

**ITRN 701-005, 710-009 Transnational Crime and Corruption
Spring 2009
Monday 4:30-710 P.M.
Rm. # 245**

Professor Louise Shelley

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Course Description:

The course will provide an overview of transnational crime and corruption and its effects on the political, economic, and social development of countries around the world. The increasing problem of transnational crime in conflict regions will be a central focus. The increasing links among crime groups, corruption and terrorism will be addressed. The diverse range of activities of transnational crime groups in both the legitimate and illegitimate economy will be analyzed. This is an overview class of a broad range of topics, some of which are addressed more directly in other courses offered in SPP.

The impediments to effective control of transnational organized crime and corruption will be considered in the context of increasing globalization and the technological revolution. The class will examine the diverse dimensions of transnational crime and corruption not only from the perspective of American specialists but from those in other parts of the world. The most recent developments in drugs, money laundering, trafficking of human beings, and the use of technology to facilitate organized crime will be discussed. Legal, political, and law enforcement responses at the national and international levels will be analyzed, including the role of transparency, free press, and rule of law.

Texts:

Mats Berdal and David M. Malone, Greed and Grievance Economic Agendas in Civil Wars Lynne Rienner, 2000.

Carolyn Nordstrom, Global Outlaws: Crime, Money and Power in the Contemporary World University of California, 2007

Kim Thachuk, Transnational Threats: Smuggling and Trafficking in Arms, Drugs and Human Life Praeger 2007

Recommended Journals:

Trends in Organized Crime Transaction Publishers

Transnational Organized Crime (now Global Crime Cass Publishers)

Recommended Websites:

See Links and publications section of TraCCC website (www.policy-tracc.gmu.edu)

<http://www.organized-crime.de/> (Klaus von Lampe's website)

<http://www.ncjrs.org/index.html> (National Criminal Justice Reference Service, many publications on transnational crime)

<http://www.yorku.ca/nathanson/default.htm> (see links and publication sections)

www.ciroc.org (see newsletters and past issues of this Dutch based group)

www.unodc.org (United Nations Office on Drugs and Crime)

<http://www.iom.int/jahia/Jahia/pid/748> (counter-trafficking part of International Organization for Migration website)

<http://www.state.gov/p/inl/rls/nrcrpt/> US State Department narcotics reports

http://www.wola.org/index.php?option=com_content&task=viewp&id=588&Itemid=2 (organized crime in Latin America, WOLA website)

<http://www.asiapacificms.com/articles/> (Bertil Lintner's writings on organized crime in Asia)

E-Reserves: Instructions on how to access

- Go to <http://library.gmu.edu>
- Click on "E-Reserves"
- Click on "search electronic reserves"
- Select a course: "PUBP710 section 009"
- Select an instructor: "Shelley, Louise"
- Enter the password: "corruption"
- Click on "Submit"

Course Requirements:

Reading

A significant amount of reading is required for the course. Students who fall behind will have a difficult time catching up. Students are expected to do the assigned reading in advance of the class. The class will presume knowledge of the readings assigned for that week. Students are expected to keep up with news on transnational crime that is reported in newspapers and on-line sources and to discuss recent developments in class each week.

Attendance

Students will be expected to attend the whole class. Attendance will be taken. Your grade will be reduced for unexplained and unexcused absences. Please inform me if you will be absent from a class.

Exams

There will be a mid-term exam on March 30th. It will combine short identifications and long essays. The exam will draw on the readings, class lectures, and discussions.

Class Project 20%: Written and Oral Presentations, presentations will be chosen by the student in coordination with the instructor. **The presentations to the class will begin on March 16th.**

The student can do either of the below:

A) Map an international criminal network. Show the commodities the criminals' use, the routes they take, their historical development and the other crime groups with whom they are most likely to work. Please show how these relationships have changed over time. Presentation should be a powerpoint with a bibliography that will be handed in the day of the presentation. (20%)

B) Research a major investigation of a transnational crime case or a prosecuted crime network. Examine the evidence that has been used to address the group and what has been learned about its criminal activities and money laundering from the investigation. This could be a trafficking group, a drug organization or a diverse smuggling organization. It can look at a prosecution that has occurred in the U.S. or abroad.

Term Paper Due May 11th Length 20-25 pages, standard reference format

The topic will be chosen after consultation with the instructor. It can use insights that are obtained from the oral presentation. It should discuss a topic related to transnational crime and should develop a bibliography of diverse sources. Topics might include such topics as: The rise of drug trafficking in Afghanistan, Examining the role of natural resources in perpetuating conflict, How do crime groups negatively affect the environment. You can choose to focus on a particular area of criminal activity, a region of the world or a strategy or set of strategies used to address the problem.

Grading:

Students will be graded according to the following criteria:

Class attendance and participation 20%

Class Project 20%

Mid-Term Exam 25%

Term Paper 35%

Plagiarism:

Plagiarism is representing or submitting someone else's language or ideas as your own. Plagiarism is strictly prohibited by the University and will lead to disciplinary action. You must write your own papers. Identify, with quotation marks and footnotes, direct quotations from others. Identify, with footnotes or attribution in the text of your writing, ideas of others that you have paraphrased.

Weekly Schedule:

January 26 Week 1- Introduction to the Course

Why are transnational crime and corruption important public policy concerns and how do they relate to national security and peace keeping? How does transnational crime affect international commerce? Why does an understanding of these phenomena require a multi-disciplinary (history, political science, economics, sociology and security studies) perspective? How is transnational crime related to the prolongation of conflict? What are the linkages between transnational crime, corruption and terrorism?

Required Readings:

Thachuk: foreword

Nordstrom: Preface , ch 1-2 (pp.3-17)

Feb. 2 Week 2 - Conceptualizing the Problem

The rise of transnational crime has been tied to globalization, the rise of non-state actors, the retreat of the state and the presence of weak states. This week we will examine transnational crime in terms of all these trends, but also show that it often has deep historical roots within many societies that are overlooked in many current analyses that focus on the recent rise of the phenomena. The implications of the rise of transnational crime for state sovereignty are central.

Why do organized crime and corruption look so different to those in the transitional and developing world from those in the developed world? Why has transnational organized crime increased with globalization and the new technological revolution? How is it related to national sovereignty and the strength of the state?

Required Readings:

Louise Shelley, "Transnational Organized Crime: An Imminent Threat to the Nation State?," *Journal of International Affairs*, Vol. 45, No. 2, p. 463-489, Winter 1995 (see e-reserves).

Thachuk: introduction, pp.3-20.

Susan Strange, "Organized Crime: the Mafias," *Retreat of the State: The Diffusion of Power in the World Economy*, p. 110-121, 1996 (see e-reserves)

Berdal and Malone 91-111 (Collier essay)

Nordstorm—ch 3 (pp.19-24)

Feb. 9 Week 3 - The Globalization of Transnational Crime and Corruption

Important crime groups have existed in many countries for significant periods. This week we will examine the conditions that have contributed to the international spread of these phenomena. It will examine why transnational crime groups are among the major beneficiaries of globalization. This discussion will analyze the network structure of many of the new groups, the spread of the groups and contacts among them. The globalization of finance and the limits of state based legal systems will be central to this analysis. The rapid globalization of Post-Soviet organized crime in the decade since the break-up of the USSR will be used to illustrate some of the ideas presented here.

Selection of Project Topic

Required Readings:

Louise Shelley, Chris Corpora and John Picarelli, "Global Crime, Inc," Beyond Sovereignty: Issues for a Global Agenda, 2nd Edition. (ed.) Maryann E. Cusimano-Love, 2002, pp. 143-166 (see e-reserves)

Patrick Glynn, Stephen J. Kobrin and Moises Naim, "The Globalization of Corruption," in Corruption and the Global Economy ed. Kimberly Ann Elliott (IIE, 1997), pp.7-27 (e-readings)

Thachuk ch.9 --Wong 13-42; ch.10 Lal, 143-149.

Berdal and Malone, pp.69-89 (Duffield essay)

Feb. 16 Week 4 - Facilitating Transnational Crime and Corruption;

Transnational crime is able to function because there has been a decline of borders and a rise of ease of communications through the internet and advanced communications. Transport links are essential to the commission of transnational crime and criminals are deeply involved in port and transportation systems.

How does organized crime use the internet and encryption? How has it exploited the decline of borders? How does it use sophisticated computer specialists to evade detection?

Nordstrom , chaps 8 and 9, pp.71-91; ch.12 115-27.ch 16 157-63

Rey Koslowski, "The Mobility Money Can Buy: Human Smuggling and Border Control in the European Union," in The Wall Around the West State Borders and Immigration Controls in North America and Europe eds. Peter Andreas and Timothy Snyder, pp.203-218 (e-reserves)

Michael Glenny, McMafia A Journey Through the Criminal Underworld, pp. 264-274 (on cybercrime) (e-reserves)

Feb. 23 Week 5 - The Impact of Transnational Crime and Corruption

Transnational crime represents a new form of authoritarianism. Transnational crime affects every aspect of life in the contemporary world, to an extent that is not yet fully recognized. Not only does it affect individual security, but, through the proliferation of drugs, it has a major impact on health. Transnational criminals as important traders in endangered species, timber and CFCs pose major environmental threats and undermine sustainable development. The financing of elections and the infiltration of criminals into the political process in many countries undermines democracy and citizen faith in government. Intimidation of muckraking journalists by transnational crime groups is presently one of the greatest threats to journalism and independent media. The purchasing of journalists by organized criminals severely compromises the integrity of the press in many countries. Organized crime's exploitation of labor and its ever-greater role in the smuggling and trafficking of human beings has led to large-scale labor violations and the reemergence of slavery in regions where it had been eradicated.

How does organized crime and corruption affect economic development? How does it undermine the environment? How does it affect human rights, such as freedom of the press, labor rights, and the electoral process? How does it affect women and the poor disproportionately? What is the impact on the environment? What is the impact of corruption on the foreign aid process? How does it lead to the prolongation of conflict?

Required Readings:

Louise Shelley, "Transnational Organized Crime: The New Authoritarianism," in The Illicit Global Economy, pp.25-6, 30-47 (see e-reserves)

Berdal and Malone, pp.19-41 (Keen essay)

<http://cpj.org/reports/2004/08/china-8-04.php> Committee to Protect Journalists, victimization of reporters reporting on corruption and crime in China

http://cpj.org/Briefings/2008/Mexico2008/print_friendly.html, Committee to Protect Journalists, victimization of reported reporting on crime in Mexico

http://www.aam-us.org/pubs/mn/MN_JF07_lost-iraq.cfm, looting Iraq's antiquities

Raymond Fisman and Edward Miguel, Economic Gangsters Corruption, Violence and the Poverty of Nations Princeton University Press, 2008, ch. 1, pp1-21 (e-reserve)

http://www.iom.int/jahia/webdav/site/myjahiasite/shared/shared/mainsite/projects/showcase_pdf/global_eye_fourth_issue.pdf (Global Eye 4th issue of IOM publication on human trafficking on health consequences of trafficking)

Submit term paper title, short description and sample bibliography

March 2 Week 6 - Transnational Crime as a Security Issue: Overview

Transnational crime is increasingly seen as a security threat. In the United States, the focus of concern is primarily on terrorism, whereas in the European context transnational crime is more of a concern. The reasons for the divergence in this perspective will be analyzed. In many developing and transitional countries, the corruption of the military and law enforcement and their involvement with organized crime and terrorist groups is a major concern to personal and national security. Regional conflicts are prolonged because of the crime problem and rebel groups. In a world where regional conflicts have overtaken superpower conflicts, the importance of transnational crime groups in financing and perpetuating regional conflicts has acquired increasing importance.

Why are transnational crime and corruption seen as security issues both in the United States, Europe and in many transitional and developing countries? Why does this problem transcend the problem of the trade in weapons and include the problem of crime? How are they linked to the problem of terrorism?

Required Readings:

Berdal and Malone, pp.43-68 (Reno essay)

Thachuk (Ch5 Saavedra, pp.64-76, ch. 15 Siers, pp.211-21)

Louise Shelley, "Trafficking in Nuclear Materials: Criminals and Terrorists," Global Crime, vol.7, nos.3-4 (August-November 2006), pp.544-560 (e-reserves)

Spring Break March 9

March 16 Week 7 Crime - A Central Security Issue in Conflict regions

There has been much analysis recently of the role of transnational crime in the perpetuation of conflicts. Residents in war torn areas are often not able to survive through the legitimate economy as their homes and lands have been destroyed or confiscated. Millions of children have been left homeless. What types of criminal activity are most likely to support conflict? How does corruption facilitate the transnational crime in conflict regions? What is the role of multinational organizations in this illicit activity?

Required Readings:

Thachuk (ch. 6 –Bacon, pp.79-93; ch.8-Grant pp.112-30)

Berdal and Malone, pp 157-72 (chap. 8 Gamba and Cornwell).

Nordstrom ch 4-7, pp.27-67

Oral Presentations Start

March 23 Week 8 - Transnational Crime, Corruption and Terrorism

What linkages exist between transnational crime and terrorism? Do these relationships exist outside the drug trade? Why has the term narco-terrorism acquired such currency? Has their relationship changed over time? What are their differences in goals? Are there differences in funding?

Required Readings:

Louise Shelley, "The Unholy Trinity: Transnational Crime, Corruption and Terrorism," Brown Journal of International Affairs winter/spring 2005, vol. XI, Issue 2, pp.101-111 (e-readings)

Thachuk (chap. 2 –Hollis, 23-35; ch.11—Lal, pp.150-64)

Tamara Makarenko, "The ties that bind': uncovering the relationship between organized crime and terrorism," in Global Organized Crime eds. D. Siegel, H. van de Bunt and D. Zaitch, pp. 159-73.

Michael P. Arena, "Hizballah's Global Criminal Operations," in Criminal-States and Criminal-Soldiers ed. Robert J. Bunker, pp. 126-42 (e-reserves)

March 30 Week 9 - Mid-Term Exam

April 6 Week 10 - The Drug Based Economy

What is the nature of the drug problem? Why is it so prominent in the general problem of organized crime? How do different criminal organizations work together to perpetuate this crime? How has the drug trade affected countries where the traffickers are a dominant political and economic force? What are the new routes and new products?

Required Readings:

Thachuk Ch.7 –Cornell 94-112, 12—Millett pp.164-176 and 13 Zackrison, pp.177-93

Nordstrom—129-137

Overview, World Drug Report for 2008 ,
http://www.unodc.org/documents/wdr/WDR_2008/WDR2008_Overview.pdf

Look at State Department Narcotics Control Report,
<http://www.state.gov/p/inl/rls/nrcrpt/>, the new report will be added in March 2009

April 13 Week 11 - Human Trafficking and Smuggling

Why is trafficking in human beings an increasingly severe problem? How does it differ from other forms of organized crime? How does the smuggling and trafficking of men and women differ? How does trafficking in women differ by region? Why is it such a difficult crime to investigate? What is required to combat this crime?

Required Readings:

Thachuk—ch. 3 (Miko, pp.36-52),

Shelley book material will be emailed to you.

Global Eye of IOM, Vol.2 , re trafficking

http://www.iom.int/jahia/webdav/site/myjahiasite/shared/shared/mainsite/projects/showcase_pdf/global_eye_2nd_issue.pdf

April 20 Week 12 - Transnational Money Laundering

International organized crime groups and terrorists are now major actors in the international economy. What is money laundering and what are its stages? How is it affected by increasing technology and the increasing sums of money involved? How is offshore havens part of the regulatory problem? Why is it such an important part of the fight with organized crime?

Required Readings:

Nordstrom chap. 10. 93-101, chap. 17 167-79

Materials on underground banking –Decision of US Court of Appeals for the Fourth Circuit in U.S. vs. Ismail, 97 F3d 50 (4th Cir. 1996)—discussion of one underground transmitter (pdf to be distributed)

Excerpt from Vol. II of the State Department’s International Narcotics Control Strategy Report for 2006 on India (see e-reserve)

“Gangs used Asian ‘cornershop banks’ to launder millions,” Times online, April 21, 2007. (see pdf to be distributed)

Moises Naim, Illicit: How Smugglers, Traffickers and Copycats are Hijacking the Global Economy ch.7, pp.131-56 (e-reserves)

April 27 and May 4 Weeks 13 and 14- Combating Transnational Organized Crime and Corruption

Why do the means necessary to combat corruption and organized crime extend beyond legal prohibitions and prosecutions? How are economic changes needed to address some

of the root causes? What do the problems in combating drugs and human trafficking reveal about the larger problems of transnational crime?

Required Readings:

Berdal and Malone (ch.9—Porteous, 173-88; ch.11—Farer, pp. 205-32)
Nordstrom—ch. 19 pp.191-203

John R. Wagley, “Transnational Organized Crime: Principal Threats and U.S. Responses” Congressional Research Service March 2006
<http://www.fas.org/sgp/crs/natsec/RL33335.pdf>,

Dener Giovanini, “Taking Animal Trafficking Out of the Shadows, Renctas Uses the Internet to Combat a Multi-Billion Dollar Trade,” *Innovations*, Davos 2008, pp. 119-39 ,
The article from "Innovations" (v.1 no.2 spring 2006) can be found in GMU catalog. Students just need to go to <http://library.gmu.edu>. Search the catalog by "Journal Title" and key in the journal title "innovations". I

Term Paper Due - May 11