

## **14<sup>th</sup> IACC Plenary 2010 - Peace and Security**

### **Corruption and organised crime – the need for a new international coalition**

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Madame moderator, ladies and gentlemen,

I have spent the last ten years in charge of the UK's approach to Organised Crime, first as head of the UK National Crime Squad and then head of its successor, the Serious Organised Crime Agency. This 14<sup>th</sup> IACC is focused on 'Restoring Trust'. I have to tell you that the problem is rapidly getting worse, to the point where organised crime today is a parallel set of global or multi-national businesses. It is linked and spans the world and defies simple resolution by individual nation states. Organized crime corrupts and suborns law enforcement, governments and legitimate business. **Serious and organised crime is already starting to be, and will in future become, the most serious impact upon democracies, and upon governments ability to control their own states.**

I would like to bring you **five thoughts and one proposal** in this plenary discussion.

The first is that we are fellow travellers. Organised crime feeds corruption and corruption feeds organised crime. Criminal factions who abuse international borders in order to conduct their business put pressure on public services, local communities and legitimate businesses - and an easy way to achieve this is through corruption.

**Yet our two communities travel in separate, parallel universes.** Even the usual definition of corruption – “the abuse of entrusted power for private gain” – seems rather weak and feeble if the 'private gain' is an organised crime multi-national enterprise. Law enforcement agencies countering organised crime tend to be low profile, focused on

the use of covert information, with a low public profile. Anti-Corruption agencies and civil society have much more public engagement, but with little or no access to powerful tools like investigative powers and intelligence. Whilst we need to respect each other's missions, we both badly need each other.

I would like to see an international working group established between our two communities to establish how we can be much more help to each other. This IACC can be the place to propose it.

The second is a conceptual one. To most people today, and to most governments, tackling organised crime is the responsibility of law enforcement agencies alone. **It is not, and we will fail if this is how we continue.** It is like saying that fighting terrorists is the responsibility of the security agencies alone: on the contrary, the only way these agencies will have success is by mobilising across various national and international organisations and with the public in many countries. I look with some envy at the success achieved by the anti-corruption community in building a wide consensus across society and the international community that corruption is a scourge to be tackled together. A similar public momentum against organised crime must be built between the agencies tackling organised crime, the anti-corruption community, and the wider public.

My third point concerns national governments: **organised crime will not be tackled seriously until it is high on the list of national threats and becomes an integral part of national security strategies.** For example, already we see parts of Africa that have been effectively taken over by serious organised crime from South America and Asia. They are often countries where the national infrastructure is weak or corrupt. What they do have though is a long established position in the chain of trade routes that grew under imperial colonisation and have remained to the present day. These can be infiltrated by serious organised crime to allow them to move their commodities covertly or to obtain control over high value raw material as its availability becomes constrained in the future. Criminals see these countries as their staging posts and operating centres for the future, especially as we become better at preventing their criminal activities closer to home. During the next couple of years for example, the entire continent of

Africa will have a wide band Internet service capability that will rival or beat the service in many of the so-called developed countries. Whilst this is to be applauded as a vital tool for the development of the continent, the opportunities it offers for crime and large-scale corruption are massive.

For all of these reasons I believe that it is vital that national security strategies include serious organised crime. This will enable the law enforcement of the 21<sup>st</sup> Century to take a different approach to dealing with crime. The current focus of most law enforcement is tactical and/or technical: focused on investigation, leading to arrest and seizure, followed by prosecution and conviction. What it doesn't do is tackle the enabling conditions of organized crime. The current approach doesn't translate well into explaining why tackling organised crime upstream is important. Whilst the public understand why fighting crime is important at home, it doesn't help convey the significance of helping other countries to deal with similar problems.

National security strategies, on the other hand, can then be seen by the population to be addressing the support structure for organised crime as well as its visible manifestation. Regional and international monitoring has to take place with UN and other international bodies' endorsement and support. This support cannot simply be words and resolutions, but must be enforced vis-a-vis errant countries. The consequence of not taking a rigorous approach is the creation of "safe havens" for organised crime around the world, especially in areas where they can infiltrate the legitimate trade and financial world markets. The rule of law and investigative competency are essential for the future, but they have to be augmented with a much more strategic and comprehensive approach if we are to successfully combat serious organised crime.

My fourth thought is about **the special dangers of organised crime penetration of the defence and security forces of a country**. Perversely, the security and defence sectors are particularly susceptible to organized criminal activity. After all, the military, police, and intelligence bodies and forces possess not only a monopoly on the means of violence, as protectors of national security, guardians of state sovereignty and enforcers of order, but also have first-hand access to classified information, arms stocks, natural, and financial resources, high-placed contacts, and, of course, to the pillars of power in

the country. This can be exacerbated by the historically privileged position of the military in a country – for example as a result of an independence struggle or a totalitarian government. The former head of Peru's National Intelligence Service under Fujimori's authoritarian regime, Vladimir Montesinos, is a case in point. He ran a multi-million criminal network of drugs and arms trafficking, embezzlement, bribery, and blackmail, to say nothing of his human rights abuses. Once organized crime becomes embedded in the law enforcement, security, and military sectors it can perpetuate itself with impunity.

This is an area where peer pressure from other countries and international pressure groups is required. There is often little political will and civil society ability within the country itself and any opposition by individuals or groups is usually difficult and dangerous. Internal dissent can so quickly be interpreted as "subversion" or "insurgency"; and where there are energy or resource interests of the developed world concerned, either a blind eye is turned to the ensuing repression or the activities of state forces are judged as less damaging to western interests than state collapse with a consequent descent into lack of infrastructure and absence of "rule of law". Better the devil you know...

Taking a broad approach to tackling corruption and organised crime in defence and security may be a first area for the coalition approach I am advocating. For example, **Transparency International has a very active programme focused on tackling corruption in the defence and security sectors.** My SOCA colleagues and I in the UK are engaged with the TI team, and I hope this can be the start of a much larger international collaboration. I hope such a proposal can come out of this conference.

My last point concerns countries embroiled in conflict or emerging from armed conflict. Organized crime often becomes embedded in such circumstances. In an environment where basic state functions are eroded, law enforcement is crippled, and judicial process is powerless, organized crime easily takes root and becomes pervasive. A culture of impunity develops and organized crime groups merge easily with ideological or terrorist groups. The demobilized ex-combatants and decommissioned soldiers often become the perpetrators of crime in these environments, due to lack of economic opportunity, poor

rehabilitation and reintegration programmes, rapid “release” into a lawless society, and lack of social support. My point is not that this happens – we all know it does – but that countering organised crime is not addressed in stabilisation operations or in peace settlements. Rather, just as much attention needs to be paid to the sustainability of the ‘peace’ that results as to the wellbeing and settlements for the opposing parties.

Adding to the problem are two other factors relevant to both corruption and organised crime in conflict environments. First are the activities of international intervening forces, which often have narrow pictures of the environment in which they operate and are insufficiently aware of the damaging impact of their contracting practices. This is now being addressed in Afghanistan by the international community, but even here it is still being resisted by many. Second, the amount of financial post-conflict aid flooding into the current “hotspots” is also massive and unprecedented. Certainly the amount of money flooding in, the pressure to dispense funds very quickly, and the general level of disorder, can all become key enablers of organized crime.

Ladies and gentlemen, I believe that the need is imperative to consider corruption and organised crime together, and to tackle the twin problems together. For the last few years many have talked of the communications linkages and the global enterprises that will drive phenomenal business change in the world. Like all exponential changes, such change starts slowly but then accelerates. That acceleration is where the world is now, and business is changing so rapidly it is hard for governments to oversee this change. Serious organised criminal enterprises are responding just as fast. If left unchecked at a national and international level, serious organised crime has more power to defeat good government, good business and millions of people’s lives, than many realise. It has moved beyond law enforcement alone having the capability and capacity to combat it, and that painful but inevitable fact has to be appreciated. We need a new form of coalition to tackle this threat, between organised crime law enforcement agencies, anti-corruption bodies and civil society; and we need it now. I sincerely hope that you agree with me, and that we can all use this IACC to give voice to that need.