

## **“IT’S ALL ABOUT MONEY”<sup>†</sup>: CRIME IN THE CARIBBEAN AND ITS IMPACT ON CANADA<sup>\*</sup>**

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### **SUMMARY**

For most Canadians, the Caribbean is a place to take an idyllic break from winter. Sandy beaches and warm temperatures lure Canadians to the islands. Interaction with the local population is mostly limited to those who work in hotels and bars. What actually happens in the local communities is generally lost on the average Canadian.

Appreciating the large Caribbean diaspora in Toronto and Montreal, the connections are dynamic between those sun-baked Caribbean communities and Canadian society. While those linkages are generally positive, there are disturbing trends in crime in the Caribbean. Herculean efforts are being made by the World Bank, the United Nations, and the regional Caribbean Development Bank to build regional capacity in governance and criminal justice systems. There is, however, a lack of political will by some Caribbean leaders to implement recommendations that would greatly improve citizen security and national institutions. Scholarly and professional studies have made recommendations for the security sector that are achievable, but the political will in many countries has been lagging.

The Caribbean drug trade has long held the spotlight, but money laundering is increasingly a concern, especially with evidence of linkages between terrorist groups resident in Central America and Venezuela, which have close proximity to the Caribbean Windward Islands. Post-9/11 financial tools, utilized under the U.S. Patriot Act, have been effective in dealing with rogue governments, corrupt officials, and transnational criminal gangs. However, the use of the Internet for financial transactions and the emergence of digital currencies have made regulatory control challenging. This is significant considering the Canadian tourism, banking, and resource development in the region that have caused steady flows of Canadians, money and expertise to the Caribbean.

This paper reviews Caribbean crime and its trends and impacts on Canada, money-laundering trends, and highlights policies that could be reinforced to better curb these trends. Crime is a societal problem for which solutions are found within communities. This applies equally to the Caribbean and to Canada. It is in Canada’s best interest to accelerate efforts to aid the region, especially in the area of citizen security and reforms of the criminal justice system. Multi-lateral programs aimed at building regional capacities in governance and criminal justice systems are the areas in which Canada can play an important role. The creation of a Canada-Caribbean institute would go a long way in conducting scholarly graduate-level research in fields of security-sector reform.

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<sup>†</sup> Quote from Treasury Department Deputy Secretary Sam Bodman, in: Juan Zarate, *Treasury’s Wars* (New York: Public Affairs, 2013), 143.

## « C'EST UNIQUEMENT UNE QUESTION D'ARGENT »<sup>†</sup> : LE CRIME DANS LES ANTILLES ET SES RÉPERCUSSIONS SUR LE CANADA<sup>\*</sup>

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### RÉSUMÉ

La plupart des Canadiens considèrent les Antilles, avec ses plages de sable et ses températures chaudes, comme une destination soleil idyllique. L'interaction des touristes canadiens avec la population locale se limite essentiellement aux personnes qui travaillent dans les hôtels et les bars. En général, le Canadien moyen n'a aucune idée de ce qui se passe réellement dans les collectivités locales.

Il existe une importante diaspora antillaise à Toronto et à Montréal, et les relations sont dynamiques entre ces communautés et la société canadienne. Ces liens sont généralement positifs, mais l'évolution de la criminalité dans les Antilles n'en est pas moins inquiétante. Malgré les efforts colossaux de la Banque mondiale, de l'Organisation des Nations Unies et de la Banque de développement des Caraïbes afin de renforcer les systèmes de justice pénale et les capacités régionales en matière de gouvernance, certains dirigeants des Antilles demeurent réticents à mettre en œuvre des recommandations qui amélioreraient pourtant grandement la sécurité des citoyens et les institutions nationales. De nombreux pays tardent en effet à donner suite à des recommandations tout à fait réalisables issues d'études universitaires et professionnelles et visant le secteur de la sécurité.

Le commerce de la drogue a pendant longtemps monopolisé l'attention dans les Antilles, mais un autre problème prend de l'ampleur : le blanchiment d'argent, qui serait lié à des groupes terroristes résidant en Amérique centrale et au Venezuela, deux régions situées près des îles du Vent dans les Antilles. Les instruments financiers postérieurs aux événements du 11 septembre, qui ont été utilisés en vertu du Patriot Act des États Unis, ont permis de lutter efficacement contre le système financier corrompu et les bandes criminelles transnationales. Cependant, l'utilisation d'Internet pour les transactions financières et l'émergence de devises numériques ont compliqué le contrôle réglementaire. Cette situation est préoccupante, compte tenu de l'essor du tourisme, des services bancaires et des ressources du Canada dans la région, qui ont entraîné des flux réguliers de Canadiens, d'argent et d'expertise dans les Antilles.

Dans le présent document, l'auteur examine la criminalité dans les Antilles, ses tendances et ses répercussions sur le Canada, ainsi que l'évolution du blanchiment d'argent; il présente ensuite les politiques pouvant être renforcées afin d'améliorer la lutte contre ces tendances. La criminalité étant un problème de société, ses solutions se trouvent nécessairement au sein des collectivités. Cette vérité s'applique tout aussi bien aux Antilles qu'au Canada. Il est donc dans l'intérêt du Canada d'accélérer les efforts visant à aider la région, en particulier dans le domaine de la sécurité des citoyens et des réformes du système de justice pénale. Le Canada peut apporter une importante contribution aux programmes multilatéraux visant à renforcer les capacités régionales en matière de gouvernance et de systèmes de justice pénale. Par ailleurs, la création d'un institut canado-antillais contribuerait grandement à la recherche universitaire des cycles supérieurs dans les domaines de la réforme du secteur de la sécurité.

<sup>\*</sup> Cette recherche a été soutenue financièrement en partie par le gouvernement du Canada via Diversification de l'économie de l'Ouest Canada.

<sup>†</sup> Citation de Sam Bodman, sous-secrétaire du Département du Trésor, tirée de : Juan Zarate, *Treasury's Wars* (New York : Public Affairs, 2013), 143.

## **INTRODUCTION**

### **Geographical and Historical Context**

In combined land and water mass, the Caribbean Region is slightly larger than the land mass of Ontario and Quebec combined. With over 30 territories, including sovereign island states and dependencies, it has a total population of 42 million, with Cuba (population: 11 million) the most populous, and Saint Kitts and Nevis (55,000) the smallest. Spanish, English, French, Dutch, Haitian Creole and Papiamentu are the languages spoken.

The Caribbean was colonized by the British, Spanish, French and Dutch, with some colonies changing hands several times; Dominica and Trinidad are examples of the latter. The greatest societal impact to the region was the independence movement in the 1950s and 1960s. The achievement of independence, with its accompanying euphoria and potential to realize national interests, also brought new realities.

Almost overnight, these new countries assumed the full responsibilities of an independent nation. Those with a British colonial past have, for example, a Governor General, bicameral Westminster-style of government, the British Privy Council as the final court (for those that have not joined the Caribbean Court of Justice), customs and immigration, police, courts and, in some cases, a military. While this would be relatively easy to manage for countries with reasonably sizeable populations, it is onerous for small island states such as Saint Kitts and Nevis, and Dominica (which has a population of 77,000). Comparably, that would be like Fredericton, N.B. or Chilliwack, B.C. each respectively producing, from their municipal populations, all the trappings of an independent state.

During the colonial era, island states had great inequalities in income, gender and opportunity. Colonial control of law enforcement agencies (police, customs, and justice) permitted reasonable management of the myriad social problems that existed in the colonies. After independence, income and social gaps were created, often with violent and criminal outcomes. The 1970 Black Power Movement in Trinidad is but one example. Police forces were challenged right from the start of independence. Under their colonial masters, the police existed to keep the government in power. After independence, and to this day in most countries, the police do not see themselves as servants of those for whom they provide a law enforcement service. A sense of untouchable arrogance and a feeling of entitlement have bred widespread corruption.

### **Economic Context**

Post-independence government mismanagement and a lack of institutional capacity compounded the problems, which continue today. Concurrently, the U.S. Sugar Law of 1960, which established supply-management controls, saw a sapping of regional revenues from sugar exports and declining economies. Foreign investment was encouraged; however, lingering resentment of a “colonial presence” hampered the realization of its full potential.

Caribbean countries remain highly indebted: "... public debt averages 85 per cent of the GDP (IMF 2008) raising risks of macroeconomic instability. High debt servicing is already an obstacle to economic growth in the region."<sup>1</sup> The Caribbean is the most tourist-dependent region in the world.<sup>2</sup> With few natural resources (the exceptions being Trinidad and Tobago, Suriname, and Guyana), the region's tourism accounts for 25 per cent of the foreign exchange, 20 per cent of jobs and 25 to 35 per cent of the total Caribbean economy.<sup>3</sup> "Increasing levels of violent crime have the potential to put at risk the performance of key productive sectors, particularly the hospitality industry, and render already fragile economies unattractive to investors."<sup>4</sup>

The United Nation's Human Development Index (HDI) provides a metric by which social change and impacts can be measured. HDI measures health, education and standard of living with 1.00 as the maximum. Canada, in 2013, ranked 11th, with an HDI of 0.91. The average HDI for the Latin America and Caribbean region is 0.73, but the average HDI for the 15 CARICOM<sup>5</sup> states is a mere 0.56.<sup>6</sup> Crime has a negative influence on the HDI and economies. Crime "... can also frustrate entrepreneurial pursuit and impact productivity negatively."<sup>7</sup> This in turn has resulted in migration of very qualified and capable citizens to the U.S., Canada and the U.K.

## CARIBBEAN CRIME

### Background

The evolution of Caribbean crime follows the Jamaican experience, where there have been three phases:

1. 1962 to 1976: 10 per cent of crime (as of 1974) categorized as violent; remainder was mostly property crime.
2. 1977 through 1980s: 41 per cent of crime (as of 1984) categorized as violent.
3. 1984 onwards: rise of transnational crime and subculture of violence.<sup>8</sup>

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<sup>1</sup> Foreign Affairs, Trade and Development Canada website (April 2014), <http://www.acdi-cida.gc.ca/acdi-cida/acdi-cida.nsf/eng/NIC-5515822-QFX>.

<sup>2</sup> CARICOM Crime and Security Strategy 2013, "*Securing the Region*," 24th Inter-Sessional Meeting of the Conference of Heads of Government of Caricom, February 18-19, 2013, 18.

<sup>3</sup> United Nations Development Programme (UNDP), *Caribbean Human Development Report 2012: Human Development and the Shift to Better Citizen Security*, (February 2012), 15.

<sup>4</sup> Caribbean Development Bank, *Discussion Paper on the Role of the Caribbean Development Bank in Enhancing Citizen Security in the Region*, (July 2012), 1, <http://www.caribank.org/uploads/2012/05/The-Role-of-the-Caribbean-Development-Bank-in-Enhancing-Citizen-Security.pdf>.

<sup>5</sup> Caribbean Community: 15 member states, five associate members.

<sup>6</sup> UNDP, *Caribbean Human*, 16

<sup>7</sup> Caribbean Development Bank, *Discussion Paper*, 1.

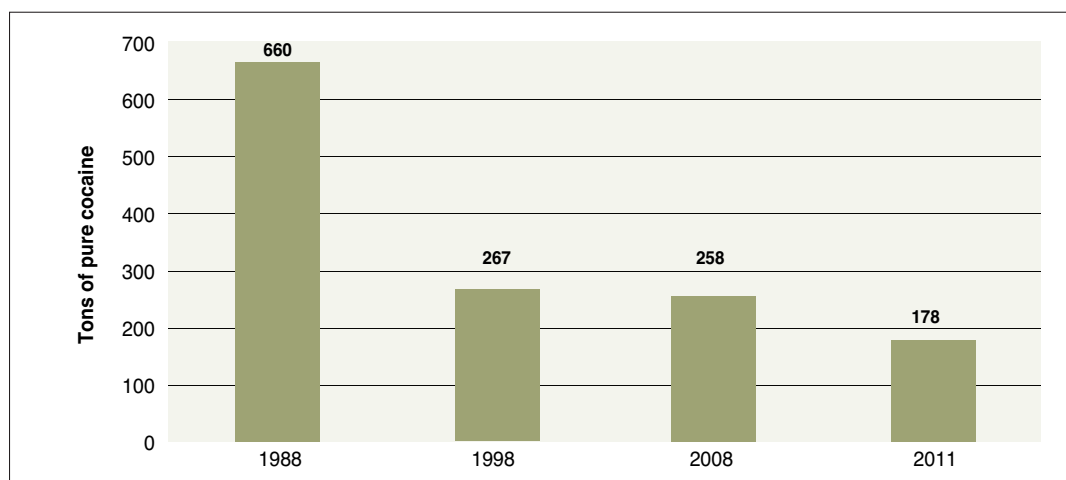
<sup>8</sup> Anthony Harriott, "The Changing Social Organization Of Crime And Criminals In Jamaica," *Caribbean Quarterly* 42, 2/3 (June-September 1996): 55.

While blessed with an envious climate, “the Caribbean boasts some of the highest murder rates in the world – 62 per 100,000 in Jamaica and 29.2 per 100,000 in Trinidad and Tobago – and “the problem is worsening.”<sup>9</sup> By comparison, Toronto, with a population of 2.8 million in 2013,<sup>10</sup> had 57 homicides.<sup>11</sup> Trinidad and Tobago, with half that population (1.4 million) had 7 times as many homicides in the same year (407). Caribbean police forces estimate that 60 per cent of the homicides are gang related and the gangs are predominantly tied to the drug trade.<sup>12</sup>

## Drug Trade

In 2008, cocaine flows through the Caribbean amounted to about 220 tonnes a year and equalled 50 per cent of cocaine imports to the U.S. and Europe.<sup>13</sup> Cocaine has become very profitable for drug dealers. A kilogram of cocaine in Colombia is worth about \$2,300; that same kilogram is worth \$27,000 in the U.S., \$60,000 in Europe, \$150,000 in Russia, and \$170,000 in Saudi Arabia.<sup>14</sup> However, cocaine consumption in the U.S. is declining for no apparent reason (see Figure 1 below).

**FIGURE 1 TONS OF PURE COCAINE CONSUMED  
THE UNITED STATES, 1988-2011**



Source: United Nations Office On Drugs And Crime, *Transnational Organized Crime in Central America and the Caribbean: A Threat Assessment* (September 2012), 17

<sup>9</sup> In Jamaica, the rate is 121 per 100,000 for males between the ages of 15 and 44. See: Emmanuel Abuelafia and Guilherme Sedlacek, *The Impact of Jamaica's CSJP Program*. (Inter-American Development Bank, 2010) <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35572724>.

<sup>10</sup> City of Toronto website, [http://www.toronto.ca/toronto\\_facts/diversity.htm](http://www.toronto.ca/toronto_facts/diversity.htm).

<sup>11</sup> Toronto Police Service website, [http://www.torontopolice.on.ca/statistics/ytd\\_stats.php](http://www.torontopolice.on.ca/statistics/ytd_stats.php).

<sup>12</sup> Caribbean Development Bank, *Discussion Paper*, 2.

<sup>13</sup> “According to a report by the UN Office on Drugs and Crime (UNODC), around 216 tonnes of cocaine pass through the Caribbean and the Guianas (Guyana, Suriname and French Guiana) every year en route to the US and Europe, accounting for one-half of the US’s cocaine imports and one-half of Europe’s. This figure is set to rise further—recent crackdowns on Central American drug-smuggling routes have begun to shift more supply to the Caribbean basin.” *The Economist, A Caribbean crime wave: Crime damages society and the economy*, March 20, 2008, <http://www.economist.com/node/10903343>.

<sup>14</sup> Serena Joseph-Harris, *The Drug Challenge and the Imperative for Active Layered Defense* (Institute of Defense and Government Advancement: June 18, 2013).

The primary markets for the drug trade from Colombia and Venezuela are the United States, Europe and Canada. Cocaine and marijuana have been transported by “go-fasts” (powerful, low-visibility boats with cruising speeds in excess of 40 knots), which are very difficult to identify and intercept. As routes are targeted by law enforcement, the cartels change transit zones. The regular presence of helicopter-equipped naval and coast guard ships from the U.S., U.K., France, Holland, and occasionally Canada on counter-drug patrols, natural disaster mitigation and goodwill visits, caused the drug routes to shift to Central America, and more recently to West Africa. If there is law enforcement pressure in Central America, the “squeezed-balloon” effect results in an increase in the Caribbean drug trade.

While Caribbean domestic use of hard drugs (heroin and cocaine) has been limited, the growth of high-potency marijuana in some islands has shown disturbing trends in gang turf wars and in domestic consumption. Idle males who are on a regular diet of high-potency marijuana have an increased vulnerability to psychosis.<sup>15</sup>

“Recent trends in Central America and the Caribbean suggest that drug trafficking alone does not cause violence ... What causes violence is change in the balance of power between territorial groups. Any change in the status quo, even when it is the result of the necessary and legitimate action of law enforcement agencies, can contribute to instability and violence between territorial groups.”<sup>16</sup>

Even with a reduction in drug flow, there will likely be greater gang competition for territorial control resulting in higher homicide and violent crime rates. Key to confronting gangs will be long-term state capacity-building with an aim of ultimately dismantling gangs and providing gang members with alternate employment.

The nature of crime in the Caribbean is evolving. Human trafficking, drugs and money laundering are prevalent throughout the region, with the latter two recently showing disturbing trends. Much of the criminal activity that happens in Mexico is tied to Venezuela and Colombia, which in turn has linkages to the Caribbean. Increasing evidence points to the inclusion of terrorist groups, such as Hezbollah, partnering with drug cartels to not only launder money but to establish training camps within the hemisphere.<sup>17</sup> “One of the creations of Hezbollah in Mexico is that of well-connected global drug dealers, like Ayman Joumaa. Joumaa, indicted in 2011 is of Lebanese heritage, and has been linked to Hezbollah, and Mexico’s Los Zetas cartel. With the help of the Los Zetas, and companies like ‘The Lebanese Canadian Bank’,<sup>18</sup> Ayman Joumaa has laundered between \$850 and \$900 million.”<sup>19</sup>

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<sup>15</sup> Daily use of cannabis, especially high-potency varieties, drives the earlier onset of psychosis in users. A person with psychosis experiences some loss of contact with reality. Without effective treatment, psychosis can overwhelm the lives of individuals and families. (See: <http://schizophreniabulletin.oxfordjournals.org/content/early/2013/12/14/schbul.sbt181.abstract>; and <http://www.cmha.ca/mental-health/understanding-mental-illness/psychosis>.)

<sup>16</sup> Caribbean Development Bank, *Discussion Paper*, 65.

<sup>17</sup> Terence Rosenthal, *Los Zetas and Hezbollah, a Deadly Alliance of Terror and Vice*, (Center for Security Policy: July 8, 2013), <http://www.theamericasreport.com/2013/07/08/los-zetas-and-hezbollah-a-deadly-alliance-of-terror-and-vice>.

<sup>18</sup> See page 13 of this paper for more on the Lebanese Canadian Bank.

<sup>19</sup> Rosenthal, *Los Zetas*.



Terrorist links extend beyond Mexico to Venezuela. “Hezbollah operatives and their radical anti-Semitic allies hold important senior positions in the Venezuelan government and run a network that provides logistical and material support to terrorist operatives.”<sup>20</sup> This is serious business, considering that Venezuela and Iran are allies and that Venezuela and the northern tip of Trinidad are but seven nautical miles apart.

### **Societal Problem**

Crime is a societal problem. Putting extra police on the streets or building bigger prisons are reactive measures that will not solve the fundamental problems. Pro-actively adopting measures that will mitigate the likelihood of youth becoming involved in crime will have a much more positive effect on human development in the long term.

High levels of youth unemployment, increasing levels of community tolerance of youth crime, and even a degree of public respect for gangs have resulted in a societal development that is far from positive. The outcomes are self-realizing. “Unemployment is the number one problem according to youth in 5 of the Caribbean-7 [countries].”<sup>21</sup>

A phenomenon of “male marginalization” is increasingly prevalent in the Caribbean. Young, elementary-school boys who are often from single-mother families are easily impressed by local gangs, which are viewed as providing camaraderie, excitement, discipline, respect and an opportunity to make money. Without at-home or at-school adult male role models, the elder gang members take on that role. Not surprisingly, school attendance suffers and ends with many young males dropping out all together. There is a “... correlation between declining educational achievement and increasing levels of violence.”<sup>22</sup> Youth that cannot get legitimate employment may well succeed in the illegitimate underground crime economies. Those who do enjoy a certain type of respect from the community.

In the meantime, females not only continue their elementary schooling but also continue on to post-secondary schools and frequently post-graduate education. By far, the majority of teachers in the region are females (exacerbating the challenge of providing male students with male role models) as are the public servants. Those who have married to satisfy a desire to have a family not surprisingly end up dissolving the marriage, often after domestic, gender-based violence. The lady of the house has by far the better education and is the breadwinner. While the male, uneducated, unemployed and not an equal partner in the relationship, ends up back on the streets pursuing all he knows and all that is available given his skill set: crime.

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<sup>20</sup> Testimony before the House Committee on Foreign Affairs, Subcommittee on Terrorism, Nonproliferation, and Trade by Roger F. Noriega, former Assistant Secretary of State for Western Hemisphere Affairs (Canada, Latin America, and the Caribbean) and a former U.S. Ambassador to the Organization of American States, March 20, 2013, <http://www.aei.org/speech/foreign-and-defense-policy/regional/middle-east-and-north-africa/hezbollahs-strategic-shift-a-global-terrorist-threat>.

<sup>21</sup> UNDP, *Caribbean Human*, 52.

<sup>22</sup> *Ibid.*, 53.

## Gang Influence

Gang culture can take over communities as gangs use violence to fuel the community's fear of the gangsters, elevating that fear over the community's trust of the police and the criminal justice system that are supposed to protect them. This phenomenon is not confined to the Caribbean.

In many communities, criminal gangs perform functions that the state has abandoned.<sup>23</sup> Gangs, acting as the eyes and ears of the community, can provide effective social control (establishing and enforcing acceptable public behaviour, providing conflict resolution), and in turn, provide protection to the community and thereby lessen the culture of fear. By being localized, they are categorized as being flexible and quick to change, with minimal hierarchy. By comparison, security forces are prone to caution, slow to change and have a burdensome hierarchy.

## THE CARIBBEAN CRIMINAL JUSTICE SYSTEM

### Police

During the Caribbean colonial era, police were oriented to providing security for the state. Since the spread of independence, the transition to a citizen-oriented force has been slow. With few exceptions, there is widespread public distrust of the police due to systemic corruption and a lack of professionalism. "... [A]cross the region, the continuation of colonial era practices associated with disrespectful treatment of citizens has contributed to a general distrust of the police among citizens."<sup>24</sup>

Caribbean police density (per 100 citizens) is better than it is in Latin America. Requiring more "boots on the ground" is not the issue. What is in question is the professionalism of those police and the amount of trust and credibility they enjoy in the eyes of the public. "... [T]he relationships between the public and the police are fraught with distrust and alienation. In Suriname and in Trinidad and Tobago, 89 per cent of the respondents to the UNDP Citizen Security Survey 2010 believed that governments should invest more in reducing corruption so as to lower the incidence of crime ... The Jamaican respondents were the most concerned about this issue [police corruption]: 94 per cent believed that corruption and crime are linked and that government should invest more in reducing corruption."<sup>25</sup>

Within this environment of citizen distrust of the police and politicians, due to corruption, the military — in those states that have a military force — is viewed very positively. In comparison to the police, the defence forces are perceived to be ethical, professional and well disciplined. Consequently, the military is often dragged into law enforcement duties (as in Jamaica and Trinidad and Tobago) that ultimately expose soldiers to corrupt police.

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<sup>23</sup> Lilian Bobsa, "How Caribbean Organized Crime is Replacing the State," *InSight Crime*, July 24, 2013, <http://www.insightcrime.org/news-analysis/the-benefits-of-organized-crime-in-the-caribbean>.

<sup>24</sup> UNDP, *Caribbean Human*, 164.

<sup>25</sup> *Ibid.*, 96.



Consequently, the force of last resort is often infected by the same corruption “viruses.” Similarly, the militarization of police into paramilitary forces, with camouflage uniforms, is evident. Police should be focused on community policing where they are in constant contact with people who, in turn, should be able to hold the police accountable.

Fighting crime will not succeed if it is left just to the police. The adoption of community-oriented policing has had great success in the developed world and is a model that has been adopted in some Caribbean countries. Barbados, Nicaragua, Suriname and Bahamas have had tremendous success with community-oriented policing, resulting in high levels of police credibility.

The government response to violent gang activity in Trinidad and Tobago and Jamaica has been to blanket high-conflict areas with security forces (both police and military) to hinder operations of gangs and to reassure citizens. A constant, well-disciplined presence of the military somewhat addresses the “culture of violence” and the “culture of fear.” Well-disciplined police and military also provide role models to disadvantaged youth in these areas.<sup>26</sup>

Police governance, police service commissions, ombudsmen and civilian oversight bodies are all lacking in robustness and authority. The challenge is always political buy-in to make the long-term changes. As administrations change through a democratic process, there are invariably newly elected governments that act irresponsibly and discard the positive accomplishments of their predecessors.

## Deportees

The steady flow of deportees from the U.S., U.K. and Canada aggravates the crime problem: “30,000 deportees were sent to Jamaica, Trinidad and Tobago, and Guyana between 1990 and 2005.”<sup>27</sup> The deportees often acquire a “master’s degree” in crime while incarcerated in the prisons of the metropolitan countries. They return to their home country to peddle their newfound skills.

A case in point involves how deportations from Canada unfold. A Caribbean prisoner is deported from his Canadian jail on Friday morning and given a \$100 cheque. He arrives in his home country late Friday and — without a place to cash a cheque in Canadian dollars or, after many years abroad, without a place to stay — he quickly reverts to what he knows: streets and gangs. Criminal deportees make a bad situation worse. Solutions to this problem do exist, but they require the co-operation of the U.S., U.K. and Canada.<sup>28</sup>

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<sup>26</sup> Tony Best, “Caribbean’s high murder rates fell in 2012,” *The New York Carib News*, January 9, 2013, <http://www.nycaribnews.com/news.php?viewStory=3278>.

<sup>27</sup> “A Caribbean crime wave,” *The Economist*, March 20, 2008, <http://www.economist.com/node/10903343>.

<sup>28</sup> Evidence from the author’s National Security Sector reviews of nine Caribbean countries, 2006-2010.

## Prisons

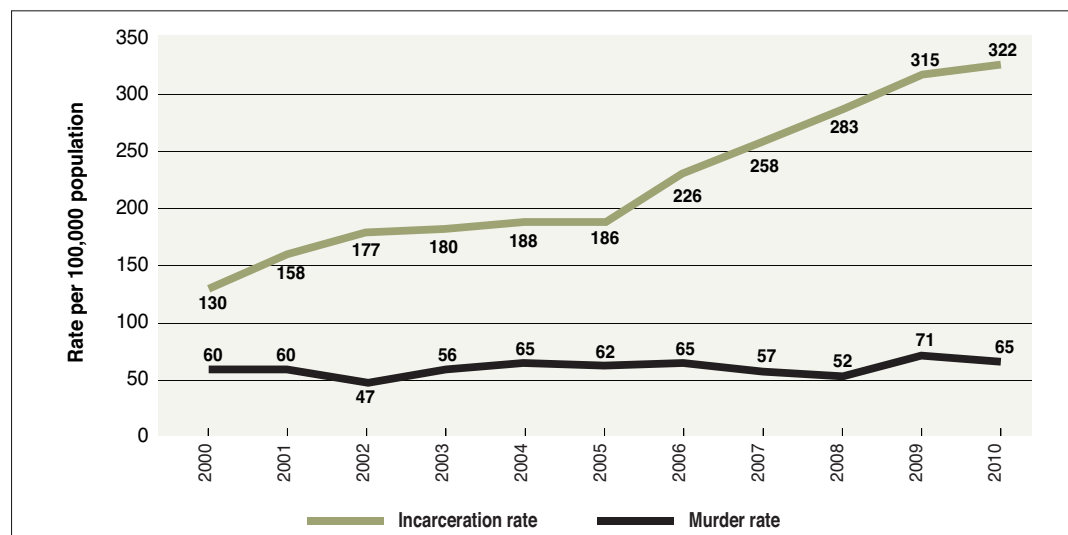
The Law Association of Trinidad and Tobago has described the current state of its criminal justice system as being “in virtual collapse.” With less than a one per cent conviction rate for homicides, “... witness intimidation was having a severe negative impact on criminal justice proceedings.”<sup>29</sup> Even if the criminal justice system was effective, the lack of adequate corrections facilities (prisons) complicates the problem. Furthermore, prisons in most Caribbean countries are viewed simply as lock-up facilities, instead of institutions for corrections and rehabilitation.

For many gang members, “the drama of crime and punishment is the central thread that gives meaning to their lives.”<sup>30</sup> Prison is almost a “rest and recreation” period where they can enjoy quality food and decent health, all in a more secure environment; prison time acts almost as a professional checkmark for advancement in gang life.

The phenomenon of gang activity within prisons is something that exists in all countries where gangs are active. Similarly, Islamist radicalization within prison is a real threat that has been recognized globally. This is underscored by the relatively significant Muslim population of Trinidad and Tobago; the 1990 coup d'état attempt in that country, by Jamaat al Muslemeen, led by Abu Bakr; and the more recently identified Caribbean links to al-Qaeda's Adnan el Shukrijumah and the aborted plot for a terrorist attack at New York's JFK airport. Islamist radicalization within prisons is best countered by a combination of segregation of prisoners identified as being engaged in radicalization, close scrutiny of those from whom inmates are receiving spiritual guidance, and a structured and supervised de-radicalization program (both in-custody and community-based).

However, reliance on incarceration is not the answer, as El Salvador's experience, depicted in Figure 2 below, effectively illustrates.

**FIGURE 2 NUMBER OF PRISONERS AND NUMBER OF MURDERS PER 100,000 POPULATION IN EL SALVADOR, 2000-2010**



Source: United Nations Office On Drugs And Crime, *Transnational Organized Crime in Central America and the Caribbean: A Threat Assessment* (September 2012), 13.

<sup>29</sup> “A Caribbean crime wave,” *The Economist*, March 20, 2008, <http://www.economist.com/node/10903343>.

<sup>30</sup> United Nations Office On Drugs And Crime, *Transnational Organized Crime in Central America and the Caribbean: A Threat Assessment*, September 2012, 76.

## IMPACT ON CANADA

### National Interests

Canada's national interests in the Caribbean are varied, historic and dynamic. Canada's regional political links are active through the Commonwealth, the Organization of American States (OAS), the Organization internationale de la Francophonie (OIF; Haiti and the five French Caribbean departments), and a variety of international financial institutions (for example: the World Bank and International Monetary Fund).

Canadian businesses have major investments in the area, particularly in the finance and resource sectors. Canadian banks, such as the Royal Bank of Canada and Scotiabank, are highly visible in almost all of the islands. Talisman, Suncor and Trinidad Drilling are but a few of the firms in the energy sector that have made significant investment in the region, including infrastructure investment. "... Canadian direct investment in the Caribbean was over \$88 billion in 2007. In fact, investment in Barbados alone was \$36.2 billion, making it the third largest destination for Canadian direct investment after the U.S. and the U.K."<sup>31</sup> A Canada-CARICOM free-trade agreement continues to progress after several rounds of negotiation.

Canadian tourism is active and will likely increase with the wave of baby boomers reaching retirement. On any given day, many Caribbean airports have as many, if not more Air Canada, WestJet, CanJet and Air Transat planes on the tarmac as they do U.S. or British airlines, while the harbours are full of cruise ships with a large percentage of Canadian passengers.

Finally, there is a large Caribbean diaspora in Canada, especially in Toronto (where six per cent of the population is Caribbean in origin) and Montreal (three per cent). Toronto's Caribana, North America's largest cultural festival, is currently in its 48th year. Toronto's Vaughan Road and Bathurst St., and Jane-Finch areas, as well as the suburb of Scarborough, all have large contingents of people of Caribbean origin. Unfortunately, these areas, especially the Jane-Finch area, have some of the highest crime rates in Canada.

### Caribbean Criminal Influence in Canada

It is these crime rates that are this paper's concern. Although Canada's low crime rates are the envy of most of the world, they are still disturbing to Canadians. Whether the crime emanates from local street gangs or from white-collar money launderers, the impact on the quality of life of all Canadians should be addressed.

"In Canada and Europe ... gang members come from recent immigrant groups and include members of Indo-Asian, Caribbean/West Indies and African descent."<sup>32</sup> However, even that trend is morphing into "best business practices." British Columbia's Combined Forces Special Enforcement Unit on gangs reports that B.C.'s gang history can be characterized by three phases: the ethnic-based 1990s; the multi-ethnic "UN gangs" of the 2000s; and the enterprise

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<sup>31</sup> Royal Bank of Canada, "For Canadian companies, trade flows into the Caribbean," Promotional Brochure, April 2009, 1, [http://www.rbcroyalbank.com/commercial/advice/\\_assets-custom/pdf/1030E-Trade-Flows-Into-the-Caribbean.pdf](http://www.rbcroyalbank.com/commercial/advice/_assets-custom/pdf/1030E-Trade-Flows-Into-the-Caribbean.pdf).

<sup>32</sup> Caribbean Development Bank, *Discussion Paper*, 17.

groups (or business alliances) of 2010 to 2013.<sup>33</sup> Regardless of whether the criminal activity is ethnic or business based, what is common is that “Drug markets ... serve as the primary source of confrontations that end up culminating in gun violence.”<sup>34</sup> Furthermore, “...selling drugs – specifically crack/cocaine – significantly increased the odds of committing gun violence.”<sup>36</sup>

Those that stereotype Caribbean immigrants as unemployed burdens on society are categorically wrong. Data reveal that Jamaican-born Canadian citizens are more likely to be employed than other Canadians. In 2006, 66 per cent of Jamaican-born Canadians aged 15 and older were working, compared to just 62 per cent of Canadian adults overall. Of those employed, around 25 per cent were in sales and service occupations, while 20 per cent were in business, financial, or administrative occupations.<sup>36</sup> Local programs that facilitate work options for gang members have very positive results. “It never hurts to ask a gang member, ‘what would it take to get you to stop fighting?’ Experiences in several locations suggest the answer is always the same: access to a good paying job.”<sup>37</sup>

## Promising Policies

Canada’s contribution to development programming has been substantial over the years. The Canadian International Development Agency (recently absorbed into the Department of Foreign Affairs, Trade and Development) has been prolific with its assistance for disaster relief, capacity building and other aid programs. Canada’s Caribbean aid program has focused on 14 countries: nine Windward Islands, three continental (Belize, Guyana, and Suriname) plus Bahamas and Jamaica, with a separate program for Haiti.<sup>38</sup>

Academic partnerships and student exchanges have been very successful. Unfortunately, these aid programs are low-hanging fruit in the federal government’s quest for budget cuts.

One of the greatest success stories has been through the Department of National Defence’s Military Training and Cooperation program (DMTC — formerly known as the Military Training Assistance Program, or MTAP), which provides professional development courses and peace-support operations training to Caribbean states. Most, if not all, of the senior officers of those Caribbean island countries that possess a military have attended Toronto and Kingston, Ont. staff colleges, flight training, or have participated in exchange training with Canadian line units.

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<sup>33</sup> See: BC Anti-Gang Police Report <http://www.bc-anti-gang.com>, 3.

<sup>34</sup> George Tita, *Strategies For Reducing Gun Violence: The Role Of Gangs, Drugs And Firearm Accessibility* (National Crime Prevention Centre, Public Safety Canada: April, 2007), 12, <http://www.publicsafety.gc.ca/cnt/rsrscs/pblctns/rdcng-gn-vlnc/rdcng-gn-vlnc-eng.pdf>.

<sup>35</sup> Patricia Erickson and Jennifer Butters, “Youth, Weapons, and Violence in Toronto and Montreal,” *Canadian Journal of Criminology and Criminal Justice* (March 31, 2006), 38.

<sup>36</sup> Alex Glennie and Laura Chappell, *Jamaica: From Diverse Beginning to Diaspora in the Developed World* (Migration Policy Institute: June 16, 2010), section: “Jamaicans in the United States, Canada, and the United Kingdom,” <http://www.migrationpolicy.org/article/jamaica-diverse-beginning-diaspora-developed-world/>.

<sup>37</sup> *Ibid.*, 20.

<sup>38</sup> Foreign Affairs, Trade and Development Canada website (April 2014), <http://www.acdi-cida.gc.ca/acdi-cida/acdi-cida.nsf/eng/NIC-5515822-QFX>.

The Canadian Armed Forces continue to develop the capacities of regional institutions despite budget cuts. Jamaica, Belize, Colombia and Guatemala are the recipients of targeted programs. Jamaica is developing into a regional centre of excellence, with staff courses and flight training all assisted by DMTC funding. Seventy per cent of DMTC efforts and its \$18 million budget are focused on overseas training. The remaining training is conducted in Canada primarily at the Royal Military College of Canada (for Officer Cadets), Kingston, Ont.'s Army Staff College (for Captains), and the Canadian Forces College in Toronto (Majors and Colonels). The Canadian Forces College's National Security Programme is Canada's premier post-graduate security course for Canadian and foreign military and Canadian federal public servants at the Director-General/Assistant Deputy Minister level; a vacancy for a foreign student costs about \$75,000 per officer.

U.S. policies and programs are very informative and applicable to the Canadian and Caribbean scenarios. Lessons learned from U.S. law enforcement, such as Boston's Operation Ceasefire, Kentucky's Pledge Against School Violence and the national Project Safe Neighbourhood, are equally appropriate for Canada and the Caribbean. Boston's positive experience with Operation Ceasefire is especially informative in dealing with gangs. Started in 1990, it resulted in significant reduction in gun violence. In essence, it focused on deterrence by holding a whole gang responsible for a member straying into pre-defined offending behaviour. Results were especially evident from "retailing deterrence messages" to a relatively small target audience of gang members regarding what kind of behaviour would provoke a special law enforcement response, and what that response would be.<sup>39</sup> This was followed with a "pulling lever" policy that focused on those with recurring criminal behaviour. Positive results ensued.

The point of this line of discussion is that research, data collection and analysis are critical components in developing intervention policies. A case in point is Los Angeles embracing the so-called Boston model, which was adopted because of a belief that gang wars were related to drug markets. Data analysis revealed that drug dealing played an insignificant role and, as a result, the law enforcement intervention was modified accordingly to better suit the root causes. Other research indicates that gun storage is problematic for young gang members. The school locker has been the easiest solution for young offenders. Hence, local policies that require regular locker security checks would make taking guns to school more difficult.<sup>40</sup>

A glaring example of the need for research prior to implementing well-intentioned law enforcement policies is the policy of mandatory arrests for domestic violence in Milwaukee, which resulted in a 400 per cent increase in death rates. Research shows that suspects who were arrested were three times as likely to be murdered as those who had been warned. Also, victims of domestic violence "... were 64 per cent more likely to die early of any cause if their partner was arrested and jailed overnight, rather than [the perpetrator being] just warned and allowed to remain at home."<sup>41</sup>

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<sup>39</sup> See: National Crime Institute, <https://www.crimesolutions.gov/ProgramDetails.aspx?ID=207>.

<sup>40</sup> Erickson and Butters, *Youth, Weapons*, 12.

<sup>41</sup> Joseph Brean, "Shocking example of unintended consequences," *National Post*, March 3, 2014, <http://news.nationalpost.com/2014/03/03/shocking-example-of-unintended-consequences-mandatory-domestic-violence-arrests-raise-death-rate-400-study-finds>.

The conclusion is that appropriate funding of quality research will produce tailored results that are effective. Examples are: the mapping of gang boundaries, spatial topology of gang incidents, analysis of social networks, and the detailed review of homicide data. Partnering between academic institutions, such as with the University of the West Indies, would result in research that will also inform Canadian law enforcement agencies where gang-drug-gun research in Canada is lacking.<sup>42</sup>

Recent lessons learned are informative and provide an excellent guide to Caribbean and Canadian governments:

- Good policy-making and planning is a condition for success;
- There is need for a broader coalition of partners;
- Greater investments in crime prevention are required;
- Systems of accountability should be strengthened;
- Early intervention programs with children at school should be established;
- The need for accurate information on crime and violence is vital;<sup>43</sup>
- Investment targeting root causes, rather than publicly flashy enforcement measures, has a considerably longer-term return on that investment.

## **THE FUTURE (PART 1) — “IT’S ALL ABOUT MONEY”<sup>44</sup>**

History will view the terms “war on drugs” and “war on terror” as simplistic and almost two-dimensional. The loss of human blood and the capture of ground were the metrics of past wars. Future wars will be fought in economic and cyber dimensions, with success measured on flexible gradients of economic and financial power.

### **Money Laundering**

The drug trade is serious and is generally well and widely understood by the public, many of whom are part of the market. The media audience regularly sees drug busts on the high seas, in airports and on the streets: the resulting photo ops are replete with law enforcement officials, guns and bags of cocaine on display.

A greater threat is money laundering, which is not well known or understood by the public. Those law enforcement officials involved in combating money laundering are highly skilled specialists who are often relegated to computer cubicles, heaping with banking data. While money laundering has been active in the Caribbean for some time, there are some disturbing emerging trends involving terrorist groups from the Middle East and Central Asia who have developed links with drug cartels.

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<sup>42</sup> Erickson and Butters, *Youth, Weapons*, 19.

<sup>43</sup> Caribbean Development Bank, *Discussion Paper*, 4.

<sup>44</sup> Zarate, *Treasury’s Wars*, 143



## Post-9/11 Anti-Money-Laundering Policies

It is worthwhile to outline some of the recent history of anti-money-laundering policies and the financial toolboxes that are available to confront offending states, terrorists and international criminals.

In the aftermath of 9/11 and the passing of the U.S. Patriot Act, the U.S. Treasury Department played a lead role in countering money laundering and terrorism. Treasury's core responsibility was the efficient functioning of the U.S. and international financial system.<sup>45</sup> Considering that financial diplomacy includes convincing and coercing global financial bodies to exercise control over money markets, Treasury's interlocutors have been finance ministers, central banks, the IMF, the World Bank, major bank executives, and the like.<sup>46</sup> Treasury's newly developed financial tools for use in this new form of financial warfare had three themes: "... expansion of the international anti-money laundering regime; the development of financial tools and intelligence ... and the growth of strategies [regarding] transnational threats and issues pertaining to national security."<sup>47</sup>

The 9/11 attacks provided the impetus to empower financial experts to gain better intelligence about the financial underworld. The Hawala market in Kabul provided great insight into the money-laundering activities in Latin America and the Caribbean. The Hawala system is based on trust: Hawaladors (brokers) are often viewed in the regions in which they operate as more trustworthy, accountable and reliable than the bankers working in a sterile, impersonal environment of a state-regulated institution. Hawaladors effectively move money across borders and are especially effective in countries that have a dependency on remittances.

Like the Hawala networks, "money has a way of creating connections and relationships of convenience."<sup>48</sup> New linkages are appearing in the Caribbean between terrorist groups and drug cartels. However, chokepoints remain vulnerable and should be targeted, thereby putting pressure on the illicit financial system, causing launderers to take higher risks and, invariably, make mistakes. International frameworks for enforcement permit the timely apprehension of the money launderers.

The U.S. in particular has developed financial strategies to combat money laundering. Nurturing international co-operation has been a vital component of multi-pronged efforts. Progress has been made in training foreign law enforcement (customs, immigration, and police) to both resist bribery and corruption and apprehend those who do not resist. Assistance to legislators to draft appropriate law enforcement legislation has been a less glossy but important aspect of foreign aid. In many Caribbean countries there is a dire shortage of legal drafters.

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<sup>45</sup> Zarate, *Treasury's Wars*, 136.

<sup>46</sup> Ibid., 137

<sup>47</sup> Ibid., 8

<sup>48</sup> Ibid., 114

The arrest of high-profile criminals has been effective in putting terrorists and criminals on notice. A mixture of terrorist support and organized crime has been evident in Latin America, especially in the tri-border area at the junction of Brazil, Argentina and Paraguay. Hamzi Ahmad Barakat, a Lebanese citizen, operated much like the Kabul Hawaladors and facilitated money flow from crime to terrorist groups such as Hamas and Hezbollah. He was arrested in 2013 and jailed in Paraguay. His brother, Assad, was arrested in Brazil in 2002 on similar money-laundering/tax-evasion charges.

Viktor Bout was the pre-eminent Russian “merchant of death.” In the post-Soviet era, he successfully developed a global network for the trafficking of arms. The supply of money to him fuelled a voracious demand for weapons. His eventual arrest in Thailand is an excellent example of the effective use of financial regulations to create more vulnerable chokepoints that cause illicit money movers to take higher risks, which eventually lead to mistakes and arrest.

While he has not yet been arrested, Dawood Ibrahim, the leader of the Indian organized-crime syndicate, Company D, founded in Mumbai, is a classic example of the network linking organized crime and terror. Company D had global connections with business interests in crime and ideological interests with al-Qaeda. He facilitated acts of terror, such as the 1993 bombings in India that killed 257 people in 13 locations over a period of three hours. Protected by Pakistan, Ibrahim remains in Karachi, but at least he has an international designation of “a person of high interest.”

Criminals and terrorists need banks to save and move their money, and to facilitate international transactions. The Treasury Department’s “Bad Bank Initiative,” begun in 2003, targeted banks that were known to evade the scrutiny of law enforcement and regulators. A number of high-profile convictions followed. In 2004, Switzerland’s UBS paid a \$100-million penalty because of its avoidance of U.S. sanctions against Cuba, Libya, Iran and Yugoslavia.<sup>49</sup> In 2005, Arab Bank PLC paid a \$24-million penalty for failure to monitor money laundering and terrorist financing, and lost its ability to conduct business in the U.S. In 2004, Riggs Bank in Washington was convicted for lax controls regarding anti-money laundering. So great was the reputational damage to Riggs (which had assets of \$5.8 billion) that it was forced to close.

Actions using Section 311 of the U.S. Patriot Act were lauded as injecting “...antibodies in the international financial system” and for providing a “prophylactic regulatory step.”<sup>50</sup> The Treasury’s Financial Crimes Enforcement Network (FinCen), using Section 311, embargoed Caribbean countries such as Antigua and Barbuda, Cuba, and Trinidad and Tobago. Furthermore, in June 2012, the IMF, through its Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) efforts, reported that Trinidad had significant anti-money laundering regulatory and governance deficiencies.

The anti-money-laundering experience in Iraq and Afghanistan, where “threat-financing cells” were aggressively targeted, saw tremendous success in recovering stolen assets, especially in Lebanon, Jordan, Syria and elsewhere. As a result, the financial environment was forever changed. For example, the World Bank created the Stolen Asset Recovery Initiative, and Switzerland created a White Money Initiative, to bolster the integrity and reputation of its financial system. Other international agencies, such as the Financial Action Task Force (FATF),

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<sup>49</sup> Zarate, *Treasury’s Wars*, 148.

<sup>50</sup> *Ibid.*, 256.

proved to be effective in setting standards and implementing legal, regulatory and operational measures to combat money laundering, terrorist financing and other related threats to the integrity of the international financial system.<sup>51</sup> These initiatives started to strangle the flow of money to corrupt governments and have had a collateral effect on transnational crime.

### **Trends in Money Laundering**

As more anti-money-laundering experience was gleaned post-9/11, it was found that systems and networks were key; not countries and regimes. To develop a better understanding of these networks, formally organized cells were needed to collate and analyze intelligence. As a result, the U.S. Treasury re-organized itself with three key functions: policy, enforcement and intelligence (financial crimes, illicit networks, terrorist financing).

Since 9/11, the financial tools used by the Treasury have been effective. However, and not surprisingly, the financial rogues and money launderers have learned from their misadventures and have adapted. As globalization of the world economy has expanded, so too have the linkages between terrorist groups, rogue actors and transnational organized crime. A common thread or nexus exists between all three: a need to make money. “The DEA has linked at least half of the Foreign Terrorist Organizations to the global drug trade.”<sup>52</sup>

A case in point is Hezbollah’s use of the American used-car business, which saw illicit sums of money deposited into the Lebanese Canadian Bank (LCB) in Beirut. The Treasury’s targeting of the LCB under Section 311 on Feb. 27, 2011, resulted in the bank’s closure the following year.

As in a conventional war, when one side develops an effective strategy, the other side surpasses it, utilizing innovations in other areas. Such is the case in the international financial community. The emergence of digital currencies presents new challenges to governments. In one year (2011-2012), cyber crime dramatically increased. “Financial more so than hactivism, were cited as the top motivators for cyber crime across the [Caribbean] region.”<sup>53</sup>

### **The Coming Financial Wars**

The 2008 financial crisis led to a questioning of the viability of the U.S.-led mercantile capitalist system. The confidence in the American financial system was shaken, resulting in the degradation of the value of the American dollar and, in 2012, Standard and Poor’s downgrade of America’s credit rating. The Occupy Wall Street movement was a short-lived manifestation of citizen frustration. While that movement could not define a solution or replacement system, efforts were undertaken to transform the international finance system. Weakening trust in the U.S. dollar prompted a desire to move the financial system towards a global “basket” of currencies, in which the U.S. dollar is but one of many.

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<sup>51</sup> See: Financial Action Task Force home page, <http://www.fatf-gafi.org/pages/aboutus>.

<sup>52</sup> Zarate, *Treasury’s Wars*, 368.

<sup>53</sup> Rachel King, “Cyber crime up 40 per cent in Latin America, Caribbean in 2012,” ZDNet.com, May 3, 2013, <http://www.zdnet.com/trend-micro-cyber-crime-up-40-percent-in-latin-america-caribbean-in-2012-7000014843>.

Such efforts will likely result in greater monetary stability, but they present tremendous challenges to regulators and law enforcement agencies. That, coupled with the emerging era of digitalized virtual currencies such as bitcoin, “Linden dollars” and “Ven” and barter exchanges, plus the growing problem of synthetic identity fraud,<sup>54</sup> make the financial battlefield extremely complex and dynamic. Criminal elements are increasingly utilizing these new transaction platforms.

Adding to this complex mix is our reliance on cyber communication technologies (internet, smartphones, etc.) and their inherent vulnerabilities to powerful viruses such as Stuxnet, Flame and Gauss. This picture is further darkened by an international financial system that is very vulnerable as a result of debt. The substantial sovereign debt of countries, such as Greece and Italy, make them extremely vulnerable to outside, non-violent forces. In regard to the situation in the United States, the former Chairman of the U.S. Joint Chiefs of Staff, Admiral Mike Mullen, said: “The most significant threat to our national security is our debt.”<sup>55</sup>

## THE FUTURE (Part 2) — The way ahead for Canada

In comparing crime with the Caribbean, Canadians should not be smug. “[O]rganized crime has diversified, gone global and reached macro-economic proportions ... Crime is fuelling corruption, infiltrating business and politics ... and it is undermining governance by empowering those who operate outside the law.”<sup>56</sup> This statement, from the UN Office on Drug and Crime (UNODC), applies equally to both the Caribbean and Canada. The Charbonneau inquiry into alleged corruption in public construction contracts in Quebec attests to the severity of the problem in Canada. The recent Senate scandal, meanwhile, sheds public light on political leaders who have lost their moral compass.

The challenge for Canada is our lack of consistency in aid policy and long-term, meaningful aid funding, and our preparedness to hold recipient countries accountable for what they do with Canadian assistance.

In eras of budget cuts, governments have a propensity to target the low-hanging fruit of national-security and foreign-aid sectors, which are likely to elicit little to no public outcry from Canadian voters. The RCMP budget was cut by \$195 million in 2013, and by another 15 per cent in 2014. This capacity degradation directly affects the fight against organized crime. While it is not apparent to the layman, RCMP anti-money-laundering skills are unique in the limited human-resource market. Yet, compensation for talent is allotted by rank and not by specialized expertise. This does not help recruitment and retention of high-end talent. “Our abilities to combat money laundering, terrorist financing and corruption continue to evolve. Notwithstanding billions of dollars being spent by the financial community we are still faced with the fact that organized crime and terrorist groups continue to move their profits virtually unabated.”<sup>57</sup>

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<sup>54</sup> Synthetic identity fraud is a scheme that procures new and genuine credit and identification cards using false names in order to create a fake identity. See: Rick MacInnes-Rae and Mark Gollom, “Suspected terrorist links to synthetic ID fraud are being ‘ignored’”, CBC News, March 4, 2014, <http://www.cbc.ca/news/canada/suspected-terrorist-links-to-synthetic-id-fraud-are-being-ignored-1.2557677>.

<sup>55</sup> Zarate, *Treasury's Wars*, 413.

<sup>56</sup> See: UN Office on Drug and Crime (UNODC)/Organized Crime, <http://www.unodc.org/unodc/en/organized-crime/index.html>.

<sup>57</sup> Email from Garry Clement, President and CEO Clement Advisory Group, March 2014.

It is in Canada's national-security interest to adopt pro-active policies to combat transnational crime in all of its dimensions. As a middle power, our efforts should be well co-ordinated with other international players, and should rigorously apply lessons learned. The table below illustrates some of the current co-ordination. Canada's efforts to manage expectations, while still finding value-added niches, should be applauded.

**TABLE 1 DEVELOPMENT PARTNERS' OPERATIONS IN CITIZEN SECURITY<sup>58</sup>**

Item	DFID	OAS/ USAID	CIDA	IDB	UN DP/DOC/ ICEF	WB	CDB	EU
Institutional Reform	✓	✓	✓	✓	✓		✓	✓
Social Crime Prevention	✓	✓	✓	✓		✓	✓	✓
Conflict Resolution				✓	✓			
Gang Reduction/Prevention				✓				
Violence Reduction/Prevention				✓	✓	✓		

DFID: U.K. Department for International Development; OAS: Organization of American States; USAID: US Agency for International Development; CIDA: Canadian International Development Agency; IDB: International Development Bank; UNDP: UN Development Programme; UNDOC: UN Office on Drugs and Crime; UNICEF: UN Children's Fund; WB: World Bank; CDB: Caribbean Development Bank; EU: European Union.

Some of the niches that warrant Canada's particular expertise are in capacity building in:

- Governance: *The Canadian Journal of Criminology and Criminal Justice* states that "Empirical evidence clearly indicates ... that good political governance and good economic policies can lower homicide rates."<sup>59</sup>
- The criminal justice system: UNDOC has concluded that "the international community should do what it can to supplement local criminal justice capacity."<sup>60</sup>

Canadian efforts to enhance the governance network in developing countries have huge long-term payoffs. While putting more police "boots on the ground" and commissioning patrol boats may be politically attractive, it is what happens in the less glamorous areas of intelligence, data analysis and legislative improvements working under a dynamic governance structure that really count. All of the flashy boots and equipment are a waste of money unless there is a political buy-in from the very top. A prime minister taking active interest in national security and chairing meaningful meetings of the nation's national security council in the framework of a national security policy will pay dividends. A case in point is Trinidad and Tobago, where the number of homicides in 2008 peaked at 550. By 2011, the number of homicides had dropped to 354. The adoption of new governance protocols, refined intelligence analysis, individual accountability policies and regular National Security Council meetings all produced positive results. Sadly, recent deviation from this regime has seen homicides steadily increase to 407 in 2013 and a projection of over 470 in 2014, if current trends hold.

<sup>58</sup> Caribbean Development Bank, *Discussion Paper*, 6.

<sup>59</sup> Erickson and Butters, *Youth, Weapons*, 47.

<sup>60</sup> United Nations Office On Drugs And Crime, *Transnational Organized*, 5.

It is important for Canada to implement a long-term strategy to assist the region in building its capacity to govern the criminal justice system. Professional development of law enforcement officials and the military play a decisive part in this evolution. “Train the trainer” courses in Caribbean host countries, as well as the occasional training course in Canada, are significant investments in the future of Caribbean countries. We cannot, and should not, do this alone; partnerships work exceptionally well.

The development of Joint Operations Centres in Belize, and flight schools in Jamaica, is vital in the effort to build capacity for the region. Equally vital are the skill sets of the supervisors of such facilities. Without the adequate professional development training, the facilities are just structures. Providing vacancies on courses in Canada, or sending instructors to the region, are expensive undertakings. This is an area where the Canadian private sector could possibly assist. With budget cuts, it is increasingly challenging for the Department of National Defence for example, to absorb the costs of those Caribbean students with high potential to attend Canadian courses. A similar argument can be made for law enforcement and criminal justice system courses.

All of these measures by Canada require a commitment to long-term funding on diplomatic, military and law enforcement fronts. The constant paring of budgets of the Departments of Foreign Affairs, National Defence, and Public Safety (RCMP) is extremely short-sighted and illustrates a lack of clearly defined foreign- and national-security policies. Diplomacy is not rocket science, nor is it excessively expensive. It is the continuous application of a country’s foreign policy (if so defined) by talented individuals who have a deep understanding of the international sphere and the refined skills of negotiation, backed by a country’s willingness to invest money.

## Political Will

Canada’s multilateral approach has great potential in co-ordinating international efforts to exert “tough love” on Caribbean governments who do not fulfill their obligations. Where appropriate, governments should be held accountable, publicly chastised, and possibly sanctioned.

In 1992, the West Indian Commission declared “Nothing poses greater threats to civil society in CARICOM countries than the drug problem...”<sup>61</sup> Yet 22 years later, CARICOM, with its 12 islands and three continental states, has increasingly had its relevance criticized due to its inability to deal collectively with the problem. It continues to make recommendations on security matters, but has no means of enforcing such recommendations. CARICOM’s Implementation Agency for Crime and Security (IMPACTS) published a Crime and Security Strategy in 2013: “Securing the Region.” It outlines threats and goals and it contains longstanding recommendations such as: “Member States are urged to ratify the CARICOM Arrest Warrant Treaty.”<sup>62</sup> Such recommendations go unheeded by some states. The treaty, signed in 2008, has still not been ratified by all the countries. This is inexcusable.

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<sup>61</sup> Ivelaw Griffith, “Some Security Implications of Commonwealth Caribbean Narcotics Operations,” *Conflict Quarterly* (Spring 1993): 25.

<sup>62</sup> CARICOM Crime and Security Strategy 2013, “Securing the Region,” Adopted at the Twenty-Fourth Inter-Sessional Meeting of the Conference of Heads of Government of Caricom, February 18-19, 2013, 36.



The fact that the 29 Caribbean countries of the Caribbean Financial Action Task Force have only set a target of “... a level of compliance of at least seventy-five (75) per cent at the end of the Fourth Round of Assessments in 2022”<sup>63</sup> is unacceptable by any standard. It demonstrates that there is a lack of political buy-in and that there will continue to be a weak link in the money-laundering arena in the Caribbean region. Criminals are drawn to weak links.

This lack of political will, frankly, raises questions about the degree to which officials may be corrupted within political, public servant, and banking/financial sectors. Michael Franzese, a former New York mobster and captain of the Colombo crime family, stated that “... he was only able to launder millions of dollars because they had people on the inside in various organizations and that without these individuals they would not be able to function.”<sup>64</sup>

## CONCLUSION

This paper’s key deductions are:

- Well-coordinated, multi-lateral development programs can produce effective results if there is political will.
- Security-sector reform programs should have long-term commitments of funds, enabling recipient countries to develop their own plans and human resource commitments.
- Professional research and scholarly study at the international, regional, and local levels are keys to success.

It is in the latter area that Canadian financial institutions could play a role. It is recommended that further study be given to the creation of a well-funded academic institute that focuses on Canada/Caribbean security-sector studies. The institute could be hosted by a Canadian university that has well-developed graduate programs. A partnership could be established with Caribbean universities, such as the University of West Indies. Areas of study and research could be in security-sector reform, financial stability, anti-money laundering and so on.

Crime is evolving and it is increasingly challenging to keep abreast of developments, especially in the areas of money laundering and cyber crime. However, we must be mindful of the realities of the day. The words of then U.S. Secretary of Defense Henry Stimson, in October 1947, rang true then and they are equally meaningful today. He admonished Americans by saying that they “...must act in the world as it is, and not in the world as we wish it were.”<sup>65</sup>

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<sup>63</sup> Caribbean Financial Action Task Force, Incoming Chair’s Closing Comments at the 38th Plenary Meeting, November 21, 2013, [https://www.cfatf-gafic.org/index.php?option=com\\_content&view=article&id=1634%3Aaddress-by-incoming-chair-2013-2014&catid=81%3Acfatf-news&Itemid=664&lang=en](https://www.cfatf-gafic.org/index.php?option=com_content&view=article&id=1634%3Aaddress-by-incoming-chair-2013-2014&catid=81%3Acfatf-news&Itemid=664&lang=en).

<sup>64</sup> Presentation by Garry Clement on “Corruption and the Overall Impact: Societal and Financial,” KAW Management Services Ltd., 5th Annual AML/CFT, Anti-Fraud and Financial Crimes Conference, St. John’s, Antigua, July 8, 2013; both Michael Franzese and Garry Clement were guest speakers on a panel moderated by Declan Hill.

<sup>65</sup> Robert Burns, “Hagel says US military must shrink to face new era,” *Washington Post*, February 24, 2014, [http://www.washingtonpost.com/world/national-security/hagel-to-propose-big-cuts-in-army-in-2015-budget/2014/02/24/7ddb380e-9d51-11e3-878c-65222df220eb\\_story.html](http://www.washingtonpost.com/world/national-security/hagel-to-propose-big-cuts-in-army-in-2015-budget/2014/02/24/7ddb380e-9d51-11e3-878c-65222df220eb_story.html).

## About the Author

**Major-General (retired) Cameron Ross, CMM, CD, rmc** is an Executive Fellow at the University of Calgary's School of Public Policy. He is the President of HCR Security International Ltd., a private company that provides strategic security advice to governments and the private sector. He has led strategic security reviews of nine Caribbean countries, including a multi-phase review of the national security sector of Trinidad and Tobago, covering (among other areas) the functioning of the National Security Council, national intelligence systems, national security plans, criminal justice reform, and the Defence Force.

He proudly holds the honorary appointment of Colonel of the Regiment of Lord Strathcona's Horse (Royal Canadians), Canada's western, regular-force armoured regiment. His 35-year military career was primarily in command and operational appointments. Formerly a United Nations Assistant Secretary General and senior UN official in Syria, he was Force Commander of the UN Disengagement Observer Force (UNDOF) on the Golan Heights from 1998 to 2000. He also served with the UN in Cyprus (UNFICYP) during the 1974 war; in Angola (UNAVEM) as a Military Observer, and as Chief of Staff during the 1993 war; and at UN headquarters in New York.

Senior command appointments with the Canadian Forces included Commander of Land Forces, Atlantic area (Halifax, 1997); Commander of the Combat Training Centre (Gagetown, N.B., 1996); Base Commander (Edmonton, 1995); and Commanding Officer of his armoured regiment, Lord Strathcona's Horse (Royal Canadians) (Calgary, 1989-1991). He has held staff appointments at brigade, army, and national joint staff levels, including Director of Operations (J3 Ops) for the Canadian Forces, and Director-General International Security Policy (J5 Policy), where he oversaw Canada's international multi-/bi-lateral security relations.

Maj.-Gen. (ret'd) Ross — the son of a Dieppe and Normandy veteran, Major-General Norman Ross of the Queen's Own Cameron Highlanders of Canada — is a graduate of the Royal Military College. He is a Commander within the Order of Military Merit (CMM), a recipient of the Officer's Cross of the Order of Merit of the Republic of Poland, and has been awarded the 125th Confederation of Canada Medal, the Queen Elizabeth II Golden Jubilee and Diamond Jubilee medals, and the Alberta Centennial Medal, among other service medals and decorations.

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