

14. Transnational Crime and Corruption [232]

Commitment

“We maintained our commitment to implement and promote the FATF recommendations, the UN Convention on Transnational Organized Crime, and the UN Convention Against Corruption.”

*Fighting High-Level Corruption*⁶⁵⁷

Background

Cognizant of the problems that non-transparent governance and corruption presents to economic growth and global stability, the G8 has fought transnational crime by creating specific institutions such as, the Financial Action Task Force (FATF) in 1989 to combat money laundering and terrorist financing, and the Senior Experts’ Lyon Group in 1995 to establish norms and recommendations for the international community. At Evian, the G8 committed to strengthening the OECD Anti-Bribery Convention, concluding the UN Convention Against Corruption and supporting the accelerated ratification of the UN Convention Against Transnational Organized Crime. However, the G8 must move to conclude its collective ratification of the UN Convention Against Corruption as several members including Canada, Germany, Italy, Japan and the European Community have yet to do so. Shortly after the St. Petersburg Summit, Italy became the second to last member to finally ratify the Convention on Transnational Organized Crime; Japan has signed but not ratified the treaty.

The G8 also pledged to encourage partner countries and companies, both in the private and public sectors, to disclose pertinent information to various IFIs such as, the World Bank or the IMF. At the 2004 Sea Island Summit, the G8 reiterated its commitment to fighting corruption and improving transparency and accountability in coordination with other relevant actors, and formed compacts with the governments of Georgia, Nicaragua, Nigeria, and Peru. More recently, the G8 pledged to continue its earlier efforts to “promote transparency in public financial management and accountability, including by following through on our 2004 Sea Island commitment to launch four compacts, and our 2005 Gleneagles commitment to increase support for the Extractive Industries Transparency Initiative (EITI) and countries implementing it.” As the G8 appreciates the connection between good governance and best practices, at St. Petersburg, the G8 committed both to prosecuting acts of corruption and to preventing corrupt politicians from holding office.

Team Leader: Susan Khazaeli

Assessment

	Interim Compliance Score		
	Lack of Compliance	Work in Progress	Full Compliance
Canada		0	
France		0	
Germany		0	
Italy		0	
Japan		0	
Russia		0	
United Kingdom		0	
United States		0	
European Union		0	
Overall		0	

⁶⁵⁷ Fighting High Level Corruption, G8 Research Group, (Toronto), 16 July 2006. Date of Access: 12 January 2007. www.g7.utoronto.ca/summit/2006stpetersburg/corruption.html.

Canada: 0

Canada has made some progress toward fulfilling its St. Petersburg commitments on transnational crime, specifically in the implementation of the FATF recommendations, and in the support of the UN Convention Against Transnational Crime.

As an observer to the UN Convention Against Transnational Organized Crime, Canada has committed to executing a series of protocols to reduce "gaps in national law, jurisdictional problems or a lack of accurate information about the full scope of their activities."⁶⁵⁸ In recent months, Canada has modified aspects of its national Criminal Code to conform to Article 19 of the Convention, which encourages signatory states to establish cooperative investigation teams to help combat organized crime.⁶⁵⁹

Preceding the St. Petersburg Summit, Frank Swedlove, former Assistant Deputy Minister of the Financial Sector Policy Branch in Canada's Department of Finance, assumed the presidency of the FATF. From 9 to 13 October 2006, Canada hosted the Vancouver Plenary that saw the release of two reports on methods of combating money laundering and terrorist financing.⁶⁶⁰

In a keynote address at a joint American and Middle East and North Africa Private Sector Dialogue (US-MENA PSD) Conference on the twin issues of anti-money laundering and counter-terrorist financing, on 7 December, Swedlove encouraged the full implementation of the 40 + 9 Recommendations.⁶⁶¹ Recognizing that the mounting problems of transnational crime can only be remedied through close, and concerted international cooperation and through the open exchange of information, he continued that "a truly global network with consistent application of the standards is essential if we are to ensure criminals and terrorists do not have access to the financial resources they need to survive and grow."⁶⁶²

Despite these activities, Canada has yet to ratify the UN Convention Against Corruption.⁶⁶³

Analyst: Susan Khazaeli

France: 0

France has taken some steps forward in achieving compliance with its summit obligations on transnational crime. Although France was an early supporter of the UN Convention Against Transnational Organized Crime and the UN Convention Against Corruption, since St. Petersburg, it has yet to release any government statements or initiatives on anti-corruption or on combating transnational crime.

Nonetheless, France has attended several regional anti-corruption conferences. A French delegation to the Group of States Against Corruption (GRECO) was among those in attendance at the 30th and the 31st plenary sessions, held from the 9 –13 October and the 4 to 8 December 2006 respectively.⁶⁶⁴ At the latter session, the head of the Legal Studies and Control Division within the department of Legal Affairs of the National Assembly of France presented on political party financing.⁶⁶⁵ As an observer member, France also sent a delegation to the Middle East and North Africa Financial Action Task Force (MENAFATF) meeting in the United Arab Emirates, which was held from the 13 to 15 November 2006.⁶⁶⁶

In keeping with its commitment to promote the UN Convention Against Corruption, France contributed a legal delegation to helping Indonesia establish anti-corruption laws, specifically concerning the

⁶⁵⁸ United Nations Convention against Transnational Organized Crime, UN Office on Drugs and Crime, (Vienna). Date of Access: 9 November 2006. www.unodc.org/unodc/en/crime_cicp_signatures_convention.html.

⁶⁵⁹ Criminal Code, Department of Justice, (Ottawa), 10 December 2006. Date of Access: 3 January 2007. laws.justice.gc.ca/en/c-46/text.html.

⁶⁶⁰ Chairman's Summary: Vancouver Plenary, Financial Action Task Force, (Paris), 13 October 2006. Date of Access: 13 January 2007. www.fatf-gafi.org/searchResult/0,2665,en_32250379_32235720_1_1_1_1_1,00.html.

⁶⁶¹ Current initiatives of the FATF Key note address to the US-MENA PSD, Financial Action Task Force, (New York), 12 December 2006. Date of Access: 12 January 2007. www.fatf-gafi.org/dataoecd/45/58/37865158.pdf.

⁶⁶² Current initiatives of the FATF Key note address to the US-MENA PSD, Financial Action Task Force, (New York), 12 December 2006. Date of Access: 12 January 2007. www.fatf-gafi.org/dataoecd/45/58/37865158.pdf.

⁶⁶³ United Nations Convention Against Corruption, United Nations, (New York), December 2006. Date of Access: 24 January 2007. www.unodc.org/unodc/crime_signatures_corruption.html.

⁶⁶⁴ Calendar of GRECO meetings, Group of States Against Corruption, (Strasbourg), November 2006, Date of Access: 4 January 2007. www.coe.int/t/dg1/greco/meetings/calendar2006_en.asp.

⁶⁶⁵ Revised Draft Agenda 31st Plenary Meeting, Group of States Against Corruption, (Strasbourg), 21 November 2006, Date of Access: 4 January 2007. [www.coe.int/t/dg1/greco/documents/2006/GRECO\(2006\)OJ31rev_en.pdf](http://www.coe.int/t/dg1/greco/documents/2006/GRECO(2006)OJ31rev_en.pdf).

⁶⁶⁶ Laundering clamp hailed, Gulf Daily News, (Bahrain), 6 December 2006, Date of Access: 20 December 2006. www.gulf-daily-news.com/1yr_arc_Articles.asp?Article=163663&Sn=BUSI&IssueID=29261&date=12-6-2006.

proper application of the Convention.⁶⁶⁷ The following month, from 14 to 15 December, France attended the Fifth Plenary meeting of the Eurasian Group (EAG) to review the levels of cooperation between the Group and other regional or international organizations and to discuss the ties between corruption and money laundering.⁶⁶⁸

Analyst: Hilary Peden

Germany: 0

Germany has made a considerable effort to maintain its St. Petersburg commitment to promote the FATF recommendations, the UN Convention Against Transnational Organized Crime, and the UN Convention Against Corruption.

Recognizing the links between good governance and economic growth on the one hand, and crime and corruption on the other, on 21 August 2006, Chancellor Angela Merkel announced that development in Africa coupled with fighting corruption and constructing viable internal state systems were of vital importance.⁶⁶⁹ The importance of economic stability in global financial relations was reiterated, on 18 October 2006, when Germany released its tentative G8 agenda for Heiligendamm: highlights include: "discussion of measures aimed at improving systemic stability and transparency of financial markets" and talks "on the need to develop structures that will encourage private investment...more democracy, less corruption..."⁶⁷⁰.

With respect to promoting the FATF recommendations, Germany attended the FATF Vancouver Plenary, held from the 9 to 13 October 2006.⁶⁷¹ The next month, on 2 November 2006, Romanian Prime Minister Calin Popescu-Tariceanu met with Chancellor Merkel in Berlin, where the two leaders discussed reform in the areas of justice and home affairs, as a precursor to membership in the European Union.⁶⁷² Aiming reform efforts at the justice sector assists in the combating the problems of corruption, money laundering and organized crime in these countries.⁶⁷³

Since countries with large extractive industries sectors are particularly exposed to corruption, on 18 December 2006, the government announced that it would focus its efforts on fighting corruption problems in African oil-producing countries, where profits from the energy sectors are often diverted from social programs and economic development.⁶⁷⁴ On 16 October 2006, Germany reiterated its belief in the importance of the Extractive Industries Transparency Initiative, which promotes transparency in the collection of revenues from the natural resources industry.⁶⁷⁵ Thus Germany has demonstrated support for the international fight against corruption.

Despite these positive actions, Germany has failed to ratify the UN Convention against Corruption to date.⁶⁷⁶ Germany must conclude its ratification of the Convention if it is to commit fully to the global fight against corruption.

Analysts: Alexandra Lapin and Arina Shadrikova

⁶⁶⁷ France Helps Amend Corruption Law, Tempo Interactive, (Jakarta), 14 November 2006, Date of Access: 19 November 2006. www.tempointeractive.com/hg/nasional/2006/11/14/brk,20061114-87672,uk.html.

⁶⁶⁸ On the 5th EAG Plenary meeting, Eurasian Group, (Moscow), 15 December 2006, Date of Access: 2 January 2006. www.eurasiangroup.org/14.htm.

⁶⁶⁹ [Pressekonferenz von Bundeskanzlerin nach der Sommerpause] Press Conference by the Federal Chancellor after the summer break, Federal Government, (Berlin), 21 August 2006. Date of Access: November 22 2006. www.bundesregierung.de/nn_774/Content/DE/Mitschrift/Pressekonferenzen/2006/08/2006-08-21-pk-merkel.html.

⁶⁷⁰ Focuses of the German G8 Presidency, Federal Government, (Berlin), 18 October 2006. Date of Access: 20 November 2006. www.bundesregierung.de/nn_6516/Content/EN/Artikel/2006/10/2006-10-18-schwerpunkte-deutsche-g8-pr_C3_A4sidentschaft__en.html.

⁶⁷¹ Financial Action Task Force. Chairman's Summary: Vancouver Plenary, (Paris), 13 October 2006. Date of Access: 13 January 2007. www.fatf-gafi.org/searchResult/0,2665,en_32250379_32235720_1_1_1_1_1,00.html.

⁶⁷² Agreement on European Policy Issues, Federal Government, (Berlin), 26 September 2006. Date of Access: 20 November 2006. www.bundesregierung.de/nn_6516/Content/EN/Artikel/2006/11/2006-11-02-einig-in-europapolitischen-fragen__en.html.

⁶⁷³ Address by the Minister of Foreign Affairs, Dr. Frank-Walter Steinmeier, regarding Bulgaria and Rumania's EU Ascension, to the German Bundestag, Federal Government, (Berlin), 19 October 2006. Date of Access: 20 November 2006. www.bundesregierung.de/nn_774/Content/DE/Bulletin/2006/10/102-4-bmaa-bt.html.

⁶⁷⁴ Germany to turn spotlight on Africa's energy problems, Department of Foreign Affairs, (Berlin), 18 December 2006. Date of Access: 25 December 2006. www.auswaertiges-amt.de/diplo/en/WillkommeninD/D-Informationen/Nachrichten/061218-1.html.

⁶⁷⁵ Report of the International Advisory Group, The Extractive Industries Transparency Initiative, (London), October 2006. Date of Access: 24 November 2006. www.eitransparency.org/UserFiles/File/oslo2006/finaliagreport.pdf. Statement of Outcomes, Third EITI Plenary Conference, Norwegian Ministry of Foreign Affairs, (Oslo), 16-17 October 2006. Date of Access: 24 November 2006. www.eitioslo.no/About+the+conference/statement+of+outcomes.htm.

⁶⁷⁶ Website of the United Nations Office on Drugs and Crime, (Vienna), 30 December 2006. Date of Access: 30 December 2006. www.unodc.org/unodc/crime_signatures_corruption.html.

Italy: 0

Italy has not taken clear concrete steps in complying with its summit commitments on transnational crime, and corruption. Shortly following the G8 Summit in St. Petersburg, on 2 August 2006, Italy ratified the UN Convention on Transnational Organized Crime.⁶⁷⁷ However, since then Italy's progress in fulfilling its commitments have been limited.

Italy has taken some part in the international fight against transnational crime. Italy participated in the FATF Vancouver Plenary, held from the 9 to 13 October.⁶⁷⁸ Second, it contributed legal expertise to a FATF assessment team, which evaluated Iceland's anti-money laundering system based on the FATF Forty Recommendations plus the Nine Special Recommendations.⁶⁷⁹

Nonetheless, it seems that Italy has not asserted its genuine support to a global anti-corruption network. Though it has signed the UN Convention Against Corruption, Italy has delayed its ratification.⁶⁸⁰ In the 2006 Transparency International's Corruption Perception Index (CPI) for Western Europe and the European Union, Italy ranked far behind its G8 counterparts. The CPI reported that Italy's low grade of 4.9 is suggestive of a "perceived serious corruption."⁶⁸¹ Thus among the economies of Western Europe, Italy's commitment to the twin pursuits of fighting corruption and improving transparency is uncertain. In order to register full compliance with its summit commitments, Italy must take focused action in improving its performance.

Analyst: Aisha Khan

Japan: 0

Japan has yet to register full compliance. While there have been no announcements or initiatives from Japan's new Prime Minister on the issue, several Japanese delegations have attended various anti-corruption conferences. It should also be noted that Japan has not ratified the United Nations Convention Against Corruption or the United Nations Convention Against Transnational Organized Crime.⁶⁸²

Japan has taken a leading regional role in combating transnational crime. In late September, it hosted an inter-agency coordination meeting on collaborative interventions to counter trafficking in persons, as a precursor to the Conference of the Parties to the United Nations Convention against Transnational Organized Crime, scheduled the following month in Vienna.⁶⁸³ During a session of the General Assembly, the Japanese delegation made a statement on the issue of transnational crime, specifically regarding policy cooperation between the government, non-governmental organizations and the United Nations Office on Crime and Drugs.⁶⁸⁴

Japan, as a member of the Asia-Pacific Economic Cooperation (APEC), attended the Public-Private Dialogue on Anti-Corruption and Ensuring Transparency in Business Transactions, which was held in Da Nang, Vietnam from the 9-10 September.⁶⁸⁵ At the APEC Summit in November 2006, Japan, along with other APEC nations, confirmed its commitment to fighting corruption and fostering good

⁶⁷⁷ United Nations Convention against Transnational Organized Crime, UN Office on Drugs and Crime, (Vienna). Date of Access: 9 November 2006. www.unodc.org/unodc/en/crime_cicp_signatures_convention.html.

⁶⁷⁸ Financial Action Task Force. Chairman's Summary: Vancouver Plenary, (Paris), 13 October 2006. Date of Access: 13 January 2007. www.fatf-gafi.org/searchResult/0,2665,en_32250379_32235720_1_1_1_1_1,00.html.

⁶⁷⁹ Financial Action Task Force, The Third Mutual Evaluation Report: Anti-Money Laundering and Combating the Financing of Terrorism: Iceland, (Paris), 13 October 2006. Date of Access: 12 January 2007. www.fatf-gafi.org/dataoecd/54/38/37706239.pdf.

⁶⁸⁰ United Nations Convention against Corruption: Signatories. United Nations Office on Drugs and Crime, (Vienna), 2006. Date of Access: 27 November 2006. www.unodc.org/unodc/crime_signatures_corruption.html.

⁶⁸¹ CPI 2006 Regional Results. Transparency International, (Brussels), 6 November 2006, Date of Access: 1 December 2006. www.transparency.org/policy_research/surveys_indices/cpi/2006/regional_highlights_factsheets.

⁶⁸² United Nations Convention against Transnational Organized Crime, UN Office on Drugs and Crime, (Vienna). 2006, Date of Access: 9 November 2006. www.unodc.org/unodc/en/crime_cicp_signatures_convention.html. and United Nations Convention against Corruption, UN Office on Drugs and Crime, (Vienna). 2006, Date of Access: 9 November 2006. www.unodc.org/unodc/crime_signatures_corruption.html.

⁶⁸³ Inter-agency coordination meeting on collaborative interventions to counter trafficking in persons, held in Tokyo on 26 and 27 September 2006 report to the secretariat, UN Office on Drugs and Crime, (Vienna), 10 October 2006, Date of Access: 2 January 2007. www.unodc.org/pdf/ctocccop_2006/V0657611e.pdf.

⁶⁸⁴ Statement by Makoto Hashizume Delegation of Japan, The Ministry of Foreign Affairs of Japan, (Tokyo), 5 October 2006, Date of Access: 2 January 2007. www.mofa.go.jp/announce/speech/un2006/un0610-7.html.

⁶⁸⁵ 2006 Anti-Corruption and Transparency Task Force, Asia-Pacific Economic Cooperation, (Singapore), Date of Access: 25 November 2006. www.apec.org/content/apec/documents_reports/anti_corruption_experts/2006.html.

governance.⁶⁸⁶ There, the APEC leaders agreed to implement the principles of the United Nations Convention Against Corruption and stressed the "importance of adopting preventive measures and market integrity systems to ensure transparency and to boost the grouping's anti-corruption war."⁶⁸⁷ In addition, as a founding member of the Asia Pacific Group on Money Laundering, in November, Japan attended the Special Plenary and Typologies Workshop in Jakarta, Indonesia.⁶⁸⁸

Japan has also maintained its commitment to the FATF. It attended the FATF's Vancouver Plenary in October, where the interrelated problems of money laundering and terrorist financing were discussed.⁶⁸⁹ Shortly thereafter, on 27 December 2006, Japan's Financial Intelligence Office (JAFIO) entered into a bilateral agreement with the Indonesian Transaction Reports and Analysis Centre, detailing the pooling of information on suspicious transactions in connection with money laundering or terrorist financing.⁶⁹⁰

Moreover, it seems that Japan has made significant gains in reducing corruption from within: According to Transparency International, in 2006, Japan moved up on the Corruption Perception Index from the 21st position with a score of 7.3 to the 16th with a score of 7.6.⁶⁹¹ Still, Japan must take further action in complying with its specific St. Petersburg commitments.

Analyst: Hilary Peden

Russia: 0

As it nears the end of its G8 presidency, Russia has taken some steps towards meeting its commitment on transnational crime and corruption. Russia has demonstrated its commitment to the global fight against transnational crime both through its promotion of the FATF recommendations, and through its cooperation with relevant non-governmental organizations. However, Russia's actions since St. Petersburg have not yet been enough to overcome its poor record on corruption and so its efforts must be considered a work in progress.

From the 30 to 31 October 2006, Russia participated in trilateral meetings in London between the heads of American and British financial intelligence committees where the issues of drug trafficking and terrorist financing dominated the talks.⁶⁹² Russian representatives proposed the creation of a standing committee to better address the issues, comprised of expert representatives from Russia, the United States, the United Kingdom, and some member-states of the Eurasia Group.⁶⁹³

On a domestic level, there is evidence that Russia has worked to implement the FATF recommendations, and to improve the crime registration system.⁶⁹⁴ For example, the number of police leads related to cases of money laundering increased by about 50 times, and helped with the recovery of some 1 trillion rubles.⁶⁹⁵ The Russian parliament also plans to establish frameworks on money laundering, the procurement and confiscation of illegal funds, and terrorist financing.⁶⁹⁶

Importantly, Russia stands alongside France, the United Kingdom, and the United States as the only G8 members to have signed, and ratified both the UN Convention Against Corruption and the UN

⁶⁸⁶ APEC ministers agree to consider laws to deny safe haven to corrupt individuals, the International Herald Tribune, (Neuilly), 16 November 2006, Date of Access: 25 November 2006.

www.iht.com/articles/ap/2006/11/16/business/AS_GEN_APEC_Corruption.php.

⁶⁸⁷ APEC ministers agree to consider laws to deny safe haven to corrupt individuals, the International Herald Tribune, (Neuilly), 16 November 2006, Date of Access: 25 November 2006.

www.iht.com/articles/ap/2006/11/16/business/AS_GEN_APEC_Corruption.php.

⁶⁸⁸ APG Special Plenary – Jakarta, The Asia/Pacific Group on Money Laundering, (Sydney), 16 November 2006, Date of Access: 2 January 2007. www.apgml.org/about/newsDetail.aspx?newsID=33.

⁶⁸⁹ Financial Action Task Force. Chairman's Summary: Vancouver Plenary, (Paris), 13 October 2006. Date of Access: 13 January 2007. www.fatf-gafi.org/searchResult/0,2665,en_32250379_32235720_1_1_1_1_1,00.html.

⁶⁹⁰ News Release Japan Financial Intelligence Office, (Tokyo), 27 December 2006, Date of Access: 2 January 2007. www.fsa.go.jp/fiu/fiue.html.

⁶⁹¹ Corruption Perceptions Index 2006, Transparency International, (Berlin), 11 August 2006. Date of Access: 7 November 2006. www.transparency.org/policy_research/surveys_indices/cpi/2006.

⁶⁹² News Bulletin, Russian news agency KFM, (Moscow), 1 November 2006. Date of Access: 29 December 2006. www.kfm.ru/news_01112006_243.html.

⁶⁹³ News Bulletin, Russian news agency KFM, (Moscow), 1 November 2006. Date of Access: 29 December 2006. www.kfm.ru/news_01112006_243.html.

⁶⁹⁴ Rossiyskaya Gazeta, (Moscow), 22 September 2006, Date of Access: 29 December 2006. www.rg.ru/2006/09/22/million.html.

⁶⁹⁵ Zubkov, Rossiyskaya Gazeta, (Moscow), 31 October 2006, Date of Access: 29 December 2006. www.rg.ru/2006/10/31/zubkov-finrazvedka.html.

⁶⁹⁶ Zubkov, Rossiyskaya Gazeta, (Moscow), 31 October 2006, Date of Access: 29 December 2006. www.rg.ru/2006/10/31/zubkov-finrazvedka.html.

Convention Against Transnational Organized Crime.⁶⁹⁷ However, the 2004 ratification of these conventions did not prevent Russia from ranking 121 out of 163 countries in Transparency International's November 2006 ranking of corruption, far behind the next lowest G8 member, Italy.⁶⁹⁸ While the TI ranking does not represent actions taken since the St. Petersburg Summit, it does indicate that Russia has a particularly poor record on corruption. Most importantly, like the United States and the United Kingdom, Russia has yet to sign or ratify one of the key associated protocols of the the UN Convention against Transnational Crime, the fourth Protocol against the Illicit Manufacturing of and Trafficking of Firearms.⁶⁹⁹ For this reason it cannot receive score of +1 indicating full compliance.

Analyst: Yulay Sultanov and Alexandra Lapin

United Kingdom: 0

In the months leading up to the St. Petersburg Summit, the United Kingdom moved to ratify the UN Convention Against Corruption, but it seems that its commitment to transnational crime has since dwindled.⁷⁰⁰ The United Kingdom has yet to achieve full compliance.

The United Kingdom has demonstrated support for the FATF. For instance, the United Kingdom took part in the FATF's Vancouver Plenary from 9 to 13 October 2006, which saw the release of two reports, highlighting money laundering techniques and vulnerabilities in specific exposed sectors.⁷⁰¹ Later that month, from the 30 to 31 October 2006, the United Kingdom hosted trilateral talks with the financial intelligence heads of the United States and Russia on the intractable problems of drug trafficking and terrorist financing.⁷⁰²

In November 2006, the UK Treasury released a report, which was considerably devoted to detailing the problems associated with transnational crimes, and the ways in which the government can better meet such challenges in the new security environment. The report discussed "tools to monitor, track and detect the movement of goods and people, and also methods for understanding and identifying behavioural patterns to prevent and profile security risks."⁷⁰³

Despite its head start in tackling transnational crime, it seems that the government has done little since. There is little evidence of the United Kingdom supporting or implementing the FATF recommendations, or of it furthering its commitment to the UN Convention Against Transnational Organized Crime, and the Convention Against Corruption. In addition, the United Kingdom has yet to ratify the Fourth Protocol against the Illicit Manufacturing of and Trafficking of Firearms despite having signed it in 2002.⁷⁰⁴ Nevertheless, the United Kingdom ranks ahead of its G8 counterparts; the 2006 Transparency International Corruption Perceptions Index ties the United Kingdom with Austria and Luxembourg in the eleventh position – one ahead of Canada.⁷⁰⁵ Further action is required if the United Kingdom is to register compliance with its commitment.

Analyst: Anita Li

⁶⁹⁷ United Nations Convention against Transnational Organized Crime, UN Office on Drugs and Crime, (Vienna), 2006, Date of Access: 9 November 2006. www.unodc.org/unodc/en/crime_cicp_signatures_convention.html.

⁶⁹⁸ Corruption Perceptions Index 2006, Transparency International, (Berlin), 11 August 2006. Date of Access: 26 January 2006. www.transparency.org/policy_research/surveys_indices/cpi/2006.

⁶⁹⁹ Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime: Signatories. United Nations Office on Drugs and Crime, (Vienna), 2006. Date of Access: 26 January 2007. www.unodc.org/unodc/crime_cicp_signatures_firearms.html.

⁷⁰⁰ United Nations Convention against Corruption: Signatories. United Nations Office on Drugs and Crime, (Vienna), 2006. Date of Access: 27 November 2006. www.unodc.org/unodc/crime_signatures_corruption.html.

⁷⁰¹ Financial Action Task Force. Chairman's Summary: Vancouver Plenary, (Paris), 13 October 2006. Date of Access: 13 January 2007. www.fatf-gafi.org/searchResult/0,2665,en_32250379_32235720_1_1_1_1_1,00.html.

⁷⁰² News Bulletin, Russian news agency KFM, (Moscow), 1 November 2006. Date of Access: 29 December 2006. www.kfm.ru/news_01112006_243.html.

⁷⁰³ Long-term opportunities and challenges for the UK: analysis for the 2007 Comprehensive Spending Review, Her Majesty's Treasury, (London), November 2006. Date of Access: 12 January 2007. www.hm-treasury.gov.uk/media/298/55/csr_longterm271106.pdf.

⁷⁰⁴ Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime: Signatories. United Nations Office on Drugs and Crime, (Vienna), 2006. Date of Access: 27 November 2006. www.unodc.org/unodc/crime_cicp_signatures_firearms.html.

⁷⁰⁵ Corruption Perceptions Index 2006, Transparency International, (Berlin), 11 August 2006, Date of Access: 7 November 2006. www.transparency.org/policy_research/surveys_indices/cpi/2006.

United States: 0

The United States has partially complied with its St. Petersburg transnational crime and corruption commitment. It has taken significant measures in fighting corruption since the conclusion of the G8 summit in St. Petersburg. Shortly following the summit, United States President George Bush returned home to reveal his national strategy to "internationalize efforts against Kleptocracy, pledging to confront high-level, large-scale corruption by public officials and target the proceeds of their corrupt acts."⁷⁰⁶ This initiative entails capacity building in the investigation and prosecution of asset recovery efforts, and seeks to prevent high-level corruption by denying safe haven to perpetrators. American efforts have centred primarily on improving transparency about federal spending at home; on 26 September, the President signed the "Federal Funding Accountability and Transparency Act of 2006."⁷⁰⁷

On the international front, the United States was present at the FATF Vancouver Plenary from 9 to 13 October, where members discussed improved methods of combating money laundering and terrorist financing.⁷⁰⁸ From 30 to 31 October 2006, the United States participated in trilateral meetings in London with the financial intelligence heads of the United Kingdom and Russia, where talks centred on drug trafficking and terrorist financing.⁷⁰⁹

The United States has also demonstrated support for the international fight on corruption. On 30 October 2006, the United States ratified the UN Convention against Corruption.⁷¹⁰ Furthermore, in a speech at the First Conference of the States Parties to the UN Convention against Corruption (UNCAC) held in December 2006, Acting US Deputy Assistant Secretary for International Narcotics and Law Enforcement Affairs, Elizabeth Verville reaffirmed the United States' pledge to the global fight against transnational crime.⁷¹¹ Verville stated that, "the government takes very seriously combating corruption within our own borders as well as around the world. We are investigating, prosecuting and convicting corrupt public officials at all levels of government -- local, state and federal."⁷¹²

However, while it has successfully ratified three of the four associated protocols of the UN Convention against Transnational Crime, it remains to be seen if the United States will sign or ratify the fourth Protocol against the Illicit Manufacturing of and Trafficking of Firearms.⁷¹³ For this reason it cannot receive a score of +1 indicating full compliance.

Analyst: Anita Li

European Union: 0

The European Union is making steady progress in achieving full compliance with its commitments on transnational crime by implementing the work of the FATF and the UN, and by supporting the contribution of non-governmental organizations.

Soon after St. Petersburg, on 3 August 2006, the European Commission adopted technical measures in the implementation of the Third Directive on preventing money laundering and terrorist financing.⁷¹⁴ The Third Directive, designed to secure the financial system from money laundering and terrorist financing, outlines the responsibilities of "all providers of goods, when payments are made in cash in

⁷⁰⁶ Fact Sheet: National Strategy to Internationalize Efforts Against Kleptocracy. The White House, (Washington, DC), 10 August 2006. Date of Access: 27 November 2006. www.whitehouse.gov/news/releases/2006/08/20060810-1.html.

⁷⁰⁷ Fact Sheet: Achieving Greater Transparency and Accountability in Government. The White House, (Washington, DC), 26 September 2006. Date of Access: 27 November 2006. www.whitehouse.gov/news/releases/2006/09/20060926-1.html.

⁷⁰⁸ Financial Action Task Force. Chairman's Summary: Vancouver Plenary, (Paris), 13 October 2006. Date of Access: 13 January 2007. www.fatf-gafi.org/searchResult/0,2665,en_32250379_32235720_1_1_1_1_1,00.html.

⁷⁰⁹ News Bulletin, Russian news agency KFM, (Moscow), 1 November 2006. Date of Access: 29 December 2006. www.kfm.ru/news_01112006_243.html.

⁷¹⁰ United Nations Convention against Corruption: Signatories. United Nations Office on Drugs and Crime, (Vienna), 2006. Date of Access: 27 November 2006. www.unodc.org/unodc/crime_signatures_corruption.html.

⁷¹¹ Address by Acting Deputy Assistant Secretary for International Narcotics and Law Enforcement Affairs Elizabeth Verville at the First Conference of the States Parties to the UN Convention Against Corruption. U.S. Department of State, (Amman), 11 December 2006. Date of Access: 3 January 2007. www.state.gov/p/inl/rls/rm/77565.htm.

⁷¹² Address by Acting Deputy Assistant Secretary for International Narcotics and Law Enforcement Affairs Elizabeth Verville at the First Conference of the States Parties to the UN Convention Against Corruption. U.S. Department of State, (Amman), 11 December 2006. Date of Access: 3 January 2007. www.state.gov/p/inl/rls/rm/77565.htm.

⁷¹³ Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime: Signatories. United Nations Office on Drugs and Crime, (Vienna), 2006. Date of Access: 27 November 2006. www.unodc.org/unodc/crime_cicp_signatures_firearms.html.

⁷¹⁴ Commission adopts 'Level 2' implementing measures to Third Directive. The EU Single Market, (Brussels), 3 August 2006, Date of Access: 15 November 2006. ec.europa.eu/internal_market/company/docs/financial-crime/midday20060803_en.pdf.

excess of EUR15.00.”⁷¹⁵ It is worth noting that a plenary meeting between the Council of Europe’s MONEYVAL Committee and the FATF is slated for July 2007.⁷¹⁶

With regard to its commitment to supporting the UN Convention Against Corruption, the EU has announced new transparent financial rules that govern the disclosure of all Community Funding, including its management by member states.⁷¹⁷ In continuing its earlier efforts on anti-crime and anti-corruption projects, the EU is working toward compliance with its summit obligations.

Analyst: Aisha Khan

⁷¹⁵ Adoption of Anti-Money Laundering Directive will strike a blow against crime and terrorism. Europa, (Brussels), 7 June 2005, Date of Access: 15 November 2006.

⁷¹⁶ Schedule of Events. FATF, (Paris), 1 July 2006, Date of Access: 2 January 2007. www.fatf-gafi.org/dataoecd/48/48/37569267.pdf.

⁷¹⁷ New EU financial rule will aid corruption fight. Transparency International, (Brussels), 13 December 2006, Date of Access: 3 January 2007. www.transparency.org/news_room/latest_news/press_releases/2006/2006_12_13_eu_financial_rule.