



Organized Crime Inc.

THE Global Business Success Story

Peter Lilley gives us a behind the scenes tour of the world's biggest business.

You are standing in the downtown area of any major city of the world. Towering above you is a regional office of one of the major multinationals. You are gazing in awe at Organized Crime Inc (you can check them out at organizedcrimeinc.com) – although the name above the door will probably not be that. The trading style shown will probably be something innocuous and vacuous to reflect the global omnipresent scope of the business. You have read somewhere that OCI is estimated to gross at least \$1.5 trillion (that's a staggering \$1,500,000,000,000!) every year. That's ten times the turnover of General Motors and 8 times the GDP of Switzerland. The building is high tech, opulent and up market. At five o'clock every afternoon you need to take cover to avoid the rampaging army of employees released from their daily toil. The company pays its taxes, treats its employees well, contributes to local charities and is an all-round good corporate citizen.

You may wonder why at street level (dependent on local customs and laws) you are confronted by girls who, resplendent in their neon-lit cubicles, are offering sexual services of all descriptions. However, like everything else in this building they are merely part of a greater whole: either creating illegal funds or helping to metamorphose it into something approaching respectability. Just like any other multinational corporation, security of the building is tight: however, once you have signed in and got your security pass you can take a chance and wander about.

What may surprise you is the sheer scale and extent of their involvement and investment in worldwide business: from football clubs to casinos, from fruit machines to real estate, from washing machines to sports equipment, from car dealers to launderettes. What won't surprise you is the army of bankers, professional advisors and consultants they employ. You almost wish you worked for them yourself. Welcome to Organised Crime Inc, The Business Success Story of the last millennium.

THE INTERNATIONAL GROUPINGS OF ORGANIZED CRIMINALS

Organized criminals are more organized than we are.

(DAVID BLUNKETT, UK HOME SECRETARY, NOVEMBER 2002)

Organized Crime Inc does not somehow operate in glorious isolation. All of these "gangsters" (much as I hate the term because of its glorified connotations) are actively attacking businesses – and operating as a business – across the world:

Colombian cartels

These cartels are highly organized, well equipped, well financed, formidable and totally entrenched in their country of origin. The US Government commented that 'the leaders of these international drug organizations have built powerful financial, transportation, intelligence and communications empires that rival those of many small governments'. The Cali cartel is said to be worth \$206 billion. Its two leaders, the brothers Gilberto and Miguel Rodriguez, were sentenced to 10 years' imprisonment in January 1997 but allegedly continue running their operations from jail. Cocaine and heroin trafficking into the United States is their main business but they also do a nice sideline in contract killing.

One unforeseen by-product of the United States' war on terrorism is that the previous unremitting focus on Colombia has decisively shifted, with unpredictable future consequences.

Mexican cartels

Just as with the Colombians, the drug gangs have made sizeable inroads into corrupt politicians and political structures. The cartel is known for its importation of large quantities of controlled substances and its propensity for violence.

Russian mafia

The Russian mafia were previously the flavour of the month, if for no other reason than the quarter-million stolen cars per year they are responsible for. But of course there is much, much more to them than that. Membership figures vary widely from 100,000 to in excess of 300,000. Revenues from 'shady businesses' make up 40 per cent of Russia's gross domestic product, with nearly 9 million citizens involved in these activities.

It is now clear that much of the criminal activity in Russia itself existed under, and was 'tolerated' by, the Soviet authorities. After the fall of communism the influence of organized crime in Russia was all-pervasive, with estimates running as high as 80 per cent of all Russian businesses being mafia controlled. What has been staggering is the spread of Russian organized crime since the dismantling of communism.

Japanese Yakuza

The Yakuza are estimated as being responsible for almost half the bad debts held by Japanese banks. However, it has been suggested that the banks themselves courted Yakuza groups in the 1980s when large corporate borrowers defected to international markets. When the bubble burst the Yakuza borrowers were saddled with massive debts, but the banks were too scared to foreclose on them, fearing retribution. Estimates as to their membership hover around the 100,000 mark with a turnover of up to \$90 billion per year. These estimates make them by far and away Japan's biggest individual business. They have cornered the market in Japan for property and loan fraud together with prostitution, debt collection and extortion rackets.

Italian Mafia

Read the book, seen the films: membership of 20,000 but should not be underestimated or overlooked. To be strictly correct, as outlined below, the correct term is 'Mafias' in the plural as there are at least four (possibly five) major groupings. They are still hugely influential in Italy where it is still estimated that they control about 20% of the country's commercial activities, notwithstanding the on-going governmental purges on their activities. The various groups have a heavy presence in arms, gambling, loan sharking, extortion, disposal of toxic waste, European Union frauds, animal trafficking, fraud centred on government tenders and increasing the infiltration of legitimate companies to launder funds. The Italian Mafia have adapted and survived by entering new dynamic business areas and realizing when it is prudent and/or sensible to leave behind their more traditional activities.

Chinese Triads

This intricate network of Chinese criminals has its roots in the 19th-century opium trade. The Triads now operate in every major centre of the world with a Chinese population, and have an estimated turnover of \$200 billion per annum. Membership figures vary widely but a minimum figure is estimated as being 20,000 with a maximum exceeding 100,000. There are six main gangs (but over 50 in all) who are essentially rivals at local level but cooperate globally.

Turkish and Kurdish gangs

These are very important in the drugs market in the United Kingdom where they supply 80% of the heroin smuggled into the country each year. The groups are extremely tight knit, very efficient and highly secretive. They are also moving into illegal immigrants and stolen cars, utilizing the supply and distribution channels they have established to such good effect in the drug trade.

Nigerians

Often underrated because of the pure volume of the infamous 419 letters (Dear Sir, We have stolen \$400 million from the Nigerian Oil Company and would like to give some of it to you, etc), the Nigerians are a highly organized and effective criminal grouping. Bear in mind that the US Secret Service receives about 100 telephone calls per day from victims or interested recipients of these letters together with 300 pieces of correspondence. In the United States alone it is estimated that Nigerian crime groups generate \$100 million each year, solely from 419 letters. It is not uncommon for individual victims to lose more than £1 million through such frauds (this observation is not an exaggerated one, as I have dealt with various cases with losses of this level). The areas that they are involved with include drug trafficking, banking fraud, stolen and fraudulent financial instruments, housing and benefit fraud, shipping fraud, oil and gas fraud: you name it. Ignore this group at your peril.

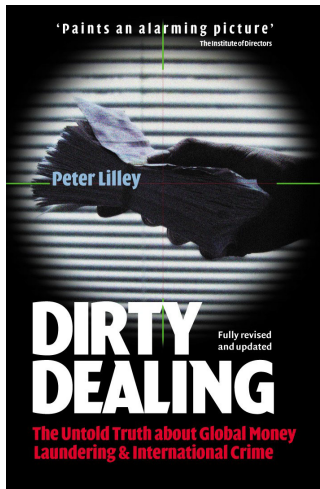
Hell's Angels/biker gangs

Heavily tipped to be the up and coming organized crime group, these originate in the United States and have approximately 2,000 members worldwide. They are heavily into drugs and extortion. It is a subject of keen debate as to whether groups in various countries are just biker gangs or organized criminals. The country that appears to have the biggest problem – and has done the most work in this area – is Canada. In that country Hell's Angels are involved in narcotics trafficking, tobacco and alcohol smuggling, prostitution, theft and extortion. The 1999 Criminal Intelligence Service of Canada's Organized Crime Report commented that 'The Hell's Angels are one of the most powerful and well-structured criminal organizations in Canada.'

Balkan gangs

The UK National Criminal Intelligence Service (NCIS) highlighted gangs originating from the Balkans as being growing players in organized crime activity in the United Kingdom. Involved in drug trafficking, their specialization is human trafficking for prostitution. Official estimates are that such groups now control about 70 per cent of the vice trade in Soho and other parts of London, using 'kidnapped' women.

To find out more, take a look at Peter Lilley's insightful exposé, *Dirty Dealing, The untold Truth about Global Money Laundering, International Crime and Terrorism*.



Title : Dirty Dealing
Isbn : 0749440341
Publisher: Kogan Page
Pr: £12.99