

Transnational Organized Crime (TOC)

A Growing Threat . . .

Transnational organized crime has expanded dramatically in size, scope, and influence. Transnational organized criminals are threatening US interests by:

- Co-opting some governments and weakening governance in others.
- Forging alliances with government elements including security services and big business figures.
- Undermining competition in strategic markets.
- Providing funding and logistical support for terrorist/insurgent activities.
- Stealing intellectual property.
- Expanding narcotrafficking and engaging in arms smuggling and human trafficking.
- Using cyber technologies to perpetrate sophisticated frauds.
- Using facilitators who operate in the licit and illicit worlds and provide services to criminals and terrorists alike.

Nature of Transnational Organized Crime

1990s and Earlier	Current Patterns
Centralized hierarchical structures	Loose, amorphous, highly adaptable networks
Limited use of information technology	Increasing role of cyber capabilities in illicit activities
Illicit activities dominant	Legitimate business mixed with illicit activity
Clear separation of drug trafficking and other organized criminal activities	Non-drug-producing groups now trafficking
Cash-based local enterprises	Global investments and use of financial infrastructures

National Security Implications

1990s and Earlier	Current Patterns
Domestic and regional scope	Transnational and global scope
Influenced some states' behavior	Co-opting, undermining some states or instruments of state power
Isolated links to terrorists	Offering services to foreign terrorist organizations
Targeting and enforcement easier than today	Adaptability outpacing targeting and enforcement

Criminal networks are not only expanding their operations, but they are also diversifying their activities. The result is a convergence of threats that have evolved to become more complex, volatile, and destabilizing.

Transnational Organized Crime—a Threat to US and International Security—Manifests Itself in Various Regions in Different Ways

United Kingdom

TOC in the UK generates enormous economic revenue between \$32 billion and \$64 billion per year—from large-scale human smuggling, drug trafficking, financial fraud, and mass marketing scams.

The dumping of hazardous wastes and trash appears to be one of the most significant sources of illicit income for Italy's Camorra criminal organization, topping its narcotics, prostitution, and embezzlement activities. 'Ndrangheta, considered to be Italy's greatest organized crime threat, is believed responsible for 80 percent of Colombian cocaine imported into Western Europe.

Balkans

TOC continues to use the region's strategic location to traffic weapons, drugs, people, and contraband between Asia and Europe. TOC and corruption of public officials and institutions are impeding Balkan countries' progress toward democracy and economic self-sufficiency.

Transnational criminal organizations are becoming common players in all stages of intellectual property rights crime—from manufacturing to distribution. Other networks are engaged in cybercrime, illicit finance, drug trafficking, and the diversion of precursor chemicals, including those from India, that are used to process heroin, cocaine, and methamphetamine.

Asia-based TOC groups smuggle

Russia, Eurasia, and Romania Caucasus

The black market for nuclear material is TOC-linked businesses have entered sensitive dominated by multiple networks of transnational smugglers.

Break the economic power of transnational criminal networks and protect strategic markets and the US financial system from TOC penetration and abuse.

. . . and a Strategy To Combat It:

Protect Americans and our

partners from the harm,

violence, and exploitation

of transnational criminal

Help partner countries

strengthen governance

and transparency, break

the corruptive power of

transnational criminal

networks, and sever

state-crime alliances.

Our strategy has five key objectives:

networks.

Defeat transnational criminal networks that pose the greatest threat to national security by targeting their infrastructures, depriving them of their enabling means, and preventing the criminal facilitation of

Build international consensus, multilateral cooperation, and publicprivate partnerships to defeat transnational organized crime.

- Enhance Intelligence and Information Sharing.
- Protect the Financial System and Strategic Markets Against Transnational Organized Crime.
- Strengthen Interdiction,
- Disrupt Drug Trafficking and Its Facilitation of Other Transnational Threats.
- Build International Capacity,
- This strategy is organized around a single, unifying principle: to build, balance, and integrate the tools of American power to combat transnational organized crime and related threats to our national security—and to urge our partners to do the same.

Transnational criminal organizations commit numerous crimes in the United States targeting US businesses, consumers, and government programs. Specialized criminal networks feature prominently in the trafficking of drugs, movement of contraband items, counterfeiting of goods, and smuggling of humans into the United States. The US is a source of illicit weapons and cash for criminals in Latin America, the Caribbean, and, to a lesser degree, Canada.

Canada

precursor chemicals into Canada to produce illicit synthetic drugs primarily ecstasy. A variety of TOC networks smuggle ecstasy and high-potency marijuana southbound and cocaine northbound across the US-Canada border.

In some instances, links among organized crime, big business, and corrupt officials threaten economic growth and prospects for democratic governance. markets such as energy, telecommunications, and precious metals. Some of the most sophisticated transnational criminals conducting cybercrimes are based in Russia and Romania.

North Korea

North Korean entities maintain ties with crime networks to earn hard currency.

Somalia

Piracy attacks off

Aden skyrocketed

Somalia/Gulf of

from 22 in 2006

to 217 in 2009,

International

Chamber of

Commerce.

Asia/Pacific

parts of Asia.

The economic importance

of the region heightens the

threat that TOC poses to

intellectual property rights.

Human smuggling and money

laundering are also rampant in

according to the

terrorist activities.

Priority Actions

- Start at Home: Taking Shared Responsibility for Transnational Organized Crime.
- Investigations, and Prosecutions.
- Cooperation, and Partnerships.

US/Mexican Border

United States

In addition to drug trafficking, transnational organized criminals are involved in human, money, and weapon smuggling.

Mexico

The Government of Mexico is waging an historic campaign against transnational criminal organizations, which pose a threat to Mexico's national security. Many of the drug organizations are expanding into human trafficking and smuggling, extortion, and kidnapping for ransom.

Bolivia

and Europe.

Globally

Central America is a key area of converging threats, where criminal organizations exploit the region as a haven for illicit finance and engage in drug, weapon, and human trafficking. The spiraling wave of transnational crime and violence is threatening the region's prosperity and can cost up to 8 percent of its GDP, according to the World Bank.

Bolivia's cocaine trade is

of Colombian, Mexican,

expanding. Increasing numbers

and Eastern European drug

traffickers have relocated to

Bolivia and have established

drug organizations. Bolivia is

a source of cocaine that fuels

South America's transatlantic

cocaine trade to West Africa

TOCs are eroding market

all pharmaceuticals.

integrity, disrupting competition,

and putting the public health at

risk with fake pharmaceuticals,

which account for 10 percent of

relationships with Bolivian

Trafficking and smuggling routes in the region have led to increased levels of crime, violence, and corruption. As the Merida Initiative and the Central America Regional Security Initiative make progress in Mexico and Central America, traffickers may increase their use of smuggling routes in the Caribbean.

Argentina/Paraguay Numerous organized criminal networks and terrorist groups use the region for illicit activities, such as arms and drug trafficking, money laundering, product piracy, and other criminal activities, capitalizing on its strategic location, history of contraband smuggling, and corrupt officials.

Triborder Area: Brazil/ Venezuela

This country is a permissive environment for terrorist and drug organizations and a major departure point for cocaine bound from South America for the United States, Europe, and western Africa. Corruption and a lack of judicial independence hinder effective prosecution. It is unclear to what extent the Venezuelan Government provides support to foreign terrorist organizations.

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Afghanistan and Colombia

The proceeds from poppy/coca farming and heroin/cocaine production continue to provide insurgent and extremist groups with stable sources of financing beyond the reach of governments. Afghanistan's democratic future is threatened by terrorist groups that derive funding from the drug trade and kidnapping. Ninety percent of the world's heroin comes from opium poppy cultivated in Afghanistan.

Sahel. West Africa, and East Africa

Gulf Region

A variety of TOC figures—including gray arms dealers,

narcotics traffickers, and terrorist financiers—work in or

through the region, including the United Arab Emirates,

taking advantage of the strategic location as regional

trading, financial, and transportation hubs. Weak or

inadequate terrorist financing legislation is another

vulnerability in the region, particularly in Kuwait.

Sahel-based smugglers purchase or steal needed weapons from black markets and sell them to al-Qa'ida in the Lands of the Islamic Maghreb (AQIM). AQIM also conducts kidnapping for ransom to generate funding in West and North Africa. Drug traffickers increasingly are exploiting West and East African countries as transit points because they can bribe inspectors, judges, and ministers. In many of these states, bribery has eroded even basic law enforcement capacity. Nascent or undeveloped controls and insufficient legal frameworks contribute to the regions' exploitation by terrorist financiers and money launderers.

Estimated Annual Costs and Revenues Generated by TOC

Crimes	Estimated Annual Dollar Value
Money Laundering	\$1.3 to \$3.3 trillion (between 2 and 5 percent of world GDP)
Bribery	Significant portion of \$1 trillion
Narcotics Trafficking	\$750 billion to \$1 trillion
Counterfeited and Pirated Products	\$500 billion
Environmental Crime (illegal wildlife trade, logging, trade in CFCs, and toxic waste dumping)	\$20 to \$40 billion
Human Trafficking (2.4 million victims)	\$21 billion
Credit Card Fraud	\$10 to 12 billion
Fire Arms	\$170 to \$320 million