

CIVIL SOCIETY OBSERVATORY OF ILLICIT ECONOMIES IN EASTERN AND SOUTHERN AFRICA



Summaries must fit on cover page; max word count = 400 words.

RISK BULLETIN

SUMMARY HIGHLIGHTS

- 1. Recent high-profile arrests by US and Chinese law-enforcement agencies have dismantled major wildlife-trafficking networks that operated across the continent.**

This year saw two major transnational investigations into wildlife trafficking networks operating in East and Southern Africa reach their conclusion: the US-led investigation of the Kromah cartel, and the Chinese-led investigation of the Shuidong network. The US and China take differing approaches to transnational investigations, and this has implications for the role of African law enforcement authorities in countering transnational crime.
- 2. Attempts to fight human trafficking from Uganda are undermined by corrupt links between bogus recruitment agencies and people in positions of power.**

The trafficking of migrant workers from Uganda to the Gulf and other Middle East countries using fraudulent recruitment agencies that give false promises of employment is on the rise. While the Ugandan authorities point to actions taken to counter human trafficking, it seems these actions are being undermined by people in positions of power.
- 3. Placing Uganda's response to human trafficking, and its weaknesses, in a national and regional context: The findings of the Organised Crime Index Africa**

Corruption undermines Uganda's efforts to counter human trafficking. Using the ENACT Organised Crime Index Africa, a powerful tool to measure countries' levels of organized crime and resilience to this threat, we can see how this finding is also typical of Uganda's responses to other forms of organized crime, and how low levels of victim protection are typical of the East Africa region.
- 4. Anti-corruption efforts suffered a setback in the US trial of a businessman implicated in the 'secret loans' scandal in Mozambique – but the case has revealed vital information about the nature of illicit funding flows into politics.**

In December 2019, Jean Boustani, an employee of United Arab Emirates-based shipbuilding conglomerate Privinvest, was acquitted in a US court of charges of defrauding US investors in the Mozambican 'secret loans' scandal. The acquittal may have been demoralizing for Mozambican and international anti-corruption advocates, but the case has been useful to their cause by providing detailed evidence of how and to whom bribes were paid.



ABOUT THIS ISSUE

This edition of the Risk Bulletin of Illicit Economies in Eastern and Southern Africa covers emerging trends in wildlife trafficking and human trafficking. It focuses in particular on how corruption, in many forms, facilitates organized crime and incentivizes decision makers to undermine reforms designed to improve the institutional response to crime.

In Uganda, we explore how seemingly legitimate labour recruitment agencies are behind a rising trend in human-trafficking cases from Uganda and the powerful interests that appear to be undermining attempts to better regulate the industry. Our second story makes use of the Organised Crime Index Africa (published in September) to contextualize trends observed in human trafficking from Uganda, and show how corruption, lack of support for victims and witnesses, and insufficient scrutiny from civil society hinder responses to many forms of organized crime in Uganda.

Titles of stories match exactly the titles given on cover page.

1. Recent high-profile arrests by US and Chinese law-enforcement agencies have dismantled major wildlife-trafficking networks that operated across the continent.

In June 2019, Moazu Kromah (of Liberian nationality) and three associates were indicted by the court of the Southern District of New York (SDNY) on charges of wildlife trafficking, money laundering and heroin distribution.¹ The indictment documents a conspiracy to traffic 190 kilograms of rhino horn and at least 10 tonnes of elephant ivory, and intent to distribute more than 10 kilograms of heroin.²

In January 2019, the China Customs Anti-Smuggling Bureau (ASB) apprehended and repatriated Ou

THE KROMAH CARTEL

The Kromah cartel, or Guinea cartel, was one of the major organized wildlife crime networks operating in Africa.⁶ Based out of Uganda, their operations stretched from West Africa, through Central Africa, to East Africa – shipping ivory in containers from Mombasa, Kenya, and Pemba, northern Mozambique, and rhino horn by air from Entebbe, Uganda, and Nairobi, Kenya.⁷ At one time, the network reached as far south as the Mozambican capital, Maputo.⁸ The indictment reads that Kromah's

We also report on recent developments in the so-called 'secret loans' scandal, which is currently engulfing Mozambique's economy and political class. Understanding the role of illicit flows to Mozambique's ruling party, Frelimo, is vital to understanding how anti-corruption and anti-organized-crime strategies in the country might develop.

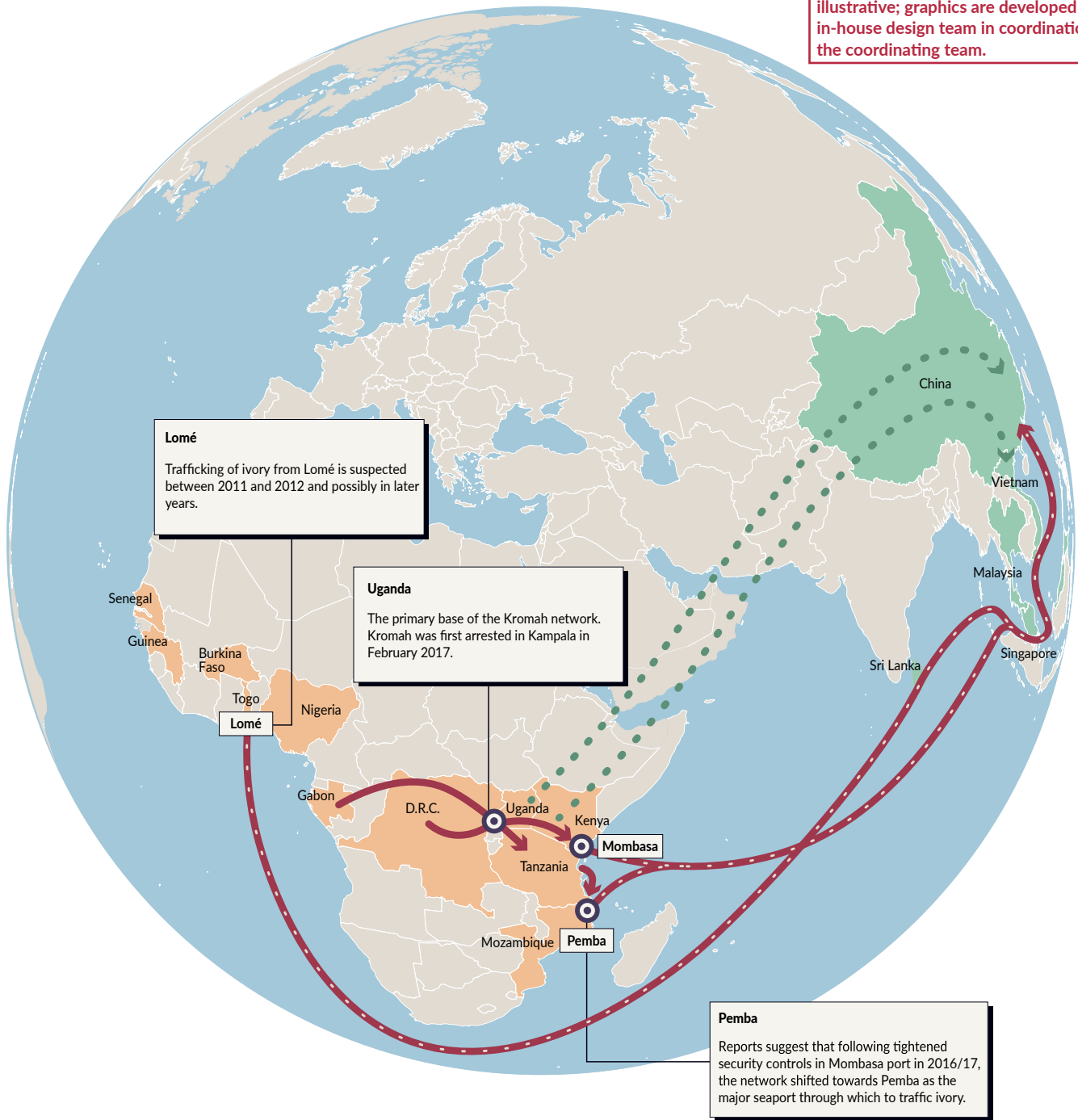
Much as these stories might suggest that tackling corrupt interests in organized crime is an insurmountable challenge, our lead story takes a different perspective. Two major transnational investigations into wildlife-trafficking networks reached their conclusion in 2019, with US and Chinese law-enforcement agencies cooperating with counterparts in Southern and East Africa. An analysis of these two investigations considers how the diverging foreign policy priorities of the US and China have shaped law-enforcement priorities, and the positive role that international law enforcement may play in conducting investigations into transnational networks operating in East and Southern Africa.

Haiqiang from Nigeria on an INTERPOL red notice.³ Ou was the last of the three major ivory traffickers leading the Shuidong syndicate⁴ to be arrested and brought back to China for prosecution.⁵

Both these cases led to the dismantling of major wildlife trafficking networks. Both involved long-term investigations into transnational crime syndicates led by investigators from jurisdictions outside the continent, who had been given the mandate and resources to investigate transnational organized wildlife crime relatively recently.

wildlife trafficking activities dated back to at least December 2012.⁹ This is significant because the date tallies with a landmark seizure by Malaysian customs officers on 11 December 2012,¹⁰ which contained four tonnes of ivory from East Africa and two tonnes from West Africa.¹¹ At the time, this was the second largest ivory seizure ever, and the only large seizure to contain ivory of mixed origins – suggesting a criminal network that extended across Africa.

The risk bulletin stories are highly illustrative; graphics are developed by the in-house design team in coordination with the coordinating team.



Key

	Ivory transit (land route)		Major hub		Source countries
	Ivory transit (sea route)				Transit and destination countries
	Rhino horn transit (air route)				

FIGURE 1 Overview of the Kromah network: major trafficking routes, key hubs and countries of activity

SOURCE: Members of African criminal enterprise charged with large-scale trafficking of rhinoceros horns and elephant ivory and heroin distribution, Department of Justice, U.S. Attorney’s Office, Southern District of New York, 13 June 2019, <https://www.justice.gov/usao-sdny/pr/members-african-criminal-enterprise-charged-large-scale-trafficking-rhinoceros-horns>, along with author’s own research.

Notes

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- 2 See <https://www.justice.gov/usao-sdny/press-release/file/1173366/download>.
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- 4 The Shuidong connection: Exposing the global hub of the illegal ivory trade, 4 July 2017, <https://eia-international.org/report/shuidong-connection-exposing-global-hub-illegal-ivory-trade/>.
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- 26 Personal communication with Mary Rice of the EIA, July 2017.
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The Global Initiative Against Transnational Organized Crime is a global network with over 400 Network Experts around the world. The Global Initiative provides a platform to promote greater debate and innovative approaches as the building blocks to an inclusive global strategy against organized crime.

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