



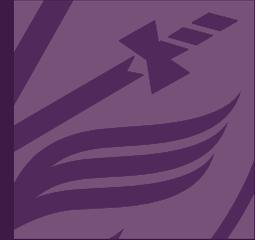
Royal United Services Institute  
for Defence and Security Studies

Occasional Paper

# Targeted Sanctions and Organised Crime

Impact and Lessons for Future Sanctions Use

Cathy Haenlein with Sasha Erskine, Elijah Glantz and Tom Keatinge



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RUSI Occasional Paper, March 2022



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# Executive Summary

**S**ANCTIONS ARE INCREASINGLY being used to tackle a range of specific issues. These include sanctions to respond to human rights abuses, combat corruption and address malicious cyber activity. As sanctions use has broadened, the question of their application to organised criminal activity has been increasingly raised. Yet, the use of sanctions against organised crime has remained limited to a specific set of issuers, notably the US and, more recently, the UN.

In the UK, the government has advanced its vision of an ambitious post-Brexit independent sanctions regime, with the Sanctions and Anti-Money Laundering Act 2018 allowing sanctions use ‘in the interests of national security’.<sup>1</sup> New regimes addressing human rights and corruption have emerged. With serious and organised crime deemed a national security threat by the UK government,<sup>2</sup> there is a case to add a sanctions regime to address this particular threat. The National Crime Agency itself has called for a legislative amendment to reference serious and organised crime as grounds for sanctions use.<sup>3</sup>

However, little research or evaluation has been undertaken to assess the impact of sanctions against organised crime. With US sanctions used over almost three decades to disrupt cross-border trafficking, the lack of a body of rigorous relevant research is a key shortcoming. Similarly, few past initiatives have sought to assess the lessons these experiences hold for future sanctions issuers in this space. With interest mounting in the potential use of organised crime-related sanctions, this represents a critical limitation.

This paper represents the first effort to target this knowledge gap, by reviewing existing evidence on the use and impact of sanctions to disrupt organised criminal activity. It focuses on two case studies, Colombia and Libya, in differing regions of the world and with different exposure to organised crime-focused sanctions. While Colombia tops the list of states globally for organised crime-focused sanctions on individuals and entities in its territory (with the third-highest number of relevant listings since 2016),<sup>4</sup> Libya’s exposure is more recent and limited. Libya nonetheless has experience of listings under UN and US country regimes relating

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1. Sanctions and Anti-Money Laundering Act (2018).
2. HM Government, *National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom* (London: The Stationery Office, 2015).
3. Intelligence and Security Committee of Parliament, *Russia*, HC 632 (London: The Stationery Office, 2020), pp. 35–36.
4. Locations were compiled using the Office of Foreign Assets Control (OFAC) Sanctions Search List, federal registers and press releases (noting that one designation may have multiple associated locations). When not explicitly stated, locations were derived from information relating to nationality, passport details, addresses and countries of origin.

to fuel smuggling, people smuggling and human trafficking. Here, it differs markedly from Colombia, which is the epitome of the historic US approach to narcotics-related sanctions.

This paper analyses organised crime-related sanctions data, examines the current state of knowledge on the implementation and impact of these sanctions, and draws on the two case studies. It identifies a number of factors that influence the impact of organised crime-focused sanctions, including:

- The extent to which the host government of the sanction's target is willing to cooperate with the sanction's issuer.
- The extent to which the issuance of sanctions is embedded within a coherent broader strategic approach.
- The overarching focus of the regime within which relevant designations are made.
- The degree of clarity of objective and purpose of the issuer when applying sanctions against organised criminal actors.
- Resourcing and engagement of key agencies in both the country of issuance and the target's host country.
- The targeting strategy adopted, and the extent to which this accounts for the divergent levels of vulnerability of key actors across the illicit trade chain.

With these factors and the research's broader findings in mind, this paper concludes with a set of 10 considerations for those countries that may, in the future, contemplate introducing organised crime-focused sanctions:

- The need to identify where new issuers could have greatest impact.
- How sanctions fit into broader strategic approaches to countering organised crime.
- The criteria to be adopted to guide their use.
- The resourcing required to administer sanctions effectively.
- The need to balance sanctions use with interventions that address drivers of organised crime.
- The necessity of creating a dedicated new regime versus using existing regimes.
- The way in which sanctions address the role of state versus non-state actors in organised criminal activity.
- The need to ensure that sanctions use does not impede longer-term criminal justice outcomes.
- The need to account for due process concerns.
- Individual states should consider how action in this area could offer an alternative to the gridlock in the UN Security Council around sanctions use.

# Introduction

**T**ARGETED SANCTIONS HAVE long been used to disrupt organised criminal activity, but these sanctions have only been applied by a limited number of issuers, generally when the target is beyond the geographical reach of the criminal justice system of the issuer. The US has over 25 years of experience in using sanctions against organised crime, via multiple distinct programmes.

Sanctions against organised crime could have significant potential. In the UK, some have posited the potential for the Global Human Rights Sanctions Regulations 2020 to ‘become a powerful tool for combating transnational organized crime’.<sup>1</sup> Such options have emerged as the government has advanced its vision of an ambitious post-Brexit independent sanctions regime, with the Sanctions and Anti-Money Laundering Act 2018 allowing sanctions use ‘in the interests of national security’.<sup>2</sup> With serious and organised crime deemed a national security threat,<sup>3</sup> the option to use sanctions in this way is clear. To exploit this, the National Crime Agency has called for a legislative amendment to reference serious and organised crime as grounds for sanctions use.<sup>4</sup>

In considering any expansion of existing thematic sanctions to cover organised crime, the UK and other potential sanctions issuers need a clear understanding of the merits of sanctions as a tool to disrupt this activity. Yet, critical knowledge gaps exist. There has been limited research on sanctions use against organised crime. Despite use by the US of sanctions to disrupt cross-border trafficking for almost three decades, there remains a lack of rigorous and relevant research into the impact and effectiveness of these regimes.

This paper contributes to tackling this knowledge gap. It reviews existing evidence on the use and impact of sanctions to disrupt organised crime in a range of forms. While long-term research is required, this paper assesses the scope of past sanctions use against organised crime and existing knowledge on its impacts, with reference to two case studies. The central research questions for this paper are: how have sanctions been used to address organised crime, and what lessons does this hold for other potential sanctions users in this area?

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1. Alexandre Prezanti, ‘Sanctions: A New UK Tool Against Organized Crime?’, Global Initiative Against Transnational Organized Crime (GITOC), 10 August 2020.
  2. Sanctions and Anti-Money Laundering Act (2018).
  3. HM Government, *National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom* (London: The Stationery Office, 2015).
  4. Intelligence and Security Committee of Parliament, *Russia*, HC 632 (London: The Stationery Office, 2020), pp. 35–36.

## Methodology

The research for this paper was conducted between August 2021 and January 2022. The methodology has three elements: an in-depth analysis of sanctions databases at the country (mainly US) and global levels; a review of a broad range of open source literature; and semi-structured interviews with key stakeholders.

First, analysis of sanctions databases was conducted, covering sanctions programmes focused on organised crime. These included: the US Specially Designated Narcotics Traffickers programme (Executive Order 12978); the Specially Designated Narcotics Trafficking Kingpin programme (Kingpin Act); the Transnational Criminal Organizations programme (Executive Order 13581); and ‘Imposing Sanctions on Foreign Persons Involved in the Global Illicit Drug Trade’ (Executive Order 14059). Wider regimes were also analysed for listings relating to organised criminal activity, including UN and EU country and thematic regimes, the US Global Magnitsky Act and other Magnitsky-style regimes, such as the UK Global Human Rights Sanction Regulations 2020 and UK Global Anti-Corruption Sanctions Regulations 2021.<sup>5</sup> Relevant information was compiled, including names of individuals/entities, dates, location, offence cited for designation and delisting data, where available.<sup>6</sup> Further detail was sourced from official registers, press releases and court documents, with data analysed to identify patterns in organised crime-focused sanctions use over time.

Having mapped these patterns, a literature review was conducted to assess existing knowledge on the roll-out and impact of sanctions. A broad definition of ‘literature’ was used; beyond the limited peer-reviewed research, this covered policy briefs and blogs by recognised experts; government documents, evaluations and hearings; and reports by NGOs. Standard review search strings were used with defined inclusion criteria covering relevance and credibility. The review covered English, French and Spanish-language sources published since 1995 (when the first US sanctions regime on organised crime was established). The search strategy involved focused searches of Google and Google Scholar in September 2021 using a range of combinations of the keywords, with further literature identified through snowballing.

Third, semi-structured interviews were conducted with 29 participants from October 2021 to January 2022. These included academics, representatives of government agencies (current and former), representatives of NGOs, independent experts and private sector representatives.<sup>7</sup> In addition to the use and impact of the regimes as a whole, interviews focused on two

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5. Here, challenges were encountered in defining the term ‘organised crime’ (see ‘Definitions and Terminology’ for criteria used).

6. In many cases, researchers encountered issues around the consistency of data availability, with different levels of information available for each regime. More detail on the data available is provided in Chapter I.

7. Of the 29 interviews conducted, eight were with representatives of government agencies, six with former representatives of government agencies, six with representatives of NGOs, five with academics, three with independent experts and one with private sector representatives.

cases – Colombia and Libya. Given time limitations, this narrow focus allowed analysis of key aspects (from target selection to delisting) in each case. Interviewees were identified via the literature review, recommendation and existing contacts of the research team, based on their experience of both targeted sanctions use and disruption of organised crime.

Due to the coronavirus pandemic, interviews were conducted virtually, most by at least two researchers. Interviews covered four main areas: trends in sanctions use to address organised crime; sanctions use as part of a wider strategy or toolkit; evidence on impact; and lessons learned of relevance to other issuers. Beyond this, the process allowed flexibility to pursue the flow of content offered by experts, allowing a holistic understanding of the issues. Follow-on literature reviews specific to the case study countries were also conducted to supplement the country-specific knowledge gained from the interviews.

Finally, findings were analysed and explored through a virtual workshop on 13 January 2022, attended by representatives of relevant government agencies and civil society. The workshop comprised two sessions. The first allowed for a discussion of initial findings, as a validation exercise to strengthen the rigour of the research. The second explored a specific aspect of the research – the relevance of the findings to users who have yet to consider this form of thematic sanctions.

### **Case Study Selection**

Two case studies were chosen for analysis – Colombia and Libya. Cases were selected at a country level, rather than on the basis of single designations (which risk providing too narrow a picture) or the workings of entire sanctions programmes (too broad). Case studies were chosen by listing all countries in which designations have been made with the primary goal of countering organised criminality, under both organised crime-focused and wider regimes.<sup>8</sup> Cases were excluded where listings were primarily for terrorist activity, for example, with only an indirect impact on parallel involvement in organised criminality. The reason is that this research aims to inform those considering sanctions use with the primary aim of countering organised crime.

Researchers limited the timeline to activity since 2016 (the start of the second Obama term) to assess sanctions use in conditions of relevance to the current security climate. Researchers omitted countries that had only experienced organised crime-focused sanctions use in 2020 or 2021, given the lack of time for their effects to be felt. From the resultant list of countries, the authors sought to select two with diverse experience in terms of geography, history of sanctions exposure, crime types in question and regime type. The aim was not to conduct a comparative analysis, but to review experiences in two diverse cases and assess what can be learned in connection with the research questions.

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8. Locations were compiled using the Office of Foreign Assets Control (OFAC) Sanctions Search List, federal registers and press releases (noting that one designation may have multiple associated locations). When not explicitly stated, locations were derived from information relating to nationality, passport details, addresses and countries of origin.

Based on these criteria, Colombia and Libya were selected – countries in both Western and non-Western hemispheres with different exposure to organised crime-focused sanctions. While Colombia tops the list of states globally for individuals and entities in its territory under dedicated organised crime-focused sanctions regimes (with the third-highest number of relevant listings since 2016), Libya’s exposure is more recent and limited. Libya nonetheless has experience of listings under UN and US country regimes relating to fuel smuggling, people smuggling and human trafficking. Here, it differs markedly from Colombia, which is the epitome of the historic US approach to narcotics-related sanctions.

### Definitions and Terminology

A key challenge was defining the term ‘organised crime’, given the range of countries involved in issuing related sanctions and their diverse understandings of the term. This definitional consideration is crucial given that all targeted sanctions (including in response to terrorism, corruption, proliferation financing or human rights abuse) could be viewed as responding to criminality in some form. What constitutes a sanction in response primarily to organised crime is thus of critical importance. Here, conceptual challenges inevitably arise around isolating organised crime as a phenomenon.

Absent a universally agreed definition, some bodies outline the concept by listing the crime types it encompasses. For its part, the UN Convention on Transnational Organized Crime (UNTOC) does not define the term, nor list specific crimes involved – a move intended to allow broad applicability to evolving conditions.<sup>9</sup> UNTOC defines an ‘organized criminal group’ as one ‘of three or more persons that was not randomly formed; existing for a period of time; acting in concert with the aim of committing at least one crime punishable by at least four years’ incarceration; in order to obtain, directly or indirectly, a financial or other material benefit’.<sup>10</sup>

This definition, however, is viewed as inflexible, with Europol noting that it ‘does not adequately describe the complex and flexible nature of modern organised crime networks’.<sup>11</sup> In the UK, meanwhile, a broader definition is used by the government, with serious and organised crime understood as ‘individuals planning, coordinating and committing serious offences, whether individually, in groups and/or as part of transnational networks’.<sup>12</sup> Given the breadth of crime types and drivers involved, this paper uses the latter definition employed by the UK government to guide its understanding of sanctions for the purposes of disrupting organised crime.

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9. UN Office on Drugs and Crime (UNODC), ‘Transnational Organized Crime’, <<https://www.unodc.org/ropan/en/organized-crime.html>>, accessed 19 December 2021.

10. UNODC, ‘United Nations Convention Against Transnational Organized Crime and the Protocols Thereto’, 2004, <<https://www.unodc.org/documents/treaties/UNTOC/Publications/TOC%20Convention/TOCebook-e.pdf>>, accessed 31 January 2022.

11. Europol, ‘Crime in the Age of Technology: Europol’s Serious and Organised Crime Threat Assessment 2017’, March 2017.

12. HM Government, *Serious and Organised Crime Strategy* (London: The Stationery Office, 2018).

Yet, further challenges concern the extent to which sanctions are primarily used to disrupt organised crime. In many conceptualisations, for example, 'organised crime' is understood to encompass corruption; in others, corruption is a distinct enabler. While this paper views corruption as integral to much organised criminality, researchers did not consider sanctions focused solely on corruption, but included corruption listings where these specifically cover wider organised crime types. This is guided by the fact that multiple regimes focus narrowly on corruption, which are not the study's main focus. Instead, the study looks at sanctions against organised crime as a wider categorisation.

### **Structure**

Chapter I considers what the data shows on patterns in past organised crime-focused sanctions use. Chapter II examines the current state of knowledge on the implementation and impact of these sanctions, writ large. Chapter III considers experiences in Colombia and Libya, assessing what is known about sanctions use and impact in each case. The conclusion offers a set of overarching considerations, including lessons for the UK and other potential sanctions users.



# I. Trends in Organised Crime-Related Sanctions Use

**T**HIS CHAPTER REVIEWS the use of two types of sanctions regimes: those focused explicitly on organised crime as a thematic area; and broader regimes that are not exclusively focused on organised crime, but which have nonetheless previously been used in the case of individual designations targeting this activity. For the first category, a range of thematic sanctions regimes exist, all in the US. Globally, alongside these, a range of wider sanctions programmes have been used for designations linked to organised criminal activity. Revealing trends in the use of organised crime-related sanctions helps illuminate the rationale for their use and will thus inform consideration of their suitability for future application.

## Organised Crime-Focused Thematic Sanctions Regimes

US experience of the use of organised crime-focused sanctions regimes dates back to the mid-1990s. These regimes are managed by the Department of the Treasury and have mostly focused on narcotics trafficking. Establishing the first regime of this kind – Specially Designated Narcotics Traffickers (SDNT) – in October 1995, President Clinton signed Executive Order 12978, under authority of the International Emergency Economic Powers Act, in response to the threat posed by cocaine trafficking to the US.

Focused on a single country, the Executive Order declared a national emergency with regard to violence, corruption and harm to the US caused by drug traffickers in Colombia.<sup>13</sup> To address this, the SDNT programme was designed by US authorities to isolate Colombian traffickers by freezing assets, denying them access to the financial system and limiting their ability to transact with US entities.<sup>14</sup> With the programme's perceived success, the Foreign Narcotics Kingpin Designation Act was passed in 1999, establishing the Specially Designated Narcotics Trafficking Kingpin (SDNTK) regime. In recognition of the wider origins of the drugs threat, the SDNTK regime allows for the designation of individuals and entities that may not be trafficking cocaine into the US – as was the specific requirement for SDNT – but covers those trafficking illicit drugs anywhere globally. The aim, as with SDNT, is to deny narcotics traffickers and their support networks access to the US financial system, constraining their operations.

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13. US Government, 'Executive Order 12978: Blocking Assets and Prohibiting Transactions with Significant Narcotics Traffickers', 24 October 1995, <<https://www.govinfo.gov/content/pkg/FR-1995-10-24/pdf/95-26569.pdf>>, accessed 24 February 2022.

14. US Treasury, 'Release of Impact Report on Economic Sanctions Against Colombian Drug Cartels', 4 May 2007, <<https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20070504a>>, accessed 24 February 2022.

In 2011, President Obama's signature of Executive Order 13581 created a further expanded organised crime-focused sanctions authority – the Transnational Criminal Organizations (TCO) programme. The Executive Order declared a national emergency around the 'growing threat of significant transnational criminal organizations', whose entrenchment 'in the operations of foreign governments and the international financial system' was judged to threaten US national security.<sup>15</sup> In this way, the Treasury's sanctioning authority was extended beyond drugs to any type of organised criminality. This came as sanctions were listed as a key pillar of the 2011 Strategy to Combat Transnational Organized Crime, to 'better protect the financial system and freeze the assets of criminal networks under expanded Presidential sanctions authorities'.<sup>16</sup>

In 2021, President Biden signed Executive Order 14059 (ILLICIT-DRUGS-EO) to 'modernize the ... Treasury's sanctions authorities used to combat the illicit drug trade'.<sup>17</sup> He did so declaring a national emergency around a narcotics threat linked to over 100,000 US overdose deaths in the year to April 2021 (fuelled largely by synthetic opioids). Described as offering 'new tools' to tackle the global drug trade, the Executive Order allows the targeting of 'any foreign person engaged in drug trafficking activities, regardless of whether they are linked to a specific kingpin or cartel'.<sup>18</sup>

The result is a set of overlapping authorities with similar goals. These are to disrupt organised criminal networks by: prohibiting transactions with US individuals and entities (cutting off designees' access to the US financial system); denying access to property in the US; and denying US visas, among other actions.<sup>19</sup> Crucially, regimes cover both organised criminals and their wider support networks. The Kingpin Act, for example, allows the targeting of significant foreign narcotics traffickers and those providing support, owned or controlled by them or acting on their behalf.<sup>20</sup> The aim is to create a 'pariah effect', deterring legitimate business from

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15. US Treasury, 'Transnational Criminal Organizations Sanctions Program', updated 14 April 2015, <<https://home.treasury.gov/system/files/126/tco.pdf>>, accessed 21 December 2021.

16. National Security Council, 'Strategy to Combat Transnational Organized Crime', <<https://obamawhitehouse.archives.gov/administration/eop/nsc/transnational-crime/financial-system>>, accessed 20 December 2021.

17. Federal Register, 'Imposing Sanctions on Foreign Persons Involved in the Global Illicit Drug Trade', 17 December 2021, <<https://www.federalregister.gov/documents/2021/12/17/2021-27505/imposing-sanctions-on-foreign-persons-involved-in-the-global-illicit-drug-trade>>, accessed 20 December 2021.

18. US Treasury, 'Treasury Uses New Sanctions Authority to Combat Global Illicit Drug Trade', 15 December 2021, <<https://home.treasury.gov/news/press-releases/jy0535>>, accessed 24 February 2022.

19. US Government Accountability Office (GAO), 'Counternarcotics: Treasury Reports Some Results from Designating Drug Kingpins, but Should Improve Information on Agencies' Expenditures', December 2019, <<https://www.gao.gov/products/gao-20-112>>, accessed 25 February 2022.

20. Kingpin Act designations are categorised as Tier 1 and Tier 2. Tier 1 covers 'significant foreign narcotics traffickers' (B1 designees) and 'those playing a significant role in international narcotics trafficking' (B4 designees). Tier 2 covers the networks of B1 and B4 designees, namely individuals or entities 'materially assisting in, or providing financial or technological support for or to, or

engaging in illicit activity, thus complicating criminals' efforts to launder proceeds and sustain offending behaviour.<sup>21</sup>

### Trends in Use

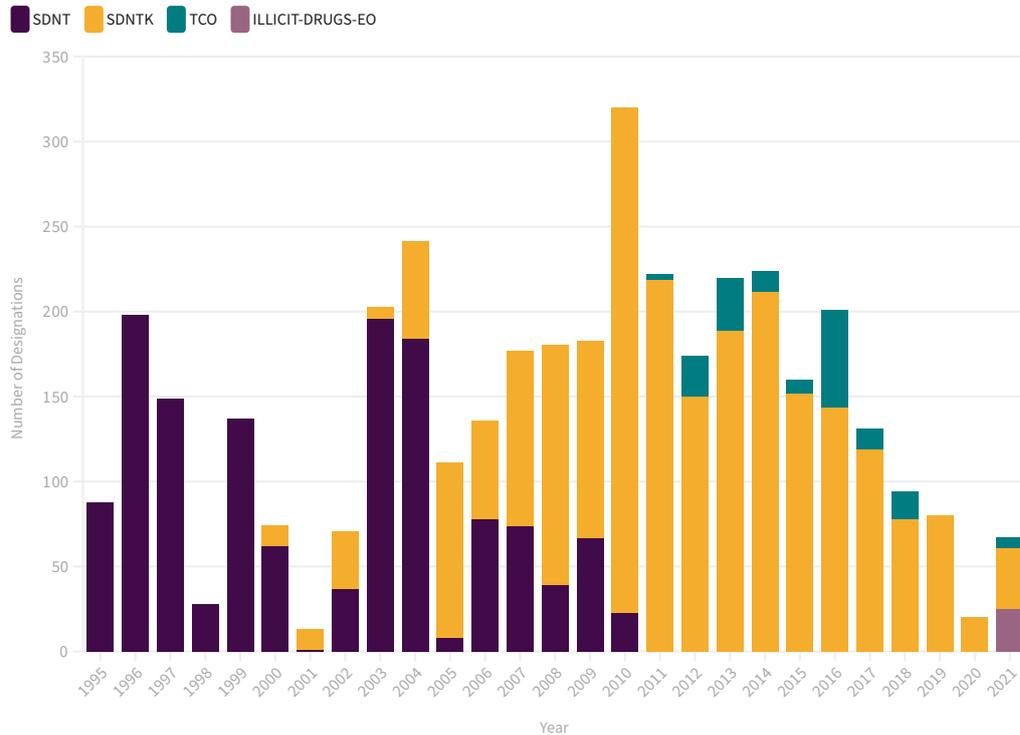
Use of these regimes has fluctuated over time. Across SDNTK, TCO and ILLICIT-DRUGS-EO, the authors identified a total of 2,533 designations issued over time.<sup>22</sup> This includes active listings and those that have since been delisted. This is in addition to 1,362 SDNT listings identified by researchers (although information on some designations, press releases and statements have been removed, and other OFAC press releases indicate that the total could be over 1,500).<sup>23</sup>

Designation numbers have varied with each administration. Annual numbers peaked in President Obama's first term, as the administration incorporated sanctions into its wider counternarcotics strategy.<sup>24</sup> Designation numbers have since trended downward, averaging 200 designations from 2011–15 and 92.5 from 2016–21. While SDNT dominated initially, other regimes have since been used more extensively. Since 2010, the Treasury has issued more sanctions pursuant to SDNTK and TCO than SDNT, with use of SDNTK peaking in 2010 and TCO peaking in 2016.

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providing goods and services in support' of their activities (B2 designees) and those 'owned, controlled, or directed by, or acting for or on the behalf of, a significant foreign narcotics trafficker' (B3 designees).

21. US Committee on Foreign Affairs, 'Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere', 8 November 2017.
22. Data compiled from the OFAC Sanctions Search List tool, Treasury publications and press releases. See US Treasury, 'Sanctions List Search'.
23. 1,530 businesses and individuals, for example, are cited in US Treasury, 'Treasury Targets Colombian Drug Traffickers', 30 August 2007, <<https://home.treasury.gov/news/press-releases/hp543>>, accessed 25 February 2022.
24. Jason Bartlett and Megan Ophel, 'Sanctions by the Numbers: Transnational Crime and Drug Trafficking', CNAS, 30 November 2021.

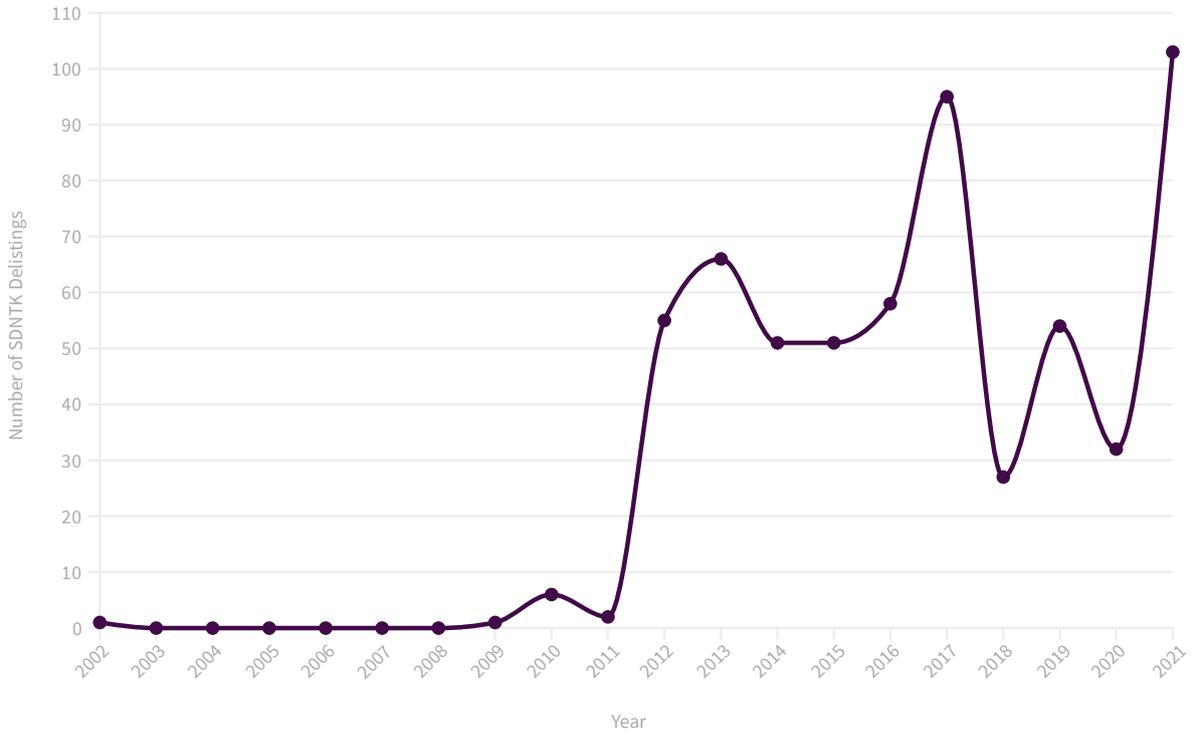
**Figure 1:** Designations Under Organised Crime-Focused US Sanctions Regimes, 1995–2021

Source: Data compiled for SDNT, SDNTK, TCO and ILLICIT-DRUGS-EO, including active listings and those that have since been delisted. For SDNT, in light of the removal of public information on some designations, press releases and statements, Figure 1 includes only SDNT data available online as of December 2021. US Treasury, 'OFAC Sanctions List Search', <<https://sanctionssearch.ofac.treas.gov>>, accessed 23 December 2021; US Treasury, 'Sanctions Pursuant to Executive Order 12978', 5 August 2020, <[https://home.treasury.gov/system/files/126/narco\\_sanctions\\_eo12978.pdf](https://home.treasury.gov/system/files/126/narco_sanctions_eo12978.pdf)>, accessed 23 December 2021; US Treasury, 'Sanctions Pursuant to the Foreign Narcotics Kingpin Designation Act', updated 14 February 2022, <[https://home.treasury.gov/system/files/126/narco\\_sanctions\\_kingpin.pdf](https://home.treasury.gov/system/files/126/narco_sanctions_kingpin.pdf)>, accessed 23 December 2021.

There have been a significant number of delistings since the designations shown in Figure 1. Yet, data access is limited, with complete data available only for SDNTK (see Figure 2). As with listings, SDNTK delistings vary by administration, peaking under Obama in 2014,<sup>25</sup> before declining under Trump. Delistings have since risen under Biden, with 103 under the latter as of 31 December 2021.

25. 2014 also saw significant, publicly announced SDNT delistings, described as 'the largest single delisting in the history of Treasury's sanctions programs', with the removal of 308 individuals and entities linked to Miguel and Gilberto Rodriguez Orejuela. US Treasury, 'Treasury Lifts Sanctions on the Defunct Colombian Business Empire Led by the Rodriguez Orejuela Family', 19 June 2014.

**Figure 2: Total SDNTK Delistings, 2002–21**



Source: US Treasury, 'OFAC Sanctions List Search'; US Treasury, 'Sanctions Pursuant to the Foreign Narcotics Kingpin Designation Act'.

Geographic focus has also varied. As a Colombia-specific regime, SDNT listings have been highly concentrated (although the ability to target individuals or entities associated with Colombian drug trafficking has allowed OFAC to reach designees elsewhere).<sup>26</sup> With the adoption of SDNTK, OFAC was able to target foreign narcotics traffickers and associates worldwide, with listings in 103 countries. Despite its reach, however, SDNTK has remained focused on Latin America. Almost 75% of listings relate to designees in Mexico (946 designations – 40% of all SDNTK listings), Colombia (637 designations – 27%) and Panama (167 designations – 7%).<sup>27</sup>

The TCO programme also has a global reach, with the 131 active TCO listings spanning 40 countries, targeting organised criminals across multiple regions. Over half of TCO listings have focused on designees in Japan (32 designations – 19% of all TCO listings), Italy (27 designations – 16%) and the UAE (22 designations – 13%).<sup>28</sup> While determining a geographic pattern for ILLICIT-DRUGS-EO is premature, the first listings relate to Mexico, China and Colombia.<sup>29</sup>

**Table 1:** Top 10 Countries Cited in Organised Crime-Focused Listings, 1995–2021, Per Location of Designee Operations (SDNTK, TCO and ILLICIT-DRUGS-EO Regimes)

Country	Number of Listings
Mexico	966
Colombia	630
Panama	168
Guatemala	58
Peru	54
UAE	51
Venezuela	51
Lebanon	47
Thailand	45
Honduras	43

*Source: Location data compiled for SDNTK, TCO and ILLICIT-DRUGS-EO using the OFAC Sanctions Search List tool, federal registers and press releases, with SDNT omitted for data reliability reasons.*

In terms of crime types, three of the four regimes focus on drug trafficking. However, SDNT, SDNTK and ILLICIT-DRUGS-EO press releases also point to listings for enabling corruption, money

26. US Treasury, 'Treasury Targets Colombian Drug Traffickers'.

27. Locations compiled using the OFAC Sanctions Search List tool, federal registers and press releases; US Treasury, 'Sanctions Pursuant to the Foreign Narcotics Kingpin Designation Act', updated 14 February 2022, <[https://home.treasury.gov/system/files/126/narco\\_sanctions\\_kingpin.pdf](https://home.treasury.gov/system/files/126/narco_sanctions_kingpin.pdf)>, accessed 23 December 2021.

28. Locations compiled using the OFAC Sanctions Search List tool, federal registers and press releases.

29. US Treasury, 'Sanctions List Search'.

laundering, assassinations and militia-style ‘enforcement’ activity.<sup>30</sup> The TCO programme, by contrast, has been used beyond the drug trade, including against those engaged in money laundering, extortion, fraud, corruption, wildlife, weapons, human and drug trafficking. The Laos-based Zhao Wei TCO, for example, was listed alongside associated individuals and entities for involvement in money laundering, bribery, drug, wildlife and human trafficking.<sup>31</sup>

## Organised Crime-Focused Designations Under Broader Regimes

Beyond these regimes, designations have been made to disrupt organised crime under broader programmes, including other unilateral regimes and multilateral programmes run by the UN.

Unilaterally, of relevance are the so-called ‘Magnitsky’ regimes used to address human rights abuse. In the US, the Magnitsky Act was passed in 2012, allowing the targeting of those responsible for the death of Russian lawyer Sergei Magnitsky in prison in 2009. The 2016 Global Magnitsky Act allowed the US to target human rights abusers globally, with 418 relevant listings to date. Here, overlaps with organised crime are clear, with crimes from corruption to money laundering, arms and organ trafficking cited in press releases. An example is the 2017 listing of Uzbek national Gulnara Karimova, described as heading ‘a powerful organized crime syndicate that leveraged state actors to expropriate businesses, monopolize markets, solicit bribes and administer extortion rackets’.<sup>32</sup> Another is the 2019 listing of Cambodian timber tycoon Try Pheap, cited as having ‘used his vast network ... to build a large scale illegal logging consortium’, relying on ‘the Cambodian military to enable his timber trafficking activities’.<sup>33</sup>

With the release of the 2021 US Strategy on Countering Corruption, Global Magnitsky sanctions have been used further to ‘aggressively dismantle links between transnational criminal organizations and corrupt activity’.<sup>34</sup> Such efforts include the targeting of Kosovo-based

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30. On narcotics-related violence, see, for example, US Treasury, ‘Treasury Targets Perpetrators of Mexican Drug Trafficking Violence Tied to Los Zetas and the Gulf Cartel’, 24 March 2010, <<https://www.treasury.gov/press-center/press-releases/Pages/tg605.aspx>>, accessed 25 February 2022; on narcotics-related corruption, see US Treasury, ‘Treasury Works with Government of Mexico Against Perpetrators of Corruption and Their Networks’, 17 May 2019, <<https://home.treasury.gov/news/press-releases/sm692>>, accessed 25 February 2022.

31. US Treasury, ‘Treasury Sanctions the Zhao Wei Transnational Criminal Organization’, 30 January 2018, <<https://home.treasury.gov/news/press-releases/sm0272>>, accessed 25 February 2022.

32. US Treasury, ‘United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe’, 21 December 2017, <<https://home.treasury.gov/news/press-releases/sm0243>>, accessed 25 February 2022.

33. US Treasury, ‘Treasury Sanctions Corruption and Material Support Networks’, 9 December 2019, <<https://home.treasury.gov/news/press-releases/sm849>>, accessed 25 February 2022.

34. US Treasury, ‘Treasury Targets Corruption Networks Linked to Transnational Organized Crime’, 8 December 2021, <<https://home.treasury.gov/news/press-releases/jy0519>>, accessed 25 February 2022.

organised crime with the listing of Zvonko Veselinovic.<sup>35</sup> Here, OFAC pointed to the Veselinovic organised crime group's involvement in 'illicit trafficking of goods, money, narcotics, and weapons between Kosovo and Serbia'.<sup>36</sup> Other 2021 Magnitsky Act listings targeted organised crime in El Salvador, relating to negotiations between officials and imprisoned leaders of groups such as MS-13.<sup>37</sup>

Similar regimes elsewhere touch on organised crime, including the UK Global Human Rights Sanctions Regulations. Here, Alexandre Prezanti notes that 'the explicit naming of slavery, servitude and forced labour in the list of qualifying ... violations indicates that the government is willing to use sanctions to target human-trafficking networks'.<sup>38</sup> Listings under the UK's Global Anti-Corruption Sanctions Regulations 2021 reveal overlaps in other areas. One case includes designations in Latin America, including of those 'facilitating bribes to support a major drug trafficking organisation'.<sup>39</sup> In another, those listed for the diversion of \$230 million through the fraudulent tax-refund scheme uncovered by Magnitsky were cited as constituting 'an organised criminal group'.<sup>40</sup>

In parallel, country-level regimes run by states such as the US include organised crime directly as a rationale for designation. This can be seen in relevant listing criteria in regimes such as that related to Mali.<sup>41</sup> Established by Executive Order 13882 in 2019, this authorises the listing of those involved in 'illicit production or trafficking of narcotics' and 'trafficking in persons, smuggling migrants, or trafficking or smuggling arms or illicitly acquired cultural property'.<sup>42</sup> In the case of Mali, however, these criteria have not yet been used, with other grounds for designation cited in press releases to date.

Unilateral sanctions related to Venezuela offer further examples. From the passage of Executive Order 13692 in 2015, these seek in part to address the 'presence of significant public corruption' deemed an upstream threat to the US.<sup>43</sup> Organised crime is often cited: in 2018, OFAC designated Diosdado Cabello Rondón, former president of the National Assembly, for his

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35. *Ibid.*

36. *Ibid.*

37. *Ibid.*

38. Prezanti, 'Sanctions'.

39. HM Government, 'UK Sanctions 22 Individuals Involved in Serious International Corruption', 26 April 2021, <<https://www.gov.uk/government/news/uk-sanctions-22-individuals-involved-in-serious-international-corruption>>, accessed 25 February 2022.

40. HM Government, 'UK Sanctions Relating to Global Anti-Corruption', 26 April 2021, <<https://www.gov.uk/government/collections/uk-sanctions-relating-to-global-anti-corruption>>, accessed 25 February 2022.

41. Congressional Research Service, 'Sanctions Programs Targeting Human Traffickers: In Brief', 22 April 2021.

42. US Federal Register, 'Executive Order 13882 of July 26, 2019: Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Mali', 30 July 2019.

43. US Treasury, 'Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Venezuela', 11 March 2015, <<https://home.treasury.gov/system/files/126/13692.pdf>>, accessed 7 January 2022.

role in narcotics trafficking, money laundering and corruption.<sup>44</sup> President Nicolás Maduro was also accused of ‘systemic corruption’ in his 2017 designation – an allegation expanded on in a 2020 US indictment claiming Maduro ‘partnered with the FARC to use cocaine as a weapon to “flood” the United States’.<sup>45</sup>

At a multilateral level, organised crime-focused listing criteria exist under regimes with wider goals, including restricting the flow of financing to actors threatening broader peace and security. In Libya, while the UN country regime is designed to support peace, stability and national reconciliation, listing criteria show a strong concern with human rights and protection of civilians.<sup>46</sup> This allowed the 2018 designation of six individuals for migrant smuggling and human trafficking – the first time UN sanctions had targeted those with a leading role in this activity.<sup>47</sup> Listing criteria also cover those ‘providing support for armed groups or criminal networks through the illicit exploitation of crude oil or any other natural resources’.<sup>48</sup>

Another case concerns UN regimes focused on the Taliban. In 2001, the UN designated key individuals with narrative summaries citing both Taliban involvement and drug trafficking.<sup>49</sup> These actions followed UN Security Council Resolutions 1267 (1999) and 1333 (2000), which recognised the links between drug trafficking and insurgent or terrorism financing.<sup>50</sup> More recent UN sanctions have since seen Taliban members listed in part for involvement in drug trafficking to support Taliban fundraising.<sup>51</sup> As such, while the regime’s core objective is not to stem drug flows from Afghanistan, organised crime is targeted as a means to disrupt terrorism financing.

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44. US Treasury, ‘Treasury Targets Influential Former Venezuelan Official and His Corruption Network’, 18 May 2018, <<https://home.treasury.gov/news/press-releases/sm0389>>, accessed 25 February 2022.

45. Department of Justice, ‘Nicolás Maduro Moros and 14 Current and Former Venezuelan Officials Charged with Narco-Terrorism, Corruption and Drug Trafficking and Other Criminal Charges’, 26 March 2020, <<https://www.justice.gov/opa/pr/nicol-s-maduro-moros-and-14-current-and-former-venezuelan-officials-charged-narco-terrorism>>, accessed 25 February 2022.

46. UN Security Council (UNSC), ‘Security Council Committee Established Pursuant to Resolution 1970 (2011) Concerning Libya’, <<https://www.un.org/securitycouncil/sanctions/1970>>, accessed 22 December 2021.

47. Judith Vorrath, ‘If You Can’t Catch Them, Sanction Them?’, GITOC, 16 November 2018.

48. UNSC, ‘Security Council Committee Established Pursuant to Resolution 1970 (2011) Concerning Libya’.

49. UNSC, ‘The Consolidated List Established and Maintained by the 1267 Committee with Respect to Al-Qaida, Usama Bin Laden, and the Taliban and Other Individuals, Groups, Undertakings and Entities Associated with Them’, updated 3 January 2008, <<https://www.refworld.org/pdfid/48747f342.pdf>>, accessed 24 January 2022. 2001 listings citing drug trafficking include those of Abdul Ghafar Qurishi Abdul Ghani, Sayyed Ghiassouddine Agha, Abdul Razaq Akhund Lala Akhund, Zia-Ur-Rahman Madani and Abdul Salam Hanafi Ali Mardan Qul.

50. UNSC, ‘Resolution 1333 (2000)’, for example, calls for action to ‘halt ... illegal drugs activities ... the proceeds of which finance Taliban terrorist activities’.

51. Interpol, ‘Alizai, Abdul Habib’, <<https://www.interpol.int/en/How-we-work/Notices/View-UN-Notices-Individuals#2010-51073>>, accessed 15 January 2022.

It is clear from this overview that numerous examples exist of targeted sanctions being used to disrupt organised criminality, both under organised crime-focused regimes and those with broader goals, albeit with the overwhelming number of sanctions issued by the US under its own dedicated authorities. Less clear is how far these examples have achieved the desired change – the subject of Chapter II.

## II. Assessing the Evidence

**A**BUNDANT USE HAS been made of organised crime-focused sanctions, primarily by the US, under multiple regimes. Yet, knowledge on their implementation, impact and merits remains limited. There is a lack of research on the impact of sanctions on key targets and the wider organised criminal landscape. Supplementing the sparse literature with insights from interviews, this chapter assesses existing knowledge of the real-world effects of sanctions use in this area.

### Gaps and Challenges in Measuring Impact

The question of sanctions effectiveness is heavily debated.<sup>52</sup> A literature review could identify no in-depth research on the issue in relation to organised crime-focused sanctions. This owes to a clear disciplinary divide between criminologists and sanctions experts. As noted by one interviewee, ‘Sanctions and organised crime are two different worlds. Sanctions people are not likely to focus on effectiveness as it relates to organised crime since this is not their domain’.<sup>53</sup>

Meanwhile, publicly available government assessments of organised crime-focused regimes are few and limited in focus. The first such document – a 2007 OFAC ‘Impact Report’ on sanctions use against Colombian drug cartels – is neither a comprehensive nor independent review of the regimes used. More recently, a 2017 House of Representatives Committee on Foreign Affairs hearing addressed a number of these issues in relation to a single regime (SDNTK) in a single region (the Western hemisphere). As noted by one witness:

A full review of the effectiveness of this program and policy has not been conducted yet. As far as I know, neither the Treasury Department’s Office of Inspector General, nor the Government Accountability Office, has conducted a full analysis nor has there been a full policy review within Treasury. ... The time is right to request a full, objective, and data-driven evaluation of the act’s effectiveness.<sup>54</sup>

This call to action has not been fully heeded. While the Government Accountability Office (GAO) published a 2019 study on the use of Kingpin Act sanctions,<sup>55</sup> this does not tackle the full range of questions related to impact nor results beyond SDNTK. The authors could find no analysis of experience under the TCO programme or assessment of the impact of relevant sanctions

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52. Dursun Peksen, ‘When Do Imposed Economic Sanctions Work? A Critical Review of the Sanctions Effectiveness Literature’, *Defence and Peace Economics* (Vol. 30, No. 6, 2019), pp. 635–47; Thomas Biersteker, Sue Eckert and Marcos Tourinho (eds), *Targeted Sanctions: The Impacts and Effectiveness of United Nations Action* (Cambridge: Cambridge University Press, 2016).

53. Authors’ interview with academic C, 26 November 2021.

54. US Committee on Foreign Affairs, ‘Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere’.

55. GAO, ‘Counternarcotics’.

across regimes. With 25 years of real-world use of sanctions against organised crime, this is a striking gap.

Here, interviewees stressed the lack of resources within key agencies. In the words of one, 'It's a resource issue. OFAC is the principal agency here, with a limited number of staff spread across licensing to targeting, policy, regulatory issues globally. They don't have the resources [for evaluation]'.<sup>56</sup> Others stressed the difficulties in assessing effectiveness: 'there is not a single sanctions regime globally that adequately measures effectiveness'.<sup>57</sup>

In common with other sanctions, a key difficulty in assessing impact for organised crime-focused sanctions is that of disaggregating their effects from the range of instruments with which they are used.<sup>58</sup> Narcotics-related sanctions, for example, are commonly used within a toolkit of interlocking counter-narcotics programmes and policies, which makes isolating the impact of any single tool challenging. More fundamentally, sanctions are not designed for use in isolation, so the utility of isolating their effects is unclear.<sup>59</sup> Beyond this, other factors inevitably affect our ability to assess the impact of designations, from shifts in policy to data reliability.

Faced with these challenges, interviewees noted that impact is mainly recorded via criteria on which governments have measurable data, such as assets frozen and accounts closed.<sup>60</sup> This can show how far financial access is being shut down, based on private sector reporting of relevant financial flows. Further measurable indicators include delistings, with a high burden of proof required for designees to show an end to involvement in proscribed activity – whether by severing ties with other designees or divesting themselves of assets.<sup>61</sup> Notably, high delisting rates under regimes such as SDNTK are held by some to demonstrate impact,<sup>62</sup> with the GAO reporting testimony from OFAC officials that removing designees can constitute 'evidence of disruption of drug trafficking organizations or other positive behavior change'.<sup>63</sup>

Yet, multiple interviewees registered doubts over the ability of delisting data to demonstrate the desired behavioural change. Indeed, other reasons for delistings exist, ranging from deaths

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56. Authors' interview with former representative of government agency C, 16 December 2021.

57. Authors' interview with representative of NGO C, 10 December 2021.

58. Authors' interview with former representative of government agency A, 2 December 2021, and former representative of government agency E, 7 December 2021; Biersteker, Eckert and Tourinho, *Targeted Sanctions*.

59. Authors' interview with former representative of government agency F, 20 December 2021.

60. Authors' interview with representative of private sector A, 6 December 2021.

61. Authors' interview with former representative of government agency D, 16 December 2021; US Committee on Foreign Affairs, 'Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere'.

62. Bartlett and Ophel, 'Sanctions by the Numbers'.

63. GAO, 'Counternarcotics'.

of individuals to administrative changes to entities.<sup>64</sup> As stressed by one, ‘There is a need to look individually at delistings to see whether anything tangible has been achieved. The simple renaming of an entity could cause a delisting, then relisting. Delisting data needs to be used cautiously, in context’.<sup>65</sup>

Complicating meaningful analysis of this data is the sensitivity and lack of transparency around delistings. As noted by another expert, delisting details are ‘case-specific – we can’t often trumpet results without doing harm. Press releases are issued for every designation, but on the back end, with removals, this is rare’.<sup>66</sup> As noted by another, ‘if the goal is behaviour change, the only indication is that people come off the list. But this is a lagging rather than a leading indicator. [Even with full access to information], we don’t know how many networks simply restructure. ... Removal doesn’t necessarily mean that activity has stopped, it may just have moved elsewhere’.<sup>67</sup>

Here, parallels exist with metrics used for traditional law enforcement activity such as arrests and seizures.<sup>68</sup> These actions involve removing individuals from criminal networks and interrupting illicit commodity flows, theoretically disincentivising offending and deterring others from becoming involved. Yet, this data can be misleading: arrests and seizures can reflect shifts in enforcement effort and prioritisation rather than overall levels of crime. Meanwhile, limited evidence suggests that these actions directly reduce offending or harm – at times having the opposite effect, provoking rising violence or expanded recruitment.<sup>69</sup>

Here, a focus on process measurement obscures the more meaningful issue of progress on the dependent variable – reducing harm from organised crime.<sup>70</sup> The same issue affects assessments of sanctions impact via process indicators such as delistings. This, however, calls into question exactly what organised crime-focused sanctions seek to achieve, in terms of objective (the policy goal issuers seek to achieve) and purpose of designations (how these seek to influence targets).<sup>71</sup> As noted in Thomas Biersteker, Sue Eckert and Marcos Tourinho’s *Targeted Sanctions*, awareness of sanctions’ differing purposes is essential, with ‘more precise descriptions of what

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64. Authors’ interview with academic A, 18 November 2021; authors’ interview with representative of government agency F, 7 December 2021; authors’ interview with representative of NGO C, 10 December 2021.

65. Authors’ interview with representative of government agency F, 7 December 2021.

66. Authors’ interview with representative of government agency H, 7 January 2022.

67. Authors’ interview with former representative of government agency C, 16 December 2021.

68. Authors’ interview with representative of NGO C, 10 December 2021.

69. David Bright and Chad Whelan, *Organised Crime and Law Enforcement: A Network Perspective* (Abingdon: Routledge, 2021).

70. Allan Castle, ‘Measuring the Impact of Law Enforcement on Organized Crime’, *Trends in Organized Crime* (Vol. 11, 2008), pp. 135–56.

71. Francesco Giumelli, ‘The Purposes of Targeted Sanctions’, in Biersteker, Eckert and Tourinho (eds), *Targeted Sanctions*.

they are actually intended to accomplish' crucial as 'the basis for more nuanced assessments of ... effectiveness'.<sup>72</sup>

In terms of wider regimes, Francesco Giumelli points to coercion, constraint and signalling as core purposes of sanctions.<sup>73</sup> Here, sanctions with a coercive purpose seek to change designees' behaviour (altering policy objectives); those with a constraining purpose look to cut off access to resources (reducing operational capacity); and those with a signalling purpose assert deviation from international norms (stressing a lack of social acceptability).<sup>74</sup> Yet, the extent to which these purposes are appropriate for organised crime-focused sanctions has not been assessed. In the case of signalling, organised crime is already illegal, calling into question the marginal effect beyond this.<sup>75</sup>

In the case of coercion and constraint, key questions concern the level of ambition and desired effect on the wider organised criminal landscape. Here, it is crucial to distinguish between coercion and constraint of specific designees and the goal of reducing the organised crime threat in general. Crucially, whether a designation limits a specific criminal actor's ability to engage in illicit activity is a fundamentally different question to whether its targeting will affect the health of the relevant illicit economy.<sup>76</sup> This has implications for targeting strategy, as well as for assessments of 'success'.

Yet, specificity of objective and purpose is often not a given. As noted by one interviewee, 'it is hard to pin down exactly what the objectives of some sanctions programmes are in the first place'.<sup>77</sup> This is recognised in the US Treasury 2021 Sanctions Review: one of its five 'steps to modernize sanctions' is that 'sanctions should be tied to clear, discrete objectives ... such as ... ending support to a specific violent organization or other malign and/or illicit activities'.<sup>78</sup> The wording in this example, however, remains far from offering the granularity needed to answer the questions above.

This raises the more fundamental matter of how far sanctions, as a traditional foreign policy tool, can be effectively recalibrated to target organised criminals. While policymakers view sanctions as a key policy lever, questions surround whether the same levers – and criteria for assessing impact – can be used for threats such as organised crime.<sup>79</sup> Here, the flexible nature of illicit economies comes into play – with actors neutralised via enforcement action usually rapidly replaced, without affecting the functioning of the relevant illicit industry. As noted by

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72. Biersteker, Eckert and Tourinho (eds), *Targeted Sanctions*.

73. Francesco Giumelli, *Coercing, Constraining and Signalling: Explaining UN and EU Sanctions After the Cold War* (Colchester: ECPR Press, 2011).

74. Giumelli, 'The Purposes of Targeted Sanctions'.

75. Authors' interview with academic E, 15 December 2021.

76. *Ibid.*

77. Authors' interview with representative of government agency F, 7 December 2021.

78. US Treasury, 'The Treasury 2021 Sanctions Review', October 2021, p. 4.

79. Authors' interview with representative of NGO C, 10 December 2021.

one expert, organised crime remains ‘an issue of supply and demand, against which sanctions can’t compete’.<sup>80</sup>

As such, achieving broader impact requires that designations be considered in terms of their likely impact on the wider illicit marketplace. Here, results are likely to be limited if sanctions are not coordinated, including with tools addressing the drivers of illicit activity.<sup>81</sup> As noted by Judith Vorrath, ‘Sanctions will simply not work as the prime instrument for tackling transnational crime. ... When they are applied, it should be done with an eye on their possible side effects and with due consideration for other parts of the chain of illicit flows’.<sup>82</sup>

However, anticipating impact across the chain is hindered by the amorphous, underreported nature of the threat. Described by Europol as a ‘modern hydra’, organised criminal activity is run flexibly across physical and online spaces, via fluid networks evolving to avoid detection.<sup>83</sup> This makes measurement of organised criminal activity challenging, let alone the impact of individual listings. Still more challenging is establishing the potential deterrent impact on those not yet involved.<sup>84</sup> Finally, the complexity of global illicit economies poses challenges to determining the counterfactual – namely, the likely status of those economies had sanctions not been imposed.<sup>85</sup>

## Divergent Assessments of Impact

Facing these challenges, interviewees expressed differing judgements on the impact of sanctions to date. Some were highly positive, with one viewing ‘narco-sanctions ... [as] the most successful sanctions regime the US has at its disposal’.<sup>86</sup> This was ascribed to ‘the unique circumstances in which organised criminals find themselves, as non-state actors that need access to both dark and light sides of the economy to survive’. This makes them ‘uniquely susceptible to the deprivation of access to resources that sanctions allow. The average trafficker wants to live in a big house in Miami. If you deny this ability, the activity loses its appeal’.<sup>87</sup>

The results were hailed as extending beyond the individual target. As stated by Donald Semesky, ‘this law has been tremendously effective in protecting the United States ... by allowing Federal law enforcement authorities to impact foreign Kingpin drug traffickers [who often] ... have insulated themselves from traditional law enforcement’.<sup>88</sup> Clear examples are offered. The

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80. Authors’ interview with former representative of government agency E, 17 December 2021.

81. Authors’ interview with representative of NGO B, 3 December 2021.

82. Vorrath, ‘If You Can’t Catch Them, Sanction Them?’.

83. Europol, ‘Serious and Organised Crime Threat Assessment 2021’.

84. Authors’ interview with representative of NGO D, 13 December 2021.

85. Authors’ interview with academic E, 15 December 2021.

86. Authors’ interview with former representative of government agency C, 16 December 2021.

87. *Ibid.*

88. US Committee on Foreign Affairs, ‘Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere’.

Treasury 2021 Sanctions Review cites as one of four examples of impact the freezing and seizing of billions of dollars from Colombia's Cali cartel, resulting in its complete dismantling.<sup>89</sup> In 2017, the US Committee on Foreign Affairs heard similar reference to this case of impact, as well as the dismantling of the Rosenthal family enterprise in Honduras, which laundered drug proceeds across Latin America.<sup>90</sup>

In illustrating success, others stress the complementarity seen with other tools. In the words of one interviewee, 'OFAC has become a large arrow in the DEA quiver'.<sup>91</sup> Echoing this, the Kingpin Act is cited as offering 'an effective law-enforcement tool, not just a sanctions tool', with reports of 'coordinated OFAC sanctions coupled with enforcement takedowns ... [having] become a major weapon in the DEA's ability to disrupt and dismantle major foreign drug trafficking organizations'.<sup>92</sup>

Here, the advantages of sanctions over conventional commodity-focused enforcement alone have been stressed. As noted by one interviewee, 'in general, there is not enough action on the enablers of organised crime. The current response of seizing drugs day-in day-out without tackling mechanisms that support the trade has proven ineffective. Sanctions, by contrast, strike at the very heart as an alternative tool capable of disruptive impact'.<sup>93</sup> Another interviewee praised sanctions as a crucial 'non-traditional disruption strategy. We are not impacting seriously on these issues through arrests and seizures. Criminals can replace powder more easily than money or assets'.<sup>94</sup>

Others stressed the practical advantages of sanctions in this regard. Some pointed to the bargaining chip offered to obtain information from criminal actors;<sup>95</sup> others cited the flexibility of their use in legal terms, including under IEEPA.<sup>96</sup> As observed by Alexandre Prezanti:

The key advantage ... is that sanctions are much easier to effect. Criminal cases targeting transnational crimes are notoriously complex, require a high evidential burden ... are time-consuming and tremendously costly. By contrast, sanctions require a much lower burden of proof, can be imposed at a fraction of the cost and are much quicker to implement.<sup>97</sup>

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89. US Treasury, 'The Treasury 2021 Sanctions Review'.

90. US Committee on Foreign Affairs, 'Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere'.

91. Authors' interview with former representative of government agency D, 16 December 2021.

92. US Committee on Foreign Affairs, 'Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere'.

93. Authors' interview with former representative of government agency A, 2 December 2021.

94. Authors' interview with former representative of government agency B, 8 December 2021.

95. Authors' interview with academic A, 18 November 2021.

96. Authors' interview with former representative of government agency C, 16 December 2021.

97. Prezanti, 'Sanctions'.

Yet, their use is not the solution in itself. Prezanti continues that ‘unlike criminal prosecutions, the punitive arsenal of sanctions is limited to asset freezes and immigration bans’.<sup>98</sup> As such, it is crucial to ensure that the two take place in parallel, without sanctions precluding longer-term criminal justice outcomes.<sup>99</sup> The Cali and Rosenthal cases are cited as examples of how this has been done successfully, with numerous sources describing the extent of coordination, prior to designation, between relevant US agencies.<sup>100</sup>

Others remain sceptical of what such sanctions can achieve. As cautioned by Eric Olsen:

Even if a designation leads to the arrest of an individual, or the shuttering of their business, ... the effects are temporary. There isn’t much evidence that overall drug trafficking ... has fallen as a result. Drug trafficking is a business based on supply and demand. To think of it solely as dependent on specific criminal actors, is to miss the underlying factors that drive the business.<sup>101</sup>

In this context, some dismissed the use of sanctions as ‘a reflex’, ‘performative’ and ‘more expressive than instrumental’ in hastening desired outcomes.<sup>102</sup> Other experts raised questions around due process for those being designated, with an increased reliance on sanctions, rather than criminal justice processes, to deter criminal activity raising a range of human rights issues.

Others focus on unintended consequences. Here, scholars such as Peter Andreas – whose focus was on the comprehensive sanctions regime applied to the former Yugoslavia – point to the contribution of wider targeted sanctions ‘to the criminalization of the state, economy, and civil society ... fostering a symbiosis between political leaders, organized crime, and transnational smuggling networks’.<sup>103</sup> This symbiosis can persist after sanctions are lifted: as one expert noted, ‘sanctions legacies appear as networks emerge to evade them that subsequently become criminal organisations. Once sanctions are in place and you learn to get around them, it’s a very lucrative career’.<sup>104</sup> While not specific to organised crime-focused sanctions, this raises the risk of aspects of sanctions undermining any possible disruption.<sup>105</sup>

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98. *Ibid.*

99. Cathy Haenlein, ‘Disrupting Serious and Organised Crime: What Role for UK Sanctions?’, RUSI Strategic Hub for Organised Crime Research, 18 December 2020; authors’ interview with representative of government agency B, 15 November 2021.

100. GAO, ‘Counternarcotics’; authors’ interview with representative of government agency B, 15 November 2021.

101. US Committee on Foreign Affairs, ‘Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere’.

102. Authors’ interview with academic E, 15 December 2021.

103. Andreas, ‘Criminalising Consequences of Sanctions’.

104. Authors’ interview with academic C, 26 November 2021.

105. Authors’ interview with representative of NGO D, 13 December 2021.

This shows the need to consider evasion tactics, given criminal networks' flexibility and potential to act more nimbly than other targets.<sup>106</sup> Accounting for such adaptation is crucial: in the words of one interviewee, 'One of the fallacies in the whole question of sanctions effectiveness is that we can capture this in a picture. It's always a movie – it's a dialectic between what you do, how they respond, and what you then do'.<sup>107</sup> For another, 'Effectiveness is specific to any one point in time – what may look effective now, a year later may prove otherwise'.<sup>108</sup>

These points speak to the fallibility of sanctions as a tool. As noted by Emanuele Ottolenghi, 'unless sanctions are constantly updated and vigorously enforced, target[s] ... can soon elude them and shrug off their effects'.<sup>109</sup> Sanctions may change behaviour, but not necessarily in the desired direction. Changes may be unpredictable and linked to targeting strategy. While targeting low-level actors can simply see them replaced, as noted by Olsen, 'top down, high-value target strategies ... often lead to fragmentation of criminal networks that metastasize, often forming new criminal groups or joining others'.<sup>110</sup>

As such, it is often unclear where in the criminal business model to strike. It is crucial to recognise that key links in the illicit trade chain likely remain insulated, where operations are cash-based and not reliant on the financial system.<sup>111</sup> Here, as noted by one expert, 'sanctions aren't the first lever to pull. This contrasts with sanctions such as global Magnitsky, where individuals are listed exactly because they are moving large sums of money across borders, raising the odds of success'.<sup>112</sup>

These complexities raise questions on how far adequate resourcing exists in key agencies. This concerns capacity for evaluation but also core capacity for the pre-designation work required, from target identification to assembly of evidentiary packages.<sup>113</sup> This reflects wider fears that growth in sanctions use across the board has not seen the resourcing uplift needed to administer

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106. Authors' interview with academic A, 18 November 2021; authors' interview with academic D, 14 December 2021. See US Treasury, 'The Treasury 2021 Sanctions Review', which points to innovations such as digital currencies and alternative payment platforms.

107. Authors' interview with academic A, 18 November 2021.

108. Authors' interview with representative of government agency F, 7 December 2021.

109. US Committee on Foreign Affairs, 'Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere'.

110. *Ibid.*

111. Authors' interview with representative of government agency B, 15 November 2021.

112. Authors' interview with former representative of government agency F, 20 December 2021.

113. Authors' interview with representative of government agency F, 7 December 2021; authors' interview with former representative of government agency D, 16 December 2021; US Committee on Foreign Affairs, 'Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere'.

them.<sup>114</sup> In the case of an agile organised crime threat, such infrastructural under-resourcing was flagged as a key risk to meaningful impact.<sup>115</sup>

Underlining such concerns is the importance of context specificity, with in-depth knowledge of the inner workings of highly localised political economies essential.<sup>116</sup> Without investment to develop this knowledge and calibrate sanctions use accordingly, it is hard to know where designations are likely to have coercive or constraining effect. As noted by one expert, 'Rather than a "go to" tool for all organised crime, sanctions are more likely to be effective for some crimes, in some locations, than others'.<sup>117</sup> This speaks to the importance of assessing ground-level experience in specific locations. It is to this exercise that the paper now turns, to assess the mechanics and impact of sanctions use in two country contexts.

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114. Joshua White, 'Congress Should Staff Up the Office of Foreign Assets Control', *Lawfare*, 11 March 2019; Andrew Desiderio, 'Trump Administration's "Nerve Center" for Sanctions Policy Is "Depleted" at the Worst Possible Time', *Daily Beast*, 8 May 2018. The 2021 Treasury Sanctions Review recognises the need to invest in the Treasury's sanctions workforce and operational capacities.

115. Authors' interview with representative of government agency F, 7 December 2021; authors' interview with former representative of government agency D, 16 December 2021.

116. Authors' interview with former representative of government agency E, 17 December 2021.

117. *Ibid.*



## III. Case Studies

**H**AVING REVIEWED CURRENT knowledge on the impact of organised crime-focused sanctions writ large, this chapter turns to experiences in Colombia and Libya. These countries were selected following a review of all countries in which designations have been made with the primary goal of countering organised criminality, under both organised crime-focused and wider regimes. The aim was not to conduct a comparative analysis, but to assess real-world experiences in two diverse cases of the use of organised crime-related sanctions. The two countries have diverse exposure to relevant sanctions, engagement with sanctions issuers and crime types.

### Organised Crime-Related Sanctions Use by the US in Colombia

Colombia is the country in which organised crime-related sanctions have had the longest use.<sup>118</sup> Dating back to the 1990s, the focus has been on drug trafficking. Indeed, it was directly in response to Colombian actors that the first narcotics-focused sanctions regime – SDNT – was created. Declaring a national emergency around the threat from Colombia-based traffickers, Executive Order 12978 established the ‘Clinton List’, on which Colombian cartel leaders and associates soon featured.<sup>119</sup>

In interview testimony and public official assessments, Colombia is a frequently cited example of ‘success’ of sanctions use in this area. Often cited is the sheer scale of past drug-focused sanctions use. Indeed, since the creation of SDNT in 1995, the authors identified at least 1,362 relevant Colombia-focused SDNT designations.<sup>120</sup> As of December 2021, 531 of these listings remain active, with the rest having been delisted.

This experience is complemented by other authorities, as the Kingpin Act was passed and listings under SDNTK began outnumbering those under SDNT. Under SDNTK, the authors identified 637 further Colombia-related designations, with 463 active as of December 2021.<sup>121</sup> Combined with the 531 active SDNT listings, one relevant designation under TCO and two re-listings under ILLICIT-DRUGS-EO,<sup>122</sup> this amounts to 997 Colombia-focused designations in place today.

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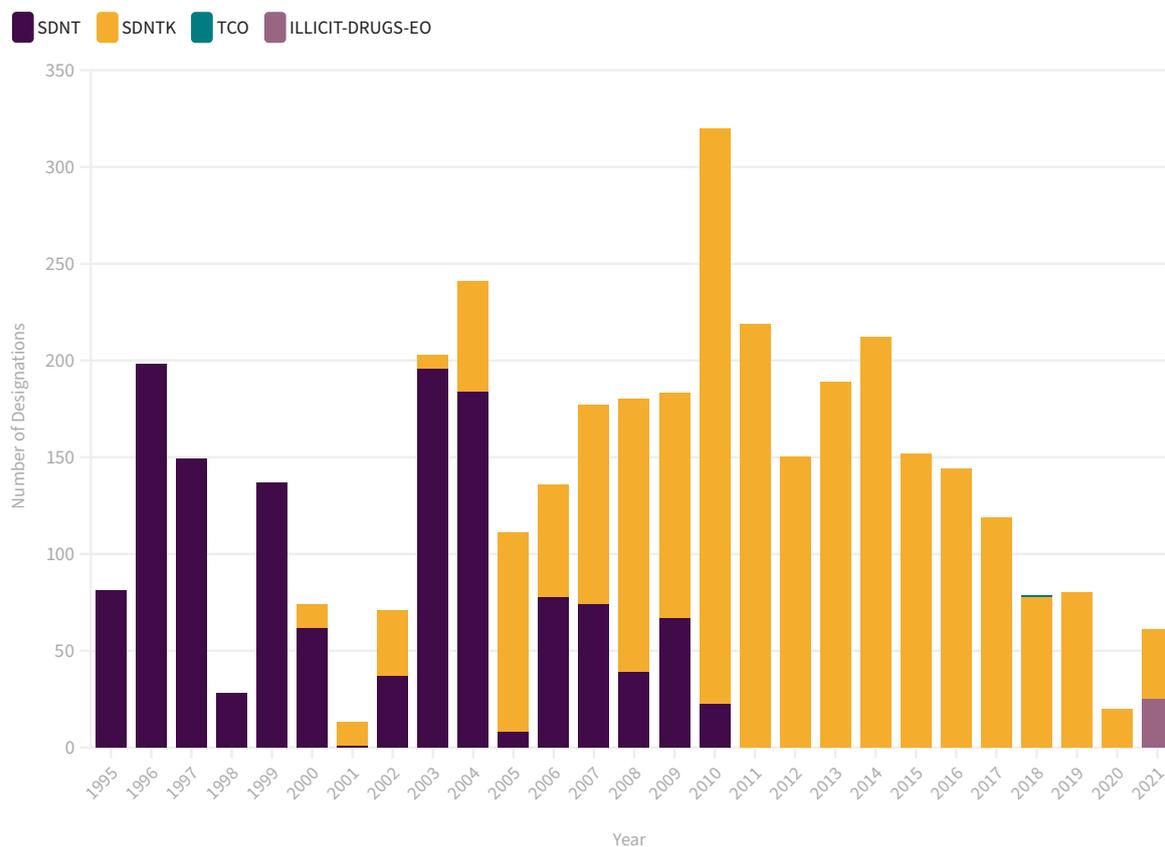
118. Data analysis conducted using SDNT, SDNTK, TCO and ILLICIT-DRUGS-EO lists using the OFAC Sanctions Search tool, federal registers and press releases.

119. US Government, ‘Executive Order 12978’.

120. Some press releases have been removed, producing an imperfect representation over SDNT’s lifespan. Data sourced from OFAC’s Sanctions Search List tool and press releases. Of these, over 95% target designees in Colombia and Colombian nationals; the remainder target associates elsewhere.

121. Of the 637 designations, 12 are Tier 1 and 625 are Tier 2 designations.

122. US Treasury, ‘Issuance of Executive Order Imposing Sanctions on Foreign Persons Involved in the Global Illicit Drug Trade; Counter Narcotics Designations and Designations Updates’, 15 December

**Figure 3:** Colombia-Focused Sanctions for Organised Criminal Activity (Active and Delisted)

Source: Data compiled for SDNT, SDNTK, TCO and ILLICIT-DRUGS-EO. For SDNT, in light of the removal of public information on some designations, press releases and statements, Figure 3 includes only SDNT data available online as of December 2021. US Treasury, 'Sanctions List Search'; US Treasury, 'Sanctions Pursuant to Executive Order 12978'; US Treasury, 'Sanctions Pursuant to the Foreign Narcotics Kingpin Designation Act'.

Despite a downward trend in new designations since 2010, the scale and longevity of organised crime-focused sanctions use is unmatched, with key successes flagged. Best known is the case of the Cali cartel leaders named in Executive Order 12978, notably Gilberto and Miguel Rodriguez Orejuela (Box 1). In 2008, then OFAC Director Adam Szubin cited the case as bringing 'into sharp relief the power of financial sanctions', hailing their 'unrelenting pressure' as the 'key cause of [the] agreements' reached.<sup>123</sup> Szubin continued: 'By combining the financial sanctions powers of the Treasury [with] ... law enforcement and criminal authorities ... we have crippled what was

2021, <<https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20211215>>, accessed 31 December 2021.

123. US Treasury, 'Prepared Remarks by Adam Szubin, Director Office of Foreign Assets Control', 26 September 2008, <<https://www.treasury.gov/press-center/press-releases/Pages/hp112.aspx>>, accessed 28 February 2022.

one of the most notorious ... drug cartels in the world'.<sup>124</sup> Here, the ability to isolate sanctions (on family members) as the driver of the brothers' decision to submit to US custody is viewed as a clear indicator of impact.<sup>125</sup>

**Box 1: Sanctions Use Against the Rodriguez Orejuela Brothers**

The Rodriguez Orejuela case is viewed as a historic example of sanctions' power to dismantle transnational trafficking operations. Leading the most powerful of the groups forming the Cali cartel, the brothers' business empire grew over the 1980s as they emerged as transport specialists moving cocaine to the US. Benefiting from the multinational counter-narcotics focus on the Medellín cartel, they oversaw a vast production, transportation, distribution and money-laundering operation, via a top-down command structure. Described by the DEA in 1994 as 'the most powerful international drug trafficking organization in history', ultimately, the scale of the enterprise emerged as its core vulnerability.

In June 1995, a landmark RICO indictment saw the Cali cartel charged with importing 200,000 kg of cocaine and laundering \$2 billion, with the brothers subsequently arrested. Later that year, in October, 32 associated individuals and 13 businesses were designated – including the Drogas La Rebaja drugstore chain. Over the next 11 years, OFAC identified assets across a business empire spanning 10 countries, with the listing of 246 front companies and at least 12 OFAC designations against the Rodriguez Orejuela organisation compounding their financial isolation. In 2004, Drogas La Rebaja was seized in 'the largest asset forfeiture operation in Colombian ... history'. Hundreds of other assets were seized, including 74 properties, the brothers' share in football team America de Cali and 17 companies. Following extradition to the US, the brothers pled guilty to all charges in September 2006, were sentenced to 30 years' imprisonment and agreed to forfeit up to \$2.1 billion in assets. Relatives agreed to divest themselves of all Rodriguez Orejuela entities – with compliance making them eligible for removal from the list. On the impact of sanctions, OFAC quoted one relative: 'What was suffered was more than what was enjoyed'. As noted by Semesky, the brothers 'waived extradition and turned themselves over to U.S. authorities for the sole purpose of removing their families from the OFAC designation list' – testament to sanctions' crippling effect in this case.

*Sources: US Treasury, 'Release of Impact Report on Economic Sanctions Against Colombian Drug Cartels', March 2007; US Department of Justice, 'The Cali Cartel: The New Kings of Cocaine', November 1994; US Treasury, 'Impact of Sanctions on the Rodriguez Orejuela Business Empire'; US Committee on Foreign Affairs, 'Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere', 8 November 2017.*

124. *Ibid.*

125. US Committee on Foreign Affairs, 'Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere'.

Multiple sources cite sanctions' disruptive impact in this and later cases. In a short time, awareness of the impact of featuring on the 'Clinton List' saw this referred to as *muerte civil* (civil death).<sup>126</sup> Quotes by traffickers reported by OFAC speak to the effects. As reported to Colombian TV by Umberto Rodriguez Mondragon, son of Gilberto Rodriguez Orejuela: 'U.S. pressure is reaching unexpected extremes. The largest international suppliers refuse to deal with us. The banks have closed down our accounts'.<sup>127</sup> For another, 'The list demonizes you in Colombia. The worst part is for the family. The banks simply close their doors to you'.<sup>128</sup> Other quotes speak to impact beyond SDNT principals, with the president of football team America de Cali cited in Colombian media lamenting: 'We have been several years without sponsorships ... we have more than one million dollars frozen that we won in ... sports competitions'.<sup>129</sup>

These quotes refer to the earliest instances of organised crime-related sanctions use against the Cali cartel. Further results have been observed as SDNT expanded in 1998 to target other groups emerging to fill the void. Up to 2007, OFAC's Impact Report describes the effects on groups such as the North Valle cartel, including extensive sanctions use against the latter's network of agricultural, aviation, mining, pharmaceutical, investment and retail enterprises (Box 2).<sup>130</sup>

**Box 2: Sanctions Use Against the North Valle Cartel**

Established as a loose confederation of trafficking families after the arrest of the Rodriguez Orejuela brothers, the North Valle cartel was assessed in 2007 to have exported over \$10 billion of cocaine to the US since 1990.<sup>131</sup> This led to a series of designations, prior to a US federal RICO indictment against the cartel's leaders in May 2004.

For example, the leader of the Henao Montoya organisation, Arcangel Henao Montoya, was designated as an SDNT principal in August 2000, alongside relatives and businesses. These listings led to the financial isolation of Henao Montoya's companies and included Colombian airline Intercontinental de Aviacion – later seized by authorities with its fleet of six airplanes, alongside over 100 properties. In September 2005, Henao Montoya pled guilty in the US to drug trafficking. In the assessment of OFAC, 'The Henao Montoya organization was seriously impaired as a result of ... sanctions, the arrest of Arcangel Henao Montoya, and the Colombian Government's subsequent seizure of assets and companies'.<sup>132</sup>

*Source: US Treasury, 'Release of Impact Report on Economic Sanctions Against Colombian Drug Cartels'.*

126. US Treasury, 'Prepared Remarks by Adam Szubin'.

127. US Treasury, 'Release of Impact Report on Economic Sanctions against Colombian Drug Cartels', p. 5.

128. *Ibid.*, p. 8.

129. *Ibid.*, p. 5.

130. *Ibid.*, p. 41.

131. *Ibid.*

132. *Ibid.*, p. 48.

Since 2007, no such detailed account exists of sanctions use or impact in Colombia. Yet, it is worth noting the ongoing focus on the country under SDNTK – despite the wider global focus permitted. This includes over 637 Colombia-related SDNTK listings, with 87 since 2016. This is equivalent to 18% of SDNTK listings since 2016, the third-highest in this period after Mexico and Panama. One expert cited the very creation of SDNTK as telling: ‘To have Congress pass a law [the Kingpin Act] modelling a global sanctions programme on [SDNT], ... which had only been around a few years is a strong illustration of impact’.<sup>133</sup>

The high SDNTK use rate reflects assessments of Colombian traffickers as posing a major ongoing threat to the US. This has endured even as the Colombian criminal landscape has seen a profound metamorphosis since the dismantling of the Medellín and Cali cartels. This saw Colombia’s cocaine market grow increasingly fragmented, with splinter groups evolving to specialise in key links in the chain.<sup>134</sup> In parallel, core players in Colombia’s internal conflict, from the Revolutionary Armed Forces of Colombia (FARC) to right-wing paramilitary groups, grew increasingly involved.<sup>135</sup> A key characteristic of the early 2000s was the fight for control of coca crops between these groups.<sup>136</sup> In 2006, the demobilisation of the paramilitary umbrella organisation, the United Self-Defense Forces of Colombia (AUC), saw a further proliferation of paramilitary splinter and right-wing trafficking groups, and the use of the term *bacrim* (bandas criminales) to describe them.<sup>137</sup>

The 2016 FARC peace deal hastened a further realignment of illicit actors.<sup>138</sup> With the FARC just one actor in a complex trafficking chain, hopes for the potential impact of the deal on the illicit market have not played out in practice.<sup>139</sup> Far from reducing the drug threat, the lack of state reach into key areas has seen new groups flourish, with dissident guerrilla fighters moving into new criminal ventures. Other groups reinforcing their presence since the FARC’s disbanding include the Clan del Golfo (also known as Los Urabeños). The most dominant *bacrim* to have emerged as heirs to the paramilitaries, the Clan del Golfo has sought to recruit dissidents and replace the FARC in key locations.<sup>140</sup>

The US approach to narco-sanctions use has evolved with this shifting landscape. Over the 2000s and 2010s, Kingpin Act sanctions have targeted a range of principals – linked to 24 trafficking networks – reflecting the country’s fragmented criminal economy.

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133. Authors’ interview with representative of government agency H, 7 January 2022.

134. McDermott, ‘The Changing Face of Colombian Organized Crime’.

135. John Otis, ‘The FARC and Colombia’s Illegal Drug Trade’, Wilson Center, November 2014.

136. McDermott, ‘The Changing Face of Colombian Organized Crime’.

137. *Ibid.*

138. Mar Romero Sala, ‘Drug Trafficking and Colombian “Peace”’, Global Americans, 8 May 2019.

139. *Ibid.*

140. Tristan Clavel, ‘Colombia’s Urabeños Recruiting Dissidents from FARC Peace Process’, Insight Crime, 26 January 2017.

While SDNTK listings in the 2000s focused on the FARC and the AUC, a broader cross-section has been seen since 2009. Examples include sanctions in 2009–10 on trafficker Daniel Rendon Herrera, 15 linked individuals and eight entities, including private security companies and car dealerships.<sup>141</sup> In another case, in 2018, the Rincon Castillo drug trafficking organisation was targeted, including leader Pedro Rincon Castillo, eight individuals and seven companies across the organisation's network of emerald mines and other businesses.<sup>142</sup> In 2021, OFAC sanctioned Zulma Maria Musso Torres, leader of a drug-trafficking network operating across Magdalena and La Guajira, three relatives and two entities.<sup>143</sup> The Clan del Golfo, for its part, was listed in May 2013, with associated designations in July 2014, November 2015 and December 2020.<sup>144</sup>

**Box 3:** Sanctions Use Against Pedro Claver Mejia Salazar and Fredy Alonso Mira Perez

In evidence to the House of Representatives in 2017, Donald Semesky cited OFAC's 2014 designation of Pedro Claver Mejia Salazar and his Medellín-based narcotics money-laundering network as an example of impact. This came alongside OFAC's listing of Fredy Alonso Mira Perez – a key player in criminal organisation La Oficina de Envigado – as well as 10 associated individuals and 14 entities. A coordinated sanctions–law enforcement effort, the OFAC listing was based on a DEA money-laundering investigation. As noted by Semesky, 'As a direct result of their OFAC designation, both Mejia Salazar and Mira Perez negotiated their voluntary surrender and extradition' to the US, with both pleading guilty to criminal charges.

*Sources: US Committee on Foreign Affairs, 'Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere'; US Treasury, 'Treasury Designates A Medellin, Colombia-Based Drug Money Laundering Network with Ties to La Oficina de Envigado and Ayman Saied Joumaa', 1 July 2014, <<https://www.treasury.gov/press-center/press-releases/Pages/jl250.aspx>>, accessed 27 January 2022; US Treasury, 'Treasury Designates Leaders of La Oficina De Evigado's Enforcement Operations', 16 September 2014, <<https://www.treasury.gov/press-center/press-releases/Pages/jl2635.aspx>>, accessed 27 January 2022.*

The authors could find no literature on the implementation or impact of these more recent listings. Many interviewees, however, were as positive about the results of the more recent listings as those of the 1990s. In the words of one: 'Sanctions remain a vital way to reach those

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141. US Treasury, 'Treasury Designates Key Associates of Colombian Drug Lord Daniel Rendon Herrera as Narcotics Traffickers', 18 March 2010, <<https://home.treasury.gov/news/press-releases/tg595>>, accessed 28 February 2022.
142. US Treasury, 'Treasury Sanctions Violent Colombian Cocaine Trafficking Organization', 5 June 2018, <<https://home.treasury.gov/news/press-releases/sm0403>>, accessed 28 February 2022.
143. US Treasury, 'Treasury Sanctions Significant Drug Trafficking Organization', 16 September 2021, <<https://home.treasury.gov/news/press-releases/jy0356>>, accessed 28 February 2022.
144. US Treasury, 'Treasury Sanctions Network for Assisting Colombia's Clan del Golfo Drug Trafficking Organization', 1 December 2020, <<https://home.treasury.gov/news/press-releases/sm1197>>, accessed 28 February 2022.

that we can't touch with criminal enforcement ... [and are still] used to devastating effect'.<sup>145</sup> As stated by another, 'Today, if you spend time in Colombia, you recognise sanctions' ongoing impact. "*Muerte civil*" – these are known terms, people are afraid, which is crucial to these efforts working'.<sup>146</sup> Another affirmed, 'In any part of Bogota today, it's understood that the US will blacklist you for working in an incorrect way'.<sup>147</sup>

From the 1990s to today, a range of factors are cited in relation to this perceived success. Many cite wider US strategic engagement, with counter-narcotics policy the defining issue in US–Colombian relations since the 1990s. The US backing of the Colombian-owned counter-narcotics and counter-insurgency strategy 'Plan Colombia' – the largest bilateral aid programme in the hemisphere – and successors Plans Patriota and Consolidation has been important in this regard.<sup>148</sup> With Congress appropriating over \$10 billion to support these programmes, the aim was to systematically target links in the supply chain from coca farmers to traffickers.

Despite doubts over the effect of these initiatives,<sup>149</sup> it is clear that sanctions have been used within a much broader response to the threat. This has come with extensive foreign assistance – in counter-narcotics as well as wider security and development issues.<sup>150</sup> In terms of sanctions, Colombia is one of just two states with permanently assigned OFAC officials in country. The unmatched scale of this investment was cited as key to sanctions' success in this framework.<sup>151</sup>

Another important factor is the strength of the counter-narcotics partnership with Colombia. OFAC officials have 'credited host government information sharing as a primary factor in OFAC's ability to complete evidentiary packages ... and a reason why OFAC has been able to ... designate more individuals and entities in Colombia than in other countries'.<sup>152</sup> This allows listings to be timed strategically with domestic civil and criminal actions, maximising effect on the target.<sup>153</sup> As noted by Semesky, 'The most success occurs when a foreign country follows the OFAC designation with economic sanctions and criminal investigations of its own. Colombia is the best example of this ... any entity placed on the list is completely shut out from the country's financial system'.<sup>154</sup>

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145. Authors' interview with former representative of government agency D, 16 December 2021.

146. Authors' interview with former representative of government agency C, 16 December 2021.

147. Authors' interview with former representative of government agency E, 17 December 2021.

148. June S Beittel and Liana W Rosen, 'Colombia's Changing Approach to Drug Policy', Congressional Research Service, 30 November 2017.

149. Soren Nerys, 'New Report Exposes Plan Colombia as a Failure, Fails to Mention Links to Paramilitaries', *Diaspora Tribune*, 8 December 2020.

150. Beittel and Rosen, 'Colombia's Changing Approach to Drug Policy'.

151. US Committee on Foreign Affairs, 'Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere'.

152. GAO, 'Counternarcotics'.

153. *Ibid.*

154. US Committee on Foreign Affairs, 'Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere'.

Key to this cooperation is the perceived extent of the security threat to Colombia. Dating to Pablo Escobar's 1989 declaration of 'total war' on the state,<sup>155</sup> drug trafficking has been seen in Colombia as 'a national enemy – the most prominent security threat'.<sup>156</sup> As observed by another interviewee:

The reason the stars aligned in Colombia is linked to domestic authorities' inability to touch the key players, epitomised by the cartel-influenced constitutional change banning extradition in 1991. This prompted the government to look for inventive new means of disruption. The creation of [SDNT as] the first thematic regime was linked to these unique factors, with the Colombians welcoming of these measures.<sup>157</sup>

Today, US–Colombian cooperation remains strong, with daily interaction via OFAC's presence in Bogota allowing actions of mutual interest.<sup>158</sup> Underpinning this is what one expert described as Colombia's 'proactive Western democracy approach to crime control'.<sup>159</sup> Such ongoing complementarity is hailed as ensuring a 'constant positive feedback loop between US sanctions and enforcement tools and those of domestic agencies'.<sup>160</sup>

Yet, some experts were skeptical of sanctions' ongoing utility today. Some cite Colombia's continued status as the world's top cocaine producer, with production reaching record highs in 2020.<sup>161</sup> While not attributable to the failure of any one tool, this highlights a wider failure to reduce the threat posed. This is linked by some to a neglect of related development issues. As stated by one interviewee, 'the socio-economic problems that drive coca growing have never been addressed'.<sup>162</sup>

Some interviewees stressed the limited reach of some criminal organisations at the source of the modern Colombian narcotics supply chain. Today, far from integrating procurement, processing, delivery and retailing in consumer markets, many groups are smaller, based in remote rural areas and cut off from the financial system. This differs from previous decades dominated by 'vertically integrated, hierarchical organizations ... able to manage, in a centralized manner, all the different links in the drug chain'.<sup>163</sup> Many agree that the latter were easier to target, their centralisation breeding vulnerability through investment in ostensibly legitimate assets:

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155. *Deseret News*, 'Drug Cartel Declares War in Colombia', 24 August 1989, <<https://www.deseret.com/1989/8/24/18820966/drug-cartel-declares-war-in-colombia>>, accessed 28 February 2022.

156. Authors' interview with representative of government agency E, 7 December 2021.

157. Authors' interview with representative of government agency H, 7 January 2022.

158. *Ibid.*

159. Authors' interview with former representative of government agency E, 17 December 2021.

160. *Ibid.*; authors' interview with representative of government agency H, 7 January 2022.

161. UNODC, 'Colombia: Monitoreo de territorios afectados por cultivos ilícitos 2020' ['Colombia: Monitoring of Territories Affected by Illicit Cultivation 2020'], July 2021.

162. Authors' interview with representative of NGO B, 3 December 2021.

163. McDermott, 'The Changing Face of Colombian Organized Crime'; US Treasury, 'Release of Impact Report on Economic Sanctions Against Colombian Drug Cartels'.

It is not a dollarised economy in the jungle. Sanctions have a place along the chain, but how do you apply sanctions at a nexus point in the jungle? Sanctions have an impact where organised crime intersects with the financial system. But a swathe of Colombia's criminal actors today don't have this access; for them, sanctions won't make a mark.<sup>164</sup>

Ultimately, a lack of research and access to OFAC data on circumstances around delistings limits this analysis of modern sanctions use in Colombia. While much anecdotal evidence exists, particularly on historic cases, an in-depth, comprehensive study of recent sanctions use in Colombia is required.

## Organised Crime-Related Sanctions Use in Libya

Libya has recent but more limited experience of organised crime-related sanctions. This is despite a broader history of sanctions exposure dating to the 1980s – a brief overview of which is offered as background to listings linked to organised criminality.

Libya was first exposed to US sanctions in the 1980s, with import and export bans reinforced by a comprehensive embargo in 1986 and the declaration of a national emergency by the US, following state-sponsored terrorist attacks in Rome and Vienna.<sup>165</sup> UN sanctions followed in 1992, with UN Security Council Resolution (UNSCR) 748 passed after Libya's suspected involvement in the downing of PanAm 103 over Lockerbie.<sup>166</sup> In the formulation of the Graduate Institute, Geneva, there were three UN sanctions 'episodes'<sup>167</sup> before sanctions ended in 2003 when Libya handed in suspects and renounced terrorism.<sup>168</sup> US sanctions were dropped in 2004, with the ending of the national emergency relating to Libya and the country's surrender of WMD material.<sup>169</sup>

In 2011, sanctions were reimposed with Qadhafi's crackdown on the Arab uprisings. This marked the start of the current UN regime, which has evolved with Libya's shifting conflict landscape. UNSCR 1970 in 2011 saw the imposition of an arms embargo, targeted financial sanctions and travel bans on the Qadhafi leadership and family, with a Security Council Sanctions Committee established to oversee relevant measures.<sup>170</sup> With successive phases of conflict post-Qadhafi,

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164. Authors' interview with former representative of government agency E, 17 December 2021.

165. Richard Nephew, 'Libya: Sanctions Removal Done Right? A Review of the Libyan Sanctions Experience, 1980–2006', Columbia Center on Global Energy Policy, March 2018.

166. UN SanctionsApp, 'Libya I', <<https://unsanctionsapp.com/cases/libya-i>>, accessed 15 January 2022.

167. UN SanctionsApp, 'User Guide', <<https://unsanctionsapp.com/pages/cases-and-episodes-guide>>, accessed 15 January 2022. Each UN sanctions regime is viewed as a separate 'case', with 'episodes' understood as 'specific, distinguishable periods within a case ... defined principally by change in the nature of the sanction regime – in terms of type..., target ... [and] purpose of sanctions, or significant change in enforcement'.

168. UNSC, 'Resolution 1506 (2003)', 12 December 2003.

169. Nephew, 'Libya'.

170. UNSC, 'Security Council Committee Established Pursuant to Resolution 1970 (2011) Concerning Libya'.

further resolutions have created four distinct UN sanctions ‘episodes’.<sup>171</sup> These have involved travel bans, asset freezes, arms embargos, and sanctions linked to commodities, the transport and financial sectors.<sup>172</sup>

Since 2011, these measures have been used with the goal of advancing peace, stability and national reconciliation in Libya. This has included support to cease hostilities, agreement negotiation, peacebuilding, democracy support and protection of human rights.<sup>173</sup> In pursuit of this, the regime has permitted sanctions linked to organised crime, where this is identified as funding conflict actors or threatening human rights. Specifically, this has enabled listings in two key areas: the first relating to fuel smuggling, the second to migrant smuggling and human trafficking.

UN sanctions on actors engaged in fuel smuggling are enabled by UNSCR 2146. This extended the Sanctions Committee’s mandate in 2014 to attempts to illegally export crude oil from Libya. Listing criteria under subsequent UNSCRs (2174 and 2213) reference those ‘providing support for armed groups or criminal networks through the illicit exploitation of crude oil or any other natural resources in Libya’.<sup>174</sup> These measures were extended to refined petroleum exports in 2017 under UNSCR 2362.<sup>175</sup>

UN listings linked to migrant smuggling and human trafficking are enabled by UNSCR 2240 (2015). This saw the Security Council ‘condemn acts of migrant smuggling and human trafficking into, through and from the Libyan territory ... which undermine further the stabilisation of Libya and endanger the lives of thousands of people’.<sup>176</sup> Relevant listings have invoked criteria on human rights under earlier resolutions (1970, 2174 and 2213).<sup>177</sup> As such, sanctions in this area are enabled by wider listing criteria, rather than any extension of criteria to refer to these crimes specifically.

Since 2018, sanctions have been used in relation to migrant smuggling, human trafficking and fuel smuggling. They have also been used unilaterally, under the US country regime created by Executive Order 13566 and the EU regime created with Council Decision 2011/137/CFSP concerning restrictive measures in view of the situation in Libya.<sup>178</sup> Australia also has an

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171. UN SanctionsApp, ‘Libya II’, <<https://unsanctionsapp.com/cases/libya-ii>>, accessed 15 January 2022.

172. *Ibid.*

173. *Ibid.*

174. UNSC, ‘Security Council Committee Established Pursuant to Resolution 1970 (2011) Concerning Libya’.

175. *Ibid.*

176. UN Security Council, ‘Resolution 2240 (2015)’, 9 October 2015.

177. UN SanctionsApp, ‘Libya II – EP 4’, <<https://unsanctionsapp.com/cases/libya-ii/episodes/libya2-ep-4>>, accessed 15 January 2022.

178. White House, ‘Executive Order 13566 – Libya’, 25 February 2011; *Official Journal of the European Union*, ‘Council Decision 2011/137/CFSP of 28 February 2011 Concerning Restrictive Measures in View of the Situation in Libya’, 3 March 2011, <<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011D0137&from=EN>>, accessed 20 January 2022.

autonomous sanctions regime which targets Libya, extending UN sanctions which have been transposed domestically to include further restrictions on assets and travel.<sup>179</sup>

In terms of fuel smuggling, in February 2018, OFAC listed six individuals, linked entities and vessels for ‘threatening the peace, security, or stability of Libya through the illicit production, refining, brokering, sale, purchase, or export of Libyan oil’ (see Box 4).<sup>180</sup> In September 2018, the UN and the US listed Ibrahim Jadhraan for his role in militia attacks on oil installations, citing a 2014 attempt to illegally export crude oil on the vessel *Morning Glory*.<sup>181</sup> In August 2020, alongside two associates, a company and the vessel *Maraya*, OFAC listed Faysal Al-Wadi for working ‘with a network ... in North Africa and southern Europe to smuggle fuel from, and illicit drugs through, Libya to Malta’.<sup>182</sup>

**Box 4:** Sanctions Against Malta-Based Network Smuggling Libyan Oil

In February 2018, OFAC listed former Malta national footballer Darren Debono, Gordon Debono, Rodrick Grech, Fahmi Ben Khalifa, Ahmed Ibrahim Hassan Ahmed Arafa and Terence Micallef for their role in smuggling petroleum products from Libya to Malta and Italy. Libyan national Ben Khalifa was accused of managing the Libya side of the transnational operation, which reportedly earned over €30 million for the Malta-based smuggling network. Grech was reported to oversee the transport of Libyan fuel to EU ports using falsified certificates. Sanctions were also imposed on seven vessels, 21 companies owned or controlled by Darren and Gordon Debono, and three companies for their role in ‘illicit exploitation of crude oil or any other natural resources in Libya’. Civil society initiative The Daphne Project has accused Maltese authorities of failing to address the trafficking of Libyan oil – reported to cost Libya up to \$1 billion annually in lost revenue.

*Sources: US Treasury, ‘Treasury Sanctions International Network Smuggling Oil from Libya to Europe’, 26 February 2018; Stephanie Kirchgaessner et al., ‘Malta “Fuelling Libya Instability” by Failing to Tackle Oil Smuggling’, The Guardian, 9 May 2018.*

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179. Australian Government Department of Foreign Affairs and Trade, ‘Libya Sanctions Regime’, <<https://www.dfat.gov.au/international-relations/security/sanctions/sanctions-regimes/libya-sanctions-regime>>, accessed 26 January 2022.
180. US Treasury, ‘Treasury Sanctions International Network Smuggling Oil from Libya to Europe’, 26 February 2018, <<https://home.treasury.gov/news/press-releases/sm0298>>, accessed 28 February 2022.
181. UN, ‘Security Council Committee Concerning Libya Adds Name to Its Sanctions List’, 11 September 2018, <<https://www.un.org/press/en/2018/sc13497.doc.htm>>, accessed 20 January 2022; US Treasury, ‘Treasury Sanctions Militia Leader Responsible for Multiple Attacks on Libyan Oil Facilities’, 12 September 2018, <<https://home.treasury.gov/news/press-releases/sm477>>, accessed 28 February 2022.
182. US Treasury, ‘Treasury Sanctions Criminal Network Threatening the Stability and Security of Libya’, 6 August 2020, <<https://home.treasury.gov/news/press-releases/sm1083>>, accessed 28 February 2022.

Other examples include the June 2018 UN listing of six individuals for migrant smuggling and human trafficking (see Table 2). As the first time UN sanctions had targeted leading perpetrators of these activities, this action received extensive coverage.<sup>183</sup> As noted by the UN, these ‘unprecedented sanctions ... follow[ed] widespread international outrage ... [at] pictures of migrants being auctioned off in a modern-day slave market’ in Tripoli.<sup>184</sup> This came amidst ongoing EU concern over irregular migration, with Libya a major migrant smuggling conduit post Qadhafi.<sup>185</sup>

**Table 2:** Designation of Six Individuals for Migrant Smuggling and Human Trafficking, June 2018

Name	Nationality	Role as Described by the UN Sanctions Committee on Libya
Mus’ab Abu-Quarin	Libyan	Described as ‘a central actor in human trafficking and migrant smuggling activities’, whose network covers ‘Libya, European destinations, [and] sub-Saharan countries’.
Mohammed Kachlaf	Libyan	Described as head of a militia in the coastal city of Zawiya, which controls an oil refinery acting as a ‘central hub of migrant smuggling operations’.
Abd Al Rahman Al-Milad	Libyan	Described as head of the regional coastguard unit in Zawiya, ‘consistently linked with violence against migrants and other human smugglers’.
Ermias Ghermay	Eritrean	Described as the ‘leader of a transnational network responsible for trafficking and smuggling tens of thousands of migrants’ and ‘one of the most important sub-Saharan actors in trafficking’.
Fitiwi Abdelrazak	Eritrean	Described as ‘one of the top-level actors responsible for the exploitation and abuse of a large number of migrants in Libya’, and as having accumulated ‘immense wealth’ through people trafficking.
Ahmad Oumar Al-Dabbashi	Libyan	Described as a ‘significant leader in illicit activities related to the trafficking of migrants’ and commander of the Anas al-Dabbashi militia, which ‘cultivate relationships with terrorist ... groups’.

Source: UN, ‘As Security Council Imposes Sanctions on Six Human Traffickers in Libya, UN Chief Calls for More Accountability’, 8 June 2018, <<https://news.un.org/en/story/2018/06/1011751>>, accessed 28 February 2022.

Sanctions used in this case include a global travel ban and asset freezes. Then US envoy to the UN Nikki Haley hailed the listings as ‘send[ing] a strong message that the international

183. BBC News, ‘UN Sanctions for People Traffickers in Libya in Global First’, 8 June 2018.

184. UN, ‘As Security Council Imposes Sanctions on Six Human Traffickers in Libya, UN Chief Calls for More Accountability’, 8 June 2018, <<https://news.un.org/en/story/2018/06/1011751>>, accessed 28 February 2022; Nima Elbagir et al., ‘People for Sale: Where Lives Are Auctioned for \$400’, CNN, 14 November 2017.

185. Europol, ‘EMSC 3<sup>rd</sup> Annual Activity Report – 2018’, updated 6 December 2021.

community is united in seeking accountability for perpetrators'.<sup>186</sup> UN action was swiftly echoed unilaterally: OFAC listed the six individuals pursuant to Executive Order 13726, with the EU adding them to Annex II to Regulation (EU) 2016/44.<sup>187</sup> More recently, in October 2021, Osama Al-Kuni was listed for alleged abuses as manager of the Al Nasr detention centre and his role 'acting for or on behalf of or at the direction of two listed individuals intrinsically linked to the human trafficking activities of ... Kashlaf ... and al Milad'.<sup>188</sup> Also listed unilaterally, Al-Kuni was described by OFAC as 'a migrant smuggling kingpin ... responsible for the systematic exploitation of African migrants'.<sup>189</sup> This followed the naming of Al-Kuni in connection with human trafficking allegations in the 2019 UN Panel of Experts report.<sup>190</sup>

Across these listings, the authors could find no in-depth analysis or evaluation of implementation or impact. This is striking given the publicity around the six June 2018 listings in particular. The UN Sanctions App has assessed the record of UN sanctions in Libya as a whole.<sup>191</sup> Under the current regime, it judges the first two 'episodes' (February–September 2011) as having 'mixed' effectiveness; the latest two (September 2011–present) are judged 'ineffective'.<sup>192</sup> This is supported by the UN Panel of Experts on Libya's 2021 assessment of the wider UN arms embargo as 'totally ineffective', and of asset freezes and travel bans as 'ineffective'.<sup>193</sup>

Yet, no analysis exists of impact linked to organised crime-focused listings specifically. Here, absent key literature, interviewees offered crucial perspectives. Some described organised crime-focused UN sanctions in Libya as a theoretically potent tool.<sup>194</sup> This was ascribed to their multilateral and legally binding status (under Chapter VII of the UN Charter) – offering greater

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186. *BBC News*, 'UN Sanctions for People Traffickers in Libya in Global First'.

187. US Treasury, 'Treasury Sanctions Six Migrant Smugglers for Threatening Libya's Peace, Security, or Stability', 11 June 2018, <<https://home.treasury.gov/news/press-releases/sm0409>>, accessed 28 February 2022; *Official Journal of the European Union*, 'Regulations: Council Implementing Regulation (EU) 2018/870 of 14 June 2018 Implementing Article 21(1) of Regulation (EU) 2016/44 Concerning Restrictive Measures in View of the Situation in Libya' (Vol. 61, 15 June 2018).

188. Interpol, 'Al Kuni Ibrahim, Osama', <<https://www.interpol.int/en/How-we-work/Notices/View-UN-Notices-Individuals#2021-69573>>, accessed 20 January 2022.

189. US Treasury, 'Treasury Sanctions Libyan Individual for Serious Human Rights Abuse of African Migrants', 26 October 2021, <<https://home.treasury.gov/news/press-releases/jy0437>>, accessed 28 February 2022.

190. UNSC, 'Final Report of the Panel of Experts on Libya Established Pursuant to Security Council Resolution 1973 (2011)', S/2019/914, 9 December 2019.

191. UN SanctionsApp, 'Libya II'.

192. *Ibid.*

193. UNSC, 'Final Report of the Panel of Experts on Libya Established Pursuant to Security Council Resolution 1973 (2011)', S/2021/229, 8 March 2021.

194. Authors' interview with academic C, 26 November 2021.

potential impact than those of a single state.<sup>195</sup> With all member states obliged to enforce them, and with key listings supplemented unilaterally, this was cited as a potentially powerful response.

In practice, implementation of Libya-focused sanctions has been patchy across member states.<sup>196</sup> This includes varying cooperation by the Libyan state itself. As noted previously, this is a crucial issue, with effective sanctions use to disrupt organised crime requiring strong law enforcement cooperation with host authorities, including carefully timed ground-level criminal investigative action.<sup>197</sup> In Libya, however, scope for such coordinated action appears highly limited given the current political divisions within the country (between two rival claimants of sovereign authority in the country).

Here, interviewees questioned the functionality of the Libyan state itself. Indeed, chronic political instability and insecurity post-Qadhafi cast doubt on Libya's ability to enforce the sanctions imposed. Since 2011, the failure to form a united government nationwide has seen the country split between an administration in Tripoli – the UN-brokered Government of National Accord (GNA) from 2015 – and a rival regime in the east, backed by Libyan National Army leader Khalifa Haftar. While a Government of National Unity came into force in March 2021, competing power bases persist. Challenged by other armed groups and backed by diverse foreign forces, with support from permanent members of the UN Security Council, this landscape of competing factions offers a splintered institutional framework un conducive to effective sanctions use.<sup>198</sup>

Meanwhile, economic divisions – including the division of the Libyan central bank into eastern and western branches since 2014 – further undermine sanctions use.<sup>199</sup> As noted by one interviewee: 'While sanctions began under Qadhafi, by 2014 the situation was one of conflict between two regimes. Libya today has two governments, two central banks. Such combinations of duplications do not favour effective sanctions use'.<sup>200</sup>

This situation has crucial implications for domestic criminal intelligence and investigative capacity, weak and undermined as this is by pervasive corruption. One interviewee stated: 'There is no meaningful mechanism for arrest or functional criminal justice system. Where arrest warrants have been issued for designees, these are meaningless given the levels of corruption seen. Even if there were functional mechanisms at local level, corruption would render these irrelevant'.<sup>201</sup>

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195. See UNSC, 'Article 41 – Measures Not Involving the Use of Armed Force', <<https://www.un.org/securitycouncil/content/repertoire/actions#rel3>>, accessed 18 January 2022.

196. UNSC, S/2021/229.

197. US Committee on Foreign Affairs, 'Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere'.

198. Authors' interview with academic C, 26 November 2021; UNSC, S/2021/229.

199. Michelle Nichols, 'U.N. Warns Libya's Banking System at Risk of Collapse', *Reuters*, 16 July 2021.

200. Authors' interview with academic C, 26 November 2021.

201. Authors' interview with independent expert A, 25 November 2021.

In a small number of cases, relevant action has been seen. A notable case concerns the October 2020 arrest of Al-Milad – head of the regional coastguard unit in Zawiya, listed for migrant smuggling and human trafficking in 2018.<sup>202</sup> Arrested by the GNA interior ministry, Al-Milad is also named by the Panel of Experts as an ‘important collaborator’ in fuel-smuggling activity.<sup>203</sup> The arrest was welcomed as the first for human trafficking of a senior figure in the Libyan coastguard.<sup>204</sup>

However, only months later, Al-Milad was released over a reported ‘lack of evidence’.<sup>205</sup> While in detention, Libyan authorities were cited as promoting Al-Milad for his role in repelling a key offensive on Tripoli by rival forces.<sup>206</sup> Amnesty International described the release as highlighting a ‘climate of blanket impunity’ around these crimes.<sup>207</sup> The NGO continued that despite ‘overwhelming evidence of ... unlawful behaviour by Libyan coastguards and past reports of collusion ... with trafficking and smuggling rings, no effective investigations, let alone criminal prosecutions ... have taken place’.<sup>208</sup>

This hints, in the words of Vorrath, at the ‘entanglement of human trafficking and smuggling in the political economy of conflict’.<sup>209</sup> Indeed, the power of armed groups is known to make it hard for smugglers to act without their buy-in. One expert noted that ‘In Libya, the political side is closely tied to organised crime, with conflict parties playing a crucial role’.<sup>210</sup> As agreed by Mark Micallef, ‘The rules of supply and demand cannot be applied directly to ... human smuggling and trafficking in Libya ... because access to protection is what ultimately guarantees a network’s position’.<sup>211</sup>

While the dynamics of armed group involvement are fluid, the Panel of Experts has consistently cited migrant smuggling and human trafficking as financing conflict actors.<sup>212</sup> In this context,

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202. The Libyan Coast Guard is funded and trained by the EU, with the aim of stemming migration across the Mediterranean to Europe. This adds to the EU’s challenge of addressing migration while sufficiently implementing sanctions regimes targeting an administration which receives EU funding.

203. UNSC, ‘Final Report of the Panel of Experts on Libya Established Pursuant to Resolution 1973 (2011)’, 1 June 2017, S/2017/466, p. 61.

204. *BBC News*, ‘Libya Detains Notorious People Smuggler Abd al-Rahman al-Milad’, 15 October 2020.

205. Lorenzo Tondo, ‘Libya Releases Man Described as One of World’s Most Wanted Human Traffickers’, *The Guardian*, 13 April 2021.

206. Samy Magdy, ‘Libyan Officials Say UN-Sanctioned Human Trafficker Freed’, *AP*, 12 April 2021.

207. Amnesty International, ‘“No One Will Look for You”: Forcibly Returned from Sea to Abusive Detention in Libya’, 15 July 2021.

208. *Ibid.*

209. Vorrath, ‘If You Can’t Catch Them, Sanction Them?’.

210. Authors’ interview with independent expert C, 13 December 2021.

211. Mark Micallef, ‘The Human Conveyor Belt: Trends in Human Trafficking and Smuggling in Post-Revolution Libya’, GITOC, March 2017.

212. UNSC, ‘Final Report of the Panel of Experts on Libya Established Pursuant to Resolution 1973 (2011)’, 5 September 2018, S/2018/812.

the political embeddedness of criminal actors and influence of wider internal security logics are held to undermine sanctions impact. This highlights what one expert described as the ‘inherent political sensitivity’ of this type of sanction in Libya: ‘If you pursue a certain organised criminal, there may be political arrangements around them that mean this will be read in a certain way. With organised crime this can be challenging: the interpretation of who is a state versus non-state actor has political and security repercussions’.<sup>213</sup>

One such repercussion concerns authorities’ political will to enforce designations. While the June 2018 sanctions saw consent from Tripoli, in practice the will to enforce may vary. One expert pointed to designees’ proximity to sources of power as key to listings’ outcomes: ‘It all depends on the person’s political connectivity. If they’re in a disempowered position relative to those in office, sanctions are more likely to have impact. In Libya, you just need the connections to get a second passport – a sanction can be implemented, but there’s no way of ensuring the person will face consequences’.<sup>214</sup>

Here, one interviewee contrasted the ‘relative lack of leverage’ of Al-Dabbashi with the power afforded to Kachlaf by family networks, control over port facilities and oil refinery infrastructure.<sup>215</sup> Beyond such anecdotes, however, little evidence exists on the impact suffered by these or other designees. While the 2020 OFAC listing of Al-Wadi for fuel smuggling saw him complain to Libyan media of ‘suffering a life of misery’, little similar testimony exists.<sup>216</sup>

Instead, examples exist of designees operating unimpeded. The Panel of Experts points to designated smugglers as ‘highly visible’ in a 2020 GNA offensive against Haftar-affiliated forces in Sabratha and Surman (in which human rights abuse was reported).<sup>217</sup> An online video showed Al-Milad joining the operation; Al-Fitouri declared his cooperation with the GNA in another video; and photos of Kachlaf appeared online.<sup>218</sup> While not evidence of engagement in the original proscribed activity, the Panel notes: ‘the high visibility of the UN-designated smugglers ... despite an active arrest warrant issued against them by the AGO, raises concerns about the ... expansion of human and fuel smuggling networks on Libya’s western coast’.<sup>219</sup>

Beyond individuals, this raises further questions on the impact on the wider illicit market. Here, the small number of organised crime-focused listings was cited as a critical factor.<sup>220</sup> This links to the fact that organised crime is not the core focus of the UN (or any other) regime in Libya. As noted by one expert, the relevant listings amounted to ‘bringing the issue in through the back

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213. Authors’ interview with representative of NGO D, 13 December 2021.

214. Authors’ interview with independent expert A, 25 November 2021.

215. *Ibid.*

216. *Tabadul*, ‘Faysal Al-Wadi: “We Are Suffering a Life of Misery”’, 10 August 2020, <<https://tabadul.tv/en/faysal-al-wadi-we-are-suffering-a-life-of-misery/>>, accessed 28 February 2022.

217. UNSC, S/2021/229.

218. *Ibid.*

219. *Ibid.*

220. Authors’ interview with representative of NGO F, 21 January 2022.

door. The UN is not targeting organised crime as a phenomenon. The Libya regime's mandate is peace and security, not to dismantle human trafficking. These are secondary sanctions: though plugging into a high-profile EU agenda, organised crime sanctions in Libya distract from the regime's main focus'.<sup>221</sup>

This is viewed as limiting the scope and outcome of organised crime-focused sanctions use in this case. The perceived result is the failure to reach a 'critical mass' of listings capable of disruptive or deterrent effect. Given the small number of designations, meanwhile, others have asked whether the 'right' individuals were targeted. Regarding fuel smuggling, Al-Wadi complained to Libyan media: 'They left the real criminals and followed us ... there is no clean zone in Libya'.<sup>222</sup> Co-designee Musbah Mohamad M Wadi has also proclaimed his innocence.<sup>223</sup>

For the June 2018 listings, Micaleff cites Al-Dabbashi, Kachlaf and Abu-Quarin as 'among the biggest kingpins in the Libyan West Coast's vast black market' and 'appropriate targets for sanction'. Yet, he argues that Al-Milad's profile is 'nowhere near the scale of the others' – with implications for likely impact.<sup>224</sup> Micaleff continues: 'For targeted actions to have a lasting effect they must be leveled in a justifiable manner ... seen to be even-handed by players on the ground'.<sup>225</sup> A failure to do so, he argues, limits scope for behavioural change, 'tilting the risk-equation' such that 'there is everything to lose and nothing to gain'.<sup>226</sup> Whether for this or other reasons, few examples of resultant behavioural change exist with regard to these sanctions, with a lack of delistings hinting further at lack of effect.

Meanwhile, the illicit economies in question continue to function freely. In 2021, the Panel of Experts noted that key actors 'have continued their efforts to illicitly export crude oil and to import aviation fuel'.<sup>227</sup> It went on to state that 'Libya remains a transit and destination country for migrants ... [with] widespread occurrences of trafficking. ... Most networks previously identified by the Panel continue to operate through [key] hubs'.<sup>228</sup> This points to the resilience of these criminal economies. As noted by one interviewee: 'Organised criminality is too complex – there's no one instrument that can effectively target it. A comprehensive set of tools is needed, beyond the symptoms, that address the relevant push and pull factors, and links between supply and demand. With Libya a complex theatre in this sense, sanctions alone cannot make a dent'.<sup>229</sup>

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221. Authors' interview with academic C, 26 November 2021.

222. *Tabadul*, 'Faysal Al-Wadi'.

223. *Tabadul*, 'Musbah Wadi Says He Is Innocent of Oil and Drug Smuggling', 10 August 2020, <<https://tabadul.tv/en/musbah-wadi-says-he-is-innocent-of-oil-and-drug-smuggling/>>, accessed 28 February 2022.

224. Mark Micaleff, 'UN Security Council Brings Out the Big Stick in Libya', GITOC, 8 June 2018.

225. *Ibid.*

226. *Ibid.*

227. UNSC, S/2021/229.

228. *Ibid.*

229. Authors' interview with representative of NGO D, 13 December 2021.

Interviewees decried the lack of a coherent wider strategy – to migrant smuggling in particular.<sup>230</sup> Here, EU migration cooperation arrangements with Libya were raised, with the ‘outsourcing [of] migration control’ to the Libyan Coast Guard criticised as contributing to migrant abuse.<sup>231</sup> Beyond this, the wider suite of tools in use was cited as contradictory, undermining the impact of sanctions. An example lies in the reported presence of Al-Milad at a series of official meetings in Italy in May 2017.<sup>232</sup> While not yet officially listed, the proximity of this event to Al-Milad’s UN and EU designation points to an inconsistent international approach.

Ultimately, interviewees were sceptical of the impact of organised crime-focused sanctions in this case. One summarised that ‘In a context as lawless, unstable and corrupt as Libya, sanctions like this will not be effective’.<sup>233</sup> As agreed by Vorrath, ‘Despite their advantages, UN sanctions should not be seen as replacing other actions. The [2018] ... listing will not resolve the plight of migrants in Libya nor ... deprive militias of all illicit sources of income’.<sup>234</sup> Such perspectives, however, remain anecdotal, with detailed research and evaluation urgently needed.

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230. *Ibid.*; authors’ interview with representative of NGO F, 21 January 2022.

231. Human Rights Watch, ‘No Escape from Hell: EU Policies Contribute to Abuse of Migrants in Libya’, 21 January 2019.

232. *Avvenire*, ‘Dalla Libia a Mineo, il negoziato tra l’Italia e il boss’ [‘From Libya to Mineo, the Negotiations Between Italy and the Boss’], 4 October 2019, <<https://www.avvenire.it/attualita/pagine/dalla-libia-al-mineo-negoziato-boss-libico>>, accessed 28 February 2022.

233. Authors’ interview with independent expert A, 25 November 2021.

234. Vorrath, ‘If You Can’t Catch Them, Sanction Them?’.

# Conclusions and Considerations for Future Sanctions Issuers

**E**XTENSIVE USE HAS been made of targeted sanctions against organised criminality, either via specific organised crime-focused programmes, or as part of broader sanctions regimes covering countries or other thematic areas. Yet, very little research or evaluation has been undertaken to assess the record or impact of these efforts to date. Similarly, few past initiatives have sought to assess the lessons these experiences hold for future sanctions issuers in this space. With interest mounting in the potential use of organised crime-related sanctions, this represents a critical shortcoming.

To begin to address this gap, this paper has explored existing evidence on the use and impact of sanctions to disrupt organised crime in a range of areas. It identifies a number of factors that influence the impact of organised crime-focused sanctions, including:

- The extent to which the host government of the sanction's target is willing to cooperate with the sanction's issuer.
- The extent to which the issuance of sanctions is embedded within a coherent broader strategic approach.
- The overarching focus of the regime within which relevant designations are made.
- The level of clarity of objective and purpose of the issuer when applying sanctions against organised criminal actors.
- Resourcing and engagement of key agencies in both the country of issuance and the target's host country.
- The targeting strategy adopted, and the extent to which this accounts for the divergent levels of vulnerability of key actors across the illicit trade chain.

With these factors and the broader findings of the research in mind, this paper concludes with a set of considerations for other potential sanctions users in this space.

- Individual sanctions issuers (such as the UK) need to identify where they might have maximum impact and target sanctions use accordingly. This includes careful consideration of targeting strategy, crime type and geographic focus – such that a UK (or other unilateral) regime would effectively leverage the country's unique position so as to complement existing organised crime-focused regimes, such as those run by the US.
- Sanctions issuers need to establish where an organised crime-related regime would fit within their broader strategic/policy approach to countering organised crime. This includes careful consideration of how this tool would be used strategically and how

exactly it would complement other instruments (for example, in the case of the UK, tools such as unexplained wealth and asset freezing orders).

- Potential issuers of organised crime-focused sanctions need to understand and set clear criteria for prioritisation to guide use. A clear definition of these criteria is crucial given the sheer scale and breadth of organised criminal activity that could potentially be targeted. Here, key questions arise as to whether criteria for use should be guided by harm to the UK and UK interests, by particular priority crime types or enablers, or by a broader approach to support international community responses to third country security threats as part of efforts to support the stabilisation of other countries and regions.
- Potential issuers need to consider where the burden of a new sanctions regime on organised crime would fall in terms of the additional work and resource requirements and ensure sufficient capacity is available to administer the resulting burden. In contrast to most other sanctions regimes, organised crime-related sanctions will need to be supported by law enforcement, rather than ministries of finance or foreign affairs. For example, would the UK's National Crime Agency have the necessary skills, expertise and capacity to maximise the impact of such a regime? Potential issuers will also need to ensure they establish effective cross-departmental collaboration, to avoid sanctions undermining broader and longer-lasting law enforcement processes and outcomes.
- Connected with the previous point, potential issuers need to ensure that sanctions (as a reactive tool) are used alongside or as part of a broader, more holistic response that addresses drivers and root causes of organised crime. As such, the potential sanctions issuer would need to consider how the development and use of such a regime would fit with the focus of overseas development aid and other relevant policies and programmes, so that all policy tools are complementary and working to the same ends.
- A review of existing thematic sanctions regimes should be undertaken by any potential issuer to determine whether organised crime-focused sanctions would best be incorporated within existing regimes or whether new legislation creating a dedicated, new regime is required. In both cases, consideration should be given to the most effective strategic use of organised crime-focused designations alongside existing corruption, cyber and human rights regimes, with which they are likely to overlap, in part. Specific thought should be given to the messaging, symbolic value, flexibility and coherence of creating a new regime.
- Furthermore, potential issuers need to consider the role in organised criminal activity of state versus non-state actors and how any new organised crime-focused regime would navigate this nexus. With state actors acknowledged as key perpetrators and enablers of organised criminal activity in a range of areas, clarity on this question is crucial and

closely linked to how any new regime should be designed and deployed, alongside assessing and handling political ramifications and sensitivities.

- Potential issuers will need to ensure that any new organised crime-focused sanctions programme has a clear purpose and is not merely symbolic, providing an easy option that allows governments to demonstrate that ‘something is being done’, but with no actual effect. Given that sanctions use is practically easier in many ways than pursuing law enforcement and criminal justice processes, issuers need to ensure that a new organised crime-related regime does not become an easy fallback option that avoids the more challenging and resource-intensive work required to bring targets to justice.
- Linked to the previous point, as the menu of thematic sanctions regimes expands, careful attention must be given to due process concerns associated with increased use of individual sanctions designations, rather than criminal justice processes, to deter organised criminal activity. Due process considerations must go beyond delisting and should also cover listing procedures, including considering the introduction of arrangements such as an Office of the Ombudsperson, as the UN Security Council has already done.
- Unilaterally or multilaterally coordinated organised crime-focused sanctions across unilateral issuers may offer an alternative to the gridlock in the UN Security Council with regard to sanctions use. Unilateral issuers could fill this gap, to a degree, to ensure that sanctions remain a tool to deploy, when appropriate, against transnational organised crime groups, even in the absence of Security Council consensus.



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