ICAIE
INTERNATIONAL COALITION AGAINST ILLICIT ECONOMIES

EXECUTIVE BRIEFING

CRIME CONVERGENCE

Illegal Trade & Illicit Markets

In today's dynamic and ever-changing security landscapes, criminal syndicates and threat networks continue to diversify across industries to expand their illicit empires in our communities, and in every corner of the globe.

$6 TRILLION
ESTIMATED ANNUAL SIZE OF THE GLOBAL ILLEGAL ECONOMY

Globalization has not only expanded legitimate commerce – it has given criminal networks the scale, speed, and reach to operate across borders as never before.

Today's illicit markets are no longer isolated crimes. They are interlinked threat multipliers: what happens in one market destabilizes many others, and no country, region, or community stands untouched.

NARCOTICS & OPIOIDS | ARMS & PEOPLE TRAFFICKING | COUNTERFEIT GOODS | CYBER CRIME | ENVIRONMENTAL CRIME | ILLICIT TOBACCO & ALCOHOL | MONEY LAUNDERING

Illicit Trade is a Threat Multiplier

Sophisticated criminal entrepreneurs no longer specialize—they diversify and scale. The same illicit networks trafficking narcotics also move people, arms, endangered wildlife, pillaged gold and critical minerals alongside fake medicines, electronics, apparel, and illegal cigarettes and alcohol products. Their routes stretch from Mexico and Brazil's Tri-Border Area to the Mekong Valley and Sub-Saharan Africa.

Diversification does more than grow profit, it lets illicit networks infiltrate governance institutions and penetrate legitimate sectors, laundering dirty money back into the formal economy while using criminal proceeds to buy impunity and corrupt the very police and security institutions meant to keep the public safe.

BY THE NUMBERS

$117 Trillion
PROJECTED GLOBAL GDP
2025 (IMF)

Up to $6 Trillion
GLOBAL ILLEGAL ECONOMY
2026 (ICAIE)

ESTIMATED CRIMINAL MARKETS (ANNUALLY)

$3-$6T	MONEY LAUNDERING
$1T+	BRIBERY
$750B-$1T	NARCOTICS TRAFFICKING
~$500B	COUNTERFEIT & PIRATED PRODUCTS
$200B	HUMAN TRAFFICKING FORCED LABOR
$91-$258B	ENVIRONMENTAL CRIME
$40-$50B	ILLEGAL CIGARETTE TRADE

SOURCES: IMF WORLD ECONOMIC OUTLOOK (2025 PROJECTIONS); ICAIE RESEARCH ESTIMATES.

only 1-2% of all illicit financial flows are seized or frozen globally each year: leaving an estimated 98–99% of criminal profits at the disposal of illicit actors to finance further criminality. Anti-money laundering programs built to monitor transactions often cannot detect the corporate ownership structures criminal networks deliberately design to defeat them.

The Policy Response

Governments have begun treating transnational criminal organizations (TCOs) not merely as law-enforcement targets, but as strategic threats warranting the same designations used against terrorist networks—unlocking a stronger set of financial and legal tools.

EFFECTIVE JANUARY 20, 2025 • E.O. 14157

Designating Cartels & Gangs as FTOs / SDGTs

Citing a campaign of violence and terror across the Western Hemisphere that has destabilized nations of strategic importance to U.S. interests and fueled the flow of deadly drugs, violent criminals, and gangs into the United States, the White House designated the following as Foreign Terrorist Organizations (FTOs) or Specially Designated Global Terrorists (SDGTs), enabling strict financial and legal sanctions.

Sinaloa Cartel · CJNG · Cártel del Noreste · Gulf Cartel · La Nueva Familia Michoacana · Carteles Unidos · MS-13 · Tren de Aragua

DESIGNATED MAY 20, 2026 • EFFECTIVE JUNE 5, 2026

Brazil's Networks Added to the List

The United States extended FTO/SDGT designation to two of Brazil's most powerful criminal networks, both responsible for brutal attacks on police officers, public officials, and civilians—with influence reaching well beyond Brazil's borders.

Comando Vermelho (CV) · Primeiro Comando da Capital (PCC)

Other transnational criminal organizations may be designated over time as this framework extends to additional regions.

Why This Matters — For Every Stakeholder

Crime convergence and illegal trade are multi-dimensional risk vectors, not siloed threats.

Policymakers & Governments

Leverage sanctions and close governance and enforcement gaps that let designated criminal networks and their financiers keep operating illegally across jurisdictions.

Law Enforcement

Coordinate actionable intelligence across borders to surface bad actors and threat networks moving drugs, arms, people, counterfeits, and other illicit goods and contraband.

International Organizations

Align and enforce standards so illicit financial flows can't simply move from a regulated market to an unregulated one.

Private Sector & Finance

Strengthen ownership transparency to pierce the shell structures of anonymous companies built to defeat transaction monitoring.

Trade Fraud & Customs

Leverage intelligence, trade data, and technologies to optimize detection of illicit activities across borders, ports, free trade zones, and other hubs including examining trade-based money laundering (TBML) schemes.

Whole-of-Society & Investigative Reporting

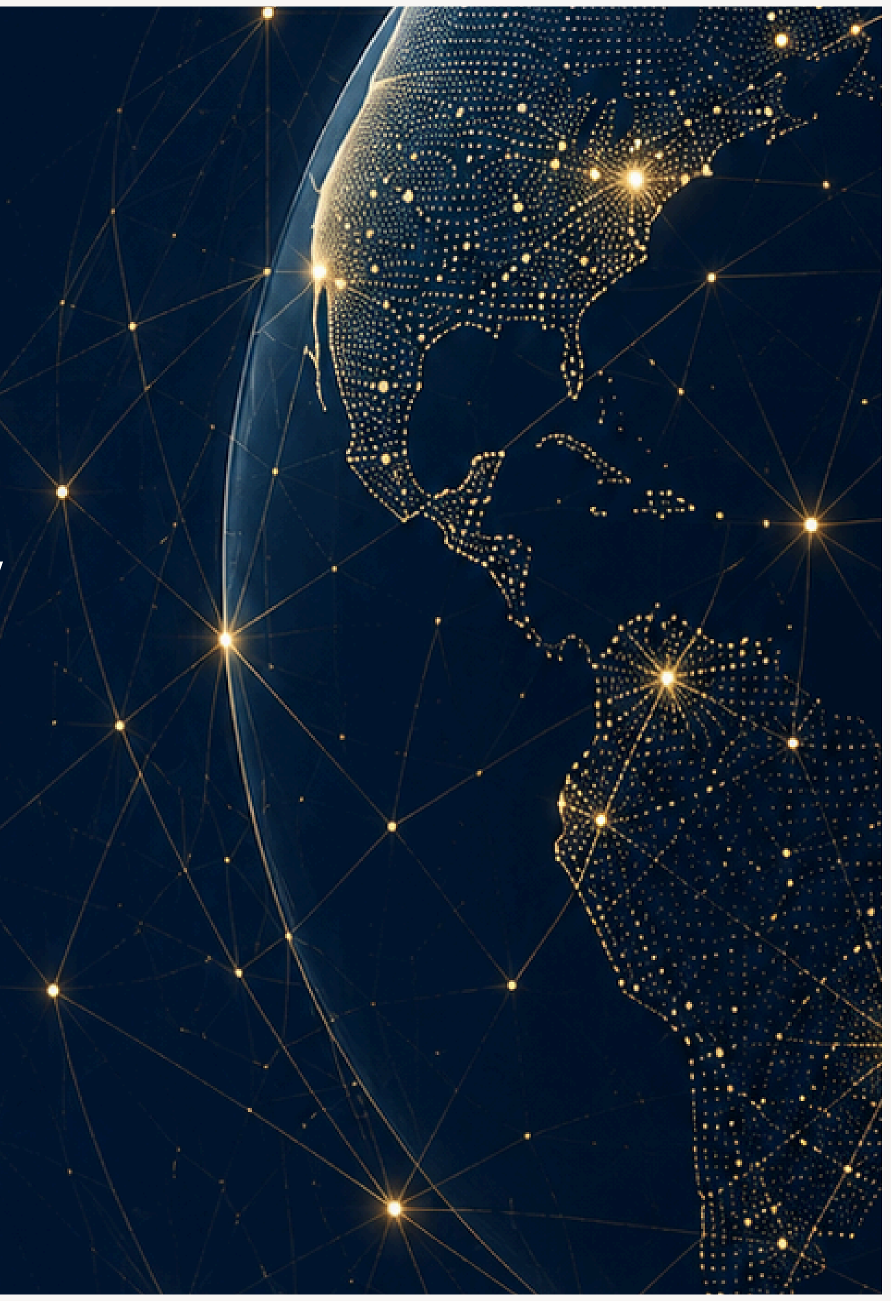
Support public-private partnerships to galvanize collective action against illegal trade including investigative journalism to expose the dark commerce and illicit shadows engulfing the global criminal underworld.

Legislative Achievement: A Milestone for the Anti-Illicit Trade Community

On June 22, 2026, the U.S. Senate considered and approved by unanimous consent S.Res. 783, a bipartisan resolution supporting the designation of June 11 as "Anti-Illicit Trade Awareness Day." Securing this recognition in the 119th Congress was one of ICAIE's core legislative priorities, alongside its continued public-private partnerships with the OECD and other international organizations. ICAIE applauds the resolution's sponsors – Senators Bill Cassidy (R-LA) and Sheldon Whitehouse (D-RI) – for their leadership in the fight against illicit trade and crime convergence in the United States and around the world.

Partner With ICAIE

The International Coalition Against Illicit Economies works with governments, institutions, industry, and civil society to disrupt the criminal networks behind crime convergence and illegal trade—before a spectrum of threats metastasizes into greater chaos, instability, and insecurity.



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