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## CHAPTER 4

# TANZANIA

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### Introduction

Tanzania occupies a strategic location in Africa, situated at the juncture between countries in East, Central and Southern Africa. While Tanzania accrues important benefits from its location, there are also negative consequences, one of which is that both the nature and level of crime are partially determined by the manner in which transnational organised crime groups exploit opportunities and incentives in Tanzania itself as well as in its neighbouring countries.

Transnational organised crime is a relatively recent development in Tanzania. In general, a traditional mode of life predominates and it has therefore been less vulnerable to organised crime as an aspect of globalisation. As in all other societies, however, indigenous organised crime has taken place in Tanzania for many years, including crimes such as stock theft and poaching, the killing of 'witches', and armed robbery. The relative absence of transborder organised crime was a function of the society's underdevelopment, in particular of infrastructure and communication systems, and its relatively low level of involvement in international trade. In addition, the fact that much of the appropriate legislation essential to combating transnational organised crime has not yet been passed or is ineffective has also created opportunities for transborder groups.

In recent years a number of factors have made organised crime probably more pronounced than it was in the past. The growth in Tanzania's regional and international trade and investment has probably been accompanied by increased transborder organised crime. This has been facilitated, in part, by a lack of appreciation of the nature of the risks to which Tanzania is exposed and a consequent lack of effective legislation. International organised criminal groups have therefore used Tanzania as a transit point, mainly in drug trafficking, money laundering and car theft.

This report explores the phenomenon of organised crime in Tanzania. The first section below explores the nature and functioning of indigenous organised crime, while the subsequent section looks at transnational organised crime.

## Indigenous organised crime groups

### *Introduction*

Indigenous organised criminal groups comprise individuals who are citizens of Tanzania and who are engaged in organised criminality within the borders of that country. Among the more important forms of organised criminal activities committed by indigenous groups are:

- stock theft;
- the killing of ‘witches’;
- armed robbery; and
- the cultivation of cannabis.

Tanzanian criminal groups are also involved in the theft and smuggling of motor vehicles. In order to avoid duplication, their role is discussed in the following section, which deals with transnational criminal groups.

A number of indigenous organised crime groups have been identified, operating in different parts of the country. Some groups, such as those engaged in stock theft or ‘witch’ killing, operate in traditional and rural areas, while armed robbery and the middlemen who traffic in cannabis are associated with the more developed, monetised economy.

### *Stock theft*

In the many areas of Tanzania where agriculture is the main economic activity—especially in the tropical, savannah and semi-dry areas in western, central and northern Tanzania—stock theft is an extensive criminal undertaking.

Organised groups involved in stock theft can be divided into two categories: more-or-less traditional cattle raiders, who trek distances of 20–30 kilometre from their village to steal cattle from other villages; and groups recruited by rich cattle dealers, who seek to profit from the sale of stolen cattle.

Cattle raiders are often members of families who already have relatively large herds, but who seek to increase their stock. As cattle have increasingly become a valuable commodity, the recruitment of people into organised criminal groups has attracted different types of people from both rural and urban areas. However, most members of these criminal groups tend to originate from a single tribe and a single district. They also operate in reasonably small geographical

areas, the size of which is determined by the practicalities of movement and distance. There have been instances, however, of raiding parties that operate in more than one administrative district or region and that cover long distances in the process.<sup>1</sup> In addition, Somali cattle raiders roam the Savannah woodlands stretching from northern Kenya to northern Tanzania and move across common borders to engage in stock theft in Tanzania. This means that in some cases foreign nationals (Somalis and Burundians) are involved. Generally, however, they use local accomplices who drive the cattle to Tanzania's borders.

The act of stealing cattle usually involves a gang of stock raiders, numbering between four and 10 persons, armed with locally made handguns, spears and machetes, who attack a village some 20–30 km away. They attack in a military fashion, with the raiders operating under the cover of their armed colleagues. Cattle are then driven out of the village at high speed and are taken through difficult terrain (woodlands, forests, marshes or valleys) in order to avoid detection. These attacks are often preceded by a visit by reconnaissance groups disguised as local traders to identify homesteads with substantial herds and to assess the environmental surroundings of the target area.<sup>2</sup> For obvious reasons, these crimes can result in cycles of revenge and counter-attack.

It is believed<sup>3</sup> by the government and the public at large that levels of stock theft are rising because of the increasing availability of firearms and the ease of exchanging cattle for money and goods in neighbouring countries such as Kenya and Burundi. However, it appears that fewer foreign nationals are involved because of increased police and military patrols along Tanzania's borders.

Due to its lack of resources, the Tanzanian government does not have the capacity to significantly reduce the levels of stock theft in the country. However, the police have established a Stock Theft Prevention Unit, with a staff of approximately 100 police tracers and 10 vehicles. It concentrates its activities in those areas traditionally known for stock theft, namely Mara, Arusha, Shinyanga, Morogoro, Mwanza and Singida. Border patrols by members of Defence Force have been strengthened and have become more effective. Increasing checks of cattle about to be moved across borders into neighbouring countries have taken place. Under the aegis of the East African Community, the member countries have adopted a regional policy aimed at the more effective patrolling of common borders and a better exchange of information to reduce stock theft.

However, police tracers are ill-equipped to engage in hot pursuit of cattle raiders. Vigilante groups have therefore tried to 'assist' the police in retrieving stolen

cattle. While such vigilante groups have occasionally succeeded in this, there have been allegations that they also target innocent people, extort money or take their property from them, or even kill them.<sup>4</sup>

Allegations have also been made that some government officials and local political organisations in villages have intimidated the victims of stock theft or extorted money from suspects.<sup>5</sup> There have been court cases in which police officers and councilors have been charged with being involved in stock theft.

### *Killing of 'witches'*

'Witch' killing is most common in western Tanzania and in the Lake Zone, where nearly 90% of people live in rural areas and where traditional forms of society continue to function. In the Mwanza and Shinyanga regions, many elderly women have been murdered in the past decade with more than 1,300 deaths recorded in the latter alone between 1995 and 1999.<sup>6</sup>

The underlying motives leading to 'witch' killing are complex. They include a belief in witches, the hope of earning a reward, and a lack of education. There is often a conviction that the poverty or misfortune that individuals experience is a consequence of witchcraft practiced by others.

Most of the groups involved in the killing of 'witches' establish themselves spontaneously in the very localised settings of villages. The groups tend to be small (three to five people) and informal, without clear recruitment criteria apart from a willingness or a desire to become involved. However, those involved in killing 'witches' are often also involved in committing other types of crime such as petty theft, robbery, or stock theft, and they rely on their pre-existing criminal associations with others to jointly 'hunt witches'.

A witchdoctor undertakes the identification of the alleged 'witch' after being approached by those who believe that they may have been bewitched. He or she then identifies the alleged culprit, sometimes on the basis of aspects of the appearance of the presumed 'witch' with which he or she has been provided. Potential killers are then identified and recruited, with the most violent individuals likely to lead the group and perform the actual murder. Once they have committed the deed, they may be rewarded with beer, goats, or cattle.

The result is that many people in the areas concerned live in fear. 'Witch' killings have occasionally sparked cycles of revenge attacks, resulting in multiple deaths. Those involved in the practice are relatively immune from

prosecution, in that the Tanzanian criminal justice system has not been effective in apprehending and trying them. There is some evidence that members of these groups (who see themselves as protectors of their communities) also join their village militia—the *sungusungu*—and form cells of the political parties represented in Parliament at the village level.<sup>7</sup> There have been allegations that local authorities and the ruling party have used these groups against their political opposition or for the purpose of collecting or extorting money from fellow citizens, i.e. from those who have not paid their local levies or who have not volunteered to participate in self-help schemes.<sup>8</sup>

With a ratio of one police officer for every 1,175 members of the population, Tanzania is relatively under-policed, with the per capita number of officers in rural areas even lower than the national average. This means that there is little risk of arrest and successful prosecution and, what risks there are, are even further reduced by attempts to corrupt the system. However, the government has instituted some measures to check the killing of suspected ‘witches’, for example by establishing a camp for ostracised old women who could be potential victims. Village authorities in affected areas have been mandated to provide protection to people and arrest all those suspected in involvement in such killings. There has also been increased collaboration between the government and organisations from civil society, such as the Tanzania Association of Women Media Workers, in creating awareness among the people in Shinyanga region. Other non-governmental organisations have also undertaken programmes aimed at stopping the practice of killing suspected ‘witches’. Initiatives include anti-poverty and educational programs geared towards involving people in productive work and improved cultural awareness.

### *Armed robbery*

Organised groups involved in armed robbery operate in both rural and urban areas and, unlike stock theft and ‘witch’ killing, which are confined to specific regions, armed robbery is now widespread throughout the country. The main forms of armed robbery in which organised groups appear to be involved include:

- robberies committed against commercial establishments;
- car hijackings;
- bus hijackings; and
- attacks on homes.

In rural settings, organised robberies are often committed by between six and

eight people, including some experienced criminals who are armed, often with semi-automatic weapons.

Attacks on commercial establishments in urban areas usually involve the collaboration of insiders and external criminals. In 2001 in Dar es Salaam alone, police recorded more than 17 instances of such robberies resulting in two deaths and the theft of more than US\$2.5 million.<sup>9</sup>

Car hijackings are usually committed by groups of four to six persons, with two or three carrying automatic firearms to cover the rest. A number of bus hijackings have been committed in the Kagera region, taking advantage of an increased flow of small arms smuggled into Tanzania from Rwanda, Burundi and the Democratic Republic of Congo (DRC). In 2000, 42 instances were recorded.<sup>10</sup>

Bus hijackers target passengers and rob their goods, including cash and non-cash items, while car hijackers tend to steal the car as well. In the case of robberies at commercial establishments and banks, the criminals seek mainly cash. It is suspected that some of the proceeds of robberies are channeled into real estate in an effort to disguise their source.

Another form of armed robbery that takes place in urban areas involves a group of more than 20 youths who raid the suburban homes of wealthy individuals. They tend to seek cash, jewelry and household equipment. These attacks involve a number of distinct roles for members of the group, including the identification of potential victims and the overcoming of security measures. Others in the group have the task of carrying away the expensive equipment, holding persons found on the site hostage, providing cover, and driving the get-away vehicle when the mission is complete or has been foiled.

It does appear that the membership of the different criminal groups involved in robberies tends to be based on previous acquaintances. For example, the membership of some groups is drawn from people who work or have worked together (including members of the police and army), from those who have been incarcerated together, or from those who come from the same tribe or district. In most cases, the groups involved in armed robbery originate from within the country. There are instances, however, especially in areas bordering on neighbouring countries where there is internal conflict, in which armed robbers from such countries are involved.

Levels of armed robbery have been increasing: during 2000 recorded incidents of armed robbery increased 27% relative to 1999, compared to a rate of

increase of only 4% for the period 1995–1999.<sup>11</sup> Between January and August 2001, 49 deaths were recorded in cases of armed robbery throughout the country.<sup>12</sup> In response to increasingly violent armed robberies, the government has formed an Anti-Terrorist Squad, which has been trained by specialists from the USA to combat both terrorism and armed robbery.

### *Cultivation of cannabis*

Many of Tanzania's peasant farmers have turned to cannabis cultivation because of grinding poverty and the fall in commodity prices for traditional cash crops such as coffee, cotton, cashew nuts and sisal. Ordinary peasant families are the basic production unit of cannabis, both for consumption in Tanzania and for sale across its borders. Often, however, the paymasters and those who supervise the drug's transportation are people of Somali or Arab origin. Nationals from other countries, especially Kenya, have also played a role in contracting peasant farmers in north-eastern Tanzania. In these more organised processes, families are recruited by drug dealers and provided with advance payment for the cultivation of one or two acres of land. Men, who control both the land and their families, use family labour to cultivate the crop and control the proceeds from its sale.

Cannabis is cultivated in ten of the 20 regions of mainland Tanzania, especially in those that border on the neighbouring countries of Kenya, Uganda, Rwanda, Burundi, the DRC, Zambia, Malawi and Mozambique. The cultivation of cannabis on contract for the illicit domestic or international market has been expanding significantly. It is now far more lucrative to cultivate cannabis than some of the traditional crops. Peasant farmers are given an advance payment of up to TSh200,000 per acre compared to the TSh4,000–10,000 that they would normally earn from an acre of coffee plants.<sup>13</sup> The police have undertaken seek-and-destroy operations against cannabis farms throughout the regions in which cannabis is extensively grown, using helicopters to identify and destroy crops on farms. During 2001, 356 acres of ripe cannabis were identified and destroyed. During the same year, 265 tonnes of cannabis and 185 kilograms of cannabis seed were destroyed.<sup>14</sup>

Police believe that as many as half of the families in the ten regions of the country are involved in the cultivation of cannabis.<sup>15</sup> Producers at village level sometimes collude with—or corrupt—local officials, so that they turn a blind eye to their activities. The Prime Minister has commented with suspicion on the fact that while the police have discovered cannabis farms, local authorities living in those areas often are oblivious to them.<sup>16</sup> After cultivation, the crop is

harvested and packed into sacks and taken to other destinations for further processing and eventual cross border trafficking. The concealment, transport and export of cannabis involve multiple steps, many of which are assigned to particular individuals or groups.

## **Transnational organised crime groups**

Transnational organised crime is a relatively recent phenomenon in Tanzania. Those criminal groups involved have become engaged in a number different activities, the most important of which are:

- drug trafficking;
- gems smuggling;
- small arms smuggling;
- vehicle theft; and
- money laundering.

### ***Drug trafficking***

Traffickers of hard drugs who have been arrested in Tanzania have mostly been couriers importing narcotics from international sources. In the main, those arrested have been so-called ‘mules’, individuals who carry heroin (‘brown sugar’ or unprocessed heroin) in their stomachs or hidden in their luggage. They normally fly in from Dubai, Pakistan, India, Thailand or Hong Kong. They are recruited and sent to the country by middlemen who provide seed capital, travel allowances and a contact in the source country, for example in Pakistan or India. The contact persons in the source countries are often Tanzanians engaged in the drug trade. The drugs, the purchase of which is facilitated by these contacts, are then transported to Tanzania from where they are shipped to their final destination in Europe or North America. Some of these middlemen in Tanzania are also instrumental in recruiting peasant farmers in remote areas of the country to cultivate cannabis for commercial purposes. They also provide for the safekeeping, storage, and transportation of the drugs.

Each middleman is thought to control a number of couriers, whom he puts on assignment individually. It is estimated that each middleman employs between ten and 20 couriers at a time. Financiers for the cultivation of cannabis can contract as many as 30 peasant farmers to cultivate between one and two acres of cannabis per season.<sup>17</sup>

Smuggling is routed primarily through airports, especially Dar es Salaam and Zanzibar International Airports, which have become the main routes for heroin and mandrax (methaqualone). Mombassa, in Kenya, has the biggest harbour in East Africa and is the main supply route for drug trafficking (as well as arms smuggling and money laundering) into Tanzania, mainland Kenya and landlocked Uganda, Rwanda and Burundi. Mombassa has become a centre of drug trafficking because many long distance trucks from the east and central African hinterland, as well as oil tankers, cruise ships, and chartered foreign airlines ferrying thousands of tourists from Europe, arrive at or depart from this city.

In response to increased law enforcement at the Jomo Kenyatta International Airport in Kenya, heroin traffickers now fly to Uganda and Tanzania, bringing the heroin into Kenya by road or by small air carriers. Heroin is then transported on to Europe and to the United States.

Police are not certain how many drug trafficking networks exist in Tanzania but there are believed to be networks in Zanzibar, Dar es Salaam, Moshi and Arusha.<sup>18</sup> It does seem that there has been an increase in drug trafficking, production and processing in Tanzania. This is suggested by, among others, the closure of a factory processing illicit drugs in Dar es Salaam in February 2001, and the volumes of drugs seized from individuals in Tanzania at airports, harbours and in the countryside.

**Table 1: Drugs seized from individuals at airports, harbours and in the countryside in Tanzania**

<b>Year</b>	<b>Heroin</b>	<b>Mandrax</b>	<b>Cocaine</b>
1998	2	3.5	—
1999	7.9	73	—
2000	5	295	—
2001	6.72	2107	6.7

Compiled by the author from Police statements to the press.

There have been allegations of police involvement in protecting drug traffickers and of collusion between police investigators and criminals. Immigration officials are also suspected of having been corrupted by those wishing to obtain fraudulent papers.<sup>19</sup>

Drug trafficking and consumption have contributed to rising crime levels in Tanzania, particularly in urban areas. In Dar es Salaam, for instance, police report that drug addicts are responsible for approximately 90% of the city's crimes, the containment of which has resulted in the overcrowding of police cells and remand prisons.<sup>20</sup> Other drug-related crime phenomena include clan fighting in areas where cannabis is grown and a number of mysterious killings and acts of arson that are thought to have been linked to intra- and inter-gang wars.<sup>21</sup>

Drug traffickers are involved in money laundering in order to conceal their estimated TSh10 billion proceeds, to avoid paying taxes, and to use the money to finance other illegal transactions such as smuggling. In 2001, the Minister of Finance claimed that dirty money was used to buy or construct real estate, and that funds obtained through crime had been channeled into the hotel industry.<sup>22</sup> These activities also undermine state revenue collections by facilitating the development of a parallel black market economy outside the tax net.

An important social effect of the drug trade has been its impact on young people. School children have been targeted for domestic trafficking and consumption. The direct effect of drug use and the impact it has on levels of crime are all unfortunate by-products of the trade in narcotics, particularly where there are no rehabilitation programs. As a result, young men and women engage in theft to get money to finance their habits, girls engage in prostitution and civil servants are corrupted.

In 1995, Parliament passed the Drugs and the Prevention of Illicit Traffic in Drugs Act, leading to the establishment of an Anti-Drug Commission. The Commission is mandated to develop a national plan of action for drug control and to update and adapt drug control laws and regulations. It is also mandated to enforce drug control procedures and drug-related money laundering laws, promote the prevention of drug abuse and public information, establish a national system of data collection, interdict drug trafficking and money laundering, and establish control over precursors used in the manufacture of drugs. The Inter-Ministerial Anti-Drug Commission established in 1997 involves the ministries of Internal Affairs, Justice and Constitutional Affairs, Prime Minister's Offices, Defence, Labour, Culture and Sports, Education, Health, Finance and Tourism.

Kenya, Tanzania and Uganda have promoted efforts to enhance East African regional anti-narcotics co-operation. Recently, the three countries agreed to carry out joint transborder operations and have agreed to share information

on significant traffickers. Tanzania, which is also a member of the Southern African Development Community (SADC), also participates in and benefits from SADC anti-drug initiatives. It is now party to the 1998 United Nations Drug Convention and SADC Protocol on Drug Control.

### ***Gem smuggling***

Tanzania produces about 50 different types of gemstones, including tanzanite, alexandrite, green tamarind and rubies. The main mining centres are in northern Tanzania (tanzanite), central Tanzania (green tamarind), the Coastal Zone (rubies), and the Southern Zone (alexandrite). The number of stones produced rose to 300,000 per year in 2000 from 50,000 in 1998 according to the Tanzanian Chamber of Mines.<sup>23</sup>

Of these stones, tanzanite is only produced in Tanzania and is highly valued on world markets. Despite the fact that this gem is estimated to generate up to US\$300 million annually, only US\$13 million has been officially recorded in sales annually. Indeed, between 1995 and 2000, recorded gems sales realised only US\$64 million, or about one sixth of the estimated actual value of production. The rest is believed to have accrued to gem smugglers.<sup>24</sup>

Gem smugglers include middlemen who buy on the spot from artesian miners. They employ scouts who visit the mines to arrange illegal sales on site, or the sales are conducted with smugglers in the Arusha municipal area—some 70 kilometres from tanzanite mines. Some miners also personally smuggle the gems out of the country to Nairobi, Kenya, which is a renowned tanzanite trading area. These miner-smugglers act individually, though they might deal with the same gem dealer or a group of dealers. Smugglers are recruited and operate on the basis of mutual confidence based on long-term collaboration.

Smugglers are mainly drawn from Tanzania, but Somalis, Nigerians, Senegalese, Indians, Thailand, and Europeans are also thought to engage in these activities.<sup>25</sup>

The actual smuggling takes place across un-patrolled borders between Tanzania and Kenya, with gems hidden in cars, or through airports either using forged papers or with the assistance of corrupt custom officers. Nairobi is a focal point for the smuggling of gems from Tanzania, southern Africa and the Great Lakes region. Thus the activities of organised criminal groups in Tanzania involved with the smuggling of gems gravitate towards this city.

The activity of gems smuggling is expanding, given the entry into the market of criminal networks involving Lebanese, Thais and Indians, who are all out to compete with international mining companies, like African Gemstones of South Africa Company Ltd. (AFGEM). Others who smuggle diamonds from different parts of African have also exploited the existence of these smuggling routes. Tanzania is now listed by the UN as a transit country for blood diamonds from the DRC and Angola.<sup>26</sup>

Gem smugglers have allegedly made contributions to, and sought the protection of, members of the ruling political party. Some appear to side with the opposition parties and claim that they are being persecuted for their political beliefs when caught.<sup>27</sup>

Investment in large-scale formal mining has been difficult because artesian miners, who engage in gem smuggling, are unwilling to subject themselves to the working conditions of the mining companies. In Arusha, where tanzanite is mined, there have been clashes between small-scale miners and larger mining operators, with the latter being more willing to impose measures to control smuggling and enforce the payment of taxes.

In October 1997 the government formulated the country's mining policy, with a vision to make Tanzania the gemstone centre of Africa within the next 25 years. It is in the process of developing a marketing plan and creating facilities for the international auctioning of gems in the country. This would result in the control, and ultimately the elimination, of gems smuggling, which would have no comparative advantage to the formal institutional setup within the country.

### ***Arms smuggling***

There are two main forms of arms smuggling in Tanzania: the theft of arms from official armouries in the police and military, and the trafficking of arms to or from rebel forces involved in the conflicts in the Great Lakes area.

Like drug smuggling, arms smuggling involves networks of persons performing different roles. These include obtaining or stealing arms, transportation, securing arms in safe places, marketing and delivery. Tanzanians, nationals of other African countries, Russians and Lebanese nationals are allegedly involved in this trade, which is also linked to the smuggling of gems and cars, as well as other forms of criminal activity, including money laundering. A United States State Department Report on Tanzania in June 2001 stated: "There are also

strong indications of drug-arms connection in Tanzania linked with the arms demand in the Great Lakes Region."<sup>28</sup>

Generally, smuggled arms enter the country through un-patrolled borders such as the border between Uganda and Kigoma on Lake Tanganyika or from Kigoma, either across lake Tanganyika or down to the Zambia border—a distance covering over 1,500 kilometres. The main routes used appear to be unguarded borders and waterways such as the Kagera and Ruvuma Rivers, Lake Tanganyika and Lake Malawi.

Both the existence of conflict and the attempts at making peace facilitate the growing arms trafficking problem. On one hand, combatants and former combatants, particularly deserters, have been known to exchange their weapons for money or food, and, on the other, as peace processes unfold, arms flow onto the market if there is no strategy to ensure their surrender. In addition, some combatants resort to smuggling weapons because they are unable to find another form of earning an income.

The government has formed the National Focal Point on Arms Management and Disarmament and an amnesty has resulted in large quantities of arms being turned in. According to the police, in the Kagera region in North Western Tanzania, 179 guns were surrendered in five days in just two districts: Muleba and Biharamulo. Village Executive Officers have been assigned the task of receiving the surrendered weapons and members of the community have co-operated with the police to identify persons illegally possessing weapons.

### ***Vehicle theft***

The number of indigenous criminal groups involved in the theft of motor vehicles has increased significantly, targeting mainly government and donor-funded vehicles. About 100 vehicles are stolen in Tanzania every month. The most popular ones targeted are luxury and 4X4 vehicles, such as Land Cruisers or Range Rovers. The latter are popular among foreign aid agencies operating in rural areas. Many vehicles are not recovered. They are expertly worked on in order to provide them with a new look and often end up in the show rooms of car retailers, where they are marketed as new cars, or they are provided to used cars companies. For a country that lacks the foreign currency to import sufficient spare parts and motor vehicles, stolen vehicles and spare parts constitute important commodities on the parallel markets.

Tanzania is both a market and transit country for cars stolen mainly from South Africa and Dubai. According to Interpol many second-hand cars bought in Dubai are actually stolen cars, some from as far a field as Japan, while others originate from rich oil producing Arab states.

South Africa is the main supplier of stolen cars to Tanzania. Many of the vehicles stolen in South Africa are smuggled to the countries of Southern, Eastern and Central Africa, and as far north as Somalia and the DRC. However, there have also been instances of cars stolen in Tanzania being recovered in South Africa.

Tanzania is strategically located on the east African seaboard, making it a logical transit country for stolen vehicles that need to be trans-shipped into East or Central Africa. The theft or hijacking of vehicles in South Africa and their subsequent export requires a network of operatives in various countries. Because of the multiplicity of roles, car thefts are thought to be run by structured groups of people who both have technical skills and are in contact with buyers, within and outside the country. In addition to Tanzanians, they include South Africans, Kenyans, Ugandans, Zambians, Somalis, Mozambicans, Indians and Arabs.

The theft of vehicles by organised criminal groups can only be controlled with the assistance of the police, vehicle owners, insurance companies and the law enforcement agencies inside and outside the country of origin. During 2001, the police recovered over 200 cars suspected to have been stolen in South Africa, 106 of which were returned to their rightful owners, while the rest were still under investigation at the time of writing.<sup>29</sup> The exercise is still continuing.

### ***Money laundering***

Money laundering is a process with two distinct dimensions involving laundering the proceeds of crimes that originate either inside Tanzania or outside its borders. They share some commonalities, however, since, in both instances, individuals or organisations involved in illegal activities use official and non-official channels to invest in legal businesses or to deposit funds with Tanzanian financial institutions.

Tanzania is a preferred location for money laundering because the banking system is only now coming of age, skills are low and oversight is weak.

Locally sourced proceeds of crime laundered in Tanzania generally flow from drug trafficking, gems smuggling, corruption, arms smuggling, car theft or ille-

gal betting. The nature of crimes giving rise to foreign-sourced funds being laundered in Tanzania is not known. It is thought that the main sources of foreign funds laundered in Tanzania are the United Arab Emirates, Russia, the United Kingdom, Switzerland, Italy, Egypt, Iraq, Greece, India, Singapore and Hong Kong. It appears that some of these funds are transferred electronically while others are brought into the country physically.

These impressions were confirmed by the Minister of Finance, Basil Mramba, who said that much of the money laundered in Tanzania had its origins in smuggling, the drugs trade and other forms of racketeering. "We have reports that most of the dirty money in Tanzania could be channeled through real estate or even the hotel industry", he said, adding that organised crime was exploiting the fact that Tanzania had no legislation to deal with money laundering.<sup>30</sup>

Although it is very difficult to determine the scale of the problem, one estimate puts the volume of funds laundered through Tanzanian channels at about US\$450 million to US\$500 million per year.<sup>31</sup>

Money laundering relies heavily on trust. It is therefore usually facilitated by reasonably small groups of people who have strong links with each other. As a result, internally sourced funds are often laundered through families.

In September 2001, the Director of Tanzania's Criminal Investigation Department organised a meeting with financial institutions in order to plan the combating of money laundering. Issues of banking secrecy and the entry of 'dirty money' into the banking system were discussed and a plan of action was drawn up. Although the Bank of Tanzania is yet to issue guidelines on money laundering, the objective was to help ensure that banks know the identities of people whose money they receive, as well as the source of their funds.

The Tanzanian government is also preparing an Anti-Money Laundering Bill. The legislation aims to crack down on the huge sums of 'dirty money' laundered in the country every year. The planned measures would require banks and other financial institutions to report certain kinds of customer transactions, such as cash purchases of stocks and foreign currency as well as cash transfers and cheque deposits over a certain value. The legislation is aimed to comply with the United Nations Convention Against Trans-National Organised Crime, to which Tanzania is a signatory.

**Notes**

- 1 Mwaikusa, 1995, p 169.
- 2 Ibid p 168.
- 3 Ibid.
- 4 Ibid p 170.
- 5 Ibid.
- 6 Tanzania Media Women's Association, n.d., p 12.
- 7 On the final day of the initiation ceremony, the functionary of the ruling party, CCM, is invited as the chief's guest, in order to demonstrate the proximity between organs of public power and private/traditional institutions. See Mwaikusa, op cit, p 172.
- 8 This allegation was made by the opposition parties during the elections in 1999.
- 9 Tanzanian Police Force, 2001.
- 10 Ibid.
- 11 Tanzanian Police Force, 2000.
- 12 Ibid.
- 13 Ibid.
- 14 Ibid, p 2.
- 15 Prime Minister's speech in Arumeru, a drug-producing district, on 21 August 2001, questioning their integrity concerning increased cannabis cultivation in the area.
- 16 Ibid.
- 17 Ibid. *Business Times*, 3 July 2001.
- 18 *Business Times*, 13 July 2001.
- 19 Tanzanian Police Force, 2001.
- 20 Statement to the Press, Dar es Salaam Regional Police Commander, 2002.
- 21 *Family Mirror*, 28 August–3 September 2001.
- 22 *Financial Times*, August 2001.
- 23 *Financial Times*, 24 September 2001.
- 24 Wangwe, 1997.

- 25 Tanzanian Chamber of Mines 2001.
- 26 UN 2001.
- 27 Bagenda, forthcoming.
- 28 US Department of State 2001, p 32.
- 29 Tanzanian Police Force, 2001.
- 30 The existing official document on money laundering is the Bank of Tanzania 'Circular on regulating the conduct of financial institutions'.
- 31 Figures provided by legal and financial crime experts at the Bank of Tanzania, and Criminal Investigation Department of the Tanzanian Police Force (including drug trafficking and money laundering through different channels). Computation by the author.

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