

# Deconstructing Organized Crime



An Historical and  
Theoretical Study

Joseph L. Albin *and*  
Jeffrey Scott McIlwain

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Theoretical Study*

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With fond memories and love to my sister Rose who,  
during her lifetime, was both a mother and a sister to me.

—*Joseph Albini*



To these faithful departed who passed during the writing of  
this book: my father, Dennis McIlwain; my grandparents,  
Enrique and Alice Estrada; my aunts, Shirley Strommen and  
Melba Andrews; my friends Tim Kramer and Cpl. David  
McCormick (US Army, Battle of Sadr City); my teacher,  
Dr. Tom Bernard; my student and friend, 1st Lt. Joshua  
Palmer (USMC, 1st Battle of Fallujah).

—*Jeffrey McIlwain*

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## *Preface*

The process of coming together to write this book was a protracted but ultimately rewarding one. We first met during Jeff's first research paper presentation at an Academy of Criminal Justice Sciences Conference in March of 1995. Jeff was a second year Ph.D. student studying under Joe's friend and fellow organized crime scholar, Alan Block, at the Pennsylvania State University. Joe came specifically to hear Jeff's paper on the history of Chinese organized crime in the United States and he took the time to introduce himself at the end of the presentation. We then spent the next two hours sitting on a couch in the conference hall lobby getting to know each other and our current research interests. Needless to say, Jeff was extremely happy to have a scholar of Joe's professional stature take the time to welcome him in to the fraternity of organized crime scholars (no secret oaths were provided so Jeff is still not sure if his membership holds).

Years later Jeff was humbled when Joe approached him to help develop this manuscript. Joe had written over 1,000 pages reflecting on organized crime, the object of his scholarly affection for five decades, and he wanted help providing it with more focus and adding additional perspective and substance to areas he felt were lacking. This manuscript was the capstone of his long career and he wanted to make sure his ideas about important topics in the historiography and current scholarship in the field were provided to his peers. Based on our many conversations over the years, we knew that our ideas had little divergence so partnering was an easy thing to do.

The manuscript took shape over the next few years and it finally came to a point where Joe feels it represents what he wants to say and how he wants to say it. Joe did not want it to take the form of a textbook, nor did he want it to be a comprehensive trade book. He wanted it to read as if we were having a conversation with the thousands of students and profes-

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sionals we have been honored to teach over the decades. He wanted readers to learn about organized crime as a process, not just as a series of crime families and sensationalistic gangsters and crimes. He wanted to equip the reader with the perspectives and the tools to analyze organized crime in the past, present and future. Finally, he wanted to deconstruct the "Mafia Mystique" mythology that continues to have a hold in some corners. Hopefully, we achieved these objectives.

Joe wishes to acknowledge and thank Benjamin Dandridge of the Clark County Library in Las Vegas for his kind help in assisting him in the use of the computer throughout the writing of this work. His vast knowledge of computers made the author's task of completing the manuscript both a learning experience and an efficient mode for completing the project. As this work necessitated the obtaining of a large amount of historical material, this task was made less stressful through the skilled help of Suzanne Segal, Donna Sword, Darrell L. Craft, Lenny Souza and James Caal of the library staff of the Clark County Library in Las Vegas. He thanks them for their help.

For their help in understanding the complex phenomenon of the fall of the Soviet Union and the development of Russian organized crime, Joe is deeply indebted to his Russian colleagues, Col. Professor Victor Shabalin, Gen. Professor Valery Kutushev and Lt. Col. Professor Vladimir Moiseev. He also thanks them for their warmth and friendship. In this endeavor, a special note of thanks goes to his former student and now colleague, Dr. R. D. Rogers, an avid student of Russian culture and history who provided him with the contacts in Russia which resulted in his engaging in the study of this fascinating phenomenon. Finally, Joe wishes to thank all the casino card dealers, far too many to mention by name, who so willingly and enthusiastically provided him with an insightful view of the history and nature of gambling and organized crime in Las Vegas.

Jeff would like to thank his fellow organized crime scholars Klaus von Lampe, Carlo Morselli, Jay Albanese, and Michael Woodiwiss for their friendship and inspiration over the years. Alan Block and his lovely wife Constance Weaver continue to inspire him in countless ways. Phil Jenkins taught Jeff to always question the conventional wisdom about any academic subject (even the most sacred to academics themselves) and his influences on Jeff's research, teaching and interests are immeasurable.

Jeff thanks his provost, Nancy Marlin; his deans, Barbara Gattas and

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Stanley Maloy; the directors of San Diego State University's School of Public Affairs; Lou Rea and Stuart Henry; and his dear friend and co-director of the Graduate Program in Homeland Security, Eric Frost, for all of their support over the years. A special thanks to Hal McNair, Mark Raney and the rest of the faculty in the Operations Department of Joint Special Operations University for giving Jeff the opportunities to test out ideas in this book with those at the "tip of the lance" who operate in a very dangerous world. Jeff also thanks Pastor John Palka and the rest of his church family at Christ Lutheran Church in La Mesa, California for their love, friendship, and support these past three years. Finally, Jeff thanks his wife, Donna, and his children, Collin and Reagan (who were born during the writing of this manuscript, hence many of the aforementioned delays), for occasionally allowing him to research, write and edit when *Yo Gabba Gabba* or Legos were calling.

Thanks to Wendy Flick, Nancy Petre and Bryan Young for reading over drafts of the manuscript, SDSU's Julie O'Connor-Quinn and Nancy Flitcraft for administrative support and friendship, and to Julia Teweles, Sherith Pankratz, and the late Alan McClare and our anonymous reviewers who provided valuable comments and criticisms of our work.



## *Introduction*

This work arrives at an appropriate time in the historical development of that exciting, yet complicated, phenomenon that has come to be called organized crime. Scholarly works have shown that the excitement generated by this term arose out of a mythical portrayal of its origins, both in Sicily and the United States, under its commonly used alias, the Mafia. These works have also demonstrated that it was primarily the creation of journalists who sought to excite and entertain their public and several American politicians who sought to bolster their careers by conducting investigations directed at exposing (and exaggerating) a threat to public welfare manifested by the Mafia (aka La Cosa Nostra). The public responded to the hybrid of fear, interest and excitement generated by these investigations with a fervor that resulted in the creation of blockbuster movies such as *The Godfather* and *Goodfellas* and dozens of books that dwelled on sordid stories of killings, betrayals, bloody underworld wars and biographies of gangsters, their wives and their molls. The most recent celebration came in the form of a television series called *The Sopranos* in which the public could now watch a sympathetic head of an Italian American crime family undergo psychoanalysis and feed ducks between acts of brutal violence. The Mafia, it seems, had finally come of age.

However, beginning in the late 1950s, the term “Mafia” and the entire concept itself came to be battered around in the halls of cultural and scientific definitions. Essentially, in this battering, the government exerted the most influence, having on its side the influence of a very distinguished criminologist named Donald Cressey. Together they viewed the Mafia as a secret society with rituals and a highly bureaucratic structure that included “bosses,” “underbosses” and “soldiers.” But soon, during the 1970s, a group of academic researchers began employing innovative research methods and interdisciplinary perspectives that exposed the actual *modus operandi* of

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the so-called Mafia groups. These studies revealed that rather than using rituals and being bureaucratic in structure, their group structure was based upon network models otherwise known as forms of patron-client relationships.

Among these revisionist scholars were the senior author of this manuscript, Joseph Albini, and Dwight Smith (sociologists); Francis Ianni, Elizabeth Reuss-Ianni and Henner Hess (anthropologists); Peter Reuter (economist); and Mark Haller and Alan Block (historians). Of this group, Albini can be considered *The Godfather* of revisionist organized crime research, with a fifty-year career producing innovative theoretical and empirical research on the subject, beginning under the tutelage of Donald Cressey himself. These revisionist authors helped lead the way in challenging the governmental (or bureaucratic) model of organized crime that viewed the Mafia as the sum-all criminal organization that had a monopoly of rackets in the United States and around the globe. In doing so, they inspired a second generation of revisionist scholars who broadened their work from various disciplinary and methodological perspectives. One of these scholars, Jeffrey McIlwain, is the second author of this book. McIlwain was a doctoral student of Alan Block's in the mid-1990s and has distinguished himself as a historical criminologist researching organized crime and by his pioneering work on the application of social network theory to the understanding of organized crime and the role and function of organized crime in warfare.

Now that *The Sopranos* have stopped singing, we find a nation that is at a loss to understand the real and valid essence of organized crime, especially as it relates to a decentralized and globalized post-9/11 world. The public is confused by the fact that one keeps hearing of the Mafia, but the reality of the nature of its existence simply can no longer be factually explained by the old mythological beliefs of the past. Organized crime has become global in nature and its transnational connections have become a real menace to the legal, political and economic institutions of the world. In recent years it is increasingly linked to terrorism and other forms of irregular warfare affecting the security and welfare of millions around the globe. Coupled with this reality, the American public has, over the past two decades, come to suspect the veracity of its own government due to highly publicized corruption scandals and the selective targeting of some organized crime groups over others and it has basically become cynical

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about the government's willingness and ability to reveal the truth about its own operations.

Given these current conditions, the purpose of this book is to reflect on key issues related to organized crime with the first goal of filling the void in this current state of confusion by determining how the confusion came about. It gives a detailed account of what Mafia really consisted of and a revealing and accurate historical account of how it originated and where the term "Mafia" itself came from. The book then provides new theoretical lenses through which to view organized crime and, along with dealing with other major issues involved in the study of organized crime, presents case studies of the unique nature of organized crime as manifested in select criminal enterprises and in the former Soviet Union and the city of Las Vegas. A final emphasis of this manuscript is directed toward the topic of globalization and its effect on contemporary organized crime. It presents an explanation of the meaning of globalization to transnational organized crime and how this affects the representation of contemporary organized crime networks. It also discusses the intersection of terrorist and other irregular warfare networks with organized crime networks in certain areas of the world.

## ONE

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### *The Mystique of the Mafia*

In Italy for thirty years under the Borgias they had warfare, terror, murder, bloodshed — but they produced Michelangelo, Leonardo da Vinci, and the Renaissance. In Switzerland they had brotherly love, 500 years of democracy and peace, and what did that produce? The cuckoo clock. — Graham Greene, *The Third Man* (1949)

What is in a name? Many years ago, the great playwright William Shakespeare observed, “A rose by any other name would smell as sweet.” Perhaps, within the same context of searching for that essential or essentials which makes a thing what it is, whether it is the smell of the rose or, perhaps its shape, or perhaps its color, we come to rely on the creation of a word, in this case, “rose,” that captures that meaning in such a way that a rose will, indeed, be viewed universally as a rose, easily distinguishable and distinguished from all other things. One wishes that Cosa Nostra (“Our Thing”), the traditional name that has come to be used to define a specific criminal organization that first came into public view in the 1960s, would be as easy to distinguish from other words as is “the rose.” A rose, with little argument, can be shown to be a rose. However, Cosa Nostra, with much argument, continues to be a word whose meaning and context have created controversy within the realm of the study of organized crime.

What is true of Cosa Nostra can also be applied to another word, “Mafia,” that many believe is just a synonym for Cosa Nostra and describes the same organization, while others become defiant over such a comparison and argue that the two are totally separate and different criminal organizations. Yet, we would be missing a vital part of both the history of and the study of American organized crime if we simply were to take the stand that the Cosa Nostra and Mafia should simply be viewed as the creation

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of the overactive imaginations of American journalists and freelance writers who gave birth to both these terms during the second half of the 20th century. Both Mafia and Cosa Nostra have become part of the American language and of the history of organized crime in the United States. They have become part of governmental action in the form of task forces erected to ferret out their membership, of long and very involved trials that resulted in the imprisonment of many of their leaders, of gang wars that bloodied the streets of major American cities, of government investigations seeking to expose their existence and of an entire generation who has come to believe that they are real. Science cannot simply take such a topic and relegate it to the realm of fiction. It is too real. Such reality cannot be left to sit, unexamined and nebulous, within the dustbin of history because it is history, a history that has produced much drama and confusion. To simply deny the existence of these two organizations is to miss a very important element of the evolution of the controversial nature of the history of organized crime in America.

If the nature of organized crime is to be understood, then the nature of Mafia and Cosa Nostra must simultaneously be made evident. They are real and have become part of the mental reality of the average American's conception of organized crime in America. Let us examine the essence of that reality because it is just as vital a part of the understanding of American organized crime as the presence of criminal syndicates in the towns and cities of the U.S. Let us turn now to a discussion of that reality and how it came into existence.

In order to bring into sharp focus the impact of the use of the words Mafia and Cosa Nostra in creating the mental images that they bring forth, let us do a simple experiment. Read the following sentence and then follow the directions. Say to yourself the word "Mafia." Close your eyes and let the images form freely. Now do the same for the words "Cosa Nostra." Finally, simply say to yourself the words "organized crime" and then "gangster" and let the images flow. There is no doubt that there are many different images that come to mind. Some might think of a tommy gun, a fedora, or an expensive pin-striped suit, while others may think of Al Capone's visage, piles of seized cocaine, Tony "Scarface" Montana spraying his Colombia assailants with bullets from his balcony, or Joe Pesci burying yet another body in a Martin Scorsese film.

This should not be surprising as it simply notes how effective the

visual images created by the depiction of these subjects in movies and media influence our reality (Ruth 1996). This has become a major area of study known as communications research and indeed constitutes the study of how individuals and groups come to form their images of reality (Surette 2006). It is no different in reference to the study of organized crime. We must deal with how and why these images came into existence, yet we must remember that we are dealing with the scientific study of this phenomenon that we call organized crime. For his very helpful insight into this phenomenon, we turn immediately to the work of Dwight C. Smith (1990) who has made it possible to readily distinguish between the structure and function of organized crime in America by arguing that this structure and function emerged alongside another phenomenon to which Smith gives the appropriate name “the Mafia Mystique.”

Dwight Smith always made a point of noting that he did not study organized crime per se, but instead studied how the image of the Mafia, not in terms of its structure and function but the image itself, came into existence in the U.S. Yet, although we agree with Smith, we still note that the mystique of which he speaks became so intertwined with the study of organized crime that the two have blended together in such a way that one cannot speak of one without simultaneously bringing forth an image of the other. Such are the two blended that it seems that they have and always will exist together despite and with all due respect to Smith’s very convincing argument that they exist as two separate entities.

The knowledge of history and culture is vital to the discussion of the nature of organized crime in the United States. Likewise, the knowledge of the history and culture of mafia in Sicily is a key to understanding and rectifying the erroneous belief that a criminal cabal called the Mafia and Cosa Nostra were transplanted to American shores. The history of the involvement of other ethnic groups has equally been neglected in the Mafia and Cosa Nostra narratives by the noted and obvious absence of any mention of their involvement during the era in which such involvement was sufficiently evident to merit attention. The overzealous excitement of those caught up in the intrigue of the “Mafia Mystique” from the 1950s through the 1980s generated political, media and academic narratives that lent themselves towards generating a false, distorted, and incomplete assessment of organized crime in the United States.

## *Organized Crime: An American Way of Life*

In order to understand the role and function of organized crime in America, one has to embrace the fact that organized crime in the United States is as American as apple pie, a fact that those who are victim of the Mafia Mystique may have trouble accepting for all of its implications. Much of the controversy that arose regarding the existence of Mafia and Cosa Nostra arose out of a nativist "alien conspiracy" premise which attempted to argue that organized crime was brought to the United States by Irish, Italian, and Jewish immigrants and that, until their arrival, Americans existed in a virginal state of innocence. Nativist fears exclaimed that these immigrants were akin to viruses, afflicting the innocent hearts, minds, and souls of the unsuspecting "American" citizen. The United States, it seems, has always attempted to keep itself clean of its most negative features by casting blame onto outsiders for its problems rather than looking into its history which readily reveals the fact that Americans of all backgrounds bring their problems upon themselves due to inherently systemic reasons.

Organized crime has been with us as a nation from the very day that Spanish conquistadors conquered and enslaved Native American peoples and the English, French and Dutch came with royal mercantilist sanctions to expropriate every bit of wealth they could from the colonized New World regardless of the human and environmental costs. Some of those who came indeed worked and sacrificed to create one of the most profound forms of republican democracy the world has ever witnessed. However, simultaneously existing alongside this democracy and as an unintended consequence of the freedoms, rights, and liberties preserved in the Constitution, the opportunities that formed a fertile seedbed for organized crime were created as well (Woodiwiss 2001). This is not to say that certain groups of organized criminals stowed away on the ships that brought pilgrims, colonists and slaves to the American colonies. Rather, the opportunity for organized crime to manifest itself in a multitude of ways is inherent to the laws, regulations, customs, folkways, and religious practices created by what is arguably the most diverse, pluralistic society ever created in the face of such unlimited natural resources open to private ownership. Organized crime, then, is a fundamental component of the social system that evolved into that complex entity known as American society.

## *Early Manifestations*

The threads of organized crime originate in the very origins of the American colonies. For example, we must remember that the British, from whom the American revolutionaries won their freedom, employed force and the law to instill fear and control over the colonists while creating numerous lucrative opportunities for smuggling and piracy due to their oppressive mercantilist and tax-heavy policies. Indeed, many of today's headlines depicting terrorist or insurgent activity in various parts of the world would read like a page from an American colonial newspaper as the colonists, tired of British soldiers invading their homes without a warrant, publicly administering humiliating beatings to citizens and indiscriminately arresting and jailing colonists as they went about their daily chores, reacted by daily staging acts of rebellion consisting of throwing rocks at the British forces, stealing arms and supplies, burning down buildings, and attacking weapons depots (Breen 2010). As Barck and Lefler (1968:518) note, citizens upset with onerous British taxes and duties and the consequent arrest and repression of those smugglers who actively avoided paying them tormented the British troops daily in Boston by booing them as they marched in the streets and pelting them with snowballs, rotten eggs, and oyster shells. British authorities viewed these as acts of terror and rebellion.

Even before this form of rebellion emerged, organized crime had already made its appearance in the American colonies in the form of that exciting and colorful figure who became known in history as the pirate. In his very informative work on the subject, David Cordingly (1995) describes the legends that have come to surround the lives and times of such celebrated pirates as Sir Henry Morgan, Captain Kidd, Blackbeard, Jean Lafitte, and the female pirates Anne Bonny and Mary Read, as well as a host of others. These pirates were indeed fierce and menacing figures who suited the types of daring feats required for their hand-to-hand fighting as they attacked the captains and crews of ships whose goods they stole for sale in the colonies and other parts of the world. Along with such hardiness in battle these pirates had to daily face the survival of a brutal life at sea in which their living quarters were constantly cold and damp and demanding and fierce captains worked them from morning to night.

Our purpose here is not to dwell on the excitement of pirate stories



and legends, but instead, to deal with the role that the pirate played in the history of organized crime in America. The pirate was a primary form of organized criminal in that he made goods such as gold, rum, sugar, tea, coffee, and silk available to the inhabitants of many of the American colonies. But what must be understood is the fact that merchants in the colonies were able to buy these goods from the pirate at a much lower price than if they purchased them through legal channels. Not only did these merchants buy these goods at a cheaper price, they also avoided having to pay the taxes and other costs that they would normally pay to meet the requirements of the English Trade and Navigation Laws that made it mandatory that the colonists conduct their business enterprises and trade through companies that shipped their goods only on English ships that sailed, originally, from England. However, in order for such a transaction to occur, it necessitated the cooperation of various government officials who offered political protection to these colonial merchants and the citizens who purchased their goods. In other words, the merchants and pirates paid large sums to government officials in order to provide legal protection that would allow for the safe and continuous importing, marketing and sale of the illicit goods.

According to Barck and Lefler (1968:517), one of our founding fathers, John Hancock himself, was accused of making a fortune as a merchant who secretly smuggled in and sold contraband goods (charges were eventually dropped). This system of cooperation between criminals, government officials, merchants and the citizens who purchased illegal goods constitutes a basic ingredient for one of the most prominent forms of American organized crime which we have come to call syndicated organized crime. We will define this form more clearly as our discussion continues, but, for the moment, we wish to note that this collaboration between citizens, government officials and organized criminals constitutes a standard modality for the existence of organized crime in America. This should be kept in mind as we engage in the further discussion of the nature, function and definition of organized crime itself. This form of collaboration has been with us from the time of our emergence as a nation and remains with us today. It must be understood that this collaboration is necessary to the very existence and continuous presence of syndicated organized crime in America and, as such, has become a part of the American social system and of American life itself.

Yet, although this reality is ever-present in even the most cursory