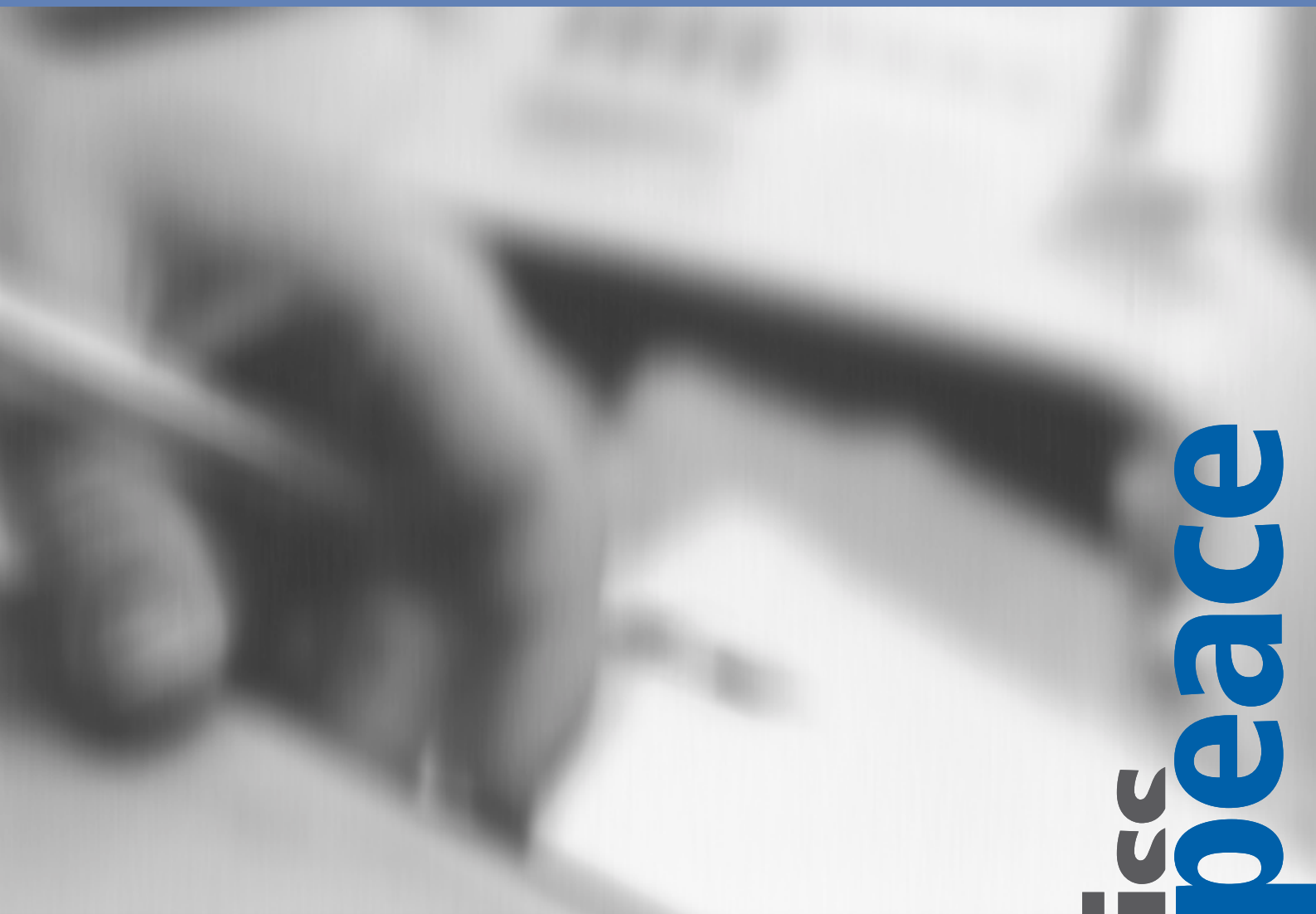


# Working Paper

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## Peacebuilding and Organized Crime The Cases of Kosovo and Liberia

Nika Stražišar Teran

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## **Peacebuilding and Organized Crime**

### The Cases of Kosovo and Liberia

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The paper covers events and developments until December 2006, when the research for this study was concluded. The views expressed in this paper are those of the author alone and do not necessarily reflect those of the United Nations.

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## Abstract/Zusammenfassung/Résumé

This paper examines the impact of the activities of organized criminal groups on peacebuilding efforts in the cases of Kosovo and Liberia. For each of the two cases, the paper looks at the evolution of criminal patterns in the period before, during and after the conflict and examines their impact on peacebuilding in the post-conflict phase. The paper examines the period from the early 1990s to early 2006 for the case of Kosovo, and from early 1997 to early 2006 for the case of Liberia. It argues that although the types of organized crime differed widely in the two cases, organized crime presented a serious threat to peacebuilding efforts and damaged the functioning of democratic institutions. The two cases therefore offer good examples of how different types of organized crime can have equally devastating effect on peacebuilding. The paper reviews tools available to the international community to fight against organized crime and concludes by recommending that combating organized crime should be part of conflict prevention and conflict management efforts and thus be at the forefront of the international post-conflict peacebuilding agenda. It offers some recommendations to that effect.

Das vorliegende Working Paper untersucht die Auswirkung der Aktivitäten organisierter krimineller Gruppierungen auf friedensfördernde Massnahmen im Kosovo und in Liberia. In beiden Fällen beleuchtet es die Entstehung krimineller Strukturen vor, während und nach dem Gewaltkonflikt, und deren Einfluss auf friedensfördernde Massnahmen in der Nachkriegsphase – im Falle Kosovos der Zeitraum zwischen den frühen 90er Jahren und Anfang 2006, für Liberia zwischen Anfang 1997 und Anfang 2006. Obwohl jeweils sehr unterschiedlich ausgeprägt, so wurde das organisierte Verbrechen in beiden Fällen zu einer ernsthaften Bedrohung für friedensfördernde Massnahmen und schadete der Handlungsfähigkeit demokratischer Institutionen. Die beiden Fälle zeigen eindrücklich, wie unterschiedliche Typen organisierten Verbrechens ähnlich zerstörerische Auswirkungen auf die Friedensförderung haben. Es werden weiterhin verschiedene Instrumentarien vorgestellt, die es der internationalen Gemeinschaft ermöglichen, organisiertem Verbrechen entgegenzutreten. Das Working Paper plädiert dafür, dass der Kampf gegen organisiertes Verbrechen ein integrales Element von Konfliktprävention und -bearbeitung, und damit Hauptanliegen internationaler Bemühungen um den Wiederaufbau von Nachkriegsgesellschaften sein sollte. Es werden einige konkrete Empfehlungen vorgestellt.

Cet article examine l'impact des activités de groupes criminels organisés sur la consolidation de la paix dans les cas du Kosovo et du Liberia. Dans chacun des deux cas, l'article étudie l'évolution des pratiques criminelles dans la période d'avant, pendant et celle d'après le conflit, et examine leur impact sur la consolidation de la paix dans la période post-conflit. L'article couvre la période allant du début des années 1990 au début de 2006 pour le cas du Kosovo, et celle du début de 1997 au début de 2006 pour le cas du Liberia. Il soutient que même si les types de crime organisé étaient différents dans les deux cas, celui-ci a représenté une menace grave aux efforts de la consolidation de la paix sur la période considérée, et a affecté de manière négative le fonctionnement des institutions démocratiques. Par conséquent, les deux cas offrent de bons exemples des effets tout autant ravageurs que différents types de crime organisé peuvent avoir sur la consolidation de la paix. Sur la base des deux études de cas, l'article passe en revue des outils à la disposition de la communauté internationale pour combattre le crime organisé. En conclusion, l'article recommande que la lutte contre crime organisé soit partie intégrante de la prévention et de la gestion des conflits, et figure au premier rang des efforts déployés par la communauté internationale dans le domaine de la consolidation de la paix en période post-conflit. Il offre quelques recommandations à cet égard.

# 1 Introduction

Building sustainable peace after the conflict has ended has become a major challenge for national, regional and international actors alike. This paper examines the impact of organized crime on peacebuilding efforts in the cases of Kosovo and Liberia. For the case of Kosovo, it looks at the period from the early 1990s to early 2006, and for Liberia at the period from early 1997 to early 2006.

This paper argues that organized crime represents a challenge to peace and stability before, during and after the conflict. It identifies sustainable, democratic state institutions as an essential requirement for building durable peace and argues that the activities of organized criminal groups severely weaken state institutions, undermining their effectiveness and legitimacy. Consequently, efforts to combat organized crime are essential to peacebuilding and should be deployed as early as possible, even before the conflict has ended. In other words, combating organized crime should be part of peacebuilding throughout the conflict continuum, i.e. from conflict prevention, conflict management, to post-conflict peacebuilding.

The two cases were chosen as they differ from one another in terms of history, geography and issues at stake. However, they were both exposed, during the period under review, to the activities of organized crime. They were also subject to various measures against organized crime by the international community. Although not sufficiently representative to allow us to draw generally applicable conclusions, the two cases offer a good example of how criminal activities impact on peacebuilding, and which are among the possible tools to fight against them.

The paper first defines the concepts of peacebuilding and organized crime. It then outlines the main activities of organized criminal groups for each of the two cases, and examines the ways in which these activities impacted on peacebuilding efforts. For each of the case studies, it looks at the evolution of criminal patterns in the period before, during and after the conflict, and examines how they impacted on peacebuilding in the post-conflict phase. The paper treats only the most prominent and prevalent types of organized crime. It then looks at international measures to combat organized crime in Kosovo and Liberia and concludes by drawing some lessons and offering some recommendations on the basis of these two case studies.



## 2 Main Concepts and Definitions

### 2.1 Peacebuilding

The concept of peacebuilding was introduced in 1992 by Boutros Boutros-Ghali, then Secretary-General of the United Nations, in his "An Agenda for Peace". Boutros-Ghali, building on the work of Johan Galtung, conceived the concept of "post-conflict peacebuilding" as "action to identify and support structures which will tend to strengthen and solidify peace in order to avoid a relapse into conflict."<sup>1</sup> This should encompass "rebuilding the institutions and infrastructures of nations torn by civil war and strife; and building bonds of peaceful mutual benefit among nations formerly at war" as well as "in the largest sense, to address the deepest causes of conflict: economic despair, social injustice and political oppression."<sup>2</sup> In his 1995 Supplement to an Agenda for Peace, the centrality of institution-building was strengthened, and the goal of peacebuilding, which was no longer limited to post-conflict stage but could take place before, during or after a conflict, was defined as "the creation of structures for the institutionalization of peace."<sup>3</sup>

Throughout the 1990s, the concept of peacebuilding continued gaining more prominence in the academic discourse as well as in practice. The academic debate on the concept, goals, definition of success and legitimacy of peacebuilding became lively during the 1990s and has continued to the present day. The views have been divergent, from those claiming that the goals of peacebuilding should be to prevent a relapse into conflict and its success measured by the absence of war; to those setting more ambitious standards, such as the resolution of the root causes of conflict and the establishment of the "positive peace"; to others again taking the middle way. Some have questioned the very concept of peacebuilding built on the premise of "liberal peace" which presupposes that democracy and free market economy necessarily promote peace. This, they have argued, is tantamount to interventionism as it implies the promotion and imposition of Western values and institutions in vulnerable war-torn societies, and can, apart from the fact that it is morally questionable, lead to the opposite result.

While the debate continued, the practice was evolving rapidly, with the establishment, in November 1997, of the first United Nations peacebuilding office, the Peace-building Office in Liberia (UNOL, 1997-2003). UNOL was mandated to support the Government of Liberia in its efforts to consolidate peace following the July 1997 multiparty elections, promote national reconciliation and good governance and strengthen democratic institutions.

In 1998, the Security Council adopted a presidential statement in which it encouraged the Secretary-General "to explore the possibility of establishing post-conflict peace-building structures as part of efforts by the United Nations system to achieve a lasting peaceful solution to conflicts, including in order to ensure a smooth transition from peacekeeping to peacebuilding and lasting peace."<sup>4</sup> The Security Council also recognized the value of including

<sup>1</sup> Boutros Boutros-Ghali, *An Agenda for Peace: Preventive Diplomacy, Peacemaking and Peacekeeping*, New York: United Nations, 1992, para. 21.

<sup>2</sup> Ibid, para. 15.

<sup>3</sup> Boutros Boutros-Ghali, *Supplement to an Agenda for Peace, Report of the Secretary-General on the Work of the Organisation*, A/50/60-S/1995/1, 3 January 1995.

<sup>4</sup> Statement by the President of the Security Council, S/PRST/1998/38, 29 December 1998.

peacebuilding elements in the mandates of peacekeeping operations, clearly making it a norm that peacebuilding is not an activity confined only to the post-conflict phase.

The establishment of UNOL was followed by three other peacebuilding offices. In June 1999, the United Nations Peace-Building Support Office in Guinea-Bissau was created to help promote national reconciliation and assist with the establishment of conditions propitious for the conduct of legislative and presidential elections. Following the elections in early 2000, the mandate was revised to involve, among other tasks, support to national efforts to consolidate and maintain peace, democracy and the rule of law, including the strengthening of democratic institutions, and support to national efforts towards reconciliation.<sup>5</sup> In February 2000, the United Nations Peacebuilding Office in Central African Republic was established, following the withdrawal of the peacekeeping mission from that country,<sup>6</sup> with the mandate "to support the Government's efforts to consolidate peace and national reconciliation, strengthen democratic institutions and facilitate the mobilization at the international level, of political support and resources for national reconstruction and economic recovery."<sup>7</sup> Finally, in June 2000, the Security Council established the UN Tajikistan Office of Peacebuilding (UNTOP), mandated to provide the political framework for post-conflict peacebuilding activities of the UN system in that country. This included, among other tasks, efforts aimed at national reconstruction, economic recovery, poverty alleviation and good governance, and assistance in creating an enabling environment for consolidation of peace, democracy and the rule of law.<sup>8</sup>

The tendency to put the building and strengthening of democratic institutions at the core of the peacebuilding tasks, featuring prominently in the mandates of peacebuilding support offices, was further reinforced in the 2001 Security Council's definition of peacebuilding.<sup>9</sup> The Security Council also recognized the close interrelationship between peacemaking, peacekeeping and peacebuilding and reiterated its earlier assertion on the value of including peacebuilding elements in the mandates of peacekeeping operations. Finally, most recently, the Security Council, while establishing the Peacebuilding Commission, emphasized "the importance of supporting national efforts to establish, redevelop or reform institutions for effective administration of countries emerging from conflict, including capacity-building efforts."<sup>10</sup>

As it emerges from the above review, the strengthening of legitimate state institutions is considered an essential requirement for building durable peace and as such, central to all peacebuilding efforts. One of the essential tasks is therefore state capacity building, all the more so as state institutions play a crucial role in preventing violent conflict. This task is enormous and comprises various activities aimed at enabling state institutions to meet political, security and socio-economic needs of its population, including by upholding the rule of law and ensuring the respect for human rights.

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<sup>5</sup> <http://www.un.org/peace/africa/pdf/GuineaBissau.pdf>.

<sup>6</sup> Letter dated 3 December from the Secretary-General Addressed to the President of the Security Council (S/1999/1235) and Letter dated 10 December from the President of the Security Council Addressed to the Secretary-General (S/1999/1236).

<sup>7</sup> <http://www.un.org/peace/africa/pdf/CAR.pdf>.

<sup>8</sup> <http://www.untop.org/>

<sup>9</sup> Statement by the President of the Security Council, S/PRST/2001/5, 20 February 2001.

<sup>10</sup> Security Council Resolution, S/RES/1645/(2005), 20 December 2005.

## 2.2 Organized Crime

There is currently no globally accepted definition of organized crime. The United Nations Convention on Transnational Organized Crime,<sup>11</sup> which entered into force in September 2003, is to date the most important international legal instrument attempting to arrive at such a definition.

The Convention, which is a legally binding document committing States that have ratified it to taking measures against transnational organized crime, applies to any "serious crime" defined as "conduct constituting an offence punishable by a maximum deprivation of liberty of at least four years or a more serious penalty" (Article 2(b)) if the offence is transnational in nature and involves an organized criminal group (Article 3.1(b)). An "organized criminal group" is defined as a "structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing one or more crimes or offences established in accordance with this Convention, in order to obtain, directly or indirectly, a financial or other material benefit (Article 2(a)).

It also applies to the following offences:

- Participation in the activities of an "organized criminal group" and "organizing, directing, aiding, abetting, facilitating or counseling the commission of serious crime involving an organized criminal group" (Article 5);
- Participation in activities relating to "money laundering": this involves "the conversion or transfer of property, knowing that such property is the proceeds of crime" and includes any form of transfer or conversion of the property for the purpose of concealing its true origin (Article 6);
- Corruption, where there is a link to transnational organized crime. This includes offering, giving, soliciting and accepting any form of bribe, undue advantage or other inducement, where the proposed recipient is a public official and the purpose of the bribe relates to his or her official functions (Article 8);
- Any form of obstruction of justice, including the use of corrupt or coercive means (physical force, threats or intimidation) to influence testimony or interfere with the exercise of official duties by a justice or law enforcement official (Article 23).

A separate convention on corruption, the United Nations Convention against Corruption, which was negotiated subsequently and aims at preventing and combating corruption, recently entered into force.<sup>12</sup>

The Convention on Transnational Organized Crime is supplemented by three protocols. Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and

<sup>11</sup> General Assembly Resolution, A/RES/55/25, 8 January 2001, Annex I.

<sup>12</sup> General Assembly Resolution, A/RES/58/4, 21 November 2003, Annex. It entered into force in December 2005.

Children<sup>13</sup> stipulates that “ '[t]rafficking in persons' shall mean the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs” (Article 3(a)). Protocol against the Smuggling of Migrants by Land, Sea and Air<sup>14</sup> defines “smuggling of migrants” as “[...] the procurement, in order to obtain, directly or indirectly, a financial or other material benefit, of the illegal entry of a person in to a State Party of which the person is not a national or permanent resident” (Article 3(a)). Finally, the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition,<sup>15</sup> the first legally binding instrument on small arms adopted at the global level, aims at promoting, facilitating and strengthening cooperation among States in preventing, combating and eradicating the illicit manufacturing of and trafficking in firearms, their parts and components and ammunition.

The United Nations conventions also regulate the use of narcotics. The following three conventions form the basis of the international drug control system, restricting the use of hundreds of psychoactive substances to medical and scientific use: the Single Convention on Narcotic Drugs (1961), the Convention on Psychotropic Substances (1971) and the Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988).

While examining the illegal activities of organized criminal groups in the cases of Kosovo and Liberia, this paper will use as a basis the above legal instruments and definitions contained therein.

## 2.3 Peacebuilding and Organized Crime

The link between peacebuilding and organized crime is explicitly made in several UN documents. In December 2004, the Report of the High-Level Panel on Threats, Challenges and Change clearly recognized the interrelatedness of transnational organized crime, conflict and peacebuilding, stating that “organized criminal activities undermine peacebuilding efforts and fuel many civil wars through illicit trade in conflict commodities and small arms”.<sup>16</sup> The 2005 World Summit Outcome Document also made reference to organized crime, expressing “grave concern” at its negative effects on development, peace and security and human rights, and reaffirming the resolve of the Member States to jointly work to combat this problem.<sup>17</sup> Importantly, the United Nations Chief Executives Board for Coordination (CEB), a forum that brings together the executive heads of all organizations of the United Nations system under

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<sup>13</sup> General Assembly Resolution, A/RES/55/25, 18 January 2001, Annex II. It entered into force in December 2003.

<sup>14</sup> General Assembly Resolution, A/RES/55/25, 18 January 2001, Annex III. It entered into force in January 2004.

<sup>15</sup> General Assembly Resolution, A/RES/55/255, 8 June 2001, Annex. It entered into force in July 2005.

<sup>16</sup> A More Secure World: Our Shared Responsibility. Report of the High-Level Panel on Threats, Challenges and Change, A/59/565, 2 December 2004.

<sup>17</sup> General Assembly Resolution, A/RES/60/1, 24 October 2005, para. 111.

the chairmanship of the Secretary-General, likewise recognized the impact of organized crime on the key areas of UN involvement, namely peace and security, social and economic development, human rights, democracy and good governance. In 2004, the Board addressed this item on the basis of a note prepared by the UN Office on Drugs and Crime (UNODC), entitled "Organized crime and corruption are threats to security and development: the role of the United Nations system."<sup>18</sup>

The note reviews the impact of transnational crime in three sectors: peace and security; development; and human rights and good governance. It clearly recognizes the negative impact organized crime has on peace and security, stating that "[o]rganised criminal groups established in periods of conflict delay, even subvert, the establishment of democratic institutions in the post-conflict phase. In most post-conflict situations, the growth of organized crime constitutes a challenge to the development of reformed national institutions, such as police, customs and the judiciary, as well as to economic reforms."<sup>19</sup>

As a follow-up, the Board endorsed a package of measures aimed at building an effective system-wide response to combating organized crime, and a Programme of Action that seeks to identify potential joint action within the UN system to curb transnational organized crime.

As the above review has shown, the link between organized crime and peacebuilding is made in some of the UN documents. However, the documents governing peacebuilding support offices do not refer specifically to the threat of organized crime; neither does organized crime figure in the 2001 Security Council definition of peacebuilding. In these documents, the need for the fight against organized crime is generally vaguely captured under the wider notion of the promotion of transparent and accountable governance and the rule of law.

The lack of a clear mandate to fight against organized crime in these documents does not, however, mean that the UN does not assign any attention to this matter in the context of peacebuilding in practice. Although only three of the current UN field presences are called peacebuilding support offices (the above-mentioned offices in Tajikistan, Guinea-Bissau and Central African Republic), there are other UN missions, be it special political missions or peacekeeping operations, with strong elements of peacebuilding, among them the current missions in Kosovo and Liberia. Some of these field presences do address the issues of organized crime.

The following two sections will outline the main activities of organized criminal groups in Kosovo and Liberia, the impact of these activities on peacebuilding and the action taken by the international community to fight against organized crime.

<sup>18</sup> Summary of the conclusions of the United Nations Chief Executives Board for Coordination at its first regular session of 2004, Vienna, 2-3 April 2004, Chief Executives Board, CEB/2004/1, 3 May 2004, pp. 7-10.

<sup>19</sup> Organized Crime and Corruption are Threats to Security and Development: The Role of the United Nations System, UNODC, April 2004.

### 3 Kosovo

#### 3.1 Evolution of Criminal Patterns from the Early 1990s to Early 2006

##### Background

Several factors were crucial for development, expansion and consolidation of criminal networks in the Balkans. In Kosovo, the illegal economy became vital to the Kosovan Albanian population following Serbia's revocation of the province's autonomy in 1989. Kosovan Albanians not only lost administrative control of the Kosovo but were also dismissed from their jobs, denied access to state-run health care and deprived of education in their language. Politically, many mobilized and joined in their support for the moderate Democratic League of Kosova (LDK) of Ibrahim Rugova, while others chose to support the armed struggle of the Kosovo Liberation Army (KLA).

In 1999, in response to Serbia's wide-scale attacks on the Albanian population in Kosovo, the North Atlantic Treaty Organization (NATO) carried out a series of air strikes on Yugoslav and Serbian security forces and paramilitary groups over a period of eleven weeks. The strikes were suspended on 9 June 1999, following the agreement of the Federal Republic of Yugoslavia to withdraw its forces from Kosovo. Under the cease-fire agreement, the 50,000 KLA guerillas were to disarm, disband and join the civil protection Kosovo Protection Corps (KPC).

On 10 June 1999, The United Nations Security Council adopted a resolution establishing the United Nations Interim Administration in Kosovo (UNMIK) in order to "provide transitional administration while establishing and overseeing the development of provisional democratic self-governing institutions." The Security Council also created an international force composed of NATO troops (Kosovo Force – KFOR) to ensure "public safety and order until the international civil presence can take responsibility for this task."<sup>20</sup>

##### Activities of organized criminal groups from the early 1990s to early 2006<sup>21</sup>

One of the main activities undertaken by organized criminal groups before the violent conflict of 1998-99 was trafficking in drugs. Limited employment opportunities, which left the population reliant on remittances from their families abroad, and the province's strategic location on the heroin trafficking route from Afghanistan to Europe, contributed in the early 1990s to the Kosovars' increasing involvement in organized crime.

The Kosovars, taking advantage of their large expatriate communities located throughout Western Europe, were soon able to challenge the traditional Turkish dominance over the heroin markets. They also became important players in prostitution rings. The sanctions imposed on the Federal Republic of Yugoslavia in 1992 by the UN Security Council and the blockade enforced by Greece against Macedonia were additional factor that contributed to the

<sup>20</sup> Security Council Resolution, S/RES/1244 (1999), 10 June 1999.

<sup>21</sup> Serbia, part of which for the time being remains Kosovo, is party to the UN Convention on Transnational Organized Crime with the supplementing protocols, and the UN Convention Against Corruption.

expansion of criminal activities in the region, in particular the illegal trade in oil, arms and narcotics.<sup>22</sup>

Smuggling channels in Kosovo that developed prior to the conflict 1998-99 were essential for Kosovo's struggle for independence. The profits generated through illegal channels enabled the Kosovars, in particular the KLA, to equip themselves and confront a militarily superior adversary. In the meantime, disillusionment of the Kosovan Albanians with the peaceful resistance policy of "unofficial president" Ibrahim Rugova, especially after the Dayton Peace Agreement in 1995 did not address the Kosovo problem, made the population increasingly choose the armed struggle over the peaceful resistance.<sup>23</sup>

The links between the heroin trade and the provision of weapons to the KLA are well documented. Drugs-for-guns trade is thought to have begun in the early 1990s, with shipments of weapons destined for Kosovo, financed with the proceeds from the heroin trade.<sup>24</sup> The Montreal Gazette in 1999 claimed "the KLA got much of its funding from sales of heroin, and enjoyed intimate links with the Italian Mafia and Albanian heroin barons. [...] The involvement was so great that the KLA played a part in feeding the heroin craze that [has] raged across Western Europe and North America during the 1990s."<sup>25</sup> The European police were reportedly suspicious about the correlation between the upsurge of the Kosovan Albanians in the heroin trade in some Western European countries and the sudden development of the KLA into a potent force.<sup>26</sup> In 2000, Ralf Mutschke, an official of the Interpol Criminal Intelligence Directorate spoke about the intertwining of political and criminal activities. He noted that the Albanian drug lords started to financially contribute to the "national cause" as early as in 1980s. These funds were largely used for the arms and military equipment of the KLA after its emergence in 1993.<sup>27</sup>

By 1997, the KLA had developed into a well-equipped guerrilla army and reportedly entirely controlled the heroin trade through Kosovo. The collapse of the pyramid schemes in neighboring Albania in 1997 and the ensuing looting of arms depots, most of which was sold to the KLA, gave a huge impetus to the KLA's heroin-for-arms trade. By 1998, the KLA was considered to be an essential actor in the drugs-for-arms trade, assisting in the provision of 2 billion USD worth of drugs per year to the Western Europe.<sup>28</sup> In 1999, Interpol reported that 40

<sup>22</sup> Lawless Rule Versus Rule of Law in the Balkans, Special Report 97, United States Institute of Peace, December 2002; Corruption, Contraband and Organized Crime in Southeast Europe, Center for the Study of Democracy, Sofia, 2003.

<sup>23</sup> Marko Hajdinjak, Smuggling in Southeast Europe: The Yugoslav Wars and the Development of Regional Criminal Networks in the Balkans, Center for the Study of Democracy, 2002, p. 12.

<sup>24</sup> Lawless Rule Versus Rule of Law in the Balkans.

<sup>25</sup> "The KLA and the Heroin Craze of the 90s," Montreal Gazette, 15 December 1999. Available at: <http://www.balkanpeace.org/cib/kam/kosd/kosd01.shtml>.

<sup>26</sup> Roger Boyes and Eske Wright, "Drugs Money Linked to the Kosovo Rebels," The Times, London, 24 March 1999, at [http://www.lhric.org/validation/war/articles/times3\\_24\\_99.html](http://www.lhric.org/validation/war/articles/times3_24_99.html).

<sup>27</sup> The Threat Posed by the Convergence of Organized Crime, Drugs Trafficking and Terrorism, Written Testimony of Ralf Mutschke, Assistant Director, Criminal Intelligence Directorate, International Criminal Police Organisation-Interpol General Secretariat, before a hearing of the Committee of the Judiciary, Subcommittee on Crime, 13 December 2000.

<sup>28</sup> Hajdinjak, p. 12; Mutschke.

percent of the heroin that reached Western Europe (Switzerland, Germany and the Scandinavian countries) had come from Kosovo.<sup>29</sup>

An important source of the KLA financing before and during the conflict were fundraising activities of the Kosovan diaspora, which were allegedly also being used to launder money originating from drug trade. Various sources reported on the large amounts of money being raised through KLA fundraising in the United States and in Europe, and claimed that large portions of it seemed to be illegal drug money. Some claimed that narcotics money was being laundered in banks in Turkey and Western Europe, in exchange for large commissions. There were also reports of money being laundered in Albania, with the involvement of the Kosovars that had crossed into Albania as political refugees following the Serb crackdown on Kosovo. These Kosovars, with the assistance of their émigré community in Western Europe, purchased hundreds of Albanian state-run businesses, which were then used as front companies for illicit merchandise storage and money laundering.<sup>30</sup> However, these claims have not been substantiated.

In the course of the 1999 conflict, the KLA-related criminal structures found another source of income: smuggling of refugees to Western Europe, in cooperation with Albanian organized criminal groups and Italian mafia. Trafficking in persons was also reported. Local men were said to be preying on girls in refugee camps, posing as aid workers or "recruiting" the girls to be "teachers in Italy." The abducted girls were being smuggled to Greece or Italy where they were forced into prostitution.<sup>31</sup>

When the Yugoslav forces departed from Kosovo in June 1999, they left behind a temporary vacuum in authority. Organized criminal groups, which consolidated in the course of the conflict, took advantage of this situation before the new law enforcement and justice systems were established to further strengthen themselves and extend their control in the territory.

Trafficking in drugs seems to have remained one of the main activities of criminal gangs in the post-conflict Kosovo. An important factor that continues to facilitate drug trafficking through Kosovo is its geographic location on the "Balkan route", which leads from poppy cultivation area in Southwest Asia through Iran and Turkey, and then splitting into two on the Balkan Peninsula, with one branch passing by sea through Turkey and Greece and the other through Macedonia, Albania, Kosovo, Serbia and Bosnia. Another factor fuelling crime in Kosovo has been the low level of economic activity in the province due to the destruction of industries by the war. This has resulted in high unemployment rate,<sup>32</sup> creating a pool of people willing to

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<sup>29</sup> "Drugs in Kosovo – Essential Action for a Better Future," Southeast European Times, 19 July 2002.

<sup>30</sup> John Leyne, "Funding the KLA," BBC News, 24 March 1999, at <http://news.bbc.co.uk/1/hi/world/europe/296004.stm>; Boyes and Wright; Michel Chossudovsky, "The KLA: Gangsters, Terrorists and the CIA", 1999, at <http://www.historyofmacedonia.org/AlbanianTerrorism/KLA.html>; Xhudo.

<sup>31</sup> Hajdinjak, p. 28; Janine di Giovanni, "Refugees Face a New Terror," The Times, 4 May 1999. The main difference between smuggling and trafficking of human beings is that the first one is a voluntary act whereas the second one is done against the person's will.

<sup>32</sup> According to Human Development Report Kosovo 2004, unemployment rate in Kosovo is 44.42 percent (2003 est.). Available at: [http://hdr.undp.org/docs/reports/national/KOS\\_Kosovo/Kosovo\\_2004\\_en.pdf](http://hdr.undp.org/docs/reports/national/KOS_Kosovo/Kosovo_2004_en.pdf).



take part in illegal activities. The unresolved status of Kosovo, which remains part of Serbia until its final status is determined, has also contributed to the problem, due to weak border control between Kosovo and Serbia.<sup>33</sup>

However, in the post-conflict Kosovo, trafficking in drugs is no longer linked to illicit transborder trade in small arms and light weapons. The latter is rather minor, at least compared to arms trade in the neighboring Balkan states, or to other illegal activities in Kosovo, and amounts to tens or occasionally hundreds of guns. The low level of trade is due to several factors, one being the fact that the market for arms is relatively saturated, as there are about 330,000 to 460,000 civilian small arms already in Kosovo. Apart from security providers, such as UNMIK police and KFOR, and categories of businesses/citizens holding "weapons authorization cards" (including private security firms and some politicians), these arms are owned by organized and semi-organized criminal actors, businessmen and ex-combatants. The existing demand comes mainly from these actors who regularly upgrade their equipment. Weapons are also owned by ordinary civilians: approximately 60-70 percent of households in Kosovo possess guns, mainly for their own security. Another factor that accounts for the low level of trafficking in arms is the fact that trafficking of women, cigarettes or fuel are less risky and more lucrative enterprises. The presence of international and national security forces may also be a factor.<sup>34</sup>

In spite of low levels of trafficking in arms, the 2005 Kosovo Progress Report of the European Union identifies arm trafficking through Kosovo as a matter of growing concern,<sup>35</sup> possibly as supply of arms could be provided to terrorist groups or insurgencies abroad.

Mass smuggling of goods has also been a matter of concern in the post-conflict Kosovo, as the channels established before the conflict for the purpose of arms smuggling have been expanded to include other goods (cigarettes, alcohol and petroleum products).<sup>36</sup> Other types of fraud exist in the province, for instance activities involving the infringement of copyright laws<sup>37</sup> and the production of counterfeit Euro banknotes. Europol Crime Report lists Kosovo as one of the places where counterfeit Euro banknotes are being produced.<sup>38</sup>

Trafficking in human beings seems to remain widespread in post-conflict Kosovo. It is mostly related to sexual exploitation, while other forms of trafficking, such as forced labor or removal of organs, have not been detected. According to the International Organization for Migration Kosovo, the main causes of trafficking in human beings are unemployment, poverty, gender inequalities, social and cultural attitudes, and the demand for sexual services and cheap

<sup>33</sup> Kosovo (under UNSCR 1244) 2005 Progress Report, European Commission, Brussels, 9 November 2005, pp. 52-53.

<sup>34</sup> Anna Khakee and Nicolas Florquin, Kosovo and the Gun: A Baseline Assessment of Small Arms and Light Weapons in Kosovo, a study commissioned by UNDP, June 2003.

<sup>35</sup> Kosovo (under UNSCR 1244) 2005 Progress Report, EC.

<sup>36</sup> Hajdinjak, pp. 36-37.

<sup>37</sup> Kosovo (under UNSCR 1244) 2005 Progress Report, EC, p. 54.

<sup>38</sup> 2004 European Union Organized Crime Report, Europol.

labor.<sup>39</sup> The province is used as a transit as well as a destination area. Although the presence of international military forces initially played an important role in the development of this illegal activity, up to 90 percent of clients of sex services are currently domestic.<sup>40</sup>

The proceeds of illegal activities are reportedly being laundered by organized criminal groups in the area and abroad. In 2003, a former commander of the KFOR, Lieutenant General Fabio Mini, expressed a belief that "there is no other place in Europe where money laundering is as easy as in Kosovo or the Balkans in general."<sup>41</sup>

In 2004, basic legal framework to control money laundering in Kosovo was established with the promulgation of UNMIK Regulation 2004/2 on the deterrence of money laundering and related criminal offences (amended in February 2005). Under this law, financial institutions are required to identify their clients and report any suspicious transaction. Kosovo's Financial Information Centre, established in September 2004, is responsible for gathering and analyzing data on money laundering.

However, not much has changed in practice, as the enforcement of the legislation represents a tremendous challenge. According to the EC's Kosovo Progress Report, dirty money is laundered through legitimate businesses, which are often owned by the chiefs of drug trafficking groups based in Kosovo. These groups reportedly also invest their funds abroad.<sup>42</sup> There are anecdotal reports on the restaurants' role in money laundering. Money is reportedly also being laundered through the privatization of state-owned enterprises<sup>43</sup> and the illegal construction industry, which is blooming in Kosovo and is reportedly largely dominated by organized criminal groups.

Transborder organized criminal networks do not operate in a vacuum, but generally work hand in hand with government officials. The spreading of organized crime in Southeast Europe was therefore concomitant with the growth and institutionalization of corruption.<sup>44</sup>

In post-conflict Kosovo, corruption seems to be a serious problem. A citizens' perception survey, carried out jointly by Kosovo's Provisional Institutions of Self-Government (PISG) and UNDP Kosovo, has revealed that 80 percent of Kosovars consider corruption to be a problem in their everyday life. The institutions perceived as most corrupt are Kosovo Energy Corporation (KEK), hospitals and Kosovo Customs. Perceptions of corruption are also relatively high for central government institutions (the Kosovo Government, the Kosovo Presidency and the Assembly of Kosovo) and municipal government. Reported corruption in these institutions,

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<sup>39</sup> A general Review of the Psychological Support and Services Provided to Victims of Trafficking, IOM Kosovo, September 2003.

<sup>40</sup> Situation Report on Organized and Economic Crime in South-eastern Europe, European Commission/Council of Europe CARPO Regional Project, Strasbourg, August 2005, p. 67.

<sup>41</sup> Lieutenant General Fabio Mini, former Commander, Kosovo Force (KFOR): "The Role of the Military in Combating Organized Crime," in *Organized Crime as an Obstacle to Successful Peacebuilding: Lessons Learned from the Balkans, Afghanistan and West Africa*, Report of the 7th International Berlin Workshop, pp. 41-46.

<sup>42</sup> Kosovo (under UNSCR 1244) 2005 Progress Report, EC.

<sup>43</sup> Nikolaus Graf Lambsdorff, Deputy Special Representative of the Secretary-General, Head of Pillar IV (EU), UNMIK (2003), in *Organized Crime as an Obstacle to Successful Peacebuilding*, pp. 70-72.

<sup>44</sup> *Anti-Corruption in Southeast Europe: First Steps and Policies*, The Southeast European Legal Development Initiative, Center for the Study of Democracy, Sofia, 2002.

however, is significantly lower than perceived.<sup>45</sup> This could indicate either that corruption is not as pervasive as perceived, or that although corruption does exist, the majority of the population does not report victimization. Transparency International 2004 Annual Report similarly indicates that perception of corruption in Kosovo is high for utilities and business/private sector (3.1 on a scale where one indicates the lowest level of corruption and five the highest). Political parties (3.0), the legal system/judiciary (2.9) and registry and permit services (2.8) are also listed among the most corrupt institutions.<sup>46</sup> According to the International Crisis Group report of February 2006, corruption in Kosovo seems to be growing both at central and municipal levels. It appears that the mentality of the communist era when the government controlled the distribution of resources remains, and cronyism dominates selection processes for the new boards of public utilities and regulatory boards.<sup>47</sup> What is encouraging, however, is that the majority of Kosovars view their police, the Kosovo Police Service (KPS) as a trusted and credible institution. As expected, this is true only for the Kosovo Albanian community, whereas the minority Kosovo Serb community, generally mistrustful of the Kosovan institutions, demonstrate a low level of confidence in the KPS.<sup>48</sup>

In its 2005 enlargement strategy paper, the European Commission characterizes corruption in Kosovo as "widespread."<sup>49</sup> The EC/Council of Europe's Situation report on Organized and Economic Crime in South-Eastern Europe links crime ("smuggling, tax and custom evasion and other kinds of crime") with corruption in the public sector, characterizing it as a "threat to Kosovo society."<sup>50</sup> While the available quantitative data do not indicate to what extent the corruption is indeed related to the activities of organized crime, there is abundant anecdotal evidence making this connection.

It appears that the abovementioned illegal activities are dominated by the same group of actors who seem to be organized geographically, with families/clans controlling all forms of illegal activities in a certain area. This would suggest that there exists a connection between the networks involved in various forms of trafficking in the province. For instance, it is very likely that trafficking in human beings is organized by the same organized criminal groups that were involved in the smuggling of arms, drugs and refugees before and during the war. They are allegedly using the same routes as before as well as the same collaborators across the border and seem to be in many instances linked to the KLA, with close ties with the local political elites.<sup>51</sup>

<sup>45</sup> Combating Corruption in Kosovo: A Citizens' Perceptions Survey in Support of the Kosovo Anti-Corruption Strategy, the PISG and UNDP, 2004, pp. 14-18.

<sup>46</sup> Transparency International Annual Report 2004, at <http://www.transparency.org>.

<sup>47</sup> Kosovo: The Challenge of Transition, International Crisis Group, Europe Report No. 170, 17 February 2006, p. 5.

<sup>48</sup> Light Blue: Public Perceptions of Security and Police Performance in Kosovo, UNDP Kosovo, June 2004.

<sup>49</sup> 2005 Enlargement Strategy Paper, Communication from the Commission, Commission of the European Communities, Brussels, November 2005, p. 26.

<sup>50</sup> Situation Report on Organized and Economic Crime in South-eastern Europe, EC/Council of Europe, p. 67

<sup>51</sup> Hajdinjak, pp. 36-37, 50; Michael Carpenter, "The Modern Slave Trade in Post-Communist Europe," in Center for Slavic and East European Studies Newsletter, pp. 5-8, 15; Umberto Pascali, "KLA and Drugs: The 'New Colombia of Europe' Grows in Balkans," Executive Intelligence Review, 22 June 2001; "Former Warlords in the Balkans are Building an International Criminal Empire," Newsweek, 21 March 2001.

Kosovan organized criminal groups allegedly work in tandem with ethnic Albanians in Albania, Macedonia and abroad.<sup>52</sup> In its 2004 report on organized crime, Europol listed ethnic Albanian organized criminal groups from Albania, Kosovo and Macedonia as an increasing threat to European Union Member States.<sup>53</sup>

Allegations also exist of links between the KLA and terrorist organizations. In 1998, the US State Department put the KLA on their list of terrorist organizations, noting that it was funded through international heroin trade and loans from Islamic countries and personalities, allegedly including Osama bin Laden.<sup>54</sup> There were also allegations that Al Qaeda operatives were fighting alongside the KLA in Kosovo from 1998 to 1999 and were present in Northern Albania in KLA training camps, and claims that Balkan organized criminal groups served as a conduit for Al Qaeda's financial operations.<sup>55</sup> However, these allegations have not been substantiated.

### **3.2 International Efforts to Counter Organized Crime in Kosovo<sup>56</sup>**

Resolution 1244 establishing UNMIK and KFOR did not give them a direct mandate to fight against organized crime. This was captured under the task to establish the rule of law.

Upon its deployment, KFOR, mandated to ensure public safety and order in Kosovo, made a number of arrests to restore law and order in the province. UNMIK, for its part, focused on maintaining civil law and order, in addition to meeting the immediate humanitarian objectives, as per its mandate. This involved establishing local police forces and deploying international police personnel, as well as restoring the key tasks of the Kosovo judiciary. It established independent judicial commissions, composed of local and international legal experts, which selected judges and prosecutors; created a legal assistance sector; put in place legal and judicial training programmes to build the capacity of the depleted judicial sector; and established a basic legal framework, as the previous one did not form an adequate legal basis for the creation of an independent and effective judiciary. The UN brought international judges into the domestic legal system, which was an important measure that helped strengthen the

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<sup>52</sup> Situation Report on Organized and Economic Crime in South-eastern Europe, EC/Council of Europe.

<sup>53</sup> 2004 European Union Organized Crime Report, Europol, December 2004.

<sup>54</sup> Mutschke.

<sup>55</sup> "Understanding Balkan Organized Crime: A Key to Success in Iraq?," An Interview with Mark Edmond Clark, The Strategy Group, July 2003.

<sup>56</sup> There are a number of international actors involved in bringing sustainable peace to Kosovo, including the United Nations, the NATO, the Organization for Security and Cooperation in Europe and the European Union. A thorough examination of their actions to combat organized crime in Kosovo was not the objective of this research, as it would require a study in itself. However, it was deemed necessary that this paper offers at least some brief overview of this topic. The author of this paper does not claim that this overview is comprehensive.

local judiciary. The international staff was instrumental in dealing with sensitive cases, in which domestic judges would be subject to too much pressure.<sup>57</sup>

Although the fight against organized crime *per se* was not among UNMIK's main priorities at the time of its creation, it emerged as such in the course of 2002 with the establishment of the Kosovo Organized Crime Bureau (KOCB). André Heinrichs, former Head of the Bureau, outlined in 2003 the overall strategy of UNMIK in the area of organized crime as consisting of four elements: the reform of applicable law, as appropriate; capacity building of the police in order to strengthen investigative techniques, leading to arrests and convictions; cooperation with other law enforcement agencies; and integration of the Kosovo Police Service (KPS) into the fight against organized crime.<sup>58</sup>

UNMIK's KOCB was in November 2004 integrated into the Department of Organized Crime, which also includes the Trafficking in Human Beings Investigation Section (THBS) and the Narcotics Investigation Section (NIS), and is, among other tasks, preparing the KPS for an eventual hand-over of responsibilities.

In 2003, following the revelation of gross mismanagement, including the possibility of fraud and corruption in Kosovo's public utilities, an Office of Anticorruption was established within UNMIK, under the direct supervision of the Special Representative of the Secretary-General. The objective of the office is to achieve reform of corporate governance and management practices within public utilities, promote the establishment of an appropriate regulatory environment governing public utilities, identify fraudulent behavior and take appropriate action – administrative or criminal – in relation to those involved.<sup>59</sup>

The Office investigates all transactions done in public companies in Kosovo (PTK post and communications, KEK electricity, Airport and Railways), and its Head sits on the Boards of Directors of publicly owned enterprises as an observer. It monitors internal processes in these enterprises to detect instances of corruption and mismanagement, particularly in procurement, finance and recruitment, and works closely with UNMIK Police and Justice. Any suspicious activity is then investigated by the mission's Financial Investigations Unit. The Office has already helped achieve major management reforms, which has led to increased revenues, reduced procurement costs and better investment practices.<sup>60</sup>

Today, UNMIK is extraordinary among peace missions in that it has a dedicated capacity to counter organized crime. In addition, its mandate is special in that the mission plays a role of

<sup>57</sup> UNMIK website, at: <http://www.unmikonline.org/chrono.htm#jun99>; Hansjorg Strohmeyer, "Collapse and reconstruction of a judicial system: The United Nations Missions in Kosovo and East Timor," *The American Journal of International Law*, Vol. 95, Iss.1, Washington, January 2001; Timoty Clayson, former International Judge, Supreme Court of Kosovo: "Strategies and Instruments for Successfully Fighting Organized Crime in the Balkans," in *Organized Crime as an Obstacle to Successful Peacebuilding*, pp. 82-84.

<sup>58</sup> André Heinrichs, former Head, Kosovo Organized Crime Bureau, UNMIK, in *Organized Crime as an Obstacle to Successful Peacebuilding*, pp. 90-93.

<sup>59</sup> "The Axe of UNMIK: The Shadow of the SRSG," interview with James Wasserstrom, the Head of the Office of Publicly Owned Enterprises, *Express*, 8 May 2006, pp. 1, 14-15, Pristina, Kosovo.

<sup>60</sup> *Ibid.*

an interim administration, which allows it to take on a wide range of responsibilities, in cooperation with Provisional Institutions of Self-Government.

### **3.3 The Impact of Organized Crime on Peacebuilding in Kosovo**

#### **Organized crime, politics and society**

In Kosovo, political instability and war that followed NATO intervention in 1999, with the accompanying absence of law and order, created immense opportunities in which organized crime could flourish. It created a market in which various groups would come together, no matter their ethnicity, and cooperate in the pursuit of profits. The war helped further the expansion of organized crime also by creating a mentality in which liberation fighters, many of whom were also drug lords, were considered national heroes who had played an essential role in the struggle for independence.<sup>61</sup> Their popular support made them enjoy a sort of immunity from persecution. Organized crime, which was spreading almost unhindered, seems to have gradually come to exert great influence over political, economic and social life in Kosovo.

The former KLA structures have split, with some members turning to politics and others to business, organized crime, or paramilitary activities. These elements, however, have remained closely intertwined. The criminal network in Kosovo is said to be composed of clans – the so-called “15 families” – with their chiefs either part of the leadership of the former KLA, or directly connected to it.<sup>62</sup>

Political elites seem to have been directly involved in illegal business. An example of such involvement is smuggling through Blace, the border crossing post between Kosovo and Macedonia. In an attempt to curb this activity, the Head of the Customs Service replaced several customs officers, which led to a 40 percent increase in revenues from that post.

However, soon he began to receive death threats and was allegedly pressured by the Democratic Party of Kosovo to reinstate the dismissed officers.<sup>63</sup>

Intimidation and violence are pervasive in Kosovo public life, with the main target being key officials in the government and judicial system. In 2000, the Director of the Municipal Department of Planning, Reconstruction and Development was murdered in Pristina after he attempted to curb illegal construction in Kosovo. The main suspects in his assassination were the criminal elements connected with illegal construction industry.<sup>64</sup> The interference of criminal groups with politics is evident in the high turnover of Kosovars in senior positions of customs services. Political life in Kosovo is generally very violent, with a great number of political murders occurring.<sup>65</sup>

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<sup>61</sup> Interview with UNMIK/OSCE official, March 2006.

<sup>62</sup> Khakee and Florquin, pp. 7-8; Hajdinjak, p. 27.

<sup>63</sup> Kosovo: A Strategy for Economic Development, International Crisis Group Balkans Report no. 123, Pristina/Brussels, December 2001, p. 8.

<sup>64</sup> Ibid., p. 7.

<sup>65</sup> Khakee and Florquin, pp. 8, 21.

Justice system officials and witnesses are particularly exposed to pressure. The Secretary-General in his report covering the period from May to December 2005 assessed that there was an increase in the intimidation of justice system staff.<sup>66</sup> In December 2005, the Special Representative of the Secretary-General for Kosovo reported that in one municipality, all Kosovan judges pulled out of a case after they had received threats. Two witnesses reported having received threats in a murder and a terrorism case, and one witness in war crimes case was murdered.<sup>67</sup>

Organized criminal groups seem to also have played a role in fomenting ethnic tensions. Criminal actors may often be behind what appears to be ethnically motivated crime, either in an effort to create tensions and breed disorder, or to solve a dispute between themselves. Organized criminal groups may have played a role in the conflict that erupted in Macedonia in 2001, and may have contributed to the organization of March 2004 riots in Mitrovica which developed into a widespread campaign by Kosovo Albanian extremists against Serb, Roma and Ashkali communities of Kosovo.<sup>68</sup> Criminal elements, in particular former KLA groupings, may also have compelled ethnic Albanians in February 2003 to participate in demonstrations against the turning in to the Hague tribunal of ethnic Albanians accused of war crimes.<sup>69</sup> However, while some organized criminal groups choose to fund extremism, others prefer to fund local infrastructure and social services.<sup>70</sup>

Over time, close interrelationship has developed between criminal and political elements, which in some cases have overlapped substantially. The political groups were initially dependent on the trade in illegal commodities to finance their "liberation struggle" but later this trade became a source of continuing personal enrichment. The criminal groups, on their part, have depended on political protection to continue with their operations. This has created a symbiosis of organized crime and politics, a dangerous mixture hindering development and sustainable peace.

### **How organized crime has hindered peacebuilding**

One of the main challenges facing Kosovo on its way to sustainable peace is building functioning institutions, capable of providing for the needs of the people.

However, institution-building has been severely hampered by the activities of organized crime. Organized criminal groups have a twofold approach. On the one hand, they aim at gaining full control over the state apparatus through attempts to dominate certain key sectors. On the other hand, they have a vested interest in keeping the status of lawlessness, which allows them to operate unhindered, and in preventing effective institution-building from taking place.

One of the most vulnerable sectors is judiciary. Criminals have continuously attempted to control the justice system through intimidation of officials and witnesses, thereby damaging a

<sup>66</sup> Report of the Secretary-General on the United Nations Interim Administration in Kosovo, January 2006, p. 3.

<sup>67</sup> Ibid., Annex I: Technical assessment of progress in implementation of the standards for Kosovo, p. 13.

<sup>68</sup> Bridging Kosovo's Mitrovica Divide, International Crisis Group, Europe Report No. 165, September 2005, p. 25.

<sup>69</sup> Khakee and Florquin, pp. 8, 21.

<sup>70</sup> Bertram Welsing, Head of the Kosovo Organized Crime Bureau, UNMIK (2003), in *Organized Crime as an Obstacle to Successful Peacebuilding*, pp. 67-69.

transparent, independent and efficient functioning of justice institutions and hindering the establishment of the rule of law.

Organized criminal groups have also come to exert great influence over the province's economy. On the one hand, they have contributed to creating an insecure environment, turning away potential investors. On the other hand, criminal actors, able to act as investors themselves, have assumed an important role in the Kosovo businesses sector.

Smuggling of goods and other type of fraud involving tax and customs evasion has had a negative impact on the socio-economic situation as it has caused a loss of public revenues, which could have been used for development. Draining of public resources has contributed to the growing gap between the rich and the poor, and has undermined public trust in governance and law enforcement institutions.

Organized criminal groups have been engaged in gross violations of human rights, the most prominent among them being assassinations, including political assassinations, and trafficking in human beings. High levels of violence in everyday life have prompted the population to take measures to ensure their personal security, often through the possession of guns, and the proliferation of weapons has contributed to a propitious environment for conflicts. The insecurity, among other factors, has also impeded the return of displaced persons.

Organized criminal groups have hampered institution-building by having furthered widespread corruption. Corruption has been allegedly pervasive in nearly all institutions, from central and municipal government, to judicial institutions, customs and immigration, service-providing institutions, the Parliament and the Presidency. Corruption has represented a serious obstacle to peacebuilding, as it has prevented a transparent functioning of institutions and has diminished public confidence in these institutions, thereby undermining their legitimacy and creating a potential for instability.<sup>71</sup>

Money laundering has allowed illegal actors to appear legal, thus making them legitimate participants in the high echelons of the society. Opportunities for money laundering may have also attracted criminals and terrorist groups from abroad.

The interests of terrorist and organized criminal groups converge in their drive for profits and the fact that they both thrive in disorder. Therefore, they both have an interest in preventing the establishment of the rule of law and democratic governance. In Kosovo, there were reports of cooperation between terrorist groups and organized crime. These kinds of alliances can have devastating consequences, not only locally but also worldwide.

The interest of organized crime in breeding tensions and disorder has manifested itself in the role organized criminal groups played in fuelling ethnic hostilities. Paradoxically, they have cooperated freely and successfully across ethnic lines. Inter-ethnic tensions have had a direct impact on the functioning of the multi-ethnic institutions, which are the key to peace in the province.

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<sup>71</sup> Clearly, organized crime is not the only culprit and probably not the biggest factor that accounted for high levels of corruption in various institutions. Low salaries, poor quality and delivery of public services and the mentality that allows for bribes also contributed to corruption, particularly in service-providing institutions.



Criminal groups' funding of local development and social services has also been detrimental to peacebuilding. Criminal groups have in this way gained the support of the local communities while undermining the weak, nascent public institutions – and the authority of the state – by taking on their role. The social recognition of criminals as national heroes, a mentality, which has persisted after the conflict, has been detrimental to the establishment of sustainable peace as it has supported the existence of criminal elements in the society and has hindered the fight against them. The fight against organized crime cannot be successful without active participation of the population at the grass-roots level.

Kosovo has undoubtedly made great progress in the past years, with the assistance of the international community. Public institutions were developed and are being strengthened, the rule of law is taking root and the security sector is becoming increasingly accountable. However, numerous challenges remain in political, economic and social areas, including unemployment and inter-ethnic tensions. Combating organized crime is certainly one of these challenges.

## 4 Liberia

### 4.1 Evolution of Criminal Patterns from 1997 to early 2006

#### Background

Liberia has a turbulent past. Years of civil war shattered the Liberian society, with thousands of killed and displaced, the unemployment rate at 85 percent and absolute and extreme poverty at 76.2 and 52 percent respectively.<sup>72</sup> Throughout the years, the country suffered from different forms of organized crime. Individuals and groups took advantage of their privileged position in society to enrich themselves and developed well-formed structures and networks towards this end. The expansion of these networks was tightly linked with the opportunities that presented themselves through conflict.

The civil war in Liberia started in 1989 and involved government forces and fighters of an opposition group, the National Patriotic Front of Liberia (NPFL), led by a former government official, Charles Taylor. International involvement in the resolution of the conflict was extensive. At the beginning of the conflict, it was a subregional organization, the Economic Community of West African States (ECOWAS) supported by the UN, which took the lead in efforts to reach a peaceful settlement. ECOWAS established in 1990 an observer force, the Military Observer Group (ECOMOG), while the UN Security Council in 1992 imposed an arms embargo on the country. In 1993, ECOWAS brokered the Cotonou peace agreement and the Security Council established the United Nations Observer Mission in Liberia (UNOMIL), tasked to support ECOMOG in the implementation of the Cotonou peace agreement.<sup>73</sup> In 1997 Charles Taylor was elected president at the UN-observed elections.

UNOMIL's mandate was completed with the successful conduct of the elections and the UN established UNOL, the first UN peacebuilding support office ever. Its main task was to help consolidate peace following the elections. However, Taylor's election did not bring peace to the country. On the contrary, his brutal regime, characterized by human rights abuses and harassment of political opponents, faced in 1999 a rebellion which led to another civil war.

Liberia was under an extensive sanctions regime. In 2001, the Security Council replaced the arms embargo imposed in 1992 with a more comprehensive one, due to Liberia's role in fuelling the conflict in Sierra Leone.<sup>74</sup> The embargo restricted trade in arms, diamonds and the travel of individuals believed to be representing a threat to regional peace. In 2003, the Council extended the sanctions regime to include the timber industry.<sup>75</sup> The same year, the Special Court for Sierra Leone indicted President Taylor for crimes against humanity.

On 18 August 2003, a comprehensive peace agreement was signed in Accra between the Government and the rebel forces, Liberians United for Reconciliation and Democracy (LURD) and the Movement for Democracy in Liberia (MODEL). Under intense international pressure, President Taylor resigned and went into exile in Nigeria. His Vice-President Moses Blah took over the presidency for two months until the newly established National Transitional

<sup>72</sup> For this and other socio-economic indicators, see The 2006 Liberia National Human Development Report, available at: [http://www.lr.undp.org/NHDR%2706\\_web.pdf](http://www.lr.undp.org/NHDR%2706_web.pdf).

<sup>73</sup> Security Council Resolution, S/RES/866 (1993), 22 September 1993.

<sup>74</sup> Security Council Resolution, S/RES/1343 (2001), 7 March 2001.

<sup>75</sup> Security Council Resolution, S/RES/1478 (2003), 6 May 2003.

Government of Liberia (NTGL) was sworn in in October 2003. The NTGL was headed by transitional Chairman Gyde Bryant and composed of the former Government of Liberia, LURD and MODEL factions. The main task of the NTGL was to prepare for fair and peaceful democratic elections. The mandate of UNOL was terminated and the UN established a multidimensional stabilization force, the United Nations Mission in Liberia (UNMIL), to support the NTGL and assist in the implementation of the agreement.<sup>76</sup> The force, which took over peacekeeping duties from ECOWAS forces, comprised political, military, civilian police, criminal justice, civil affairs, human rights, gender, child protection, disarmament, demobilization and reintegration, public information and later, electoral components.

However, the linkage between natural resources and arms proliferation remained after Taylor's departure and continued to fuel conflict in West Africa. The Security Council in 2004 renewed the sanctions until this link was broken and the Comprehensive Peace Agreement was fully implemented.<sup>77</sup>

The elections in October 2005 and subsequent installation of the new democratically elected government of Liberia marked the beginning of a new era. The new president-elect, Ellen Johnson-Sirleaf, took office in January 2006. She established a Truth and Reconciliation Commission to address crimes committed during the later stages of Liberia's civil war, vowed to fight corruption, and requested the extradition of Charles Taylor from Nigeria to face charges for crimes against humanity.

### **Activities of organized criminal groups from 1997 to early 2006<sup>78</sup>**

The most important form of organized crime under the presidency of Charles Taylor was trafficking in arms in exchange for natural resources, in particular diamonds and timber. This link was clearly documented in December 2000 in the Report of the Panel of Experts established in relation to Sierra Leone. In the report, the Panel noted that diamonds were a primary income source through which the rebel Revolutionary United Front (RUF) had sustained its military activities. It established that the trade was conducted primarily through Liberia, with the involvement of Liberian government officials at the highest level, in particular President Charles Taylor and businessmen close to his inner circle. The Panel found overwhelming evidence that Liberia had been supporting the RUF through provision of training, weapons and related materiel, and discovered supply lines to Liberia through Burkina Faso, with the weaponry coming mainly from Eastern Europe. The report also revealed that the Liberian aviation registry had been used extensively for weapons imports into its own territory and into Sierra Leone, with the assistance of Burkina Faso.<sup>79</sup> The findings of the Panel were followed by the Security Council's imposition of a more comprehensive embargo on Liberia, involving a ban on arms, diamonds and travel of key individuals.<sup>80</sup>

<sup>76</sup> Security Council Resolution, S/RES/1509 (2003), 19 September 2003.

<sup>77</sup> Security Council Resolution, S/RES/1579 (2004), 21 December 2004.

<sup>78</sup> Liberia is party to the UN Convention on Transnational Organized Crime with the supplementing protocols, and the UN Convention Against Corruption.

<sup>79</sup> Report of the Panel of Experts, S/2000/1195, December 2000.

<sup>80</sup> Security Council Resolution, S/RES/1343, 7 March 2001.

On 29 March 2001, the Secretary-General appointed a Panel of Experts concerning Liberia in order to investigate violations of the newly imposed sanctions. The Panel was also to collect information on Liberia's compliance with the demands to cease its support to the RUF, expel the members of the RUF from its territory and cease importing diamonds from Sierra Leone. Further, the Panel was to collect information on illegal activities of individuals referred to in the report of the Panel of Experts on Sierra Leone (1306 (2000)), as well as to further examine the link between the exploitation of natural resources, other forms of economic activity in Liberia and the fuelling of conflict in Sierra Leone and neighboring countries.<sup>81</sup>

Diamonds had a strategic value in the conflict for the different warring factions. The Panel found evidence of President Taylor's dealings in connection with the sale of RUF diamonds via Monrovia until at least early 2001. The imposition of sanctions led to a marked decline in the misuse of the Liberian label for diamond smuggling, with few diamonds passing from Sierra Leone through Liberia. In 2002, the Panel assessed that the embargo on diamonds had been effective in that "Liberian"-labeled rough diamonds disappeared from official markets. At the same time, it documented a shift in trade patterns, with the Liberian rough diamonds being smuggled out of the country into neighboring certification schemes. Although the amount of such diamonds decreased in the course of 2002, probably due to the conflict and the resulting cut in diamond production, Liberian diamonds continued to reach international markets. In 2003, LURD forces were found to be seeking to occupy key diamond mining areas in order to generate income for war through diamond production, which reconfirmed the importance of the diamonds for the continuation of the conflict.<sup>82</sup>

Following the imposition of the ban on diamonds, other sources of revenue such as trade in timber and revenues from Liberia's maritime and corporate registry came to the fore as the main sources of funds for the procurement of arms for the Liberian government.

Timber was an important source of revenue for Taylor's regime since his coming to power in 1997. In its report in October 2001, the Panel of Experts on Liberia revealed that timber production, which was under personal control of the President, was an important source of revenue for sanction-busting. It documented cases in which timber companies were directly involved in the violation of sanctions. For instance, the Panel found evidence of a Singapore-based mother company of Oriental Timber Company, a company that was running important timber operations in Liberia, arranging for payments for arms shipments. Of particular concern was the concession of the Liberian logging company SLC along the border with Sierra Leone, an area where an old military base of the Liberian Armed Forces was located. This area, controlled by the son of President Taylor, was used to stockpile RUF weapons and served as an entry point for the RUF to Liberia. The Panel found ample evidence demonstrating that the relationship between Liberia and the RUF had continued.<sup>83</sup>

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<sup>81</sup> Letter Dated 23 March 2001 from the Secretary-General Addressed to the President of the Security Council, S/2001/268, 23 March 2001.

<sup>82</sup> See the following Reports of the Panel of Experts: S/2002/470, 19 April 2002, p. 25; S/2001/1015, 26 October 2000; S/2002/470, April 2002; S/2002/1115, 25 October 2002; S/2003/973, October 2003; and S/2003/498, April 2003.

<sup>83</sup> Reports of the Panel of Experts S/2003/779, 7 August 2003, p. 11; and S/2001/1015, October 2001.

In 2002, Global Witness, an NGO investigating links between natural resources exploitation, conflict and human rights abuses, estimated that the Liberian logging industry was the most important income source funding the flow of illicit weapons to Liberia. Furthermore, it documented numerous human rights abuses performed by logging companies, which maintained their own militias. Among those were arbitrary arrests and detentions at the barracks operated by the logging companies, humiliation and torture as a means of intimidation and retribution, sexual exploitation and other abuses. Some logging companies were also recruiting and arming former combatants, mainly from the former NPFL, and building private militias some of which took part in military operations. Global Witness also found that taxes from the logging industry were paid directly to the Executive Mansion Special Projects Accounts, which was under the direct control of Taylor. These revenues allowed him to maintain his brutal Anti-Terrorist Unit (ATU) and the Special Operations Division (SOD), which were involved in numerous human rights abuses.<sup>84</sup> In May 2002, United States congressional leaders accused President Taylor of ties with organized crime and called for a ban on Liberian timber, claiming that foreign logging companies were enriching Taylor and through him, the RUF, thereby fuelling the regional instability.<sup>85</sup> The Security Council finally imposed timber sanctions on Liberia in May 2003.<sup>86</sup>

In 2001, the Panel also found irregularities in the accounts of the maritime and corporate registry. It documented how the Bureau of Maritime Affairs and its agent, the Liberian International Shipping and Corporate Registry, were used to fund arms and transportation, in violation of the sanctions.<sup>87</sup>

With the escalation of the conflict in 2003, President Taylor openly stated that Liberia had ordered arms for the purpose of self-defense. At the same time, the Panel of Experts found that his Government was using a network of foreign banks to conceal extra-budgetary income and expenditure, which had become the main source of funding for defense purposes.<sup>88</sup>

Trafficking in persons was also widespread during Taylor's regime. This illegal activity is common in West Africa and occurs in several ways. It can take the form of forced labor, such as agricultural slavery or work for armed movements, or the form of trafficking for the purpose of prostitution and sexual slavery.<sup>89</sup>

Before 2003, Liberia was an important source and destination country for the trafficking of men, women and children. The victims were exploited for both forced labor and sexual

<sup>84</sup> Logging Off: How the Liberian Timber Industry Fuels Liberia's Humanitarian Disaster and Threatens Sierra Leone, A Report by Global Witness, September 2002, pp. 7, 9-10; Taylor-made: The Pivotal Role of Liberia's Forests and Flag of Convenience in Regional Conflict, A Report by Global Witness in conjunction with the International Transport Workers Federation (ITF), September 2001.

<sup>85</sup> United States, House of Representatives Subcommittee on Africa, Elections in Sierra Leone: A Step Toward Regional Stability?, Washington DC, 16 May 2002 (transcript of hearing), available at: [http://commdocs.house.gov/committees/intlrel/hfa79669.000/hfa79669\\_0.HTM](http://commdocs.house.gov/committees/intlrel/hfa79669.000/hfa79669_0.HTM).

<sup>86</sup> Security Council Resolution, S/RES/1478 (2003), 6 May 2003, para. 17 (a).

<sup>87</sup> Report of the Panel of Experts, S/2001/1015, October 2001.

<sup>88</sup> Report of the Panel of Experts, S/2003/498, 24 April 2003.

<sup>89</sup> UNODC, Transnational Organized Crime in the West African Region, New York: United Nations, 2005, pp. 25-27.

purposes. A widespread form of trafficking in persons was forced recruitment of mercenaries, including of children. Some 15,000 child soldiers were reported to have been recruited into government militias and armed non-State actors. Children were used as fighters, often drugged before the combat; as porters or laborers charged with looting from the civilian population; or as sexual slaves. Forced mining of gold and diamonds, organized by various armed groups, also took place during the conflict.<sup>90</sup>

Liberian citizens lived in a state of fear from the ongoing forced recruitment and other abuses such as maltreatment by armed groups, looting and extortion. Both Government units and LURD factions were involved. Refugee camps in Côte d'Ivoire, Guinea and Ghana were a constant source of mercenaries for all of the warring parties. For example, Nicla, a camp in western Côte d'Ivoire, provided Liberian refugees for recruitment into Lima, a militia in Côte d'Ivoire, and possibly into MODEL. The refugees were terrorized by "people with guns" who entered the camp at night. Those who opposed recruitment were harassed and subject to violence. This practice had started in December 2002 and was taking place on a daily basis. In Guinea, children were a particularly vulnerable target for recruitment by LURD and disappearances were reported in June 2002. Refugees in Ghana reported that there were attempts by the Liberian government to recruit combatants in March and June 2003.<sup>91</sup>

Corruption was widespread throughout the years of President Taylor's rule. The Panel of Experts on Liberia found that there were large diversions of revenues and assets from the Government of Liberia, carried out by President Charles Taylor in partnership with his circle of trusted individuals. All of Liberia's high profit industries were under his direct control. In timber industry, one of the prime sources of government revenues, tax evasion by logging companies and corruption were widespread. President Taylor established a system in which the logging industry became dominated by a few mega concessions. He was personally involved in the allocation of concessions.<sup>92</sup> According to the Global Witness research, the timber industry in Liberia was worth at least US\$ 187 million in revenues in 2000, but only an estimated US\$ 6.7 million was deposited into the national budget.<sup>93</sup> In 2003, the Panel of Experts estimated that sanctions imposed on timber would surely result in the loss of government revenue, but they would also cause the loss of taxes and bribes in the amount of \$20 million, which the Panel assumed would have ended in the pockets of government officials.<sup>94</sup>

Taylor, his Minister of Lands, Mines and Energy and other associates also allegedly benefited through the privatization of exploitation of other natural resources, such as gold, diamonds and iron ore.<sup>95</sup> In 2003, Global Witness reported that Taylor also continued to purchase large

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<sup>90</sup> Trafficking in Persons Report 2005, released by the Office to Monitor and Combat Trafficking in Persons, US Department of State, 3 June 2005, available at: <http://www.state.gov/g/tip/rls/tiprpt/2005/>; Report of the Panel of Experts, S/2003/973, October 2003. See also Human Rights Watch, *How to Fight, How to Kill: Child Soldiers in Liberia*, New York, 2004.

<sup>91</sup> See Reports of the Panel of Experts: S/2002/1115, October 2002; S/2003/973, October 2003; and S/2003/498, April 2003. For more on recruitment in refugee camps, see *Youth, Poverty and Blood: The Lethal Legacy of West Africa's Regional Warriors*, Human Rights Watch, Vol. 17, No. 5 (A), March 2005, pp. 24-29.

<sup>92</sup> See Reports of the Panel of Experts: S/2003/973, October 2003; and S/2001/1015, October 2001.

<sup>93</sup> Taylor-made.

<sup>94</sup> Report of the Panel of Experts, S/2003/779, August 2003.

<sup>95</sup> Report of the Panel of Experts, S/2003/973, October 2003.

amounts of Sierra Leonean diamonds smuggled into Liberia. The money from these transactions was deposited in foreign accounts.<sup>96</sup>

Revenues from the maritime and corporate registry, which is assessed to have been providing in 2001 about 25 percent of government revenue, were used for opaque off-budget spending. The Panel of Experts found evidence of diversion of funds and their investment in real estate through corporations controlled by Taylor. Following his resignation, he allegedly tried to sell some of these properties from his exile in Nigeria. Other examples include Taylor's misappropriation of almost all the money paid into the National Social Security and Welfare Corporation, and his request to the Central Bank of Liberia in June 2003 for the issuance of a line of credit of US\$ 700,000. The Panel found strong indications that he took this money into exile in Nigeria. Taylor also gained a number of financial benefits through fuel importation, the cost of which was borne by the Liberian people who were paying an excessive price for the fuel. He also pocketed large profits through rice importation in a similar way.<sup>97</sup>

Laundering of proceeds of illegal activities took place on a large scale by Liberian officials during the government of Charles Taylor. In order to conceal extra-budgetary income and expenditure, the Taylor government used a network of foreign banks where large amounts of money of dubious origin were deposited. In 2002, in spite of the dire humanitarian situation in the country, Liberian assets in Swiss banks were allegedly higher than those from South Africa and Nigeria. The Liberian accounts for which public records are available represented 25 percent of all such African funds in Swiss banks. However, Liberia itself has not developed into a major money laundering centre, possibly due to the lack of well-developed financial system.<sup>98</sup>

Taylor allegedly also maintained links with terrorist organizations. Global Witness reports that Al Qaeda had been buying diamonds since 1993, probably in order to shift its assets from bank accounts to this valuable and untraceable commodity, thereby avoiding surveillance by financial authorities.<sup>99</sup>

Al Qaeda allegedly derived millions of dollars from its dealings with the RUF, with the assistance of the Liberian government. According to reports, small packets of diamonds were smuggled by RUF commanders from Sierra Leone to Liberia where they were exchanged for cash, in a location protected by the Liberian government. Reportedly, Al Qaeda operatives visited Monrovia several times from 1998 to 2001 and were at some point even renting a

<sup>96</sup> The Usual Suspects: Liberia's Weapons and Mercenaries in Côte d'Ivoire and Sierra Leone, Global Witness, March 2003.

<sup>97</sup> Reports of the Panel of Experts: S/2001/1015, October 2001; S/2003/973, October 2003.

<sup>98</sup> The Usual Suspects; Report of the Panel of Experts, S/2003/498, April 2003; The World Factbook: Liberia, CIA, 6 May 2006.

<sup>99</sup> The Usual Suspects.

house there. Taylor allegedly received a commission on every transaction that took place in Monrovia.<sup>100</sup>

An upsurge in diamond dealings by Al Qaeda was noted especially in the months prior to September 11 attacks on the United States, when the organization anticipated the attacks would lead to stricter financial assets controls. Deals in diamonds carried out during this time reportedly amounted to US \$20 million.<sup>101</sup>

While NGO and press reports on the dealings of terrorist groups in Liberia during the period under review are numerous, and while such dealings indeed could have taken place, there is no evidence which could positively confirm this link.

Following the end of the Taylor regime, trafficking in arms ceased, with the last shipment of arms intercepted at Robertsfield International Airport in August 2003. On the other hand, the small-scale trading in arms intensified with arms and ammunition being smuggled to Liberia from neighboring countries in order to be surrendered to the disarmament, demobilization, rehabilitation and reintegration process (December 2003-October 2004).<sup>102</sup> However, as there is no evidence of the involvement of organized criminal groups in the small arms trade in West Africa in general,<sup>103</sup> there also is no indication that these groups would be involved in the cross-border movement of weapons for the purpose of "selling" them to the weapons collection programmes.

Trafficking in persons continued under the NTGL. There were continuing reports of the various factions recruiting combatants, including children, to fight in Côte d'Ivoire, Guinea and Sierra Leone, and girls continued to be trafficked in and out of Liberia for the purpose of sexual exploitation. In addition, following the deployment of UNMIL in 2003, there were reports about Ukrainian and Moroccan women being trafficked to Liberia for the purpose of prostitution. In May 2004, several Moroccan, Russian, Ukrainian and Filipino women, found in a nightclub in Monrovia, were determined to be victims of sexual exploitation.<sup>104</sup>

The NTGL was comprised of former militia members, some of whom were involved in trafficking in persons during the conflict, using them as forced laborers, fighters and sexual slaves. As the involvement of some of them in human trafficking continued after the end of the civil war, with clubs employing trafficked women reportedly under their patronage, the NTGL

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<sup>100</sup> Douglas Farah, "Al Qaeda Cash Tied to Diamond Trade," Washington Post, 2 November 2001; Douglas Farah, "Liberia: The Diamonds of Terror," available at <http://www.enjeux-internationaux.org/articles/num11/en/liberia.htm>. For a more detailed account of Al Qaeda's dealings in Liberia, see Douglas Farah: *Blood from Stones: The Secret Financial Network of Terror*, Broadway Books, 2004.

<sup>101</sup> "Bin Laden's 20m African 'Blood Diamonds' Deals", Observer, 20 October 2002.

<sup>102</sup> Reports of the Panel of Experts: S/2004/396, 1 June 2004; and S/2004/955, 6 December 2004.

<sup>103</sup> Gail Wannenburg, "Organized Crime in West Africa," African Security Review, Vol. 14, No. 4, 2005.

<sup>104</sup> Reports of the Panel of Experts: S/2005/360, June 2005, pp. 21-23; and S/2005/745, December 2005, pp. 40-43; Ninth Progress Report of the Secretary-General on the United Nations Mission in Liberia, S/2005/764, 7 December 2005, p. 6; Children and Armed Conflict, Report of the Secretary-General, A/59/695-S/2005/72, 9 February 2005; Refugees International, Liberia: UNMIL's Crackdown on Trafficking Puts Women at Risk, May 2004; Trafficking in Persons Report 2005.



did not take any action to counter trafficking in persons. UNMIL civilian police and trafficking units played an important role in deterring the conduct of these practices.<sup>105</sup>

The practice of diversion of government revenues and corruption also continued after President Taylor's resignation. Under the short presidency of Moses Blah, massive stealing, looting and extraction of pay-offs were allegedly performed at all levels of the government and by members of LURD and MODEL, with the knowledge or direct involvement of their leaders. Once NTGL took control, financial irregularities persisted. The Panel of Experts documented that in July 2004 the NTGL borrowed US\$3 million from the Central Bank of Liberia but did not make any disclosure about the transaction. Unapproved excess spending was accompanied by significant leakage of revenue in custom duties, taxation on petroleum imports and sale of iron ore. Financial abuse included unsubstantiated travel, questionable tax exemptions, selective payments to creditors, unjustified payments to officials and payments to contractors for services that were never received, among others.<sup>106</sup>

In June 2005, the Panel of Experts asserted that the NTGL's financial administration system was weak, with no internal control and an inadequate external oversight system. Misappropriation of government revenues continued and large leaks of revenues, in particular from the import of rice and petroleum products, were documented. This practice followed the pattern established under the rule of Charles Taylor and was performed by top government officials and businessmen who had close ties with the previous regime.<sup>107</sup> Some local state officials were also reportedly involved in the illegal sale of diamond mining permits.<sup>108</sup> The ECOWAS report on economic crime in Liberia, publicly released in July 2006, recommended the immediate dismissal of four senior officials in NTGL for misappropriation and mismanagement of public funds.<sup>109</sup>

Top government officials in the NTGL reportedly continued to provide funds to Taylor after his resignation via various intermediaries.<sup>110</sup> Pointing to Taylor's continuing influence in the sub-region, the Secretary-General in his June 2005 report stated that "Charles Taylor is reportedly in regular contact with his former business, military and political associates in Liberia and is suspected of sponsoring a variety of presidential candidates with a view to ensuring that the next Liberian Government will include his sympathizers."<sup>111</sup>

Corruption was pervasive also in the Liberian judicial system. There was little or no punitive action for corrupt behavior and in a number of cases officials remained in high positions despite evidence of their wrongdoing. The lack of skilled lawyers which was due to poor

<sup>105</sup> Trafficking in Persons Report 2005.

<sup>106</sup> Reports of the Panel of Experts: S/2003/973, October 2003, pp. 22-23; S/2004/955, December 2004; and S/2005/360, June 2005.

<sup>107</sup> Report of the Panel of Experts, S/2005/360, June 2005.

<sup>108</sup> Ninth Progress Report of the Secretary-General on the United Nations Mission in Liberia, December 2005, p. 12.

<sup>109</sup> Final Report of ECOWAS Team of Investigators Into Economic Crime in Liberia, July 2006.

<sup>110</sup> Report of the Panel of Experts, S/2004/955, December 2004, p. 45; Liberia: Back to the Future, A Report by Global Witness, May 2004, pp. 15-17.

<sup>111</sup> Report of the Secretary-General pursuant to Security Council Resolution 1579 (2004) regarding Liberia, S/2005/376, 7 June 2005, p. 8.

salaries and high risks involved with the job, contributed to the appalling state of the judicial system. No improvement in governance was recorded in the last report of the Panel of Experts in December 2005 before the new government of Ellen Johnson-Sirleaf took over.<sup>112</sup>

The scope of corruption in Liberia was such that several observers called for a forceful approach, with the international community assuming the responsibility for the management of public finances in Liberia.<sup>113</sup> Other types of criminal activities are also present in West Africa. One of them is the trade in narcotics, for which West Africa has increasingly been emerging as a transit point.<sup>114</sup> Drug trafficking was present in Liberia and may have, according to the 2003 Report of the International Narcotics Control Board, represented one of the sources of income for the procurement of arms and ammunition, used by rebel groups and criminal organizations.<sup>115</sup> Liberians reportedly also worked with Nigerian and Ghanaian drug cartels and used Sierra Leone for transshipment. Cigarette smuggling, financial fraud such as advance-fee and internet fraud, forgery, arms manufacturing and armed robbery were also recorded in the West African region.<sup>116</sup> However, little data is available for Liberia.

As shown above, the Government of President Taylor was involved in several forms of transnational organized crime, some of which are documented in the reports of the UN Panel of Experts established by the Security Council, and NGOs' reports. These activities continued well after the resignation of Charles Taylor, under the NTGL. This was possible as the law enforcement and judicial systems were entirely manipulated by those in power and therefore were neither able nor willing to take any action to stop the looting of the country's coffers and other criminal activities.

In addition to the organized crime performed by high-level government officials, the population also took part in illegal activities, mainly as a survival strategy.<sup>117</sup>

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<sup>112</sup> Reports of the Panel of Experts, S/2005/360, June 2005; and S/2005/745, December 2005.

<sup>113</sup> See, for instance, *Liberia and Sierra Leone: Rebuilding Failed States*, International Crisis Group, Africa Report no. 87, Dakar/Brussels, 8 December 2004; Stephen Ellis, "How to Rebuild Africa," *Foreign Affairs*, Vol. 84, Iss. 5, New York, Sept/Oct 2005.

<sup>114</sup> UNODC, *Crime and Development in Africa*, June 2005, pp. 39-43; *Transnational Organized Crime in the West African Region*, pp. 21-24.

<sup>115</sup> International Narcotics Control Board, Report 2003, E/INCB/2003/1, p. 39.

<sup>116</sup> *Liberia and Sierra Leone: Rebuilding Failed State*, p. 5; *Transnational Organized Crime in the West African Region*, pp. 24-31.

<sup>117</sup> See The 2006 Liberia National Human Development Report.

## 4.2 International Efforts to Counter Organized Crime in Liberia<sup>118</sup>

The international community took various measures to combat organized crime in Liberia.

First, Liberia was subject to a comprehensive sanctions regime aimed at combating illegal trade in arms and natural resources. Overall, sanctions were only partially effective: the ban imposed on diamonds was being violated and the ban on timber allegedly as well.

Nevertheless, the sanctions did reduce the revenue available to the former President Taylor and to LURD and MODEL for the purchase of arms and maintenance of mercenaries. Thus, they contributed to the erosion of President Taylor's power base, while at the same time preventing the former warring factions from using diamonds and timber to fuel the war.<sup>119</sup>

The record of the sanctions' impact on the humanitarian situation is also mixed. The sanctions certainly contributed to the loss of revenues for the government and jobs for the population, as well as to the image of Liberia as an international outcast. However, they were not the sole culprit for such a situation, as claimed by the Liberian government who was using their negative impact as a pretext for the lack of reform and improvement in services. The depreciation of the Liberian dollar and the lack of donor interest for projects in Liberia were a result of poor governance, economic mismanagement and the armed conflict as much as the result of the sanctions. On a more positive note, the loss of revenues and jobs associated with the sanctions was allegedly also accompanied by important losses in taxes and bribes, which would otherwise likely have benefited government officials and promoted corruption. Sanctions also forced certain logging companies allegedly responsible for serious human rights violations to cease their operations in Liberia, thereby contributing to a decrease in human rights abuses.<sup>120</sup>

Second, efforts were made to restore the rule of law through building of law enforcement and justice sector institutions. This began in earnest with the arrival of UNMIL in 2003. In particular, UNOL, established following the 1997 elections and mandated to help consolidate peace in Liberia after the July 1997 elections, comprised a small office that did not have either the mandate or the capacity to effectively address institution-building in the area of the rule of law. UNMIL's mandate, on the contrary, involved many aspects that are, directly or indirectly, part of the fight against organized crime. This includes support for security sector reform, in particular assistance in restructuring of the police force; assistance in developing a strategy to consolidate governmental institutions, including judicial and correctional institutions; and help to restore proper administration of natural resources.

When UNMIL deployed, it had to begin building everything from scratch. Government buildings were looted during the battle of June-July 2003 and not much was left in the ministries and the legislative assembly. There was no public administration that could deliver

<sup>118</sup> A thorough examination of the actions of international actors to combat organized crime in Liberia would require a study in itself. The author of this paper does not claim that the brief overview offered in this section is comprehensive.

<sup>119</sup> See also Report of the Panel of Experts, S/2004/396, June 2004.

<sup>120</sup> See Reports of the Panel of Experts: S/2002/470, April 2002; S/2004/396, June 2004; S/2002/1115, October 2002; S/2003/779, August 2003; and S/2005/360, June 2005.

basic services and the security sector was in a dire need of reform, after being manipulated by successive abusive regimes.<sup>121</sup>

With UNMIL's help, progress was made in strengthening national legal, judicial and correctional institutions as well as in the restructuring of the Liberian National Police. Liberia's disarmament and demobilization programme was completed in November 2004. However, diversion of government revenues and corruption, including in the justice sector, continued on a large scale. When the government of President Johnson-Sirleaf took over, the police, judiciary and justice system remained fragile and underdeveloped. Much more robust measures had to be taken to successfully restore the rule of law in the country.<sup>122</sup>

In early 2005, EC-financed financial audits of the Central Bank of Liberia and five state-owned enterprises (the Bureau of Maritime Affairs, the National Port Authority, Robertsfield International Airport, Liberia Petroleum Refining Company and the Forestry Development Authority) revealed the catastrophic scope of corruption in Liberia.<sup>123</sup> These audits catalyzed the drive to address Liberian corruption, which culminated in the establishment of the Governance and Economic Management Programme (GEMAP).<sup>124</sup>

GEMAP, a robust action plan, signed on 9 September 2005 by the NTGL and Liberia's international partners (the UN, the World Bank, the EC/EU, the International Monetary Fund, Ghana, Nigeria, the US, ECOWAS and the African Union), is an innovative measure that aims to address serious corruption and mismanagement in the area of public finances. It comprises aggressive external oversight mechanisms directly targeting the management of public finances, including revenue collection, expenditure controls and government procurement and concession practices. This includes the placement of international experts with co-signature authority in selected ministries, agencies and state-owned enterprises; international management contracts for selected institutions; an international administrator in the Central Bank; the establishment of Anti-Corruption Commission with full prosecutorial powers; and provision of international legal experts as advisors to Liberian judiciary. The Economic Governance Steering Committee (EGSC), which includes the government members, international partners and also a representative of civil society, oversees its implementation.

The programme came about after a complex and lengthy negotiation process which had to overcome several hurdles. These included the reluctance of the NTGL to allow foreign experts to have influence over the financial management of the country, and their unwillingness to tackle corruption due to the involvement of NTGL members in corrupt practices. In particular, GEMAP not only jeopardized their profitable businesses, but also threatened them with possible judicial prosecution. Among the factors that accounted for the signing of the Programme was the fact that the NTGL was outgoing, as well as strong outside pressure

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<sup>121</sup> Rebuilding Liberia: Prospects and Perils, International Crisis Group, Africa Report No. 75, 30 January 2004, p. 15.

<sup>122</sup> Tenth Progress Report of the Secretary-General on the United Nations Mission in Liberia, S/2006/159, 14 March 2006.

<sup>123</sup> Report of the Panel of Experts, S/2005/745, December 2005, p. 8.

<sup>124</sup> See Governance and Economic Management Assistance Programme (GEMAP) and its three annexes.

exerted on Chairman Bryant, including specific threats of withdrawal of foreign assistance.<sup>125</sup> The Security Council on 19 September 2005 welcomed the signing of GEMAP, requested the Secretary-General to regularly update it on the progress in its implementation and explicitly linked this progress to the lifting of the sanctions.<sup>126</sup> The new Liberian government of President Johnson-Sirleaf gave its full support to the implementation of GEMAP. In her inaugural address on 16 January 2006, the new President included economic governance reforms among the key priorities of her government, vowed to fiercely fight corruption and stated that all high officials would be required to declare their personal assets.<sup>127</sup> She took immediate steps to enhance transparency in economic management of the country, ordering, among other issues, that all political appointees of the NTGL resign, requesting an audit of the NTGL, and declaring all forestry concessions granted to timber companies under the previous administration, as null and void.<sup>128</sup>

Finally, at the level of the population, measures to prevent unemployment and help the people find sustainable livelihoods have been important in reducing the spreading of organized crime. This includes reintegration and rehabilitation of the former combatants (RR), the currently ongoing final phase of the disarmament and demobilization programme carried out by UNMIL. The RR component, a joint initiative of the UN Development Programme, UNMIL, the Government of Liberia, NGOs and a number of international agencies aims at assisting demobilized former combatants in becoming productive members of society.<sup>129</sup>

## 4.3 The Impact of Organized Crime on Peacebuilding in Liberia

### Organized crime, politics and war

Criminal activities linked to war, in particular trade in arms and natural resources, together with widespread corruption, can be characterized as the main criminal activity that flourished in Liberia in the period under review. In addition, the instability in the country coupled with the lack of the rule of law, created propitious conditions for other forms of crime to develop and consolidate. Opportunities for illegal business and the general lawlessness attracted international criminals and allegedly also terrorist organizations, which reportedly established links in the region. This allowed criminal syndicates to further entrench themselves in the economies and politics of the West African region.

Taylor's insurgency in Liberia in 1989 as well as civil war in the neighboring Sierra Leone blurred the lines between organized crime and politics, furthering the spreading and consolidation of organized crime under the cover of political objectives. Political actors became motivated primarily by financial gain, which in turn began to be the main motor driving the war and the spreading of organized crime.

<sup>125</sup> For details on the negotiating process, see Liberia's Governance and Economic Management Assistance Programme (GEMAP), a joint review by the Department of Peacekeeping Operations' Peacekeeping Best Practices Section and the World Bank's Fragile States Group, April 2006.

<sup>126</sup> Security Council Resolution, S/RES/1626 (2005), 19 September 2005.

<sup>127</sup> President Ellen Johnson-Sirleaf's inaugural address, 16 January 2006.

<sup>128</sup> Tenth Progress Report of the Secretary-General on the United Nations Mission in Liberia, March 2006, p. 2.

<sup>129</sup> See UNDP Liberia, at: <http://www.lr.undp.org/ddrr.htm>.

During Taylor's rule and under his patronage, Liberia allegedly hosted all kind of international criminal enterprises. Arms dealers and diamond merchants, including those linked to terrorist organizations, reportedly operated side by side and were guaranteed unhindered operations by the Government of Liberia. They benefited from the state support and infrastructure while having access to valuable commodities such as diamonds and timber. Taylor's control over the state apparatus, his links with criminal and possibly terrorist groups, and his regional and international networks of partners contributed to the consolidation and expansion of his criminal empire.<sup>130</sup> His rule could easily be considered an extreme case of intertwining between organized crime and politics.

Criminal empires, once established, are hard to dismantle, and criminalized political actors are hard to remove from the scene. Liberia, characterized by US Library of Congress as a country with reputation for being "a center of government corruption and high-volume trafficking in arms, diamonds, and timber,"<sup>131</sup> offered an attractive base for such criminal activities even after the resignation of Charles Taylor. The members of the NTGL continued to authorize the pillaging of the country's resources in exchange for personal gain, thus continuing with the corrupt practices at the highest levels.

The situation in Liberia required at different times morally questionable compromise with political interlocutors with dubious past. Warlords were present in Liberian politics throughout the period examined in this paper. When Charles Taylor was elected President in 1997, there was no doubt about his past human rights abuses and his destabilizing role in the region. Nevertheless, the people of Liberia elected him president and the international community had to treat him as a statesman. After his departure, warlords remained on the political scene, with the NTGL largely made up of former militia members.

The dilemma of dealing with war criminals and other actors responsible for serious violations of human rights, which is often faced by the international community, was very real in the case of Liberia. Several observers questioned whether dealing with these compromised personalities was indeed necessary, a discussion which enters into the debate on peace versus justice.<sup>132</sup> They also expressed concern over the fact that the October 2005 elections brought to power some former warlords responsible for serious human rights violations who could obstruct efforts by the Liberian government to build durable peace.<sup>133</sup> However, there is little the international community could do, without contradicting itself, when compromised personalities come to power through elections. In particular, the promotion of democracy sometimes goes against the very values the international community is trying to promote.

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<sup>130</sup> For more on Taylor's alleged alliances, see Stephen Ellis, *The Mask of Anarchy: The Destruction of Liberia and the Religious Dimension of an African Civil War*, New York: New York University Press, 2001, pp. 70-74; Farah, "Liberia: The Diamonds of Terror"; William Reno, *Warlord Politics and African States*, Boulder, Colorado: Lynne Rienner Publishers, Inc, 1998, pp. 81, 94-99.

<sup>131</sup> The Library of Congress, *Nations Hospitable to Organized Crime and Terrorism*, A Report Prepared by the Federal Research Division, Library of Congress, under an Interagency Agreement with the United States Government, October 2003, p. 30.

<sup>132</sup> The main argument in this debate is whether justice should sometimes be sacrificed for the sake of peace or not.

<sup>133</sup> Report of the Panel of Experts, *S/2005/745*, December 2005; *An Architecture of Instability: How the critical link between natural resources and conflict remains unbroken*, Global Witness, December 2005; Ellis, "How to Rebuild Africa."

Nevertheless, even if justice sometimes is sacrificed for peace in the short term, in the long run both peace and justice should prevail, leading to the establishment of durable, sustainable peace. An important step in this direction was in the case of Liberia the request by the new Liberian Government for Taylor's extradition from his exile and his handing over to the international justice.

Finally, it is important to distinguish between organized crime performed by high-level government officials, and organized crime in which part of the population is taking part without finding it morally questionable. In fact, it is social and economic conditions, in particular high levels of unemployment, that compel the population to engage in illegal activities. While still illegal, popular engagement in criminality as a survival strategy carries less moral onus than the self-enrichment of political elites at the public expense.

### **How organized crime hindered peacebuilding**

The corrupt system established by the former President Taylor continued under the NTGL. For many officials in the NTGL and former combatants, the incentives to be involved in illegal and corrupt practices were far more lucrative and therefore attractive than the incentives to work towards peace and democracy. This prevented any real changes in the management of the country from taking place.

The economic governance sector, in particular the management of public funds and natural resources, was an area where corruption was rife under the rule of Taylor as well as the NTGL. Improper administration of natural resources and diversion of state revenues contributed to a depletion of the country's coffers, thereby depriving it of revenues necessary for the establishment of basic social, health and educational services, essential for national reconstruction and economic recovery. Rampant illegal exploitation of diamonds, gold and rubber diverted the revenues that could have been used to improve the living conditions of ordinary Liberians. All this hampered efforts to rebuild economy and contributed to persisting poverty and unemployment. A vicious circle was created in which organized crime promoted poverty, which in turn contributed to the spreading of crime by driving the population to take part in illegal activities. The involvement of the very elites in illegal activities prevented the authorities from taking action against criminal offenders, which led to the absence of any judicial and criminal accountability. The weak and manipulated law enforcement and judicial systems allowed for further spreading of the culture of corruption and impunity.

Corruption and mismanagement also led to years of sanctions on the exploitation of natural resources, which hampered the country's ability for recovery. The lack of transparency in governance deterred donor support and created a negative image of the country, turning away investors. It also represented a serious security challenge as groups involved in illegal exploitation of resources could use their profits to engage in conflict, destabilizing either Liberia or the neighboring countries.

The ruling elites involved in illegal activities can easily be characterized as "organized criminal groups" as they worked in concert, supporting one another, in the pursuit of material gain, and their actions were usually transnational in nature. These elites ruled the country and dominated the key institutions, from revenue-generating agencies, to state administration, the judiciary and the central bank, leading to a total absence of democratic governance. The new Liberian government is facing numerous challenges, including addressing organized crime and economic mismanagement. The former elites whose privileges are being taken away through

the government's measures to enhance transparency in governance could be one of the potentially destabilizing factors. The improvement of the living conditions and economic prospects of the population will also be crucial for preventing the spreading of organized crime and building of sustainable peace.



## 5 Conclusions and Recommendations

The two cases are different in terms of geography, history and the challenges to which they were exposed. Liberia is an independent sovereign country whereas Kosovo is a province that is part of another state, with its future status still to be determined. Liberia has abundant natural resources, from diamond, timber to rubber etc., whereas Kosovo only possesses much less valuable, although also important, lignite reserves. The main activities of organized criminal groups in each of the cases also vary: in Kosovo, the main activities were trafficking in drugs and human beings, and smuggling of goods, whereas in Liberia, trade in natural resources in exchange for arms, and corruption with links to organized crime, were prevalent.

However, the two cases share several similarities. Both in Kosovo and Liberia, organized crime was interrelated with armed conflict before, during and after the conflict. In Kosovo, organized crime prepared the ground for the conflict by enabling one of the sides to take up its armed struggle. However, the organized crime not only persisted into the post-conflict phase but also expanded and consolidated, thereby representing a serious obstacle to peacebuilding. In Liberia, the warring factions were also largely funded through illegal activities, in particular the exploitation of natural resources. Once the faction of Charles Taylor came to power, it captured not only the natural resources sector, but also the revenue-generating agencies. The state was then run as a private enterprise, dedicated to the goal of personal enrichment of the elite. In both cases, political instability and war created immense opportunities in which organized crime could thrive, due to the lawlessness and the involvement of the elites in lucrative illicit businesses.

Organized crime in both cases represented a threat to democratic institutions whose independent functioning is central to peacebuilding. It impeded the establishment and the strengthening of key government institutions by its interference into political affairs, social and economic policy and by furthering corrupt practices. It hampered the independent functioning of justice institutions and the establishment of the rule of law, through intimidation and pressure exerted on the main actors in the criminal justice system.

Organized crime also represented an obstacle to the growth of the local economy as illegal activities caused a loss of public revenues, which could have been used for development. Even worse, in Liberia, the ruling elite was allegedly responsible for diversion of the state revenues, depleting the coffers for the purpose of personal gain, and leaving the population in poverty. Organized crime also took advantage of the social crisis for recruitment purposes. Finally, in addition to the impact organized crime had domestically, it also threatened regional and global peace and security through its alleged links with terrorism.

Due to its abundant reserves of natural resources, Liberia was exposed to an additional challenge of the management of natural resources. The history and recent events have shown that countries rich in natural resources may be more prone to conflict than those who do not have them. The argument that greed, not grievance, is at the core of civil wars in cases where countries are endowed with natural resources, may in part apply to Liberia.<sup>134</sup> In particular, greed was probably an important motivation for war. However, overall it was likely a mixture of both the struggle for power and for control over resources, which come with political

<sup>134</sup> For the argument on "greed and grievance", see Paul Collier and Anke Hoeffler, *Greed and Grievance in Civil War*, October 2001.

domination. In Kosovo, the element of organized crime, present in the province long before the conflict, linked up with political elements that needed illegal channels to take up their struggle. In both cases, financial gains of political actors were an important motivation which fuelled instability and the spreading of organized crime. Warlords came to dominate political life, and the intertwining of political elites with organized crime seriously undermined the prospects for durable peace. Organized crime in both cases constituted a major threat to peacebuilding. In Kosovo, the technical assessment of progress in implementation of the standards for Kosovo states that "serious and organized crime, financial and economic crime, including corruption, money-laundering and trafficking continue in Kosovo as across the region" and recognizes that responding effectively to these challenges represents "an ongoing challenge to UNMIK and the Provisional Institutions of Self-Government."<sup>135</sup> However, in the case of Liberia, the activities reviewed in this paper are usually not called "organized crime", probably as they were performed, among other actors, by a democratically elected Head of State and the ruling elite. Nevertheless, their impact on peacebuilding was probably even more devastating as there had been no authority fighting against them. The fight against organized crime in Liberia could only begin after the change in the government had taken place.

Complicity in the expansion of organized crime was widespread in both cases: from government officials to Western business interests and powerful banking networks. In the case of Kosovo, many alleged the international community was partly responsible for the growth of organized crime as it tolerated or even tacitly supported illicit activity. Some raised questions about how ethical it is for the West's foreign policy to back a guerilla army party financed by organized crime.<sup>136</sup> Similarly, in the case of Liberia, the United States was criticized for turning a blind eye to Taylor's trade in diamonds before a diamond ban was imposed on Liberia.<sup>137</sup> The question, however, goes beyond the morality of collaborating with criminals, as it raises pragmatic problems. In particular, peace built on such foundations may not be viable in the long run as the development/expansion and consolidation of criminal networks will negatively affect the post-conflict environment. Secondly, once these networks are fully in place, they may be difficult to uproot, and the international community may have to deal with political leaders rising from the criminal network itself. It may also possibly have to face a rise of criminality in their own societies as a result of the spreading of organized crime.

The above analysis leaves us with some sobering lessons. First, little can be done against organized crime if there is no political will on the part of the main protagonists in the international community to do so. Second, even if the political will is there, the international community has little leverage to deal with organized crime when performed at the highest, state level, particularly if those in power were democratically elected. Government participation in the fight against organized crime is crucially important. And finally, even if government participation is secured, efforts to counter organized crime cannot guarantee that it will be entirely uprooted, due to its complexity and the involvement of many different actors and interests in these powerful, complex networks. What is clear, however, is that the fight

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<sup>135</sup> Report of the Secretary-General on the United Nations Interim Administration in Kosovo, January 2006, Annex I: Technical assessment of progress in implementation of the standards for Kosovo, p. 13.

<sup>136</sup> Boyes and Wright; Chossudovsky.

<sup>137</sup> See, for instance, Tom Kamara, "Meaningless UN Sanctions as Liberia is Pardoned," available at: <http://www.theperspective.org/unsanctions.html>.

against organized crime has the most chances to succeed if it begins as early as possible, before the criminal networks had the opportunity to become firmly entrenched in the society. The following sections offer a review of tools to fight against organized crime that were used in the two cases and could possibly be replicated in other situations, and some recommendations.

## 5.1 Some Tools to Fight against Organized Crime

### The rule of law

Strengthening of the rule of law is an essential tool in the fight against organized crime. Measures to strengthen the rule of law are crucial to avoid a vacuum in authority following the conflict, in which organized crime can develop unhindered. Neither UNMIK nor UNMIL were directly mandated to fight against organized crime. However, their mandates contained important tasks in the area of the rule of law.

### Capacity within the field mission

Although not directly mandated to fight against organized crime, UNMIK later developed a dedicated capacity to deal with organized crime such as drug trafficking, trafficking in human beings and financial fraud. This is unprecedented among the field missions and plays an important role in deterring different kinds of illegal activities.

### Sanctions

Sanctions may in some cases be effective, either to pressure states into anti-corruption/crime activities, or by targeting criminals and their support structures in the government directly. Liberia was subject to extensive sanctions regime due to its involvement in the fomenting of unrest in the sub-region. The sanctions reduced the revenue available to the warring factions for the purchase of arms and maintenance of mercenaries, and thus contributed to combating organized crime in the country and the sub-region. However, when this tool is used, possible negative impact on the humanitarian situation should be carefully studied and measures to offset it should be developed.

### International oversight

Liberia, which was suffering from large-scale state-sponsored corruption and diversion of government revenues, agreed to an innovative measure, the GEMAP, which involves international oversight over state revenues, expenditures, procurement and granting of concessions. GEMAP is an unprecedented programme, outstanding in its scope – managing revenue, expenditure and government procurement and concession practices – and in the fact that it managed to balance the need for radical action with the concerns of state sovereignty. It may not be easily replicated in other situations as very specific conditions need to be in place for such a complex, comprehensive and aggressive strategy to be negotiated. However, the possibility of establishing such external oversight systems needs to be kept on the list of possible options in combating organized crime and corruption.

### Panels of experts

The case of Liberia demonstrated that the establishment of the panels of experts can prove useful, as collecting information on illegal activities and making it public contributes to better knowledge about criminal networks.

### **Support for sustainable livelihoods**

The case of Liberia also showed that the measures to help the population – especially the former combatants – find sustainable livelihoods, are crucial in preventing the population from turning to organized crime as a survival strategy.

## **5.2 Recommendations**

- Recognize the need to fight organized crime early in the process. The fight against organized crime has to begin before or during the conflict, and not only afterwards when criminal structures have already taken firm root. Measures to combat organized crime should be built into the work of all the actors in conflict prevention, conflict management, peacemaking and post-conflict peacebuilding.
- More attention should be devoted to developing strategies to combat organized crime in conflict and post-conflict situations. It would be essential to look into ways to reduce the opportunities for making profit out of conflict. Legal activities should be more attractive than illegal, which could be achieved through positive incentives (donor support for projects etc.) and negative incentives (tougher measures imposed on crime offenders). Aid could also be dependent on the state's commitment to crack down on organized crime.
- "Mapping exercises" should be conducted jointly by the UN system and outside partners, involving an analysis of illegal markets, including demand and supply, the ways in which these markets operate, who are the main actors and how these markets could be disrupted.
- Civil society should be supported through education, seminars and workshops and engaged in the fight against organized crime. This would create trust between law enforcement agencies and the public, leading to better reporting by the population to the police of information related to organized crime.
- Organized crime should become a target of peacebuilding. The Peacebuilding Commission should pay particular attention to the post-conflict societies' vulnerability to organized crime.

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