

Transnational Crime, Transparency & Corruption

Commitment

“We support our [Home Affairs and Justice] Ministers’ determination to detect, recover and return these illicitly acquired assets, including by:

- establishing G8 accelerated response teams;
- enhancing G8 asset recovery case coordination; and
- holding G8 asset recovery workshops.

To meet these goals, we will ensure that:

- each of our countries has rules in place by Summer 2005, where possible, to require due diligence for “politically exposed persons” accounts;
- each of our countries has rules in place, preferably by 12/31/04, to require wire transfer originator information;
- we create G8 best practices for modalities of disposition and return; and
- we explore effective measures to recover assets in corruption cases.

Fighting Corruption and Improving Transparency

Background

The G8 has recognized that corruption and non-transparent governance are hindrances to economic growth and development in both developing countries and advanced economies alike. The G8 has supported the work of various International Financial Institutions to strengthen public financial management and accountability programs. At the 2003 Evian Summit, the G8 pledged to conclude the United Nations Convention Against Corruption as well as committed to strengthening the OECD Anti-Bribery Convention. The G8 has also offered its support in the implementation of the forty recommendations forwarded by the Financial Action Task Force (FATF). At the 2004 Sea Island Summit, the G8 continued its efforts to fight corruption and improve transparency in coordination with various international financial institutions. The G8 also varied its approach to the issue, and asserted a common belief that transparency in both the public and private sector is crucial to economic advancement; countries with large extractive industries sectors as being particularly at risk for corruption. At Sea Island, compacts were formed between the G8 and governments of Georgia, Nicaragua, Nigeria, and Peru to encourage bilateral support and assistance in their endeavors to improve transparency and fight against corruption. The G8’s fight against corruption and attempts to improve transparency continues to embody policy coordination among G8 nations to produce best practices. These include, first and foremost, demonstrating leadership to encourage transparent governance practices in developing nations to maximize these nation’s economic growth as well as that of the global economy.

Assessment

Country	Non-Compliance -1	Work in Progress 0	Full Compliance +1
Canada		0	
France		0	
Germany		0	
Italy		0	
Japan		0	
Russia		0	
United Kingdom		0	
United States			+1
European Union		0	
Overall: 0.11			

Individual Country Compliance Breakdown

1. Canada: 0

Canada has failed to take focused action in addressing specific commitments concerning corruption made at the 2004 Sea Island Summit. Realizing that corruption is a major impediment to good governance and sustainable development, Canada along with Asian-Pacific Economic Cooperation (APEC) leaders from Australia, Chile, China, Japan, Korea and the United States jointly endorsed the Santiago Commitment to Fight Corruption and Ensure Transparency as well as the APEC Course of Action on Fighting Corruption and Ensuring Transparency (COA).⁶⁶⁸ On 21 November 2004, Canada announced its plan to contribute \$12 million in order to help APEC developing countries effectively combat corruption.⁶⁶⁹ At the Committee of the Eleventh United Nations (UN) Congress on Crime Prevention and Criminal Justice, Canada praised the Commission, the UN programme network of institutions and non-governmental organizations for establishing the requisite norms and standards.⁶⁷⁰

Following a bilateral meeting between Prime Minister Paul Martin and the Premier of the State Council of China Wen Jiabao, both Canada and China pledged to “continue to cooperate in the fight against terrorism and transnational organized crime on the basis of the United Nations and its Charter and agreed standards and institutions.”⁶⁷¹ Canada has not carried out the specific commitments necessary for full compliance in spite of having taken positive actions against transnational crime. For instance, at Sea Island, the leaders agreed that asset recovery would be a central goal in their fight against corruption but neither Canada nor any other G8 country has ratified the UN Convention against Corruption, which too stresses the importance of asset

⁶⁶⁸ *Anti-Corruption: Latest Developments*, Asian-Pacific Economic Cooperation (Singapore) 2004. Date of Access: 8 May 2005 [www.apec.org/apec/apec_groups/other_apec_groups/anti-corruption.html].

⁶⁶⁹ *Joint announcement on Anti-Corruption and Transparency Support and Capacity-Building Program*, Office of the Prime Minister. (Ottawa) 21 November 2004. Date of Access: 8 May 2005 [www.pm.gc.ca/eng/news.asp?id=329].

⁶⁷⁰ *UN Standards, Norms Provide States with Valuable Guidelines, Best Practices, Crime Congress Committee I Told*, United Nations Information Services. (Vienna) 20 April 2005. Date of Access: 8 May 2005 [www.unis.unvienna.org/unis/pressrels/2005/bkkcp12.html].

⁶⁷¹ *Joint declaration by Canada and China*, Office of the Prime Minister (Ottawa) 20 January 2005. Date of Access: 8 May 2005 [www.pm.gc.ca/eng/news.asp?id=397].

recovery.⁶⁷² Canada acknowledges that no state is immune from corruption: To be sure, the government sponsorship scandal has caused Canada to drop to 12th place on a list of 146 most corrupt countries as determined by the Transparency International Corruption Perceptions Index.⁶⁷³

Indeed, this latter scandal has raised considerable attention in Canada to the question of “diligence for “politically exposed persons” accounts” as the Sea Island commitment terms it. The sponsorship scandal involves nearly C\$100-million in government advertising funds to promote federalism in Quebec, managed by Human Resources Canada and the Prime Minister’s Office, being unaccounted for and largely ending up in the pockets of officials from the ruling Liberal Party. While the government launched a major public inquiry into the matter that is still on going, Parliament has yet to release any new national guidelines for how government funds, especially those directly controlled by ministers, are dispersed. Indeed, Ottawa is likely awaiting the conclusions of the public inquiry due December. In the meantime, many government ministries have announced sweeping new reforms in their transparency in procurement in response to the scandal in order to regain public trust.

2. France: 0

France has continued their effort in attempting to achieve compliance with the commitment outlines at the 2004 G8 Summit, however, many actions did not take place in order for France to register full compliance. Regulations for originator information to be disclosed are contained within the United Nations Convention against Corruption, signed by France in December 2003, but not yet ratified and not in force. Nor has the requirement to perform due diligence on politically exposed persons’ assets been addressed.⁶⁷⁴ The French government has participated in anti-corruption workshops, and in fact took an active role in the Baltic Anti-Corruption Initiative Workshop on Private Sector Integrity in Tallinn on 30-31 August 2004. This joint effort by the OECD and the government of Estonia was created in response to the growing salience of corporate governance and integrity in the private sector.⁶⁷⁵ French representatives also took part in the Anti-Corruption Network for Transnational Economies general meeting in Istanbul May 30, 2005.⁶⁷⁶ French authorities participated in another conference organized by the OECD, the Global Forum on Governance Fighting Corruption and Promoting Integrity in Public Procurement.⁶⁷⁷ This event took place on November 29th-30th in Paris and was sponsored by le Ministre de l’Économie des Finances et de l’Industrie de la France; anti-corruption workshops

⁶⁷² *United Nations Convention Against Corruption: Signatories.*, United Nations Office on Drugs and Crimes. (Vienna). 2005. Date of Access: 8 May 2005 [www.unodc.org/unodc/en/crime_signatures_corruption.html].

⁶⁷³ *Corruption Perceptions Index 2004*, Transparency International (London) 22 October 2004. Date of Access: 8 May 2005. www.transparency.org/cpi/2004/cpi2004.en.html#cpi2004

⁶⁷⁴ “United Nations Convention Against Corruption” United Nations Office of Drugs and Crime. Date of Access: December 21, 2004 [www.unodc.org/unodc/en/crime_signatures_corruption.html].

⁶⁷⁵ “Anti-Corruption Network for Transitional Economies” Date of Access: December 20, 2004. [www.anticorruptionnet.org/indexgr.html].

⁶⁷⁶ Global Corruption Reports: Country Reports. *Transparency International*, p 47. Date of Access: December 20, 2004 [www.globalcorruptionreport.org/download/gcr2004/10_Country_reports_A_K.pdf].

⁶⁷⁷ “Global Forum on Governance Fighting Corruption and Promoting Integrity in Public Procurement” OECD Online. Date of Access: December 20, 2004 [www.oecd.org/dataoecd/37/33/33790924.pdf].

served as the main focus of the conference.⁶⁷⁸ Although the workshops mentioned were not exclusively regarding asset recovery, a commitment pledge at the G8 Sea Island Summit, the anti-corruption workshops are a positive step. In the past, France has signed both the Council of Europe's Civil & Criminal Law Conventions on Corruption (November 1999 and September 1999, respectively) but has yet to ratify both conventions. France does have a continuing and active anti-corruption role through groups such as the OECD and GRECO, however France appears not to have focused resources specifically at fulfilling its commitment at the G8 Summit.⁶⁷⁹

3. Germany: 0

Germany has extended considerable effort in fighting corruption and improving transparency, however, it is yet to demonstrate full compliance. Although Germany signed the United Nations Convention Against Corruption on 9 December, 2003, the legislation has not yet been ratified in the German legislature.⁶⁸⁰ That ratification is crucial, as its provisions legally bind its signatories to cooperate with other governments in the recovery of assets in corruption cases.⁶⁸¹ There is concern that ratification will be difficult, as German lawmakers have previously expressed reluctance to do so.⁶⁸² Germany has worked closely with several countries, forming close ties with neighboring states such as Poland, Hungary and the Czech Republic, as well as non-EU nations such as Albania, Bulgaria and Macedonia, with more limited cooperation with Romania. These relationships provide the framework for the dispersion of liaison officers in neighboring countries to provide that country with direct links to foreign law enforcement authorities to facilitate the exchange of information and to speed judicial cooperation. As well, joint investigation teams and international joint customs surveillance operations are undertaken.⁶⁸³ Much of this cooperation contains the means to ensure that any personal data is not processed or transferred "in a way incompatible with the purposes for which the data were collected."⁶⁸⁴ It is ensured that any transfer of personal data must take place in accordance with the 1981 Convention for the Protection of Individuals with Regard to Automatic Processing of Personal Data.⁶⁸⁵ Although Germany provides much aid to developing countries to ensure that nascent governments do not succumb to corrupt practices, this aid is focused on legal and institutional

⁶⁷⁸ "Anti-Corruption Network for Transitional Economies" Date of Access: May 6, 2005 [www.anticorruptionnet.org/indexgr.html].

⁶⁷⁹ "Member States of GRECO" Council of Europe. Date of Access: December 22, 2004 [www.greco.coe.int=20].

⁶⁸⁰ "Signatories" United Nations Conventions against Transnational Organized Crime. Date of Access: January 1, 2005 [www.unodc.org/unodc/en/crime_cicp_signatures_convention.htm].

⁶⁸¹ "Press Release" United Nations Convention against Corruption. Mérida, Mexico, 8 December 2003. Date of Access: January 1, 2005 [www.un.org/webcast/merida/statements/curtain-eng.htm].

⁶⁸² "German Lawmakers Uneasy About Stricter Anti-Corruption Laws" Deutsche-Welle, 10/12/2003. Date of Access: January 1, 2005 [www.unodc.org/unodc/en/crime_cicp_signatures_convention.html].

⁶⁸³ Ernesto U. Savona and Federica Curtol. The Contribution of data Exchange Systems to the Fight Against Organised Crime in the SEE Countries. Final Report. November, 2004. Date of Access: January 1, 2005 [www.stabilitypact.org/upload/documents/044-transcriporeport.pdf].

⁶⁸⁴ Ibid.

⁶⁸⁵ www.privacy.org/pi/intl_orgs/coe/dp_convention_108.txt

frameworks for economic development and not on the specific aspects of the commitment made by the G8 in 2004.⁶⁸⁶

4. Italy: 0

Italy has done little to improve its ability to fight corruption since the Sea Island Summit. Although Italy signed the UN Convention against Corruption on 9 December, 2003, it has failed to ratify the treaty.⁶⁸⁷ The ratification of this convention is crucial to achieving the goals set at the Sea Island summit, as its provisions legally binds the signatories to cooperate with other governments in the recovery of assets in corruption cases.⁶⁸⁸ Although Italy has been willing to cooperate in combating corruption, often through the channels of the EU, its ability to investigate possible cases is limited due to the limits placed upon investigations by the Code of Criminal Procedure. In limiting the amount of time that can be spent on investigating alleged cases of corruption to six months in an attempt to protect those suspected of crimes, the Italian government places limits on the abilities of public prosecutors to successfully compile sufficient evidence both in Italy and abroad to ensure that the case can be prosecuted.⁶⁸⁹ While this limitation does not apparently inhibit domestic cases, the often lengthy processes which must be followed in order to gather information from foreign sources present problems for the limited time period in which evidence may be gathered; while extensions can be applied for, these limitations remain a problem in investigating and prosecuting cases of corruption.⁶⁹⁰

5. Japan: 0

Japan has taken many initiatives to combat corruption and improve transparency; however, more actions are needed in order to achieve full compliance. Prime Minister Junichiro Koizumi has indicated on several occasions in joint statements with fellow leaders, and most notably through the ASEAN-Japan, declaration his resolve to “strengthen necessary measures to counter and prevent the financing of terrorists and terrorist organizations and the use of alternative means of remittance such as illegal money transfer.”⁶⁹¹ At the 12th APEC Economic Leaders Meeting, Japan was party to an agreement reached to “endorse the APEC course of action on fighting corruption and ensuring transparency which develops and implements it, including through the APEC anti corruption initiative.”⁶⁹² Japan is vigorously taking part in activities as a central member of the Financial Action Task Force on Money Laundering (FATF) by serving as the chair of the non-cooperative countries and territories (NCCT).⁶⁹³ While the Japanese government

⁶⁸⁶ Utstein Anti-Corruption Resource Centre. www.u4.no/projects/search.cfm?freetext=Germany].

⁶⁸⁷ “Signatories” United Nations Conventions against Transnational Organized Crime. Date of Access: January 1, 2005 [www.unodc.org/unodc/en/crime_cicp_signatures_convention.htm].

⁶⁸⁸ “Press Release” United Nations Convention against Corruption. Mérida, Mexico, 8 December 2003. Date of Access: December 28, 2004 [www.un.org/webcast/merida/statements/curtain-eng.htm].

⁶⁸⁹ “Report on the Application of the convention on Combatting Bribery of Foreign Public Officials in International Business Transactions and the 1997 Recommendations on Combating Bribery in International Business Transactions. Italy: Phase 2.” OECD Directorate for Financial and Enterprise Affairs; Approved and Adopted by the Working Group on Bribery in International Business Transactions on 29 November, 2004. p. 36 Date of Access: December 29, 2004 [www.oecd.org/dataoecd/0/50/33995536.pdf].

⁶⁹⁰ *ibid.* pp. 36-37.

⁶⁹¹ www.kantei.go.jp/foreign/koizumispeech/2004/11/30terrorism_e.html

⁶⁹² www.kantei.go.jp/foreign/koizumispeech/2004/11/21sengen_e.html

⁶⁹³ www.mofa.go.jp/policy/other/bluebook/2004/chap3-c.pdf

has signed the UN Convention on Transnational Crime, the country has yet to ratify the convention, which is imperative in the fight against corruption.⁶⁹⁴ Japan has clearly recognized the importance of the issues of corruption transparency as evidenced in its cooperation with other nations, however, further actions must be taken before full compliance can be attained.

6. Russia: 0

Although it has not ratified the UN Convention against Corruption, Russia has made some positive efforts towards complying with the commitments made at the 2004 Sea Island.⁶⁹⁵ Positive actions on the part of Russia thus far include its adoption of Special Recommendation IX, a new measure to combat transnational money laundering and terrorist financing, following a Financial Action Task Force (FATF) meeting⁶⁹⁶ and its plans for the establishment of an intergovernmental agreement with Association of South East Asian Nations (ASEAN) to counter “terrorism and other manifestations of transnational crime.”⁶⁹⁷ In a recent discussion held between the Russian Minister of Foreign Affairs Sergey Lavrov and the UN Undersecretary General Antonia Maria Costa, prospects for further Russian cooperation with the United Nations Office on Drugs and Crime (UNODC) in the area of transnational crime were discussed.⁶⁹⁸ While these are all positive steps in fighting corruption and improving transparency, Russia has not yet fulfilled the specific commitments to which it agreed.

Corruption remains a major domestic problem for Russia: Russia ranks 90th on the Transparency International Corruption Perceptions Index.⁶⁹⁹ Concerns include President Putin’s treatment of the Yukos corporation⁷⁰⁰ and his control of private media and nongovernmental organizations.⁷⁰¹ Aware that corruption among state officials is an increasing problem, President Vladimir Putin reiterated his commitment to join current efforts to combat transnational crimes and offered to focus “the efforts of law enforcement bodies on the fight against crime, including tax

⁶⁹⁴ www.unodc.org/unodc/en/crime_cicp_signatures_convention.html#declaration

⁶⁹⁵ *United Nations Convention Against Corruption: Signatories*. United Nations Office on Drugs and Crimes. (Vienna). 2005. Date of Access: 8 May 2005. [www.unodc.org/unodc/en/crime_signatures_corruption.html]

⁶⁹⁶ *On the Outcome of a Visit Paid by Ong Keng Yong, Secretary General of the Association of South East Asian Nations (ASEAN), to Russia [unofficial translation]*, Ministry of Foreign Affairs of the Russian Federation: Information and Press Releases, (Moscow) 4 October 2004.

[www.ln.mid.ru/Brp_4.nsf/arh/735103733F3B073FC3256F240030D793?OpenDocument]

⁶⁹⁷ *FATF targets cross-border cash movements by terrorists and criminals*. Financial Action Task Force: NCCT Reports and News Releases. (Paris) 22 October 2004. [www.fatf-gafi.org/pdf/PR-20041022_en1.pdf]

⁶⁹⁸ *Russian Minister of Foreign Affairs Sergey Lavrov Meets with Antonio Maria Costa, UN Under-Secretary-General and Executive Director of the United Nations Office on Drugs and Crime [Unofficial translation]*, Ministry of Foreign Affairs of the Russian Federation: Information and Press Releases, (Moscow). 30 March 2005. Date of Access: 8 May 2005.

[www.ln.mid.ru/brp_4.nsf/e78a48070f128a7b43256999005bcbb3/6c76ca4531de8a00c3256fd50040117b?OpenDocument]

⁶⁹⁹ *Corruption Perceptions Index 2004*, Transparency International (London) 22 October 2004. Date of Access: 8 May 2005. www.transparency.org/cpi/2004/cpi2004.en.html#cpi2004

⁷⁰⁰ *Russia launches anti-corruption campaign*. Xinhua News Agency, 26 October 2004.

⁷⁰¹ Orttung, Robert and Christopher Walker, *Steps toward democracy, Russian leader must accept Western help and draw on resources of domestic groups for meaningful reform*, Newsday, A41. (Long Island) 3 March 2005. Date of Access: 09 May 2005.

evasion.”⁷⁰² Thus, while the Russian Federation has made an effort to combat corruption and improve transparency, corruption remains a serious problem in the country and no concrete actions have been taken as of yet to meet the commitment made at Sea Island.

7. United Kingdom: 0

The United Kingdom has taken positive steps toward meeting its commitments concerning transnational crime at the Sea Island summit, although full compliance has not yet been realized. On December 14th, 2000, the United Kingdom signed the UN Convention on Transnational Crime; however it has not yet ratified the act, aspects of which are crucial to the fight against corruption and transnational crime.⁷⁰³ More positively, in November, the Serious Organized Crime Agency was introduced to the House of Commons, where it was announced that various strategies involving, “investigation and prosecution of criminals involved in serious organized crime, the disruption of supply networks, the confiscation of criminal assets, the taxation of undeclared earnings and improving the defences of the financial sector and others against attack by organised criminals.”⁷⁰⁴ This is a significant step taken by the UK towards meeting the criteria outlined by the G8 in Sea Island. The International Monetary Fund (IMF) has recently commented on the fact that the UK “has a strong and comprehensive regime to combat money laundering,” although there is still much to be done by the government of the UK in order to achieve full compliance before July.⁷⁰⁵

While full compliance has not yet been achieved, the UK’s Anti Money Laundering Strategy deserves special attention. This initiative is evidence of the UK’s commitment to combating transnational financial crimes, particularly money laundering, and demonstrates the UK’s leadership in this issue area. Most relevant to the commitment are the Strategy’s aims concerning wire transfer originator information and its approach to asset recovery. The strategy notes that the UK, as a member of the FATF Working Group looking at wire transfers and terrorist financing, is reviewing the FATFs Special Recommendation VII [outlines a framework of obligations for financial institutions to send wire transfer originator information] to ensure that it is the most effective means of combating transnational financial crimes. The expected outcome of this initiative is updated wire transfer guidance.⁷⁰⁶ The Strategy also places a priority on asset recovery, offering police forces a financial incentive to recovery criminally acquired wealth by awarding them with a stake in the recovered wealth/assets, within limits.⁷⁰⁷ Therefore, while the efforts of the UK were not sufficient to meet the specific criteria necessary to achieve full compliance, its efforts demonstrate that the government of the UK is committed to combating corruption and transnational crime.

⁷⁰² *Annual Address to the Federal Assembly [Unofficial translation]*, Ministry of Foreign Affairs of the Russian Federation: Information and Press Releases, (Moscow). 25 April 2005. Date of Access: 8 May 2005. [www.ln.mid.ru/brp_4.nsf/e78a48070f128a7b43256999005bcbb3/c037a4e7135fffcac3256fef0035c2c5?OpenDocument]

⁷⁰³ www.unodc.org/unodc/en/crime_cicp_signatures_convention.html#declaration

⁷⁰⁴ www.publications.parliament.uk/pa/cm200405/cmbills/005/en/05005x-a.htm

⁷⁰⁵ www.hm-treasury.gov.uk/media/D57/97/D579755E-BCDC-D4B3-19632628BD485787.pdf

⁷⁰⁶ “Anti-Money Laundering Strategy” Her Majesty’s Treasury, October 2004, p. 26. Date of Access: May 20, 2005 [www.hm-treasury.gov.uk/media/D57/97/D579755E-BCDC-D4B3-19632628BD485787.pdf].

⁷⁰⁷ *Ibid*, p. 22.

8. United States: 1

The United States has taken notable steps in fighting corruption and improving transparency since the Sea Island summit, and while it has not met the criteria of the specific commitments made at the Sea Island Summit, its general level of activity is sufficient to consider in compliance with the 2004 commitment. On August 27, 2004, President Bush ordered new policy stating that “[t]o the maximum extent consistent with applicable law, agencies shall give the highest priority to (i) the detection, prevention, disruption, preemption, and mitigation of the effects of transnational terrorist activities against the territory, people, and interests of the United States of America.”⁷⁰⁸ The US worked with G8 partner nations in October 2004 when it hosted a two day foreign affairs meeting of the G8 in Washington, D.C. to work with Georgia, Nicaragua, Nigeria and Peru in their fight against corruption.⁷⁰⁹ Positive actions were also taken on November 21, 2004 when the US launched with its Asia-Pacific Economic Cooperation (APEC) partners, the Santiago Commitment to Fight Corruption and Ensure Transparency and the APEC Course of Action on Fighting Corruption and Ensuring Transparency.⁷¹⁰ This commitment supports the commitment made by the United States in Sea Island to detect, recover and return illicitly acquired assets. Furthermore, the US has initiated a program supported by a commitment of US\$2.5 million over four years to help developing countries meet their anticorruption commitments with the APEC Anticorruption and Transparency Capacity Building Program.^{711,712}

Positive actions continued in December when a \$500 000 (USD) contribution was to the United Nations Office on Drugs and Crime was announced by Assistant Secretary of State for International Narcotics and Law Enforcement Affairs Robert Charles to encourage the ratification and implementation of the UN Convention Against Corruption.⁷¹³ This money will be used by the U.N. Office on Drugs and Crime to create a program that would implement regional workshops as outlined in their G8 commitment.⁷¹⁴ The United States has also pledged to contribute further funding in FY 2005 to the Global Programme against Money Laundering and to offer its technical and financial support to the UN Office on Drugs and Crime’s Terrorism Prevention Branch.⁷¹⁵ In the Congressional Budget Justification FY 2006, the President has designated \$2,976,000 for fiscal year 2005 and \$3,000,000 for fiscal year 2006 for Regional Anticorruption Initiatives such as the provision of training to officials from groups of countries and creating teams of U.S. experts that could build capacity in investigating and prosecuting asset recovery efforts.⁷¹⁶

⁷⁰⁸ Date of Access: December 29, 2004 [www.whitehouse.gov/news/releases/2004/08/20040827-5.html].

⁷⁰⁹ Date of Access: December 29, 2004 [www.state.gov/e/rls/rm/2004/36867.html].

⁷¹⁰ Date of Access: December 29, 2004 [www.whitehouse.gov/news/releases/2004/11/20041121-4.html].

⁷¹¹ Date of Access: December 29, 2004 [www.whitehouse.gov/news/releases/2004/11/20041121-4.html].

⁷¹² Date of Access: December 29, 2004 [www.whitehouse.gov/news/releases/2004/11/20041121-3.html].

⁷¹³ Date of Access: December 29, 2004 [www.state.gov/g/inl/rls/other/39714.htm].

⁷¹⁴ Date of Access: December 29, 2004 [www.state.gov/g/inl/rls/other/39714.htm].

⁷¹⁵ “Statement by the United States During the High-Level Segment of the 11th UN Congress on Crime Prevention and Criminal Justice” Elizabeth Verville, Transnational Organized Crime and Corruption; Bangkok, Thailand, April 24, 2005. Date of Access: May 5, 2005 [www.state.gov/g/inl/rls/rm/45393.htm].

⁷¹⁶ “Congressional Budget Justification FY 2006” Federal Government of the United States of America. Date of Access: May 5, 2005 [www.state.gov/documents/organization/42258.pdf].

The American creation of International Law Enforcement Academies [ILEAs]- a collaborative effort between the Department of State, Department of Justice, Department of Homeland Security, and the Department of Treasury and foreign governments- represent an innovative model of international assistance with various objectives including combating transnational crime.^{717, 718} The ILEAs consist of a series of specialized training courses and regional seminars tailored to region-specific needs and emerging global threats, with topics of the Regional Seminars including transnational crimes, financial crimes, and counterterrorism; graduates of the ILEAs exchange information with their U.S. counterparts and assist in transnational investigations.⁷¹⁹ The ILEA budget averages approximately US\$16–17 million annually.⁷²⁰

9. European Union: 0

The European Union has undertaken initiatives that indicate near, but not quite full compliance with the commitment made at the Sea Island Summit. Partial compliance was achieved through the EU's heavy involvement in asset recovery workshops, case co-ordination and the exploration of anticorruption best practices. EU compliance was mainly the result of the work conducted by the European Anti-Fraud Office (OLAF).⁷²¹ The EU and OLAF hosted the Fifth Conference of International Investigators during the month of September 2004. The conference discussed "the 'Uniform Guidelines' created in an effort to assist parties involved in international inquiries to complete their inquiries efficiently, openly and accountably in a transparent manner to guarantee the protection of fundamental rights. The Conference also analyzed the questions that usually arise during the final phase of an inquiry regarding the preparation of the referral of a case to a national judicial authority and the recovery of assets."⁷²² On 24 November, 2004 OLAF hosted a training seminar focusing on the discussion of strategies and tools to be invoked to prevent fraud and corruption through information and communication.⁷²³ Case coordination was the theme of the OLAF conference on Co-operation with Public Prosecutors in November 2004 which aimed to ensure that participants remained informed of current OLAF proceedings and to further improve the efficiency of the investigative work of the Office in the pursuit of the implementation of judicial measures for follow up. The conference underscored the notion that the aim of an investigation is to preserve relevant national rules to provide the groundwork for sufficiently well founded cases to be sent to national prosecution offices.⁷²⁴

⁷¹⁷ "International Narcotics Control Strategy Report, Volume II: Money Laundering and Financial Crimes", March 2005. Date of Access: May 5, 2005 [www.state.gov/documents/organization/42881.pdf].

⁷¹⁸ Ibid.

⁷¹⁹ Ibid.

⁷²⁰ Ibid.

⁷²¹ "Welcome to OLAF, The European Anti-Fraud Office." Date of Access: December 23, 2004. [europa.eu.int/comm/anti_fraud/index_en.html].

⁷²² "Fifth Conference of International Investigators" OLAF Press Releases. Date of Access: December 23, 2004 [europa.eu.int/rapid/pressReleasesAction.do?reference=3DOLAF/04/16&format=3D=HTML&aged=3D1&language=3DEN&guiLanguage=3Den].

⁷²³ "OLAF Seminar on Anti-Fraud Communication" OLAF Press Releases. Date of Access: December 23, 2004 [europa.eu.int/rapid/pressReleasesAction.do?reference=3DOLAF/04/23&format=3D=HTML&aged=3D0&language=3DEN&guiLanguage=3Den].

⁷²⁴ "OLAF co-operation with public prosecutors" OLAF Press Releases. Date of Access: December 27, 2004

Rules concerning the due diligence of politically exposed persons, part of the commitment at the Sea Island Summit, are set out in a proposal for a directive of the European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering, including terrorist financing, dated June 30th, 2004, in Section 3, Article 11.⁷²⁵ This directive is not yet law, but is a foundation for future action. The EU has continued their anti-corruption activities in 2005, as highlighted by new antifraud initiatives in Slovakia and Hungary.⁷²⁶ Overall, however, the EU appears to have just fallen short of achieving full compliance with the G8 commitment.

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[europa.eu.int/rapid/pressReleasesAction.do?reference=3DOLAF/04/22&format=3D=HTML&aged=3D0&language=3DEN&guiLanguage=3Den].

⁷²⁵ “Directive of The European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering, including terrorist financing” Date of Access: December 27, 2004.

[europa.eu.int/eurlex/pri/en/lip/latest/doc/2004/com2004_0448en01.doc].

⁷²⁶ “Anti-Fraud Assistance For Hungary And Slovakia” OLAF Press Releases. Date of Access: May 5, 2005.

[www.europa.eu.int/comm/anti_fraud/press_room/pr/2005/04_en.html].