Keywitness:

Towards ”**illicit <> security @ cross-border supply chains” - research framework** to support assessment of research gaps and setting up of priorities, in the context of customs risk management & future threats

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PICARD2012 Conference, Morocco 25-27.9.2012

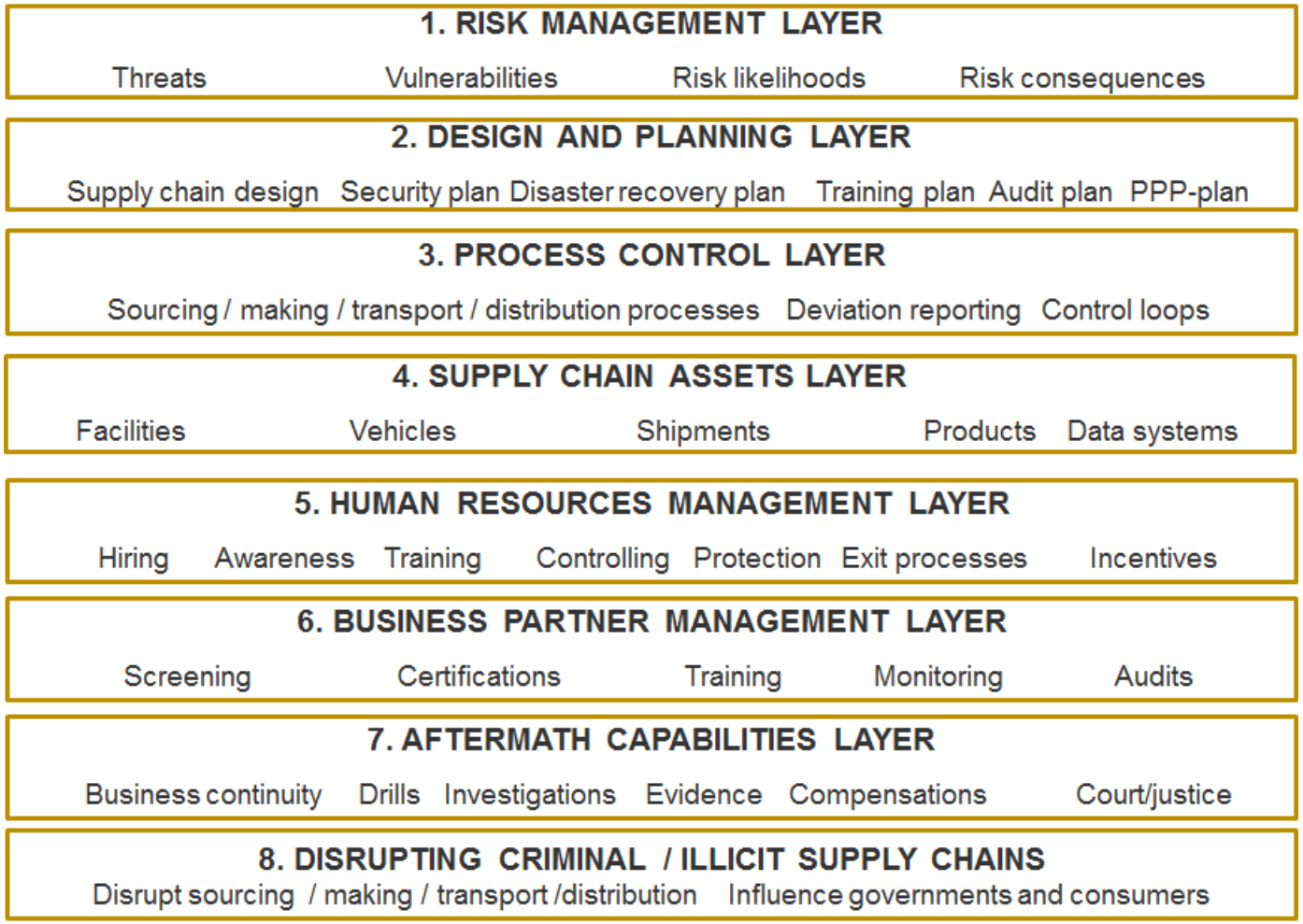
Illicit side – one (rough) crime taxonomy – supply chain view

1. **Illicit activities where supply chain** (performance) **suffers directly** from these acts
   - E.g. cargo theft, vehicle hijacking (incl. sea piracy), sabotage, destruction inside supply chain (terrorism)
2. **Supply chain are exploited in order to carry out illicit activities** (no automatic disruption in supply chain)
   - E.g. prohibited and restricted goods smuggling, duty and tax fraud, counterfeit goods, parallel trade, destruction at target destinations (terrorism)
3. **Illicit acts** which do not bring immediate (illegal) benefit, but rather **facilitate points 1 or 2 above**.
   - E.g. cyber crime, document forgery, false or stolen identities, violence (in parts), corruption (two types),

Illicit side - Examples of potential knowledge gaps today

- **Crime consequences** (per stakeholder / victim group; policy, enforcement, logistics, cargo owner, security business, insurance, citizen / consumer / tax payer)
- **Crime statistics** (much is inaccurate & much goes unreported)
- **Crime linkages & portfolios** (what facilitates what, e.g. cyber crime & smuggling)
- **Crime dynamics / displacement** (increasing security may lead to crime shifting to another place / time / mode)
- **Illicit supply – demand formation** (e.g. counterfeit goods, drugs, endangered species)
- **Illicit actors & motivations** (from petty criminals and insiders to organized crime and terrorist groups)
- **Illicit fullfillment / execution** (including transport mode & routing; concealment etc.)
- **Cost-benefit, including risks, for the illicit actors** (crime profitability; likelihood of getting caught; severity of penalties)
- **Share of ”commercial supply chains”** (versus other means)

Security side (8-layer Supply Chain Security Management model)

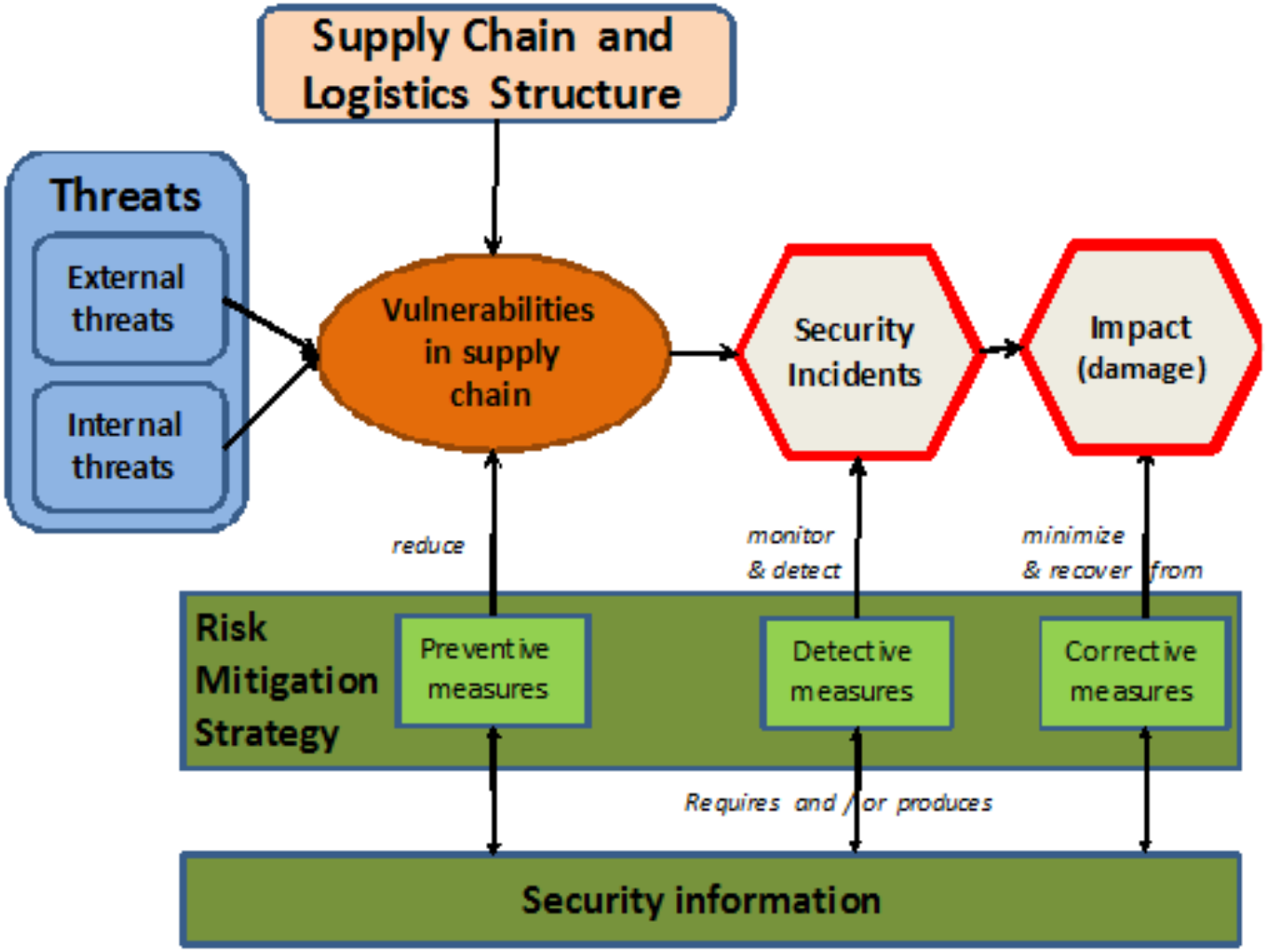


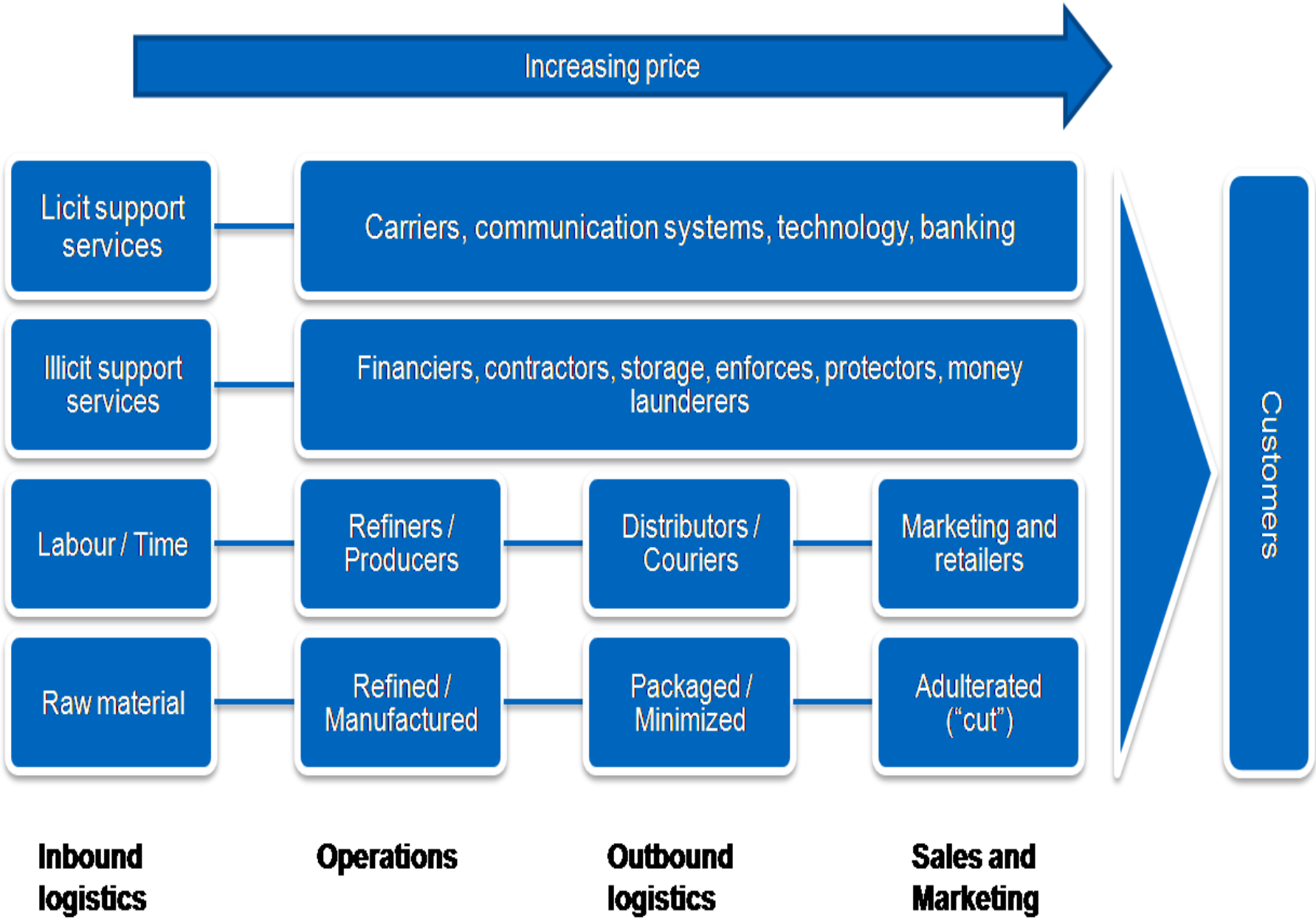
Security side – ”What is good security made of” - Examples of potential knowledge gaps today

Keywitness observations and interpretations in the context of security, customs risk management & future threats <> customs-academia collaboration

- Opportunities & benefits
- Challenges & bottlenecks
- Requirements & recommendations
- Final words

Supply chain security overview diagram (adapted from Juettner et al 2003)

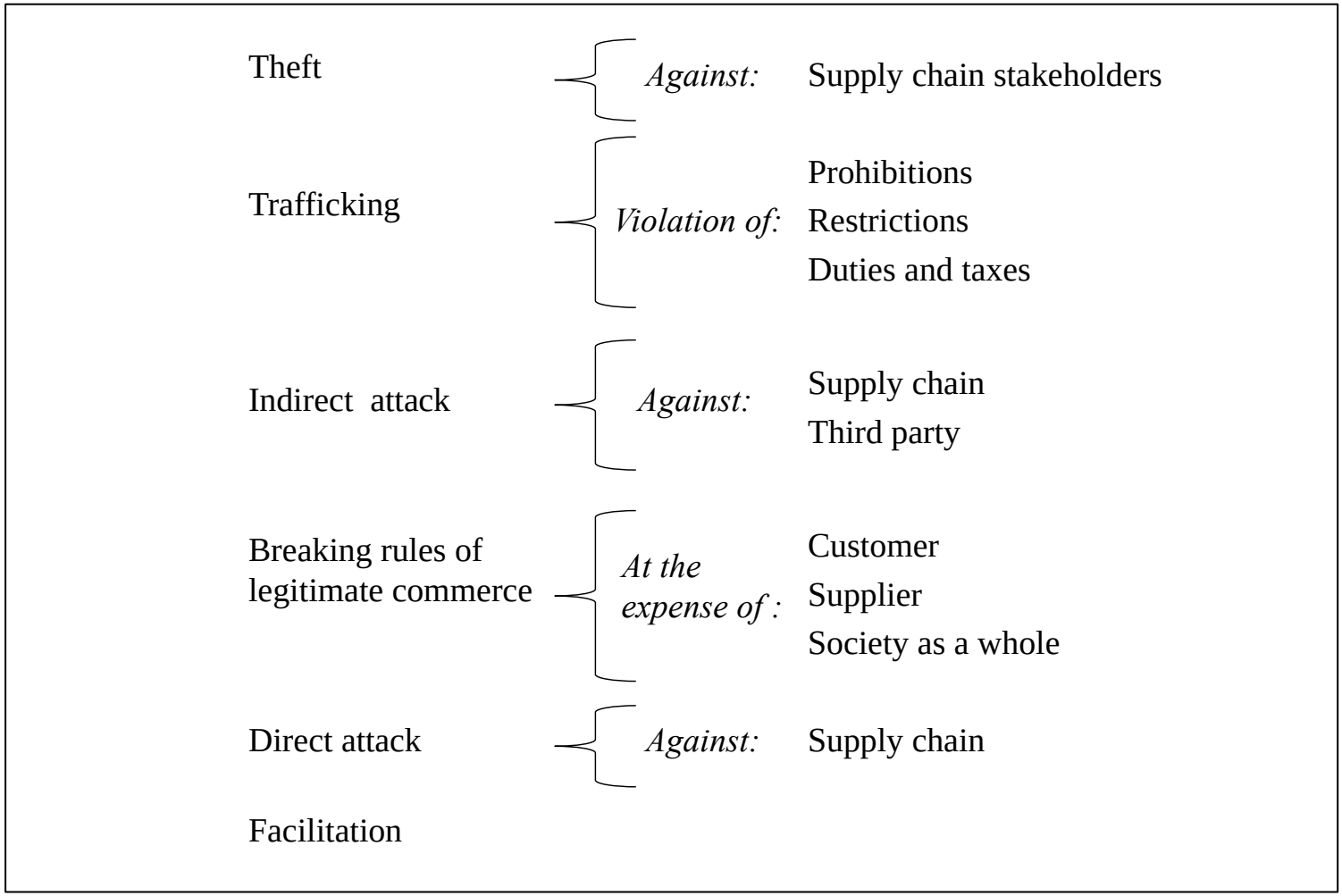




Source: Alan Wright (2006) Organized Crime, Willan Publishing s. 90

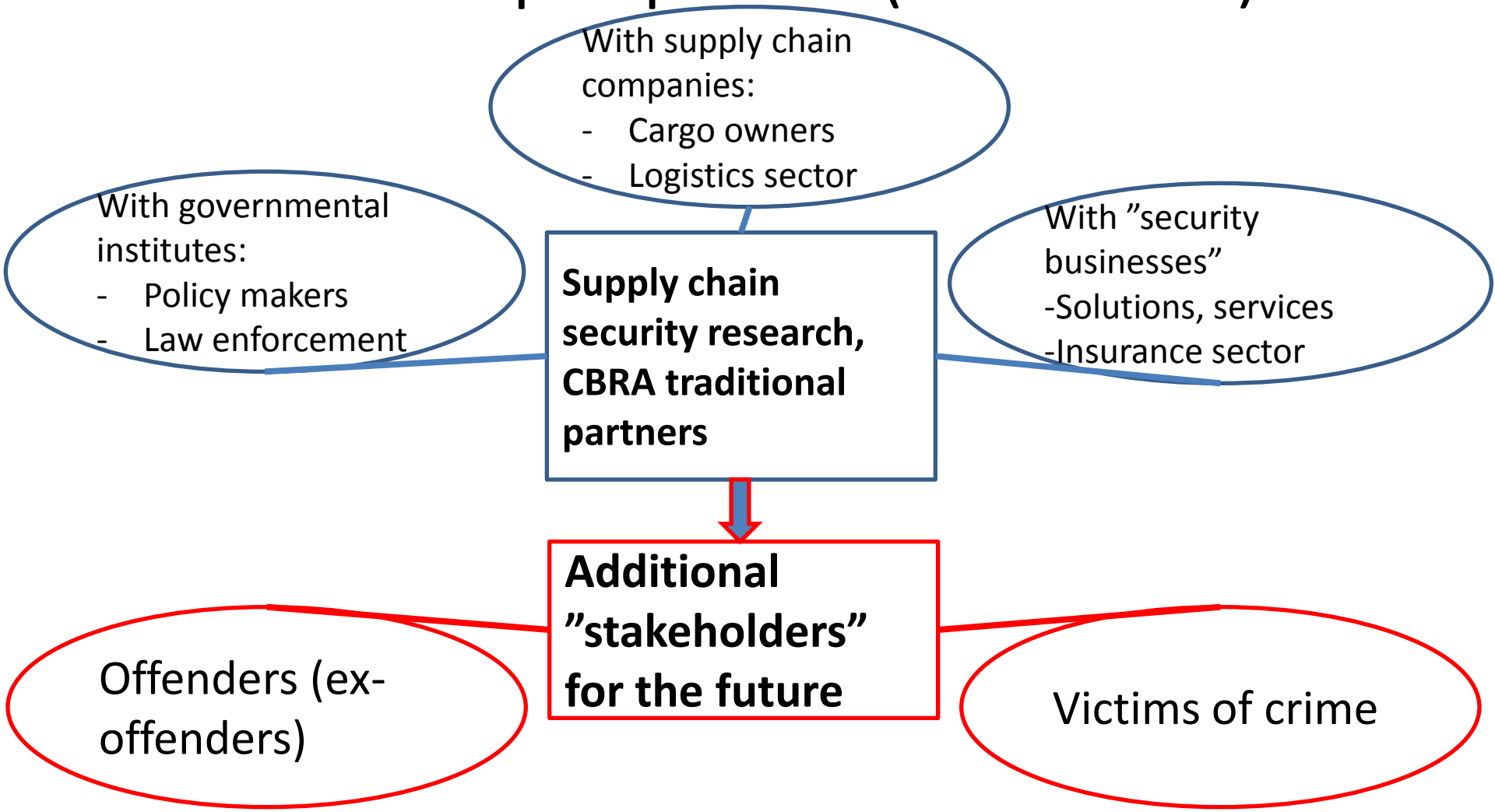
Supply Chain Crime Taxonomy

Supply chain crime covers illegal acts that exploit infrastructure and services of legitimate logistics and transport function, or facilitate such activities



Männistö and Hintsa (2012)

”All parties” in supply chain security – research perspective (CBRA 2012)



Four categories of ”customs clients” (WCO 2011)

CLIENT CATEGORIES	Voluntary compliance; People who want to comply	Assisted compliance; People who try to comply but dont always succeed	Directed compliance; People who will avoid complying if they can	Enforced compliance; People who deliberately do not comply
CLIENT BEHAVIORS	Voluntary compliance; Informed clients	Attempting to comply; Uninformed clients	Resistance to compliance; Will avoid if possible	Criminal intent; Illegal activity

Examples of past and current European research projects – Thanks to European Commission

- **FP7-project CWIT:** "Countering WEEE (Waste Electrical and Electronic Equipment) Illegal Trade". New project to be launched early 2013, with two year duration.
- **FP7-project SAFEPOST**: "Reuse and Development of Security Knowledge Assets for International Postal Supply Chains". Grant agreement no: 285104. Date: 1.4.2012-31.3.2016 *SAFEPOST URL: http://www.safepostproject.eu/*
- **FP7-project CASSANDRA**: "Common assessment and analysis of risk in global supply chains ". Grant agreement no: 261795. Date: 1.6.2011-31.5.2014 *CASSANDRA URL: http://www.cassandra-project.eu/*
- **FP7-project FOCUS**: " Foresight Security Scenarios: Mapping Research to a Comprehensive Approach to Exogenous EU Roles ". Grant agreement no: 261633. Date: 1.4.2011-31.3.2013 *FOCUS URL: http://www.focusproject.eu/*
- **FP7-project LOGSEC: "**Development of a strategic roadmap towards a large scale demonstration project in European logistics and supply chain security". Grant agreement no: 241676. Date: 1.4.2010-31.3.2011 *LOGSEC URL: http://www.logsec.org/*
- **FP7-project INTEGRITY: "**Intermodal Global door-to-door container supply chain visibility". Grant agreement no: 218588. Date: 1.6.2008-30.10.2011 *INTEGRITY URL: http://www.integrity-supplychain.eu/*