

Conferencia Internacional

Delincuencia Organizada

y Derechos Humanos:

Encuentro de Expertos



Delincuencia Organizada y Globalización

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THE GLOBALIZATION OF ORGANIZED CRIME

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The Globalization of Organized Crime

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- A) Major Criminal Organizations
- B) Types of Offences Engaged In
- C) Money Laundering
- D) Taking Advantage of Globalization
- E) What Can Be Done

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➤ ORGANIZED CRIME A WORKING DEFINITION

- The United Nations Convention Against Transnational Organized Crime:
- “Organized Criminal Group” - shall mean a structured groups 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.”

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- › “Serious Crime” – shall mean conduct constituting an offence punishable by a maximum deprivation of liberty of at least four years or a more serious penalty.”
- As of 2005, some 147 member states had signed the Convention and 200 (including Venezuela) had ratified it.

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➤ A) MAJOR CRIMINAL ORGANIZATIONS

- › Yakuza
- › Asian Triads
- › Mafia
- › Russian Mafiya
- › Mara Salvatrucha (M-13)
- › Columbian and Mexican Cartels

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- 1) YAKUZA – (Japan) considered to be one of the largest organized crime groups. Estimated membership – 84,700
 - Three Major Yakuza Syndicates
 - a) Yamajuchi-gum:- based in Kobe - 39,000 members
 - b) Sumiyoshi-Kai-Tokyo based – 10,000 members
 - c) Inagawa-Kai-Tokyo and Yokohama based – 7,400

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➤ 2) ASIAN TRIADS

- Over 160,000 Triad members in Hong Kong alone. The Triads consist of some 50 different organizations, including:

- Sun Yee On
- 14K
- Woo Group – (Wo Hopto and Woon Lok)
- Big Circle
- United Bamboo
- Red Sun
- Four Seas
- Wo Sin Wo

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➤ 3) MAFIA

- a) Camorra (or Neopolitan Mafia) – based in Naples
- b) Ndrangheta (or Calabrian Mafia) – based in Calabria
- c) Sacra Corona (or United Sacred Crown) based in Brindisi
- d) Sicilian Mafia – La Cosa Nostra

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- Estimated membership is approximately 25,000 with some 250,000 affiliates worldwide. The FBI states that there are more than 3,000 members and affiliates with their largest presence around New York, New Jersey, Philadelphia, Detroit, Chicago and New England.
 - › Camora – 100 clans – 7,000 members
 - › Ndrangheta – 160 cells – 6,000 members
 - › Sacra Corona Unita – 50 clans – 2,000 members
 - › La Cosa Nostra – organized through different families or groups. Roughly 1000 “made members” in the U.S. More than 200 are in jail.

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➤ RUSSIAN MAFIYA

- A) i) One of the world's largest networks of organized crime
- ii) Between 5,000 and 6,000 gangs operate within Russia
- iii) Outside activity primarily in the independent Russian states, Central and Western Europe and the United States.

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➤ RUSSIAN MAFIYA

- B) Major groups in Russia, the Georgian Mafiya, and the Chechen and Azerbaijani groups;
- C) Major Mafiya Groups in the United States are the Odessa Mafiya and the Malina organizations, both based in Brighton Beach, New Jersey;
- D) Alliances in Latin America with criminal groups involved in drug trafficking, money laundering and arms trafficking

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➤ MARA SALVATRUCHA – M-13

- A) i) Set up originally in Los Angeles in the 1980's by Salvadoran immigrants
- ii) Membership in the United States of about 10,000
- iii) Operate in Canada, Mexico, Guatemala, Columbia, Spain, Great Britain and Germany
- iv) In Honduras membership exceeded 36,000, until about 2004 when as a result of thousands of arrests and tough laws they migrated to Mexico.

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- Now considered to be the most feared criminal group in the United States.
- Many of the members have been trained in the military in Salvador.

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➤ COLUMBIAN AND MEXICAN CARTELS

- A) COLUMBIA

- i) Norte del Valle Cartel

- a) Became most active in the 1990's after break up of the Cali and Medellin cartels;
 - b) One of the most powerful organizations in the illegal drug trade;

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- ii) **The Black Eagles**
 - › a) Originated in the border area of Venezuela, in the North Santander department;
 - › b) Estimated to have up to 4,000 members
 - › c) Four main zones of operation:
 - i) Northern Columbia, along the Venezuelan border;
 - ii) Northwestern Columbia, south of the Panamanian border;
 - iii) Within the Columbian plains;
 - iv) Southwestern Columbia, near the Ecuadorian border.

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➤ B) MEXICO

- i) The Sinaloa Cartel (Pacific Cartel)

- a) Operate primarily out of the States of Sinaloa, Sonora and Chihuahua;
- b) Main focus is on smuggling and distribution of Columbian cocaine, Mexican marijuana and Mexican and South East Asian heroin;
- c) Developed a sophisticated tunnel system between Mexican/U.S. border used to smuggle drugs
- d) Engaged in a war over drug trafficking routes with the Gulf cartel. Last year more than 2,000 people were killed because of the violence including hundreds of police officers;
- e) The enforcer gangs of the Sinaloa cartel include the "Negros" and "Pelones".

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- ii) The Gulf Cartel
 - › a) Has a presence in 13 states;
 - › b) Important areas of operation are, in Nuevo Laredo, Miguel Alemán, Reynosa and Matamores;
 - › c) Involved in major confrontations with the Sinaloa cartel over control of Nuevo Laredo and Acapulco;
 - › d) Their enforcement group is called “Los Zetas”, the membership of which is made up primarily of former Mexican military men;
 - › e) The cartel traffics in cocaine, marijuana, methamphetamine and heroin to major American cities;
 - › f) The cartel also engages in extortion and people smuggling.

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- iii) “The Alliance”, also known as “The Federation” consists of a number of Mexican drug trafficking organizations which joined together in a loose group to combat the Gulf Cartel in order to control drug trafficking routes. The Alliance is believed to include the following cartels: Juarez, Los Negros, Tijuana.

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➤ B) TYPES OF OFFENCES ENGAGED IN BY ORGANIZED CRIME

• 1)

- Bribery
- Sports Bribery
- Counterfeiting
- Embezzlement of Union Funds
- Fraud
- Money Laundering
- Obstruction of Justice
- Murder for Hire
- Drug Trafficking
- Prostitution

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- › Sexual Exploitation of Children
- › Alien Smuggling
- › Trafficking in Counterfeit Goods
- › Transportation of Stolen Property
- › Extortion
- › Kidnapping
- › Piracy
- › Gambling
- › Human trafficking
- › Forgery
- › Arms Trafficking

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- 2) Examples
 - › Bribery of government officials, politicians, police, bankers, judges and corporations
 - › Sports bribery – Fixing games and horse racing
 - › Counterfeiting and trafficking of luxury goods and currency
 - › Obstruction of Justice – killing or intimidating witnesses or their families;
 - › Kidnapping for ransom
 - › Manufacturing, transporting and selling narcotics and other illegal drugs such as methamphetamine

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➤ C) MONEY LAUNDERING

• 1) Scope of the Problem

- a) The illicit drug trade is estimated to be valued at between \$500 and \$900 billion worldwide;
- b) U.S. businesses estimate that counterfeiting costs them between \$200 and \$250 billion per year in lost sales;
- c) The United Nations Stolen Asset Recovery Initiative reported that proceeds from criminal activities, corruption and tax evasion worldwide are estimated to be between \$1 trillion and \$1.6 trillion;

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- › d) One quarter of Africa's GDP – (\$148 billion) is lost to corruption yearly and public officials from developing and transition countries collectively receive bribes worth between \$20 billion and \$40 billion each year;
- › e) The FBI estimates that global organized crime receives about \$1 trillion per year;
- › f) Italian experts estimate that their criminal activity is worth more than \$100 billion annually;

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- › g) It is estimated that Mexico's drug trade is worth \$40 billion annually;
- › h) The organized crime industry in Britain is said to be worth £40 billion;
- › i) Between 1990 and 2004 the Norte del Valle cartel is said to have exported more than 1.2 million pounds of cocaine worth more than \$10 billion to Mexico and ultimately to the United States for resale.

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- 2) The Problem
 - › i) These vast sums must be legitimized and made easily accessible;
 - › ii) They must appear to be clean funds;
 - › iii) If possible they must be in a place where they do not attract the attention of tax collectors or investigators;
 - › iv) The owner's identity, and the source and/or destination of the money must be concealed.

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- 3) Money Laundering – Its Operation
 - › a) Process
 - i) Placement – the initial point of entry for “black money”;
 - ii) Layering – the creation of a complex network of transactions which attempt to obscure the link between the initial entry point and the end of the laundering cycle;
 - iii) Integration – the return of funds to the individual for his use, appearing to be legitimately earned or obtained.

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- › b) Examples of Money Laundering Methods
 - i) Buy your own bank;
 - ii) Structuring deposits – “Smurfing”;
 - iii) Use of “offshore banks” with strict secrecy laws which don’t question source of funds;
 - iv) Use of shell companies – they have no legitimate businesses but create documentation for the purpose of giving the illusion of bona fide transactions;
 - v) Investing in legitimate businesses – casinos, bars, restaurants and other high volume cash enterprises;
 - vi) Purchase and redemption of life insurance policies;

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➤ D) TAKING ADVANTAGE OF GLOBALIZATION

- i) Increasing globalization beginning in the 1990's with the advent of computers and cyberspace, have allowed criminal organizations to spread far and wide;
- ii) The end of the Cold War allowed criminal networks to benefit from weakened government institutions, open borders and the resurgence of ethnic conflicts around the world;
- iii) The classical organized crime groups such as the Yakuza, the Chinese Triads and the Italian crime groups have, for some time through Immigration, legitimate and otherwise, have, as a result of globalization, moved their operations outside their traditional boundaries;

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- › iv) Alliances between criminal organizations have given them the flexibility and power to operate internationally;
- › v) Transnational criminals are able to engage in a wide range of criminal activity, including narcotics and arms smuggling, trafficking in persons, counterfeiting, money laundering and terrorism;
- › vi) The spread of information technology has created new categories of cybercrime;

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- › vii) With the ease of international travel, the liberalization of immigration policies, the expansion of international trade, the spread of high technology communications systems and the lack of regulation of international financial institutions, criminal enterprises have been enabled to extend their enterprises globally;
- › viii) The lack of transparency and effective monitoring of financial institutions in certain parts of the world have left those jurisdictions vulnerable to penetration by money launderers and organized crime figures;

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- › ix) The threat of narco-terrorism and of the trafficking of arms and nuclear materials puts all nations in peril;
- › x) Transnational organized crime groups profit from globalization in that their networks manage through corruption, intimidation and blackmail to use open markets to their full advantage

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➤ D) WHAT CAN BE DONE

- i) Commitment – there must be real commitment from governments, financial institutions and the international business community generally to co-operate in the fight against transnational crime;
- ii) International co-operation through Conventions – (such as the U.N. Convention against Transnational Organized Crime), Treaties (multi-lateral and bi-lateral) should be pursued to accommodate specific differences, legal, ethnic and geographic, between neighbouring countries; mutual legal assistance treaties between neighbouring states should be encouraged.

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- iii) Extradition treaties should provide for the return of international crime figures to the place where the crime has been committed, or an undertaking given to prosecute them, so that no safe harbour is available;
- iv) Governments financial institutions, regulators, and police should be trained in the identification of money laundering techniques employed by organized crime;
- v) Financial institutions and regulators should exchange information regarding attempts to penetrate their organizations.

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➤ CONCLUSION

- The globalization of organized crime poses a threat to all nations, big or small, rich or poor, developed or developing. It has created a cancer which is eating away the life blood of our economics and destroying the lives of our people. The magnitude of the problem is enormous but not insurmountable with the commitment and good-will of all concerned. We live in hope.

MUCHAS GRACIAS