

COMBATING ORGANISED CRIME

Memorandum by the Commonwealth Secretariat

Background

1. Confiscating and forfeiting property directly associated with serious crime is not a new concept. Very early and relatively unsophisticated systems of law provided for the seizure of property which was directly involved in the commission of a crime, and property which belonged to those placed outside the legal order. Indeed, 'outlaws' under many systems of law were deprived of their property not only to punish and deter, but also to deprive them of their status in society and ability to perpetrate anti-social acts in the future. It is well documented that under the early common law, the prospect of forfeiture of property on a felony conviction, was viewed as a significant disincentive to those possessed of power and influence to offend the law. Thus, history clearly indicates that the attachment of property has been used in the past not only to punish and deter criminal acts, but also reduce the ability of powerful individuals and indeed, organisations to perpetrate their disruptive and anti-social actions.

2. In more modern times the attachment of property has generally become, more-or-less, confined to the instruments and conveyances of crime and contraband. There are few provisions in most developed legal systems which permit the forfeiture of property which is directly, let alone indirectly related to the proceeds of crime. In recent years, however, there has been a growing awareness of the importance of combating syndicated and organised criminal activity, especially where the primary motivation of such is financial gain, through the forfeiture and confiscation of the proceeds. Historically the debate has centred on the illicit trade in drugs, and, indeed, considerable developments have taken place within the international community in refining at both national and international levels devices for depriving drug traffickers of their profits. However, more recently the parameters of the debate have widened, and now, it is recognised that the same mechanisms can be usefully employed against other types of criminal activity.

Organised Crime

3. Organised crime, almost without exception, exists and perpetuates itself for the purpose of making money. The concept of greed, and the power that money - in vast quantities - assures, is integral to most manifestations of serious organised crime. Indeed, most criminological definitions of organised crime fasten on this particular facet. Organised crime is in the business to make money, and thus, where a particular business activity is rendered unattractive, in economic terms, it will move into something else. Organised crime produces enormous amounts of money not for the sake of producing wealth in itself. This wealth is only relevant when it can be utilised and given a utility value. The product of such crime is used to acquire possession, social standing and respectability, immunity and other investment opportunities. Most criminals are concerned sooner or later to acquire legitimacy and thus convert their wealth, through a process of obscuring its origins, into indicia of standing and respect.

4. Today organised crime has moved far away from the almost romantic picture of the relatively amiable but not too competent gangsters in wide lapelled striped suits. Today the modern crime syndicates have adopted the same structures and modus operandi as

legitimate business. They have spread their investments and, thus, their risks. They operate internationally, they have diversified their activities - ensuring that disruption of one activity, will not unduly bring into question the viability of the whole. They operate within a management hierarchy and appear as financiers and businessmen rather than as stereotype gangsters.

Higher risk and more overt activities, such as trafficking and distribution of narcotics can be 'delegated' or even 'franchised' to relatively expendable other groups and individuals. Consequently, given their structure and their ability to function at a level beyond the reach of traditional law enforcement, in terms of hierarchy and territoriality, they exist and function beyond the perception of most law enforcement agencies. It is only recently and then 'as through a glass darkly' that Commonwealth countries are beginning to realise the extent of this problem.

5. Not only is organised crime able to structure its activities so as to avoid exposing itself to high risks, but it is also able to take full advantage of developments in communications technology and mobility of capital. It can operate on a broad international base, ensuring that even illicit activities that it must become directly involved in, are constituted in such a manner as to take full advantage of the constraints of territorial jurisdiction, limited investigatory resources, restrictive rules of evidence and little practical cooperation between police agencies. They can utilise their vast earnings to ensure a degree of protection through corruption and penetration. Organised crime has on a number of occasions dramatically illustrated its ability to corrupt and extort at all levels. Those who cannot be bought can be blackmailed or conned. Indeed, there have been instances where organised crime has adopted even more sinister tactics, where it has actually sought to penetrate organisations and governments to ensure cooperation, and thus, substantial immunity. There are cases where the vast proceeds of organised crime have been used virtually to buy up territories. In such cases the concept of state sovereignty and the very notion of mutual self-respect are brought into question.

6. Of course, the profits of organised crime are not only used to achieve legitimisation and immunity. They are invested to create even larger profits. Organised crime is able to find and finance other criminal enterprises and re-invest in its own operations. There is a pipeline in criminal funds. Money produced from one type of criminal activity will be invested in another. Money will also be invested in activities which are attractive for commercial, or other reasons, which may not necessarily be themselves illicit. The problem of penetration is an insidious one, and a serious threat both directly and indirectly to the stability of societies, where organised crime is able to buy into a legitimate business and subvert its activities the harm to society is obvious. However, even where there is no direct subversion to an illicit or improper purpose, the ability of criminals to fund their businesses from essentially unaccountable sources, at rates and levels beyond the reach of legitimate business, is not only unfair and thus destabilising, but likely to result in alienation or corruption of the legitimate business world. Businesses must compete to survive and there will be a proportion of businessmen who in order to survive will compromise their ethics, albeit "under protest". Of course, even where the investment is made with relatively unobjectionable aspirations, such as to acquire respectability and, thus, bring back the funds into the lawful economy, there is always the danger that those who have made their money peddling death and addiction will not be particularly scrupulous about adhering to the traditional constraints and restraints of the business world.

Money Laundering

7. Organised crime's ability to perpetrate and expand its activities will increasingly depend upon its ability to obscure the illicit origin of these funds. The ability to hide the origins of money and move it without leaving a clear trace has been developed and refined over the centuries by many groups, some for lawful and wholly proper purposes, others for far less honourable motives. Certain ethnic and religious groups have been forced, because of persecution or ostracism to develop procedures for the movement and maintenance of funds outside the traditional banking system. For example, the underground banking system developed by the Jewish Communities during the middle-ages and the system today operated by the overseas Chinese, both depending largely on gold and silver shops, representing examples of underground bankings systems. Devices for evading fiscal, exchange control regulation and taxation have been perfected and refined from what might well have started out as relatively unobjectionable financial procedures for the lawful minimisation of taxation. Organised crime have over the last three decades, in particular (and especially since the USA has developed and refined laws and procedures for the seizure and forfeiture of property associated with serious criminal activity) established highly sophisticated money laundering procedures. The devices employed today are truly legion, but all have certain elements in common. There is invariably a facility within the jurisdiction generating the illicit income, to consolidate and possibly convert it into a form of wealth that is easily transferred or smuggled. Then, this wealth will be moved out of the jurisdiction, and probably through other jurisdictions, often specially selected on the basis that their laws or administrations are such that no real co-operation can or will be given to those from outside. Once the money has been 'washed' through these jurisdictions, often using the expedient of spurious commercial and fiscal transactions, the money will either be deposited in a safe haven, such as the traditional end deposit countries, or repatriated through artificial transactions which resemble lawful business dealings to the original jurisdiction. There are, of course, many variations on the theme and almost by definition no two operations are the same. Lawyers who are prepared to facilitate the establishment of institutions and business organisations which can constitute links in the chain and territories, which are prepared to countenance such lax regimes of control and supervision in the knowledge that this will attract such business, must bear a considerable responsibility. To condone the laundering of funds produced from illicit trafficking in drugs is essentially to condone the illicit activity which has generated the profit.

8. Because of the expertise that organised crime has built up in recent years in laundering its own profits, it has provided a service for both terrorist and subversive organisations. There are also instances where essentially organised crime facilities have been employed to launder the money of alienated minority groups in countries operating strict exchange control regimes. The dangers that this represents for political and social stability are obvious.

9. It is sometimes argued that the legal economy depends on the illicit or 'black' economy and the 'black' economy by definition is, if not a product of, essentially a manifestation or reflection of the legal economy. Thus, the recycling of money from one side to the other, is not only inevitable, but in economic terms necessary. The problem with such essentially economic theories is that they, by definition, ignore the wider considerations of social and political policy. It is probably true that certain organised crime businesses could be bankrupted by the temporary legalisation of narcotics trafficking - as this would undercut the illicit market. However, this pays no regard to other social and political considerations. As countries such as Switzerland and some of the offshore financial centres in the Caribbean have recognised, the long-term implications of acquiring a reputation for providing a facility for 'hot' or 'dirty' money are detrimental. Not only is the standing of the commercial and business community undermined, and thus its ability to service the economy, but also there are the ever

present risks of corruption and alienation within society, and the infection of other areas of the community. This form of criminality is a cancer which taints everything it touches.

Commercial Crime

10. Organised crime has become increasingly involved in various forms of commercial crime since the Second World War. Commercial crime provides a relatively attractive source of revenue, in that the rewards can be high and the risks are low. Furthermore, as organised crime groups have progressed to a greater level of sophistication in both their process to legitimisation and structure they have found themselves ideally placed to commit and sponsor certain types of economic crime. Commercial crime and abuse also provide a useful means of protecting investments, improving the return on investment and in facilitating related forms of criminality. Although it is only in a few jurisdictions that the laundering of money is a specific criminal offence, the process of washing money will often involve the commission of a technical or fiscal offence. In some instances commercial crime is resorted to as an element within the laundering process. Certainly, the skills acquired in committing many forms of commercial crime and in laundering money are virtually inter-changeable.

11. Since the Commercial Crime Unit of the Commonwealth Secretariat became operational in 1981 a number of cases have been referred to it, which illustrate not only the involvement of organised crime in the general field of commercial crime, but the utilisation of expertise developed in laundering money in the context of commercial and non-commercial serious crime. It would be inappropriate to refer to specific cases, but for the sake of illustration the following examples may be relevant.

- (a) The Unit received a request for assistance from a regulatory agency in a non-Commonwealth country for assistance in tracing certain telephone calls made from a Commonwealth country and in identifying certain individuals who have visited that country. With the assistance of the police in the Commonwealth jurisdiction it was possible for this regulatory agency to establish that price sensitive information obtained in breach of confidence by professional advisers to companies was communicated, on several occasions, to persons in this other country, and then relayed back to others in its own jurisdiction, where it was illegally used for dealing on the securities market. This information was payment for cocaine. Therefore, organised criminals were paid for narcotics with 'inside information'. The Unit has come across similar cases where organised crime groups have extorted and blackmailed corporate officials into disclosing valuable information in similar circumstances.
- (b) A Commonwealth country was approached by a 'money broker' who offered to facilitate for this country substantial investment funds, at a very attractive rate. The Unit was able to establish that the money that was provided had been derived from inter alia, illicit trafficking in drugs. The criminals were thus seeking an excellent investment which would provide interest, security and suitably wash the principal sum.
- (c) A request was received from a Commonwealth country in regard to a series of investigations into gem smuggling. It was discovered that this was directly connected with trafficking in mandrax. Certain groups within the country wished to acquire gems for the purpose of smuggling their wealth out of the country and mandrax was a commodity that they could acquire relatively easily and trade for gems within the country.

- (d) A Commonwealth country under its exchange control laws blocked transfers of shares held by residents in foreign issuers. These securities could be released on deposit of 'equivalent' securities. Certain individuals within the jurisdiction sought the assistance of lawyers, associated with organised crime, to set up shell companies, the securities of which were apparently traded through recognised securities markets and then deposited with the relevant central banks. The shares were released in return for worthless securities. The individuals who had taken advantage of this device were subsequently blackmailed by the lawyers.
- (e) A major money laundering operation was established to wash monies obtained from narcotics trafficking in the USA. This process involved a central bank of a non-Commonwealth country and several companies in Commonwealth jurisdictions. Once the money was received in another Commonwealth jurisdiction it was employed to fund a series of promotional companies which were placed on the securities market and were then used to engage in market manipulation and cheque frauds.

There have been innumerable cases where proceeds from various economic crimes - ranging from bond washing to insurance frauds have been laundered and disposed off, through money laundering chains established for handling monies obtained from illicit trafficking in drugs. Indeed, the vast majority of the 1,000 or so cases referred to the Unit, since its inception, have at some stage involved a degree of money laundering or similar techniques.

12. The modus operandi adopted by money launderers in creating a highly complex network of financial and other institutions which mutually support each other in clothing shell and phantom operations with a semblance of credibility, is adopted by the advance fee fraudster, and those who peddle worthless securities and false letters of credit and deposit. Indeed, there have been a great many cases where the same individuals have been involved, at the same time, in classic advance fee frauds as well as money laundering operations. In some cases the money laundering element has been used to supply credibility to the fraudulent scheme. Victim governments have been discouraged from asking questions about the origins of money that is apparently being offered to them (on the basis that the source might dry up) and thus vital checks which would show the operation to be merely a sham or advance fee fraud, may be bypassed. Some lawyers, accountants and registrars, especially in so called 'tax haven' jurisdictions, and those offering offshore financial services are sadly as willing to prostitute their professions and disregard their social responsibility by servicing money launderers.

Commonwealth Concern

13. Commonwealth governments have not been slow to recognise the importance of combating organised crime through attacking its life blood - its money. Until relatively recently, it was in the USA that most work had been done in fashioning devices to enable not only the tracing and identification of such funds, but also their seizure pending trial and then their eventual forfeiture. The US legal system has showed itself able to adapt its devices, whether civil, criminal or administrative, to achieve its goals. Although there have been considerable procedural, definitional and jurisdictional problems, the US law, both at federal and state levels, has developed effective mechanisms for achieving this form of enforcement. Whilst it would be wholly misconceived to consider the US law and approach, as some sort of panacea, or model, it does provide a most useful and practical indication of what can be done. Commonwealth countries have recognised this; and now many have extended their traditional provisions (which allow for the forfeiture of contraband and the instrumentalities of serious crime) to include the proceeds of illicit trafficking in narcotics, and in some instances certain other serious

crimes. Other countries which have not yet been able to enact or prepare legislation are actively considering adopting such an approach. Indeed, it is perhaps important to underline that whilst this is an effective approach, conceptually and almost certainly practically, it is only one of many weapons that must be fashioned and then adequately and competently deployed to combat the modern criminal.

14. In the context of the Commonwealth, papers have been presented by member governments and consultants at the last two Commonwealth Law Ministers' Meetings, on the forfeiture of assets associated with criminal activities, and at the last three meetings, on the need for greater cooperation in tracing and the identification of such funds. Commonwealth Ministers of Finance have noted, at their last two meetings, the impact that organised crime and commercial crime can, and does have in some cases, on the economic stability of Commonwealth states. Other meetings and fora, such as the CHOGRM Working Group on Illicit Trafficking in Drugs, the first and second meetings of Law Officers of Small Commonwealth Jurisdictions (Isle of Man 1983; Vanuatu 1985), the Pacific Island Law Officers Meeting on the Seventh Commonwealth Law Conference, have all emphasized the importance of combating organised crime through action against financial assets, and the need for action at both national and international levels.

15. This concern has, naturally been mirrored in other international and regional organisations. The United Nations, ICPD-Interpol, the Council of Europe, the Association of South East Asian National and the Customs Cooperation Council, have also initiated programmes designed to facilitate action against organised crime through attacking its assets.

16. It is not necessary here to do more than record the extent of international concern and the political imperative that this subject has, at both national and international levels. What is especially significant to underline, is recognition that this type of initiative should not be confined to combating illicit trafficking in drugs. The Resolution of Seventh United Nations Congress on the Prevention of Crime and the treatment of Offenders (Appendix I) is particularly clear on this. At the Commonwealth Law Ministers Meeting in Sri Lanka in 1983, Ministers had already recognised this, and their request that the Commonwealth should further study cooperation in this context was not limited to narcotics offences, although it was recognised that it was 'particularly appropriate in such crimes as drug trafficking and fraud' (Appendix II). It will be seen that the proposed Scheme Relating to Mutual Assistance in Criminal Matters is not limited to narcotics offences in regard to requests for tracing of such assets and forfeiture (see LMM(86)13).

17. The significance of this approach in combating serious criminal activity has been given considerable impetus by the importance attached to it by Commonwealth Heads of Government at their Meeting in Nassau, Bahamas, in October 1985. Commonwealth Heads of Government emphasised the profound danger to the stability and security in particular to developing and smaller jurisdictions presented by organised crime and its vast funds (Appendix III). It was recognised that the effective action must be taken on an international level against the proceeds of such criminals. Heads of Government called upon the Commonwealth Law Ministers meeting in Harare, in July 1986 to consider this and refine procedures for greater cooperation.

18. As in the case of ordinary commercial crime, it must be recognised that no matter how sophisticated and well conceived both the law and its enforcement is at a domestic level, international cooperation is of critical importance. It will be necessary for governments to explore not only enhanced cooperation within and beyond the Commonwealth through bi-lateral and multi-lateral conventions and schemes, but also through modification of traditional concepts of jurisdiction, rules relating to the admissibility of evidence and judicial procedures. In the context of commercial crime and economic

destabilisation, Commonwealth Governments have long recognised that there is a need for an initiative, at least within the Commonwealth, which goes somewhat further than that which can be envisaged through traditional channels of cooperation. Commonwealth Law Ministers at their last three meetings have recognised the importance of establishing and supporting an initiative against commercial crime which is unique and beyond traditional police to police force cooperation. Traditional police cooperation was specifically recognised as not being sufficiently comprehensive, flexible, timely and sophisticated to provide on its own a satisfactory protection. It is suggested that this initiative (which has as its focal point the Commercial Crime Unit within the Legal Division has proved a success, as Law Ministers recognised in Sri Lanka.

19. As has already been indicated, the Commercial Crime Unit has since its inception been concerned directly with organised crime through its exposure and involvement in the field of commercial and economic activity. Consequently the Unit has been able to build up a special competence at an international level to co-ordinate inquiries and develop intelligence in regard to the flow of illicit funds and the investigation of money laundering operations. This was recognised by Law officers of Small Commonwealth Jurisdictions at their meeting in Vanuatu in 1985 who invited the Secretariat to consider strengthening this facility especially in the context of offshore and shell banking operations (Appendix IV).

20. The General Secretariat of ICPO-Interpol has had resort to the Unit's expertise in the development of its own training programme for financial asset investigators and the Unit has, at the request of Commonwealth governments, organised and run training courses on money laundering in Zimbabwe, Malaysia, Singapore, India and Hong Kong. It has also participated in other training courses in Britain, Australia, the USA and Portugal.

21. Consequently, already within the context of the initiative against commercial crime, the Commonwealth is able, in some measure, to facilitate the fight against organised crime and illicit trafficking in narcotics. Of course, given the limited resources available to the Secretariat and the number and nature of requests for assistance there are clear limits as to how far this particular aspect of its mandate can be carried.

22. Nonetheless, there would appear to be a facility in existence for the co-ordination of references in regard to money laundering inquiries, and the ability to support this co-ordination through the utilisation of intelligence and data that has already been developed on an ad hoc basis, and access to information that can be obtained through the special network that has been created in the context of commercial crime cases. Furthermore, the expertise that has been established may be utilised not only for co-ordination and training but also technical assistance. The Unit has already been able to initiate research projects on certain aspects of money laundering and in particular underground banking systems. It has developed a training package which is currently being used by several national law enforcement agencies. Furthermore, the Unit has been able to participate in deliberations of various other organisations, such as the Expert Working Group convened by the United Nations Division on Narcotic Drugs on the forfeiture of property associated with illicit trafficking.

OTHER RESOLUTIONS AND DECISIONS ADOPTED BY THE CONGRESS

RESOLUTION I

Organised CrimeThe Seventh United Nations Congress on the Prevention of Crime and the Treatment of Offenders

Seriously concerned by the abundant evidence of the escalation of organized crime, including illicit drug trafficking, in many countries and its enormous social and economic costs.

Aware that organized crime increasingly crosses national boundaries, is often camouflaged under apparently legitimate business activity and is extremely difficult to combat.

Recalling resolution 7 adopted by the Sixth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, held at Caracas from 25 August to 5 September 1980, relating to the prevention of the abuse of power, in which it was recommended that co-operative efforts should be intensified among Member States to prevent, prosecute and control this form of activity and that such efforts, including mutual legal assistance treaties or conventions, should make provision for the establishment of procedures for the gathering of evidence and the extradition of persons.

Noting the provisions of the "Guiding principles for crime prevention and criminal justice in the context of development and a new international economic order" submitted for the consideration of the Seventh United Nations Congress, which state that ways and means of international cooperation in penal matters, such as extradition and various forms of investigative and judicial assistance, should be made less cumbersome and more effective, and that the United Nations should develop appropriate model instruments for use by interested countries to promote further the use of such mechanisms and to maximize the effectiveness of international co-operation in the struggle against crime.

Noting also the conventions and draft conventions adopted, or under consideration, by a number of regional organisations of the subject of mutual legal assistance.

Recalling General Assembly resolution 39/112 of 14 December 1984, in which, inter alia, the Assembly invited the Seventh Congress to pay particular attention to the question of illicit drug trafficking, and Assembly resolutions 39/141, 39/142 and 39/143 of 14 December 1984 dealing with the Draft Convention against Traffic in Narcotic Drugs and Psychotropic Substances and Related Activities, the Declaration on the Control of Drug Trafficking and Drug Abuse, and the international campaign against traffic in drugs, respectively.

Deeply concerned at the upward trend, as reported by the regional preparatory meetings for the Seventh Congress and the International Youth Year, in the involvement of young people in drug offences, leading to their physical and mental deterioration, the commission of crime, particularly in order to finance expensive drug habits, and even to suicide.

1. Calls upon Member states to intensify their efforts to combat more effectively organised crime at the national level, including consideration, if thought necessary in their respective systems, of the following measures, subject to safeguards and the maintenance of basic rights under ordinary legal procedures and in conformity with international human right standards:

- (a) The modernising of national criminal laws and procedures, including measures to:
 - (i) Introduce new offences directed to novel and sophisticated forms of criminal activity.
 - (ii) Provide for the forfeiture of illegally acquired assets.
 - (iii) Facilitate the obtaining of evidence abroad for use in criminal proceedings in national courts.
 - (iv) Modernize national laws relating to extradition.
- (b) The conduct of national campaigns against drug abuse to develop measures on treatment, rehabilitation, law enforcement and educational processes to deal with drug abuse.
- (c) The strengthening of law enforcement authorities and the provision to those authorities of increased powers.
- (d) The establishment of national institutions, such as national crime authorities or commissions, with appropriate powers, to investigate and obtain evidence for the prosecution of those centrally involved in organized criminal activity.
- (e) The review or adoption of laws relating to taxation, the abuse of bank secrecy and gaming houses, in order to ensure that they are adequate to assist in the fight against organised crime and, in particular, the transfer of funds for or the proceeds of such crime across national boundaries.

2. Urges Member States to increase their activity at the international level in order to combat organised crime, including, as appropriate, becoming parties to relevant multi-lateral treaties and entering into bi-lateral treaties on extradition and mutual legal assistance.

3. Recommends that the Committee on Crime Prevention and Control should be requested to:

- (a) Develop a comprehensive framework of guidelines and standards that would assist Governments in the development of measures to deal with organised crime at the national, regional and international levels.
- (b) Develop model treaties dealing with extradition and mutual legal assistance, having regard to the efforts already undertaken by several States and regional organisations.
- (c) Urges the Commission on Narcotic Drugs to continue to arrange for the regular dissemination of information on treatment, rehabilitation and educational programmes to deal with drug abuse, particularly as it affects young people.

4. Recommends that Member States should accord the highest priority to measures to combat organised crime and in particular, should give urgent attention to the development of extradition treaties and mutual legal assistance and cooperation arrangements, under ordinary legal procedures and in conformity with international human rights standards.

APPENDIX II

EXTRACT FROM COMMUNIQUE OF COMMONWEALTH LAW MINISTERS MEETING HELD IN COLOMBO, SRI LANKA, 14-18 FEBRUARY 1983

Forfeiture of Assets

There was compelling evidence that one of the most effective methods of attacking serious crime was through the seizure of profits derived from crime. Judicial forfeiture and confiscation were particularly appropriate in such crimes as drug trafficking and fraud. However, such orders could give rise to constitutional questions stemming from protected rights to property and where the proceeds had been removed from the jurisdiction in which the offence had been committed. Mechanisms for tracing assets which depended on cooperation by the offender had been found wanting by those who had introduced them. Alternative mechanisms would need to be cost effective. Ministers endorsed the suggestion that the matter be examined by a small group of experts for future consideration.

EXTRACT FROM COMMUNIQUE OF COMMONWEALTH HEADS OF GOVERNMENT
MEETING HELD IN NASSAU, THE BAHAMAS, IN OCTOBER 1985

Drug Abuse and Illicit Trafficking

Heads of Government were deeply concerned at the rising incidence of drug abuse and illicit drug trafficking that was seriously threatening the social fabric and security of many countries. They recognised that it called for a wide range of responses, including urgent attention to problems affecting young persons and to the rehabilitation of its victims. They agreed that governments should cooperate, both to counter the international traffic in illicit drugs and to deny to those convicted of drug trafficking the proceeds of their crime, and looked to the early implementation of a scheme for enhanced cooperation between Commonwealth countries in this regard.

Heads of Government were also disturbed by the extent to which the profits made by drug traffickers were used in criminal and subversive activities often across international borders. They invited Commonwealth Law Ministers to explore measures to counter this trend. While supporting the work of existing international organisations in the field of narcotics control, Heads of Government welcomed the proposal of the United Nations Secretary-General for the convening of an international conference at a high political level in 1987 to deal with all aspects of drug abuse and trafficking and expressed the hope that action would be expedited on the related proposed new Convention.

APPENDIX IV

EXTRACT FROM COMMUNIQUE OF SECOND MEETING OF
LAW OFFICERS OF SMALL COMMONWEALTH JURISDICTIONS
HELD IN PORT VILA, VANUATU IN AUGUST 1985

The Law Officers recognised the serious danger that confronts many small jurisdictions arising from the activities of organised crime, illicit narcotics trafficking, and the perpetration of crimes and other abuses which tend to undermine the integrity of their economies and thus their political and social stability. Consequently, Law officers firmly endorsed the work of the Commonwealth Secretariat's Commercial Crime Unit in protecting the economies of Commonwealth jurisdictions and called upon Commonwealth countries to cooperate with the Commonwealth Secretariat in further strengthening and developing this service.

The Law Officers recognised the important role played by the Commercial Crime Unit in loss prevention and noted the dependence of effective loss prevention mechanisms on the development and deployment of timely intelligence. The Law Officers repeated their request to the Commonwealth Secretariat, made at their first meeting, to develop an intelligence facility, within the Unit to assist Commonwealth agencies in ensuring the prevention of abuse in the development of offshore and other financial centres within the Commonwealth. Law offices considered that this was a matter of urgency, and if necessary the participation of other appropriate agencies in the creation of such a facility should be contemplated.