



## Transnational Organised Crime

**For Prelims:** [Financial Action Task Force \(FATF\)](#), [United Nations Office on Drugs and Crime](#), Transnational Organized Crime, [Indian Cyber Crime Coordination Centre](#), [UN Convention Against Transnational Organized Crime](#), [Cybercrime](#)

**For Mains:** Impact of Transnational Organized Crime and challenges in controlling, Cybercrimes and their effects, International cooperation, Money Laundering

[Source: TH](#)

### Why in News?

Recently, the heads of the [Financial Action Task Force \(FATF\)](#), [Interpol](#), and the [United Nations Office on Drugs and Crime \(UNODC\)](#) have emphasised the urgent need to intensify efforts to target the **massive illicit profits generated by transnational organized crime (TOC)**.

- Additionally, the recent revelations from the [Indian Cyber Crime Coordination Centre \(I4C\)](#), a division under the **Ministry of Home Affairs (MHA)**, have shed light on the escalating threat of [cybercrime](#) targeting Indian citizens.

### What is Transnational Organised Crime?

- **About:** Organised crime is defined as illegal activities carried out by groups or networks working together, often involving violence, corruption, or **related actions to gain financial or material benefits**.
  - Transnational organised crime (TOC) occurs when activities or groups **operate in multiple countries**.
- **Different Forms:**
  - **Money Laundering:** It disguises financial assets to use them without detection of the illegal activity that produced them. Criminals transform the proceeds of criminal activity into funds with a seemingly legal source.
    - The estimated amount of [money laundered](#) globally exceeds **2% to 5% of the global Gross Domestic Product (GDP)** or approximately USD 800 billion to USD 2 trillion in just one year.
  - **Drug Trafficking:** It continues to be the most lucrative form of business for criminals,
    - Global [drug trafficking](#) is estimated to be worth USD 650 billion, contributing 30% of the overall illicit economy.
  - **Human Trafficking:** A global crime where men, women, and children are used for sexual or labour-based exploitation.
    - [Human traffickers](#) are in it for the money, with estimated annual global profits of USD 150 billion.
    - They victimise an estimated 25 million people worldwide, with 80% in forced labour and 20% in sex trafficking.
  - **Smuggling of Migrants:** A well-organised business moving people around the globe

through criminal networks, groups, and routes.

- In 2009, USD 6.6 billion was generated through the illegal **smuggling** of 3 million migrants from Latin America to North America.
- **Illicit Firearms Trafficking:** **Arms trafficking** or gunrunning is the illicit trade of contraband small arms, explosives, and ammunition, which constitutes part of a broad range of illegal activities often associated with transnational criminal organisations.
  - Brings in around USD 170 million to USD 320 million annually.
- **Trafficking in Natural Resources:** It involves the trade of **non-renewable resources** like minerals and fuels, and **renewable resources** like wildlife (skins and body parts for export to foreign markets), forestry, and fishery.
  - This trade is often called an "environmental crime" by international organisations.
  - The sale of **elephant ivory**, **rhino horn** and **tiger** parts in Asia alone was worth an estimated US USD 75 million in 2010.
- **Fraudulent Medicines:** These include **counterfeit medicines** and medicines diverted from legal and regulated supply chains.
  - Instead of curing people, fraudulent medicines can result in **death or cause resistance to drugs** used to treat deadly infectious diseases.
- **Cybercrime and Identity Theft:** Criminals exploit the Internet to steal private data, access bank accounts, and fraudulently obtain payment card details.

## Cybercrimes Targeting Indian Citizens

- **Surge in Cybercrime Incidents:** I4C reports an average of around **7,000 cyber-related complaints daily**, indicating a significant increase in cybercrime incidents.
  - Various types of cybercrimes, including **digital arrest**, trading scams, investment scams, and dating scams, have been identified, highlighting the diverse tactics employed by cybercriminals.
- **Origin in Southeast Asia:** Nearly **45% of cybercrimes targeting Indian citizens originate from Southeast Asian countries**, particularly Cambodia, Myanmar, and Laos.

## What is the Impact of Transnational Organized Crime?

- **Global Public Health:** Counterfeit medicines, especially prevalent in low- and middle-income countries, can be ineffective or harmful, leading to an estimated 1 million deaths per year globally.
  - The **World Health Organization (WHO)** estimates that over 1 million people die each year from falsified or substandard medicines, with 200,000 of those deaths in Africa.
- **Resilient and Inclusive Global Economy:** Money laundering and illicit financial flows undermine financial integrity and state public financing capacities, obstructing economic development.
  - TOC can drain **foreign exchange reserves** and affect asset prices, undermining economic stability.
  - The global offshore economy conceals an estimated **10% of the world's wealth**, including proceeds from organized crime.
- **Planet Health:** Organized environmental crime drives **deforestation**, **biodiversity loss**, and **carbon emissions** contributing to **climate change**.
  - Illicit production and smuggling of **synthetic refrigerants (HFCs)** undermine the **Montreal Protocol** and contribute to climate change.
  - Lack of consensus on defining and criminalizing **environmental crimes** enables criminals to evade enforcement efforts.
- **International Peace and Security:** The illicit arms trade fuels armed conflicts, violent crime, and other organized criminal activities.
  - Non-state armed groups engage in illicit markets to support their activities, including **natural resource extraction and smuggling**.
  - Organized crime-related violence, particularly in Central and South America, often exceeds casualties from armed conflicts.
- **Local Effects:** While transnational organized crime is a global threat, its effects are felt locally.
  - It can destabilize countries and entire regions, undermining development assistance in

those areas.

- Organized crime groups can work with local criminals, leading to an increase in [corruption](#), **extortion, racketeering, and violence**, as well as other sophisticated crimes.
- It adds to **public spending for security** and policing and undermines human rights standards.

## Why is it Crucial to Target Illicit Profits?

- **Sustainable Development Goals:** Disincentivizing criminal activity by targeting illicit profits would positively impact the goals of the [2030 Sustainable Development Agenda](#), including **Financial stability, Inclusive economic growth, and Strengthened institutions and governance**.
- **Disrupts Criminal Activities:** By targeting the financial gains from illegal activities, it becomes more difficult for criminals to fund their operations and sustain their networks.
  - Illicit profits often fuel other illegal activities. Cutting off these funds helps in **preventing further crimes**.
- **Promotes Rule of Law:** Confiscating illicit profits supports the [rule of law](#) and demonstrates that crime does not pay.
- **Aids Development Goals:** Redirecting illicit funds towards legitimate purposes can support economic growth and development initiatives.
- **Enhances Global Security:** Money laundering and terrorism financing pose threats to international peace and security. Targeting illicit profits helps in combating these threats.
- **Safeguards Vulnerable Populations:** Criminal activities financed by illicit profits often exploit the most vulnerable. By targeting these profits, we can protect these populations.
- **International Cooperation:** It encourages international cooperation in fighting transnational organized crime and terrorism financing.

## What are the Challenges Regarding Controlling TOC?

- **Diverse Legal Systems:** Variations in legal frameworks across countries complicate international efforts to combat TOC.
- **Lack of Consensus:** Achieving global consensus on strategies to address TOC is difficult due to varying national interests and priorities.
  - The [UN Convention Against Transnational Organized Crime \(UNTOC\)](#) is the main legal instrument, but its implementation and cooperation regime are ineffective.
  - The UNODC and other bodies lack a coherent strategy, taking a piecemeal approach.
  - Powerful states prefer informal, unilateral solutions, which often lack oversight and pose challenges to the rule of law and human rights.
- **Corruption:** TOC often involves corruption, which infiltrates and undermines law enforcement and governance structures.
- **Technological Advancements:** Criminals exploit technology for illicit activities, staying ahead of law enforcement capabilities.
- **Armed Conflict:** In regions of conflict, TOC can fuel violence and instability, complicating efforts to control it.
  - The connection between TOC and terrorism, where criminal profits fund terrorist activities, poses a significant threat.

## Legal Position In India on Organized Crime

- Organized crime has historically existed in India, but it has become more prominent in modern times due to various socio-economic and political factors and advancements in science and technology.
- At the national level, India lacks a specific law to address organized crime, and existing laws like the [National Security Act, of 1980](#), and the [Narcotic Drugs and Psychotropic Substances Act, of 1985](#) are insufficient as they focus on individuals rather than criminal groups.
  - Some states, such as **Gujarat, Karnataka, and Uttar Pradesh, have implemented their laws to combat organized crime**.
- India is a party to international conventions and treaties aimed at preventing and suppressing

organized crime globally. These include the UNTOC, the UNCAC, and the UNODC.

## Way Forward

- **Blockchain Forensics:** Leverage [blockchain technology](#) to track illicit [cryptocurrency](#) flows, a growing revenue stream for TOC.
  - Identify and dismantle money laundering networks through advanced tracing methods.
- **Dark Web Infiltration:** Develop specialized units trained to navigate the [dark web](#), infiltrate online marketplaces used by TOC, and gather crucial intelligence on their operations.
- **Transparency Initiatives:** Support and promote transparency measures in government institutions to reduce opportunities for bribery and collusion with TOC.
  - Empower citizens to report corruption through secure channels.
- **Political Will:** Develop a comprehensive understanding of how transnational organized crime and corruption undermine global public goods.
  - Build **political will for effective international cooperation** through multilateral instruments.
  - Integrate strategies to combat transnational organized crime in conflict **prevention, peace operations, and peacebuilding efforts.**
  - Adopt a holistic vision and approach beyond criminal justice responses, addressing developmental, human rights, and security implications.
- **Real-Time Fusion Centers:** Create real-time fusion centers to **facilitate immediate collaboration between law enforcement, intelligence agencies, and private sector partners** for swift analysis of data, identification of trends, and coordinated responses to organized crime activity.

### **Drishti Mains Question:**

Q. Assess the impact of transnational organized crime on sustainable development, particularly in the context of the 2030 Sustainable Development Agenda. Explain how targeting the illicit profits of TOC can support the achievement of development goals.

## UPSC Civil Services Examination, Previous Year Questions (PYQs)

### **Prelims**

**Q. Consider the following statements:**

1. The United Nations Convention against Corruption (UNCAC) has a 'Protocol against the Smuggling of Migrants by Land, Sea and Air'.
2. The UNCAC is the ever-first legally binding global anti-corruption instrument.
3. A highlight of the United Nations Convention against Transnational Organized Crime (UNTOC) is the inclusion of a specific chapter aimed at returning assets to their rightful owners from whom they had been taken illicitly.
4. The United Nations Office on Drugs and Crime (UNODC) is mandated by its member States to assist in the implementation of both UNCAC and UNTOC.

**Which of the statements given above are correct?**

- (a) 1 and 3 only
- (b) 2, 3 and 4 only
- (c) 2 and 4 only
- (d) 1, 2, 3 and 4

**Ans: (c)**

## **Mains**

**Q.** India's proximity to two of the world's biggest illicit opium-growing states has enhanced her internal security concerns. Explain the linkages between drug trafficking and other illicit activities such as gunrunning, money laundering and human trafficking. What counter-measures should be taken to prevent the same? **(2018)**

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