

2003 Evian Final Compliance Report Crime: Terrorist Financing

Commitment

2003 — 36: “We reaffirm our commitment to fight financial abuses and to encourage wider accession to and ratification of the U.N. Convention on Transnational Organized Crime so that money laundering, corruption and other relevant crimes are universally criminalized and that all countries have the power to identify, trace, freeze or seize and ultimately confiscate and dispose of assets from the proceeds of these crimes.”

Background

At the 2003 Evian Summit, G8 Members placed a strong emphasis on ensuring that financial resources in this area were directed towards their intended purpose, primarily through increased transparency and accountability. As a measure of this goal, the leaders committed to fighting transnational crime and recognized the initiatives already made in this area under the auspices of the United Nations. This commitment was reiterated in the communiqué of the Justice and Home Affairs Ministers meeting that took place in Washington on May 11, 2004. Efforts to enhance investigative and judicial measures against transnational crime, named as a priority in the communiqué itself, were further elaborated on in documents recommending special investigative techniques and means to recover the proceeds of corruption. The United Nations Convention Against Corruption, which was adopted by the UN General Assembly on October 31, 2003,²⁶⁴ was given strong and unequivocal support in the final document.

On September 29, 2003, the United Nations Convention Against Transnational Organized Crime entered into force, having received the minimum 40 ratifications required as of July 2003. This agreement represents a significant achievement between states in the fight against organized crime, and presents several measures to cooperate against specific activities such as money laundering, corruption, and the obstruction of investigations or persecutions. The Convention was first officially adopted by the UN General Assembly at the Millennium Assembly in November 2000. Among the G8 members, all are signatories but few have ratified the agreement to date.

Assessment

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany	-1		
Italy	-1		
Japan	-1		
Russia	-1		
United Kingdom	-1		
United States	-1		

²⁶⁴ United Nations Convention Against Corruption, Background, www.unodc.org/unodc/en/crime_convention_corruption.html

Overall			-0.50
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Individual Country Compliance Breakdown

1. Canada: +1

The Canadian government ratified the UN Convention on Transnational Organized Crime on May 13, 2002, thus fulfilling a key element of its commitment as a G8 member. In addition, it has made several moves to reinforce its commitment. In so doing, their focus has rested mainly on financial transactions and in establishing the means to ensure greater security.

As early as 1998, former Solicitor General Andy Scott identified the actions taken by Canada in this area, citing the need for a strategic partnership between different levels of government in Canada. He pointed out that even in 1996, the Canadian Security Intelligence Service (CSIS) had established a Transnational Criminal Activity Unit.²⁶⁵ Within the North American context, Canada works with the United States on an ongoing basis under the Canada-U.S. Cross-Border Crime Forum as well as the Canada-U.S. Integrated Border Enforcement Teams.²⁶⁶

Canada has provided financial assistance for teams of professionals to participate and cooperate across sectors in investigations of organized crime in its Budget Plan for 2003.²⁶⁷ Canada has also streamlined its efforts and coordination amongst departments against transnational crime, with Prime Minister Paul Martin's introduction of the Department of Public Safety and Emergency Preparedness in December 2003.

2. France: +1

Having ratified the U.N. Convention against Transnational Organized Crime by October 29, 2002, France has essentially satisfied its 2003 Evian Summit commitment to fighting financial abuses and terrorist financing abroad.²⁶⁸ President Chirac, speaking at a press conference on E.U. enlargement April 29, 2004, proposed that a "strong and secure" Europe would help to "more effectively fight against terrorism, illegal immigration, [as well as] trafficking linked to organized crime."²⁶⁹ On May 1, 2004, the French Ministry of Foreign Affairs website posted a statement echoing these comments, suggesting that integration would further encourage the development of a co-operative, "common judicial and security policy." Moreover, it is hoped that this eventual collective security arrangement might reinforce the ability of all Europeans to "combat menaces like terrorism, organized crime and drug trafficking."²⁷⁰

²⁶⁵ Transnational Criminal Activity, Revised March 2003, "The Hon. Andy Scott, former Solicitor General, Speech to the Throne, 30 April 1998, www.csis-scrs.gc.ca/eng/backgrnd/back10_e.html

²⁶⁶ Facts about Organized Crime in Canada, Public Safety and Emergency Preparedness Canada, www.psepc-sppcc.gc.ca/policing/organized_crime/FactSheets/org_crime_e.asp

²⁶⁷ Department of Finance Canada: "The Budget Plan 2003", www.fin.gc.ca/budget03/pdf/bp2003e.pdf

²⁶⁸ United Nations Office on Drugs and Crime, "United Nations Convention against Transnational Organized Crime," www.unodc.org/unodc/en/crime_cicp_signatures_convention.html

²⁶⁹ Ministère des Affaires Étrangères, "EU Enlargement – EU Enlargement / Press conference on Europe by President Jacques Chirac (29 April 2004)," www.france.diplomatie.fr/actu/article.gb.asp?ART=41897

²⁷⁰ Ministère des Affaires Étrangères, "FAQ – Will a 25-member Union be more capable of combating such global evils as terrorism, criminal acts and drug trafficking? (1 May 2004)," www.

3. Germany: -1

Although Germany has emphasized the imperative of cooperation in this context, its ratification of the United Nations Convention on Transnational Crime remains absent. Germany became a signatory of the Convention on December 12, 2000.²⁷¹ Germany has been supportive of efforts towards the UN Convention Against Corruption, and of the G8's Financial Action Task Force. On the occasion of the signing of the UN Convention Against Corruption on December 10, 2003, Ambassador Dr. Eberhard Kolsch referred to the German government's special concern to counteract dangerous instability with the rule of law, sound public infrastructure, and the promotion of development. He committed the German Federal government to aiding states to implement this convention.

As a leading member of the European Union, Germany has given strong emphasis in this field to the conventions of the Council of Europe against money laundering crimes and cyber crime.²⁷² Germany also commends the work of the Council of the Baltic Sea States' Task Force Organized Crime, which consolidates the efforts of all countries in this region to combat crime. As a member of this international body, Germany supports cooperative efforts between the CBSS and the Organization for Economic Cooperation and Development (OECD) as encouraged in the Pori Declaration from the CBSS' 12th Ministerial in June 2003.²⁷³ Taken together, Germany's support contributes significantly to international and regional efforts to combat transnational crime, however, its' failure to ratify the UN Convention on Transnational Crime corresponds to a negative score for this commitment.

4. Italy: -1

Italy has not fulfilled its 2003 Evian Summit commitment to combat terrorist financing, given that it has yet to ratify the UN Convention against Transnational Organized Crime.²⁷⁴ However, on February 11, 2004, Italian Minister for Foreign Affairs, Franco Frattini met with Colombian Minister for Foreign Affairs, Carolina Barco, allowing Frattini to reaffirm his country's pledge to improve counter-terrorism and to end drug trafficking efforts with the assistance of the UNODC.²⁷⁵ In March 2004, Frattini again expressed the need to strength European cooperation in the struggle against terrorism.²⁷⁶ He called upon EU member states on April 1, 2004, declaring their common need to ensure a "strong commitment to guaranteeing conditions of [legal]

diplomatie.gouv.fr/actu/article.GP.asp?ART=41944

²⁷¹ United Nations Office on Drugs and Crime, "United Nations Convention Against Transnational Organized Crime" www.unodc.org/unodc/crime_cicp_signatures_convention.html

²⁷² German Foreign Ministry, German Foreign Policy, "Convention of the Council of Europe" in International Cooperation in Combating Organized Crime, www.auswaertiges-amt.de/www/en/aussenpolitik/vn/org_kriminalitaet_html#8

²⁷³ Council of the Baltic Sea States, 12th Ministerial Session, Communiqué, www.auswaertiges-amt.de/www/en/aussenpolitik/regionalkonzepte/ostseerat/pori_declaration_html

²⁷⁴ United Nations Office on Drugs and Crime, "United Nations Convention against Transnational Organized Crime," www.unodc.org/unodc/en/crime_cicp_signatures_convention.html

²⁷⁵ Ministero degli Affari Esteri, "11 February 2004," <www.esteri.it>

²⁷⁶ Ministero degli Affari Esteri, "17 March 2004," <www.esteri.it>

stability and development in neighboring areas, [particularly] in those most important to European security.”²⁷⁷

Although Italy has not ratified the UN Convention on Transnational Crime, it continues to show support and some level of commitment in several ways. In February 2004, the Ad Hoc Committee on the Elaboration of a Convention against Transnational Organized Crime (established by the General Assembly in December 1998) held its 13th session in Vienna. The Chairman of the board, Italian Luigi Augusto Lauriola, demonstrated his countries’ support for the convention through various statements. Apart from urging those states that had not yet ratified to do so, the Chairman also stressed the importance of effective implementation by the states for the future of the Convention.²⁷⁸ The Committee also planned for the first session of the Conference of the Parties to the United Nations Convention against Transnational Organized Crime in June, 2004.²⁷⁹ On May 14, 2004, all thirty-three members of the Financial Action Task Force on money laundering, of which Italy is a member, will meet in Paris to discuss the future of the task force and review the task of the FATF’s mandate to combat money-laundering.²⁸⁰

5. Japan: -1

Japan has not complied with this commitment, having failed to ratify the UN Convention on Transnational Crime. Regardless, the Convention entered into force with the necessary 40 ratifications on 29 September 2003. Japan signed the Convention on December 12, 2000.

Nonetheless, Japan has indicated its desire to combat such crimes on a regional basis. On December 10, 2003, Prime Minister Junichiro Koizumi outlined Japan’s desire to cooperate with the Association of South East Asian Nations (ASEAN) to respond to the economic threat of terrorism.²⁸¹ On January 10, 2004, the First ASEAN Plus Three Ministerial Meeting on Transnational Crime took place. In the Joint Communiqué, participants committed to strengthen their cooperation on these matters as well as to work towards the establishment of an ASEAN Security Community. Ministers there recognized the root of these crimes as poverty and the development gap, and noted that such problems can be ameliorated within a framework of ASEAN Plus Three cooperation.²⁸²

²⁷⁷ Ministero degli Affari Esteri, “Europe’s growing role (1 April 2004),” <www.esteri.it>

²⁷⁸ United Nations Office on Drugs and Crime, “13th Session of the Ad Hoc Committee to prepare the draft text of the Rules of Procedure for the Conference of the Parties to the UN Convention against Transnational Organized Crime,” www.unodc.org/pdf/ctoccop_2004_02/V0451241E.pdf

²⁷⁹ United Nations Office on Drugs and Crime, “13th Session of the Ad Hoc Committee to prepare the draft text of the Rules of Procedure for the Conference of the Parties to the UN Convention against Transnational Organized Crime,” www.unodc.org/pdf/ctoccop_2004_02/V0451241E.pdf

²⁸⁰ Financial Action Task Force, “Ministers of the FATF to meet in Paris 14 May, 2004,” www1.oecd.org/fatf/pdf/PR-20040506_en.PDF

²⁸¹ Speech by Prime Minister Junichiro Koizumi at the ASEAN-Japan Investment-Business Alliance Seminar (AJBIS), www.kantei.go.jp/foreign/koizumispeech/2003/12/10speech_e...

²⁸² Joint Communiqué, The First ASEAN Plus Three Ministerial Meeting on Transnational Crime (AMMTC+3), Bangkok, 10 January 2004, www.aseansec.org/15645.htm

Japan also committed the 11th APEC Economic Leaders' Meeting in late 2003 to work with the Asian Development Bank "to support projects that enhance port security, combat terrorist finance, and achieve other counter-terrorism objectives."²⁸³

6. Russia: -1

Russia has not ratified the UN Convention on Transnational Crime, which it signed on December 12, 2000, thus receiving a score in the negative range.²⁸⁴ Despite its failure to ratify the treaty, it has demonstrated commitment to the Convention in several ways. Its attendance at the Ad Hoc Committee on the Elaboration of a Convention against Transnational Organized Crime from February 2-6, 2004 indicates some degree of participation, although the meeting was attended by 94 states (the treaty includes 147 signatories). On May 14, 2004, all 33 members of the Financial Action Task Force on money laundering, of which Russia is a member, will meet in Paris to discuss the future of the task force and review its mandate to combat money-laundering.²⁸⁵

7. United Kingdom: -1

Upon final analysis, one might conclude that the U.K. has not fulfilled its 2003 Evian Summit commitment to fight terrorist financing, as it has not yet ratified the UN Convention against Transnational Organized Crime.²⁸⁶ February 9th of 2004 met with the creation of the new UK-wide Serious Organized Crime Agency. This initiative was taken in order to bring together experts and policy from the National Criminal Intelligence Service, the National Crime Squad, Home Office work on immigration crime as well as HM Customs and Excise intelligence on drug trafficking and recovering criminal assets.²⁸⁷ The Proceeds of Crime Act — designed to motivate police to seize, confiscate and recover even more criminally acquired wealth — was announced by Home Office Minister, Caroline Flint, on February 24th. She stated that "criminals [were] beginning [to feel] the pain of having their assets frozen, seized and confiscated on a greater scale than ever before."²⁸⁸ Moreover, a national debate exploring how to deal with international terrorism while retaining personal rights and freedoms was launched by Home Secretary David Blunkett on February 25th.²⁸⁹ In March, Blunkett also called for closer co-operation between European states to combat the threat of terrorism and oversaw a £15m allocation to increase the number of special branch officers.²⁹⁰ Following the March 30th capture

²⁸³ Bangkok Declaration on Partnership for the Future, www.kantei.go.jp/foreign/koizumispeech/2003/10/21sengen_...

²⁸⁴ United Nations Office on Drugs and Crime, "United Nations Convention against Transnational Organized Crime," www.unodc.org/unodc/en/crim_ciicp_signatures_convention.html

²⁸⁵ Financial Action Task Force, "'Ministers of the FATF to meet in Paris 14 May, 2004,'" www1.oecd.org/fatf/pdf/PR-20040506_en.PDF

²⁸⁶ United Nations Office on Drugs and Crime, "United Nations Convention against Transnational Organized Crime," www.unodc.org/unodc/en/crime_cicp_signatures_convention.html

²⁸⁷ 10 Downing Street, "New organised crime agency unveiled (9 February 2004)," www.number-10.gov.uk/output/page5329.asp

²⁸⁸ Home Office, "Inside the Home Office – New Police Scheme to Keep Criminal Proceeds Taking the Profit out of Crime – One Year On (24 February 2004)," www.homeoffice.gov.uk/n_story.asp?item_id=828

²⁸⁹ 10 Downing Street, "Home Secretary urges terror debate (25 February 2004)," www.Number-10.gov.uk/output/page5404.asp

²⁹⁰ 10 Downing Street, "Anti-terror authorities get extra £15m (19 March 2004)," www.number-10.gov.uk/output/page5532.asp

of eight British terrorist suspects, the Home Secretary again urged people to remain vigilant and report any suspicious activity to police through an anti-terrorist hotline.²⁹¹ By the end of the month, “Operation Payback” — a drive to collect unpaid court fines — had begun to highlight the continued English campaign to recover criminal assets and prevent money laundering.²⁹²

Foreign Office Minister Bill Rammell’s travels through Afghanistan during the first week of May were done in an effort to evaluate the progress of current UK-funded, drug trade-tackling, sustainable development programs.²⁹³ May 15th, however, has met with the true launching of Home Secretary Blunkett’s March 2004 parliamentary report,²⁹⁴ “One Step Ahead: A 21st Century Strategy to Defeat Organized Criminals.” Public consultation on this White Paper, however, is open until July 30th.²⁹⁵ Essentially, the strategy calls for the introduction of new legal powers; a better, more strategic use of existing powers and the creation of the powerful new Serious Crime Agency (SOCA).²⁹⁶ Blunkett has proposed that his strategy will ultimately “reduce the harm organized crime causes on [UK] streets and make the UK one of the most difficult environments in the world for organized criminals to operate.”²⁹⁷

8. United States: -1

The United States has not ratified the UN Convention on Transnational Crime that it signed on December 13, 2000, thereby receiving a score in the negative range.²⁹⁸ Despite this failure, the United States has demonstrated some degree of commitment that should be recognized. In the 94 attending parties at the Ad Hoc Committee on the Elaboration of a Convention against Transnational Organized Crime in February 2004, the United States’ attendance was noted. On May 14, 2004, all thirty-three members of the Financial Action Task Force on money-laundering, of which the United States is a member, will meet in Paris to discuss the future of the task force and review the task of the FATF’s mandate to combat money-laundering.²⁹⁹

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²⁹¹ 10 Downing Street, “Arrest of terror suspects a ‘timely reminder’ (30 March 2004),” www.number-10.gov.uk/output/page5595.asp

²⁹² 10 Downing Street, “Court fine clampdown begins (22 March 2004),” www.number-10.gov.uk/output/page5543.asp

²⁹³ 10 Downing Street, “UK funds fight Afghan drug trade (5 May 2004),” www.number-10.gov.uk/output/page5741.asp

²⁹⁴ Home Office, “One Step Ahead – A 21st Century Strategy to Defeat Organised Crime (March 2004),” www.homeoffice.gov.uk/docs3/wp_organised_crime.pdf

²⁹⁵ Home Office, “White Paper on Organised Crime Consultation Document (26 March 2004),” www.homeoffice.gov.uk/docs3/whitepaper_consultation_intro.html

²⁹⁶ 10 Downing Street, “New strategy to combat organised crime (15 May 2004),” www.number-10.gov.uk/output/page5589.asp

²⁹⁷ Home Office, “Inside the Home Office – One Step Ahead: A 21st Century Strategy to Defeat Organized Criminals (29 March 2004),” www.homeoffice.gov.uk/n_story.asp?item_id=896

²⁹⁸ United Nations Office on Drugs and Crime, “United Nations Convention against Transnational Organized Crime,” www.unodc.org/unodc/en/crim_ciicp_signatures_convention.html

²⁹⁹ Financial Action Task Force, “Ministers of the FATF to meet in Paris 14 May, 2004,” www1.oecd.org/fatf/pdf/PR-20040506_en.PDF