



Forecast

this week: **Transnational Crime**

The only real sign of a recession is when the Mafia starts laying off judges in New Jersey.

– Anon. / Traditional

Estimates vary widely on the value of transnational organized crime (TOC) -- the FBI uses an estimate of \$1 trillion per year. A key instrument in addressing TOC world-wide is the *United Nations Convention against Transnational Organized Crime* of September 2003 which commits signatories to introduce a range of measures such as the creation of domestic criminal offences, frameworks for multilateral juristic and police cooperation, and extradition.* The UN Office on Drugs and Crime (UNODC) finds that TOC groups commonly comprise 20-50 persons involved in 5 or more countries. UNODC has defined five TOC *typologies* – *standard hierarchy, regional hierarchy, clustered hierarchy, core group, criminal network* – that move beyond the *mob boss* model to the reality of actual groups. This is useful for tactical purposes and helps agencies achieve a common vocabulary. TOC has diversified from traditional domains of local mob crime -- "numbers racket", protection, prostitution, and **illicit drugs** – to take full commercial advantage of globalized markets and the internet. The same network that moves drugs across the world can be adapted to transfer arms, explosives, cash, or untaxed tobacco. Organised Immigration Crimes – **people smuggling, human trafficking** – can move illegal immigrants, sex slaves, criminals or terrorists across the world. TOC moves into areas of *petty* crime when the rewards are sufficient, displacing local petty criminals or recruiting them (stolen motor vehicle). In this way TOC underpins much local crime. Similarly, TOC moves into new profitable areas such as **identity theft, phishing, intellectual property crime** (fake/unlicensed brands), **cultural property crime** (smuggling of artifacts), and **environmental crime** (**illegal dumping, wildlife smuggling, illegal logging** and, soon, **water theft**). TOC also *enables* other illegal activities by supply of **false documents**, protection, assassinations, and (in the UK) hire of weapons for criminal activity by other parties. TOC activities lend themselves to high degrees of product integration and vertical and/or horizontal integration – enslaved sex-workers or foot-soldiers are often addicted to the drugs traded by the same criminal enterprise.

But any mutation of TOC uses the traditional tools – **suborning of officials**, violence and coercion, secrecy, and willingness to break laws. Common to all activities is **cash** which is paramount in unlawful transactions. This creates a continual need for **money-laundering** for conversion into real assets such as property, legitimate businesses or laundered (seemingly lawful) cash.

TOC activity comprises a multitude of criminal acts, but agencies must focus on the enabling organization. To make a conviction for a single crime will often be counter-productive. TOC groups have such organizational and financial depth that they generally survive the neutralization of individual members. Also any minor agency success may merely teach the TOC how to improve its operations. Hence **intelligence** and **counter-intelligence** are crucially important, as is *proactive* policing rather than reactive policing instinctive to compliance officers. Compliance agencies must adapt to the changing methods and interests of TOC sometimes by reinventing themselves. In the UK the **Serious Organised Crime Agency (SOCA)** was launched in April 2006, bringing together the *National Crime Squad*, the *National Criminal Intelligence Service*, and elements of *Customs* and *Immigration* that dealt with TOC. In the US, the **FBI Organized Crime Program** addresses TOC in geographic units such as *La Cosa Nostra* and *Italian Organized Crime*, *Asian Criminal Enterprises*. Some in the UK envy the US **RICO** (*Racketeer Influenced and Corrupt Organizations*) Act, purpose-built anti-racketeering legislation introduced in 1964, but others fear the slippery slope of legislation based on a *guilty until proven innocent* principle. One successful example of new structures for new challenges is **Europol**, established in 1999 with intelligence and proactive policing functions (not to be confused with **Interpol**, which has served as a documentation exchange since establishment in 1923).

Philosophically it is *legality* itself that is one enabler of TOC which can only operate in illegal ("black



market”) environment. Alcohol prohibition created the *speakeasy* which became a revenue stream for organized crime. States such as **Netherlands** that *license* rather than outlaw prostitution and some drugs have eradicated criminal revenue, and the cost of law enforcement, in those commodities.

UNODC and others have emphasized the global *nexus* between **corruption, terrorism and crime**; for instance, “terrorists” may buy illicit weapons or materials from transnational syndicates with global reach and know-how. This nexus is crucial but must include aspects of **aid and foreign affairs**.

Officials who are found corrupt in diversion of foreign aid are more easily suborned by TOC. **North Korea**’s strategic **counterfeiting** of \$100 *super-notes* finds obvious synergies with money laundering and other TOC activity. In the **Philippines** it is now difficult to distinguish between separatist raising funds and simple crime in actions such as **kidnapping for ransom**. Also in the Philippines a numbers racket (*jueteng*) is so wide spread as to have implicated the husband of President Arroyo.

The reality is that Transnational Organized Crime is a *fifth estate* (and *fifth column*) just as dangerous as any perceived terror from Islamic fundamentalism.

* facts are drawn from sources including ...

<http://www.soca.gov.uk> — http://news.bbc.co.uk/hi/english/static/in_depth/uk/2001/life_of_crime/crime.stm — <http://www.fbi.gov/hq/cid/orgcrime/ocshome.htm> — http://www.unodc.org/pdf/crime/publications/Pilot_survey.pdf

Near-Term	Mid-Term	Long-Term
Governments that are themselves not directly involved in TOC are easily impressed of the need for enforcement by the loss of revenue . In fighting for elusive budgets this is effective enough but it misses that point that TOC suborns and perverts the Rule of Law itself. Just as some argue that “terrorism” is a political and policing issue rather than military, key politicians and officials need to recognise that TOC is not just a police or revenue matter but subversion just as dangerous as any bombing to the health of a society.	Much good work has been done by UNODC and others on the metrics and topology of TOC but largely within the silo of compliance agencies. A better, more revealing picture may come from coordination between these agencies and diplomatic and security intelligence agencies. Demarcation between many insurgencies and mere criminal activity may become clearer. Also, the direct role of states such as North Korea in TOC may be better understood through an exchange of information from political as well as policing silos.	As robber barons (<i>core nominals</i>) amass greater wealth across generations and become firmly entrenched behind legitimate businesses or in distant countries, TOC will be seen as truly a world-wide fifth estate. The laws and practices of first the tiniest and then larger nations will be suborned as mere tools and fronts for a sinister force ultimately more deadly than the minority views of Osama bin Laden. In one dimension, a policy of zero-tolerance is needed; in another legalization of those things that make TOC possible.

World Crises	based on monthly assessments by <i>International Crisis Group</i> .
!!! Alert	Israel/Occupied Territories, Lebanon, Somalia, Sri Lanka
↓ Deteriorated	Colombia, Côte d’Ivoire, Haiti, India (non-Kashmir), Iraq, Israel/Occupied Territories, Kashmir, Lebanon, North Korea, Somalia, Sri Lanka, Sudan
↑ Improved	Angola, Cyprus, DR Congo, Timor-Leste

<http://www.crisisgroup.org/home/index.cfm?id=4296>

LEGEND

Hazard Level	Change Codes
	↓ Deteriorated
	• Steady
	↑ Improved
	!!! Alert



Public Daily Brief



Threats

Summary

see daily items on the web at
<http://meta2.com/PDB/pdbDetail.asp?THREATS>

Poverty	•	[nothing significant to report]
Infectious Disease	•	A new anti- <i>malaria</i> medication (<i>Coartem</i>) together with a treatment regime has been introduced in Angola .
Environment	•	The halt in deterioration of the southern <i>ozone hole</i> indicates that concerted global efforts can have results — some sources claim breaks in <i>oil pipelines</i> due to corrosion is much more wide-spread than just a problem for BP's Alaska operation.
Inter-State Conflict	↓	Israel said the UN force in Lebanon should include <i>Muslim</i> troops but not from countries without diplomatic relations; Indonesia and Malaysia responded that Israel has no veto over countries without diplomatic relations with "the Zionist regime — Israel found <i>Hezbollah</i> night vision viewers stamped "made in Britain " which had "no risk of being diverted for use by the Iranian military" when exported in 2003 — 63% of Israelis blame Olmert for what they see as a failed war. 51% of Americans (up 10% from June 2006) now see no connection between Iraq and the " <i>War on Terror</i> " — the USMC is now authorized to recall thousands of experienced yet reluctant troops for needs in Iraq and Afghanistan . Israel announced it will have two German -built <i>nuclear-capable submarines</i> "shortly" [probably 4 years] giving it a <i>first-strike</i> — and <i>second-strike</i> — capability — responding to Iran 's provocative statements, Israel has allowed it known that it has already appointed a "campaign manager" for any war with Iran.
Civil War	•	In DR Congo violence between the two rounds of presidential election seems under control but clear regional division in voting may portend future instability.
Genocide	•	[nothing significant to report]
Other Atrocities	•	The UN said it has <i>prime facie</i> evidence that Israel used <i>cluster bombs</i> in civilian areas of Lebanon , violation of international law and a specific agreement with the US — Israel has fired two missiles at a clearly-marked white jeep operated by <i>Reuters</i> , wounding five, adding to the number of "accidents" in recent weeks.
Proliferation	•	An editorial in a Lebanese daily observed that "For this part of the world ... a <i>nuclear war</i> at some point in the future is not just an alarming possibility: It is a virtual certainty."
Terrorism	•	Two Bombs on German trains failed to detonate due to a construction fault — days later a fake bomb on a train demonstrated the effect of "pure" terrorism in a nervous community. The first person in Australia convicted of planning a terrorist attack has been sentenced to 20 years. Pakistan authorities and the inter-tribal <i>grand jirga</i> of North Waziristan are near to landmark agreement that would deprive "foreign militants" of much of their support. US experts warned of dangers to the food supply: "compared to bio-terror, <i>agro-terror</i> is appallingly easy." — but a learned journal rained on the terrorism parade: "The massive and expensive homeland security apparatus erected since 9/11 may be taxing all to defend the United States against an enemy that scarcely exists."
Transnational Crime	•	Brazil , Argentina , Paraguay have located a <i>transnational crime center</i> at the junction of the three borders — Zimbabwe has assumed the chair of the <i>Eastern and Southern Africa Money Laundering Group</i> — a Philippines expert says the actions of transnational crime and terrorism are increasingly similar.

↓ deteriorated

• steady

↑ improved

!!! ALERT



Public Daily Brief



Policy Summary

see daily items on the web at
<http://meta2.com/PDB/pdbDetail.asp?POLICY>

Agriculture	• Following revelations that <i>genetically-modified rice</i> has (accidentally) entered the US rice supply, the EU has restricted imports.
Debt	• [nothing significant to report]2qw
Diplomacy	• The <i>Council on Foreign Relations</i> observed that one input into US foreign policy is religious: of all Americans, <i>evangelicals</i> have the most negative views of <i>Islam</i> .
Economy	• [nothing significant to report]2qw
Education	• “The Pedagogy of Oppression”: As the "factory model of schooling" returns with a vengeance a radical rethink of the nature of public education is needed — although social factors outside schools are significant, the single most important factor is good, qualified teachers, but schools can not achieve this alone.
Energy	• The scales are starting to tip in favor of <i>hybrid</i> motor vehicles — India, Russia, China, France, Japan, South Korea, Ukraine (representing half the world’s population) have mounted a project to design the "perfect" <i>reactor</i> .
Family	• The FDA has approved over-the-counter sales of the "Plan B" contraceptive.
Immigration	• Immigration officials are moving to end the derided 'catch and release' procedure for non-Mexicans — <i>BorTac</i> teams (Border Patrol “SWAT” teams) may be deployed against hardened intruders taking more remote routes.
Justice	• [nothing significant to report]
Security	• Critical issues will be discussed at the upcoming <i>FBI-Joint Terrorism Task Force International Symposium on Agroterrorism</i> (Sept. 25-29 2006). Trade in <i>false identities</i> is an issue for illegal immigration, and for terrorism too – DoD said it is best-equipped to be the lead agency for <i>implementing Homeland Security Presidential Directive 12</i> on uniform federal IDs. The US has contracted for a new-generation <i>UAV</i> ("drone") with a longer-range than the present 125 miles. <i>Rand Corp.</i> says a <i>nuclear</i> detonation in a US port could cause material loss of \$1Trillion — Manila became one of 20 ports worldwide to install US detection equipment. The Air Marshal Service will now adopt a more discretionary dress code [rather than "strictly CIA casual"] – because <i>liquid explosives</i> defy shape, density and most particulate detection, the present annoying ban on liquids in <i>carry-on air luggage</i> may be the only safe measure — the TSA said there has been a 20% increase in checked baggage since the tight limitations on carry-on baggage.
Social Security	↓ Recovery from <i>Hurricane Katrina</i> is still so incomplete a year later that there are serious doubts of the ability to manage another emergency — Gulf Coast <i>hospitals</i> were said to be unprepared for new storms. As to US socioeconomic demography some asked "Why does the U.S. inequality profile look so much like that of a third-world dictatorship? ... When will the second American Revolution begin?"
Water	↓ <i>Water wars</i> seem closer: 145 countries share at least one river basin — severe water scarcity has arrived in some areas decades earlier than predicted — one third of the world population already face some form of water scarcity — <i>biofuel crops</i> are a vapid alternative because fuel crisis, food shortages and water crisis will converge. But a rising voice of opinion stressed there is <u>no</u> water shortage, just a crisis in WATER MANAGEMENT; even fixing leaks and waste can avert some of the crisis.

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Public Daily Brief



Challengers

Summary

see daily items on the web at

<http://meta2.com/PDB/pdbDetail.asp?CHALLENGERS>

Brazil	• [nothing significant to report]
China	• China's suicidal environmental story continued: it was admitted the water quality goals of the 10 th Five-Year Plan (2001-2005) were not achieved — 25 tons of liquid <i>caustic soda</i> fell into a reservoir — intentional dumping of <i>xylydine</i> in north-east China into a river that flows into Russia brought protests. China concluded exercises with Kazakhstan against "the three evil forces" (<i>terrorists, splittists, extremists</i>) in the dissident Xinjiang Uygur [Uigur] region. Chad suddenly nationalised the infrastructure and licence of <i>ChevronTexaco</i> and <i>Petronas</i> in a dispute over taxes but possibly also to allow China to manage the reserves.
India	• [nothing significant to report]
Indonesia	• Two men were charged with <i>cyber-terrorism</i> offences for assisting terrorist activities with computer services.
Iran	↓ In defiance of UN requests, Iran has inaugurated the next stage of its <i>heavy-water reactor</i> project; this is for peaceful use but it warns the Iranian people may some day demand <i>nuclear weapons</i> to respond to threats — days after Israel's announcement of submarine upgrades, Iran tested a submarine-launched missile. — Russia signaled that a sanctions vote against Iran would not survive a veto. Shades of Iraq ... the <i>House Subcommittee on Intelligence Policy</i> notes there is little reliable <i>intelligence</i> on Iran's CBRN capability.
Russia	• "It has become obvious that the United States has lost Iraq ..." says a Russian analyst looking at Russia's place in the real geopolitics beyond Iraq — Russian authorities have found the perpetrators of a bomb attack on a market to be young anti-immigrant (" <i>hate crime</i> ") activists.
Venezuela	• Venezuela said China joins Russia in support for its <i>Security Council</i> seat, and confirms the importance of Chinese deals on Venezuelan <i>oil</i> — Venezuela put further doubt on an already-stalled <i>anti-drug agreement</i> with the US because the DNI has created a new Mission Manager for Cuba and Venezuela — with an interest in high oil prices and antipathy for the US and Israel in common, Iran has become Venezuela's closest ally outside Latin America.
[wild-card]	↓ Now both Turkey and Iran are attacking PKK [<i>Kurdish</i> separatist] targets in northern Iraq — Turkey may be Central Asia 's link to Europe , but more importantly it may be Europe's link to Central Asia.

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