

CIVIL SOCIETY OBSERVATORY OF ILLICIT ECONOMIES IN EASTERN AND SOUTHERN AFRICA



RISK BULLETIN

SUMMARY HIGHLIGHTS

1. **The use of gangs by politicians in election campaigns in Mombasa is just one aspect of the role gangs play in Kenyan politics.**

Criminal gangs have come to play an entrenched and insidious role in Kenya's political landscape. In Mombasa, as elsewhere in Kenya, gangs are used as an unofficial campaigning resource in the run-up to elections to intimidate rivals and their voter bases, and provide 'security' at rallies. This is acknowledged by politicians as common practice, but allegations around one MP's career in particular – Rashid Bedzimba, former MP for Kisauni (a suburb of Mombasa) – illustrate how gangs can be a potent political force. This use of gangs during elections is also just one aspect of the wider set of quid pro quo relationships seen between gangs and politicians across the country.

2. **Gold and guns: audacious armed robberies at gold-smelting facilities in South Africa.**

Attacks on South African smelters processing gold rose sharply in 2018 and spiked in 2019, when 19 incidents were recorded. The assaults bear the hallmarks of professionals with military, police or security backgrounds, and the groups involved are believed to have links to illegal gold-mining networks and gangs that carry out heists on armoured vehicles transporting cash. A sharp decline in cash-in-transit heists in 2019 in the face of measures to thwart the attacks, together with a drive against illegal mining, may have been behind the surge in gold attacks that year. Developments in 2020 may further show that gangs are switching between different types of targets, and refining methods and alternating targets in response to new security measures.

3. **Floating armouries in the western Indian Ocean: new trends in the modern maritime-security landscape.**

During the apex of Somali piracy around 2011, vessels carrying armed guards and floating armouries in the western Indian Ocean became shipping companies' response to this form of organized crime. This led to a proliferation of private maritime-security companies operating in the region, which continues today. Yet the sector is currently under pressure: declining prices have led some operators to cut corners on safety standards, while the legal framework remains largely undefined. And some maritime security operators may soon be contracted to protect oil and gas developments in northern Mozambique.

4. **Sun, sand and synthetics: the sharp rise of synthetic cannabinoids in the Indian Ocean islands.**

The market in synthetic cannabinoids has grown rapidly in Mauritius, Mayotte and the Comoros. Easily available via online platforms, these cannabinoids – which can be made up of a range of compounds – are largely imported from China via post. The market is highly profitable and easy to access for those looking to make money, but spikes in cannabinoid-related hospital admissions illustrate the significant public-health toll this new market is taking on Mayotte, Mauritius and the Comoros.



ABOUT THIS ISSUE

In this issue, we investigate four very different perspectives on the impact of organized crime. Our first story, looking at the way gangs are deployed to influence election campaigns in Kenya investigates how organized crime can play a role in the degradation of democracy and urban governance.

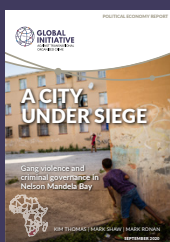
In South Africa, we look at the alarming phenomenon of heists carried out at gold-smelting facilities, in which armed gangs – well equipped and seemingly with some level of military training – strategically target gold and gold-bearing material. The seemingly connected trends between gold heists, cash-in-transit heists and bank robberies may be indicative of these criminal groups adapting and shifting their key target, illustrating the adaptability of organised crime groups to respond to new developments and situations.

Our investigation of the rapidly growing market in synthetic cannabinoids (types of new psychoactive

substances) in Mauritius, Mayotte and the Comoros likewise illustrates the adaptability of organised crime groups and illicit markets. This nascent drug market had significant public-health impacts, and presents very different challenges to law enforcement than longerstanding markets in the islands such as the heroin trade.

We then turn from drugs markets and urban governance to governance of the seas. The introduction of private maritime security companies in the Western Indian Ocean, originally as a response to Somali piracy, fundamentally shifted the role of private military operations at sea. We look at how this market has developed, including allegations of poor safety standards and insufficient regulation of some operators. This story illustrates the longlasting impacts which responses to organised crime can have on security dynamics and other sectors of the economy.

NEW AND FORTHCOMING PUBLICATIONS



A CITY UNDER SIEGE:

Gang violence and criminal governance in Nelson Mandela Bay.

KIM THOMAS, MARK SHAW AND MARK RONAN

Nelson Mandela Bay has been experiencing a steady increase in recorded murders and attempted murders since 2012/2013, reaching levels comparable to or above some of the most violent places on earth. Economic and social exclusion, aspects of gangsterism and emerging patterns of misgovernance in the city's administration are all crucial in understanding how the violence in Nelson Mandela Bay has increased so dramatically, and how to break this vicious cycle.

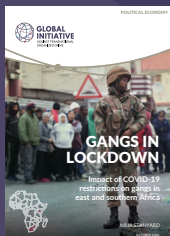


THE POLITICS OF CRIME:

Kenya's gang phenomenon.

SIMONE HAYSOM AND KEN OPALA

Gangs in Kenya are implicated in some of the country's most deep-rooted political issues: corruption at national and local level, abuse by security services and violent extremism. They have also played a violent and anti-democratic role in Kenya's elections. This study investigates the political economy of gangs in Kenya – across their involvement in urban services, their instrumental role in politics and their use of violence – to support engagement on finding new, effective responses.

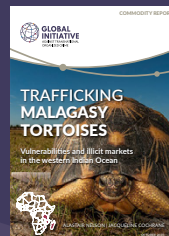


GANGS IN LOCKDOWN:

The impact of COVID-19 restrictions on gangs in east and southern Africa.

JULIA STANYARD

Using Cape Town as a key case study, we explore the impact of COVID-19 lockdowns on gangs and communities, from how they operate economically to levels of violence, and the relationship between police and gang members. For communities affected by gang violence, the lockdown has not only been a public-health crisis but a crisis of criminal governance.



TRAFFICKING MALAGASY TORTOISES:

Vulnerabilities and illicit markets in the western Indian Ocean.

ALASTAIR NELSON AND JACQUELINE COCHRANE

Malagasy tortoises – some of the most endangered reptile species in the world – are fiercely sought after in the exotic pet trade. This report traces the history of tortoise trafficking and identifies factors that make Madagascar particularly susceptible to illicit flows, through four in-depth case studies.

1. The use of gangs by politicians in election campaigns in Mombasa is just one aspect of the role gangs play in Kenyan politics.

Criminal gangs have an entrenched and insidious role in Kenya's political landscape. This was clearly shown in the post-election violence in 2007, where more than 600 000 people were displaced and more than 1 000 killed across the country in inter-ethnic attacks, in which criminal gangs were key instigators of violence. Yet the gang phenomenon has a decades-long history and is still widespread today.

In Mombasa, as elsewhere in Kenya, gangs are used as an unofficial campaigning resource in the run-up to elections to intimidate rivals (and rivals' voter bases), provide 'security' at rallies, and even eliminate rivals. The deployment of gangs around elections is just one aspect of the wider set of quid pro quo relationships between gangs and politicians across the country.

BEDZIMBA AND THE ELECTIONS

The role of 'political figures' in funding gangs is often discussed in Kenyan media and among civil society. However, it is rare that individual politicians are held accountable. The career of Rashid Bedzimba, former MP for Kisauni (a suburb of Mombasa), is a notable exception to this rule: allegations against Bedzimba have been publicly aired, and several gang members corroborated these allegations in interviews with the GI-TOC.

Bedzimba, 54, is a former police officer. He left the force in 1992 to enter politics as an election-campaign manager in Mombasa.¹ After stints as a county councillor and a member of the County Assembly for Mjambere Ward, Kisauni, he won the parliamentary seat in 2013 after the incumbent, Hassan Joho, decided to run for the Mombasa governorship.²

In the 2017 general elections, Bedzimba lost his seat to businessman Ali Mbogo, whose campaign highlighted allegations that Bedzimba had used criminal gangs to secure his own election four years before, and used a slogan that referenced the gang in question. After the 2017 election, Joho employed Bedzimba as his political adviser, and Bedzimba remains a powerful individual in Kisauni.³

The allegations around Bedzimba claimed that he was linked to Wakali Kwanza, the most prominent criminal gang in Mombasa. As well as being associated with political thuggery, the gang is implicated in street robberies and burglaries, and is present across Mombasa

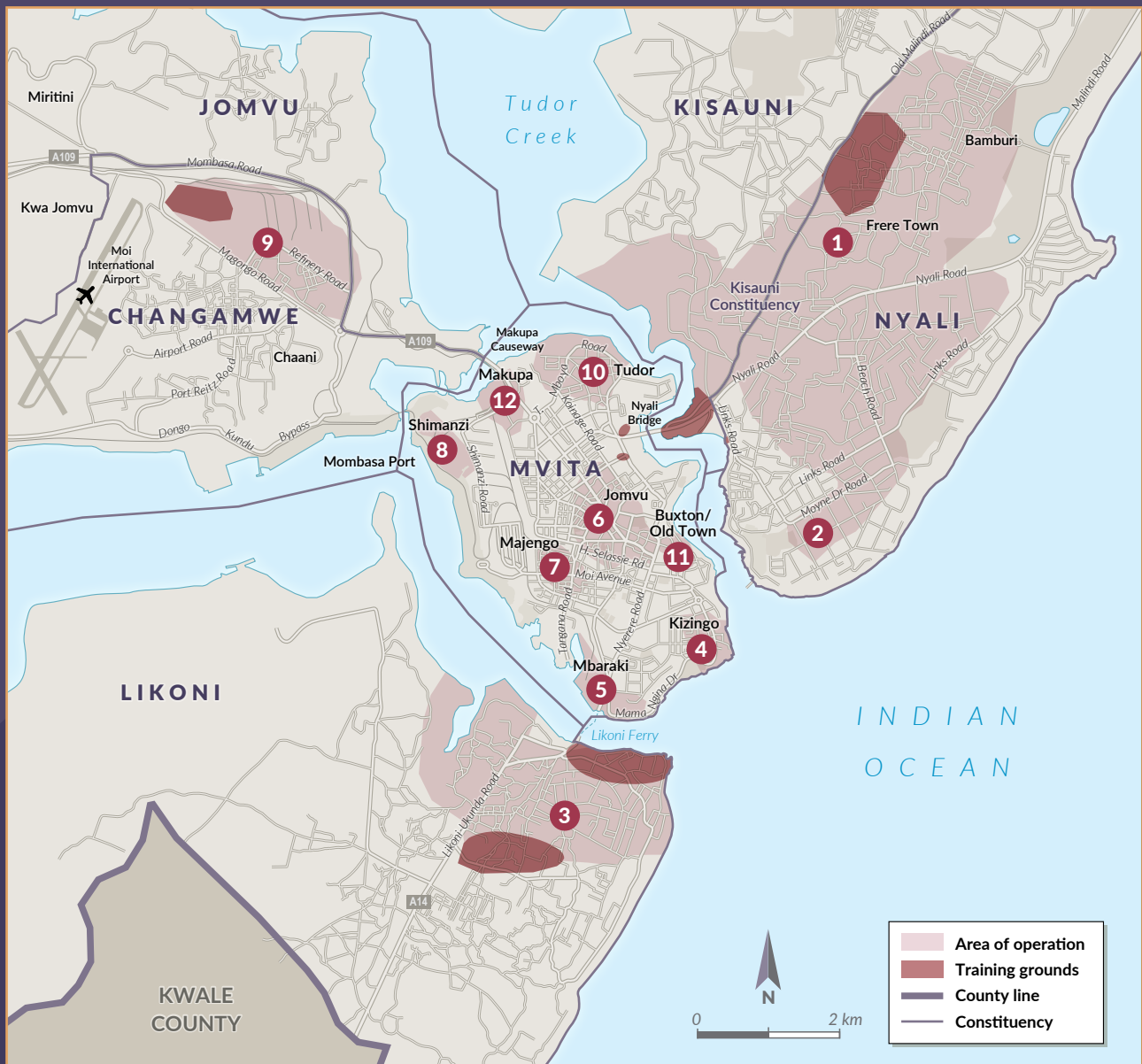
in Kisauni, Nyali, Likoni and the north and south sides of Mvita (Mombasa's central island). Wakali Kwanza – literally meaning 'the first tough ones' in Kiswahili – was initially a popular football club funded by an MP using Constituency Development Funds.⁴

A member of Wakali Kwanza told the GI-TOC that he had been recruited into the gang at the age of 15 during an election campaign and that recruits were each paid 1 000 Kenyan shillings (Ksh) – about US\$10 – to disrupt the events of Bedzimba's rivals, which included 'causing chaos, stealing and beating people at events'.⁵ A senior figure in a major trade association with close links to the political elite claims that Bedzimba and two other politicians had adopted this tactic.⁶ In the run-up to the election, the then Coast Regional Coordinator, Nelson Marwa, said wealthy and influential individuals financed Wakali Kwanza, and that they were being paid Sh500 each (about US\$5) 'to go on operations'.⁷

After being attacked at a funeral in 2016, Mbogo publicly linked Bedzimba to the Wakali Kwanza and Wakali Wao gangs.⁸ Bedzimba strongly denied these allegations: 'If I hear anyone associating me with those gangs, I will require that they prove their allegations in court. As a leader, my focus is on serving my people ... If the police have information about these gangs, they should arrest and take them to court.'⁹ In June 2017, Mbogo was again attacked by a gang and claimed that the men had been sent by a rival, but after Mbogo's election win the situation turned on its head, with Bedzimba filing a petition in which he accused Mbogo of violence, voter bribery and intimidation of his agents.¹⁰

BEYOND BEDZIMBA: GANGS AS PART OF MOMBASA'S POLITICAL LANDSCAPE

The allegations surrounding Bedzimba's use of gangs to intimidate his rivals seem to be typical of the use of gangs by politicians in Mombasa. One MP, who has hired gangs on several occasions to guard his rallies from rivals, described the situation: 'Normally, in political areas where the election is too close to call, where the stakes are very high, violence during campaigns is apparent. My constituency is hot because we always have powerful people run. Here, tactics, and not necessarily ideology, matter. You have to defend your supporters from intimidation and thuggery.'¹¹



NOTABLE GANG PRESENCE

- 1 Geta, Wakali Wao (political hire, street robberies and muggings), Wakali Kwanza (political hire, street robberies), Congo by Force (burglary and street robberies), Bad Squad (burglary and street robberies), 88 Battalion (street robberies), Bad Squad (burglary, extortion), Funga File (informal security services)
- 2 Wakali Kwanza (political hire and street robberies), Wakali Wao, 88 Battalion (street robberies)
- 3 Gaza (street robberies), Wajukuu wa Bibi (street robberies), Buffalo (street robberies), Young Thugs, Akili za Usiku (extortion, street robbery and burglary), Kapenguria Six (street robberies), Gater Family (street robberies), Born to Kill (street robberies), Chafu za Down (street robberies), Vijiwani Boys, Watalia, Piyo Piyo (sale of illegal drugs, street robberies), Wakali Wao (political hire and street robberies), Wakali Kwanza (political hire, street robberies and muggings)
- 4 Wakali Kwanza (burglary and street robberies)
- 5 Wakali Kwanza (political hire and street robberies)
- 6 64 Gang (burglaries and street robberies)
- 7 Waiyo (street robberies, burglary, and sale of illegal drugs), Bundesliga (street robberies, burglary, and sale of illegal drugs), Bafana Bafana (street robberies, burglary, and sale of illegal drugs)
- 8 Wakali Kwanza (political hire and street robberies)
- 9 Spanish Sparter (burglaries and street robberies), 64 Gang (burglaries and street robberies), Vietnam (burglaries and street robberies)
- 10 Wakali Kwanza (political hire and street robberies)
- 11 Young Turks (burglary and street robberies), Temeke, Crazy Boys, Home Boys (burglary and street robberies), Young Mula (burglaries and street robberies)
- 12 Wakali Kwanza (political hire and street robberies)

FIGURE 1 Gang presence in Mombasa County.

NOTE: The gangs presented here represent some of the most notable gangs according to their level of influence and violence, and the scale of operations. These designations are derived from interviews with the police, gang members, media reports and state reports. The map is based on ward boundaries derived from government documents, as well as Google Maps where government sources were contradictory. We have tried to ensure constituency boundaries are as accurate as possible, but some borders may be inexact.

Mohamed Ali, MP for Nyali, an affluent suburb in Mombasa, also acknowledged the role of gangs in the political process: 'Some of these criminal groups are sponsored by politicians to frustrate rivals. I do not support these stupid criminals.'¹²

Gangs appear to be trained and organized on behalf of the politicians who hire them. One man, who had once been in the Kenyan Defence Force and was later a member of a criminal group that stole cars and drove them over the border to Tanzania, described working as a trainer for Wakali Kwanza during the 2017 elections. He said he was hired, by a campaign manager of an MP, along with other men – a mix of gangsters and former police officers – to train gang members on a beach in the Mishomoroni area of Mombasa. He was also later hired to 'cause trouble to show that the community suffers if his patron is not the MP' after the MP lost the election. Although current Kisauni MP Ali Mbogo was not the MP hiring him for this work, he also accused Mbogo of establishing a gang.¹³

In return, gangs may be able to call upon their patrons for protection from arrest following the election. Francis Auma, a civil-society activist working in gang-affected areas and monitoring police stations, said 'if anyone is arrested, the first person to be called is the local politician to have them released. It happens all the time, not just during the election period.'¹⁴ Some gang members have also been rewarded with positions in Mombasa County's government, where they can draw salaries.

Generally, however, the relationship with political figures does not translate into material support outside of the election-campaign period. This means that violence often spikes in the periods between election years as gangs turn to attacking the public to finance themselves in lieu of political work. Hezron Awiti, a former MP for Nyali, and a former unsuccessful candidate for the Mombasa governor's seat in the 2017 elections, argues that politicians fund criminal gangs during the election period to counter their rivals' youth wings. 'But thereafter the criminal gangs fund themselves by using

any method to get money for their survival as most [of their members] are unemployed.'¹⁵

A WIDER SPECTRUM: THE POLITICAL LIFE OF A GANG

The use of gangs in election campaigns is a key part of their role in Kenyan politics. However, some gang members also work with politicians in other quid pro quo arrangements outside of the election period.

In the aftermath of elections, gangs may in some cases be hired to either suppress discontent over election results or to challenge them. Should their politician patron win office, gangs may also continue the work of intimidating and silencing rivals, targeting critical voices such as rival politicians, journalists or civil-society activists.

Politicians also come to mutually beneficial arrangements with gangs to wrest control of key resources and markets. This may be in the form of land grabbing or corrupt exploitation of municipal services. One key example of this is, perhaps surprisingly, waste collection. Gangs are widely involved in the waste sector in Kenya, from extorting residents in urban areas for waste-collection services to controlling dump sites. Gangs used in election campaigns may be rewarded with employment in the waste sector.

Cumulatively, the use of gangs by politicians can breed dysfunctional urban governance. Politicians contracting gangs – or in some cases, creating them – creates and sustains groups, which can then cause long-lasting damage to urban security. In turn, the gangs also sustain the type of political figures who will turn to violence and thuggery to maintain their power.

The failure to hold to account the individual politicians who engage in these practices is a problem, but understanding the role of gangs in specific politicians' careers – as they have seemingly played a role in the career of Rashid Bedzimba – is one step towards accountability.

2. Gold and guns: audacious armed robberies at gold-smelting facilities in South Africa.

On 10 March 2020, a gang of 20 armed men stormed a gold plant 140 kilometres west of Johannesburg operated by Village Main Reef (VMR), a Chinese-owned mining company. Hijacking a front-end loader, the gang overturned an armoured vehicle and broke through the wall of a smelt house. According to industry sources, the gang made off with an undisclosed amount of calcine, the gold-bearing material from which bars of bullion are processed. VMR confirmed that the episode took place but declined to comment as the incident was under investigation.¹⁶

The attack was an audacious example of the spate of armed heists that have targeted gold smelters in South Africa since 2018. The gangs are armed with automatic assault rifles, with 15 to 30 gunmen typically involved in an attack. In the view of some security analysts, the gangs' methods – including cutting power to take out CCTV cameras, the taking of hostages and the use of explosives in some cases to blow through perimeters – suggest that they have recruited former members of the police and armed forces or ex-private security personnel.¹⁷

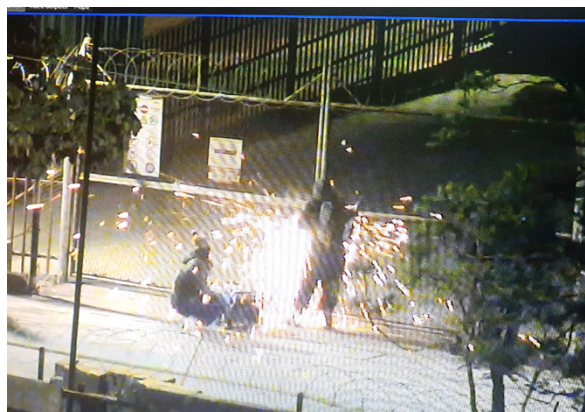
Even unsuccessful attacks may be an indication of a highly tactical approach. 'Some of the attacks are done to test the security, to see how the mine security reacts and the timing of their response,' said Louis Nel, a mine-security consultant. 'There is a reason behind their madness. [T]hey will launch an attack, they fail in their objective, then months later the successful one will happen.'¹⁸ A security executive with a Johannesburg mining house (who asked not to be named) said that this appeared to be the case with two failed assaults at his company's operations in 2019. 'The second time they clearly had a better understanding of our reaction times.'¹⁹

Both the mining companies and the gangs are constantly adapting their methods to outflank one another – the March assault was the first time that heavy machinery had been used to smash through a wall. 'Companies are also learning and are no longer parking loaders by the smelter walls,' said the mine-security manager.²⁰



Wreckage of a mining-security armoured personnel carrier that was set alight by attackers at a Sibanye Gold facility.

Photo: Sibanye Gold Ltd



Thieves break open a security gate at a gold facility in South Africa.

Photo: Supplied

THE 2019 SURGE

According to the Minerals Council South Africa, an industry group, there were 19 attacks on gold facilities in 2019, up from five in 2018 (attacks were sporadic before 2018). This may be an underestimate, as not all companies report such incidents to the council, particularly smaller producers who are not council members, according to Nel.²¹ The Minerals Council acknowledges the theft of more than 100 kilograms of gold, but not all companies have disclosed their losses.²² Companies are also unwilling to acknowledge publicly that attacks have taken place at their facilities.

Several notable attacks in late 2019 resulted in mining companies bolstering their security to dissuade gangs. In December 2019, global miner Gold Fields suffered an attack at its South Deep mine in Gauteng province.

Fifteen armed men stormed the operation and made off with gold worth about US\$500 000 from the smelting plant.²³ Gold Fields spokesperson Sven Lunsche said the company has subsequently put in place additional security measures at a cost of around US\$2 million: 'We are completely enclosing the mine with a perimeter wall and this should be in place by the end of the year.'²⁴ Surveillance systems have also been upgraded.²⁵

DRDGold, a mid-tier gold producer, was also hit in late 2019 and an employee was killed in the attack.²⁶ In an emailed response to questions, the company said that 'one arrest was made and the individual was charged with murder and armed robbery. About half of the 12–15kg of calcine concentrate stolen was recovered at the home of the individual who was arrested.'²⁷ DRDGold has since spent about US\$700 000 on security enhancements, including the acquisition and application of surveillance and other technology.²⁷

This is one of only three arrests that the GI-TOC have been able to confirm in connection with such incidents; Harmony Gold says that two suspects were arrested in connection with a heist at its Kalgold mine in December 2019.

The scarcity of arrests poses a problem for law enforcement, as intelligence gathered from arrests may help thwart other attacks.²⁸ However, mining executives and security personnel believe the police forces in mining areas are compromised.²⁹ Collusion includes tipping off illegal miners and the heist gangs to intelligence developments, turning a blind eye to their activities, 'losing' dockets so cases are thrown out and failing to act on information that could lead to arrests.³⁰ 'Getting intelligence from arrested suspects is very much crucial to preventing such attacks,' said one mine security official. 'Unfortunately the cops often don't know how to gather more intelligence or they don't act on it.'³¹

Mine-security consultant Nel likewise confirmed the shortfall in police capability: 'The police are part and parcel of the problem. There was a gold and diamond unit formerly in the police but it no longer exists and so the police have lost that investigative capability.'³² But the mining companies are applying pressure to change the situation. According to one mining executive: 'There are lots of allegations of corruption in the police in those areas and so the industry is talking with the South African Police Service to reinstate the specialized mine police unit.'³³

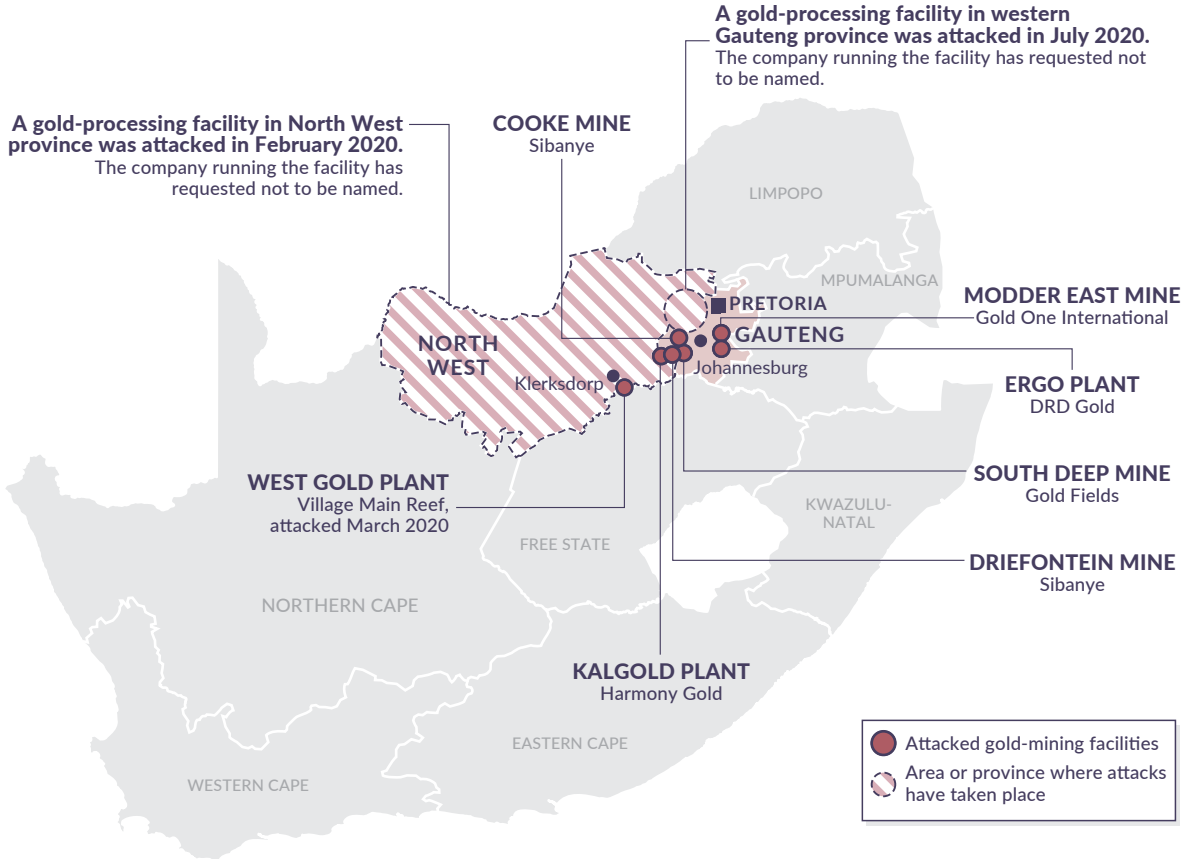


FIGURE 2 South African gold-processing facilities targeted by armed gangs, 2018–2020.

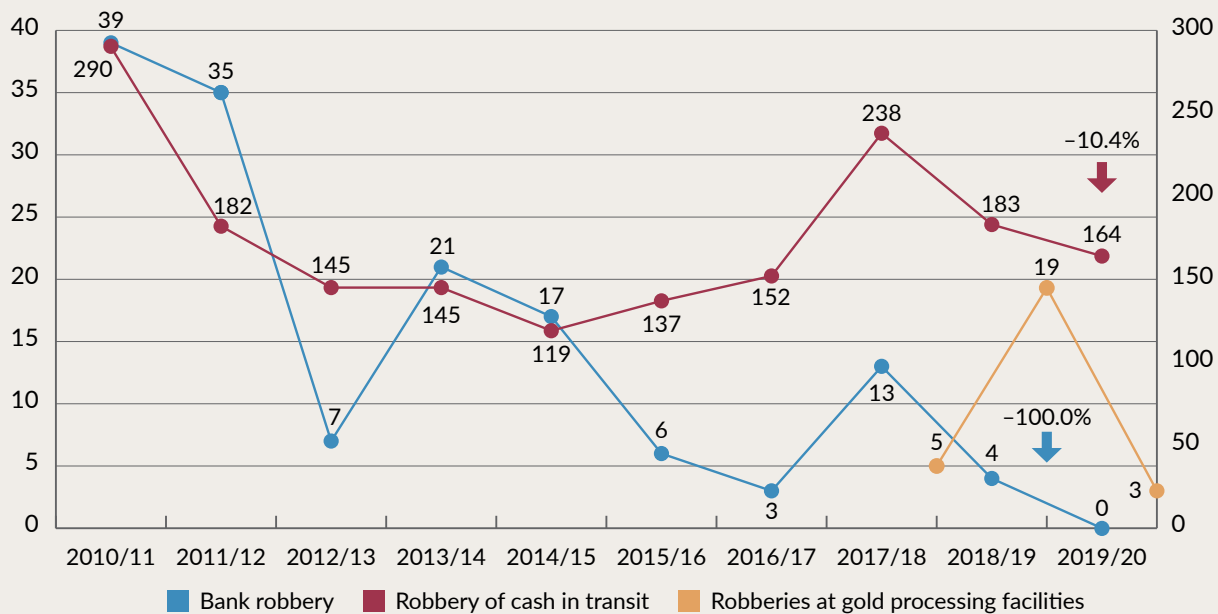


FIGURE 3 Comparison of frequency of reported incidents of cash-in-transit heists, bank robberies and robberies at gold facilities in South Africa.

NOTE: According to Minerals Council South Africa, robberies at gold facilities were sporadic prior to 2018. The GI-TOC have been able to confirm three robberies at gold-processing facilities in 2020, yet this may be an underestimate as mining companies are often unwilling to acknowledge that robberies have taken place at their facilities.

SOURCE: South African Police Service

ARMED GANGS SWITCH MARKETS

The surge in 2019 has been attributed to a number of factors. Gold prices, in dollar terms, rose over 17% over the course of 2018 and 2019 to more than US\$1 500 an ounce.³⁴ The surge has also been associated with a decline in hits on armoured vehicles transporting cash – known as ‘cash-in-transit’ heists.³⁵ Among other initiatives, security cooperation between affected businesses and new technologies that coat the vault of the vehicle with a fast-drying foam during an attack have been credited with the reduction in the number of cash-in-transit heists.³⁶ In the 2018–19 financial year – when gold heists became a major phenomenon – cash-in-transit heists declined over 23% according to police statistics, from 238 to 183.³⁷

Security experts believe that some of the cash-in-transit heist gangs subsequently turned their attention to gold. The same weapons are used in both kinds of heists (including the use of explosives to blow vaults open).³⁸ Geographically, the cash-in-transit heists have also been concentrated in Gauteng province, South Africa’s industrial hub, near where the bulk of the gold attacks have taken place.³⁹

‘It’s big groups [involved in cash in transit heists] just like the gold attacks with sophisticated weapons. We strongly suspect there is overlap between the gangs,’ said the Johannesburg mine-security official. He also said such gangs are suspected to have been involved in bank robberies, but the massive increase in security at banks – from CCTV cameras and increased security staff to marked notes and other initiatives – have gradually cut off that once-lucrative revenue stream. (There has been a dramatic decline in bank robberies in South Africa since 2010.)⁴⁰ ‘They [the gangs] operate on a risk model like any other enterprise. High reward, low risk. Risk gets too high and the reward too low then it’s time to change their business model.’

The rise in gold attacks also followed drives in 2017 by gold producers to remove groups of illegal miners from their operations. Initially this yielded some success,⁴¹ which may have had the inadvertent consequence of forcing the illegal-mining networks to find new sources of revenue. The foot soldiers used in these two spheres of criminal activity are

different: illegal miners, known as *zama zamas* (a Zulu term that roughly translates as ‘take a chance’), are often migrant workers from neighbouring countries such as Lesotho and Mozambique who have often previously worked in the mines, in contrast to the security background suspected for the heist gangs. The illegal miners require equipment and supplies as they can spend months underground, while the heist gangs require arms and vehicles. However, the buyers of the gold are the same and the groups funding these operations are suspected to have links with one another.⁴²

‘The criminal gangs are diversifying. Twenty years ago a gang would target gold or diamonds but now they are involved in different commodities and different areas,’ said another mining-security official, remarking that there are now links between several illicit-commodity trades including gold, chrome, copper and rhino horn.⁴³ Other security and industry sources interviewed for this article agreed that this was the case. ‘A gang might say, “We can do cash in transit but we can’t smelt gold. So let’s combine forces,”’ said one.⁴⁴

THE DESTINATION OF SOUTH AFRICAN GOLD

Regardless of its origin – be it pried from the ground by an illegal miner or stolen at gunpoint – gold flows through the same laundering channels, with Dubai, India and China the main destinations. ‘They [the gangs robbing gold in heists] take the concentrate, they process it to gold and then sell it through the normal channels, the same ones that the *zamas* [illegal miners] use,’ said Nel.⁴⁵

These ‘channels’ include second-hand jewellery shops and gold dealers in South Africa where it becomes ‘legitimate’ for purposes of resale. According to a former police investigator, some vendors even use illicit gold to fraudulently claim Value Added Tax refunds: ‘The buyers purchase the illicit gold, it is unwrought and they need to get it in the system. They buy it, throw it into a big pot and melt it, and then they take it to a refinery and present it as second-hand gold. They then claim VAT and they often make more money on that than on the gold.’⁴⁶

Alternatively, gold is simply smuggled out through South Africa’s airports and shipping ports. ‘We are convinced that through our airports and through our shipping ports

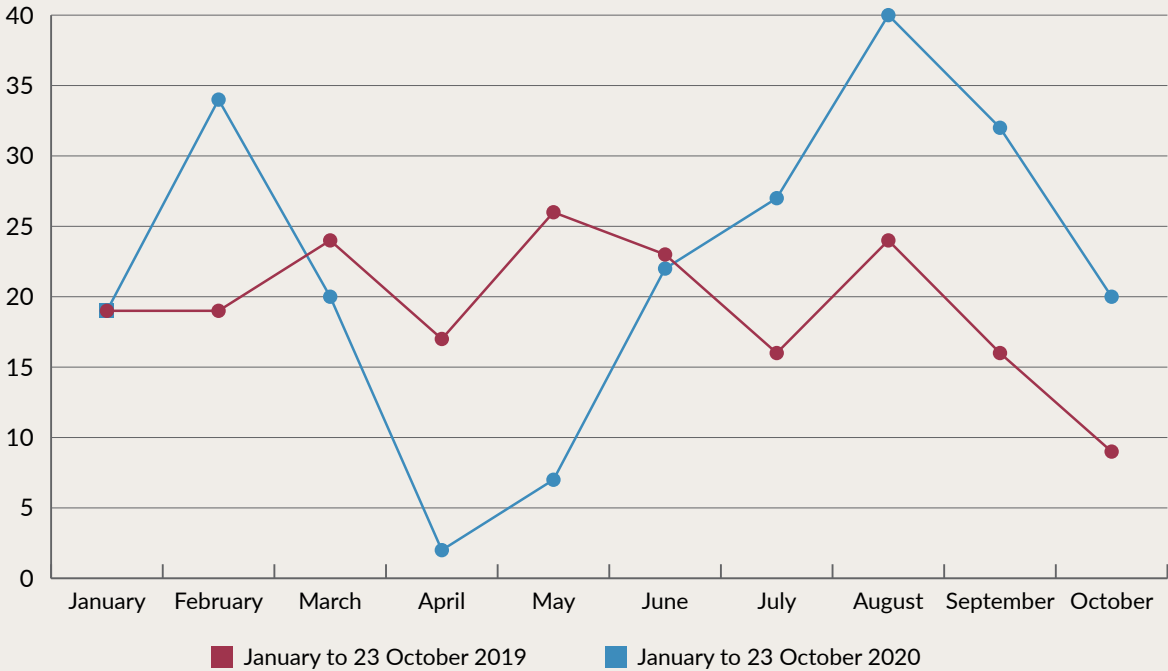


FIGURE 4 Frequency of cash-in-transit heists in South Africa, 2019 and 2020.

SOURCE: South African Banking Risk Information Centre

these unrefined gold bars make their way to Dubai, China and India,' said one mine-security official. 'Two years ago, India strengthened its controls on gold coming into the country, and we are not sure how the criminals have got around that. But as far as China and Dubai are concerned, we are given to understand gold still flows quite freely into those jurisdictions where it is then laundered into the legitimate market.'⁴⁷

SHIFTS CAUSED BY THE PANDEMIC

Security sources say the frequency of attacks on gold facilities has declined since South Africa imposed COVID-19 lockdown restrictions in late March.

Interestingly, cash-in-transit heists have spiked again from July to October, according to data shared by the South African Banking Risk Information Centre. Whereas between March and June cash in transit heists had declined compared to 2019, from July there was a 69% increase compared to July 2019, which rose to a 122% increase on the previous year in the 1–23 October period. The increase has been particularly marked in Gauteng, where 102 incidents have been reported compared to October 23, compared, to 53 in 2019, a 92% increase.⁴⁸

SBV Services, a company that provides security services to the cash-in-transit sector, also confirmed this was the case, saying it was 'extremely concerned about the increase in frequency of these attacks'. The company also said technologies used to protect its employees on the road and the assets they protect was continually evolving. And the Times Live news site reported on

19 October that data from the South Africa Banking Risk Information Centre shows a 29% increase in cash van attacks between 2019 and 2020.⁴⁹

'You see a focus on one source of contraband, then a switch to another when obstacles are thrown up,' said one security source. When cash-in-transit heists became more challenging because of the security measures employed, the focus turned to gold facilities. But then gold-mining companies ramped up their security, funded in part by the high price of gold.⁵⁰

The GI-TOC has been able to confirm only three attacks on gold facilities in 2020: the VMR incident mentioned above, and two more in February and July. (In both these cases, the company involved has requested not to be named.)⁵¹ A security source with the company involved in the July incident described a sophisticated attack: 'They took out the power so the CCTV went down. The intruders took a plant operator hostage [but] there was no gold in any form in the smelt house. Luckily there was no gold in the facility at the time.'⁵²

But with gold's price near record highs – hitting over US\$2 000 an ounce in August 2020 – there are concerns that attacks on gold facilities could spike again, once the heist gangs have figured out how to bypass the new security measures.⁵³ The developments seen in the relative frequency of gold heists, cash-in-transit heists and bank robberies since 2018 illustrate that these groups' sophisticated tactics can be adapted to new vulnerable targets.

3. Floating armouries in the western Indian Ocean: new trends in the modern maritime-security landscape.

At the height of Somali piracy around 2011, shipping companies took the unprecedented step of placing armed security on vessels transiting the Gulf of Aden and the western Indian Ocean, reaching down to the East African coast.⁵⁴ Floating armouries housing guards and weapons in international waters also arose to resolve the legal difficulties of landing vessels with weapons on board. This shift in policy led to a proliferation of private maritime-security companies (PMSCs) operating in the region.

Today, these PMSCs work under very different circumstances: a decline in the number of piracy incidents has driven down prices, leading some in the business to raise concerns about safety standards among operators. Yet, these armouries and the guarding companies that use them continue to operate in a sparsely regulated legal space.

ORIGINS

The deployment of armed guards on ships transiting the Indian Ocean as a response to piracy was a significant policy shift. 'Initially, there was no armed security,' explains Neil Roberts, head of Marine Underwriting at Lloyd's Market Association. 'But it became clear that that was part of the answer, because the armed forces [in the region around Somalia] simply couldn't provide support to the extent the ship owners needed.'⁵⁵

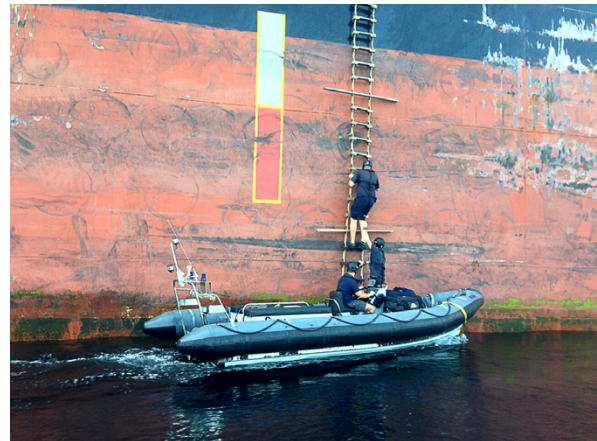
The ability to sail through the western Indian Ocean, rather than around the Cape of Good Hope, saved shipping companies weeks in travel time. This, in turn, gave rise to the need for 'floating armouries': ships stationed semi-permanently in international waters, acting as a base for security guards and the arms picked up and dropped off by vessels passing through high-risk areas.⁵⁶

Floating armouries provide PMSCs with a solution to the legal difficulties in deploying private security.⁵⁷ Bringing vessels into port with arms on board is not legal in many countries: some states also have differing interpretations as to how armed teams are viewed legally in territorial waters. However, in international waters, where no national jurisdiction applies, taking an armed team aboard is purely the decision of the ship owner and insurer.⁵⁸



This vessel, the *MNG Pembroke*, is operated as a floating armoury by MNG maritime, moored in international waters to operate as a base for armed guards and weapons.

Photo: MNG Maritime



Small transfer vessels are used to trans-ship weapons from the armoury to merchant ships.

Photo: MNG Maritime



Weapons being handled on board a floating armoury.

Photo: MNG Maritime

LEGAL FRAMEWORKS

Today, there are four leading operators of floating armouries: two British companies, one Spanish-run company registered in Panama and one run by a Yemeni national operating from Dubai.⁵⁹ There are also between 50 and 90 PMSCs that provide the guards hosted on the armoury platforms.⁶⁰

Yet, there is little by way of international regulation of these businesses. Few laws, if any, deal specifically with the armouries themselves – for example, there is no centralized international registration of armouries or the weapons they carry, or a distinct legal status for them – though some national and international instruments do apply to them.⁶¹

It is primarily up to individual countries to regulate security companies registered in their jurisdiction. 'This industry operates in such a grey area,' said a contractor currently stationed on a floating armoury and speaking on condition of anonymity. 'If it gets too much attention, the whole industry will collapse under pressure. The armouries operate in international waters, but the companies are registered in various countries. Those countries put pressure on the PMSC's to follow certain rules. That has an effect on us, having to get our ducks in a row.'⁶²

Mark Gray, founder and co-director of MNG Maritime, a UK-based provider of floating armouries, describes how this national 'pressure' is manifested. 'We have a UK-government license for all of our armouries. They audit us every year, come in and take records, and they state very clearly what records we have to keep so we can keep serial numbers of the weapons that we move. Which ship we put them on, when we put them on, and who's taking them over, all that sort of thing. So, it's a very comprehensive system. It is not wholly ungoverned as you'd imagine.'⁶³

However, Gray and several others suggested that the same level of standards are not required of companies registered in many other jurisdictions. 'Floating armouries are such a niche issue and there are so few of them that I doubt anyone would want to put the time into developing a dedicated legal regime for them,' commented Cole. 'Many ships carry firearms for protection and would not want to have to report

the fact to coastal states nor declare the fact more widely. So, the shipping industry would resist regulation of [floating armouries], especially if it might impinge on the freedom of navigation of other shipping that carried weapons and guards.'⁶⁴

PRICE DROP AND DECLINE IN STANDARDS

The state of piracy off the East African coast is very different today. So far this year, there have been only two attacks on vessels in the high-risk area – both related to the conflict in Yemen rather than piracy – compared to 168 incidents in 2012.⁶⁵ Roberts described how, over the years, it became a truism in the business to say that no ship had been captured by pirates when it had armed security on board.⁶⁶

In a way, these companies have become the victims of their own success. According to Gray, 'the take-up of armed security teams as a whole has been in steady decline, probably since about 2013 ... if you're a ship owner and there's barely been a successful act of piracy since 2013, you're probably imagining the problem has gone away. And to a certain extent, that's true.'⁶⁷

Decline in demand has, in turn, driven down prices. Philip Diacon, CEO of Dryad Global, reported that around 2007–2010, providers could charge approximately US\$50 000 for a 10-day transit with a team of four experienced (usually western ex-military) personnel. In 2020 (pre-pandemic), rates for the same work were along the range of US\$5 000–8 000.⁶⁸

Many in the industry are concerned that low prices have driven down safety standards, particularly among armoury and security companies that are less stringently regulated by their national authorities.⁶⁹ This manifests in poor working conditions on board – from late pay to cramped environments.⁷⁰

According to Marc van Wieringen, a security consultant who worked for several years as an armed guard on vessels before managing a floating armoury, as the market has deflated, the quality of the personnel guarding ships has 'dropped drastically'. Several interviewees raised concerns that guards employed by some PMSCs simply don't have sufficient training to handle the weapons they are being employed to use.⁷¹

COVID-19 CHALLENGES

The pandemic has heightened pressure on an already pressurized industry. The closure of many ports cut off the regular embarkation and disembarkation points for guards. This caused difficulties in bringing supplies to floating armouries, and personnel – usually deployed for around two months – were unable to return home for far longer than envisaged.⁷² As global shipping slowed in the pandemic, guards deployed to protect ships were then shifted to the armouries, adding to pre-existing overcrowding issues. Burnout became a significant problem.⁷³

Diacon argued that the increased pressure on vessels heightens the risk of personnel taking ‘desperate actions’.⁷⁴ In one case in August this year, a Ukrainian guard working for Alphard, a PMSC, broke into the weapons store onboard a floating armoury operated by Palm Charters, the Spanish-based provider, and took the crew hostage in a dispute over back pay. A similar incident, involving the same guard, also took place in July. The guard had been stuck at sea for over five months, reportedly without pay.⁷⁵

Another issue is the risk of COVID-19 infections. Naturally, a small vessel with up to 150 people on board, constantly exchanging personnel with other vessels, is a high-risk scenario. As Gray described, an outbreak on board an armoury is their greatest fear. ‘Once it’s on a platform, it’s going to run through like you wouldn’t believe. I guess we’d have to quarantine the ship for two weeks. And that would be fatal for business.’⁷⁶ Measures taken by MNG Maritime, such as thermal-scanning cameras taking the temperature of all those on board multiple times a day, and only allowing people on the armoury who have been at sea for seven days without exhibiting signs of the disease, have so far avoided this eventuality.

POTENTIAL DEPLOYMENT TO NORTHERN MOZAMBIQUE

Given the turmoil caused in the market by declining prices and COVID-19, and the ongoing questions surrounding the regulation and standards of some companies operating in this space, it is also worth considering the latest theatre of operations in East Africa, in which some of these companies may soon become involved.

The conflict in northern Mozambique has escalated drastically in recent months, as insurgents have taken control of the port town of Mocimboa da Praia. At the same time, the development of oil and gas in the region by a consortium of companies led by the French company Total Inc. continues to drive ahead,⁷⁷ with the first gas expected to be extracted within weeks.⁷⁸

A security consultant working with the gas companies and their financial backers on analyzing the risk in northern Mozambique said serious consideration is now being given to the idea of bringing in maritime security.⁷⁹ Other interviewees were also of the view that the oil companies are on the cusp of tendering large contracts for protection of offshore oil platforms, and some of the same companies currently providing armed maritime security on vessels will also be bidding for this work.⁸⁰

While some in the industry argued that PMSCs would stay within their usual sphere of operations – the high seas – it seems that some providers would be prepared to venture into work in territorial waters or on land.⁸¹ Gray argued that most of the ‘reputable’ companies would steer clear of engaging in contracts to provide security on land, and most would keep focus on the protection of oil and gas platforms. But, he said, ‘of course like in any other activity you have high-quality, reputable companies, and at the bottom end you’ve got low-quality, disreputable, illegal, happy-go-lucky, try-anything kind of cowboys. And I certainly can’t speak for that whole spectrum. But the type of clients we have would not want to get involved in anything like a civil war or internal conflict, or anything on land: for the most part they protect the ships, protect the platforms.’⁸²

In the view of US-based conflict, journalist Robert Young Pelton, who writes widely on the use of private military contractors, said that the potential for violent confrontations between security contractors protecting oil rigs and any insurgent groups poses the risk of exacerbating the conflict. In Pelton’s view, unsuccessful previous private military operations on land in Northern Mozambique in late 2019 and early 2020 have aggravated the situation and demonstrate the risks of mercenary deployment.⁸³ These operations have not only been unsuccessful – Russian mercenaries from the company Wagner Group were forced to withdraw,⁸⁴ and a helicopter belonging to South African company Dyck Advisory Group was shot down by insurgents – but have also been accused of causing civilian casualties.⁸⁵

4. Sun, sand and synthetics: the sharp rise of synthetic cannabinoids in the Indian Ocean islands.

On 17 September 2020, the Anti Drug and Smuggling Unit (ADSU) working at the St Louis airport in Mauritius found 50 grams of synthetic cannabinoids in a parcel arriving from France. After replacing them with dummy drugs, the ADSU allowed the intended recipient – a Mauritian national – to collect the parcel, resulting in his arrest.

This small seizure is an illustrative example of a much larger drugs trend sweeping the island. Synthetic cannabinoids – widely known as *chimique* – were first reported in Mauritius around 2013, and the market has grown rapidly. According to the ENACT Organised Crime Index, the synthetic-drugs market in Mauritius is currently ranked joint-highest (in terms of structure, control and influence) in the Southern African Development Community, and in the top 10 continentally.⁸⁶

The trafficking and consumption of synthetic cannabinoids have similarly expanded in Mayotte, a French department in the Comoros archipelago in the Indian Ocean, while consumption is also accelerating across the Comoros, fuelled by drugs imported from Mayotte by sea. The prevalence of the synthetic cannabinoids has triggered public-health concerns in the region, and it is feared that the profits from the trade are being invested in other illicit activities.

A QUICKLY ACCELERATING MARKET

Although modest in size, the 17 September seizure highlights several characteristics of the expanding and evolving synthetic-cannabinoid trade. Though imported from France, the sender's details on the parcel indicated that it had originated from Nanjing, China, where cannabinoid compounds are predominantly manufactured. (Testing by the Mauritius Forensic Science Laboratory has found that the overwhelming majority of synthetic cannabinoids seized on the island originate from China.) The indirect route reflects a

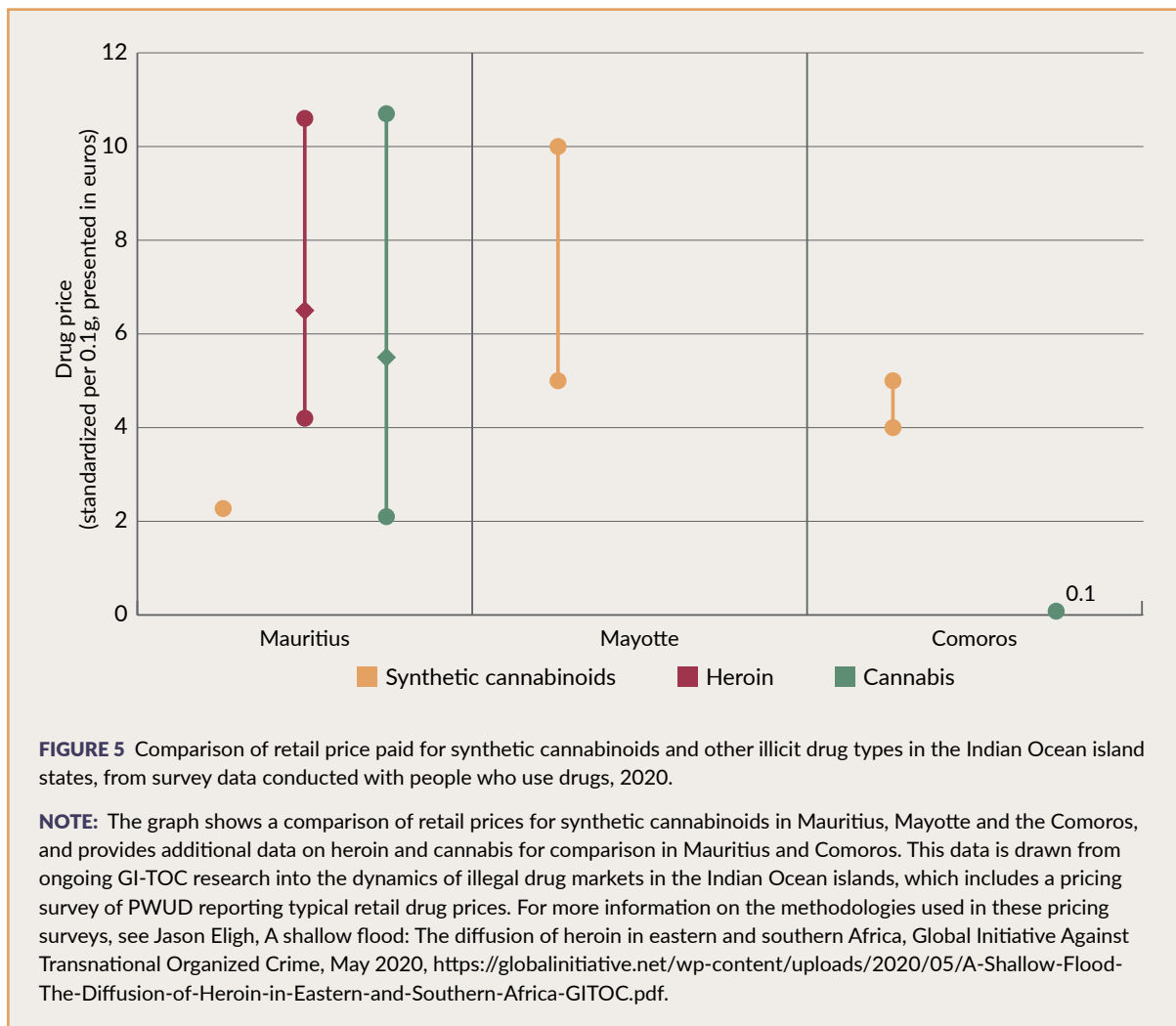
recent trend identified by law-enforcement agencies in Mauritius, who believe that increased scrutiny of parcels arriving from China has prompted Chinese suppliers to route parcels carrying synthetics via Europe (including via the United Kingdom, France and Germany).

Synthetic cannabinoid compounds are imported into Mauritius and Mayotte predominantly by post, typically in powder form, and are then combined with plant material, often using a range of easily available solvents.⁸⁷ Sometimes a number of compounds are mixed together to form a composite drug.

Small quantities of the compounds can be converted into significant volumes of the street drug, leading to vast profits. Individuals arrested for *chimique* trafficking in Mayotte report that €10 of compounds can be converted into street *chimique* with a value in Mayotte of between €200 and €400 (US\$235–US\$465).⁸⁸ One prominent dealer imprisoned in 2016 claimed to have earned between €10 000 and €20 000 per day (US\$11 715–US\$23 430) from the *chimique* trade.⁸⁹

The data shown in figure 4 has been standardized to compare 0.1g, the standard size of a 'dose' of synthetic cannabinoids as it is sold in the Indian Ocean island states. Heroin is also typically sold in doses of around 0.1g.

In interviews, people who use drugs (PWUD) in Mauritius and Mayotte reported that one reason that synthetic cannabinoids had suddenly increased in popularity is because they are relatively affordable across social strata, compared to drugs such as heroin where higher prices were seen as more prohibitive. In Mauritius, PWUD also reported exceptionally high cannabis prices (which were a considerable outlier compared to other Indian Ocean islands), placing cannabinoids as a cheaper alternative to both heroin and cannabis, which are the two other most frequently consumed drugs on Mauritius.



By contrast in the Comoros, PWUD emphasized in interviews that synthetic cannabinoids are expensive for the average Comorian user in comparison to, for example, cannabis. The Comoros islands, unlike Mauritius, are not home to an established heroin market, meaning synthetic cannabinoids – in contrast to Mayotte and Mauritius – are the predominant higher-value drug available on the market.

Synthetic cannabinoid compounds are available on both the surface and dark web from suppliers in China. This obviates the need for established relationships with suppliers overseas, typically required for the supply chains of other drugs, such as heroin. This, combined with low drug-production costs and high profit margins, means that the entry barriers for would-be traffickers are low – a fact that has enabled the market’s rapid

expansion. Stakeholders across Mauritius, Mayotte and the Comoros have all emphasized the speed at which *chimique* trafficking and consumption rates have increased on the islands.

Low manufacturing costs also keep *chimique* street prices down across Mauritius and Mayotte, making it affordable across socio-economic strata. In Mauritius, the number of individuals arrested for use or possession of synthetics doubled annually from 2015 to 2018.⁹⁰ Many have turned to *chimique* as an alternative to cannabis, which has become increasingly expensive over the past five years, with prices now comparable to those for heroin.⁹¹ In Mayotte, consumption is concentrated among impoverished and disenfranchised youth, many of whom have migrated to Mayotte irregularly, predominantly from the Comoros.

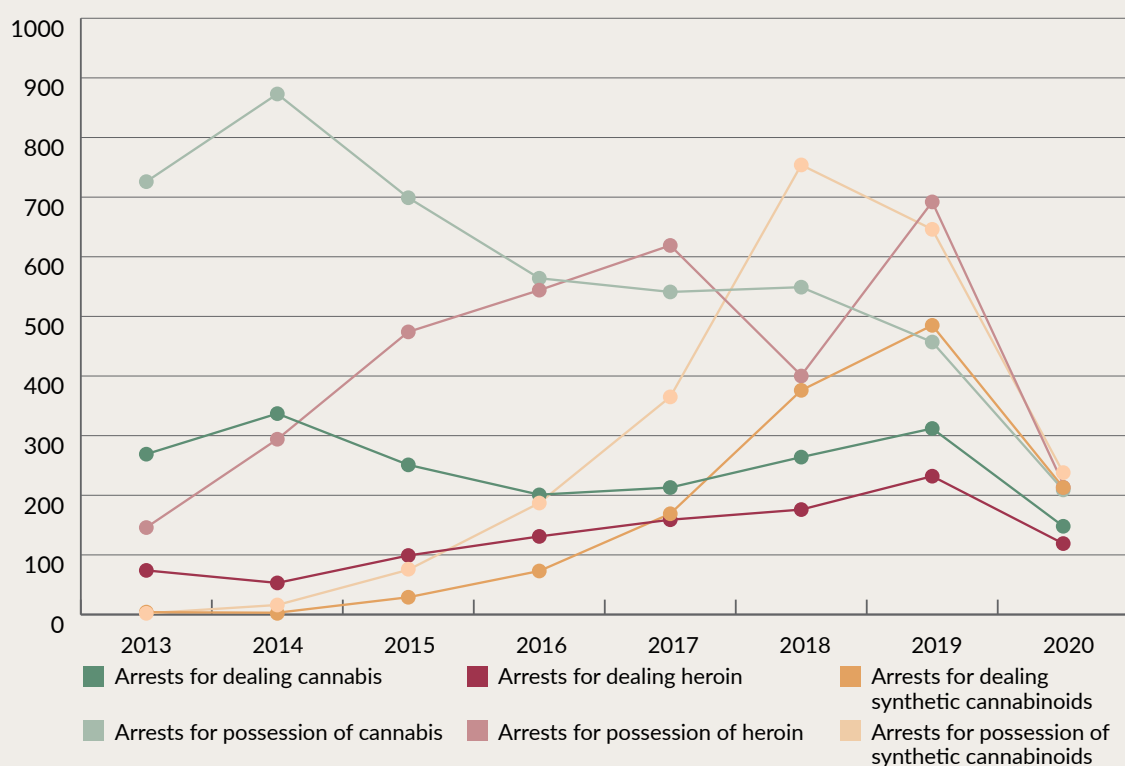


FIGURE 6 Evolution of drug arrest rates in Mauritius, 2012–June 2020.

SOURCE: ADSU, Mauritius

The synthetic cannabinoid market has all the characteristics of a ‘bridge’ criminal market: new entrants can exploit the low costs of production and ease of importation to quickly amass capital, allowing them to enter other, more capital-intensive markets – often with disruptive results. Before *chimique* arrived in Mauritius, the island was already home to a large and well-established heroin market, but the new market in *chimique* brought in new actors to the drugs market, challenging the established orthodoxy and causing market fragmentation. In Mayotte, which had an extremely small pre-existing drugs market, *chimique* triggered an explosion of new entrants and a diffusion of entry points.

PUBLIC-HEALTH IMPACT

Chimique has triggered a spike in related admissions into public-health institutions, particularly among young people, in both Mauritius and Mayotte. In Mauritius, 44% of drug-related inpatient treatment cases reported to public health institutions in 2017 concerned suspected use of ‘new psychoactive substances’ (believed to be almost entirely synthetic cannabinoids), dwarfing the 17% related to opioids and opiates.⁹²

Youssef Ali, an addiction specialist working in Mayotte, noted that by 2015 – a mere three years after the drug emerged on the island – there was a ‘*chimique* epidemic’ on the island, with the number of youth aged between 14 and 19 accessing specialist addiction services doubling between 2014 and 2015.⁹³

In both countries, *chimique*-induced overdoses and admissions spiked when the drug first hit the market.⁹⁴ Similar surges have been observed with the introduction of new psychotropic substances in Europe, such as ketamine and GHB.⁹⁵ Drug users and health professionals attribute this to the inexperience of the local ‘chemists,’ who created excessively high concentrations of the drugs.⁹⁶ Once chemists achieved the right concentrations, overdoses decreased.⁹⁷ Data relating to admissions in Mauritian public-health institutions show a fourfold spike in *chimique*-related admissions between 2015 and 2016, and then a levelling off until 2018 (the most recently published figures).⁹⁸ In Mayotte, admissions have decreased significantly since the drug came on to the market.⁹⁹ However, although admissions may have decreased in frequency, the *chimique* market continues to grow across both islands.

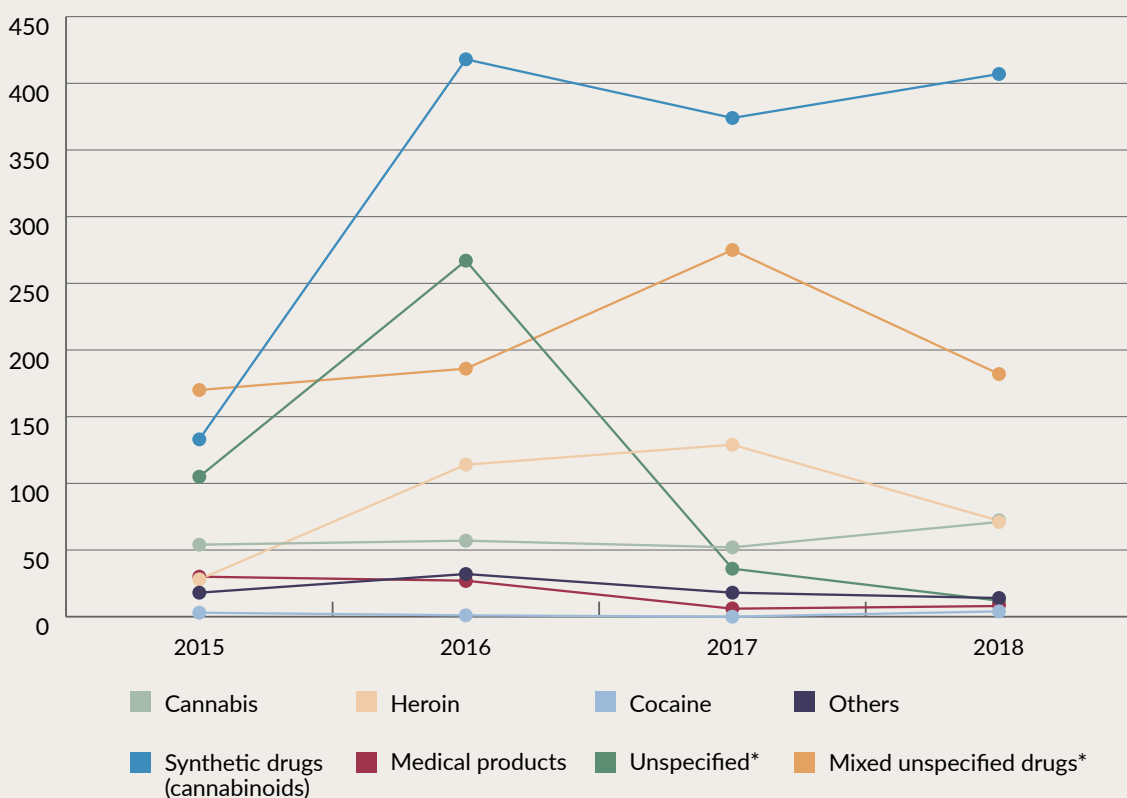


FIGURE 7 Admissions into public-health institutions in Mauritius relating to drug consumption, January 2015 to November 2018.

NOTE: Most admissions for 'unspecified' and 'mixed unspecified' drugs will refer to forms of synthetic cannabinoids. 'Medical products' combines admissions relating to methadone consumption, Subutex, valium and other unspecified medical products.

SOURCE: National Drug Control Master Plan 2019–2023, Republic of Mauritius.

RESPONSES

The *chimique* market presents a complex challenge for law enforcement. Synthetic compounds can be more difficult for law-enforcement and customs agencies to identify: testing is often expensive and, in the case of more rare composites, complex. The fact that some compounds have not yet been made illegal in drugs legislation further complicates interdiction

efforts. Furthermore, the low barriers to entry to the market mean that interdictions and arrests may have little impact, as new *chimique* suppliers can quickly emerge. These challenges compound the complexity of responding to a fast-accelerating market, which is already taking a significant toll on Mayotte, Mauritius and the Comoros.

Notes

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