

UNDERMINING THE
FOUNDATIONS OF
ORGANIZED CRIME AND
PUBLIC SECTOR CORRUPTION
An Essay on Best International Practices

Edgardo Buscaglia,
Samuel Gonzalez-Ruiz, and
William Ratliff

PROBLEMS AND CHALLENGES

Corruption and organized crime are serious criminal phenomena, but they are also much more than that. Not only is organized crime an impediment to national development and globalization, but with its links to terrorist groups worldwide, it is also a threat to the national security of the United States and other open and opening societies. The recent histories of Pakistan and Colombia demonstrate clearly how organized criminal groups support the expansion of transnational terrorism and even how misconceived domestic and international pol-

Edgardo Buscaglia is a research fellow at the Hoover Institution, Stanford University, and a senior research fellow at Columbia University. He is an expert advising the United Nations Institute for Training and Research (UNITAR). Samuel Gonzalez-Ruiz was deputy attorney general of Mexico (1995–99) and is a professor of law at the University of Sevilla, Spain. William Ratliff is a research fellow at the Hoover Institution and a specialist in comparative international development.

icies can simply make matters worse (Buscaglia 1999; Buscaglia and Ratliff 2001). The threat that these activities of organized crime presents is compounded because transnational criminal organizations often act with the tacit or explicit support of state authorities, as in the illegal trafficking of radioactive, biological, and chemical materials and in the more conventional transport of military and other equipment (Buscaglia and Gonzalez-Ruiz 2002). That is, criminal groups frequently expand their activities worldwide by capturing the public policies of states with the support of corrupt public officials, who then do not work conscientiously for the good of their own nations or of the international community. Just one example is the transnational criminal organizations in Russia that engage in the trafficking and supplying of weapons to terrorist groups inside and outside the Federation's borders, which they do by corrupting local public officials and officials in the military establishment (Buscaglia 1997).

Organized crime, corruption, and links to terrorism are possible because of weaknesses in the control mechanisms of state and civil society, as demonstrated by conditions in Colombia (Buscaglia and Ratliff 2001) and by large-scale terrorist involvement in organized crime, including money-laundering, as has been the case with the Irish Republican Army in Northern Ireland (*Economist* 2005). Theory and applied research suggest that there are interdependent links along the entire spectrum of political, socioeconomic, legal, and criminal justice domains (Shelley 1995; Buscaglia and Gonzalez-Ruiz 2002; Buscaglia and Ratliff 2000). For example, the analytical results found in Buscaglia and van Dijk (2003), from a sample of more than five dozen countries worldwide, attest to the deep ties between the growth of organized crime and the growth of public sector corruption. Many believe incorrectly that in a large range of societies, the links between organized crime and terrorists resemble the popular perceptions of a formal and structured "Mafia" type (Buscaglia and Gonzalez-Ruiz 2002). But on the contrary, these criminal enterprises are dynamic

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and relatively loose structures, making the task of both law enforcement and intelligence analysis much more difficult (Williams 2001).

There is ample evidence of organized crime's involvement in some major piratical attacks in the Malacca Strait, for example, with the threats those attacks have posed to persons, to property, and to the delivery of, among other things, 80 percent of the oil shipped to Asia's booming economies. Indeed, organized crime may be involved in the setting up of "phantom ships" that intelligence sources say are under the control of al-Qaeda (Ratliff 2005a, 2005b; Burnett 2002). What is more, evidence suggests that these links between terrorism and organized crime are on the rise. For example, since 1990 the transnational organized crime linked to specific terrorist operations has increased at an average rate of 8, 19, and 21 percent yearly in Latin America, Africa, and Eurasia, respectively (Buscaglia and Gonzalez-Ruiz 2002). Thus the links between organized crime and states with weak or corrupt governance constitute an important threat to international peace and security as well as to national development and well-being. They demand a response that will both improve national governance and development and reduce links that threaten national and international security. The composite indexes of organized crime and corruption in Buscaglia and van Dijk (2003) were used to identify the institutional factors linked to reductions in complex crime. This policy essay goes one step further by delineating best practices in counteracting organized crime and public sector corruption.

This essay is in three parts: (1) focus and background, (2) methodology and empirical analysis, and (3) policy recommendations taken from the study of best international practices in counteracting organized crime and public sector corruption.