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CRIMINAL NETWORKS, CRIMINAL ENTERPRISES

By John Evans

INTRODUCTION

This paper¹ briefly reviews crimes of organization and draws some general lessons from the recent national and international experience with such crime. The paper concludes by outlining areas of concentration for The International Centre for Criminal Law Reform and Criminal Justice Policy.

BACKGROUND

Crime is a growth industry and one little affected by recession. As with other enterprises, the crime industry thrives on opportunity and increasingly opportunities for profit and power are found internationally. Globalization is not limited to legitimate trade and commerce. It is no longer unusual to read reports of crimes committed by nationals of several countries acting in consort and committing offenses in several jurisdictions during the same operation. Press coverage gives pride of place to drug smuggling but the range of international crimes is very broad, ranging from international frauds and money laundering on the scale of the Bank of Commerce and Credit case, through the selling of fake pharmaceutical products in developing countries, to arms smuggling and the entrapment of children and women in the sex trade. There is no shortage of opportunity for international crime, nor is there a shortage of criminal entrepreneurs.

Nearly all such crimes require conspiracy; very few can be carried out by an individual offender. Supplies of illicit goods must be found and transport arranged, customers secured, police evaded, profits handled, and so on. In a word, organization is required. And with organization comes the potential for profit and power, for victimization on a scale that can threaten whole societies and render governments corrupt and ineffective. Fundamental values are threatened and states and, increasingly, the international community, react with both rhetoric and action to combat real and perceived dangers to the rule of law.

Within the United Nations Crime Prevention and Criminal Justice Program, the first priority theme is "National and transnational crime, organized crime, economic crime, including money laundering, and the role of criminal law in the protection of the

¹ Many people provided assistance. They are too numerous to list individually but I would like to offer a sincere note of appreciation to the many organizations that provided support. In Vancouver, the Co-ordinated Law Enforcement Unit, Crown prosecutors and members of the judiciary contributed ideas. In Ottawa, officers of the Department of the Solicitor General, the Royal Canadian Mounted Police and the Department of Justice were most helpful. In Washington, officials from the Justice Department, the Federal Bureau of Investigation, the State Department and the Financial Crimes Enforcement Network openly shared their experience and insights. In Vienna, personnel from the United Nations Crime Prevention and Criminal Justice Branch provided useful documentation and ideas.

environment."² Organized, and particularly organized international crime, has been an explicit priority of the United Nations program since the Seventh United Nations Congress in 1980. The concern was reiterated at the Eighth Congress in 1990 and in the agenda for 1995.³

National governments as well are seized with the importance of combating organized crime and new legislation, particularly regarding money laundering and drug trafficking, has been enacted in many countries.

Nonetheless, there is controversy and uncertainty surrounding the very idea of organized crime and when an area is both political and uncertain there is ample room for ideology and rhetoric. Data are another matter. Not surprisingly it is extremely difficult to get good information on the nature and extent of organized crime. Many victims are intimidated; others are not aware they have been victimized. The successful fraud is no doubt much more common than we know, as are the "victimless" crimes. Offenders occasionally provide testimony, but when they do it is extremely difficult to corroborate the information they provide.⁴ How, then, to approach the crimes of organization? What do we know and what confidence can we have in our knowledge? What gaps in our information need to be addressed? What responses to organized crime are available and what results obtain when they are used? What international efforts do we employ and what needs to be developed?

ORGANIZED CRIME

The popular view of organized crime, particularly in North America, has been co-produced by the entertainment industry and law enforcement and government inquiries. It is sometimes not at all clear who has had the lead in this production. Fiction and snippets of reality are mixed in unknown and changing combinations. This section explores views of organized crime and comes to some conclusions about the nature of the phenomenon. These conclusions are then used as the base to discuss

² Economic and Social Council Resolution 1992/22, pt. VI, para. 1. See United Nations Document E/CN.15/1993/L.20 [1993] [draft resolution].

³ For an excellent treatment of the United Nations perspective see The Impact of organized criminal activities upon society at large. Report of the Secretary General. United Nations Document E/CN.15/1993/3.

⁴ The most notorious example is Valachi's testimony before the United States Senate Sub-committee on Investigations in 1963. The United States government relied heavily on Valachi's testimony in developing views of La Cosa Nostra. See Hawkins (1969) or Morris and Hawkins (1970) for an amusing analysis of just how shaky the Valachi revelations were. Nonetheless, while Morris and Hawkins chide the FBI for making too much of Valachi's testimony, they appear to dismiss it and other evidence altogether, essentially denying the existence of organized crime on anything like the scale claimed by the FBI. Whatever the evidence at the time, subsequent investigations have resulted in the conviction of more than two dozen crime family bosses and hundreds of lesser figures throughout the United States. See "Wanted by the FBI: The Mob." U.S. Department of Justice [1988].

methods of containing organized crime and for suggestions for the work of the International Centre.

For several decades now much of the North American and European organized crime literature has been much occupied with Italian groups or groups whose members have Italian ancestry. Whole books and substantial portions of government reports have been devoted to the question of whether there is a national or even international governing council of what is popularly called the Mafia.

In the United States, in particular, the debate over whether there was or is a national council and about how organized and pervasive was organized crime, has gone on for a very long time without answering basic questions about either the nature or the extent of organized crime. The data have not been available to answer the key questions and rhetoric fueled by ideology, fear, prejudice, and organizational imperatives such as the need for enhanced budgets, have filled the void.⁵ The difficulty is not just that organized crime is, of course, a secretive activity, it is also a fluid and variable phenomenon that responds to changing opportunity structures, to the extent and success of law enforcement efforts, to competition from other enterprises, both legitimate and illegitimate, and to internal struggles for power and dominance.

From an economic perspective, and within relatively stable democratic regimes, it does not appear likely that a single organized crime group could seize and maintain control over a very large market or a very large territory for an extended period (Reuter, 1983). The profits can be so large that other groups will be attracted to the market and, while violence is frequently used to attempt to develop or maintain monopoly positions, violence is a finite resource and is limited by attracting law enforcement attention and escalating violence from rival groups. Violence is also not the deterrent that criminals, law enforcement agencies, and parents for that matter, think that it is. Deterrence may in fact work least for those who have spent much of their lives involved in or associated with criminal activity.⁶ They frequently adopt a fatalistic (a cost of doing business) view or they feel, like those who smoke or do not wear seat belts, that they are immune. In any event there is little evidence, in the North American experience, that monopoly control or effective cartels of criminal organizations have dominated illegal markets on a national or international level. Clearly various criminal organizations, at one time or another, hold sway in local or regional markets and have ties and frequently do business with criminal organizations in other cities and other countries that need networks of customers, fences, money laundering expertise and other essentials for an effective venture.

⁵ For those interested in the debate over definitions of organized crime see Albanese (1989) who gives a lucid account of the American experience. See Rhodes (1984) for a different account of the same experience.

⁶ It should be cause for sober reflection among those in criminal justice that one of the better predictors of future criminality is the number of times an offender has been "treated" by the criminal justice apparatus.

Paradoxically it is the lack of enduring large-scale organization that makes organized crime so difficult for law enforcement to contain. If there were national criminal organizations, or even tightly-organized regional groups the task of containment would be a good deal easier than it is. If, instead, organized crime tends to more closely resemble networks of individuals and groups who frequently operate independently but can be mobilized to respond to particular opportunities, then containment is much more difficult and will require a different set of strategies than would be the case if the model of organized crime resembled a stable bureaucratic or corporate structure.

Another line of evidence relating to the likely structure of criminal organizations derives from the literature on criminal careers.⁷ Admittedly, this body of evidence is based on an unrepresentative group of offenders, those who have, for the most part, been convicted repeatedly and over long periods. Most often their crimes are against property or are predatory crimes of violence for money. They frequently have convictions for drug and alcohol offenses as well. Few have been leaders of ongoing criminal organizations. Nonetheless, the data are of interest since some portrayals of organized crime groups as highly structured, bureaucratic firms seem very much at odds with what is known about the bulk of offenders processed by the criminal justice system. Part of this is no doubt because the criminal justice apparatus is much more focused on capturing the ordinary street criminal whose crimes are frequently poorly planned, almost random acts of predation. That is to say, they are not organized. Many career criminals caught up in criminal justice are there because they have worked hard at it, they are pressing and persistent and they will, at various times in their criminal careers, have been involved in organized criminal activity.

Most of these offenders do not have histories that would make them suitable candidates as loyal and long-serving members of any organization. They have quite remarkably unstable personal, family, and employment histories. They may be willing recruits for particular ventures, but they rarely have enduring ties to a larger organization. Nonetheless, they may participate in a series of crimes within a changing and very loosely structured network of associates. Most frequently there are substantial periods between such crimes, during which intervals other crimes may be committed individually or with other associates.

What, then, of those who see the opportunities and put together the criminal ventures? Are they the core of the organization in organized crime? Perhaps, but the evidence suggests that, even when criminal entrepreneurs have their own networks and rudimentary organizational structures, they spread the risk and pool resources through partnership relations with others. Haller [1990], for example, has documented the historic use of overlapping partnerships to launch and run illegal enterprises in the United States.

⁷ See Reiss [1988] for the best review of this literature.

This view of organized crime as fluid networks is supported by many recent works and by many historical and empirical studies of organized crime. It is also a view that is more prevalent in law enforcement circles as intelligence about criminal operations has improved and it became clear how little return there was on the search for the crime firm. James Dubro, for example has this to say:

In examining the tongs, triads, and gangs in the Chinatowns of North America, it is important to realize that no neat, monolithic, hierarchical organization controls all criminal activity. Even in Hong Kong, there are literally scores of rival triads and gang groupings: the many gangs and the various crime bosses may or may not interrelate. In North America one can be a member of a triad without belonging to a tong or a youth gang; one can be a youth gang member and have no triad or tong affiliation; or one can be a member of a tong, triad, and youth gang at the same time. Often membership in particularly active youth gangs leads to initiation into one of the triads operating in North America. And, all too frequently, senior tong officials are secretly (and in some cases openly) members of a triad with direct ties to Hong Kong [1992:14].

In a similar vein Detective Kenneth Yates⁸, in a hearing before the United States Senate made the following point:

⁸ Detective Yates is with the Metropolitan Toronto Police Force, Ontario, Canada. He is assigned to the Combined Forces Asian Investigative Unit.

We must also maintain perspective on what Triad members are, and that is criminals first, Triad members second. There is no mystique, but membership does provide access to an exclusive worldwide fraternity of criminals [1992:5].

In another context Detective Yates observed about Vietnamese gangs that:

"In one week they will be loyal to one boss, and perhaps the next week will shift their :

This is similar to Albin's assertion that individuals involved in organized crime:

...do not belong to an organization. Instead the structure of their relationships is predicated by the particular activity . . . Rather than being a criminal secret society, a criminal syndicate consists of a system of loosely structured relationships functioning primarily because each participant is interested in furthering his own welfare [1971: 288].

A similar conclusion comes from the London Metropolitan Police:

...It is not a formally structured, hierarchical organization with one individual controlling and running his operation, but, rather, it is a loose-knit, intricate web of associations where individuals are selected for their particular skills . . . Features of a business enterprise are recognizable with specifically qualified individuals specializing on the operational side (acquisition, marketing and distribution), while others supply the support services (finance, accounting and legal) which also involves the laundering and disposal of assets [Crawshaw, 1990:30].

There are many other studies of organized crime that make similar points. The highly structured criminal organization described by American government investigations, particularly the Presidential investigations of organized crime [1967, 1987] has been elusive.⁹

The conclusion that emerges from the North American literature on organized crime tends toward a view of criminal organizations that is much more fluid and much more complex than the popular portrayal. The situation is, however, no less dangerous. The rivalries among groups substantially increase the danger for citizens as it does for members of criminal organizations. Networks are also much more difficult to contain than are formally structured organizations. The large number of criminal organizations also means that more opportunities will be exploited; competition and diversity fuel creativity.

It should also be clear, however, that what is the case in North America in the early 1990s is not necessarily true of other times and other places. The degree of organization and effectiveness that any one criminal grouping achieves will be

⁹ Jay Albanese [1989] has a particularly useful description and analysis of the Presidential Commissions and the evidence bearing on the assertions made by the Commission reports.

influenced by a wide range of variables, not least being the structure of government and the effectiveness of law enforcement. The situation in stable and affluent democracies with well-funded police forces will likely result in many criminal organizations. Law enforcement does limit the freedom to grow and consolidate power and the very openness of western societies together with mobility of persons and capital make it relatively easy for new groups to emerge and endure for a period or simply to form for a particular purpose.

Given other constellations of government and policing the situation may be very different. In Columbia, for example, the profits realized from the cocaine trade together with corruption and an ineffective justice system response has allowed power to be concentrated in a small number of criminal cartels who use extreme violence both in Columbia and elsewhere¹⁰ to maintain their market share.

The Golden Triangle opium producing area, like the Colombian case, has allowed several large criminal organizations to dominate in the production and initial distribution of heroin. But, even in this region of political instability and nonexistent or ineffective law enforcement, no one group has achieved complete hegemony. Nonetheless, many criminal organizations are very powerful. The Shan United Army, led by Chan Chifu (Khun Sa) is reputed to be the most powerful with 15,000 men. The U.S. Drug Enforcement Administration believes that Khun Sa is responsible for 80% of the Golden Triangle opium [Sen, 1992].

With sufficient time for development and the appropriate mix of governmental instability and corruption it is possible to create criminal groups that do have sophisticated organization and extensive power. Consider, for example, the western Sicilian Salvos cousins described by Santino and Giovanni La Fiura [1990]. Vitiello summarizes as follows:

...the Salvos [were] tax collectors "serving the Public" during the 1970s and 1980s. Using citizens' tax dollars and Mafia linkages to build a virtual empire, these cousins came to own twenty-four agricultural "cooperatives" (mostly of the shadow variety designed to sell drugs), an insurance company and a bank (to launder money), four tax offices, four finance companies (for Mafia enterprises), a computer firm . . . six brokerage firms, nine construction (i.e., building speculation) companies and three tourist enterprises . . . Vitiello[1992].

This is but one example, although an impressive one, of a system in which crime appears not to have been merely organized, but institutionalized. The level of organized crime in Italy would not be possible without extensive corruption among politicians and a wide range of public officials. Many blind eyes have to be turned to achieve the degree of integration of crime with the economic and political life of the country that Italy has witnessed.

¹⁰ See, for example, "A Dozen more killings tied to Columbian Drug Cartel." The New York Times, May 16, 1993, p.38.

Part of the explanation for the system of corruption has been a tradition that placed loyalty to the political party first and allowed local party officials to reward the faithful. And all, or nearly all, of the political parties were deeply involved, making it difficult to reform the system. Crime and corruption have now grown to such an extent that citizens are demanding reforms, particularly following the 1992 organized crime assassinations of two judges who were beginning to get results and a series of investigations of corruption that has been particularly revealing. By early 1993, fully a quarter of the 630 members of parliament had been named in corruption investigations. Several ministers, including the minister of justice have resigned and even the long serving, seven time prime minister has been named as having links to organized crime. In many local and regional jurisdictions the situation is at least as bad. Bad enough, in fact, that on May 30, 1991 the Italian government gave itself the power to dissolve any city council or other local administration infiltrated by organized crime. The infiltration has been so extensive in some jurisdictions, particularly in Calabria, Sicily and Campania, that fraud against government spending rivaled drugs as a source of revenue. In early 1991, some 17,000 local officials were under investigation for corruption and, in some cases, Mafia links.

As law enforcement efforts and the will of the people for change have grown there have been successful prosecutions of organized crime figures and recently several key Mafia leaders who have been in hiding for years have been apprehended. The limited successes against some important organized crime figures have also had the effect of increasing violence as the Mafia has attempted to intimidate judges and witnesses and smaller gangs are competing for dominance of markets and opportunities.

Another striking example of organized criminality is provided by the Japanese Yakuza. The Yakuza, also known as the Boroyokudan,¹¹ are enduring and very successful organized crime groups. Their size, power, openness and the degree of their integration with business and politics appear to be far beyond anything achieved by organized crime in North America. Recent U.S. government estimates have it that there are approximately 2000 Mafia members active in the United States [Roth, 1992]. By contrast the Japanese National Police estimate that there are nearly 90,000 members of Japanese criminal gangs. Unlike the situation in nearly every other state, there is little reason to doubt the estimates. It has been legal to belong to a criminal organization in Japan and Yakuza headquarters bear conspicuous signs with the gang's name and crest. Moreover, initiated members of the gang wear distinctive dress and further identify themselves with lapel pins they wear publicly [Delfs, 1991]. Consequently police have records of membership and their estimates are likely quite accurate. The largest of the organized crime groups is the Yamaguchi-Gumi with a total membership exceeding 25,000 operating in nearly 1,000 affiliated gangs.¹² Other

¹¹ "The violent ones."

¹² Orchard [1992], staff investigator for the permanent subcommittee on investigations of the United States Senate, provides an estimate for the Yamaguchi-Gumi of 26,170 operating in 944 affiliated gangs. Delfs [1991] provides an estimate of 31,000 total

major criminal organizations include the Inagawa-Kai with an estimated membership of nearly 9,000 , the Sumiyoshi -Kai with 7,000 and the Toa Yuai Jigyo Kumiai (the East Asia Friendship Enterprises Association) with "only" 900 members [Orchard, 1992].

These organized crime groups continue with the traditional sources of income: extortion, drugs, prostitution, and gambling. But they are much more versatile and they have integrated their operations into the fabric of business and political life in Japan. In 1989 there were, for example, 20,000 reported cases of Yakuza intervention in civil disputes and police experts believe that the Yakuza may be involved in the majority of automobile accident settlements. As Defts observes "Japanese gangsters, in effect, fill niches that are generally occupied by lawyers in other countries" [Defts, 1991:28]. The networks of influence and persuasion go much further. Real estate developers use Yakuza specialists to induce reluctant tenants and owners to see the virtue in new projects.¹³ The Yakuza have also moved into real estate development, including the creation and purchase of golf clubs in Japan and abroad. Moreover, Japanese financial institutions lend large sums to known Yakuza leaders as, for example, when Japan's largest and third largest stock brokerage firms lent 36 billion yen to the former head of the Inagawa-kai criminal organization. Finally, as several recent scandals have shown, there have been close ties between Yakuza leaders and politicians.¹⁴

What is most interesting about the Japanese criminal organizations is their structure. There are strong vertical links but there is nonetheless a great deal of autonomy among the hundreds of small gangs (of 25 to 30 members) who make up the larger organization. The largest organization, the Yamaguchi-gumi, has over 100 bosses and even at this level there are smaller gangs operating relatively independently but still linked to the larger gang structure. The gangs, even within the larger criminal organization, operate competitively and do not share key information within the larger structure. The hierarchy receives a payment from those lower in the organization but each gang unit is free to start enterprises, legal or illegal, mount one-time criminal ventures, join with other organizations when required for operational reasons, and form strategic alliances for the longer term when appropriate. Since not all information is shared within the larger structure not even the supreme boss will be aware of all operations and may not have an accurate picture of the total income of the criminal organization. Many of the arrangements and operations of individual gangs and individual members are kept secret from other gangs in the organization both because the gangs operate in competition with one another and, of course, to avoid detection.

membership operating in 750 gangs. Both estimates appear to have as their basic source the Japanese Police. Even if the lower estimate is exaggerated by a significant amount there is no question that the Yamaguchi-Gumi is a formidable criminal organization.

¹³ See, for example, the statement of a real estate developer before the U.S. Senate Committee on Governmental Affairs, August 4, 1992.

¹⁴ See, for example, Sanger [1993].

Presumably as well it would not be wise to have the hierarchy aware of every success; payment required would increase with success.

Many of the same points could be made with respect to the Hong Kong triads. Certainly their size and complexity rivals the Yakuza. For example, the Sun Yee On triad society is estimated to have 65,000 members and the 14K triad is said to have 100,000 members.¹⁵ The Hong Kong groups are more international with links to organized crime groups particularly in North America and increasingly in Europe, both east and west. There is even speculation that the Hong Kong triads are seeking to bring together rival factions, uniting overseas triads into an international group.¹⁶

The social and economic costs of the organized criminality thus far discussed are dramatic and there is little doubt that they are rising. Nonetheless, in many nations organized crime exacts an even higher toll. All too frequently the government apparatus provides the structure and the organization for the systematic plundering of the wealth of nations and the virtual enslavement of whole populations.¹⁷

In most western states with significant organized crime networks there is evidence of corruption, sometimes limited to a few public officials and police, in other cases there is more systematic corruption with networks of public and private officials, police and politicians having ties to organized crime. In still other cases there is a tradition of corruption and bribes and various kinds of tributes are required to conduct the simplest business. Beyond these cases are systems where the corruption is so endemic and the power so concentrated that the governing party itself forms the organized crime unit. Many states of Eastern Europe have discovered, in the revelations following the collapse of the communist party, just how complete was the control and the corruption. Although the general population had long known of the privilege and power of the ruling class, even the cynical were shocked at the level of plunder and dishonesty. The opening of the Stasi files in the former German Democratic Republic provides one striking illustration, in part because the whole process was documented and the documents were made available to the people.

Before the collapse of communist regimes in Eastern Europe the state apparatus controlled other organized crime groups, if for no other reason than to protect the monopoly position of corrupt public officials and politicians. As these countries go through the very difficult transition from one-party dictatorships to multi party democracies with market economies, opportunities abound for the creation of organized crime groups of all types. The old state structure cannot provide effective

¹⁵ See Tam [1992].

¹⁶ See Dobson [1992].

¹⁷ As the events in the former Yugoslavia vividly illustrate, organized criminality can extend to genocide, mass rape, and other war crimes. These situations are beyond the scope of this paper.

control. There is an insatiable demand for black-market goods of all kinds. Unemployment is high and rising. Added to this instability are large groups of corrupt officials, only some of whom have been dismissed, who have the skills and the motivation to establish new criminal enterprises. Further compounding the problem are organized crime groups from the west and from Asia and South America who similarly see opportunity in Eastern Europe. A dramatic increase in organized criminal activity is to be expected.

Whether the effect of the new organized crime patterns will be more serious than state organized crime will never be known, but the new criminal structures will be more diverse and more crimes will be organized than before the collapse. There are already accounts of increased drug trafficking, money laundering, art and archeological smuggling, and arms trading, perhaps including nuclear materials and knowledge.¹⁸

INTERNATIONAL ORGANIZED CRIME

The most casual observer of crime must conclude that, like much else, it has become more international. Smuggling, of course, has a venerable history. Both illegal substances, and legal commodities less expensive elsewhere, have always been smuggled across state boundaries. Many modern family fortunes were so acquired. The tradition continues with the growth in the drug trade. Tons of heroin, cocaine, marijuana products and pharmacopoeias of other prohibited drugs are smuggled each year. The amounts of money involved in this trade in controlled substances are virtually beyond comprehension. Like national deficits, the numbers become so large that most people have no reference point to make them understandable. A recent estimate has it that illicit drug sales in Europe and North America amounts to \$122 billion (U.S.) annually [Lascelles, 1990]. This is approximately equal to the projected total annual expenditure of the Government of Canada for 1993/1994.

Some of these drugs are produced and consumed in the same country, but because of climate and other controls over crops, smuggling is big business. It is also a business that requires international organization. Supply must be arranged; deals negotiated; security provided; transport organized and borders breached; delivery arrangements made; additional processing and cutting must be seen to; distribution systems must be established and protected; money must be assembled from the distribution system and the profits distributed. Some significant part of the profits (or the profits from previous ventures) will be due to suppliers and associates in other countries but the distribution of money will frequently be international in another sense. Profits will be laundered using international financial systems.

The increasingly international nature of organized crime is due, however, to more than the drug trade and smuggling. The increasing ease and effectiveness of global communications plays a significant part in arranging criminal ventures and in

¹⁸ See, for example, Coll [1993].

laundering the proceeds. New technology also makes it increasingly difficult to successfully carry out electronic surveillance. The same technology used by organizations such as security services is available to others. Moreover, even common services such as call-forwarding may mean that electronic surveillance reveals nothing about the location of the suspects. They may even be in another country. In addition, when the computer revolution is added to the advances in telecommunications, opportunities for effective international criminal enterprises are expanded dramatically.

More sophisticated technology has also made it much easier and less expensive to falsify key documents. Documents that in the past could, with little risk, be accepted as certifying a person's identity or a financial instrument's legitimacy. No longer. The quality of counterfeits is better than ever and gangs operating internationally make detection more difficult.¹⁹ Fake travel documents are also more prevalent and are increasingly used to secure entry for illegal immigrants.

This is one indication of another factor essential to understanding the increasingly international nature of crime, that is, the vast increase in the movement of people. Global travel continues to expand and business, both legitimate and illegitimate, benefits. Beyond this, and of greater significance in understanding international crime, is the more permanent movement of people. Millions of people have been forced from their homes by war and political persecution; the number of refugees is huge and growing. Others, the so-called "economic refugees," seek the opportunity to build a better life for themselves and their families. Others, and Hong Kong provides the best example, wish to preserve a way of life that is threatened by political change. The result is that tens of millions of people are moving, or are seeking to move, many to the industrialized west. The vast majority of these people are, of course, not criminals nor are they in any way associated with organized crime groups. But the size of the movement provides perfect camouflage for those who are connected to organized crime or for those who have operated as individual criminals in their country of origin. In still other cases states have selectively allowed immigration of groups selected precisely because they were criminal. Both Cuba and Russia for example included, among the many honest people allowed to immigrate to the west, groups who were resident in prison for criminal offenses, not political protest.²⁰

The sheer number of people seeking to move strains the resources of national immigration and law enforcement systems and verification of claims of law-abiding status is difficult and expensive. As more criminals slip through the net the process is

¹⁹ An illustration: In April, 1992 following an investigation by American authorities of credit card fraud in Washington, D.C., Honk Kong police arrested 19 people including two Americans and 3 Vietnamese. Seized were sixty counterfeit cards, equipment used to manufacture them, \$300,000 in counterfeit Hong Kong dollars, counterfeit money for use in China, and 100 boxes of phony antibiotics.

²⁰ For an excellent account of the success in organized crime enjoyed by some Russian immigrants to the United States see Friedman [1993].

made more difficult for the legitimate refugee as well.²¹ The system sometimes does not even work well when criminals are discovered to have falsely entered another country. If the country of origin will not issue travel documents deportation may effectively be removed as an option.²²

Many migrants avoid the formal channels altogether and pay smugglers to get them into another country. Recently, several ships loaded with illegal immigrants have been stopped as they sought to land their passengers in North America.²³ It is a lucrative practice. The going price for smuggling Chinese immigrants is said to be approximately thirty thousand American dollars, paid or pledged. If pledged the prospect is presumably long or perpetual servitude in the criminal gang that arranged the smuggling. The size of recent operations means that immediate profits are substantial as well. Ships with up to 300 migrants, potentially yielding nine million dollars, are no longer rare.

MONEY LAUNDERING

The problem of money laundering has been much discussed but little studied until recently. Some of the most significant work has been stimulated by the Group of Seven.²⁴ Their 1989 meeting in Paris among other things, established a Financial Action Task Force (FATF). FATF's mandate was primarily to make recommendations to prevent the use of the financial system, domestically and internationally, from being used to launder the proceeds of crime. FATF was also to make additional recommendations in the field including recommending improvements to statutory and regulatory systems in multilateral legal assistance.²⁵

FATF's first annual report contained forty recommendations. These provide a general framework beginning with the implementation and ratification of the Vienna convention²⁶ that includes a provision that member states adopting the convention

²¹ See Tierney [1992].

²² See Farrow [1993].

²³ "Ship of Chinese Immigrants presages exodus, INS says." The Seattle Times, December 24, 1992 at E.1. See as well the New York Times June 6, 1993.

²⁴ The Heads of State or Government of seven major industrial countries (United States, Japan, Germany, France, United Kingdom, Italy, Canada). For the 1989 meeting the Group of Seven were joined by the President of the Commission of the European Communities.

²⁵ The recommendations and the subsequent activities of the group are published in three annual reports. See Organization for Economic Co-operation and Development, Directorate for Financial, Fiscal and Enterprise Affairs. Financial Action Task Force on Money Laundering, Annual Reports and Annexes, 1991, 1992, 1993.

²⁶ The formal title of the convention is the Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

criminalize laundering the proceeds of drug offenses. The other general recommendations call for increased cooperation and mutual legal assistance and that financial institution secrecy laws not inhibit the implementation of the recommendations. There are, as well, recommendations focusing on national legal systems to give effect to the Vienna Convention; recommendations focusing on improvements in procedures and practices of financial institutions; and recommendations designed to strengthen international cooperation. The recommendations are being implemented in many countries and a concerted effort is underway to get more countries to adopt the recommendations. In addition FATF is evaluating the extent to which the G7 countries have adopted and carried out the recommendations. Complimentary work has been done by the European Community and the Organization of American States.

In addition, the United Nations Commission on Crime Prevention and Criminal Justice has asked the Secretary-General to examine the possibility of coordinating international efforts, to study and propose means of technical assistance to requesting States, and to develop effective cooperation among United Nations bodies with relevant mandates.²⁷

It is too early to know what success these efforts will have in reducing money laundering, particularly since there are significant gaps in coverage. Two problems are of particular note. First, countries with bank secrecy laws designed to attract customers who insist on confidentiality have not all joined the movement to make money laundering more difficult. Second, international wire transfers of funds are difficult to trace, both given the volume and the design of the systems that handle the transactions.

DISCUSSION

What, then, can be concluded from this brief tour of organized crime?

1. DEFINITIONS AND DISTINCTIONS

The definitional issue has bedeviled investigations of organized criminal activity. At one extreme there are those who take the literal meaning of the terms and argue that two or more offenders working in concert constitute an organized crime group. At the other extreme "organized crime" refers to highly structured and enduring criminal organizations, like the popular depiction of the American Mafia or the Japanese Yakuza. Clearly there is a continuum involved here and breaking it up necessarily

²⁷ See Control of the proceeds of crime. U.N. document E/CN.15/1993/4 for an assessment by the United Nations of the nature of the problem and what the United Nations Criminal Justice Programme could contribute.

involves arbitrariness. Lacking a general theory of crime, arbitrariness is inevitable but we can choose definitions that serve our purposes.

Our purposes are primarily to gain an understanding that will assist in the containment of organized crime. For these practical purposes the most useful distinctions are those which differentiate among enterprises, ventures, and networks.²⁸

Criminal Enterprise - a criminal enterprise exists where a group provides an illegal good or service on an on-going basis. Groups involved in the drug trade come first to mind but the group must be seen to include not only those who actually see to the delivery and distribution of the drugs but also the lawyers and accountants who, for example, provide money laundering or tax evasion advice and other illegal services. Those groups who provide illegal arms or those who procure women and children for the sex trade would similarly be included. The groups may be more or less stable and enduring but, remembering the discussion above, we should expect a good deal of change in personnel and partners.

Criminal Network - A criminal network is an enduring association of criminals with a loose hierarchical structure. They range from networks which function as cartels through those that more closely resemble trade associations to networks that provide little more than contacts and access to particular expertise. Edelhertz and his colleagues call this type of organization a syndicate, which they define as a criminal cartel or trade association. We prefer the term criminal network because it appears, as we have argued above, that it more closely captures the loose structure of many groups that do endure but are more fluid and adaptable than the term "syndicate" implies.

Organized crime groups, even the large and enduring, have more features of flexible networks than they do of rigid organizational structures. They more closely resemble loose coalitions of entrepreneurs and task specialists than they do bureaucratic or corporate entities. Whether through good planning or through trial and error, many crime groups appear to have hit on an organizational form well suited to the exigencies of illegal activity. The best organization for illegal work has features that allow flexibility and speed, allowing the appropriate resources to be marshaled for specific opportunities, but which can be reduced to the minimum between jobs, a "just-in-time" strategy for illegal activity not unlike the strategy legitimate manufacturers adopted to reduce overhead costs. For illegal enterprises the reduction in overhead lies not just in reducing labour costs, but also, and more important, the reduction in exposure to detection. Ongoing employees come to have too much information and can thereby put the entire operation at risk.

²⁸ These distinctions follow Edelhertz, Cole, and Berk [1984] with the exception noted in the text.

The groups ordinarily understood to typify organized crime would be included here: the Yakuza, the Hong Kong triads, the Italian and American Mafia, the Colombian cocaine barons. These organizations are best understood as criminal enterprises that have become so large and influential that they also function as criminal networks. They provide a variety of services to and controls over the criminal enterprises in their network. These services include regulating relations among various enterprises, fixing prices and recommending or supplying personnel for particular crimes, resolving disputes between groups, collecting tributes from them and providing protection from other criminal organizations and the state. Frequently the protection from the state takes the form of corrupting officials, including police, and politicians.

There are other networks of criminals who are not usually affiliated with the larger groups but whose ability to stay in business depends on their network of contacts and associates. Clearly there are varieties of networks and the distinction between enterprises and networks may be hard to draw. Conceptual tools do not set aside the empirical task of investigating the nature of particular organized groups.

Criminal Venture - A venture is a criminal episode usually engaged in for profit by a group. This, of course, describes the majority of criminal activity. Only a small proportion of crimes are committed by offenders acting completely alone. What brings a criminal venture into the organized crime area is links with criminal networks. If personnel are recruited from the network, goods fenced through it or other services acquired because of ties to the network, the venture should be considered as organized criminal activity.

These terms - *criminal enterprise*, *criminal network* and *criminal venture* - are useful tools for thinking about the phenomenon of organized crime but, to repeat, they are tools, not substitutes for investigation of particular cases. The history of the study of organized crime, both by the police and by journalists and academics, shows the dangers of seeing arbitrary definitions as immutable categories into which criminal groups must be placed, ignoring both their diversity and their fluid and adaptive nature.

This leads to another point. What is important is the behaviour and not the group. Clearly, for investigative purposes it makes a good deal of sense to keep track of the actors, to keep tabs on known criminals and who they are associating with. If too much emphasis is placed here criminal acts committed by other groups, those who manipulate stock markets and engage in insider trading for example, will not be detected and prosecuted as often as their behaviour warrants.

This last example betrays the fact that the term "white-collar crime" is not seen as providing a useful distinction. Nor are related terms such as "economic crime" or "corporate crime." These terms too often trivialize acts that are frequently as serious or more serious than those committed by those offenders who are typically seen as being involved in crime or in organized crime. The fact that particular occupations provide particular opportunities for criminal activity is important for prevention,

detection and investigation, but a general category that includes only some occupations may limit thought and action. Moreover, particularly in recent times, the distinctions among what was meant by organized, white-collar, and economic crime have blurred even more. Laundering and investing the vast profits from organized crime, especially drug profits, has meant that lawyers and accountants and other professionals²⁹ are now, more than ever, plugged into organized crime networks and enterprises. What is found depends in part on what is being looked for and what we need to look for are opportunities for crime and for criminal acts.

Where are we to look? First, it obviously makes sense to continue to look in areas where we know organized crime has been active. Certain crimes simply require organization. Smuggling of all sorts heads the list and drugs are no doubt the most lucrative of smuggled items. But the list of competitors is long. Illegal traffic in the weapons of war, including nuclear knowledge and bomb components, continues. The cold war may have ended but the escalation of ethnic conflicts and civil wars has increased as a result and the arms trade flourishes. For many of the same reasons the smuggling of illegal immigrants has grown as well.³⁰ The list goes on: human and animal organs and other body parts, tobacco, pharmaceutical products, art and archeological treasures and so on. Other crimes similarly require organization: protection rackets; disposing of stolen goods; gambling; money laundering; the production and distribution of pornography; the procurement of women and children for the sex trade.

Second, organized crime has traditionally been involved as well in businesses that are legal, or at least which are legally operated by others. This varies from country to country. In America the construction and trucking industries and toxic waste disposal have been targets for organized crime. Restaurants, travel agencies and other service sector businesses have also been frequent fronts. Union management has suffered extensively from criminal infiltration. In many countries real estate and property development have become increasingly attractive as the profits from drugs and other crimes are laundered. More recently the financial sector has been drawn in, both through association and infiltration from traditional organized crime groups and through newly organized groups of financial sector insiders. The Bank of Credit and Commerce case internationally, the Savings and Loan³¹ fiasco in the United States, the collapse of the Principal group of companies in Canada are but three recent examples that have victimized tens of thousands of individual depositors and investors and have left the taxpayer with billions³² of dollars of liabilities.

²⁹ Even new "professions" are getting involved. Computer hackers are now being recruited. See Minard [1992].

³⁰ See "'Mother Ship Carrying Illegal Chinese Immigrants Sought in Pacific.'" The New York Times, June 6, 1993.

³¹ For two excellent accounts of the Savings and Loan case see Seidman [1993] and Day [1993].

³² Billions is likely an underestimate. One report estimates that the final tally for the Savings and loan cases in the United States will approximate 1.4 trillion U.S. dollars. See Hill [1990].

A third area that warrants particular scrutiny is the procedures and practices of government, especially in areas where there would be advantage in corrupting officials and politicians. Such opportunities will be most frequent in the processes of spending government money and in areas where government attempts to enforce laws, regulations and standards. Tax evasion is another obvious area but, surprisingly, in many countries there is a lack of coordination among government agencies which would allow authorities to more effectively target likely tax evaders.

If these three areas present the best opportunities for organized criminal activity it is fair to ask if we have structured our search for criminal events appropriately. In most countries it seems fair to say that the first group of crimes, including drug trafficking has received the bulk of public attention and government resources. Moreover, traditional targets have received the bulk of investigative attention. Thus, mafia groups and their rivals have been the focus of law enforcement efforts on organized crime. This has frequently meant that low level criminals were convicted but those directing the ventures were seldom caught. More recently law enforcement in some countries has been much more successful in penetrating criminal enterprises. The Federal Bureau of investigation in the United States has, in the last decade or so, had unprecedented success in convicting the bosses of crime families in major American cities. The investigative strategy that has guided FBI work against organized crime is called the enterprise theory of investigation.³³ Under this approach the focus is on identifying the hierarchy. Investigative techniques that seem routine to North Americans are essential, including the use of cooperating witnesses, sometimes requiring the use of a witness protection program, informants; undercover agents; and, particularly important, court approved electronic surveillance. These techniques coupled with the power of RICO³⁴ statutes have led to significant success in prosecuting crime bosses.

Although the investigative techniques listed above are common in some jurisdictions in others their use is forbidden. Most civil law countries do not allow these investigative techniques. A notable exception is Italy, which has passed legislation modeled on the United States example. The new investigative powers, with the strong sense of public outrage against crime and corrupt politicians, have led to dramatic improvements in the anti mafia crusade.

The general point here is that success against the leaders of criminal enterprises seems to require the skillful use of quite intrusive investigative techniques. Many countries cannot use them and others do so with little skill and against a backdrop of corruption that would nullify their effect in any case. As a consequence there is no doubt very much more enterprise crime, of the traditional sort, than is commonly believed.

³³ See U.S. Department of Justice [1988].

³⁴ The acronym stands for Racketeer Influenced and Corrupt Organizations.

Moreover, we know very little about the magnitude of newer crimes committed by corporations and professionals. The kinds of offenses included under terms such as "economic," "corporate," or "white-collar crime" have received too little attention. This holds for virtually all countries even those that are attending to traditional organized crime. It is partly a question of resources, partly a question of ideology. Many people, particularly the rich and powerful, do not see that the behaviour of the rich and powerful is sometimes profoundly criminal, not just sharp practice or the necessities of business, and deserves the same treatment as other serious crime. Some even believe that the economic system could not sustain a profound scrutiny of business since so much of "legitimate" business is questionable, for example, through having loans guaranteed by stolen assets or by assets, such as real estate holdings that are knowingly overvalued.

Recent cases underscore the need to look more carefully for violations of the law by professional and business interests, and not just when they are in active collaboration with, for example, drug traffickers to launder money. The BCCI and the Savings and Loan fiasco discussed above illustrate that the potential damage from such criminal abuse to national economies, individual victims, and international commerce often exceeds the harm most organized crime groups are able to inflict.

Compounding matters is the nature of international commerce. National regulation and law enforcement is not sufficient. Beyond the international money laundering practices already discussed is the fact that multinational corporations can manipulate the legal and regulatory regimes of national systems and, for example, do safety testing in countries with relaxed regulatory structures or shift profits around the world to evade tax.³⁵

Harmonization of laws and regulations among states together with international regulation is required to reduce criminal abuse of international commerce.

2. COMPARATIVE AND HISTORICAL PERSPECTIVES

A second general lesson that should be drawn from our review of organized crime is that time and place matter. This is hardly startling, but too much of the literature pronounces on organized crime as if North America in the late twentieth century presented sufficient data to describe and understand the phenomenon.

No one would deny that the nature and extent of organized crime are sensitive to stages of political development and transformation, and that opportunity structures and

³⁵ See Braithwaite [1984, 1993] for an analysis of the international pharmaceutical industry.

control structures make a difference. Nonetheless we appear not to have drawn the lessons we could from the variation that historical and international comparisons provide. There are, for example, dramatic differences in the extent of corruption over time and place. What variables shape these differences? Which structures and approaches limit most effectively the reach of the bribe and the favour? What structures are appropriate in developing countries? Which work best in the developed nations? Which procedures and structures will be effective in nations in transition from communist regimes?

3. ILLICIT MARKETS AND GOVERNMENT POLICY

International and historical perspectives on the nature of illicit markets and the government policies that shape them should also be instructive, although states seem reluctant to learn from their own history much less anyone else's. Prohibition is the most frequently cited case in point.³⁶ Prohibition provided the start for many organized crime groups, and many enduring family fortunes, in North America. But the effects of prohibition are minor when compared to what has happened with other drugs. Drug policies, whatever else they may do and whatever motivated their adoption, provide an enormous incentive to organize criminal enterprises and a continuing subsidy for operations. It is an offer too good to refuse and there is no shortage of takers. The national and international response to this has been to seek controls, to enforce the laws and improve international cooperation in combating the growing international networks of drug manufacturers, smugglers and distributors. It is difficult to find evidence that all of this effort has reduced ³⁷supply. The paradoxical, but unfortunately common, effect of more enforcement may be to increase price and profit. New perspectives on drug containment are urgently needed. The costs of current policy seem unacceptably high.

The dominant view is clearly to continue with a policy that relies very heavily on the criminal law but there are signs that there may be more tolerance for alternate policies.³⁸ With the change in administration in Washington and a growing sense of dissatisfaction with current policies, particularly among some judges, the Americans may begin to reconsider their position. This is essential if international policies are to

³⁶ Attempts to control gambling also have a venerable and largely unsuccessful history. See, for example, Bankoff [1991].

³⁷ In September, 1992 more than 165 people were arrested by the United States, Italy and Columbia. The charges related to the laundering of money from worldwide sales of cocaine by the Sicilian Mafia and Columbian cocaine cartels. This was an extraordinarily successful enforcement operation and yet Thomas C. Kelly, deputy chief of the U.S. Drug Enforcement Administration from 1985 to 1990, said: " ...I would argue that it's going to have very little impact on the future availability of cocaine. There are so many networks importing cocaine, there is such demand for it, the money is so great and the stakes are so high that if you stop the traffickers on one street, they'll just go over to another street to bring it in. " See Pear [1992].

³⁸ See The Economist, May 15, 1993. The cover and the lead editorial, "Bring drugs within the law," argue the case for considering limited legalization of some drugs.

be reexamined. The United States plays a dominant role in setting international policy on drugs and it is doubtful if significant changes to, or even serious examination of, international drug policy would be possible without American participation.

Another current example of policy with the unintended effect of increasing enterprise crime is the Canadian policy on tobacco. For sound health policy reasons the price of tobacco products had been raised so that they were several times the price of tobacco available in other countries, notably in the United States. The result was the growth of a billion dollars a year smuggling operation, much of it centered in aboriginal reserves that straddle the international boundary between Canada and the United States. The opportunity for lucrative smuggling operations was created and taken up. The result may well be that good health policy may have had the unintended consequence of creating organized crime groups among Native Canadians.³⁹ Federal and some provincial governments have introduced measures, including reducing the tax on tobacco, to contain tobacco smuggling. The measures seem to be having the desired effect but groups that developed to exploit the differentials in tobacco prices have moved to smuggling of other illicit goods, principally alcohol and other drugs.

A PROGRAM FOR THE INTERNATIONAL CENTRE

Given the nature of organized crime, and particularly its international dimensions, the following areas are suggested as those where there is a need for international research and policy development and where the Centre is well positioned to make a contribution.

1. MONEY LAUNDERING

One key to reducing crime of any sort is to reduce criminal profits. States around the world are enacting legislation that allows for the seizure and forfeiture of the proceeds of crime. Some jurisdictions have had decades of experience; others are just beginning. There is now sufficient international experience to assess systems already in place. What has been the return for the investment in the proceeds of crime area? What refinements in legislation, policy and practice are required? What prospects are there for including enterprise crimes other than drug offences in proceeds of crime legislation? Where this is now possible why are there so few non-drug prosecutions using the proceeds of crime legislation?

More specifically there is a need to look at problems of prevention, detection, investigation and prosecution.⁴⁰ What works? Is it possible to devise systems that will

³⁹ This will further distort the power relationships in native communities and make it more difficult to achieve reforms in terms of self government and economic and social development.

⁴⁰The Centre has made a start here. In June, 1994, a paper on problems of investigating and prosecuting cases of money laundering was presented at a United Nations conference on money laundering. See(Evans, 1994).

better detect the transgressions of those in positions of trust? Do financial reporting requirements actually help? Do they detect crimes that had not been discovered using other techniques? Are they worth the investment? What can be done about electronic transfers of funds? These questions have not been adequately answered. The Centre could make a significant international contribution by working on these basic issues.

2. CORRUPTION

Much of organized crime depends on the corruption of public and private officials. Silence must be bought or coerced, scrutiny must be avoided, bureaucratic procedures must be short circuited, favours must be granted if crime is to pay. There is a need to bring together what is known about reducing corruption in a variety of social systems with varying legal traditions and societal norms and traditions. Which practices and procedures are generalizable? In what circumstances are special anti corruption measures required? What types of corruption require specific legislation with recourse to the criminal law? What scale of seriousness should apply? When will regulations suffice? What societal changes are required to change a tradition of corruption? What is the proper balance among legislation, enforcement and education?

There is a literature on corruption and there is no shortage of experience with it. What is missing is a digest of this material presented so that practical guidance could be offered to those wishing to expose and reduce corruption. The Centre could produce such a digest.

3. THE EXPLOITATION OF WOMEN AND CHILDREN

The exploitation of women and children by organized crime is a significant problem that has not been properly addressed. The enslavement of women and children in the sex trade has received some attention in the press as stories about sex tourism appear. The use of children in the commission of a wide range of crimes has similarly received sporadic attention. Labour practices that criminally exploit women and children and expose them to unsafe and inhuman conditions should be included as well.

The International Centre has begun compiling an annotated data base of literature on such exploitation and will host an international meeting of experts in 1995 to consolidate what is known and to make specific recommendations to reduce the victimization of women and children by organized crime.

4. MIGRATION AND ORGANIZED CRIME

Among the processes contributing to the international nature of crime is the movement of people around the globe. Legitimate migrants and refugees provide cover for the movement of organized criminals and for the merely dishonest, for example those who would pass themselves off as political refugees when, in fact they are "economic refugees." The smuggling of illegal immigrants is an additional and growing problem.

Departments of Immigration and law enforcement agencies in many countries are dealing with these issues and learning as they go. There would seem to be a need, however, for additional work on the international level both in seeking to elucidate the nature and extent of the problems and reviewing the range of policy responses and their likely effectiveness. The International Centre could, for example, play a useful role in getting interested nation states and international organizations together to examine the issues. A good deal of work would have to be done to accumulate and digest the basic material but the problems are important and the Centre, with its university partners could put together a solid team of interdisciplinary talent.

5. EVALUATIONS

Much work is required to examine the effectiveness of policies and operations focused on organized criminality. There is very little evaluative work done anywhere on effectiveness questions and too often ineffective policies are perpetuated by developed countries and copied by the developing world. Related to this is the fact that the lessons for prevention are not drawn from either success or failure. Cases are treated as just that, cases, with too little attention being given to feedback for the entire system of prevention and control.⁴¹

Although the political climate may not be quite ready for a reexamination of drug policies there are signs that this is changing. As was argued above current drug policies provide both an extraordinary incentive and a continuing subsidy to organized crime. The effects of current policy may be more harmful than other control possibilities. A dispassionate evaluation and review of alternatives should be carried out by an independent organization. The Centre could play a central role here.

6. TECHNOLOGY AND CRIME

There is a need to improve the effectiveness of prevention, detection, investigation and prosecution of crimes made possible by technology. In addition, work needs to be done to identify the emerging criminal opportunities made possible by technologies

⁴¹ An interesting exception is the work of the Co-ordinated Law Enforcement Unit of British Columbia on fraud at fairs. The lessons learned at the World's Fair in Vancouver in 1986 have been shared with subsequent fairs around the world.

(e.g., the complete integration of communication and computer facilities) and business practices (e.g., new financial instruments designed to thwart advances made in detecting money laundering) now being developed and to consider appropriate responses. The Centre could play a significant role here by putting together a consortium of organizations with the necessary mix of skills to examine these issues.

7. TRAINING

There are any number of specific needs here but in particular there is a need for training to detect and investigate sophisticated crimes and money laundering operations that depend on state-of-the-art technology and which are out of the current law-enforcement spotlight. The Centre's university partners with their expertise in education would make it possible to develop and deliver effective training packages.

8. EVIDENCE

There are substantial problems with evidence collected in various jurisdictions being acceptable in courts in other places. Harmonization of domestic law and improved international agreements are required. Many apparently sound (and expensive) cases have been lost because of weaknesses in international agreements and national laws regarding evidence. This seems particularly true of evidence regarding financial dealings and the difficulties of varying bank secrecy statutes and practices. This issue has been much discussed but little progress has been made although there are examples, such as Austria, which have effective agreements with countries with varying legal systems. The Centre, with the University of British Columbia Law School, could usefully address this area.

CONCLUSION

Enterprise crime and criminal networks are flourishing and becoming increasingly international. The social and economic costs associated with their activities are rising as well and in some countries threaten the stability and viability of the state. More effective national and international efforts are clearly required but are hampered by gaps in our knowledge in key areas. Specifically, additional work is required to improve efforts to prevent, detect and prosecute money laundering. Similarly, more effective means of reducing corruption need to be developed and implemented; much organized crime depends upon and profits from corruption. International criminal networks also profit from the extensive international movements of people, as travelers, as refugees and immigrants, legal and illegal. New technologies also contribute to the sophistication and international reach of criminal enterprise and law enforcement efforts are too frequently unable to keep up with technical breakthroughs. Finally, there is a general need for evaluations of policies and practices that would allow for feedback that could lead to improvements to contain organized crime.

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