



Global Organized Crime and International Security

Edited by

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Ashgate

Aldershot • Burlington USA • Singapore • Sydney

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Ashgate Publishing Limited
Gower House
Croft Road
Aldershot
Hants GU11 3HR
England

Ashgate Publishing Company
131 Main Street
Burlington,
Vermont 05401-5600
USA

Ashgate website: http://www.ashgate.com
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Reprinted 2000

British Library Cataloguing in Publication Data

Global organized crime and international security

1. Organized crime
 2. Transnational crime
 3. Organized crime - Case studies
 4. Transnational crime - Case studies
 5. Security, International
- I. Viano, Emilio C.
364.1'06

Library of Congress Catalog Card Number: 98-74930

ISBN 1 84014 959 0

Printed and bound in Great Britain by Biddles Limited,
Guildford and King's Lynn.

GLOBAL ORGANIZED CRIME AND INTERNATIONAL SECURITY

Dedicated to the memory of the countless victims of transnational organized crime worldwide in the hope that this volume will contribute to encouraging vigorous and well-coordinated efforts to combat and defeat this serious threat to the world's economy, stability and democracies.

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Introduction

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Global developments since the Second World War have combined to produce societal, economic and political environments which have increased both the profitability and destructive impact of systematic illegal activity. Ironically, the end of the Cold War which reduced or eliminated many traditional security challenges seems to have accelerated and magnified this trend. At the same time, technological and scientific innovations, the speed and ease of communications, instant financial transactions in electronic form, and databanks with massive amounts of information are tightening global interdependence and shortening the time-span of international operations. These developments greatly facilitate destabilizing and criminal activities, boost their effectiveness, and make it easier for them to proceed undetected. As a result, criminal groups can easily branch out into new forms of criminal, economic, and political activities at the regional, national, and global levels. They also affect critical national security interests.

Transnational crime is presently one of the most serious security threats to democratic institutions, the rule of law, community welfare, and basic values and norms. A corrupt society ravaged by greed, violence, lawlessness and drugs does not allow, let alone support, the flourishing of a democratic, stable civilization and of a peaceful world. Counteracting it requires fresh thinking, a redefinition of what "security" means at the regional and international levels and a re-examination of our legal systems and of the rule and function of law enforcement. The menace represented by emerging forms of transnational crime goes well beyond national police and domestic concerns. It goes to the heart of what is security, democracy, and development. Alliances and coalitions are essential because no country can effectively defend itself. Along with military power, law and its enforcement are indispensable integers in a transnational equation of peace.

This volume will focus on current research and information on global organized crime and on the development and implementation of appropriate counter-measures. It will stress the need for a cooperative and transnational approach; outline the parameters of solutions that must respect democracy and human rights; and begin a dialogue leading to redefining what international

security is. It will also address emerging transnational policing and related legal reforms as an expression of the international cooperation needed to respond to the globalization of organized crime.

This book has the following objectives:

1. Sharing of research and information on current trends, developments, and research/intelligence findings on the globalization of organized crime
2. Analyze the consequences and repercussions of the globalization of crime and of the corresponding measures for social control introduced by States and by international organizations (e.g. the United Nations, the European Union, and others)
3. Discuss and illustrate contemporary approaches and strategies to fight organized crime
4. Facilitate understanding the complexity, methodologies, and specificities of organized crime in the contemporary "global village".

A New Perspective

Most books on organized crime reflect a vision and approach that is not up-to-date with current realities. They focus on organized crime from a classic criminology perspective. Thus, they view it as one of many types of crime and deviance and as mostly a "local" phenomenon occurring at the national level. They do not underline the "*transnational*" and "threat to security" aspects of current organized crime as the newest developments and permutations of this complex phenomenon.

This book focuses on organized crime:

- as a worldwide phenomenon that has taken great advantage of enabling technology in banking, communications, and transportation to build what is probably the first true "virtual" corporation in the world
- as a threat to national and international security stemming, in part, from the collapse of the Soviet empire. The demise of the Soviet Union provided a thriving, ruthless, and well-organized system of graft, corruption and crime already in existence, with a new lease on

life and also unleashed it onto the world scene

- as a system of transnational alliances with the potential to destabilize democratic values and institutions; distort regional, if not worldwide, economies; and subvert the international order by allying itself with terrorist organizations, rogue states, and developing countries in search of rapid industrialization and market dominance.

There is heightened and considerable awareness of this problem at the international level promoted and supported, for example, by the United Nations Office for Drug Control & Crime Prevention in Vienna, Austria. The United Nations Under-Secretary General in charge of crime policy, Pino Arlacchi, has decided to make "international organized crime" the lead issue to be addressed by that office in the near future, leading to a United Nations international meeting on the subject in the year 2000. In a speech delivered at the Carnegie Endowment in Washington DC at the end of 1997, Mr. Arlacchi said: "Since I assumed office on September 1st of this year, we are reorganizing the division (Vienna office) to focus on the problem of transnational crime, a major threat to the world's political, economic and social order... The U.N. is both strategically and intellectually prepared to take the lead in developing a strategy to confront the diverse manifestations of international organized crime...."

Outline of the Chapters

The contents of the book are described below in some detail to provide a general overview of the book and to highlight the specific contributions of the many distinguished authors to our understanding of this complex and growing phenomenon.

PART I: TRANSNATIONAL ORGANIZED CRIME: THE GLOBALIZATION OF CRIME

1 The Evolution of Espionage Networks and the Crisis of International Terrorism and Global Organized Crime *Joseph L. Albini, R. E. Rogers, and Julie Anderson*

This chapter focuses on the breakdown and changes that have taken place in national security systems both in Russia and the United States and also, in

particular, on the lack of recognition of the considerable changes in the world of espionage following the fall of the Soviet Union. This breakdown in turn is seriously affecting governmental effectiveness against terrorist groups. Joined with the development of international patron-client networks among terrorist groups, it has created the new extreme threat currently posed by such groups. Terrorist groups constitute forms of organized crime when there is an opportunity for mutual exchange of services with drug traffickers, money-launderers, hijackers, and other criminal groups. The chapter concludes by addressing the changes that are necessary to meet and contain this developing crisis.

2 The European Union and Organized Crime: Fighting a New Enemy with Many Tentacles

Monica Den Boer

The fear of organized crime has propelled a wave of transformations through the national and international criminal justice systems, both at the organizational and normative levels. This chapter analyzes the way in which the concept of organized crime has become a nodal point in European law enforcement cooperation and how it is influencing the restructuring of law enforcement organizations in a number of European Union member states. It also contains some comparative observations on the employment of special investigative methods and accountability procedures. While organized crime functions as a marker in the redefinition of internal and external security concepts, it also underlines a number of weaknesses in security arrangements, notably the permeability of national borders, the strength of free trade, and the evolution of the global village. This paradox makes the fragile balance between economic and law enforcement interests a difficult one to tackle for politicians.

3 Confronting Transnational Crime

Peter B. Martin

Democracy around the globe is facing formidable challenges today, not from martial enemies outside, but from subversive forces from within. Organized crime is progressively gaining control, enlarging its power structure and strengthening itself. This chapter examines the forces and trends that weaken the sovereign state and provide organized crime with a favorable growth climate: globalization, decentralization of state authority, and the search for

regional identity. Finally, the chapter addresses how democratic states can be effective in combating the criminal syndicates.

PART II: THE CASE STUDIES

4 The Infiltration of Organized Crime in the Emilia-Romagna Region: Possible Interpretations for a New Social Defence

Augusto Balloni, Roberta Bisi, Andrea Forlivesi, Flavio Mazzucato, and Raffaella Sette

Emilia-Romagna is considered one of Italy's most productive, affluent and desirable regions. These positive characteristics have attracted the attention of external criminal organizations from within Italy and also from abroad (Russia, China, former Yugoslavia, Albania and Maghreb). The extensive immigration to the region by people from outside the European Union ("extra-comunitari") has been closely linked with the growth of criminal organizations. The chapter examines the problem of immigration-linked crime which is particularly complex and challenging. Statistics are presented and analyzed. Practical suggestions on how to address this problem are offered.

5 Transnational Organized Crime in Spain: Structural Factors Explaining its Penetration

Carlos Resa-Nestares

In this chapter, the author reviews the various organized crime groups that operate within and from Spain in the areas of money-laundering, international arms trafficking, drugs, extortion, particularly in the tourist areas, and others. All the major organized crime groups are present and active in Spain: the Chinese triads, the Japanese yakuza, the Italian mafia, the Colombian cartels, and the Moroccan mafias connected to Islamic fundamentalist movements. Different groups have different styles of operation. Basic differences are identified and described. The chapter also addresses structural factors that facilitate the introduction of transnational organized crime in Spain. Policies and measures that can be taken to stem the influx of organized crime in Spain are discussed.

6 Global Organized Crime in Latvia and the Baltics

Andrejs Vilks and Dainis Bergmanis

The authors state that, in post-socialist countries, the situation is very

favorable for organized criminal groups to emerge. They present and analyze related statistics and other data and then discuss the reasons why such a development might easily take place in the region. The negative impact of transnational organized crime on the economies of the Baltics is also addressed as are corrective and preventive measures.

**7 Opening and Closing the 49th Parallel: Responses to Free Trade
and to Trans-Border Crime in Canada since 1989**

Ian Taylor

This chapter examines the relationship between "economic liberalization" taking place in North America as a consequence of the North American Free Trade Agreement (NAFTA) and the question of cross-border crime, specifically between the U.S.A. and Canada. A formal model describing the practices developing in Canada with respect to regulation of the border in relation to specific commodities, is presented. The elements of a more grounded theory of border regulation are offered at this point. Finally, the general tendencies taking place in respect to the attempted regulation of cross-border crime are addressed, set against the reality of a global movement toward the enhancement of the free market in goods and the easier movement of citizens.

**8 "Contested Jurisdiction Border Communities" and Cross-
Border Crime: The Case of the Akwesasne**

Ruth Jamieson

This chapter sketches out a specifically criminological approach to understanding the relationship between transnational crime, national sovereignty and the problem of jurisdiction through an analysis of the penetration of transborder and organized crime into the Mohawk (Indian) Territory of Akwesasne on the Canada-U.S. border. The impact of the rise of new forms of market activity, linked to new criminal enterprises, on the traditional forms of social organization of Mohawk governance is also considered.

9 The Use of the “Shining Path” Myth in the Context of the All-Out War Against the “Narco-Guerrilla”

*Rodolfo Mendoza Nakamura**

**pen name*

This chapter intends to show that the “Shining Path” movement in the Upper Huallaga Valley and Aguaytia, Peru is fundamentally a movement of armed resistance organized by local drug traffickers in 1983 against the anti-narcotics law enforcement policies of the Peruvian government, and not an armed revolutionary movement directly tied to the “Shining Path” party (which had itself previously begun an armed insurrection in the Ayacucho region of the Andes). According to the author’s analysis, a deal was struck between the local drug-trafficking mafia and the army. A sufficient degree of violence was maintained in these regions for organized crime to continue forcing local farmers into cooperating with it in the production of coca, and for the Army, supposedly engaged in a fight against a “Shining Path” revival, to share in the profits. Particularly useful is the chapter’s discussion of “myth construction” when an image not corresponding to reality is created for internal (Peruvian) and international consumption.

10 Organized Crime in Russia: Domestic and International Problems

Yakov Gilinskiy

The author states that criminal organizations are basically like social ones such as labor collectives. Highly adaptable and functional, they strive for expansion and monopolization of their markets. The chapter briefly covers the history of the Russian mafia, paying particular attention to the factors and variables that have spurred the development of transnational organized crime in that country after the disintegration of the Soviet Union. The element of “entrepreneurship” is examined and the commercial areas exploited and monopolized are analyzed. Basically, the author states that we are confronted with the criminalization of business and the economization and politicization of crime.

11 Regionalization and Expansion: The Growth of Organized Crime in East Siberia

Anna L. Repetskaya

Changes in the economical, political, legal and moral spheres in Russia are

clearly connected with the visibility and growth of organized crime in the country. The increasing importance and autonomy of regions within the Russian Federation are forcing criminal organizations to expand their activities and pay attention not only to the bigger cities but to the far out regions as well. East Siberia, situated in the center of Russia and rich in natural resources, has attracted high interest on the part of organized crime. Ironically, the remoteness of the region justified locating a large number of prisons in it; thus providing a "criminal base" on which to build criminal organizations. The author presents and discusses her hypothesis that "the higher the industrial development, the higher the amount of organized crime moving in". Possible remedies are then presented and evaluated.

12 Alienation and Female Criminality: The Case of Puerto Rico
Zuleika Vidal Rodriguez

The complex aspects of female criminality have received little attention in traditional criminology works. This lacuna is particularly visible when it comes to illegal drug trafficking whose dimensions, dynamics, and impact have not been sufficiently studied in the context of gender. In this chapter the author intends to present an analysis of these phenomena utilizing multi-dimensional perspectives. She also discusses the principal findings focused on the female gender, the manifestations of female criminality and the selling and trafficking of illegal drugs on a transnational basis. Data are particularly related to Puerto Rico.

PART III: PUBLIC POLICY AND INTERVENTIONS

13 Criminal Financial Investigations: A Strategic and Tactical Approach in the European Dimension
Petrus C. Van Duyne and Mike Levi

The past decade has witnessed a broadening of the attention on income from crime and what is done with it. This is particularly true with the increased activities and earnings of transnational organized crime. This development can be observed first in the legislation on the confiscation and forfeiture of the proceeds of crime and anti-money-laundering legislation in most industrialized countries and, second, in the growth of policing (including customs and excise) involvement in financial investigations. The objectives of these

investigations are no longer confined to arresting and bringing the ring-leaders to trial and to confiscating the proceeds of crime but to cripple such "crime enterprises" financially. One could argue that the classical fact-and-suspect investigation has been broadened to focus on the financial management of the crime enterprises involved. This eventually leads to a "pro-active" investigation, more accepted in the U.K. than in continental Europe where scandals arising from covert operations have made people more cautious. This chapter addresses the various forms, approaches, dynamics, and problematics of "financial investigations" in the various areas that can be infiltrated by organized crime like the catering business, the gaming machine market, the real estate market, the real estate development and construction markets, the transport business and others. Tactical financial investigations are carefully examined, like fraud, forfeiture, money-laundering investigations and in-depth analyses of crime enterprises. The "European dimension" of financial investigations is addressed in detail.

14 Mafia-Type Organizations: The Restoration of Rights as a Preventive Policy

Maria Luisa Cesoni

This chapter examines the various responses of justice systems to transnational organized crime. It points out the tendency of justifying the curtailment and/or violation of human rights as a necessary means to effectively combat organized crime and control its spreading. The author argues that, on the contrary, a full respect of human rights and of all the principles of legality will, on the long term, constitute the most effective crime fighting and crime prevention policy.

15 Repeal Drug Prohibition and End the Financing of International Crime

Arthur Berney

The author focuses on the insidious and pervasive violations of constitutional and democratic rights often connected with and justified by the fight against drug trafficking and organized crime. Ultimately this entails a form of statism that strikes at the values associated with individual autonomy. The author then examines corrective steps that are attainable and which may prepare the ground for turning away from the current repressive policies.

16 **The Justice System Facing the Challenges of Organized Crime** *Emilio C. Viano*

This chapter offers an overview of the major federal laws recently enacted in the United States to combat organized crime. Surprising as it might seem, there are still countries that do not have any meaningful legislation that defines or addresses the problem of organized crime. While the transnational nature of today's syndicate makes it imperative that international conventions and treaties be developed, ratified and applied, the first step is still each country's development of the appropriate legal tools for the fight against organized crime. The United States has been at the forefront in developing related legal approaches, models and techniques that have greatly influenced other countries and provided appropriate models. This chapter intends to offer an overview and analysis of the U.S. legislation as an example of concerted and aggressive approach to combating organized crime.

Conclusion

There is no question that the fight against the covert phenomenon of organized crime demands that we drastically revolutionize criminal law and the criminal justice system. Both are based on the model of reacting to the criminal behavior of individuals who are found guilty of reprehensible actions. Organized crime, however, is radically different from such paradigms because it represents crimes perpetrated in a business-like manner by amorphous anti-social groups and organizations that can be local, national and transnational in nature and span of operations. One could even argue that classic criminal law may have become obsolete and even dysfunctional and be in need of being drastically overhauled utilizing a new set of principles, objectives and purposes.

New principles may emphasize collective rather than individual responsibility, accountability and punishment. New objectives may stress prevention and prophylaxis more than the current "after-the-fact" punishment and rehabilitation. New purposes may concentrate resources on the elimination of a criminal organization's economic base and on the identification and confiscation of its assets more than on the traditional individual deterrence, incapacitation or reform.

Criminal law and justice may very well be at a historic crossroads. The