

2003 Evian Interim Compliance Report Crime: Terrorist Financing

Commitment:

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

Background:

At the 2003 Evian Summit, G8 Members placed a strong emphasis on ensuring that financial resources in this area were directed towards their intended purpose, primarily through increased transparency and accountability. As a measure of this goal, the leaders committed to fighting transnational crime and recognized the initiatives already made in this area under the auspices of the United Nations.

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

Assessment:

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany		0	
Italy		0	
Japan		0	
Russia		0	
United Kingdom		0	
United States		0	
Overall		0.250	

Individual Country Compliance Breakdown:

1. Canada: +1

The Canadian government ratified the UN Convention on Transnational Organized Crime on 13 May 2002, thereby fulfilling a key element of its commitment as a G8 member. In addition, the Canadian government has taken several other initiatives to combat various forms of transnational crime, focusing particular attention on financial transactions.

In the Budget Plan for 2003, the Canadian government made provisions for teams of professionals from various sectors to cooperate in organized crime investigations.²⁷⁴ As part of the Government of Canada's plan to bolster confidence in Canada's capital markets, the Minister of Justice introduced new legislation (Bill C-46) in June 2003 to ensure that individuals and companies that violate public trust through fraudulent activity involving the markets face punishments consistent with the seriousness of the crime.²⁷⁵

According to the Canadian National Report: Implementation of the Action Plan of the Quebec City Summit of the Americas in the Period September 2003 to December 2003, "In addition to supporting the Caribbean Financial Action Task Force (CFATF), a group fighting money laundering in the Americas, Canada contributed [CDN]\$45,000 towards the organization of an anti-money laundering seminar in Mexico in February 2004, that will cover judicial, legislative, and law-enforcement aspects of anti-money laundering procedures".²⁷⁶

2. France: +1

A signatory of the UN Convention on Transnational Organized Crime on 12 December 2000, the government of France ratified the Convention on 29 October 2002.²⁷⁷ France has continued to advance the Convention's principles in its "hopes for the broadest possible ratification of the convention".²⁷⁸ In 2003, France hosted a ministerial conference on central Asia and European drug routes, and was home to the presentation of ODC's annual global illicit drugs' trends (2002) report. Throughout the year, France has "actively participated in [Convention] negotiations in both a national capacity and as president of the G8, [and has proposed] in particular an important provision in regard to the restitution of illicit assets".²⁷⁹

²⁷⁴ Department of Finance Canada: "The Budget Plan 2003". www.fin.gc.ca/budget03/pdf/bp2003e.pdf

²⁷⁵ The Department of Justice: "Overview of Recent Activities and Achievements August 2003". canada.justice.gc.ca/en/dept/pub/ach/2003/introduction.html#capitalmarkets

²⁷⁶ Canadian National Report: Implementation of the Action Plan of the Quebec City Summit of the Americas in the Period September 2003 to December 2003. webapps.dfait-maeci.gc.ca/minpub/Publication.asp?FileSpec=/Min_Pub_Docs/106184.htm

²⁷⁷ United Nations Office on Drugs and Crime, "United Nations Convention against Transnational Organized Crime," www.unodc.org/unodc/en/crime_cicp_signatures_convention.html

²⁷⁸ Ministère des Affaires Étrangères, Palermo Convention – Statement by the Ministry of Foreign Affairs Spokesperson (26 September 2003), www.france.diplomatie.fr/actu/impression.gb.asp?ART=37270

²⁷⁹ Ministère des Affaires Étrangères, "U.N. Convention on Corruption – Statement by the French Foreign Ministry Spokesperson (10 December 2003), www.france.diplomatie.fr/actu/impression.gb.asp?ART=39268

3. Germany: 0

Germany has yet to ratify the UN Convention of Transnational Organized Crime since signing it on 12 December 2000.²⁸⁰ Germany did, however, on 11 December 2003, host the 7th International Berlin Workshop entitled: “Organized Crime as a Major Obstacle to Successful Peacebuilding”.²⁸¹ In his opening remarks at this workshop Minister of State Kerstin Müller outlined several examples of Germany’s active participation in international fora that are dedicated to fighting organized crime; including Interpol, the Commission on Crime Prevention and Criminal Justice and the Commission on Narcotic Drugs. Furthering Germany’s stated commitment to wider accession and ratification of U.N. conventions the Chancellor Gerhard Schroeder delivered a speech to the UN General Assembly on 24 September 2003 in which he advocated for expanding the UN Security Council to include representatives of developing countries in efforts against crime.²⁸²

4. Italy: 0

Italy has not yet ratified the UN Convention on Transnational Organized Crime which it signed on 12 December 2000, although attempts to introduce new agreements while reaffirming its commitment continue.²⁸³ In March, at the fifth session of the Italian-Ukrainian Council for Economic, Industrial and Financial Co-operation, an agreement was officiated by delegates to ensure mutual administrative assistance in response to customs’ violations.²⁸⁴

Remarks made during May’s Central Asian Drug Traffic Route Conference on Central Asian Drug Routes clarified one Italian delegate’s belief in the chief, traditional role the country would assume in compelling international members to unearth the “formidable instruments of corruption and money laundering and, in some case[s], their ties to terrorist networks...”²⁸⁵ Held in early July, a panel discussion on the International Rule of Law and Multilateral Treaties against Transnational Organized Crime and Terrorism was led by representatives of several countries, including Italy.²⁸⁶ By September 2003, Under-Secretary of State for Foreign Affairs for Asian countries, Margherita Boniver, was quoted as recognizing her country’s “front line” role in the fight against terrorist-funding organizations.²⁸⁷

²⁸⁰ United Nations Office on Drugs and Crime, “United Nations Convention Against Transnational Organized Crime” www.unodc.org/unodc/crime_cicp_signatures_convention.html

²⁸¹ Federal Foreign Office, “Organized Crime as a Major Obstacle to Successful Peacebuilding” – Opening address by Minister of State Kerstin Mueller, www.auswaertiges_amt.de/www/en/ausgabe_archiv?archiv_id=5189

²⁸² Schroeder, “United Nations role must be strengthened” 2003/09/25 eng.bundesregierung.de/frameset/index.jsp

²⁸³ United Nations Office on Drugs and Crime, “United Nations Convention against Transnational Organized Crime,” www.unodc.org/unodc/en/crime_cicp_signatures_convention.html

²⁸⁴ Ministero degli Affari Esteri, “Rome, 14 March 2003,” www.esteri.it/attualita/2003/eng/notes/no30313c.htm

²⁸⁵ Ministero degli Affari Esteri, “Central Asian Drug Traffic Route Conference on Central Asian Drug Routes,” www.esteri.it/attualita/2003/eng/statjnt/index.htm

²⁸⁶ United Nations Treaty Collection, “Panel Discussion – The International Rule of Law: Multilateral Treatises Against Transnational Organized Crime and Terrorism,” www.untreaty.org/English/Panel.pdf

²⁸⁷ Elisa Calessi, “The Union cannot wait, it must cut off funds to Hamas,” *Libero* (4 September 2003), Ministero degli Affari Esteri. www.esteri.it/attualita/2003/eng/statint/i030904a/htm

5. Japan: 0

To date Japan has not fully complied with this commitment. On 12 December 2000 the Japanese government signed the UN Convention Against Transnational Crime, but they have yet to ratify this agreement. Regardless, this UN Convention came into force on 29 September 2003, having been ratified by the minimum forty states required.

Concurrently, the Japanese government under Prime Minister Junichiro Koizumi has indicated a commitment to counter transnational criminal activities. On 10 December 2003 Prime Minister Koizumi outlined Japan's desire to cooperate with the Association of South East Asian Nations (ASEAN) to respond to the economic threat of terrorism.²⁸⁸ Japan has also committed at the 11th APEC Economic Leaders' Meeting this year to work with the Asian Development Bank "to support projects that enhance port security, combat terrorist finance, and achieve other counter-terrorism objectives".²⁸⁹

6. Russia: 0

Russia has yet to ratify the UN Convention on Transnational Organized Crime, thus they have received a score of 0 for a work in progress. However, Russia has shown some support in committing themselves to measures against crimes relevant to the convention. These efforts are demonstrated through an agreement with Europol in November 2003, and their admission to and involvement with the Financial Action Task Force on Money Laundering (FATF) in June 2003. Russia's participation in the FATF is a major achievement and a step forward in confronting money laundering. The FATF member countries exchange information to help identify techniques used in money laundering.

On 6 November 2003, Russia and the European Police Office (Europol) agreed to enhance cooperation on combating forms of transnational criminal activities.²⁹⁰ The parties agreed to cooperate in the area of "prevention, detection, suppression and investigation of crimes" in areas such as money laundering and illicit trafficking. In order to fulfil the objectives as laid out in the agreement, both participants stated they would cooperate in ways such as training, exchanging technical information with respect to methods and ways of committing crime, and exchanging legislation, literature and other related law enforcement information. As well, both parties established plans to hold regular meetings to strengthen and increase the effectiveness of their agreement.

7. United Kingdom: 0

Although the United Kingdom signed the UN Convention on Transnational Organized Crime on 14 December 2000 it has yet to ratify the Convention.²⁹¹ New programs and legislation

²⁸⁸ Speech by Prime Minister Junichiro Koizumi at the ASEAN-Japan Investment-Business Alliance Seminar (AJBIS): www.kantei.go.jp/foreign/koizumispeech/2003/12/10speech_e...

²⁸⁹ Bangkok Declaration on Partnership for the Future": www.kantei.go.jp/foreign/koizumispeech/2003/10/21sengen...

²⁹⁰ Financial Action Task Force on Money Laundering, "FATF-XIV Annual Report," 3 January 2004 www.fatf-gafi.org/FATDocs_en.htm

²⁹¹ United Nations Office on Drugs and Crime, "United Nations Convention against Transnational Organized Crime," www.unodc.org/unodc/en/crime_cicp_signatures_convention.html

alterations, however, would seem to indicate imminent ratification. A new website, nascent of the five-year AGIS plan, was launched earlier this year to encourage UK bids for £43 million of EU research funding to fight organized crime.²⁹² A proposed amendment to the Crime (International Cooperation) Bill, furthermore, will require EU courts to act on UK court orders to freeze assets of suspected terrorist supporters and – according to Home Office Minister, Lord Firkin – will “enhance [the UK’s] ability to fight terrorism and serious crime”.²⁹³ In February, the new Assets Recovery Agency, supported by a new taskforce and laws designed to tighten UK’s defences against money laundering (Proceeds of Crime Act 2002), began its mandate to seize, investigate and recover assets obtained as a result of illicit activity.²⁹⁴ Responding to the Committee of Privy Counselors’ review of the 2001 Anti-terrorism, Crime and Security Act, Home Secretary David Blunkett said that he “[welcomed] the Committee’s support for strengthening measures to tackle terrorist finance”.²⁹⁵

8. United States: 0

The United States has received a score of zero as they have not yet ratified the U.N. Convention against Transnational Crime. However, the US has shown some involvement and effort towards reducing international organized crime and working with other countries to promote efforts to reduce such crime through several statements made since the Evian summit.

In testimony before the Senate Foreign Relations Committee’s Subcommittee on European Affairs on 30 October 2003, Deputy Assistant Secretary Steven Pifer addressed the US’s efforts to combat transnational crime with respect to Russia and Ukraine. In his speech, Mr. Pifer stated that “strengthening the capacity of countries such as Russia and Ukraine to deal with today’s transnational crime problems, as well as improving bilateral and multilateral cooperation to counter these threats, will remain major parts of the U.S. agenda with these countries”.²⁹⁶ The US government continues to counteract transnational crime in the former Soviet Union through such policy tools as law enforcement working groups, mutual legal assistance treaties (MLATs), the US-Russia Counterterrorism Working Group and multilateral efforts such as the Financial Action Task Force, of which the US is a strong participant.

On 19 November 2003, Treasury Secretary John Snow said: “President Bush and the Department of the Treasury are committed to cracking down on money laundering wherever it occurs”. This news release was part of the Treasury Department’s action to stay “consistent with the Financial Action Task Force’s (FATF) call on 3 November 2003 for its members to take anti-money laundering countermeasures against Burma.”²⁹⁷

²⁹² 10 Downing Street, “EU anti-crime funding website launched,” www.number-10.gov.uk/print/page1075.asp

²⁹³ Home Office Press Release of 31 January 2003, “Crime Bill Amended to Enable Freezing of Terrorists’ Assets Throughout the EU,” www.britainonline.org.uk/highcomm/downloads/31jan.pdf

²⁹⁴ 10 Downing Street, “Assets Recovery Agency begins operations,” www.number-10.gov.uk/print/page3071.asp

²⁹⁵ HM Government; Home Office, “Response to the Report of the Anti-Terrorism, Crime and Security Act of 2001 Review,” www.homeoffice.gov.uk/pageprint.asp?item_id=743

²⁹⁶ US Senate Committee on Foreign Relations, “Testimony for the Senate Foreign Relations Committee Subcommittee on European Affairs by Deputy Assistant Secretary Steven Pifer,” 2 January 2004 foreign.senate.gov/testimony/2003/PiferTestimony031030.pdf

²⁹⁷ U.S. Department of State, International Information Programs, “Treasury news release Nov. 19,” 2 January 2004 usinfo.state.gov/topical/econ/mlc/03111940.htm

Compiled by Sheri Watson, Abby Slinger, Orsolya Soos, and Dana Fisher
University of Toronto G8 Research Group