

# ORGANISED CRIME AND ITS IMPLICATIONS FOR SOUTH AFRICA

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# DISCUSSION POINTS

- **Nature and extent of OC threat in South Africa and SAD (Defn)**
- **Impact of OC (Is organised crime a threat to national and regional security?)**
- **Problems encountered in addressing organised crime in SADC**
- **Possible solutions and role players**

# BACKGROUND 1994-2004

- SSA region- 674 million people live on US \$460 p.a.
- SADC- 208 million people -earns >50% of GDP of SSA. SA- 40% of GDP of SADC
- SA exports to Africa- 15-24% p.a in our favour. Depend on SA for imports and investments (S. Gelb)
- SA's economic dominance has predictable consequences on crime.
- SARPCCO joint ops-96-99% of all consumer goods seized originate in SA e.g. cell phones, cars (SARPCCO)
- Contributing factors such as sophisticated infrastructure, urbanisation, increased flows of people, porous borders, transitional or states in conflict (arms proliferation, ex-combatants), geographical location and weak structures.
- New forms and higher rates of crime, increasingly violent.

# NATURE AND EXTENT OF OC

**SAPS-** 192 groups (17% regional in operation), 100 involved in drugs (barter trade). Local and transnational – more often poly-ethnic

## **UN victim surveys (1998-2000)**

- **Drugs** -policing dependent-
- **Car thefts-** SA, Tunisia, Zim, Zambia
- **Robberies** -SA, Zim, Seychelles, Zambia, Tunisia (SA ranked 4<sup>th</sup> in world)
- **Fraud**-Seychelles, SA, Zim, Tunisia, Zambia (SA ranked 14<sup>th</sup> in world). Costs SA alone R40 billion p.a
- **Total crime** (per GDP) Zim, SA, Zambia, Seychelles (Zim at 3<sup>rd</sup> and SA at 5<sup>th</sup> in world)
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# MORE STATISTICS

## **SAPS stats in 2004 report significant reductions**

Car hijacking- 8%

truck hijacking- 10.5%

Cash in transit- 49.7%

Bank robberies- 58.3%

### ■ **Other forms of OC:**

- Stolen commodities e.g. cell phones Dealing in Counterfeiting, gray products/customs fraud e.g dvds
- Gold and diamond smuggling (7% of production)
- Endangered species e.g. Abalone (R500 million)
- Arms dealing
- Human trafficking
- Kidnappings

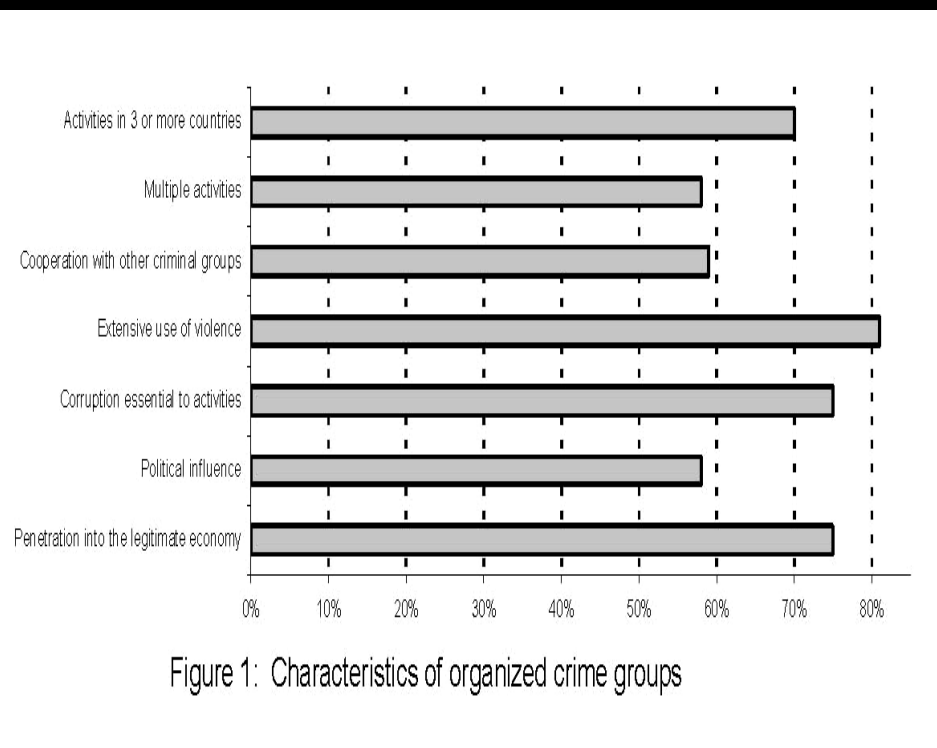
# MONEY LAUNDERING

- Total amt laundered in 1999- US\$18.07 billion (ESAAMLG)
- SA- ML trends (USD millions)
- Internal ML: 6143.7 (60%)
- Outgoing ML: 4095.8 (40%)
- Incoming ML: 566 (FDI is 800)
- Physical transfers of cash, banking transfers, sale of actual or fictitious financial instruments, casinos.
- Large unbanked sector- 2million people contributing estimated 15% in unrecorded GDP- subsistence, tax avoidant or criminal activity.

# CORRUPTION

- Corruption- 0.5-1% lower GDP (WB)
- Country corruption assessment report 2003-  
Survey of business
  - ◆ 75% paid bribes to clear customs
  - ◆ 65% paid bribes to get residence/work permits
  - ◆ 60% paid bribes to stop police investigations
  - ◆ Government officials –lower levels of self reporting but confirm problems in above sectors.

# TYPOLGY OF OC (UN)





# CRIME NETWORKS

- ◆ **Russians : Victor Bout** -Supplied arms to 17 African countries using fleet of 60 aircraft. Registered in SA (1998), Liberia, US, CAR, UAE, Swaziland, Rwanda and Belgium. Convicted in absentia for using CAR logos
- ◆ Chinese triads (wildlife, Fafi, piracy), Nigerian (drugs- 80% of supply and 419 scams), Pakistanis (piracy, human trafficking)
- ◆ Regional groups: Frequently run legitimate companies useful for trafficking e.g transportation or aircraft companies e.g. M family- drugs etc in Moz.

All use locals at various levels in structure in syndicates or officials to escape detection.