

MEASURING MONEY LAUNDERING IN SOUTHERN AFRICA

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The successful prosecution of money laundering-related cases in Southern Africa is by no means rich. No single country can report more than ten such prosecutions. Yet there is acknowledgement all round that economic crime, especially in its organised form, is of significant magnitude in key areas that are logically and empirically associated with money laundering. Law enforcement agencies, some of which have been established in the last 12 months, are under pressure to give value for money both in terms of reducing the incidence of money laundering and of combating underlying criminal activities from which proceeds are derived. This article discusses dealings with the proceeds of market-based economic crimes encountered in Southern African countries and looks at how authorities have responded to these crimes.

Introduction

Money laundering is defined as the concealment of unlawfully acquired assets to make them appear to be lawfully acquired. It includes both the process/effort involved in concealment and the ultimate use of the illegal assets. If the assets are proceeds of economic crime, it has become conventional to break down the laundering process into the complementary activities of placement, layering and integration. There are variations on the definition of money laundering, but most fit within that framework. The global conceptualisation of money laundering is set out in the United Nations Convention Against Transnational Organised Crime (the Organised Crime Convention). Article 6 of the convention regards the following conduct as money laundering:

- (i) the conversion or transfer of property, knowing that such property is the proceeds of crime, for the purpose of concealing or disguising the illicit origin of the property or of helping any person who is involved in the commission of the predicate offence to evade the legal consequences of his or her action;
- (ii) the concealment or disguise of the true nature, source, location, disposition, movement or ownership of or rights with respect to property, knowing that such property is the proceeds of crime;
- (iii) the acquisition, possession or use of property, knowing, at the time of receipt, that such property is the proceeds of crime.

The convention stipulates that state parties should also criminalise participating in, or associating with, or conspiring to commit money laundering as defined in Article 6.

In Southern Africa, the wide conceptualisation of money laundering is mirrored in the laws of several countries, particularly Botswana, Mauritius and South Africa. The earliest law in the region against money laundering dates back to 1990, and the most recent was passed in 2004. All proceeds of crime are susceptible to laundering, which can be committed by acquiring, possessing or using them. Conversion or transfer of proceeds of crime, which presumes its acquisition, should be regarded as another mode of money laundering, and not its only form.

If measured by the volume of successful prosecutions, the region's 15 years' experience with combating money laundering is by no means rich. No single country can report more than ten such prosecutions. Yet there is acknowledgement all round that economic crime, especially in its organised form, is of significant magnitude in key areas that are logically and empirically associated with money laundering. Law enforcement agencies, some of which have been established in the last 12 months, are under pressure to give value for money both in terms of reducing the incidence of money laundering and of combating underlying criminal activities from which proceeds are derived. In addition to introducing new structures to police economic crime, states are engaged in constructing cooperative relationships with non-state structures to improve the accessibility to the information that is vital to the enforcement of laws against money laundering. In an environment in which resources and skills tend to be scarce, it is necessary to periodically assess the efficiency and effectiveness of the adopted strategies, as well as the distinct elements of the new law enforcement regimes.

The task of measuring the performance of policymakers, law enforcement, and all the other parties claiming an interest in combating money laundering cannot be accomplished without a method of assessing their levels of success or failure. Unfortunately, the rate or fate of prosecutions for money laundering, which would serve as a reliable barometer, is of limited utility in the prevailing environment. At the same time, the increase or decline in money laundering activity that can be linked to anti-money laundering measures should be

a basic indicative factor, as in other forms of crime.

As a general proposition, all crime has economic consequences, although not all crime is motivated by the prospect of material benefit. The result of crime is potentially measurable in economic terms. Analysts of organised crime draw a further distinction between offences committed sporadically (when opportunities present themselves) and market-based offences.¹ The key difference is that predatory offences are episodic and do not always require supportive infrastructure, whereas market-based offences require a certain level of investment and organisation. In depending on the existence of a viable market for goods or services, these offences resemble legitimate entrepreneurship. It should be conceded that the cleavage between predatory and market-based economic crime is not clinical, as there are areas of overlap. The drug trafficking industry in Southern Africa perhaps illustrates this reality as well as any other. Typically, cannabis cultivation is carried out at a peasant, subsistence level for downstream international criminal syndicates engaged in marketing the drug, often very far from the source regions.² Corruption, even on a grand level, demonstrates a symbiotic link between predatory and market-driven economic crime. Where bribery involves a large corporate institution and state officials, the executives that corrupt the public officials are likely to be repeat offenders, and could be said to be engaging in market-based crime, while the conduct of the recipients of bribes can more accurately be described as ad hoc opportunistic acts of delinquency. Of course when corruption is endemic, the officials would be involved in market-driven economic crime.

This article only discusses dealings with the proceeds of market-based economic crimes encountered in Southern African countries. Significant market-driven economic crime is organised. It manifests itself as activities or kinds of activity that occur in the same environment as lawful activities. As a result, and depending on its scale, economic crime is able to compete with lawful activity, and even penetrate and undermine it. It seems well established that, in both developed and developing

economies, participation in organised crime is not confined to dedicated or professional criminal groups. Entities established for legitimate business enterprises are just as liable to engage in organised crime as recognised criminal syndicates.³ Furthermore, criminal law is dynamic. Occasionally, criminalisation of erstwhile lawful activity occurs because of government regulation. In the same way, the state could narrow the scope of application of criminal law by decriminalising activities that were formerly forbidden.

The main areas of underlying economic criminal activity in Southern Africa

A potentially vast range of activities are predicate to money laundering in the sub-region. Just as it is necessary to limit the scope of this discussion to organised crime, so it is necessary to prioritise underlying economic activities that yield assets for laundering. Contemporary forms of organised economic crime on which there is consensus⁴ in terms of definition and frequency of incidence are:

- armed robbery, including robbery of cash in transit;
- theft of motor vehicles;
- serious commercial fraud;
- currency counterfeiting;
- extortion/racketeering;
- drug trafficking;
- smuggling of precious resources, predominantly diamond, gold, timber and wildlife products; and
- corruption.

Trafficking of human beings has recently been identified as a significant activity in the sub-region, but it has not yet been criminalised. For the rest of the listed activities, the ideal situation would be that, since they are universally criminalised, the extent to which they occur should match the depth of police records of incidence. Those records should indicate the value involved in each case, as well as the destiny of the proceeds. The reality, however, is that police records are incomplete, as they depend, first, on all crimes being reported and,

second on the police accurately quantifying and tracking proceeds.⁵ In addition, police records may not take account of apparently 'victimless' property crimes.⁶ The extent to which such crimes will be included at all depends on the capacity of the police to be proactive in detecting them. As it occurs between seller and buyer, drug trafficking appears to be a victimless crime. Smuggling of precious resources may also be perceived as such. Corruption, depending on the sphere in which it is committed, is sometimes without a victim. Property crimes are generally the most likely to be reported.

Money laundering: The indicative factors

In terms of the definition of money laundering, acquisition of the proceeds of any of the priority crimes constitutes a crime. The magnitude of the proceeds is accordingly equivalent to the level of money laundering in that form. Unfortunately, this is a level that can only be determined when the criminals are caught in possession of the proceeds. It is partly in response to the difficulty of catching criminals in the act, or in possession of proceeds of crime, that modern anti-money laundering regimes have developed. In their current form they comprise two pillars. The first has been described as the prevention pillar, and the other as the enforcement pillar. The two pillars serve complementary purposes, but are structured differently.

The prevention pillar seeks to deter criminals that have acquired the proceeds of crime from using institutions (in all sectors) and individuals to convert or move the proceeds around. Reuter and Truman⁷ divide prevention into four constituent elements. These manifest themselves as imposed obligations on vulnerable institutions and individuals. They are:

- customer due diligence;
- reporting obligations;
- submission to supervision;
- sanctions for non-compliance.

The primary objective of enforcement is to punish criminals who attempt to breach, or

succeed in getting beyond the established preventive infrastructure. This pillar comprises the following aspects:

- criminalisation of certain underlying (predicate) activities;
- investigative infrastructure that complements detection by vulnerable institutions or forensic analysis by financial intelligence units;
- asset tracing and seizure of proceeds of crime through civil law action;
- prosecution and punishment; and
- asset confiscation following a criminal trial.

Identifying indicative factors of money laundering should take account of all forms of it envisaged in the definition. As money laundering includes acquisition of proceeds of crime, the incidence of the underlying economic crimes is an indicative factor, even though the assets may not have been, or have been intended to be, placed into the formal deposit-taking institutions of the economy. The sum total of the proceeds of the activities listed above should give an indication of the scale of money laundering in the form of unlawful acquisition of assets.

Money laundering in the form of placement of illicit assets in the economy probably precedes the processes of conversion or transfer referred to in Article 6 of the Organised Crime Convention. The preventive pillar of anti-money laundering regimes emphasises regulation of institutions (financial and non-financial) to compel or enable them to profile the parties with whom they transact business, or who do business through them. Beyond profiling, and indeed as a result of it, financial institutions are required to detect and report activities that may indicate unlawful acquisition of the assets placed with them. Suspicious activity or transaction reports are a key raw indicator of money laundering. At the same time, it should be understood that a proportion of these reports do turn out to be baseless, and are discounted. As indicators, only the reports that result in successful investigations can be factored. This underscores the importance of streamlining the

channel by which suspicious transactions are handled by an anti-money laundering regime, and is one of the arguments in favour of establishing an institution to gather and receive information on such transactions, a so-called financial intelligence unit. At the point at which suspicious transaction reports emerge from reporting/accountable institutions, they can only provide a basis for informed speculation as to the scale of money laundering.

Deposit-receiving institutions within the economy tend to feature prominently in money laundering control, precisely because it is believed that many of the activities that can lead to the detection of money laundering occur through them. The layering process is a process of transfer of assets, most probably in their transformed form, between institutions in various places. In both rudimentary and developed financial systems, what is transferred is value rather than the raw assets, because the original assets are in liquid form and cannot be quarantined. Proceeds of crime deposited with a bank are soon mingled with lawfully acquired money. If a transfer of part of the proceeds is made through an automatic teller machine to another bank, what is transferred is a sum of money equivalent in value to the amount requested. The same applies to subsequent transfers from the second bank, or between accounts in that bank. This is also true of the so-called informal transfer system symbolised by the *hawala*, which entails the transfer of assets of equivalent value between distant places, sometimes in different currencies.

The value of asset transfer agencies is that the sum of transfers can be recorded, traced and aggregated for various purposes, including investigation. One of these purposes should be the compilation of data from which to obtain an indication of the incidence of money laundering. It should be conceded, however, that, like data on placement, the information arising from layering can only be utilised if, retrospectively, additional information establishes illicit origins of the assets in question. As a repository of this data, a financial intelligence unit can be important in this respect. Assessments of money laundering should also take into account the existence of an informal economy, sometimes beyond the reach of the financial

services sector, and almost always outside the tax net. In most countries it is not an offence to keep money outside the formal financial sector.⁸ In all countries the evasion of tax is an economic crime. Can the incidence of tax evasion be used to measure money laundering? Some analysts believe that it can and should. One of the methods of calculating levels of tax evasion is to calculate the value of individual asset holdings in the economy with their declared or known income. This method, in so far as it is premised on the assumption that all revenue on which tax is not paid is laundered, is most applicable to currency holdings. It may also be useful if extended beyond currency holdings to assets acquired with the proceeds of crime. The basic value of these assets for the purpose of calculating level of laundering is the purchase price. However, since the notion of proceeds of crime must include profits, any accruals in value as a result of interest, or inflation or other market forces, should arguably be taken into account.

Some countries, several of which are in Southern Africa, consider it prudent to incorporate into law a stipulation that the presence of unexplained wealth is an indicator of acquisition of proceeds of corruption.⁹ Use of this kind of legal tool implies availability of data on real per capita income, interest rates and expected income growth projections over various periods of time. The applicable tax rates are then factored in and the result compared with the wealth attributed to the suspect. The quality of data will affect the ability to contradict false explanations.

The transnational dimension

Proceeds of economic crime and other illegally acquired income tend to be transferred abroad within a relatively short period of acquisition. Occasionally the income is not introduced into the country of the criminal's residence at all. The objectives are to prevent detection of the predicate activities or to invest. To facilitate transmission and infusion into foreign economies and financial systems, conversion into acceptable currencies or marketable commodities is necessary. The availability of such curren-

cies and avenues through which to acquire them can be regarded as an indicator of vulnerability to economic crime. Currency exchange establishments, in the formal and informal sectors, have been linked with money laundering in many parts of Southern Africa and elsewhere. Records of transactions conducted through them, if genuine and comprehensive, would provide evidence of scale. But in many instances they are neither available nor reliable.

Indications of transnational money laundering take the form of investments of unexplained or undeclared wealth in external markets and foreign jurisdictions. Since the 1980s large quantities of money have been transmitted to South Africa from Angola, the Democratic Republic of the Congo (DRC), Malawi, Mozambique, Zambia and Zimbabwe. With the advent of FRELIMO rule in the mid-seventies in Mozambique there was capital flight by the erstwhile Portuguese settler community, facilitated by banks, through direct transfers and payment for fictitious goods. It is estimated that 90 per cent of the Portuguese left the country within five years of independence.

The trend does not seem to have abated. Part of the reason is that the factors that encourage the trend have remained virtually intact. In certain cases, developments in the source countries have increased the flow. Some sectors appear to attract foreign money more than others. In Zimbabwe, the rapid upward movement in the price of houses in the late 'nineties and beyond was attributed to nationals resident in foreign countries who took advantage of a thriving informal currency exchange system to boost returns and invest in residential property. Residential property is an attractive investment area for non-resident buyers in South Africa. The main difficulty with using information from such purchases in money laundering scale evaluations is the lack of relevant information from the countries from which the funds or buyers originate. To detect that funds from a non-resident investor are illicit, familiarity with the laws of the non-resident's jurisdiction of origin is basic. Obtaining this information could become complicated if the investment is through a third party, such as an institution that is domiciled in a third country. Compulsory due diligence where a politically exposed per-

son is the beneficial investor appears to be intended to ameliorate the difficulties that can arise. This approach cannot be comprehensive, however, as it is susceptible to evasion through many ingenious schemes involving proxies and shell corporations. Moreover, if due diligence is entirely left to institutions, the extent to which client background cross-checking is done will vary among institutions. Enhancing due diligence requires global networking among repositories of information. Coverage of indicators of money laundering cannot be complete if it does not take account of corresponding data in relevant foreign countries. As a research tool, data collection should occur on a corresponding basis among affected countries in each region, and at global level.¹⁰ Patterns of transmission should be mapped out, on the basis of information collected from within the criminal justice system as well as from data sources on routes of trade and other commercial activity. Table 1 identifies prominent sources of data that may be used to determine trends and extent of money laundering.

A summary of sources of data

There are significant challenges that can impede the collection of the data required to

collate indicators of economic crime. For data on criminal activity to be available at all, the activity must be recognised as a crime, it must be officially recorded, and the records must be stored in an organised and retrievable form.

Furthermore, if what is sought is information on the impact of crime, there should be a modicum of analytical content to the record. The preferable record is one that can be objectively verified. It is a matter of debate whether the impact of crime is recordable in this sense, and if so, at what stage this can be done.

There has been growth in the establishment of these agencies in the last few years, in the wake of the adoption of the SADC Protocol Against Corruption. Apart from the agencies mandated to tackle corruption, one should be able to obtain usable information from other sectors that are particularly vulnerable to economic crime. Caution should be exercised in dealing with the data retrieved from these sectors, as most of them are not dedicated or equipped to collate statistics on money laundering. In addition, the integrity of sources could be suspect, on account of corruption or lack of autonomy. The factors limiting that may adversely impact on the reliability or scope of the expected information are summarised in column 4 of Table 1.

Table 1 Primary sources of information on economic crime and money laundering trends and scale

Economic crime and money laundering: analysis of primary sources of information on trends			
Source	Key repositories of data	Type of data	Limitations
Police	Police statistics Economic and commercial crime units Narcotics bureaux Crime intelligence	Crime statistics Proceeds of crime Criminal syndicate identities Case experiences Existing measures Crime trends and patterns	Might not be comprehensive (will not record unreported crimes) Limited penetration analysis – may overlook destination of proceeds of crime May be reluctant to divulge pending cases Political motive to play down levels of crime Corruption may compromise integrity

Source	Key repositories of data	Type of data	Limitations
Anti-Corruption Bureau/Commission	Director of bureau, investigators	Agency records of pending cases Completed case records/files Statistics analyses	Disclosure may be prevented by confidentiality or for legal reasons Records may not be centralised Corruption may compromise integrity Political motivation may deter certain investigations
Revenue authority (customs/taxation)	Tax (income, retail and value added) records Duty collection records Trade trends (imports and exports) Trade volumes Statistics Officials	Economic statistics Scale and nature of inflow and outflow of imports and exports, declarations of value, avenues of legitimate trade Non-declared income (corporate and individual)	Corruption may compromise record keeping or efficiency Illicit sources of incoming/outgoing commodities may not be detected Eventual destination of incoming commodities will not appear Goods through undesignated points unrecorded May be difficult to make sense of mixed mass of information
Reserve/Central Bank	Regulatory units Bank supervision Anti-money laundering units	Authentication of remittances Economic data Average income levels Size of the legitimate economy Interest rates Levels of banking Money supply	Absence of legislative duty Ethical considerations may impede openness Political pressure may result in non-disclosure Capacity constraints
National Intelligence Departments/Agencies	Internal security unit External security unit Specialised crime unit	Border security Case experiences Effectiveness of existing measures Patterns and level of economic crime/identity of criminal syndicates	Not comprehensive (will not take account of unreported crime) Preoccupation may be with political rather than criminal threat Corruption may affect reliability Confidentiality to protector sources Reciprocal obligations to counterpart organisations may impede information disclosure Political motive to downplay incidence of crime Penetration analysis may be limited
Directorate of Public Procurement	Director	Case-based trends Information on awards of tenders Verification of existing companies Tender compliance	Might not be systematically documented Corruption may compromise integrity

Source	Key repositories of data	Type of data	Limitations
National Audit	Auditor General	Information on criminal misuse of public resources	Limited resources and time affect reliability Restricted to public sector
Directorate of Public Prosecutions	DPP	As with the police	As with the police
Immigration department	Immigration officials and registers	Inflows and outflows of migrants	Corruption may affect availability or reliability of data Accessibility Inadequate technology (records prepared manually)
Registry of companies	Companies registrar Actual registers	Intellectual property records and transfers Assets attributable to individuals Beneficial interests in corporate entities Unexplained wealth Suspicious registrations	Corruption may affect availability or reliability of data Accessibility Inefficiency Incomplete records
Currency exchanges (bureaux de change)	Transaction records Bureau operators Oral and documentary survey of clients	Transaction records Efficacy of control measures Turnover over pre-determined period Potential for abuse Empirical evidence of actual abuse for ML activity	Poor documentation (sources of currency exchanged not documented) Corruption Involvement in criminal business No obligation to co-operate with non-statutory institutions
Investment banks and discount houses	Management	Transaction records Investment values Individual deposits	Bank confidentiality inadequate due diligence may result in incomplete information on beneficial investors
Insurance companies	Insurance agents Insurance brokerages	Real asset values and holdings Paid out claims Fraudulent claims Economic impact of crime	High volume of transactions Poor record keeping The use of intermediaries may obscure linkages Absence of relevant legislation Corruption
Estate agents	Records of property sales	Property values Beneficial interests in fixed property	Absence of regulation Confidentiality duties to clients Corruption

Source	Key repositories of data	Type of data	Limitations
Legal profession	Lawyers Lawyers' financial records	Property transactions Trust settlements and identification of beneficiaries	Lack of legal obligation to disclose Client privilege Collusion with clients
Accountants and auditors	Accountants, auditors	Statement of affairs/ accounts Audit reports Verification of existence of corporate bodies	No legislative obligations Confidentiality Collusion Lack of client profiling
Commercial agents	Salespersons	Origin of goods Value of imports Volume of imports	Collusion with dishonest clients
Clearing and forwarding agents	Salespersons Dealership owners Sales records	Ownership of goods Value of goods Frequency of imports and exports Duties payable Tax history Methods of purchase	Poor record-keeping Source of funds may not be visible Collusion and corruption High volumes may make task of collating information difficult
Commercial banks	Bank managers Bank tellers Foreign currency departments	Individual deposits Fraud statistics Suspicious transaction reports Economic impact of crime Foreign currency levels	Lack of national identification system Not systematically documented Bank confidentiality Competition No obligation to report suspicious transactions
Motor vehicle dealers	Sales persons Dealership owners Sales records	Motor vehicle sales Purchaser identities/ nationalities Methods of purchase	Poor record-keeping Origin of funds may not be visible No obligation to report High volumes may make task of collating information difficult Where vehicles financed through third party intermediaries, records will be difficult to use
Interpol (SARPCCO)	National Crime Bureau reports Economic crime data Bureau chief	Narcotics data Trends and patterns of crime Identity and size of crime syndicates Anti-crime networking	Heavily reliant on constituent members statistics Insufficient analysis Capacity constraints No authority to release data

In many cases, source utility may be impeded by corruption or collusion with criminal elements. Since corruption is a predicate crime for money laundering, the agencies entrusted with enforcing the criminal law, including anti-money laundering law, must pre-empt corruption or investigate and prosecute offenders. Financial intelligence units have not been included among the sources of data, as the argument in this article is that these units should be at the centre of retrieving and receiving information from all the listed sources. Notwithstanding the real constraints to capacity that threaten to overwhelm a financial intelligence unit if its mandate is extended beyond receiving information from financial institutions, a comprehensive and pro-active anti-money laundering system requires to revolve around a proactive financial intelligence unit. The unit should be part of a structure dedicated to analysing the magnitude and cost of economic, rather than just financial crime. Victim surveys carried out periodically can often be an effective and proactive mode of detecting trends and scale of economic crime.¹¹

Southern Africa has several financial intelligence units of various types, although the term is used in just two countries, Mauritius and South Africa.¹² In Botswana and Zambia the authority to receive suspicious transaction reports is assigned to institutions that pre-existed anti-money laundering law. Indications are that Lesotho will follow suit. Zimbabwe has set up a unit within the central bank that combines supervisory with intelligence collection functions.

Other countries have yet to establish financial intelligence units. It is suggested that the Anti-Money Laundering Office (AMLO) in Thailand is a useful model for an institution to tackle money laundering. Like all countries in Southern Africa, Thailand is a cash-intensive country with a significant informal sector as part of its economy. The Financial Intelligence Unit is part of AMLO. In addition to receiving suspicious transaction reports from the financial sector, which includes 27 multi-branch banks and dozens of insurance companies, AMLO receives information on all transactions whose value exceeds certain thresholds.¹³ A massive

50,000 reports are received every month, which can create a huge challenge for analysts. AMLO also relies on data from:

- national registration;
- travel documentation and travel records;
- narcotics bureau records;
- open sources, such as the media;
- business records, including company reports;
- criminal profiles and records;
- documents on property registration.

As part on a network of institutions combating money laundering in the world, AMLO has entered into agreements (memoranda of understanding) with 19 financial intelligence units, which facilitates exchange of information and mutual legal assistance.

Conclusion

While there is broad and evident agreement about the need to respond adequately to serious economic criminal activity, the lack of clarity on the nature and extent of the threat for which responses should be designed continues to hamper effective policy formulation in Southern Africa. Money laundering control probably highlights this deficiency as much as any other. Various reasons may be blamed for this state of affairs. They include the dearth of empirical research on the cost of crime, which appears to be the case even for priority crimes. The gap in the current environment has tended to be filled by misconceptions on the nature of organised crime groups and criminal business in general.

This article proposes methods by which to identify indicative factors to facilitate a better understanding of the scope of criminal business (in its most comprehensive form) as well as an assessment of the threat that this business raises to economies in the sub-region. The suggested sources of data already exist in all countries in Southern Africa. So do the specific officials within each source. It is not such a difficult feat to re-organise the modes of data collection within the bodies listed in Table 1. Most are state institutions, and the rest

are all within the preventive pillar of standard anti-money laundering regimes. Policymakers should be cognisant of the role that each can play in providing the information necessary for planning action against money laundering, periodically, timeously and in a form in which it can be readily used. Structures in law enforcement are the primary users of the resulting information, both to pre-empt money laundering and to assess outcomes of their efforts from time to time.

The legal frameworks for effective networking among law enforcement structures in the sub-region already exist. Attention should be given to establishing the implementing institutions. The role of intelligence-gathering institutions should be seriously considered.

Notes

- 1 On the distinction, see R T Naylor, *Wages of crime: black markets, illegal finance and the underworld economy*, Cornell University, New York, 2002, pp 14–16.
- 2 See P Bagenda, Chapter 4 of P Gastrow (ed), *Penetrating state and business: Organised crime in Southern Africa*, ISS Monograph Series No 86, 2003, pp 81–82.
- 3 The debate on paradigms in organised crime discourse is explored further by A Standing in *Rival views of organised crime*, ISS Monograph Series No 77, 2003.
- 4 There seems to be consensus on these crime categories among law enforcement agencies. See P Gastrow, *Organised crime in the SADC*, ISS Monograph Series No 60, 2001.
- 5 In their analysis of the crime statistics from the South African Police Service for 2004/05, A du Plessis and A Louw concede the limitations of crime statistics as indicators of real levels of crime. See “The tide is turning”, *SA Crime Quarterly* 12, 2005, pp 1–8.
- 6 ‘Victimless crimes’ may not appear to have an immediate victim – as in personal crime – but victims are usually found ‘downstream’. In addition, these crimes are potentially more damaging, as observed with the impact of corruption on development, or the impact of the smuggling of precious resources on taxation and capacity to invest in public services.
- 7 P Reuter and E Truman, *Chasing dirty money: The fight against money laundering*, Institute for International Economics, 2004, pp 45–103.
- 8 The exceptions in Africa would seem to be Nigeria and Zimbabwe.
- 9 Botswana’s Corruption and Economic Crime Act stipulates in Section 40(1) that:
 - “(1) In any proceedings against a person for an offence under Part 1V (which criminalizes acts of corruption), the fact that the accused was, at or about the date of or at any time since the date of the alleged offence, is in possession, for which he cannot satisfactorily account, of pecuniary resources or property disproportionate to his present or past known source of income or assets, or that he had, at or about the date of or at any time since the date of the alleged offence, obtained an accretion to his pecuniary resources or property for which he cannot account satisfactorily, may be proved and may be taken by the court –
 - (a) as corroborating the testimony of any witness giving evidence in such proceedings that the accused accepted or agreed or offered to accept any valuable consideration; and
 - (b) as showing that the consideration was accepted or agreed or offered to be accepted as a valuable consideration as an inducement or reward.”
- 10 This conviction, which informs Article 7 of the United Nations Convention Against Transnational Organised Crime, is also the basis for the establishment of the Egmont Group of financial intelligence agencies. Article 7 urges state parties to enable anti-money laundering agencies to “cooperate and exchange information at the national and international levels”.
- 11 The Institute for Security Studies is experienced in conducting crime victim surveys, as are forensic audit firms such as PricewaterhouseCoopers.
- 12 In South Africa it is called the Financial Intelligence Centre.
- 13 Two million baht (about US\$52,600) for cash transactions, and five million baht (US\$131,500) for immovable property transfers.