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)
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
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
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

- 3,782 Other Ultimate Consignees
  $5,383,072,691
  25%

- ID 3: $524,298,854
  2%

- ID 2: $1,961,909,548
  9%

- ID 1: $14,063,206,454
  64%
Is anybody watching?
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Rough diamond import declarations
Polished diamonds

Unit Prices for co GB

Entries in chronological order; 1/89 To Present
Global Tobacco Imports and Exports

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

Data Source: USDA/FAS
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?
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
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 (e.g., 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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