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CRIME DRUG TRAFFICKING, AND TERRORISM"

TESTIMONY-BY:
RALF MUTSCHKE
ASSISTANT DIRECTOR, CRIMINAL INTELLIGENCE DIRECTORATE

AFFILIATION:
INTERNATIONAL CRIMINAL POLICE ORGANIZATION
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Organized Crime, Drugs Trafficking and Terrorism"

Good morning, Mr. Chairman and members of the subcommittee. I would like to thank you for the opportunity of addressing you here today on the threats posed by the increasing links between terrorist and more traditional criminal activities. I would like to start by exposing the issues and emerging trends that Interpol considers significant or potentially significant in the foreseeable future.

After having done so, I would like to share some remarks on the threats posed by this problem and recommendations to combat it, before answering your questions. Links between Organized Crime and "Traditional" Terrorist Groups Structural links between political terrorism and traditional criminal activity, such as drugs trafficking, armed robbery or extortion have come increasingly to the

attention of law enforcement authorities, security agencies and political decision makers. There is a fairly accepted view in the international community that in recent years, direct state sponsorship has declined, therefore terrorists increasingly have to resort to other means of financing, including criminal activities, in order to raise funds. These activities have traditionally been drug trafficking, extortion/collection of "revolutionary taxes", armed robbery, and kidnappings.

The involvement of such groups as the PKK, LTTE, and GIA in these activities has been established. I would like to draw the particular attention of the Committee to the Groupe Islamique Arme (GIA), considering the events of December last year. On 14 December 1999, Ahmed Ressam, was arrested near Port Angeles, Washington State, while trying to enter the United States from Canada. He was in possession of a timing device, explosive materials and false identification documents. Ahmed Ressam is known to have shared a Montreal (Canada) apartment with Said Atmani, a known document forger for the GIA. It has been established that before Ressam attempted to enter the US, he was in the company of Abdelmajid Dahoumane in Vancouver (Canada) for a 3 to 4 week period.

An Interpol Red Notice was issued regarding the latter. The investigation has revealed links between terrorists of Algerian origin and a criminal network established in Montreal and specializing in the theft of portable computers and mobile telephones. The group in Montreal was in contact with individuals involved in terrorist support activity in France, and with several Moudjahidin groups who are active in Bosnia. Subsequent to the arrest of Ressam, the Montreal police arrested twelve persons who were committing theft of valuable goods in cars in the Montreal downtown area. The proceeds of these criminal activities were sent to an international network with links to France, Belgium, Italy, Turkey, Australia and Bosnia.

The events in Canada and the United States should be seen in a wider perspective. Indeed, intelligence shows that several Algerian terrorist leaders were present at a meeting in Albania, which could also have been attended by Usama bin Laden, who was believed to be in Albania at that time. It was during this meeting that many structures and networks were established for propaganda and fund raising activities, and for providing Algerian armed groups with logistical support. The arrest at the Canada-US border in December 1999 may indicate that the Algerian terrorists are prepared to take their terrorism campaign to North America.

The GIA is a very active and deadly terrorist organization operating mainly in Algeria but which has also mounted several terrorist attacks in France, including the hijacking of an Air France jetliner in 1994 and a bombing campaign in 1995. Their aim is the overthrow of the Algerian Secular Government and its replacement with an Islamic state. They have developed large scale support and financing activities in Europe and other parts of the world. An analysis recently conducted at the Interpol General Secretariat has revealed GIA involvement in a number of criminal activities in several European countries.

Although the information received is fragmented, it has been established that GIA support networks are involved in extortion, currency counterfeiting, fraud, and money laundering. The above examples concern traditional terrorist groups with a well-defined political ideology who are only involved in organized crime on a secondary level. However, two of the main emerging threats today seem to emanate, on the one hand, from more hybrid groups who operate in highly unstable, often war-torn countries or regions, and, on the other hand, loose alliances and cooperation among different, already existing transnational criminal organizations.

Albanian crime groups are highly representative of this trend. Albanian Organized Crime Groups. Albanian organized crime groups are hybrid organizations, often involved both in criminal activity of an organized nature and in political activities, mainly relating to Kosovo. There is certain evidence that the political and criminal activities are deeply intertwined.

Also, it has become increasingly clear that Albanian crime groups have engaged in significant cooperation with other transnational crime groups. Several extraneous factors explain the current, relatively strong, position of Albanian organized crime:

1. Concerning Albanian organized crime in the United States, the 1986 break-up of the "Pizza connection" made it possible for other ethnic crime groups to "occupy" the terrain which had until then been dominated by the Italians. For Albanians this was especially easy since they had already been working with, or mainly for, Italian organized crime.
2. Due to a highly developed ethnic conscience - fortified by a Serb anti-Albanian politics in the 80s and 90s, Albanians, particularly Kosovars, have developed a sense of collective identity necessary to engage in organized crime. It is this element, based on the affiliation to a certain group, which links organized Albanian crime to Panalbanian ideals, politics, military activities and terrorism. Albanian drug lords established elsewhere in Europe began contributing funds to the "national cause" in the 80s. From 1993 on, these funds were to a large extent invested in arms and military equipment for the KLA (UCK) which made its first appearance in 1993.
3. From 1990 on, the process of democratization in Albania has resulted in a loss of state control in a country that had been totally dominated by the communist party and a system of repression. Many Albanians lacked respect for the law since, to them, they represented the tools of repression during the old regime. Loss of state structures resulted in the birth of criminal activities, which further contributed to the loss of state structures and control.

4. Alternative routing for about 60% of European heroin became necessary in 1991 with the outbreak of the war in Yugoslavia and the blocking of the traditional Balkan route. Heroin was thus to a large extent smuggled through Albania, over the Adriatic into Italy and from there on to Northern and Western Europe. The war also enabled organized criminal elements to start dealing arms on a large scale.
5. Another factor which contributed to the development of criminal activities, is the embargos imposed on Yugoslavia by the international community and on the F.Y.R.O.M. by Greece (1993- 1994) in the early 90 s. Very quickly, an illegal triangular trade in oil, arms and narcotics developed in the region with Albania being the only state not hit by international sanctions.
6. In 1997, the so-called pyramid savings schemes in the Albanian republic collapsed. This caused nation-wide unrest between January and March 1997, during which incredible amounts of military equipment disappeared (and partly reappeared during the Kosovo conflict): 38,000 hand-guns, 226,000 Kalashnikovs, 25,000 machine-guns, 2,400 anti-tank rocket launchers, 3,500,000 hand grenades, 3,600 tons of explosives. Even though organized crime groups were probably unable to "control" the situation, it seems clear that they did profit from the chaos by acquiring a great number of weapons. Albanian organized crime also profited from the financial pyramids which they seem to have used to launder money on a large scale. Before the crash, an estimated 500 to 800 million USD seem to have been transferred to accounts of Italian criminal organizations and Albanian partners. This money was then reinvested in Western countries.
7. The Kosovo conflict and the refugee problem in Albania resulted in a remarkable influx of financial aid. Albanian organized crime with links to Albanian state authorities seems to have highly profited from these funds. The financial volume of this aid was an estimated \$163 million. The financial assets of Albanian organized crime were definitely augmented due to this situation.
8. When considering the presence of Albanians in Europe, one has to keep in mind the massive emigration of Albanians to Western European countries in the 90 s. In 2000, estimations concerning the Albanian diaspora are as follows: United States and Canada: 500,000 Greece:

500,000 Germany: 400,000 Switzerland: 200,000 Turkey: 65,000 Sweden:
40,000 Great Britain: 30,000 Belgium: 25,000 France: 20,000

For those emigrants to EU countries or Switzerland, the temptation to engage in criminal activities is very high as most of them are young Albanian males, in their twenties and thirties, who are unskilled workers and who have difficulties finding a job.

For Italian organized crime, these Albanians were ideal couriers in the drug trafficking business running through Albania as they were able to circumvent

the area border patrols after the outbreak of the war in Yugoslavia. Many of them came into contact with Albanian organized crime through Albanian emigre communities located throughout Western Europe. This gave an impetus to the dispersion and internationalization of Albanian criminal groups. The typical structure of the Albanian Mafia is hierarchical. Concerning "loyalty", "honor" and clan traditions, (blood relations and marriage being very important) most of the Albanian networks seem to be "old-fashioned" and comparable to the Italian Mafia networks of thirty or forty years ago. Infiltration into these groups is thus very difficult. Heroin networks are usually made up of groups of fewer than 100 members, constituting an extended family residing all along the Balkan route from Eastern Turkey to Western Europe.

The Northern Albanian Mafia which runs the drug wholesale business is also known by the name of "The Fifteen Families." Regarding cooperation with other transnational criminal groups, the Albanian Mafia seems to have established good working relationships with the Italian Mafia.

On the 27th of July 1999 police in Durres (Albania), with Italian assistance arrested one of the godfathers of the "Sacra Corona Unita", Puglia's Italian Mafia. This Albanian link seems to confirm that the Sacra Corona Unita have "officially" accepted Albanian organized crime as a "partner" in Puglia/Italy and delegated several criminal activities. This might be due to the fact that the Sacra Corona Unita is a rather recent phenomenon, not being as stable nor as strong as other Mafias in Italy. Their leaders might have decided to join forces rather than run the risk of a conflict with Albanian groups known to be extremely violent.

Thus in certain areas of Italy, the market for cannabis, prostitution and smuggling of illegal immigrants is run mainly by Albanians. Links to Calabria's Mafia, the "Ndrangheta", exist in Northern Italy. Several key figures of the Albanian Mafia seem to reside frequently in the Calabrian towns of Africo, Plati and Bovalino (Italy), fiefs of the Ndrangheta. Southern Albanian groups also seem to have good relationships with Sicily's "Cosa Nostra", which seems to be moving steadily into finance and money laundering, leaving other typical illegal activities to other groups.

Close relationships also exist with other criminal groups active along the Balkan route, where Turkish wholesalers, Bulgarian and Romanian traffickers are frequent business partners. There are also indications that a South American cartel has become active in Albania through Albanian middlemen, in order to place more cocaine on the European market. The heavy involvement of Albanian criminal groups in drugs trafficking, mainly heroin is proven.

Currently, more than 80% of the heroin on the European market has been smuggled through the Balkans, having mainly been produced in Afghanistan and traveled through Iran and Turkey or Central Asia. In the Balkan region, two routes seem to have replaced the former traditional route, disrupted by the Yugoslavian conflict:

one Northern route running mainly through Bulgaria, then Romania and Hungary and one Southern route running from Bulgaria through F.Y.R.O.M., the Kosovo region and Albania.

An average of more than a ton of heroin and more than 10 tons of hashish are seized along those Balkan routes each year. According to DEA estimations, between 4 and 6 tons of heroin leave Turkey each month bound for Western Europe, traveling along the Balkan routes. Albanian trafficking networks are becoming more and more powerful, partly replacing Turkish networks. This is especially the case in several German speaking countries, Sweden and Norway.

According to some estimations, Albanian networks control about 70% of the heroin market today in Switzerland, Germany, Austria and the Scandinavian countries. According to analyses of the Swedish and Norwegian police, 80% of the heroin smuggled into the countries can be linked to Albanian networks. In 1998, Swiss police even estimated that 90% of the narco-business in the country was dominated by Albanians.

Throughout Europe, around 40% of the heroin trade seems to be controlled by Albanians. Recent refugees from the Kosovo region are involved in street sales. Tensions between the established ethnic Albanians and newcomers seem to exist, heroin prices having dropped due to their arrival and due to growing competition in the market. Albanian networks are not only linked to heroin. In the Macedonian border region, production laboratories for amphetamine and methamphetamine drugs seem to have been set up.

Currently, these pills are destined for the local market. Cannabis is grown in Albania and cultivation seems to have become more and more popular, especially in the South. Annual Albanian marijuana revenue is estimated at \$40 million. In 1999, cannabis plantations existed in the regions of Kalarat (about 80 kilometers from Vlore/Albania) and close to Gironkaster in the regions of Sarande, Delvina and Permetti. Albanian cannabis is mainly sold on the Greek market. In order to transport the drugs to Greece, Albanian crime groups work together with Greek criminals. Albanian criminals are also involved in the traffic of illegal immigrants to Western European countries. It is part of international trafficking networks, which not only transport Albanians, but also Kurds, Chinese and people from the Indian subcontinent.

The Albanian groups are mainly responsible for the crossing of the Adriatic Sea from the Albanian coast to Italy. Departures mainly take place from Vlore, some of them from Durres or even from Ulcinj in the South of Montenegro. By the end of 1999, the crossing costs about \$1,000 USD for an adult and \$500 USD for a child. It is interesting to notice that some illegal immigrants had to pay for their journey only once in their home country (e.g. \$6,000 in Pakistan), but that the nationality of the trafficking groups changed as they moved along. This implies that Albanian groups are only a part of international distribution networks. In 1999, approximately 10,000 people were smuggled into EU countries via Albania every month.

The Italian border patrol intercepted 13,118 illegal immigrants close to the Puglian coast from January until July 1999. It estimated arrivals only in this coastal region at 56,000 in 1999. For the Albanian crime groups, illegal immigration - even though it can not be compared to the narco-business - is an important source of income, bringing in an estimated fifty million USD in 1999. Immigration is not only a source of income, it is also very important in order to create networks in foreign countries and thus create bridgeheads for the Albanian Mafia abroad.

Reports indicate that of the people admitted into Western European or North America as refugees during the Kosovo conflict, at least several had been carefully chosen by the Albanian Mafia to stay in the host country and act as a future liaison for the criminal networks. Trafficking in women and forced prostitution seem to have become much more important for Albanian organized crime in 1999, with thousands of women from Kosovo having fled to Albania during the armed conflict in the region. About 300,000 women from Eastern European countries work as prostitutes in Europe. More and more seem to be "organized" in Albanian networks that are not only limited to ethnic Albanian prostitutes, but also comprise women from Romania, Bosnia, Moldova, Russia, etc. The pimps often pretend to be Kosovars in order to have the status of a political refugee, even though many of them come from Albania. Some seem to control the "business" from abroad. Belgium, in particular, seems to be the seat of several leaders of the trafficking networks. In 1999, ten people linked to Albanian crime were shot in Brussels.

Finally, Albanian criminal groups frequently engage in burglaries, armed robberies and car theft in Europe and the United States. There might still be links between political/military Kosovar Albanian groups (especially the KLA) and Albanian organized crime. Of the almost 900 million DM which reached Kosovo between 1996 and 1999, half was thought to be illegal drug money.

Legitimate fundraising activities for the Kosovo and the KLA could have been used to launder drug money. In 1998, the U.S. State Department listed the KLA as a terrorist organization, indicating that it was financing its operations with money from the international heroin trade and loans from Islamic countries and individuals, among them allegedly Usama bin Laden.

Another link to bin Laden is the fact that the brother of a leader in an Egyptian Djihad organization and also a military commander of Usama bin Laden, was leading an elite KLA unit during the Kosovo conflict. In 1998, the KLA was described as a key player in the drugs for arms business in 1998, "helping to transport 2 billion USD worth of drugs annually into Western Europe". The KLA and other Albanian groups seem to utilize a sophisticated network of accounts and companies to process funds. In 1998, Germany froze two bank accounts belonging to the "United Kosova" organization after it had been discovered that several hundred thousand dollars had been deposited into those

accounts by a convicted Kosovar Albanian drug trafficker.

The possibility of an Albanian/Kosovar drugs for arms connection is confirmed by at least two affairs in 1999: an Italian court in Brindisi (Italy) convicted an Albanian heroin trafficker who admitted obtaining weapons for the KLA from the Mafia in exchange for drugs. An Albanian individual placed orders in the Czech Republic for light infantry weapons and rocket systems. According to Czech police sources, the arms were bound for the KLA. Each KLA commander seems to have had funds at his disposal in order to be able to pay directly for weapons and ammunition for his local units need. It is difficult to predict the further development of Albanian organized crime. Being a recent phenomenon, its stability is difficult to estimate.

Nevertheless, future threats are realistic given the ruthlessness and lack of scruples displayed by Albanian crime groups, the international links which already exist, the professionalism which characterizes most of their activities and the strong ties created by ethnic Albanian origins. Moreover, the strong position of Albanian crime groups in Kosovo, F.Y.R.O.M. and the Albanian republic itself, is definitely a cause of concern to the international community, especially when one takes into account the geo-political instability in the region and the presence of a UN peacekeeping force. The Links between Drug Trafficking and Terrorism in Central Asia. The breakup of the Soviet Union and its transition to a market based economy continues to have a major impact in Central Asia and Eastern Europe. Many countries in these regions continue to have economic and social problems relating to the major changes that occurred in 1991.

Central Asian criminal organizations have taken advantage of these unstable conditions to become more active in such illegal activities as drug trafficking and other smuggling activities, while becoming ever more powerful. As a result of their domestic trafficking activities, drug dealers and other criminal organizations have developed transnational and international criminal connections, further spreading the flow of drugs and becoming increasingly involved in more serious criminal activity. A significant part of the drug trafficking activity in the area is taking place in conjunction with terrorist activity.

Terrorist groups active in Central Asia are opponents of the democratic, secular societies which are in the process of being established. Over the last two years, they were responsible for car bombings, suicide bombings, massacres of innocent civilians, tourists and attacks against multi-story buildings, which resulted in massive damage and casualties in Central-Asia as well as neighboring countries. This type of terrorism has been used against the secular regimes in Central Asian and neighboring countries. The main terrorist movement in the area, but not the only one, is the Islamic Movement of Uzbekistan (IMU).

The IMU is a religious extremist coalition of terrorists and sympathizers from Uzbekistan and other Central Asian countries claiming to be acting under the guise of Islam and opposed to the secular government of the Republic of Uzbekistan. IMU's goal is to establish an Islamic State in Uzbekistan and other Central Asian countries. This group also promulgates religious and extremist propaganda including anti-western rhetoric aimed at spreading the idea of overthrowing the constitutional government in the republic.

The IMU is responsible for six car bomb attacks on 16 February 1999, that resulted in the deaths of 16 people and serious injuries of 128 others in Tashkent. The car bombs exploded within minutes of each other, outside Uzbekistan's government headquarters and several other buildings in an assault apparently aimed at President Islam Karimov. We believe several suspects are currently located in Western Europe but are claiming political asylum in those countries. Despite the political and ideological agenda of the IMU, this movement is not exclusively terrorist in nature, rather more of a hybrid organization in which criminal interests often take priority over "political" goals.

IMU leaders have a vested interest in ongoing unrest and instability in their area in order to secure the routes they use for the transportation of drugs. Afghanistan produces around 75 % of the world's heroin supply (For 2000, the production of opium, then refined into heroin, was 3275 tons). Due to successful anti-drugs campaigns in Iran and Pakistan, traffickers were forced to transit drugs through Central-Asia, in order to reach Russia and Europe. At the same time, there has been an increase in demand for drugs on the Russian market. Approximately 60 % of the narcotics coming out of Afghanistan are now transiting through Central-Asia.

The trafficking of such huge quantities implies the need to constantly find new routes, and it is also evident that an increase of efficiency of law enforcement in these countries, resulting from a stable political climate, would present a significant threat to the IMU's interests in drug trafficking.

The interest of the latter in this profitable sector is rather large, according to some estimations IMU may be responsible for 70 % of the total amount of heroin and opium transiting through the area. In Afghanistan, the radical Islamic Taliban Militia controls over 80 percent of the country's territory and over 95 percent of the opium poppy cultivating area. Reports indicate that opium production provides the Taliban with income through the taxation of opium and heroin labs, and also gives them political leverage.

Strategic Alliances and International Activities of Eastern- European Organized Crime
Crime groups emanating from the former Communist countries of eastern and central

Europe and the republics of the former Soviet Union pose a deadly threat internationally as the number of crime syndicates rises steadily.

The G8 Law Enforcement Projects Sub-Group on Eastern European Organized Crime began an initiative to gather information on specific organized crime targets and/or organizations which were of interest to their members. At the outset they recognized that Interpol was the only organization with a centralized international database and which also had the capacity and potential to collate and analyze the information.

In response to a request from this G8 Sub-Group, Interpol made a proposal to serve as an "indices system" to oversee the collection and analysis of the information on these crime groups. Project Millennium now serves our member countries by providing a specialized database, by collating and storing information, by producing analytical reports for use in current investigations and by assisting countries in the exchange of information on East European/Russian organized crime. Project Millennium is a Pilot Project for Interpol and is a working example of how the organization has become a global coordinator and value added service provider for the world's law enforcement community.

In terms of trends and threats, Interpol has clearly identified that the pervasive criminality that for so long festered within the boundaries of the former Soviet Union has now manifested itself in all corners of the globe. In contrast to the Communist period, modern organized crime in Eastern Europe and the former Soviet Union has spread well beyond the old European borders and quickly transformed the phenomenon into an urgent transnational issue.

Interpol information indicates that former USSR/Eastern European organized crime groups are now active and their influence is growing in all continents. An unusual aspect is that these crime syndicates have formed alliances of convenience and are willing to cooperate or make business arrangements with other organized crime groups, such as the LCN, the Colombian cartels, Italian mafias, and other international traditional criminal adversaries specializing in drug trafficking, prostitution rings, money laundering, and weapon smuggling.

Eastern European/Russian crime syndicates are now laundering money on a grand scale throughout the world. States with strict banking secrecy laws are particularly attractive to Eastern European and former USSR crime groups. In particular, many crime groups are seizing on loose financial regulations in foreign states to launder large amounts of illicit profits through foreign banks and business structures.

One particular suspect from the British Channel Islands came to our attention due to the fact that his name appeared in a number of cases as the director or officer of numerous businesses linked to Eastern European related crime groups. It is claimed that the subject held a world record by holding over 2,400 directorships at one time.

Our investigations into this one person demonstrated how the offshore business services are widely used by criminal enterprises. In these types of cases, Interpol plays an important role by collecting information from all over the world and highlighting the common suspects, trends and modus operandi. Areas and countries with these loose financial regulations span from islands in the South Pacific and Caribbean, across Europe and, in the United States. We see many leads from other countries inquiring about East European based companies incorporated in Delaware, Wyoming and Montana.

One analysis report completed by Interpol in Project Millennium revealed how one of the leaders of the "Chechenskaya" criminal group, with three of his brothers as well as other accomplices, transferred money received from criminal activities in Russia to western European countries through offshore zones. One of the companies used for these money transfers was "Benex International" mentioned in the "Bank of New York" reports. The members of this group are involved in extortion, murder, armed robberies, weapons smuggling, and money laundering. This criminal leader is wanted by Interpol Moscow and has an Interpol Red Notice for murder. This investigation involves at least 12 countries (Switzerland, Hungary, Australia, Ireland, Russia, Bulgaria, Nauru, Kazakhstan, Austria, Germany the UK and the USA).

Another very interesting trend which we have seen for several years is the interest shown in Africa by Russian and Eastern European crime groups. Information we have received from Africa and elsewhere shows that many leading crime figures are traveling to African countries and some have shown an interest in setting up operations in these countries. We are aware, for example, of a meeting of several significant leaders from Eastern Europe in South Africa in 1996. One of the activities which many of these criminals are involved in is arms trafficking and the subsequent money laundering of the proceeds from that traffic. One Russian-born subject who is suspected of arms trafficking into several African countries, was the owner of a private bank in Switzerland and the administrator of an aviation company.

Other aviation companies we are tracking are incorporated in Central Asian countries but have significant links to certain Arab countries. A leading Bulgarian criminal who is a close associate of an important Eastern European crime figure has close connections with the firearms industry in Eastern Europe and has had significant dealings with terrorist groups and criminals operating in African countries. Interpol is attempting to track the travel activities of these criminals in an effort to supply valuable information and connections to investigators.

Strategic Alliances between Crime Groups: the Colombian Nexus

The strategies devised by Colombian drug cartels merit a discussion in further detail. Over the years, these criminal entities have formed numerous alliances with other criminal groups in order to extend the scope of their illicit business. Their rational, and, incidentally, highly successful strategic decision making has led to providing them with a more global reach. The presence of terrorist groups in the area explains the obvious link between drugs and the arms trade in that region. Generally speaking, the formation of alliances can be viewed as a response by a particular firm or company to overcome its own limitations. With the emergence of global markets, alliances are becoming a necessity for almost any business. Each firm has something that the other needs or wants, such as knowledge of a certain market or an established distribution network.

Drug cartels, although an illegitimate business, are forming alliances with other organized criminal groups around the world to extend their operations and conquer new markets. In order to smuggle their illicit products into the U.S., Colombian drug cartels began forming alliances with Mexican groups, who have a well-developed smuggling infrastructure for transporting drugs across the vast border with the United States.

As Mexicans began to charge more for their services, Colombians established relationships with various Dominican, Jamaican, Puerto Rican, and African-American groups which act as smugglers and retailers for Colombian wholesale cocaine. Colombians have also formed an alliance with some of the Nigerian drug trafficking groups based on product exchange. In the early 1990s, Nigerian groups supplied heroin to Colombian drug traffickers in exchange for cocaine. Colombians were able to develop their own heroin market, while Nigerians started selling cocaine in Western Europe. During the late 1980s and early 1990s, an important alliance was formed between Colombian drug cartels and the Sicilian Mafia.

Since the cocaine market in the U.S. was saturated, and because cocaine could be sold with higher profit margins in Europe, Colombians wanted to enter the European drug market. The Cosa Nostra's well established heroin network was easily applicable to cocaine. In addition, the Sicilians had an excellent knowledge of European conditions and were able to neutralize law enforcement officials through bribery and corruption more effectively than the Colombians. From the Sicilian perspective, the alliance with Colombians was an opportunity to regain part of the market that had been lost to Chinese heroin traffickers.

In recent years, South American drug cartels have been forming alliances with East European/Russian Organized Crime Groups in order to support and diversify their operations. East European groups have offered drug cartels access to sophisticated weapons that were previously not available. Helicopters, surface-to-air missiles, rocket-propelled grenades, and even submarines are on the drug cartels "shopping list." The East European groups

provided new drug markets in Russia, the former Soviet Republics, and Eastern Europe, while consumption was decreasing in the U.S. In 1993, Russian police intercepted a ton of South American cocaine which had been shipped to St. Petersburg by one Russian crime syndicate working with a Colombian drug cartel. In another example, a Russian crime leader was arrested in January 1997 in Miami by U.S. agents for the exportation of cocaine from Ecuador to St. Petersburg (Russia) and then to the United States. In exchange for these services, drug cartels pay for transactions with high quality cocaine.

East European/Russian crime syndicates and corrupt military officers are supplying sophisticated weapons to Colombian rebels in exchange for huge shipments of cocaine. Although the Revolutionary Armed Forces of Colombia (FARC) receives most of the arms, some of them are distributed to Hezbollah factions.

The financing of the two main terrorist organizations operating in Colombia, namely the FARC and the National Liberation Army (ELN), originates from several sources, with the most important one being the drug trafficking. A "tax system" ran by FARC collects \$20 USD for each kilo of base cocaine produced, \$30 USD for each kilo of crystal, and \$2,500 USD for each use of a landing strip. Approximately 61% of FARC's operational area is also an area for cultivation and production of cocaine. The guerrilla members also protect the laboratories belonging to the narco-traffickers and this protection is provided in exchange for financial compensation.

The largest amount, approximately \$515 million dollars, was raised by Colombia's oldest guerrilla organization, FARC. The smaller National Liberation Army earned approximately \$380 million dollars. These groups raised approximately \$910 million dollars from abductions, extortion and drug trafficking in 1997. In the last four years, these groups earnings soared by 130%, which surpasses the combined incomes of Colombia's seven largest firms.

Since 1996, the UNHCR estimates that more than 800,000 people have been displaced in Colombia as a result of guerrilla warfare. In an attempt to negotiate peace with guerrilla groups, the Colombian government granted the ELN a demilitarized zone in the northeastern provinces of Antioquia and Bolivar in April 2000. This is the second guerrilla safe-zone created in Colombia. The FARC's own demilitarized zone, which lies in the jungles in the south, was created in the South American context, it is also worthwhile to mention Peru and Argentina. Like Colombia, Peru is combating guerrilla groups in the Andean jungles. The main guerrilla group is the "Sendero Luminoso" (Shining Path), led by Oscar Ramirez, also known as "Comrade Feliciano."

In order to finance their operations and terrorist attacks, they often resort to drug production and smuggling. In May 1997, a joint action by the Peruvian military and police resulted in the capture of several leaders of the Shining Path. The Shining Path operates in the Apurimac valley, the second largest coca growing area in Amazonia.

The increasing poverty in the region allows the guerrilla group to recruit young people between the ages of 14 and 18 and enlarge the scope of their activities. The rebels suffered a setback in their operations, however, when one of their leader, Oscar Ramirez Durand, was arrested in 1999. It appears that Argentina is becoming a major money laundering center for organized criminal groups from Colombia and Mexico, and recently there appears to be activity from various East European/Russian organized crime groups.

Since Argentina does not yet have an anti-laundering body, the total amount laundered annually is not known. According to a report by the International Monetary Fund (IMF), an estimated \$6 billion dollars are laundered in Argentine banks each year. According to the Argentine federal police, approximately \$5 billion came from Paraguay to be laundered in 1998. Allegedly, the money is usually channeled "through front companies in Uruguay, then through banks in the Caribbean, and finally to Europe and the United States".

Finally, the area called the "Triple Border", where Argentina, Brazil, and Paraguay meet is known for arms trafficking, vehicle theft, counterfeit currency, forged documents, as well as for being a refuge for Latin American, Lebanese, Russian, Chinese, and other criminal and terrorist organizations. It is not clear if the Hezbollah figures among these terrorist groups, but Islamic fundamentalists are suspected of having committed two terrorist attacks in Argentina : in 1992, a car bomb destroyed the Israeli embassy building in Buenos Aires and in 1994 another car bomb attack was directed against the "Mutual Association". These investigations are still ongoing and Interpol channels have been used for the exchange of information in the framework of these cases.

To provide an idea of the scope of criminal activity in this area, a former President of the Brazilian Central Bank stated in 1999, that approximately \$18 million USD are laundered daily in the banking agencies of the city of Foz de Iguazu (Brazil), a city which is located in this region. The main smuggling routes to Europe originate in Brazil, Ecuador, and Venezuela. Cocaine is concealed in containers and shipped to Rotterdam (The Netherlands), Barcelona (Spain), Genoa (Italy), and the ports of some Baltic states. In addition, small boats transport cocaine from South America to Spain, where drugs are transferred aboard Spanish fishing boats. Lastly, an air route exists between West Africa and Europe. However, Spain continues to dominate as the main entrance point for Colombian drugs into Europe.

In 1998, more than 31% of all cocaine seizures in Europe occurred in Spain. On August 2, 1999, the Spanish authorities seized ten metric tons of Colombian cocaine on a Russian-owned ship southwest of the Canary Islands. This shipment was the largest cocaine seizure carried out by European police. In addition, 200 kilograms of heroin were confiscated. What appears to be the "forecast" for South America? In the northern tier - Colombia, Venezuela, Ecuador, Bolivia, and Peru - drug trafficking will continue to dominate along

with insurgence of the guerrilla groups. The abundance of drugs and oil in the region, as well as guerrilla activities, is a dangerous mixture for political stability.

Cooperation among Russian and Israeli Criminal Groups in the Trafficking of Ecstasy In another look at an emerging drug situation, there has been a tremendous increase in the production and trafficking of ecstasy to the United States from Europe, a trend which Interpol brought to the forefront in 1998. It has also increasingly spread to Australia, South Africa, Asia, and South America. The phenomenal demand for this drug has created a perfect opportunity for Israeli and Russian organized crime groups to become heavily involved in the trafficking of this drug, which has proven to be extremely lucrative.

As the production and trafficking of ecstasy continues at an explosive rate, we are seeing increased involvement of Russian and Israeli criminal organizations as well as the increased involvement by other international criminal organizations, potentially to include Colombian and Mexican groups. As the production of this drug spreads to the east, we can expect Eastern European organizations to take advantage of this situation, which no doubt will include criminal activity directed towards the United States. I would also like to seize this opportunity to draw the attention of the Committee to the relatively recent involvement of Organized Crime in two activities which have become increasingly important issues for law enforcement authorities, namely illegal immigration and cigarette smuggling. Cigarette Smuggling and Organized Crime According to the British Tobacco Manufacturers Association, cigarette smuggling is now second only to drugs in terms of consumer spending on illegal activities.

An estimated 350 billion cigarettes are smuggled each year, and the number continues to grow rapidly. As a consequence, governments around the world lose approximately \$16 billion annually in uncollected tax revenues. Many organized crime groups operate based on kinship, lifelong friendship, mutual prison experience, or the membership in sects or secret societies like the Chinese Triads or the Cosa Nostra.

However, none of these ties are essential in the illegal cigarette trade, as is evidenced by the numerous interethnic relations within smuggling operations and between different levels of the market. The risk of apprehension for smugglers, wholesalers, street vendors, and consumers is relatively low, due to the fact that it has not been a priority for law enforcement until very recently, and sanctions have been relatively light considering the profitability of the business.

In addition, the risk of fraud is limited because, unlike illegal drugs, most cigarettes are manufactured legally so the question of the quality of the product is almost non-existent. However, the profitability of the "business," combined with its

visibility and illegality make street vendors of smuggled cigarettes an easy target for extortion and racketeering by organized criminal groups.

Why are cigarettes such an attractive commodity for organized crime groups?

First, the difference between the duty-free and duty-paid prices are substantial, thereby allowing smugglers to make profits at relatively low street prices.

Second, they are very easy to handle and transport. For example, a container load of cigarettes carries a potential tax value of \$1.2 million, almost all of which is potential profit for the smuggler.

Third, cigarette smuggling requires a willing market and a good local distribution network, which have already been established by drug-trafficking organizations. Despite considerable investments in anti-smuggling measures by law enforcement agencies, cigarette smuggling is flourishing around the world.

In Europe, after the collapse of the Soviet Union, already existent smuggling trends in Italy and Spain served as a model for organized groups in other countries. Smuggling networks developed in the Balkans when international sanctions were imposed as a result of the war. In South Africa, there was a surge in cigarette smuggling after the collapse of apartheid and the lifting of international sanctions. In Colombia, well established drug routes were easily converted into cigarette-smuggling routes. Interstate cigarette smuggling is one of the fastest growing crimes in the United States, due to considerable differences in state tax rates. State taxes on cigarettes currently range between 2.5 cents to \$1USD per pack.

In Canada and Great Britain, extremely high cigarette taxes proved to provide the fertile ground needed for cigarette smuggling to flourish. Similar patterns continue to emerge around the world, while criminal activities continue to grow. In Colombia, cigarette smuggling is directly related to money laundering schemes through the so-called "black market peso exchange." During the exchange, drug-dealers convert U.S. dollars into clean pesos, while cigarette smugglers buy U.S. dollars in order to purchase international goods. The U.S. Treasury Department calls this system "the most dangerous and damaging form of money laundering ever encountered".

In Italy, criminal organizations sign contracts with the tobacco companies and buy enormous quantities of cigarettes. Some criminal groups are so powerful, they demand that tobacco companies refrain from selling their products to other criminal organizations.

In Germany, Vietnamese groups dominate the street sale of smuggled cigarettes. With time, they have evolved from unorganized individuals into highly sophisticated groups controlling the majority of illegal sales. Along with traditional methods, more elaborate techniques have evolved for cigarette smuggling into Germany.

Non-existent corporations have been established to purchase duty-free cigarettes with the intention of exporting them to Eastern Europe. However, before the cargo reaches the border, it is sold to illegal wholesale dealers.

In Britain, the port of Dover has become the center of smuggling activities, taking advantage of France's lower tobacco taxes. Tobacco smuggling is a ruthlessly efficient and highly organized trade which involves some of Britain's most vicious criminal gangs, as well as the Eastern European crime groups and the Italian Mafia. British police estimate that Italian organized criminal groups account for 15% of the illegal trade, while Eastern European gangs are responsible for 10% of the smuggled cigarettes in Great Britain. The ferocity of the competition is likely to contribute to violent confrontations as the gangs compete for control.

Organized criminal groups realize the importance of making smuggling routes and the structure of transactions as complicated as possible, and employ a great range of owners in a very short space of time to make police investigations as difficult as they can. The primary objective is to make the final owner untraceable, and to make the links between successive owners as ambiguous as possible. The more complicated the route is, the more difficult it is to uncover.

The port of Antwerp in Belgium and the port of Rotterdam in the Netherlands serve as major warehouses for imported cigarettes in Europe. The high concentration of duty-free cigarettes in these ports is likely to generate illegal activities for the European black market. It is clear why: European guidelines specify that tobacco duty must make up at least 57% of the selling price for a packet of cigarettes. From Antwerp, there are two major smuggling routes which lead to Eastern Europe and the former Soviet Union.

The first route transfers cigarettes by road from Belgium to Switzerland's free zone, where they are destined for Central and Eastern Europe. The second route transfers cigarettes from ports to regional airports in Belgium or the Netherlands. Then, large aircraft fly the cigarettes to their destinations in Eastern Europe and the former Soviet Union. Eventually, most of the cigarettes return to the EU, particularly to Germany and Italy. In Germany, cigarettes are smuggled in a vast number of private cars and small vans, and this phenomenon is described as "ant-smuggling."

In Italy, cigarettes are smuggled by fast boats from the Republics of the former Yugoslavia and Albania. After they land along the long coastline, cigarettes are distributed on the Italian market and in other European countries. The third smuggling route transports cigarettes from Northern European ports to North Africa. However, when ships are close to the Spanish territorial waters, small fast boats smuggle cigarettes to the Spanish Coast. In 1993, a total of 13 million packets were exported into the principality of Andorra, compared with 1,520 million packets in 1997. It is difficult to believe that 60,000 inhabitants of Andorra consumed these quantities.

A large amount of cigarettes may have been smuggled back to Great Britain through Spain, France, and Belgium. Lately, smugglers have used routes through Cyprus and the United Arab Emirates to cover their activities. Investigators claim that British American Tobacco (BAT), the world's second largest multinational tobacco company, has encouraged tax evasion and cigarette smuggling as a means of securing a share of the tobacco market and to lure generations of new smokers in South American countries, especially Colombia.

The BAT records show that cigarettes were shipped from BAT subsidiaries in the U.S., Brazil, and Venezuela to BAT's distributors in the free-trade zone in Aruba, an island just off the coast of Colombia. From Aruba, cigarettes were sold to dealers, who would then bring them to Maicao, a town in Colombia's La Guajira region. Maicao was given special customs status in order to improve the economy in the region. However, many cigarettes were moved from "duty not paid" zone into the black market in Barranquilla, Colombia. Another route was used to smuggle cigarettes from Aruba into Colombia. This time, Panama's free-trade zone of Colon was used as a staging point into nearby Turbo (Colombia), which is also a special customs zone. Furthermore, some of the cigarettes shipped through Aruba into Maicao went back to Venezuela.

In addition to South America, it is alleged that BAT encouraged cigarette smuggling into Asia through one of its main distributors in Singapore. Cigarettes were then shipped as a part of "general trade" (duty not paid) to Bangladesh, Pakistan, Thailand, Myanmar, Philippines, Vietnam, Laos, Afghanistan, and India. Other world smuggling routes exist from Paraguay into Argentina, from Cambodia and Thailand into Vietnam, and through Hong Kong into China.

Traffic in Human Beings and Organized Crime

According to the International Organization of Migration (IOM), there are currently from 20 to 40 million irregular migrants in the world of a total of 130 million international migrants. At any given time, about 4 million illegal migrants are on the move. An estimated 100,000 Chinese are smuggled abroad every year, mainly from the Fujian province in the south where in some villages up to 10 % of the population have emigrated over the last years.

Some sources describe today's illegal migration as essentially being a Chinese problem, authorities in Hong Kong (China) even estimating that currently nine out of ten illegal migrants world-wide are ethnic Chinese. According to the U.S. Immigration and Naturalization Service (INS), up to 10,000 Chinese illegal immigrants could have reached American shores in 1999 by boat, five times more than in 1998.

INS employees and the Pacific Forum in Hawaii estimate possible illegal immigration from China to the United States at 100,000 illegal immigrants per year (which would contradict the IOM figures mentioned above).

The official INS estimates speak of about 30,000 illegal Chinese aliens. In Australia, unauthorized arrivals by sea have jumped from 157 in 1998 to 3,700 in 1999, the immigrants have been primarily Chinese. In Japan, 1,209 illegal Chinese migrants were apprehended in 1997 and 428 were apprehended from January until June 1998.

Police authorities estimate that the overall number of Chinese who entered Japan in those years is up to ten times higher. Britain estimates the Chinese influx into the United Kingdom at over 600 people per month. Chinese migration is stimulated by a strong Chinese overseas population. In the 1950s, some 12 million Chinese were living abroad. In 1999, that number had tripled. Of those 35 million Chinese abroad in 1999, two thirds lived in Southeast Asia. It is estimated that China is currently home to a "floating population" ("liudong renkou", without a permanent place of residence and employment) of 100 million people.

Nevertheless, Asian migration is not exclusively linked to Chinese nationals. Especially within Asia, a Filipino, Indonesian, Bangladesh and Burmese migration is significant. Malaysia is thus home to over 500,000 Indonesian illegal immigrants (of a total of about 700,000 illegal immigrants), Thailand to about 600,000 Burmese (of a total of about one million irregular immigrants). In a 1999 IOM report, the People's Republic of China, the Philippines, Indonesia and Burma were named as being the top four source countries of irregular migration world-wide.

According to the Filipino Department of Foreign Affairs, of the approximately 7 million Filipinos working abroad in 1999, 3 million were undocumented workers. The world-wide profits made by individual smugglers and smuggling networks for the year of 1999 were estimated to be between \$3 and \$10 billion USD. Already in 1994, the profits of Chinese trafficking networks were estimated to attain somewhere between \$2.4 and \$3.5 billion USD, while for the year 2000, this number could be as high as \$30 billion USD.

Migrant trafficking is not a homogeneous criminal activity. It does not only concern the organization of the smugglers but also the role of the migrants. Their victimization is due primarily to two factors.

First of all, the conditions in which they travel are often inhumane or often outright dangerous, as the high number of mortal accidents demonstrate. Secondly, the migrant is very often forced to work off his/her debts due to the costs of transportation. Their work often consists of engaging in illegal activities linked to the criminal organization responsible for the transportation. If a migrant escapes from a safe-house or tries to break out of this vicious cycle by leaving the area in which he is "employed", and recaptured, he is severely punished or even killed.

One of the biggest problems for the future may be the approximately 40,000 Chinese immigrants who were allowed by former Yugoslav president Slobodan Milosevic to settle in the area of Vojvodina (Northern part of the Yugoslavian Federation, close to Hungarian border). These Chinese nationals were provided with Yugoslav citizenship to attempt to influence the election result in this area. It is believed that these persons have no intention of staying in this region and, with their Yugoslav passports, they are allowed to enter the Hungarian territory without a visa. One tragic incident occurred in June 2000, when 60 of these persons started their last journey from Yugoslav territory towards United Kingdom.

Their journey ended in a hermetically closed refrigerator lorry in Dover, United Kingdom, where 58 of them suffocated to death. The problem is not limited to these 40,000 persons. Some international organizations estimate that another 200,000 Chinese and other nationals presently in Russia, are waiting their turn for immigration to the West. The international community estimates that by 2005, a further 270 million people could be removed from China's agricultural labor force without affecting production.

Interpol has clear indications of organized crime groups involvement in every segment of an illegal immigration journey. Often, illegal immigration activity are linked to drugs smugglers. Links between Chinese and Albanian criminal groups have been documented, as well as cooperation of Chinese groups with Eastern European organized crime groups, in order to smuggle immigrants through Russia, Ukraine, the Czech Republic or Hungary. Hong Kong based 14K triad seems to be linked to trafficking to Japan, but even those trafficking operations seem to be partly run by other groups or networks formed of criminals from different ethnic backgrounds.

In Japan, the Yakuza's role in alien smuggling appears to be growing. This confirms a trend towards linkages between foreign and domestic organized crime groups. Chinese Snakehead groups are not limited to mainland China or Hong Kong, but are also based in Taiwan. Snakehead links to other organized crime groups also exist.

A good example of the interaction between different organized crime groups is the "Dover case." A Yugoslavian organized crime syndicate organized, in cooperation with a Hungarian group, the journey from Yugoslavia through Hungary and Austria, with the final destination the United Kingdom. There was also a Dutch/Turkish organized crime group involved. The involvement of other ethnic criminal groups which allowed the illegal immigrants to reach Yugoslavia from China is almost certain. When considering these factors, it becomes obvious that illegal immigration is not a question of a few isolated cases of border crossing and smuggling of people - it is a serious organized crime problem threatening almost all developed countries around the world.

A relatively recent trend is that smuggling networks seem to focus more and more on Central and South America. Allegedly, as many as 50 members of the Taiwanese

United Bamboo triad are based in Guatemala City to help move illegal migrants to North America via Mexico and sustain the necessary links to Mexican traffickers. Surinam is described as being the latest "hot-spot" for people smugglers. There are about 50,000 ethnic Chinese living there, approximately 10% of the population. In 1999, the Interpol General Secretariat initiated a project, named "Bridge" to facilitate a more effective and efficient program for the collection of information on organized crime groups involved in illegal immigration and the trafficking of persons.

The member countries identified not only the need for Interpol's communication system, but also for timely intelligence and specialized analytical assistance in this field. At Interpol meetings, illegal immigration experts agreed to prioritize the combat against organized crime groups involved in the smuggling of Asian migrants, primarily Chinese, because of the highly organized aspect of these groups and the growing number of active investigations in this area. The objectives of this project are to collect information on members of groups involved in illegal immigration, specifically the routes, methods of transportation, safe houses, escorts, forged documents, and visas utilized by these groups. Emphasis was placed on obtaining information from active, ongoing investigations with numerous international connections.

It was stressed that if reliable data and information on trafficking routes, the modus operandi of smuggling organizations, local crime groups utilized, and recruiters, passport and visa suppliers, escorts, providers of accommodation, couriers, and handlers in destination countries was received from member countries, then Interpol could assist the investigations by coordinated activities of police bodies and law enforcement organizations to successfully dismantle the inter-linked smuggling infrastructure.

Overview of the Main Threats

The development of these phenomena has several important implications. The first threat is that the involvement in both terrorist and criminal activity by the same organizations implicates that these groups have a vested interest in destabilizing countries or even whole regions through terrorist activity, in order to ensure the survival of their criminal activity.

In drug producing countries for example, it is often to the advantage of criminal organizations to have unstable political conditions with the resulting internal conflicts so that drug production areas controlled by insurgent groups are free from government interference. The most striking example of this is in Central Asia. In that region, the IMU has proven to be highly involved in drugs trafficking and this organization controls a significant portion of the drugs transiting through the Central Asian republics.

The same problem occurs in Kosovo, where there is a legal vacuum, which greatly benefits Albanian criminal groups. To a certain extent, this is also true in some South American regions. Another worrisome development is the fact that the number of

countries in which there is a strong link between organized crime and the ruling government is increasing.

This is for example the case in certain Eastern European countries. Once criminal entities are well positioned within the state, it is extremely difficult to reverse this situation. From an operational perspective, the alliances between different crime groups, which results in them growing from a national threat to a regional or global level creates enormous problems for law enforcement. If a country is suddenly confronted with a significant crime rate due to the presence of an ethnic group, which until then did not constitute a threat, it will be extremely difficult to conduct investigations, recruit informants or obtain intelligence. This problem was already observed by many Western countries in their efforts to combat the threats posed by Russian speaking organized crime.

A lack of knowledge of Russian, including underworld "slang" and of the cultural context in which these groups evolve have posed significant problems. It is, in general, particularly difficult for law enforcement to detect, in an early stage, whether a particular emigre community is used as an advance base for organized crime groups. Moreover, due to the increased cooperation among transnational crime groups, the threats emanating from criminal groups which are already known by law enforcement suddenly move to a more borderless dimension. More and more investigations will have international implications, which makes these investigations both more lengthy and costly, and could ultimately result in less efficiency.

The current difficulties of investigating and monitoring human trafficking activities around the globe clearly illustrate these problems. The laundering of proceeds of crime deserves special attention, because of its devastating effects on national economies. Money laundering prevention will remain difficult as long as there are countries which have lax regulations or plainly refuse to cooperate. In the light of a tendency of increasing globalization and deregulation of international financial transactions, this issue merits special attention. In terms of damage to the economy, special mention should be made of Russian organized crime groups.

Unlike their Italian or Colombian counterparts, they only repatriate a very small part of their profits, but deposit most of their proceeds in foreign countries, and establish banks in offshore havens. Furthermore, large parts of the domestic banking sector are controlled by organized crime, partly as a result of the lack of tight regulations. Globalization has also led to increased trade relationship between Western societies and countries which, due to underdevelopment, have a highly unregulated economic climate.

Contract law is extremely liberal (absence of legal safeguards against abusive clauses) and the forced execution of contracts through judicial channels is almost non existent. This results all too often in foreign businesses having to operate in an environment where they cannot protect their interest in a fashion they are used to (contracts,

arbitration, litigation). This presents significant opportunities for criminal entities and a danger to the overseas economic interest of countries, including the United States.

Conclusion and Recommendations

These findings are cause for great concern to us. In conclusion to my statement, I would like to present the Committee with a few recommendations on how to tackle these groups. However, it should be obvious that the problems related to the trends I just described cannot be solved by law enforcement on its own.

On the contrary, an integrated strategy of economic, social and legal assistance to countries which face unstable political conditions and have severe economic problems is needed. Reform of the banking sector in many countries should be one of the priorities. Also, administrative procedures should be rendered more transparent and controlled through accountability procedures, in order to avoid common bribery practices. The international community as such has an important role in this field. As regards the role of the law enforcement community, of which Interpol, with its 178 member countries, is one of the rallying factors, I would like to make the following recommendations:

1. Priority setting at the policy level

Considering the limited resources in comparison to the scope of the problem, there is an urgent need for clear priorities to be set. This is especially true since some of our findings clearly indicate that these threats have obvious national security implications for several countries, not in the least for the United States. Interpol, with its limited resources, has had to choose which projects and initiatives it could implement at this time. I have highlighted several of these initiatives in my remarks.

2. A more integrated approach to combating crime.

Another key element concerns the manner in which law enforcement itself operates. All too often, drugs, organized crime and terrorism are treated as separate issues by police authorities, and this prevents authorities from receiving a valid, overall view of the threat. The problem lies more in the lack of an integrated intelligence approach (i.e., collection, exchange and analysis of data), than in a lack of international cooperation, as such. Only by combining the available data from different agencies and countries, and setting up consultation mechanisms among different experts from all fields, can an adequate platform to further assess the threat and to formulate adequate counter- strategies be provided. In my opinion, the Millennium project undertaken by Interpol under the auspices of the G-8, which I referred to earlier in my comments, is a good example of such an approach.

3. Training and assistance

Given the difficult financial situation in many of the Interpol member countries where the aforementioned problems originate, one of the priorities in addressing this issue should be to provide these countries with technical assistance and expertise. The possibility to build and share databases is a key factor to success. However, this requires a proper information technology infrastructure that is unfortunately beyond the financial means of many of our member countries. Training should focus on information processing techniques and the development of an analytical capability.

My role here today was to give you an overview of the problem areas, but I sincerely hope that my Organization will be instrumental not only in describing problems, but also in contributing to their solution. This concludes my prepared remarks. I would be happy to respond to any questions you may have.