

TRANSNATIONAL ORGANIZED CRIME AND THE DRUG BUSINESS

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This study analyzes the activities of the organized crime groups involved in the drug business, as well as examining national and international efforts to control these groups. Specifically, this study addresses the following questions: How is organized crime connected to the international drug business?; What are the major transnational organized crime groups involved in the international drug business?; What is the nature of the drug problem as it relates to organized crime internationally?; What international cooperative law enforcement efforts currently exist to deal with organized crime and the drug business? Findings indicate that efforts to create an effective international law enforcement network are needed to meet the challenges of drug trafficking and globalized crime. To date, such efforts have largely been unsuccessful.

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CHAPTER 1

INTRODUCTION AND OVERVIEW

The globalization of organized crime is an objective and documented fact (Keohane, 2001). The proliferation of transnational crime has become fairly common, and can be observed in every developed or developing nation. Though the origins of organized crime can be traced back hundreds of years, the changes that have occurred in the past few decades as a result of globalization are remarkably unique and important. Equally important are the effects these changes have had on organized crime as it relates to drug and narcotics trafficking.

As a result of globalization, the activities of criminals today supercede national boundaries. Developments in global transportation and communication have given criminals the opportunity to shift people, money and contraband across national borders with more ease than ever before. The nations of the world have responded to this emerging problem in their own separate ways. The resulting lack of a unified front has presented an advantage to organized international drug trafficking. With the onset of globalization, the danger of the drug business is now an

international problem and, as such, the response to it also needs to be international. In order to face up to the issue, it is very important for world governments to become as systematic and efficient as the drug traffickers and crime organizations have become.

Today's international criminal organizations are dynamic, complicated, tremendously opportunist, and submerged in a vast array of illegal and legal activities. This study will attempt to analyze the activities of the organized crime groups that are involved in the drug business. It will also attempt to evaluate national and international efforts to control these organized crime groups. The first chapter of this study will consist of a review of the literature related to organized crime and the illicit drug trade. It will also contain an exploration of international and regional efforts to eradicate organized crime. Afterwards, the motivation behind this study will be discussed, and its scope, research questions, limitations, and methodology will be outlined.

The Illicit Drug Problem and Organized Crime

The illicit drug trade is one of the most important problems affecting the United States (US) as well as the entire world. It touches millions and perhaps billions of

lives around the globe. According to United Nations (UN) estimates, 180 million people consumed drugs in the late 1990s. This 180 million includes 144 million cannabis consumers, 29 million amphetamine-type consumers, 14 million cocaine users, 13 million opiate users and 9 million heroin abusers (Calvani, 2001).

Drugs are not a local problem. Today, illicit drugs manufactured in the "golden crescent" countries including Iran, Afghanistan and Pakistan, are mostly consumed in Europe and the United States. The drug business is not confined to national territories. It is a transnational business (Akida, 1997; Bequai, 1979; Collison, 1995; Duyne, 1996; Griffith, 2000; Tullis, 1995; United Nations, Economic Dimensions, 1998).

The drug trade is made up of several parts. First, drugs must be grown or the raw materials must be bought. Then the drugs must be sent to chemical labs for refinement. The drugs must be shipped later across national borders to finally be sold on the streets (Duyne, 1996). It is almost impossible for one individual alone to carry out all these tasks: the drug business requires coordination and planning. It is truly an organized criminal business (Cerny, 1995; Rosenau, 1992).

In the last decades of the twentieth century, organized criminal groups exploited the economic liberalization and open borders that gave rise to multinational corporations. They have exploited the opportunities of globalization. Therefore organized crime demands international concern (Strange, 1996).

Organized crime groups have found their work made easier due to the lack of an effective law enforcement, the lack of an effective criminal justice system, and the lack of effective extradition practices in many countries. In order for transnational crime to exist, it must elude national law enforcement. Foreign jurisdictions have become safe places and borders are used as fences to hide behind (Dorn, 1996). Organized crime groups engage in legitimate business as well as illegitimate business. Sometimes the illegitimate business nests itself inside a larger legitimate business; sometimes it controls the legitimate business. As a result, the line between the illegitimate and legitimate business is blurred. This makes the detection and neutralization of the activities of organized criminals difficult (Duyne, 1996). The situation becomes more complex when actual government entities become involved in the business of organized crime. The downfall

of a formerly totalitarian state provides the opportunity for its government officials to engage in organized crime. For example, the collapse of Soviet Union provided the opportunity for some to smuggle nuclear materials out of the military stocks of the former Soviet Union (Albini, Rogers, & Anderson, 1999; Hersh, 1994). The involvement of former and current government officials in organized crime has made organized criminal groups, in certain cases, able to outsmart the police because they have better equipment, and better resources, and they do not operate within the framework of the rule of law (Viviano, 1999; Campbell, 1998).

Organized crime has significant economic and political consequences. The black market economy of organized crime brings rapid unprecedented change to the distribution of wealth in a society, thereby destroying its social fabric and economic structure (Johnson, 1985; Ouazzani, 1996). The profits of the organized crime business, mainly gained through the sale of drugs, are used to support separatist and terrorist groups that aim to undermine the states. Consequently, organized crime upsets the political stability of some countries, including Turkey, Peru, Sri Lanka, Afghanistan, Ireland and so many others. Similarly,

it is not surprising that in the last fifty years there has been almost a continuous unrest in Colombia and Afghanistan, both major opium manufacturing countries (Chalk, 2000; Nakamura, 1999; Silke, 2000; Tammen, 1991; Solinge, 1998).

International and Regional Efforts To Eradicate Organized Crime

The involvement of transnational elements in a crime makes the successful prosecution of organized crime difficult. When a crime is committed in different jurisdictions, the criminals can only be prosecuted successfully when all parts of their activities are interlinked. This requires international cooperation at the legislative, judicial and executive levels. In the current international arena, this type of cooperation is met with many obstacles. The corruption of some governmental agencies, differing legal systems, varied laws, lack of resources, and lack of a common language, all get in the way of effective international cooperation (Boer, 1999).

On the other hand, many countries throughout the world have realized the importance of international cooperation and have come together to effectively combat organized crime. There are many bilateral, multilateral and

international cooperation agreements. The United Nations and the European Union have done a great deal to promote such cooperation. The United Nations Congress on Crime Prevention and Criminal Justice was among the first of the United Nations initiatives (Steffens, 1990). This Congress meets once every five years. To date, they have met ten times.

In 1989, the Financial Action Task Force (FATF) was formed at the G-7 Economic Summit. The recommendations promulgated by the FATF encouraged governments to improve international cooperation through the exchange of information, legislative harmonization, and bilateral and multilateral agreements, such as the Council of Europe Laundering Convention (Savona, 1996). In 1998, the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances was held (Kellman et al., 1996). In 1994, the United Nations's Crime Prevention and Criminal Justice Branch arranged the "International Conference on Preventing and Controlling Money Laundering and the Use of the Proceeds of Crime: A Global Approach" at Courmayeur in Italy. In 1997, the Organization of Economic Cooperation and Development (OECD) signed the Convention on Combating Bribery of Foreign Public Officials in

International Business Transactions (Financial Crimes, 1996; Sterling, 1994b; United Nations, Convention Against, 1998). The countries that signed the OECD's Anti-Bribery Convention also agreed to the Inter-American Convention Against Corruption (Zagaris, & Ohri, 1999).

The United Nations Convention Against Transnational Organized Crime, adopted by the General Assembly at its meeting in November of 2000, made great strides towards international cooperation. The Convention, simply called the Palermo Convention, aimed "to promote cooperation to prevent and combat transnational organized crime more effectively" (United Nations, General Assembly, 2000). The Palermo Convention was opened for signature at a conference in Palermo, Italy, on December 12-15, 2001. The Palermo Convention was the first legal binding United Nations instrument in the field of crime. It was the first convention signed by 124 countries just after its opening to signatures. No United Nations Convention had ever received so many signatories upon its opening for signatures in less than a month after its adoption by the General Assembly.

In addition to efforts at the international level, efforts were made at the regional level to combat organized

crime. In Europe, the Conventions on Extradition (1957), the Mutual Assistance in Criminal Matters (1959), the International Validity of Criminal Judgments (1970), and the Transfer of Criminal Proceedings (1972) were held. In 1988, the Basel Declaration of Principles, was agreed upon, affecting the central banks in twelve countries. In 1991, the European Community agreed on the Directive on Prevention of Use of the Financial System for the Purpose of Money Laundering. Furthermore, in 1991, the European Council held a convention on Search, Seizure and Confiscation of the Proceeds from Crime (Council of Europe, Convention on Laundering, 1991). In Europe, efforts to combat organized crime have been supported by the works of the Trevi Group, Maastricht Treaty, and Schengen Convention. For example, Europol was established in accordance with the directives of the Trevi Group; Article K of the Maastricht Treaty requires signatories for cooperation in law enforcement matters; the Schengen Convention regulates cross-border pursuit and information sharing by the police forces of different countries (Klosek, 1999).

The regions outside of Europe have not produced any large-scale multilateral arrangements to combat organized

crime comparable to those made in Europe. Lesser arrangements have been made outside the European continent among the Inter-American Drug Abuse Commission (CICAD) of the Organization of American States (OAS), the Caribbean Financial Action Task Force (CFATF), and in the League of Arab States (Williams, 1996).

Zagaris argues that regional efforts in the Americas are modeled after the European experience and are gradually approaching an overall, hemispheric framework (Zagaris, 1996). Nichols has suggested the formation of an "Americas Committee," modeled after the European Committee on Crime Problems, to review existing legislation, suggest legal measures, draft legislation, and move the region toward harmonization (Nichols, 1999)

Kovaleski and his coauthors state that, Caribbean countries have very actively strived to achieve regional cooperation, and they actively seek assistance to combat organized crime, even though such efforts require some sort of sacrifice, such as giving up some sovereignty in their countries (Kovaleski et al., 1998). In addition to these international crime conventions, Interpol and Europol were founded. Interpol short for "international police" was founded in 1923 to coordinate the efforts of domestic law

enforcement agencies in countries, and to foster the exchange of information between them (Abadinsky, 1990; Kellman et al., 1996). Europol, assuming the role of its predecessor the Europol Drugs Unit (EDU), was formed in 1998 (Boer, 1999; Bremner, 1995; Monaco, 1998).

In order to fight organized crime at both national and international levels, it is important not only to develop very strong criminal and judicial systems in countries that are subject to organized criminal activities, but also to make every attempt to seal legal loopholes within these systems. Organized crime units have a tendency to base their actions in countries that have particularly vulnerable judicial and law enforcement systems. It is therefore necessary to make every effort to support developing countries and help strengthen their legal and judicial systems. Chapter Four of this study will provide a detailed overview of current international and American regulations that are intended to address the problem of organized crime, and will analyze the inadequacies inherent in these programs.

Motivation and Scope of the Present Study

Despite the efforts that have been made on national and international levels to reduce organized criminal

activities in general, the drug problem, assumably a corollary to organized crime, still exists in incredible dimensions. Despite the fact that more resources are dedicated to the eradication of the drug problem each year, consumption levels are still rising all over the world (Calvani, 2001). The failure of drug control strategies is the major motivation behind the present study. Consequently, the scope of this study is to examine existing drug control strategies and some of their effects.

Research Questions

This research will primarily attempt to answer the following question: How is organized crime connected to the international drug business? To answer this primary research question, the following analysis questions have been identified: What are the major transnational organized crime groups involved in the international drug business? What is the nature of the drug problem as it relates to organized crime internationally? Finally, what international cooperative law enforcement efforts currently exist to deal with organized crime and the drug business?

Limitations

There is no universally accepted definition of organized crime. This lack of a concrete definition

presents a problem for the researcher taking into consideration the fact that every study should start with a clear definition of the concepts under focus. The fact that there is no consensus on the legality or illegality of drugs constitutes another problem.

The political economy of organized crime has proven to be very hard to investigate due to the secrecy of the participants and of the activity itself. Several estimates attempt to gauge the supply and the demand of the goods and services in illegal circulation, it is almost impossible to develop statistics about the overhead extracted from these activities. Without having these numbers, it is difficult to measure the direct and indirect effects that the proceeds of these illegal activities have on domestic and international political economies. The social cost of organized criminal activity is more visible. For example, increases in drug-related crimes can be measured. However, there is no way to fully measure the social costs of organized crime. In sum, observation, data collection and measurement problems seriously affect the credibility of scientific research in this area.

Methodology

In this thesis, a policy research approach will be used to analyze both formal and informal sources of information. Formal sources are defined as articles from scholarly journals, laws, statutes, and administrative reports. Informal sources include newspaper articles, and websites.

Policy research is defined as the process of conducting research on a fundamental social problem to find the causes of the problem and to make recommendations (Majchrzak, 1984). This particular study will focus more heavily on the identification of the problem rather than recommendation of solutions. In order to intelligently recommend solutions to the problems identified in this study, more research, and a greater consideration of all relevant variables would be necessary to, in essence, provide a comprehensive drug and organized crime control strategy. This type of analysis must take into consideration the social, political, economic, and cultural dimensions of the proposed policy, and is perhaps best left to the research teams of national and international organizations. This policy research will then primarily

focus on describing the problem, serving an "enlightenment function" as described by Weiss (1997).

The present study will consist of three stages: preparation, data collection, and conceptualization. In the preparation and data collection phases of the study, basic information will be presented regarding international organized crime and the illicit drug trade. Efforts to combat drugs at the international and regional level will be explored with caution. In preparation for this study, first, Abadinsky's book, *Organized Crime* will be overviewed. Next, the data collection stage will start. Qualitative data will be collected, including information about the conceptualization of organized crime, illicit drugs, and drug control agreements. The data will be collected from books, and articles published in scholarly journals. Academic books and portions of books both printed and/or online are appropriate resources for this type of research. In addition to these publications, articles related to the topic and various Internet resources will be used in order to gather a wide variety of the most up-to-date information available about organized crime.

Several keyword searches will be used for this research, including "organized crime," "international

organized crime," "organized crime related issues," "international efforts towards organized crime," "organized crime and drugs," "illicit drug business," and "definition of organized crime." In order to focus on only the most relevant information, articles and books written about the specific field of organized crime will be covered. Within the field of organized crime, specific terms such as "definition of organized crime," or "major organized crime groups" will be searched. In addition, the reports of the United Nations will be collected.

The data collection stage will be followed by the conceptualization of organized crime. This stage will specify how the term will be used in this study. Working definitions of organized and international organized crime will be attempted, and international criminal organizations will be identified. The content and scope of their operations will subsequently be outlined. This study will focus on the drug-related aspects of organized crime. The characteristics of the drug trafficking business both on domestic and international levels will be outlined, with special attention being given to their repercussions on national and international economies and policies.

Throughout the course of this conceptualization process, it

will be difficult to formulate definitions because of the complexity of the issues and concepts involved. Typologies are often used when trying to understand complex terms. They outline several dimensions of a particular concept. Some definitions of organized crime and the drug business are overbroad and do little to explain the characteristics of organized crime. Some definitions and statements focus on a single aspect of organized crime, while others unite a number of characteristics into a multi-dimensional concept of organized crime. Overall, most organized crime definitions state that organized crime is rationally designed, violent, and powerful (Kovaleski et al., 1998). No study of drug-related organized crime would be complete without analyzing national and international level eradication efforts. An overall assessment of the nature of domestic, bilateral and multilateral efforts will comprise the final section of this research.

Summary and Overview of Following Chapters

This study consists of five chapters. The Chapter One provides an introduction to the nature of organized crime and illicit drugs. It states that organized criminal activities go beyond national borders. Consequently, worldwide deterrence mechanisms must be supported. In order

to fight organized crime at both the national and international level, the criminal and judicial systems of countries that are susceptible to organized criminal activities must be made extremely strong, and every attempt must be made to seal legal loopholes by way of international judicial and law enforcement collaboration. Due to the fact that organized crime groups have a tendency to establish bases in countries that have vulnerable judicial and law enforcement systems, efforts must be made to support these countries by strengthening their vulnerable legal and judicial systems.

The Chapter Two of this study provides a comprehensive definition of organized crime and an overview of the "Big Five" international criminal organizations that identify their major activities. These criminal organizations take advantage of the swiftness and ease of international travel, the development of free trade, high technology communications and sophisticated money laundering techniques to further their criminal efforts. The Chapter Two emphasizes the fact that international organized crime is an urgent and rising problem, one that should cause concern in the international law enforcement community. International organized criminal activities pose a threat

to the three pillars of state sovereignty. Namely, states should have control of their borders, a monopoly on the use of violence for enforcement, and the power to tax the economic activities that occur within state borders (Zagaris, 1996) International criminal organizations pose as an alternative to legitimate state power, thereby undermining stability and state control. Their espousal of corruption in government threatens the development of democracy in many countries around the world.

International organized crime groups are engaged in numerous criminal activities. These activities include supporting of terrorist groups, extortion, corruption, bribery, drug trafficking, money laundering, kidnapping, prostitution, arms smuggling, and alien smuggling. The extensive political, economic, social and technological advances that have occurred in the last two decades have enabled crime groups around the world to progressively become more dynamic. The capability of international organized crime groups to settle in to these enormous changes has held back law enforcement efforts against them.

In the Chapter Three of this study, the illicit drug crime will be identified by outlining the characteristics of the drug business, exploring the theoretical framework

of drug abuse, and identifying the political and economic aspects of the drug business. Chapter three states that drug crime is a destabilizing force and can ruin global peace and security.

The Chapter Four will contain a systematic exploration and analysis of the international efforts that have been made to eradicate the drug business in criminal organizations and provide an overview of the current international and American regulations that address the problem of organized crime and its inherent corollaries.

The Chapter Five will explore the problems associated with current strategies to combat drugs. The problems caused by organized criminals are no longer confined to countries where those criminal groups are headquartered and these organized criminal groups have increasingly become more sophisticated. They have used profits, power, and influence to insulate and protect their structure from discovery and prosecution.

CHAPTER 2

IDENTIFYING INTERNATIONAL ORGANIZED CRIME

Defining Organized Crime

This chapter will provide a comprehensive definition of organized crime. It will identify several major international criminal organizations, and will outline their major activities. Organized crime is a broad concept. Consequently, it is hard to find a definition that encompasses every aspect of international organized crime. Accordingly, different stakeholders define organized crime differently. In fact, there are two major groups that attempt to define organized crime: governmental entities, including law enforcement agencies, and criminologists.

Definitions of Organized Crime by the Governmental Entities

Law enforcement agencies have made several attempts to define organized crime. In 1950, the Kefauver Committee, the committee that uncovered the existence of the Mafia, an international criminal organization, noted that the Mafia had branches in many American cities. Furthermore, in 1967, the President's Commission on Law Enforcement and Administration of Justice noted that the Mafia had a highly

centralized structure, and that "leadership appears to be in a group rather than a single individual" (President's Commission, 1967a, p. 1). In the 1960s, the Oyster Bay Conferences defined organized crime as:

"the product of self-perpetuating criminal conspiracy to wring exorbitant profits from our society by any means -fair and foul, legal and illegal ... It survives on fear and corruption ... It is totalitarian organization ... it imposes rigid discipline on underlings who do the dirty work while the top men ... are generally insulated from the criminal act"
(Bequai, 1979, p.3).

This definition compares organized criminal groups to totalitarian regimes because of their highly centralized structure and the way they use force to keep their members in line.

In 1967, the President's Commission on Law Enforcement and Administration of Justice defined organized crime as a society seeking to operate outside of the government. It involves thousands of members working within a structure similar to the structure of any large corporation (President's Commission, 1967a). J. Edgar Hoover defined organized crime as a very closely organized and strictly

disciplined organization acting on a nationwide basis with international implications (President's Commission, 1967b).

The Arizona Organized Crime Project defined organized crime as:

"(T)he conduct of an organized criminal syndicate or syndicates which are characterized by a conspiratorial plan to commit or the commission of crimes of force, fraud, corruption, vice or racketeering when the primary motivation for such conduct is the acquisition and maintenance of profit or power" (Edelhertz, Cole, & Berk, 1983, p.11)

Former FBI Director Louis Freeh, in a Senate Hearing on International Crime, said "We view organized crime as a continuing criminal conspiracy having a firm organizational structure, a conspiracy fed by fear and corruption" (Rawlinson, 1998).

In the Organized Crime Control Act of 1970, organized crime was defined as "the unlawful activities of the members of a highly organized, disciplined association engaged in supplying illegal goods and services, including but not limited to gambling, prostitution, loansharking, narcotics, labor racketeering, and other unlawful activities of the members of such organizations."

In the Canadian Criminal Code, organized crime is defined as a crime committed by any group, association or other body consisting of five or more persons, whether formally or informally organized, having as one of its primary activities the commission of an indictable offense for which the maximum punishment is imprisonment for five years or more (Canada Criminal, 1985).

Definitions of Organized Crime by Criminologists

Edwin Sutherland saw organized crime as a social parasite that grew in the absence of a strong government. In Sutherland's view, a criminal organization is characterized by a division of labor, certain established territories, and the selection of leadership from its own ranks. Sutherland found that criminality permeated organized crime groups. Criminal activities are usually unpunished, mostly deliberate, and they often involve the connivance of government officials (Sutherland, 1949).

Some criminologists liken the criminal organization to a corporation. Both have a ruling body. Both exist despite the changes in leadership positions. And, both interact with other corporations / criminal organizations (Bequai, 1979). On the other hand, the corporate model has been criticized by criminologists who see the crime

organizations as social systems. According to this theory, organized crime is a social system containing interrelationships based on social bonds among the members. In contrast to a corporate structure, which lacks flexibility, organized crime, according to the social model is a living and adaptive structure.

A third group of criminologists, influenced by Marxism, see organized crime as part of a class struggle (Bequai, 1979). This third group is concerned with the dynamics of classes, their means and ends. The means or methods are various crimes including theft, vandalism, and so forth, and the ends, or objectives, are power and wealth (Abadinsky, 1990).

Attributes of Organized Crime and Defining International Organized Crime

Since there is no unique definition of organized crime, some of its attributes have been identified by law enforcement agencies and researchers. An understanding of these attributes will facilitate an understanding of organized crime as itself. Several criminal justice scholars assert that, organized crime has several identifiable characteristics that distinguish it from everyday crimes or similar looking illegal networks. To

begin with, organized crime has no political agenda, a fact which distinguishes it from terrorism. It has a hierarchical and monopolistic structure, unlike "everyday" crime. The term "hierarchical structure" refers to the existence of a vertical power establishment in the group. It is monopolistic because it does not like competition, favoring a strict control over certain legal and illegal businesses within a specific geographical area. Violence and bribery are frequently employed to ensure control over the market. A carefully elaborated division of labor and strictly regulated membership procedures are worth mentioning as well. Personnel recruitment is especially important due to the clandestine and illegal nature of the business. As a consequence, it is not surprising that most prominent organized criminal organizations are named after the ethnical origins of their members. Organized crime groups are often composed of persons of the same national origin and even of the same family to ensure loyalty among members (Abadinsky, 1990; Gilinsky, 1999; Volobuev. 1990).

The European Union (EU) Trevi Working Group on Serious and Organized Crime lists a number of attributes to determine whether a criminal group is an organized crime group. It defines an organized crime group as a cooperative

structure made up of more than two persons who have been together for a long or indefinite period time, who have developed a formal discipline and control systems, and who are suspected of serious crimes. Other common characteristics of organized crime groups include the employment of intimidation in their chosen legal or illegal markets and finally laundering of the proceedings derived of their "business" activities, various degrees of influence on either politics, the media, or the criminal justice system to maximize profits. In addition, organized crime groups tend to expand their activities, eventually becoming international criminal group. In line with this argument, in order for a criminal group to be qualified as an "organized" crime group, it must at minimum be some type of organized or cooperative structure made up of more than two persons, that has been around for a long or indefinite period time. It must be and suspected of serious crimes with the purpose of gaining profit and/or power. Going one step further, for an organized group to be an "international" organized crime organization it should possess considerable resources, and its involvement in criminal operations should cross state boundaries, often in response to a demand for goods that are illegal (Guymon,

2000). A crime or criminal group is defined as a form of organized crime if at least six of these characteristics are applicable (Boer, 1999). There is enough evidence to support the contention that the power and wealth of organized criminal groups operating in a long list of countries is on the rise, and transnational ties among these groups are strengthening (Guymon, 2000).

Consequently, international organized crime is defined as the profit-aimed network of activities of the members of a non-ideological, highly organized, disciplined, monopolistic, and perpetuous, exclusive association. This association which has a division of labor, a capacity for ruthless violence, corrupts governmental entities and leaders, and cuts across international borders, to engage in legitimate or shady deals to provide illegal "goods", including drugs, sex, gambling and so forth (Abadinsky, 1990; Cole, & Smith, 2001; Guymon, 2000; The Organized Crime, 1970).

The Major International Criminal Organizations

The "Big Five" international criminal organizations are the Russian "Mafiya," the Italian mafia families, the Colombian cartels, the Chinese Triads, and the Japanese Yakuza. In this section, these five groups will be

explored. International criminal organizations operate more or less in every region of the world. However, some regions are more strongly affected by them than others, and some groups are more dominant than others. Major crime organizations have operated in Russia, Europe, Asia, North America and South America. The crime groups operating in these areas, known as the "Big Five" were chosen for this study because they are highly organized, they function internationally, and they have the resources to divide the various parts of the world between themselves for their specific criminal activities.

Russian "Mafiya"

While Russian criminals are relative newcomers to the West and are not as numerous in the United States as other criminal groups, the Russians stand out among their peers. They are talented enough and frightening enough to have achieved in two or three years what other organizations achieved in twenty or a hundred. History provides no better example of the "robbers' state" than Russia in the post-Soviet era. The rapid rise to power of Russian organized crime throughout the world has led the head of Italy's Parliamentary Anti-Mafia Commission to pronounce in 1993 that the world capital of organized crime

is Russia, dispelling any lingering notion that the Italians still play the central role (Grigg, 1996). Russian criminal organizations have surpassed Colombian drug cartels, the Chinese Triads, and various branches of the Italian mafia (Williams, 1999). The Russian mafia is relatively higher structured, predatory, ruthless, skillful, and successful criminal organization (Williams, 1999).

Russia is particularly susceptible to flourishing criminal activity because of the weakness of its government. In an April 1994 interview published in the International Herald Tribune, Georgian mafia leader Otari Kvantrishvili stated, "They write that I am the mafia's godfather. It was Vladimir Lenin who was the real organizer of the mafia and who set up the criminal state" (Grigg, 1996). On the other hand, Albini and his coauthors suggest that the currently prevalent belief that organized crime in Russia did not exist until the collapse of the Soviet Union is incorrect (Albini et al., 1999). This assertion is supported by the statements of some former Soviet Union leaders who have argued that the mafia is the end product of Communism, and that current mafia activities are controlled by the KGB (Grigg, 1996).

Despite the fact that it has existed since Russia herself was born, Russian organized crime has proliferated in the last two decades. According to Handelman, the Russian Mafia has proliferated for two reasons. First, from the beginnings of perestroika, law enforcement did not assume any responsibility for protecting private enterprise because they supposed that the private industry was somehow illegitimate in a communist state. Consequently, the police stayed away from businesses and offered them no help. Second, the Russian people understood democracy as "being able to do whatever they wanted" (Handelman, 1993). Furthermore, when the police started to include private businesses in their jurisdiction, they realized that they did not have enough resources. In fact, the inability of police to obtain adequate funding, equipment, training, and the legal authority to pursue criminals and has exacerbated the problems produced by organized crime in Russia (Volobuev, 1990).

In contrast to the arguments of Handelman, Albini and his coauthors have argued that although perestroika and glasnost have had significant effects on the proliferation of the Russian mafia, the "patron-client" nature of crime in the Soviet Union was alive and well before perestroika

and glasnost (Albini et al., 1999). According to Rawlinson the proliferation of the Russian mafia can be explained by a supply and demand reality. In fact, the demand of Western countries on the one side, and the poverty of the Russian people on the other side has contributed greatly to the proliferation of Russian organized crime (Rawlinson, 1998).

Described as "The world's largest, busiest, and possibly meanest collection of organized hoods," the Mafiya includes as many as three million members organized into 8,000 groups. Two hundred of these groups operate outside Russia in fifty separate countries (The Center for Strategic, 1997; Williams, 1996). The Russian mafia operates mainly in Germany, Poland, and almost every other state in Eastern and Central Europe. There is also a growing problem of organized criminal networks among Soviet émigrés in the United States and Israel (Albanese, 2001).

In terms of its organizational structure, the Russian brand of organized crime deviates slightly from the norm. Unlike the Sicilians, the Russians are not necessarily organized around family ties, ethnicity, or a centralized command (The Center for Strategic, 1997). Indeed, some have disputed whether the Russian groups possess the unified, hierarchical structure that distinguishes organized crime

(Serio, 1992). There does not appear to be an "overall controlling figure or body" (William, 1999). Rather, the Russian Mafiya has its "godfathers" - called *vory v zakone*, "thieves within the code" or "thieves in law", who act as commanders and strategists in the various countries (Handelman, 1993; Sterling, 1994b; The Center for Strategic, 1997). A small number of these *vory v zakone* are believed to "loosely rule the Russian criminal world," and meet from time to time to plot (Abramovsky, 1996). In addition to the *vory*, modern organized crime groups in Russia have coalesced around three other "centers" of criminality: former members of the Soviet power elite, or *nomenklatura*; certain national and ethnic groups such as the Chechens; and "criminal associations based on the control of a particular geographical sector, a specific criminal activity, shared experiences, membership in certain athletic sports clubs, or a particular leader" countries (The Center for Strategic, 1997). "What does not seem to be in dispute, however, is that groups do actively cooperate among themselves when necessary Current levels of 'organization' allow for the merging of activities in the criminal and economic spheres" (Serio, 1992).

The Russian Mafiya is a diversified business. Mafiya groups are engaged in "extortion, theft, forgery, armed assault, contract killing, swindling, drug-running, arms smuggling, prostitution, gambling, loan-sharking, embezzling, money laundering, and black marketing - all this on a monumental and increasingly international scale." Additional activities include "systematic racketeering ... trafficking in radioactive material ... and the infiltration and purchase of Russian banks." Unlike the Colombians, whose only business is drugs, the Russian Mafiya traffics in anything and everything: drugs, metals, weapons, nuclear materials - even body parts (The Center for Strategic, 1997).

If any single characteristic sets the Russian criminals apart from other organizations, it is probably their knack for business and economic crimes, including financial fraud and money laundering, both at home and abroad (Moody, 1996). The crowning achievement of Russian organized crime in the post-cold war era was the massive plundering of currency and national resources from the former Soviet Union. Currently, organized crime groups control or influence most private banks and an alarming number of businesses within the former Soviet Union.

According to the Russian Ministry of Internal Affairs, more than half of all banks, forty percent of all private businesses, and sixty percent of all state-owned businesses are controlled by Russian organized crime (Goldman, 1996; Hersh, 1994). The Russian mafia controls 40,000 privatized industries and collects protection money from eighty percent of the banks and private industries in Russia (Sterling, 1994b).

In sum, roughly sixty-five percent of the Russian economy is governed by organized criminal groups. The Russian Mafiya has also achieved a remarkable level of control over government officials since the break-up of the Soviet Union, and it has the potential to achieve the same level of corruption as the Colombians have achieved in their home state. An estimated twenty-five percent of criminal proceeds in Russia are invested in maintaining and increasing ties with corrupt officials (Abramovsky, 1996; Lutwak, 1996; The Center for Strategic, 1997).

The development of international operations by the Russian Mafiya was facilitated by the presence of Red Army troops in large immigrant communities abroad. In Germany, the mafiya's activities include trafficking in drugs, weapons, radioactive materials, and stolen cars, as well as

money laundering and blackmail. Red Army troops stranded in Germany at the end of the Cold War not only provided a distribution network, they also had a willingness to sell weapons and other goods, effectively joining the ranks of the criminals. In addition to their contacts in Germany, the Russian mafiya has ties to the American and Sicilian mafias (Sterling, 1994b).

The corruption of law enforcement officials assigned to stem the narcotics trade is common. However, the Russian police officers rarely become leaders of the Russian narcomafia (Gilinskiy, 1999). On the other hand, it is not rare for the Russian police officers to be low level functionaries in the drug business, or to be consumers (Gilinskiy, 1999).

Italian Mafia

The Italian mafia has been famous both in Italy and the United States. In fact, La Cosa Nostra was initiated by Sicilian immigrants in the United States. Despite the traditionally distrustful relationship between the American and Sicilian Mafias, the relationship between them has evolved into one of mutual prosperity (Sterling, 1994a). In the United States, both Big Paul Castellano and Aniello Dellacroce were involved in the heroin pipeline between

Italy and New York (Davis, 1993). The collaborative and individual efforts of United States and Italian law enforcement agencies have significantly diminished the activity of Italian organized crime groups within their borders. However, Italian criminals have adapted to engage in global activities. Three Italian based groups - La Cosa Nostra from Sicily, the Camorra from Naples, and 'Ndrangheta from Calabria - are engaged in a global business that generates about \$ 110 billion a year. According to Becchi drugs are the major business of the Italian Mafia (Becchi, 1996). The Italian mafia also engages in money laundering, loan-sharking, counterfeiting, extortion, the infiltration of legitimate business, the corruption of government officials, and the training of other ethnic-based criminal groups throughout the Americas and Western Europe (Williams, 1999).

Becchi also reports that the Sicilian Mafia has reached an agreement with the Camorra and 'Ndrangheta to manage heroin trafficking. It also engages in the trafficking of cannabis products. In the past, Camorra has been the preeminent cocaine dealer among the Italians. Today, all the organizations take part in it (Becchi, 1996).

According to Becchi, there is no monopoly of a specific organized group in the Italian drug market, either in terms of area or substance. This is not only because there are a great number of dealers, but also because there are many wholesalers working in competition with one another. Becchi also argues that drug markets are ruled by disordered competition where entry is free and change is continuous. In other words, the Italian Mafia does not have a monopoly on drug trafficking in Italy because it is too inefficient and disorganized to stop competitors attracted by the high profits of the drug market. This argument is consistent with the failure of the Italian Mafia in the international arena. For example, in 1982, eighty percent of the heroin that reached the East Coast of America had a Sicilian Mafia connection. This rate was reduced to five percent in 1991 (Becchi, 1996). Similarly, Cesoni reports that Italians do not have a significant role as drug suppliers to the European drug markets (Cesoni, 1992). For example, they tried but failed to penetrate the British drug market (Ruggiero, 1992). Despite their failure in Northern Europe, Italian organized criminal groups may have taken the advantage of conflicts in former Yugoslavia where Italian organized criminal groups draw their supply.

Colombian Cartels

The Colombian Cartels have an influence in Colombian politics that parallels their influence in the international drug arena. They have been notorious as the main enemy to the United States' war on drugs. Other criminal organizations have strived to adopt Colombia's narcodemocracy model, adopting corruption of officials as an essential norm of the drug business (Williams, 1996).

The Colombian Cartels have a cellular structure with minimal communication between the cells. The cartels have an excellent organizational structure based on a clear hierarchy, functional specialization, and the forward integration of activities. Technology, in the way of mobile and cellular phones, encrypted faxes, satellites, beepers, GPS, and high speed boats, is heavily used to ensure the security of communications and consequently the secrecy of trafficking (Farah, & Kovalski, 1998). Together its strong organizational structure and effective use of technology makes Colombians trade as "robust as ever," even after the arrests or deaths of many major drug lords (Brooks, & Farah, 1998).

Cocaine trafficking is the primary business of the Colombian Cartels. Approximately three-fourths of the

world's cocaine is supplied by the Colombian Cartels. In addition to cocaine, in the last decades the Colombians have engaged in marijuana, and opium trafficking (Williams, 1996). Colombians have changed their trafficking route. Forty percent of the cocaine traffic to the United States now moves through Caribbean routes, particularly Puerto Rico, after interdiction efforts at the United States/Mexico border were more improved. Puerto Rico, a United States territory, has relatively few customs checks. Also, the political and economic instabilities of some Caribbean islands make it easier to evade or corrupt local officials (Farah, & Kovalski, 1998). For example, Haiti, due to its economic instability, has been victimized by traffickers (Kovalski, 1998).

Chinese Triads

Triads are secret Chinese criminal organizations. They originated in the seventeenth Century as a political group who rebelled against the Manchu dynasty. Over time, they have evolved into powerful criminal organizations (Davidson, 1997). It was after the Chinese nationalists defeated the Manchus and established the Republic of China in 1911 that the Triad movement continued, not as a political movement, but as an organized criminal movement.

The Communist Revolution in mainland China drove many Triad members into Hong Kong. There, in a democratic, capitalistic environment, the Triads have grown stronger (Dombrink, & Song, 1997). Currently, the Triads, mostly based in Hong Kong, have about 160,000 members in spread out among approximately fifty groups. The major Triads are the Sung Lian Strength, Tian Dao Man Strength, Four Seas Strength, and United Bamboo Strength (Taiwan's Triads, 1997; Williams, 1996).

The structure of the Triads and their affiliates tends to be nonhierarchical, task oriented, and bonded together by informal relationships. They tend to be organized as youth gangs, street gangs, criminal groups, multicrime syndicates, or criminal enterprises (McKenna, 1997). The businesses of these groups may be both legitimate and illegitimate.

The Triads have benefited from a lack of preventive efforts and prosecutive sanctions in their countries of origin. They manipulate and co-opt the political, legal and commercial sectors as well as the media (McKenna, 1997; Shanghai's Dark, 1994). This manipulation has been made possible through the compromising or corrupting of politicians, law enforcement personnel, lawyers,

accountants, community activists, managers and executives of media, banking and business corporations. All of this subversive activity takes place under the guise of legitimate business in the free enterprise system of Taiwan and Hong Kong. The individual freedom and human rights activism inherent in the democracy movements of these countries have also facilitated the activities of the Triads (Davidson, 1997).

Today, the Triads are headquartered in Taiwan, Hong Kong, and the United States. From these countries, the Triads traffic world wide in a variety of illicit goods, especially heroin. Davidson reports that Triads and other Asian based criminal organizations have connections to Southeast Asian heroin manufacturers in the Golden Triangle (Davidson, 1997). Law enforcement agencies have established that a significant percentage of American heroin is supplied by Triads. Furthermore, minimal safeguards on the movement of money into and out of Hong Kong makes it an ideal place for money laundering operations (Dombrink et al., 1997).

Chinese Triads earn an estimated \$200 billion annually from drug production and trafficking. In addition, growth industries for Chinese criminal alien smuggling, arms

trafficking, and trafficking in stolen cars, boats and electronics earn \$3-4 billion each. Illegal gambling, extortion, forgery, counterfeiting, prostitution, loan-sharking, infiltrating legitimate businesses, and real estate are also all part of the Triad's repertoire. Naturally, they also have extensive money laundering systems (Assault on Dollars, 1995; Macau's Big Bet, 1997; Volobuev, 1990).

In the last decade, human trafficking for cheap labor into North America has grown considerably. In Canada, four out of every ten Chinese admitted for residency were eventually smuggled into the United States after paying about \$30,000 to the Triads (A New Chinese, 1993). Like the Soviet Red Army, members of China's People's Liberation Army are willing to sell their weapons to organized criminals, including Kalashnikov machine guns (AK-47s), grenades, and rocket launchers. In addition to their illegitimate businesses, Triads have skimmed billions of dollars off of legitimate businesses, such as infrastructure projects (Taiwan's Dirty, 1997).

The Triads have achieved some degree of popularity in their countries. This may be attributed to by the intellectual capacity of Triad leaders. For example, White

Wolf Zhang, the leader of the United Bamboo Triads, holds five bachelor's degrees. Three of them were earned while attending American universities. The other two he earned while serving a ten year sentence at the United States federal penitentiary at Fort Leavenworth, Kansas, for conspiring to buy heroin. Zhang, who is known as a courteous, intellectual and self-styled Chinese patriot, believes in the right of Triads to exist in Chinese society (In White Wolf's Lair, 1997).

Japanese Yakuza

The origin of the Yakuza can be traced as far back as the year 1612, when men known as kabuki-mono or "the crazy ones," gained attention of local authorities (Yakuza, 1999). While the kabuki-mono became known for their brutality, reportedly going so far as to stab people for pleasure, they were decidedly loyal to each other. They protected each other, even if it meant going against their own family. The kabuki-mono were known to be masterless samurais or "ronin," and several of them began to wander around in Japan as a band of robbers, plundering villages and small cities.

The Yakuza do not view the kabuki-mono as their "ancestors," however, They see the Machi-yakko or "City

servant," as their predecessors. Machi-yakko men took up weapons and defended their villages and homes against the oppression of the Kabuki-mono. The Machi-yakko had professions. They were storekeepers, tavern-owners, traveling mercenaries, and also ronin. The Machi-yakko were daring but skillful thrill-seekers who had close ties to each other and their leader, much like today's Yakuza. The Machi-yakko soon became the people's heroes. They were praised by the citizens for their help against Kabuki-mono. The Machi-yakko were often weaker and less trained and equipped than the Kabuki-mono. They were seen as heroes of the people, comparable to England's Robin Hood who robbed from the rich to give to the poor (Johnson, 2000). However, over the years the word Yakuza has gained widespread use among the Japanese public as a generic name for all Japanese organized criminal groups as well as individual criminals (Kaplan, & Dubro, 1986).

In the 1920s, increased police crack-downs on gambling, which is the major source of profit for the Yakuza, gave new opportunities to organization shift their activities. Economic depression and the movement of the aristocracy towards communism and/or democracy created a favorable environment for Japanese criminal organizations.

By the 1930s, in Japan, two prime-ministers and two finance ministers were murdered and several politicians and businessmen were attacked. The Yakuza¹ supplied muscle and men in order to help and educate these underworld organizations (Johnson, 2000).

After WWII, a new type of Yakuza began to emerge because of unusual degree of tolerance by the Japanese public as well as the police force (Wanner, 1992). This Yakuza², a tougher, more violent version of the earlier Yakuza, stole goods in order to trade them on the black market on liquor and food (Yakuza, 1999).

Today, in general, there are two types of yakuza: freelance and clan-yakuza (Yakuza, 1999). Freelance-yakuza generally does not commit any major crimes. He may belong to a small group of hustlers or he may work alone. Because they lack strength in numbers, freelance-yakuza are particularly vulnerable. Clan-yakuza, as their name suggests, are composed of many loyal members, clan-yakuza may frame freelance-yakuza for clan-yakuza crimes. If the freelance-yakuza earns too much money, the clan-yakuza terminate the freelancing-yakuza. Freelance-yakuza are also

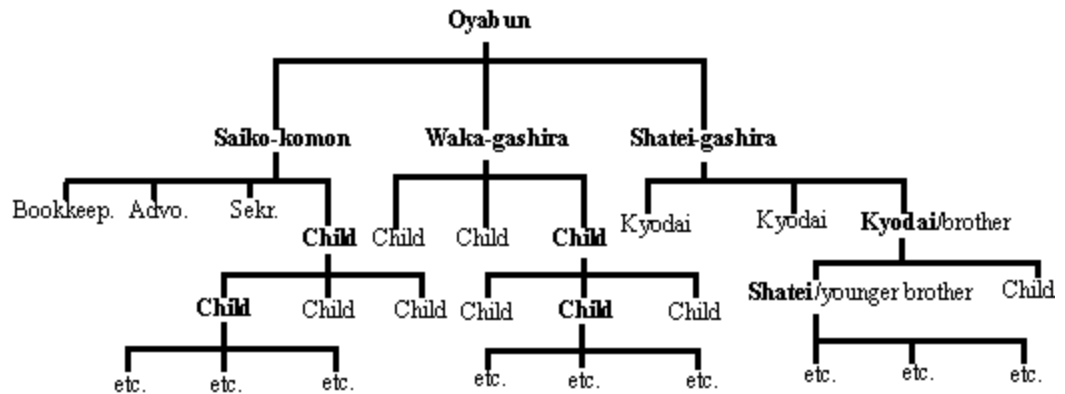
¹ This type of Yakuza is called unyoke (political right).

² This type of Yakuza is called gurentai (street hustler).

punished for operating within clan-yakuza territories. Clan-yakuza do, however, have a certain use for freelance-yakuza. If the clan-yakuza do something that they do not want the clan to be associated with, they may hire a freelance-yakuza for that specific job. Furthermore, clan-yakuza, sometimes use freelance-yakuza as a scapegoat. If a freelancer is skilled enough, he may establish his own clan. Usually a freelance-yakuza, if he is not killed first, becomes a member of a clan.

The clan-yakuza belong to a clan. The Yakuza clan structure is similar to the structure of Sicilian mafia families. It also resembles the common family structure of a traditional Japanese family, and is therefore vertically hierarchical. The clan chief is called an Oyabun, which means Father. Beneath him are his children, the Wakashu and his brothers, or Kyodai³. The Oyabun's words are law within the clan. Every member of the clan is to obey the Oyabun without hesitation. In return, he protects them against all dangers. Beneath Oyabun, is an adviser who is called the Saiko-komon. The Saiko-komon has a staff of advocates, accountants, secretaries and advisers.

³ Wakashu and Kyodai are usually not real children and brothers of Oyabun. They are the name of positions within the clan.



The "children," or Wakashu are under the Waka-gashira who is second in command. His authority is exceeded only by the Oyabun. The Wakashu acts as a supervisor, making sure that the orders of the Oyabun are carried out. The children may also be leaders over their own. In that way the clan branches out into several sub-families.

The "brothers," or Kyodai are under the Shatei-gashira. The Shatei-gashira is of higher rank than Waka-gashira but has less authority than Waka-gashira. "The Brothers" have their own "children" or "younger brothers," or Shatei. Shateis may also have their own gangs.

Although the Yakuza do not restrict their membership to persons from certain countries or strata of society almost all Yakuza have a common background. They are often

poor, criminals, and misfits⁴. The Yakuza may be youth that were abandoned by their parents, or who could not manage the pressures of school. They may be refugees from Korea, China, or other countries. The Yakuza provide a family for those who have none. Bosses become fathers. Comrades become brothers. The Yakuza takes care of the misfits of society, giving them a sense of belonging and a feeling of strength. The Yakuza offers more than companionship. It offers money, status, and authority, making members feel that they are useful and needed⁵. An exchange for all of these benefits, Yakuza superiors demand absolute loyalty and obedience.

In the beginning of nineteenth century there were approximately 5200 different gangs in Japan. Between the years 1958 and 1963, the number of yakuza members increased tremendously to 184,000 members, more than the entire Japanese army. In 1988 they were down to 3400 gangs with 100,000 members (National Police, 1989). The Yakuza gangs

⁴ The yakuza members are all men. The only visible woman in the group is the boss' wife, called *ane-san*. *Ane-san* means "older sister." All members give her the same respect as the boss because she is his wife. However, she does not get involved in the business. Her position in the group is as the boss' wife, and not a member of a group. The yakuza do not trust women because they believe that women are weak. They believe that women cannot fight like men, that women are not born to fight. To a yakuza member, the most important thing is courage. If there is a battle, you must be ready to fight to the death, rather than lose the battle (Sundara, 2001).

⁵ This situation is the same for the American gangs, as well.

began to mark out their territories, and all-out, bloody wars started between the gangs. The wars between the gangs were settled by a man named Yoshio Kodama, a comparable counterpart to America's Al Capone.

The Yakuza used to be seen as the Machi-yakko, the people's rescuer and helper of the public. Far before any working courts existed in Japan the Yakuza existed. If a clan chief or other public official could not or would not help to resolve a dispute, an individual in need could turn to the local yakuza for help. The Yakuza solved problems in return for money. Today, the people can still apply to the Yakuza for help. The major difference between the techniques of the Yakuza then and now is that now the Yakuza techniques are more brutal.

Today, an overall lack of adequate legislation has created a favorable environment for the Yakuza⁶. Today, the Yakuza are involved in various types of businesses, including gambling, drugs, prostitution, casinos, brothels, loan-sharking, blackmail, arms trading, the stock market, and real estate (Seiichi, 1996; Wanner, 1992; Who got Yakuza, 1996). According to Sundara, gambling, primarily

⁶ For example, there is no law in Japan prohibiting money laundering, and racketeering. The Boryokudan Countermeasures Law accepted in 1992

dice games, is a major source of business for the Yakuza. There are several kinds of dice games. The most popular game is *cho ka han ka* which means odds or evens. The stakes in this game are very high. If the gamblers are all yakuza, they may bet as much as ten thousand dollars for one play. Sometimes they make more than a million dollars a day. In a traditional dice game, all gamblers are expected to be professional. When the gamblers come into a room, they do not speak. The only thing that is heard is the sound of money being put down. Even though this is an old style of gambling, many groups still play this game because the Yakuza like to follow tradition (Sundara, 2001).

The yakuza also make money from prostitution. They hire girls who are younger than eighteen years old. There are many ways to make a profit from this business, but the most popular one is the "date club." Some groups make more than a million dollars a month from this business. The date club is a men's club. There is a membership fee of at least one thousand dollars to join. Most customers are rich, middle-aged men, including doctors, lawyers, and company presidents. Club members are shown pictures of the young girls who are available, and date with the chosen girl is arranged. The men then have to pay a fee of about two

hundred dollars for the date, and all other expenses. After the date, the customer calls the club and tells them whether they liked the girl, and whether or not they would like another date. The fee for sex with the girl may be a thousand dollars or more. The hiring of high school students as prostitutes is prohibited by the law. However, some high school girls are willing to work as prostitutes because they can earn more money doing this than from any other part-time job (Sundara, 2001).

The Yakuza has perfected its own style of corporate extortion. It is called Sokiya. The Yakuza purchase stock in a company, only to then send armed thugs to disrupt stockholders' meetings until they are paid off (Volobuev, 1990). Besides operating in Japan, the Yakuza are known to operate in Costa Rica, Honolulu, Los Angeles, San Jose, San Francisco, and other spots in the Pacific region. Methamphetamine is one of the Yakuza's chief exports from Asia, and guns are one of its chief imports (William, 1996). The Yakuza has also been a key force in developing the Southeast Asian "sex slave" business.

The yakuza also engages in the food distribution businesses. They buy cheap food, which has not been approved by governmental authorities to be safe for public

consumption, then distribute the food as approved food. For example, they have been known to import beef contaminated with E-coli, and distribute it around the country (Silence of the Calves, 2001)

In addition to illegal business, the yakuza engages in legitimate business dabbling in banking, the stock market, and land trading. Through legitimate businesses, they artificially manipulate the market to obtain more profit. For example, they artificially devalue the land prices and then buy land. After own the land, they increase the market to the normal value or higher value (Hirotooshi, 1996).

Most of the money that the yakuza make is spent on the purchase of weapons. Each group has its own territory. Territory is very important to the yakuza. When they do business, they cannot break into another group's territory. If one group tries to break move in on another's territory, it will be defended, usually through violence.

In Japan, the general public cannot carry a weapon without a permit, but the yakuza do not respect the law. Many citizens become victims of the yakuza's battles. When they are at war, each Yakuza group tries to kill the boss of the other group. A group without a boss is weak and has

no power to fight. The boss is God. Without him, they cannot do anything. Whoever wins the battle takes over the group that was defeated and their territory.

Today's Yakuza is increasingly sophisticated and international. During Japan's booming economy in the second half of the 1980s, the Yakuza's businesses and investments were extremely profitable. The Yakuza were able to borrow substantial amounts to finance real estate and high-finance deals (Cox, 1996). The businesses of the Yakuza is no longer confined to gambling or construction. In fact, the Japanese economy ceded to the underworld the equivalent of the gross national product of Singapore, the Philippines, or Malaysia. With the exception of the Russian Mafia's looting of the former Soviet republics, it was "the largest transfer of wealth to an underworld in modern history" (Kaplan, 1986).

Other Groups

In addition to the "Big Five" criminal organizations, there are others around the world. They include the Jamaican posses, Nigerian traffickers, Pakistani drug traders, Afghani poppy farmers, Mexican launderers and distributors, Turkish drug traffickers, and so forth. These other smaller criminal organizations are usually

manipulated by the Big Five organizations. they are used as satellites to recruit new subgroups around the world to distract law enforcement agencies from larger operations (Kovaleski et al., 1998).

The Main Activities of International Organized Criminal Groups

International organized criminal activities pose a threat to the three pillars of state sovereignty: the control of national borders, the monopoly on the use of violence to enforce the law, and the power to tax the economic activities that occur within the state.

International criminal organizations present themselves as viable alternatives to legitimate state power, thereby undermining stability and state control. Their espousal of corruption in government threatens the development of democracy in many countries around the world.

Drug Trafficking

Needless to say, drugs are a huge source of income for organized crime groups. It is estimated that the drug trade yields \$400 billion of revenue per year. The next chapter of this study is devoted to the drug business of organized

crime. Consequently, it will not be explored in this chapter.

Support of Terrorist Groups

Albini argues that terrorism is a political-social form of organized crime. Terrorist organizations behave like organized crime groups whenever the opportunity exists for a mutual exchange of services. This makes for natural blending as they cooperate with other organized crime groups, including drug traffickers, money launderers, hijackers, and others (Albini, 1971; Albini, Rogers, & Anderson, 1999).

Williams, however, argues that terrorist groups turn to organized criminals as a source of funding for their activities. Many of them join in the criminals' exploits, particularly drug trafficking, to raise money to cover the expenses of weapons and activities. Conversely, organized criminals frequently employ terroristic methods, such as political assassinations (Williams, 1996).

Sufficient evidence exists to support Williams' argument. In fact, it is not random coincidence that the major terrorist organizations that have proliferated exist either in areas where there is major drug production or in areas along major drug trafficking routes. For example, the

"Shining Path" operates in an area where seventy percent of the cocaine production of the world is taking place (Tammen, 1991). According to Tammen, the "Shining Path" charges some illegal cocoa traffickers \$20,000 per flight for its services, which include protection of traffickers (Tammen, 1991). Further, Nakamura argues that the "Shining Path" movement in the Upper Huallaga Valley, and Auaytia, Peru is fundamentally an armed resistance movement organized by local traffickers in 1983 against the anti-narcotics law enforcement policies of the Peruvian government. He argues that this movement is not an armed revolutionary movement directly tied to the "Shining Path" party⁷. He further argues that a sufficient degree of violence must be maintained in order for organized crime groups to be able to force local farmers to cooperate in the production of coca. Furthermore, the Army, which is supposedly engaged in warfare against the "Shining Path," shares in the profits.

The Liberation Tigers of Tamil Eelam (LTTE) of Sri Lanka also raises money through the drug business (Chalk, 2000). Seventy-five percent of heroin seized in Europe is

⁷ The "Shining Path" is an armed revolutionary insurrection in the Ayacucho region of the Andes, Peru (Nakamura, 1999).

connected with the Kurdish terror organization in Turkey (PKK), which controls one of the major drug routes in the world (Van Solinge, 1998). The IRA reportedly uses drug dealers and smugglers for political support (Silke, 2000). Similarly, terrorist groups in Colombia, Afghanistan, Pakistan, Lebanon, and Somalia, buy weaponry and supplies with money obtained from the drug trade.

The connection between organized crime and terrorism has prompted the suggestion that just as the world community sanctions state sponsorship of terrorism, state sponsorship of organized crime should be recognized and sanctioned.

Nuclear Material and Weapons Smuggling

The concept of nuclear material and weapon smuggling arose after the collapse of Soviet Union. Authorities are aware of over eight hundred attempts to transport nuclear material out of the former Soviet Union since its break-up (Albini et al., 1999). There are two primary reasons for the proliferation of nuclear material and weapons smuggling in Russia. First, after the collapse of the Soviet Union, the strong central government and its internal police, the KGB, have disappeared, and no other state institution has arisen to replace them (Hersh, 1994). In other words, there

are no adequate protective or preventive measures to keep Russian criminals from gaining access to nuclear stockpiles. Second, there is sufficient evidence that the Russian government is unable to account for all its nuclear bombs and other weaponry despite the fact that most of those bombs and weapons have an explosive force far greater than the atomic bomb dropped on Hiroshima in 1945 (Hersh, 1994).

As well as the Russian Mafiya, Italian organized criminal groups have interests in nuclear smuggling. Reportedly nuclear smuggling was one of the main topics at the Italian and Russian mafia summits during 1993 and 1994 (Williams, 1996). It has also been reported that representatives of Iraq and North Korea are among the hopeful buyers of nuclear weaponry (Kellman, & Gualtieri, 1996).

Despite the large number of attempts to smuggle nuclear reactors out of Russia, none of the individual amounts seized so far have been large enough to make more than a crude bomb. On the other hand, the nature of the issue constitutes sufficient cause for alarm (Russian Gangsters, 1998). In fact, there are three reasons to be concerned about the current status of nuclear smuggling

operations. First, the incidents that have been reported may be the tip of the iceberg. This argument is strengthened by the apparent lack of adequate law enforcement personnel in Russia and other security shortcomings. Second, a handful of buyers might have preferred to buy small amounts of nuclear materials and collect them to build a nuclear bomb. They may choose such a tactic in order to divert the attention of authorities from the possibility of a nuclear bomb or other relatively more dangerous nuclear products. Third, the smugglers may still have the potential to sell a large amount of nuclear material, and they may be waiting for better opportunities (Russian Gangsters, 1998).

Some recent examples highlight the global nature of nuclear smuggling. In 1998, the Italian police interdicted a shipment of enriched uranium rods, which were imported from Zaire but originated in the former Soviet Union (Russian Gangsters, 1998). In addition, in 1998, Turkish customs officers seized 5.4 kilograms of uranium 235 and 7.1 grams of plutonium powder from eight men asking \$1 million for the material. Three of the men were from Kazakhstan, one from Azerbaijan, and four from Turkey (Goldstein, 1999).

Despite its tremendous potential danger, except for the Convention on the Physical Protection of Nuclear Material that codified nuclear smuggling as an international crime, the threat of nuclear materials smuggling has not been adequately assessed. According to Hersh, in the global arena there is a scarcity of international measure that clearly confirms nuclear smuggling as an international crime and a crime against peace (Hersh, 1994).

Gambling and Other Economic Crimes

Gambling affects almost every facet of society; it corrupts police and politicians; it undermines the social order; it erodes morality; and it causes bankruptcies. Gambling is one of the major resources of organized criminal groups. Gambling has notoriously been a lucrative source of profit, particularly for the Yakuza.

Gambling takes on numerous legal and illegal forms. Gambling is by definition illegal if it is against the law. The many forms of gambling include card games, shooting craps, bingo, lotto, keno, pool games, billiards, lotteries, pinball and slot machines, betting on sports, ad infinitum.

To understand more about how organized crime is able to capitalize on gambling, it would be beneficial at this point to explain, as an example, the structure of a typical card game. Card games are well suited to syndicate-controlled gambling houses. They are easy to set up and return large profit. They may be played in numerous environments. The local police are usually paid off. If the game is played in an apartment, a doorman is hired. Card dealers are hired for the game, and syndicate men provide protection. The games are run directly by syndicate men or by the affiliates of organized crime. The gambling house receives about five percent of every pot.

Organized criminal groups are involved in gambling, loan sharking, fencing, theft and other form of crimes either as direct actors and owners of the syndicate, or by providing protection services or "arbitration" for the owners of the syndicates.

Prostitution

The sex industry in some countries is managed by organized criminal gangs. It is estimated that that forty percent of the American sex industry and sixty percent of the international sex industry is controlled by organized criminal gangs (Richard, 1999). The prostitution networks

in Europe are mostly operated by Russians, Ukrainians, Yugoslavians, Albanians, and Turks (Paringaux, 1998). In the United States, they are operated by "loosely connected" Chinese, Russian, and Mexican criminal networks which are formed around a family (Richard, 1999).

Asian Triads, for long years, have operated prostitution rings. They collect young females from the villages and make them work as prostitutes. After the collapse of the Soviet Union, organized criminal groups started to hunt for young females, particularly from Russia and Ukraine, to work as prostitutes. They hide themselves under the camouflage of mail order bride agencies, job hunters, travel agencies or entertainment companies. They promise a decent job and better life to their young female victims in exotic, far away places. The girls are then trafficked to other countries. After arriving in these countries, the abuse starts. Organized gangs treat them as slaves, forcing them to work as prostitutes to gain freedom from thousands of dollars of debt bondage. The gang seizes the passports of its victims, threatening to harm them and their families if they break their contract or seek help (Linda, 1997).

Profits from the sex industry vary from country to country. Usually, a substantial part of the profit goes to pimps who are usually members of organized criminal gangs⁸. For example, in New York, a pimp charges \$100, and the brothel owner charges \$30 per client from each prostitute (Richard, 1999). Sometimes, the pimp sells a prostitute to the owner of the brothel for \$15,000 or more (Richard, 1999).

Money Laundering

Money laundering allows organized criminals to invest the proceeds of their illicit activities into legitimate business, widening the net of their liquid assets. The success of organized crime is based upon its ability to launder money (Financial Crimes, 1996). Drug traffickers alone launder an estimated \$250 billion a year (Williams, 1996). Money laundering has devastating consequences. It provides fuel for drug dealers, terrorists, and other criminal networks while undermining the integrity of the world's financial institutions (Financial Crimes, 1996).

Summary

The second chapter of this study has provided a comprehensive definition of organized crime, and an

⁸ Pimps make five to twenty times as much money from a woman as they paid for her (Hughes, 2000).

overview of the main international criminal organizations, "The Big Fives" identifying their major activities. These criminal organizations take the advantage of the improved simplicity of international travel, the development of free trade, high technology communications and sophisticated money laundering techniques to further their criminal efforts. The second chapter emphasizes that the international organized crime is an urgent and rising problem, one that ought to be a cause for concern in the international law enforcement community. International organized criminal activities possess a threat to the three pillars of state sovereignty: the control of borders, the monopoly on the legitimate use of violence, and the power to tax the economic activities that occur within state borders. International criminal organizations offer an alternative to legitimate state power, thereby undermining stability and state control. Their espousal of corruption in government threatens the development of democracy in many countries around the world.

International organized crime groups are occupied in numerous criminal activities, including: support of terrorist groups; extortion; corruption; bribery; drug trafficking; money laundering; kidnapping; prostitution;

arms smuggling; and alien smuggling. The extensive political, economic, social and technological changes and advances that have taken place in the last two decades have given criminal groups the opportunity to become progressively more dynamic globally. The capability of international organized crime groups to settle in to these enormous changes has held back law enforcement efforts against them.

CHAPTER 3

DRUGS: THE BUSINESS OF INTERNATIONAL ORGANIZED CRIME

Drug crime is a destabilizing force. It can ruin global peace and security. It is capable of destroying the economic as well as ruining economic and political foundations of entire countries.

The drug menace is spreading rapidly because it is promoted by terrorists and organized criminals. It feeds on human weakness. According to recent estimates, there are 40,000 drug addicts in Poland and 70,000 in Ukraine and this number is rising. In Poland, drug related offenses such as production, distribution and smuggling almost doubled in the three year span between 1994 and 1997 (United Nations, Economic Dimensions, 1998).

The illicit drug phenomenon is not just a law and order problem. It is also a social, economic and political problem. It poses a threat to the social fabric of society, the legitimacy of the economic structures of states, and the sovereignty of governments. It threatens to upset the balance of law and order in peaceful societies. To understand the dynamics of both the drug industry and of

international drug control strategies, this chapter will focus on the cultural, political and economic dimensions of drugs as well as the globalization of the drug trade and the drug business nexus.

Globalization and the Drug Nexus

Globalization is defined as the convergence of economic, political, social and cultural relations across borders. Facilitated by technological developments, globalization has been sustained by economic and political decisions that facilitate international exchange. It has offered increasing opportunities for the flow of capital, goods, people and information throughout the world. Furthermore, globalization has produced new patterns of hierarchy and dominance in the international system and has changed the role of the state in this system. Consequently, new forms of sovereignty (e.g. economic, multilateral, multinational) have emerged, and the fundamental nature of the relationships between economic and political systems (e.g. deregulation, informalization, corruption) have been changed. These changes in global political and economic systems have led to a convergence between the domestic and the international frameworks for policy making and the management of economic affairs (Cerny, 1995; Rosenau,

1992). These changes also led to unprecedented manifestations of power and wealth and allowed for their protection. For example, the power of market forces and the impact of neo-liberal reforms have each grown dramatically, giving private, non-governmental entities increasingly powerful roles. These entities are able to exert a great deal of influence on law enforcement policies and programs. They influence the international political economy, and therewith the distribution of power, wealth, and security in the international system.

The redistribution of global in power and wealth has led to new opportunities for the expansion of transnational criminal enterprises. The turmoil and poverty that came with these changes in the international political economy offer a breeding ground for the drug industry. More and more people came to view drugs as a way to alleviate economic distress. More and more people began to fund their nationalist struggle through criminal enterprise (e.g. PKK in Turkey, the Shining Path in Peru and the Tamil Tigers in Nicaragua).

By exploiting the opportunities produced by the globalization, some international organized criminal groups have extended their transnational operations so that they

have had considerable authority in the world's society and in the world's economy (Strange, 1996). The Italian Mafia, American La Cosa Nostra, Colombian drug cartels, Chinese and Hong Kong Triads, Japanese Yakuza, and several nationally or ethnically based organizations from former Eastern bloc countries are only the most commonly known examples of criminal networks. Their activities have expanded over the world because they competed and cooperated with each other. Drug trafficking, arms trafficking, prostitution, and extortion are just a few extremely profitable sources of revenue for these groups. Whatever their business, the fact is their activities not only offer them fast profits, but also the means to exert political power.

Some drug entrepreneurs like the Colombian cartels, establish a power structure to protect themselves and to challenge the authority of states in specific areas. Such developments endanger the social body of the society because they give way to injustice, corruption, violence, and intimidation.

In sum, important changes in the international political and economic system have been shaped by globalization in the last two decades. These changes have

offered unprecedented opportunities for the criminal groups, allowing for the complete redistribution of power and wealth. The existence and exploitation of these opportunities has forced states to look for new ways to deploy their resources, to control their societies, and to manage their interface with the outside world. Consequently, the process of globalization has been one of the determinant factors shaping the political and economic dimensions of the drug business throughout the world.

Drugs: A Global Business

The drug business is a global business magnified by modern technology. Illicit drug transactions can start at any location in the world, and may eventually cross national borders. A drug trafficker can make a huge transaction, starting in Asia and ending in the United States in one day because of technology. In fact, technology has brought the buyer and seller together by bridging not only distances but also cultures and political economies.

From the marijuana, coca and poppy fields to the refining laboratories and further on to the consumers, drugs travel over many different routes of transport and distribution. They thereby cross many formal and informal

jurisdictions. Hence, the drug business is a problem of both the Western and Eastern hemispheres.

India, one of the largest licit opium producers in the world, has a serious drug problem because some licitly produced opium find its way into the illicit market.

India's large poppy fields replenish a global shortage in the illicit opium market. Pakistan, Afghanistan and Iran are also major producers of opium, although these countries have taken legislative and punitive actions against illicit drugs for more than a century. India enacted the India Opium Act in 1857, another act in 1878, and the Dangerous Drugs Act in 1930. Under these acts, the illegal possession, transportation, import, export and sale of opium are punishable. Iran took legislative action against illicit drugs back in the 1900s. In 1969, Iran imposed death penalties for drug traffickers (Bequai, 1979).

Despite such legislations, there are two factors that make those countries attractive to illicit opium producers and traffickers. First, growing opium is more profitable than growing wheat for farmers in these countries. Second and most importantly, these countries have weak central governments. These governments have little control over the areas where opium is produced, particularly the rural areas

controlled by the tribesmen. The Golden Triangle produces about half of the illicit opium in the world. The central governments Thailand, Burma and Laos have exerted little control over illicit opium farmers. Similarly, there is a permissive atmosphere for drug use in Singapore and Thailand.

Turkey has been a major bridge for drug traffic moving from East to West because of its geographical location. Besides, Turkey has been one of the major raw material suppliers for heroin. On the other hand, according to the Turkish Drug Reports, the considerable efforts of the Turkish law enforcement community and new legislative actions have significantly diminished illicit drug production in Turkey. Like Turkey, Italy has been a major bridge for drug trafficking. Morphine base from the Middle East to France, and heroin from Eastern countries to the United States are all trafficked through Italy. International drug traffickers made up of Sicilian, Corsican and Sardinian gangsters, as well as Turkish, Russian and Far Eastern groups make their way through Italy.

On the Western side of the world, the drug problem appears to be more of an addiction problem because of the

large amount of drug users. In the UK, Netherlands, Belgium, Germany, France and the United States, the drug addiction problem has reached significant proportions. British people have used opium derivatives for several centuries. In the nineteenth century, opium was widely used for the treatment of colds and nervous conditions. In the UK, the Dangerous Drugs Act was enacted in 1920. It restricted the use and possession of opium derivatives to people designated by the home secretary and to patients who used them for medical treatment purposes. The Dangerous Drugs Act was updated in 1967 and the Misuse of Drugs Act was enacted in 1971. The 1971 Act provides treatment for addicts while providing severe punishment to traffickers.

There is a very dynamic international division of labor in the distribution of production industry. Production centers for "natural" drugs, namely opium, coca, marihuana and their derivatives, can particularly be found in the "Golden Triangle" of South East Asia, the "Golden Crescent" in West Asia, in some Middle Eastern and Maghreb countries, and in Latin America. These regions compete increasingly with each other, with emerging production areas in former Eastern Bloc countries, and with producers in the western world, where synthetic drugs such as

amphetamines are produced. Some countries lie in key positions along transit routes for drugs heading to the most lucrative consumer markets in the United States and Europe. Countries that have "liberal" banking regulations, secrecy, confidentiality, and financial investment tools, especially play an important role in the laundering and investment of drug profits. These types of banking regulations protect confidentiality and provide key investment tools. Overall, the drug trade encompasses a very heterogeneous competition, where different drugs, different drug entrepreneurs, trafficking groups and diverse jurisdictions compete for market shares in many, if not all of the subsequent stages of the drug trajectory.

Other Characteristics of the Drug Business

Having discussed the global nature of the drug business, other characteristics of the drug business will now be explored. The drug business is multi-dimensional, encompassing at least the production, trafficking and distribution of the drug. Because of its multidimensional nature, the drug business is an organized criminal business. In fact, the process of arranging deals with farmers in one country, converting raw material into illicit drugs in a chemistry laboratory, trafficking across

the border, and eventually distributing the final product on the streets of another country is almost impossible to carry out without the benefits of an organized criminal network. Furthermore, several organized criminal groups work closely together to carry out their activities. For example, in the United States, the American, Italian and Corsican groups have worked closely together to operate a narcotics distribution chain throughout the country.

Drug entrepreneurs have a large personnel control problem. To find reliable and skilled personnel is quite hard in the criminal world. Accordingly, the drug entrepreneur has a tendency to hire people from his family. Even using these trusted personnel within his circle, the drug entrepreneur operates in secrecy. This makes his workload larger, limiting the number of operations he is able manage and the magnitude of his business (Duyne, 1996).

The drug business cannot rise to the upper world economy. It is not a legitimate industry. There is complete secrecy in the drug business. That secrecy is an essential prerequisite to the drug business because of the need to avoid police detection and robbery by other criminals (Duyne, 1996).

Files and paperwork may become deadly weapons for drug entrepreneurs. The drug business has no direct relations to the upper world, or to its bureaucratic structures. However, a certain degree of bureaucratization is necessary when conducting a large-scale business. When vast amounts of contraband need to be moved, they cannot be hidden in small packets. The drug entrepreneur needs ships. Consequently, he needs a legitimate, organized business to pose as a front company. In this way he enters the upperworld economy (Duyne, 1996).

Another reason that a drug entrepreneur might enter the upperworld economy is money management. Drug entrepreneurs have to manage their money either by reinvestment or by legal spending. These reinvestments and legal expenditures must be through legal bodies or financially secret bodies to justify the transactions that are made. At this point the drug business increasingly resembles legitimate industry. However, despite the similarities between the drug business and legitimate business, the drug business has some obvious and unavoidable differences. First, the commodity in the drug business is illegal and hidden in normal goods. Second, all transactions in the drug business are underground, and are

disguised by front companies. Finally, the business environment in the drug business is more hostile than a legitimate business environment.

The drug business uses corruption to facilitate their actions. Organized criminal groups engaged in the drug business constantly fight for control of key shipping and receiving zones in their areas of business. They must control certain docks and border regions in order to move their product through the supply chain. Consequently, organized criminal groups use bribery and corruption to lessen the pressures of local government and facilitate transport.

Nexus Between Drugs and Other Crimes

The rise and success of the drug trade has been parlayed into other lucrative trafficking enterprises: trafficking in people, illegal migrants, children, or sexual slaves; conventional weapons; body parts; and nuclear materials. The drug business has also inspired many of the cooperative arrangements between different criminal organizations. For example, drug traffickers in Russia have formed logical partnerships along geographic lines, connecting to the Golden Crescent region of Afghanistan, Pakistan, and Iran via Central Asian contacts.

Cultural Dimensions of Drugs

Although drug use is undesirable, it is functional. Drugs create their own culture. In fact, the drug trade provides something to do, places to go, deals to make, and status to maintain. Drug organizations have power, social status, and sources of wealth inside the community where the organizations supply drugs (Pearson, Gilman, & McIver, 1991).

Malinowsky describes the drug subculture as an adaptive mechanism, one that enables drug users to live an ordered social life in the environment created by the conditions of drug prohibition. This adaptive mechanism has two folds: external (or primary) adaptation and internal (or secondary) adaptation. External adaptation consists of man's adjustment to his geographical environment. This adaptation is motivated by his basic biological and physiological needs, "instrumental imperatives". External adaptation is evident in all the various economic, political, educational and legal activities of human beings. Internal adaptation on the other hand is motivated by the necessity to harmonize the conflicting needs and aspirations of man or his "integrative imperatives". This adaptation is integrated into normatively regulated social

behavior among all the activities of man. His instrumental imperatives urging him to perform. It must be emphasized that this adaptive mechanism or culture, with both its folds, is always end-oriented, the end being the satisfaction of the drug addicts' primary and secondary needs. Furthermore, each and every constituent of it has a definite form and function as determined and defined by the cultural context which in turn is to be understood with reference to the social configuration to which it (the culture) belongs (Malinowsky, 1960).

According to Malinowsky's functionalistic perspective, the drug subculture exists because drug users have a basic physiological or instrumental need to ingest drugs. As an adaptive response to the hostile environment created by mainstream society, drug laws and the enforcement of drug laws, when drug users could not find either a positive label or an acceptable status, they have developed their own underground channels to secure the relatively undisturbed use and acquisition of drugs (Grund, 1993). Moreover, the stigma or deviant label attached to drug users thwarts their participation in conventional social structures, leading to increasing active involvement in the social structure formed around this stigmatized and deviant

activity: the drug subculture (Becker, 1973; Goffman, 1963). The universal need for interaction, solidarity and harmony, or the integrative imperatives, will then lead to the integration of drug use in a subcultural set of rules ultimately aimed at maintaining the social structure that has grown up around the drug users' need for drugs.

Economic Dimensions of Drugs

There is no fundamental difference between the drug market and any other commodity trade from an economic point of view. In fact, both are driven by the basic economic forces of supply and demand. Whether the supply and demand flourish depends on the form and relative prosperity of local legitimate economies (Collison, 1995).

On the other hand, there is a significant difference between the drug market and any other commodity trade: drugs are not legal. Their legal status significantly influences market dynamics, including the price. According to Stares, supply is artificially constricted by the rules affecting which drugs can be legally produced, medically prescribed, and commercially sold. Supply is also affected by the many law enforcement barriers that restrict illicit manufacturers and distributors. He notes that as the availability of a commodity in demand goes down, its price

generally goes up. Furthermore, the illegality of the market allows drug providers to set prices at a level compensating them for the risk they take and their additional costs of supplying (Stares, 1996).

According to the 2000 Annual Report of the Office of National Drug Policy, an estimated \$50-100 billion is spent by the American people on illicit drugs each year. Worldwide, \$400 billion in drugs are consumed each year (ONDCP, 2000). In 1994, this figure (\$400 billion) would have been larger than the international trade in iron, steel, and motor vehicles, and about the same size as the total international trade in textiles (UNDCP, 1997). In 1997, this figure was equivalent to about eight percent of total international trade (UNDCP, 1997). Kraar reports that the drug trade, worldwide, may be larger than the trade in oil, with an estimated trade volume of \$500 billion a year (Kraar, 1996). Stares reports that the revenue of the drug trade is larger than the gross national product of three-fourths of the 207 economies of the world. Furthermore, the United Nations believes that actual income of the drug business is a full \$1 trillion per year (Stares, 1996).

Drugs and drug related crimes form a crucial part of the irregular economy in poor communities. According to

Johnson, crimes committed by heroin users have important economic implications for the underground economy.

Obviously, heroin users involve in the heroin trade. Not so obvious, however, is the impact they have on the stolen goods market, its extensive bartering system, the prostitution market and so forth. Thus, while heroin abusers commit many crimes that are both morally and politically unacceptable to the government and greater society, their crimes in the underground economy serve a valuable purpose. They serve more economic benefit in the underworld than harm (Johnson et al., 1985)

The drug industry constitutes the backbone of many national and local economies by either directly or indirectly providing income and employment opportunities to millions of people around the globe. Countries like Bolivia, Morocco, Mexico, and Afghanistan derive profits from this industry that rival their formal export income. Morocco, fulfilling a significant amount of European demands for cannabis and hashish, earns an estimated \$5.75 billion, twenty percent of its GNP, from the production and exportation of cannabis and hashish (Ouazzani, 1996). The Mexican drug economy has revenue of more than \$20 billion. The Mexican drug sector is based mainly on the export of

homegrown marijuana and poppy derivatives, and the transit of Colombian cocaine to the United States. Within the United States, revenue earned from the drug demand exceeds the total gross domestic product of eighty-eight different countries (Akida, 1997; Tullis, 1995). From this data, it may be concluded that probably the greater part of drug profits never leave the main consumption countries, as those countries are likely to offer the most lucrative investment opportunities for profit.

The Political Dimensions of Drugs

The drug business is not just about money. It is also political. The head of Cali cartel, Gilberto Rodriguez Orejuela, thinks of it as a war, and he is producing a chemical poison to weaken the United States and its people. Because the United States is his only threat, he will do all he can to weaken the country. Similarly, as mentioned in previous chapters, separatist groups and terrorist organizations in such diverse places as Peru, Colombia, Peru, Sri Lanka, Northern Ireland, Somalia, and Turkey are believed to purchase weaponry and supplies with money derived from the drug trade (Chalk, 2000; Nakamura, 1999; Silke, 2000; Tammen, 1991; Solinge, 1998). Thus, the income obtained through the sale of drugs is used by some

terrorist organizations to achieve their political aims. As a result, many countries are faced with a real threat to their sovereignty by the drug cartels with large fiscal resources (Bernal, Leslie, & Lamar, 2000).

Drug crime erodes governmental legitimacy, and causes increased levels of corruption by government officials. Through corruption, drug entrepreneurs may pose as an alternative to legitimate state power, thereby, undermining democracy, governmental stability and state control (Rosenau, 1990). The drug business has war-like impacts on governments. It causes losses in productivity, strains on state budgets for health care and law enforcement, and increased victimization due to violence related to both the drug trade and drug addiction. (Viviano, 1999; Campbell, 1998; Stares, 1996).

Summary

The drug phenomenon, regardless of whether it is viewed at a national, regional, or global level, is not a one-dimensional matter. Indeed, it is multidimensional both in characteristics and consequences. Production, trafficking, consumption, and money laundering are the major branches of drug problem. The drug trade brings major consequences, including economic resource depletion, crime,

and corruption. In order to understand the drug problem, to evaluate efforts to eradicate the drug problem and to produce feasible solutions, both the characteristics and consequences of the drug phenomenon must be thoroughly understood.

The drug problem has its own cultural, economic, and political dynamics. The drug subculture provides norms, values, and status for abusers and traffickers. Crime, a major reflection of the drug subculture generates masculinity and short-term money. In some parts of the world, the young could not imagine buying a good car, a cellular phone, or a gun without getting into drug business. The drug economy, which is estimated to have a \$500 billion volume, provides the young user with a taste of "the good life." The production, consumption, and trafficking of drugs have emerged as a triple threat to economic development throughout the world. Drug traffickers corrupt the politicians to facilitate their job. Furthermore, the drug business is used by the terrorist organizations to raise funds for their illegal activities. All of these factors pose a serious threat to both national and international security.

CHAPTER 4

INTERNATIONAL EFFORTS TO ERADICATE THE DRUG BUSINESS OF ORGANIZED CRIME AND THE PROBLEMS ASSOCIATED WITH THESE EFFORTS

International Agreements and Conventions

This chapter provides an overview of the current international and American regulations that address the problem of organized crime and its inherent corollaries. Just as organized crime could not exist without international cooperation, the only possible way to combat organized crime is through international cooperation.

The United Nations and the United Nations Drug Convention

The United Nations serves as an international forum for the exchange of information and for the adoption of guidelines concerning crime prevention and criminal justice. The effectiveness of the United Nations depends on the support of its more than 150 member states. The United Nations can only do what its member states permit, and they

are limited by their ability and willingness to pick up the bill.

The United Nations Congress on Crime Prevention and Criminal Justice goes as far back as the United Nations itself. However, in its history, it gave minimal attention to the phenomenon of organized crime before the 1990s. There are two reasons for this lack of attention. First, the program has a narrow focus in terms of human rights. It has mainly addressed extending human rights protections to adult and juvenile offenders. This focus has resulted in the adoption of international guidelines by previous United Nations Congresses on the Prevention of Crime and the Treatment of Offenders. These guidelines covered areas such as the standard minimum rules for the behavior of law enforcement officers and the standards for the treatment of prisoner inmates (Steffens, 1990). The second reason the United Nations neglected to focus on organized crime has to do with the once-prevalent belief that organized crime was a phenomenon limited to a few specific industrialized nations. In fact, organized crime was perceived to be a problem in the Chicago area, or in most of the United States.

These two factors have changed in recent decades. First, the concept of human rights has been gradually extended, particularly to the area of the protection of victim's rights. In fact, in 1985, the Seventh Congress, that took place in Milan, Italy adopted basic principles for the protection of victims. According to Steffens (1990), the change in the way that human rights are perceived brought about a gradual, internationalized understanding of the organized crime phenomenon. Before this international conceptualization, the definition of organized crime was restricted to crimes committed through the collaboration of several people. This understanding has become more international and it has been associated with drug trafficking. The Seventh Congress reflects this understanding (Steffens, 1990).

The action plan of the Seventh Congress addresses the need for international cooperation to take effective action against organized crime and terrorism. In fact, the first resolution of the Seventh Congress asks that signatories arrange their international agreements, adopting new legislation to facilitate effective international cooperation to fight organized crime. The second resolution also addresses international drug trafficking. It calls

upon member states to make multilateral and bilateral agreements in terms of extradition, mutual judicial assistance, and the transfer of criminal proceedings (Steffens, 1990).

The 1998 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances or the "United Nations Drug Convention," had almost the same language as the language of the Seventh Congress. In fact, it contains provisions regarding mutual legal assistance, as well as other forms of bilateral and multilateral agreements (Kellman et al., 1996). Even though the United Nations Drug Convention deals specifically with drug crimes, it recognizes the link between the drug trade and other organized criminal activities. Article Three of the Convention provides for the criminalization of a broad range of activities related to the drug trade, including the production, transport, and sale of drugs. It also criminalizes those who organize, manage, or participate in schemes to traffic in drugs. Article Six provides that the United Nations Drug Convention serve as an extradition treaty for countries who are party to the agreement, separate extradition agreements in place. The United

Nations Drug Convention also provides for the gradual improvement of international cooperation in the investigation and prosecution of drug trafficking and money laundering. The United Nations Drug Convention serves as a model for drafters of the proposed convention against transnational organized crime. Furthermore, it serves as a warning about the consequences of the failure of an international agreement.

Conventions on Money Laundering

The United Nations Drug Convention requires that all member states criminalize money laundering, institute banking safeguards, and provide for mutual legal assistance (Sterling, 1994b). Both the United Nations Drug Convention's money laundering provisions and the Council of Europe's Money Laundering Convention have focused the attention of world leaders on the money laundering problem and they have accelerated the emergence of international anti-money laundering actions (United Nations, Convention Against, 1998).

The Council of Europe's Convention on Laundering, Search, Seizure and the Confiscation of the Proceeds from Crime, the "Laundering Conventions," criminalizes money laundering at the domestic level and provides for

international cooperation in investigation and prosecution, and establishes guidelines for the forfeiture of the criminal proceeds (Council of Europe, Convention on Laundering, 1991). This Convention was ratified by thirty-four countries as of June 11, 2001. The Laundering Convention is also open to non-member signatories. Australia, a non-member state has signed the Convention, and the United States and Canada have considered it (Council of Europe, Signatures and Ratifications, 1999).

The 1988 Basel Declaration of Principles, applicable to central banks in twelve countries, requires full cooperation with law enforcement. According to the Principles, the banks are required to disclose large and/or suspicious transactions in order to assist the investigations concerning money laundering (Savona, 1996).

The Financial Action Task Force (FATF), formed by the G-7 Economic Summit in 1989, is one of the key organizations addressing the money-laundering problem in global perspective. The FATF, comprised of twenty-six key countries as well as the European Commission and the Gulf Cooperation of Council, is dedicated to combating money laundering by promoting cooperative counter-money laundering efforts among its members (Financial Crimes,

1996). The major work of the Task Force has been the design of "Forty Recommendations" designed to serve as a blueprint for the establishment and implementation of anti-money laundering laws and programs. These "Forty Recommendations" contain ratified multilateral agreements that suggest the extradition of criminals and mutual legal assistance, the criminalization of money laundering, forfeiture legislations, regulations regarding customer identification, careful record-keeping and diligent financial institutions, and measures to assist countries without adequate anti-money laundering regimes. The FATF Recommendations also encourage governments to improve international cooperation through the exchange of information, legislative harmonization, and bilateral and multilateral agreements, such as the Council of Europe's Laundering Convention (Savona, 1996).

In 1994, the United Nations's Crime Prevention and Criminal Justice Branch arranged the "International Conference on Preventing and Controlling Money Laundering and the Use of the Proceeds of Crime." This convention, subtitled "A Global Approach" met at Courmayeur in Italy. Representatives from forty-five countries attended. Participants advocated establishing an international anti-

money-laundering regime through the adoption of the provisions of the United Nations Drug Convention, the Basel Declaration, and the FATF's Forty Recommendations. In particular, the Conference stressed measures by all nations to limit bank secrecy, enact "know your customer" rules, identify and report suspicious transactions, improve regulations of all businesses (not just banks) engaged in financial operations, enact asset forfeiture measures, and establish effective international cooperation mechanisms (United Nations, International Conference, 1996).

Anti-Corruption Agreements

Organized crime and corrupt government officials often have symbiotic relationships. Therefore, anti-corruption sanctions and international cooperation to counter corruption are essential in the fight against transnational crime. The member nations of the Organization of Economic Cooperation and Development (OECD), and five other non-OECD nations, signed the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Anti-Bribery Convention) on December 17, 1997. Article One of the Convention criminalizes the act of offering, promising, or giving a bribe to a public official. It also criminalizes those who attempt to

conspire, or assist in those acts. Furthermore, it requires the signatories to make both legal and natural persons punishable for the bribery of officials. Article Nine of the Convention contains provisions regarding mutual legal assistance, and Article Ten contains provisions regarding extradition. In addition to the OECD's Anti-Bribery Convention, the member nations of the OAS have agreed to the Inter-American Convention Against Corruption (Zagaris, & Ohri, 1999).

Interpol

Founded in 1923, the International Police Organization (Interpol) acts as a coordinating body among disparate domestic law enforcement entities, providing an environment for the exchange of information related to criminal activities. It serves to strengthen relationships between agencies and improve law enforcement techniques among domestic police forces (Kellman et al., 1996).

Interpol has advanced the concept of international law enforcement in three ways. First, it connects national and local police agencies from all over the world through a quick and reliable network. Second, it facilitates the exchange of information concerning new law enforcement

methods. Finally, it improves the harmonization of tactics and the concerns of law enforcement all over the world.

Interpol currently has 170 member nations (Financial Crime, 1996). Although some of the members are inactive, almost every member of the United Nations is also a member of Interpol, including most former Soviet and East Bloc nations (Abadinsky, 1990; Kellman et al., 1996). A full sixty percent of Interpol's activity is focused on drug trade. However, it also has task forces concentrating on international terrorism, nuclear smuggling, money laundering, and human and firearms trafficking. In 1995, at the 64th session of Interpol's General Assembly, the first anti-money laundering declaration was presented (Financial Crimes, 1996; Kellman et al., 1996).

The United States National Center Bureau, a United States Interpol liaison agency located in Washington, D.C., receives about twelve thousand requests for assistance from federal, state, and local law enforcement agencies each year. The requests are entered into a computer information system, and are then forwarded to senior staff members who serve as case investigators. These cases cover a variety of crimes, ranging from murder, drug trafficking, robbery, and firearms trafficking, to counterfeiting and fraud

(Abadinsky, 1990). The Financial and Economic Crime Unit at Interpol headquarters serves as a database that collects and distributes information related to credit card fraud, airline ticket counterfeiting, computer crime, off-shore banking, commodity futures, and money laundering schemes. The monitoring of such activities can sometimes lead to the identification of suspects involved in drug trafficking or other types of organized crimes (Abadinsky, 1990).

Interpol's authority and jurisdiction, however, are limited. For example, it does not have the power to investigate or arrest suspects. Individual countries participate on a voluntary basis through separate bilateral agreements between their national police forces and Interpol. There is no overall treaty. Indeed, Article Five of The New United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, and the works of the Council of Europe's Select Committee of Experts on International Cooperation states that if Interpol were given greater power, even the modest ability to share information without first obtaining express and time-consuming permission from individual states, it could serve as a valuable resource to battle transnational crime.

Multilateral and Regional Agreements

Regional arrangements are better than bilateral arrangements. They provide for more efficient and effective solutions, and they fortify weaker countries against the attacks of organized criminal groups (Lavey, 1990; Volobuev, 1990).

The European Union

In its early efforts to combat organized crime, the European Community has made many attempts to draw up a comprehensive inventory of the organized crime groups that are active in its territory. However, these attempts could not produce effective results because of the considerable variation among the Member States in the criteria they used in their assessment of organized crime (Anderson, 1995; Boer, 1999). Despite this initial failure at the European Union level, the efforts have been continued.

In Europe, since 1950, there has been an important multilateral approach to combating organized crime. The creation of a unified European police and criminal prosecutorial system has been debated for years. As a consequence of these debates, many agreements and treaties were made that facilitate cooperation among criminal prosecutors. These include conventions on Extradition

(1957), Mutual Assistance in Criminal Matters (1959), the International Validity of Criminal Judgments (1970), and the Transfer of Criminal Proceedings (1972).

In order to support the Laundering Convention of the Council of Europe, the European Community has agreed on a Directive to Prevent the Use of the Financial System for the Purpose of Money Laundering. This Directive requires greater disclosure of financial transactions (Council of Europe, Council Directive, 1991). A significant portion of the Directive pertains to international cooperation at all stages, from investigation to trial to forfeiture of proceeds (Duyne, & Levi, 1999).

During the discussions leading up to the Maastricht Treaty on European Political Union, the members agreed to the establishment of Europol, a Central European Investigation Bureau. The Treaty on the Establishment of a European Police Office was adopted via the Council Act of July 26, 1995. However, it did not enter into force until each member state had notified the Council that its individual national government bodies had adopted the convention (European Union, The Treaty on the Establishment, 1995). Consequently, Europol began its operations in October 1998 (Bremner, 1998). Monaco argues

that Europol assumes the role of its predecessor, the Europol Drugs Unit (EDU), which has carried out the coordination of law enforcement efforts in the area of drug trafficking since 1993. Furthermore, it is charged with fighting terrorism, nuclear smuggling, illegal immigrant smuggling, and motor vehicle crimes. In the formal documents of Europol, the major tasks of Europol are reportedly to aid the investigations of national law enforcement agencies, and to maintain a computerized database of collected information (European Union, The Treaty on the Establishment, 1995; Monaco, 1995).

The creation of Europol, an international cooperative structure, has imposed a demand upon the criminal justice systems of the member states to improve the coordination of information exchange and to make accountability procedures more transparent at higher law enforcement levels. The first reason for this demand is the diplomatic importance rendered to well coordinated covert operations against the transnational organized criminals. The second reason is that international cooperation has made the internal organizations of individual criminal justice agencies more likely to undergo inspection from other agencies (Boer, 1999). Despite these invaluable consequences that require

more accountability, more efficiency and more transparency to facilitate coordination and centralization, regional law enforcement agencies are not enthusiastic about sharing information at both the national and international level. Indeed, this lack of enthusiasm is an inherent aspect of the police culture. Therefore, Boer suggests that the major task of Europol must be to change this culture that promotes excessive secrecy and the parsimony of sharing information. These same equalities allow for the existence of bribery and corruption (Boer,1999).

Despite the efforts to establish a pool of resources to combat crime in Europe, the individual governments still hesitate to give a single body independent law enforcement powers. Both Europol and the EDU, which were preceded by the Trevi Group, have been in charge of the coordination of national efforts to combat international organized crime. According to Klosek, neither organization has been successful in terms of improving the level of coordination established during the Trevi era (Klosek, 1999). In fact, they do work as channels for information exchange among national law enforcement bodies, but they do not serve as independent enforcement organizations, which they were supposed to have been in the first place. Like Interpol,

Europol participation occurs on voluntary basis. Consequently, Europol has failed to be a strong multilateral law enforcement body (Fijnaut, 1996).

Article K of the Maastricht Treaty requires signatories to agree to a cooperation in law enforcement matters. On the other hand, since the regulation of crime is a matter of domestic legislation, and many European Union members are reluctant to implement Article K requirements through legislation, Article K has not been effective.

On the other hand, in Europe, there have been some successful attempts to reach stronger cooperative arrangements between the law enforcement programs of several European countries. For example, the Schengen Convention regulates cross-border pursuits and information sharing by the police forces of different countries. The original parties to the 1985 Schengen Convention were Luxembourg, the Netherlands, Belgium, France, and Germany. In 1990, Schengen II was signed by, Spain, Portugal, Italy and Greece. In 1997, Austria signed the Convention (Klosek, 1999).

The multilateral approach of the European Union to combat organized crime has shown the difficulties

associated with multilateral agreements. In fact, multilateral agreements that bind different states on different terms and conditions are difficult to apply in practice. Furthermore, the vast differences between the criminal justice, legislative, and judicial systems of the various countries make a uniform implementation of agreements difficult.

The Continental Americas

The regions outside Europe have not produced the same types of wide-scale multilateral arrangements for combating organized crime as those made in Europe. The Inter-American Drug Abuse Commission (CICAD) of the Organization of American States (OAS), the Caribbean Financial Action Task Force (CFATF) and various arrangements in the League of Arab States are a few examples of the types of the arrangements that have been made outside of the European Continent (Williams, 1996).

In the Caribbean and Latin America, there have been some regional agreements aimed at increasing cooperation against organized crime. For example, the Inter-American Convention on Extradition was held in 1981 (Organization of American, 1981). Similarly, in 1991, CICAD prepared a model for anti-money laundering legislation. The same legislation

was adopted by OAS members in 1992. In the last decade, the summit meetings of the Americas regarding cooperative crime fighting efforts have resulted in a number of agreements and initiatives. OAS members, in their 1994 Plan of Action, agreed to ratify the U.N. Drug Convention, enact laws regarding the forfeiture of proceeds, implement the CFATF recommendations, implement other drug control programs and legislation, and consider an Inter-American convention on money laundering (Zagaris, 1996). In 1996, twenty-one members of the OAS signed the Inter-American Convention Against Corruption. The other OAS members signed the Convention after it entered into force. Arguably, that the OAS Convention Against Corruption has been more effective than the OECD Anti-Bribery Convention in at least one respect, it allows for the extradition not only of bribe-givers, but bribe takers as well (Nichols, 1999).

In 1995, the U.N. organized a workshop in Buenos Aires. This workshop produced the Buenos Aires Declaration on Prevention and Control of Organized Transnational Crime (Buenos Aires Declaration). The Buenos Aires Declaration emphasizes the need for a coordinated hemispheric approach to combat organized transnational crime (United Nations, Implementation of the Naples, 1996).

In 1992, the CFATF adopted the forty recommendations of the FATF. Furthermore, it adopted twenty-one additional recommendations of its own (Kellman et al., 1996). The Caribbean Common Market and Community (CARICOM) has also discussed developing joint strategies to protect banking systems in the region from exploitation by international drug traffickers (Zagaris, 1996). The 1997 Summit of the United States and the Caribbean produced the Bridgetown Declaration of Principles and Plan of Action. This plan suggests several measures, including: the providing of United States assistance in training law enforcement personnel and enacting legislative reforms; mutual legal assistance among the Caribbean countries that have not yet done so; cooperation among law enforcement agencies that enables joint training and information exchange; and improving the implementation of the U.N. Drug Convention and banking regulations. The Bridgetown Declaration is comprehensive in that it addresses arms trafficking, corruption, money laundering, and alien smuggling, as well as the drug trafficking problems of the Caribbean region (Kovaleski et al., 1998).

Reportedly regional efforts in the Americas are modeled on the European experience and are gradually

approaching an all-encompassing, hemispheric framework (Zagaris, 1996). According to one author the formation of an "Americas Committee," modeled after the European Committee on Crime Problems, is needed to review existing legislation, suggest legal measures, draft legislation, and move the region toward harmonization (Nichols, 1999).

Today the Caribbean countries very actively strive to achieve regional cooperation and seek assistance in combating organized crime, even though those efforts require some sort of sacrifice, such as giving up some degree of sovereignty in their countries (Kovaleski et al., 1998).

Other Regional Agreements

Several conventions have been held among the League of Arab States. To date, nineteen states have signed the 1983 agreement on extradition.

The United Nations has attempted to make agreements in various parts of the world. The United Nations Crime Prevention and Criminal Justice Program has established many regional institutes for the purpose of gathering information from Africa, Asia, and other parts of the world on organized criminal activity (United Nations, Implementation of the Naples, 1996). In 1997, the United

Nations's Crime Prevention and Criminal Justice Division produced the Dakar Declaration as a product of the workshop at Senegal. The Dakar Declaration emphasizes efforts in to strengthen the criminal justice systems among countries of Africa; harmonizing legislation across the continent; and providing better training for law enforcement personnel (United Nations, Crime Prevention, 1997).

The United Nations's Crime Prevention and Criminal Justice Division has held several conferences in Eastern Europe as well as the former Soviet Union. In 1995, this Division sponsored a seminar on drugs and crime in the region, bringing together the Organization for Security and Cooperation in Europe (OSCE) and the United Nations International Drug Control Program (UNDCP) for Central Asian states (United Nations, Implementation of the Naples, 1996).

The Boundaries of Domestic Efforts to Combat Organized Crime

Domestic law can provide an adequate foundation for the establishment of cooperation among nations to combat international organized crime.

Local law enforcement agencies and judicial entities are limited in their activities due to the jurisdictional

restrictions of national boundaries. However, customary international law recognizes five justifications for extraterritorial jurisdiction. First, a country is permitted to take action in criminal matters outside of its borders when that country's territory has been threatened by the actions of an outside perpetrator. Second and thirdly, a country has extraterritorial jurisdiction in cases where either the perpetrator or the victim is a native of that country. These are known as active and passive personalities, respectively. Fourthly, extraterritorial jurisdiction is allowed when a crime or conspiracy poses a threat to national interests, such as security, integrity, sovereignty, or other governmental functions. This is known as protective jurisdiction. Finally, universal jurisdiction allows states to prosecute criminals whose crimes are harmful to mankind. These types of crimes include piracy or war crimes.

CHAPTER 5

CONCLUSIVE REMARKS - SUMMARY AND ARGUMENTS

Summary

The Italian Mafia, Russian Mafiya, Colombian Cartels, Chinese Triads, Japanese Yakuza, La Cosa Nostra, and many other criminal organizations have become synonymous with corruption, terrorism, nuclear smuggling, drug trafficking, prostitution, extortion and manipulation. They are the embodiment of organized crime, involved in willful and long term criminal activities. They employ, within their own infrastructures, groups of persons who perform various tasks for the sole purpose of committing large-scale criminal acts. The aim of these groups is to make huge profits quickly.

The problems caused by organized criminals are no longer confined to countries where those criminal groups are headquartered. Indeed, the phenomenon of gang networks has already crossed national boundaries, exploiting ethnic, historic and other similar ties throughout the world. Furthermore, these groups have increasingly become more sophisticated. They have used profits, power, and influence

to insulate and protect their structure from discovery and prosecution.

Organized crime exploits every possible lucrative illegal business, including the drug trade, firearms and human trafficking, terrorism, nuclear smuggling, gambling, and prostitution. Organized crime is such an incredibly large and pervasive problem that every person has inevitably suffered in some way, either directly or indirectly, from the negative consequences of organized criminal activity.

Traditionally, organized crimes have been equated with drug trafficking. Today, however, evidence shows that this pairing is too simple. Organized criminals deal in much more than drugs. However, it is well known that drugs are still the major business of organized crime syndicates throughout the world, generating an estimated \$400 billion in annual revenue (Office of National, 2000).

The drug problem has its own cultural, economic, and political dynamic. The drug subculture provides norms, values, and status to abusers and traffickers. Crime, a major reflection of the drug subculture generates masculinity and short-term money. In some parts of the world, the young could not imagine buying a good car,

cellular phone, or a gun without getting into the drug business. The drug economy provides the young user with a realistic chance of fast living. The production, consumption, and trafficking of drugs have emerged as a triple threat to sustained economic development throughout the world. Drug traffickers corrupt politicians to facilitate their job. Furthermore, the drug business is used by terrorist organizations to raise funds for their illegal activities. Terrorist organizations, with this seemingly bottomless source of income, pose even more of a threat to both national and international security.

The drug phenomenon, regardless of its reputation at the global, regional, or national level, is not a one-dimensional matter. Indeed, it is multidimensional both in its characteristics and its consequences. Production, trafficking, consumption, and money laundering are the four primary occupations that are characteristic of the drug problem. Each of these individual occupations can produce devastating consequences, including economic resource depletion, crime, and corruption. In order to understand the drug problem, to effectively evaluate efforts to eradicate the drug problem, and to produce feasible

solutions, both the characteristics and the consequences of the drug phenomenon must be understood thoroughly.

The growth of the drug industry and its concomitant real or perceived threats to national authority has given much needed rise worldwide to the development of law and the organization of crime control. As early as the Shanghai Conference in 1909, a step-by-step global effort was undertaken to sanction the production and consumption of psychotropic substances. Almost every country in the world, by ratifying international treaties, has obliged itself to adapt its national laws in accordance with these treaties, and thereby to suppress the now illegal drug business.

The United Nations and European Union have paved the way for building a global prohibition regime. It was in 1950's that the United Nations and several multilateral European organizations began their efforts to control the drug trade by way of a global, cooperative, anti-drug drug regime. This regime is still under construction, and is always targeting new drugs and expanding its organizational structure. It encompasses multinational organizations, state bureaucracies, banks, medical institutions and even social morality. Various international conventions and

national initiatives have been passed in an attempt to establish a framework that can control the drug trade.

Especially after the 1980s, unilateral, bilateral, and multilateral forms of pressure, intervention, and collaboration have encouraged governments to comply with the global prohibition initiatives and to stifle the growth of the drug economy. Conditional development aid packages and extradition treaties, anti-money laundering regulations, forfeiture laws, financial incentives, military and police training assistance, political pressure, and even outright military intervention have all been used as instruments by the United Nations and European Union to encourage countries to fall in line with the global prohibition regime. In addition to the use of those instruments, institutional structures, such as Interpol, Europol, and the UNDCP have been strengthened to intensify international cooperation. Besides that, several informal structures have developed between the police, military, and various intelligence agencies (Anderson, & Boer, 1994; Fijnaut, 1993; Marshall, 1991). Many of these are not new. Before the end of the Cold War, countries like France and the United States had extensive programs for the assistance of foreign military and police forces (Fijnaut 1993,

Marshall 1991). Such programs have been legitimized by the supposed need to strengthen each nation's ability to fight the drug industry.

Arguments

Despite the success of some efforts to create a formal global anti-drug regime drugs are still a growing problem throughout the world. In this study, it is argued that there are three major reasons for the increase in the illicit drug problem. First, efforts to create an effective international criminal justice system to meet the challenges of drug trafficking and globalized crime have not been successful enough. Despite the existence of a formal global drug-prohibition regime created by the United Nations, the execution and dedication of control efforts are still in the hands of individual governments and state agencies. Consequently, the implementation of global prohibition measures differs from state to state. Those differences hinder the success of the global prohibition regime. Second, the drug interests are strong enough to hinder the success of the global prohibition regime. Third, the anti-drug policies are hindered by corruption.

1. The Effects of the Various Practices of the States

There are many reasons for the differences in anti-drug practices from state to state. First, the economic and social environments are different from one state to the next. Likewise, each nation has its own unique public health, privacy, security, and moral concerns. Second, the conception of the problem within and between societies and the discourses guiding government intervention in the drug industry vary widely over time and geographic space. Third, the multi-dimensionality of the drug problem makes individual countries focus on different aspects of the drug problem and the associated drug policies.

The idea of the creation of a global power to enforce the drug prohibition regime is largely legitimized and rationalized by the apparent global interdependency of the illegal drug industry. However, among national entities, interdependency does not necessarily translate to mean greater integration or "closer collaboration and harmonization." Interdependency can also be caused by "dependency," "exploitation," "free riding," and "conflict" due to the uneven distribution of law enforcement resources, and international pressure on countries to comply with a global legislative, executive, and judicial

system (Nichols, 1999). As a result, efforts to make nations interdependent conflict with national sovereignties and national interests. The privacy and security of the countries are to some degree is comprised. This makes states less likely to support an international criminal justice system, and more likely to dedicate their resources to their own criminal justice system.

Variations in the way each nation perceives the drug problem and the actual multi-dimensionality of the drug problem makes the individual states intervene in their own separate way. Accordingly, for example, while one country might concentrate its forces on efforts to prevent drug traffickers from using its land as a transport route, another country might concentrate its forces on the elimination of poppy fields in its lands. Consequently, the individual effort to intervene simply diverts trafficking routes from one country to another, or transplants poppy fields from one country to another. The nationality of the drug entrepreneur might change as well, but these efforts do nothing to further the cause of the global prohibition regime. They do not eliminate the supply and demand for drugs throughout the world.

2. The Strength of Drug Interests

Drug interests are strong enough to create a base of power that has a great deal of influence on political life and economic activities. The efforts of drug entrepreneurs to protect their trade, the people whose income depends on the drug industry, and the states whose economy benefit from the drug trade through the influx of foreign currency severely limit the ability of governments to deal with the drug industry.

Other resistance facing the global drug prohibition regime comes from the pharmaceutical industries. In order to be prepared for war, states must maintain a secure supply of anesthetics. This interest, often shields pharmaceutical companies from scrutiny. Consequently, coaxing governments into compliance with prohibition has been, and still is, an arduous process.

3. Corruption

The third major factor hindering the global prohibition regime is corruption. Since corruption causes the selective practice and application of policies, the drug war has contaminated national entities with corruption. Their efforts just touch upon the distribution

of wealth between drug dealers, but they do not decrease drug crimes.

Through their relations with drug dealers, police officers, and other state protectors, are always exposed to corruption by drug dealers. Heavy punishments for drug crimes, long sentences and asset forfeiture laws, provide huge incentives for drug criminals to corrupt state protectors.

The illegitimate use of illegal violence and authorized force to serve the purpose of one class, clan, ethnic group, region, or country against another, is not a new phenomenon. It is, however, strongly related to the dynamics and consequences of the growth of the drug market. In many countries, it is exactly the close association between criminal groups and power elites that produces and prolongs such perverse consequences (Hess, 1986). Many examples exist of clandestine cooperations between secret services, political parties, or other elite groups and drug entrepreneurs. These cooperations are made to repress domestic opposition and destabilize foreign governments. Industrialized nations, such as France, Italy or the United States, and developing countries such as Turkey, South Africa, Colombia, or Mexico all have provided examples of

corruption at some point in their history (Block, & Hess 1986, Kruger 1980, McCoy 1972, Scott and Marshall 1991). Similarly, many opposition groups, such as the PKK in Turkey, have discovered how much monetary support the drug trade can provide to their cause.

To sum up, all these international agreements and conventions have been articulated between countries for the prevention of international organized crime. The question is will these international agreements and conventions work or have an impact on organized crime business? The answer to this question is that if the countries did not have these international agreements and conventions it would be sovereignty problem for the countries. It would give the impression that powerful countries' interests and their political allies are forcing the weak countries to obey their rules. This idea would paralyze progress by preventing cooperation between countries and would remove any incentive for the rest of the world to cut barriers to other aids supplied by the countries ready to help to solve the problem. The right incentives are critical, however, to ensure that the nations become fully democratic the instruments to solve the problem should be met by the signers of the agreements.

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