ENDNOTES
Executive Summary

3 Including Taiwan, Province of China.

Introduction

1 Statement at UN Security council, SC/9867, February 2010.

Chapter 1 - The threat of transnational organized crime

2 As well as the substantive offences of money laundering, corruption, and obstruction of justice.
3 In accordance with the provisions of article 18.1 (c) of the Convention on Narcotic Drugs, 1961, and article 16.3 of the Convention on Psychotropic Substances 1971.
4 For opium, cannabis herb, cannabis resin and cannabis plants: 1 kilogram and above; for heroin, morphine, cocaine, and psychotropic substances: 100 grams and above.
6 Article 12 deals with the exchange of information, and was included in the Firearms Protocol despite discussion of information sharing in the main Convention. A number of forms of bilateral information exchange are suggested, while the pooling of seizure data pointedly was not.
8 Report of the High-Level Panel on Threats, Challenges and Change, A more secure world: our shared responsibility, Attached to Note by the Secretary-General, A/59/565, 2 December 2004, para. 170.
10 US Department of Justice, Overview of the law enforcement strategy to combat international organized crime, April 2008. See: http://www.justice.gov/ag/speeches/2008/oec-strategy-public-overview.pdf., p. 10. Published the same year, van Dijk concurs, ‘The fragmentation of organized crime seems to be a worldwide trend...Organized crime groups today resemble networks of entrepreneurs...This new generation of “Mafias” does not conform to the hierarchical, static, and semi-bureaucratic structures, the cartels, cuspulas, and the like. In many cases, territorially-oriented groups have been replaced by criminal organizations that are smaller, less stable, and lighter on their feet.” van Dijk, J. The world of crime. Thousand Oaks: Sage Publications, 2008, p. 148. Roberto Saviano, in his “personal journey into the…Naples’ organized crime system”, argues, “The flexibility of today’s economy has permitted small groups of manager bosses to operate in hundreds of enterprises in well-defined sectors to control the social and financial arenas. There is now a horizontal structure – much more flexible than the Cosa Nostra, and much more permeable to new alliances than the Calabrian ‘Ndrangheta – that…adopts new strategies in entering cutting-edge markets...Camorra groups no longer need to maintain widespread military-type control...because their principal business activities now take place outside Naples...The clans no longer need to organize in large bodies.” Saviano, R. Gomorrha. New York: Farrar, Straus and Giroux, 2007, pp. 44-45.
13 For example, the United States Department of Justice strategy to combat international organized crime identifies four priority areas of action:
   • Marshall information and intelligence
   • Prioritize and target the most significant international organized crime threats
   • Attack from all angles
   • Apply Enterprise theory

But in explaining the concept of threat assessment, it suggests: Select and target for high-impact law enforcement action the international organized crime figures and organizations that pose the greatest threat to the United States… (emphasis added)

And in discussing enterprise theory, it recommends, Develop aggressive strategies for dismantling entire criminal organizations, especially their leadership … (emphasis added)

In short, while the document emphasises a non-traditional approach, it remains focused on the pursuit of individuals and organizations, rather than the dismantling of markets.


19 TEUs though Shanghai, Shenzhen, Qingdao, Ningbo, Guangzhou, Tianjin and Xiamen ports increased from 27,844 in 2002 to 86,990 in 2007, according to the AAPA’s World Port Rankings.
26 Ibid.
29 IOM, op cit.
Chapter 2 - Trafficking in persons

1. Article 3, paragraph (a) of the Protocol to Prevent, Suppress and Punish Trafficking in Persons defines Trafficking in Persons as the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs.

2. UNODC, Trafficking in Persons; Global Patterns, Vienna, 2006.

3. The figure refers to 111 countries providing such information for the year 2006. See UNODC/UNGIFT, Global Report on Trafficking in Persons, Vienna, 2009.

4. Ibid.


6. The definition used was that of the Forced Labour Convention of 1930: “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily”. The ILO argues that “trafficking in persons for the purpose of exploitation is encompassed by the definition of forced or compulsory labour provided under the [ Forced Labour ] Convention.” This estimate focuses on the costs to the laborers, including lost wages, rather than the profits accruing to the traffickers or exploiters. See ILO, The Cost of Coercion; Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, International Labour Conference, 98th Session 2009, Geneva, 2009.


8. The Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, was adopted by General Assembly resolution 55/25. It entered into force on 25 December 2003. It is the first global legally binding instrument with an agreed definition on trafficking in persons.


10. UNODC, Trafficking in Persons; Global Patterns, Vienna, 2006.

11. The West and Central European countries considered in this chapter as destination of trafficking are the following: Albania, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Montenegro, The Netherlands, Norway, Poland, Portugal, Romania, Serbia, Kosovo (Serbia), Slovakia, Slovenia, Spain, Sweden, Switzerland, the Former Yugoslav Republic of Macedonia, Turkey, the United Kingdom.


15. Ibid.


19. Z. Izdebski, J. Dec Criminal Justice Responses to Trafficking in Human Beings in Poland, Institute of Social Pedagogy Counselling and Sexual Education Unit University of Zielona Góra and UNICRI.


24. Z. Izdebski, J. Dec Criminal Justice Responses to Trafficking in Human Beings in Poland- Institute of Social Pedagogy Counselling and Sexual Education Unit University of Zielona Góra and UNICRI.


27. Izdebski, J. Dec Criminal Justice Responses to Trafficking in Human Beings in Poland- Institute of Social Pedagogy Counselling and Sexual Education Unit University of Zielona Góra and UNICRI.

28. Ibid.

29. International Human Rights Law Institute, In Modern Bondage; Sex Trafficking in the Americas; Central America, The Caribbean, and Brazil, Chicago, 2005.

30. CECRI, Save the Children Sweden Study on Trafficking in Women, Children and Adolescents for Commercial Sexual Exploitation; PASTRAE, 2003.


32. International Human Rights Law Institute, In Modern Bondage; Sex Trafficking in the Americas; Central America, The Caribbean, and Brazil, Chicago, 2005.


36. More than one mean of coercion can be used for the same victim.


38. According to IOM, “The so-called second wave refers to
women who were trafficked and who have been offered, or somehow taken, the option of recruitment rather than continued sexual exploitation’. Also other studies confirm this pattern. In Ukraine ‘these criminal groups are both big and small, organized and unorganized, and nationally and internationally based. Within these organizations, 60% of the leaders are women, usually 30 to 35 years old; many of them are former prostitutes.’ See Tatiana A. Denisova, Trafficking in Women and Children for Purposes of Sexual Exploitation, Zaporizhie State University, 2004.


UNICRI, Trafficking in Women from Romania into Germany Comprehensive Report, March 2005.


Ibid.

Ibid.

Ibid.


Azad Azarybaycan TV, Baku, 9 February 2006.

UNICRI, Trafficking in Women from Romania into Germany Comprehensive Report, March 2005.

International Human Rights Law Institute, In Modern Bondage; Sex Trafficking in the Americas; Central America, The Caribbean, and Brazil, Chicago, 2005.

CECRI, Save the Children Sweden Study on Trafficking in Women, Children and Adolescents for Commercial Sexual Exploitation, PASTRAF, 2003.

International Human Rights Law Institute, In Modern Bondage; Sex Trafficking in the Americas; Central America, The Caribbean, and Brazil, Chicago, 2005.


ILO’s methodology is based on reported cases of trafficking, not on cases detected.

The year 2006 was used in this case because more countries reported data in 2006 than in the other years covered in the UN.GIFT research.

Transcrime suggests a multiplier of 20 for every victim detected. See A Pilot Study on Three European Union Key Immigration Points for Monitoring the Trafficking of Human Beings for the Purpose of Sexual Exploitation across the European Union.


Leridon, Zesson and Hubert, The Europeans and their sexual partners, UCL, London, 1998


Ibid.


If one out of seven sex workers is a trafficking victim, then the detection ratio suggested above (one in 20) seems on the low side.


Trafficking victims are likely to have higher client loads, perhaps comparable to drug addicts, but more research is needed on prices for services.

When trends in convictions were not available, trends concerning prosecutions or investigations were considered.

In Spain, the share of Romanian victims increased during the entire period considered.


According to Article 3 (1) of the Protocol against the smuggling of migrants by land and air - commonly referred to as the Migrant Smuggling Protocol - supplementing the UN Convention Against Transnational Organized Crime.
General Assembly Resolution 55/25, 8 January 2001. In addition, Article 6 of the Protocol criminalizes the facilitation of illegal residence.


4 There are many examples of opportunism in studies of migrant smuggling. For instance, in a study conducted by UNODC on migrant smuggling from Tamil Nadu (India) many of the smugglers were from the district of Chennay, the area of the local international airport. See UNODC, Smuggling of migrants from India to Europe and in particular to the UK - a study on Tamil Nadu, New Delhi, 2009, p. 31-32.


6 In a study on East Africa, the author explains that the large majority of migrants leaving Somalia and Ethiopia would choose to travel overland or by sea in extremely precarious situations because of their poor economic conditions. Only 3-5% of the them could afford flying directly to South Africa, usually with forged documents. See Horwood, C., In pursuit of the Southern dream: victims of necessity. Assessment of irregular movement of men from East Africa and the Horn to South Africa, International Organization for Migration, 2009, p. 42.

7 For example, migrants travelling from South or East Asia to the Russian Federation and points beyond often fly from their origin countries to Tajikistan, Kyrgyzstan or Uzbekistan, and from there continue by land across Kazakhstan to the Russian Federation. Taxis waiting on the other side of the border take them to Moscow for US$100.00. See Gembicka, K., Baseline research on smuggling of migrants in from, through Central Asia (Kazakhstan, Kyrgyzstan, Tadjikistan), International Organization for Migration, September 2006, p. 19.


9 See list at http://www.travel.state.gov/pdf/FY07.pdf.


11 World Development Indicators database, World Bank, 7 October 2009.


22 Ibid.

23 Ibid.


27 Ibid.

28 Ibid.

29 Ibid.


35 United States District Court for the Northern District of Ohio Eastern Division, Indictment for Manuel Valdez-Gomez and others.

36 Ibid.

37 Ibid.

38 Each year, during the winter months (when seasonal migrants are home), the Mexican Migration Project randomly samples households in communities located throughout Mexico. After gathering social, demographic and economic information on the household and its members, interviewers collect basic information on each person’s first and last trip to the USA. From household heads, they compile a year-by-year history of US migration and administer a detailed series of questions about the last trip northward, focusing on employment, earnings and use of US social services. (See http://mmp.opr.princeton.edu/research/design-en.aspx.

39 The Mexican Migration Project Surveys are conducted among Mexican migrants who are back in Mexico to celebrate Christmas with their families. It is likely that these migrants cross the border more than once in a year.


45 Ibid.

46 Ibid.

47 Ibid.

48 Motocross residents in the provinces surrounding the two cities can travel freely to Ceuta and Melilla. According to the Schengen agreements, however, onward travel to the mainland has to be controlled by the customs authorities.

49 Valsecchi, R., Ceuta, the border-fence of Europe, New York:
Chapter 4 - Cocaine

US data for the year 2008 show that the lifetime prevalence rate of those using crack-cocaine among the rich, i.e. those earning US$75,000 or more a year, is 76% lower than among the very poor, i.e. those earning less than US$10,000 a year. In contrast, the lifetime prevalence of overall cocaine use, which includes cocaine HCL and crack-cocaine use, is still 28% higher in the USA among the rich, compared to the very poor. (US Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA), 2008 National Survey on Drug Use and Health, Rockville MD 2009).

The popularity of cocaine HCL among wealthier sections of society is also reflected in Canadian data. The household survey among adults in the province of Ontario (which accounts for more than a third of Canada’s total population) found a life-time prevalence of cocaine use among the ‘poor’, i.e. those earning less than Can$30,000 a year for a 4.5% in 2007, gradually rising to 9.1% among the ‘rich’, i.e. those earning more than Can$80,000 a year. (‘Cocaine use’ mainly reflects ‘cocaïne HCL’ use in Ontario). In contrast, cannabis and other drugs follow an inverted J curve in Canada, as in most other countries. Thus, annual prevalence of cannabis use amounted to 21.1% of those earning less than Can$30,000 a year in Ontario in 2007 and fell to 10.3% among the ‘middle class’, i.e. those earning between Can$50,000 and Can$80,000 a year, before rising again slightly among the ‘rich’ (i.e. those earning more than Can$80,000 a year) to 13%. (Canadian Centre for Addiction and Mental Health (CAMH), 2007 CAMH Monitor eReport, Addiction and Mental Health Indicators Among Ontario Adults, 1977-2007, Toronto 2009).


4 Ibid.

5 The average amount of heroin seized per seizure case in 2007 amounted to 0.26 kg, while the corresponding figure for cocaine was 3.1 kg, based on information from the 67 countries reporting both pieces of information in the UNODC Annual Reports Questionnaire. A year earlier, the average cocaine seizure even amounted to 4.7 kg (information from 82 countries) and was 26 times larger than the average heroin seizure (0.18 kg).


7 SAMHSA, Results from the 2008 National Survey on Drug Use and Health. If the data are re-adjusted to the internationally comparable age group 15-64, the decline in the annual prevalence of cocaine use was from 3% in 2006 to 2.6% in 2008.


9 Health Canada, Canadian Alcohol and Drug Use Monitoring Survey 2008, Ottawa 2009. The decline from 1.9% of the population aged 15 and above in 2004 to 1.6% in 2008 is equivalent to a decline from 2.3% to 2.0% if the numbers are re-adjusted to the internationally comparable age group of those aged 15-64.


13 The issue of extraditing narco-trafficers played a key role in Colombian politics in the 1990s. Following ongoing terror by the narco-cartels, the Colombian authorities gave in and
changed the constitution in 1991, forbidding extraditions. As violence did not stop, the Colombian Congress amended again in 1997 its constitution in a way that permitted the extradition of Colombian nationals. (See Article 35, amended in the Colombian Constitution, A.L. No. 01, 1997).

14 Mexico signed with the USA a bilateral Extradition Treaty in 1978. However, a revision of January 10, 1994, stated that “extradition of Mexican nationals is prohibited except in ‘exceptional’ circumstances”. A subsequent decision (October 2, 2001) by the Supreme Court of Mexico introduced an additional barrier to extradition. It ruled that no extradition should be granted unless the requesting state gives assurances that the suspect would be eligible for parole as it saw the purpose of punishment in the subsequent rehabilitation of the convicted person. But this cannot – ex-ante – be expected from a US court. In 2002, a Mexican court even went a step further and ruled that assurances by an US prosecutor had “no value because US judges are autonomous… So they would apply the punishments established by the U.S. Penal codes”. (See Escaping Justice – Extradition / Foreign Prosecution, Mexico, http://www.escapingjustice.com/extrafpo.htm).


16 UNODC and Government of Colombia, Colombia Coca Cultivation Survey, Bogota, June 2009.


20 For example, new data are available on the number of cocaine-dependent people and heavy cocaine users (using cocaine more than 100 days a year) identified in the National Household Survey on Drug Use and Health (NHSDU). There are also new data on cocaine-positive tests among arrestees, provided in the Arrestee Drug Abuse Monitoring Program (ADAM II). See ONDCP, Arrestee Drug Abuse Monitoring Program, ADAM II 2008 Annual Report, Washington D.C., April 2009. This allows an updated definition and estimate of “chronic use”.

21 The calculation of the new data series of ‘chronic users’ was based on the following model: data on heavy cocaine users (consuming cocaine on more than 100 days a year), plus 9/5 the number of ‘drug arrest cocaine absentees’ estimated cocaine users. The occasional cocaine users were defined as the total number of users having consumed cocaine at least once over the last 12 months, less the chronic users. The logic for the definition of the ‘chronic cocaine users’ is as follows: ‘heavy cocaine’ users and ‘dependent cocaine’ users (which are of similar magnitudes in the USA) can be considered to form part of ‘chronic’ cocaine users. Simply adding the two variables will, however, lead to an over-estimate. Each data series, taken by itself, represents, in contrast, an under-estimate of the problem. The 2008 data from the ADAM II project, e.g. found that just 45% of the persons whose urine analysis had indicated cocaine use within the last 2 to 3 days, actually admitted to having used cocaine recently. Against this background, half of the ‘dependent cocaine use’ variable was added to the ‘heavy use’ variable. This combination is assumed to provide a more accurate reflection of the total number of heavy cocaine users who are still living in a household and are thus captured in household surveys. In addition, a certain proportion of those arrested, who consumed cocaine within the last two to three days, can be assumed to be chronic users of cocaine; a certain proportion of these people will no longer live in a ‘normal household’. Based on the analysis of the ADAM II data, it was established that this proportion could be close to 30%, which includes people who are homeless, living in shelters or have been ‘institutionalized’ over the last few months, i.e. having lived in treatment facilities, in jail or in prison. (See ONDCP, Arrestee Drug Abuse Monitoring Program, ADAM II 2008 Annual Report, Washington D.C., April 2009). Such cocaine users would not be ‘captured’ in a household survey.

22 The 31 grams of pure cocaine figure is the result of a multiplication of the number of chronic users (2.3 million) with a per capita use of 55 grams per year and a multiplication of the number of occasional users (3 million) with 14 grams per year. This yields a total at 165 tons for 5.3 million users, which gives 31 grams per user in 2008, down from 44 grams per user in 1998 and 66 grams per user in 1988. The per capita use figures were derived from the results of the ONDCP study on What America’s Users Spend on Illegal Drugs, published in 2001. They found average per capita consumption for chronic users to have fallen from 141 grams in 1988 to 106 grams in 1990 and 78 grams in 1998. The model used assumed that the downward trend continued as availability of treatment facilities continued to improve (67 grams in 2007). The downward trend was assumed to have accelerated in 2008, as a result of falling purity levels (55 grams). The decline in per capita consumption for occasional users was less pronounced, from 16 grams in 1988 to 15 grams in 1998, and was thus assumed to have fallen only slightly, to 14 grams in 2008.

23 The ONDCP model assumed that 29% of the monthly cocaine users consumed 0.5 grams of cocaine per day while the remaining 80% of the monthly cocaine users consume 0.5 grams per week. This gives an average consumption of 57.3 grams of cocaine per month. The non-monthly annual users are assumed to be in this model to consume just 4 grams per year. Assuming that 4% of the cocaine consumption is accounted for by crack cocaine users, this means that 2.3% of the monthly users consumed 0.75 grams per day and the remaining 70% of the monthly users consume 0.75 grams per week. This gives, on average, 109.4 grams of crack cocaine per year for monthly users. The annual excluding monthly users are assumed to consume 6 grams per year. See ONDCP, “Cocaine Consumption Estimates Methodology”, September 2008 (internal paper).

24 The problem here is that the US household survey provides estimates on overall cocaine use (i.e. cocaine HCl and crack-cocaine) and then gives an estimate on the number of crack cocaine users. Assuming that no crack user in the US consumes cocaine HCl, the cocaine HCl users can be ‘calculated’ by subtracting crack cocaine users from all cocaine users; assuming that all crack-cocaine users also consume cocaine HCl, the cocaine HCl figure would be identical to the overall cocaine figure. Applying the first interpretation, cocaine use would have amounted to 140 tons in 2008; applying the second interpretation, cocaine use would have amounted to 164 tons in 2008.


28 UNODC, 2009 World Drug Report, Vienna 2009; UNODC, Annual Reports Questionnaire Data / DELTA.


30 The calculations were based on the available price data series, provided by ONDCP, ending for the year 2007. For 2008, the purity adjusted cocaine prices per gram, as reported by the DEA, were used. However, a comparison shows that the two price data series – though both based on STRIDE data – do not correspond, neither in absolute values nor in trends. While the ONDCP price data are supposed to reflect exclusively the retail level, based on the analysis of purity adjusted prices for purchases of 2 grams or less, the DEA price data series is based on the average price for all effected cocaine purchases, purity-adjusted and recalculated to represent the average price of cocaine per gram. Though differences in the methodology used can explain differences in the level, they do not really explain differences in trends. In fact, the bulk of the DEA price concerns the retail level and the DEA prices should thus – primarily - reflect changes in these prices as well. The differences in the two data sources is not only of academic interest. If the growth rates in prices, as revealed in the DEA data, were applied to the ONDCP price data set, starting as of 2007, the calculations suggest that the overall cocaine market would have slightly increased, from US$33.5 bn in 2006 to US$35 bn in 2008, as the strong increases in prices would have more than compensated the declines in consumption. Given the large number of reports suggesting that strong price increases took place over the 2006-08 period, the latter estimates appear to have a higher level of credibility.

31 The calculations were based on the available price data series, provided by ONDCP, ending for the year 2007. For 2008, the purity adjusted cocaine prices per gram, as reported by the DEA, were used. However, a comparison shows that the two price data series – though both based on STRIDE data – do not correspond, neither in absolute values nor in trends. While the ONDCP price data are supposed to reflect exclusively the retail level, based on the analysis of purity adjusted prices for purchases of 2 grams or less, the DEA price data series is based on the average price for all effected cocaine purchases, purity-adjusted and recalculated to represent the average price of cocaine per gram. Though differences in the methodology used can explain differences in the level, they do not really explain differences in trends. In fact, the bulk of the DEA price concerns the retail level and the DEA prices should thus – primarily - reflect changes in these prices as well. The differences in the two data sources is not only of academic interest. If the growth rates in prices, as revealed in the DEA data, were applied to the ONDCP price data set, starting as of 2007, the calculations suggest that the overall cocaine market would have slightly increased, from US$33.5 bn in 2006 to US$35 bn in 2008, as the strong increases in prices would have more than compensated the declines in consumption. Given the large number of reports suggesting that strong price increases took place over the 2006-08 period, the latter estimates appear to have a higher level of credibility.

32 Gross profits are defined here as the difference between the sales price of the drugs and the original purchase price.


34 The 27 EU countries are: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

35 The 4 EFTA countries are: Iceland, Liechtenstein, Norway and Switzerland.


37 Ibid.


40 World Customs Organization, Customs and Drugs Report 2008, Brussels, June 2009


42 Ibid.


45 Ministerio del Interior, Secretaría de Estado de Seguridad, Centro de Inteligencia contra el Crimen Organizado, “Hashish and Cocaine in Europe”, presentation given to UNODC, Vienna July 2008.

46 No data for 2008 received for Poland, Scotland, Ukraine and Belarus – assumed unchanged levels of seizures.


48 UNODC, Annual Reports Questionnaire Data.


52 Ibid.


54 Ibid.


57 Ibid.

58 Sample of arrested cocaine traffickers (n = 442) for which nationality was identified; number of all arrested cocaine traffickers in France in 2006: N = 2,561.

59 UNODC, Annual Reports Questionnaire Data, 2002-2006.


62 Ibid.

63 These techniques are detailed in the following documents: United States Office of National Drug Control Policy, “Cocaine Consumption Estimates Methodology”, September
2008 (internal paper); Home Office, Sizing the UK market for illicit drugs, London 2001; Home Office, Measuring different aspects of problem drug use: methodological developments, Home Office Online Report 16/06, London 2006; UNODC, 2005 World Drug Report, Volume 1: Analysis, Vienna 2005: and European Centre for Social Welfare Policy, Two Worlds of Drug Consumption in Late Modern Societies, Vienna 2009. While the first model, developed by ONDCP, seems reasonable, it is based on assumptions, not on actual empirical data from European countries. The second model is based on empirical data, but they refer to the situation in one country (UK) which is not necessarily representative for the rest of Europe. The third model refers to cocaine use in West and Central Europe, but it is again derived from a number of underlying assumptions (such as effectiveness of law enforcement interventions and importance of regional proximity). The fourth model is based on empirical data from six cities in Europe, but applying the use rate found among marginalized users to all past month users is likely to result in an over-estimate. At the same time, a basic problem of household surveys, based on self-reports, is that they are – most likely – showing a substantial under-estimate of the extent of drug use. It remains difficult to judge to what extent these errors offset each other in the final calculation of the amounts consumed.


66 Current Euro values were transformed into constant Euros by applying the consumer price index for the Euro zone.

67 Current US dollar values were transformed into constant US dollar values by applying the US consumer price index.

68 The unweighted averages of reported purities for countries in West and Central Europe show a decline at the retail level from 59% in 1998 to 55% in 2005 and 37% in 2008. For seizures made in South America excluding the Andean countries were about US$33,000. The price of a wholesale kilogram of cocaine the same year in the USA was US$218 per pure gram in 1998 to US$273 per pure gram in 2008 (range: 16% - 52%). At the wholesale level the decline was from 78% (range: 55% -90%) in 1998 to 55% in 2008 (range: 26% - 80%). As some of the decline could have been simply the result of specific countries reporting in one year, and not in another year, a modified calculation model was introduced. This model assumes that the results of non-reporting countries remained basically unchanged from the previous year (or a later year) for which data are available. This was done to avoid changes in the overall average due to the reporting or non-reporting of countries in specific years. Using this approach for missing data, changes in the overall average only reflect actual changes in country-specific purity data. Based on this model, the average cocaine purities at the retail level in West and Central Europe declined from 55% in 1998 to 43% in 2005 and 37% in 2008. The wholesale purities declined according to this model from 72% in 1998 to 60% in 2005 and 56% in 2008.

69 This masks, however, two conflicting trends. Retail prices in constant euros showed a downward trend over the 1998-2005 period (-7%) which was followed by an increase of 9% over the 2005-08 period, reflecting first signs of supply shortage.Expressed in constant US$ terms, prices increased from US$218 per pure gram in 1998 to US$273 per pure gram in 2008 (+23%). Most of the increase took place over the 2005-08 period (+24%).

70 Expressed in constant US dollars, purity-adjusted wholesale prices rose from US$79.40 per kg in 1998 to US$87.360 in 2005 and US$111.600 per kg in 2008, equivalent to an increase of 28% over the 2005-08 period.

71 Based on the Annual Reports Questionnaire Data, about 55% of the seizures made in the Caribbean and 61% of the seizures made in South America excluding the Andean countries were linked to shipments towards Europe in 2008, up from 47% and 46% respectively in 2002. For seizures made in Africa it was assumed that the bulk of them was linked to shipments towards Europe.

72 Range: 97-122 tons.

73 Range: 189–232 tons.


Chapter 6 - Firearms

1 Ammunition is expended, and thus must be renewed, but controlling ammunition flows is much more challenging, because ammunition does not have unique identifying characteristics and ammunitions sales are not generally tracked. The number of ammunition manufacturers is also much greater than the number of firearm manufacturers. This makes ammunition acquisition relatively simple, and therefore less attractive for transnational organized crime groups.


3 These estimates are only for firearms, not their parts, accessories, and ammunition. It also does not include "light weapons", such as heavy machine guns and grenades.


7 This does not take into account reserves, because the role of reserves varies so much between countries. In some countries, they gather and drill, while in others, they only exist on paper.


9 Ibid, p. 17.


20 PGR Trafico de armas.

21 GAO 2009 op cit.

22 See endnote 18.

23 GAO 2009, op cit.

24 GAO 2009, op cit., p. 34.


27 GAO 2009 op cit.


29 Attorney General of Mexico, Trafico de Armas Mexico-USA, 30 April 2009.


33 UNODC ARQ.

34 Attorney General of Mexico, Indicadores de Gestión en contra

According to the SIPRI 2009 Yearbook, there were 16 major armed conflicts active in 15 locations around the world in 2008 (two more than in 2007), involving the following areas: Burundi, Somalia, Sudan, Colombia, Peru, USA, Afghanistan, India (Kashmir), Myanmar (Karen State), Pakistan, Philippines, Philippines (Mindanao), Sri Lanka (‘Tamil Eelam’), Iraq, Israel (Palestinian territories) and Turkey. Many of these conflicts stretch back decades. The conflict in Myanmar, for example, has been ongoing since 1948.

The arms embargo concerning the DRC was enacted in Security Council resolution 1493 (S/RES/1493 (2003)) and has been modified several times since then, with the most recent reaffirmation being in 2009 (S/RES/1896), which extends the mandate of resolution 1321 (S/RES/1807 (2008)). This resolution allowed transfers to the DRC government, but not to the non-state groups. The United Nations Group of Experts have reported several instances of suspected transfers involving Ukrainian aircraft, companies, or arms. See the Final Report of the Group of Experts on the Democratic Republic of the Congo (S/2008/775) and subsequent documents.

Arms transfers to non-state groups in South Sudan are embargoed under Security Council Resolution 1591 (S/RES/1591 (2005)). The transfers in question were nominally destined for Kenya, but appear to have been diverted to South Sudan.

One example is IMEX Group of the Czech Republic. IMEX acquired 4,000 Ukrainian Makarov pistols on the basis of an end user certificate stating that the destination of the weapons was Afghanistan. According to the United States Department of State, ‘Imex is run....[an]identified arms trafficker in the Czech Republic’. See United States House of Representatives, ‘The ACF Investigation, Committee on Oversight and Government Reform, Majority Staff Analysis, 24 June, 2008, p. 11. The director of IMEX has been accused by the Czech Government of trafficking rocket propelled grenades to the Democratic Republic of Congo and of illegal shipments of firearms to Slovakia. See Chivers, C., E. Schmitter and N. Wood, ‘Supplier Under Scrutiny on Arms for Afghans’, New York Times, 27 March 2008, p.5.


According to the SIPRI 2009 Yearbook, there were 16 major armed conflicts active in 15 locations around the world in 2008 (two more than in 2007), involving the following areas: Burundi, Somalia, Sudan, Colombia, Peru, USA, Afghanistan, India (Kashmir), Myanmar (Karen State), Pakistan, Philippines, Philippines (Mindanao), Sri Lanka (‘Tamil Eelam’), Iraq, Israel (Palestinian territories) and Turkey. Many of these conflicts stretch back decades. The conflict in Myanmar, for example, has been ongoing since 1948.

The arms embargo concerning the DRC was enacted in Security Council resolution 1493 (S/RES/1493 (2003)) and has been modified several times since then, with the most recent reaffirmation being in 2009 (S/RES/1896), which extends the mandate of resolution 1321 (S/RES/1807 (2008)). This resolution allowed transfers to the DRC government, but not to the non-state groups. The United Nations Group of Experts have reported several instances of suspected transfers involving Ukrainian aircraft, companies, or arms. See the Final Report of the Group of Experts on the Democratic Republic of the Congo (S/2008/775) and subsequent documents.

Arms transfers to non-state groups in South Sudan are embargoed under Security Council Resolution 1591 (S/RES/1591 (2005)). The transfers in question were nominally destined for Kenya, but appear to have been diverted to South Sudan.

One example is IMEX Group of the Czech Republic. IMEX acquired 4,000 Ukrainian Makarov pistols on the basis of an end user certificate stating that the destination of the weapons was Afghanistan. According to the United States Department of State, ‘Imex is run....[an]identified arms trafficker in the Czech Republic’. See United States House of Representatives, ‘The ACF Investigation, Committee on Oversight and Government Reform, Majority Staff Analysis, 24 June, 2008, p. 11. The director of IMEX has been accused by the Czech Government of trafficking rocket propelled grenades to the Democratic Republic of Congo and of illegal shipments of firearms to Slovakia. See Chivers, C., E. Schmitter and N. Wood, ‘Supplier Under Scrutiny on Arms for Afghans’, New York Times, 27 March 2008, p.5.

Chapter 7 - Environmental resources


For example, a recent analysis of poaching data in the Monitoring the Illegal Killing of Elephants (MIKE) database, “examined 29 factors that could potentially influence levels of illegal killing, and identified five factors that strongly correlate with levels of illegal killing in Africa. In 2009, a ‘common ecosystem type (forests experiencing higher levels of illegal killing than savannah), actual levels of protection, ease of human access (e.g. through logging and mining roads), and
the Corruption Perceptions Index (CPI) produced annually by Transparency International. The analysis further suggested that levels of illegal killing, statistically adjusted for effort and influencing factors, were highest in central Africa (where 63% of carcasses were found to be illegally killed), followed by eastern (57%), west (35%) and southern Africa (19%). See: http://www.cites.org/eng/cop/15/doc/E15-44-02.pdf.

4. Ibid.


6. The Citizen, Seven Dar residents arraigned over export of illegal ivory export, 22 July 2009.


18. Beijing, Shanghaim, Tianjin, Wuhun, Haikou, Hangzhou, Guangzhou, Changsha, Fuzhou, Xi’an, Chengdu, Nanjing, Nanning, Shenzhen, Dalian and Xiamen.


22. EIA – A deadly game of cat and mouse - 2009.


24. Personal communication, Asian Big Cat traders - China 2009.

25. EIA – The Tiger Skin Trail.


31. Milliken, T., R. Burn and L. Sangalakula, The Elephant Trade Information System (ETIS) and the Illicit Trade in Ivory. Submission to CITES CoP15 Doc. 44.1A. October 2009.


33. Field interviews in South-East Asia conducted for this report.

34. Ibid.


38. See discussion of the seizures recorded in the ETIS database, below.


40. ETIS is the Elephant Trade Information System which is managed by the NGO TRAFFIC on behalf of CITES Parties.

41. Milliken, T., R. Burn and L. Sangalakula, The Elephant Trade Information System (ETIS) and the Illicit Trade in Ivory. Submission to CITES CoP15 Doc. 44.1A, October 2009.

42. There is little evidence of elephant poaching for ivory in Asia Female Asian elephants lack tusks altogether and even among the males, there is a very high percentage of genetic toothlessness. Asian elephants have also been domesticated as working animals, and so are valued assets. In contrast, both African elephant sexes carry ivory.


44. Shepherd, C. M, R. Burn and D. Stiles, Care for the Wild, Elephant ivory with DNA forensics for the males, there is a very high percentage of genetic toothlessness. Asian elephants have also been domesticated as working animals, and so are valued assets. In contrast, both African elephant sexes carry ivory.


Note, report addresses Asian ivory.

49 Excerpt from press release, ‘Markets in China create a high de-
mand for illicit ivory, which arrives either directly or through
ports such as Hong Kong, Macau and Taiwan. Japan and
Thailand are also important final destinations, whereas the
Philippines mainly acts as a transit country linked to the ma-
jor importers. Together, these seven countries and territories
account for 62 per cent of the ivory recovered in the 49 largest
seizure cases recorded by ETIS’, in Asian crime syndicates based
org/home/2007/9/10/asian-crime-syndicates-based-in-africa-
fuel-illegal-ivory-sur.html. Full report: Milliken, T., Burn, R. W.
and Sangedakula, L. – TRAFFIC East/Southern Africa, The
Elephant Trade Information System (ETIS) and the illicit trade
in ivory: A report to the 14th meeting of the Conference of the
eng/cop/14/doc/E14-55-2.pdf.

50 BLAZA, Poaching for traditional Chinese medicine. Available
at http://www.blaza.org.uk/public/images/campaigns/chinodoc-
china.pdf, ‘Addis’, ‘In contrast, in May 1990, pure gold was
worth about $13,000 per kilo.’

51 Milliken, T., R. Emslie1 and B. Talukdar, ‘African and Asian
Rhinoceroses – Status, Conservation and Trade: A report from
the IUCN Species Survival Commission (IUCN/SSC) African
and Asian Rhino Specialist Groups and TRAFFIC to the
CITES Secretariat pursuant to Resolution Conf. 9.14


54 EIA, ‘Tiger most endangered’, Hindustan Times, New Delhi, 6
Jan 2010: http://www.tigernet.nic.in/Alluser/News_Detail.

55 TRAFFIC, ‘Final call for pangolins’, 30 June 2008. See:
http://www.traffic.org/home/2008/6/29/final-call-for-pango-
lin.html.

56 Pantel, S. and S.Chin Proceedings of the Workshop on Trade and
Conservation of Pangolins Native to South and Southeast Asia.

57 See for example WWF/World Bank Alliance, 13 Step Program To
Combat Illegal Logging in Indonesia, January 2009.

58 Indonesia-UK Tropical Forest Management Programme, Round-

59 Personal communication, Chen Hin Keong, Global Forest
Trade Programme Leader, TRAFFIC, 2 March 2010.

60 Wörner, H., Purchasing of Sustainable Raw Material – An Im-
portant Factor for the Vietnamese Forest Industry to Compete in
the International Market: Importance of an functioning chain of
custody. Paper presented at the XIII FAO World Forestry Con-

61 Personal communication, Chen Hin Keong, Global Forest
Trade Programme Leader, TRAFFIC, 2 March 2010.

62 See discussion on “How big is the flow?” below.

63 WWF, Illegal wood for the European market: An analysis of the
EU import and export of illegal wood and related prod-
acts (July 2008). Available at: http://www.wwf.org.uk/
what_we_do/safeguarding_the_natural_world/forests/forests_
publications/12903/Illegal-wood-for-the-European-market.
Note the methodology for these estimates. See also: WWF,
‘Failing the forests: Europe’s illegal timber trade’ (2005).

64 Ibid.

65 Xinlua, ‘Former Guanshi vice chairman gets 18-year jail term
for taking bribes’, 1 September 2009.

66 ‘Vietnam furniture exports set to bounce back next year’.
http://www.vnbusinessexews.com/2009/11/vietnam-furniture-
exports-set-to-bounce.html.

67 For example, in 1999 it was reported that Vietnamese outdoor
furniture manufacturers were buying large quantities of logs
from neighbouring Cambodia, despite the fact that Cambodia
had imposed a total export ban in 1996. Factories in just four
towns were found to have stockpiled up to 260,000 cubic
meters of Cambodian logs, and that at least 70 log trucks
a day were crossing from Cambodia to Vietnam every day
to fulfill demand for furniture exports. See Global Witness,
Made in Vietnam - Cut in Cambodia, How the garden furniture
trade is destroying rainforests, April 1999. In 2008, investiga-
tions into the Vietnamese garden furniture sector concluded
that high demand from export-oriented manufacturers
combined with low domestic timber production resulted in
about 500,000 cubic metres of kering and balau logs being
imported from Laos each year, despite Laos having banned log
exports.

68 Many European companies were found to be buying
uncertified kering and balau wood outdoor furniture from
Vietnam and these companies directly importing illegal Laos logs. See EIA/Telepak, Borderlines: Vietnamese Booming Furniture

69 Forest Trends, Timber Markets & Trade between Laos & Vietnam: A Commodity Chain Analysis of Vietnamese Driven

70 Meyfroidt P and E. Lambin, ‘Forest Transition in Vietnam
and displacement of deforestation abroad’. Proceedings of the

71 In particular, the provinces of Attapeu, Savannakhet and
Khammouane.

72 Cited in EIA “Thousand Headed Snake”.

73 Global Witness, A Disharmonious Trade: China and the
Continued Destruction of Burma’s Northern Frontier Forests.

74 EIA “The Last Frontier”.

75 Ibid.

76 Ibid.

77 Report from Illegal Logging Info, May 12 2008
http://www.illegal-logging.info/euritem_single.php?id=
1443&it=news.

78 EIA “Thousand Headed Snake”.


80 EIA “Behind the Veneer”.

81 See EIA “The Last Frontier” and “Thousand Headed Snake”,
as well as ELSHAM, Army’s Tainted Logging Business in Papua,
July 2002.

82 Wright, T., ‘Indonesian Army Misses Deadline to Withdraw

83 Human Rights Watch, Unkept Promise: Failure to End Military

84 World Bank “Strengthening Forest Law Enforcement and
Governance - Addressing a Systemic Constraint to Sustainable
Development”, 2006.

85 Seneca Creek Associates, LLC for American Forest & Paper
Association, Unmanaged Logging and Global Wood Markets:
The Competitive Impacts on the U.S. Wood Products Industry.

86 Global Witness (2005) A choice for China – Ending the
destruction of Burma’s northern frontier forests.


88 World Health Organisation (Per capita total expenditure on
health at international dollar rate, 2004). $118 per capita.


90 UNEP Executive Director, Press Release, “Authorities Step Up
Action against Illegal Loggers ‘Threatening the Last Orang-


92 European Parliament press release, “MEP’s adopt rules to keep
softwood and hardwood timber out of China market”.

93 Friends of the Earth, European league table of imports of
tropical timber. Available at: www.foe.co.uk/resource/
briefings/euro League Illegal_timber.pdf.

94 World Bank “Strengthening Forest Law Enforcement and
Governance - Addressing a Systemic Constraint to Sustainable
Development”, 2006.

95 EIA, “A Disharmonious Trade: China and the
Continued Destruction of Burma’s Northern Frontier Forests.

96 Human Rights Watch, Unkept Promise: Failure to End Military

html.

98 EIA “Thousand Headed Snake”.

99 See EIA “The Last Frontier” and “Thousand Headed Snake”,
as well as ELSHAM, Army’s Tainted Logging Business in Papua,
July 2002.

100 Wright, T., ‘Indonesian Army Misses Deadline to Withdraw

101 Human Rights Watch, Unkept Promise: Failure to End Military

102 World Bank “Strengthening Forest Law Enforcement and
Governance - Addressing a Systemic Constraint to Sustainable
Development”, 2006.

103 Seneca Creek Associates, LLC for American Forest & Paper
Association, Unmanaged Logging and Global Wood Markets:
The Competitive Impacts on the U.S. Wood Products Industry.

104 Global Witness (2005) A choice for China – Ending the
destruction of Burma’s northern frontier forests.


106 World Health Organisation (Per capita total expenditure on
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108 UNEP Executive Director, Press Release, “Authorities Step Up
Action against Illegal Loggers ‘Threatening the Last Orang-


110 European Parliament press release, “MEP’s adopt rules to keep
illegal timber off the EU market”, April 2009.

111 Friends of the Earth, European league table of imports of
tropical timber. Available at: www.foe.co.uk/resource/
briefings/euro-leagueIllegal_timber.pdf.

112 A 2008 ITTO report listed EU imports of hardwood rough
logs from Cambodia and Laos at 157,472 cubic meters and
Indonesia at 21,836 cubic meters over the first six months of
2008. It notes a ‘significant slowdown’ in European hardwood
imports from around the globe, against a rise in plywood and


World Customs Organization, Customs and IPR Report 2008.

Chapter 8 - Counterfeit products

1 For the purposes of this chapter, the sale of pirated CDs and DVDs is considered counterfeiting, because the goods are packaged in such a way that the buyer may believe they are purchasing authorized material.

2 World Customs Organization, Customs and IPR Report 2008.

3 International Chamber of Commerce-Commercial Crime Services, Counterfeiting Intelligence Bureau.

4 Dryden, J. Counting the Cost: The Economic Impacts of Counterfeiting and Piracy Preliminary Findings of the OECD Study, January 2007. Dryden emphasized that this estimate "does not include the very large volumes of fakes produced and consumed within economies, where in some sectors, like music, "domestic" counterfeiting and piracy appear to predominate. It does not (the certainly higher) prices charged to final purchasers, nor the (higher still) prices of equivalent genuine articles." It does, however, include "pirated" material, which is broader than the definition used in this chapter.


7 Xinhua, China deals with 200,000 cases involving counterfeiter, shoddy goods in 2009, 5 January 2010.

8 Xinhua, China seizures counterfeit commodities worth 1.55 bln yuan in 2008, 14 March 2009.

9 Xinhua, Transnational software pirating case adjudged in Shanghai, 18 June 2009.

10 Xinhua, Chinese believe corruption biggest blot on nation's image: poll, 6 January 2010.


14 The United Arab Emirates was the second most common source of counterfeits, accounting for 12% of the items seized, and the leading source of counterfeit cigarettes. The leading source of counterfeit medicines, however was India (some 1,500 cases in 2008), with "lifestyle drugs" being prevalent among those seized.

15 European Commission, op cit, p. 8.

16 European Commission, op cit.

17 European Commission, op cit, p. 22.


20 La Cerca, La Policía Nacional interviene más de 1.666.000 artículos infantiles y juveniles falsificados dirigidos al mercado navideño, 8 December 2009.


23 This includes US$205 million for 10,288 seizures from mainland China, US$27 million for 1680 seizures from Hong Kong, China, and US$3 million for 279 seizures from Taiwan Province of China.

24 European Commission, op cit


28 For example, operation ‘MEDI-FAKE’ in late 2008 detected more than 34 million illegal medicines in a two-month period, including antibiotics, anti-cancer, anti-malaria and anti-cholesterol medicines, as well as painkillers, Viagra and drug precursors. See: European Commission press release, Counterfeits: Millions of illegal medicines stopped by MEDI-FAKE action, 16 December 2008.


30 Newton, Paul; Green, Michael; Fernandez, Facundo; Day, Nicholas; and White, Nicholas, "Counterfeit anti-infective drugs", The Lancet Infectious Diseases, Vol. 6 Issue 9, September 2006, p. 603-605.

31 "Excludes unaudited markets, and Russia, Ukraine and Belarus audited data. Sales cover direct and indirect pharmaceutical channel pharmaceutical wholesalers and manufacturers. The figures above include prescription and certain over-the-counter data and represent manufacturer prices." IMS, Global Pharmaceutical Sales by Region, 2007 (see: http://www.imshealth.com/deployedfiles/imshealth/Global/Content/Stat-icFile/Top_Line_Data/GlobalsalesByRegion.pdf).


34 Pharmaceutical Security Institute, Geographic Distribution (see: http://psi-inc.org/geographicDistributions.cfm).


37 Maponga, Charles and Ondari, Clive, op cit.


44 INTERPOL, Arrests and major seizure of counterfeit medicines across Egypt follow international co-operation with INTERPOL.
(i) on the high seas, against another ship or aircraft, or against persons or property on board such ship or aircraft;
(ii) against a ship, aircraft, persons or property in a place outside the jurisdiction of any State;
(b) any act of voluntary participation in the operation of a ship or of an aircraft with knowledge of facts making it a pirate ship or aircraft;
(c) any act of inciting or of intentionally facilitating an act described in subparagraph (a) or (b).

2 According to Articles 91 and 92 of the Convention on the Law of the Sea, "Ships have the nationality of the State whose flag they are entitled to fly," and "Ships shall sail under the flag of one State only and… shall be subject to its exclusive jurisdiction on the high seas."


4 Congressional Research Service, Piracy off the Horn of Africa, April 24, 2009, p. 5.

5 UN-IRIN, 'More Somali Migrants Drown off Yemeni Coast,' March 1, 2009.

6 Maritime Resources Assessment Group, Of Illegal, Unreported and Unregulated Fishing on Developing Countries, Synthesis Report for the UK’s Department for International Development (DFID), July 2005.


9 For more information, see the WFP website, www.wfp.org, for example 'Security stops WFP in southern Somalia,' 6 January 2010.


12 EU NAVFOR Somalia, Marenik Alarnaah evades pirate attack off Somali coast, 18 November 2009.


14 Ibid.


16 Ibid, p. 17

17 Ibid, p. 11.


19 Assuming a vessel worth US$100 million. Marcus Baker, head of the marine practice at Marsh insurance broker, quoted in "As Somalian pirates widen their horizons, the cost of ship insurance is soaring," Times Online, 1 December 2009.


authorization from the Security Council. The African Union’s Peace, Security Council and the TFG have requested that the broader U.N. arms embargo be amended or lifted in order to improve the capabilities of forces fighting Islamist insurgents.

42 ‘Kenya will try Somali pirates,’ BBC, April 16 2009.

Chapter 10 - Cybercrime

1 One estimate places the number of Internet users at some 1.5 billion people in 2008. For recent statistics see: http://www.itu.int/ITU-D/ictye/default.asp.


7 In order to limit the availability of such tools, some countries criminalize the production and offer of such tools. An example of such a provision can be found in Art. 6 of the European Convention on Cybercrime.


11 Ealy op. cit. p. 9 et seq. 

12 The Online-Community HackerWatch publishes regular reports on hacking attacks. Based on their sources, more than 250 million incidents were reported in only one month (August 2007). Source: http://www.hackerwatch.org.


14 The ‘Mariposa’ botnet. See Arthur, op.cit.


17 See footnote 1.

18 Finklea, ‘Identity Theft: Trends and Issues,’ CRS, 2009,
“Phishing” shows a number of similarities to spam emails. It is thus likely that organised crime groups that are involved in spam are also involved in phishing scams, as they make use of the same spam databases. Regarding spam, see above: Offenders have developed techniques to prevent users from realising that they are not on the genuine website. For an overview about what phishing mails and the related spoofing websites look like, see: http://www.antiphishing.org/phishing_archives/phishing_archives.html.

Martin, op. cit., page 2.


In the early years of IT development, the term “hacking” was used to describe the attempt to get more out of a system (software or hardware) than it was designed for. Within this context, the term “hacking” was often used to describe a constructive activity.


40 See the statistics provided by HackerWatch. The Online Community HackerWatch publishes reports about hacking attacks. Based on their sources, more than 250 million incidents were reported Biegel, Beyond our Control! The Limits of our Legal System in the Age of Cyberspace, 2001, page 231 et seq. in the month of August 2007. Source: www.hackerwatch.org.


44 Regarding the relation between identity-related offences and money laundering see: Results of the second meeting of the Intergovernmental Expert Group to Prepare a Study on Fraud and the Criminal Misuse and falsification of Identity, Report to the Secretary-General, 2007 E/CN.15/2007/8/Add. 3, page 12.


53 Ibid.


60 Federal Trade Commission, Identity Theft Survey Report, 2006. Similarly, of some 73,000 complaints to the US national Internet Crime Complaint Center in 2008, the most commonly reported offences were non-delivery of purchased goods and auction fraud, accounting for 57% of all complaints. Only 2.5% involved identity theft (about 1800 complaints), slightly fewer than complaints of advance fee fraud. Reported losses to all forms of computer crime that year totalled some US$265 million. If the value of the losses were proportional to the
number of complaints, the loss due to reported identity theft would be US$6,625,000. What share this would represent of all losses is unclear. See Internet Crime Complaint Center, 2008 Internet Crime Report: http://www.ic3.gov/media/annualreport/2008_icreport.pdf.

61 According to the Javelin Strategy & Research 2007 Identity Fraud Survey, see: http://www.privacyrights.org/sa/id/idtheft-surveys.htm#FBB. This trend also appears to be born out for cyber identity theft in the work of Cybersource, 2010, op. cit.


63 "The table below publishes the new estimate for the cost of identity fraud to the UK Economy · £1.2 billion. . . ." The first estimate of the cost of identity fraud came from the Cabinet Office report ‘Identity Fraud: A Study’ in 2002: £1.3 billion. In February 2006 an updated figure of £1.7 billion, was published, with a breakdown between organisations, following work by the IFSC. The Government made it clear that the £1.7 billion estimate was a one-off update and future costs exercises would be based on a new more robust methodology that was being devised by the IFSC." http://www.identity-theft.org.uk/cms/assets/cost_of_identity_fraud_to_the_uk_economy_2006-07.pdf.


65 Symantec, op. cit.


68 Regarding the risk of detection with regard to non-Internet-related acts see: Lanning, Child Molesters: A Behavioral Analysis, 2001, page 63.


71 Carr, op. cit., p. 11.

72 See in this context for example: Carr, Child Abuse, Child Pornography and the Internet, 2004, page 8.


77 IWE, 2008 Annual and Charity report.


81 Ibid.

82 Ibid p. 27.


87 Data provided by the Internet Watch Foundation reveals that just 10 registries or registrars accounted for 70% of all the commercial child sexual abuse domains reported during 2008. This shows a high degree of concentration.


89 This figure is not limited to child pornography, but pertains to internet sex crimes against minors in general. See Wolak/ Mitchell/Finkelhor, Internet Sex Crimes Against Minors: The Response of Law Enforcement, 2003, page 8.


91 Wolak et al 2005 op cit.


95 Baartz, D, Australians, the Internet and technology-enabled child sex abuse: A statistical profile. Australian Federal Police, 2008, as cited in Quayle et al op cit.

96 E. Quayle, personal communication, 20 November 2009.


98 Ibid.


100 ASACP Efforts Help Stop CP Criminals from Abusing Adult Industry, ASACP press release, 23.06.2009.


102 ECPAT, Regional Overview on Child Sexual Abuse Images through the Use of Information and Communication Technologies in Belarus, Moldova, Russia and Ukraine. ECPAT: Bangkok, 2008.


105 Ibid.

106 Carr 2004 op cit, p 12.


In general, estimates based on the number of images available in the market can be misleading. A 15-minute video contains approximately 200 pictures at a rate of five frame per second, all of which could be presented or counted as stills, and there is evidence that this does happen (see Wodak et al below). The 750,000 image Wonderland database, some 1200 individual victims could be identified. Although many may have been taken in a manner where the victim’s identity was concealed, this suggests a ratio of 625 images per victim.

Examples from East Europe also suggest low client volumes. One 2007 media source cites an unsupported estimate of US$3 billion. See Moon, ‘Police-reported crime statistics in Canada 2008’.

There have also been examples from East Europe. One Ukrainian operation, later moved to Russia to avoid detection, was fronted as a modeling agency, and involved as many as 500 girls. When it was finally taken down, the site was said to be generating US$150,000 per month. See ECPAT 2008 op cit.


1 Examples from East Europe also suggest low client volumes per site. One man in Belarus was arrested in 2006 for selling pictures for his collection of some 30,000 images. He had 80 clients from around the world in the six months that he was vending, according to ECPAT 2008 op cit.


The Kimberley Process (initiated in 2000 by UN resolution A/RES/55/56) was an initiative to address the illicit trade in diamonds originating in conflict areas. Licit players in the industry came up with a system to certify the origin of rough diamonds.

5 Preliminary estimates.

Cannabis, a much more widely consumed drug, could be worth more if more of the drug were trafficked internationally and sold commercially. But surveys in the biggest consumer countries indicate that a majority of users rely on local and less formal sources of supply.


11 Colombia (3.7) and showed better results than Mexico (3.3), which suffered from the emergence of domestic drug cartels or neighbouring Venezuela (1.9) which is now a key transit country for Colombian produced cocaine. (Source: Transparency International, Corruption Perception Index, 2009).


16 More than 35,000 pictures at a rate of five frame per second, all of which could be presented or counted as stills, and there is evidence that this does happen (see Wodak et al below). The 750,000 image Wonderland database, some 1200 individual victims could be identified. Although many may have been taken in a manner where the victim’s identity was concealed, this suggests a ratio of 625 images per victim.
Mexico (including minor quantities from from Peru and Bolivia) had a farm gate value of US$0.6 billion in the Andean countries in 2008. The value at the sea border in Colombia was close to US$1 billion, suggesting that local traffickers (mostly Colombians) made gross profits of some US$0.4 billion. Trafficked from Colombia to Mexico, the value – taking seizures into account - increased to US$3.5 billion. The gross profits amounted to around US$2.4 billion. Assuming that 80% of this traffic is organized by Colombian drug trafficking groups, their gross profits amounted to US$1.9 billion in 2008. The share of Colombian drug traffickers in the USA has fallen strongly over the last 15 years (in terms of persons arrested). But the cocaine market in the USA (US$38 billion in 2008) is huge, and so are cocaine related gross profits (US$29.5 billion). Applying the proportion of 2.2% to the total amount of gross trafficking profits made in the USA the Colombian drug traffickers may have generated a further US$0.6 billion. All of this suggests that Colombian drug traffickers made some US$3 billion in gross profits shipping cocaine from the Andean region to North America while farmers make some US$0.6 billion.

High profits are also made in shipping cocaine to Europe. The value of the cocaine destined for Europe amounted to US$34 billion in 2008 of which the internationally operating cocaine traffickers, shipping the cocaine from the Andean region to Europe, reaped some US$8.3 billion in gross profits in 2008. Colombian trafficking organizations play a significant role in many of these trafficking activities. Assuming (based on the analysis of Spanish arrest statistics) that at least 30% of all cocaine shipments to Europe are directly organized by Colombian groups, Colombian trafficking groups would have generated some US$2.5 billion. In addition, there are reports that Colombian traffickers organized cocaine shipments to West Africa (accounting for 30% of total shipments to Europe in 2007 and 17% in 2008) for subsequent deliveries to Europe for which the African trafficking groups received about one third in kind. This suggests that Colombian groups may have earned another US$0.5 billion in gross profits out of these activities. Thus, Colombian groups may have earned, in total, some US$3 billion out of trafficking cocaine to Europe in 2008.


The Nigerian government benefits from oil and gas production through a variety of means: the share in each joint venture awarded to the Nigerian National Petroleum Corporation, the signature bonuses, royalties and taxes. The federal Nigerian government in Abuja and the oil companies do not publish full details of their revenue sharing formula. However, some sources suggest that at an oil price of $50 a barrel, the government receives $4.13 (88%) and the oil company $1.87 (12%) to cover technical costs. The government therefore loses a lot more from its budget than the oil companies from the theft of oil.

See Von Kemedi, Fueling the Violence: Non-State Armed Actors (Militia, Cults, and Gangs) in the Niger Delta. 2006 p. 22. All state revenues from the oil industry are taken by Abuja, which then distributes a proportion to state governments. The oil producing states’ share of this income has varied over the past 40 years but currently stands at 13% of official income. Many Niger Delta politicians (as well as the Movement for the Emancipation of the Niger Delta) demand a 50% share.

23 The rule of law indicator measures the extent to which agents have confidence in and abide by the rules of society, in particular the quality of contract enforcement, the police, and the courts, as well as the likelihood of crime and violence.
25 La Ceiba has been noted as a major drug trafficking port by the US Drug Enforcement Administration as early as 2001. See: http://www.hawaii.edu/hivandaid/Honduras_Coun try_Brief_Drug_Situation_Report.pdf.
29 Ibid., p. 105.
30 For example, in May 2007, Dubai Police arrested two gangs reported to have laundered billions of dollars through the Emirate. See “7Days, ‘Dubai: cartels smashed’, 17 May, 2007.
32 In addition to all other illicit activities such as human trafficking, small arms trafficking, drug cultivation, bribery, oil smuggling et cetera.
34 Ibid., p.161.
36 UNODC, 2009 World Drug Report, June 2009, p.96; see also Information Bulletin No 60, CARICC, November 9, 2009.
37 Ibid., p.99.
39 UNODC, Addiction, Crime and Insurgency: the transnational threat of Afghan opium, October 2009, pp. 139-143.
41 It is estimated that the Taliban pocketed around $350-650 million from the opiate trade between 2005 and 2008 through direct taxation of farmers and traffickers, see UNODC, Addiction, Crime and Insurgency: the transnational threat of Afghan opium, October 2009, p. 111.
42 Ibid.
43 Ibid. p. 110.
45 Ibid.
47 “Central Asia: rising violence points to IMU revival”, EW Flash, August 13 2009, OCHA.
50 The listed groups are: Polish, Russian, Romanian, Vietnamese, Turkish, Nigerian, Lebanese, Italian and Lithuanian, in addition to German. See Bundeskriminalamt, Organisierte Kriminalität Bundeslagebild 2008, Wiesbaden: BKA, 2009.
51 For example, they are not listed in the 2008 German response to the UNODC Annual Reports Questionnaire, which states, For all drug types, the major group of suspects was formed by German nationals. “The list of “non-German suspects” is topped by Turkish nationals. In the area of organized heroin trade, groups dominated by Turkish nationals are of particular
This estimate was provided by the Economist Intelligence Unit (EIU, Myanmar Country Report, January 2010). Neither IMF or World Bank have provided any GDP estimates for recent years.

Statistics from the Office de Géologie et des Mines du Rwanda (Rwanda Geology and Mines Authority) indicate that, based on customs declaration nearly half the minerals exported (by weight) from Rwanda in 2008 were re-exports; not of Rwandan origin. See data supplied by Global Witness, in “Faced with a gun, what can you do?” War and the militarization of mining in eastern Congo, July 2009, p. 71.


More than half the world’s tin is used for solders in the electronics industry. In the mid-2000s, EU directives banned the use of lead in such solders, causing a spike in demand.


Ibid.


The DRC Senate report is often referred to as the Rapport Mutamba Dibwe, after the president of the commission of inquiry. It was published on 24 September 2009 and is available online at http://www.mediature.org/docautre.Zmjy2XVpbcR9dzn2L1JEY29u2Z9cmfwG0ydC1raWE5ya1ZW9idHJlKw==.pdf.

Opium prices in Ruili, a Chinese border town that serves as a major entry point for heroin from Myanmar, were reported by the Chinese Public Security Bureau to have amounted to some Yuan 36,500 per kg in 2004 (Maw Seng, China Alarmed at Heroin Influx from Burma, The Irrawaddy, March 2, USA DEA reported slightly higher prices of around US$5,000 per 0.7 kg of opium in 2003 in the Chinese border regions with Myanmar in 2003, equivalent to some US$7,100 per kg). Opium fruit-gate prices in Myanmar more than doubled between 2004 and 2009 (from US$15 to US$317 per kg) suggesting that heroin prices in the Chinese border regions with Myanmar may have doubled as well to some Yuan 72,000 or US$10,500. Wholesale heroin prices for Thailand were officially reported to UNODC at between US$12,000 and US$15,000 per kg in 2008. Applying a 10:1 ratio for the transformation of opium into heroin and a tentative typical heroin export price of around US$11,000 per kg - based on information that the majority of the heroin is sold to China and that Myanmar drug traffickers, exporting to the border regions of Thailand could only fetch prices at the lower end of the price scale – heroin sales could have generated around US$400 million for traffickers in Myanmar in 2009 (range: US$140 to US$500 million).

68 This estimate was provided by the Economist Intelligence Unit (EIU, Myanmar Country Report, January 2010). Neither IMF or World Bank have provided any GDP estimates for recent years.

69 Statistics from the Office de Géologie et des Mines du Rwanda (Rwanda Geology and Mines Authority) indicate that, based on customs declaration nearly half the minerals exported (by weight) from Rwanda in 2008 were re-exports; not of Rwandan origin. See data supplied by Global Witness, in “Faced with a gun, what can you do?” War and the militarization of mining in eastern Congo, July 2009, p. 71.

70 World Gold Council, Gold demand trends, February 2009.

71 More than half the world’s tin is used for solders in the electronics industry. In the mid-2000s, EU directives banned the use of lead in such solders, causing a spike in demand.


Ibid.


73 Ibid.

83 For example, a discussion paper published by the Goma-based Pole Institute notes that “The economic dimension of conflict in Kivu is about rights of access to land and control of trade routes, not about minerals. (…) Conflict is linked to nationality and ethnicity and to political and administrative power.” Pole Institute, Minerals and conflict in eastern DRC, May 2007.

84 The Congolese government and the main armed groups signed a peace agreement, and a transitional constitution gave way to an interim government (pending elections), led by Joseph Kabila.

85 During the integration, only 2,542 weapons were handed in from the 6,006 CNDP ex-combatants identified in the integration process. Only 687 arms were handed over from the 2,872 PARECO elements identified. United Nations Security Council, Interim report of the Group of Experts on the Democratic Republic of the Congo, S/2009/253, 18 May 2009 (para 32).


87 During the integration, only 2,542 weapons were handed in from the 6,006 CNDP ex-combatants identified in the integration process. Only 687 arms were handed over from the 2,872 PARECO elements identified. United Nations Security Council, Interim report of the Group of Experts on the Democratic Republic of the Congo, S/2009/253, 18 May 2009 (para 32).


89 The most recent ones are S/2008/773, S/2009/253 and


119 Although Puntland has recently made efforts to speed up prosecutions of suspected pirates (S/2009/684).


121 Both these groups include foreign fighters and are supported by Al-Qaida.


123 Ibid.

124 Ibid., p.20.

125 The estimated income of Puntland pirates was some US$30 million in 2008, whereas the Government’s budget was only US$10 million.