Confronting Transnational Organized Crime

Getting It Right to Forestall a New National Security Threat

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Security threats to the United States are evolving. For most of the 20th century and before, threats were state-on-state. Since 9/11, however, threats to the homeland have grown to include terrorism and transnational organized crime (TOC) groups and networks. These networks represent a different danger than we experienced during the Cold War. This is not a force-on-force threat but rather something more insidious. These borderless groups infiltrate levers of power to create spaces from which to carry out their activities unimpeded. Currently, these groups are destabilizing friendly governments not by direct means but through behind-the-scenes attempts to gain political space to develop their illegal businesses. These groups also have ties in the United States, endangering our citizens and our economic infrastructure. The scale of their enterprises, the impact they have on legal economies, and their prospective continued growth argue for sustained national and international attention and resources as a tier-one security threat.[1]

To understand and counter these threats, the U.S. Government must work across bureaucratic lines, which will take new organizational constructs and relationships that are not wedded to parochial border norms. In addition, the Intelligence Community will be the first line of defense. To fully understand the motivations and vulnerabilities of these TOC networks, the Intelligence Community will need to develop analysts who can assess a sophisticated mix of open-source, law enforcement, and traditional intelligence. The United States will need to deploy a new type of intelligence professional who is able to work across organizational and geographic boundaries and is willing to share information. This analyst must be an integrator who can work in the collection and analytical worlds and communicate with counterparts in all parts of government, academia, and partner nations.

Background

Over the past 10 years, TOC networks have grown in importance and influence throughout Latin America and the Caribbean. In Brazil, for example, the Red Commandos have woven a complex network in which different illegal factions have the power to intimidate, interact, and control entire sectors of cities such as Rio de Janeiro and São Paulo.[2] These groups not only

affect security at the local level, but also have the ability to compromise national security. According to Moisés Naím, "Today more than ever, these structures have the capacity to operate on a global scale, connecting remote places of the planet and the most cosmopolitan cities, above all, with accumulated political power. Never have criminals been so global, so rich, or had so much political influence."[3]

All indicators show that TOC networks will continue to grow, and, in the worst cases, they will work with or will corrupt government institutions to form alliances to gain space to do business. Virtually all criminal cartels and gangs organize in networks connected by violent crime of all types. To survive and prosper, these thugs have become highly intelligent and ruthless. This is affecting societies throughout the Western Hemisphere. In nearly every country in the region, populations state that personal security is their number one concern. Across the region, murder rates are generally higher than 10

dwarfs defense budgets in the subregion and allows significant criminal penetration into governmental organizations, including security forces and judicial systems, as well as legitimate financial networks. The overall value to these criminal networks from the cocaine trade alone is more than the gross domestic product (GDP) of every country in Latin America except Brazil. The White House estimates in its 2011 *Strategy to Combat Transnational Organized Crime* that money-laundering accounts for $1.3 trillion to $3.3 trillion—or between 2 and 5 percent of the world's GDP. Bribery from TOC adds close to $1 trillion to that amount, while drug-trafficking generates an estimated $750 billion to $1 trillion, counterfeited and pirated goods add another $500 billion, and illicit firearms sales generate from $170 billion to $320 billion.[4] These total to some $6.2 trillion—10 percent of the world's GDP, placing it behind only the United States and the European Union, but well ahead of China, in terms of global GDP ranking.

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years ago. In addition, drug use is up—a sign that regional drug-trafficking is increasing. Moreover, the traffickers often pay middlemen in product as a way to increase their customer base.

As the primary transshipment zone for illicit trafficking to the United States, Central America is an epicenter of TOC activities. The problem is particularly acute in the "Northern Tier" countries of Guatemala, El Salvador, Honduras, and Belize, where criminal networks exploit weak rule of law, corrupt officials, and porous borders to traffic in drugs, precursor chemicals, weapons, people, and bulk cash. In all four countries, gangs and other violent criminal groups are contributing to escalating murder rates and deteriorating citizen security. This has overwhelmed civilian law enforcement departments and court systems, many of which were nascent to start with and are characterized by pervasive corruption and chronic underresourcing.

Challenges faced by these countries are further exacerbated by the economic power wielded by criminal groups. The value of cocaine destined for North America

Other estimates of global criminal proceeds range from a low of 4 percent to a high of 15 percent of global GDP.[5]

Analysts have described the situation in several countries in Latin America as a criminal insurgency. Its effects on Central America are clear. The murder rate is the highest in the world. MS-13 and M18 gang members routinely torture and intimidate citizens. The homicide rates in El Salvador and Honduras alone, where MS-13 operates extensively, are 82 and 66 per 100,000 inhabitants, respectively—over 13 times the rate in the United States.[6] Gang leaders in Central American prisons direct member activities inside the United States. MS-13 operates throughout Central America and in at least 40 U.S. states according to a 2008 report from the Federal Bureau of Investigation.[7] In October, the Obama administration designated MS-13 as a drug kingpin organization. The sanctioning of MS-13 is the latest step in a 21st-century arms race between sovereign governments and violent nonstate networks empowered by technology and globalization.[8]

TOC access to regional governments is gaining momentum and leading to co-option

in some states and weakening of governance in others. The nexus in some states among TOC networks and elements of government—including intelligence services and personnel—and big business figures threatens rule of law.[9] New communications technologies have led to new criminal business models of widely distributed, constantly shifting networks of personal contacts and fleeting alliances to produce, market, transport, and distribute illegal goods—sometimes drugs, sometimes human beings. These activities are abetted by extortion, kidnapping, counterfeiting, and whatever else turns a profit.[10] TOC networks insinuate themselves into the political process through bribery and in some cases have become alternate providers of governance, security, and livelihoods to win popular support. As an example, members of Mexican cartels reside in Central America and, according to former Guatemalan President Alvaro Colom, have influence over entire departments there. Polls in Guatemala show that a majority of citizens would exchange less democracy for more security.[11] Guatemala City is experiencing record levels of violent crime and at the same time a high-rise building construction boom, though with only a 25 percent occupancy rate, which is usually a sign of large-scale money-laundering that can only be successful with the support of government agents.[12]

A key to countering TOC groups is understanding the smaller networks that make up these larger groups. Transnational criminal organizations can move anything, and will for a price. Major crime groups such as Mexican cartels or the Revolutionary Armed Forces of Colombia contract with smaller, local criminal organizations or *transportisters* that will move goods from one country to the next. These are

that ultimately cross U.S. borders undetected thousands of times each day. The actors along the pipeline form and dissolve alliances quickly, occupy both physical and cyber spaces, and use highly developed institutions including the global financial system, as well as ancient smuggling routes and methods.[13] They are middlemen who have little loyalty to one group and often have no illusion of developing their organization into a major trafficking network. They make a living by moving goods and ensure that they and their families are safe from the TOC group, who may threaten to kill those who do not assist them.

Effect on the United States

For the United States, these networks challenge national welfare, not necessarily national security. Strong U.S. law enforcement efforts and effective policing have kept gangs and cartels from having the same effect they do in other countries in the hemisphere, but their influence is growing. Latin American gangs with connections to the United States are primarily MS-13 (estimated at 6,000 to 10,000 U.S. members) and the 18th Street Gang (estimated at 30,000 U.S. members), with up to 70,000 for both in Central America (primarily El Salvador, Honduras, and Guatemala), where they challenge local authorities for control of streets and towns.

Pushing Back on TOC

The 2010 National Security Strategy acknowledges the challenge these organizations pose and that combating transnational criminal and trafficking networks requires a "multidimensional strategy that safeguards citizens, breaks the financial strength of criminal and terrorist networks, disrupts

institutions—ranging from law enforcement and judicial sectors to education and health—that improve opportunities for young people. Understanding the varied political landscape (the human terrain) of the hemisphere is also important as geopolitical fragility opens the way for gangs and cartels to further destabilize civil life.

More than any other problem the United States faces, this particular challenge blurs the line among U.S. institutions. The size, scope, and reach of TOC networks far surpass the ability of any one agency or nation to confront this threat alone. In Central America, increasing military involvement in domestic security is a reality, at least until the TOC threat is degraded and the capabilities of civilian police institutions are expanded. This will not happen overnight, and it will not happen in isolation. This effort requires the commitment of Latin American governments and their societies. It requires their commitment to build the capacity of their law enforcement, judicial, and penal organizations. It requires their commitment to the use of their militaries only as a security bridge as they develop other institutional capacities. It requires their commitment to address endemic corruption throughout their societies. And it requires their commitment to engage regional and international institutions to enhance coordination and cooperation—supporting the development of national and regional security plans, enhancing regional defense and security institutions, and improving human rights training.

Furthermore, it takes concerted collaboration and sustained commitment by the United States and the international community—both governmental and nongovernmental organizations—to address this complex problem and help support regional governments in building strong, capable, and accountable institutions. Innovative approaches, creative public-private collaborations, and synchronization of efforts among numerous U.S. Federal agencies—the Department of State, Drug Enforcement Administration, U.S. Agency for International Development, and Department of Homeland Security—will be necessary to create a cooperative national and international network that is stronger and more resilient than any criminal network. Key to success will be information-sharing within the U.S. interagency community, partner

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important elements of the TOC network but little is known about them. These franchises operate in, and control, specific geographic territories that allow them to function in a relatively safe environment. These pipelines, or chains of networks, are adaptive and able to move a multiplicity of illicit products (cocaine, weapons, humans, and bulk cash)

illicit trafficking networks, defeats transnational criminal organizations, fights government corruption, strengthens the rule of law, bolsters judicial systems, and improves transparency."[14] The solution to transnational crime in this hemisphere lies in helping improve Latin America's domestic institutions and coordination across these

Servicemembers secure crew of drug-smuggling vessel in Gulf of Aden

nations, and finally among other countries in question.

A Way Ahead

Interagency focus and organization are needed for the United States to have the greatest chance at pushing back TOC network gains in the hemisphere. To succeed, partner nation capacity must match or at least keep pace with national and regional campaigns to arrest TOC leaders and dismantle their networks. Building capacity has a military dimension, but is far more dependent on other branches of the U.S. Government—the Departments of State and Justice, for example. Capacity of police forces must be supported by investigative and judicial capacity and competency. The judicial branches must be led by uncorrupted and effective legislative and executive branches. Democratic partner nation capacity development is dependent on the support of the partner nation population. These reforms are not the domain of the Department of Defense

(DOD), and they require extensive investments of time and effort.

In an effective strategy to combat illicit trafficking, all approaches have relevance. The disruption line of effort should be balanced against partner nation capacity. If the social services and effective local law enforcement can only fill a small vacuum, then we should only target a small area. Operations that create a vacuum in TOC operations and businesses should be paired with aggressive non–law enforcement engagement and social services in a coordinated fashion. This type of coordination requires agencies beyond law enforcement and DOD, from both the country itself and from international contributors.

DOD Role in Countering TOC

DOD plays a small but important supporting role in countering TOC networks; it brings unique capabilities in support of U.S. and partner nation law enforcement. Its role in countering TOC networks generally falls into the following supporting lines of effort.

With the exception of the first mission set (detection and monitoring), helping partner nations build and sustain their security capacity is *a* key component of all DOD counter-TOC efforts:

- detection and monitoring
- counternarcotics training
- counternarcotics support
- defense equipment (Foreign Military Financing/Foreign Military Sales)
- defense training (International Military Education and Training)
- defense institution-building
- human rights training
- multinational training exercises
- defense engagement
- TOC network analysis and information-sharing.

The role of helping partner nations build capacity cannot be overstated. But this role will only succeed when it supports each regional partner's commitment and investment to build its institutional capacity. The

main effort for the U.S. interagency community should be to help build and sustain partner nation capacity across law enforcement, military support to law enforcement in the counternarcotics mission, the judiciary, and social organizations. There

organized criminal networks in the Western Hemisphere, the United States will face an asymmetric security threat in the homeland in the next several years. Left unchecked, TOC networks will continue to infiltrate governments, businesses, and financial

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are significant capacity problems that could be addressed by military engagement and cooperation that could have substantial short- to mid-term impacts in creating conditions for deeper reform and progress. These would include improving border security and partner nation military capacity to support law enforcement in disrupting and interdicting movement and transfer of illicit products.

Finally, one of the continuing important roles of the U.S. military in supporting the effort to counter TOC networks is intelligence analysis and information-sharing throughout the region. U.S. Southern Command's Whole-of-Society Information Sharing for Regional Display (WISRD) program was developed to create a whole-of-society, enterprise process capability that provides participating organizations with a comprehensive common visualization of the TOC environment to satisfy a range of agency information requirements and allows information-sharing across U.S. agencies and partner nations. The WISRD model provides the fidelity via a three-dimensional spatial and temporal visualization that can be tailored to enable users to intuitively analyze complex data and formulate better conclusions. WISRD not only promotes the "responsibility to share" within the U.S. interagency community, but also allows users to reach out and share information with nontraditional whole-of-society partners to include the academic and business communities. The WISRD environment brings a more holistic approach to understanding TOC activities and supports decisionmakers in developing strategies to combat the complicated and fluid TOC problem set.

Outlook

Without a concerted U.S. interagency effort to counter the threat of transnational

institutions, increasing the difficulty of countering these insidious organizations before they reach more robustly into the Nation. Information-sharing both in the United States and among its partner nations will be a key facet of countering these groups. Stovepiping information helps the enemy. We must develop a new prism from which to confront this new type of enemy, which has no boundaries. WISRD is the first step, and it must be followed up by increased information-sharing between the interagencies and partner nations so the TOC environment can be mapped. Then we can have the same common operational picture to support actions against TOC networks in order to gain the advantage. **JFQ**

NOTES

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[3] Moisés Naím, *Illicit: How Smugglers, Traffickers and Copycats Are Hijacking the Global Economy* (New York: Doubleday, 2005).

[4] *Strategy to Combat Transnational Organized Crime: Addressing Converging Threats to National Security* (Washington, DC: The White House, July 2011), available at <www.whitehouse. gov/administration/eop/nsc/transnational-crime>.

[5] Farah; for details, see *Estimating Illicit Financial Flows Resulting from Drug Trafficking and Other Transnational Organized Crimes* (Vienna: United Nations Office on Drugs and Crime, October 2011), available at <www.unodc. org/documents/data-and-analysis/Studies/Illicit_ financial_flows_2011_web.pdf>. On the higher end, in a speech to Interpol in Singapore in 2009,

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[9] *Strategy to Combat Transnational Organized Crime.*

[10] Robert Killebrew, "Criminal Insurgency in the Americas and Beyond," *PRISM* 2, no. 3 (June 2011), available at <www.ndu.edu/press/criminal-insurgency.html>.

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[13] Farah.

[14] *National Security Strategy* (Washington, DC: The White House, May 2010), 49, available at <www.whitehouse.gov/sites/default/files/ rss_viewer/national_security_strategy.pdf>.