



# Traccc

*Hubs of Illicit Trade:*  
Project Launch



## Event Guidelines

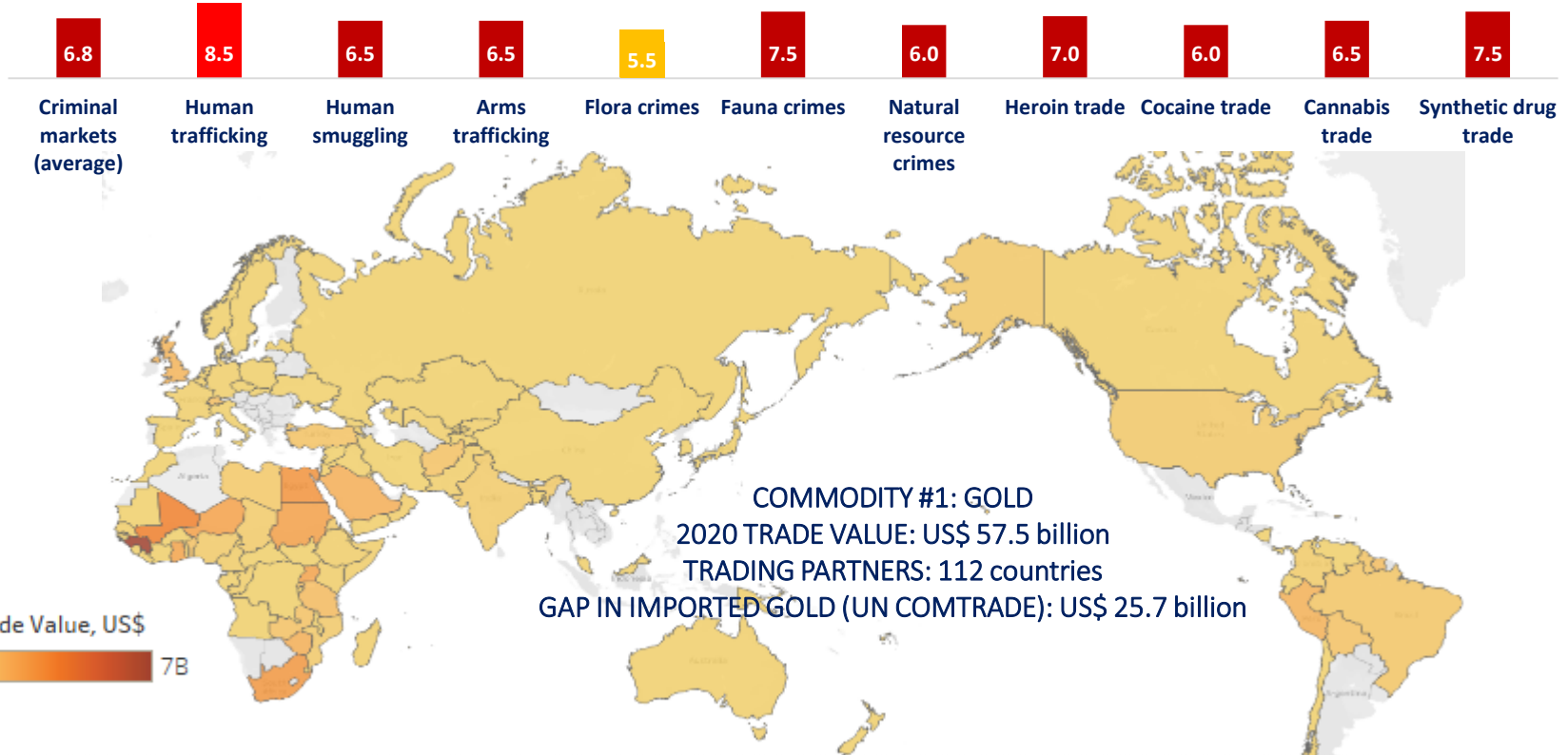
- Due to the number of attendees, please keep microphones muted until the Q&A portion of the event.
- Feel free to introduce yourself and your organization in the chat box. Also use this to submit questions throughout.
- If you would like to be added to the TraCCC mailing list, send email to [traccc@gmu.edu](mailto:traccc@gmu.edu)
- View project information, and follow along as research advances at <https://traccc.gmu.edu/projects/current/hubs-of-illicit-trade-hit/>

DUBAI:

A GLOBAL HUB FOR ILLICIT TRADE, MONEY LAUNDERING, & SANCTIONS EVASION



## 2021 GLOBAL ORGANIZED CRIME INDEX: UAE



**26%**  
 conflict gold coming  
 to Dubai



**Ranked 3<sup>rd</sup>**  
 on weapons & arms  
 trafficking seizures



**6.8%**  
 Illicit cigarettes in the  
 global market

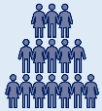


**Tier 2 on human**  
 trafficking &  
 smuggling



**1.7 million**  
 counterfeit items  
 seized in 2021

## PASSENGER AND FREIGHT TRAFFIC



**29.1 MILLION**  
PASSENGERS IN 2021



**268,555**  
FLIGHTS IN 2021



**2.4 MILLION**  
CARGO MOVEMENTS IN 2021

## FREE TRADE ZONES



**> 30**

**FREE TRADE ZONES**



**US\$ 126.3 billion (39.2%)**  
TRADE VOLUME IN 2020



**SPECIAL**  
**CUSTOMS CONTROL**

## ENABLING ENVIRONMENT

### MONEY LAUNDERING INFRASTRUCTURE



**Ranked 17<sup>th</sup> on**  
**THE 2022 GLOBAL FINANCIAL**  
**CENTERS INDEX**



**2022 "GREY LIST" INCLUSION**  
**DUE TO DEFICIENCIES IN ANTI-MONEY**  
**LAUNDERING**



**US\$ 256,786,577**  
**VALUE OF SUSPICIOUS**  
**TRANSACTIONS IN 2020**

### REAL ESTATE

دائرة الأراضي والأموال  
Land Department



**US\$ 81.6 billion**  
**84,772 transactions**  
**REGISTERED IN 2021**

**DUBAI PROPERTY**  
**LEAKS**  
**2020**

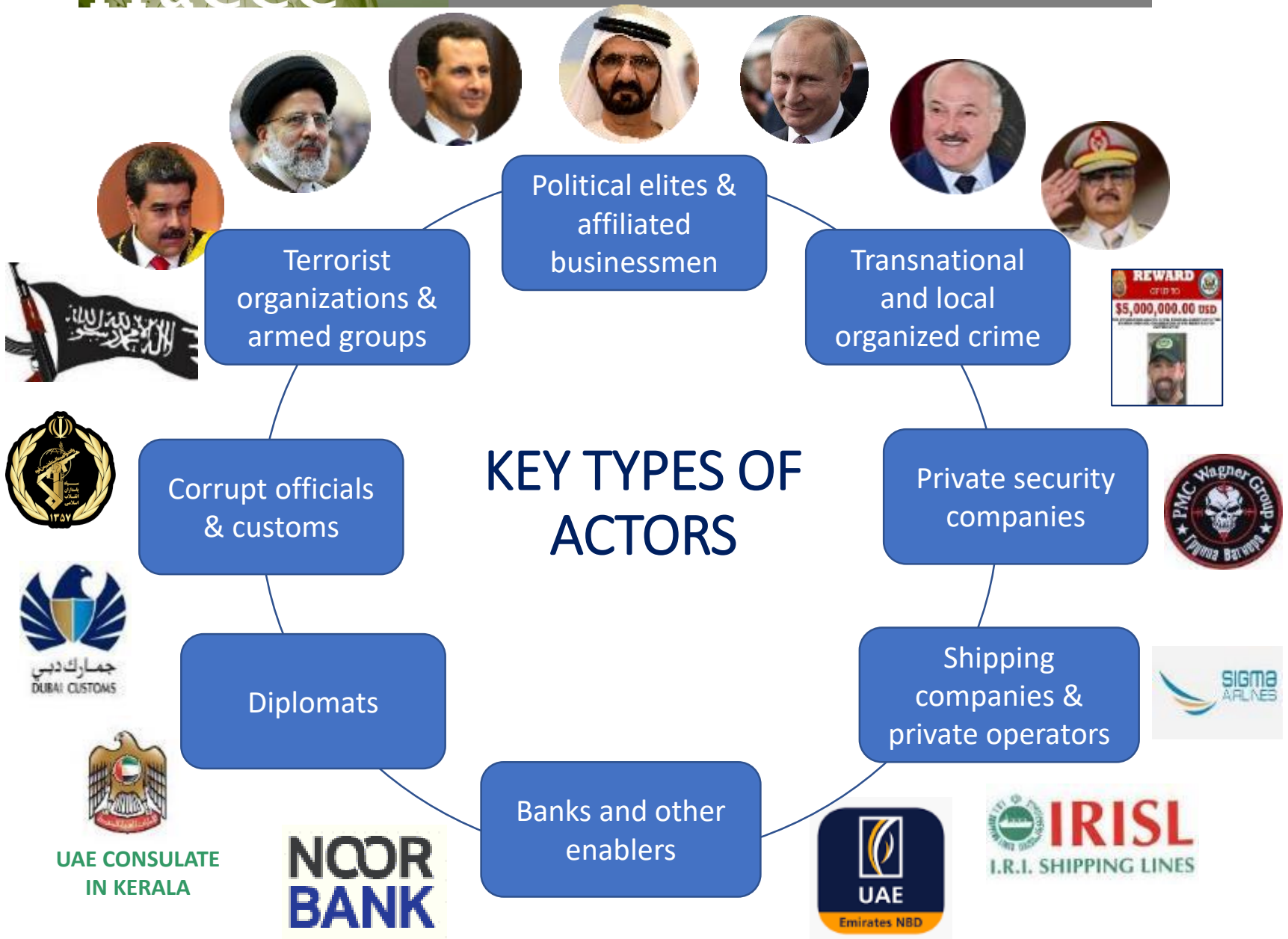
**27%**

**FOREIGN OWNED PROPERTY**

**DUBAI PROPERTY**  
**LEAKS**  
**2020**

**10%**

**PROPERTY OWNERS FROM**  
**CONFLICT & FRAGILE STATES**



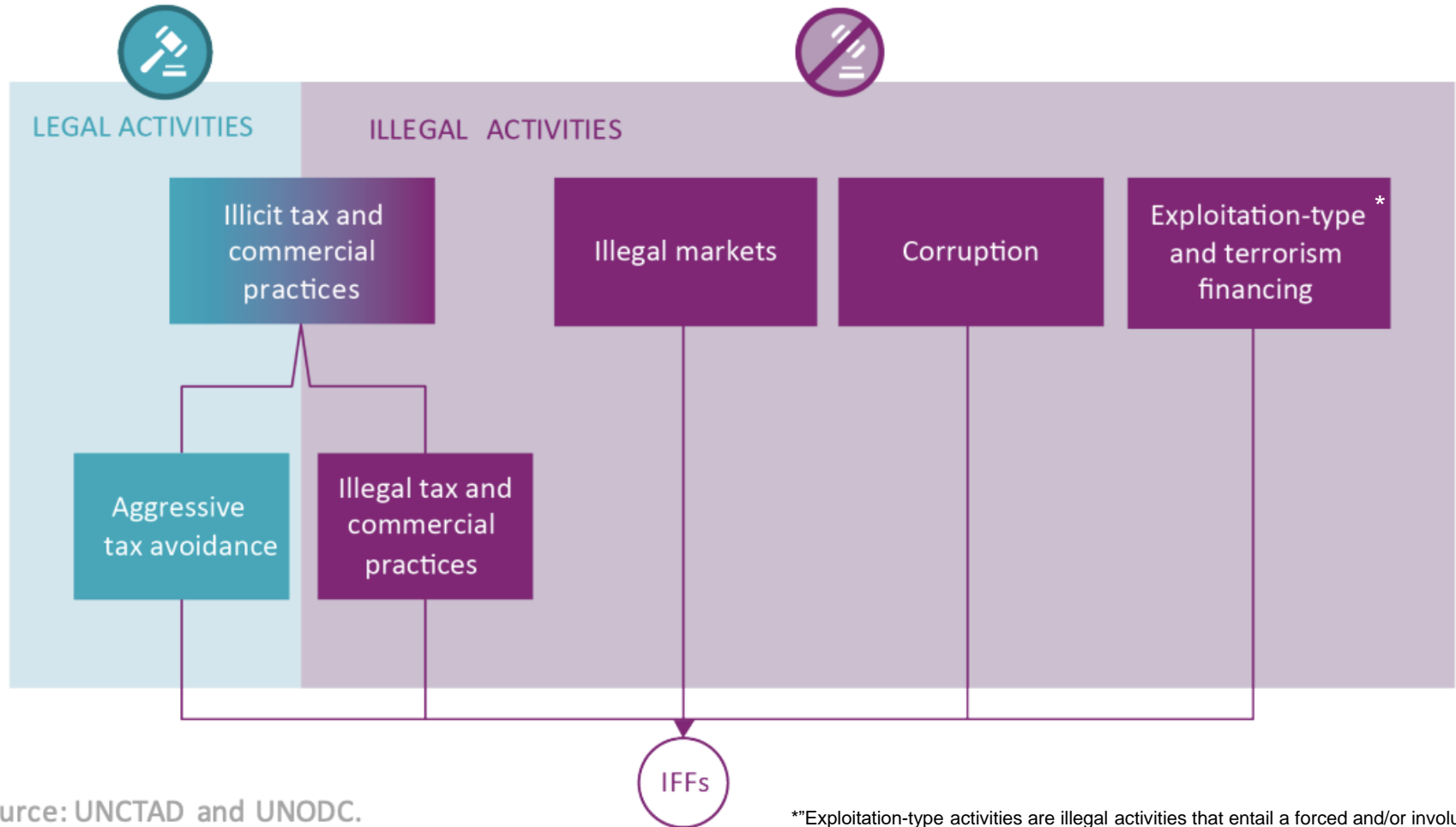
# HUBS OF ILLICIT TRADE:TBA

RASHMI SINGH

JORGE M. LASMAR



**Figure 1: Categories of activities that may generate illicit financial flows**



Source: UNCTAD and UNODC.

\*"Exploitation-type activities are illegal activities that entail a forced and/or involuntary transfer of economic resources between two actors" (UNODC, 2020:14).



# Criminal Market Scores – Global Organized Crime Index

Country	Criminal Markets Avarage	Human Trafficking	Human Smuggling	Arms Trafficking	Flora Crimes	Fauna Crimes	Non-Renewable Resources Crimes	Heroin Trade	Cocaine Trade	Cannabis Trade	Synthetic Drug Trade
Argentina	3.75	4.0	3.0	3.0	3.0	3.5	3.0	2.0	6.5	6.5	3.0
Brazil	6.5	5.0	4.0	8.0	8.5	8.5	8.0	2.0	9.0	8.0	4.0
Paraguay	5.9	7.0	6.0	8.5	6.0	6.5	3.5	1.0	7.0	9.0	4.5
Global		5.58	4.77	4.92	3.88	4.63	4.51	3.97	4.52	5.1	4.62



57% of the Brazilian cigarette market originates from smuggling, mainly from Paraguay. (2019)

Drug trafficking is the second most reported crime (15%), fourth illicit reported.

Moved just over USD 400 million (2015 to 2019 )

Counterfeit/Smuggling

Estimated US\$ 210 billion in LatAm, equivalent to 2% of the GNP of all LatAm countries (2020)

Financial resources from trafficking are sent abroad for the purchase of weapons and other narcotics not produced in the region

Significant increase in the number of suspicious transaction reports (STRs) linked to arms trafficking as per COAF (49 in 2015, 960 in 2018, 867 in 2019)

GOC Rank – Paraguay 8th, Brazil 14th (out of 193 countries)\*

# Actors – Global Organized Crime Index

Country/ Category	Criminal Actors (Average)	Mafia-Style Groups	Criminal Networks	State-Embedded Actors	Foreign Actors
Argentina	5.00	4.00	6.00	5.00	5.00
Brazil	6.50	7.50	6.50	8.50	3.50
Paraguay	7.50	6.00	7.50	8.00	8.50
Global	5.09	3.89	5.45	5.76	5.27

# Actors

## FLUID NETWORKS



### **BROKERS**

Intermediaries that are crucial in connecting criminal networks and individual criminals



### **LEADERS AND MIDDLE MANAGEMENT**

Leaders and organisers overseeing and organising criminal activities



### **LEGAL AND FINANCIAL ADVISORS**

Complicit legal and financial advisors such as lawyers and notaries provide expertise to criminals



### **LOW-LEVEL FACILITATORS**

Individual criminals typically engaging in occasional cooperation with other individuals and/or groups



### **MONEY LAUNDERING SERVICE PROVIDERS**

Money laundering service providers and networks launder large amounts of criminal proceeds using sophisticated and innovative schemes



### **DOCUMENT FRAUDSTERS**

Specialised criminals offering document fraud as a service



### **FENCES**

Criminals specialised in the sale of stolen goods on behalf of other criminals



### **TRANSPORTATION AND LOGISTICS PROVIDERS**

Criminals specialised in transportation services or in facilitating the extraction of goods from airports and ports

# Enablers / Drivers



Money  
laundering



Corruption,  
governance



Geography



Market  
vulnerabilities



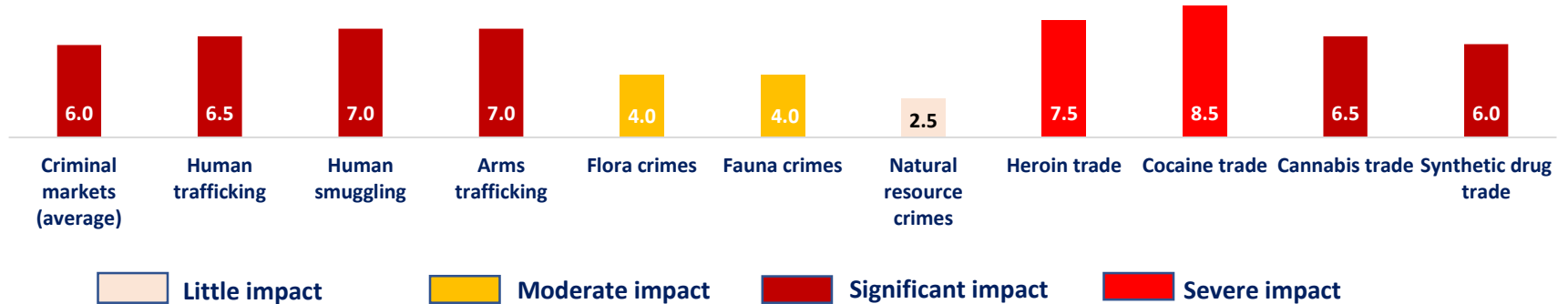




TraCCC

**CENTRAL AMERICA / GUATEMALA:  
A RISING HUB FOR ILLICIT TRADE IN CENTRAL AMERICA**

## 2021 GLOBAL ORGANIZED CRIME INDEX: GUATEMALA



- Organized crime and local gangs in Guatemala are involved in drug trade, human trafficking, kidnapping, extortion, money laundering, arms smuggling, adoption rings, and environmental crimes.
- Guatemala's criminality has a major impact on the United States because of cocaine trade and migration.



**Ranked 23<sup>rd</sup>  
of 193 countries on  
criminality**



**Tier 2 on human  
trafficking &  
smuggling**



**90%  
of cocaine coming to the  
United States**

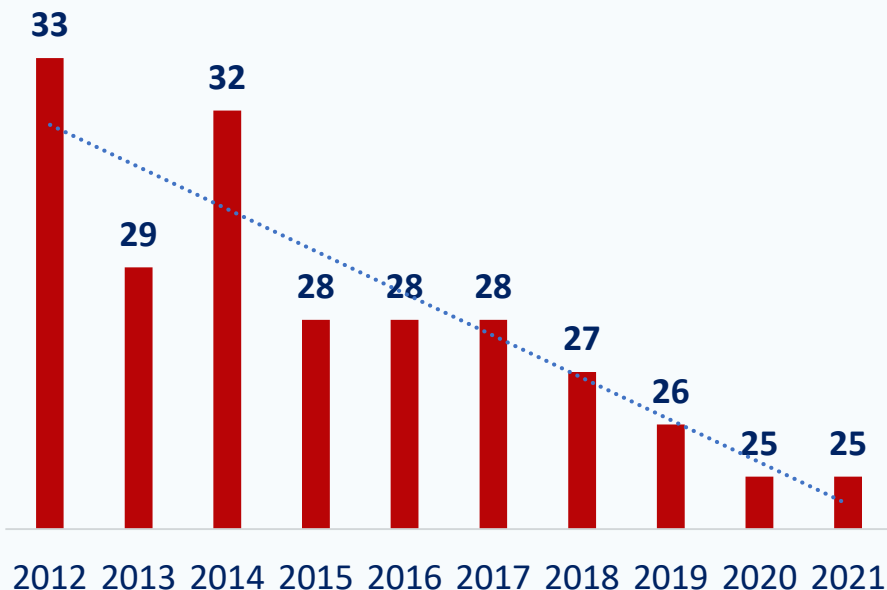


**31.3%  
illicit cigarettes in  
Guatemala**



**US\$ 3 billion  
lost tax revenue due to  
contraband**

## GUATEMALA IS AMONG THE TOP 30 MOST CORRUPT COUNTRIES IN THE WORLD

TRANSPARENCY INTERNATIONAL CORRUPTION  
PERCEPTION INDEX: GUATEMALA

- **Systemic political and administrative corruption:** Criminal organizations have control of many government agencies and officials.
- **Corruption of law enforcement and the judiciary:** Criminal organizations are immune from prosecution due to corruption of law enforcement and the judiciary.
- **Adaptability:** Guatemala's case shows how rapidly criminal actors adapt to new business opportunities.

## Criminal Groups

- Organized crime groups, smugglers, and traffickers
- Mexican and Colombian drug trafficking organizations

## Gangs

- International gangs (MS-13, Barrio 18)
- Local gangs

## Security Forces

- Illegal Clandestine Security Apparatuses formed from state intelligence and military services

## Corrupt Officials

- Corrupt government officials
- Corrupt customs officers
- Corrupt port authorities



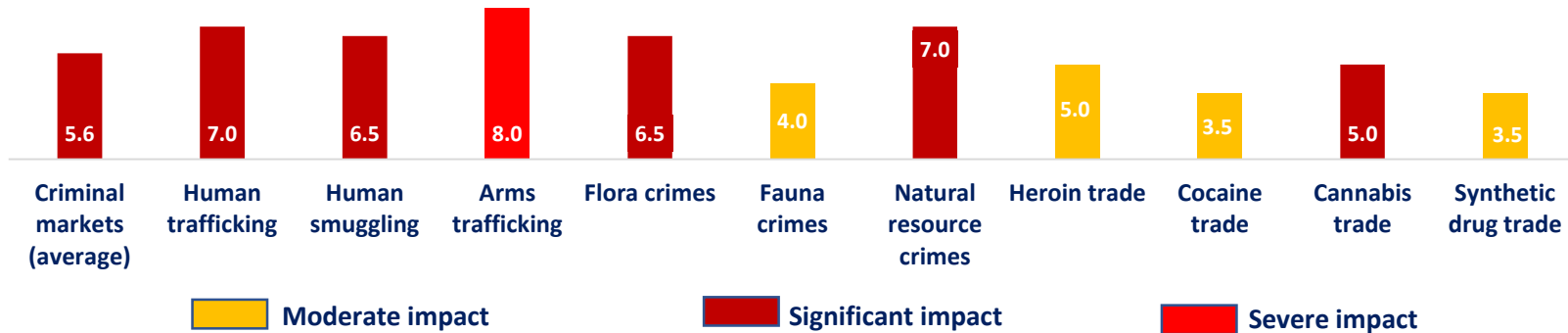


**EASTERN EUROPE / UKRAINE:  
AN EAST EUROPEAN HUB FOR ILLICIT TRADE**



# Pre-War Illicit Sectors

## 2021 GLOBAL ORGANIZED CRIME INDEX: UKRAINE



In the pre-war period, main illicit trade sectors were drugs, counterfeit pharma, illicit cigarettes, human trafficking, firearms, and timber.

## UKRAINE'S CUSTOMS SEIZURES AND LARGEST CASES IN 2021



**12,582 cases**  
of customs violations



**US\$ 16.6 million**  
the value of  
confiscated items



**2 tons**  
of undeclared clothes, shoes,  
& watches



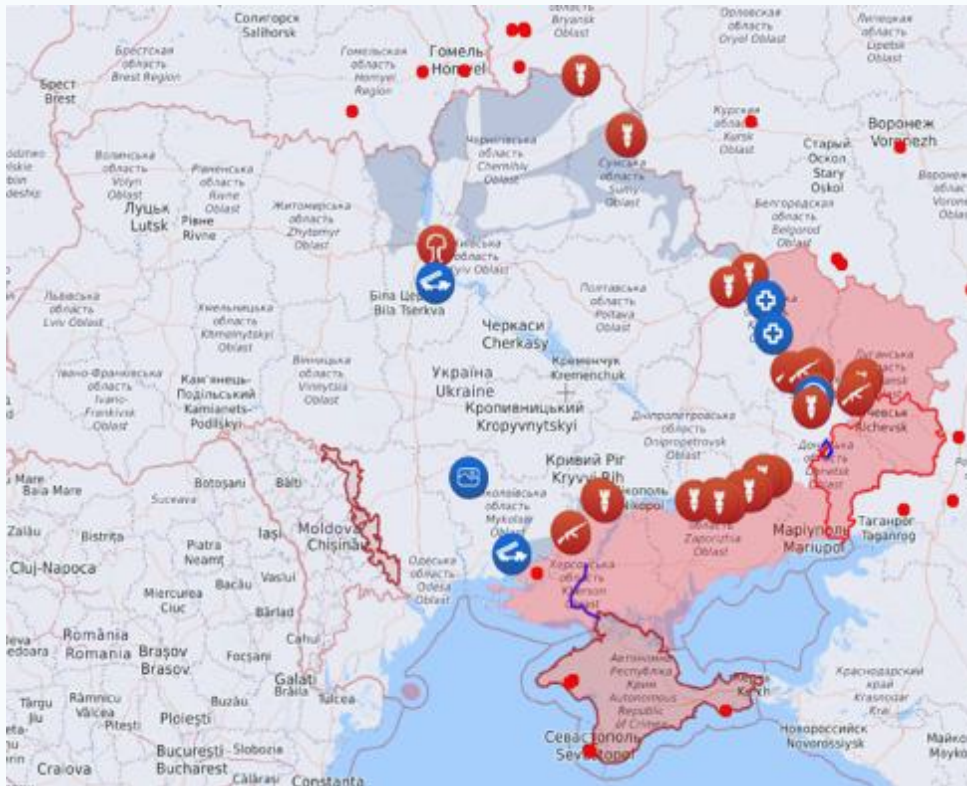
**1 ton**  
of heroin trafficked to  
the EU



**368 kg**  
of heroin trafficked to  
Ukraine

## WAR-RELATED CHANGES IN THE MARKET STRUCTURE AFTER FEBRUARY 24, 2022

New sectors will include humanitarian assistance, fuel, lubricants, weapons, and ammunition.



- Production inside Ukraine plummeted.
- Refugee flows caused skyrocketing prices and demand in neighboring countries.
- The war has a strong effect on the fuel and lubricants markets.
- Illicit trade patterns shift from Western to Eastern borders.
- Russians are looting grain and other goods and shipping them to Russia.





# Human Trafficking

## 3 CATEGORIES OF CONCERN

- 6.5 million Ukrainians are now refugees in the West.
- A larger number of people displaced from their homes remain in Ukraine.
- A major concern remains about civilians and POWs who have been forcibly deported to Russia.
  - “Traffickers” are the Russian military and civilian authorities.
  - Victims’ fates are unclear, but there is evidence that the Crimea has turned into a human trafficking base.

### UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES (UNHCR) DATA



8 million  
**internally displaced  
people in Ukraine**



6.5 million  
**refugees who crossed  
international borders**



13 million  
**stranded in affected areas due to  
security risks**





# Traccc

**Terrorism, Transnational Crime and Corruption Center  
At the Schar School of Policy and Government**

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