


Prevention and Deterrence Strategies for Transnational Organized Crime

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Table of Contents

Executive Summary	3
List of Policy Solutions	4
Introduction	5
Methodology + Case Studies	
Methodology	7
Case Studies.....	11
Policy Solutions	16
Law Enforcement	18
Cross-Agency Collaboration, Communication, and Information-Sharing.....	18
Law Enforcement Community Engagement.....	20
Disrupt Financial Flows	23
Closing Gaps in FATF Compliance	23
Utilize Data Analytics and Artificial Intelligence to Improve Detection of Illicit Financial Flow	24
Push for Financial Transparency	26
Social Crime Prevention	28
Target Youth Vulnerability to TOC Recruitment	28
Decrease Community Tolerance of TOC in Source Countries.....	30
Criminal Justice	32
Strengthen Prosecutorial Capabilities and Increase Access to Justice.....	32
Tackle Corruption Through Judicial Reform	33
Conclusion	36
Appendix	41

Disclaimer: This report represents independent research and does not in any way represent official United Kingdom Home Office policy.

Executive Summary

The following is a report prepared for the UK Home Office's Stabilisation Unit, addressing the proliferation of transnational organized crime from countries of origin. The objective of this research is to find the best tools, methods, and approaches for preventing and deterring organized crime groups in source and transit countries. To do this, this report analyzes drivers of organized crime around the world, evaluates existing tools, methods, and approaches to combatting organized crime, and proposes novel solutions that carefully allocate the resources of the UK Home Office based upon their effectiveness.

Outside of the proposed solutions, the core addition to existing scholarship made by this report is the methodology. This report concludes that the UK Home Office's ability to combat organized crime in source countries heavily depends upon the type of country of origin. Prevention and deterrence strategies are highly malleable, contingent upon such metrics as: political will of a source country, levels of corruption within source countries, existing institutional capabilities, and the relationship between the source country and the UK. After conducting case studies of countries around representing different levels of capacity and political will to combat transnational organized crime, this report develops a tiered categorization system to guide the implementation of policy solutions. The categorization is as follows:

Tier 1: High rates of political will, low levels of corruption, mature institutions, strong relationships with the UK

Tier 2: Some political will, medium to high levels of corruption, developing institutions, established relationships with the UK

Tier 3: No political will, pervasive corruption, weak institutions, difficult relationships with the UK

Tailored implementation of our policy solutions ensures that the support provided by the UK to the source countries will not only be well-received, but also will reflect the practical partnership capabilities between the UK and source countries. This report recognizes the limitations of a tiered approach: in theory, any solution proposed for a Tier 3 country could be implemented in a Tier 2, and similarly with Tier 2 solutions for Tier 1. With these recommendations though, our intent is to guide an efficient allocation of limited resources by proposing the most effective tailored solutions to each tier based on the country's existing capabilities.

Finally, this report offers nine broad policy objectives, across different sectors of society, identified as the most pressing responses to organized crime in source and transit countries. For each policy objective, this report outlines an implementation strategy tailored to each tier of countries. The goal for each broad policy solution is to offer the most realistic, aggressive, and innovative solution based upon the capacity of the receiving country. In addition, the UK Home Office should continue to conduct case-by-case needs assessments of a country's institutions, as well as threat assessments of its primary vulnerabilities, to ensure that the best policies are crafted to address a country's particular weaknesses.

List of Policy Solutions

Law Enforcement

1. Improve Cross-Agency Collaboration, Communication, and Information-Sharing
 - a. Fusion centers to collect, analyze, and act on information
 - b. Task forces for joint investigation or specific crime types
 - c. Deploy law enforcement attaches and lay foundation for strong institutions
2. Law Enforcement Community Engagement
 - a. Law Enforcement and community liaisons
 - b. Advisory boards and community engagement
 - c. Traditional and social media campaigns

Disrupt Financial Flows

3. Close Gaps in FATF Compliance
 - a. Consult latest assessment, gaps include confiscation procedures, due diligence, record keeping
 - b. Consult latest assessment, gaps include system-wide resilience, money-laundering criminalization
 - c. Consult latest assessment, support global effort, focus on transit countries
4. Utilize Data Analytics and Artificial Intelligence to Improve Detection of Illicit Financial Flows
 - a. Joint development of artificial intelligence detection systems
 - b. Investments in big data processing and analytics
 - c. Build early capacity for financial systems, assist in development of databases, and provide guidance on customer information collection
5. Push for Financial Transparency
 - a. Popularize Unexplained Wealth Orders as a tool against money laundering
 - b. Popularize Beneficial Ownership Registries to increase transparency
 - c. Build-up use of the financial system

Social Crime Prevention

6. Target Youth Vulnerability to TOC Recruitment
 - a. Education awareness campaigns in schools
 - b. Family-based and community-based outreach programs
 - c. Monitoring and intervening online TOC recruitment efforts
7. Decrease Community Tolerance of TOC in Source Countries
 - a. Support for prisoner rehabilitation and stopping the criminal cycle
 - b. Use microloans to break the socioeconomic cycle of TOC
 - c. Communicate the costs of TOC victimization through social media

Criminal Justice

8. Strengthen Prosecutorial Capabilities and Increase Access to Justice
 - a. Train personnel and improve investigative tools
 - b. Strengthen criminal justice systems and prosecutorial services
 - c. Work with civil society to increase “exposure”
9. Tackling Corruption Through the Judiciary
 - a. Encourage the establishment of independent anti-corruption bodies
 - b. Support community court watch programs
 - c. Launch judge training programs

Introduction

Transnational organized crime (TOC) is a progressively growing and complex threat affecting every part of the globe. The *United Nations Convention Against Transnational Organized Crime* defines an “organized criminal group” as:

*A structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing one or more serious crimes or offences established in accordance with this Convention, in order to obtain, directly or indirectly, a financial or other material benefit.*¹

From funding terrorist organizations to sex trafficking rings, TOC has serious implications for the safety and security of nations and individuals alike. As technological advances continue to make the world increasingly interconnected, the threat posed by TOC becomes even greater. The ability to quickly transfer money, goods, and people as a result of technological and transportation innovations has amplified the need to focus on this issue, especially in the countries of origin.

The nature of transnational organized crime has also evolved through changes in technology, communications, and globalization, making it more difficult for agencies and organizations to track and deter organized criminal groups on a global level. According to the European Union Agency for Law Enforcement Cooperation (Europol) 2017 report on “European Union Serious and Organized Crime Threat Assessment”, many organized criminal groups “are highly flexible and display great adaptability in the speed with which they adapt their *modi operandi* or whole business model to changes in the environment”.² The quick adaptability of organized criminal groups adds a layer of difficulty to the already complex web of illicit activities on a global scale. Europol asserts that 7 out of 10 organized criminal groups today have ties with foreign networks and operate in more than one area.³

Transnational organized crime constitutes a threat both to the global system and to the continued development of societies. Illegal drug trafficking—the largest criminal market in the world—serves as a suggestive example of the connections between illegal drug trafficking and the rise of violent crime. In vulnerable countries where corruption prevents authorities from applying coercive measures against drug traffickers, the level of violence is even more difficult to contain, which in turn heightens political instability. Negative implications for societies do not solely originate from the supply side of illegal drug trafficking. TOC also constitutes an important threat to the economic equilibrium of countries and the entire global economy. In their 2018 World Drug Report, the United Nations Office on Drugs and Crime (UNODC) estimated that about 275 million people worldwide, or roughly 5.6 percent of the global population aged 15-64 years old, used drugs at least once during 2016.⁴ The consumption of drugs is known to affect the safety and health of the population through the contraction of diseases such as HIV and other public health concerns. In addition, a more fragile population can affect the labor supply and productivity of a country, and therefore slow economic development.⁵

The resilience of transnational organized crime is often aided by a fragile geopolitical context where conflict permeates all sectors of society. For example, the conflicts in Libya and Syria have greatly affected Europe by destabilizing the region through mass migration and opening points of exploitation for organized criminal groups. Armed conflicts close to Europe have intensified different threats, including the flow of foreign fighters and the illicit weapons trade. In Libya in particular, the conflict and subsequent political unrest have opened the gate for human trafficking and smuggling into European countries placing substantial stress on the political and economic systems.

In addition, cybercrime has emerged as a growing threat. The digital space has allowed organized criminal groups to expand their reach, as well as utilize the internet as a portal for recruitment. Organized criminal groups have used digital tools to draw profits from illegal activities and networks. Though globalization has been a net positive, the technological developments that facilitate it have also increased the capacity of hackers to attack systems. The digital space, thus, has enabled the growth of cybercrime and without proper control from governments, cyber-criminal groups pose a direct threat to countries' economies, political system, and social fabrics.

The United Kingdom is far from protected from these threats. Transnational organized crime is estimated to cost the United Kingdom at least £37 billion each year.⁶ While the UK may not be a significant source of TOC, it is a significant destination country for the goods, people, and money trafficked by TOC groups. As a country with considerable resources and global reach, the UK is uniquely situated to tackle a variety of TOC issues. If the UK focuses its efforts on prevention and deterrence of TOC in the countries of origin as well as in transit countries, it will be able to significantly deter the attraction of participating in organized crime groups. The United Kingdom has already made meaningful progress in-country towards deterring organized crime, so by drawing on these practices and the successes of other countries, it is ideally positioned to assist other countries in their efforts to stem TOC.

This report proposes policy recommendations for tackling the TOC threat from countries of origin and transit countries. Prevention and deterrence of TOC is not a “one-size-fits-all” issue—the methodology created and policies recommended reflect this reality. The criminal activity itself, as well as the will, capacity, and level of corruption of every country will determine the effectiveness of any policy or legislative proposal, highlighting the need for targeted recommendations. Thus, the policies laid out in this report are borne out of a thorough analysis of various methods of prevention, deterrence, and interdiction aimed at reducing the TOC threat; interviews with experts and practitioners in the field; and investigations into varied source countries. The report conducts case studies of countries reflecting different levels of capacity and political will to tackle TOC, including Afghanistan, Albania, Colombia, Egypt, Hungary, Lebanon, Libya, Romania, and Venezuela.¹ From our research and original interviews, this report concludes that disruption of TOC is not enough to stem the flow of organized crime. Efforts must be made in the countries of origin to have a more profound impact on deterring global criminality.

¹ This list is not exhaustive, but instead draws upon the expertise of the authors of this report.

Methodology + Case Studies

1. Methodology:

This capstone report was undertaken on behalf of the UK Home Office’s Stabilisation Unit with the aim of assisting the UK to devise ways to prevent and deter Transnational Organized Crime in source and transit countries as part of the UK’s Serious and Organized Crime strategy. The task called for an analysis of the drivers of organized crime in a diverse set of countries, as well as an evaluation of the most effective tools, methods, and approaches that are being implemented around the world, in order to provide the UK Home Office with policy recommendations in furtherance of its Transnational Organized Crime agenda. Our preliminary research focused on regions of which this capstone group already possessed expertise, and in which TOC proliferates. These regions were: Eastern and Central Europe, the Middle East and North Africa, South Asia, and Latin America. We further narrowed the scope of the research by conducting case studies of countries in those regions:ⁱⁱ

1. Eastern and Central Europe: Albania, Hungary, Romania
2. Middle East and North Africa: Egypt, Lebanon, Libya
3. Latin America: Colombia, Venezuela
4. South Asia: Afghanistan

Our research consisted of the following: in-depth studies of TOC, the described regions, and each of the above countries; interviews with 37 practitioners, experts, academics, journalists, and activists; academic, non-governmental, governmental, and intergovernmental literature reviews. We also collected and documented media reports and utilized databases and knowledge banks. Finally, we considered studies on TOC conducted by national bodies – including the UK Home Office, and the United States Department of Justice, as well as the European Commission, the European Union, the World Bank, the International Monetary Fund, the United Nations Office on Drugs and Crime, the United Nations Development Programme, and the Financial Action Task Force.

The objective of our early research was to build a current situation assessment of transnational organized crime. Our approach was designed to capture as wide a picture as possible of the activities undertaken by TOC networks, permissive and incubating environs, operation and recruitment methods, and the relevant dynamics of law enforcement.

We concluded that the diffuse and context-specific nature of the subject matter required tailored recommendations that could be implemented in, and with, the country in question. Accordingly, we applied four metrics—political will, corruption, institutional capability, and current relationships with the UK—to the countries and produced a three-tier categorization scheme. While these metrics are correlated in practice, studying them in isolation offers a methodologically-useful approach that helps isolate key drivers, and in turn tailor policy solutions for organized crime.

ⁱⁱ The above list included countries of interest to the UK Home Office who also approved our additions.

Political will: Political will is here defined as the willingness on the part of a political system to address organized crime. For organized crime networks, undermining that willingness is key for successful operations. As a result, in countries in which organized crime has proliferated, it has traditionally relied on entrenched political cover. TOC networks build a political constituency through establishing patronage systems to incentivize and reward cooperative politicians, and deploying or threatening violence as a punitive measure.⁷ Often through financial incentives and the threat of violence, organized crime networks succeed in “capturing” the state, or important elements thereof.



The use of violence against the state by organized crime networks is part of a deliberate strategy to sap the will of politicians and public officials to prosecute campaigns against these groups.⁸ The most spectacular example of the use of violence in such a manner was the war fought by Pablo Escobar against Colombian officials in the 1980s and early 1990s which culminated in the murder of the Colombian Minister of Justice, as well as the leading presidential candidate for the 1990 elections.

This violence extends beyond agents of the state. News reports in the United States are replete with details of gruesome inter-cartel murders in Mexico, yet equally as gruesome are the murders of law enforcement officers, politicians, and journalists. Indeed, the role of the media in contributing to scrutiny of organized crime has made journalism one of the most dangerous professions in countries in which organized crime proliferates. A study by Reporters Without Borders found that 26 journalists were killed in the 2017-18 period as punishment for their coverage of organized crime activity.⁹ Political will plays a large role in these concerns, and the ability and interest that a country has in addressing them is indicative of their interest in tackling TOC.

Corruption: Corruption is here defined as the misuse of public office for private gains. To flourish, organized crime networks need the cooperation of agents of the state. These can be minor customs officers allowing illicit goods through without interdiction, or senior officials in prosecutorial roles neglecting to bring cases against individuals and groups involved in organized crime. Indeed, the penetration of the highest levels of government by organized crime can be so complete that there ceases to be a meaningful distinction between one and the other.



The logical conclusion of progressively corrupt government is the transformation of the state into a kleptocracy, generally defined as “rule by thieves.” Current and former governments that have been described as kleptocratic networks include Russia, Honduras, Egypt, and Sudan. In Russia, for example, experts have exhaustively outlined how the kleptocratic systems serve to enrich political elites, protect criminal networks from prosecution, and advance the foreign and domestic interests of the government.¹⁰

Corruption, however, need not transform the state into a kleptocracy to effectively oil the machine of organized crime. Seemingly inconsequential practices when occurring at a sufficient scale can accomplish a great deal for organized crime. Corruption, even in minor practices, undermines collective faith in rule of law and law enforcement. That lost faith in turn leads to greater faith placed in the ability of entrenched organized crime networks to step-in for the states; often in the local level this manifests in a complete loss of trust in law enforcement and the proliferation of protection rackets.

Institutional capability: Institutional capability is here defined as the strength and effectiveness of state institutions responsible for responding to organized crime – i.e. law enforcement and the judiciary – and preventing organized crime – i.e. education system, social development organizations.

Consequently, the question of institutional capability – separate from political will and corruption – can be understood as a matter of development. Building institutional capability is a function of sufficient financial capacity, knowledge and expertise, and mature political systems.



The developmental element is further underscored by a correlation between high rates of poverty or unemployment and organized crime.¹¹ Accordingly, our research showed that developing countries – particularly those on the lower end of the Human Development Index – are especially vulnerable to organized crime. Recent efforts by the international community in Afghanistan and Latin America affirm that building institutions — not only to enforce the law, but also to execute a sustainable and effective development agenda — is a more efficient approach that narrows targeting.

Like the preceding two metrics, institutional capability is both key to combating organized crime and vulnerable to being undermined by organized crime. The nexus between development and organized crime is acknowledged by the international community. For example, the UN General Assembly’s 2005 World Summit outcome document noted its “grave concern at the negative effects on development, peace and security and human rights posed by transnational crime.”¹²

Relations with the UK: Finally, we elected to factor in the respective country’s relationship with the UK. As a matter of course, and through consultation with the client, we recognize that it is more likely for countries with an established working relationship with the UK to be receptive to proposals for reform and policy change. In countries with weak or even hostile bilateral ties, we generally recommend that the UK work through international organizations and multilateral settings.



Taken together, these metrics informed our categorization as follows. *Note:* The membership of a country in a particular tier should not be taken as a statement on its score on each of the metrics, rather as the result of a holistic process of analysis informed by those metrics.

Tier 1: Countries that display high rates of political will, low levels of corruption, and mature institutions. They are also countries that are either allies of, or friendly with the UK.

- Colombia, Hungary, Romania

Tier 2: Countries that exhibit some political will, medium to high levels of corruption, and developing institutions. These are also countries with established relations with the UK.

- Albania, Egypt, Lebanon

Tier 3: Countries that completely lack political will, in which corruption is pervasive, and possess weak or non-existent institutions. Countries in Tier 3 are often hostile or have difficult relations with the UK.

- Afghanistan, Libya, Venezuela

Our decision to categorize countries into different tiers was informed by a recognition that combatting TOC is context-specific. For example, Lebanon's financial system is vulnerable to money-laundering. Recommending financial transparency best practices without considering the country's domestic politics where, Hezbollah, a non-state actor exerts significant influence over the government through the threat of violence would be a disservice to the client. Similarly, rule of law institutions in Hungary – particularly as they relate to corruption – have been progressively weakened over the past several years. Recommendations that address this development without being informed by the overall trend of democratic backsliding in the country would be of little use to the client.

Furthermore, the deficiencies and gaps displayed by the countries in Tier 3 are orders of magnitude more acute than those in Tier 1 or 2. For example, Libya — a main base for human traffickers into Europe — has been in the throes of a civil war since 2012, and as of this writing the violence is escalating. As a consequence, government dysfunction is extreme and the necessary institutions to make an impact in the operation of organized crime networks are non-existent. Venezuela's current conflict is the result of a political and economic crisis that has gripped the country for nearly a decade. The country's economic problems were exacerbated by the collapse of oil prices and serious deterioration in its production capacity, resulting in devastating food and medicine shortages. These shortages have in turn aided in the proliferation of organized crime. Officials have exploited dire population needs by exacting bribes in return for food aid. Similarly, organized crime networks have increasingly stepped in to reap financial benefit from medical black markets.

These differences between the tiered structure can be seen below in in-depth case studies of model countries.

2. Case Studies:

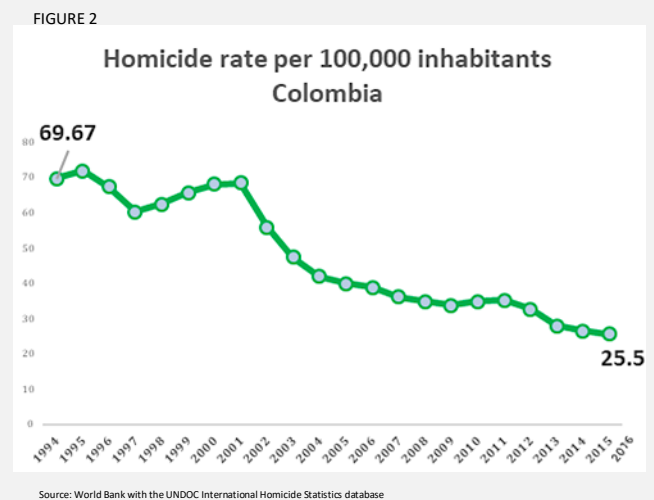
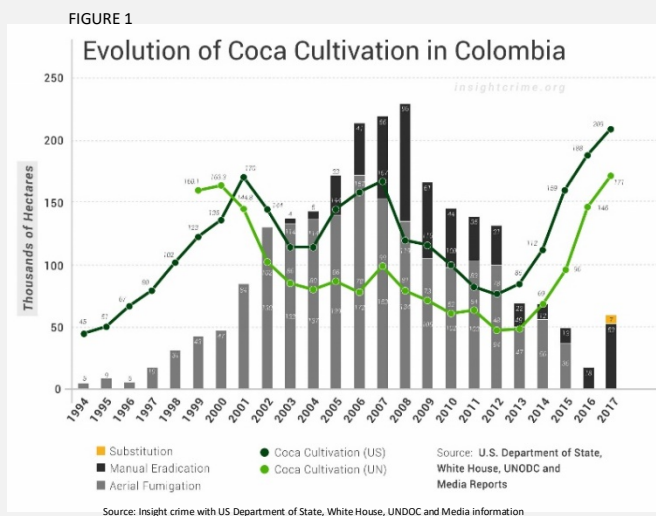
Tier 1: Colombia

Colombia is considered a Tier 1 country because of its high political will to increase the rule of law; its campaign toward strengthening institutions with support from the global community; and initial signs toward curbing corruption. Even though Colombia faces statewide corruption and high levels of violence, it has made remarkable strides in strengthening the rule of law over the last three decades. Different administrations consistently fought TOC and focused on bolstering existing institutions. Likewise, the peace agreement signed with the leading guerrilla group in 2016 signals increasing political and social stability. Finally, the UK has been a sustained partner with Colombia, supporting programs designed to combat organized crime and lending support to the peace process.



General Political Will to Improve Country Integrity

For the last four decades, Colombia has dealt with three major interrelated issues: coca production and trafficking, leftist guerrilla groups, and high violence rates. In terms of coca production, the last three administrations have fought cartels and put enormous efforts on crop eradication (See figure 1).¹³ In the internal conflict, armed forces have successfully debilitated the leading guerrilla groups such as the Revolutionary Armed Forces of Colombia (FARC). By 2012, President Juan Manuel Santos initiated peace talks that concluded in the 2016 agreement to demobilize the FARC.¹⁴ The most significant step taken toward improving governance in Colombia has been reducing the levels of violence in the country, declining from 69 homicides per 100,000 inhabitants in 1994 to 25 per 100,000 inhabitants in 2016 (See figure 2).¹⁵ These improvements result from the consistent willingness of the government to improve security conditions in the country regardless of political changes.



Institutional Strength

Since the 1990s, Colombia has gone through a transformation of its democratic institutions by decentralizing power, establishing checks and balances, and strengthening law enforcement. The 1991 Constitution expanded the spectrum of political parties and established a highly decentralized state. In the criminal justice system, Colombia built a complex system of independent bodies, including a newly-autonomous Attorney General Office. The armed forces have played a central role in fighting crime and subversive groups as well — during the last three decades, a large and professional military force has been built with the support of the United States through Plan Colombia that allocated more than 5 billion dollars in military aid.¹⁶ Challenges linger in terms of tackling corruption and guaranteeing that the armed forces fully respect human rights.

State Corruption Levels

Corruption is the main challenge that Colombia continues to face in consolidating the rule of law. In both military and civil institutions, the number of scandals involving top-level officials has risen. In the first decade of the 2000s, several military members, representatives, and government officials were accused and charged of colluding with paramilitary groups.¹⁷ In 2016, the Odebrecht scandal that affected Latin America also impacted Colombia with a case of bribing authorities to obtain public contracts.¹⁸ Although these cases exemplify the sustained work Colombia still needs to do to tackle corruption, it also highlights the importance of Colombian civil society exposing corruption and justice institutions responding to public pressure. These scandals have also generated legislative actions such as the 2008 Anti-Parapolitics reform, the 2011 Anti-Corruption bill, and the 2018 Anti-Corruption referendum.

Cooperation with the United Kingdom

The United Kingdom currently has four aid funds for Colombia. One of those funds is the Conflict Stability and Security Fund that since 2015 has allocated £25.5m for two programs on peacebuilding, law enforcement, criminal justice, and rural development: the Colombia Security and Access to Peace, and the Peru/Colombia Serious Organized Crime.¹⁹ In addition to support from the UK, Colombia maintains relationships with the United States for security purposes, as well as several partnerships with other nations and international organizations, such as the recently signed agreement with the UNODC to monitor coca cultivation in the country.²⁰

Tier 2: Albania

As a Tier 2 country, Albania shows a moderately strong willingness to cooperate with the United Kingdom and other European countries to improve state integrity and resiliency against TOC influence. With this in mind, Albania does not fit Tier 1 country standards due to the pervasive corruption and criminal influence that has infected nearly every office of its government for decades.

General Political Will to Improve Country Integrity

Albania has displayed deliberate initiative throughout the last decade to conform with international norms in reducing statewide corruption. In 2012, it reformed its legislation in order to integrate anti-corruption measures and remove the immunity from investigation and prosecution of high-level judicial members and officials.²¹ Results of this legislative reform have been poor due to lack of enforcement and the continuing vulnerability of judiciary officials to bribery and intimidation.²²

Other areas in the Albanian effort to reduce corruption have seen greater measures of success. Albania successfully improved election integrity when it received international assistance in 2013 from the Organization for Security and Cooperation in Europe (OSCE). The OSCE helped Albania implement election monitoring technology and allowed 600 observers to monitor their annual elections.²³ In the sector of law enforcement policy reform, such measures as police car and body cameras have been documented in helping to decrease police corruption.²⁴

Institutional Strength

In the past thirty years, Albania has developed from one of Europe's poorest countries into a middle-income country.²⁵ The state is a democracy, with candidates free to compete openly for election with the active participation of minorities and women.²⁶ However, the political system suffers from lax regulation that is easily circumvented to allow illicit financing of candidates and political patronage.²⁷ Although public services are readily available, bribes are needed to accomplish routine tasks such as business registration, tax administration and customs declaration.²⁸

State Corruption Levels

The government is a kleptocracy with known TOC members elected into various government seats and corruption appearing in nearly every level and sector. Criminals and TOC members routinely bribe political leaders, judges and police in exchange for the freedom to maneuver and conduct their activities with impunity.²⁹ The media, on the other hand, has freedom of speech, assembly and association guaranteed by law.³⁰ Freedom of the press is not total, as most media outlets are backed by a particular party or business which many times leads to censoring of particular issues.³¹



Cooperation with the United Kingdom

Albania was accepted as a member of NATO in 2009 and as an EU candidate in 2014.³² Candidacy to these bodies reflects the positive outlook with which European countries view the prospects for rule of law in Albania, as well as its potential – an outlook the UK presumably shares. The UK is actively involved in assisting Albania in meeting requirements for EU membership, particularly as they relate to the rule of law. Furthermore, Albania is part of the UK’s Western Balkans initiative, which led to the signing of the “*Joint Declaration on the Principles of Information-Exchange in the Field of Law Enforcement*” in July 2018.³³

Tier 3: Libya

Libya’s catastrophic situation is well-known, but a closer look from within our tier framework is helpful in understanding the main weaknesses and potential areas of focus with regards to fighting transnational organized crime. The toppling of the Gaddafi regime in 2011, and the ensuing fragmentation of the country by rival groups, has meant that Libya has essentially no resources to take on the various types of TOC that plague it.



General Political Will to Improve Country Integrity

Political will is crucially lacking and Libya exhibits no capacity to implement a meaningful political project. The situation is critically unstable; renegade General Khalifa Haftar’s operation has taken down some terrorist targets, but he is unlikely to resolve the country’s political stalemate – particularly due to extensive foreign meddling.³⁴ It is difficult to predict the direction the country will take which will depend on the outcome of the new round of fighting as well as the role played by regional powers. Political will needs to be cultivated with a reliable partner.

Institutional Strength

Another defining characteristic of a Tier 3 country is a volatile political landscape that makes prohibitively difficult to build sustainable institutions. The current risks of conflict escalation mean there is little hope for short term improvement, and therefore it is important to concentrate efforts on preparing resources for implementation once a stable and functional political system emerges. A recent report from the Home Office’s Stabilisation Unit reiterates the importance of brokering political deals in fragile states for any stability to take shape.³⁵

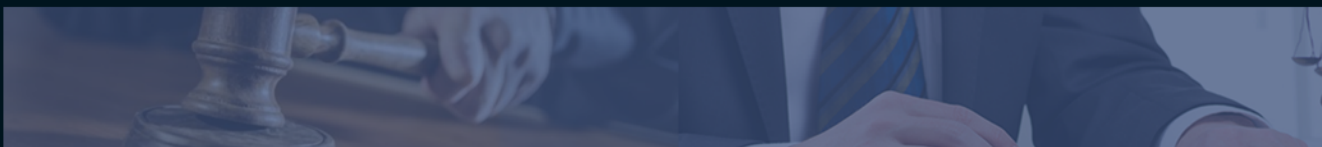
State Corruption Levels

Corruption in Libya is reflective of the nature of the problem in Tier 3 countries in our framework: it is pervasive and touches all levels of the state and society. Armed militias in Libya infiltrate, exploit, and leverage state resources.³⁶ Human smugglers benefit from conflict instability in the country to expand their operations and oil smuggling has assumed a sizable component of Libya's illicit economy.³⁷

Cooperation with the United Kingdom

While relations with UK have been complicated by the 2011 military intervention and its aftermath, it is currently leading a diplomatic effort at the UN to reach a political resolution of the conflict.³⁸ Libya as a nation engages less in bilateral cooperation and is currently a passive actor in need of capacity building. Since the country is in desperate need of rebuilding its government infrastructure and institutional capacity, the UK can focus its efforts on knowledge-transfer and institutional assistance focused primarily on building up the state.

Policy Solutions



After conducting our research, we recommend nine different solutions for the UK to undertake to combat organized crime emanating from source countries. These solutions span large sectors of society, including: improving law enforcement capacity; creating formal information-sharing mechanisms across agencies; stemming the flow of capital by targeting financial systems; strengthening the rule of law; and bolstering development programs to limit the appeal of organized crime to vulnerable and at-risk communities.

As described by our methodology, the implementation of each broad solution will differ based upon a country's place in our tiers. Tailored implementation of our policy solutions ensures that the support provided by the UK to the source countries will not only be well-received, but also will reflect the practical partnership capabilities between the UK and source countries. For example, a Tier 1 country can implement bolder reforms that draw upon the strength of the country's established institutions. A Tier 2 or Tier 3 country will need different solutions that recognize structural barriers to more comprehensive reforms, often requiring incremental change. This report recognizes the limitations of a tiered approach: in theory, any solution proposed for a Tier 3 country could be implemented in a Tier 2, and similarly with Tier 2 solutions for Tier 1. With these recommendations though, our intent is to guide an efficient allocation of limited resources by proposing the most effective tailored solutions to each tier based on the country's existing capabilities.

The solutions proposed below, in our estimation, represent some of the best and most innovative practices that we encountered in our research to improve cross-agency collaboration to directly address TOC, strengthen community relations to indirectly affect the drivers of TOC, and address other important concerns in between. We recommended solutions for specific tiers in accordance with which types of countries we feel these solutions may best serve. We also believe that conducting case-by-case needs assessments of a country's institutions, as well as threat assessments of its primary vulnerabilities, is essential to ensuring that the best policies are crafted to address a country's particular weaknesses.

Law Enforcement

1

Cross-Agency Collaboration, Communication, and Information-Sharing

As the authorities tasked with tackling organized crime in source and transit countries, the success of local law enforcement operations is critical to the UK Home Office's transnational organized crime agenda. In our assessment, strengthening and improving the effectiveness of law enforcement institutions in countries of interest will serve to combat all local crime, including transnational organized crime.

Tier 1 - Fusion centers to collect, analyze, and act on information

In countries with capable and competent law enforcement agencies, the UK Home Office's efforts should optimize local law enforcement information-sharing mechanisms by implementing the Fusion Center model. According to the US Department of Justice: "A fusion center is an effective and efficient mechanism to exchange information and intelligence, maximize resources, streamline operations, and improve the ability to fight crime and terrorism by merging data from a variety of sources."³⁹ Fusion Centers were adopted in the United States in response to the 9/11 attacks in order to remedy the silos that existed between different law enforcement, intelligence, defense, and first responder entities.⁴⁰

These centers bring together representatives from local, state, and federal law enforcement and intelligence agencies with a variety of specializations, to collect, analyze, share, distribute, and act on information to disrupt crime and terrorism. Information is brought into the centers from above through the intelligence community; horizontally from the law enforcement community; and from below, with reporting mechanisms in place for collecting information from the private sector as well as civil society. In 2014, an Alabama Fusion Center was instrumental in the success of "Project Synergy," where intelligence and research from the Center were used to streamline the efforts of 36 different law enforcement agencies to dismantle a transnational drug network. 38 individuals were arrested and 200 pounds of synthetic drugs, \$500,000 in cash and bank accounts, and 19 guns were seized.⁴¹

UK law enforcement representatives should meet with their local, high-level, law enforcement counterparts to advocate for the Fusion Center model and offer to send experts or local UK law enforcement representatives to help setup the system and get it operational. Successful implementation will require assistance in identifying which agencies and personnel should be represented in the Fusion Center; establishing operational guidelines and digital infrastructure for information collecting and sharing; standardizing the type of information that is collected, how it is shared, and organizing where it is stored; and creating an onboarding training mechanism for incoming personnel.

Tier 2 - Task forces for joint investigation or specific crime types

Where the UK has law enforcement personnel on the ground in source countries, create bilateral and multilateral task forces with local and international law enforcement counterparts. Develop trusted interpersonal and interagency relationships with local partners. Establish protocols and mechanisms with local agencies around joint investigations and crime types that can either be activated as needed or are ongoing.

A task force can be described as a coalition of law enforcement partners—which may include a combination of local, state, federal, and international entities—who either collaborate closely on a particular investigation or on a more ongoing basis on a specific type of criminal activity. Institutionalizing law enforcement task forces as a vital tool within countries of interest, as well as institutionalizing ongoing relationships and mechanisms for joint task forces between UK law enforcement and their source country counterparts, are a priority for streamlining efforts to disrupting transnational organized crime.

Task forces are seen as a particularly important and effective way for international law enforcement agencies to overcome jurisdictional issues, as well as pool together resources and expertise towards tackling transnational organized criminal networks. The January 11th, record-setting, drug seizure in Long Beach, California – where more than 1.7 tons of methamphetamines, 55 pounds of cocaine, and 11 pounds of heroin, and totaling almost one billion dollar in value, were found in three containers disguised as loudspeakers – perfectly demonstrated the effectiveness of task forces in disrupting transnational organized crime.⁴² Dubbed “Operation Hoth,” the investigation began with the Victorian Joint Organized Crime Task Force in Australia and expanded to include federal, state, and local law enforcement counterparts in Australia, the United States, and Canada. The task force model allowed the disparate entities to collaborate, pool resources, share intelligence, overcome jurisdictional limitations to exercise search and arrest warrants in several countries, and more, resulting in a successful transnational operation.⁴³

Where there is no consistent UK law enforcement presence, prioritize countries by importance to the UK’s transnational organized crime agenda, and systematically send law enforcement representatives to develop the relationships and procedural protocols with which to activate task forces when the time calls for it. Where trust, capacity, and ability may be greater impediments to working with local law enforcement agencies, establish a process with the local agency to collaborate with selected and trusted officers. Use a combination of incentives and accountability mechanisms to encourage participation of the most qualified local officers and to ensure trustworthiness. Create sustainable task forces by including potential replacements to task force personnel periodically to be onboarded into the task force’s methods of operation and familiarized to the task force personnel.

Tier 3 - Deploy law enforcement attaches and lay foundation for strong institutions

In Tier 3 countries, where law enforcement agencies may be plagued by issues related to lack of resources, inadequate training and capacity, weak organizational structure, deficient leadership, or systemic institutional corruption, a wholesale approach to building healthy law enforcement institutions is needed. We identify three key areas to building the foundations needed for an effective law enforcement agency: sound organizational structure, institutional trustworthiness and accountability, and adequate technical ability.

Sound organizational structure: In certain Tier 3 countries, law enforcement institutions may be “under-developed” and lacking the organizational structure needed to be effective and to respond to organized crime. Identifying these countries where law enforcement leadership is willing to institute organizational restructuring, and helping them to build more well-organized law enforcement institutions from the ground up, should be a priority for the UK Home Office in countries of interest.

Institutional trustworthiness and accountability: In certain cases, law enforcement agencies suffer from systemic corruption, where police officers accept bribes and generally act in violation of their role as law enforcement. At times, police officers themselves are involved in organized crime in Tier 3 countries, as is currently the case where Venezuelan police and state officials are alleged to be involved with drug and arms trafficking and other criminal activity.⁴⁴ Starting out the effort by focusing on anti-corruption initiatives may be the better approach in these cases.

Adequate technical ability: Finally, in certain Tier 3 countries, the law enforcement organizational structures and accountability mechanisms may be adequate, but personnel may lack the technical skills needed to properly investigate organized cyber or financial crimes. Addressing these technical shortcomings, and the wider abilities of law enforcement in source countries to tackle crime more generally, is also critical to the success of the UK’s transnational organized crime agenda.

Where possible, assign UK law enforcement attachés to those countries with a mission to providing technical assistance, organizational guidance, and training support towards improving law enforcement institutions country-wide. Where technical skills are lacking agency-wide, coordinate technical experts to conduct comprehensive training programs on high-priority and essential law enforcement subjects to improve personnel ability. Where having on-the-ground UK attachés is not possible, assign UK personnel to countries of interest with the mandate of developing collaborative mentorship relationships with law enforcement leaders in those countries.

2

Law Enforcement Community Engagement

Maintaining trust and positive relations between law enforcement and civil society is crucial towards the success of law enforcement operations. The ability for law enforcement to engage constructively with organizations, entities, and individuals within civil society benefits the greater community in many ways. It encourages citizens to involve police when help is needed, facilitates improved information and intelligence collection from civil society, and opens up channels of communication to raise awareness, provide community training, and send out emergency alerts. In addition, it can help to inform law enforcement of the unknown issues that communities are dealing with, counteract extremism in vulnerable populations, and ease community fears and tensions when incidents happen.⁴⁵

Tier 1 - Law enforcement community liaisons

Advise law enforcement agencies that have the necessary capacity and personnel to adopt the liaison community policing model as developed by the San Diego Police Department (SDPD).

SDPD has for years used a creative, community-engagement model to great effect in order to build positive relations with their community. The department assigns one or more police officers to form the official liaison teams for different communities within the department's jurisdiction. These liaisons build relationships with all the relevant organizations and leaders from their assigned community by hosting meetings with the community to listen to concerns and raise awareness about important issues. They provide them with resources and guide them on reporting procedures for various situations, from hate crimes and mental health-related domestic issues to financial and cybercrimes. In addition, they facilitate community trainings on various topics, practice active shooter simulations, and consult on improving institutional security measures. Beyond the two-way communication and trusted relationships that the liaison officers develop, the liaisons report directly to the chief of police and function to keep leadership apprised of goings-on in sub-communities.⁴⁶

In implementation, the UK should advocate for the adoption of the liaison model to law enforcement leadership in source countries and provide them with guidance for successful program rollout and implementation. In addition, as a part of the program, the UK should promote the active recruitment of a diverse and representative police force, as it has been shown that particularly with this model, having officers that come from and identify with the communities that they serve helps to build trust and improve police-community relations.⁴⁷

Tier 2 - Advisory boards and community engagement

Advise source country police departments to institute community advisory boards as part of a wider community-engagement strategy to build positive police-community relations.

Community advisory boards are forums hosted by law enforcement agencies that bring in diverse community leaders and organizations to engage in constructive ongoing communication and relationship-building between law enforcement and their community. The strategy should consist of identifying community organizations and individuals that are leaders of various segments of civil society; establishing community advisory boards by sector or community; hosting meet-and-greet and awareness-raising events in the larger society; and generally engaging with the community in more positive and public face-to-face interactions. This strategy is useful in Tier 2 countries where law enforcement is able to safely host public events with communities and where there are identifiable organizations and leaders who can represent their communities in constructive ways with local law enforcement to facilitate two-way communication and wider message amplification to communities. The ability to host these engagements with little-to-no cost is an added benefit for most agencies that struggle with limited budgets.

Different advisory boards may be organized by religious groups, business sectors, various social groups, or other delineations as needed for the priorities of the local police department. On a periodic basis, law enforcement will invite these different advisory boards in for meetings with high-level law enforcement officers, either at the police department or in a more public forum open to all somewhere in the community, where they discuss issues of importance and concern to the respective communities. This enables law enforcement to raise awareness and to educate citizens on dangers in the community; offers an opportunity to brief the community on the state of security and crime in the city; and reassures communities when incidents take place that law enforcement are exerting every effort to address the situations.

The two-way relationship also provides access for civil society actors to educate police departments on lesser-understood issues, like LGBTQ+ or minority group issues, to assist police officers with their own community engagement. Advisory boards are another staple of the San Diego Police Department's community policing model. According to Captain Brian Goldberg, "Community policing helps to plug police officer shortages. The community acts as a force multiplier for us. We go out with 11 officers to patrol 43 square miles and have 150,000 people looking out and helping. These engagements make the community feel comfortable with the local law enforcement agencies, and the different organizations help us to raise widespread awareness."⁴⁸

Implement this policy by assisting source country law enforcement agencies to create their community engagement and advisory board strategies. Support the institutionalization of these types of community engagement practices by having law enforcement leadership plan events for the quarter or further ahead in the year, publicly announce them, and keep records of all such engagements.

Tier 3 - Traditional and social media campaigns

Work with law enforcement in source and host countries to setup useful social media accounts and institutionalize social media use as part of their operations. In Tier 3 countries, for reasons ranging from security concerns to lack of capacity, organizing in-person engagements with the public may not be feasible. Therefore, media, and particularly social media, can be a useful tool for law enforcement to reach wider audiences, raise awareness around issues like organized crime, collect information from civil society, and generally engage positively with their community.

The International Association of Chiefs of Police hosted a panel on social media best practices at their Annual Conference in 2017, where panelists discussed how social media can be used for everything from collecting information on persons of interest from the community to promoting positive police stories, and from releasing public service announcements regarding concerning issues to recruiting for their departments.⁴⁹ Indeed, law enforcement have increasingly been able to use social media to find and arrest criminals, as some people are more willing to report tips through social media, while criminals often leave a considerable digital footprint on social media that can be used to prove their guilt.⁵⁰ The potential application of social media can be far-reaching and is a tool that is accessible to most law enforcement agencies.

To implement this strategy, task local UK representatives with establishing guidelines for social media usage. Assist them in creating content to raise social awareness around priority issues affecting their communities. Arrange for local police officers tasked with social media duties to be trained on the many ways that law enforcement can use and benefit from their social media presence and create a two-way, digital relationship with their community.

Disrupt Financial Flows

3 Closing Gaps in FATF Compliance

Money laundering is covered by extensive international and regional regimes, and national legislation. Nearly every state in the world is a signatory of the United Nations Convention Against Transnational Organized Crime, Article 7 of which addressed money-laundering.⁵¹ The Convention further referred member-states to “regional, interregional and multilateral organizations against money-laundering,”⁵² for specific guidance. The primary international organization responsible for establishing and promoting anti-money laundering standards is the Financial Action Task Force (FATF), which conducts its work directly with countries or in cooperation with regional affiliates like the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (Moneyval).

The UK should build upon this existing international and regional structure. British diplomatic efforts should be geared towards securing greater compliance with the standards from relevant jurisdictions. The push should initially take the form of analyzing the latest FATF, and related, reports and identifying gaps closest to closure. The UK should then assist the respective country to secure full compliance. This assistance can take many forms, from comprehensive anti-money laundering support teams to conduct extensive on the ground assistance, to specialized highly-technical knowledge sharing, to task forces with narrow scopes.

This approach has several benefits: (1) by prioritizing gaps closest to closure the UK would ensure there is a steady, and early, return on its investment. (2) By working on these gaps, the UK would affirm steps undertaken by the respective governments instead of pressuring them. (3) The approach would establish, and normalize, the identity of the UK as a foreign partner dedicated to strengthening anti-money laundering measures. (4) By strategically aligning itself with existing international and regional efforts the UK would amplify its influence. The tiered approach here reflects the progress made by a particular country in meeting its commitments under international agreements. It therefore does not differ in focus, but rather in substance.

Tier 1: Consult latest assessment, gaps include confiscation procedures, due diligence, record keeping

Romania, which Moneyval finds “not yet fully in line with the FATF Recommendations,”⁵³ is broadly reflective of deficiencies particular to Tier 1 countries. Romania, like Tier 1 countries in general, displays extensive, but not full, compliance with international standards. The UK would assist Romania with issues like improving processing for confiscation and seizure of the proceeds of money laundering; better due-diligence in the establishment of cross-border relationships between financial institutions; and record keeping on the part of consumer banks.

Tier 2: Consult latest assessment, gaps include system-wide resilience, money-laundering criminalization

Lebanon is paradigmatic of the kind of challenges faced by Tier 2 countries. There is a clear misalignment between the willingness and capability of the Lebanese government to act. UK assistance, while similarly focused on gaps closest to closure, would have to address the presence of domestic factors that complicate Lebanon's compliance.⁵⁴ Nevertheless, the UK would find areas in which the Lebanese government has registered noteworthy improvements and assistance could yield important results in the fight against money laundering. These areas of potential improvement can address elementary steps towards financial system resilience in the face of money laundering, as well as comprehensive and robust criminalization.⁵⁵

Tier 3: Consult latest assessment, support global effort, focus on transit countries

Naturally, Tier 3 countries pose a singular challenge. The latest available report on money laundering in Afghanistan paints a grim picture of massive institutional, structural, and law-enforcement deficiencies.⁵⁶ Support for existing international and regional initiatives in Tier 3 countries is important, but a long-term effort is needed. There are, however, immediate steps that can be taken to ameliorate the money laundering problem in Afghanistan. Funds are transferred through intermediary countries – rather than directly with European markets for opiates, for example. Working with these countries – they include the United Arab Emirates and Turkey – can limit the operational ability of Afghan organized crime.⁵⁷

4

Utilize Data Analytics and Artificial Intelligence to Improve Detection of Illicit Financial Flows

The continued existence of transnational organized crime groups is dependent upon on a constant flow of money into these organizations. Billions of dollars are often funneled through legitimate enterprises and financial systems, providing key points for interdiction to law enforcement. The prevention and deterrence of such transfers of money is the surest way to inhibit transnational organized crime groups and their destructive activities.⁵⁸

Advances in technology have increased our ability to detect illicit transactions. Current monitoring systems are inadequate and plagued with inefficiencies where approximately 95% of flagged transactions are closed as false positives.⁵⁹ Employing the “hybrid threat finance” model in detection technology, which incorporates a number of risk variables – including geography of the transactions, high-risk customer profiles, and product nature – is likely to be more successful in detecting illicit financial flows at the placement stage.

Tier 1 – Joint development of artificial intelligence detection systems

The UK should launch joint-development programs in Tier 1 countries for developing Artificial Intelligence (AI) software that employs the “hybrid threat finance” framework. Utilizing AI instead of current systems will serve to improve detection times and accuracy of flagged transactions. The “hybrid threat finance” framework will further improve the accuracy of detecting suspicious transactions by TOC groups because it will incorporate variables specific to the movement of money by TOC groups; in effect, it represents a highly tailored financial detection system. Tier 1 countries are appropriate partners for this effort since they possess the necessary advanced technological infrastructure. By working together, Tier 1 countries can link their AI detection systems, tracking transactions across national borders, sharing notifications of suspicious activity, and disseminating intelligence regarding methods used by TOC groups to hide and transfer their finances.

Detection of illicit financial transactions using AI has already been implemented in Singapore by Overseas-Chinese Banking Corporation Bank (OCBC). The software takes a “holistic and contextual”⁶⁰ approach to identifying potentially illicit transactions. Since implementation, OCBC has seen a 35% reduction in flagged transactions with a four times greater rate of accuracy.⁶¹ Using AI to detect illicit financial flows is an underdeveloped, but promising use of technology that if implemented correctly can radically improve the speed and accuracy at which suspicious transactions are detected. The UK would be served by first connecting with regional partners who face similar threats to their banking and financial institutions to develop the most effective and relevant AI detection software.

Tier 2 – Investments in big data processing and analytics

The UK should assist Tier 2 countries with implementing tested data analytics processes to more accurately detect suspicious transactions. This includes data aggregation, advanced statistical modeling, and automated processes. Data aggregation processes first involve the collection of large amounts of data about customer transactions. Once robust, accurate data is collected, data aggregation processes, using “fuzzy logic,”ⁱⁱⁱ can be used to streamline procedures for customer identification and the identification of beneficial owners with more accuracy. Data aggregation should also be used for mapping the flow of money. The use of advanced analytics through statistical models that employ machine learning will reduce the number of false positives flagged and identify more false negatives. These models could also apply the “fuzzy logic” detection approach to the now more comprehensive field of data. Finally, utilizing automated processes can significantly reduce the amount of labor used to detect illicit transactions. In Tier 2 countries, where corruption is more widespread, automated processes will also protect against individuals with ties to TOC groups from being able to hide suspicious activity.

Testing of these improvements in banks have led to a reduction from more than 30% to 5% in compliance error rates and a reduction in false positive alerts from over 90% to under 50%.⁶² The UK should work with technology companies and Tier 2 countries to build these automated, advanced analytics processes using their own experience building advanced technologies to detect illicit financial flows.

ⁱⁱⁱ The “fuzzy logic” approach to computing does so according to degrees of true as opposed to using a true/false binary.

Tier 3 – Build early capacity for financial systems, assist in development of databases, and provide guidance on customer information collection

The UK should assist Tier 3 countries with incorporating the data aggregation methods, as described above, into their financial technology systems. This will allow for ease of analysis when seeking to detect suspicious transactions. However, these countries will first need to require their domestic financial institutions to build extensive databases that utilize “fuzzy logic” to complete holistic customer profiles. Collecting large amounts of client data and processing through an advanced system will allow banks to quickly confirm customer identities and make connections between various clients and transactions, thus better tracking the flow of money.⁶³

As a low-technology recommendation relative to those suggested for Tier 1 and Tier 2 countries, this recommendation is ideal for Tier 3 countries who likely lack technological capacity and require improvement in building extensive customer profiles and identification means prior to being able to utilize more advanced technology. The UK should provide technological support in the development of the databases used to house client information and guidance on what variables should be included in these databases, i.e. what information is needed to collect data relevant to customer identification and detection of illicit transactions. Tier 3 countries are likely to exhibit financial systems not sufficiently developed to handle the above described processes. Accordingly, assessments of the existing institutional frameworks may be necessary to identify foundational needs.

5 Push for Financial Transparency

Financial transparency is a key frontier in the fight against organized crime. The role of governments in this respect is to limit, as much as possible, the ability of TOC groups to anonymously move or store money in the financial system. The UK has the opportunity to assume a role of international leadership on financial transparency due to its own domestic experience with increasing transparency and protecting an advanced and integrated financial system against exploitation.

This push would be borne out of a recognition of the consequences of international financial integration. Even were the UK to entirely stem the flow of the proceeds of organized crime into its financial system, it would remain nonetheless vulnerable by virtue of its connection to the international system. Strengthening transparency laws, procedures, and systems in partner countries contributes to the resilience of the UK’s own financial system. Furthermore, the push from one of the capitals of the world’s financial system would have the added benefit of contributing to the normalization of strict transparency as a best practice.

Tier 1 – Popularize Unexplained Wealth Orders as a tool against money laundering

In Tier 1 countries, the UK should lead on the establishment of a general statement of principles on Unexplained Wealth Orders (UWOs) under the aegis of the UN Convention on Organized Crime. The follow-up on the statement would be realizing its translation into standards adopted by FATF and its affiliates. Due to their reliance on a strong foundation of rule of law, UWOs should be restricted to Tier 1 countries where abuses could be kept to a minimum. The introduction of UWOs was a response by the British government to the problem of

money laundering.⁶⁴ Though comprehensive assessment is still lacking, the UK has claimed that the introduction of UWOs has already had an effect on the use of the British financial system by wealthy foreigners suspected of engaging in money laundering.⁶⁵

Tier 2 – Popularize Beneficial Ownership Registries to increase transparency

The UK should encourage Tier 2 countries to require corporations and legal entities to disclose their true benefactor through registration in a publicly-accessible register for beneficial ownership. Beneficial ownership registers ensure greater transparency and thus more accountability for all transactions. By making this register available to the public, accountability will be enforced not just by the government, but also by the people, which could help to combat issues of corruption in government. Such a register should be developed to cover as many non-monetary assets as possible, not just real estate, and should identify beneficial owners as well as people with significant ownership or control of the asset or entity in question. This policy recommendation will not require extensive legislative maneuvering and is thus a feasible action for Tier 2 countries.

With the UK's current efforts to fully implement their own register for real estate transactions by citizens and non-citizens alike, they are most apt to assist Tier 2 countries with establishing similar registers. Open Ownership, funded by the UK's Department for International Development, should be used as an example and partner in the process of international implementation.⁶⁶ The Open Ownership register is a global beneficial ownership register which hosts self-submitted data on company ownership as well as data from regulatory sources from various European countries.⁶⁷ The UK and Open Ownership can provide useful templates and best practices for Tier 2 countries as they seek to develop their own registers.

Tier 3 – Build-up use of the financial system

The push with Tier 3 countries should be aimed at increasing the use of financial systems. Improving financial literacy of potential customers is a necessary step towards that. Greater use in turn improves financial literacy and builds greater trust in the formal system, which limits potential avenues of operation for organized crime.⁶⁸ Additionally, providing financial education to providers will assist them in targeting potential clients and assessing and responding to client needs.⁶⁹ This will require banks to be transparent with their customers about services offered, fees, and minimums. The lowering of fees and minimums will additionally be helpful in the acquisition of new customers. The increase in banked individuals will necessarily lead to an increase in transparency concerning financial transactions.

Lacking the government capacity and legislative strength to implement the policies described for Tier 1 and Tier 2 countries, Tier 3 countries will most benefit from capacity building and improved education. The UK can aid in these realms, having a robust financial system, and can use its global clout to influence international organizations to focus on these efforts. Such steps will further the UK's image as a global champion of transparency in financial systems and will cause a spill-over effect that reduces the threat posed by TOC groups to the global economy.



Social Crime Prevention

6 Target Youth Vulnerability to TOC Recruitment

The effectiveness of transnational organized crime groups requires a vulnerable community in source countries to fuel recruitment. Reducing source country vulnerabilities to recruitment will undermine TOC group capabilities and expansion efforts. This set of policy solutions will involve long term approaches which contribute to TOC prevention indirectly, and will build community resilience to recruitment only after several years of effective implementation.

We recommend school-based TOC education and awareness campaigns for Tier 1 countries, as these countries typically have stronger primary and secondary educational institutions which are necessary to conduct the education campaigns. For Tier 2 countries, we recommend leveraging non-governmental organizations (NGOs) and non-profit organizations (NPOs) to export family-based and community-based outreach programs. Monitoring and intervening in TOC recruitment efforts through online and social media channels will be the most efficient method to prevent recruitment in Tier 3 countries.

Tier 1 – Education awareness campaigns in schools

The UK Home Office can leverage the strength of education institutions in Tier 1 countries by helping to develop TOC awareness and prevention education campaigns throughout primary and secondary schools in source countries. Education programs specifically aimed at TOC awareness and prevention have paid dividends in countries with historically high TOC involvement. In Zimbabwe, the police have collaborated with schools to provide these public education programs for students, which has significantly raised youth resiliency.⁷⁰ Palermo, Sicily has also benefited from an educational program that exposes 25,000 students in primary and secondary schools annually to school projects, exercises, and lectures that discuss the nature and costs of corruption, clientelism, and involvement with the Mafia.⁷¹

The UK Home Office can provide resourcing for a new initiative in the source country's school system, as well as reference such successful models as those implemented in Zimbabwe and Sicily to advise and assist in developing the awareness program. Networking with international and reliable local law enforcement in order to directly assist in the awareness campaigns will greatly enhance the viability of these programs.

Tier 2 – Family-based and community-based outreach programs

For Tier 2 countries, where the educational institutions may lack capability or suffer from corruption that prevents the proper channeling of resources, the UK should focus on helping divert youth through outreach programs instead. The Home Office should export both the British paradigm for youth outreach programs which targets at-risk populations, as well as the US-based community-level youth outreach programs to maximize reach. Family, community, and street outreach programs build resiliency against TOC influence through

prevention and intervention in risky behavior, ideally before the criminal cycle begins. The UK is already addressing domestic youth at-risk for serious and organized crime involvement by targeting specific profiles and implementing widespread outreach services.⁷² UK outreach services identify and target youth with family backgrounds of abuse, domestic violence, and drug use, while also ensuring that non-profit organizations like the Troubled Families Programme and Trusted Relationships Fund include specific intervention against drug-related serious and organized crime.

In Los Angeles, nonprofit organizations worked closely with law enforcement to train and support former gang members in mentorship and outreach services.⁷³ Gangs share fundamental characteristics with TOC groups, with some gangs having evolved into their own international criminal networks.⁷⁴ The youth vulnerabilities which drive recruitment between gangs and TOC networks are also compatible. Former gang members (or specifically in our case, former TOC members) possess life experience and expertise that can be leveraged to identify at-risk youth situations and activities, as well as better inform prevention and intervention efforts. They also have the benefit of being community members capable of garnering local trust, which solves the issue of distrust that many communities have with outsiders. In order to maximize trust and community involvement, outreach programs must work to collaborate with trusted community leaders.⁷⁵

To implement, appropriate representatives should network with international non-profit organizations (NPOs) and NGOs, or otherwise expand the reach of effective domestic NPOs and NGOs if necessary, to install initial outreach service agencies in source countries where needed. The UK Home Office should leverage effective UK and US outreach services to provide source country outreach service agencies with practitioner education/training toolkits that will enhance intervention efforts with vulnerable youth.

Tier 3 – Monitoring and intervening in online TOC recruitment efforts

In order to stem recruitment sources, the UK should create a partnership with the recognized social media enterprises (Twitter, Facebook, YouTube, etc.) in order to track and eliminate the channels of online recruitment of TOC groups. In the digital age, criminal groups use the social platforms available to propagate their malign messages and attract new members to their ranks. This partnership would focus on information sharing in order to track TOC online accounts and messaging and ultimately, eliminate them. TOC groups have used social media to recruit new members as well as sustain communication among the different networks. These messages are often printed with false information designed to appeal to vulnerable populations. Cutting lines of communication and online recruitment places greater limitations on the activities and resilience of TOC groups in source countries. Aspects of this system could borrow from counter-extremism efforts that have deployed comparable mechanisms with positive results.

7

Decrease Community Tolerance of TOC in Source Countries

In many cases, powerful TOC groups have resided in source countries for so long that their presence and their activities have become part of the cultural norm. The UK Home Office can help shape social norms to ultimately create a demand to overcome the resident transnational organized crime influence, not unlike developing a social movement that rejects TOC networks and their activities. This intolerance can be nurtured in two ways: by reducing the overall criminal propensity in the source country's society; and by creating awareness campaigns to bring the victimization and human cost of TOC activities to the forefront of social consciousness. The reduction of aggregate criminal activities and tendencies throughout the community will in turn reduce citizens' tolerance to illicit behaviors stemming from TOC activities. The UK Home Office can support source country crime reduction by creating targeted programming based upon the capabilities of countries in different tiers, spanning from recidivism mitigation to the promotion of socioeconomic opportunities. Additionally, by shaping a society's perception through social media to demonizing TOC and regarding TOC networks as a solvable problem, source country communities will find it progressively harder to accept the status quo of TOC activity.

Tier 1 – Support for prisoner rehabilitation and stopping the criminal cycle

A primary step to reducing tolerance to TOC activities is reducing the criminal propensity within a community. As repeat offenders contribute to the majority of criminal activities, the UK should assist source countries in creating or bolstering currently existing society reintegration support services. Typically, more than two-thirds of all ex-convicts are arrested again within three years or less.⁷⁶ Released prisoners face many challenges when reintegrating in society, such as finding employment and housing as well as avoiding relapses into addictions or involvement with risky networks and behaviors.⁷⁷ A country's traditional legal and community dynamics may exacerbate these challenges by creating barriers for released prisoners in gaining employment or housing, receiving public benefits such as public assistance and student loans, and many other restrictions.⁷⁸ These barriers have frequently narrowed released prisoners' options to the point where a return to criminal behavior may be the only perceived means for survival and growth. The imprisonment cycle may be typical for TOC members, but public and community systems may not have provided viable opportunities to break the cycle and successfully reintegrate with society.

In 2002, the US Department of Justice led a collaboration of multiple federal agencies to develop the Serious and Violent Offender Reentry Initiative (SVORI).⁷⁹ Later in 2004, the George W. Bush Administration tasked the US Department of Labor to lead the Prisoner Reentry Initiative (PRI), leveraging the field expertise and resources of community organizations to support the reintegration of nonviolent offenders.⁸⁰ Both SVORI and PRI provide services to released prisoners, to include job training, mentoring, counseling, and various other transition services as dictated by a reentry plan that is tailored to each individual offender. Offender needs and skills are assessed to develop a custom reentry plan prior to release from prison, and adherence to the reentry plan is enforced through correction officer and judicial oversight. Numerous assigned public and private agencies continue to provide support to the offender throughout their long-term society reintegration.

The UK Home Office should advise and assist source country correctional institutions in developing a three-phase post-prison support system, utilizing the US SVORI/PRI model. Social workers in source countries

should be trained to develop a prisoner’s tailored reentry plan prior to prison release. After release, the UK Home Office can support resourcing for source countries to provide critical support services immediately after release with a parole officer’s close supervision. Similar UK Home Office resourcing can facilitate long-term reintegration support through a network of public and private agencies throughout the source country.

Tier 2 – Use microloans to break the socioeconomic cycle of TOC

To boost entrepreneurship, the UK should implement a microloan program in source countries, targeting young members of the community to provide economic opportunities and ultimately drive vulnerable populations away from organized criminal groups. These programs have had successful results in countries such as India, South Africa, and Mexico. This recommendation can help eliminate the financial leverage that TOC groups may have on their recruitment population by offering an alternative source of monetary gain.

However, a successful microloan program requires a strong partnership with the banking system in order to enable an easier transfer of funds, as well as an accountability mechanism ensuring that the financial aid is strictly utilized for legitimate economic activities. Without an accountability and monitoring mechanism, there remains the risk that the microloan could further fuel the financial channels of TOC. We recommend the UK Home Office set up a public-private partnership with the local banking system in source countries. In addition, microloans could also be directed towards trade schools as well as financial aid for college tuition that will provide community members with opportunities for legitimate employment.

Tier 3 – Communicate the costs of TOC victimization through social media

The toll of TOC on populations is considerable, and without proper communication on the negative drawbacks of TOC on society the resilience of these groups is sustained. In order to weaken the resilience of TOC groups, we recommend that the UK Home Office set up a digital and social media campaign that would highlight survivor and victim stories. This campaign would also raise visual and graphic awareness about the human costs of TOC. Social media platforms are an important tool to disseminate messages about the cost of TOC for individuals. These costs are even more important in Tier 3 countries where insecurity is widespread and accountability is lacking.

The purpose of this campaign would be to widely demonstrate that TOC is a phenomenon that claims a considerable amount of lives, which breaks families and social cohesion, and threatens permanent physical and psychological harm. This campaign would give a “human” face to TOC by communicating past experiences of survivors and the abuses that they might have been subjected to, as well as how they managed to move beyond that life.

Criminal Justice

8

Strengthen Prosecutorial Capabilities and Increase Access to Justice

When the probability of a crime being reported, investigated, solved and penalized is low, individuals will have higher incentives to engage in criminal activities. In addition, high levels of impunity resulting from judicial weaknesses harms the legitimacy of state institutions, making victims seek alternative resolutions and support from criminal organizations. Reforms to the justice system are not only a way to enhance deterrence capacities against crime, but also a socially preventive tool to counteract the societal pillar of organized crime.⁸¹

Often, negligent investigations and mismanagement of cases fail to guarantee victims' access to justice in court.⁸² Reforms in the criminal justice system require new laws and resources as well as investment in human capital. It is therefore necessary to emphasize training and professionalization in the criminal justice systems of source countries and to provide tools for investigators, prosecutors, and judges to better combat crime.

The UK, through various alliances and by working with civil society, can support source country efforts to transform prosecutorial capabilities and access to justice for victims to reduce impunity levels, strengthen the legitimacy of governmental institutions and to rebuild confidence in the legal system.

Tier 1 countries – Train personnel and improve investigative tools

In Tier 1 countries, the UK can help transform criminal justice systems by training and certifying prosecutors and investigators, as well as providing access to forensic tools and cooperation on witness protection programs. Although Tier 1 countries already have institutions and norms to combat organized crime, they need to respond to a large number of criminal cases with limited personnel and capabilities. UK aid can boost local efforts to improve prosecutorial services and increase access to justice for victims.

A good example to look at is the “Initiative Merida” security agreement between the United States and Mexico that allocated more than \$400 million dollars in aid to implement judicial reform in Mexico.⁸³ The help included equipping courtrooms, and involved training and certifying approximately 9,000 prosecutors, investigators, forensic specialists, and more than 100 judges under a project called “Diamante” implemented by the Office of Overseas Prosecutorial Development and Training at the Department of Justice.⁸⁴

The UK could create an international training and certification program at the Crown Prosecution Service (CPS) to train investigators, prosecutors and senior officials from source countries on prosecutorial models, investigative techniques, case management, trial skills, and victims and witness protection. Regarding forensic cooperation, the UK could share best practices and data, as well as build agreements to permit that source countries have access to UK forensic technologies and laboratories (DNA, ballistics and anthropology) for high-priority investigations. Finally, the UK could share best practices on witness protection and help source countries in evaluating assets at risk of intimidation or retaliation and offer resettlement in cases of extreme risk.

Tier 2 countries – Strengthen criminal justice systems and prosecutorial services

In Tier 2 countries, we recommend that the UK help evaluate and design reforms to criminal justice systems and prosecutorial services, as well as contribute to the recruitment and training of new personnel for these types of agencies. According to our metrics, Tier 2 countries are still in a stage of institution building, which represents an opportunity to export best practices and design new prosecutorial services. For this purpose, the UK could aid and advise based on UNODC’s existing frameworks. Examples include UNODC’s Criminal Justice Assessment toolkit and their guide on the Good Practices for the Protection of Witnesses in Criminal Proceedings Involving Organized Crime.

Regarding the recruitment and training of new personnel for prosecutorial services, the UK could create a scholarship under the Chevening program to facilitate one-year academic exchanges for future prosecutors and investigators who are studying law and criminal studies and are in their last year of college. They would be selected by both the UK and the source country to attend UK universities and training centers with the commitment of returning to their home countries to start a career in their criminal justice services.

Tier 3 countries – Working with civil society to increase “exposure”

In Tier 3 countries, by working with International NGOs, the UK can help fund and train local activists and journalists who expose criminality. Given the lack of governmental capabilities and willingness to cooperate in Tier 3 countries, strengthening civil society becomes crucial to increase the exposure of criminal activities, create social opposition to criminality and generate a “momentum for change” to transform criminal justice systems.⁸⁵

With the help of international NGOs like Global Witness, Reporters Without Borders, Pen International and International Amnesty, the UK could fund local activists and journalists and support training programs for them on investigative methods, victims’ assistance to access justice, and personal security in order to expose crime and work with victims in dangerous contexts. Finally, it is vital that the UK monitors the activities of these civil allies and strongly consider offering them asylum in case their lives are in grave danger. It is advisable that the UK reviews its asylum protocols to reduce processing time for civil allies in danger.

9

Tackle Corruption Through Judicial Reform

Corruption in source countries plays an out-sized role in transnational organized crime. Not only have we identified it as an independent metric of our methodology, scholars in almost every interview conducted noted that TOC could not be truly addressed without a solution targeting corruption in different sectors of a source country. Corruption is unique in its key role in TOC, but its effects are felt in most aspects of society in a highly corrupt country.⁸⁶ According to the OECD, the cost of corruption in all of its different modalities constitutes more than 5% of the global GDP.⁸⁷

The scale of the problem of corruption is alarming and represents a barrier to posing effective solutions—in many ways, it is too big to handle with a single solution. We recommend beginning to address corruption through a particular arena: the judiciary. As of 26 June, 2018, 186 countries became signatories to

the United Nations Convention Against Corruption.⁸⁸ Article 11 of the convention identifies the judiciary as a vital space for tackling corruption, emphasizing the decisive role of the judicial branch, and establishing that in order to carry out this role effectively, the judicial branch itself must be free of corruption. Corruption in the judiciary system undermines the core administration of justice, which is why the UK could have a large impact upon the fight against corruption with tailored solutions in source countries.

Tier 1 – Encourage the establishment of independent anti-corruption bodies

In Tier 1 countries, the UK should assist source countries to set up independent anti-corruption agencies to create a dedicated organization tasked with enforcing the rule of law. Though this solution seems radical on its face, the UK participated in the creation of one of the world’s most successful anti-corruption investigation bureaus: the Corrupt Practices Investigation Bureau (CPIB) in Singapore. The British colonial government established this bureau in Singapore in 1952, and with the help of this independent bureau, Singapore ranks as one of the least corrupt nations in the world.⁸⁹ The CPIB is the only agency authorized to investigate corruption offenses in Singapore, and among other things, retains the power to secure access to suspect records, require attendance of witnesses to interviews, refer individuals for criminal prosecution, and investigate any offenses that are disclosed in the course of a corruption investigation. This tailoring would be beneficial for Tier 1 countries as it would require high political will to institute large scale change, and will depend upon existing institutional strengths.

To implement, the UK should enlist expert support to study the Singapore CPIB to distill best practices for implementation in Tier 1 countries. After identifying some of the key requirements for implementation (i.e. legal challenges and funding sources), offer institutional support through grant funding or dedicated consultants to guide the process. Convene working groups with countries with similar independent bodies to collect advisors for those countries who are interested in this institutional change. If source countries are unwilling to go as far as to create wholly new agencies, suggest a specialized court within the judiciary system trained to take on corruption cases.

Tier 2 – Support community court watch programs

In Tier 2 countries, create a grant program to fund non-profit organizations willing to implement community court-watching programs. This solution is modeled after efforts in cities across the US where volunteers and activists serve as unbiased observers of court proceedings and report on the practice of the law in courtrooms. The oldest court-watching organization in the US is Court Watch NOLA, which “recruit[s], train[s], and support[s] volunteers in observing on whether . . . judges, prosecutors, public defenders, and other public servants are doing their jobs professionally, transparently, efficiently, ethically, and constitutionally.”⁹⁰ Court Watch programs allow volunteers to take ownership of the judicial system and help to increase transparency by shifting court practices and culture. Ideally, the court watchers would attend any open court proceedings, take notes on what they see in court, and report those findings to their sponsoring non-profit organization. On a monthly basis, these non-profits would report out their findings, increasing public pressure for institutional change in the courts. There are other models being implemented across the US and the world,⁹¹ but this structure would likely balance structural concerns arising from Tier 2 countries as well as the goal of greater transparency and decreased corruption.

Propose a new line of funding for non-profit organizations in Tier 2 countries, providing grant funding for the implementation of a court-watching program. Develop guidelines for those organizations interested in participating by studying similar programs based in the U.S. Consult with source country government officials to determine safety obstacles that may arise from such a program and address them on a case-by-case basis.

Tier 3 – Launch judge training programs

In Tier 3 countries, support and implement the judicial professionalism programming endorsed by the United Nations Office on Drugs and Crime (UNODC). Tier 3 countries often exhibit high levels of corruption, and thus any large-scale changes, institutional or otherwise, may not serve as the best use of resources. This does not mean that Tier 3 countries lack the capability to make substantial changes in their judiciary to get closer to the goal of establishing an independent and effective justice system.

As the UNODC has previously noted, judges have an incredibly important role in defining, protecting, and upholding the rights of citizens in all areas.⁹² As more citizens try to turn to the judiciary to exercise those rights, it is crucial that those tasked with this responsibility are equipped to address citizen concerns efficiently and successfully. If citizens are able to turn to the judiciary as a reliable vindicator of victims' rights, Tier 3 countries can bolster this institution as a bulwark against corruption before even the greater political will turns toward this goal.

To implement, the UK should lean upon the recommendations from UNODC Resource Guide on Strengthening Judicial Integrity and Capacity. Prioritize supporting judicial education for those interested in becoming judges, as well as continuing education programs for current justices. Identify recruitment strategies for hiring new judges in source countries and offer recommendations to assist in the professionalization of the judiciary.

Conclusion

Ideally, executing every appropriately-tiered policy solution for every at-risk country would provide the best results in preventing and deterring transnational organized crime. With the reality of resource constraints, it will be up to the UK Home Office Stabilisation Unit to determine which policy solutions would work best for chosen countries. The various policy solutions detailed in this report are modular in design. Some policy solutions will be more productive in particular countries than in others, whether due to the compatibility of country culture or institutions, or otherwise because of the glaring need for the benefits that a policy solution would provide.

In the case where multiple policy solutions are implemented in a specific source country, the sequencing of solutions will require deliberate planning. For example, policy execution to improve law enforcement should be implemented simultaneously or in rapid succession with policy execution to improve the judiciary system, or else the weaknesses of one system will negate the improvements of the other. It is also important to note that country categorization is temporal. Major events and regime change may upgrade a Tier 3 country to a Tier 2 country, or vice versa. Once countries are mapped to appropriate tiers to determine best policy solutions, these tier mappings should be periodically reviewed for accuracy.

Transnational organized crime networks thrive by exploiting the weaknesses in the source country's institutions and political system. By using policy solutions tailored to a country's political will to improve, level of corruption, institutional capabilities and relationship with the UK, the UK Home Office Stabilisation Unit will be able to support realistic efforts to achieve the most productive impact in the prevention and deterrence of transnational organized crime.

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Appendix: Policy Solutions at a Glance

Theme	Recommendation	Tier tailoring
Law Enforcement	Cross-Agency collaboration, Communication, and Information-Sharing	Tier 1: Fusion centers to collect, analyze, and act on information
		Tier 2: Task forces for joint investigation or specific crime types
		Tier 3: Deploy law enforcement attaches and lay foundation for strong institutions
	Law Enforcement community engagement	Tier 1: Law enforcement community liaisons
		Tier 2: Advisory boards and community engagement
		Tier 3: Traditional and social media campaigns
Disrupt Financial Flows	Close gaps in FATF compliance	Tier 1: Consult latest assessment, gaps include confiscation procedures, due diligence, record keeping
		Tier 2: Consult latest assessment, gaps include system-wide resilience, money-laundering criminalization
		Tier 3: Consult latest assessment, support global effort, focus on transit countries
	Utilize data analytics and artificial intelligence to improve detection of illicit financial flows	Tier 1: Joint development of artificial intelligence detection systems
		Tier 2: Investments in big data processing and analytics
		Tier 3: Build early capacity for financial systems, assist in development of databases, and provide guidance on customer information collection
	Push for financial transparency	Tier 1: Popularize Unexplained Wealth Orders as a tool against money laundering
		Tier 2: Popularize Beneficial Ownership Registries to increase transparency
		Tier 3: Build-up use of the financial system
Social Crime Prevention	Target youth vulnerability to TOC recruitment	Tier 1: Education awareness campaigns in schools
		Tier 2: Family-based and community-based outreach programs
		Tier 3: Monitoring and intervening in online TOC recruitment efforts
	Decrease community tolerance of TOC in source countries	Tier 1: Support for prisoner rehabilitation and stopping the criminal cycle
		Tier 2: Use microloans to break the socioeconomic cycle of TOC
		Tier 3: Communicate the costs of TOC victimization through social media
Criminal Justice	Strengthen prosecutorial capabilities and increase access to justice	Tier 1: Train personnel and improve investigative tools
		Tier 2: Strengthen criminal justice systems and prosecutorial services
		Tier 3: Work with civil society to increase “exposure”
	Tackle corruption through judicial reform	Tier 1: Encourage the establishment of independent anti-corruption bodies
		Tier 2: Support community court watch programs
		Tier 3: Launch judge training programs