CONTENTS

Preface xvii

Chapter 1 UNDERSTANDING ORGANIZED CRIME  1
Introduction  1
The Book’s Focus  4
Definitions of Organized Crime  6
Law Enforcement and Government Definitions  6
International Definitions  7
Definitions in the Scholarly Literature  8
The Empirical Research  10
Is There a “Working” Definition of Organized Crime?  11
Redefining Organized Crime  11
Globalization and Organized Crime  12
The Criminal Group  13
Organizing for Profit  14
Profit-Making Enterprises of Organized Crime  14
Organized Crime Networks or Transnational Mafias?  14
Organized Crime: Attributes, Characteristics, and Structure  15
“Groups” of Criminals  15
Bureaucratic or Network Structure?  16
The Cohesion of Criminal Organizations  18
Managing Relationships between Organized Crime Networks  18
Illicit Enterprise and Profit-Making  19
Forms of Organized Crime  19
Standard Hierarchy  19
Regional Hierarchy  21
Clustered Hierarchy  22
Core Group  23
Criminal Network  24
Problems Created by Organized Crime  24
Understanding the Mafia  25
Categories of Organized Criminal Behavior  26
Provision of Illicit Services  26
Provision of Illicit Goods  26
Conspiracy to Commit Crimes  26
Penetration of Legitimate Business  26
Contents

Extortion 27
Corruption 27

Definitions by Crime Commissions 27
Chicago Crime Commission 27
The Wickersham Commission 27
The Kefauver Committee 28
The McClellan Committee 28
The President's Commission on Law Enforcement and the Administration of Justice 29
Pennsylvania Crime Commission 30

The Sicilian Seed 30
The Village Becomes Organized 30
The Camorra 31

Investigations into Organized Crime 31
Mussolini's Mafia Purge 31
The Hennessey Incident in New Orleans 33
Landesco's Organized Crime Investigation 35
The Castellammarese War 35
Thomas Dewey and the Mob 35
The Kefauver Committee 37
The Appalachian Incident 38
The Valachi Testimony at the McClellan Committee 40
Robert Kennedy's Justice Department Task Force 42
Palermo's Maxitrial 42
Giuliani's Mafia Trials 44
Louis Freeh's Mafia War 45
The Pizza Connection Case 45

Models of Organized Crime 45
Report of the President's Commission on Organized Crime on Levels of Membership 45
Cressey's Cosa Nostra Theory 48
Albini's Patron–Client Theory 50
Smith's Enterprise Theory 50
Ianni's Kinship Group Model 51
Chambliss's Crime Network Theory 53
Haller's Partnership Model 53
Block's Description of Enterprise and Power Syndicates 53

Nontraditional Organized Crime 54
Organizational Constraints 56
Reuter on Economic Constraints 56
Mastrofski and Potter on Organizational Constraints 57
Chapter 2 THEORIES OF ORGANIZED CRIMINAL BEHAVIOR 63
Introduction 63
Alien Conspiracy Theory 64
Rational Choice Theory 65
Deterrence Theory 65
Psychological Traits and Criminality 66
The Antisocial Personality 66
The Dependent Personality 67
Learning Theories 69
Miller on Gangs 69
Sutherland on Differential Association 69
Social Disorganization Theories 70
Relative Deprivation 70
Bell’s Queer Ladder of Mobility Theory 71
Merton’s Theory of Anomie 71
Cloward and Ohlin on Differential Opportunity 71
Taylor, Walton, and Young on Blocked Opportunity 72
Cultural Deviance Theories 72
Culture Conflict 72
Smith’s Enterprise Theory 72
Organizational Theory and Organized Crime 73
Two Empirical Conclusions 74
Social Implications of the Enterprise Model 75
Organized Crime as a Community Social Institution 76
Alignment with Legitimate Business 76
Benefits for Legitimate Business 76
Illicit Income for Community Members 77
Legitimate Employment Opportunities 78
Community Acceptance of Organized Crime 78
The Corruption Link 79
Interfacing with the Community 81
What Have We Learned? 82
Do You Recognize These Terms? 82
Points of Discussion 82
Suggested Reading 83
Chapter 3 THE EVOLUTION OF ORGANIZED CRIME 84

Introduction 84
The Irish Immigration 85
    The Political Machine (1830–1919) 86
The Early Drug Syndicates (1915–1930) 89
The Prohibition Era (1920–1933) 90
The Chicago Mob 91
    Al Capone (1899–1947) 91
    Capone’s Move to Chicago 91
    Sam Giancana (1908–1975) 93
Ethnicity and Organized Crime in Large Cities 96
The New York Mob 97
    The Masseria and Maranzano Assassinations 98
    Lucky Luciano and New York’s New Order 98
    Siegel, Lansky, and the New York–Las Vegas Connection 100
    The Black Hand 102
    The Unione Siciliana 103

Other Historic Figures in New York 104
    Arnold Rothstein (1882–1928) 104
    Dutch Schultz (1902–1935) 105
    Frank Costello 107
    Frank Erikson 108
    Vito Genovese 109
    Joseph Bonanno 111
    Joseph Colombo 112
    Carlo Gambino 113
    Paul Castellano 113
    John Gotti 114

The Philadelphia Crime Family 118
    Philadelphia and the National Syndicate 119

What Have We Learned? 121
Do You Recognize These Terms? 121
Points of Discussion 121
Suggested Reading 121

Chapter 4 THE EVOLUTION OF ORGANIZED CRIME 122

Introduction 122
Historical Perspectives of Organized Crime in the South 122
Piracy and Pirates 123
Modern-Day Piracy 125
Land Pirates, Horse and Slave Thieves, Highwaymen, Marauders, and Train Robbers 126
Chapter 5 THE BUSINESSES OF ORGANIZED CRIME 141

Introduction 141
Delivery of Illicit Goods and Services 143
Corruption 143
Pornography 145
    Forms of Pornography 146
    Organized Crime and Pornography 146
Prostitution 147
    Types of Prostitutes 148
    The Pimp–Prostitute Relationship 150
    The “Clients” 151
    Human Trafficking and Sexual Slavery 151
    Organized Crime and Prostitution 152
Drug Trafficking 152
    Cocaine Traffic 152
    Heroin Traffic 152
    Synthetic Drug Traffic 153
    Marijuana Traffic 153
    The Distribution Chain 154
Drugs, Guns, and Armed Conflict 155
Contraband Smuggling 157
Counterfeiting Currency 159
Counterfeiting Consumer Goods 160
Gambling 160
    The Process 161
    Bookmaking 162
    The Effects of Illegal Gambling 164
Loan-Sharking 164
Environmental Crime 166
Contents

Trafficking in Gems and Gold 167
Business Racketeering 168
  Reasons to Seek Legitimacy 168
Labor Racketeering 171
High-Tech Crime 174
Intellectual Property Rights Violations 176
Trafficking in Nuclear Material 178
Trafficking in Women and Children 178

Money Laundering 180
  Money Laundering Defined 180
  Current Money-Laundering Trends 180
  The Money-Laundering Process 180
  Money-Laundering Methods 181
  Money Orders 183
  Casinos 183
  Bulk Cash Smuggling 184
  Shell Companies and Trusts 184

Responding to Money Laundering 185
  Legal Controls 185

Prison Corruption 186
  Border Corruption 186

What Have We Learned? 187

Do You Recognize These Terms? 187

Points of Discussion 188

Suggested Reading 188

Chapter 6 THE ILLICIT DRUG TRADE 189

Introduction 189

Drug Control: A Brief History 190
  Early Drug Regulation 191

The Impact of Drugs on Society 191
  The Pervasiveness of Drug Abuse 192
  Drugs and Crime 193
  Drugs and Violence 194
  Drugs and Income-Generating Crime 195
  Drugs and Organized Crime 195

Players in the Drug Business 196

The Business of Drugs 197

Southeast Asia 197
  The Opium Wars 198
  The Golden Triangle 199
Southwest Asia—The Golden Crescent 202
Trends of Organized Drug Trafficking 203
   Organization 203
Drugs and Drug-Trafficking Techniques 203
Drug-Control Strategies 204
   Strategy 1: Expressive Law Enforcement 204
   Strategy 2: Mr. Big Strategy 205
   Strategy 3: Gang Control 205
   Strategy 4: Citywide Street-Level Drug Enforcement 205
   Strategy 5: Neighborhood Crackdowns 205
   Strategy 6: Drug Abuse Prevention 206
Other Control Strategies 206
What Have We Learned? 207
Do You Recognize These Terms? 207
Points of Discussion 208
Suggested Reading 208

Chapter 7 DOMESTIC ORGANIZED CRIME GROUPS 209
Introduction 209
Past African American Organized Crime 210
   New York 211
   Chicago 211
   Pittsburgh 211
   Philadelphia 212
   Newport 212
Contemporary African American Organized Crime 213
   Leroy “Nicky” Barnes 213
   Frank Mathews 213
   Jeff Fort 213
   Frank Lucas 214
Street Gangs 214
   Membership: Extent of Youth Gangs 215
   Alliances and Rivalries 215
   Reasons for the Existence of Youth Gangs 215
   How Street Gangs Are Organized? 216
   Youth Gang Member Types 217
   Laws Addressing Gang Violence 217
   Characteristics of Youth Gang Members 219
   Black Youth Gangs 220
   Hispanic Youth Gangs 220
   Mobility of Youth Gangs 221
Outlaw Motorcycle Gangs 223
The OMG–Organized Crime Link 225
Organizational Structure 225
Membership 227
Criminal Activity 227
Biker Constitution and Bylaws 228
Criminal Activity 229
The Hell's Angels 230
The Outlaws 231
The Pagans 233
The Bandidos 233
Gang Involvement in Sex Trafficking and Prostitution 234
Prison Gangs 234
Historical Background 235
Nature of Prison Gangs 237
Prison Gang Structure 238
Membership 239
Recruitment 239
Mexican Mafia 239
Nuestra Familia 241
Texas Syndicate 241
The Mexikanemi 242
Aryan Brotherhood 242
Black Guerilla Family 243
Corruption of Prison Staff 244
Gang Members in the Community 244
Prison Gangs versus Street Gangs 245
Rural Organized Crime 246
The Wholesale Market 247
The Retail Market 248
Characteristics of Rural Organized Crime Groups 249
What Have We Learned? 249
Do You Recognize These Terms? 249
Points of Discussion 250
Suggested Reading 250

Chapter 8 A COMPARATIVE PERSPECTIVE 251
Introduction 251
Transnational Organized Crime 251
International Changes and Organized Crime 253
International Transportation and Criminal Organizations 253
International Trade and Criminal Organizations 253
Computer and Communications Technology and Criminal Organizations 254
International Financial Networks and Organized Crime 254
Globalization and the Consumption Society 254
The Changing Character of Organized Crime in a Global Economy 254

Strategic Alliances and Modern Organized Crime 255

Undermining Civil Society 256
Impact on Local Economies 256
Undermining State Legitimacy 257
States within States 257

Future Trends Affecting Criminal Organizations 258
Economics of Production 258
International Ungovernability 258
Immigration Streams and Organized Crime 258
Border Porosity 258

Modern-Day Drug Trafficking 259
Colombian Cocaine Trafficking—Historic Perspectives 260
Influence of the Medellin Cartel—Lessons Learned 261
Innovative Wholesaling Structure 262
Current Changes in Colombia 262

The Growing Role of Mexican Drug Trafficking 263
Variables of Influence in the Mexican Drug Trade 263

Fighting over “Turf”—Mexican Cartels 266
The Impact of “El Chapo” 266
The Gulf Cartel 266
The Los Zetas—A Gulf Cartel Outgrowth 268
The Sinaloa Cartel 270
The Juarez Cartel 272
The Tijuana Cartel 272
The Sonora Cartel 273
The La Familia (the Family) Michoacana Cartel 273

Official Corruption in Mexico 276

Dominican Drug-Trafficking Organizations 277

A Small Corner of the World: Organized Crime in the Triborder Area 278
Geography, Society, and the Economy of Crime 278
State Corruption 279
Organizing Crime in the TBA 280
Organized Crime Enterprises in the TBA 281
Asian Organized Crime 282
Traditional Chinese Organized Crime 285
The Triad Hierarchy 287
The Japanese Yakuza 288
Vietnamese Gangs 290
European Organized Crime 290
Europe's Shadow Economy 292
Italy's Historic Mafia Wars 293
Russian Organized Crime 294
Balkan Criminal Enterprises 300
African Organized Crime 300
Issues Related to Organized Crime Facing Africa 308
Eastern Africa 308
Arms Trafficking 310
East African Drug Trafficking 311
Trafficking in Humans 312
Somali Pirates 312
Corruption 315
Albanian Drug-Smuggling Networks 315

What Have We Learned? 315
Do You Recognize These Terms? 316
Points of Discussion 316
Suggested Reading 316

Chapter 9 TERRORISM AS ORGANIZED CRIME 317
Introduction 317
An Overview 317
Terrorism Defined 318
Who Are the Terrorists? 319
Understanding the Terms 320
Forms of Terrorism 321
Trends in Terrorism—Growth and Expansion 322
The ISIS Business Strategy 324
The ISIS “Brand” 324
Boko Haram 325
The Taliban 326
Fulani Militants 326
Al-shabaab 327
Terrorists Attacks in Western Countries 327
Lone Wolf Terrorists 328
Why People Become Foreign Fighters for Violent Extremists Groups 329
The Refugee Crisis and Terrorism 330
The Economic Costs of Terrorism 331
Changes in Terrorism 332
Organized Crime and Richard Nixon 372
The Teamsters Endorsement 372
Organized Crime Links with Ronald Reagan 373
Senator Paul Laxalt 374
Roy Williams 375
Reagan and the International Longshoremen's Association 375
Raymond Donovan 376
Other Reagan Administration Ties to Organized Crime 376
Payback 377
Organized Crime and the Business Community 378
Reciprocity 378
The Worlds of Meyer Lansky 379
More on Las Vegas 382
The Move to Florida 382
Cuba 383
The Banks 383
The Bahamas 384
Organized Crime, the Cia, and the Savings and Loan Scandal 384
First National Bank of Maryland 385
Palmer National Bank 385
Indian Springs Bank 386
Vision Banc Savings 386
Hill Financial Savings 387
Sunshine State Bank 387
Mario Renda, Lender to the Mob 387
Full-Service Banking 387
International Activities 388
Tax Havens 388
The Industrialized World 388
South America, Central America, and Mexico 388
Mexico 389
Honduras 389
Guatemala 389
Costa Rica and Nicaragua 389
Argentina 389
Other Financiers 389
Moe Dalitz 389
The Teamsters and the Dorfmans 390
Ed Levinson 390
Reuben Sturman 391
Were There Others? 391
Chapter 11 CONTROLLING ORGANIZED CRIME 394

Introduction 394

The Police Response 394
  Police Jurisdiction 395
  Controlling Police Actions 395
  The Constitution and the Police 395
  Undercover Operations and Surveillance 396
  Informants 397

Intelligence Operations 398
  Intelligence Investigations versus Criminal Investigations 400
  Intelligence Agencies 400
  The Financial Crimes Enforcement Network (FinCEN) 400
  Improving Intelligence Investigations 401

Legal Initiatives Against Organized Crime 402
  The 1986 Money Laundering Control Act 402
  The 1988 Chemical and Diversion and Trafficking Act 403
  The USA Patriot Act of 2001 403
  The Internal Revenue Code 403

Electronic Surveillance 404

Asset Forfeiture 404
  Advantages of Civil Forfeiture 405
  Forfeiture of Attorney’s Fees 406

The Rico Statute 407
  Offenses under RICO 408
  Pattern of Racketeering Activity 408
  Disadvantages of RICO 408
  Advantages of RICO 408

The Continuing Criminal Enterprise Statute 409

Conspiracy Laws 409

The Comprehensive Drug Abuse Prevention and Control Act 411

Multijurisdictional Task Forces 411
  The Organized Crime Drug Enforcement Task Force 411
  The Investigative Grand Jury 412
  The Statewide Grand Jury 413
  The Witness Security Program 413
PREFACE

NEW TO THIS EDITION

• Various sections throughout the book have been expanded to cover greater detail. These include modern-day piracy and recent arrests of Italian, Mexican, Russian, and Chinese mob figures.
• A section has been expanded to focus on changes in Mexican drug trafficking.
• New to this edition is an expanded discussion of terrorism, and how it interacts with organized crime.
• This edition includes updated case studies, statistics, and photographs.
• There is new material on ISIS and its “business model.”
• This edition presents new material on organized crime’s use of computers and technology and brings about a revamping of Chapter 9: Terrorism and Organized Crime.

Crime and criminality have been cornerstones for countless movie and book plots and radio and TV talk shows over the decades. Of all the varied types of criminal activity, however, organized crime has proved to be the most intriguing through the years. Images of pinstriped gangsters, police shoot-outs, and flamboyant lifestyles emerge whenever the topic of organized crime is mentioned. To a great extent, these images form the basis for stereotyping what the public generally perceives as organized crime. However, these images fail to portray organized crime realistically. Organized crime is as diverse as our rich American history. For example, would it surprise you to learn that cowboys of the old west often worked in organized groups to commit stagecoach heists and bank robberies? Would it surprise you to know that pirates exist as of the writing of this book? They, in fact, do. Indeed, today organized crime has taken on many different aspects and continued to evolve. These and many, many other facets of organized crime will be examined in this new edition.

The seventh edition of Organized Crime is designed to be an introductory text serving several purposes in the field of criminal justice. First, it gives the reader an understanding of the concept of organized crime—what it is and what it is not—and the necessary historical foundation for understanding the evolution, development, and current status of organized crime. Most important, the book is designed to dispel the myth that organized crime is composed exclusively of Italian American criminal groups. In fact, when considering the overall problem of crime in our communities, other criminal groups, such as the African American, Mexican, Russian, and Nigerian, play an increasingly important role.

Another important component of the book is that drug trafficking plays an important role in the continuing proliferation of organized crime groups. The existence of the illegal drug trade says much about both the groups that traffic in illicit drugs and the members of society who use these drugs, consequently lending support to organized criminals. In addition to a separate chapter dealing with the issue, the topic is discussed intermittently throughout the book.

Finally, terrorism has dominated public policy since September 11, 2001. With increasing global awareness of terrorist organizations and those who belong to them, traditional models of terrorism have been challenged because the structure, financing, and recruiting mechanisms of such organizations are becoming more and more like their criminal counterparts in conventional organized crime.

We have made a great effort to present this material in a logically organized, readable fashion. The problem of organized crime is examined from a social perspective using specially designed pedagogical features. These include chapter objectives, critical thinking projects, chapter summaries, key terms, points of discussion, and suggested readings. All these features
are designed to promote scholarly thought and insight into the problem of organized crime, while presenting important thematic questions in each chapter, including these: What is organized crime? Is there really a Mafia? Is terrorism organized crime? Do political machines still exist? Although there are no hard-and-fast answers to these questions, readers can draw conclusions and perhaps develop probing questions on their own. In many respects, the most important pursuit for students studying organized crime is to develop sufficient mastery of the topic to ask the right questions.

This edition incorporates a considerable amount of new material and updates, such as sections on definitions of organized crime, Mexican cartels, Somali pirates, RICO, Eastern African groups, Albanian drug-smuggling networks, Triborder Area OC activity, the counterfeit consumer goods industry as well as updated case studies, statistics, and graphics.

The preparation of this book was a demanding task because it required sifting through an enormous amount of historical data and archives to find and present the most salient aspects of the organized crime problem. Efforts taken in the preparation and updating of this book were augmented by numerous individuals and organizations. In addition to the research offered by well-known experts in the field, information was also culled from government reports generated by organizations such as the Federal Bureau of Investigation, the National Institute of Justice, and the Bureau of Justice Statistics.

Finally, many thanks to the numerous friends and colleagues at Pearson/Prentice Hall who helped in the book’s production. The study of organized crime is one of the most fascinating educational endeavors, posing thematic, scholarly, and ideological questions. As we attempt to understand this area of interest, bear in mind that during the past century organized crime became the most insidious form of criminality, involving criminals, politicians, bankers, lawyers, and the all-important users of illegal goods and services. Thank you for adopting this book for classroom study. Any comments and suggestions are encouraged regarding this publication for the improvement of future editions. Feel free to contact the author at the following address:

INSTRUCTOR SUPPLEMENTS

Instructor’s Manual with Test Bank. Includes content outlines for classroom discussion, teaching suggestions, and answers to selected end-of-chapter questions from the text. This also contains a Word document version of the test bank.

TestGen. This computerized test generation system gives you maximum flexibility in creating and administering tests on paper, electronically, or online. It provides state-of-the-art features for viewing and editing test bank questions, dragging a selected question into a test you are creating, and printing sleek, formatted tests in a variety of layouts. Select test items from test banks included with TestGen for quick test creation, or write your own questions from scratch. TestGen’s random generator provides the option to display different text or calculated number values each time questions are used.

PowerPoint Presentations. Our presentations are clear and straightforward. Photos, illustrations, charts, and tables from the book are included in the presentations when applicable.

To access supplementary materials online, instructors need to request an instructor access code. Go to www.pearsonhighered.com/irc, where you can register for an instructor access code. Within 48 hours after registering, you will receive a confirming e-mail, including an instructor access code. Once you have received your code, go to the site and log on for full instructions on downloading the materials you wish to use.

ALTERNATE VERSIONS

eBooks. This text is also available in multiple eBook formats. These are an exciting new choice for students looking to save money. As an alternative to purchasing the printed textbook,
students can purchase an electronic version of the same content. With an eTextbook, students can search the text, make notes online, print out reading assignments that incorporate lecture notes, and bookmark important passages for later review. For more information, visit your favorite online eBook reseller or visit www.mypearsonstore.com.

ACKNOWLEDGMENTS
I would like to thank Lynn DeSpain, Regis University; Alicia Schmidt, Missouri Valley College; and Carter Smith, Middle Tennessee State University for reviewing the manuscript.
Organized crime or criminal organizations are transnational, national, or local groupings of highly centralized enterprises run by criminals for the purpose of engaging in illegal activity, most commonly for monetary profit. Some criminal organizations, such as terrorist organizations, are politically motivated (see Violent non-state actor (VNSA)).

1.2.1 The “disorganized crime” and choice theses.

1.2.2 International governance approach. 1.2.3 The locus of power and organized crime.

2 Theoretical background. Organized crime is a general term used to describe any sort of group or ring of people who strategically work together to commit fraud, extortion, or other illegal activity. The main goal of this sort of group is moneymaking, though holding power and having the ability to control both people and circumstances is also usually an important aspect. The Italian Mafia is one of the most notorious international crime circles and has been glorified in a number of film, TV, and literary adaptations. Organized Crime is any number of disciplined groups of criminals who run criminal enterprises, have the goal of acquiring wealth and power, and operate locally, regionally, nationally, or internationally. In the 21st century there are many types of organized crime groups, from local groups which operate in a single city to those which operate globally. Some of these groups are newly established and have been around for only years and a few have been around for centuries. There are groups that are part