



HOUSE OF REPRESENTATIVES I

Organized Crime

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Introduction

“When these Italians were puzzled and confused on who to vote for to represent them in the state legislature, in the city offices, in the Congress, they should ask the advice of their friend don Corleone, their Godfather. And so he became a political power to be consulted by practical party chiefs...He planned for the future of his empire with all the foresight of a great national leader.” (216)

Puzo, Mario. *The Godfather*, Fawcett Crest Book (1969)

Over the course of the 20th century, organized crime has emerged as one of the greatest threats to American society. Although the above excerpt from the world-famous book *The Godfather* concerns a fictional leader of the Italian Mafia, it nonetheless portrays a reality of corruption, manipulation, and absolute power wielded by organized crime leaders. From the infamous Al Capone and the legendary Lucky Luciano—the Italian mobster who founded the 1920s Genovese crime family and is considered by many to be the father of **organized crime**—to the rise of Chinese, Russian, Japanese, and African criminal groups, organized crime has continued to thrive in the US, inflicting political and economic damage upon American society. Although television programs and movies still depict organized crime as predominately Italian, the real face of organized crime has changed, creating a threat that is broader and more complex than ever before.

The US has long-established programs dedicated to eliminating organized crime, but the nature, structure, and purpose of criminal organizations have evolved in recent years, creating a new type of threat. Furthermore, the economic crisis, the massive spread of terrorism, and the rise of a new global age of technology have enabled organized crime groups to develop new **initiatives** to target American citizens, both domestically and abroad.

The US is gravely concerned with these new developments, and it is your task as members of the House of Representatives to address the evolving threat of organized crime in our country.

Explanation of the Problem

The term “organized crime” was first introduced by the Chicago Crime Commission, a civic organization created in 1919 by businessmen, bankers, and lawyers with the purpose of adjusting the criminal

organized crime—according to the FBI, organized crime is defined as any group with some formalized structure and whose primary objective is to obtain money through illegal activities. Such groups maintain their position through the use of actual or threatened violence, corrupt public officials, graft, or extortion, and generally have a significant impact on the people in their locales or on the country as a whole
initiative—enterprise

justice system to the new forms of crime. The term originally described criminal organization in a broad sense, and, according to criminal justice professor Klaus von Lampe, referred to situations where the so-called “criminal class” of an estimated “10,000 professional criminals” could pursue “crime as a business.” During the early years of organized crime, the government was inefficient and corrupt, while the public tended to be indifferent and wrongfully sympathetic toward criminal figures. Professor Lampe noted, “Chicago was drowning in crime, corruption, and moral **decay**.”

During the Depression Era, organized crime began to spread outside the boundaries of Chicago. By the mid-1930s, the broad definition of “crime” in the 1920s had given way to the somewhat narrower concept of **racketeering**. In addition, the structure of organized crime changed; gangsters and racketeers began to form groups and answered to “master criminals” who controlled the organized criminal activities in their area. The professionalization of organized crime now demanded much stricter law enforcement.

However, organized crime did not become a central concern for the US until the 1950s, when a Senate committee led by Chairman Estes Kefauver unravelled a series of criminal groups tied together by a “sinister criminal organization known as the **Mafia**.” This committee identified two main characteristics of organized crime. First, rather than dealing with purely local activities, organized crime was now national in scope; second, organized crime had become linked to particular ethnic groups, especially Italian-Americans. By the late 1960s, organized crime became synonymous with the Italian Mafia.

According to official FBI analyses, organized crime rings “manipulate and monopolize financial markets, labor unions, and legitimate industries like construction and trash hauling.” They are also involved in drug-dealing operations and significantly contribute to increasing levels of violence because they utilize methods like corruption, extortion, intimidation, and murder to achieve their goals. Their involvement in prostitution and **human trafficking** also wreaks **havoc** both domestically and internationally, while their participation in stock frauds and financial scams rob Americans of millions of dollars each year. It is estimated that global organized crime rings reap illegal profits of roughly \$1 trillion per year, a figure that places an unprecedented financial burden on the worldwide economy.

One of the most fundamental pieces of organized crime legislation is the Racketeering Influenced and Corrupt Organized Act (RICO), passed by Congress in 1970 as part of the Organized Crime Control Act. Under RICO, prosecutors may charge anyone who is both a member of an enterprise and who has demonstrated a pattern of criminal behavior—defined as committing two or more of a set list of crimes within a ten-year period—with “racketeering.” Each racketeering conviction can

decay—*to lose strength, soundness, health, beauty, prosperity, etc. gradually; waste away; deteriorate.*

racketeering—*extortion of money as part of organized crime operations*

Mafia—*secret criminal society mostly associated with Italian groups*

human trafficking—*the sale, transport and profit from human beings who are forced to work for others*

havoc—*great confusion or disorder*

result in a 20-year prison sentence and a \$250,000 fine—two very severe penalties. While RICO can clearly be applied to organized crime—which involves both an enterprise and repeated criminal behaviors—prosecutors have also used it against defendants unrelated to organized crime, such as white collar criminals and corporations. This possible misuse of the law, as well as arguments by civil libertarians that RICO is overly broad and unjust, has led the Supreme Court to place some limitations on the use of RICO. Consequently, it may be necessary to pass legislation to adjust RICO to address the new realities of organized crime, and to render it a stronger, more specific piece of legislation that will focus on the fight against the Mafia and other criminal organizations.

Recent Developments

After the 1990s, organized crime began to encompass more than just the Italian Mafia. In recent years, ethnically defined criminal organizations—such as East-Asian, Latin-American, and Russian groups—outlaw-motorcycle **gangs**, and so-called prison gangs have developed, broadening the scope of organized crime. Today, there are not only domestic crime groups, such as the Cosa Nostra (the Mafia), but also as international crime groups like the Chinese Triads and the “Russian Mafia.” According to the FBI, “Individuals associated with foreign-based criminal groups are targeting the US as we speak, and they are a major focus of American law enforcement and a top priority of the FBI’s organized crime busting efforts.” However, the FBI is using the same tools to combat both domestic and transnational groups: intelligence gathering, investigation, RICO, and undercover operations. Unfortunately, the international crime groups may require different means of deterrence and response than the domestic groups.

The rise in international crime has created a series of new and more complicated problems for the US. This is perhaps most evident in the case of Mexico, where organized crime groups are sustained by the demand for narcotics from US residents. Each year, US drug sales account for as much as \$15 billion to \$25 billion which fund the activities of Mexican cartels. Some of this money is used to buy weapons for drug trafficking organizations—usually in the United States, where gun control laws are less strict than in Mexico. Thus, US citizens are knowingly or unknowingly financing and equipping the very criminal organizations that are harming America. Consequently, the US government not only needs to apprehend members of the Mexican drug cartels, but must also stop the flow of money going toward these operations from US drug sales. In doing so, the US would successfully decrease the supply of American-bought weapons that render these cartels a threat to

gangs—a group of individuals who associate on a continuous basis, form an allegiance for a common purpose, and are involved in delinquent or criminal activity

both the US and to Mexico. This is only one example of the transnational character of organized crime; the complicated nature of Mexican drug cartels is reflected in many other nations' criminal organizations. Thus, in addition to ensuring its own domestic security, the US plays an important role in halting criminal operations abroad.

Unfortunately, internationally organized crime is not the only problem facing the US. The worldwide economic crisis has also heightened the domestic dangers posed by organized crime. In the aftermath of the economic downturn, organized crime has weakened the economy even more deeply. With illegal activities like cigarette trafficking and tax evasion scams continuing undisturbed, there may be a severe loss of tax revenue for both the federal and state governments. Mafia schemes concerning stocks, investments, securities, and insurance will further weaken the deteriorating financial sector.

Beyond the economic threat of organized crime, the increased use of modern technology within criminal organizations creates even more complex problems for the US. Indeed, the current technologies being employed by the centers of organized crime may render current law enforcement techniques useless. With the development of global communication services and the Internet, it will be even more difficult for the US to dissolve these groups.

The threat of organized crime looms greater when coupled with the possibility of terrorism. Political experts have grown increasingly concerned about the potential relationship between organized crime and terrorism. The possibility of collaboration between terrorist groups and criminal organizations poses an unparalleled risk to national security. Although organized crime and terrorism have different motivations—profit and ideology, respectively—both require substantial amounts of money to run effectively. Terrorists may be able to fund their operations with the help of organized crime groups. Even short-term dealings between the two groups could prove **detrimental** to national and international interests, and potential partnerships necessitate policymakers' immediate attention.

d e t r i m e n t a l —
damaging; harmful

In the last few years, a series of global conferences has solidified the international community's efforts to deter organized crime. On April 23-24, 2009, the Italian government, which currently presides over the G-8, hosted a conference on "Destabilizing Factors and Transnational Threats." Participants discussed how "transnational threats"—terrorism, organized crime, nuclear proliferation, and corruption—contribute to domestic and international dysfunction and challenge global security. Conference participants focused on the importance of increasing cooperation between members of the G-8 in order to enhance global and domestic security. G-8 leaders are expected to discuss efforts to combat transnational organized crime in July 2009. In April 2009, at the Fifth Summit of the Americas, President Obama and other

hemispheric leaders also agreed to fight against transnational organized crime.

Congressional Action

RICO (Racketeer Influenced and Corrupt Organizations Act)

Legislation has been passed in the 111th Congress which will expand the list of offenses under RICO, clarify the definition of money laundering, and broaden the international **money laundering** statute. This move is a very important step in the process of identifying prosecuting various crime groups and the individuals associated with them.

money laundering—a process whereby the origin of funds generated by illegal means is concealed through the exchange of “dirty” and “clean” monies

Merida Initiative to Combat Illicit Narcotics and Reduce Organized Crime Authorization Act

The Merida Initiative is a security cooperation and assistance package which would aid Mexico and countries in Central America. This piece of legislation is currently under debate in the US Congress. The initiative would provide \$1.4 billion of equipment, software, and technical assistance to Mexico over three years, as well as a smaller, unspecified amount to countries in Central America over the same time period. This act would be part of a more general diplomatic effort to increase cooperation between the US and Mexico in the fight against organized crime and drug trafficking.

However, some members in Congress are skeptical about Merida. The proposal was developed by the Mexican government and the Bush administration without consulting Congress. Some members of Congress believe that funding for this initiative should be reduced; others want to increase the administration’s accountability for the flow of arms, equipment, and financial resources between the US and Mexico. Although it is important for the US to cooperate with Mexico in the war on drugs and organized crime, the current proposal will likely be altered before it passes through Congress.

Focus of the Debate

Conservative View

Conservatives have generally supported direct and continuous crime-fighting methods. Emphasizing individual responsibility, conservatives favor legislation aimed directly at the leaders and major participants of organized criminal groups. Consequently, they prefer to spend money on crime-fighting and law enforcement programs rather than prevention initiatives.

Liberal View

Liberals aim to combat organized crime by targeting what they believe to be its source—high levels of poverty, discrimination, and inequality of opportunity. Under the Clinton administration, the White House initiated “care for crime” policies, pushing through initiatives like community policing. According to Attorney General Janet Reno, these initiatives “had the overwhelming support of the public”.

Presidential View

In the domestic fight against organized crime, Obama seems dedicated to upgrading US cyber security in order to decrease cyber theft. He claims that America's “economic prosperity in the 21st century will depend on cyber security”.

Obama has also taken steps to the US as a leader in the international fight against organized crime. President Obama and Secretary of State Hillary Clinton both emphasize the importance of international collaboration. Obama appears committed to strengthening American leadership worldwide and to renewing trust in American law enforcement and crime prevention efforts. As Obama said in his speech on Securing Our Nation’s Cyber Infrastructure, “a new world awaits.” It remains to be seen what will be done to reach that new world.

Interest Group Perspectives

Heritage Foundation

The Heritage Foundation, a conservative think-tank, believes that state and local law enforcement are “the front-line forces making America safer” against organized crime. Heritage believes in strict and aggressive local police methods that aim to reduce crime across the country.

The Heritage Foundation strongly supports the Merida Initiative, praising US collaboration with Mexican President Calderon in the fight against drugs and international organized crime. Heritage believes this initiative will implement new technologies and training that will lead to important victories against narcotics trafficking and organized crime in the US and Mexico. However, Heritage recognized the need for bipartisan support for this bill to be successfully implemented.

Another major concern of the Heritage Foundation is organized crime in cyberspace, which is a threat to both national and global security. Thus, Heritage supports upgraded technological infrastructure and better intelligence-gathering methods. Finally, the threat of terrorist partnerships with organized crime leaders is a problem that Heritage feels “must be met with all our assets.”

Center for American Progress

The Center for American Progress, a liberal think-tank, supports **integrated** military, diplomatic, and economic power to fight international crime and protect America's national security. CAP is especially concerned about the role of organized crime in human trafficking, which brings thousands of migrants into slavery, forced labor, and servitude around the globe. As far as domestic organized crime—especially in relation to Mexico—CAP favors prevention rather than enforcement. Accordingly, CAP supports increased funding for drug-demand reduction programs and greater support for addiction treatment programs in the US. CAP believes these policies would cut the revenue of the Mexican drug cartels.

Finally, the Center for American Progress supports more widespread cooperation between the US and Mexico. For example, CAP favors sharing US drug enforcement intelligence with Mexico in order to assist it in the apprehension of criminals and their illicit goods. CAP also supports annual review panels between leaders of the Mexico and the US to evaluate the progress made in the fight against organized crime. These methods can be used with other international partners against organized crime as well.

Amnesty International

Amnesty International has a special interest in the global fight against organized crime, particularly in the role of the US in Mexico. According to Amnesty, “the best way of tackling organized crime and corruption is through the rule of law and human rights.” Putting an emphasis on the role of **accountability** and transparency in government, Amnesty International aims at supporting the “integrity of state institutions” in the fight against organized crime and corruption. However, it is important to note that the organization is skeptical about aggressive—and especially military—means of combating organized crime groups.

i n t e g r a t e d —
*incorporating parts or
individuals of different
groups as equals*

a c c o u n t a b i l i t y —
*responsibility to some-
one or for some action*

Possible Solutions

When thinking about the most efficient ways to combat organized crime, there are several options that House representatives must consider. To begin with, it is important to establish whether the resources dedicated to fighting organized crime are adequate, or whether they should be modified. As funding for the fight on organized crime shifts to anti-terrorism programs, it may be necessary to allocate additional funding for anti-crime initiatives. On the other hand, with the current economic crisis and the ever-increasing national debt, it will be crucially important to allocate funding increases only where necessary.

Furthermore, in light of the structural and technological advances of criminal organizations, as well as the rise of **cyber crime**, members of the House may need to reevaluate their methods of intelligence-gathering and to increase their technological understanding. Members may also want to consider passing legislation to update RICO or to modify existing laws so that the government can investigate organized criminals from abroad.

In dealing with the transnational character of modern criminal organizations, as well as the link between organized crime and terrorism, it may prove useful to create various committees and review panels with our allies in order to improve cooperation with the US. Increased cooperation might serve to reaffirm other countries' commitment to combat organized crime, encourage them to join anti-crime conventions, foster intelligence and resource-sharing between the US and other nations, and ultimately increase accountability for all nations in the fight against organized crime.

Finally, long-term strategies will be important in combating corruption and narcotics trafficking. Additionally, civil society may prove important in the decrease of organized crime, so it is important to urge citizens to resist giving in to the demands of criminal organizations.

cyber crime—using the internet to commit a crime, such as by stealing a person's identity, selling contraband, stalking victims online, or disrupting operations with malevolent programs

Questions for Policymakers

Bearing in mind the complicated and evolving nature of this topic, policymakers need to consider the following questions:

Is the current system adequate for tracking and apprehending criminal organizations? Does Congress need to increase funding for these operations? How—if at all—should RICO be reformed? What measures must Congress take to help law enforcement officials fight organized crime? What technological equipment is required to fight organized crime, and how should Congress provide for the fight against cyber crime? On an international level, what role should the US play in the global fight against organized criminals? How should it approach Mexico's strategies to fight organized crime and the drug cartels? Finally, what kind of long-term solutions should the US employ to ensure the prevention of further expansions of organized crime groups?

Conclusion

The nightmare of organized crime is real and, unfortunately, it will take tremendous congressional efforts to stop this phenomenon. As former New York City mayor Rudolph Giuliani noted, "It's about time law enforcement got as organized as organized crime." The US needs to upgrade its technology and reform its legislative policies in order to lead

the battle against international criminal organizations. With both domestic and international threats at hand, it is imperative that you, as members of Congress, quickly address these complicated issues and provide efficient and successful solutions that will put the leaders of organized crime where they belong: behind bars.

Guide to Further Research

While undoubtedly interesting, the issue of organized crime is also quite complicated. The true complexities of organized crime and its potential solutions cannot be explained in a single briefing. It is your responsibility to do additional research so that you are adequately acquainted with the nature, structure, and characteristics of organized crime. To that end, here are a few helpful websites:

<http://news.google.com>

This website can help you find online articles in US newspapers and periodicals about various organized crime groups, ongoing police investigations, and the latest domestic and international efforts to combat crime.

<http://www.organized-crime.de/>

This site will give you access to numerous articles and statistics about organized crime in the US and in Europe. Search for relevant and helpful information that can help you understand and defend your position.

<http://www.fbi.gov/hq/cid/orgcrime/ocshome.htm>

Periodically check the Federal Bureau of Investigation's website for new information about organized crime. Updates are posted from time to time, and these new pieces of information can either support or challenge your position. It is also very important that you are aware of the most recent developments on the organized crime front when debating potential legislation in committee; this site will help you stay up to date.

<http://staff.lib.msu.edu/harris23/crimjust/orgcrime.htm>

This website, created by the University of Michigan, has a collection of definitions, articles, and resources about both domestic and international organized crime. These articles will help you distinguish the different structures of crime and focus on the types of organized crime that we will deal with in committee.

<http://www.iasoc.net/>

The International Association for the Study of Organized Crime will be a great source for you to find information on international trends within organized crime groups. Using this information, you can brainstorm ways for the US to defend its own citizens as well as to help its foreign allies fight against organized crime.

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