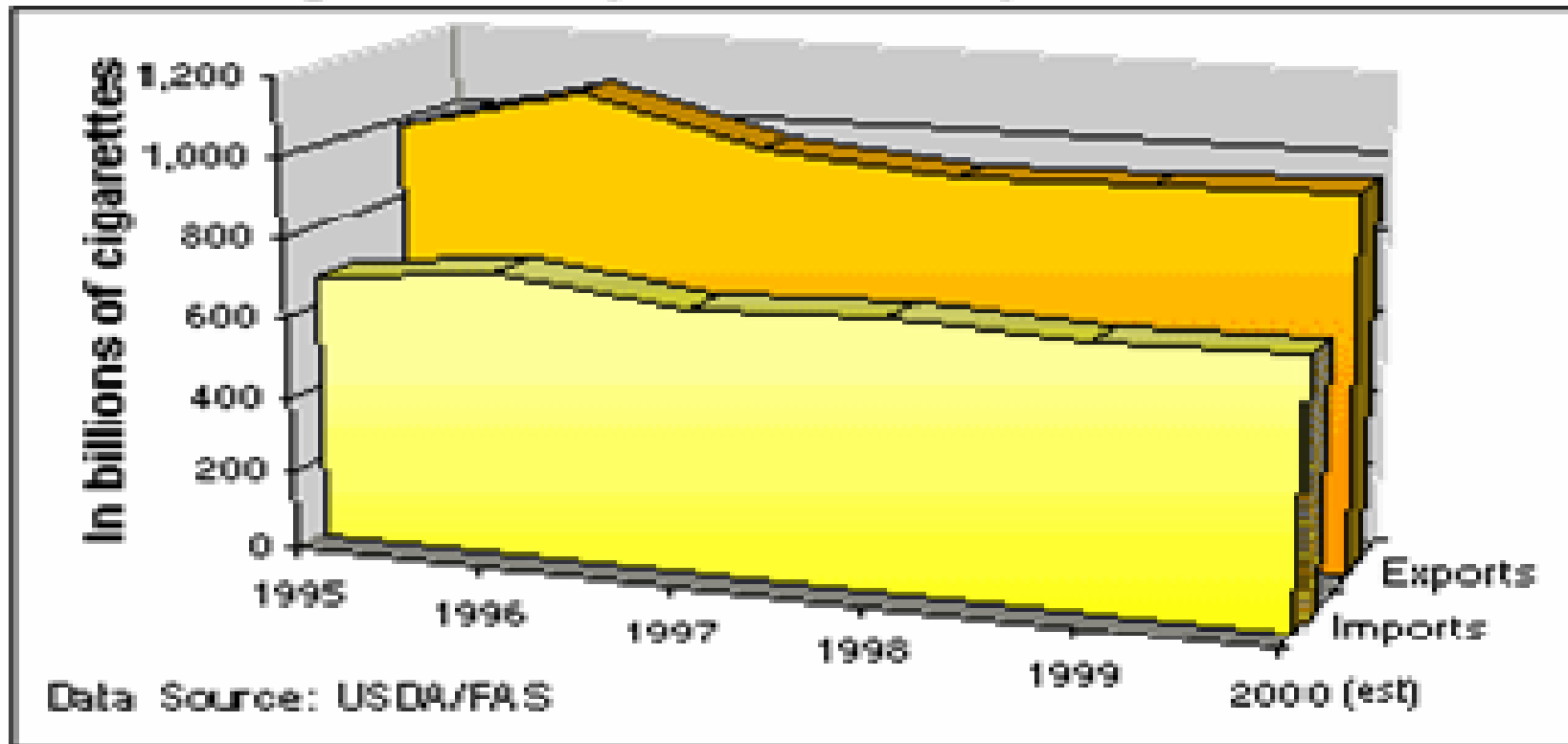
Unit Prices for co GB



Global Tobacco Imports and Exports



Global Cigarette Imports and Exports



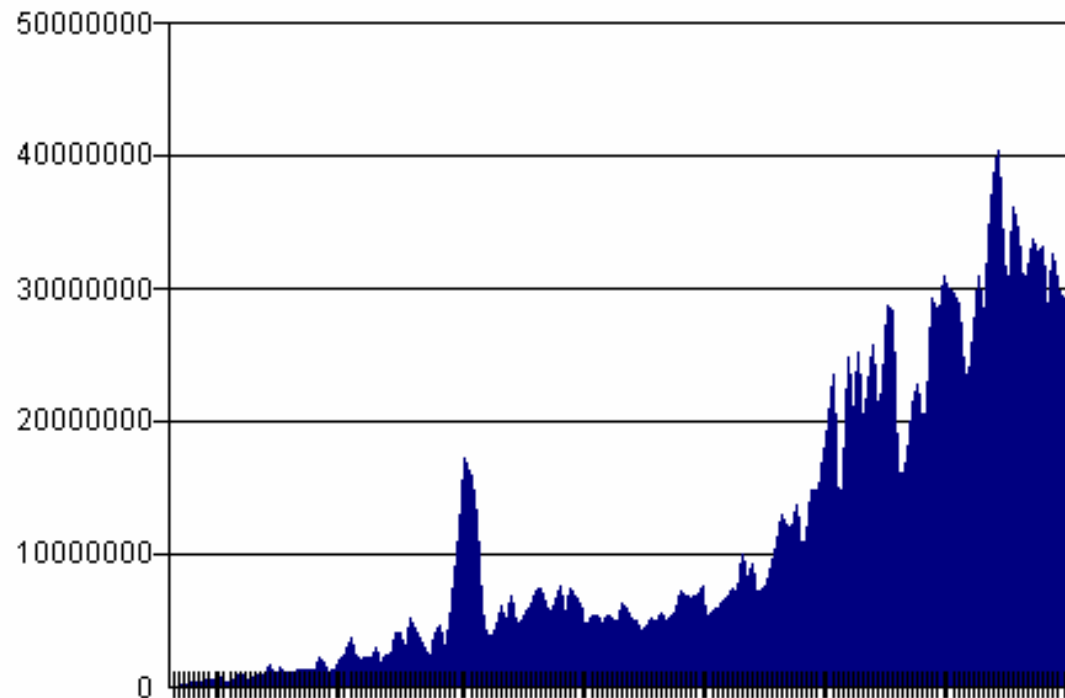
The disparity between global exports and global imports has averaged around 30%.

Tobacco imports to US



Sum of Line Value by Month for HTS:
2402208000

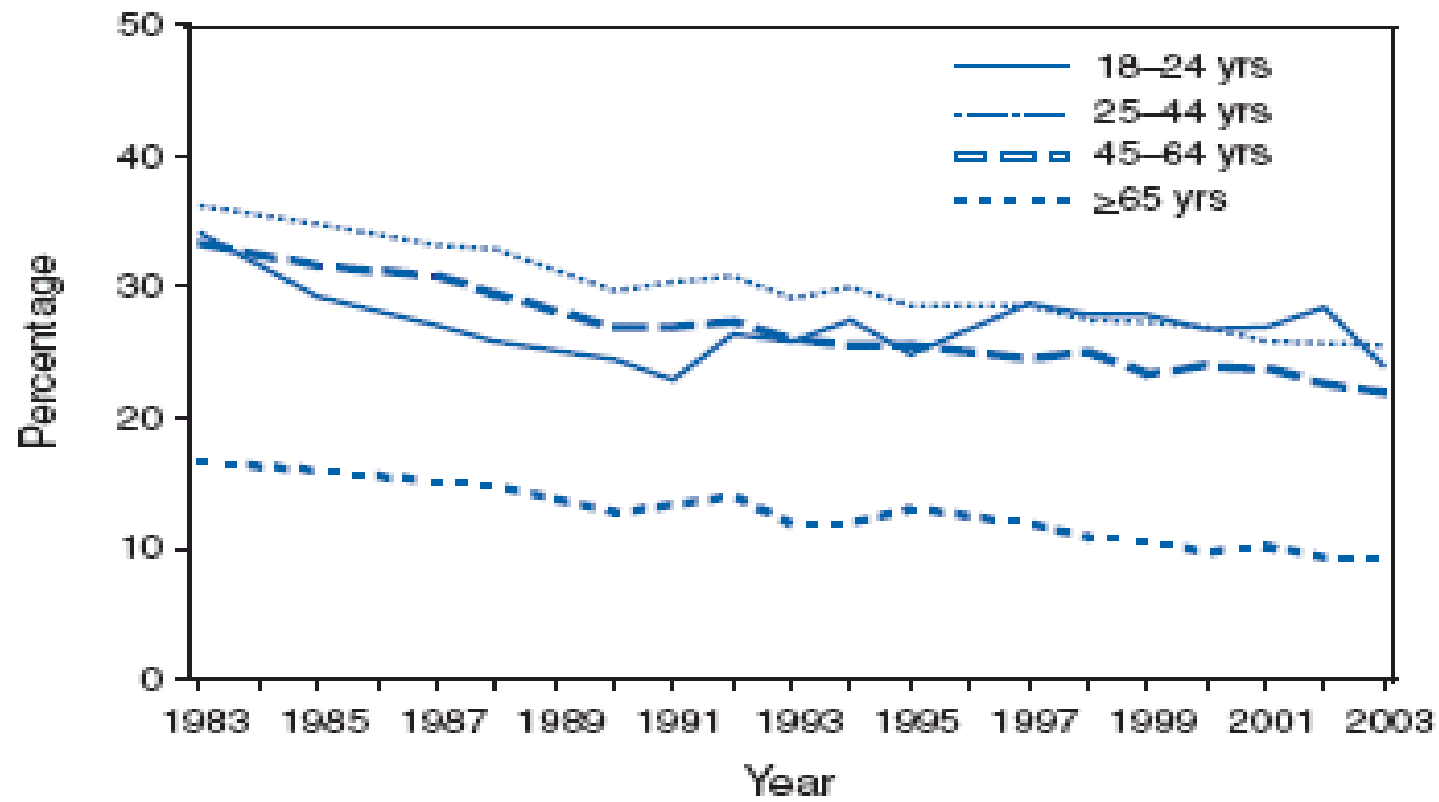
Sum of
line value
in \$



why do imports grow when the rate of smoking went down?



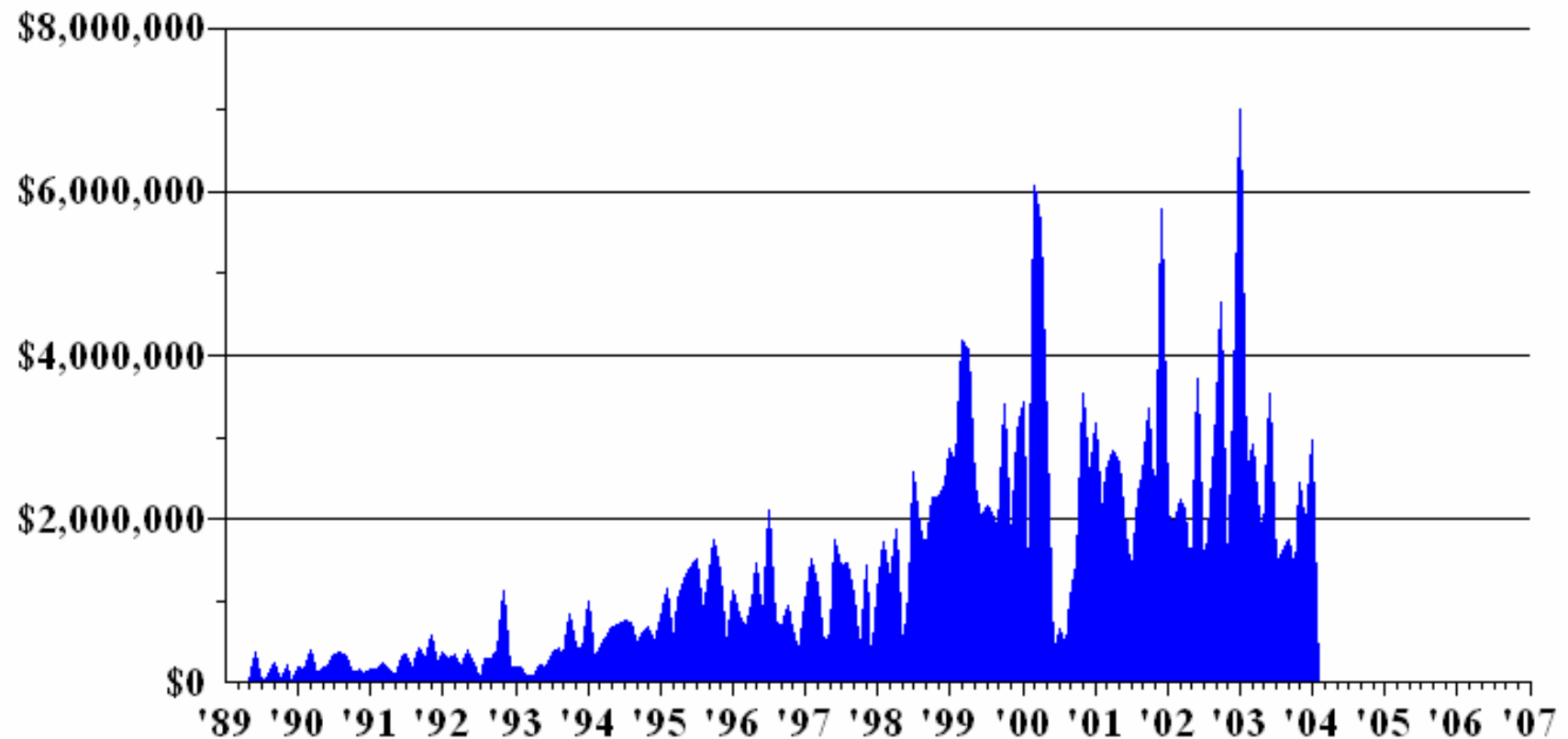
FIGURE. Percentage of current cigarette smoking among persons aged ≥ 18 years, by age group and year — National Health Interview Survey, United States, 1983–2003



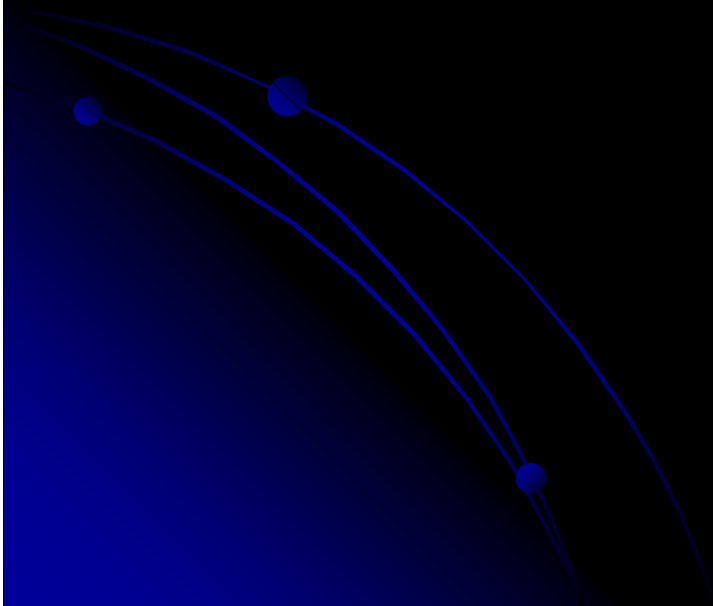
Mostly from Japan and CH



Sum of \$ by month, co=JP




Crime in the shadows?



Broad Context

- The “regulatory tsunami”: UNTOC, UNCAC, AML/CFT
- Main goal: fight serious crime
- Other goals too: security, peace, good governance, human rights, poverty, economic growth, public health, the environment
- Externalities: privatization of controls, less accountability, risk of injustice, economic disruptions
- Legitimacy v. “paper compliance” and illusions of success

Post 9/11

- UNTOC lost momentum
 - Claiming linkages that are not there
 - Unintended effects of policy: sustain illegal markets and fuel radicalism
 - Neglect of illegal enterprises as security threat of its own
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TF and OC typology

- protection or informal taxation of illicit trade (e.g., Shining Path, AUD, FARC, IRA).
- ideology as camouflage for a criminal enterprise (eg KLA).
- Direct involvement in illicit trade (IMU or Abu Sayyef).
- partnership in illicit trade (e.g., PKK)
- individual members occasionally get involved in the trade (e.g., LTTE, 17th of November and others).
- traffickers sympathize with a cause and make a contribution
- Simple exchange relations (e.g., arms traffickers selling to FARC)

- Enormous populations are more vulnerable to exploitation, criminal victimization, and recruitment in illicit enterprises or rebel and fundamentalist groups.
- Normative standards and control mechanisms are weak or completely absent when they are needed the most.

Need for

- Evidence-based policy making
- Thoughtful threat assessment
- Trade transparency
- Strengthen and respect international norms
- Long-term strategy: address asymmetries and grievances

Thank you so much

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