

Corruption

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1.

(Border Agents Arrested or Indicted for Corruption) "From fiscal years 2005 through 2012, a total of 144 employees were arrested or indicted for corruption-related activities, including the smuggling of aliens or drugs, and 125 have been convicted. 20 About 65 percent (93 of 144 arrests) were employees stationed along the southwest border. Our review of documentation on these cases indicates that 103 of the 144 cases were for mission-compromising corruption activities, which are the most severe offenses, such as drug or alien smuggling, bribery, and allowing illegal cargo into the United States. Forty-one of the 144 CBP employees arrested or indicted were charged with other corruption-related activities. According to CBP IA, this category is less severe than mission-compromising corruption and includes offenses such as the theft of government property and querying personal associates in a government database for purposes other than official business."

Source:

"Border Security: Additional Actions Needed to Strengthen CBP Efforts to Mitigate Risk of Employee Corruption and Misconduct (Washington, DC: US Government Accountability Office, Dec. 2012), GAO-13-59, pp. 9-10.

<http://www.gao.gov/products/GAO-13-59>

<http://www.gao.gov/assets/660/650505.pdf>

2.

(Arrests of and Allegations Against Customs and Border Protection (CBP) Employees, 2005-2012) "According to CBP's data, incidents of arrests of CBP employees from fiscal years 2005 through 2012 represent less than 1 percent of the entire CBP workforce per fiscal year. 18 During this time period, 144 current or former CBP employees were arrested or indicted for corruption—the majority of which were stationed along the southwest border. In addition, there were 2,170 reported incidents of arrests for misconduct. ¹⁹

"Allegations against CBPOs [CBP Officers] and BPAs [Border Patrol Agents] as a percentage of total on-board personnel remained relatively constant from fiscal years 2006 through 2011 and ranged from serious offenses such as facilitating drug smuggling across the border to administrative delinquencies such as losing an official badge. The majority of allegations made against OFO [Office of Field Operations] and USBP [US Border Patrol] employees during this time period were against officers and agents stationed on the southwest U.S. border."

Source:

"Border Security: Additional Actions Needed to Strengthen CBP Efforts to Mitigate Risk of Employee Corruption and Misconduct (Washington, DC: US Government Accountability Office, Dec. 2012), GAO-13-59, p. 8.

<http://www.gao.gov/products/GAO-13-59>

<http://www.gao.gov/assets/660/650505.pdf>

3.

(US Border Agent Corruption) "Since October 1, 2004, 138 CBP employees have been arrested or indicted for acts of corruption including drug smuggling, alien smuggling, money laundering, and conspiracy. During this same period more than 2,000 CBP employees have been charged in other criminal misconduct, including off duty behavior that serves to undermine the confidence of the public that we serve."

Source:

Testimony of Thomas Winkowski, Acting Deputy Commissioner, US Customs and Border Protection, US Dept. of Homeland Security, Before US House of Representatives Committee on Homeland Security Subcommittee on Oversight, Investigations and Management, May 17, 2012, pp. 3-4.

<https://www.dhs.gov/news/2012/05/17/written-testimony-us-customs-and-bor...>

4.

(Dept. of Homeland Security Corruption Cases) "In Fiscal Year (FY) 2009, the Office of Inspector General (OIG) received about 12,458 allegations of fraud and initiated over 1,085 investigations. Our investigations resulted in 313 arrests, 293 indictments, 281 convictions and 59 administrative actions. Additionally, we reported over \$85.7 million in fines, restitutions and administrative cost savings and recoveries.

"Specific to employee corruption on the border, since 2003, we have made 129 arrests of corrupt Customs and Border Protection Officers and Border Patrol Agents. In FY 2009, we opened 839 allegations involving DHS employees:

" 576 CBP;

" 64 CIS;

" 35 TSA, and

"□ 164 ICE"

Source:

Testimony of Thomas M. Frost, Assistant Inspector General for Investigations, US Dept. of Homeland Security, before the Ad Hoc Subcommittee on State, Local, and Private Sector Preparedness and Integration, Senate Committee on Homeland Security and Government Affairs, March 11, 2010, pp. 2-3.

<http://www.hsgac.senate.gov/download/frost-testimony-slpspi-31110>

5.

(Bulk Cash Smuggling Out of the US) "Mexican drug-trafficking organizations, terrorist organizations, and other groups with malevolent intent finance their operations by moving funds into or out of the United States. For example, a common technique used for taking proceeds from drug sales in the United States to Mexico is a method known as bulk cash smuggling.

¹ The National Drug Intelligence Center (NDIC) has stated that proceeds from drug trafficking generated in this country are smuggled across the southwest border and it estimates that the proceeds total from \$18 billion to \$39 billion a year. NDIC also estimates that Canadian drug-trafficking organizations smuggle significant amounts of cash across the northern border from proceeds of drugs sold in the United States."

Source:

Statement of Richard M. Stana, Director Homeland and Security Issues, Government Accountability Office, before the Senate Caucus on International Narcotics Control, "Moving Illegal Proceeds: Opportunities Exist for Strengthening the Federal Government's Efforts to Stem Cross-Border Currency Smuggling," March 9, 2011, GAO-11-407T, p. 1.

<http://www.gao.gov/products/GAO-11-407T>

6.

(Public Corruption Along the US Southwest Border) "One particular case highlights the potential national security implications of public corruption along our nation's borders. In that case, an individual gained employment as a border inspector for the specific purpose of trafficking in drugs. Through our collaborative efforts and a year-long investigation, this former public official pled guilty to one count of conspiracy to import more than 1000 kilograms of marijuana into the United States and received more than \$5 Million in bribe payments. This individual has since been sentenced to 22 years in prison.

"In another extensive undercover investigation, the FBI and its partners netted corrupt officials from 12 different federal, state, and local government agencies who allegedly used their positions to traffic in drugs. To date, 84 of those subjects have pled guilty to related charges."

Source:

Testimony of Kevin L. Perkins, Assistant Director, Criminal Investigative Division, FBI, before the Ad Hoc Subcommittee on State, Local, and Private Sector Preparedness and Integration, Senate Committee on Homeland Security and Government Affairs, March 11, 2010, p. 2.

<http://www.hsgac.senate.gov/download/perkins-testimony-slpspi-3112010>

7.

(Infiltration of Customs and Border Protection Agency) "In particular, there have been a number of cases in which individuals, known as infiltrators, pursued employment at CBP solely to engage in mission-compromising activity. For example, in 2007, a CBPO in El Paso, Texas, was arrested at her duty station at the Paso Del Norte Bridge for conspiracy to import marijuana into the United States from June 2003 to July 2007, and was later convicted and sentenced to 20 years in prison. OFO reported that she may have sought employment with CBP to facilitate drug smuggling. CBP officials view this case as an example of the potential impact of corruption—if the officer had succeeded in facilitating the importation of 5,000 pounds of marijuana per month, this would amount to a total of 240,000 pounds over 4 years with a retail value of \$288 million dollars. In another case, a former BPA previously stationed in Comstock, Texas, was arrested in 2008 for conspiracy to possess, with intent to distribute, more than 1,000 kilograms of marijuana. The agent was convicted in 2009 and sentenced to 15 years in prison and ordered to pay a \$10,000 fine. CBP is also concerned about employees who may not be infiltrators, but began engaging in corruption-related activities after joining the agency. For example, CBP IA officials stated that some employees may have experienced personal hardships after being hired, such as financial challenges, which made them vulnerable to accepting bribes to engage in corrupt activity. In addition, some employees arrested for corruption had no prior disciplinary actions at the time of their arrests."

Source:

"Border Security: Additional Actions Needed to Strengthen CBP Efforts to Mitigate Risk of Employee Corruption and Misconduct (Washington, DC: US Government Accountability Office, Dec. 2012), GAO-13-59, p. 11.

<http://www.gao.gov/products/GAO-13-59>

<http://www.gao.gov/assets/660/650505.pdf>

8.

(Corruption Along US-Canada Border) "In July 2008, for example, the FBI and DEA supported Canadian law enforcement in the arrest of eight people, including a customs agent, suspected of smuggling cocaine and marijuana, contraband cigarettes and illegal immigrants over the Quebec-New York border. This underground network reportedly ferried hundreds of kilograms of cocaine from Colombia into Canada via the Saint-Bernard-de-Lacolle border crossing. This is one of many

investigations along our northern border.

"In fact, in FY 2009 alone, FBI field offices along the nation's Canadian border conducted nearly 300 public corruption investigations. A corrupt border official might think that a bribe is sufficient payment for allowing a carload of drugs through the nation's borders. The ultimate cost, however, might be significantly higher if that carload includes members of a terrorist cell or ingredients for a weapon of mass destruction."

Source:

Testimony of Kevin L. Perkins, Assistant Director, Criminal Investigative Division, FBI, before the Ad Hoc Subcommittee on State, Local, and Private Sector Preparedness and Integration, Senate Committee on Homeland Security and Government Affairs, March 11, 2010, pp. 2-3.

<http://www.hsgac.senate.gov/download/perkins-testimony-slpspi-3112010>

9.

(Corruption Along the US Southwest Border) "Our investigation of an 8-year veteran of U.S. Customs and Border Protection (CBP) revealed that, over a 6-month period, the CBP Officer provided drug traffickers with his work schedule and lane assignments, which they used to coordinate their smuggling efforts through his inspection lane.

"After he pleaded guilty to Conspiracy to Possess and Distribute Cocaine and Bribery, he was sentenced to 110 months in Federal prison. Additionally, he was ordered to serve 36 months of supervised release following his incarceration, and surrender \$100,000 in cash pending the forfeiture of his residence. The Officer's estranged wife has also pleaded guilty to one count of Conspiracy to Possess and Distribute Cocaine and one count of Bribery. She is currently being sought after she failed to appear for sentencing before a judge in the Western District of Texas."

Source:

Department of Homeland Security Office of Inspector General, "Special Report: Summary of Significant Investigations January 1, 2011, to December 31, 2011" (Washington, DC: August 2012), Pub. No. OIG-12-108, p. 5.

http://www.oig.dhs.gov/assets/Mgmt/2012/OIG_12-108_Aug12.pdf

10.

(Border Agencies Seizes Only Small Percentage of Illicit Cash Being Smuggled) "In March 2009, CBP reestablished the Outbound Enforcement Program within its Office of Field Operations. 4 As a result of its outbound enforcement activities, CBP seized about \$67 million in illicit bulk cash leaving the country at land ports of entry—97 percent of which was seized

along the southwest border— from March 2009 through February 22, 2011. Total seizures account for a small percentage of the estimated \$18 billion to \$39 billion in illicit proceeds being smuggled across the southwest border annually."

Source:

Statement of Richard M. Stana, Director Homeland and Security Issues, Government Accountability Office, before the Senate Caucus on International Narcotics Control, "Moving Illegal Proceeds: Opportunities Exist for Strengthening the Federal Government's Efforts to Stem Cross-Border Currency Smuggling," March 9, 2011, GAO-11-407T, p. 3.

<http://www.gao.gov/products/GAO-11-407T>

11.

(Drug Enforcement and Police Corruption) "Traditional police corruption usually involved a mutually beneficial arrangement between criminals and police officers (e.g., the former offered the latter bribes in exchange for immunity from arrest). In contrast, several studies and investigations of drug-related police corruption found on-duty police officers engaged in serious criminal activities, such as (1) conducting unconstitutional searches and seizures; (2) stealing money and/or drugs from drug dealers; (3) selling stolen drugs; (4) protecting drug operations; (5) providing false testimony; and (6) submitting false crime reports."

Source:

General Accounting Office, Report to the Honorable Charles B. Rangel, House of Representatives, "Law Enforcement: Information on Drug-Related Police Corruption (Washington, DC: USGPO, May 1998), p. 8.

<http://www.gao.gov/products/GGD-98-111>

12.

(Patterns of Drug-Related Police Corruption) "In addition to protecting criminals or ignoring their activities, officers involved in drug-related corruption were more likely to be actively involved in the commission of a variety of crimes, including stealing drugs and/or money from drug dealers, selling drugs, and lying under oath about illegal searches. Although profit was found to be a motive common to traditional and drug-related police corruption, New York City's Mollen Commission identified power and vigilante justice as two additional motives for drug-related police corruption. The most commonly identified pattern of drug-related police corruption involved small groups of officers who protected and assisted each other in criminal activities, rather than the traditional patterns of non-drug-related police corruption that involved just a few isolated individuals or systemic corruption pervading an entire police department or precinct."

Source:

General Accounting Office, Report to the Honorable Charles B. Rangel, House of Representatives, "Law Enforcement: Information on Drug-Related Police Corruption" (Washington, DC: USGPO, May 1998), p. 3.

<http://www.gao.gov/products/GGD-98-111>

13.

(Official Corruption in Mexico) "To increase transparency and accountability, the Government of Mexico restructured and augmented their Internal Affairs offices through implementing programs/centers in all law enforcement agencies called 'The Center for Evaluation and Control of Trust,' or more commonly known as 'Control de Confianza.' Moreover, new labor laws constrain judges from reinstating police officers fired for corruption. These efforts, combined with leadership changes in the PGR, have had a positive impact; in 2011, over 40 high ranking officials and hundreds more employees were dismissed from service due to allegations of corruption.

"While federal law enforcement standards continue to improve, state and municipal law enforcement officials remain vulnerable to corruption. State and municipal police have been implicated in the press and social media for facilitating the movement of drugs or contraband, as well as impeding federal or military enforcement operations."

Source:

United States Department of State Bureau for International Narcotics and Law Enforcement Affairs, "International Narcotics Control Strategy Report: Volume I: Drug and Chemical Control (Washington, DC: March 2012), p. 320.

<http://www.state.gov/documents/organization/187109.pdf>

14.

(Historic Drug Related Police Corruption in the US) A 1998 report by the General Accounting Office cited specific examples of publicly disclosed drug-related police corruption in the following cities: Atlanta, Chicago, Cleveland, Detroit, Los Angeles, Miami, New Orleans, New York, Philadelphia, Savannah, and Washington, DC.

Source:

General Accounting Office, Report to the Honorable Charles B. Rangel, House of Representatives, "Law Enforcement: Information on Drug-Related Police Corruption" (Washington, DC: USGPO, May 1998), p. 36-37.

<http://www.gao.gov/products/GGD-98-111>

15.

(The Mollen Commission and NYPD Corruption) The Mollen Commission was appointed to investigate corruption in the New York City Police Department. The Commission "found that police corruption, brutality, and violence were present in every high-crime precinct with an active narcotics trade that it studied, all of which have predominantly minority populations. It found disturbing patterns of police corruption and brutality, including stealing from drug dealers, engaging in unlawful searches, seizures, and car stops, dealing and using drugs, lying in order to justify unlawful searches and arrests and to forestall complaints of abuse, and indiscriminate beating of innocent and guilty alike."

Source:

Cole, David, "No Equal Justice: Race and Class in the American Criminal Justice System" (New York: The New Press, 1999), pp. 23-4.

<http://www.ncjrs.gov/App/publications/Abstract.aspx?id=179184>

16.

(Drug-Related Police Corruption) On average, half of all police officers convicted as a result of FBI-led corruption cases between 1993 and 1997 were convicted for drug-related offenses.

Source:

General Accounting Office, Report to the Honorable Charles B. Rangel, House of Representatives, "Law Enforcement: Information on Drug-Related Police Corruption" (Washington, DC: USGPO, May 1998), p. 35.

<http://www.gao.gov/products/GGD-98-111>

17. **Corruption Outside the US**

The United Nations Drug Control Program noted the inevitable risk of drug-related police corruption in 1998, when it reported that "wherever there is a well-organized, illicit drug industry, there is also the danger of police corruption."

Source:

United Nations International Drug Control Program, "Technical Series Report #6: Economic and Social Consequences of Drug Abuse and Illicit Trafficking" (New York, NY: UNDCP, 1998), p. 38.

http://www.unodc.org/pdf/technical_series_1998-01-01_1.pdf

18.

(Poverty and Likelihood of Corruption) "The profits generated from the opiate trade have a serious impact on state and society. UNODC estimates that in 2010 drug traffickers in Central Asia made a net profit of US\$1.4 billion from the sale of transiting opiates. Such staggering amounts are comparable with and can destabilize the vulnerable economies of Central Asian countries like Kyrgyzstan and Tajikistan. At the micro level, poverty in these countries leaves many -including low-paid local officials- with few viable avenues for economic advancement. At the macro level, struggling economies in the region have limited resources to devote to drug control. However, poverty is but one factor facilitating the illicit opiate trade. For instance, the economic development experienced by Kazakhstan is inversely proportional to its interdiction efficiency, which is the lowest in Central Asia."

Source:

United Nations Office on Drugs and Crime, "Opiate Flows Through Northern Afghanistan and Central Asia: A Threat Assessment" (UNODC Afghan Opiate Trade Project of the Studies and Threat Analysis Section (STAS), Division for Policy Analysis and Public Affairs, May 2012), p. 15.

http://www.unodc.org/documents/data-and-analysis/Studies/Afghanistan_nor...

19.

(Profits of Heroin Trade and Vulnerability of Central Asian Nations) "With a net profit of US\$ 1.4 billion from the heroin trade alone, in 2010 drug traffickers earned the equivalent of a third of the GDP of Tajikistan (US\$ 4.58 billion) or Kyrgyzstan, ²⁶⁹ but only 5 per cent that of Uzbekistan (US\$ 28 billion) and 1 per cent of that of Kazakhstan. The economies of Kyrgyzstan and Tajikistan appear to be the most vulnerable in Central Asia, while in Kazakhstan the entire amount would constitute a very small part of total economic activity."

Source:

United Nations Office on Drugs and Crime, "Opiate Flows Through Northern Afghanistan and Central Asia: A Threat Assessment" (UNODC Afghan Opiate Trade Project of the Studies and Threat Analysis Section (STAS), Division for Policy Analysis and Public Affairs, May 2012), pp. 85-86.

http://www.unodc.org/documents/data-and-analysis/Studies/Afghanistan_nor...

20.

(Dangers of Corruption in Developing Countries) "The magnitude of funds under criminal control poses special threats to governments, particularly in developing countries, where the domestic security markets and capital markets are far too small to absorb such funds without quickly becoming dependent on them. ¹⁶⁰ It is difficult to have a functioning democratic system when drug cartels have the means to buy protection, political support or votes at every level of government and society. ¹⁶¹ In systems where a member of the legislature or judiciary, earning only a modest income, can easily gain the equivalent of some 20 months' salary from a trafficker by making one "favourable" decision, the dangers of corruption are obvious. ¹⁶² "

Source:

United Nations International Drug Control Program, "Technical Series Report #6: Economic and Social Consequences of Drug Abuse and Illicit Trafficking" (New York, NY: UNDCP, 1998), p. 39.

http://www.unodc.org/pdf/technical_series_1998-01-01_1.pdf

21.

(Afghan Corruption Problems) "Afghanistan currently ranks in the second lowest percentile on the World Bank's corruption index. ²⁹³ A significant component of this index is based on the activities of corruption prone government agencies. Survey after survey reveals the Afghan perception of law enforcement and courts as among the most corrupt institutions in the country. ²⁹⁴ A 2006 poll by the Asia Foundation found that 77 per cent of Afghans believed corruption was a problem at the national level. ²⁹⁵ "

Source:

United Nations Office on Drugs and Crime, "Addiction, Crime and Insurgency: The transnational threat of Afghan opium" (Vienna, Austria: October 2009), p. 137.

http://www.unodc.org/documents/data-and-analysis/Afghanistan/Afghan_Opiu...

22.

(Official US Assessment Of Russian Drug-Related Corruption) "Corruption among law enforcement officials in Russia continues to present major challenges. No senior Russian officials were known to engage in, encourage, or facilitate the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions. However, several long-running cases of arrests of counternarcotics law enforcement officials on corruption or organized crime charges have occurred in the past two years."

Source:

United States Department of State Bureau for International Narcotics and Law Enforcement Affairs, "International Narcotics Control Strategy Report: Volume I: Drug and Chemical Control (Washington, DC: March 2012), p. 379.

<http://www.state.gov/documents/organization/187109.pdf>

23.

(Official Corruption in Nigeria) "The Government of Nigeria does not encourage or facilitate illicit production or distribution of narcotics, or the laundering of proceeds from illegal drug transactions. However, corruption plays a major role in drug trafficking in Nigeria. Nigeria has anti-corruption laws, but has secured only a few notable convictions, including that of a former NDLEA chief (though this was overturned on appeal). The perception of high levels of corruption and impunity encourages narcotic trafficking in Nigeria."

Source:

United States Department of State Bureau for International Narcotics and Law Enforcement Affairs, "International Narcotics Control Strategy Report: Volume I: Drug and Chemical Control (Washington, DC: March 2014), p. 254.

<http://www.state.gov/documents/organization/222881.pdf>

24.

(Cases of Official Corruption in Colombia) "In February 2010, the Colombian government arrested Ramiro Anturi Larrahondo, a lawyer in the Attorney General's Office assigned to military criminal investigations, for receiving thousands of dollars from the Rastrojos BACRIM in return for intercepting security agencies' telephone calls and feeding information back to narcotics traffickers. In January 2011, Anturi was extradited to the United States to face narcotics trafficking charges. The National Anti-Narcotics Agency (DNE) – the body in charge of handling assets seized from drug traffickers – was dismantled amid investigations into 14 high-level politicians including Congressmen and a former president of the Senate for irregularities in administering seized properties. The Attorney General announced in September 2011 that it will bring embezzlement, fraud and conspiracy charges against former DNE Director Omar Figueroa and 10 other former DNE officials for their role in mishandling seized assets.

"Drug-related corruption remains a problem within the public security forces. The CNP Criminal Investigative Chief of Caquetá was arrested in January for transporting over 100 kilograms of cocaine, and in June, 23 police officers were arrested in two separate anti-drug sting operations in Bogota, Bucaramanga, Cali, San Andres, and Villavicencio. Eight of the officers were charged with stealing a cocaine shipment that belonged to a former BACRIM leader. In May, seven police officers, two Navy officers, and two Prosecutor General's Corps of Technical investigators (CTI) agents based in Chocó department were arrested for their ties to a BACRIM organization. That same month, another three CNP officers were arrested in Valle de Cauca for collaborating with the Rastrojos BACRIM. In August 2011, seven police officers and three army soldiers were arrested for allegedly being on the payroll of a deceased BACRIM leader in the Lower Cauca region of Antioquia. Former Defense Minister Rodrigo Rivera subsequently announced that 100 policemen were under investigation for their ties to the Rastrojos BACRIM."

Source:

United States Department of State Bureau for International Narcotics and Law Enforcement Affairs, "International Narcotics Control Strategy Report: Volume I: Drug and Chemical Control (Washington, DC: March 2012), p. 175.

<http://www.state.gov/documents/organization/187109.pdf>

25.

(Official Corruption in Colombia) "The Presidential Programme Against Corruption in Colombia specifically addresses 'narco-corruption'.³⁶ Colombia, with a capacity to produce 580 tonnes of pure cocaine in 2000,³⁷ is particularly poisoned by the interplay of narcotics and violence, with an estimated one million people internally displaced as a result of battles for territorial control by rebel groups and paramilitary forces. 'The corruptive effect of this kind of profit is devastating, since it has penetrated to perverse levels in the judiciary and the political system,' the official report of the Presidential Programme concluded, adding that the rapid accumulation of wealth from illegal drugs 'has fostered codes and behaviours which promote corruption, fast money and the predominance of private welfare over general interest'."

Source:

Luzzani, Thelma, Transparency International, "Global Corruption Report 2001: South America" (Berlin, Germany: Transparency International, 2001), p. 176.

http://archive.transparency.org/content/download/4302/26311/file/rr_s_am...

26.

(Official Corruption in Colombia) "Colombia has suffered the tragic consequences of endemic theft by politicians and public officials for decades. Entwined with the production and trafficking of illegal drugs, this behaviour exacerbated underdevelopment and lawlessness in the countryside, where a brutal war continues to claim the lives of some 3,500 civilians a year. A World Bank survey released in February 2002 found that bribes are paid in 50 per cent of all state contracts.²⁷ Another World Bank report estimates the cost of corruption in Colombia at US \$2.6 billion annually, the equivalent of 60 per cent of the country's debt.²⁸ "

Source:

Herrera, Eduardo Wills, and Cortés, Nubia Urueña, "Global Corruption Report 2003: South America" Transparency International (Berlin, Germany: Transparency International, 2003), p. 108.

[http://www.transparency.org/content/download/4378/26541/file/11_South_America_\(Wills_Uruena\).pdf](http://www.transparency.org/content/download/4378/26541/file/11_South_America_(Wills_Uruena).pdf)

27.

(Transshipment Through Costa Rica) "Another problem occurs when officials turn a blind eye to a narcotics trade that looms large in the region. 'Central America has become the meat in the sandwich' - as a trans-shipment point, storehouse and money laundering centre - in the drug traffic from Colombia to the US, said Costa Rican parliamentarian Belisario Solano. The Costa Rican Defence Ministry estimates that between 50 and 70 tonnes of cocaine travel through Costa Rica to the US

every year."

Source:

Gutiérrez, Miren, Transparency International, "Global Corruption Report 2001: Central America, the Caribbean and Mexico" (Berlin, Germany: Transparency International, 2001), p. 160.

http://archive.transparency.org/content/download/4289/26272/file/rr_c_am...

28.

(Money Laundering and Mexican DTOs) "Mexico is a major drug producing and transit country. Proceeds from the illicit drug trade leaving the United States are the principal source of funds laundered through the Mexican financial system. Other significant sources of illegal proceeds being laundered include corruption, kidnapping, extortion, piracy, human trafficking, and trafficking in firearms. Sophisticated and well-organized drug trafficking organizations based in Mexico take advantage of the extensive U.S.-Mexico border, the large flow of legitimate remittances, Mexico's proximity to Central American countries, and the high volume of legal commerce to conceal transfers to Mexico. The smuggling of bulk shipments of U.S. currency into Mexico and the repatriation of the funds into the United States via couriers or armored vehicles, trade, and wire transfers remain favored methods for laundering drug proceeds. Though the combination of a sophisticated financial sector and a large cash-based informal sector complicates the problem, the 2010 implementation of U.S. dollar deposit restrictions reduced the amount of bulk cash repatriation back to the United States via the formal financial sector by approximately 70 percent, or \$10 billion. According to U.S. authorities, drug trafficking organizations send between \$19 and \$29 billion annually to Mexico from the United States, though the Government of Mexico disputes this figure. Since 2002, Mexico has seized a total of more than \$500 million in bulk currency shipments."

Source:

"International Narcotics Control Strategy Report: Volume II, Money Laundering and Financial Crimes" (Washington, DC: US Dept. of State Bureau for International Narcotics and Law Enforcement Affairs, March 2014), pp. 161-162.

<http://www.state.gov/documents/organization/222880.pdf>

29.

(Taliban Involvement in Opium Trade) "The Taliban's principal and most lucrative source of income in Afghanistan is its control of the opium trade. The Taliban have long profited off of the ten percent *ushr* tax levied on opium farmers, an additional tax on the traffickers, and a per-kilogram transit tariff charged to the truckers who transport the product.¹⁵² In recent years, however, they have been 'taking a page from the warlords' playbook,' and regional and local Taliban commanders have been demanding 'protection money from the drug traffickers who smuggle goods through their territory.'¹⁵³ A 2007 analysis by the Jamestown Foundation described 'arrangements whereby drug traffickers provide money, vehicles and subsistence to Taliban units in return for protection.'¹⁵⁴ In addition, at even higher Taliban command levels, 'senior leadership in Quetta are paid regular installments from narcotics kingpins as a general fee for operating in Taliban controlled areas.'¹⁵⁵ Through these various forms of taxation and extortion, the Taliban have been estimated to earn nearly \$300 million a year from the opium trade.¹⁵⁶ "

Source:

"Warlord, Inc. Extortion and Corruption Along the U.S. Supply Chain in Afghanistan," Report of the Majority Staff, Rep. John F. Tierney, Chair, Subcommittee on National Security and Foreign Affairs, Committee on Oversight and Government Reform, U.S. House of Representatives (Washington, DC: June 2010), p. 39.

<http://www.scribd.com/doc/33430036/Warlords-Inc-Report-A-Congressional-R...>

http://www.cbsnews.com/htdocs/pdf/HNT_Report.pdf

30.

(Money Laundering and the Global Opiate Market) "Of the US\$ 65 billion turnover of the global market for opiates, only 5-10 per cent (US\$ 3-5 billion) are estimated to be laundered by informal banking systems. The rest is laundered through legal trade activities (including smuggling of legal goods into Afghanistan) and the banking system."

Source:

United Nations Office on Drugs and Crime, "Addiction, Crime and Insurgency: The transnational threat of Afghan opium" (Vienna, Austria: October 2009), p. 7.

http://www.unodc.org/documents/data-and-analysis/Afghanistan/Afghan_Opiu...

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