

Organized Crime

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Aldershot • Brookfield USA • Singapore • Sydney

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Published by
Dartmouth Publishing Company Limited
Gower House
Croft Road
Aldershot
Hants GU11 3HR
England

Dartmouth Publishing Company
Old Post Road
Brookfield
Vermont 05036
USA

British Library Cataloguing in Publication Data

Organized Crime. – (International Library
of Criminology & Criminal Justice)

I. Passas, Nikos II. Series

364.1

Library of Congress Cataloging-in-Publication Data

Organized Crime / edited by Nikos Passas.

p. cm.

Includes bibliographical references and index.

ISBN 1-85521-437-7 : \$129.95 (est.)

1. Organized crime. 2. Organized crime—Prevention. I. Passas,
Nikos.

HV6441.0738 1993

364.1'06—dc20

93-25986
CIP

ISBN 1 85521 437 7

Organized Crime

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Acknowledgements

The editor and publishers wish to thank the following for permission to use copyright material.

The American Academy of Political and Social Science for the essays: Donald R. Cressey (1967), 'Methodological Problems in the Study of Organized Crime as a Social Problem', *Annals of the American Academy of Political and Social Science*, **374**, pp. 101–12; Peter Reuter (1984), 'Police Regulation of Illegal Gambling: Frustrations of Symbolic Enforcement', *Annals of the American Academy of Political and Social Science*, **474**, pp. 36–47.

American Society of Criminology for the essays: Peter A. Lupsha (1981), 'Individual Choice, Material Culture, and Organized Crime', *Criminology*, **19**, pp. 3–24; Mark H. Haller (1990), 'Illegal Enterprise: A Theoretical and Historical Interpretation', *Criminology*, **28**, pp. 207–35; William J. Chambliss (1989), 'State-Organized Crime – The American Society of Criminology, 1988 Presidential Address', *Criminology*, **27**, pp. 183–208; Andrew Szasz (1986), 'Corporations, Organized Crime, and the Disposal of Hazardous Waste: An Examination of the Making of a Criminogenic Regulatory Structure', *Criminology*, **24**, pp. 1–27.

American Sociological Association for the essay: Ivan Light (1977), 'Numbers Gambling Among Blacks: A Financial Institution', *American Sociological Review*, **42**, pp. 892–904.

Archives Européennes de Sociologie for the essay: Diego Gambetta (1988), 'Fragments of an Economic Theory of the Mafia', *Archives Européennes de Sociologie*, **29**, pp. 127–45.

Daniel Bell (1953), 'Crime as an American Way of Life', *The Antioch Review*, **13**, pp. 131–54. Copyright © Daniel Bell.

Greenwood Publishing Group Inc. for the essay: Nikos Passas (1994), 'I Cheat, Therefore I Exist? The BCCI Scandal in Context' in W. Michael Hoffman, Judith Brown Kamm, Robert E. Frederick and Edward S. Petry Jr (eds), *Emerging Global Business Ethics* (from the Ninth Conference on Business Ethics. Sponsored by the Center for Business Ethics at Bentley College, Quorum Books, an imprint of Greenwood Publishing Group Inc., Westport, CT), pp. 69–78. Copyright © 1994 by the Center for Business Ethics, Bentley College. Reprinted with permission of Greenwood Publishing Group Inc. All rights reserved.

Kluwer Academic Publishers for the essays: Rensselaer W. Lee III (1991), 'Colombia's Cocaine Syndicates', *Crime, Law and Social Change*, **16**, pp. 3–39; Robert J. Kelly, Ko-Lin Chin and Jeffrey A. Fagan (1993), 'The Dragon Breathes Fire: Chinese Organized Crime in New York City', *Crime, Law and Social Change*, **19**, pp. 245–69; Bruce Bullington and

Alan A. Block (1990), 'A Trojan Horse: Anti-Communism and the War on Drugs', *Contemporary Crises*, **14**, pp. 39–55.

Oxford University Press for the essays: John Lowman (1992), 'Street Prostitution Control: Some Canadian Reflections on the Finsbury Park Experience', *British Journal of Criminology*, **32**, pp. 1–17; Roger Matthews (1992), 'Regulating Street Prostitution and Kerb-Crawling', *British Journal of Criminology*, **32**, pp. 18–22.

The Public Interest for the essay: Peter Reuter and Jonathan B. Rubinstein (1978), 'Fact, Fancy, and Organized Crime', *The Public Interest*, **53**, pp. 45–68. Copyright © 1978 by National Affairs Inc.

Sage Publications Inc. for the essays: Dwight C. Smith Jr (1980), 'Paragons, Pariahs and Pirates: A Spectrum-Based Theory of Enterprise', *Crime and Delinquency*, **26**, pp. 358–86; Michael D. Maltz (1976), 'On Defining "Organized Crime": The Development of a Definition and a Typology', *Crime and Delinquency*, **22**, pp. 338–46; Jay S. Albanese (1982), 'What Lockheed and La Cosa Nostra Have in Common: The Effect of Ideology on Criminal Justice Policy', *Crime and Delinquency*, **28**, pp. 211–32. Reprinted by permission of Sage Publications Inc.

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University of California Press Journals for the essays: James Brady (1983), 'Arson, Urban Economy and Organized Crime: The Case of Boston', *Social Problems*, **31**, pp. 1–27; Lawrence W. Sherman (1980), 'Three Models of Organizational Corruption in Agencies of Social Control', *Social Problems*, **27**, pp. 478–91. Copyright © by The Society for the Study of Social Problems.

The University of Chicago Press for the essay: Peter Reuter and Mark A.R. Kleiman (1986), 'Risks and Prices: An Economic Analysis of Drug Enforcement', *Crime and Justice: An Annual Review of Research*, **7**, pp. 289–340.

University of Florida Law Review for the essays: Dwight C. Smith Jr (1971), 'Some Things that may be More Important to Understand about Organized Crime than Cosa Nostra', *University of Florida Law Review*, **24**, pp. 1–30; Francis A.J. Ianni (1971), 'Formal and Social Organization in an Organized Crime "Family": A Case Study', *University of Florida Law Review*, **24**, pp. 31–41. Reprinted with the permission of the University of Florida Law Review. Copyright © 1971.

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The difficulties of keeping on top of the steadily growing literature in criminology are complicated by the many disciplines from which its theories and findings are drawn (sociology, law, sociology of law, psychology, psychiatry, philosophy and economics are the most obvious). The development of new specialisms with their own journals (policing, victimology, mediation) as well as the debates between rival schools of thought (feminist criminology, left realism, critical criminology, abolitionism etc.) contribute overviews offering syntheses of the state of the art. These problems are addressed by the INTERNATIONAL LIBRARY in making available for research and teaching the key essays from specialist journals.

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Introduction

Organized crime has been generating a mixture of public fascination and serious concern for decades, although its forms and *modi operandi* keep changing as they reflect diverse socio-economic and political conditions (Booth, 1990; Hess, 1973; Hobsbawm, 1959, 1969; Kaplan and Dubro, 1986; Kerner, 1973; McCoy, 1972, 1980; McIntosh, 1975). The latest worries stem from evidence suggesting that organized crime is becoming increasingly transnational and occasionally posing global security threats (Andelman, 1994; Arlacchi, 1992; Labrousse and Wallon, 1993; Pearce and Woodiwiss, 1992; van Duyn, 1993; Williams, 1994). This trend is also noted in analyses of the anomic consequences of the dismantling of the former Soviet Union (Handelman, 1994; Hersh, 1994; Serio, 1992). In the context of new technologies and geopolitical changes, the 1990s have already witnessed special concern regarding the illicit traffic in drugs and human beings, cross-border car theft and the smuggling of radioactive nuclear material. In 1994, Justice and Interior ministers from 22 European countries agreed on the 'Berlin Declaration', aiming at closer collaboration and mutual assistance with respect to these crimes. This initiative, modest as it was, highlighted the widespread recognition of the need for effective multinational cooperation in the fight against organized crime (Bossard, 1990; Lodl and Longguan, 1992; Nadelmann, 1993; Passas, 1991; Savona, 1993; Smith, 1989; Woodward, 1993).

Yet, despite a plethora of studies on organized crime, controversies regarding its definition, structure, functions, and how best to control it continue to this day (Abadinsky, 1994; Bynum, 1987; Kelly, 1986a; Potter, 1994; Ruggiero, 1993; Sieber and Bögel, 1993). Sensationalism, myths and misinformation have made it 'a topic much abused in the literature, both popular and academic' (Lupsha, 1986: 32). The only certainty seems to be that organized crime constitutes a serious social problem that survives aggressive efforts of regulatory and law enforcement agencies. The chapters of this book address these issues, while also focusing on various forms of organized criminal activity that have gained attention at different periods of time.

Defining and Studying 'Organized Crime'

Televised Congressional hearings and Presidential Task Forces in the US largely shaped the public understanding of organized crime from the 1950s into the 1970s, defining it as a predominantly Italian-American phenomenon (Kefauver, 1968; President's Commission on Law Enforcement and Administration of Justice, 1967). This official view was articulated in Cressey's (1969) influential work based on his privileged access to data collected by federal agencies. Cressey came under strong criticism for over-reliance on official data and, thereby, misrepresentation of the nature and structure of criminal groups. Although his theory of organized crime is still widely (and rightly) disputed, his methodological cautions have not

lost their relevance. As Kelly (1992: 18) has pointed out, Cressey's work 'is more important for its methodology than for the thesis it advances'.

In Chapter 1, Cressey outlines a series of problems that any student of organized crime can expect to face. The most obvious hurdle is the secrecy of groups under study. It is hard to observe group members as they interact with each other and with outsiders. Reliable informants for the researcher are unavailable. In addition, the more violent or better organized a criminal group, the more dangerous it will be to investigate. Associations with influential people and organizations, legitimate transactions and the philanthropic activities of many criminal enterprises furnish more protective shields. Although participant observation has led to invaluable insights (Chambliss, 1988; Ianni and Reuss-Ianni, 1972 and Chapter 8 of this volume; Mieczkowski, 1986), this method carries significant risks and cannot be employed too often.

Journalistic sources of information may be helpful, but commercial interests and a tendency to simplify and then exaggerate often get in the way of contextualized and accurate reporting. Sometimes, press reports are not independent but merely summarize official reports and press releases or contain selective leaks from government bodies. Sensational and distorted accounts that keep appearing in the media serve as a warning against the use of such sources without independent confirmation of facts or checking with the reporters' original sources (Block, 1978; Nelli, 1976; Passas, in press; Schatzberg, 1993).

Autobiographies of former 'mobsters' suffer from these shortcomings too. Moreover, the reliability of these accounts has been challenged on the basis of frequent contradictions, a tendency at self-glorification, attempts to exculpate themselves, and manipulation by government bodies with which they may choose to cooperate in order to get immunity (Potter, 1994; Salerno and Tompkins, 1969).

The analysis of reports, court files and data collected by government bodies is an alternative solution. Yet there is no guarantee that official agencies concentrate on the most serious organized crime problems nor that they are bias-free (Albini, 1971; see also Chapters 3 and 4 of this volume). Further, access to this information is not always granted and official agencies may not cooperate fully with researchers. Due to the confidential nature of much information, it cannot always be shared with scholars. In other cases, corrupt officials may prevent the disclosure of compromising information. Other problems arise, however, when access is granted. Evidence is usually screened by controllers, informants and observers, and is influenced by their own interpretations. In some instances, agencies may be selective in what they release to the public, thus misrepresenting certain events or aspects of a phenomenon (Calder, 1992).

Moreover, law enforcement data are gathered, not with the view to assist social theorists, but in order to prosecute offenders successfully. This reinforces a propensity (also found among social scientists) to regard crime issues in terms of individuals rather than of structural or organizational problems. Thus, crime investigators may neglect or disregard information about the structure of illicit enterprises and interrelations with legitimate actors and mainstream society.

Cressey recommends the borrowing of methods from intelligence analysts, geographers and anthropologists who seek to make a lot out of little, to know the past from the present. He challenges a common belief that control bodies collect evidence on what are widely regarded as major social problems. In contrast he argues that, by focusing on a phenomenon

or the activities of a particular group of people, controllers actually contribute to the perception or construction of a social problem. He thus warns about the myth-creation risk facing researchers who use these data and collaborate with people whose job it is to have their version of organized crime regarded as a social problem.

Writing in 1967, Cressey speculates that, despite its costs and significance, organized crime need not be constructed as a social problem. In support of this hypothesis, he notes the large demand for the illegal goods and services offered by criminals, a widespread feeling that the suppliers are not very criminal, and the inability of the law to regulate illegal organizations. Yet, public perceptions have changed since that time, especially regarding specific types of commodities such as illegal drugs. Cressey's last concern was addressed by subsequent laws that sought to define and control 'organized crime', including the Racketeer Influenced and Corrupt Organizations (RICO) statutes in the US (Ryan and Kelly, 1989). According to the Omnibus Crime Control and Safe Streets Act of 1968, 'Organized crime means the unlawful activities of members of a highly organized, disciplined association engaged in supplying illegal goods and services, including but not limited to gambling, prostitution, loan sharking, narcotics, labour racketeering, and other unlawful activities of members of such associations'.

This vague definition illustrates the frequent confusion of *acts* with *actors*, a problem also found in the white-collar crime literature (Shapiro, 1990). Sutherland's distinction of white-collar criminals effectively allowed gangsters to become 'the sole and indisputable occupants of organized crime' (Smith, 1991: 144). One of the earlier and best attempts to bring some conceptual clarity into the field is Maltz's contribution in Chapter 2. He addresses the problem of *ad hominem* definitions and offers a typology of organized crime. His definition-cum-typology refers to associations for the purpose of committing crimes and takes into account the means, objectives and manifestations of these associations.

Concentrating on criminal acts rather than offender characteristics is not only more consistent, but it also helps avoid mystification and stereotyping (Smith, 1990). Indeed, if our concern is with the gravity of offences committed rather than the identity of offenders, organized crime would take over much of the field now studied under the rubric of white-collar crime (Calavita and Pontell, 1993; Passas and Nelken, 1993). Nevertheless, neither this chapter nor subsequent efforts by Maltz (1985, 1990) and other scholars (Hagan, 1983) have settled the definitional debate. Partly, this is because it is difficult to define the phenomenon in a consistent and accurate way without unduly restricting the scope of academic inquiry. The diversity and complexity of phenomena studied under the label 'organized crime' suggest that a clear and precise definition may be neither possible nor desirable (Kelly, 1986b).

In Chapter 3, Smith criticizes conventional definitions of organized crime, challenges the view that 'if one understands Cosa Nostra he understands organized crime in the United States' (Cressey, 1969: 21), and offers a set of questions that can better guide research. He suggests that if one understands Italian-American crime families, one understands only part of the problem – and not necessarily the most serious part. Introducing his study on how a 'Mafia mystique' was created, he points out: 'The back of organized crime has been broken, the headlines scream, by indictment and conviction of groups of largely middle-aged or elderly Mafia leaders. We could almost sleep well, except for the two concurrent crime stories that command our attention: our national failure to control a drug trade in which the major traffickers [*sic*] are not Italian; and the rise in exorbitant white-collar crimes, either

proven or still under investigation on Wall Street and in the defense industry. Put them next to "Mafia" and ask yourself: What is organized crime – *really*?" (Smith, 1990: xvi).

The relevance of Smith's cautions has not diminished with the passage of time. Although *cherchez les Italiens* is no longer the principal theme of organized crime control, the search for those 'different from us', the ethnic or the foreign, still informs anti-crime efforts, be they in terms of drug wars, illegal immigration, smuggling or banking offences (Potter, 1994: 10; Passas, in press). The first question Smith proposes concerns the role of illicit enterprises in the larger society. By substituting 'organized crime' with the more inclusive term 'illicit enterprises', he intends to avoid stereotypes and to underline analytical similarities with common business practices. This question is designed to facilitate inquiries into structural factors underlying such enterprises, to alert readers to historical parallels, and to promote cross-cultural comparative studies.

Next, drawing on organizational theory, Smith recommends research into the nature of the elements of an organization's environment that may affect the setting and attainment of its goals. The study of an illicit enterprise's clients, suppliers or competitors may result in more sophisticated and effective control strategies.

A third line of inquiry relates to the function and effects of violence. Smith's hypothesis is that violence may serve to maintain internal discipline, enforce market conditions and control competitors. Changes in the incidence of violence can thus reveal the relative stability of illegal markets, internal management problems, the degree of competition and conflict among different enterprises, etc.

Finally, Smith urges us to compare the function of corruption in illicit and licit enterprises. Such a comparison not only highlights further parallels between organized crime and legitimate business, but also challenges a common assumption that organized crime seeks to nullify government and the political process. Yet entrepreneurs – legal and illegal – may prefer to *use* the government to stabilize their market and fight competitors, rather than operate in an environment with a weak or inoperative government.

In Chapter 4, Reuter and Rubinstein expose a series of errors in official beliefs about organized crime. False beliefs, they argue, are generated by agencies which collect valuable information but analyse it inadequately. Such beliefs are dysfunctional from a public policy perspective, but may be perpetuated because they serve bureaucratic and political interests. Reuter and Rubinstein's study demonstrates the need to go beyond 'statistical reports and conversations with law enforcement officials' in order to transcend the veil of myth and disinformation. They do so by analysing primary data, such as wiretap transcripts and other information collected by police authorities that had not previously been examined in a systematic fashion. Their focus is on the structure and organization of illegal bookmaking and numbers games, but their findings may be generalized to other illicit enterprises (see Reuter, 1983).

The authors find that bookmakers are not terrifying mobsters; rather, they operate in a fragmented market characterized by low levels of violence and only episodic corruption. The evidence shows that bookmaking enterprises are often ephemeral and not part of a nation-wide coercive network. Violence, corruption and control of the market are more prominent features in the numbers business, but they should not be exaggerated. Profits in numbers are higher than in bookmaking, but not near official accounts. It appears that gambling is not the major source of finance for other criminal enterprises.

Policy makers will also note Reuter and Rubinstein's point that less aggressive enforcement in New York led to a decrease in police corruption, even lower concentration of the illegal market, and better prices to clients. The Mafia, on the other hand, is only one part of the underworld. An important function of the Mafia is to serve as a network of contacts that facilitate inter-city transactions. It also offers arbitration services when disputes arise in illegal markets (see also Chapter 9). In this light, effective law enforcement against the Mafia may ironically bring about an increase in the rate of violence.

Theoretical Frameworks and Interpretations

Inevitably, the questions we use to guide our studies and to systematize the available data emanate from distinct theoretical orientations and assumptions. For a long time, the theory of an alien conspiracy dominated by the Sicilian Mafia (Cressey, 1969; Kefauver, 1968; President's Commission, 1967) shaped research and law enforcement agendas. The obsession with the Mafia has led to the application of this Italian term to criminal groups in as historically and culturally diverse countries as Colombia, Japan and Russia. Effectively, this theory diverted attention from other criminal organizations and externalized the causes of organized crime. This section includes the most notable attempts to rectify this tendency.

In Chapter 5, Bell shows that organized crime cannot be understood in isolation from the American economy and political framework. He puts forward his classic theory that organized crime is not imported from overseas, but represents a 'queer ladder' of success. He observes that a variety of ethnic and religious groups, such as Irish, Germans and Jews, have participated in such crime (see also Haller, 1985). The problem is not limited to suspected Sicilian conspirators. Organized crime does not always have a predatory relationship with mainstream society; there are often mutual benefits, too.

Following the logic of Merton's theory of anomie (1968), Bell argues that newly-arrived immigrants resorted to organized crime as a means of attaining the American dream. In the context of discrimination, marginalization and blocked legitimate opportunity, organized crime provided an alternative ladder of social mobility. As different groups (e.g., Irish, Jews) were gradually assimilated and integrated into the legitimate economic and political structures, they moved out of crime to be replaced by new waves of immigrants (e.g., Italians). This argument is at the core of the 'ethnic succession' thesis which was adopted and elaborated by other scholars (Amir, 1986; Ianni and Reuss-Ianni, 1972; Ianni, 1974; O'Kane, 1992; Tyler, 1971).

In Chapter 6, Lupsha offers a critique of the ethnic succession theory. He does not regard organized crime as an adaptation of frustrated immigrants striving for social status and upward mobility, pointing out that many immigrants who participated in criminal enterprises did have access to legitimate opportunities. His remark that Italian-Americans play a dominant role in the orchestration of criminal enterprises in America is by now out of date. However, he makes the valid point that members of this ethnic group remained in illicit business despite growing integration.

Lupsha rejects the central role of economic factors and instead locates the source of the problem in American culture, rendering his analysis less easily applicable to other societies. He argues that people turn to crime by choice, in line with 'a perverse aspect' of American

values which suggests that 'only "suckers" work, and that in our society one is at liberty to take "suckers" and seek easy money'. This theory is consistent with Merton's (1968) analysis of 'robber barons' and the anomie-inducing rewards of monetary success in American society, even if deviantly achieved. Lupsha also argues that people opt for criminal careers simply because they have the skills for the job and access to this type of opportunity. Thus, they often do not even consider what legal opportunities may be open to them. In this respect, Lupsha's analysis is congruent with Cloward and Ohlin's (1960) theory of illegitimate opportunity structures. This work therefore makes a contribution to the more general 'anomie tradition' of theorizing (Passas, 1994).

In Chapter 7, Smith pursues his suggestions made in Chapter 3 and outlines an 'enterprise perspective'. Through the concept of 'illicit enterprises', he shifts attention to the business-like character of organized crime and its analytical similarity to legitimate organizations and white-collar crime. He quarrels with the sharp positivist distinction between criminals and law-abiding citizens, and proposes a continuum or a spectrum that includes both legal and criminal business. In his own words, the enterprise perspective can be used to 'look at business at the edge of legitimacy where the pariah entrepreneur operates. This approach shows the importance of "standing" and "reputation" in our definition of social legitimacy, and their role in enabling (or preventing) movement of a pariah entrepreneur into the legitimate marketplace' (Smith, 1990: xix).

This model has the advantage of divorcing public policy considerations from fixations on particular people or groups. It requires less specific organizational structures and places illegal activities in the context of market and societal forces. An important policy implication of Smith's concept of illicit enterprises is that the government should do exactly the opposite of what it is doing with respect to legitimate organizations. The State promotes legitimate enterprises, increases their competitiveness or stabilizes the markets where they operate. Law enforcement should try to create the opposite conditions in the drug trade, arms trafficking or any other illicit business (Williams, 1993). Smith's approach has proved influential and has been employed in studies of crime outside the US (e.g., Arlacchi, 1986, who examines the 'entrepreneurial mafia' in the context of Calabria and Sicily and also the value shift from honour to wealth and power in the post-World War II era).

Structure and Networks of Criminal Enterprises

As we have seen, the paradigm of a well-structured confederation of criminals operating hierarchically under strict rules and centralized control has been discredited. The evidence points to a lack of rigid organization, locally controlled enterprises that operate on business principles (Anderson, 1979; Haller and Alviti, 1977; Reuter, 1983), and loosely structured patron-client relationships (Albini, 1971). This section highlights the diversity of existing illegal structures and networks through a series of case studies.

In Chapter 8, Ianni illustrates the advantages of field methods used by anthropologists in studying the social organization of the Lupollo 'family'. He describes the complementary relationship of the Lupollo's legal and illegal enterprises in an historical perspective. He attributes the Lupollo's movement from illegal to legal enterprises not only to the need to launder the proceeds of crime, but more importantly to a process of acculturation and

upward social mobility. His analysis lends support to the queer ladder of success and ethnic succession theses since the Lupollo family, like other Italian-Americans in New York, pass their gambling rackets on to black, Puerto Rican and Cuban groups (see also Ianni, 1974; Ianni and Reuss-Ianni, 1972). Ianni does not find that this family fits the rational, enterprise model of organized crime. Indeed, he points to certain limits of structural analyses that do not capture the fact that Italian-American families are not 'consciously constructed formal organizations. Rather, they are traditional social systems, products of culture, and responsive to cultural change.'

In Chapter 9, Gambetta lays the groundwork for an economic theory of the Italian Mafia and argues that the commodity it provides is private protection. He postulates that the Mafia's aim is to produce, advertise and sell protection against interference from state authorities or outside competitors. As he describes the market (need) for protection and trust in an otherwise unpredictable environment, he observes that the Mafia does not necessarily generate demand by muscle and extortion. To the extent that there is extortion, he says, it is analytically similar to questionable but often legal practices of legitimate enterprises seeking to increase demand for the commodities they supply. Gambetta observes that there are benefits to recipients of Mafia protection in that they avoid competition from new entrants to the market. Of course, those attempting to enter the market will perceive the protection cost as extortionist.

According to Gambetta, violence may be used to mete out punishment and provide effective protection. The Mafia also needs to appear tough in order to show that it can protect and deter or remove competition. Thus in some instances, violence may occur in order to reinforce that perception. Finally, violence is a means of self-protection against the state. Gambetta's analysis suggests that the Cosa Nostra's function as an arbitrator of disputes arising in illegal markets in America (Reuter, 1983) may not be unique.

In Chapter 10, Light inquires into the role of numbers games in African-American communities. He argues that the institutional and cultural factors that must be considered in analysing poverty also explain the early prominence of blacks in numbers gambling. He shows that black heritage and religion alone cannot provide a complete explanation. After all, the game was later dominated by non-blacks; moreover, most black gamblers were Protestant fundamentalists whose emphasis on the work ethic was generally incompatible with gambling. In addition, participation rates have not been stable, but rose during recessions and declined with prosperity.

Anomie theory does not appear to fit the evidence of this study which suggests that betters do not expect a change in life-style if they win. Rather, they regard the game as a rational economic activity and refer to their bets as 'investments'. Paradoxically, betting is viewed as a means of personal savings. From the gambler's point of view, the game is convenient, appeals to race pride and the community spirit of the ghetto public, and may help convert change into lump sums. Light points to altruistic motives behind betting as well. After the federal government, the numbers industry used to be the biggest employer in slum areas. Also, numbers collectors would regularly seek contributions from their clients for 'hard-luck' cases. In this way, numbers games provided a mutual assistance network in times of need.

Numbers runners were often loan sharks as well and functioned as a source of consumer credit for their customers. Contrary to the common perception that such activities are parasitic and predatory on the needy, Light finds that numbers runners were leading philan-

thropists as well as the 'largest investors in black-owned business or ghetto real estate and the chief source of business capital in the ghetto'. The services offered by them were not provided by mainstream institutions which avoided such risky clients in red-lined areas. This problem was compounded by a lack of mutual sympathy between bankers and the poor, especially blacks. Light concludes that, in the context of this high turn-down rate, of real and perceived discrimination in lending which continues into the 1990s (Shlay et al., 1992; see also Chapter 18), of clashes of cultural standards and institutional barriers, numbers gambling has functioned as an alternative, if irregular, financial institution.

Chapter 11 is Gardiner's study of corruption in a Pennsylvania city in the 1950s and 1960s – a classic illustration on how case studies should be conducted and presented. He concentrates on vice and corruption, making clear that these can be understood only in their proper historical context. He outlines the functions and effects of illegal gambling and corruption, the ways in which protective shields prevent detection and disclosure of misconduct, and the conditions that give rise to the market catered for by illegal entrepreneurs and three types of corrupt public officials. He also indicates directions for possible reform.

Gardiner highlights the symbiotic, rather than antithetical, relationships between participants in illegal markets and those who operate in mainstream society. These findings are consistent with results of subsequent studies in other American cities (e.g. by Chambliss, 1988; Goldstock et al., 1990; Heinz et al., 1983; Potter, 1994; see also Chapter 12). Properly updated, this account may thus be used as a point of reference for comparative studies of corruption in different countries and different illegal markets (e.g., Clarke, 1983; *Economist*, 1992; Etzioni-Halevy, 1990; Grabosky, 1989; Lo, 1993; Lupsha, 1991; Pepinsky, 1992; Yayama, 1990).

In Chapter 12, Haller delves into the conditions that have affected cooperative relationships among illegal entrepreneurs in American cities. He adopts the enterprise perspective and defines illegal enterprises as 'the sale of illegal goods and services to customers who know that these goods and services are illegal'. Haller points out that systematic pay-offs to politicians and police have played a crucial role in the regulation of such markets as illegal gambling and red-light districts. This mutually beneficial relationship has contributed to a containment of damaging scandals as well as of competition from other criminal groups. Haller then discusses the role of business partnerships which allow for risk-sharing and the pooling of resources. He illustrates his partnership model by the examples of the Colonial Inn, an illegal casino in Florida, and the Cicero Enterprises in Illinois. Finally, he concentrates on two internal economic features of illegal enterprises that shape the way they cooperate with each other. One is the need to collaborate because each group handles different parts of the production and delivery process (i.e., manufacturers, importers, distributors, etc.). The other is specific to gambling operations and relates to the need of risk minimization against lucky streaks by betters.

Haller concludes by distinguishing La Cosa Nostra groups from the independent businesses of its members. The former, he argues, perform a role similar to a Chamber of Commerce or Rotary Club, facilitating legal and illegal business deals among their members. La Cosa Nostra also provides a degree of predictability in illicit business by eliciting normative standards and by functioning as a dispute resolution body.

This type of arrangement may be historically specific to certain types of crime in American cities. As Ruggiero (1993: 138) has noted, many illegal enterprises 'today transcend

circumscribed territories' and 'make family-type structures obsolete...'. A feature of some major international criminal organizations is a 'growing interconnectivity with other transnational, nonstate actors' (Godson and Olson, 1993: 10). However, it would be misleading not to mention evidence on close links between *state* actors and elements of regional and international criminal enterprises (Block, 1991; Chambliss, 1988; Kwitny, 1987; Marshall, 1991; McCoy, 1972; Passas, 1993; Walsh, 1993; Weston, 1987; see also Chapter 25).

In Chapter 13, Chambliss makes precisely this point by investigating 'acts defined by law as criminal and committed by state officials in the pursuit of their job as representatives of the state'; these he refers to as state-organized crimes. He provides typical examples involving piracy, drug trafficking, arms smuggling, assassinations and civil rights violations. Chambliss challenges a unitarian view of the state by analysing conflicts among various government agencies. He regards such conflicts and the unavailability of legitimate methods for pursuing certain government policies as a key to explaining state-organized crime.

In Chapter 14, Lee focuses on Colombian cocaine syndicates. His description of competition and conflicts between the Cali and Medellín groups highlights once more the non-monopolistic nature of much organized crime, even in relatively small countries. This chapter was written before the death of Pablo Escobar and the subsequent weakening of the Medellín groups – developments precipitated by the actions of Cali groups which have now consolidated their position (Labrousse, 1994).

Lee also examines the relationship between drug traffickers with the political institutions in Colombia. He finds evidence supporting both the 'participation model' (i.e., ties to political structure) and the 'insurgency model' (i.e., conflict with legitimate power structures and cooperation with guerrilla groups). He draws attention to violence against many political figures, complex but essentially hostile relations with guerrillas, as well as the cartels' significant participation in the political and legitimate economic life of the country. Lee stresses that the traffickers' chief problem is with the government's anti-drug policy, not with the political system per se. Also, not unlike other powerful criminal enterprises, the Colombian cartels perform government-like functions in regions where the state is weak.

Lee then turns to the policy implications of his analysis. He notes certain contradictions in US anti-drug policy in South America and demonstrates that the attainment of all objectives at the same time is impossible (see also Chapter 25). He concludes that the main goal of reducing the drug trade can best be pursued by negotiation rather than by confrontation and military action.

In Chapter 15, Kelly, Chin and Fagan employ survey methods and interviews to explore the victimization of Chinese businesses by Asian crime groups in the city of New York. Four types of crime are examined here: (1) protection (insurance against harassment by themselves or rival gangs), (2) extortion (demand for money without the provision of any service in exchange), (3) overcharging business owners for goods the gangs sell them, and (4) enjoying the services of business owners without paying or at heavily discounted prices. These crimes cause a great deal of nuisance, but the total monetary costs are not too high.

Extortion is an important form of crime through which recruitment of new members and territorial control are facilitated. Victims are not likely to report these crimes due to fear of reprisal and a distrust of the criminal justice system. For this reason, lack of reliable data leaves many questions on the structure and organization of Chinese gangs unanswered.

The social context within which gangs operate is the fragmented and relatively disorgan-