

# THE CURRENT SITUATION OF AND COUNTERMEASURES AGAINST TRANSNATIONAL ORGANIZED CRIME IN THE REPUBLIC OF THE PHILIPPINES

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## I. INTRODUCTION

The end of the Cold War and the rapid pace of globalization has provided opportunities for criminals and organized crime groups to globalize their illegal activities, thus they have led to the emergence of all forms of transnational crimes and led to the development of new security threats. These new threats include various types of transnational organized crime, such as trafficking in persons, international terrorism, money laundering, intellectual property rights violation, illicit trafficking of drugs, piracy on the high seas, illicit trafficking of firearms, and cybercrime. This globalization has also led countries to take new security adjustments/arrangements as organized transnational crime exploit these advances in technology, services, and communication. These incidences of the various transnational crimes, at least within the Philippines, has created a significant impact on its political, economic and socio-cultural stability and security.

## II. PHILIPPINE EXPERIENCE

### A. Trafficking in Persons

Human trafficking refers to the recruitment, transportation, transfer, harboring, or receipt of persons, by threat or use of force, by abduction, fraud, deception, coercion or the abuse of power

or by the giving or receiving of payments or benefits for the purpose of exploitation. Persons may be trafficked for the purpose of prostitution, other sexual exploitation or forced labor. When the practice involves coercion or deceit, consent of the victim is not an issue.

Human smuggling on the other hand is the procurement of illegal entry or illegal residence of a person into a state of which the latter person is not a national or a permanent resident in order to obtain, directly or indirectly, financial or other material benefit. Children refer to persons' under eighteen years of age.

The Philippines is a major source of people that are trafficked to other countries with able economies. In Europe alone, almost 705,439 Filipinos are undocumented and most of them are victims of trafficking, reportedly perpetrated by Philippine-based organized crime groups that have contacts with similar criminal syndicates in the receiving country. Their operation runs parallel with the continuing deployment of documented Overseas Filipino Workers (OFWs) to fill in the manpower requirements of developed countries and at the same time to solve the soaring unemployment problem of the country. Aggravating this scenario is the presence of some unscrupulous foreigners who reportedly exploit Filipino women and children ranging from pedophilia to sex trafficking and prostitution, especially those sent abroad for the same reason.

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RESOURCE MATERIAL SERIES No. 59

From 1995 to early 2000, 751 cases of human trafficking were recorded. Most of the victims come from Region III (11%), NCR (10%) and Region IV (9%). Of the 66% of women victims, 18% were forced into prostitution. Furthermore, 51% were trafficked to the Asia-Pacific, 27% to the Middle East, and 19% to Europe.

**Table 1**  
**Preliminary Review of Human Trafficking and Smuggling Cases in the Philippines (1995 to Early 2000)**

Recorded cases of human trafficking (1995 to early 2000)	751 cases
Increase in trafficking cases in 1999	37%
Victims coming from Region III	11%
Victims coming from NCR	10%
Victims coming from Region IV	9%
Women victims	66%
Women forcibly put into prostitution	18%
Forced to work in slavery-like conditions	42%
Trafficked to Asia Pacific	51%
Trafficked to the Middle East	27%
Trafficked to Europe	19%
Victims aware of what they were getting into	58%
Victims that were deceived	42%
Victims that were recruited by parties not related/unknown to them	53%
Victims that were repatriated by the Philippine Government	31%

\* Philippine embassies and consulates noted cases of wholesale recruitment at the barangays/local communities

As of December 2000, based on a report from the Commission on Filipinos Overseas (CFO), there are already 7.38 million Overseas Filipinos of which 2.99 million are documented and 1.84 million are products of irregular migration. A significant number are victims of all forms of human trafficking and smuggling while more than half are “informed victims” (58%) who voluntarily went out of the country on the strength of fraudulent travel documents or false identities or travel abroad as tourists, pilgrims, students, or any other lawful means but prolong their stay in the country of destination in their attempt to find jobs and earn more wages even after the expiration of their appropriate visas, thus categorizing them as undocumented or illegal migrants. Almost 10% of cases involved intermarriages. Other mode includes introduction through pen pal clubs, marriage bureaus, and the Internet.

**Table 2**  
**Estimated Number of Overseas Filipinos as of December 2000**

Total Number of Overseas Filipinos	7.38 Million
OFWs	2.99 M
Permanent Residents	2.55 M
Irregular	1.84 M

The CFO reports the top regions of destination of undocumented Filipinos are America, South and East Asia, the Pacific, Europe, the Middle East and Africa. Top ten countries of destination of undocumented Filipinos in chronological order include the United States, Singapore, Canada, Japan, Italy, United Kingdom, Saudi Arabia, Greece, Germany and France. However, according to the reports, within the last quarter 2000 and during the first quarter

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VISITING EXPERTS' PAPERS

of 2001 reveal the increasing incidences of irregular migration in all its forms to countries such as Jordan, Malaysia, Italy, and Japan which may drastically change to order of arrangement by the end of this year if such trend remains unabated.

Transit countries being used in going to states of destination include most members of ASEAN, countries in Eastern Europe and just recently Morocco. Most of these transit countries have no visa requirements for entering Filipino nationals thus complicating the problem of irregular migration. Apart from this, the Eastern European countries, being newly independent and sovereign states, have yet to formulate and strictly enforce their immigration policies and laws to discourage human trafficking syndicates as well as illegal immigrants from turning them as transit countries in entering Western Europe.

The Philippines is being utilized also as a transit and destination country as well. Recent apprehensions by the Bureau of Immigration reveal that Iranian, Bangladesh and Chinese nationals are using the Philippines as a transit point to other countries such as Japan, Canada, United States, and Australia. Indian nationals, on the other hand, are illegally entering the country to establish illegal business such as lending with exorbitant interests.

Below is a list of identified seaports used to smuggle persons in and out, both Filipinos and aliens:

- Iloco Sur (Salomague Island)
- Zamboanga del Sur (Zambo Port, Digos, Bauin Point)
- Davao del Sur (Davao Gulf, Digos Point, Panabo Port)
- Bicol (Pio Duran, Albay)
- Dagupan City

The nationalities of those involved in human trafficking in the Philippines are mostly Filipinos with contacts in transit and destination countries. Others include Malaysians who have been assisting Indians to enter the country via the southern backdoor, Nauru and Kiribati nationals who have been facilitating the entry into the country of undocumented Chinese as well as Chinese, Taiwanese and Hong Kong nationals.

The following are some significant cases:

1. "Baby Tanya" Case

This is a case of smuggling through adoption by using spurious supporting documents and false statements of John Lopez and Maria Ella Carrion who presented themselves as the biological parents of the child, Baby Tanya Samantha Lopez. However, upon arrival in the U.S., the INS upon receipt of report from the U.S. Embassy that the documents and statements presented and executed by Ms. Carrion and Mr. Lopez were not true, held Baby Tanya. Tanya Samantha was repatriated on June 16, 2001 and is now under the custody of the DSWD. The case is now with the Department of Justice, undergoing preliminary investigation.

2. "Kimber" Case

This is the complaint filed by the PCTC and Mr. James H. Kimber (complainant) against respondents William S. McKnight, Lilian U. McKnight, Rudelyn P. Uriarte and Elvira U. Mandap dated January 6, 2000 for violation of Republic Act No. 6955 Mail Order Bride and Estafa.

Mr. James H Kimber, corresponded to the advertisement of the Pacific Islands Connection to meet girls in the Philippines he could marry, choosing

Rudelyn P. Uriarte, 16 years old and sister-in-law of William McKnight. He, upon arrangement made by William McKnight, married Rudelyn. He returned to the United States without his wife, Rudelyn, with the assurance that his wife would join him after six months. The promise was not fulfilled. He sought help from concerned agencies of both the US and the Philippines. He later learned that their marriage was never registered and that Rudelyn was married to another foreigner named Howard W. Gardner. He formally filed a case against the respondents. The tour and travel operation of McKnight was put under investigation.

3. "Marilou Pontana et al" Case

This is a case of trafficking women through illegal recruitment. The respondents, Evelyn A. Tuprio and Grace Cervantes, recruited young girl victims in the guise of domestic helpers but they were later utilized as sex slaves in Malaysia. Their illegal activities were busted when police operatives intercepted four young victims holding tampered documents on board a vessel bound for Malaysia.

**B. Terrorism**

Terrorism is "the use of violence, threat or intimidation, or destruction of lives and properties by any other means, with the objective of creating a state of fear in the public mind to achieve a purported political end; or to coerce or to influence their behavior; or to undermine the confidence of the general public on the government."

The Philippines' experience on international terrorism was first felt as early as 1985 when international terrorist groups attempted to establish a foothold in our country. They were able to stage terrorist activities and tried to

establish their cells in the country but were later on neutralized. These groups which came to the Philippines with barely three years interval, were identified as the Abu Nidal Organization (ANO), the Japanese Red Army (JRA), the Iraqi terrorists, the Ramzi Yousef Terrorist Cell, the Liberation of Tigers Tamil Eelam (LTTE) and the recent Free Vietnam Revolutionary Group (FVRG).

1. Abu Nidal Organization (ANO)

In 1985, some members of the group, using student visas, have reportedly slipped into the Philippines on a recruitment and indoctrination mission. It was also recorded that during that time there were about 3,000 Palestinian students enrolled in different colleges and Universities in Metro Manila. The local members of this group remained unidentified up to December 1987 when the police arrested five members. The arrest led to the discovery of ANO's attempts to organize terrorist cells in the country to be employed in the Asian region.

2. Japanese Red Army

On November 15, 1986, the Manila-JRA cell conducted a joint operation with the New Peoples' Army (NPA), known as the "Operation Customer" in kidnapping Nobuyuki Wakaoji of Mitsui Corporation (Philippines).

Investigation revealed that three top-ranking cadres of the NPA-General Command in close coordination with two JRA members were responsible for the planning, execution and supervision of the said operation. Wakaoji was released in December 1986 in Quezon City after paying 3M US dollars to the kidnapers.

3. Ramzi Yousef Terrorist Cell

On January 7, 1995, police authorities arrested Abdul Hakim Murad, a

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VISITING EXPERTS' PAPERS

Pakistani national in one of the apartments in Manila. Murad was a member of an international terrorist group planning to kill Pope John Paul II on his scheduled visit to Manila from January 10–15 for the Celebration of the World Youth Day. Pieces of evidence recovered revealed the group's plan to bomb U.S commercial airlines plying the Manila - Hong Kong - Los Angeles. route. This plot was to be the centerpiece of the so-called "Oplan Bojinka" which was an intricate network of international terrorists using the Philippines as a venue of their terrorists activities. The bombing of a Philippine Airlines jet bound for Japan from Cebu on December 11, 1994 was a test-run to Oplan Bojinka. It can be recalled that one Japanese national was killed while several others were wounded during the incident.

4. Free Vietnam Revolutionary Group (FVRG) Terrorist Cell

The presence of this terrorist cell was recently discovered with the arrest of Vu Van Doc, a U. S. citizen of Vietnamese origin, Huynh Thuan Ngoc, a Swiss citizen of Vietnamese origin and Makoto Ito, a Japanese national on August 30, 2001. One of the arrested suspects, Vu Van Doc, who operates a terrorist cell in the Philippines is a member of the Free Vietnam Revolutionary Group (FVRG), the military arm of the Government of Free Vietnam (GFV), a worldwide organization engaged in liberating the Republic of Vietnam from communist rule.

The arrested suspects were reportedly planning to conduct bombing activities targeting the Vietnamese Embassy in Manila on or before September 2, 2001, which is the National Day of the Republic of Vietnam.

**C. Money Laundering**

In the Philippines, the problem has its own dimension. The perception that the Philippines is a haven for money laundering is supported by data. The US Treasury Department's Financial Crimes Enforcement Network reported that the Philippines ranked second among 15 non-cooperative jurisdictions in terms of the number of suspicious activities relating to financial transactions from April to July 1996. During this period, the total number of reports on suspicious activities filed reached 566, second only to Russia, which reported a total of 847.

Since drug trafficking is a lucrative business in the country, money laundering becomes the parallel activity of drug syndicates. It is further aggravated with the absence of punitive laws for this crime. The proceeds from the illicit drugs industry in the country reaches P 265 billion annually, about 8 percent of the local economy's output and roughly a third of the government's budget this year. Another source of dirty money cleaned through the country's financial system is through corruption. Transparency International, using its "corruption perception index," ranks the Philippines as the 65th least corrupt out of 91 countries. The Office of the Ombudsman, the agency tasked to run after corrupt government officials, estimates that about Php100 million is being lost daily to corruption. The figure is actually closer to about Php150 billion a year or Php278 million a day. Based on this data alone, graft and corruption in a larger scale is so pervasive that it is capable of triggering money laundering.

The Philippines' efforts to be taken out of the list suffered from the scandal that erupted over allegations of corruption and money laundering involving the former President Joseph Estrada who

allegedly stashed from P10 billion to P15 billion in payoffs from operators of the “jueteng” illegal numbers game, kickbacks from tobacco excise taxes and questionable government investments during his 31 months in office. He was arrested and jailed for plunder, a non-bailable offense punishable by death as well as the *Jose Velarde* scandal, where Estrada allegedly used a false name to launder illegally acquired wealth. In testimonies given to the Senate last year, key witnesses provided details on how Estrada allegedly amassed and “legitimized” dirty money using the financial system. In yet another case of money laundering in the Philippines, an official of Equitable PCI Bank Inc., disclosed that Yolanda Ricaforte, the alleged auditor for the “jueteng” payoffs to Estrada, deposited more than Php200 million in the bank’s six branches in Metro Manila.

**D. Intellectual Property Rights**

“Intellectual property” is a property interest in an idea or creation granted by the creation of law. It exists only in countries that recognize laws on intellectual property rights.

The Annual BSA Global Software Piracy Study, which involves the Software and Information Industry Association (SIIA), confirms that the country’s piracy rate decreased from 77% in 1998 to 70% in 1999 and eventually to 61% last year, causing the Philippines to have the second lowest piracy rate among Southeast Asian countries. Despite the drop of the country’s piracy rate, however, the software industry continues to suffer an annual loss amounting to P1.3 billion in revenues due to software piracy.

The prevalence of software piracy among selected countries in Asia/Pacific in 2000 are identified as follows:

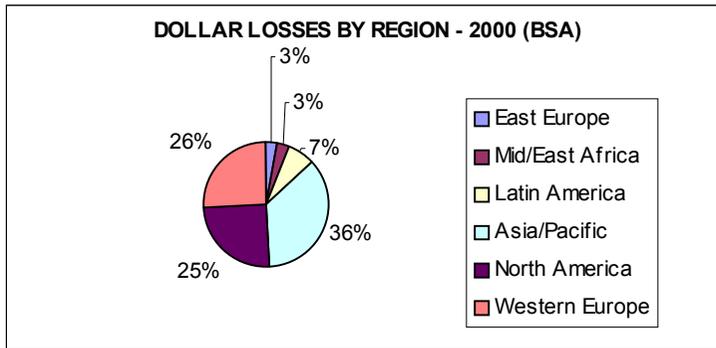
**Table 3**

Vietnam	97%
China	94%
Indonesia	89%
Thailand	79%
India	63%
Philippines	61%
Hong Kong	57%
Korea	56%
Singapore	50%
Japan	37%
Australia	33%
New Zealand	28%

(Source: Sixth Annual BSA Global Piracy Study, 2000)

The International Planning and Research Corporation (IPRC), in a study commissioned by Business Software Alliance (BSA), to review available data and to utilize systematic methodology to determine worldwide business software piracy and associated dollar losses, has noted that the world piracy rate in 2000 has increased to 37%, and dollar losses have reached a total of US\$11.75 billion worldwide. The Asia/Pacific region in particular has increased its piracy rate to 51% and a loss of over US\$4 billion in 2000.

The Asia-Pacific sustains the most dollar losses, followed by Western Europe and North America (see the following for the distribution of dollar losses by region).



(Source: Sixth Annual BSA Global Software Piracy Study, 2000)

According to the data from the International Anti-Counterfeiting Coalition (IACC), trademark counterfeiting is a highly profitable tax-free business.

Below is the pattern of distribution of counterfeit goods of organized crime groups by region:



(Source: International Anti-Counterfeiting Coalition)

It must be noted as well that most counterfeit products are often sold at a third of its original price or even cheaper. In this regard, wholesalers and retailers are having second thoughts in procuring legitimate items over the pirated ones.

### E. Drug Trafficking

Drug trafficking refers to the act of transporting and eventually selling illegal drug substances. A diversion occurs when drugs legally shipped eventually end up on the hands of drug traffickers and syndicate groups and sold in the illegal market.

## RESOURCE MATERIAL SERIES No. 59

The drug problem in the Philippines resurrected in the latter part of the 1960's with marijuana, valium, mercodol, mogadon, madrax, opium and heroin as the popular drugs of abuse. Even after the execution of drug smuggler Lim Seng in 1972 which tremendously cut off the supply of heroin entering the country, there were already 20,000 drug users. This number increased by more than twelve times in 1980. It was during this year when the smuggling of hashish and mogadon tablets into the country and the exportation of marijuana were perpetrated by foreigners. In 1981, the country became a transit point for heroin and cocaine and as a consequence, drug users increased to about 312,000. In 1983, the drug problem started to transcend international borders even as drug users continue to increase at a rapid pace with corex-d, hylorin, ornacol, peracon, DM, and lagaflex as additional drugs of abuse. At that time there were already 343,750 drug users.

The production and exportation of marijuana increased during the following year. It was also at this time that methamphetamine hydrochloride or *shabu* manifested its presence as one of the growing popular drugs of abuse.

Thus, the government intensified its campaign against the drug problem based on a three-pronged approach namely law enforcement, preventive education campaign and treatment and rehabilitation programme. Even so, the problem remained unabated such that prior to the restoration of the death penalty on December 13, 1993, there were already 800,000 drug abusers with a significant number concentrated in Metro Manila.

The drug users comprised approximately 5% or 3.7 million of the 74

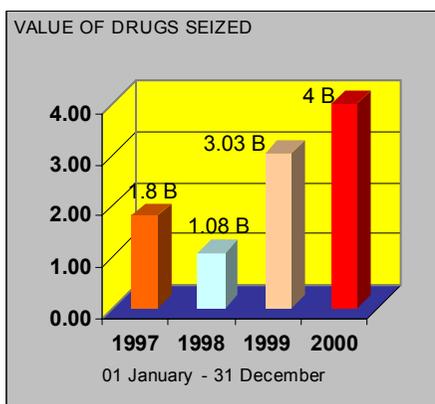
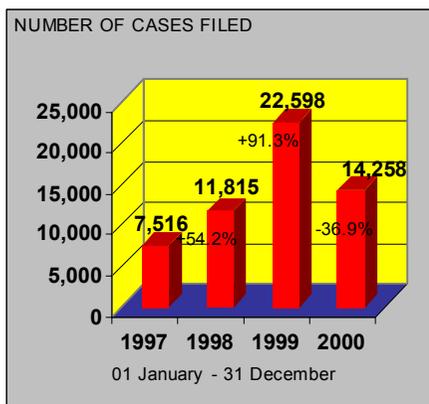
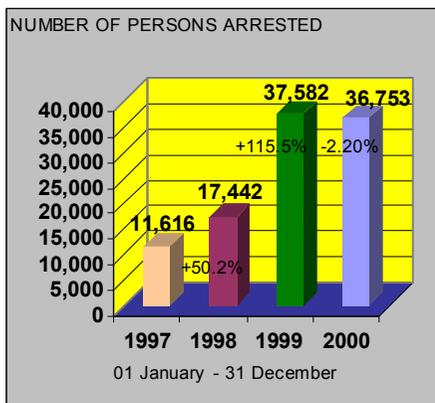
million Filipinos of which according to the NDLEPCC echoing the survey of the National Youth Commission (NYC), 7% or approximately 1.2 million of the total youth population of 17 million aged 15 to 29 were drug users and more than 500,000 were in need of rehabilitation. Unfortunately, only 5,098 are treated in the 26 public and private drug rehabilitation centers throughout the country.

The drug pushers on the other hand are roughly placed at 560,000 in Metro Manila alone victimizing about a million drug dependents aggravated by the involvement of 83 drug syndicates. Foreign criminal syndicates mostly run the local drug trafficking business with 62% of their activities conducted in the Metro Manila area. The local illegal drug trade is worth about P251 billion and is likely to increase as the Philippines is gradually emerging as a major transit point for drugs and as a producer of marijuana for export to consuming countries.

Narcotics operations conducted by different drug law enforcement agencies nationwide for year 2000 resulted in the arrest of 36,753 persons and the filing of 14,258 drug cases in various courts. The total value of drugs seized for that year was pegged at 3,994,264,482.00 billion. The tables below illustrate the gains of all operating drug law enforcement agencies for the year 2000.

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**Comparative Accomplishment  
1997-2000**



From January to August 2001, the series of narcotics operations nationwide conducted by different drug law

enforcement agencies resulted in the arrest of 23,395 persons and filing of 16,636 drug cases in various courts. The total value of P828,557,053.40 worth of illegal drugs were seized (DDB estimated value) and a total of 26 foreign nationals were arrested.

A successful police operation resulted to the discovery of a shabu laboratory in Brgy. Sto Nino, Lipa Batangas and the arrest of nine Chinese nationals and one Filipino national in the name of Benjamin Tubay Marcelo, the owner of the 2.5 hectares where the shabu laboratory was located. Confiscated were 200 kgs of high grade shabu, 400 kgs of newly processed shabu and 500 kgs of ingredients of shabu.

Early this year, over P7 million worth of fully grown marijuana plants and seeds were destroyed by law enforcement agencies in a huge plantation in Sugpon, Ilocos Sur, La Union and Benguet. According to police operatives, New People's Army guerillas operating in the province are reportedly giving protection to the plantation.

The popular drugs of abuse at this point in time are marijuana and methamphetamine hydrochloride (shabu).

**F. Illicit Trafficking of Firearms**

Firearm is defined as "any barreled weapon that will or is designed or may be readily converted to expel a bullet or projectile by the action of an explosive, including any frame or receiver of such a barreled weapon but not including any antique firearm manufactured before the twentieth century or its replicas." This includes "revolvers and self-loading pistols; rifles and carbines; submachine guns; certain hand-held under-barrel and mounted grenade launchers; portable

anti-aircraft guns; portable anti-tank guns, recoilless rifles; certain portable launcher of anti-aircraft missile and rocket system; certain portable lahar launchers of anti-aircraft missile systems; mortars of caliber less than 100 mm cal.”

The main sources of loose firearms are the unregistered local gun manufacturers. We call these sources as “PALTIK” manufacturers. They are concentrated in the island of Cebu particularly in Danao City, Mandaue City and other neighboring towns. These are clandestine backyard or cottage industries manned by family members purposely to produce “paltik” firearms for trade and economic alleviations.

Illicit trafficking of firearms is another menace to Philippine society. It becomes a stumbling block to our country’s economic development and poses a serious threat to national security. The ultimate goals to have political control, economic advantage, power, revenge, seek for immediate justice and personal security are just but a few of the factors that a firearms trafficker has in mind. It is in this context that he violates the existing laws of the country.

The “gun trail” can be traced from the individual “paltik” manufacturers elusive dens and production sites to the consumers through the enterprising individuals or groups whose main agenda is economic gain. Syndicated Crime Groups involved in trafficking of firearms collect finished products from individual sources and consolidate these firearms on pre-designated bodegas. Caches of firearms are shipped to Manila or any port for delivery to contacts for the cash trade by *Yakuza* contacts/agents. Thereafter, the agents transport the said firearms mostly by ships, barges, motor

bancas and other water carriers. Some utilize helicopters and aircraft for shipments and use of major international airports.

The gun trail had been monitored ever since. Reports of confiscation, buy-bust operations and police raids prompted the *Yakuza* to import technology of the gun manufacturer by hiring individual gun makers. These gunsmiths are brought to Japan in the guise of tourists, contract workers, and other legitimate cover purposely to manufacture guns inside Japan.

While the government campaign to dismantle all private armies in the Philippines has resulted in a significant decline in gunrunning transactions and incidents of firearms smuggling, the proliferation of loose firearms remains unabated. This can be attributed to the opportunities offered for local transshipments of firearms and inbound smuggling of foreign-made weapons through International airports and maritime ports. Sometime in 1992, it was monitored that a big shipment of firearms, mostly cal. 5.56 US made rifles, were unloaded in Mindanao and local officials allegedly purchased the firearms.

Information gathered states that the *Yakuza* is engaged in illegal firearms trade. Members of the *Yakuza* organization acquire the bulk of “paltik” productions in Cebu using different exit points like Batangas, Ilocos Sur and other northern parts of the country.

The following factors contribute to the flow/movement of firearms in and out of the country:

- (i) The country’s geographic configuration with its long and irregular coastlines, and some sparse and isolated islands,

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afford gunrunners numerous natural covers for landing sites and storage points;

- (ii) The prospects of huge profits and ready markets for smuggled firearms;
- (iii) Increased connivance among gun-running syndicates and some corrupt law enforcers; and
- (iv) Persistent involvement of some political families and other influential families in these activities either to beef up their private armies or as instruments in the conduct of illicit activities

- on the high seas, against another ship or aircraft, or against persons or property on board such as ship or aircraft;
- against a ship, aircraft, persons or property in a place outside the jurisdiction of any State;

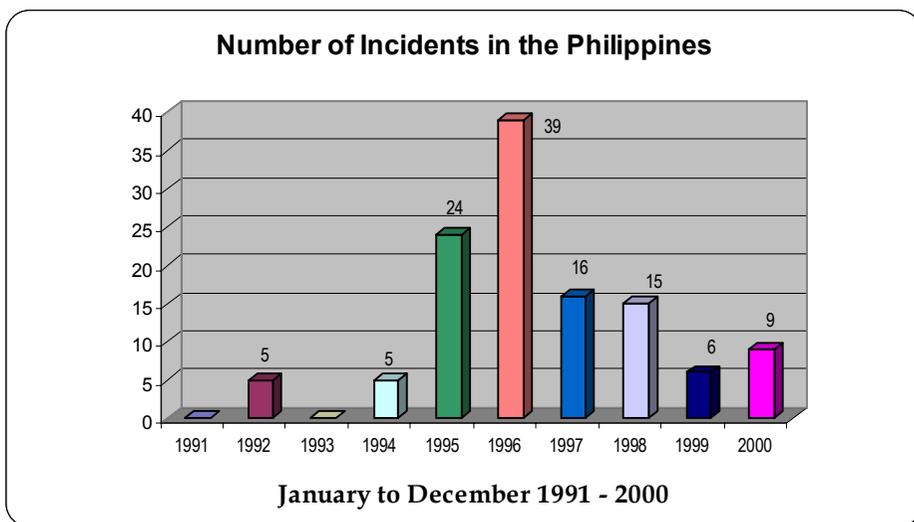
- (ii) any act of voluntary participation in the operation of a ship or an aircraft with knowledge of facts making it a pirate-ship or aircraft;
- (iii) any act of inciting or of intentionally facilitating an act described in subparagraph (i) or (ii).

**G. Piracy on the High Seas and Armed Robbery Against Ships**

Article 101 of the 1982 UN Convention of Law of the Sea (UNCLOS) defines piracy as any of the following acts:

- (i) any illegal acts of violence or detention, or any act of depredation, committed for private ends by the crew or the passengers of a private ship or a private aircraft, and directed:

Based on IMB-PRC records, piracy in the Philippines exhibited a downward trend, from a high of 39 incidents in 1996 to only nine (9) last year (2000). However, the country was reported to have the highest number of crew members/passengers killed (40) during piracy attacks in 2000. Yemen, Bangladesh and Guatemala followed suit, in that order. In 1996, the same report also highlighted the Philippines as a Flag State with the highest number of attacks at 27 or 12% of the total number of Nationalities of Ships Attacked.



Among the most significant incidents of piracy that transpired in the Philippine waters were the following:

- (i) On April 23, 2000, a group of 21 people were forcibly taken from Sipadan Island, Malaysia by members of the *Abu Sayaf* Group. After taking some of their money and personal belongings, the victims were transported on board two vessels to the island of Jolo in the southern Philippines. The Philippine authorities believed that the members of the group were pirates and bandits who have joined the *Abu Sayaf* solely for monetary considerations;
- (ii) The hijacking of MV *Juliana*, a General Cargo Ship loaded with 1,993 tons of steel sheets as ordered by the Philippine Steel Company from Indonesia. Investigations revealed that the said cargo ship was repainted and renamed several times and had earlier been used by the Thai Mafia for several years to smuggle goods; and
- (iii) The hijacking of MV *Inabukwa*, an Indonesian vessel carrying US\$2.1 million worth of tin ingots, tin concentrate and white pepper on board. The vessel was seized in Sayap Island, Indonesia on March 15, 2001 by Indonesian pirates. The vessel was heading towards Singapore when it was hijacked. The vessel was directed to an undetermined destination before it finally entered the Philippine territorial waters. The Philippine Coast Guard (PCG) officials on March 25 arrested seven alleged Indonesian pirates and took custody of the vessel, which name had been changed to MV *Chungsin*, at Salomague Port, Cabugao, Ilocos Sur.

Both the Indonesian and Philippine governments, through their respective action agencies, conducted initial investigations into the incident. The vessel and the Indonesian nationals were released on June 27, 2001 to the authorities of the Indonesian Embassy in the Philippines. The Indonesian government paid all expenses arising out of the detention of the vessel and the arrest of its alleged pirates as well as other fees incurred during their custody by the Philippine authorities. The Indonesian government promised to provide the Philippines with investigation update and results thereof.

#### **H. Cybercrime**

Cyberterrorism is the “unlawful acts and threats of attack against computers, networks, and information stored therein when done to intimidate or coerce a government or its people in furtherance of political or social objectives. Further, to qualify as cyberterrorism, an attack should result in violence against persons or property, or at least cause enough damage to generate fear.”

The infamous ILOVEYOU virus and its variations as a result of mutation, which is so far considered to be the most damaging and most widespread virus outbreak in history, is a manifestation of cyberterrorism that unfortunately involved the Philippines. According to final estimates, this virus was able to invade tens of millions of computers representing 80% of computer systems worldwide and caused a staggering financial damage amounting to \$10 billion. It was able to cause various irreparable damages to computers in Hong Kong, Malaysia, Germany, Belgium, France, the Netherlands, Sweden, Great Britain and the United States. Specifically, the virus disabled ATMs in Belgium leaving citizens

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cashless for quite sometime, disrupted the British House of Commons' internal communications system and corrupted the e-mail systems of the US Congress including that of the Pentagon with specific reference to the classified information system of the US Defense Department.

The use of computers as instruments for terrorist operations can be best illustrated by the case of Ramzi Ahmed Yousef who is now serving a life sentence in the United States for the 1993 bombing of the World Trade Center in New York. A laptop seized from him during his arrest by members of the Philippine National Police reveals a detailed operational plan to bomb dozens of American airlines over the Pacific. Osama Bin Laden's terrorist activities and underground infrastructures are sustained by personal computers complete with sophisticated satellite uplinks and encrypted messages which provide him with the capacity to direct terrorist operations in other countries while maintaining a secluded underground network in Afghanistan with the aid of the Taliban militia.

The Philippines is a home to 180 internet service providers and at least 700,000 computers of which 50% are connected to the internet. With a developing economy that is slowly embracing electronic technology, it is also gradually becoming a vulnerable prey to the onslaught of computer crimes and cyberterrorism. At this early, the development of its computer networks is hampered by threats posed by these perverse activities. The more notable of these computer crimes include Internet Service Provider (ISP) hacking involving the illegal use of ISP accounts, denial of service which includes web defacing and other service interruptions of websites

which was done to the website of the Department of Foreign Affairs, the AMA Computer College, the BBPilipinas.com, Globe.com.ph, and the Fapenet.org., backdoor/Trojan involving the sniffing of important documents of other websites, and credit card fraud which is the most prevalent computer crime being committed.

Since January of this year, several institutions were hacked to include the PLDT, the Office of the President and that of the Press Secretary, Ateneo de Manila University, and the University of Santo Tomas. Just recently, Senator Roco's website was hacked by a malicious prankster who defaced the site and replaced it with irrational and incomprehensible information.

The cyber-terrorist threat, on the other hand, could be perpetrated by the CPP/NPA/NDF which has been computer reliant since 1987. The movement is able to enhance its intelligence networks and intercept classified information with its sophisticated computer system. To deny government authorities classified information of the movement, the latter has institutionalized encryption as a means of relaying information to operating units in other parts of the country. Even its recognized leader, Jose Maria Sison, maintains a personal website from which he can communicate and rally the local insurgents into launching terrorist attacks against the government. Non-government organizations here and abroad that are sympathetic to their cause and giving financial and other assistance can also be reached through the internet thus facilitating unhampered transactions.

The National Youth Student Bureau, which serves as an important subordinate party organ of the National Organizational Department of the CPP/

NPA, maintains a pool of computer literates and experts. Several party members have enrolled in different computer schools while others have infiltrated the underground computer networks to gain expertise on how to initiate computer crimes and utilize the same in their terrorist activities.

### III. COUNTERMEASURES/ INITIATIVES

The prospect of law enforcement cooperation in Asia has come of age. In an era of regionalization and globalization, states have to recognize that in combating a threat together it is likely that they will have to collaborate and coordinate their actions.

The array of regional and global arrangements takes many forms: standing bodies, ad hoc conferences, bilateral agreements, and multilateral conventions. These non-state actions form the basis for cooperation and, at its essence, is the basis for a continuing union of states. The ultimate objective of such cooperation is the formation of global and regional groupings with the stated minimum aim of providing a forum on issues of significant mutual concern.

#### A. Trafficking in Persons

The Philippines has no specific law that deals squarely with human trafficking. However, a bill titled as "Anti-Trafficking in Human Beings Act of 2001" that seeks to criminalize human trafficking in all its forms is pending in the Philippine Congress. Pending the passage of this legal measure, law enforcement authorities to penalize those involved in human trafficking are utilizing several laws. These are the following:

1. **Republic Act No. 6955** entitled "An Act to Declare Unlawful the Practice of Matching Filipino Women for Marriage to Foreign Nationals on a Mail-Order Basis and Other Similar Practices Including the Advertisement, Publication, Printing or Distribution of Brochure, Filers and Other Propaganda Materials in Furtherance Thereof and Providing Penalty Thereof".
2. **Republic Act No. 7610**, known as the "Special Protection of Children Against Abuse, Exploitation and Discrimination Act". This law prevents the prostitution and other forms of sexual abuse committed against children (Article III) and also penalizes child trafficking (Article IV).
3. **Republic Act No. 8042**, known as the "Migrant Workers and Overseas Filipino Act of 1995". It penalizes illegal recruitment of persons for employment abroad.
4. **Republic Act No. 8239**, known as the "Philippine Passport Act of 1996" penalizes the procurement and use of spurious Philippine passports.

The Philippine law enforcement organization has specialized units to deal with human trafficking cases. These are the following:

1. **Human Trafficking Desk of the Philippine Center on Transnational Crime (PCTC)**. This desk is in charge of gathering data on human trafficking cases as well as in the maintenance of the central database, continuous gathering of information to sustain the data requirements of the database, generating reports from the database needed in police investigation, and operations, trend analysis, strategic studies and policy recommendations.

119TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

2. **Anti-Illegal Recruitment Branch of the Philippine Overseas Employment Administration (POEA).** It is specifically tasked to investigate cases of illegal recruitment for employment abroad and filing cases in appropriate courts.
3. **Violence Against Women and Children Division of the National Bureau of Investigation.** This specialized unit takes cognizance of all cases with women and children as victims to include trafficking and smuggling, forced labor and prostitution.
4. **Women and Children Concern of the Criminal Investigation Detection Group.** This is counterpart of the Violence against Women and Children Division of the NBI at the Philippine National Police and as such its functions is similar with the former.

The following are the programmes of various international and national organizations as well as the Philippine governments to stop trafficking in women and children:

1. Prevention

- (i) **Philippine Overseas Employment Administration**—offers dancing skills development for would-be entertainers and caregiver's training to potential domestic helpers, in the belief that these talents and skills would protect Filipino women workers abroad.
  - (ii) **National Commission on the Rights of Filipino Women (NCRFW)**—Advocating policies and programmes to stop trafficking in women and children such as the enactment of an anti-trafficking bill into law and the development of information and education materials for advocacy and public dissemination.
  - (iii) Other government agencies into advocacy and awareness are the Department of Tourism (**DOT**), Department of Social Welfare and Development (**DSWD**), Philippine Overseas Employment Administration and the Commission on Filipinos Overseas (**CFO**). The Department of Education, Culture and Sports (**DECS**)—conceptualizing integrated programmes to be conducted for school officials, curriculum developers, student/community leaders and parents.
  - (iv) **Philippine Network against Trafficking in Women (PNATW)**—lobbied for the introduction of anti-trafficking legislation and has been involved in the production of several videos and broadcast programmes about the risks of working aboard.
  - (v) **The International Organization on Migration (IOM)**—also supported various information, advocacy law development activities.
  - (vi) **The United Nations Coalitions Against Trafficking in Persons Global Programme**—enables the country's coordinating agencies to draft a Strategic Action Plan Against Trafficking in Persons. More over, representatives from the Coalition are consistently monitoring the programmes of the Center as well as continuously sharing information, which could facilitate and effectively implement such programmes.
  - (vii) Other NGOs advocate initiatives paying attention to prostitution as a violation of human rights.
2. Protection and Return
- Protection and return activities focuses on the special assistance to victims who come out of prostitution by providing

shelter, health care, counseling, education, and vocational training.

### 3. Reintegration

Reintegration programmes are aimed at facilitating the recovery from any traumatic experience and the turn to normal life of victims to pursue their aspirations in life.

## **B. International Terrorism**

It is the national policy of the Philippine government to declare a total war against terrorism. It considers all terrorist actions, regardless of motivation, as criminal acts, not to accede to blackmail or demand nor grant any concession, not to provide sanctuary or "safe haven" for terrorists whether they are Filipino or foreign nationals. It also adheres to all international conventions and initiatives against terrorism and participates in all endeavors designed to strengthen international cooperation in order to prevent and neutralize terrorist acts.

Because of the global character of terrorism, the Philippines has sought to strengthen its international linkages by signing the Joint Communique on international terrorism during the 1993 Conference of ASEAN Chiefs of Police (ASEANAPOL) and the Memorandum of Agreement on Counter-Terrorism with several countries and pursued various agreements with the USA, likewise establishing an INTERPOL-National Central Bureau.

In 1996, the Philippines hosted the International Conference on Counter-terrorism (ICCT) in Baguio, which was attended by nineteen representatives from different parts of the world to enhance international cooperation against all forms of terrorism. The "Baguio Communique" took into

consideration some fundamental principles such as: 1) there must be no sanctuary for terrorists; 2) there must be no compromise in the fight against terrorism; 3) the strengthening of multilateral and bilateral cooperation or coordination of policy and action against terrorism; etc.

The Philippine government established the Philippine Center on Transnational Crime (PCTC) on 15 January 1999 pursuant to EO. Nr 62, to deal specifically with all transnational crimes including that of terrorism. The PCTC's primary functions among others are: to establish a shared central database among government agencies for information on criminals, methodologies, arrests and convictions regarding transnational crimes, to explore and coordinate information exchanges and training with other government agencies, foreign countries and international organizations.

Relatedly, on 7 May 1999, Executive Order No. 100 was issued transferring the INTERPOL-NCB functions from PNP to PCTC's supervision in order to fortify and facilitate the coordination between and among foreign countries. This, in essence, placed other agencies, offices and instrumentalities such as the Loop Center of the NCCAS (before NACAHT); the Police Attaches of the PNP and Political Attaches/Counselors for Security Matters of the DILG under its supervision and control in order to strengthen the operational, administrative and information support system of the PCTC. Additionally, E.O No. 110 was issued, dated June 15 1999, which directs the PNP to support the AFP in Internal Security Operations for the suppression of insurgency and other serious threats to national security, the Department of the Interior and Local

119TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

Government (DILG) was relieved of its primary responsibility on matters involving the suppression of insurgency and other threats to national security.

On the other hand, Memorandum Order No. 121 dated October 31, 2000, provides and defines measures and guidelines on how to effectively address terrorism particularly hostage-taking situations. However, all aviation-related incidents shall be covered by existing laws and procedures under the National Action Committee on Anti-Hijacking and Terrorism (NACAHT), and this Memorandum shall be supplementary thereto.

To further ensure the effectiveness of the government's drive against terrorism, the government issued Executive Order Nr 336 on 5 January 2001, reconstituting the National Action Committee on Anti-Hijacking and Anti-Terrorism to National Council for Civil Aviation Security (NCCAS). The reconstituted NCCAS was established primarily to contain threats of aviation-related terrorism and to strengthen the law enforcement capabilities in order to effectively address all forms of terrorist acts against civil aviations.

Just recently, President Gloria Macapagal Arroyo announced the fourteen point policy including six measures to combat terrorism as follows:

**Six Measures**

- One, to join the International Counter-Terrorist Coalition and to work with the United Nations.
- Two, to work closely with the United States on intelligence and security matters concerning terrorism.
- Three, to make available Philippine air space and facilities when these are required as transit or staging point.

- Four, to contribute logistical support in the form of food supply, medicines and medical personnel;
- Five, to subject to the concurrence of Congress, to provide combat troops if there is an international call for such troops.
- Six, to prevent the flow of funds to terrorist groups to the Philippines by passing and implementing legislation against money laundering.

**Fourteen Pillars**

- Organize the whole enterprise and delineate clear lines of responsibility and accountability (including the cabinet oversight committee on internal security).
- Anticipate events more efficiently and effectively (with the national security advisers undertaking special intelligence coordinating projects).
- Strengthen internal focus against terrorism (with all the government units "down to the barangay level" involved).
- Hold accountable all public and private organizations and personalities abetting or aiding terrorism.
- Synchronize internal efforts with the global outlook (including the fast-tracking of a regional consensus with Indonesia and Malaysia in the war against terrorism).
- Combine a policy of tactical counter force with a set of strategic legal measures.
- Pursue broader inter-faith dialogue to promote Christian and Muslim solidarity.
- Exercise vigilance against movements of suspected persons, firearms, explosives, raw materials of explosives, toxic materials and biological materials.

- Coordinate preparations and actions in the event of catastrophic terrorist attacks.
- Draft a comprehensive security plan for critical infrastructure.
- Support the immediate transfer out of overseas Filipino workers.
- Modernize the armed forces and the national police considering current and emerging needs to contain the global terrorist threat.
- Seek the support of media to promote consensus and counsel prudence.
- Take cognizance of terrorism's political, social and economic underpinnings.

### C. Money Laundering

The Senate and the House of Representatives of the 12th Congress had passed recently the much-debated Anti-Money Laundering Bill through the *Republic Act No. 9160*, an Act Defining the Crime of Money Laundering, Providing Penalties Therefor and for other Purposes. This Act shall be known as the "*Anti-Money Laundering Act of 2001*." This act, which is a consolidation of House Bill No. 3083 and Senate Bill No. 1745, was finally passed by the House of Representatives and the Senate on September 29, 2001 and was approved into law by President Gloria Macapagal-Arroyo. The bill makes it a crime to transact through the banking system money in excess of four-million pesos (US\$80,000.00) representing proceeds for 14 specific crimes.

Included in the predicate crimes of this law are kidnapping for ransom; drug trafficking; graft and corruption; plunder; robbery and extortion; *jueteng* and *masiao*; piracy on the high seas; qualified theft; swindling, smuggling, cyber-crimes; hijacking; destructive arson and murder, including those perpetrated by terrorists against non-combatants;

securities fraud; and offenses of a similar nature punishable under the penal laws of other countries.

### D. Intellectual Property Rights' Violations

Below are some specific initiatives undertaken by the Philippine government for the protection and promotion of intellectual property rights:

1. **BSA and NBI Campaign Against Software Piracy**—Coordinated and conducted a campaign against the continuing problem of illegal software.
2. **Republic Act 8293**—Known as the "Intellectual Property Code of the Philippines", it is being implemented as the primary law on intellectual property to combat all forms and manner of infringement, piracy and counterfeit of intellectual property rights.
3. **Creation of Intellectual Property Office (IPO)**—Tasked to administer and implement the State Policy to protect the exclusive rights of scientists, inventors, artists, and other gifted citizens to their intellectual property and creations which are beneficial to people, for periods as provided in the Intellectual Property Code.
4. **Creation of the PIAC-IPR**—Created to coordinate concerned government agencies and private entities for the proper enforcement of intellectual property rights in the country.
5. **Creation of the PCTC**—Tasked to perform the necessary and proper courses of action to contribute in the battle against intellectual property rights crime.
6. **BSA and PISO Campaign Against Internet Piracy**—Both agreed to work together in addressing internet

119TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

piracy problems specifically in generating greater awareness and the appreciation of the roles of internet service providers in the prevention and control of this problem.

7. **Private Sector Initiatives**—Forged an agreement to restrict the sale of pirated compact discs and to sanction those who will violate such agreement.

**E. Drug Trafficking**

**Republic Act No. 6425** otherwise known as “The Dangerous Drugs Act of 1972” as amended by Presidential Decree Numbers 44, 1675, 1683, 1707, Batas Pambansa Blg. 179, and Republic Act No. 7659—this law institutionalizes the internationally accepted two-pronged approach of supply and demand reduction. Supply reduction is manifested through the imposition of penalties for acts punishable in relation to prohibited and regulated drugs and the forfeiture of the proceeds or instruments of the crime so penalized in favor of the government.

**Department of the Interior and Local Government (DILG) Circular No. 98-227**—this DILG issuance mandates all local government units (LGUs) to organize Anti-Drug Abuse Councils in their respective areas of responsibility. The chief executives of all local political units (barangays, municipalities, cities, and provinces) are concurrently the chairmen of these ADACs with the provincial directors, chiefs of police and precinct commanders as vice chairmen. These organizations are tasked to implement demand and supply reduction through the realization of programmes and projects on preventive education, treatment and rehabilitation, research, and interdictions. These organizations also offer venues through which various organizations and individuals will work together in the

planning, implementation and evaluation of programmes on drug abuse prevention and intervention. As of year 2000, forty thousand four hundred and forty six thousand Barangay Anti-Drug Abuse Councils (BADACs) were organized through the orchestration of the National Drug Law Enforcement and Prevention Coordinating Center (NDLEPCC).

**Letter of Instruction Nr. 1 (LOI Nr 1)**—this LOI was signed by President Gloria Macapagal Arroyo on July 4, 2001 the purpose of this LOI was to seek to mobilize and bring to bear the entire Governments machinery and the Civil Society in all-out and sustained anti-drug campaign nationwide towards the attainment of a drug free Philippines 2010.

**F. Piracy on the High Seas and Armed Robbery Against Ships**

Currently, the Philippine Government is coming up with a national plan of action to address piracy on the high seas and armed robbery against ships.

In the meantime, the Maritime Group of the Philippine National Police, Philippine Coast Guard, Philippine Navy, MARINA and the PPA primarily enforce all applicable laws regarding piracy and armed robbery. These agencies and offices have congruent functions to implement such laws, although with specific limitations in terms of equipment and facilities. A core group composed of selected representatives from these agencies drafted a programme of activities on matters pertaining to law enforcement, legal and information exchange.

On August 3, 2001, CABCOM-MOAC Core Group on Piracy expressed its support to the Japanese proposal on the “Regional Agreement on Anti-Piracy in

Asia”. This ASEAN-Japan proposal was discussed on October 4–5, 2001, in the aspect of the scope of agreement, information network, capacity building and cooperation, among others.

### **G. Illicit Firearms Trafficking**

The control of “Paltik” manufacturing is one of the problems that beset our law enforcement agencies. The country through its PNP Firearms and Explosive Division is encouraging illegal manufacturers to come to terms and organize a license industry. As of now, there are two licensed manufacturers in Danao City, Cebu—the Danao Arms Corporation (DAMCOR) and the Workers League of Danao Multi-Purpose Cooperative (WORLD-MPC). These two manufacturers are authorized to produce a total of 6,000 assorted firearms annually based on their manufacturers license issued by the PNP Chief. This power to approve and disapprove applications for firearms manufacturing license was expressly delegated to the Chief, PNP under Section 27 (f) of Republic Act 6975.

There is a need therefore to liberalize the issuance of manufacturer’s license to eliminate red tape, and come up with a simpler system. Decentralizing of the processing to the regional level may encourage illegitimate “paltik” manufacturers to come out in the open and abide with the regulations.

The Bureau Customs is the primary agency tasked to address the smuggling of firearms. The Philippine government formed an AD-HOC committee to incorporate the efforts of all law enforcement and intelligence agencies by creating a coordinating body called the National Law Enforcement Coordinating Committee (NALECC). Each member-agency passes information to other

agencies to come up with SPIDER WEB efforts to identify and entrap smugglers even at local inter island ports of entry and exit. Intensified information gathering by appointed intelligence agents and informants is likewise being undertaken. Searches by Coast Guard and Custom Officials are implemented on suspected carriers.

#### 1. On Pilferage of Firearms

The counterintelligence units and respective Security Officers of AFP/PNP are now addressing the problem of pilferage of firearms. Inventory and inspection of physical establishments are being monitored regularly. Aside from the enhancement of physical structure on camps and other military installations, safeguard mechanisms are employed.

#### 2. On Losses from Police and Military Operations

Professionalizing the police and the military can negate losses during legitimate Police and Military operations. Training, Information and Education of troops in order to take care of their individual equipment are every now and then undertaken. Executive Order 122 dated 8 September 1994 pertains to proper reporting of lost FA’s as well as recovered firearms from the enemy. This includes the proper accounting of all government firearms as basis for future audit and inventory.

### **H. Cybercrime**

The government is continuously strengthening its legal as well as structural mechanisms to counter the proliferation of computer crimes and cyberterrorism *vis-à-vis* the implementation of the National Information Technology Plan that seeks to ensure the electronic interconnection of all government units, agencies and instrumentalities and also ensures that

119TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

all sectors of society will have access to information technology.

Foremost of these initiatives is the passage into law of Republic Act No. 8792, also known as the Electronic Commerce Act. It seeks, among others, to ensure network security and penalize unauthorized access, illegal use of electronic documents and the wanton destruction of computer files.

Complimenting this law is the Task Force on National Information Infrastructure Protection established on May 20, 2000. It is tasked to conduct an assessment of all national infrastructures that form part of the country's social backbone, identify their vulnerabilities to cyberterrorism and other related crimes and recommend response measures to ensure their protection leading to the realization of a comprehensive National Information Infrastructure Security Programme.

#### IV.ASSESSMENT

The rapid growth of technology has created a paradox in society, such that we have to live side by side with the advances it has for our lives, as well as the dangers it poses to man and society. For no matter how remarkable these advances have become, there also will always be advancements in criminal undertakings and activities that use the very same technology to "advance" their very own peculiar interests.

The Philippines has remained as a source, transit and destination country for illegal emigrants to include victims of trafficking and smuggling. This is due to wide range of national conditions that favor the exodus of people out of the country as well as large economic and social opportunities abroad. This

phenomenon is further enhanced by globalization, which is easing the mobility of people across national borders.

Institutional mechanisms and international/regional arrangements are sound actions that will definitely strengthen national capabilities against human trafficking and smuggling and other transnational crimes.

Terrorism has always existed and the chances are strong that it will continue to exist. It will remain as long as there is little regard for the emotional component of political, social and economic problems besetting two or more opposing states. These factors motivate individuals, groups or class to conduct aggressions as a means to correct perceived injustices or inequity in their relationship. The threat of terrorism will continue to be felt in the Philippines. This is a strong indication that the Philippine government should be determined and sincere in addressing the threat of domestic and international terrorism.

In Asia, money laundering is on the rise. The reasons cited are official corruption, strict bank secrecy laws, traditional ethnic underground banking networks and in some countries a lack of anti-money laundering laws. The report pinpointed China, Hong Kong, and Macau as major money laundering centers, and also named India, Indonesia, and the Philippines. The Philippines has taken its move. It is expected that other countries, especially those falling under the category as probable havens of money launderers, will finally heed the call of FATF.

The massive increase in piracy, counterfeit and infringement of intellectual property rights has

significantly affected the Southeast Asian region, including the Philippines. The proliferation of the crime has also been implicated in the continuing economic crisis being experienced by the region. Despite the efforts and measures taken by the government, the nation is still at risk and great danger. According to Business Software Alliance's Chief Executive Officer, Robert Holleyman, "the Philippine laws are not enough to protect IPR and copyright."

The illicit trafficking of firearms is a common problem shared by many state. The gravity of the problem depends on how rules on firearms regulations are being implemented. The definition of firearm has been a subject of debate. But the scope of its operation and impacts are undermining the security of every individual. The Philippines should address the problems posed by unregistered firearms and the production of "paltik" guns. Control through effective regulation is needed. A proactive concept should also be developed to counter illicit trafficking of firearms.

Another transnational crime recognized as an offense against the law of nations is piracy. Incidents of piracy were expected to increase with increase trade and commerce using international sea lanes. There is, therefore, a need for greater regional naval cooperation, diplomatic dialogue and continuing understanding of various maritime issues. These issues could include the following: information sharing; joint exercise/patrolling; standard operating procedure on piracy reporting; training of personnel; technology exchange and the establishment of anti-piracy networks and rescue center.

In drug trafficking, international, regional and national initiatives to

combat the problem on illegal drugs are sufficient in substance but not in a way these are being implemented. With respect to international and regional initiatives, their implementation within the territory of signatory states are hampered.

Unfortunately, the economic environment is being transformed by transnational criminal syndicates to their advantage. With the emergence of a borderless world, member of these criminal syndicates can enter any country with ease to perpetrate their illegal activities masquerading as legitimate investors and tourists.

## V.CONCLUSION

Transnational crimes have existed and a consensus has emerged that these will be a growing challenge. Not all states, however, agree which of these crimes are to be given priorities because they do not affect every country equally. Its effects in a country, like the Philippines, facing the challenges of sustaining a certain level of economic growth, can be more severe compared to its neighbors. For example, migration can be harmful to sending state, but in some respects, it can be helpful to a sending state because of pecuniary remittance being sent back to the families of migrants. The harm, however, is greater than the help because a number of these migrants end up exploited. Other national conditions vulnerable to exploitation by transnational organized syndicates include the following:

1. Archipelagic condition of the country characterized by scattered islands and islets and a long and virtually unguarded coastline;
2. The widening gap between the rich and the poor accompanied by an

119TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

- unemployment problem and the shortage of manpower and specialized skills in industrialized countries;
3. Proximity to drug producing and exporting countries and source of illegal migrants; and
  4. The absence or ineffectiveness of laws against transnational crime.