

Combating illicit trade and transnational smuggling: key challenges for customs and border control agencies

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Abstract

Customs and border control agencies face key challenges in preventing illicit trade and disrupting transnational smuggling operations. Maintaining the delicate balance between facilitating legitimate trade flows while concurrently deterring those that are illicit is a complex operational task. This paper identifies and delves deeper into three of those challenges: the scale of complexity of physical transportation geography in border management, adaptive capabilities of concealment, evasion, structural and operational flexibility by professional smugglers, and institutional coordination problems which may arise in customs and border control management.

1. Introduction

National customs and border control agencies typically have a parallel mandate in which to facilitate the flows of licit and legal trade while concurrently deterring illicit and illegal trade. Illicit trade encompasses a diverse range of commodities and services that creates the formation of black markets around the world. The World Economic Forum has defined illicit trade as ‘money, goods or value gained from illegal and generally [or commonly viewed to be] unethical activity’ which generates ‘economic, social, environmental or political harms’ (World Economic Forum 2012, p. 1). The logistics process by which illicit traders move their products to market is known as transnational smuggling. The United Nations Office of Drugs and Crime (UNODC) estimates the global illicit narcotics trade between USD350 billion and USD425 billion per year (UNODC 2012). The European Commission (EC) estimates that the direct loss in customs revenue for smuggled cigarettes is approximately Euro10 billion a year within the European Union (European Commission 2008). The global arms market is approximately USD60 billion per year, of which 10-20% is estimated to be illicitly traded (United Nations Office on Disarmament Affairs [UNODA] 2012). The trafficking of endangered species and animal parts such as ivory, tiger skins, and rhino horns is estimated to be a USD19 billion per year trade (Havoscope 2013). The smuggling of illegal migrants is big business for criminal organisations where fees upwards of USD75,000 can be had for smuggling an illegal Chinese citizen to the United States of America (US) (Keefe 2011).

Due to the secretive nature and lack of verifiable data on illicit trade, it is difficult to calculate with absolute precision the market size of trade, however most customs, border and law enforcement officials, policymakers, and academics agree illicit trade results in major financial and social costs to global society. Customs and border control agencies face a formidable task in disrupting illicit trade flows and dismantling organisations involved with smuggling operations. The purpose of this paper is to identify structural and operational flexibility attributes possessed by transnational smuggling organisations and to address the key customs and border control challenges such as the management of physical transport geography and institutional coordination problems that exist within an inter-organisational context.

2. Shared history between customs authorities, illicit trade and transnational smuggling

Customs authorities, illicit trade and smuggling share a common history. In 13th century England, wool smuggling became rampant soon after King Edward I created a national customs organisation to collect duties on traded goods (Williams 1959). John Jacob Astor became America's first multi-millionaire and made his fortune smuggling illicit alcohol, violating America's first alcohol prohibition in the early 1800s (Andreas 2013). The history of political economy has shown that prohibition or restriction on certain forms of trade often creates economic incentives and opportunities for illicit trade activity and smuggling. Criminal entrepreneurs involved in illicit trade are opportunistic by nature and seek to exploit market and regulatory arbitrage opportunities for economic gain. Cross-border smuggling is a logistics-intensive process that can be viewed as a core competency for transnational criminal organisations involved in illicit trade activities (Basu 2013). Transnational smuggling involves the clandestine transportation and conveyance of illicit goods and/or people across national borders. Modern-day smugglers use novel, flexible, stealthy logistics methods, assets, and systems to smuggle illegal goods across national borders in order to avoid the risk of detection and apprehension.

From a policy perspective, illicit trade tests the governance structures that regulate the global economy. The institutions that regulate economic trade have not been adequately prepared to deal systematically with the phenomena of illicit trade. Policymakers often underestimate how flexible, innovative and influential transnational criminal organisations have become. Many decision makers sometimes have the mistaken belief that the right mix of policy, regulation and law enforcement will somehow halt the flow of illicit goods, services and people. The reality is that illicit trade is a complex phenomenon that requires a deeper understanding and multi-faceted solution-based approach.

2.1 Illegal narcotics

The trafficking of illegal narcotics such as heroin, cocaine, and other psycho-active chemicals is a major business for transnational criminal organisations. The illicit narcotics trade imposes heavy health, social, and enforcement costs on society. In recent years, the trade has taken a very violent path with over 60,000 deaths and 25,000 disappearances in Mexico in the last seven years, attributable to the turf war which has erupted between the various Mexican drug cartels (Priest 2013). National governmental institutions are often at odds in considering illegal drugs as either a health or a criminal problem, evidenced by the differing views on law enforcement, criminalisation and penalties assigned to drug offenders in different countries. Combating the illegal narcotics trade is a focal point for many customs and border control agencies.

2.2 Environmental (endangered wildlife and hazardous waste)

Environmental illicit trade involves the market exchange of endangered wildlife and the cross-border movement and disposal of hazardous materials and toxic waste. The endangered wildlife trade is diverse, ranging from live animals and plants to a vast array of wildlife products derived from them including food products, exotic leather goods, wooden musical instruments, timber and medicines (Convention on International Trade in Endangered Species of Wild Fauna and Flora [CITES] 1975). In the last twenty years, the trans-boundary movements of hazardous wastes and their disposal have become a major environmental issue. As disposal facilities for hazardous waste become scarcer and more costly in developed OECD countries, developing nations in Africa and Asia have been used as dumping grounds. These developing countries frequently lack the capacity to deal with the waste in an environmentally sound manner (United Nations Environmental Program [UNEP] 1992).

Table 1: Illicit markets and associated policies

Illicit market	Major policies associated with illicit markets
Illegal narcotics	Single Convention of Narcotics Drugs (1961); Convention on Psychotropic Drugs (1971); United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988)
Environmental	Convention on Trade in Endangered Species of Wild Fauna and Flora (CITES); the Montreal Protocol on Substances that Deplete the Ozone Layer (ODS); the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal; the Stockholm Convention on Persistent Organic Pollutions (POPs); the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the Cartagena Protocol on Bio-safety
Tobacco & cigarettes	World Health Organization (WHO) Framework Convention on Tobacco Control
Weapons/Military	United Nations Office for Disarmament Affairs (Arms Trade Treaty), UN Security Council Resolutions 1373 and 1456; WCO Recommendation on the Insertion in National Statistical Nomenclatures of Subheadings to Facilitate the Monitoring and Control of Products Specified in the Protocol Concerning Firearms covered by the UN Convention against Transnational Organized Crime; WCO Recommendation concerning the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their parts and components and ammunition, supplementing the United Nations Convention against Transnational Organized Crime
Migrants/Sex workers	United Nations Convention against Transnational Organized Crime; the United Nations Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children, and United Nations Protocol against the Smuggling of Migrants by Land, Sea, and Air
Stolen arts & cultural artefacts	United Nations Education, Scientific, and Cultural Organization (UNESCO) Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property (1970)

Sources: WHO, CITES, UNODA, UNODC, UNESCO, WCO, World Bank.

2.3 Cigarettes, alcohol and pharmaceuticals

Variations between different nations' tax and price structures on high-demand licit commodities such as cigarettes, alcohol and pharmaceutical drugs provide large economic incentives for transnational smuggling. In 2000, it was estimated that between 6% and 8.5% of the global consumption of cigarettes was smuggled (World Bank 2000). In the US and EU alone, the volume of illicit trade is estimated to be 62 billion and 58 billion cigarettes per year respectively (Joossens & Raw 2008). Customs authorities in Germany have had a major issue with the mass smuggling of cigarettes across their eastern borders. Pharmaceutical products such as analgesics, antibiotics, multivitamins, and anabolic steroids are popular smuggled commodities. The Mexican drug cartels have now entered the illicit market and are considered an alternative supply for popular pain medications such as Oxycontin and Vicodin.

2.4 Illicit military and arms trafficking

The Arms Trade Treaty (ATT) was passed by the UN General Assembly in June 2013. The treaty covers the illicit trade of battle tanks, armoured combat vehicles, large-calibre artillery systems, combat aircraft, attack helicopters, warships, missiles and missile launchers, and small arms and light weapons, and prohibits member states from transferring conventional weapons if they violate arms embargoes or if they promote acts of genocide, crimes against humanity or war crimes (UNODA 2013). The treaty members are also considering whether to (de)authorise the export of arms where the weapons would be used to violate international human rights laws or employed by terrorists or organised crime. The World Customs Organization (WCO) plays a crucial role in the operational implementation of this treaty.

2.5 Migrant smuggling

The smuggling of migrants has become a lucrative business for transnational criminal organisations. Article 3(a) of the UN 'Protocol against the Smuggling of Migrants' (UNODC 2004, Annex III) defines the 'smuggling of migrants' as 'the procurement, in order to obtain, directly or indirectly, a financial or other material benefit, of the illegal entry of a person into a State Party of which the person is not a national or a permanent resident' and Article 3(b) defines 'illegal entry' as 'crossing borders without complying with the necessary requirements for legal entry into the receiving state (UNODC 2004, pp. 54-55). The Protocol also covers fraudulent documentation such as passports and ID cards as a criminal offence. Illegal migrants are often mistreated and abused on their journeys to their destination country and sometimes used as sex workers. Countries such as Turkey, Serbia, Bulgaria, Panama and Mexico have been known for staging and transit operations for migrants illegally into the US and EU. Customs and immigration enforcement officials have been burdened by the influx of illegal migrants and tracking down the organised smuggling rings responsible for this trade.

2.6 Stolen art and cultural artefacts

The illicit trade in art and cultural artefacts includes products of archaeological excavation, elements of historical monuments, antiques over 100 years old (coins, engraved seals), objects of ethnological interest, and artistic works which include paintings, sculptures, historical books, postage stamps, cinematographic, photographic, sound archives, furniture and musical instruments (UNESCO 1970). Typically, the black market supply for cultural artefacts arises from theft or looting. Artefacts are 'often those that have been discovered and unearthed at archeological digs and then transported internationally through a middleman to often unsuspecting collectors, museums, antique dealers, and auction houses' (Wikipedia, quoting the Archeological Institute of America 2003). The highly publicised case of the 2004 art heist worth EUR19 million from the Munch Museum in Norway and the subsequent illegal smuggling and distribution of the paintings highlights the problem.

3. Key challenges in combating illicit trade and transnational smuggling for customs and border control management

Global customs and border control agencies face an interesting paradox in managing two parallel mandates. The first mandate deals with the effective facilitation of legitimate and legal trade flows of goods, services, people and capital. The second relates to the interdiction of and halting the flows of illicit commodities, services, and the apprehension and prosecution of individuals facilitating illicit trade. This parallel mandate can lead to operational inefficiencies within legitimate supply chains leading to increased cost, delivery disruption, time delays, interruptions in the smooth flow of products and services, traffic and port congestion, and longer cycle times (Lee & Whang 2005).

Businesses and government actors describe their frustration as a perception that regulatory controls are

not always compatible with operational needs (Grainger 2007). Customs and border control agencies conduct their own operations to stop and deter illicit trade to minimise transnational smuggling operations, reduce the supply of contraband goods and disrupt criminal networks. The process by which these agencies achieve their objectives is through border interdiction, collection of information and intelligence, investigations into criminal networks, deployment of anti-smuggling technologies, prosecution of individuals associated with professional smuggling rings, facilitation of training and education, and the fostering of cooperation between international customs agencies (Clark & Sanctuary 1992). Typical performance indicators used to measure the effectiveness of anti-smuggling efforts include the number of seizures, quantities and value of illicit commodities seized, numbers of individuals charged and convicted, length of sentence, and the proportion of illegal importations detected (Wagstaff & Maynard 1988). All but the last of these are fairly easy to measure but in isolation provide only a partial account of the control agency's effectiveness in deterring illicit trade flows. For example, increased seizures are often seen as evidence for increased effectiveness; however, it can be argued that they merely reflect higher importation levels. A more holistic performance management system which includes both demand and supply indicators is needed to assess the effectiveness of disruption of illicit trade flows.

The purpose of this paper is not to delve into the performance and efficiency metrics of customs and border control but to identify key structural and operational challenges that those agencies tasked with combating illicit trade currently face. These challenges are underpinned by three factors:

1. Resource constraints and scale complexity of transportation geography
2. Interdiction-adaptation cycle between customs/border enforcement and transnational smugglers
3. Institutional and inter-organisational coordination problems.

3.1 Resource constraints and scale complexity of transportation geography

The movement of people and goods across time and space relates to the mobility dimension of transportation geography. Transportation geography involves transport infrastructure, such as marine ports, bridges, roads, rail tracks, and airports, as well as terminal hubs and distribution centres that form the basis for a complex spatial system. The analysis of transportation geography entails the exploration of the linkages between spatial constraints, attributes of the origin and destination, the extent, the nature, and the purpose of the movements (Rodrigue, Comtis & Slack 2006). The last three items are of particular importance to customs and border control and security agencies in regard to the facilitation of legitimate trade and deterrence of illicit trade. Mobility interweaves with the construction of nations on multiple scales and with the control of movement as demarcating the boundary between those flows that are wanted and those flows which are to be excluded (Jensen 2013). As US Department of Homeland Security Deputy Secretary James Loy pointed out:

We must secure nearly 7,500 miles of land border with Canada and Mexico, across which more than 500 million people, 130 million motor vehicles, and 2.5 million rail cars pass every year. We also patrol almost 95,000 miles of shoreline and navigable waters, and 361 ports that see 8,000 foreign flag vessels, 9 million containers of cargo, and nearly 200 million cruise and ferry passengers every year. We have some 422 primary airports and another 124 commercial service airports that see 30,000 flights and 1.8 million passengers every day. There are approximately 110,000 miles of highway and 220,000 miles of rail track that cut across our nation, and 590,000 bridges dotting America's biggest cities and smallest towns. This vast infrastructure supports an economy of more than \$1 trillion in gross domestic product (US DHS 14 June 2004).

Professional smugglers often have a good understanding of transport geography. They use this knowledge when making decisions regarding transportation routes, modes, use of specific transport infrastructure and transshipment hubs. Smugglers use either formal or informal border crossings to get contraband across borders. Informal border crossings are often porous and traversed by foot, by horse or all-terrain

vehicles. Heroin originating from Afghanistan is often smuggled through the Kyrgyzstan-Kazakhstan border as it is very porous. Not only is it easy to walk across undetected but large vehicles with contraband cargoes also cross illegally (Townsend 2006). Simple resources at formal border checkpoints, such as drug-sniffer dogs are lacking in developing countries, thus smugglers run rampant in central Asian republics moving everything from illegal narcotics and illicit arms to oil and endangered wildlife.

Along with the sheer scale of managing the physical transport security of borders, agencies are commonly faced with resource constraints. These constraints can be in the form of human, financial, infrastructural and technological resources. Customs, immigration, and quarantine inspectors are faced with the operational challenge of having to accommodate exponential growth in trade volumes with only a finite amount of control resources, such as manpower and facilities at their disposal (Grainger 2007). The US Congress acknowledged this and allocated more manpower and resources in recent years and realised some successes in interdiction rates from illicit cross-border activities (US GAO 2009). US senator Pete Domenici commented on the challenges of controlling transnational smuggling activities:

I understand that we're shooting at floating targets. I mean, you do well in the southeast border and they [drug traffickers] move to the southwest. We'll load up the southwest border, traffickers move operations elsewhere. What happens next? It's tricky. Nonetheless, we have to continue the war on drugs. For us to sustain resources, you have to have a few field victories of significant size that are measurable. We have to take that to the [congressional] floor and tell them we put an additional \$1.7 billion into border control and it's doing something. And it can't be measured by manpower, it has to be measured in results (Andreas 2013).

While it is impossible to physically monitor, control, and secure borders through manpower alone, the use of advanced technologies, such as unmanned aerial vehicles (UAV), embedded sensor and actuator solutions in transport assets, cargo shipment data mining with risk analytics, next generation surveillance cameras, x-ray technologies, and robotics have aided customs and border patrol agencies in deterring the flow of illicit trade and smuggling operations. By leveraging technology, Customs can alleviate some of the burdens associated with managing the physical scale of transport geography.

3.2 Interdiction-adaptation cycle between customs/border enforcement and transnational smugglers

The institutional friction generated between customs/border patrol agencies and transnational smugglers creates an interdiction-adaptation cycle. Customs and border enforcement initiatives focus on interdicting and disrupting the flows of illicit trade by air, sea, and land. These initiatives utilise advanced military-style technologies and control methods, customised for anti-smuggling efforts. These same customs and border interdiction campaigns create distinct transaction costs for smugglers and trigger adaptation mechanisms (Basu 2014b). The risk of detection and apprehension by customs and law enforcement agencies forces smuggling organisations to incur specific transaction costs related to *concealment* and *evasion*. Concealment costs are the costs associated with avoiding the risk of detection by customs officials, border patrols, and police. Evasion costs are the costs associated with evading arrest, prosecution, and taxes by customs and law enforcement authorities. These transaction costs are a direct result of law enforcement interdiction, which facilitate adaptation responses by smugglers, emphasising concealment, evasion, structural, and operational flexibility capabilities. The constant cat-and-mouse game between law enforcement and criminal organisations involved in smuggling creates an interdiction-adaptation cycle (Basu 2013). This interdiction-adaptation cycle can vary in time from days and months to years and decades.

3.2.1 Interdiction efforts of customs, border control and law enforcement agencies

Customs, border control and law enforcement agencies plan and operationalise interdiction initiatives designed to deter flows of international illicit trade. These agencies receive funding from their respective

governments and allocate human and technological resources accordingly. During the last few decades, there have been massive investments in anti-smuggling initiatives. For example, in the US, government funding for combating illegal drug smuggling increased from USD219 million in 1981 to USD800 million in 1999, where the majority of the funding went to the US Customs and Border Patrol and the Drug Enforcement Agency (US Office of National Drug Control Policy 2000). Concurrently, customs and border patrol resources were increased on the southwest US-Mexico border to stem the tide of illicit drug flows from 3,389 agents in 1993 to 7,231 agents in 1998 (US Department of Justice 2004).

In conjunction with funding and human resource surges, advanced technologies were utilised in interdiction efforts. Military equipment and technology initially designed for war and combat were increasingly made available and customised to deter smugglers. For example, the North American Aerospace Defense Command, which was built to track incoming Soviet missiles, was refocused to track smugglers; x-ray technology designed to detect Soviet missile warheads in trucks was adapted for use by US Customs to find illicit trade shipments in cargo trucks; the Airborne Warning and Control System surveillance planes began to monitor suspected international smuggling flights; the Defense Advanced Research Projects Agency (DARPA) began research efforts on anti-submarine warfare to develop listening devices to detect drug smugglers (Barry 2011).

3.2.2 Adaptation capabilities of transnational smugglers

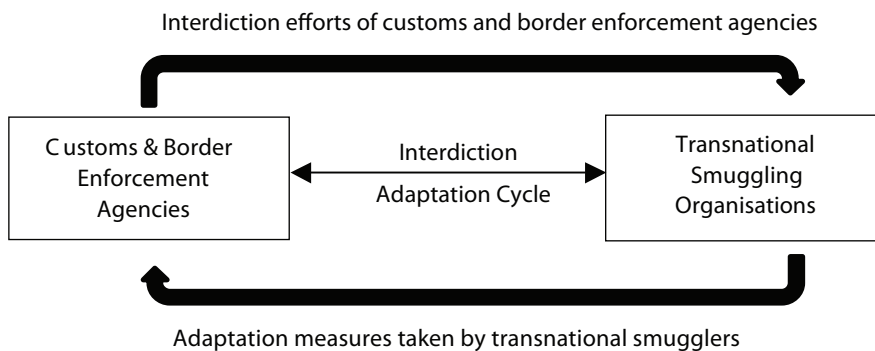
As law enforcement funding, human and technological resources intensified, illicit trade smugglers employed their own adaptation strategies. Professional smugglers adapt by learning from the environment. A Canadian customs official stated: 'They are continuously learning. Every time we go to court, we have to disclose how we got them and they learn from that and adapt. The amount of change and advancement in concealment methods from the 1980s and early 1990s is nothing compared to what it is like now. It's just incredible' (Schneider 2000). The evolution of smuggling technologies is a factor in structural flexibility. Drug traffickers used fast boats and fishing trawlers in the 1970s and 1980s for smuggling. In the 1990s and 2000s, drug smugglers started using semi-submersible vessels and are currently using unmanned aerial vehicles or drones for smuggling purposes (FBI 2010).

Organisations engaged in smuggling developed specific capabilities to circumvent interdiction. Smugglers incur unique transaction costs of concealment and evasion based on the risks of detection and arrest by law enforcement agencies (Basu 2014b). Thus, smugglers acquired capabilities around concealment and evasion to increase their probabilities of successful smuggling operations by strengthening these capabilities. Concealment capabilities include customised transport assets with special compartments designed to conceal contraband, elusive transport routes, and secretive arrangements with financial institutions for the purpose of laundering money generated from illicit activities. Evasion capabilities include bribes to customs and border security officials, and high-speed or stealthy transport assets designed to outrun and evade law enforcement radar when operations are detected.

In addition to this, smugglers exhibit various levels of structural and operational flexibility to elude interdiction. Structural flexibility includes adaptation to legal, regulatory, and competitive environments by smugglers; flexible organisational and relationship structures, in the case of incarceration, death, or role changes in the smuggling organisation; and the diversification of illicit product portfolio structures, for example, drug smuggling to human smuggling (Basu 2013). Smuggling rings also employ operational flexibility to maintain levels of elusiveness from border control. Transnational smuggling typically involves multi-mode, multi-leg transportation shipments with various transport assets used for the smuggling operation. Drug smugglers have been quite agile in shifting their transportation routes when customs and border interdiction rates increased. Colombian cocaine traffickers traditionally smuggled contraband via Caribbean routes in the 1980s. As interdiction rates rose, Colombian smugglers shifted routes by using Mexico as a transshipment route to move drugs into the US. As the transport routings became more dynamic, the interchangeability of transport assets was enhanced for flexibility based on the modal characteristics of the smuggling operation. Professional smugglers either piggyback on to

legitimate conveyances like commercial airlines, merchant marine vessels, passenger/cargo railways, military aircraft, and commercial trucks or use their own customised transportation assets such as border catapults, specially designed road vehicles, fast boats, and semi- and fully submersible vessels, not to mention human mules (Basu 2013). The location of transshipment hubs and illicit distribution centres is frequently changed to mitigate the risk of police raids. Smugglers are astute at gathering counter-intelligence regarding operational routines of customs and border patrols and transportation flow patterns to calculate the optimal timing of border crossing. Pretty young women have particular uses for smuggling rings, as they are sent on many missions to collect information about rivals, police, border patrols, politicians, and anything the cartel wants to find out about (Grillo 2012). The logistical flexibility of smuggling rings creates an environment of operational elusiveness and is a key challenge for customs, border and law enforcement officials.

Figure 1: Interdiction-adaptation cycle between customs/border enforcement and smugglers

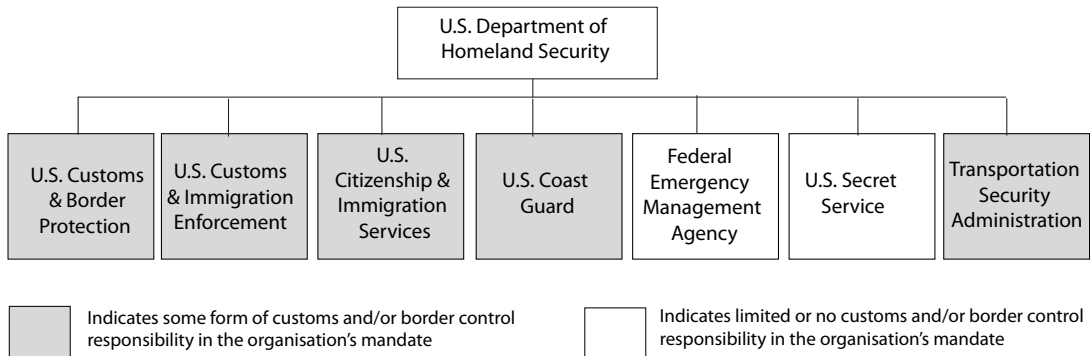


3.3 Institutional and inter-organisational coordination problems

From the time institutional governance structures began to be differentiated into departments and agencies there have been complaints that one agency does not know what the other is doing, and that their programs are contradictory, redundant or both (Hall 1978). Proper coordination within and across the various governmental institutions is necessary to achieve levels of effectiveness and efficiency. Institutional governance structures are forms of power and authority, patterns of relationship, rights, and obligations among the people within organisations (Newman 2001). Coordination is a form of organising that enhances the ability of individuals or organisations to work together in fulfilling a desired objective and can be thought of as an end state in which policies and programs of the government are characterised by minimal redundancy, incoherence, and lacunae (Kochen & Deutsch 1980).

Governmental agencies like customs and border control tend to favour top-down, ‘command and control’ hierarchical structures. Characteristics include standard operating procedures, clear mandates and guidelines for communications, formal information exchange, routine tasks, clearly delineated roles and responsibilities. The hierarchical structure works well so long as the agencies are well integrated and have clear mandates about what to do operationally. However, when the environmental uncertainty increases and tasks become more complex and less routine, the efficacy of hierarchies diminishes. Post 9/11, the US Congress created the Department of Homeland Security (DHS) which consolidated 22 departments and agencies with approximately 200,000 federal employees and its goal was to improve domestic security coordination and communication (US DHS 2013). Currently, the US DHS oversees Citizenship and Immigration Services; the Coast Guard; Customs and Border Protection; the Federal Emergency Management Agency; Immigration and Customs Enforcement; and Transportation Security Administration (Figure 2). Four of the six DHS agencies are involved in customs and/or border control-orientated mandates and tasks.

Figure 2: US Department of Homeland Security organisational structure



Source: US DHS.

As mentioned above, reorganising the DHS governance structure into its current form was a governmental response to the 9/11 disaster. However, there has been evidence that suggests that placing so many disparate agencies and departments under one roof has created more coordination problems than it has solved. A November 2008 US Government Accountability Office report found that almost one-third of DHS's major investments received funding without having the appropriate verification that they met mission requirements and needs and that more than one-quarter of major DHS investments were poorly planned or inadequately performing (GAO 2009).

Coordination problems between institutions also arise due to politics and power, resulting in turf battles. General experience has shown that agencies that were the closest together ideologically were the most difficult to coordinate (Savoie & Peters 1998). The organisations tend to fight over the same policy and budgetary resources, while more diverse organisations have found cooperation less threatening. Fighting over turf among similar organisations solidifies positions about the relative importance of their services. This has been the case with the US DHS and US Department of Justice. DHS must coordinate with other governmental agencies on national security and border management issues. Vying for political legitimacy has led to inter- and intra-agency conflict. For example, DHS and the Justice Department, which includes the FBI and Drug Enforcement Administration (DEA), are both tasked with gathering intelligence and sharing it with state and local law enforcement officials in several operations related to the ongoing drug violence on the US-Mexican border. DHS and FBI officials fought over which would play a lead role in security and law enforcement and lost focus on the primary objective of securing the border and disrupting drug cartels cross-border smuggling operations.

The global nature of the economy (including illicit trade) has forced customs and law enforcement agencies to collaborate and share intelligence on an international level. Globalisation means that foreign ministries have become increasingly central players in what had been domestic policy issues. In addition to this, regional free trade initiatives like the North American Free Trade Agreement (NAFTA), EU, and the Association of Southeast Asian Nations (ASEAN), and supply chain security initiatives like the Customs-Trade Partnership Against Terrorism (C-TPAT), Authorised Economic Operator (AEO) and Container Security Initiative (CSI) have placed new demands and requirements on customs agencies for improved coordination. The WCO articulated, in its vision and mission statements, the necessity of international cooperation and leadership in the area of developing management practices, tools, and techniques on an international level (WCO 2013). The sharing of intelligence related to transnational criminal organisations between national customs agencies, combined with information related to best practices in customs and border management and joint international training and education for domestic customs and border security officials should enhance coordination internationally.

4. Conclusions

The complexity of managing the facilitation of legitimate and legal trade while concurrently preventing illicit trade can be extremely demanding. The challenges presented by transnational smugglers in the form of physical border management of transportation geography with resource constraints, the interdiction-adaptation cycle between customs/border enforcement and smugglers, and issues related to customs and border control agencies' coordination require serious consideration about interactions between not just single agencies but about how networks of agencies interact, gather intelligence and disseminate critical information about illicit traders and cross-border smuggling operations. While the key challenges for customs and border control agencies highlighted in this paper are exigent, they can be addressed more effectively and efficiently. The challenge of maintaining the proper functioning of legitimate commerce and trade while simultaneously preventing and stopping illicit trade is the delicate balance customs and border enforcement agencies need to preserve and control.

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