

# ORGANISED CRIME IN PRACTICE

## LECTURE 3

DR. EVELYNE ASAALA

# Corruption: Patterns and Trends

- Corruption patterns operate transnationally, involve multiple actors across sectors and use sophisticated legal, financial and political mechanisms to conceal their illicit activity. These patterns are often embedded within legitimate systems making it difficult to detect, investigate and prosecute. some of the most complex forms include:
- Grand corruption networks
- Cross-border money laundering schemes
- Procurement cartels and collusive tendering
- Corporate state corruption Alliances;
- Judicial Corruption syndicates

# Grand corruption networks

- Infiltration of public institutions by corrupt elites to control decision-making in their own interest:

## Key characteristics:

- Involves high level officials
- Targets regulatory agencies, procurement system
- Used to allocate public resources, contracts, extractive licenses
- Protected by law and judicial enforcement

# Cross-Border Money Laundering Schemes

- Use of professionals i.e lawyers
- Tax havens
- Layering through multiple jurisdictions
- Investment in real estate, cryptocurrency

# Procurement Cartels and Collusive Tendering

- Manipulation of public procurement by cartels of companies often in collusion with government insiders:

## Characteristics:

- Bid rigging and price-fixing
- Creation of ghost companies
- Bribery of procurement officers and falsification of records
- Use of subcontracting chains to disguise ownership

# Corporate-State Corruption Alliances

Collusion between corporate entities and public officials to dominate the market, avoid taxes, or silence regulations

## **Tactics:**

- Illegal campaign financing
- Strategic hiring of relatives or allies
- Bribes disguised as consultancy fees or donations
- Political lobbying disguised as CSR

# Judicial Corruption Syndicate

Judges, prosecutors and court staff in systematic sell of justice or block corruption investigations:

## Indicators

- Manipulated case allocation
- Bribed judicial decisions
- Intimidation of independent judges
- Protection of political allies

# Criminal-Political Alliances (Hybrid Organised Crime)

- Strategic relationship between organised crime groups with political elites, often providing mutual protection:

## How they Manifest:

- Drug cartels funding political campaigns
- Politicians using gangs for voter intimidation
- Police forces infiltrated or co-opted by criminals

# Offshore Secrecy and Asset Concealment

- Politically exposed persons using international legal structures to hide ownership of corruptly acquired wealth:

## **Mechanisms:**

- Trusts and Foundations in secrecy jurisdictions
- Non-cooperative tax jurisdictions
- Citizenship-by-investment programmes
- Nominee directors and bearer shares

# Drug Trafficking: Patterns and Trends

- Drug trafficking is globalised with production, transit and consumption spread across the continents
- Consider the case of ***Republic v Baktash Akasha Abdalla alias Baktash Akasha*** (Baktash Akasha Abdalla and Ibrahim Akasha Abdalla, both Kenyan nationals and brothers, had been charged in the United States of America for orchestrating an international narcotics conspiracy based in Kenya. The United States was one of their distribution networks. )

# Cont.

- Trafficking is often run by flexible, decentralised networks rather than rigid hierarchies
- Criminal syndicates collaborate often using intermediaries and front companies
- Its structures are sophisticated, multi-layered system that enable the production, distribution and concealment of illicit drugs on a transnational scale
- The structure manifest criminal logistics, legitimate business fronts, financial laundering mechanisms, political protection and armed enforcement. Typical of a criminal ecosystem

# Cont.

## 1. Layered operational structures

- Trafficking networks are often compartmentalised for efficiency and secrecy:

### a) Production and manufacture layer

Often in remote and unstable regions; may rely on armed group

### a) Logistics and transit layer

- Multiple transit countries are used to obscure the drugs origin; false documentation, hidden, compartments

### a) Distribution layer

- Managed by franchised criminal cells or urban gangs in destination markets: street dealers, warehouse operators

# Cont.

## **2. Integrated with Legitimate economy**

Mediums of laundering proceeds:

- Real estate
- Cash-intensive business (car wash, retail shops etc)
- Import-export companies
- Banking systems and shell companies in tax havens

## **3. Corruption and political protection**

- Traffickers co-opt border officials, police, military, politicians, customs agents

# Cont.

- Protection allows uninterrupted operations and impunity

## **4. Use of technology and encrypted communication**

- Dark web markets and cryptocurrencies for anonymous sales

# Cont.



## 5. Violence and Enforcement Wings

- Armed operatives (often ex soldiers or gang members) are used for:
- Debt collection
- Rival suppression
- Protection of Shipment

## 6. Transnational Alliances and Franchise Models

- Traffickers operate in alliances across countries
- Refer to *Akasha case*

# 7. Use of human shield and vulnerable populations

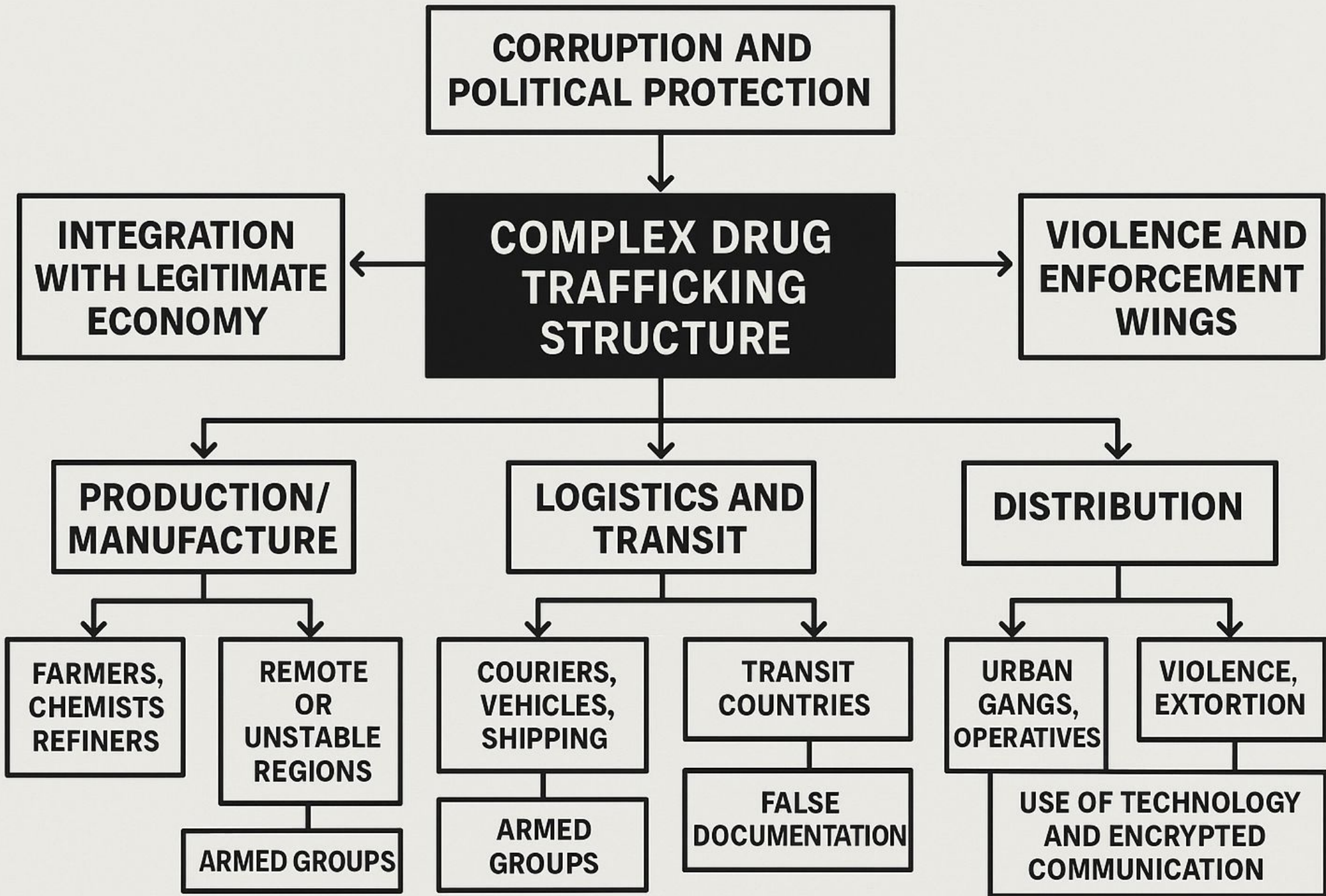
- Women and children often used as drug mules or lookouts especially in high risk areas
- Trafficking networks may embed operations within slums, refugee camps or conflict zones to shield themselves from detection and law enforcement

# 8. Legal and political Manipulation

- They hire lawyers, accountants, lobby groups public relations firms to defend their interests
- Use of strategic litigation, bribery
- Funding of electoral campaigns to secure impunity

# 9. Diversification and parallel Criminal Markets

- Complex trafficking groups often branch out into:
- Human trafficking
- Illegal arms trade
- Wildlife and timber smuggling
- Counterfeit goods



# Class discussion

- Which of these patterns and trend is most prevalent in Kenya and why?
- In light of the complex structured patterns and trends adopted by criminals in organized crime, apart from prosecutions, what would be the other most effective ways of intervention?

*THE END*

*THANK YOU!*