

**Centesimus Annus Pro Pontifice Foundation
2017 International Conference**

Session 2:

The fight against Human Smuggling and Economic Crime

Friday, 19 May, 2017

As expressed by previous speakers, I am also grateful and delighted to have been invited not only to participate to this conference but also to address you with some of my personal thoughts on the topic, based on my humble experience.

You may have noticed from the program that I am not a scientist but a former police officer. I have served in various functions on national and international level. Against this professional background, I have some practical experiences in preventing crime and clarifying crimes. In addition, I also provided policy advice to politicians in Europe and globally as well. In so far, I also understand political needs to be dealt with.

It's my pleasure to also meet again my former fellow colleague Antonio Maria Costa with whom I had the privilege to trustfully cooperate when he acted as Director of UNODC in Vienna. As my background is very different from that of other speakers, I'd like to focus more on aspects of structural crime; I will link this to the topic at hand. That approach may assist us to broaden the subsequent discussion by practical aspects as well.

Being a former policeman, I may surprise some of you with my particular ideas. But let me confirm in advance upon my categorical intention to contribute to the debate and to sharpen it to some extent.

Let me first shortly talk about major aspects of OC, exemplified by the trafficking of human beings and economic crime as profitable part of globally acting OC networks.

To start with, we must generate a common understanding; we also must agree in a kind of definition about OC in order to structure our debate. To my general experience, OC is first of all a very specific peculiarity of serious and most harmful crime, characterised by various factors:

- OC requires a group of minimum three persons, whose cooperation is based on the division of labour, on a continuing bases;
- they are linked together by any kind of internal togetherness;
- they follow a common will whilst committing serious and relevant crimes or demonstrating any other unlawful behaviour
- they apply so called enabling factors like
 - o using business structures,
 - o demonstrating power or threatening,
 - o executing any kind of influence to public authorities like corruption.
- whilst following the ultimate goal to obtain money or assets, to establish power or to achieve esteem.

I trust everybody in the audience can share this rather general definition of OC. In so far, I presume a common understanding amongst us on this topic.

Let's then - in a second step - approach the phenomenology of OC. Despite many descriptions in public and in media, OC is not anonymous at all. It does not happen somewhere else, in far distances from us. It's not at all a chimera. It's not global per se. Instead, OC is very individualized; it's amongst us; it happens every day; it occurs locally - but often with global interdependencies. OC is very concrete, and it does influence our entire life - although most of us may not even notify these circumstances.

In consequence, each of us - here in the audience and on the panel as well - is more or less involved into OC. This may be the case either as victim or as perpetrator, pos-

sibly even uninformed. To some extent, OC does mirror our societies. In so far, I conclude the second paragraph of my speech by stating: each of us should be aware of OC; we all can dispute, resist and counteract OC!

I fully share Mr. Baker's statement as he said in the beginning of our session:

“The primary threat to peace and stability moving forward is not coming from the criminal, the human smuggler, the drug dealer, the terrorist, and the corrupt. The primary threat to peace and stability moving forward is coming from us, from our weakening of legal, ethical, moral practices in global economic affairs.”

I wouldn't contest that statement at all; I rather wonder in how far this statement is also valid for ecclesiastical institutions, e.g. banks or economical organised companies, run by the Catholic Church or its affiliates. I don't know any precise figures or even estimates; I just raise the question!

What does this mean to us, gathered here in the room to discuss topics of global relevance? Very simple: each of us has a certain obligation to reflect on this “primary threat” and to consider his or her specific options how to deal with it. As previously said by me, some of us may be involved in human trafficking or economic crime, in an uninformed way. In how far do we deeply reflect our businesses or investments? Do we really assess the risk to be indirectly involved into OC prior to starting business or to invest some money in a company with a good business profile? If this was the case, many businesses would not have been possible. Let's shortly reflect on some events which happened recently and opened our eyes concerning global OC:

- the leaks by bankers in Switzerland, providing information to taxation authorities' in various countries demonstrated wide networks of economic crime, hidden or even camouflaged in or by prominent banks;
- the leaking of the Panama-Papers, indicating that many high ranking persons, so called PEPs, are obviously deeply involved into money laundering and economic crimes;

- information around the transportation and accommodation of refugees raised concerns as dubious companies have earned vast amounts of undeserved money from public sources;
- etc.

Referring to some of Mr. Baker's figures, I can just admit that I don't know if these figures are valid or not. The number of victims - 50 million trafficked individuals, counting up human smuggling for forced labour and for sexual exploitation - may be right. Concerning the mentioned profits of 150 Billion \$ pa, I would rather differentiate: the profits do not appear on one single bank account or at one "big guy", the "master mind" or king pin of human smuggling. The problem is much more complex and sophisticated. As Europol stated 2066 in its very first Organized Crime Threat Assessment, OCTA, OC structures are very complex and difficult to describe. The perpetrators act entrepreneurial, they behave in a flexible way; they also proceed opportunistic and multifaceted; they are interconnected and interlinked across many countries. That does mean that they also share the benefits of their evil doings. The dirty money is not just accumulated at one single person; in contrast, it's distributed across the organisation. Naturally, the incoming money is also used to cover costs of living for the criminals and their relatives, for logistical purposes, for accommodation of victims, for corruption etc. That means that part of this money does also contribute to the Gross Domestic Product of several countries, affected by and involved into human smuggling and economic crime; these are the countries of the victims' origin, of their transportation as well as the target countries for these poor people or even distant countries with a solid banking infrastructure, used to launder money and to camouflage the assets. Part of the money does also show up in the balance sheets of many honest companies which do not necessarily know about their involvement in OC structures. Finally, the fine-spun network of persons, companies and cash flows is nearly impenetrable. If OC has arrived at this point, it does work perfect. Only "non-visible" OC is good OC!

Which consequences do we draw from that description? As all of us know, “silence means consent”. I am convinced that none of us will voluntarily agree in criminal behaviour; this is for sure. In so far, we have to carefully observe that situation; we have to raise our voices and we have to counteract. Most of us are responsible persons, following good governance rules every day. This means that we have to do our utmost to assist clarifying the structures involved in smuggling of human beings or economic crime: maybe for forced labour, for sexual abuse, or for any other illegal purpose like money laundering. We have to check our own behaviour and our business models or attitudes to avoid that we are or become part of the illegal game as well. Possibly, our inconspicuous professional roles as

- service provider for transportation,
- car dealer for light trucks,
- seller of vessels and life-vests,
- lesser of industry areas or of residential buildings,
- banker, etc.

do provide us by chance the opportunity to get an inside view or a hint in criminals' behaviour. If this is the case, we have to inform the police or any other competent authority about our findings and suspicions. As we know, many people in the banks did realize in the eighties and nineties that a group of customers did launder their money via bank transfers or did finance strange looking companies or illegal businesses by using the legal banking system. But they did not inform the police as they were not duty bound to do it. Only since the money laundering laws and regulations were globally implemented - as one of the many consequences after 9/11 - these business people became aware of their obligation to report about their suspicions. To my personal understanding, this obligation is a moral one, not a responsibility under criminal law. But this is often misunderstood or misinterpreted by individuals. It's too easy and tempting to find excuses for its own misbehaviour!

If a responsible banker does report about suspected money laundering to the Financial Intelligence Unit of his country, he is risking losing a client - that's sardonic reality. But the legal obligation, moral and ethical standards do not allow him to not doing it.

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Having said this let me complete my intro with a rational appeal to all of us to contribute to the fight against OC, especially against human smuggling and economic crime.

Each of us shall use his talents and his specific opportunities to make a contribution to the long lasting and comprehensive fight against OC. In a functioning society, based on human rights and rule of law, advocating for moral and ethical standards, everyone needs to do their part. This does count for the Catholic Church as well.

I trust we can discuss this aspect at the panel and with you, the much valued audience, as well. I look forward to an inspiring, provocative and non-standardized debate.

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