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## Discussion Document on Security Implications of Organized Crime in the Fisheries Sector<sup>1</sup>

### 1. Background

This discussion document is based on the eighth webinar in a series of Blue Justice Forum webinars facilitated by the Blue Justice Initiative Secretariat in conjunction with the UNDP Blue Resilience project.

The theme for the webinar was the ‘**Security Implications of Organized Crime in the Fisheries Sector.**’

The webinar was presented by Dr. Ian Ralby, an expert in maritime law and security, and CEO of I.R. Consilium.<sup>2</sup> A total of 59 participants of 170 registrations joined the webinar from a total of 24 countries. The webinar was moderated by Marit Svalas from the UNDP Blue Resilience project.

### 2. Topics in Focus

1. In order to truly understand the “Security Implications of Organized Crime in the Fisheries Sector,” it is necessary to understand what it is that being in the fisheries sector provides organized crime.
2. In other words we must constantly ask the question: “Why is organized crime in the fisheries sector?” This is a strategic approach to the issue, as we must really know our opponent, as well as ourselves and our terrain, if we want to have any meaningful chance of changing the status quo. To answer this question, and thereby get a foundation for both understanding and addressing the implications of organized crime being in the fisheries sector, we can look at “7 Is on the 7 seas” – a series of key incentives, each of which begin with the letter “I” applicable throughout the maritime domain.

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<sup>1</sup> The webinar was held on 29 October, 15:00 CET.

<sup>2</sup> Dr. Ralby has worked on maritime security, governance and development matters in more than 80 countries around the world and has published more than 40 articles, reports and book chapters in the field. He previously spent three years as a maritime crime expert for UNODC, four years as an Adjunct Professor of Maritime Law and Security at the US Department of Defense’s Africa Center for Strategic Studies, and he remains a Senior Fellow at the Atlantic Council’s Global Energy Center. He holds a J.D. (law) from William & Mary and a Ph.D. in Politics and International Studies from the University of Cambridge.

3. “Invisibility”: The first reason that organized crime is in the fisheries sector is to achieve invisibility. We expect to see fishing vessels on the water, so much so that we tend not to even notice their presence. Furthermore, the crowded fishing space can be used to obscure other illegal activity. In the absence of other information or indicia, there is no easy way to distinguish between a fishing vessel that is operating legally and one that is involved in criminal activity. Being in the fishing sector allows organized crime groups to operate on the water and hide in plain sight.
4. “Income”: The second reason that organized crime is in the fisheries sector is simply to obtain income. Even apart from the use of the fishing sector as a mechanism through which to engage in or obscure criminality, some organized crime groups have diversified into the fisheries sector for the legitimate income it provides. The fisheries sector is worth hundreds of billions of dollars per year. One does not need to be illegally involved in it to make money. While illegal, unreported and unregulated (IUU) fishing can be an indicator of fisheries crime, a good deal of such crime is committed without any violation of fisheries regulations.
  1. From the standpoint of organized crime, the more legal the fisheries operation the better, as it reduces the likelihood that the other illicit activity will be detected. And this plays into a fundamental blind spot in law enforcement and fisheries protection that is being exploited more and more by criminal groups. IUU fishing tends to be cast as being about “sustainability” and ends up as the purview of ministries, agencies or departments of fisheries. Maritime crime, by contrast, tends to fall within the purview of navies, coast guards or marine police units. This schism between fisheries protection and maritime law enforcement can be overcome through effective interagency cooperation and information sharing. But too often, fisheries agencies show a lack of interest or concern for law enforcement issues that do not directly undercut sustainability and maritime law enforcement agencies prioritize criminal issues that are not necessarily tied to the fisheries sector. By being conscious of law enforcement tendencies, organized criminal groups can purposefully exploit this divide.
    2. Worldwide, criminal and terrorist organizations have increasingly [turned to seemingly benign](#) commodities trading and commercial activities. Honey, sugar, charcoal, fuel and fish are not inherently criminal. They provide an array of advantages, including most of the other “7 Is” in one way or another, but the economic benefit of using them as a source of income cannot be overlooked.
7. “Investment”: The third reason that organized crime is in the fisheries sector is to reap benefits from investment. This is often perceived or experienced as a benefit to local companies and, particularly, to artisanal fishers. What is happening increasingly, though, is that organized criminal groups, through a series of shell companies, are investing in the fishing sector in ways to benefit themselves while also obscuring their activities. So, for example, a seemingly local company will offer to invest in a group of artisanal fishermen, the aggregate of whose vessels do not exceed the tonnage cap at which a license would be required. This means that the company – often owned by a whole web of entities – has purchased access to what effectively is IUU fishing within the law. In other words, the investment provides the opportunity for unsustainable and unhindered access to a state’s fishery. It is not illegal, but it manipulates the law, and also runs the risk of manipulating the local fishers who come to rely on that investment.

8. From the standpoint of organized crime there are several benefits to this sort of investment. The first and second are invisibility and income – the shells obscure them from being the beneficial owners, and the unfettered access yields profit. In addition, the shells also provide a shield from responsibility. If fisheries crimes are committed on the vessels into which the organized crime groups have invested, their obscurity as the beneficial owners can shield them from responsibility. At the same time, the scheme provides an excellent opportunity for money laundering, as the various corporate mechanisms can allow the individuals within an organized crime group to explain their wealth as coming from “fishing” or “fishing investments” all while running criminal proceeds from other activities through the same web of entities. Finally, another key reason for investment is that it gives the organized crime group certain types of access, as will be discussed further.
9. “Interests”: The fourth reason that organized crime is in the fisheries sector is to develop and leverage interests. This essentially means “a seat at the table,” and applies to a lot of different tables. In other words, an organized crime group, on account of being in the fisheries sector can legitimately meet with all sorts of actors – banks, lending agencies, insurance companies, government ministries, politicians, expert bodies, international organizations and NGOs. By being in the fisheries sector, an organized crime group can appear as “industry” or even, when working with artisanal fishers and fisheries communities, as “civil society.” Investors in artisanal fishers, for example, can be perceived as providing a critical benefit to society. This provides remarkable access to all sorts of conversations and, in turn, can be used to leverage positions that are advantageous to the criminal operation of the group.
10. “Infrastructure”: The fifth reason that organized crime is in the fisheries sector is to establish infrastructure. Being in the sector gives organized crime several different types of infrastructure. First is transportation – fishing vessels can easily move all over, and that is a particularly good asset to have when trying to move illicit goods or even just people. On the water transportation of goods and people is also complemented by contacts and presence in ports, harbors and marinas. The second sort of infrastructure is the various types of chains that can be crucial for an illicit operation, but that are fundamental to a fishing operation, in particular supply and logistics chains. Supply chains that allow for the movement of legitimately caught fish into different markets can be used to move illegitimate products, as well. Furthermore, the logistics chains that allow for a transnational fishing operation can be leveraged for transnational criminal activity. Part of that also leads to different types of access – not so much the “seat at the table,” but the legitimate or unsuspecting presence in different maritime areas and markets. Finally, being in the fisheries sector can also, through the logistics and supply chain infrastructure, as well as the access, provide opportunities for sustainment. If there is going to be some criminal or terrorist undertaking that requires a sustained operation, having this infrastructure could be crucial.
11. “Intelligence”: The sixth reason that organized crime is in the fisheries sector is intelligence. This comes in three forms. The first two are fairly obvious: knowing what is happening on the water and knowing what is happening on land. The third, however, may be obvious, but cannot be overstated: knowing what law enforcement is doing. The first two are very helpful, the third is crucial. Increasingly, we see criminal groups becoming experts in the laws and law enforcement systems of different states. It could be argued that the best comparative maritime lawyers on earth are all working for criminal organizations. Understanding the relative strengths and weaknesses

of different jurisdictions, as well as the gaps between them, provides criminal organizations with the insight and inspiration to forum shop, and exploit blind spots. Criminality is a risk reward calculus, and law enforcement often poses the primary risk. So having a first-hand understanding of how a Coast Guard operates, for example, and knowing the ins and outs of the national maritime laws, can help an organized criminal group navigate potential risks and pursue maximum rewards.

12. “Inspiration”: The seventh reason that organized crime is in the fisheries sector is inspiration. Around the world, there is growing evidence of criminals being inspired by each other. Being in the fishing sector allows organized crime to witness some of the illicit behavior connected with IUU fishing and derive inspiration from it. A recent article by Dr. Ralby and Dr. Tabitha Mallory called “[Evolution of the Fleet: A Closer Look at the Chinese Fishing Vessels off the Galapagos](#)” details some of the tactics from which criminals may draw inspiration. Examples include multiple vessels that share the same name, Maritime Mobile Service Identity (MMSI) number or International Maritime Organization (IMO) number. This could be used to obscure activity and even move drugs, arms or other illicit goods into jurisdictions undetected. Creative use of flagging and registering vessels can be very effective in avoiding interdiction or complicating the process if caught. Having vessels that work as partners can help create distractions or decoy situations that allow vessels to commit crimes without being caught. Inspiration from fisheries transshipment and bunkering operations have led to trafficking operations that would have historically made stops in different places, finding ways to supply vessels to stay at sea throughout their voyage, out of the reach of law enforcement. Finally, the mixing of platforms is a great approach to targeting blind spots. The [arrest of the M/V NIKA](#) is a great example where a cargo vessel was captured for IUU fishing, but only after having avoided detection in multiple jurisdictions. As a cargo vessel, it was not being watched for IUU fishing. This is how criminals can gain inspiration to exploit similar blind spots for other criminal purposes.

## **In sum:**

1. Understanding the 7“T”s – Invisibility, Income, Investment, Interests, Infrastructure, Intelligence and Inspiration – allows us to see the Implications. Organized crime in the fisheries sector is:
  - a. Intertwined. It is impossible to tell legitimate actors and those tied to organized crime.
  - b. Omnipresent. It is on the water, on the dock, in the markets; it is everywhere in the sector.
  - c. Bought in. With “skin in the game,” organized crime has a “right” to be there, and will fight to keep its stake. It will also interact with other stakeholders from the standpoint of being an industry player, not an outsider and certainly not a criminal.
  - d. Non-dualism. This concept was coined by Rohini Ralby in “[Downstream Oil Theft, Global Modalities Trends and Remedies](#)” and indicates that while there is normally a dualistic relationship between certain actors, they sometimes become one and the same. For example, sometimes law enforcement, when corrupt, become the criminals they are supposed to confront. With organized crime in the fisheries sector, however, there is a danger that the criminals become public servants – benevolent participants in the sector who invest in artisanal fishers, and “look out for” the interests of the

sector. This approach can create further difficulty for law enforcement, as legitimate actors may, out of a sense of community, protect the organized criminal elements within the sector.

- e. Cooperation. Increasingly criminal organizations are working cooperatively in a more cellular fashion – both with other criminal groups, and with legitimate actors that are not aware of the illicit nature of their collaborators. That cooperation makes them more dynamic increases their capacity while also making them more difficult to interdict. They are unencumbered by bureaucracy and institutional competition that tends to inhibit interagency cooperation.
  - f. Legal Savvy. When criminals know the laws and the relative strength of the state’s ability to enforce them – often in greater depth and nuance than the state is even aware – those criminals can leverage that insight to ensure that the risk-reward calculus bends in their favor.
  - g. Leading the Dance. When criminals act, law enforcement responds. This dance, at the moment, is being led by the criminals, and the criminals are deciding the music, the tempo and the steps. Being in the fisheries sector, allows organized crime to be in control.
2. In response to the presence of organized crime in the fisheries sector, we must pursue:
- a. Insights. We have to use all tools at our disposal to better understand the operations of criminal groups in the fisheries sector and the wider maritime domain. Part of that requires having better human intelligence networks, and thus relationships with key maritime and fisheries sector actors. But part of that also means taking advantage of technology like Windward that was used to identify the criminal and suspicious behavior off the Galapagos.
  - b. Investigation. We need to go a lot deeper – organized crime is hiding, so superficial searches will not be sufficient.
  - c. Interconnections. These are organized networks that cooperate with other networks. We must find those connection in order to be able to address them. In many cases, that may require an interagency process on the part of the investigating government.
  - d. Innovation. We need to get a lot more creative in how we approach this matter. Criminals are innovating all the time, and we must constantly look for novel approaches to finding and rooting out criminality.
  - e. Interdiction. This is the goal, or at least the first part of it.
  - f. Interruption. This is more of the goal. We do not just want to play catch and release, we want to disrupt the illicit actors. This means following through to achieve legal finish once an interdiction occurs, but it also mean investigating further and using asset forfeiture laws to go after the entire network and all the proceeds of crime.
  - g. Inhospitability. This is the ultimate goal. We want to make the waters of the world and the global fishing sector inhospitable to criminals who would otherwise diminish the safety, security, stability and prosperity of the maritime domain.

## General discussion

Discussion themes included:

- Regional issues in the Caribbean, Gulf of Guinea and Indian Ocean.
- The need to close gaps between law enforcement as a maritime security issue and fisheries enforcement as a sustainability matter.
- The importance of engagement between the fishing sector and law enforcement.
- The value of two-way relationships between governments and their fisheries and coastal communities.
- Approaches to leveraging legitimate presence on the water as a form of coastal watchkeeping.