

**The many Faces of Crime for Profit
and
Ways of Tackling it**



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*Petrus C. van Duyne, Jackie Harvey, Georgios A. Antonopoulos,
Klaus von Lampe (eds.)*

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The Cross-Border Crime Colloquium is an annual event since 1999. It brings together experts on international organised (economic) crime to discuss the latest developments in empirical research, legislation and law enforcement, with a special geographical focus on Western, Central, and Eastern Europe.

The Colloquia aim at building bridges in three respects: between East and West Europe, between scholars and practitioners, and between old and young. The Cross-border Crime Colloquium, so far, has been organised fifteen times:

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¹ General footnote: throughout this volume the writing of numbers will be 'normal European': the commas are for the decimals and the dots the thousands.

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Introduction: Truths and the many faces of crime

Alternative truths

What about truth? It is at once a lofty and banal concept. We cannot live without truth: that is an existential axiom. Nevertheless, throughout human history or in one's lifetime, one cannot fully live with it either: we live a fair part of our lives with untruths if not outright lies, from 'white lies' to pitch-black ones. And we survive by this duplicity. For that ambiguity we have a whole dictionary of excuses (Vrij, 2008). The White House Cabinet even upgraded the concept of 'untruth' to 'alternative facts' and downgraded unwelcome truths to 'fake news' though there are also 'genuine' fake news. Is there a new trend, a kind of 'truth-relativism', navigating through the various shades of true and false statements? If that is correct, there could be a new genuine search for truth. Maybe, but be cautious: dealing with 'truths' is also a kind of art of deception, masterly exploited by conmen (Kabki, 2014; Van Duyne and Kabki, 2016) as well as statesmen. Those who lack this skill of juggling in the political world of 'alternative facts' may resort to a defensive ham-handed simplification, if not distortion of reality. An example of this is the way climate science has been heavily handled by the present US administration.

While such gross simplifications and distortions are easy to reject, with 'truth relativism' we may feel more uncomfortable. Often times we realise that there are nuances or multiple faces of truth while our cognition says there should be only one. A kind of uneasy ambiguity that make us waver just because the concept of truth has a positive existential value even in absolute terms. People were prepared to go to the stake because of some absolute truth, not for some nuance. For example Bruno was burnt in 1600 for his heretical cosmological theories in accordance with the then novel Copernican model. That was not for a nuance, as his successor scientist Galileo experienced three decades later. These are extreme cases and for our purpose connected to the extra aureole of truth: science. Science is the contradiction of anything fake and evokes the image of dedicated and impartial scholars sifting through raw material and weighing documents of colleagues and predecessors to find coveted 'pearls of truth'. The verb 'to find' may be incorrect because it is too passive: scholars work hard to extract or construct truths from other building blocks as the most plausible

Introduction: Truths and the many faces of crime

explanation of a phenomenon. Has this any relation to Trumpian ‘alternative’ truths? Beware! Ideally such a quest for truth should be an unselfish undertaking for its own sake. This fits in the serene picture of science. However, this is only an ideal image hiding other faces of that quest for truth. Apart from breaches of integrity in science, ranging from cooking the statistics to inventing data, pressure may be exerted to colour in the most ‘favourable face of truth’, often within the ‘mainstream’. This created discontent and unrest. The ways in which the Environmental Protection Agency was treated by president Trump ignited this discontent and drove scientists in the USA and other countries to a rare demonstration of protest. In many countries they took to the streets and not only because the new US administration curtailed climate research funding.



There is indeed a genuine and justified concern of being pressured or nudged to outcomes which are mainly comfortable to principals of research projects. However, there are many alternative drivers for researchers that make them susceptible to the pressure against which they recently protested: *e.g.* citation rates. This may have more impact on researchers’ conduct than the truth value of their publications. Or getting research grants: think of research on health care (‘Big Pharma’ and Götzsche, 2014), humanities, political science or criminology, they all depend on funds from third party stakeholders. These are the Lords of the Grants and Subsidies who determine the agenda of truth finding and its funding, which give scholars a place to work.

Apart from that, real science consists of a chain of falsifications, not of truth confirmations (Popper, 1969). That is uncomfortable: psychologically, refutations do not feel good. This goes to the depth of our nervous system: reaction times to sentences with denials are always longer than to confirmations while classical reasoning experiments show that subjects test logical statements by

looking for confirmations instead of falsification (Johnson-Laird and Wason, 1972). This makes an 'alternative truth' so much easier to sell than the nuances of multi-faceted truths. This may also apply to the scientific publishing practice: negating research is less popular. This socio-psychological context may explain why Trump can safely launch his 'alternative truths': they linger on because rejection costs more effort and is less accepted.

This volume is about a selection of the many faces of crime and related authorities. As much criminality is intended to remain hidden, the authors intend to present disguised or distorted faces of 'true crime'.

Corruption

For good reasons this volume starts with corruption, characterised by stapling pretence on pretence while hiding the exchange of advantages for illegally obtained decisions (Van Duyne, 2001). Or, in our discourse, mixing up alternative truths which become the more entangled the higher one comes, till one cannot tell one from the other. That happens on all levels, distorting not only the daily relevant decision making, ranging from getting a parking ticket waved to obtaining preferential treatment in the hospital to corrupting the tax administration for skimming the national till. This is not just a local matter of a corrupt policeman or local doctor; it affects international relations, for example, when donor countries suspect their development aid is returning through underground channels to the real estate market of Manhattan or West London (Doward, 2017). Naturally, this is a matter of on-going concern. *Alan Doig* describes in his chapter on corruption how this concern stretches back half a Century, while indicating that there are more 'faces' to this crime than simply a moral one. He underlines this by drawing on an article of 50 years ago by Colin Leys who wrote that corruption was a functional rather than a moral issue. The focus of his and Doig's elaboration is the region of *Sub-Saharan Africa* with its long-term intertwined problems of failing democracy and economic development, and corruption. In this combination corruption has a 'functional' place. If that is the case, how can we move forward to reduce it? The question is raised whether economic growth leads to more democracy and consequently to less corruption. Many countries in the region have experienced economic growth, but failed in democratisation and in reducing corruption or saw their democratic institutions captured by a corrupt elite. For donors this results in a development aid agenda with different ambiguous trajectories: should one begin with promoting economic growth and democracy or fighting corruption first? If one

cannot tackle the three problems at the same time, addressing one may lead to a solution for the other two problems, though with some delay. It is a problem of choices which cannot be solved by moral arguments against corruption only. This level of corruption may be too high for morality alone. A realistic or cynical conclusion or rather a recognition of the various faces of corruption?

Naturally, at a national level corruption has various faces, depending on its usefulness in running a criminal enterprise. *Nadya Stoyanova* guides us into the world of Bulgarian human trafficking and related corruption which is functional in guarding and furthering the criminal business, both locally as well as cross-border. Actually, Zhang and Pineda (2008) detected a correlation between corruption and human trafficking. Stoyanova describes how in a quarter of a Century human trafficking (for sexual services) has evolved alongside 'functional' corruption. Some functions became obsolete. Thus, the free movement of people and capital in Europe implied less corruption at the borders. In addition, the increased pressure in Bulgaria to do more against corruption entailed perhaps less, but certainly other *modus operandi* of corruption: corrupt deals became less direct and more through intermediaries forming a network for exerting influence on political decision makers. These are called 'black lawyers', networks of 'strongmen' with the capacity pull strings. This ranges from local to the national level to influence investigations, prosecutions and even court decisions. It is of interest that this more or less unstructured corruption network survived the demise of many high-ranking criminals and shifts in the human trafficking market. Resilience of corruption was (as in Sub-Saharan Africa) not weakened by the growth of democracy and economic development. It may even be their derivative of that development: while the essence of corruption remains the same, it has altered its appearance.

The multi-faceted nature of corruption also emerges in the sport sector: international as well as local, where corruption scandals abound, often in the football sector. Specific results become the subject of bets placed worldwide. Such betting outcomes should be the result of fairness: good insight, intuition or just (statistical) luck. As clairvoyance is a rare talent (if existing at all), and control is preferred above the uncertainties of fortune, there is a motivation to influence the outcome of betting by bribing all (or strategically situated) participants. Football is one of the sports being susceptible to such 'match fixing' by bribing players, referees or the whole football club by colluding with its corrupt president. The reader will be aware of the worldwide corruption in the international football organisation: the scandal of the FIFA top officials who after many years of rumours and denials were indicted. *Argyro Elisavet Manoli* and *Georgios A. Antonopoulos* present a picture of the corrupt football sector in Greece. The

authors project their findings of corrupt conduct against a broader business landscape of degeneration of tax fraud and mismanagement. Not only the public and honest betters are deceived, but also the licencing and tax authorities: the corruption of the match goes hand in hand with ticket tampering and fraudulent management of the clubs themselves. It is not only personal greed but also a policy intended to keep the club from insolvency: the 'higher aim' as driver or excuse. Of course, measures have been taken to tackle corruption and fraud, but these are based on the assumption that the abuse is an aberration from the norm. However, as the authors make clear, the corruption in the Greek football industry is not a matter of aberration of its values and norms, but the 'new normal'.

The confusing faces of crime-money

Banking has always been a matter of trust that funds will always be returned, whether from the view of the customer (depositor) or the bank (as lender). Over the past 25 years this simple trust relationship has been overtaken by another concern: the criminal origin of money. Banks must trust that the money it receives for further processing is 'clean'. That has become a global political issue from 1990 onwards underpinned by a general concern of potential erosion of trust in the financial system as a whole. Whether that is due to money laundering itself or to its broader embeddedness in a surrounding political or criminal landscape remains a debated question (Van Duyne *et al.*, forthcoming). The possibility of a criminal entrepreneurial landscape should certainly be taken seriously as is the case in Ukraine as described by *Anna Markovska* and *Alexey Serduyk*. They explain how money laundering has become part of a criminalised economy. This has its roots in the socialist times with its denial of criminality, also concerning financial crime against the banks. In the Soviet Union these were centrally directed but with the collapse of the socialist regime banks had to become independent resulting in many small undercapitalised banks. The need to attract capital made them susceptible to shady funds becoming instrumental in their laundering. Otherwise the banks operated in a criminal financial landscape that had changed little over the last decades: organised crime groups, shady entrepreneurs and corrupt officials comprised the banks' customers (Osyka, 2001). The banks' independence became a Potemkin village with senior officials determining the policy behind the screens enabled by weak laws and enacted by crony legislators. It is of interest to note that Ukraine adopted all the anti-money laundering recommendations of the FATF, being complimented

for this ‘achievement’ by removal from the FATF ‘black list’ of non-compliant states. Meanwhile, it was obvious that ‘on the ground’ the ‘laundering mills’ of a multitude of small banks remained in operation. Many went bankrupt with great loss of savings for the account holders. “*The tragedy of the Ukrainian banking system is a tragedy of the modern Ukraine, willing and corrupt insiders coupled with significant political pressure*”, as the authors observe. With so much opacity and (non)truths put upside-down, a wise Ukrainian keeps his money under the mattress.

If the American savers had also heeded this advice, the impact of the 2007 credit crisis would have been much less or may not even have happened. But the American drama was not about saved but ‘created’ money by means of credits with bad or fabricated collateral. It appeared that the financial institutions and their top management operated unethically if not outright criminally: the system was corrupt and rotten, though different from that of Ukraine with its broader criminalised economy (Markovska, 2007). Nevertheless, the authorities were to blame: there were early warnings but these were not heeded. This enabled fraudsters such as Madoff to continue their criminal schemes without hindrance. *Nicholas Ryder* describes how the authorities responded when the credit bubble burst and the shockwaves reverberated worldwide. If laws can be compared with guns and supervisory and law enforcement institutions with gunners, a full broadside could have been fired. There are the SEC, FBI and Department of Justice and the Commodity Futures Trading Commission. And there are the various laws, like barrels pointed at the wrongdoers. The relevant laws to tackle fraud in various ways were available: the Mail Fraud Statute that popular with prosecutors because of its wide range; the equally broad Wire Fraud Statute; Bank Fraud Act was extended by the Financial Institutions Reform; Recovery and Enforcement Act 1989; the Major Fraud Act 1988. What was achieved with this full battery? The author observes that lot of small fry was hit (mainly related to mortgage fraud) but none at the centre or at the top of the largest financial institutions. This contrasts with the SEC which succeeded in imposing sky-high administrative penalties of up to \$ 550 million (e.g. Goldman Sachs). But no criminal convictions of ‘Wall Street’: most unethical but for criminal law too elusive?

The elusiveness of shady funds becomes stronger and more difficult to penetrate when it is maintained by a worldwide corporate financial secrecy industry operating in offshore centres. This appeals to the imagination and for good reasons: the Panama leak illustrates how the rich and famous, crooks and Prime Ministers alike seek and enjoy the discrete services of offshore financial consultancy firms. It is inherent to the nature of the discrete services that the wealth of

these customers remains hidden which implies that estimates about the volume of offshore monies remains a matter of guess work. As it is politically very tempting to make tough statements about these hidden monies wild estimates circle around, upheld by respected authorities, such as the IMF, World Bank and the United Nations (Schneider, 2016). But the wilder the estimates, the more elusive the phenomenon becomes, as is set out in the chapter by *Petrus C. van Duyn* and *Tjalling J. van Koningsveld*. Moreover, what is an offshore centre? A sunny island with blue lagoons, white beaches and palm trees? Abstracting from this popular image, the authors line up a variety of current definitions, most of them very imprecise (Van Koningsveld, 2015). Naturally this inaccuracy is no basis for estimation. Instead they raise the question of the whereabouts of all this wealth. Stashed in the vaults of the offshore banks? Or floating around somewhere? To approximate an answer to this question the authors analysed the data of the Bank of International Settlement, to find indications of cross-border bank claims between countries: bank country A holding bank accounts in country B. Country A is then offshore and country B onshore. It appears that offshore banks have huge accounts in banks in onshore countries. About 25% of the worldwide cross-border bank claims are from offshore banks to onshore banks. If world leaders raise the alarm about the huge hidden wealth they may be advised to look within their own national financial industry: the so-called hidden wealth floats through their own banks where a higher yield may be produced than in the offshore centres. The authors looked subsequently at the offshore own real estate in the Netherlands suspecting that part of the offshore hidden wealth is likely to find its way to this destination. Other studies have indicated that the real estate sector is susceptible for abuse though the scope of research was limited to two cities only (Unger and Ferwerda, 2011). To get the national picture the authors analysed the full database of the Dutch Land Registry for 2014 and 2015 as far as *offshore* ownership is mentioned: fully owned or burdened with a mortgage. They found that the assessed offshore owned real estate is about 2.500 million Euro: that is 0,13% of the national property value (2015), within which abuse is to be located as a subset. The main offshore ownership countries proved to be the 'usual suspects': Switzerland, Luxembourg and Delaware, a thriving offshore centre in the heart of the most important champion of the anti-laundering policy. These countries were also the most important mortgage holders. As the Land Registry has no 'suspiciousness variable', nothing could be concluded about *suspicious* funds. Did the outcomes match the popular face of the offshore world? Unfortunately, the picture of hidden wealth remains wrapped in fog: the findings are too broad for such a match, but also give no reason for panic.

Though that may sound reassuring, policy makers will not easily allow themselves to be soothed. With so much fog around there is always something 'at risk' requiring additional supervisory vigilance: if you do not know the criminal face of your opponent, be prepared! This is how pressure is maintained and justified on the whole chain of AML policy: from the FATF downwards to the compliance officers and professions tasked with this policy. However, this is not a simple linear chain of command, because the regulated money making institutions are also the principals who employ these compliance officers, but who are not 'real' money makers. This means that these officers can experience pressure from two sides. And both sides can be unreasonable in the pressure they exert. To address this problem *Abdullahi U. Bello* developed an interesting 'self-protecting theory' and carried out interviews with present and former compliance staff. He found that compliance officers must often defend their decisions to both sides: a tough regulator and the banks and customers who may be equally tough. That is comparable what Sandulescu (2016) calls the integration of compliance in the banking culture. Psychologically this is an interesting balancing act, creating a distance between both sides rather than putting the required energy in preventing money laundering. The author pleads for a middle course approach of *independence* of the compliance officer and *fairness* of pressure. The author acknowledges this theory needs further sharpening and provides an interestingly broader angle through its possible applicability in hospitals.

Handling these and other varieties of vague faces is a serious matter which should not be waved as a kind of pedantic pettiness. Indeed, maintaining vagueness often serves the purpose of usurping power and influence, while transparency, a 'sharp fact', safeguards the basic means of democratic control and rule of law. This is a serious lesson which can be deduced from the chapter written by *Doron Goldbarsht* and *Christopher Michaelsen*. Though the authors write about the Australian norm-development, the moral of their elaboration goes far beyond this region. The authors describe the dual approach to tackle money laundering: the road of legality through treaties and (UN) conventions and the road of informality chosen by the G-7 in 1989 through an informal policy advisory club: the Financial Action Task Force on money laundering (FATF). This had the advantage of circumventing the formalities of traditional international approaches which requires democratic voting procedures. For the USA, the initiator and leading force in this field, formal approach was not an attractive option (Wechsler, 2001). Not only because the built-in uncertainty of outcome, but also because the formal treaty road would bind only signatory countries. At present, irrespective of signatures, about 180 countries have im-

plemented the 40 FATF Recommendations, though the FATF has only 37 members. Also, in its standard setting and the enforcement of implementation the FATF remained unhindered. The authors point at the circumstance that the FATF has arrogated an enforcement authority which is at odds with the prevailing rule of law principles in the civilised world. The FATF investigates whether a country is compliant, it determines the seriousness of non-compliance, gives a judgement and is its executioner. This differs fundamentally from the prevalent “*international law and governance in which state consent and sovereignty constitute key defining principles*”. While this reflects a serious encroachment of the separation of powers, few seem to care. The warnings by Stessens (2000; 2001) and Wechsler (2001) failed to engender debate of this fundamental matter. Therefore, it is important that the authors bring this issue again to the fore. And what about the national democratic ‘watchdogs’, the parliaments? As far as Australia is concerned they observe that “*this process of norm-development reduces domestic parliaments to rubber stamping institutions*” brow-beaten by the stern face of the FATF. In view of the FATF’s uncontested global reach and its Principal, the semi-closed ring of ‘rich countries’, the G-7, alias G-20, this most probably does not only apply to Australia. It should be a concern to all democracies where no sound of debate can be heard.

Faces of ‘true crime’: look at the differences

Where there are so many half disguised, half open faces, one should not be surprised that clarity through striving at generalisations will equally be impeded where it concerns predicate offences. This is not as bad as it looks like. In experimental psychology there is a classical rule ‘not to generalise light-heartedly over borders of domains’: rather a limited hypothesis tested than launching a grand generalisation. So looking at the subject of the next chapter we heed this admonition of modesty. What do the authors say?

First, we are guided by *Toine Spapens* to the world of cannabis and money. It is an interesting and detailed tour in a region the author knows very well (Spapens, 2016): he begins by guiding us through the scenery of a thriving flexible industry in a provincial town (Tilburg) and its surrounding region in the Brabant, a southern province of the Netherlands. Then the reader is led through the many attempts to obtain a proper sight on the ‘how much’ issue and, finally, of what criminals do with their ill-gotten wealth.

It is no surprise that the estimations of criminal production are as nebulous as that of most crime-money estimates such as issued by the UNODC (2011).

The reader may be inclined to leaf through quickly, which may make him overlook an interesting issue: the alleged overproduction relative to the Dutch user market and the assumed exportation to neighbouring countries. This assumption is important as it is used against the proposed legalisation of the cannabis industry: national legalisation would not make much difference as the main cannabis growing is for export. This argument has been stated for decades and it is true: the Netherlands are selling drugs to a continuous flow of drug tourists. This is not enough for an explanation of the imbalance between production and user estimations. Nor are there sufficient large interceptions at the border or further abroad to fill the gap. So, where does all that cannabis production remain? Are the estimations realistic; nothing overlooked? Naturally, when the production quantum is doubted the estimation of the revenues must follow suit: is there really so much crime money in this sector? “There should be”, but as soon as that is said the picture is obscured. First, as in the legitimate economy, there are large income and wealth differences (Van Duyne, 1999; Van Duyne and Soudijn, 2010). Second, where one would expect some sophisticated ‘criminal money management’ (as a better phrase for money laundering), the author presents an interesting ‘true crime’ description of spending and spilling in which every cliché becomes reality (Van Duyne and Levi, 2005): horses, cars and women, and, of course, all extremely expensive. Nevertheless, some criminals succeed in rising beyond that shallow criminal socio-economy by obtaining local influence in the town or community administration. But that is risky by itself: some become too cocky, attracting undue attention leading to exposure and downfall. The best survival rule in the organisation of crime is to keep an elusive face.

Next we go from southern Netherlands to organised crime in Scotland as set out by *Kenneth Murray*. He discerns in the central belt of Scotland organised crime groups with more or less territorial borders, while further up north there are fewer local barriers to entry. For both groups their *raison d’être* is participation on the hard drug market. This is no real revelation, nor the finding that local and international trade are necessarily connected, together with the handling of the flow of cash, from retail level and up the chain of hierarchy. At every level we meet other professional handlers and the adaptation of the organisation to the tasks at that level, according to the general principle: organisation follows task execution. A new aspect is the introduction of the concept of ‘rhizomes’. This is a relationship which goes beyond a mere symbiosis: “*it extends to become a unity that is multiple in itself, able to connect any point in the system to any other point*”. That ambiguous ‘unity that is multiple’ is not some kind of riddle but a formidable strength: cohesion while retaining the flexibility to

move around in a wide space where networks of such relationships exist. The author characterises this as a ‘nomadic’ market conduct, which makes the Scottish organised crime groups just as elusive as the ones described in the Dutch Brabant cannabis scene.

With the narrative of the cyber criminals in Romania, as described by *Radu Nicolae*, we move closer to meeting almost real nomadic criminals. Or is the author’s metaphor of the flock of crows being together, dispersing and uniting again, a better one? Both apply: nomads have to pitch up their tents and crows have to come to the ground for foraging and both disperse as soon as there is danger. And that is what the author found in the 30 Romanian cyber crime cases analysed: a restless bunch of criminals who could not defraud worldwide by remaining at their screens but rather, had to move. If they have a ‘bite’ mobility sets in: they have to move to withdraw money from the bank accounts in any other place to where they operate and preferably abroad; or to place devices in ATMs abroad to get bank pass codes or manipulate the machine; or exchange the stolen money into goods, *etc.* In short, it is ‘off and on the ground’: digital, feet on the earth (e.g. manipulating ATM), digital again and finally return home. While working globally, these crime groups consisted mainly of Romanians with a few Bulgarians and range from 3 to 27 participants. That is substantial and requires a smooth organisation and coordination in task determined networks (Morselli, 2009) in view of the high-speed mobility with which the hacked bank accounts were emptied before discovery. Identities could be stolen in Germany and within 24 hours sold further up and down a number of time zones, returning to the command post at home for settling accounts. These were profit oriented rationally organised crime groups with only one case of ideologically motivated hacking. They worked according to identifiable business models (fake e-bay auctions, phishing, skimming and identity theft) belying the usual organised crime clichés: no violence, power struggles with other groups, cooperation and just one case of bribery. That is also one of the faces of organised crime: an almost normal enterprise.

Crime can show a very pleasing face when it satisfies the demand or fulfils the hopes of many who remain dissatisfied by the mainstream legal supply of goods and services. One of these services can be called the alternative ‘health and hope industry’ with a broad legal twilight zone of useless products against ‘aging’, vitamin shortage or energy boosting. Let us say ‘legal deception unless proven otherwise’. There is also an outright ‘criminal desperation exploitation’: criminal deception, fraud and outright dangerous criminal quackery. That is the criminal supply side. But what about the demand side of the numerous believers who prop up this practice and view their health crooks as gifted gurus? This

demand side was researched by *Anita Lavorgna* and *Anna Di Ronco*. One may wonder whether this is a criminal phenomenon at all: believers and gurus are naturally convinced of their legal alternative medical interaction. The authors avoid this discussion by deliberately selecting three convicted medical gurus who despite their convictions continued with their prohibited health service. Their next question concerns the support for this criminal practice extended by the believers, sometimes forming sect-like chat groups on the internet contributing to the continuation of these harmful criminal practices. The authors studied one of the most popular online fora to identify discussion threads in the online community. It is interesting to observe that guru-followers with serious diseases did not feel themselves victimised. If they felt victimised, it was by the medical establishment ('Big Pharma') and not by the ineffective alternative medicines and treatments often worse than placebos. Nevertheless, they are victims but at the same time contributing to the scam by their supporting statements and complaints against 'them', the recognised medical professionals and authorities. It is a hideous face of crime: the medical criminal and his victimised desperate believers and collaborators.

Authorities: shaping faces and a capsized 'flagship'

It goes without saying that the many faces of crime are not shaped by criminals alone as most want to remain unknown. The authorities play a more prominent role in shaping the face of crime in which they are not impartial. The face they present must serve a policy function: it does not need to be true as long as it is accepted as such. It also does not need to be sharply defined: some vagueness in defining can serve a purpose allowing the absorption of 'alternative truths', all according to political or budgetary needs. This can have consequences for all involved. Victims of certain offences may be recognised or 'defined away', interventions expanded or halted and budgets dried up. "What is in the name?" Much: it determines the 'face of the crime' the authorities present to the public and the choice of the subsequent response (Spencer, 2008). This has been interestingly clarified in the chapter of *Rob Homsby*, *Jackie Harvey* and *Deborah Booth* about trafficked, smuggled and exploited children which they present as a 'hidden victim population' due to misclassification. There is not much insight into this category of victims due to frequent 'misclassification' as emerged from the extensive interviews of 17 respondents of 14 difference organisations. What field workers recognised as child trafficking for exploitation, particularly inland instead of 'organised cross-border' did frequently not get over the 'recognition

threshold': e.g. domestic servitude, child begging, swapping children between families for benefit fraud, etc. They “*dropped off the radar*”, and were thus not labelled as ‘trafficking’. Consequently with too few cases, the responsible agencies could not develop expertise for investigation. Withdrawal of funds led to further under-reporting. One can say that the trafficking of children within the UK did not get the ‘ugly face’ required for higher prioritising.

“To label or not to label”: the impact of labelling by the authorities can be severe, certainly when there are suspicions of a deliberate political mislabelling leading to serious social and economic harm. This has been set out by *Dina Siegel* in her chapter on the misfortunes of the sex workers in the Dutch town of Utrecht. What was the problem? As in many other states in Europe, prostitution, or, rather commercial sex service, is no longer prohibited. So there should have been a neutral label and corresponding benign policy. However, that is not the case. From left and right, from feminism to Christian moralists, the concept of prostitution is surrounded by negative moral associations: “it should not be there”. It has also a strong criminal association: human trafficking for sexual exploitation is always looming large. For the authorities that is a strong energising label and easily connected to the ‘organised crime’ label: a formula forcing them ‘to do something’ publicly. It is also a convenient justification for a repressive and ‘preventive’ intervention against prostitution, as has been the case in the Zandpad (“Sandpath”): a road along a canal to which barges were anchored.



A large number of sex workers had an orderly and rather safe place for their licensed enterprises. This was not to the liking of the Mayor and Councillors who reacted on a rumour of ‘women trafficking’ at the Zandpad by withdrawing all licenses from the operators of the prostitution windows. The (soft) in-

formation was kept secret (for 'privacy' reasons), the sex workers were not consulted and there were no arrests or prosecutions. Worse, there was no contingency plan to accommodate the sex workers in replacement facilities. In short, they lost their place of work and income and were scattered to unsupervised, unsafe shady places. While the authorities said they acted for 'safety reasons', the women ended in more risky working conditions. It was not the first time intended moralist concern and protection led to economic harm to the sex workers (Verhoeven, 2017). A result of malicious labelling? Though the author does not use this qualification, the reader may feel to have glanced on an unreliable face.

One can say that the Mayor and Councillors of Utrecht harmed the sex workers, but from a well-intended, 'lofty righteousness' they acted on behalf of 'the general good'. The general good as perceived by politicians can become so prevailing (or a convenient excuse), that the authorities even condone or collude with law breaking. There are many examples of such opportunistic collusions: in 1943 the invading US army in Sicily turned to the local strong men, who were actually Mafiosi, to keep order; the US was allegedly involved in the drug trade during the Vietnamese war to keep local tribes in the mountains happy; the drug policy in Latin America in the 1980s knew many opaque upper- underworld intertwining (McCoy, 2003). In the same vein the Chinese government condoned organised violation of intellectual property rights, but seems to take no effective action at present. In these cases there was a silent understanding between local illegal traders and the authorities. Going somewhat further back in time, to the 1920s, *Georgios Papanicolaou* and *Filippo Espinoza* describe how the Italian local government operated similarly in their newly acquired colony: the *Dodecanese*, a group of twelve islands in the South-eastern Aegean Sea. For the then governor, the stability of the social and economic life in the new colony and the local support was of primary importance. Given the meagre economic resources of the islands and their dependence on the informal (smuggling) economy, the new colonial rule adopted a policy of tolerance via the condonation of illicit markets and the dodging of regulations. This was to the benefit of the economic elite which was allowed to maintain its dominant position (if remaining loyal). The authors raise the question whether illegal markets play a role in a state's conscious strategies and efforts to establish and reproduce order. Their answer is positive even if one may think this a perverse and corrupt public policy.

Is this a reason to adopt a cynical attitude to authorities? It must be admitted that under the cloak of higher interests, or the 'general good', many alternative truths may be hidden to be used at an opportune moment. That evokes images

of dark conspiracies which must usually be taken with more than a pinch of salt as reality may be rather disorderly and in human terms sometimes ‘flat’ for conspiracies. A ‘flat’ but in this case orderly law enforcement arrangement is presented in the chapter by *Klaus von Lampe* and *Aleksandra Zurakowska* on the German-Polish border cooperation. Despite an unhappy shared history, the police cooperation along the shared Oder-Neisse frontier between Germany and Poland has developed in a fruitful way. The institutions and arrangements for exchange of information and common investigations have proved to be effective against the cross-border crime in both directions. The crime rate has dropped, though that may be due to a general reduction in crime in a greying industrial society, for which law enforcement likes to take credit. Nevertheless, Joint Investigation Teams dismantled some gangs operating cross-border. Alongside information exchange, the informal friendly relationships contributed to efficiency in by-passing the usual bureaucratic hurdles. It appears that there is a geographic distance factor: the same institutional arrangements function better when supported by the informal network along the border compared to police stations further inland. A simple human truth, as is the language factor: given the asymmetric economic advantages, there are more Poles who speak German than the other way round.

Amidst the many waves of European negativity this is a happy story with a positive EU-face we should cherish. Unfortunately, there are many sad EU-stories attracting more attention than the successful ones. The EU handling of the legal support project in Kosovo is one of the sadder stories, which is elaborated in the last -but not least- chapter by *Joschka J. Proksik*. After the ill-fated United Nations mission for helping to establish a rule of law (project name UNMIK), the EU took over in 2008 with the mission to assist the Kosovo authorities in criminal as well as other legal matters: it was called the European Union Rule of Law Mission in Kosovo (EULEX). It was intended to be a ‘flagship mission’ for the price of for the price of € 100 million per year and 2.800 staff (later reduced). The EULEX mission entered a landscape of clan-wise organised crime and corruption under a thin icing of a public administration trusted by few citizens. Within a dysfunctional justice system, Kosovo was at risk to become a “*black hole*” in the EU’s immediate neighbourhood. To prevent this EULEX was entrusted with wide powers to act independently from the local law enforcement. With this equipment it was assumed to do more than just ‘filling black holes’. So it was the EU’s firm determination to restore the rule of law in an unruly country. The author looked behind this firm face at various aspects of the implementation of this mission, in particular its effectiveness and efficiency. Unfortunately, there are no output data to de-

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termine anything about these potential outcomes. The effects on the intended institution building (e.g. police, prosecution and courts) is euphemistically called “limited”. The prosecution and verdict average output of the EULEX legal staff also proved to be meagre, in particular concerning the kind of prioritised types of criminality: organised crime (0,007 cases per judge per year), trafficking humans and corruption (1,05). High-level corruption and organised crime investigations and trials were rare and understandable against the background of insufficient protection against threats and pressure. Unsurprisingly opinion surveys revealed that the trust of the population in the judiciary remained low. The author concludes that it is not to be expected that “Kosovo’s rule-of-law institutions will be ‘seaworthy’ on the day the EU’s ‘flagship mission’ is finally scrapped.” A logical conclusion in view of the fact that the flagship itself has capsized and long-since sunk.



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The Newcastle Cross-border Crime Colloquium 2016

The national diversity of Europe is reflected in the diversity of its criminal landscape and history. From the north of Scotland to Ukraine one finds different focal points and patterns of crimes and criminal entrepreneurs. This does not necessarily lead to a corresponding reaction of the authorities. Some responses are the result of a gradually developed form of cross-border cooperation, as is the case between Poland and Germany, other authorities appear carried away with emotional decision making and an inflexible political correctness as is observed in the field of the sex service industry. In another country, in the adjacent field of child trafficking, we find the converse: no response as victims are not labelled as such. And no victim label, no criminal law policy.

Where the interactions between the upper- and underworld come into sight, this volume presents the reader with a select picture gallery of criminal faces: from corrupt football to remarkable criminal finances in Ukraine, to fraud and criminal abuse in the informal or quack health sector. Naturally, each face has its own pretences in order to hide its criminal background, be it large scale cannabis growing in the Netherlands or organised cybercrime from Romania to all countries in Europe. Indeed, the criminal portrait series in this Cross-border Crime Volume shows that criminal Europe does not lead to a boring uniformity, despite the fear of globalism.

This sixteenth volume of the Cross-border Crime Colloquium contains the seventeen peer-reviewed contributions of 26 authors presented in 2016 at the Cross-border Crime Colloquium held at Northumbria University, Newcastle. The authors represent upcoming experts and established researchers in the field of (organised) crime for profit and related policies. The contributions are based on empirical research and independent analysis and provide new data and insights on which to build new theories and future research.



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