Strengthening Cross-Border Cooperation Across Africa to Combat Illicit Trafficking Networks, Illicit Economies, and Converging Security Threats

Session 2 on Gateways to TNOC through Enabling Crimes

Countering Transnational Organized Crime Seminar
Africa Center for Strategic Studies,
National Defense University

DAVID M. LUNA
PRESIDENT & CEO
13 January 2020
Niamey, Niger
ROADMAP FOR THIS PRESENTATION

- Africa Security Landscape: Threat Multipliers: Inter-Connected Layers (Routes, Actors, Threats)
  - Convergence Crime: **Gateways to TNOC through Emerging Crimes**
- Core Gateway Crimes: Corruption, Money-Laundering/Financial Crime, Cybercrime Drugs, Counterfeits, Human Trafficking, Environmental Crime)
  - Porosity of Borders; Unregulated Spaces and Illicit Economies
  - Rise of Terrorism in Africa and Illicit Trafficking Profitability
- Crime-Terror Networks of Exploitation: Trafficking and Smuggling Networks
  - Organized Crime, Corrupt Actors, Terrorist Groups

Full Spectrum Dominance: Cross-Border Information Sharing: Actionable Intel
Targeting Centers of Gravity: Corruption+Follow the Money (Threat Finance)
Collective Security: Collective Action: Fighting Networks with Networks
Gateways to TNOC through Enabling Crimes

*Coup d’œil*: the ability to discern at one glance the tactical advantages and disadvantages of the terrain: “There is a gift of being able to see at a glance the possibilities offered by the terrain.” (Napoleon)

Bad Actors and Illicit Trafficking & Smuggling Networks

* Kleptocracy and Complicit Corrupt Officials
* Criminal Entrepreneurs, Cartels, and Criminal Syndicates, Gangs
* Terrorists and Criminal Insurgencies
* Virtual Threat, Cyber Bandits, On-Line Illicit Markets, Dark Web
* Dirty Money: Super Fixers, Professional Service Facilitators, Safe Havens
CONVERGENCE & NET-CENTRICITY
Layer | Reference
--- | ---
Location Finding
Map Grids, Labeled tics at map edge
Transportation
Represent transport of goods and people
Roads, rails, infrastructure, and cartographic features
Cultural
Shows various kinds of human activity
Points, Lines, Areas, and Annotation
Administrative
Administrative and Legal Boundaries
Lines and Areas to support symbols and annotation
Hydrography
Surface Water & features for managing water
Points, Lines, and Areas
Hypsography
Represent Terrain
Contours, Elevation points, TINS, DEMs and shaded relief
Surface Overlays
Themes such as land cover, land use, soils, etc.
Areas and Rasters
Image Base
Map background and reference
Ortho Imagery, USGS DRGs, and other historical images
Page Layout Design
Necessary information for effective map reading
Map Template document for each product
Sahel Belt: Strategic Illicit Trafficking Flows
Convergence: Threat Multiplier
Staggering Size of Illicit Economies/Illicit Markets: +8-15% of World’s GDP ($80 trillion, 2018, The World Bank)
<table>
<thead>
<tr>
<th>CRIMES</th>
<th>Estimated Annual Dollar Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Laundering</td>
<td>At least $2.6 trillion (between 2 and 5 percent of world GDP)</td>
</tr>
<tr>
<td>Transnational Crime</td>
<td>$1.6 trillion to $2.2 trillion</td>
</tr>
<tr>
<td>Bribery</td>
<td>Significant portion of $1 trillion</td>
</tr>
<tr>
<td>Narcotics Trafficking</td>
<td>$750 billion to $1 trillion</td>
</tr>
<tr>
<td>Counterfeited and Pirated Products</td>
<td>$500 billion to $1 trillion</td>
</tr>
<tr>
<td>Environmental Crime</td>
<td>$91 billion to $258 billion</td>
</tr>
<tr>
<td>(illegal wildlife trade, logging, IUU Fishing, trade in CFCs, and toxic waste)</td>
<td></td>
</tr>
<tr>
<td>Human Trafficking/Modern Slavery</td>
<td>Up to $150 billion</td>
</tr>
<tr>
<td>Illegal Tobacco</td>
<td>$40 to $50 billion</td>
</tr>
<tr>
<td>Illegal Mining</td>
<td>$12 to $48 billion</td>
</tr>
</tbody>
</table>

**Sources: World Economic Forum, World Bank, UNODC, OECD, ILO, GFI**
<table>
<thead>
<tr>
<th>Crime Type</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counterfeiting</td>
<td>$923 billion to $1.13 trillion</td>
</tr>
<tr>
<td>Drug Trafficking</td>
<td>$426 billion to $652 billion</td>
</tr>
<tr>
<td>Illegal Logging</td>
<td>$52 billion to $157 billion</td>
</tr>
<tr>
<td>Human Trafficking</td>
<td>$150.2 billion</td>
</tr>
<tr>
<td>Illegal Mining</td>
<td>$12 billion to $48 billion</td>
</tr>
<tr>
<td>IUU Fishing</td>
<td>$15.5 billion to $36.4 billion</td>
</tr>
<tr>
<td>Illegal Wildlife Trade</td>
<td>$5 billion to $23 billion</td>
</tr>
<tr>
<td>Crude Oil Theft</td>
<td>$5.2 billion to $11.9 billion</td>
</tr>
<tr>
<td>Small Arms &amp; Light Weapons Trafficking</td>
<td>$1.7 billion to $3.5 billion</td>
</tr>
<tr>
<td>Organ Trafficking</td>
<td>$840 million to $1.7 billion</td>
</tr>
<tr>
<td>Trafficking In Cultural Property</td>
<td>$1.2 billion to $1.6 billion</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1.6 trillion to $2.2 trillion</strong></td>
</tr>
</tbody>
</table>
OECD Task Force on Countering Illicit Trade

Mapping Illicit Trade

Global illicit markets thrive in the shadows of the global economy. Due to the clandestine nature of illicit transactions, the profits from illicit trade are hard to estimate. Data is accessed through seizures, law enforcement data and cross-comparisons with parallel legal markets.

A global Challenge

While the profits are hard to quantify, the harmful impacts on consumers, the environment, tax revenues and jobs are apparent in all societies. Traffic areas such as humans and narcotics exact a very heavy toll on societies. Illicit trade is also linked to criminal violence and even the financing of terrorism. Illicit trade can cause longer-term damage to the rule of law, public trust, human capital and public health, as well as deter foreign investment due to its close linkages with corruption.

For more information on the OECD Task Force on Countering Illicit Trade, and to read the full 2016 Report: Converging Criminal Networks, click here.
Global Movement of Ships: 2012
[90% of all goods moved across the world by ships]

Ship.org: Container (e.g. manufactured goods): yellow; Dry bulk (e.g. coal, aggregates): blue; Tanker (e.g. oil, chemicals): red; Gas bulk (e.g. liquefied natural gas): green; Vehicles (e.g. cars): purple [Kiln Map, Business Insider]
OECD Mapping: Illicit Drugs

Mapping the Illicit Drug Flows
(UNODC 2016)

541
number of New Psychoactive substances (NPS) identified in 2014 in over 95 countries.
Source: UNODC (2016)

246m
Global adult population who used at least one illicit drug type in 2013
Source: UNODC (2016)

158%
Growth in annual seizures of methamphetamine in 2014
Source: UNODC (2016)

Heroin and Cocaine consumption levels and demand for Drugs such as Heroin and Cocaine have remained relatively stable over the past 15-20 years.

Synthetic drugs
Demand and supply of synthetic drugs, such as Amphetamine Type Stimulants (ATS), and New Psychoactive Substances (NPS), have grown considerably. Amphetamine Type Stimulants (ATS) are now the second most widely abused drug in the world, and pose considerable harm to their users in a wide variety of forms.
Narcotics Flow: Africa (UNODC Data)
OECD – EUIPO: Charting Counterfeits

In 2016 trade in counterfeit and pirated products amounted to as much as USD 509 billion. This represents up to 3.3% of world trade.

The share of fakes in world trade grew significantly. In 2013 up to 2.5% of world trade was in fake goods (up to USD 461 billion).

This growth was reported during a period of a relative slowdown in overall world trade. The intensity of counterfeiting is on the rise – big risk for the knowledge-based, open and globalised economy!
# Economic Impacts of Counterfeits and Piracy

## The Economic Impacts of Counterfeiting and Piracy

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2022 (forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value of counterfeit and pirated goods.</strong></td>
<td>US $1.13 trillion</td>
<td>US $2.81 trillion</td>
</tr>
<tr>
<td></td>
<td>€882.6 billion</td>
<td>€2,194.7 billion</td>
</tr>
<tr>
<td><strong>Displacement of legitimate economic activity.</strong></td>
<td>US $597 billion</td>
<td>US $1,244 billion</td>
</tr>
<tr>
<td></td>
<td>€449.6 billion</td>
<td>€936.8 billion</td>
</tr>
<tr>
<td><strong>Wider economic and social costs.</strong></td>
<td>US $898 billion</td>
<td>US $1,870 billion</td>
</tr>
<tr>
<td></td>
<td>€676.2 billion</td>
<td>€1,408.2 billion</td>
</tr>
<tr>
<td><strong>Employment losses.</strong></td>
<td>2.6 million</td>
<td>5.4 million</td>
</tr>
</tbody>
</table>

*Source: The Economic Impacts Of Counterfeiting And Piracy, A Report prepared for BASCAP and INTA by Frontier Economics. All figures reflected here have been provided by Frontier Economics.*
# Mapping the Impact: Fakes

## Where most fake goods originate

<table>
<thead>
<tr>
<th>Country</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>63.2</td>
</tr>
<tr>
<td>Hong Kong (China)</td>
<td>21.3</td>
</tr>
<tr>
<td>Turkey</td>
<td>3.3</td>
</tr>
<tr>
<td>Singapore</td>
<td>1.9</td>
</tr>
<tr>
<td>Thailand</td>
<td>1.6</td>
</tr>
<tr>
<td>India</td>
<td>1.2</td>
</tr>
<tr>
<td>Morocco</td>
<td>0.6</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>0.5</td>
</tr>
<tr>
<td>Pakistan</td>
<td>0.4</td>
</tr>
<tr>
<td>Egypt</td>
<td>0.4</td>
</tr>
</tbody>
</table>

Data Source: Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact

## Countries hit hardest by trade in fake goods

<table>
<thead>
<tr>
<th>Country</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>20</td>
</tr>
<tr>
<td>Italy</td>
<td>15</td>
</tr>
<tr>
<td>France</td>
<td>12</td>
</tr>
<tr>
<td>Switzerland</td>
<td>12</td>
</tr>
<tr>
<td>Japan</td>
<td>8</td>
</tr>
<tr>
<td>Germany</td>
<td>8</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>4</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>3</td>
</tr>
<tr>
<td>Finland</td>
<td>2</td>
</tr>
<tr>
<td>Spain</td>
<td>2</td>
</tr>
<tr>
<td>Belgium</td>
<td>2</td>
</tr>
<tr>
<td>China</td>
<td>1</td>
</tr>
</tbody>
</table>

Data Source: Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact
Mapping Illicit Routes: Fakes

Main producers and transit points for fake goods.

The probability for producing fakes is based on the average GTRIC scores for the analysed economy. For more details on the GTRIC index see the OECD/EUIPO report.
Complex trade routes

The key trade routes for fake pharmaceuticals

HIGH INTENSITY of producing or transiting fakes

LOW INTENSITY of producing or transiting fakes

The probability for producing fakes is based on the average GTRIC scores for the analysed economy. For more details on the GTRIC index see the OECD/EUIPO report.

$16.2bn the global trade value of fake pharmaceuticals
Complex trade routes

The key trade routes for fake electronics and electrical equipment

HIGH INTENSITY of producing or transiting fakes

LOW INTENSITY of producing or transiting fakes

$121bn
the global trade value of fake electronics and electrical equipment

The probability for producing fakes is based on the average GTRIC scores for the analysed economy. For more details on the GTRIC index see the OECD/EUIPO report.
Environmental Crime: $91-$258 billion annually

The rising transnational environmental crime smuggling networks
HUMAN TRAFFICKING: $150 BILLION

- 20.9m Persons forced into slavery worldwide
  (Source: ILO (2019))
- 66% of all human trafficking is across borders
  (Source: OECD (2016/19))
- 26% are children under the age of 18
  (Source: ILO (2019))
- 11.4m Women and girls, over half of those in forced labour
  (Source: UNODC (2019))

- 2m State-imposed forced labour
- 4.5m Forced sexual exploitation
- 14.2m Forced labour exploitation

$150bn total annual profits generated by human trafficking
(Source: ILO (2019))

Proportion of children and adults detected
(UNODC (2019))

- Africa and Middle East: 38%
- Americas: 62%
- Asia, South Asia, and Pacific: 84%
- Europe and Central Asia: 64%
- Africa and Middle East: 36%

KEY
- 6% 20%
- 62% 38%
- 82% 18%
About 90% of all trade is conducted via maritime containers of which more than 500 million are shipped yearly in the trade supply chain, and of this amount, less than 2% are inspected. (UNDOC-WCO CSI)
OECD Recommendation: FTZs

- Promote transparency in order to deter the abuse of FTZ as conduits for illicit trade.
- Members and non-Members take measures to encourage FTZ to implement the Code of Conduct for Clean Free Trade Zones.
- Members and non-Members use trade agreements, as appropriate, to encourage adherence to the principles for combating illicit trade in FTZ.
- Cooperate internationally in the exchange of law enforcement information, and consult with competent authorities and affected industries in investigations and other legal or administrative proceedings concerning specific cases of misuse of FTZ related to illicit trade.
- Foster partnerships among stakeholders to counter illicit trade emanating from high risk FTZ.
Governance and Security Landscape

Africa

- On-Going Conflicts
- High Insecurity and Instability
- Corrupt War Economy/Illlicit Economies
- Network of Exploitation
- Armed Militias, Organized Crime, Corrupt Actors
- Terrorism and Criminal Insurgencies
- Oil Bunkering, Banditry, Smuggling, Piracy
- Porous Borders fuel Illicit Trafficking
- Cash-based Economies and Illiquidity
Africa: Illicit Threats = Dirty Money

Lucrative illicit markets across Africa include:

- organized banditry (highway/ports/checkpoint raids, carjacking and burglary)
- illicit trafficking of weapons
- Narcotics (cocaine, heroin, hashish) and opioids/synthethics
  - fake medicines and pharmaceuticals (e.g., tramadol)
  - alcohol and tobacco
- human smuggling and trafficking
- Extortion and kidnapping for ransom
- pillaging and trafficking of illegally-mined gold and other natural resources
  - oil bunkering, banditry, and petroleum smuggling
- Maritime Piracy
- Fraudulent letters of credits, False invoices, e-cards
Figure 2: ENACT Organised Crime Index, scoring of criminal markets in Africa

- Human trafficking
- Fauna crimes
- Non-renewable resource crimes
- Arms trafficking
- Cannabis trade
- Criminal markets - continental average
- Flora crimes
- Human smuggling
- Synthetic drugs trade
- Heroin trade
- Cocaine trade

Source: ENACT, 2019
Criminal Markets: Enact Organised Crime Index
Africa 2019
https://enactafrica.org/organised-crime-index

<table>
<thead>
<tr>
<th>HIGHEST-SCORING</th>
<th>LOWEST-SCORING</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. NIGERIA</td>
<td>45. SEYCHELLES</td>
</tr>
<tr>
<td>2. DEMOCRATIC REPUBLIC OF THE CONGO</td>
<td>46. EQUATORIAL GUINEA</td>
</tr>
<tr>
<td>3. TANZANIA</td>
<td>47. NAMIBIA</td>
</tr>
<tr>
<td>4. CAMEROON</td>
<td>48. DJIBOUTI</td>
</tr>
<tr>
<td>4. CÔTE D’IVOIRE</td>
<td>49. TUNISIA</td>
</tr>
<tr>
<td>6. LIBYA</td>
<td>50. ESWATINI</td>
</tr>
<tr>
<td>6. MALI</td>
<td>51. BOTSWANA</td>
</tr>
<tr>
<td>8. CENTRAL AFRICAN REPUBLIC</td>
<td>52. COMOROS</td>
</tr>
<tr>
<td>9. SUDAN</td>
<td>53. LESOTHO</td>
</tr>
<tr>
<td>10. KENYA</td>
<td>54. SÃO TOMÉ AND PRÍNCIPE</td>
</tr>
</tbody>
</table>
Opioids: Tramadol Seizures Increased 14x
This map shows a selection of ivory trafficking routes for large-scale (500kg or over) consignments that have originated from Africa. It does not include trafficking routes for ivory from Asian elephants, which are also threatened by the ivory trade as well as habitat loss.

Large-scale consignments of ivory are a reliable indicator of the involvement of organised crime. Disrupting these criminal networks will require intelligence-led enforcement operations and conducting forensic analysis on large-scale ivory seizures, as directed under CITES.
In Africa, tens of thousands of people (esp. children) die every year from fake medicines; people resort to black markets due to the lack of access to quality medicines or high prices; more than 30% of all medicines in Africa are fake.
Video (EU Report)
Fake drugs claiming more lives in Africa
The results: A majority of African citizens (55 per cent) think corruption increased in their country in the previous 12 months;

- Governments not doing enough;

- High levels of corruption among police (47%), Gov officials (39%), parliamentarians (36%);

- Bribery demands are a regular occurrence for many;

- Two-thirds of citizens fear retaliation if they report corruption. Yet, despite this, more than half of citizens surveyed (53 per cent) think ordinary people can make a difference in the fight against corruption.
Case Studies: Cooperative Cross-Border Operations and Joint Coordinated Responses: Successes

- Global Operation Pangea (Counterfeits), INTERPOL, Global LEAs

- USALAMA Global Operations and interlinked crimes (trafficking in humans, drugs, arms trafficking, people smuggling, car theft, environmental crime)

- Global Operation Folosa (Europol, Interpol, WCO, Africa, LATAM, GCC Partners)
  - Regional Cross-Border Case in Africa: Piracy
  - Sub-Regional Case in Africa: Wildlife Trafficking

- Bilateral and Joint Cooperation: Asset Forfeiture and Stolen Assets
  - National Inter-Agency Cooperation: Corruption
Illicit Financial Flows (IFFs) originate mostly from commercial activities as follows:

$50bn
Currently, Africa is estimated to be losing more than $50 billion annually in IFFs.

- 65% Commercial Transaction
- 30% Organized Criminal Activities
- 5% Corruption

$1 trillion
Over the last 50 years, Africa is estimated to have lost in excess of $1 trillion in illicit financial flows (IFFs).

This sum is roughly equivalent to all of the official development assistance received by Africa during the same timeframe.
Cross-Border Information Sharing: Actionable Intelligence

- Promoting Trusted Channels for Cross-Border and Regional Cooperation
- Enforcement of Laws
- Fighting Corruption and Money Laundering
- Special Investigative Techniques
- Financial Technologies
- Public-Private Partnerships
- Fusion Intelligence Center
- Collective Security: Collective Action
Whole of Society Information in Action

PRIVATE SECTOR / GOVERNMENT DATA
Global mapping of converging threats brings full spectrum dominance

CONVERGENCE TRENDS
Converged data on illicit trade from partner portals, field reporting, video data, imagery, static human geography data, NGO data, and crowd sourced data.

DATA / CONTENT

CONTEXT APPLIED
Human analysis, automated analytics, advanced analytics, finished reports for publication, collaboration, dialogue, and peer evaluation

CONVEYANCE
Innovative technologies, spatial visualization, shared reports, map products, structured dynamic data, and intelligence and law enforcement reporting

NET-CENTRICITY FROM MACRO TO TACTICAL LEVEL

CONSEQUENCE / DECISIONS
Strategic to tactical decision making, progress measures, disrupt/dismantle threats, better policies, enhanced partnerships, leadership, collective action, enduring commitment

GEOSPATIAL

THEMATIC

TEMPORAL

MISSION

PRESENTATION

CONVERSATION
Anti-Illicit Trade Institute (AITI), TRACCC

A Global Hub for Research and Training to Fight Multi-Trillion Dollar Illegal Economy

* Advance academic excellence: pioneering research, best-in-class training curriculum
  - foster comprehensive dialogues, exchanges, and understanding on the array of harms caused by illicit trade and accompanying money laundering;
  - support international conferences and workshops; and
  - undertake outreach via dynamic public-private partnerships.
* 2020, AITI will begin to a core of AIT courses; 2021-2022 online instruction related to:
  - understanding today’s global illicit commerce; strategies to fight illicit markets/FTZs;
  - investigating and prosecuting illicit trade (information-sharing across borders);
  - targeting webs of corruption and criminality by following the money and “value” (money-laundering/trade-based money-laundering);
  - tackling cybercrime and dismantling on-line markets related to Intellectual Property (IP) crime including counterfeit and pirated goods; and other important anti-crime and criminal justice areas; leveraging transformative technologies to fight illicit trade
QUESTIONS?

LunaDM@LunaGlobalNetworks.com