

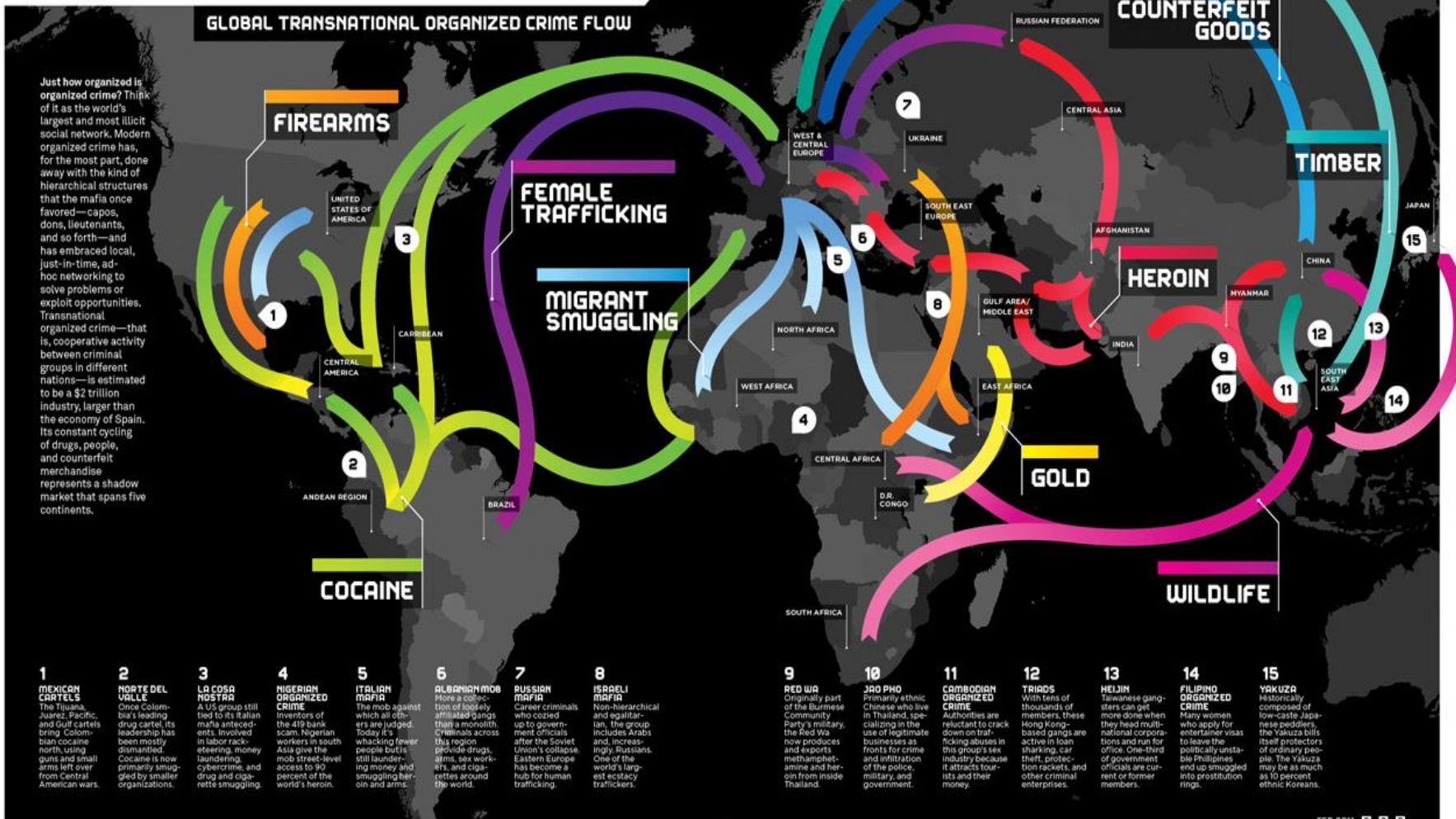
Indo-Pacific Transnational Organized Crime (TOC)

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CRIME, ORGANIZED

BY PATRICK DI JUSTO

The Mafia, La Cosa Nostra, the Yakuza, the Mexican cartels—the underworld is ruled by a complex network of criminal groups. Here's how they all fit together.



SOURCES: UNITED NATIONS OFFICE ON DRUGS AND CRIME, US DEPARTMENT OF JUSTICE

Transnational organized crime (TOC)

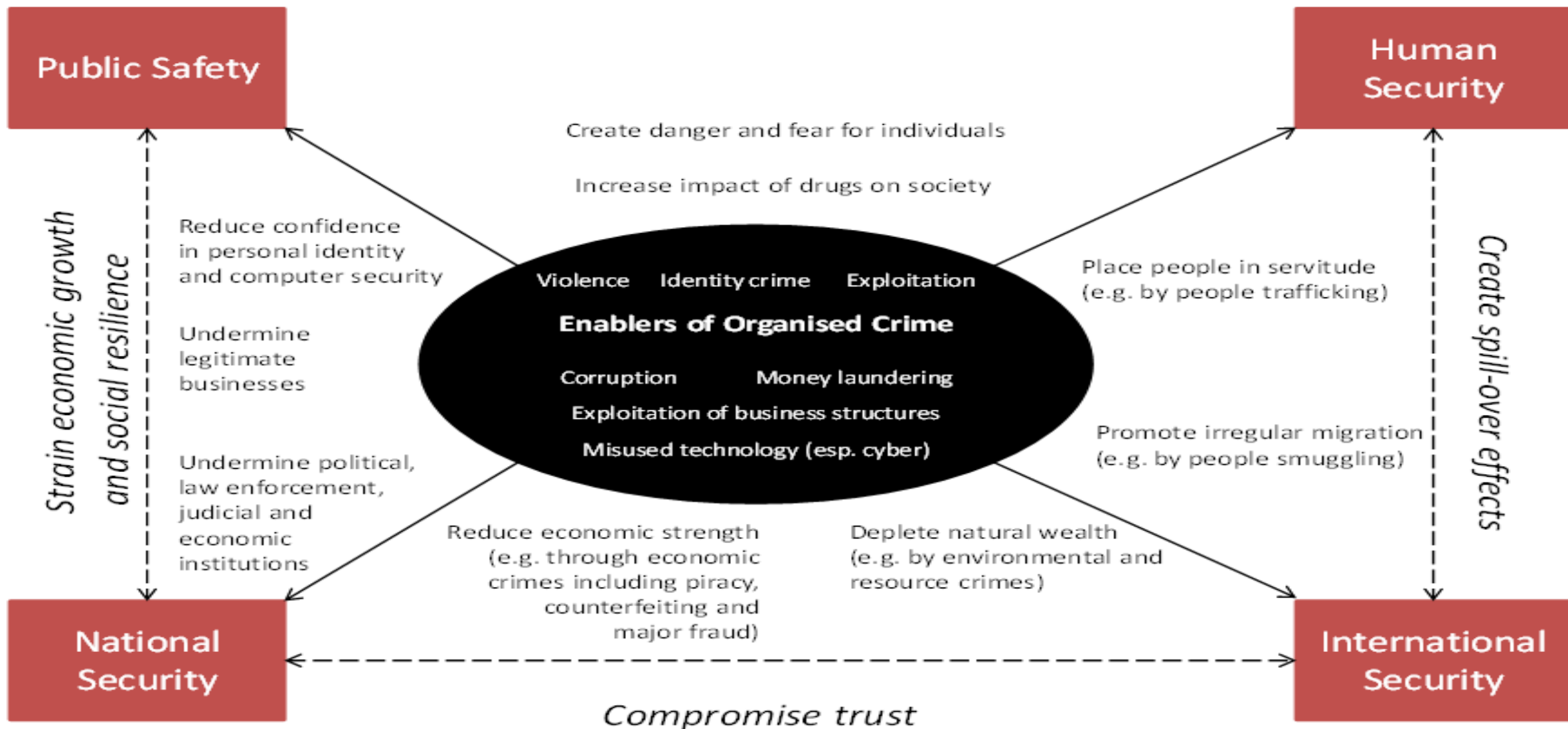
- Organized crime coordinated **across national borders**
- Involves groups or markets of individuals working in more than one country to **plan and execute illegal business ventures**
- In order to achieve their goals, these criminal groups often use systematic **violence and/or corruption.**



Retail Value of Transnational Organized Crime



Relationships Between Organised Crime and Security



Key: Main effect on the bond between security referents is shown in italics

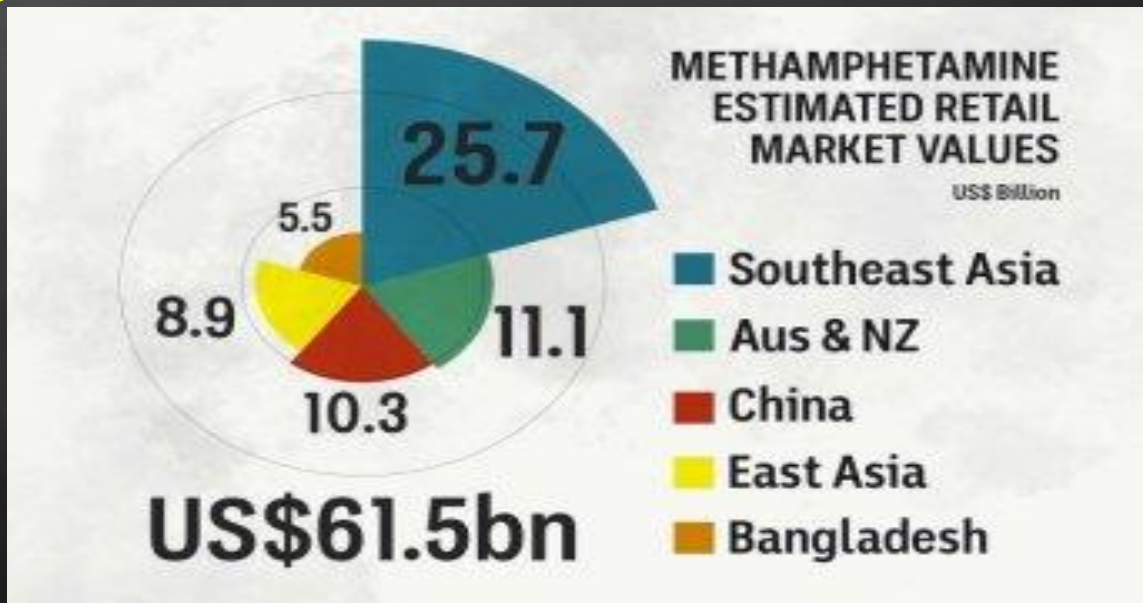
TOC in the Indo-Pacific

The image features a map of the Indo-Pacific region, divided into several sub-regions: Micronesia, Melanesia, Australasia, and Polynesia. Key geographical features include the Tropic of Capricorn and the Pacific Ocean. Three circular callouts on the map point to specific locations: Papua New Guinea, the Solomon Islands, and Fiji. Three inset images are included: 1) A tropical island with a boat in the water. 2) A person in a blue shirt with 'SIPF FORENSICS' on the back, sitting at a table with evidence bags. 3) A stack of evidence bags. A DEA reward poster is overlaid on the map, featuring three mugshots and the text: 'REWARD OF UP TO \$10,000,000.00 USD FOR INFORMATION LEADING TO THE ARREST OF: Nemesio Ruben Oseguera Cervantes "EI MENCHO"'. A 'COMANCHERO NEW ZEALAND' logo is also present in the bottom right corner. A scale bar at the bottom left shows 0 to 1,500 miles and 0 to 1,500 kilometers.

DRUG TRAFFICKING

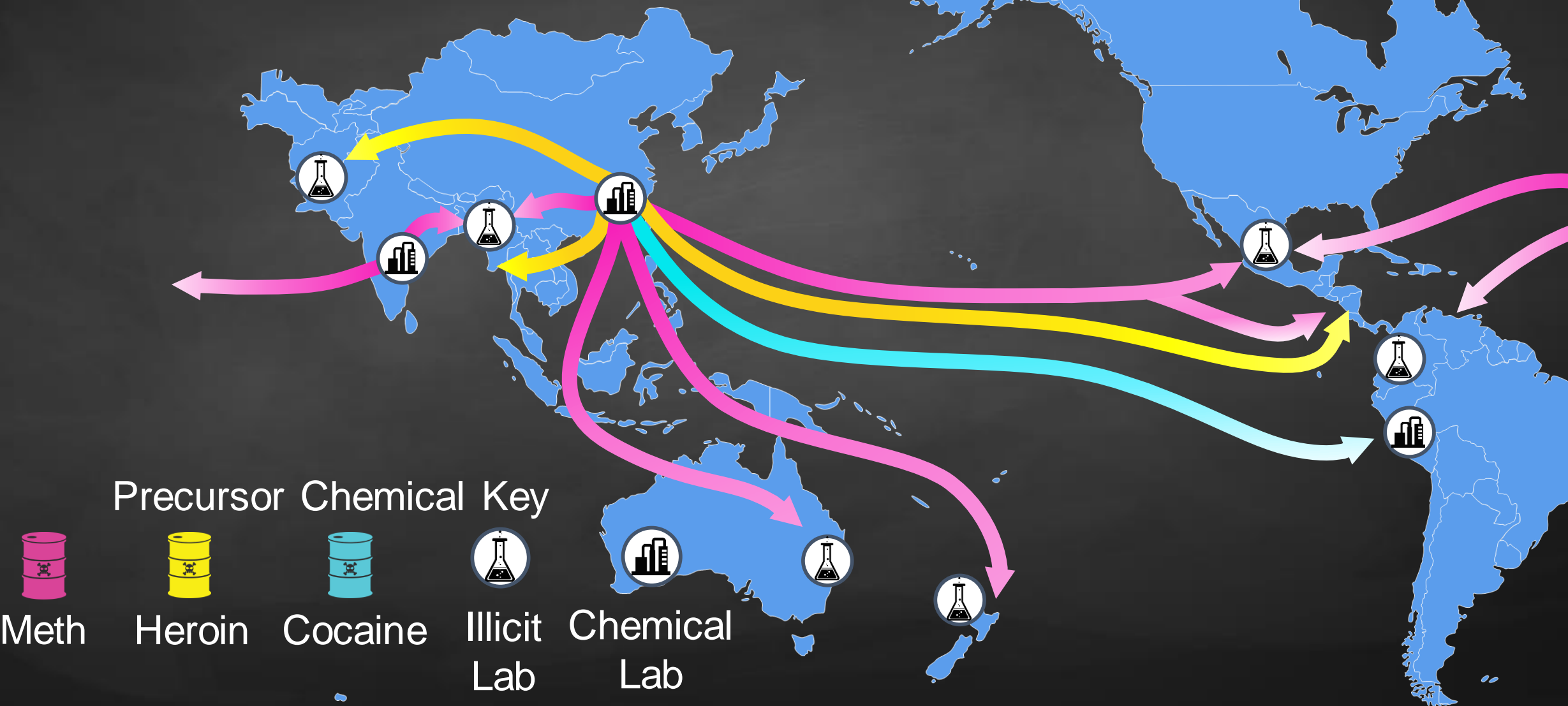
- The Asia-Pacific meth market is now the **biggest in the world**
- Illicit methamphetamine production in South-East Asia, neighboring Australia, Myanmar, and Bangladesh, is estimated to be worth between **\$US30.3 and \$US40.5 billion**.

1,884,360,000,000 Thai Baht



Source: UNODC

Precursor Chemical Flows



Maritime Trafficking of Finished Drugs



Western Hemisphere cocaine has a prominent market in the Indo-Pacific region



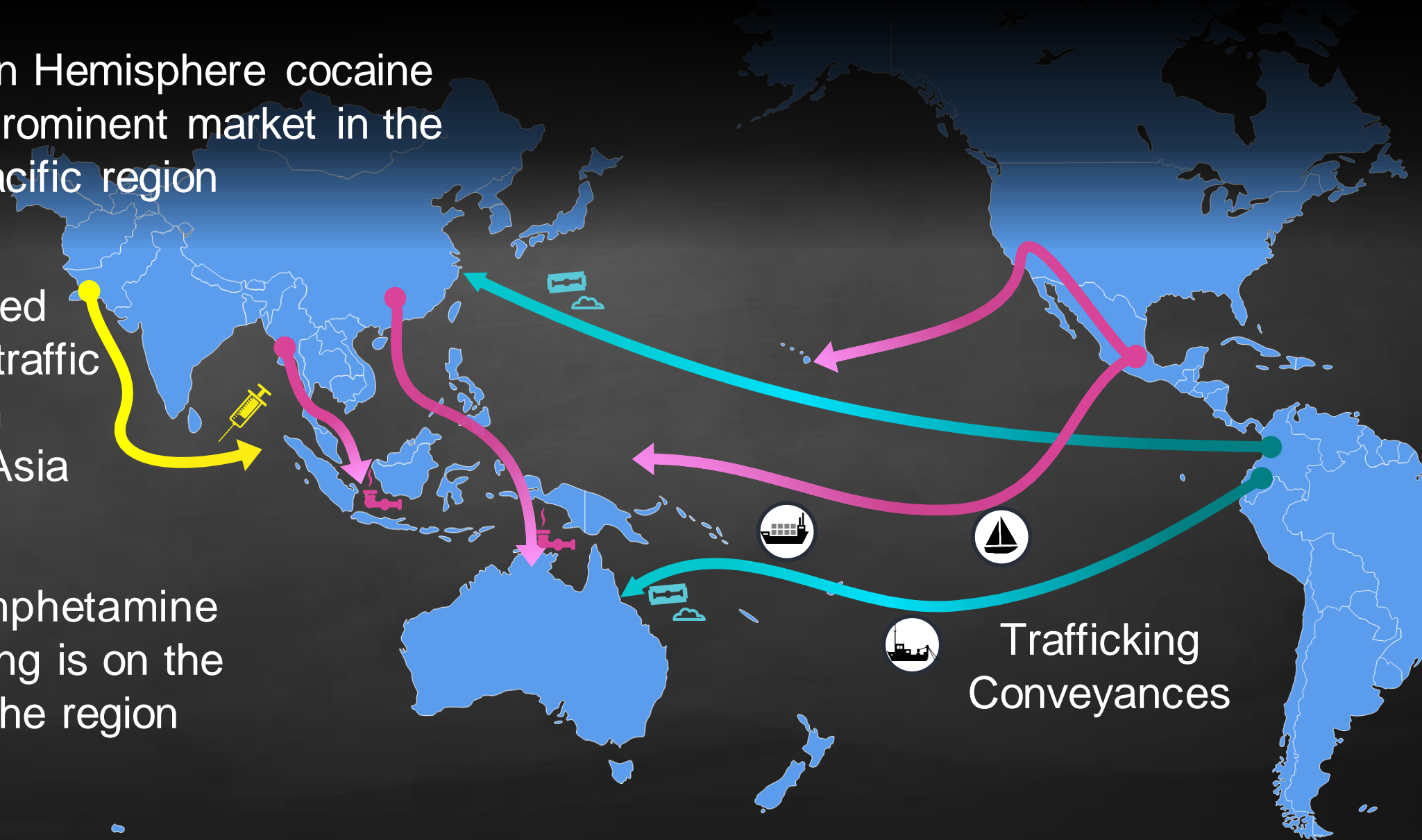
Increased heroin traffic through South Asia



Methamphetamine trafficking is on the rise in the region

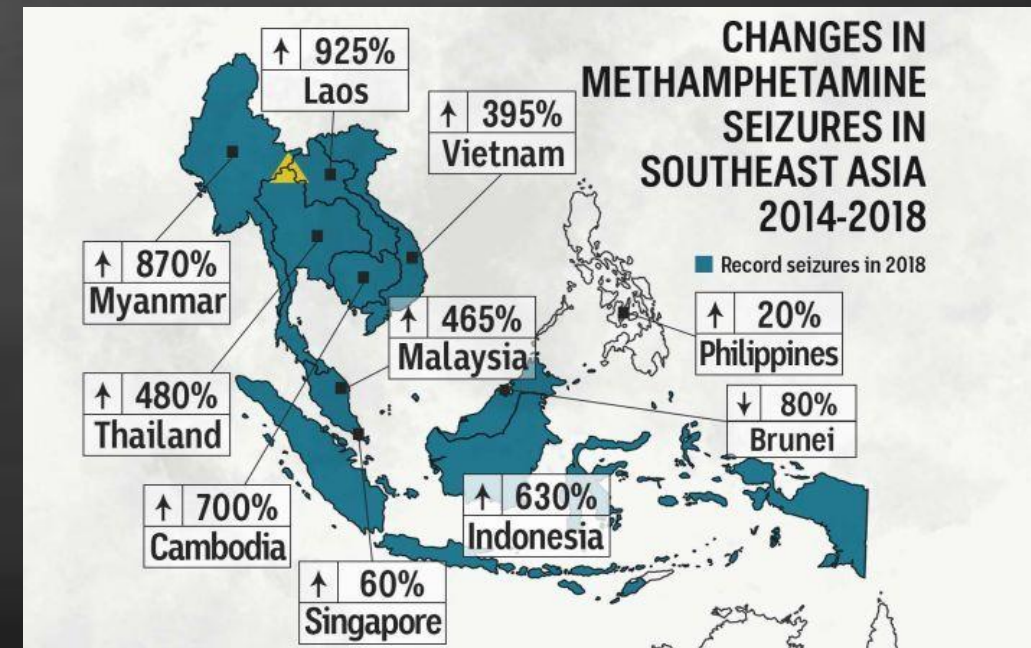


Trafficking Conveyances



The Death Penalty and Drugs

- Despite a tough approach, including the death penalty in several countries, a July 2019 report by UNODC found that **South-East Asia was producing methamphetamine in "quantities unimaginable a decade ago."**
- Comparisons of Indonesia, Malaysia and Singapore show that the **rate of executions has no effect on the prices of drugs nor on the relative rates of drug prevalence.***
- Research has shown there is **no evidence that killing criminals has the impact of stemming the drug trade.***



INDO-PACIFIC RESPONSE TO DRUGS: Potential Solutions

- Drug **supply reduction measures** (e.g. transitioning farmers from opium poppy) need to be accompanied by **demand reduction and social support measures**.
 - Development of sustainable livelihoods for opium growing communities should be prioritized in conjunction with health and social services.
- **Improving border management and intelligence-sharing**
- Strengthen **operational capacity and communications** of drug law enforcement at key entry and exit points throughout the region.



INDO-PACIFIC RESPONSE TO DRUGS: Potential Solutions

- Reduce the diversion and trafficking of precursor chemicals to heroin manufacturing areas.
- Enhance forensic capacity of countries in the region to detect potent synthetic opioids and their related precursors, and to develop drug mortality data.



Illegal Migration and Human Trafficking



Trafficking in persons is a form of crime deeply rooted in **broader development issues** including poverty, education, child labor, abuse and exploitation, gender inequality and discrimination, migration and the effects of climate change.

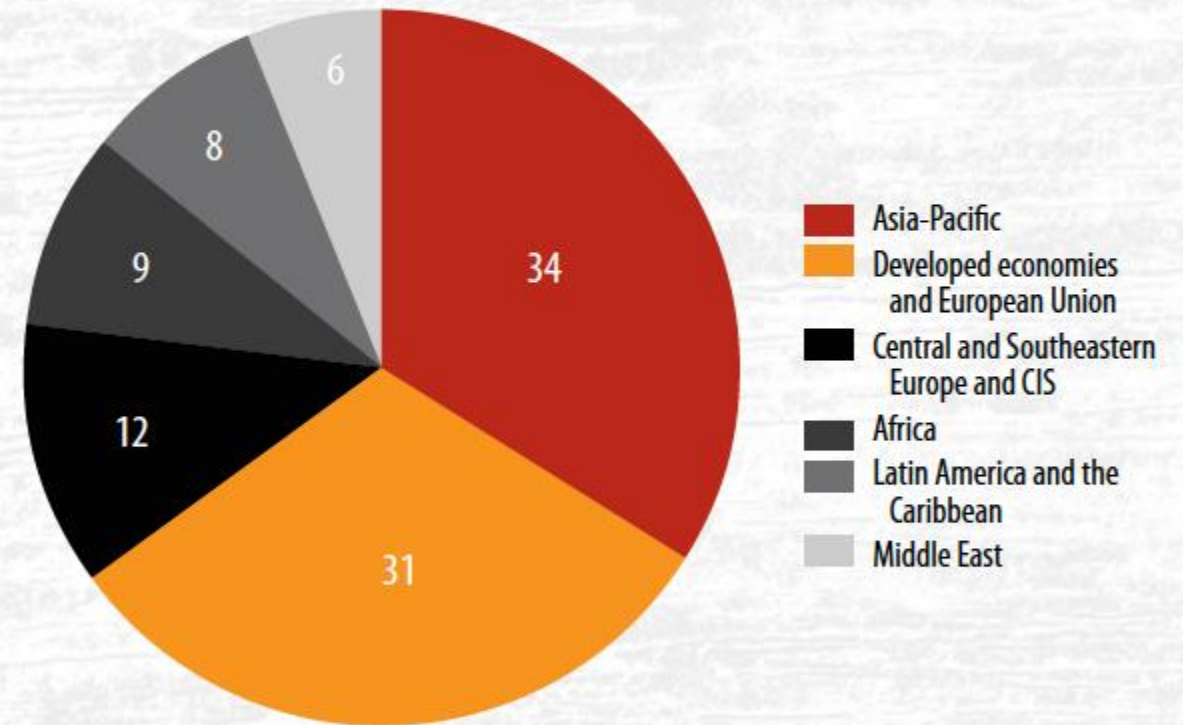
Illegal Migration and Human Trafficking

- People **escaping from war zones and from persecution** are particularly vulnerable to human trafficking.
 - **More likely to make dangerous migration decisions** out of desperation.
- **Women are especially vulnerable** to trafficking for forced marriage especially in Southeast Asia, and for sham marriages in affluent countries.

Lucrative trade

Human trafficking is estimated to be one of the most profitable forms of organized crime, generating \$150.3 billion a year in profit globally. The Asia-Pacific region is the most lucrative.

(estimated average annual profits generated from trafficked forced laborers, percent of global profits)



Source: International Labour Organization. 2015. *Profits and Poverty: The Economics of Forced Labor*. Geneva.

Note: CIS = Commonwealth of Independent States.

Illegal Migration and Human Trafficking

- Human trafficking in the Pacific is known to be undertaken for **sexual exploitation** purposes or to provide **labor** for local extractive industries, including fishing, logging and mining.
 - UNODC
- Criminal **networks at work are quite flexible** and they try and find other roots and places to direct the human trafficking through
- Influence or draw to human trafficking is the **growing economy** in the Indo-Pacific, and more **inter-connected states**.



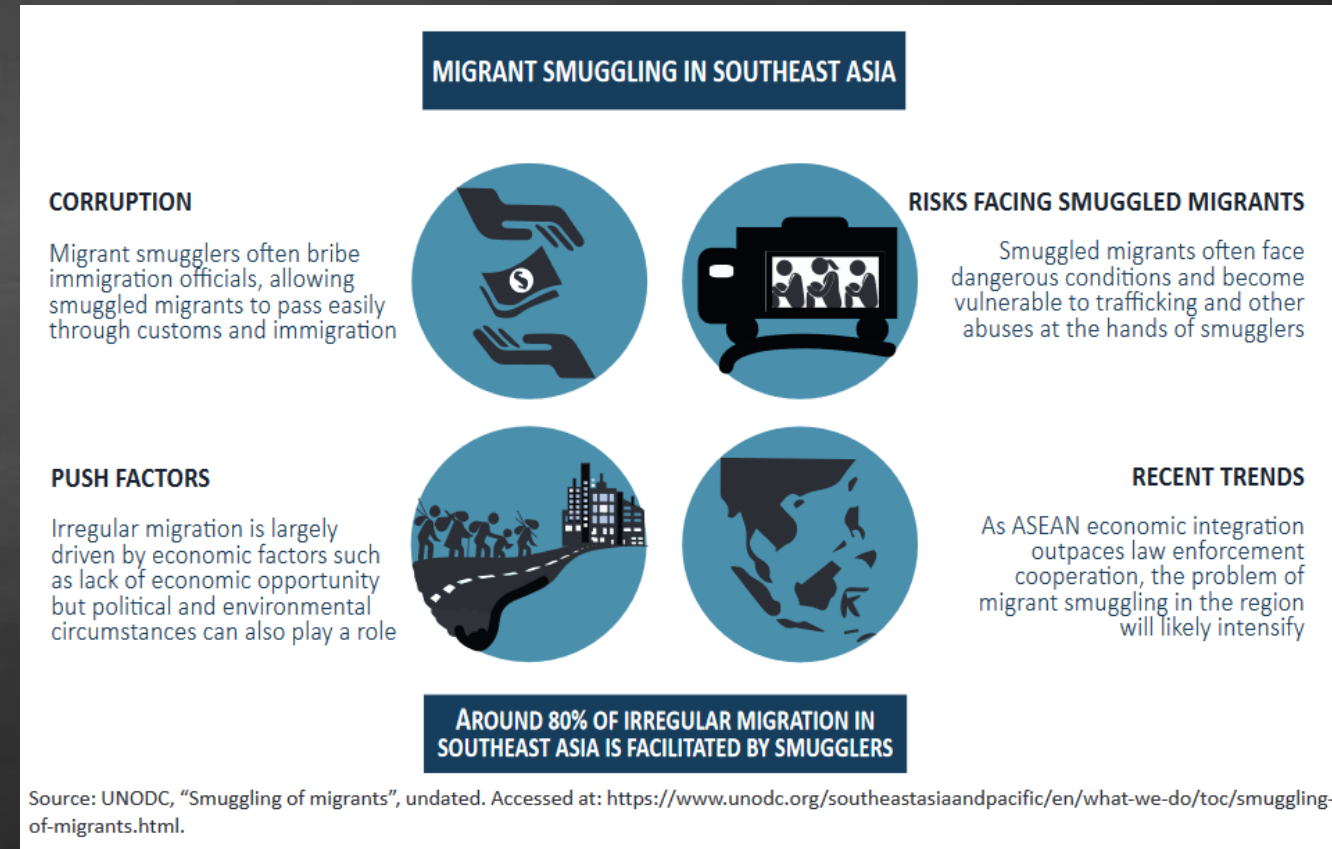
Illegal Migration and Human Trafficking

- ▶ Roughly a **third of the world's refugees are located in Asia**, and yet most Asian nations are not parties to international refugee treaties.
- ▶ Many Indo-Pacific nations do not consider themselves “immigration countries” and, consequently, view **immigration as a long-term cultural and economic threat**.
- **Children make up almost a third** of human trafficking victims.
- Victimization **starts with some level of consent**, later trounced by fraud, coercion, deception, threats, and abuses including the abuse of power.



Illegal Migration and Human Trafficking: Potential Solutions

- Acknowledge that human trafficking is a form of **modern slavery**.
- Preventive actions through **education and socio-economic development**
- **Rescue** of trafficked victims through various mechanisms, in countries of origin and destination



Other Illegal Trafficking in the Indo-Pacific



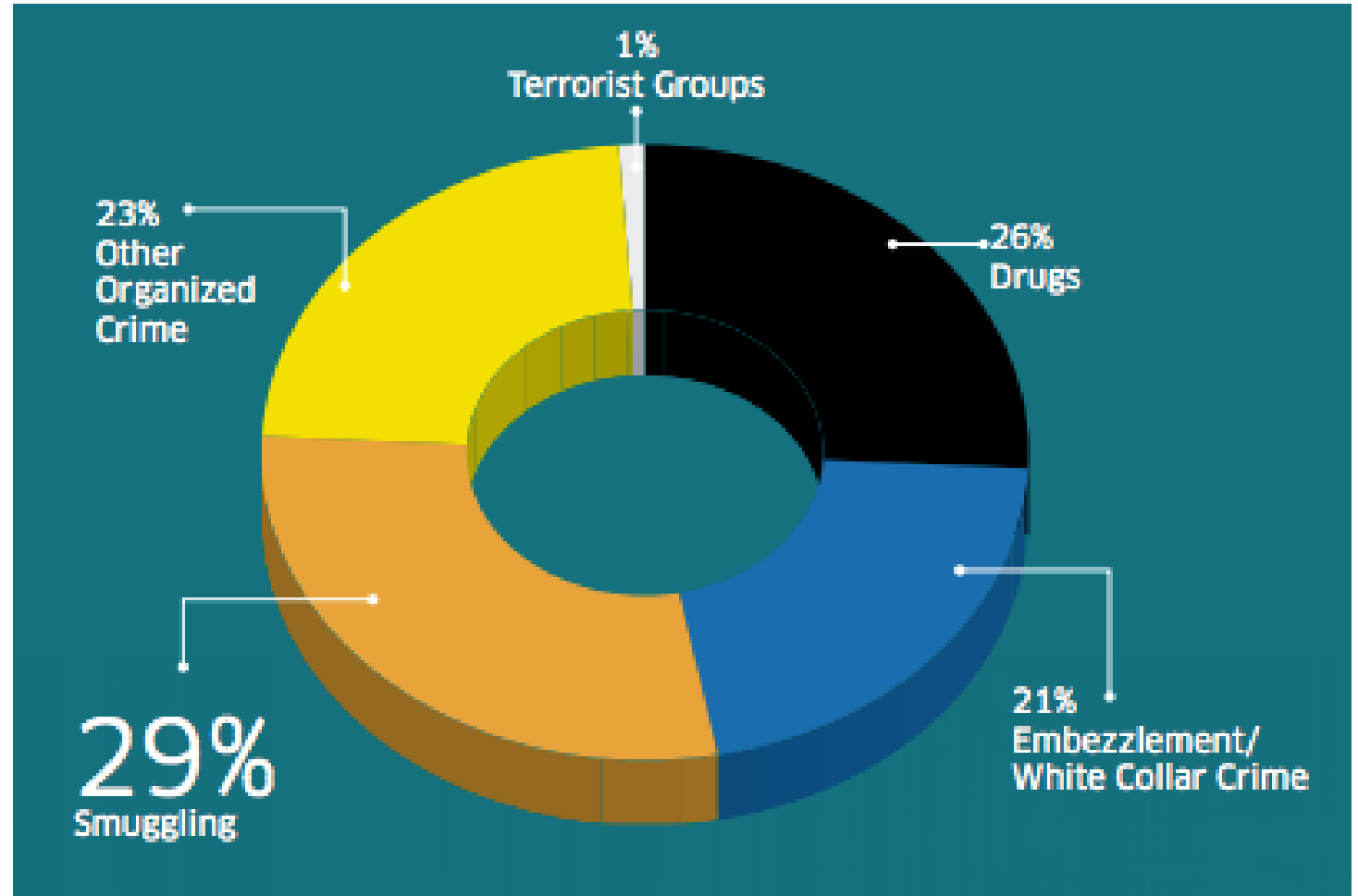
- Wildlife
- Weapons
- Environmental Resources
- Counterfeit Goods
- Human Organs
- Cultural Items
- Tobacco
- False medicines

POTENTIAL SOLUTIONS:

- Address border disputes and porous borders that enable trafficking flows
- Adopt and enforce legislation and international treaties aimed at confronting specific crimes related to trafficking. It requires cooperation and networks
- **BUT FIRST:** We must all recognize that the crime, criminals and victims involved in these industries exist within our own communities, and some are even entrenched within our political and cultural systems.

Money Laundering

- Estimated that approximately **USD \$1.6 trillion** or **2.7 percent** of global GDP was laundered in 2009.
-UNODC
- **Less than 1 percent** of global illicit financial flow is ever seized and frozen, meaning that the criminals are winning.
- Money **not just needed for tactical operations**, but also for strategic objectives: i.e. running cities and parts of countries, creating states, spreading movements.



Indo-Pacific Money Laundering By Activity

Money Laundering: The process



1. Raise:

- LEGAL: charities, front companies, taxes, NGOs, natural resources, online gaming, crowd funding, wealthy donors
- ILLEGAL: smuggling, fraud, robbery, kidnapping and ransom, narcotics, cybercrime, looting and plunder, extortion

2. Move:

- Money laundering: bad activities, make it look clean
- Reverse money laundering: legally generated, use it for bad things
- Informal value transfers: Hawala / Hundi / Chien Fei (for a fee)
- Trade-based money laundering: Misprice things to hide transfers
- Other ways: Remittances, real estate, travel agents, shell companies, prepaid cards, wire transfers, mobile payments, cash
- Consider complicity of government officials, ministries, police, bribery

3. Deploy:

- Carefully managed modes of payment, size of transactions, frequency of transactions
- Use of middle men, rotating suppliers and contacts, false IDs
- Cultivating deep trusted relationships and networks

Money Laundering : Potential Solutions

1. Target the **ways organizations make money**.
 - Dedicated financial investigation and analysis, including at the ground level
2. Target the **ways organizations move money**.
 - Follow the transfers, bank monitoring.
 - Requires inter-agency, regional, global cooperation. Building networks.
3. Target the **deployment**:
 - ID patterns and spikes in spending, purchase of sensitive products
 - Monitor known networks and companies, report stolen IDs, surveillance
 - Greater public awareness and vigilance.
4. Target **financiers and individuals**. Enhance lists of individuals and state sponsors
5. Strengthen **International laws, legislative bodies, financial task forces**
6. Terrorists are improving **supply chain management**.
 - Be aware of wildlife smuggling, oil products, artifact trading, etc.



Illegal, Unreported, and Unregulated (IUU) Fishing

- Much more than simply a fisheries management issue, since it goes hand in hand with fisheries crime.
- Severe implications for food, economic, environmental and social security.
- Illicit recruitment patterns and demographic targeting; document forgery; forced labor and abuse; as well as fisheries violations.



Illegal, Unreported, and Unregulated (IUU) Fishing

- **Sophisticated criminal networks** have been found operating in the fisheries sector.
- Examples:
 - **700 Myanmar citizens were trafficked** by a criminal organization operating a British Virgin Island-registered fishing fleet in the Aru Sea of Indonesia.
 - In many cases in Indonesia, boat licenses were duplicated, which could mean **thousands of vessels were in place illegally**. It is also alleged that some have been involved in the **smuggling of endangered species**, including birds, parrots and turtles.
- Those who can afford to set-up a company in a flag-of-convenience jurisdiction, maintain long range fishing vessels, recruit and traffic hundreds of men, take untold tons of fish in foreign waters and sell the catch in the global market, are **not your typical small-time fisherman**.



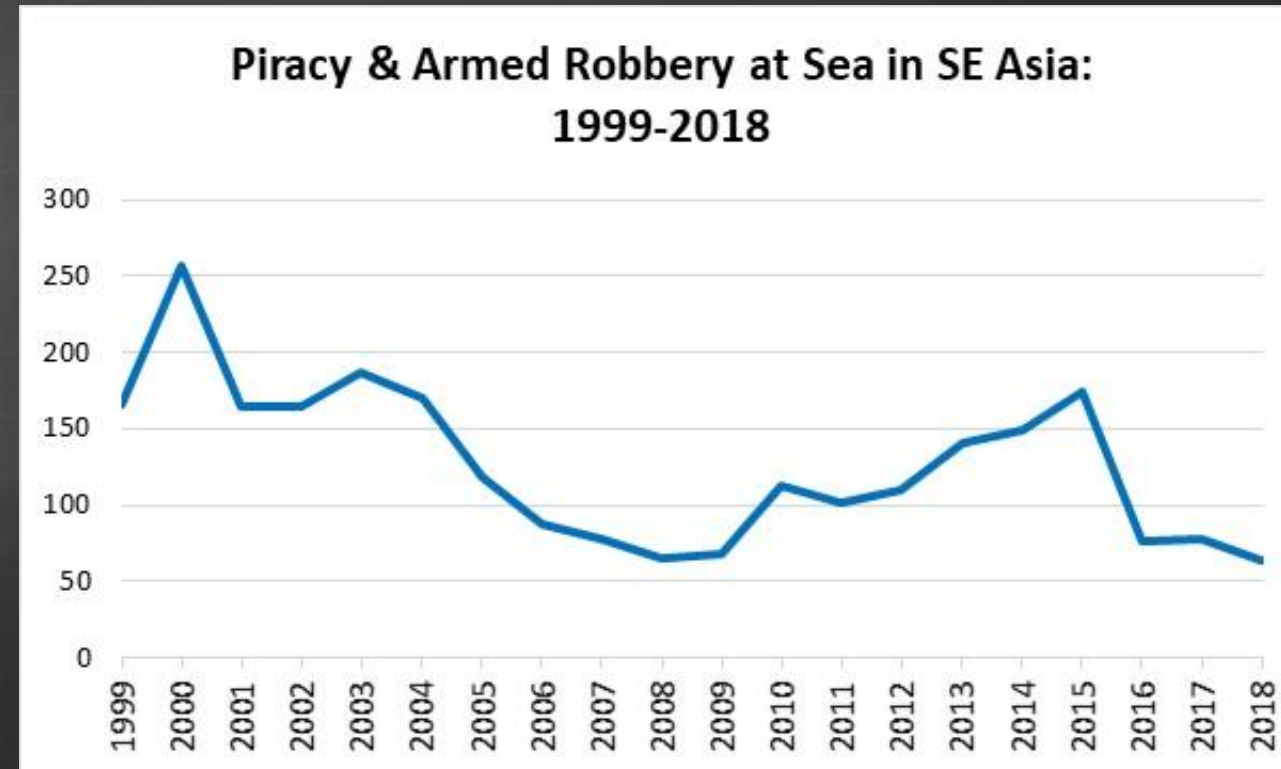
Illegal, Unreported, and Unregulated (IUU) Fishing: Potential Solutions

- 2010 UNGA resolution on sustainable fisheries asked states to look into “possible connections between international organized crime and illegal fishing in certain regions of the world”.
 - Continue to build international momentum to **acknowledge the connection between illegal fishing and transnational organized crime.**
- Embrace UN Sustainable Development Goal Number 14, which includes a provision that IUUF should be addressed by 2020.
 - “...regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices, and implement science-based management plans in order to restore fish stocks in the shortest time feasible...”



HIGH SEAS CRIME AND ARMED ROBBERY AT SEA

- International maritime crime is becoming “**increasingly sophisticated**” as criminal groups exploit jurisdiction and enforcement challenges on the high seas and pose **immediate danger to people’s lives and safety**. - UNODC
- **Linkages continue to grow** between terrorism, piracy and illegal trafficking of humans and materials.



Data source: IMB

Contribution Credit to Dr. Sam Mullins

HIGH SEAS CRIME AND ARMED ROBBERY AT SEA: Potential Solutions

- Work to **secure the container trade** supply chain
- **Combat related criminal enterprises** such as terrorism, human trafficking and migrant smuggling, wildlife and fisheries crime, and firearms trafficking.
- **Ratify and implement international commitments**, including UN Convention against Transnational Organized Crime and its protocols.
- Increase capacity of **Malacca Straits Patrols and Sulu Seas Patrols**
- Further **enhance ReCAAP** (Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia)

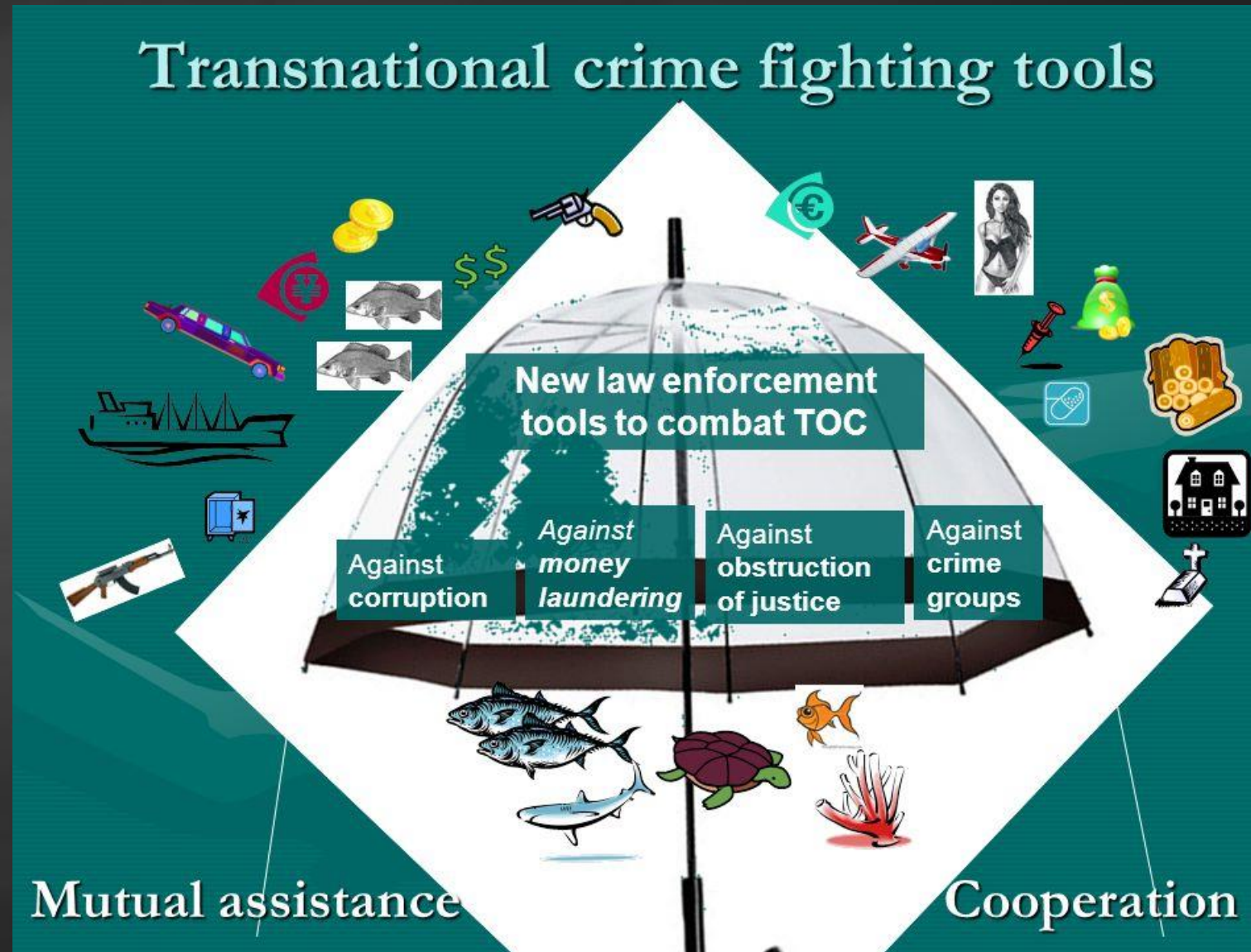


The Crime-Terrorism Nexus

- ▶ **Terrorist organizations often recruit** fighters with extensive **criminal backgrounds**.
- ▶ The relationships between crime and terror organizations have been categorized into three types of relationships:
 - ▶ **Coexistence**; when groups share geographical space.
 - ▶ **Cooperation**; when groups are able to serve mutual interests via temporary partnerships.
 - ▶ **Convergence**; when groups mesh and absorb each other's methodologies.
- ▶ Cooperation between terror organizations and crime syndicates is often categorized as **'transactional,'** such as terror groups purchasing large quantities of illegal firearms from local arms dealers.



CONCLUDING THOUGHTS: Way Ahead



Transnational crime groups in Southeast Asia are **growing increasingly aggressive** and illicit businesses are generating **massive growths in profit** through the trafficking of drugs, people, counterfeit goods and other commodities.

-UNODC

Transnational Organized
Crime in Southeast Asia:
Evolution, Growth and
Impact

2019

Way Ahead

- Acknowledge the interconnectedness between the various elements of transnational organized crime and other legal, socio-economic factors that drive/enable these crimes.
- Develop regional initiatives that support national frameworks and networks
- Improve the capacity of states to respond to rule of law and security challenges



Way Ahead

- **Align UNODC mandates** with work being carried out by national and regional bodies
- **Strengthen and enhance partnerships** between Indo-Pacific states as well as non-Indo-Pacific partners and global organizations.



You are cordially invited to
A Special Side Event organized by the
United Nations Office of Drugs and Crime (UNODC)

Transnational Organized Crime Challenges and Responses in Southeast Asia

*On the sidelines of the 19 June General Assembly High-Level Debate
On Transnational Organized Crime (Pursuant to GA resolution 71/209)*

Speakers Include

Her Royal Highness Princess **Bajrakitiyabha Mahidol** of Thailand,
UNODC Goodwill Ambassador on the Rule of Law for Southeast Asia
UN Under-Secretary-General **Yury Fedotov**, UNODC Executive Director

Mr. **Jeremy Douglas**, UNODC Regional Representative
for Southeast Asia and the Pacific

*To be Chaired by Dr. **Kittipong Kittayarak**,
Thailand Institute of Justice Executive Director*

Monday, 19 June 2017, 13:15 to 14:30
Conference Room 7, UNHQ

Kindly RSVP to unodcny@un.org with the title of the event in the subject line,
indicating your name, organization and whether you will require a UN Grounds Pass.
For more information, please call (212) 963-5698.

Questions?

