

Summary

Fourth report of the Organized Crime Monitor

Main research question and policy relevance

This report contains the findings of the fourth data sweep of the so-called Organized Crime Monitor. The purpose of the Organized Crime Monitor is to utilize the knowledge gathered during large-scale criminal investigations to gain insight into the nature of organized crime in the Netherlands. By using intrusive investigation methods, such as wire tapping, bugging, observation, and undercover policing, these investigations provide a unique insight into the nature of the phenomenon of organized crime. For this reason, it is of great importance that these insights are systematically recorded, analyzed and fed back to policymakers and practitioners involved in combating organized crime. After all, without a sound insight into the nature of organized crime, it is impossible to fight it.

The idea to systematically record 'shop floor knowledge', which already existed for quite some time, gained momentum through the Parliamentary Inquiry into Criminal Investigation Methods, which concluded that an accurate description of organized crime in the Netherlands was lacking (PEO, 1996). The Minister of Justice decided that the understanding of organized crime should be enhanced through systematic and periodic research. The Organized Crime Monitor meets this need.

The monitor's main research question is as follows:

What is the nature of organized crime in the Netherlands and which developments can be discerned in the field of organized crime?

In stead of focusing on the *scale* of organized crime, the research focuses on the *nature* of this phenomenon: What is the composition of the groups and how do offenders cooperate? What kinds of illegal activities do they engage in and how do they operate? How do they interact with the opportunities and risks of their environment? What are the proceeds of the criminal activities and how do they spend these proceeds? The answers to such questions are of vital importance to the fight against organized crime.

Research method

The main sources of this ongoing research project are files of closed Dutch police investigations of criminal groups, often spanning a period of several years. Since 1996 up to now, we have analyzed systematically 150 large-scale investigations (40 cases per sweep in the first 3 reports and 30 cases in the fourth sweep). Each case study always starts with structured interviews with

police officers and/or public prosecutors. After these interviews we analyze and summarize the police files. Describing and analyzing these files, use is made of an extensive checklist. Sources of information such as transcripts of wiretaps and data obtained from police observations and interrogations of victims and offenders, often provide us with a detailed and interesting look into the social world of organized crime. Following four data sweeps we now have collected a wide cross-section of 150 cases, not only about the various forms of organized crime and various forms of cooperation, but also set within a specific timeframe. In addition, use was made of expert interviews, information from other investigations, confidential reports, crime analyses and (scientific) literature.

Conclusions

This fourth report builds on the findings of the three monitor reports published earlier. For that reason, the summary below also mentions a few relevant conclusions from the three preceding reports.¹⁵⁹

Racketeering versus transit crime

When the issue of organized crime reached the Dutch political agenda in the early 1990s, the threat of organized crime was framed in terms of ‘Mafia-type’ organizations in Italy or the United States. Organized crime groups were portrayed as bureaucracies with a pyramidal structure – a strict hierarchy, with a clear division of tasks and an internal sanctioning system. Corruption, racketeering and infiltration in economic sectors were viewed as major threats of organized crime. Controlling certain regions or economic sectors, organized crime was believed to make a profit by taking over two traditional state monopolies – the use of violence and taxation. In the international literature this kind of activity of organized crime groups is referred to as *racketeering*. Considering the available evidence of two decades of research into organized crime in the Netherlands, one may conclude that this conception contradicted the phenomenon: the major business of organized crime groups in the Netherlands boils down to international smuggling activities – drug trafficking, smuggling illegal immigrants, human trafficking for sexual exploitation, arms trafficking, trafficking in stolen vehicles and other transnational illegal activities, such as money laundering and evasion of taxes (e.g. cigarette smuggling and European Community fraud). The nature of organized crime might be more fittingly described as transit crime – criminal groups are pri-

159 Kleemans, E.R., Berg, E.A.I.M. van den, & Bunt, H.G. van de (1998). *Georganiseerde criminaliteit in Nederland: Rapportage op basis van de WODC-monitor*. Den Haag: WODC. Onderzoek en beleid 173; Kleemans, E.R., Brien, M.E.I., & Bunt, H.G. van de (2002). *Georganiseerde criminaliteit in Nederland: Tweede rapportage op basis van de WODC-monitor*. Den Haag: WODC. Onderzoek en beleid 198; Bunt, H.G. van de, & Kleemans, E.R. (2007). *Georganiseerde criminaliteit in Nederland: Derde rapportage op basis van de Monitor Georganiseerde Criminaliteit*. Den Haag: Boom Juridische uitgevers. Onderzoek en beleid 252.

marily involved in international illegal trade, using the same opportunity structure that facilitates legal economic activities. The Netherlands could be either a destination country, a transit country, or, especially in the case of synthetic drugs, a production country.¹⁶⁰

Rather than controlling certain regions or certain sectors of the economy, criminal groups use the legal infrastructure and legal commodity and money flows. As the Netherlands is an important logistical node in Europe (Amsterdam-Schiphol Airport, the port of Rotterdam), this also creates an excellent opportunity structure for organized crime. Economic sectors are used to commit or to conceal crimes or to spend criminal proceeds.

From pyramid-shaped criminal organizations to criminal networks

In the Netherlands, pyramidal structures with a strict hierarchy, a clear division of tasks, and an internal sanctioning system, are the exception rather than the rule. In many cases of the Organized Crime Monitor the term 'criminal networks' is far better suited for describing the actual structure of cooperation. Offenders cooperate in certain projects, yet the structure of cooperation is fluid and changes over time. Social relations form the basis for criminal cooperation. Family, friends and acquaintances work together and introduce each other to third parties. In this way, offenders do not only find new opportunities, but also solve problems of cooperating in an environment that is dominated by distrust, suspicion and potential deceit.

However, this does not imply that criminal associations do not have a structure or that the relationships within the organization are interchangeable and horizontal. The previous monitor reports highlighted the wide variety of organizations and the fact that the logistics of the criminal activities (what matters have to be arranged?) have a major impact on the way in which offenders shape their criminal cooperation.

The focus was also on the internal dynamics of criminal organizations and criminal networks. By analyzing criminal associations as criminal networks, in which offenders can collaborate with each other in varying combinations, not only is it possible to get a clear view of the stability in certain associations, but also of discontinuity and change. Such insights are vital to police investigations.

Thanks to this wider perspective, we are able to better analyze the positions of offenders within criminal networks and their mutual dependency. In many cases, there are clear key players on whom many other offenders depend because of their financial resources, knowhow or contacts. These key players or nodal offenders feature time and again, in different investigations and in different criminal associations.

160 See for a review of Dutch research: Kleemans, E.R. (2007). Organized crime, transit crime, and racketeering. In M. Tonry & C.J. Bijleveld (red.), *Crime and justice: A review of research*, vol. 35 (pp. 163-215). Chicago: The University of Chicago Press.

Little by little, other offenders may become less dependent of these key players, as they gather money, know-how and contacts themselves and subsequently start engaging in their own criminal activities. So, by not presuming a priori a permanent, pyramid-shaped organization, it will become clear how criminal networks grow and develop. It may also become clear that *facilitators*, who usually operate in the periphery of criminal organizations, render services to several criminal organizations. This way, they occupy a more important position within a criminal network than the consideration of separate ‘criminal organizations’ would make one think.

Trust and criminal cooperation

The previous reports have extensively addressed the importance of existing social relationships in criminal associations. Relatives, friends and acquaintances cooperate and introduce each other to third parties. However, existing social relationships do not always offer a solution, particularly in transit crime. The problem with social relationships – most notably family ties and bonds of friendship – is that such ‘strong’ social relationships are often clustered, geographically, socially, professionally, et cetera. As a result, they offer offenders few extra opportunities.

‘Trust’ in criminal cooperation involves more than just reliability or integrity; it also involves a component of capacity. For this reason, some offenders, involved in major and risky criminal operations, throw in their lot with ‘outsiders’ – i.e. no relatives, friends or standing business associates. New relationships can offer new business opportunities. Moreover, these relationships sometimes work more adequately (and therefore more safely) than trusted partners, thanks to the skills of these new people. This is called the ‘strength’ of ‘weak’ ties. But how exactly do you get to trust these new partners? In the first place, there are learning effects: trust is based on one’s experience with regard to the partner’s performance (present or past). Secondly, trust can be based on other people’s experience (which they share). Thirdly, reputations can also be based on generalizations regarding the alleged or true characteristics of certain groups.

The connection between professions and organized crime

Professions can provide opportunities for organized crime in various ways. First of all, such opportunities may consist of international contacts and travel movements, which can lead to the discovery and putting into effect of opportunities for (transit) crime. Examples of this are professions related to transport and logistics. Secondly, the individual discretion of certain occupations plays a role (autonomy). Thirdly, the ‘social’ nature of the occupations plays a part. Occupations in which people come into contact with other people frequently, offer more opportunities to meet potential co-offenders.

Local embeddedness of transnational organized crime

It is a misapprehension to think that transnational organized crime is not embedded locally. Without local embeddedness it is very hard to operate successfully. Offenders who are very strongly embedded locally, on the other hand, already have many existing relations with both the legal environment and potential accomplices. Their knowledge about the local environment enables them to develop into versatile, local illegal entrepreneurs. Yet, many of these offenders never manage to rise above the level of the 'local hero'; they lack the exclusive skills or a specialization that makes them interesting for criminal associates outside the region or outside the Netherlands. Nevertheless, we can see in several cases that locally operating offenders managed to join in with transnational trading activities. In that context, meeting places are of importance, more in particular the position of 'market place Amsterdam' in the international illegal drugs trade. In addition, international 'brokers' enable locally operating groups to join in the international drugs markets, without the need for such groups to cross the Dutch border.

Criminal careers in organized crime

In the previous reports, we have presented the results of an analysis of the criminal careers of approximately 1,000 offenders who were involved in the first 80 cases of the Organized Crime Monitor. These results give cause for an adjustment of the idea that careers in organized crime always start at a young age. In the first place, it turns out that youthful offenders were completely absent from our study group of suspects. In total, about three quarters of the offenders were aged thirty or older. Secondly, it turns out that the criminal justice authorities have no idea about the antecedents of 28% of the offenders. It is not until the investigation that these offenders come within the scope of the Dutch criminal justice authorities. These 'unknown offenders' to a large extent are offenders that were born elsewhere and came to live or reside in the Netherlands at a later date. Thirdly, among these offenders a large number were 'old acquaintances': 72% of the offenders had been in trouble with the Dutch judicial system before. On average, offenders are aged approximately 27 when they come into contact with the Dutch judicial system for the first time. Although an early start is fairly standard, especially for people with a long criminal career, only 25% of all offenders come into contact with the Dutch judicial system before reaching the age of 20.

If we want to find out how we could identify in an early stage that someone gets involved in (organized) crime, it is important that we verify the way in which people become involved in organized crime and how people 'make a career'. An analysis of 92 'starters' shows that people get involved in many different ways in forms of organized crime: existing social relationships, through work and professional relationships, through leisure activities and sidelines, through certain life events and through recruitment. This also explains the phenomenon of the late starters: some opportunities to carry out

profitable criminal activities do not arise until later in someone's life. In addition, some opportunities are grasped only later in life, as a consequence of life events such as bankruptcy and serious debts.

An analysis of the careers of 66 'ringleaders' or nodal offenders demonstrates that the standard image of 'a life of crime' only is true to some extent. The majority (36 people) run into trouble with the law for the first time only after reaching the age of 20. Furthermore, it turned out that almost half (32) of the 'ringleaders' switched at a certain point in time to organized crime from a regular occupational background.

We have also discussed a number of growth factors. Criminal careers may gain momentum: through a broker who gives the offender entrance to interesting markets; through capital that the offender uses to invest in trade opportunities; or through the availability of specific skills or transnational contacts on which offenders depend.

Investigation of organized crime

The changing view on the nature of organized crime in the Netherlands since the early 1990s is mirrored by a change in criminal investigation strategies.

The image of organized crime groups as long-lasting, pyramidal organizations matches with the large-scale criminal investigations that took place at the beginning of the Nineties, which had a long lead-time and in which seizures and arrests were repeatedly put off until the opportunity presented itself to 'round up' the complete criminal organization in one go. However, if organized crime groups are viewed as criminal networks, other investigative strategies are more suited, such as the 'prompt intervention' strategy.

In investigative practice, the debate on this strategy has resulted in three different forms of 'prompt intervention' investigations. First, the term 'prompt intervention' is used as the investigation strategy is focusing on a short lead-time, between six weeks and three months. In terms of the sentences imposed, these short criminal investigations have a similar 'yield' as longer-lasting investigations. Moreover, these investigations are not so much a success thanks to their short duration but because of the approach taken, avoiding longwinded decision-making procedures and using opportunities that present themselves during the investigation. Those short-term investigations also have their downside, as the background to and causes of the crimes committed often remain unexplained. A second variant consists of brief interventions in the context of a lengthier criminal investigation. These may be 'lightning strikes', aimed to disrupt the internal relationships in a network, or short investigations into specific persons, aimed at gathering information about the most important offenders through them. A third variant focuses on tackling a crucial link (such as a facilitator or a broker) in the criminal network. This concerns a strategic ('smart') intervention based on thorough knowledge of, for example, the logistics or the facilitators of criminal associations.

Statements made by offenders and witnesses can be an important contribution to criminal investigations. Yet, cooperation from offenders and witnesses may also be problematic. In the cases we studied we found many indications that violent threats were made and in some cases, these threats were carried out. Nevertheless, there always are persons – offenders and/or witnesses – who are willing to make a statement. This is made clear by the 22 cases that we studied on this particular subject. The willingness to cooperate is higher among the less significant suspects than it is among the main suspects. As witnesses are concerned, in almost all of the 22 cases we studied, one or more witnesses were willing to cooperate, sometimes also despite their fear of reprisals. Witnesses further removed from the offenders in particular seem to be willing to supply the required information. A few interviewees told us that the willingness to cooperate also depends on the time and attention paid to witnesses.

The role played by violence

The succession of liquidations during the past ten to fifteen years has reinforced the idea that the use of serious violence forms an intrinsic part of organized crime. In numerous definitions of organized crime, the use of violence, or at least the threat of violence, is mentioned as one of the elements of organized crime. One of the explanations offered for the prevalence of violence is that offenders of organized crime are unable to call upon the government or the law to settle conflicts which have started during business transactions. Offenders will have to battle out conflicts among themselves. There is an opposite interpretation of the use of violence as well. According to this reasoning, although many conflicts may arise, the use of violence is a ‘costly asset’. After all, by using violence the offenders draw the attention of the law to themselves. In addition, it would do no good to the offender’s reputation among his business partners. Based on these considerations, researchers in the field of organized crime often argue that the association between organized crime and violence is erroneous.

Whoever reads through all 150 cases to encounter violence and the threat of violence will be forced to draw another conclusion. In about half the cases, physical violence was used or a threat of (serious) violence was uttered. Both the frequency of expressions of violence and their seriousness varied widely. The majority of the violence focused on a relatively small circle of people: accomplices, illegal business partners, direct victims (victims of human trafficking, for example), and to a much lesser extent on innocent citizens, legal business partners or service providers and police- and judicial functionaries. The nature and scope of the violence are incomparable to those in Mexico or Italy. The violence in the Netherlands mirrors the organized crime encountered here. Offenders in the Netherlands are not interested in obtaining positions of power in order to function as a crypto-state; violence in the Netherlands often has to do with problems and conflicts arising from all kinds of

illegal transactions. With some types of offences there is little chance of such trouble, because everyone involved rows in the same direction. Human smuggling, underground banking and VAT fraud are examples of offences in which relatively few conflicts occur among the participants, and in which the use of physical violence and the threat of violence are exceptions.

With other offences the chances that violence occurs are bigger. Some types of offences, such as extortion and human trafficking, (often) cannot even be committed without the use or threat of violence. During the commitment of offences that require the collaboration of many parties and the execution of complex transactions, such as is the case with importing and exporting drugs, problems often arise about the delivery of the products (price, quality) and the manner of payment (time, place). Especially with regard to such transactions, offenders have to pay for the fact that they must act both without and against the government.

Based on the actual incidents we encountered in the cases we studied, we have made a classification into five forms of (or reasons for) violence. We distinguish: 1) violence that forms an essential part of the offence itself, as is the case with extortion and human trafficking; 2) violence to make participants in criminal cooperation toe the line; 3) violence to settle conflicts about, for instance, the delivery of illegal goods and the manner of funding; 4) violence to keep an offence from being disclosed; and 5) violence as a response to deceit or betrayal.

Dependency on the environment

Within a criminal association, different tasks need to be taken care of. These tasks pertain to the infrastructure; the provision of equipment and substances; financial, legal and administrative services; and concealment, protection or promotion.

In the cases we studied, criminal associations carry out a number of infrastructural subtasks themselves, that is, the storage and to a lesser extent the transport of mainly drugs and drug related substances. Regarding the spaces offenders use to meet each other (and clients) there is a mixed picture; some criminal groups, in particular those active in the field of underground banking, have such spaces at their own disposal, while others use spaces owned by a third party. In order to take care of the other (sub)tasks of the criminal business process, offenders more often call upon individuals or companies in their environment. This applies the most to a very specific infrastructural process: smuggling drugs and people through airport security, and the supply of equipment and substances needed for the production of drugs. For financial, legal and administrative services, the help of third parties is frequently brought in as well. This involves legal advice and services and the provision of passports, for instance. To a lesser extent this also involves the laundering of proceeds of crime. To conclude, offenders also frequently call upon others for specific activities aimed at concealment, protection and promotion. In

addition, there is a small number of criminal associations that could be described as *universal do-it-yourself types*; these are criminal groups that are self-supporting with regard to various or all subtasks of the criminal business process.

In the choice criminal associations need to make between carrying out a subtask themselves or, on the other hand, 'contracting out' a subtask to third parties, pragmatic considerations also, or maybe chiefly, seem to play a role. The subtasks that – in our cases – are almost always contracted out, involve tasks which are simply *impossible* to carry out for most criminal collaborations themselves: smuggling drugs and people through airport security, and the supply of equipment and substances needed for the production of drugs. The lack of personal opportunities in these areas left little room for other considerations such as the pursuit of the biggest possible profit or the smallest possible risk. Some criminal associations, on the other hand, have so many means of their own – the universal do-it-yourself types – that carrying out different or all subtasks themselves is no more than a natural outcome. It is possible that for them, too, other considerations do not play a role (any more).

The persons or companies who are made use of by criminal associations certainly are not in all cases conscious of this. In various cases it is clear, for example, that an entrepreneur who has been called in did nothing more than providing a regular, 'standard' service, that is, a service provided under normal circumstances and to which no deviating conditions applied. For the entrepreneur involved, in such cases there generally was no reason to get suspicious. An example of this may be a storage company, where space is rented by criminals who subsequently store drugs or drug related substances there. Yet, there also is another category of service providers, for whom the circumstances under which or the context in which a client operates might or perhaps should have raised questions – questions the service provider involved did not pose, however. Sometimes, these circumstances were such that it seemed to be a matter of wilful cooperation, although this often could not be proven.

Wilful cooperation certainly does apply, however, to a category of service providers who service their criminal clientele more or less professionally: the *professional facilitators*. Some professional facilitators focus exclusively on criminal clients, such as the criminal association the members of which abused their jobs in airport baggage handling to smuggle cocaine through security. Others operate on a legal market, but have criminal as well as regular clients. Like the glassblower, for instance, who serviced 'normal' customers but also supplied various drug manufacturers with very specialized glassware and other equipment. In his case, the criminal clients did approach him, in particular because of his scarce workmanship. Other facilitators use a more active, almost marketing-driven strategy. Unlike the glassblower, they do not have any special skills; they provide quite ordinary services. However,

they provide these services under conditions that are particularly attractive to people with criminal intentions. Those conditions are what distinguishes them from other parties on the market: they are their unique selling points. Such facilitators operate in a *criminal niche*. Examples are companies that make it possible to make use of houses or cars that cannot be traced back to the user. In the cases we studied, we observed that the service providers used by an offender, at least those who collaborated consciously, frequently came from his social network; they could often be found among his already existing relations.

Financial profit probably is an important motive for people and companies to provide services to criminal collaborating networks. Yet, the cases we studied also contained examples in which services were provided because of loyalty, dependency or coercion.

Contact points between underworld and licit world

Thus, in many cases criminal associations make use of persons and companies in their environment. This often means that contact is established with 'the licit world'. However, offenders who are self-providing with regard to the goods and services they need for their criminal business process, are often also in touch with the licit world. The latter is the case, for instance, when an offender uses his own regular (at least on paper) garage business to launder criminal earnings.

Contact points between the underworld and the licit world may be found at four different levels: at the level of a person; of a company, of a community; or of a provision created by the government.

With regard to *persons* who serve as a contact point, the people involved hold a position, often professionally, in the licit world and have knowledge, skills and/or competences that may be of great value to a criminal association. We distinguish four categories: financial specialists; notaries public and lawyers; airport personnel; and corrupt civil servants. Financial specialists are brought in to aid with: the investment, diversion and fiscal concealment of capital; the conclusion of transactions; the establishment of legal entities; and/or taking care of contact with the tax authorities. Notaries public and lawyers can provide important services to criminal associations due to their knowledge, the statutory obligation to involve a notary public or lawyer in particular matters, their protected status, and the respectability of their office. In the cases we studied, lawyers more often were used than notaries public were. Their involvement usually falls under one of the following labels: giving legal advice; lending a semblance of reliability; the concealment of a crime; providing support in human trafficking or human smuggling; and laundering money. However, we need to add that in the majority of the cases in which a lawyer was involved, no criminal culpability on his part had been established. This might be partially due to the fact that during criminal investigations in

general, when there are indications that lawyers are involved in organized crime, restraint is exercised.

Airport personnel, too, can constitute a very valuable contact point for criminal associations. In several of the cases we studied, at airports use was made of civilian personnel – employees working in baggage handling or cargo, cleaning personnel, or flight attendants – who, due to their profession, were capable of letting batches of drugs or people enter the country while by-passing security. Even more than the civilian personnel just mentioned, civil servants, for instance employed by the police, the judicial system or customs, have exclusive competences of which criminal associations may make good use. Contacts with these officials can play a role in passing the borders. Yet they may also be used to attain more general objectives related to the concealment of crimes, such as getting informed about investigative activities. Various cases showed indications of a possible involvement of Dutch or foreign civil servants. However, in this context, too, such involvement was often just deemed ‘possible’ since there was not enough evidence for the assumed contacts to prosecute.

In many cases use is made of (on paper) regular *companies* as a point of contact to the licit world. A lot of the criminal associations we encountered in our cases had their own enterprises or firms. These may serve three different kind of goals: logistic support, that is, storage, transport or a meeting place; laundering money, especially faking a legal source of money; and legitimization and concealment, such as the provision of cargo as cover for a drug transport, or acting as intermediary between the offenders and regular, external companies. External enterprises are also used, mainly for logistic support and to obtain equipment and substances. When these companies are brought in with the aim to launder money, this often happens through financial specialists as mentioned earlier. A striking example of the use of external enterprises pertains to the use of mass media. This has occurred in a few cases and may have served several objectives: to influence public opinion; to damage opponents; and to attract customers (advertisement).

Communities can also function as a point of contact between the underworld and the licit world. Some motorcycle clubs and trailer parks form subcultural communities to which this applies. Both these communities seem to accommodate a lot of potential accomplices. Furthermore, both networks offer any possible offender a variety of logistics, other kinds of facilities, and connections with the regular environment. In addition, both communities offer good conditions for concealment; they have locations at their disposal that are literally and/or figuratively ‘closed’, social cohesion is strong, there is a code of silence vis-à-vis the outside world, and membership of one of these communities often inspires awe or fear. Some ethnic communities offer potential advantages to organized crime as well. Through their contacts, both in their country of origin and in the Netherlands, members of particular communities can act as the link between the source country and the country of

destination for the drug trade or human smuggling. These contacts also expand their ability to smuggle money out of the country. Furthermore, sometimes a regular economic branch constitutes a 'community' that provides concealed opportunities for organized crime. An example of this is the real estate sector. The world of commercial real estate is relatively vulnerable to fraud due to the lack of specialized supervision, a lack of transparency regarding the price mechanism, and a culture that might be described as 'an old boys' network' and 'you scratch my back and I'll scratch yours'.

In some cases, *provisions created by the government* are used to fulfil a specific function in the criminal business process. The ways in which human smuggling organizations have abused the asylum procedure in some cases is an example of this. Another example is the use of fiscally and legally protected jurisdictions for laundering purposes. In many cases, offenders, through bank accounts or legal persons, have placed capital in a so-called 'tax haven'. Besides low tax rates, these jurisdictions especially offer good opportunities for concealment. On the Dutch market of commercial service providers, several providers are specialized in making the facilities offered in those jurisdictions accessible.

Apart from opportunities, the use of positions in the licit world also involves risks for criminal associations. In the first place, covers or money laundering constructions may not hold up once criminal investigators focus on a criminal association. Secondly, when it arouses the suspicion of an attentive third party who then informs to the police, the use of positions in the licit world itself may constitute the cause for starting a criminal investigation. The third risk is that the use of a legal enterprise may contribute to the furnishing of proof against the offenders. The purchase of goods from an external company, for instance, can leave traces in that company's bookkeeping. And when a criminal collaborating association itself has a 'regular' company, such as a 'grow shop' (providing equipment for cannabis cultivation) or a 'coffee shop' (cannabis outlet), that company may literally as well as figuratively provide a good entrance for an investigation, such as an undercover operation. Despite these risks, some points of contact between the underworld and the licit world can function intensively and for a long time. An important reason for this is the lack or failure of supervision. Some criminal associations operate from a concealed position. The concealed locations at their disposal, a strong social cohesion, a code of silence toward the outside world and/or a violent reputation may make it very difficult for *capable guardians* to function. In addition, supervision is sometimes lacking completely or does not function well enough. In a large-scale fraud case, for instance, supervision had been rendered harmless, was lacking or was incapable of preventing long-lasting fraud, both within the organizations by which the suspects were employed and with regard to external parties. To conclude, supervision is sometimes limited due to other interests playing a role in that particular field, such as the economic interest that tax havens have in maintaining their spe-

cific fiscal and legal arrangements or the economic interest that airports have in maintaining a smooth dispatch of flights.

The earning, distribution and spending of criminal income

Symbiotic forms of organized crime are market-oriented and, by supplying a good or service, fulfil a demand. For criminal associations that engage in the trade of exotic drugs such as heroin and cocaine, the 'earning capacity' is based on bridging the distance between the production country on the one hand and the market on the other. Through international contacts and the possibilities for transport, for instance, they profit from the difference between the purchase price in the region of production and the selling price in the market region. In doing so, some criminal associations solely focus on part of the route between the production area and the European market. Groups that export 'home grown' drugs such as cannabis, amphetamine and xtc, also profit from the difference between production- or purchase costs on the one hand and the selling prices in market regions on the other. Yet, the trade in exotic and domestically produced drugs cannot be compared on all points. To the various trade chains, specific problems apply that need solving. For the production of xtc, for instance, such a problem – and thus an opportunity to make money – is presented by the need to obtain the right raw materials. Human trafficking organizations satisfy a demand, too, in this case the demand for opportunities for international migration outside the regular channels. Their earning capacity lies in the network at their disposal that covers both the country of origin and the country of destination, but often also the countries in-between. That network provides contacts with customers, transport facilities, people who pick up the customers and guide them further, and possibly also travel documents. A specific group of players on the criminal market are the facilitators. The earning capacity of facilitators is generated by the fact that they can deliver a service or goods to a criminal association, often due to their specialist background, that is essential to the criminal business process but cannot be provided by the criminal association itself.

Parasitic forms of organized crime do not fulfil a market demand but simply take something from others. For human trafficking and extortion, the earning capacity of a offender is based on dominance: the capacity to get and keep victims in their power. That power base is founded on, among other things, (the threat of) violence and/or deceit. With the aid of those ingredients, offenders are capable of forcing their victims to do what they want: hand over their money. With various forms of fraud, victims are robbed of their money as well. Yet, in general this does not involve the use of violence. Here, the key words are deceit and seduction.

With respect to the distribution of criminal earnings within a criminal association, roughly a divide can be made between a core of two to four main actors who usually get the major part of the money on the one hand, and on

the other hand a category consisting mainly of those carrying out orders, who usually get paid a much smaller part. The core of drug organizations consists of people who organize and fund the import of cocaine or heroin, or the production of cannabis or synthetic drugs. The suppliers of BMK and PMK (raw material (precursors) for synthetic drugs) can also be counted as belonging to that core. Within the category of those carrying out orders there is great variation, both in the actual tasks, the way in which people are rewarded and the extent of this reward. In some cases, for example, we observed people who functioned as some type of 'right-hand man' of a core member, and who received a more or less fixed salary. Furthermore, there are executants, such as couriers and drivers, who are often paid by the piece (per kilo or load). Although the amounts received by the executants are smaller than the share of the core members, they may still be quite high in comparison to standards in the regular economy.

The skewness of the profit distribution differs per drug market and is related to the logistic nature of the trade chain. In the case of cocaine there is a big distance between the production locations on the one hand and the markets on the other. The successful bridging of that distance constitutes the most important and lucrative step within the total chain of the cocaine market. Therefore, the person who has the contacts and/or the ability to arrange for a successful importation of this drug is the top earner.

Contrary to the production of coca leaves, the production of synthetic drugs is not restricted to one geographically region. In addition, in the case of synthetic drugs the distance between production and the (European) market is much smaller. With respect to the synthetic drug trade, the trade chain consists of the following three links: the raw materials, which are much harder to obtain now than in the early days of xtc production; the production, which requires equipment and knowledge; and (international) market channels. The relation between these links is more equal, making the profit distribution less skewed than it is in the case of the cocaine trade (although the export of for instance xtc is far more profitable than the domestic market is).

The distribution of criminal profits is not a static fact; actors may try to increase their own share at the cost of others. In the context of the drug trade, increasing one's share of the profits often seems to boil down to shutting out, deceiving or robbing one's 'business partners'. In the context of human trafficking and extortion, however, the profit is chiefly added to by increasing the pressure on the victims.

With respect to the spending done with the earnings, in a way the cases we studied answer to the stereotypical image; many cases show offenders with a (very) luxurious lifestyle. Popular goods to spend money on are expensive cars, watches, jewels, home furnishings, vacations and nightlife. With regard to investments in criminal activities, it seems that these are primarily financed individually. Thus, we almost never encountered collective 'business reserves' or a collective kitty, while both investments and profits are

extremely individualized. In the cases we studied, we found almost no examples of strategic investments in the Netherlands that would result in the acquisition, on the national level, of a position in large companies or projects, or in other kinds of influence in society. We did find examples, however, of offenders who, through investments in real estate and/or companies, obtained a certain position on a local level.

Offenders usually stay close to home with their investments. Familiarity with an investment destination seems to play a role, that is, offenders invest in goods or sectors they are familiar with in their everyday lives. A frequently occurring investment is in real estate. This often involves a house in which the offender lives, but in a number of cases the investments are more large-scale. Furthermore, we relatively often encounter investments in catering businesses and other companies that could be used for the purposes of money laundering, logistics or legitimization. To conclude, offenders frequently make investments in their country of origin. The distance between the offender and his investment thus is often small, literally as well as figuratively; the investments are functional to the criminal process and/or are made in an environment familiar to the offender.

Concealing of criminal earnings

In the literature, money laundering is often divided into a number of phases. The model used implies that the term 'money laundering' only applies to situations in which criminal money has been actively 'laundered' and has become part of the legal economy. In addition laundering money is also frequently presented as a process consisting of refined and complex constructions. Yet, the cases we studied show that there are simple and quite direct ways to 'safely' use income from crime, too. In a number of cases offenders (temporarily) will not get around to using their money anyway, for that matter, but will physically *hide* it.

When an offender does want to use his money, he can rely on both relatively simple and somewhat more complex possibilities. The criminal money can be *transferred*, for instance, to countries where supervision of financial transactions is less stringent and where the money can be spent without too many questions being asked. Such a relocation may take place either physically or through formal institutions (domestic or foreign banks or money-transferring agencies), or through so-called underground banking. Furthermore, there also are ways to spend the money in the Netherlands. This '*concealed consumption*' is possible, among other things because facilitators offer that as a service. In the case material, we have found examples of facilitators who enable offenders to use vehicles or homes without any risk of these 'goods' being traced back to them. Other methods of concealed consumption include bringing in a front man or using false identities.

In addition to this, we actually have encountered many forms of *more complex money laundering constructions* in the cases we studied. In several cases

criminal money is given a legal appearance by making up or increasing income from employment, returns of a company, profit won in a game of chance, or a claim. In the case of making up or increasing returns of a company a company is used for the sole purpose of feigning that the offender has a legal source of income. In the case of another form of money laundering, however, an investment is actually made in a legal company but in a manner that is intended to conceal its true source. Furthermore, as mentioned before, in several cases criminal money is invested in real estate. Yet another method is to channel the money to firms or persons (front men/ accomplices) by means of a series of transactions. In the cases we examined we often encounter combinations of different forms.

Usually, different money laundering constructions have one or more characteristics in common. These are: the division of the total amount of money into differing smaller amounts ('smurfing' or 'structuring'); the repetitive transfer of money, in very quick succession; the transport, withdrawal or deposit of large amounts of cash; the use of accounts and legal persons abroad, especially in territories that provide special fiscal and legal arrangements, also known as tax havens.

The different forms used to cover up criminal money flows – the hiding, the transferring, the concealed consumption and the more complex money laundering constructions – are characterized by an increasing complexity and also require an increasing amount of social and/or economic resources. Hiding money is very simple and transferring it can be simple as well. Yet, when the transferral takes place through an underground banker, the offender is required to, through his network, have contacts with such a 'banker' at his disposal. Offenders' resources play at least as important a role in the more complex forms of money laundering, such as when criminal earnings need to be 'hidden' in legal enterprises or invested in real estate through intermediaries. In such cases, the 'money laundering potential' in large part depends on the extent to which an offender and/or his relations can make use of established positions in the licit world. Legal business activities, a legal, and preferably international, structure of firms and property provide good opportunities for placing criminal earnings. Of course, the bigger the financial size of the positions in the licit world, the more possibilities there are to launder money. Yet, not just the financial volume plays a role in the potential for money laundering. The nature of the legal (at least on paper) economic activities in which the offender or his network participates is of importance as well. Especially suited for money laundering purposes are goods and services of which the price-making process lacks transparency, making high prices or very high (fictitious) profits not too implausible. Examples of this are goods such as real estate or art, or companies where compensations can be entered in the books for vaguely circumscribed services like coordination, advice or management.

The extent to which an offender maintains direct control of his money and property is greatest when he takes care of concealing his criminal earnings himself, without being dependent on others. Yet the money laundering capacity of one's own company, for instance, has its limits. For this reason, third parties are also often called upon to launder criminal income. When an offender wants to make use of the services of a third party to conceal his criminal money flows, the question of course arises to whom he can entrust his money. That trust may rest on four pillars. The first of these is the financial gain of the person servicing the offender. A personal connection between the offender and the 'money launderer' is the second pillar on which the trust may be based. The third pillar is the violent reputation of the offender himself. In that case, the offender 'trusts' the service provider to know better than to deceive him, since the service provider knows what the physical consequences of deceiving his client may be. The fourth pillar on which trust may rest is, on the contrary, the reputation of a financial service provider. The underground banking system is a good example of this. These 'bankers' operate by the grace of the trust enjoyed by the institution of underground banking. Any underground banker knows that the betrayal of that trust will mean an economic death sentence.

Finally, we have discussed the liquidity of different destinations of criminal money. Obviously, that liquidity is greatest when the offender has simply stored or hidden his money somewhere. If instead the money has been invested, the liquidity depends on the type of goods or business in which the money has been invested. Besides that, it depends on the question whether the investment is controlled by the offender himself or by an asset manager, for example. When this last option has been used, claiming the money quickly may be hard if the asset manager has trouble cashing in the goods in which the money has been invested, if he has come to the attention of the police, and/or if other criminal clients want their money back as well.

Criminal investigation and dispossession of criminal earnings

Although over the years financial investigation has received greater emphasis, a number of studies have shown that it does not yet have the central place within the investigative process as it is supposed to have according to policy-makers.

Although criminal money flows are a lot harder to bring into vision than the money flows within regular enterprises are, criminal money still leaves its traces. Four characteristics of the criminal association or the criminal business process exert an influence on whether or not traces can be found. Firstly, the personality of the offender is of relevance. Individual offenders differ from each other, for instance in the extent to which they are aware of the possible attention paid to them by the authorities, and in their discipline to adjust their behaviour as much as possible according to that attention. Secondly, the scale and logistics of the criminal business process play a role;

criminal activities of a larger scale and more complex nature more likely require a form of administration than small-scale and simpler activities do. Thirdly, some criminal networks have connections with regular enterprises, which can increase the visibility of the money flows involved. Fourthly, sometimes offenders are more or less forced by uncertainties or obstacles during a criminal transaction to be more open than they would really want to be.

When traces of criminal money flows are found, they can be classified into four kinds, at least in the cases we studied: 1) traces in regular financial traffic, for instance through regular banks or money transfer agencies; 2) the bookkeeping of other regular enterprises with which the offenders were in contact, such as a supplier of raw materials or equipment needed for the manufacture of drugs, or the bookkeeping of a company owned by the offenders themselves which they had used to feign a legal money flow (money laundering); 3) the 'criminal bookkeeping', that is, the report made of the purchases and sales of drugs, for instance; and 4) wire tap reports and statements of victims and suspects.

For 102 convicted offenders from the first three data sweeps of the Organized Crime Monitor, we have analysed how both the court procedures and the execution of dispossession claims have been developing. Since it is possible for an offender to appeal to a higher court both with respect to the verdict in his criminal case and the verdict in his dispossession case (after which, if so desired, an appeal can be lodged with the Supreme Court), and since the actual execution of the dispossession claim (and thus the obligation to pay) only starts after both verdicts have become irrevocable, from the criminal case on it may take many years before that execution begins. For that matter, the dispossession measure constitutes only one way of hurting offenders financially. Here we have left aside other instruments used to confiscate their money, such as settlements, fines, damages, or claims made by the treasury. The total amount of dispossession claims brought against the 102 convicted offenders by Public Prosecutors was € 62,440,188. The court, however, only imposed € 46,353,192 in verdicts. After the appeals lodged to a higher court, only € 30,471,637 of this amount remained (including the claims that were not taken to a higher court). When the Supreme Court had ruled in 34 cases as well, the total of irrevocable dispossession claims amounted to € 27,463,899, which equals 44% of the total amount originally claimed by the Public Prosecutors in the first instance.

In large part, the reasons why an irrevocable claim turns out lower than the amount claimed for dispossession by the Public Prosecutor can be classified into three categories: 1) the court arrives at a lower total sum of criminal earnings, for instance because it includes fewer drug transports in its calculation than the Public Prosecutor has done; 2) the court decides that an exceeding has occurred of the 'reasonable period of time' within which the dispossession case should have been concluded, which is in violation with article 6

of the European Convention on Human Rights (ECHR), which in turn often results in a reduction of the amount claimed; or 3) the court estimates the payment capacity of the convicted offender to be lower.

Of the € 27,463,899 that was irrevocably claimed of the 102 convicted offenders, 34% has actually been paid at the moment we retrieved the data (September 2011). A considerable number of the claims, however, is still being dealt with. Lower claims have been paid to a greater extent than higher claims. These outcomes pertain to the cases we studied and cannot be generalized to all dispossession cases. Yet, basically the outcomes do not differ much from the results from some other sources.

Harm

There are no completely valid and exact assessments of harm arising from organized crime. Regardless of the method that is chosen to describe the negative consequences of organized crime, one is always confronted with problems regarding operationalization – how do you measure concepts such as ‘harm to victims’ and ‘loss of a good reputation’ – and causality – how do you determine whether a certain kind of damage really is the effect of organized crime? Having said that, it is still useful and, if one should want to prioritize among criminal investigations, perhaps even necessary to explore the level and/or different kinds of harm arising from organized crime.

On the basis of the cases we studied, we distinguish between three dimensions of harm. The first dimension involves *hurts to victims*, i.e. the damage inflicted on concrete victims. This dimension refers to both physical and psychological injuries inflicted on, for instance, victims of human trafficking or extortion. Furthermore it includes the financial damage caused to victims of, again, human trafficking or extortion, but also to victims of, for instance, fraud.

In addition, a second dimension has been distinguished and described. This dimension relates to the so-called *systemic effects* of organized crime. These are the harmful consequences of organized crime for ‘systems’, such as a distortion of the free market in the real estate sector or in the local economy. Yet, a slur on the reputation of a professional group, for instance the office of notary public, can also be an indirect result of organized crime. This dimension sheds light on the ‘undermining’ effects of organized crime. The chances of occurring of these systemic effects seem to be higher when the activities of the offenders of organized crime are more embedded in regular society. Seen in this way, the criminal activities deployed by practitioners in the real estate sector are more harmful than trading in a completely illegal and therefore separate market, such as trading synthetic drugs (although the latter does produce another kind of damage, health issues for instance).

The third dimension relates to a specific characteristic of organized crime, that is, the ability of offenders to shield their criminal activities from the authorities by neutralizing the functioning of social control. In some cases

this causes offenders to imagine themselves to be invulnerable and thereby become living evidence of the incompetence of the authorities to act adequately against organized crime. Such an image can become self-fulfilling. When witnesses (victims, co-offenders, accidental observers) do not dare to make statements about offenders or do not trust the authorities enough to take them in confidence, the strength of criminal justice can be seriously jeopardized.

Policy implications

The situational approach

In the field of criminology, most attention is usually paid to the backgrounds and motives of offenders, and the same can be said of many studies on organized crime. In the situational approach, this perspective has been abandoned and the focus of attention has shifted to environmental factors that make the occurrence of crime possible. In recent years this approach has also been applied to the phenomenon of organized crime. This is reflected in Dutch policy, in the increased attention paid to non-criminal justice measures to combat and prevent organized crime.

Within this approach already a lot has been achieved. Sometimes successes can be attained by means of simple interventions. An example of such an intervention can be found among the measures that have been taken against the production of synthetic drugs. Raw materials (precursors) essential for the production process, such as PMK in case of xtc-production, used to be imported from, among other countries, China. After Dutch and Chinese officials reach agreements, it became a lot more difficult for drug manufacturers to purchase the necessary materials.

This report, too, has brought to the fore how strongly organized crime is interwoven with its social environment. This means that a lot still needs to be done with regard to the situational factors at play in organized crime. Organized crime can take place because of a lack of *capable guardians*, that is, actors who are capable of detecting crimes and of doing something to counteract them. Sometimes these guardians are not even present. In other cases criminal associations try to undermine the competence of these gatekeepers through corruption and threats. Whoever wants to combat organized crime needs to reduce the vulnerability of society and strengthen the supervision in a broad sense. In this report we have discussed different forms by means of which actors in the regular environment may consciously or unconsciously be of service to organized crime. For a part of these actors, more awareness may result in making it less easy for criminal collaborations to use them. This applies in particular to those who now are unaware of the way in which they may be used for criminal purposes and of the risks involved in that to them. It

also goes for those who maybe entertain suspicions but who look on passively and 'do not ask questions'. When they become more aware, for instance through branch organizations, of the role they (unconsciously) play within criminal business processes and of the dangers involved, some of them may change from passive lookers-on to perceptive actors. In this report, we have seen various examples in which observant service providers – an estate agent, a storage company, or a travel agency – prevented a criminal association from using them, or informed the police because they had grown suspicious of a client who later proved to be criminal. Exactly which professional groups and sectors deserve attention in this context must emerge from the investigative practice. In this report we have discussed several service providers who were used (without knowing it) by offenders taking part in organized crime, such as storage and transport companies, but also notaries public, lawyers, trust companies and other parties.

With regard to service providers who consciously and more or less professionally provide services to organized crime, chiefly criminal prosecution seems to be required. Such professional facilitators may surface in criminal investigations into criminal associations who make use of them. Yet, the other way around, a criminal investigation aimed at a facilitator can also result in the emergence of a picture of his criminal clientele.

Besides ignorance, a passive attitude or conscious cooperation, effective supervision is sometimes limited by competing interests. The supervision of airports is limited, as was mentioned before, because next to safety a smooth dispatch of flights is of course important as well. An additional problem in the case of airports is that criminal activities of employees very easily blend in with their regular activities; for someone who works in luggage handling, it is not conspicuous to move around suitcases. Yet, the persistency with which airports seem to be used by criminal collaborations makes clear that this cannot be taken for granted. Tax havens play an important part in organized crime as well. Here, the improvement of supervision, which means the (partial) abolition of the legal and fiscal arrangements they provide, conflicts with the big economic interest these tax havens have in maintaining their attraction for foreign capital.

Some offenders neutralize potential supervision by operating from closed communities. Not only do they have isolated locations at their disposal, a strong social cohesion, a code of silence and a violent reputation also prevent group members or outsiders from informing the police. Such a 'screen of secrecy' makes it difficult to prosecute. Especially in this context, however, judicial intervention is important to cut through the aura of invulnerability. Further thought may be given to the possibilities of increasing the willingness of witnesses, victims or perpetrators to make statements to the police. In addition, in this context, too, there are opportunities for either a situational or an administrative approach. At least these communities, like some biker

clubs, have one advantage for criminal investigators and administrators: their recognisability.

The financial approach

With the concept of the *social multiplier*, Glaeser et al. have pointed out the importance of social interactions for the explanation of differences in crime levels. Part of the variation in crime figures comes about because the choice of an individual to either commit a crime or not is also determined by the choices made in this respect by the people close to him. When the people in a person's immediate surroundings choose a life of crime, he will be more readily inclined to commit offences as well, for instance because the social interactions evoke a feeling of invulnerability and strengthen the willingness to transgress norms. One person's criminal acts and career can thus result in others starting to commit crimes as well. In this way crimes 'multiply'.¹⁶¹ This 'social multiplier' shows the importance of an effective investigation of crime and criminal earnings. Whenever the crimes and earnings of an individual criminal are tracked down for all to see, according to the 'multiplier effect', this will slow down potential criminal acting of others. Yet, on the other hand, whenever the criminal gets away with it and crime therefore turns out to pay, this will constitute an encouraging incentive to criminal behaviour for his 'neighbours'. The earnings of criminals thus may have a recruiting influence on potential new offenders, which is even more plausible now that this report proves that the spending of criminal earnings mostly takes place in their own environment.

Since the end of last century, the government has begun to put greater emphasis on the dispossession of criminal financial gain. Dispossession legislation has been introduced, followed by several extensions of the legal possibilities for taking away criminal gain. Besides legislation, the government has also given higher priority in policy to the financial investigation of crime, for instance through the Financial Economic Crime Programme (FinEC). Dealing with criminal earnings really effectively requires the successful execution of a chain of actions: crime needs to be traced as well as the profits gained from it; a financial measure (for instance a dispossession measure) then must be applied; and this measure subsequently needs to be put into effect, which means that the sentenced offender must be made to pay. In dispossession cases it may take (many) years to work through the chain, since the effectuation (that is, the obligation to pay) only starts after not only the verdict passed in the criminal case has become irrevocable, but the verdict passed in the dispossession case as well. In practice, the tracing and taking away of criminal money works like a funnel: what is actually collected in the end constitutes only a small part of what has been earned in organized crime.

161 Glaeser, E.L., Sacerdote, B., & Scheinkman, J.A. (1996). Crime and social Interactions. *The Quarterly Journal of Economics*, 111(2), 507-548; Glaeser, E.L., Sacerdote, B.I., & Scheinkman, J.A. (2002). *The Social Multiplier*. : Harvard University, Harvard Institute of Economic Research. Discussion Paper 1968.

As we have said earlier, the set of instruments used has been extended a number of times. The objective is to reduce the level of attrition in confiscating the proceeds of crime.

Studies show that in the investigative practice, financial investigating still does not have the central place it does have in policy documents. At the start of criminal investigations, the financial component is often only elaborated summarily. It still seems to have a secondary character, while the primary focus is on the ‘men’ and the ‘kilos’. Financial-economic awareness, however, seems to have increased among criminal investigators. The challenge is to translate this more and more into concrete actions in criminal investigations as well. How the recent extensions of the possibilities to dispossess criminal money will work out is as yet unknown.

The dispossession measure – the financial measure of which we have examined the implementation in the cases studied in this report – is only one of the various instruments available to hurt offenders financially. Other such instruments, such as fines, settlements and fiscal measures, were not discussed in this report. The analyses of the dispossessions in the cases we studied have shown that the actual execution of at least the dispossession claims is far from easy. That is no reason, however, not to continue to make an (extra) effort in this regard. Yet it might be a reason not to let expectations run too high.

In addition, it is important to have clear goals and starting points for dispossession of criminal property. When the goal is to collect *as much criminal money as possible*, this may result in other priorities than when the goal is to take away money from *as many offenders as possible*. In the first case, the attention should primarily be focused on the relatively small number of convicted people on whom very high dispossession claims have been imposed.¹⁶² In the latter case, on the other hand, investigators should set their sights to as many offenders as possible, which also includes the relatively large group on whom only a relatively low dispossession claim has been imposed. In addition, it is likely that the basic assumption that ‘every euro spent on financial investigating will pay for itself’ may only have limited validity. This is due to the long lead-time of dispossession procedures, among other things. Yet maybe the financial effect of recovery of criminal assets should not be the point of departure. The ‘recovery of the costs’ is not in the euros it yields, but in the signal sent that crime must not be allowed to pay. To conclude, there are reasons to focus the effort primarily on seizing property and to set up criminal investigations from this perspective. Dispossession procedures can take a very long time. This gives the convicted offender more opportunities to hide his criminal earnings. A seizure prevents this and increases the chances that an imposed dispossession claim or a different financial measure will actually be collected. This in turn increases the chances of achieving the intended, generally preventive effect of recovering crimi-

162 We should add, however, that especially the high dispossession claims are difficult to collect.

nal assets. Seizures can contribute to that effect in another respect as well. Because a seizure takes place in conjunction with or shortly after a police intervention (an arrest), and sometimes is clearly visible for the offender's environment as well, this form of intervention may be conceived and felt by the offender and his surroundings as much more of a 'dispossession' than a lengthy payment settlement.

The criminal justice approach

Offenders of organized crime are adept at effectively concealing their crimes. Thanks to the interrelatedness of criminal associations with sectors and communities, their activities can remain invisible for a long time. Important examples of this are the large-scale frauds in real estate, where offenders blocked their illegal activities from view by posing as regular professionals or employees. However important the situational approach is, without convincing proof the awareness about these problems will not grow, while supervisors and service providers will be able to claim ignorance if they should be reproached for having been too passive. The same goes for the financial approach. Crime cannot be allowed to pay, yet without the detection of criminal facts and a sound assessment of the profits and spending of criminal money we will not succeed in living up to this goal.

In other words: to make a situational and financial approach of organized crime successful, uncovering convincing evidence is of the essence. This is one of the reasons why, besides 'prompt interventions', (still) also ample room needs to be cleared for traditional criminal investigation. The start of such a criminal investigation provides the opportunity to use far-reaching means of force such as phone taps, house searches and arrests, which may serve as crowbars. Of course, we do not always succeed in getting to the bottom of things. Yet, without these crowbars several important cases presented in this monitor, such as the real estate frauds, the extortion of a number of businessmen and the exploitation of women in the licensed prostitution sector, would never have come to light to their full extent.

Of course, there are also limits to the judicial process of establishing the truth. Criminal investigations are focused on finding an answer to the question whether the criminal facts someone is charged with can be proven. This in itself generates a sharp reduction of reality. Social problems such as the uncontrolled, personal pursuit of profit in the real estate sector or modern forms of slavery are transformed and individualized into criminal cases. Given the legal context in which the process of establishing the truth takes place, this is inevitable. Yet, precisely because of the exclusive crowbars it provides, a criminal investigation sometimes is also a necessary condition for a process going into the opposite direction: becoming aware of social issues. It is not a sufficient condition, however. To bring about this awareness, an important task remains for others: the government but also, and especially,

the sectors, communities and occupational groups that are vulnerable to organized crime.