

SANCTIONS AND ORGANIZED
CRIME INITIATIVE: 2023 SERIES



**GLOBAL
INITIATIVE**
AGAINST TRANSNATIONAL
ORGANIZED CRIME

HARD TARGETS

IDENTIFYING A FRAMEWORK OF
OBJECTIVES FOR TARGETED SANCTIONS
ON ILLICIT ECONOMIES

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FROM VISION TO ACTION: A DECADE OF ANALYSIS, DISRUPTION AND RESILIENCE

The Global Initiative Against Transnational Organized Crime was founded in 2013. Its vision was to mobilize a global strategic approach to tackling organized crime by strengthening political commitment to address the challenge, building the analytical evidence base on organized crime, disrupting criminal economies and developing networks of resilience in affected communities. Ten years on, the threat of organized crime is greater than ever before and it is critical that we continue to take action by building a coordinated global response to meet the challenge.

GLOSSARY

Coerce:	A designation objective to influence a designated actor to shift their conduct, either in full or in part.
Constrain:	A designation objective to impede the ability of the designated actor to pursue a specific course of action, such as a particular harm or criminal activity.
Designation:	The listing of an individual or entity for sanction.
Designation objective(s):	The specific objective(s) sought for a sanction on an individual or entity.
Disrupt:	A strategic goal to impact the ability of an illicit network (including non-designated actors) to continue to operate in ways which, or engage in activities that, pose defined harms of concern to the sanctioning jurisdiction.
Reveal:	A strategic goal to present otherwise hidden information regarding the function of criminal markets or activities of corrupt individuals to reinforce norms and shape narratives.
Sanctions regime:	A series of sanctions issued under a discrete law, official directive, or security council resolution, focused on either a specific country or particular thematic issue.
Shape:	A strategic goal to alter the functioning of a criminal ecosystem, generally by influencing the cost-benefit assessments made by non-designated actors, in order to deter or minimize certain harms or to promote adherence to norms of behaviour.
Signal:	A designation objective to use an individual designation to convey a message to a broader audience (or different messages to multiple audiences).
Strategic goal:	The broader aims a sanctions regime or linked set of designations seek that extend beyond impacts on the individuals or entities designated.



EXECUTIVE SUMMARY

Over the last three decades, the international community has increasingly leveraged targeted sanctions to counter organized crime. While the use of sanctions against criminal actors was largely pioneered by the US to respond to Colombian drug trafficking threats, both the number of jurisdictions employing them and the types of criminal actors encompassed within sanctions regimes have grown rapidly. In addition to drug traffickers, actors involved in everything from cybercrime to natural resource predation to corruption have been targeted by the United States, United Nations, European Union, United Kingdom and others in recent years.¹

The rising use of sanctions against criminal actors reflects the growing appreciation of the peace, security and economic threats posed by organized crime and corruption. However, it also reflects the perceived benefits of sanctions themselves, particularly in a context where the efficacy of other international tools for addressing organized crime – including international law as enforced through international criminal courts – have increasingly come under question. Sanctions are viewed as generally straightforward, inexpensive and minimally controversial means of responding to criminal threats.² A former US diplomat explained, ‘As a tool for policy makers, they serve as a solid middle space in terms of the types of policies you can pursue between kinetic action and soft approaches like diplomacy.’³ Sanctions are also seen as highly flexible, with thematic regimes that can be applied to global activity, in particular organized crime, drug trafficking, cybercrime or corruption. ‘[They are] tools that allow you to work across geographies and network seams,’ another former US official stressed.⁴

There is a perception too that financial sanctions can have be particularly impactful in targeting activities like organized crime and corruption, which are overwhelmingly geared towards financial gain.⁵ The potential to directly influence or constrain the main motive for transgressive behaviour sets criminally-focused sanctions apart from other types of sanctions, such as those targeting terrorist groups or nation-states, which aim to modify behaviours that are often heavily influenced by ideology or politics.

As sanctions use has surged, debate has grown in the policy world and academia about their impact and effectiveness.⁶ In particular, there has been pronounced scepticism that targeted sanctions substantially drive behavioural change by criminal actors, which is often publicly flagged as a key goal by the US, UN, EU and others.⁷

Debates around effectiveness are important, however, they somewhat elide a broader question around the goals of different jurisdictions in using sanctions. While there is emerging research on the



Police cordon off a murder scene in Mexico. © *Jair Cabrera Torres/picture alliance via Getty Images*

motivations underpinning the growing use of sanctions on organized crime – detailing, for example, a focus by the US on security interests, the UN on peace and security concerns, and the EU on conflict and human rights violations – the question of the strategic goals of the regime, and the designation objectives of individual listings, is less understood.⁸ Analytic efforts to develop specific frameworks for understanding the objectives of organized crime sanctions are nascent. Similarly, studies and conceptualization of targeted sanctions on non-state actors more broadly remain limited.⁹ To the extent that they have considered thematic regimes, analyses have concentrated on regimes, such as various non-proliferation regimes, which retain the nation-state as a key target unit.

The traditional analytic frameworks developed for country-focused sanctions tend to be a go-to reference for analysing targeted sanctions on criminals, as well as other non-state actors such as terrorist groups. However, such frameworks and analyses do not neatly map onto the most common strategic goals and designation objectives of targeted transnational organized crime sanctions, which span across both country-focused regimes and expansively delineated thematic regimes, with sometimes broad geographic focus. This is problematic in both a conceptual sense and a practical sense as it affects efforts to assess impact. As one former US official noted, the first big question is, ‘what do you want to accomplish [with transnational organized crime sanctions], not necessarily are they effective’.¹⁰

Establishing an analytical framework for impact assessment that can function across these different types of regimes is a key step in advancing the strategic application of sanctions. Such a framework would be a key part of the toolkit to responding to transnational organized crime by enabling policy-makers, analysts and the public alike to more clearly determine whether sanctions are fit for purpose.

This report seeks to establish a conceptual framework for analysing the impact of sanctions responding to organized crime at two distinct levels: 1) the strategic goal of sanctions regimes or linked sets of

designations (disrupting, shaping and revealing) and 2) the designation objectives of individual listings (coercion, constraint and signalling). At each stage, the report details how different forms of impact can be achieved, discusses indicative examples of impact and maps out sample indicators of effectiveness for each type of impact. The report concludes with recommendations for sanctioning jurisdictions

The report is not meant to provide an overall analysis of whether or not sanctions against criminal actors are effective. Rather, future reports from the GI-TOC covering specific countries and organized crime typologies will tackle questions of effect and impact more comprehensively and in greater depth.

This is the second report in a series of publications from the GI-TOC on the use of targeted sanctions against criminal actors. The first in the series, titled 'Convergence zone: The evolution of targeted sanctions usage against organized crime', explored the emergence and development of sanctions as part of the toolkit for responding to organized crime, and outlining divergences and similarities in the approach of the US, UN, EU and, more recently, UK as sanctioning bodies. The series encompasses global reports, country-specific reports and thematic studies on the subject.

Methodology

The methodology for this report is primarily qualitative. It is based on more than 60 interviews with current and former government officials, UN investigators, lawyers, NGO personnel and local actors from a number of different countries. The study also draws on broader background research and analysis conducted by the GI-TOC on transnational organized crime and the use of sanctions to address the phenomena conducted over the last decade. Finally, the research draws on testimony and assessments issued by governments, as well as reports, articles and books on targeted sanctions by think tanks, academics and former practitioners.



THE NEED FOR TAILORED ANALYTIC APPROACHES TO OBJECTIVES

There has been a dramatic expansion in the use of sanctions as a tool of statecraft over the last two decades, with growing numbers of states levying designations on different actors. There has also been a pronounced shift in the types of actors on which designations have been levied. Targeted sanctions on individuals and organizations, rather than broad sanctioning of states have become the norm. Concurrently, there has been a sharp rise in thematic regimes – focused on issues such as terrorism, organized crime, corruption or human rights violations – in which designees' conduct, rather than that of states, is the motivational concern for designating jurisdictions.

However, even as these shifts have occurred, analytic frameworks on the strategic aims and intent of sanctions have not advanced. Rather, there has been an analytic tendency to draw on frameworks first developed to assess sanctions applied to nation-states. These have focused on three main aims:¹¹

- To coerce a designated actor into changing behaviour.
- To constrain a designee from engaging in a specific behaviour or activity by impairing their operational capacity.
- To signal to designees or to broader audiences that an international norm has been transgressed and to stigmatize the designee for doing so.

Broadly, the coercion of behavioural change has been assessed as the primary goal in most cases, with sanctions imposed to shift a state away from a given policy, such as involvement in conflict, weapons of mass-destruction proliferations, or human rights violations. Signalling, and to a lesser degree constraint, are often viewed as weaker, or second-order goals.¹²

Traditional frameworks have also tended to overlap the intent of individual designations with the broader strategic aims of a given regime. Imposing targeted sanctions on an official in a state engaged in nuclear proliferation, for example, is intended to shift or impede individual behaviour in order to ultimately build pressure on the state to change behaviour.¹³

Scholars have started to recognize, however, that sanctions targeting non-state actors may differ in important ways from those aimed at states.¹⁴ Most analysis of non-state aims has involved counter-terrorism (CT) sanctions, due to the high degree of policy focus on such regimes since 2001. Those

regimes – most of which were developed or refined in the wake of the 9/11 terrorist attacks – are not generally expected to result in terrorists changing their behaviour writ large. Rather, constraint and signalling are the anticipated objectives.¹⁵ A review by the UK noted: ‘Sanctions play a part in preventing terrorists from obtaining the means of carrying out terrorist acts by restricting access to assets, financial resources, military goods and technology and preventing travel and as such are an effective means of countering terrorism.’¹⁶ The US, in turn, has referred to the signalling utility of sanctions in ‘expos[ing] and isolat[ing] terrorists and their organizations’.¹⁷

To the degree that behavioural change is an expected outcome of CT regimes, it is often viewed as most likely to occur amongst supporters of terrorist groups, such as financiers, who are viewed as having something to lose.¹⁸ A broader goal can be seen here, which is shaping the ecosystem(s) that terrorists have thrived in to change the cost-benefit calculations of terrorism support and make them ultimately less conducive to development, fundraising and support for terrorist groups.¹⁹ ‘The point,’ explained a former senior US official, ‘was to starve Al-Qaeda, as part of a strategy to weaken, if not destroy.’²⁰

This strategic focus of CT regimes is highly salient for those focused on organized crime. In the US, the first use of sanctions to target organized crime focused on Colombian drug traffickers in 1995. The regime followed a model set earlier via the creation of the first US CT sanctions regime, which had broken the model of using ‘sanctions against hostile countries or regimes’.²¹ Furthermore, the CT focus of the 2000s and 2010s in the US and internationally drove an expansion in sanctions capacity and conceptualization around application, which in turn has deeply influenced current strategic approaches on the use sanctions to disrupt transnational organized crime.²² Thus, it is reasonable to assess that some of the strategic objectives and goals of CT sanctions regimes are mirrored in counter-organized crime regimes, and potentially in other thematic regimes, including those around corruption and human rights.



Guerrero, Mexico: Forensics recover evidence at the site where several police officers were killed in an ambush in October 2023 in a region plagued by violence related to drug trafficking. © Francisco Robles/AFP via Getty Images

However, there is also an important distinction between CT sanctions and those focused on crime. With CT regimes – and more broadly the older tradition of country-focused regimes – the conceptual goal of a regime was to impact issues which were largely rooted in ideology, politics or policy. The new regimes, in contrast, target conduct motivated primarily by financial interest. Unlike country and CT sanctions regimes – which generally detail specific policy choices or scenarios whose alteration is a prerequisite for a regime’s dissolution – criminal and corruption thematic regimes are typically open-ended and less clear on the distinct, and realistically attainable, end-states they seek. Put simply, the destruction of a given terrorist group – Al-Qaeda or the Islamic State, for example – while difficult and lengthy, is a clear and identifiable target. Combatting major organized crime groups, corruption or human rights violations via sanctions and other tools is far more opaque.

For regimes focused on crime and corruption – or on campaigns of linked designations in a given country or region, or on a given group – assessments of what is meant to be accomplished are not always clear. In particular, the public communication of such goals is often clouded by surrounding rhetoric, particularly by politicians, who often frame action as an attempt to decisively address criminal markets or corrupt activity. As a US presidential spokesperson noted, announcing a set of broadly unrelated criminal designations in 2008, ‘This action underscores the president’s determination to do everything possible to pursue drug traffickers, undermine their operations and end the suffering that trade in illicit drugs inflicts on Americans and other people around the world, as well as prevent drug traffickers from supporting terrorists.’²³

Policy documents laying out strategies for countering organized crime can be equally maximalist in their goals. In its sections encompassing sanctions, alongside other tools, the US Strategy to Combat Transnational Organized Crime sets as objectives: ‘break[ing] the economic power of transnational criminal networks’ and ‘defeat[ing] transnational criminal networks’.²⁴

As a result of this combination of ambiguity in goals and maximalist language, the strategic aims of organized crime and corruption regimes, or groups of linked designations, have come to be construed by the broader public in both the sanctioning and countries where designees live as aimed at sharply curtailing or eliminating illicit markets. This, in turn, has influenced how various stakeholders have assessed the efficacy of the regimes, individual designations and of sanctions overall.

Given this ambiguity, there is a clear need to identify an analytic framework which details the objectives of organized crime regimes. Unlike classic regimes, but similar to CT regimes, those focused on criminals seem to manifest a difference between objectives at a strategic level and the level of individual designees. Strategic goals relate to the overarching purpose of the relevant sanctions regime, whether thematic or country-focused. Because thematic regimes are global, the GI-TOC believes there is also utility in assessing standalone strategic objectives when a series of designations under a thematic regime are linked, either through connection to a group or individual, within a given country, or within a given region. Designation objectives speak to the desired impacts from individual listings. While designation objectives should feed into the accomplishment of strategic goals, assessing impact at these two distinct but interrelated levels provides greater structural clarity, and additional entry points, for analysis.

Turning first to strategic goals, the GI-TOC believes they can fall into three broad typologies: disrupting criminal networks, reshaping harms linked to illicit economies, and revealing otherwise hidden information on the function of criminal markets or activities of corrupt individuals. Similarly, at the level of designation objectives, drawing from extant literature and interviews, we can discern three key categories: coerce constrain, and signal. In the subsequent sections, we will explore each of these goals and objectives in greater depth.

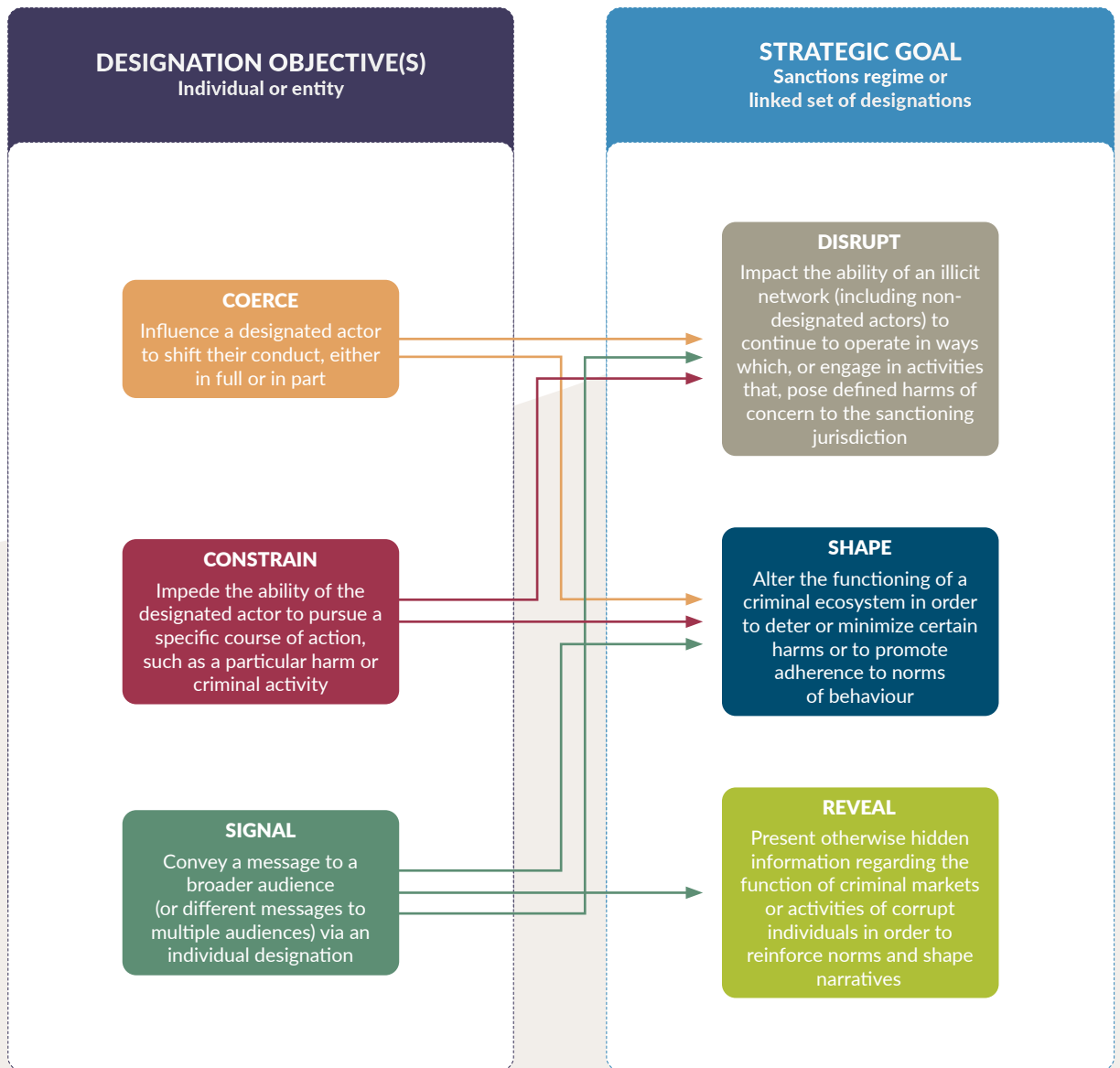


FIGURE 1 Designation objectives and strategic goals of sanctions.



THE STRATEGIC GOALS OF TARGETED SANCTION REGIMES AGAINST CRIMINAL ACTORS

Understanding the strategic goals of sanctions regimes is generally difficult, as they are often multifaceted and liable to shift over time.²⁵ Assessing strategic goals is particularly challenging for many of the global thematic regimes focused on organized crime, drug trafficking, cybercrime and corruption. However, interviews for this report have underscored that for officials tasked with developing and implementing sanctions policies, three main strategic goals can be discerned: disrupting criminal networks, reshaping harms linked to illicit economies, and revealing otherwise hidden information on the function of criminal markets and activities of corrupt individuals.

Disrupting criminal networks

The first, and arguably most widely recognized strategic goal involves disruption, which is crucially distinct from eliminating or dismantling criminal networks. Disruption involves the use of multiple designations to impact the ability of an illicit network (including non-designated actors) to continue to operate in ways which, or engage in activities that, pose defined harms of concern to the sanctioning jurisdiction. Notably, the impact on effectiveness or efficiency extends beyond those directly designated.²⁶ 'These are tools and strategies to contain, to weaken, to minimize the ability of [organized crime] organizations to really do harm,' explained a former US Treasury official.²⁷

In contexts where the host country is considered a partner in responding to the relevant organized crime threat, sanctions can also aim to, in the words of a Latin America researcher, create 'conditions in which a state can respond to a lessened [organized crime] threat and begin to recuperate state presence and capacity.'²⁸ A number of former US officials have flagged Colombia as a key example of successful use of this strategy.²⁹ There, the use of targeted sanctions, alongside a number of other policy tools, impacted traffickers' finances, ability to launder funds and social acceptance. Increasing the friction of doing business resulted in a sharp check on the rising power of drug trafficking organizations.³⁰ Effectively, by disrupting trafficking networks, sanctions helped to provide the government of Colombia with time and space to develop internal responses to the challenge.



Protesters in Colombia march to draw attention to violence perpetrated by armed groups. © Luis Robayo/AFP via Getty Images

'Treasury's sanctions against MS-13 aim to interrupt its use of the financial system to launder illicit proceeds ... MS-13 is a violent, destabilizing threat to the security of people in Central America. Its criminal activities degrade economies in the region to such a degree that citizens are compelled to seek safety and better opportunities elsewhere.'

- UNDER SECRETARY OF THE TREASURY FOR TERRORISM AND FINANCIAL INTELLIGENCE BRIAN E. NELSON³¹

Sample indicators for disruption

- Increased costs of financial transfers (e.g. by having to evade the US system)
- Obstacles to travel between countries
- Heightened individual profiles enhancing visibility and making it more difficult to do business

Shaping the situation

The second strategic goal of sanctions regimes on criminals and corrupt actors involves the ‘shaping [of] the situation’.³² This entails efforts to alter the functioning of a criminal ecosystem, generally by influencing the cost-benefit assessments made by non-designated actors, in order to deter or minimize certain harms or to promote adherence to norms of behaviour. Effectively, the goal is to move beyond reducing specific risks, as in disruption, to shifting activities and norms among a broad range of undesignated criminal actors. Situation-shaping is often secondary to disruption, but it is arguably more important given its potential for broader and more durable impact on a criminal ecosystem.

In general, the international community’s targeting of organized crime actors is selective. ‘A lot of US focus has been on high-end organizations with transnational reach and organization. Not just any criminal actor or action,’ explained a former US official.³³

Broadly, the selection of organizations is often rooted in specific harms linked to a certain group, such as involvement with specific types of narcotics, acute or high-profile violence, or money laundering activities which pose a broader threat to financial systems. The assessment of these harms and threats differs by jurisdiction and is linked to national priorities. For the UN, it is generally the threat of criminal actors as conflict enablers.³⁴ The US has many of the same strategic aims as the UN but expands on them by focusing on the threat to US national security, construed to include economic security, posed by criminal actors.³⁵ For the EU, the goal is both to address conflict issues and, increasingly, to uphold human rights norms.³⁶ As one European official noted, ‘Countering [organized crime] is not a goal in and of itself for our sanctions approach, but [organized crime] is intimately linked to stability and fragility, and so there is a link to our core goals.’³⁷

These harms, profitable and advantageous as they may be to criminal actors, are by no means intrinsic to the operations of many illicit economies.³⁸ For example, drug traffickers in northern Mali may provide financial support to armed groups to ease and facilitate trafficking, but is not an inevitable strategy or central to their activities. Similarly in Libya, the systematic physical abuse of migrants by human smugglers is a normative choice taken by smugglers and is not inherently linked to the smuggling process per se.



Aerial view of detained migrants in Libya; large numbers of migrants are systematically abused by human smugglers in the country.

© Mahmud Turkia/AFP via Getty Images

By sanctioning criminal actors involved in distinct harms, international actors can influence the cost-benefit rationale for actors engaging in an illicit economy. This may not result in the complete ceasing of criminal activity, but may sever or weaken the link between the criminal economy and the specific harm/s being targeted. For example, had Guinea-Bissau's cocaine market continued to flourish, but become delinked from protection by the political and military establishment, this would have vastly reduced its impact on political instability in the country, and proved a significant success.³⁹ (Unfortunately this was not the tracked impact, as the GI-TOC report 'Crime and sanctions: The case of Guinea-Bissau' details.⁴⁰)

Shaping the illicit economy is, in effect, an ongoing process in which sanctions aim to slowly transform the criminal ecosystem by enhancing the cost of criminal actors' engagement in specific, harm-related activities, or to deter actors from involvement in those activities in the first place.

Libya presents a useful example of the shaping impact of sanctions. The designation of human smugglers and fuel traffickers by the UN, US, EU and UK shifted the ways that sanctioned and non-sanctioned individuals engage in illicit economic activity. Criminal actors took clear steps towards lowering profiles, adapting their activities or in some cases curtailing their involvement altogether. Furthermore, sanctions shaped how Libyan armed groups assess the risks of involvement with illicit economies. The most dramatic example is human smuggling. Sanctions, alongside additional pressure from the international community including aid and diplomatic engagement, resulted in a substantial increase in the perceived risks of being involved in human smuggling. In turn, this drove a shift in how armed groups involve themselves in the activity. To limit risk, many reduced their operations or lowered their profiles. Sanctions were one tool shaping changes in the social acceptability of certain forms of crime – mainly abusive human smuggling – impacting the social and political standing of those involved in the trade and acting as a broader deterrent.

Crucially, these trends were emerging before the imposition of the 2018 sanctions, with the designations issued further fuelling the shifts.⁴¹ The Libya case underscores that if the strategic goal is to shape the criminal ecosystem, sanctions work best when they are used to support ongoing trends or target vulnerable actors who can be 'pushed over the edge'.⁴² In turn, this highlights the importance of timing, clarity on goals and comprehensive situational analysis.

It is important to stress that whether or not shaping is intended as a strategic objective, the issuance of designations often results in a reshaping of the situation. In the Central African Republic, for example, the Kimberley Process trade regime on diamonds has shaped preferences away from diamonds by both illicit economic actors and warlords.⁴³ However, rather than exiting involvement in illicit economies, criminal actors have gravitated towards gold, which is viewed as far easier to dispose of and profit from.⁴⁴ For this reason, even if shaping is not an explicit objective, sanctioning jurisdictions should anticipate it as an outcome and strategically plan around it.

Sample indicators for shaping

- Changes in the social acceptance of certain types of illicit economy
- Dynamics of the criminal market shift away from the manifestation of identified harms (e.g. protection networks and financial benefits shift away from conflict actors)
- Human rights abuses related to a particular illicit economy become less prevalent
- Protection infrastructure becomes more clandestine

Revealing hidden information

The third main strategic aim of sanctions involves revelation.⁴⁵ When an international actor decides to sanction an individual or entity, the public statement announcing the designation typically lays out a brief narrative of why the actor was sanctioned. When it comes to criminal actors, this narrative typically lays out allegations of specific crimes committed. The issuance of multiple designations can then begin to paint an increasingly detailed and evolving picture of how organized crime or corruption operates, and its impact on a given jurisdiction.

Revelation can be critical, given that in situations in which organized crime is an acute challenge, there is often a muting of public discussions around criminal activity by powerful actors. Thus, through the imposition of sanctions, international actors can provide information on sensitive issues publicly, providing entry points to then begin discussing the challenge posed by organized crime or corruption.⁴⁶ Furthermore, sanctions can underscore and promote a counternarrative that certain actions, which may have become normalized and incur limited reputational damage domestically, are out of step with internationally recognized norms.⁴⁷ Designations under a single regime or linked designations can be used to build a public narrative around a given actor or set of activities which may not be construed as inherently criminal.

'In the context of the deployment of Executive Order 13581, it really doesn't add anything new in the context of what measures the United States has already put in place against the Wagner Group. What it does more than anything else is signal to the international community the United States' perspective that it sees the group as a criminal organization and is not merely an organization that is a private military company.'

- FORMER US OFFICIAL⁴⁸

In the UN sanctions process, the reports from the Panels of Experts can play an important role in revelation. Given their highly detailed nature, political neutrality and repetition in issuance, such reports can effectively set down a 'first draft of history' in fragile states under sanction, clearly detailing peace and security challenges and the intersection of criminal dynamics with them, and making it impossible for powerful actors to claim ignorance of the issues.⁴⁹ While regular reporting by the UN Secretary-General on particular regimes goes some way towards fulfilling this function, the limited independent data-collection and analytical capacity underpinning such reporting means it is far less effective in this regard than reports by the panel.⁵⁰

Revelation via regimes or a set of linked sanctions also puts pressure on governments to address actors committing sanctionable offences within their borders.⁵¹ Effectively, repeated designations by the UN, US or EU, or reports from panels of experts can starkly highlight gaps in capacity, enforcement or political will, which impede enforcement. In this way, revelation can be punitive, attempting to pressure governments into more robust action or underscore the sanctioner's concerns, such as criminal infiltration of government. However, it is often more effectively used as a supportive element, aimed at assisting governments to tackle the criminality at the root of the sanctions designation. It can also affect the balance of power within a government, providing support to specific ministries or actors in favour of investigations to help counter others within a government opposed to action.

In some instances, the provision of information via regimes or groups of linked sanctions, as well as panel of experts reports, can offer aid to civil society seeking to address the issues. ‘When the US decides to sanction, it effectively calls out that person within that county,’ noted a former US diplomat.⁵² ‘This helps build public pressure and helps civil society to go after corrupt or criminal actors.’

In addition, the public documentation of transgressions through the issuance of sanctions also has a representative and affirmative value for victims of sanctioned criminals. It very visibly holds evidence which supports that, as one British lawyer noted, ‘this violation occurred, and that this person is responsible for it’.⁵³

Such revelation can also be seen as an attempt to ensure a degree of accountability against transgressors. A US lawyer noted that especially on human rights violations, sanctions, while an imperfect tool, have emerged to fill an ‘accountability vacuum’, as other international instruments, including international human rights courts, are increasingly perceived to be ‘running on fumes’.⁵⁴



Sample indicators for revelation

- Shift in public perceptions on the acceptability or tolerance of certain behaviours
- Change in public narratives on the nature of certain groups or linked sets of actors
- Increase in investigations, by civil society, media or governments of illicit markets, corruption, or key groups

The importance of strategic clarity

Overall, the strategic intent of sanctions regimes targeting organized crime and corruption differs in important ways from classical, country-focused sanctions regimes. In country-focused regimes, the ostensive focus is on affecting a policy change, such as halting involvement in a conflict, ending the proliferation of weapons of mass destruction or ceasing human rights violations. Constraint and shaping are often important secondary aims, particularly in circumstances in which a sanctioned country is unwilling to alter its behaviour. However, the overall objective of such regimes – and the prerequisite for the ending of a regime – involves a distinct policy change.

In organized crime sanctions, this is flipped. Disruption and situational shaping typically become the primary strategic aims, with more limited expectations that actors will radically shift their involvement in crime or corruption. This difference in strategic aims has ramifications for how success should be assessed. While it is possible to develop indicators hinting at impact, strategic ‘success’ is generally much less direct and measurable than in country-focused regimes aimed at affecting a policy or political shift.

Clarity on which type of strategic objective a sanctioning jurisdiction is aiming for is important, both in terms of the evaluation of effectiveness and public communication. Furthermore, it is an important conceptual point to address when sanctions are imposed by different jurisdictions in a coordinated fashion. Absent such strategic clarity, expectations and measures of success run the risk of differing by jurisdiction, likely to the detriment of the longer-term sanctioning effort.



DESIGNATION OBJECTIVES OF TARGETED SANCTIONS ON CRIMINAL ACTORS

The achievement of strategic goals for sanctions regimes or groups of linked designations rests to a significant extent on the nature and degree of impact achieved by individual designations of criminal or corrupt actors. Objectives at the individual level differ from those at the strategic level, with sanctions scholars identifying three main goals for designations: coercion (behaviour change), constraint and signalling.⁵⁵

Designation objectives can contribute to one or more strategic goals. For example, coercion – achieving behavioural change of individual actors – can further strategic goals to both disrupt organized crime and reshape criminal ecosystems. Similarly, constraint and signalling objectives can feed into more than one strategic goal. By contrast, the strategic goal of revelation is almost wholly linked to the designation objective of signalling.

In spite of the importance of designations as building blocks, there is often a lack of clarity around what specific designations are meant to achieve vis-à-vis those sanctioned. At a more basic level, there is also ambiguity about what success with behavioural change, constraint and signalling looks like when it comes to organized crime actors. This is not to say such discussions do not happen, but interviewees suggest that there is considerable divergence in how different jurisdictions approach such planning.⁵⁶ Furthermore, particularly with jurisdictions which do not have a track record on transnational organized crime, there can be gaps in expertise on how sanctions can affect illicit markets and criminal ecosystems.

This is broadly problematic, both for public communication around sanctioning and for broader policy, such as ensuring that individual designations contribute to broader strategic goals. A European official noted, 'Sanctions are a tool used differently in different contexts and can have very different impacts. As they're being designed, you need to know what you're doing, and what you want to get out of the designation or regime.' A former US official broadly agreed, explaining that 'having a targeted, nuanced goal leads to more successes'.⁵⁷

This section delves into the behaviour change, constraint and signalling objectives when it comes to organized crime. It underscores how they can work, and offers indicative impact examples for each. It is not meant to provide a definitive assessment on the impact of sanctions against organized crime, or the relative success or failure of different regimes.

Coercing behavioural change

The first type of designation objective is coercion aimed at influencing a designated actor to shift their behaviour, either in full or in part. This is the objective most flagged in public by the US, UN and EU systems, where targeted sanctions focused on criminal actors are frequently discussed by policymakers as coercive behaviour change tools.⁵⁸ This approach aligns with traditional sanctions, which have long been construed as efforts to alter nation-state and government behaviour. The EU, for example, is explicit in its attempts to bring about behavioural change in both policy and activity via the use of sanctions.⁵⁹ A former US ambassador similarly noted that for the US, 'a sanction is not a judicial penalty, it's not a payback, it's meant to be an incentive to change behaviour'.⁶⁰

The popular expectation of what behavioural change entails is often rather maximalist, reflecting the sort of official framing and rhetoric detailed in the previous section. For example, criminal actors cease their involvement in crime. In some cases, such behavioural change does occur, such as with Colombia's Cali cartel.⁶¹ In that case, sanctions – along with other policy tools, such as indictments, rewards and capacity-building of Colombia's judicial, prosecutorial and security forces – led key cartel figures and family members to effectively cease involvement in crime.⁶²

However, maximalist behavioural change, while welcomed, is generally not the goal expected by practitioners. Rather, the expectation is reportedly more nuanced, rooted in the nature of the harms which drove the designation in the first place.⁶³ At an individual level, this could be involvement in a particularly violent form of criminality or engagement in activities that have outsize strategic impact locally or regionally. While not maximalist, such incremental behavioural change can have important impact, both on strategic efforts to disrupt and to shape overall situations or illicit markets.

The drive to change behaviour by a designee is, nominally, driven by the desire to unlock frozen funds, to be able to reengage with banks and other financial actors, to regain access to travel visas or to clear one's reputation.

A desire for financial restrictions to be lifted is perceived to be a key leverage point over actors involved in illicit markets. 'With criminal actors, you have a for-profit motive: making money and transmitting the proceeds of crime. So there, sanctions can have an impact,' explained a former senior US official.⁶⁴ Such leverage and impact does clearly exist, in some cases driving designated individuals to change behaviour. Financial motivations can be seen as a key driver in the willingness of the Cali Cartel, mentioned above, to agree to cease their involvement in and association with drug trafficking.⁶⁵

Another example of behavioural change due to economic interest involved the Bureau d'achat de Diamant en Centrafrique (Badica) in the Central African Republic and Kardiam, a linked company in Belgium. Badica was the Central African Republic's most important buying house, an entity legally able to export gold and diamonds abroad. The company was sanctioned by the UN in August 2015 for 'illicit exploitation and trade of natural resources, including diamonds and gold'.⁶⁶ Six years later, the company was delisted by the UN, reportedly after having made a number of commitments, including the institution of a due diligence policy and committing to be audited.⁶⁷ A former UN investigator noted, 'In this case, due to the designation, you have a company that developed the tools to do business diligently'.⁶⁸



Central African Republic: A diamond being examined. The country's main diamond buying house was sanctioned in 2015. © Miguel Medina/AFP via Getty Images

While travel prohibitions (including visa bans) are often presented in public discourse as holding lesser coercive power than asset blocking, they can nonetheless offer an effective means of compelling designees to change behaviour. As one UN sanctions investigator active in West Africa noted, 'There is a prestige issue here: if [designees] can't travel, they're out of the club.'⁶⁹ Another investigator simply said, 'Speaking to high-profile sanctioned people, the first thing they complained about was the limitation on their travel.'⁷⁰ Research in Central America found a similar dynamic, with travel bans by the US flagged as an important tool, especially if the targets were economic elites or their families.⁷¹ The travel plans of the designated individual are often entirely unconnected with the criminal enterprise. In Guinea-Bissau, for example, designated political and military figures reportedly most keenly felt the loss of travel for leisure, but also for medical reasons. Guinea-Bissau lacks high quality secondary medical services, meaning the elite travel either to Europe or neighbouring Senegal for treatment. However, the impact of the travel restrictions was diluted by patchy implementation, at least within the ECOWAS region.⁷²

Behavioural change can also be influenced by the heightened visibility and reputational implications sanctioning brings.⁷³ One US official explained, 'Reputational implications are key with sanctions. When the reputational risks are higher, these individuals may change behaviour.'⁷⁴ This can be particularly important in contexts where the criminal actors targeted have limited engagement with international travel or banking systems.

Reputational impacts are maximized when the designated individuals have political aspirations. This is the case in the Central African Republic, for example, where many armed group leaders involved in criminal activity also have such political goals, which risk being stymied by sanctions. A UN investigator noted: 'The actors sanctioned are trying hard to improve their behaviour, to get taken off list, and so we keep an eye on the heads of armed groups, especially these recently sanctioned, to assess any change in behaviour.'⁷⁵

Other examples of behavioural change due to reputation can be seen in Libya, where sanctions on human smugglers imposed by the UN in 2018 led some to shift their activities despite the limited ability of the international community to impact their finances or affect them with travel bans. Notably, while some were actors with political ambitions, others were not. In the case of one sanctioned smuggler, designation led him to pause his activities in the short term – reportedly at the urging of an armed group he was affiliated with which was worried about ‘the political implications of the activity’.⁷⁶ While he ultimately returned to human smuggling, his activities in the present day are more restrained and low-profile than the high-volume human smuggling he had previously been involved in.⁷⁷

Another Libyan designee, a government official, reportedly sought advice on what he needed to do in order to be removed from the sanctions list soon after his designation was announced.⁷⁸ The designee’s reputation within Libya was reportedly problematic enough that he was asked by military commanders not to publicize his presence at the frontlines during the 2019–2020 War for Tripoli.⁷⁹ The reputational impact ultimately drove the designee to engage in a number of activities meant to ‘launder’ his reputation, including heightening his involvement in counter-smuggling activities, even as he continued to press Libyan officials to advocate for his removal from the UN list.⁸⁰ Notably, despite efforts to shift his reputation, he and his broader network reportedly remained linked to human smuggling activities. As of the time of writing, he remained sanctioned.

This final instance underscores the importance of de-designating or delisting procedures if a sanctioning body is attempting to prompt behavioural change. While such delisting can occur for a variety of purposes – including factual errors in designation, the death of the designee, being held sufficiently accountable by a designee’s own country or the cessation of a sanctions programme – in general, delisting is held out as a positive inducement for designees to change the activity or behaviour which led to their listing in the first place.⁸¹ As one official noted, ‘The designation is not meant to last in perpetuity. The decision factor [on delisting] is possibility of behavioural change.’⁸²

Instances of behavioural change leading to de-designation do occur. In April 2017, for example, the US de-designated Jose Adan Salazar Umaña, also known as ‘Chepe Diablo’. Salazar Umaña had been designated in 2014 because he was suspected of serving as the leader of the Taxis Cartel, one of El Salvador’s most important drug trafficking and money laundering organizations. He was de-designated after the US found information available in 2017 showing that he no longer ‘continue[d] to play a significant role in international narcotics trafficking’.⁸³ Similarly, the US has de-designated other criminal actors after such actors either modified their behaviour or ceased involvement in behaviour of concern, with one official noting in 2016 that an average of 100 individuals or entities had been removed from the sanctions list per year over the prior five years, including 308 actors linked to the Cali Cartel de-designated in 2014.⁸⁴ A US official stressed, ‘Those are 308 examples of sanctions success.’⁸⁵

Nonetheless, the number of delistings in the US – across both sanction programmes focused on criminals and those focused on other priorities – remains limited in comparison to the total number of designated actors and entities. The Treasury Department Sanctions Review, issued in 2021, noted that roughly 12 000 listings existed across all 37 US sanctions programs, while nearly 3 000 delistings had occurred over the previous two decades.⁸⁶ As one US diplomat explained, ‘I’m personally sceptical on the feasibility of changing behaviour. If there was an easier process to being delisted, that might be heightened incentive to behavioural change. But the process for delisting is pretty opaque, and doesn’t occur that often.’⁸⁷ The coercive power of sanctions is broadly considered to be diluted by the complex, lengthy and nebulous procedures for delisting across international sanctioning bodies.

Furthermore, behavioural change is liable to reversal, especially if options for delisting are limited or if the impact of designation ends up being less significant than initially expected. As one Colombian expert noted, for sanctioned individuals in his country, difficulties in de-designation mean ‘they need to keep involved in criminal activities because they are already marked and designated in lists, which makes them really difficult or impossible to move into a legal field’.⁸⁸

Behavioural change and a reversal in activity can also come about due to a shift in the overall context, such as changes in internal conflict, as in the case of the Central African Republic. ‘For the [armed group leaders] which stay clean, they’re making a set of choices that ultimately impede them in buying arms or financing a militia,’ explained one US official.⁸⁹ ‘For that, they have to believe they can achieve political success in a non-violent way. When you have major democratic backsliding, it harms [that belief], by creat[ing] distrust and chang[ing] overall incentives.’ This underscores the need for jurisdictions not to use sanctions as a ‘fire-and-forget’ tool, and instead to keep deeply attuned to the evolving context around designees and how that context impacts both designee action and broader strategic objectives for the sanctioning jurisdiction.

Finally, it is important to stress that behavioural change may be complete, with an individual ceasing criminal activity entirely. However, it can also be far more ‘subtle... [and] incremental’, with a designated actor limiting involvement in some forms of criminality, or desisting from causing some specific harms.⁹⁰

One Libyan trafficker sanctioned in 2018, for example, ultimately halted his direct involvement in human smuggling, though some members of his broader organization remained involved. However, rather than ceasing involvement in criminality altogether, the designee reportedly shifted into drug smuggling, reportedly a far more lucrative enterprise, but also crucially one which had not attracted the same degree of international opprobrium in the country.⁹¹ This highlights the flexibility of many criminal operators, rendering sanctions – alongside myriad other criminal justice and regulatory responses to criminal markets – vulnerable to displacing actors between illicit economies, with potentially negative consequences. It further underscores the complicated shaping challenge inherent in designations, and the need to set clear objectives for sanctioning efforts.

Nonetheless, behavioural change is an important objective of sanctions efforts. The aim, by tipping criminals’ cost-benefit analysis, is nominally to influence key problematic behaviour. At an individual level, this can serve the strategic goal of disruption. However, even minimal behaviour shifts, when spread across a larger number of designees, can also start to shape broader criminal ecosystems.

Sample indicators of behavioural change

- Decreased involvement of a designated actor in a particularly harmful modus operandi (within a particular illicit economy)
- Decreased involvement by a designated actor in, or exit from, a particularly harmful illicit economy
- Displacement of a designated actor to a different illicit economy, possibly one viewed as less ‘harmful’

Constraining criminal activity

Constraint forms the second type of objective for individual designations. In this, targeted sanctions impose a cost on criminal actors that either constrains their ability to operate or makes operating undesirable by tipping the cost-benefit analysis, and in so doing, minimizes the threat they pose to the sanctioning entities' interests. 'The logic is about disruption and increasing the costs; it's about hurting a business model. Then it comes down to the question of how determined the other side is,' explained a former UN investigator.⁹²

For criminal organizations, most constraint is linked to financial sanctions. Impact is enabled, in part, by the centrality of the US, EU and UK, three of the most active sanctioning jurisdictions, in global finance. The US, in particular, enjoys substantial extra-territorial ability to curtail transactions by sanctioned criminal actors given that many transnational criminal actors utilize or receive US dollars for their activities. While the EU and UK enjoy less influence in global finance, both the euro and pound sterling are stable and readily convertible currencies, and are therefore in demand by criminal and corrupt actors, giving both jurisdictions the potential to exert a constraining effect through their designations.

The constraining ability of financial sanctions hinges on the reality that while criminal actors may profit from clandestine illicit economies, many nonetheless rely to varying degrees on banks and other financial institutions to move or store funds. One example involves human smuggling from East Africa through Libya. Migrants who pay in advance for the overall journey tend to do so in US dollars to a contact in their home country. That individual then reportedly uses the formal banking system or informal hawala system to transfer funds to a third party that is specified by Libya traffickers and typically based in the Middle East or Maghreb. The third parties reportedly then use informal hawala systems to transfer funds to Libya.⁹³ Smugglers in Libya, in turn, reportedly make onward cross-border payments via formal mobile banking apps.⁹⁴

Furthermore, as can be seen by the large number of enterprises sanctioned by the US in Latin America, criminal actors often maintain some ownership in nominally licit businesses, either using them to launder illicit proceeds or as means of investing ill-gotten gains. Effectively, the line between illicit economies and the licit sector is often blurry.

Financial sanctions achieve an effect, in part, by incentivizing licit economic enterprises to decouple themselves from sanctioned criminal actors, 'freezing the actors out of the formal economy'.⁹⁵ Banks, for example, face substantial ramifications if caught providing services to designated individuals, leading them to terminate relationships with sanctioned actors or, in some cases, even those accused of sanctionable activity through reports from the Panel of Experts.⁹⁶ As a European official noted, 'The goal on human trafficking [sanctions] is to increase friction ... once on a list someone can't access money or have engagement with banks.'⁹⁷

Similarly, businesses are incentivized to cut ties with designated actors. Enterprises, for example, can be sanctioned by US authorities if they support designated actors or are 50% owned by them. 'Sanctions are defensive in nature,' stressed a US official.⁹⁸ 'They keep [designees] out of the banks and private businesses, [and] keep them marginalized.'

Criminal actors can bypass these impediments, such as by laundering money through jurisdictions with lax controls or with limited political interest in sanctions enforcement. However, such work-arounds increase the cost and difficulty of doing business, impacting the profitability and power of the criminal actor.⁹⁹ 'We're trying to make it more difficult for organized crime to operate,' explained a former US official.¹⁰⁰ 'When you can't throw those guys in jail, [financial sanctions] can make their lives more difficult and more costly to operate.'

A somewhat similar dynamic exists with travel restrictions, particularly those by the UN which seek to prevent the general movement of designees. Given the transnational nature of modern organized crime, such travel impediments can limit the ability of designees to meet and speak with key associates and business partners. A former UN investigator noted:

The most effective sanctions we had was the travel ban, when it concerns someone who travels. This doesn't mean the individual will stop criminal activity, which is usually their main income, but at least you know they are constraining their activities. In the context of post-conflict countries or the context of war economies ... this is the best you can get, often times.¹⁰¹

For both financial and travel sanctions, the degree of constraint is dependent both on the degree of a criminal actor's exposure to international reach and the degree of cooperation in the country in which the actor is based. While a growing number of criminal actors operate transnationally, many operate purely within a single state, with limited international travel or foreign bank accounts. In such circumstances, the ability of the international community to constrain via sanctions is heavily dependent on the cooperation of the state where the designee lives.

Some states are broadly comfortable with their nationals being sanctioned by international actors, especially if the activities of the designated criminals are seen as threatening the state or running counter to governmental interests. Such states – which may not be able to arrest suspects for political or capacity reasons – nonetheless heighten the impact of sanctions by easing their domestic application. Colombia and Mexico, for example, have both enabled domestic banks to terminate accounts of individuals and entities sanctioned under the US Kingpin Act.¹⁰²

Sanctions can also have a constraining impact on designated criminals in states with limited capacity or willingness to enforce them. However, this is rendered more complicated, in part, by the reputational toll of sanctions. The public visibility of an international designation is not viewed positively by the broader set of actors in a given illicit economy, and can affect the extent and ways through which other stakeholders engage with designated individuals.¹⁰³ Similarly, even if a government is willing to continue engaging with a sanctioned individual or keep them in public office, sanctioning makes continued engagement with designated individuals a politically-charged decision with consequences. Even where the cost is deemed acceptable by political actors, it nevertheless increases operating friction.



A January 2023 press briefing at the White House with the Coordinator for Strategic Communications at the National Security Council John Kirby. The US designated the Russian military company the Wagner Group a criminal organization.

© Alex Wong via Getty Images

Sanctions can constrain internal actors by mapping the international connections of a given criminal enterprise and targeting those affiliates. This can be seen, for example, in US designations around the Wagner Group in 2023.¹⁰⁴ In addition to the leadership and other key officials in the mercenary group, the US targeted companies whom it claimed were either front companies for, or actors who were providing support to, Wagner. The companies, based in a range of different jurisdictions, were arguably more exposed to US sanctions than Wagner personnel themselves. However, from a financial point of view, the companies have been key to Wagner's profiteering, a key objective of its operations in Africa in particular. The sanctions therefore offer a potential avenue to influence and constrain key criminal goals of the group, even if most Wagner personnel are effectively internal actors.

Sanctions can also have a constraining effect, including on internal actors, by going beyond the leadership of criminal organizations and targeting mid-level actors or those involved in money laundering. Former US officials broadly agreed that in the context of Mexico, the point where impact was most likely was not 'Tier One' traffickers like Joaquín Archivaldo Guzmán Loera (also known as El Chapo), but rather individuals 'farther down the chain of command, who are more deterrable'.¹⁰⁵ As one former US ambassador explained, there can be substantial benefit to focusing on lower level actors, those 'who are "Los perfumados", only a little complicit, a little involved, who live in nice houses and gated communities'.¹⁰⁶ He continued, 'Not even the first level of money launderers, like the third or fourth level. Those people rarely get sanctioned, but those are the people most likely to change behaviour.'

The utility of targeting both international connections and members of criminal networks underscores that for constraint to function effectively, it needs to be underpinned by comprehensive analysis of both a given criminal network and the criminal ecosystem in which it operates. This includes facilitative actors such as money launderers. It also demonstrates that for constraint to be maximized, sanctions need to be levied against a number of different actors who are members of or linked to a given network, rather than just key leaders or well-known actors.

The constraining power of sanctions should not be seen as a secondary goal to behaviour change. Rather, constraining sanctions aim to do different things, using different lenses. Constraint is ultimately about increasing friction on the activities central to a functioning of a criminal actor from multiple angles. 'What you're doing essentially is putting up roadblocks,' explained a former Canadian official.¹⁰⁷ In this way, constraint can be seen as both furthering strategic goals around disruption (limiting the threat posed in a given context by criminal actors) and shaping the criminal ecosystem by forcing designees to alter the ways in which they operate.

Sample indicators for constraint

- Decrease in designee's access to formal financial institutions and increased 'friction' in financial activities
- Increased limitations on designee's movement patterns critical for criminal activities
- Emergence of impediments to recruitment by designee of key support actors crucial to criminal activity

Signalling to different audiences

The third objective of individual designations is signalling: the use of the tool to convey a message to a broader audience (or different messages to multiple audiences). Signalling can be a goal in and of itself, though it is typically thought of as working in tandem with efforts to coerce the behavioural change of designees or to constrain their activity. Notably, as a means of messaging, signalling can achieve impact regardless of whether a designated actor is exposed internationally to the effects of designation, or whether their country of residence has the capacity and will to enforce sanctions against them.

Historically, signalling via designations has often been used as a means of making a political statement to domestic audiences, making a diplomatic statement to international audiences or reinforcing international norms, such as non-proliferation or human rights.¹⁰⁸ Such uses are still germane in the use of sanctions against criminal actors, such as the messaging implicit in targeting Libyan traffickers on human rights grounds. However, signalling about criminal actors can also target other actors and serve other goals, including influencing the criminal ecosystem, aiding government officials in addressing criminality, and affirming for societies and victims that certain crimes have occurred.

At a basic level, the sanctioning of a criminal actor acts as a signal to the broader criminal ecosystem they are a part of. The signal is often a deterrent one, aimed at coercing other criminals into forgoing certain behaviour lest they be sanctioned next. This can be particularly key in situations in which state weakness or compromise has led to impunity for major criminal actors. Sanctions, then, send the message that even powerful actors – such as the heads of drug trafficking organizations, gang leaders and politically influential criminals – can face ramifications for their actions. As a US official noted, ‘You want a shot across the bow for a larger group.’¹⁰⁹

As detailed earlier, the behaviour to be deterred is often not involvement in the illicit economy itself, but rather activities emanating from it that pose substantial harms. ‘In practice, signalling doesn’t lead others to change behaviour in the way we thought it would happen, with a person stopping criminal activity,’ explained a former UN investigator.¹¹⁰ ‘Rather, that individual will change their method of operations, adapt their organizations and activities to operate under sanctions or to the risk of being sanctioned.’ Such activity is traditionally seen as evidence of sanctions evasion, it can also be seen as a material shift in activities to be less harmful.

In Libya, for example, the designation of human smugglers, coupled with other tools such as aid and diplomatic engagement, helped to shift how armed groups involved themselves in human smuggling. Effectively, a signal was sent that the activity was particularly toxic and out of bounds, which in turn fed into evolving negative perceptions of human smuggling within Libya. Responding to this, armed groups in Western Libya sought to limit the visibility of their operations or cease them entirely. In some key cases, the groups sought to launder their images by increasing their involvement in counter-migration activity.¹¹¹ Notably, this shift towards law enforcement, while real, was also highly selective, with armed group members allowing some smugglers to continue operating even as they targeted others.

Signalling can be particularly impactful as a deterrent for individuals sitting at the nexus of criminality and government power, including military and security officers, political figures and businesspeople. These actors can play a key supportive or enabling role, often central to protection structures. These individuals are usually highly insulated from domestic accountability for their actions by their connections. They also have much to lose reputationally and financially should they be sanctioned. This vulnerability often means that designations targeting such actors can be a potent signalling tool to a wider audience of individuals straddling crime and political power in a given country.

An example is the Rosenthal family in Honduras, three members of whom were designated by the US in 2015 for allegedly providing money laundering services to drug trafficking organizations.¹¹² The designees, all wealthy businesspeople, included a former vice president and a former congressman, and were well known members of the Honduran elite. Their designation, and later prosecution by the US, thus can be seen both as an attempt to directly impact criminal activity and signal to other politically influential people in Honduras that they face real risks from engaging in criminal activity.¹¹³

Signalling can also be particularly potent for actors who have future political interests, or desire roles in government.¹¹⁴ Although being under designation may not always preclude such interests, it does complicate them. The signal sent by the designation of a nascent political figure or armed group leader can thus be substantial for a broader population in a given country.

Signalling through sanctions can also catalyze government action against designees. 'Sanctioning someone can highlight to the local attorney general's office a key focus, including on individuals they might not be apt to go after,' explained one former US official. 'Otherwise, they can feel isolated and [as if they are] swimming against the tide.'¹¹⁵

Crucially, it can also build popular support and momentum for government action against a designee.¹¹⁶ Mexican officials, for example, have claimed that designations by the US lessen public opposition to the arrest and prosecution of sanctioned actors.¹¹⁷ This can be particularly impactful when a powerful sanctioned actor is viewed as transgressive or corrupt, with the imposition of sanctions a means of 'pushing them over the edge'.¹¹⁸ This shaping of public opinion, and crafting of the policy space, can prove particularly important when national government is viewed by their populace as highly politicized in their application of criminal justice processes, engendering pushback.

However, there is a risk that the signal intended by sanctioning jurisdictions is distorted or misunderstood. This can come about due to a poor reading of the local context. In Libya, for example, the sanctioning by the US of a well-known fuel smuggler occurred after he had been detained by a rival armed group. One analyst explained that as a result, most members of the detained smuggler's community saw the sanctions as the US sending a message that they fully supported the actions of the rival armed group.¹¹⁹

In contexts where sanctioning jurisdictions, or western international actors more broadly, are portrayed as unfairly attacking the host government, even targeted sanctions on criminal or corrupt actors can come to be perceived as further evidence of such discriminatory action, and lose their positive signalling power for a material proportion of the domestic audience. Domestically, they may contribute to building support behind the government in power, against the external 'other'. From an international perspective, they may drive further isolation of the host government, presenting geopolitical risks of their alignment with powers perceived to be hostile to sanctioning entities. This can undermine sanctioners' effectiveness in achieving their political impacts.

Overall, signalling can be seen as a versatile and useful individual objective. Although most use cases are clearly linked to strategic goals around revelation, signalling can also be seen to impact broader efforts to both disrupt threats and shape the broader illicit environment in a given area.

Indicators for signalling

- Shift in perception in one or more audiences on the power, impunity or integrity of a designee
- Decrease in the willingness of key political or social figures to associate with designee
- Commencement of a government's investigation and/or prosecution of a designee



CONCLUSION

This report has laid out a framework for assessing and understanding the strategic goals of sanctions regimes and linked sets of designations, the designation objectives of individual listings, and how the latter feed into the former when considering sanctions on criminal or corrupt actors. Such a framework should aid in a more nuanced assessment of how sanctions on organized crime and corruption achieve goals and have an impact, with ramifications on the development of tailored doctrine by sanctioning jurisdictions on the deployment of the sanctions tool.

At the strategic level, three overall goals of sanctions regimes or groups of linked sanctions can be discerned: disruption, shaping and revelation. Disruption is focused on blunting the ability of actors or networks to operate in order to mitigate the threat they pose to peace and security, economic stability or, increasingly, human rights. Shaping focuses on shifting the calculus within criminal ecosystems away from certain norms of behaviour and harms. Finally, sanctions on criminal actors can be used strategically to reveal information on crime or corruption as a means of deterring the behaviour, supporting governments or civil society, or helping create a public record of otherwise clandestine or opaque activities.¹²⁰

Designation objectives, in turn, are the tools for achieving the broader strategic goals. This report has detailed three: coercion, constraint and signalling. The first, coercion of behavioural change, is the most frequently discussed goal of designating organized crime actors, though the degree of change sought is often nuanced and predicated on the nature of the harms posed by a given actor. The second individual objective is constraint, effectively an effort to impose costs on the designee that impede their ability to operate or limit the threat they pose. Finally, signalling is aimed at conveying messages to different groups – such as criminal actors, the broader public or foreign governments – via a designation.

Although greater weight is often granted to coercion, the three designation objectives should be considered coequal, if conceptually different, as ways to achieve broader strategic goals in responding to organized crime through sanctions. Behavioural change (coercion) is more tightly focused on the designated individual, aiming for that person alone to shift away from problematic behaviour. By contrast, constraint seeks to increase friction for both the individual and the operating environment, targeting financing, mobility and reputation. Finally, signalling via a designation aims at broader domestic and international audiences, both within and outside the criminal ecosystem, and plays an important role in setting or enforcing international regulatory or behavioural norms. While some sanctions regimes are limited to one or two of these aims, many pursue all three in tandem. This tripartite approach can drive more sustainable disruption, shaping or revelation strategic goals.

Overall, assessing the impact and utility of sanctions as a tool against organized crime is complex. This is particularly the case when assessments of impact are conducted against vague, maximalist rhetoric regarding the purpose of sanctions regimes or individual designations. This is further complicated by the fact that sanctions are typically leveraged as part of a broader toolkit, posing a further obstacle to assessing causality. Even the most quantifiable metric – that of listings versus delistings – is analytically problematic, given the multitude of reasons a delisting can occur, and that practical obstacles to delisting can be unlinked from the behaviour of the designated individual. These challenges impede effective evaluation, even on long running programmes such as the US Kingpin Act,¹²¹ which US officials have pinpointed as a specific sanctions programme where ‘effectiveness can be assessed’.¹²²

Outlining a conceptual framework for understanding the strategic goals and designation objectives of sanctions enables the identification of a number of markers of effectiveness, as outlined above. Even at the strategic level, which is markedly harder to quantify, sanctions have achieved some demonstrable success when assessed against each of the strategic goals outlined above. In Colombia, the peace and security threat posed by organized crime was substantially disrupted since sanctions were first introduced in the 1990s.¹²³ Although clearly sanctions have not been the sole driver of this, they are identified as a contributing factor by a wide range of close observers in the US, Colombia and international community. In the Central African Republic, sanctions have reportedly changed the calculus around involvement in the criminal economy, with militia leaders now perceiving it to be deleterious to any political ambitions.¹²⁴ In Libya, sanctioning has helped to shape the human smuggling ecosystem, shifting what had been a highly overt criminal market deeply interlinked with armed groups into one which is arguably lower profile, more discrete and problematic for armed groups to publicly associate with.

It is also clear that in many places where sanctions on organized crime have been attempted, evidence of strategic success is more difficult to identify. For example, despite two decades of a high volume of targeted sanctions, there remain limited indicators that drug trafficking and the challenge it poses to peace and security in Mexico have materially shifted.¹²⁵

In many ways, the assessments of impact detailed above are the readily discerned, relatively clear, more well-known cases. How sanctions are actually impacting illicit economies is, in many cases, far less clear. Although the evidence for impact is difficult to obtain and establishing causality remains complex, it is imperative that sanctioning entities analyses’ begin from a clear assessment of strategic goals for each regime or linked series of designations. From there, assessments should detail how designation objectives have impacted individuals, the criminal ecosystem and broader societies. Through such comprehensive approaches a clearer picture of the impact of sanctions on organized crime threats can be developed and more effective sanctioning approaches crafted.

Recommendations

Recommendation 1: Increasing strategic clarity. Sanctioning jurisdictions should be clear on strategic goals for sanctions regimes and clusters of sanctions, and on indicators of success. Furthermore, strategic objectives should explicitly provide a rationale for designation decisions, a dynamic which will also help reduce perceptions of arbitrariness in designation decisions. While clarity on strategic objectives within a given government or sanctioning entity is key, this should also be communicated externally, and ideally harmonized with other sanctioning bodies when parallel regimes are envisaged. There should also be public communication around the overall end-state which a sanctioning jurisdiction seeks, and ideally a set of indicators issued publicly on this.

Recommendation 2: Communicating objectives clearly. Sanctioning jurisdictions should be clear on designation objectives for individual listings, and on indicators of success. In addition to detailing transgressive behaviour by criminal actors in designation announcements, sanctioning jurisdictions should announce what each designation is meant to achieve within a broader strategy and what indicators they are looking at for success.

Recommendation 3: Reducing rhetoric. There should be an explicit attempt at expectation setting when public officials discuss or announce sanctions regimes or individual designations. Existent, often maximalist rhetoric on what sanctions are meant to accomplish runs the risk of setting expectations of impact unrealistically high, risking public criticism of the sanctions tool if they are unable to attain the claimed level of success.

Recommendation 4: Focusing effort. Sanctioning jurisdictions should seek to focus designation efforts on targeting multiple individuals in a given area. While some, such as the US, do this with frequency, exhaustive approaches to designating multiple linked members of a given network, and in some cases affiliated entities, is broadly an exception on global organized crime or corruption sanctions. Nonetheless, there is broad benefit in doing so, both to effectively disrupt and shape criminal ecosystems posing complex threats.¹²⁶ Throwing the net wide significantly enhances the likely impact of sanctions, typically by encompassing entities or individuals at the margins of a particular network or illicit economy for whom the cost of being sanctioned may be far higher than those at the core.

Recommendation 5: Investing in delisting capacity. The boom in building sanctions capacity over the last 20 years has mainly focused on the issuance of designations, rather than capacity for the delisting of previously designated actors. Nonetheless, delisting and the potential for delisting are a key inducement for behavioural change. Effective delisting procedures also help protect sanctions designations from critique around arbitrariness or politicization. For jurisdictions seeking to buttress impact, a focus on building out delisting processes and public communication about how such processes work, should be a key focus.

Recommendation 6: Anticipation of shaping. There should be strategic assessments by sanctioning jurisdictions of how the issuance of multiple designations will transform illicit markets and the ecosystems. This should be factored into broader strategic planning in order to ensure that sanctioning jurisdictions can be responsive to shifts, and prevent the harmful or problematic activity which motivated a set of designations from re-emerging in a slightly altered, or even worsened, variety.

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