



GEMS Cambridge International School Abu Dhabi Model of United Nations 2020

CIAMUN

United Nations Office of Drugs and Crime Background Guide
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LETTER FROM THE CHAIRS

Dear Delegates,

Welcome to the United Nations Office on Drugs and Crime for CIAMUN 2020. The UNODC has been making the world safer from drugs, organized crime, corruption and terrorism. This committee is dedicated to achieving wellbeing, security and justice for all people by facing these threats and advocating for peace and sustainable health. Since these conflicts are often too large to tackle alone, the UNODC offers practical assistance and encourages global approaches to action. As members of UNODC, you'll have to consider serious issues, specifically drug trafficking and money laundering; specifically, within Latin America.

We are very eager to meet you all, so if you have any questions about the topics, research or debating, please do not hesitate to ask us. We look forward to each and every delegate being involved and can't wait to see you all in March!

Regards,
Chairs of the United Nations Office on Drugs and Crime

If you want to get in contact with any of the chairs email us to our MUN email at ciamun.unodc@gmail.com.

THE UNODC'S GOAL

With the mandate to make the world safer from drugs and crime, UNODC is committed to support Member States in the implementation of the 2030 Agenda for Sustainable Development, which draws together various elements into a comprehensive and forward-looking framework and explicitly recognizes the interrelationship between sustainable development on the one hand, and the fight against drugs and crime, including corruption and terrorism on the other.

The 2030 Agenda reflects a shift in global thinking on how crosscutting issues - including the rule of law and fair, effective and humane justice systems, as well as health-oriented responses to drug use - are enablers for development, and how their absence impedes development in countries of all income levels. The 2030 Agenda, therefore, is a means to ensure that efforts at all levels are holistic and inclusive, backed by multi-stakeholder partnerships and supported by an increase in policy coherence and mainstreaming, and a decrease in addressing crime prevention and drug control issues in thoughts which are not fully integrated into development plans.

In this sense, the 2030 Agenda does not replace or supersede UNODC's core mandates but helps the Office to locate and communicate what it does in the larger context of national and global priorities on sustainable development. UNODC, therefore, provides Member States meaningful support in achieving the Sustainable Development Goals through the application of a results-based approach in project and program management.

Reference: <https://www.unodc.org/unodc/en/sustainable-development-goals/index.html>

TOPIC A: MONEY LAUNDERING

Topic Overview

The Law Enforcement, Organized Crime and Anti-Money-Laundering Unit of UNODC carries out the Global Program against Money-Laundering, Proceeds of Crime and the Financing of Terrorism, founded in 1977 due to the command given to UNODC through the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988. The Unit's authorization was enforced in 1998 by the Political Declaration and the methods for neutralizing money-laundering approved by the General Assembly, which expanded the scope of the authorization to cover all serious crime, not just drug-related offences.

The general objective of the Global Program is to support the ability of Member States to implement measures against money-laundering and the financing of terrorism and to help in detecting, seizing and removing illegal profits, as required by the United Nations devices and other globally accepted standards, by providing relevant and helpful assistance upon request.

Background

The prime reason for several organized crimes is to get money. Money-laundering is the method where criminals disguise the illegal origins of their wealth and protect their resources, to avoid suspicion from the law and prevent leaving a trail of incriminating evidence. Preventing and identifying money-laundering is a highly effective mean of identifying criminals and terrorists and the main activity from which money is derived. Since criminals deal with other people's money, financial organizations rely on a reputation for them to be trusted. If a financial institution (e.g. bank, cafes, services) is found to have been involved in laundering money, they will be rejected by legal businesses. An international financial center used for money-laundering can become an ideal financial sanctuary. Developing countries that attract “dirty money” as a temporary method of growth can find it difficult to attract a solid long-term foreign direct investment that is based on stable conditions and good governance, and that can help them sustain development and promote long-term growth. Money-laundering can decline a nation's economy by changing the demand for cash, making interest and exchange rates more unstable, and by causing high inflation in countries where criminals are doing business. Worst of all, money-laundering encourages corruption and organized crime. Corrupt public officials need to be able to launder bribes, public funds and sometimes even development loans from international financial institutions. Organized criminal groups need to be able to launder the proceeds of drug trafficking and commodity smuggling. Terrorist groups use money-laundering channels to get cash to buy weapons. The social outcomes of allowing these groups to launder money can be disastrous. Taking the proceeds of crimes from corrupt public officials, traffickers and organized crime groups is one of the best ways to stop criminals in their tracks.

Recently, the international community has become more aware of the dangers that money-laundering poses in all these areas and many governments and jurisdictions have committed themselves to taking action. The United Nations and other international organizations are committed to helping them in any way they can. Criminals are now taking advantage of the globalization of the world economy by transferring funds quickly across international borders.

Reference: <https://www.unodc.org/unodc/en/money-laundering/introduction.html?ref=menuaside>

Useful Information

Biggest Money Laundering Schemes:

Nauru — \$70 Billion

The small, humble island off the coast of Australia turned into a shell corporation landmark after its natural resources were depleted. Favored by the Russian Mafia, an estimated \$70 billion passed through unaccounted for.

The US Treasury put massive sanctions on Nauru that exceeded those on Iran. However, the island turned things around and has since been taken off the FATF (Financial Action Task Force) 'blacklist' as it abolished all shell banks registered there.

Standard Chartered Bank — \$250 Billion

One of the biggest global banks was accused of helping the Iranian government launder close to \$265 billion due to poor supervision and lack of inspections in place. The organization paid close to \$350 million in fines in 2012 and another \$350 million in 2014, for not improving their AML (Anti Money Laundering) compliance – as they had promised when they paid the first fine.

Wachovia Bank — \$380 Billion (largest money laundering scheme)

In 2010, one of the largest fines at the time for AML non-compliance was brought against Wachovia (now Wells Fargo). It is estimated that close to \$390 billion dollars were laundered by drug cartels in Mexico through the bank's branches.

Due to lax AML requirements in Mexico, the bank did not conduct due diligence regarding the source of funds. So, illegal earnings became a part of the legal sector.

Danske Bank — \$229 Billion (most recent scheme)

The Estonian branch of the bank was under fire from Estonia's financial minister and received warnings from Russia's central bank that the branch was being used for suspiciously large transactions. By 2010, the executive board of Danske Bank was aware of the large amount of deposits coming from Russia but decided they were comfortable with what was happening. The bank continued to accept large deposits from non-residents with little to no intervention. By 2013, 99% of the banks profits came from non-residents, most of them coming from Russia or ex-Soviet countries.

At the end of 2013, a snitch came forward to senior executives, and although it was discussed, once again, nothing happened. It wasn't until 2016 that Danske Bank stopped doing business with non-residents and in 2017, the world finally started paying attention. The bank was forced to stop doing business in Estonia, several executives were charged, was fined the equivalent of \$2 million by Danish authorities and various international authorities are currently trying to determine how much they are going to fine Danske Bank.

Source: <https://www.allsectech.com/the-top-money-laundering-cases-in-recent-times/>
<https://medium.com/kyc-io-scalable-kyc-management-solutions/the-5-largest-money-laundering-scandals-of-all-time-so-far-d30ff4abee10>

US Department of State Bureau of International Narcotics and Law Enforcement Affairs, Money Laundering and Financial Crimes Country Database (extract) , June 2013:

Countries of Primary Concern:

Antigua & Barbuda, Bahamas, Belize, British Virgin Islands, Cayman Islands, Curacao, Haiti, St. Maarten, United Kingdom, United States of America, and Venezuela

Countries of Concern:

Barbados, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent, Trinidad & Tobago, and Turks & Caicos

States Monitored:

Anguilla, Bermuda, Cuba, Dominica, and Montserrat

Source: <http://www.cicad.oas.org/cicaddocs/Document.aspx?Id=3095>

2017 Basel AML Index scores and ranking

| | | | | | |
|----|---|------|----|---|------|
| 1 |  Iran | 8.60 | 11 |  Kenya | 7.72 |
| 2 |  Afghanistan | 8.38 | 12 |  Liberia | 7.62 |
| 3 |  Guinea-Bissau | 8.35 | 13 |  Myanmar | 7.58 |
| 4 |  Tajikistan | 8.28 | 14 |  Nepal | 7.57 |
| 5 |  Laos | 8.28 | 15 |  Burkina Faso | 7.54 |
| 6 |  Mozambique | 8.08 | 16 |  Paraguay | 7.53 |
| 7 |  Mali | 7.97 | 17 |  Haiti | 7.50 |
| 8 |  Uganda | 7.95 | 18 |  Vietnam | 7.44 |
| 9 |  Cambodia | 7.94 | 19 |  Zambia | 7.43 |
| 10 |  Tanzania | 7.89 | 20 |  Sao Tome And Principe | 7.42 |

The United Nations Conventions and Resolutions:

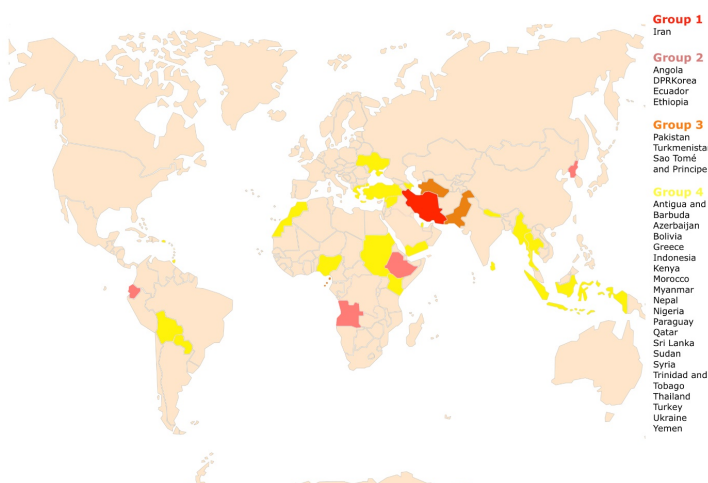
- [The 1988 United Nations Convention against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances](#) is the first international legal method to embody the money-laundering aspect of this new strategy and is also the first international convention which declares money laundering a crime.
- In September 2003 and December 2005, the [UN Convention against Transnational Organized Crime](#) and the [UN Convention against Corruption](#) respectively came into force. Both methods widen the scope of the money-laundering offense by stating that it should not only apply to the profits of drug trafficking but should also cover the profits of all serious crimes. Both Conventions urge States to create a comprehensive domestic supervisory and regulatory regime for banks and non-bank financial institutions, including natural and legal people, as well as any individuals particularly at risk to being involved in a money-laundering scheme. The Conventions also call for the establishment of Financial Intelligence Units (FIUs).
- The [International Convention for the Suppression of the Financing of Terrorism](#) came into force in April 2002. It requires Member States to take measures to protect their financial systems from being abused by people planning or engaged in terrorist activities.
- Following the events of 9/11, Member States and authorities recognized the links between terrorism, international organized crime, the international drug trade and money-laundering, and called on countries that had not done so to become parties to the relevant international conventions. In September 2001, the UN Security Council adopted [Resolution 1373](#) through which it forced certain requirements on Member States, such as the prevention of funding of terrorist acts, the banning of terrorism-related activities and of the assistance to carry out those acts, the denial of funding and safe haven to terrorists and the exchange of information to prevent the instruction of terrorist acts. In the same resolution, the Council

also established the Counter-Terrorism Committee (CTC) to monitor the implementation of the resolution.

Source: <https://www.unodc.org/unodc/en/money-laundering/Instruments-Standards.html?ref=menuside#UN-Conventions>

Graphics:

Money Laundering and Terrorist Financing: High risk jurisdictions



Current Situation

In this debate we are willing to reach a resolution on a problem that has been affecting a number of countries, particularly in Latin America. Money laundering has been affecting countries like Brazil, Venezuela, Colombia, etc. for many years now. It does not only affect the economic state in those countries, but also raises high suspicions in funding rebellious groups as well as illegal drug cartels. There is no doubt that this problem has to be solved, and by starting to focus in a region where this issue has been existing for quite a long time and making the biggest negative impact both economically and socially.

Anti-money laundering regulations have been around in some form as long as money has existed. The 20th Century brought increased regulations in order to counter illegal activities, especially those involving drug cartels and rebellious organizations. Still, some banks and financial organizations have had major lapses, and some may say that even with AMLs it is unlikely that money laundering will ever be entirely eradicated, yet UNODC is willing to put in more effort than anyone ever did to come to a resolution.

For this debate to be successful, we will need all the countries to recognize the issue and actively be involved. First world countries and other countries that have the same struggle with this issue, should suggest efficient ways by implementing which, money laundering must decrease dramatically. We must realize and admit the fact that some world leaders cover this problem for their own benefit, thus taking action into the root of the issue is also necessary.

TOPIC B: DRUG TRAFFICKING

Topic Overview

UNODC acquires, analyzes and reports data on drug trafficking trends such as; arrests, seizures, price and purity of illegal drugs submitted by the Member States via the Annual Reports Questionnaires (ARQ). By the same mechanism it also collects and reports data on illegal production of controlled substances including data on secret laboratories.

Furthermore, the UNODC collects and reports data on major individual drug arrests as reported by Member States. UNODC also supports Member States in improving ability to collect internationally comparable data on drug trafficking so necessary action can be taken.

Background

Drug trafficking is a global illegal trade involving the farming, manufacture, distribution and sales of substances which violate drug prohibition laws. The UNODC is continuously monitoring and researching global illegal drug markets in order to gain a better understanding of their dynamics. Drug trafficking is a key part of this research.

Criminal networks traffic a range of drugs including weed, cocaine, heroin and meth. As international borders become increasingly permeable, global abuse and accessibility to drugs has skyrocketed. This international trade involves growers, producers, couriers, suppliers and dealers. It affects almost all of our member countries, weakening political and economic stability, ruining the lives of people and damaging communities.

Drug trafficking is often associated with other forms of crime, such as money laundering or corruption. Trafficking routes can also be used by criminal networks to transport other illegal products such as weapons and trafficked humans.

As criminals develop more and more creative ways of disguising illegal drugs for transport, the law faces challenges in detecting such concealed substances. In addition, new synthetic drugs are produced with regularity, so the police need to always be aware of new trends and products on the illicit market.

References:

<https://www.unodc.org/unodc/en/drug-trafficking/index.html>

<https://www.interpol.int/en/crimes/drug-trafficking>

Useful Information

Biggest Kingpins in the Drug Business:

Pablo Escobar

As the head of the Medellin cartel, the Colombian drug lord ran one of the deadliest criminal organizations. Though he smuggled cocaine mainly to the US, his reach included Europe and even Asia. He used submarines to move cocaine across the globe. At the height of his career in the mid-'80s he controlled 80% of the global cocaine trade. Forbes estimated his personal wealth to be around \$3 billion. On December 2, 1993, he was shot dead by Colombian security forces.

Klaas Bruinsma

One of the biggest drug kingpins in Europe, Bruinsma's major interest was smuggling hashish, and he did it in tons. He was shot dead by an ex-cop in 1991.

Khun Sa

The half-Chinese, half-Shan drug trafficker was also a warlord, with thousands of men under him. For 20 years from 1974, Khun controlled nearly 40% of the global heroin sales. This is why the US had a bounty of \$2 million for his capture. In 1996, the "Opium King" surrendered to the Burmese government and died in 2007.

Joaquin Guzman Loera (El Chapo)

He dealt with cocaine, meth, heroin and marijuana. He smuggled everything into the US from his base in Mexico. On the run since 1991, he is now labelled one of the world's most-wanted men. The US has offered \$5 million for information on him and Mexico 30 million pesos.

Hakan Ayik

Ayik is one of Australia's most prolific drug smugglers. From marijuana to meth, he smuggles everything into Australia and uses his biker network for distribution. Last year there were media reports that he was planning to set up a "super" lab in India, which would be used to manufacture synthetic drugs on an industrial scale and smuggle them across South Asia. He has been on the run since early 2010.

Nemesio Cervantes (El Mencho)

Now he labelled as the most wanted man in the world, surpassing El Chapo. El Mencho lived in California about 30 years ago, where he was arrested on drug charges and eventually deported back to Mexico. That's where he started the violent cartel. Dozens of El Mencho drug labs were uncovered in the jungle. El Mencho's Cartel 'Jalisco Nueva Generacion', or CJNG, is responsible for at least a third of the drugs entering the U.S. by land and sea. According to the Department of Justice, the cartel has trafficked tons of cocaine, meth and fentanyl-laced heroin. A bounty for El Mencho is up to \$10 million.

Source: <https://www.biography.com/news/famous-drug-lords>
<https://www.cbsnews.com/news/el-mencho-mexican-cartel-boss-behind-one-third-of-drugs-in-the-us-2019-09-26/>

Drug Trafficking in West and Central Asia:

Afghanistan continues to dominate the worldwide opium market. In 2015, the country still accounted for almost two thirds of the global area under illicit opium poppy cultivation. Most of Europe is supplied with Afghan opiates through the "Balkan route", via the Islamic Republic of Iran, Turkey and South-Eastern Europe, which continues to be the most important tool for heroin trafficking. The total value of illegal opium-drugs trafficked on the Balkan route is estimated to amount to an average of \$28 billion per year, which is roughly a third bigger than the entire GDP of Afghanistan, while only a fraction of these profits remain in the source country. The "southern route", through Pakistan or the Islamic Republic of Iran by sea to the Gulf region and Africa (particularly East Africa), has grown in importance. The "northern route", from Afghanistan to neighboring States in Central Asia, the Russian Federation and other countries of the Commonwealth of Independent States, has started to undergo a rebirth after a decline in the period 2008-2012. However, Afghanistan and its neighbors are not only affected by trafficking as the drugs are moved to their key destination markets. Of the globally about 17.4 million past-year users of opiates, particularly South-West Asia is marked by high levels of opiate use and the highest prevalence of HIV among people who inject drugs. In Afghanistan alone, 2-2.5 million people are estimated to use drugs. Additionally, an emerging trend in Afghanistan, and similarly in Pakistan and the Islamic Republic of Iran, is the use of amphetamines.

Source: UNODC World Drug Report 2016

UNODC Efforts:

Joining country, regional and global support helps to scale up the work conducted under several well-established initiatives including:

- The Triangular Initiative (TI) involving cooperation between Afghanistan, Pakistan and (the Islamic Republic of) Iran focusing on the Southern Route, as well as on the Balkan Route;
- The Afghanistan-Kyrgyzstan-Tajikistan (AKT) Initiative focusing on the Northern Route;

- The Regional Working Groups, including on Precursors, Forensics and Law Enforcement Training, involving all countries in the region;
 - The 'Central Asia and Southern Hub' (CASH) and 'Network of Prosecutors and Central Authorities from Source, Transit and Destination Countries in response to Transnational Organized Crime in Central Asia and Southern Caucasus' (CASC) Initiatives, to address money laundering in the wider region, including facilitating cooperation between the Financial Investigative Units (FIUs), the creation of networks among judicial offices and financial investigators, development of practical tools and provision of training.
- In addition, naval regional cooperation is strengthened to address the growing use of sea routes for trafficking illicit drugs originating in Afghanistan.

Paris Pact Initiative

The Paris Pact Initiative (PPI) represents the international community's determination to combat the trafficking in opiates originating in Afghanistan. Since its launch in Paris in 2003, the broad international coalition has grown to 58 partner countries and 23 partner organizations, including UNODC.

Source: <https://www.unodc.org/unodc/en/drug-trafficking/central-asia.html>

The Role of Corruption in Illegal Drug Trafficking:

Drug rings want to get rid of economic and political obstacles to permit their business to transport their product. Many state institutions carry out control: customs, banking, police forces (and military in some cases), the judicial, penal, and legislative systems, and others. Eventually they all can be susceptible to the risk represented by traffickers' deals.

Conflict between the illegal drug trafficking organizations and the state is **inevitable**. With the drug trafficking, the state present obstacles that must be avoided in order to remain efficient and survive. To achieve this goal, traffickers implement strategies to respond to the "challenges" of confronting the state.

Here are three strategies:

- a. The **bribery/blackmail** of important officials in a state institution so the whole government can be considered corrupt enough to permit illegal activities. For example, the Cali cartel's infiltration of the Colombian state reduced direct violence used by other groups, like that of Medellín.
- b. The use of **violence** against the state and insurgent groups when they come into conflict with drug traffickers' interests. Example, in Colombia, there were acts committed in the late 1980's by the Medellín cartel (massacres, mass assassinations, threats, crimes, etc.).
- c. Efforts to **lower** certain public sectors.
 - i. *First, demoted public sectors, such as migrant workers and tenant farmers, in the Peruvian Selva Alta (tropical zone) who are tempted to cultivate coca; young unemployed in the cities as future consumers; displaced peoples, "burros," "mules," and "ants" (people who transport small quantities of drugs), etc. They can use these people as workers at different levels of the process.*
 - ii. *Similarly, representative groups such as artists, athletes, or other public figures can help the drug traffickers and figureheads enter the country's social life.*

Corruption serves the drug traffickers in the following ways:

1. It facilitates a better economic and commercial connection of the different stages of the process: agro-industrial production/ harvesting and storage systems, and long-distance international transport illegal distribution.
2. Makes the repressive role of the state more flexible, completely neutralizes it or even permits direct collaboration, as in the case of the use of military ships and planes in Peru.

Source: <https://www.tni.org/en/article/corruption-drug-trafficking-and-the-armed-forces>

Cartels

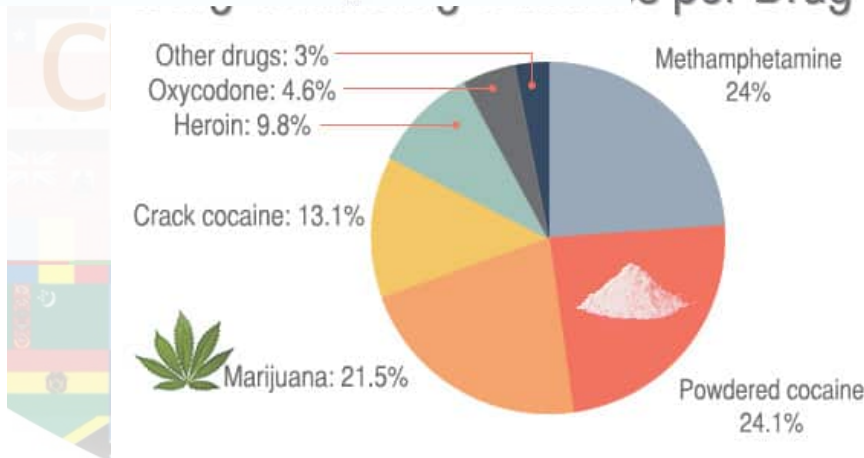
A drug cartel is any criminal organization with the intention of supplying drug trafficking operations. Mexican drug trafficking organizations pose the greatest crime threat to the United States and have "the greatest drug trafficking influence," according to the annual U.S. Drug Enforcement Administration's (DEA's) National Drug

Threat Assessment. work across the Western globally. They are money laundering, and corruption, and they homicide rates to spike. illegal drugs into the heroin, meth, marijuana, opioids, and South the past decade, numerous hearings Mexico, U.S. counter-border security issues. Cartels have continued human trafficking and their well-paid business 2006, four Cartels were



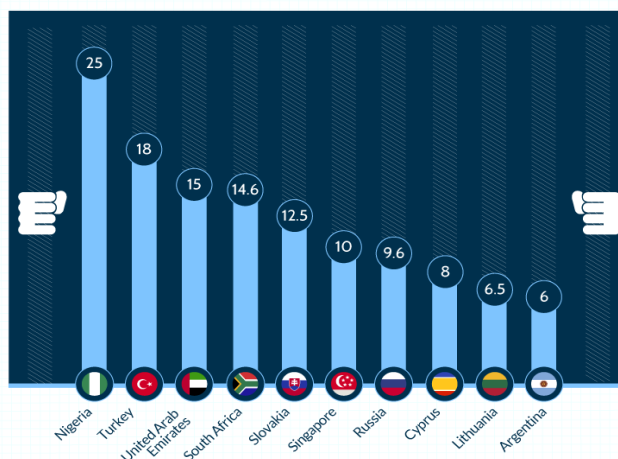
These organizations Hemisphere and involved in extensive bribery, gun trafficking, cause Mexico's They produce and traffic United States, including and powerful synthetic American cocaine. Over Congress has held addressing violence in narcotics assistance, and The major Mexican to expand into crimes as oil theft while increasing in opioid supply. In dominant: the Tijuana/

- Afghanistan
- The Bahamas
- Belize
- Bolivia
- Burma
- Colombia
- Costa Rica
- Dominican Republic
- Ecuador
- El Salvador
- Guatemala
- Haiti
- Honduras
- India
- Jamaica
- Laos
- Mexico
- Nicaragua
- Pakistan
- Panama
- Peru
- Venezuela



Arellano Felix organization (AFO), the Sinaloa Cartel, the Juárez/Vicente Carrillo Fuentes

COUNTRIES WITH THE HARSHTEST PRISON SENTENCES FOR DRUG POSSESSION
 Ranked by Average Maximum Years of Imprisonment



Organization (CFO), and the Gulf Cartel. Government operations to eliminate DTO leadership sparked organizational changes, which increased instability among the groups and violence. Over the next dozen years, Mexico's large and comparatively more stable Cartels fragmented,

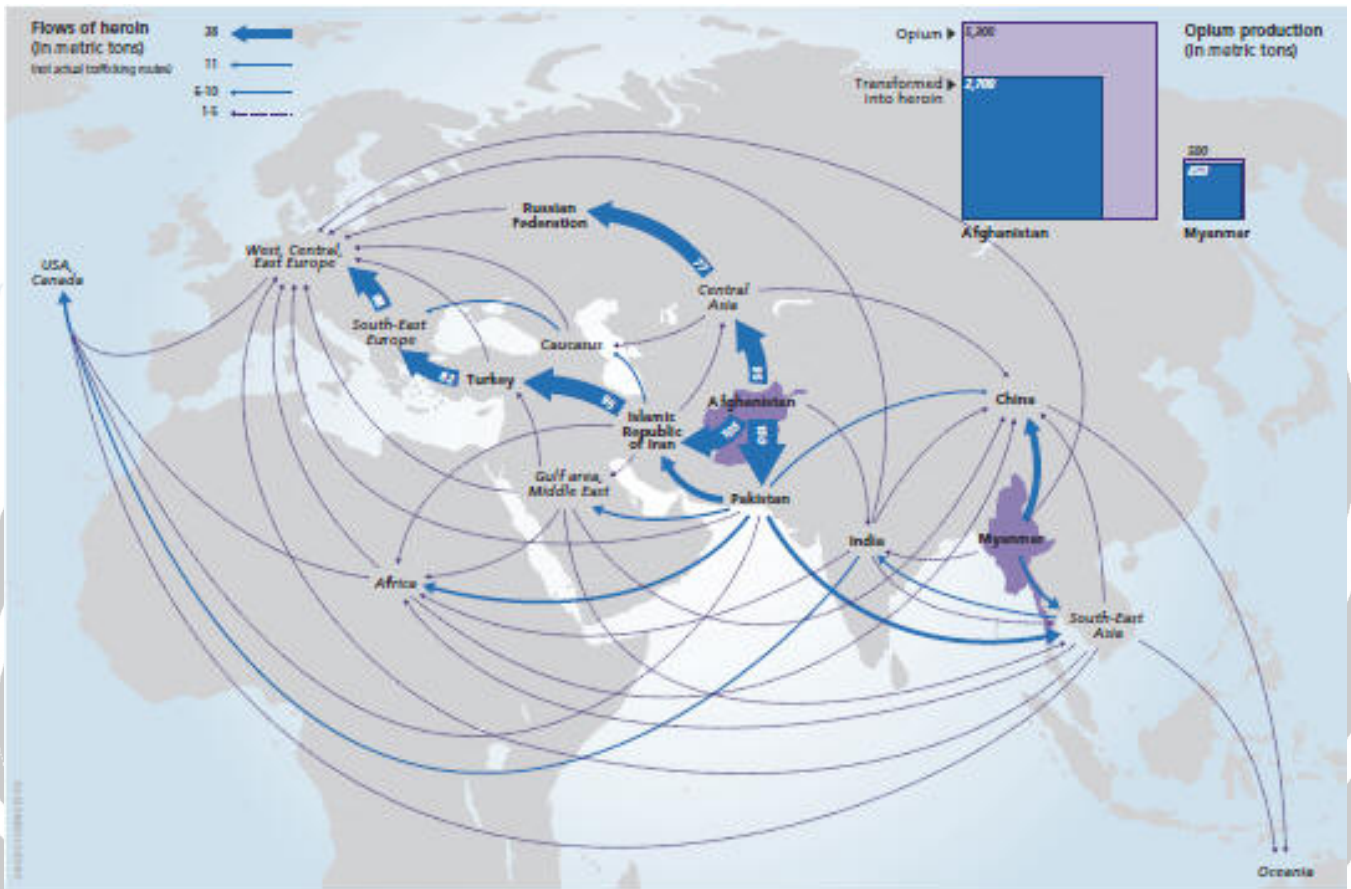
creating at first seven major groups, and then nine, which are briefly described in this report. The DEA has identified those nine organizations as Sinaloa, Los Zetas, Tijuana/AFO, Juárez/CFO, Beltrán Leyva, Gulf, La Familia Michoacana, the Knights Templar, and Cartel Jalisco-New Generation (CJNG).

Source: <https://fas.org/sgp/crs/row/R41576.pdf>

Graphics:

(← top opioid traffickers)





Current Situation

For many years, drug trafficking has been existing, and the more society and organizations like the UN realizes the negative impact of it on our modern world, thus again we are willing to stand together against this issue. Drug trafficking has created a number of other issues both in the producing country as well as the consumers' country. And we believe that there must be no place for an issue like this, in our modern world.

In this debate, we are willing to focus on drug trafficking issue in Latin America. And in order to reach a resolution, we will be needing a full participation from all the delegates, especially Latin America and the countries receiving illegal products from Latin America i.e countries such as USA, UK and European countries. How drug trafficking is done overseas, and how to prevent it should be an important concern during this debate. How country leaders are reacting to this issue and is there any coverage of the problem by the government. We will be needing to discuss the security matters within all the possible directions of the drug flow, and mainly focus on the one that is going through the Atlantic Ocean.