

# CLEAN BUSINESSES



## Summary

**EXPLORATIONS OF  
SUBVERSIVE CRIME  
IN THE BEAUTY SECTOR**

## Colophon

### **Commissioned by**

Ministry of Justice and Security, Research and Data Centre (WODC)

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### **Title**

Clean Businesses. Explorations of Subversive Crime in the Beauty Sector.

### **Cover Illustration**

Paul Gruter (Image generated with ChatGPT, June 15, 2025). Prompt: "Create a comic-style image about criminal undermining activities in the beauty industry (massage parlors, tattoo parlors, hairdressers, nail salons, and tanning salons). The image should refer to the theme in an abstract way; no images of people working."

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# Summary

## Clean businesses – explorations of subversive crime in the beauty sector

This exploratory study on subversive crime in the beauty sector was commissioned by the WODC at the request of the Directorate-General for Subversive Crime. The government, in collaboration with numerous partners, is targeting various factors that influence subversive crime. One of these concerns is "vulnerable sectors." However, it is unclear in advance whether the beauty sector should be considered one of these.

For this research, the beauty sector was defined to include five specific branches: hair salons, nail salons, tattoo and piercing shops, massage parlors, and tanning salons. The focus on these branches is based on characteristics that may make them vulnerable to subversive criminal activity, such as the relatively high use of cash, difficulty in assessing the value of goods and services, and the challenge of monitoring customer flows.

### *Research Problem*

The research has a two-part problem statement. On the one hand, there is the question of "what are the nature and extent of the different forms of subversive criminality" and on the other hand the question "how can the resilience of the sector be increased".

In this research, we define subversive criminality as when criminal networks misuse businesses in the beauty sector or use them as a vehicle for carrying out or concealing criminal activities, or for laundering or siphoning off criminal money. This means that in this study we do not count things that in public discussions are sometimes considered subversion—such as employing staff "off the books," or more generally tax evasion—as belonging to the domain of subversion.

### *Research Methods*

Nine different research methods were employed to gather material:

1. Desk research, including literature, media articles, reports, annual accounts, and data analysis from the LISA business register and the "Zicht op ondermijning (Insight into Subversion)" dashboard.
2. Interviews with representatives of branch associations: ANKO (hairdressers), NGS (massage therapists), NBTK (tattoo artists), SVZ (tanning salon owners), and ProVoet (including nail stylists). Informal contacts were also made with various organizations within the beauty sector.
3. Online survey among entrepreneurs in the five beauty branches (n=423). Ipsos I&O contacted 5,000 entrepreneurs (n=167), while 256 more were reached through industry associations. Respondents could also opt for follow-up (mostly telephone) interviews (n=17).

4. 'Walk & talk' conversations in five municipalities—Amsterdam, Utrecht, Tilburg, Arnhem, and Zwolle—where researchers walked through areas with a high density of beauty businesses with local officials and police.
5. Interviews with officials from the police, Labour Authority, Tax Authority, Chamber of Commerce, Foundation M., CoMensha, the Drug Precursors Hotline, FIU, and regional RIECs. These services also provided any relevant data they had on signals of subversive crime in the sector.
6. Analysis of police case files: 99 cases from July 2019 to June 2024 potentially relating to subversive crime in the beauty sector were examined.
7. Analysis of published court rulings on rechtspraak.nl possibly concerning subversive crime in the sector (17 administrative rulings on premises closures and 46 criminal judgments from 2019–2024).
8. Validation workshops with representatives from ANKO, PVO, VNO-NCW, the National Police, the Tax Authority, and the municipalities of Amsterdam and Utrecht.
9. International contributions from researchers in Belgium, Italy, and the United Kingdom.

#### *Definition and Profile of the Beauty Sector*

We defined the beauty sector to include hair salons, nail salons, tattoo shops, massage parlors, and tanning salons. While these categories are not clearly delineated by business classification codes (SBI), we estimate that in 2024, nearly 50,000 businesses operate in the defined sector. Hair salons and nail salons constitute the majority, accounting for approximately 67% and 20% respectively. Massage parlors and tattoo shops each represent about 6%, while tanning salons make up just 1%.

Apart from tanning salons, which seem to be declining in popularity, the other branches of the beauty sector appear to be growing in popularity. This is likely driven by population growth and rising disposable income. Increased consumer spending on personal care aligns with a more "Burgundian" lifestyle, where people dine out more often and invest more in their appearance. This may explain the widespread observation that some streets appear dominated by beauty businesses.

#### *Nature and Scope of Subversive Crime in the Beauty Sector*

The beauty sector may be considered vulnerable due to several characteristics: social (anonymity), economic (high cash flow), logistical (potential for misuse of chemicals) and institutional (easy access to professions, even for malicious actors).

Despite these indicators, we found little empirical evidence of systematic misuse of beauty businesses for subversive crime. This contradicts the widespread perception—among entrepreneurs, government professionals, and the public—that the sector is a hotbed for shady practices. Participants in the validation sessions also recognized this gap between perception and empirical reality.

### *Explaining the Mismatch Between Perception and Evidence*

Two main factors likely explain the disconnect:

1. Definition Differences: Many consider practices like off-the-books earnings as subversive crime, whereas this study does not.
2. Cultural Differences: Some beauty businesses are run by entrepreneurs with a migration background, who may have different business practices—such as longer hours or the presence of non-customers—which can raise suspicion among native Dutch observers.

### *Is the Sector Vulnerable?*

The research indicates that there is no empirical evidence to support the assumption that the beauty sector is vulnerable to subversive criminality. This may possibly be explained by the fact that no services are offered that are necessary for the criminal process, as is the case with the transport sector (think shipping companies, but also car rental companies) or the storage sector. Moreover, the turnover of beauty businesses is presumably generally not interesting enough for large-scale washing of criminal money. Furthermore, the use of chemicals (acetone) in certain parts of the sector (nail studios, hairdressers) does not seem to be such that these sectors are attractive to be used as vehicles for purchasing such chemicals for hard drug production.

That the beauty sector cannot be characterized as vulnerable does not exclude that there may be cases in which there is subversion or other forms of criminality. Indeed, the research did uncover a few cases that appear to involve shell structures. However, this seems to relate more to the individual in question than to the attractiveness of the sector for this purpose.

### *Characteristics of the five branches influencing specific crime forms*

A significant part of nail studios and massage salons is run by entrepreneurs with a migration background. This also applies to a specific segment of hairdressing businesses (barbershops). In the inspection reports of the Labour Authority, infractions of the Foreign Nationals Employment Act are found in these branches – especially in massage salons. In some massage salons, a “happy ending” is offered. A few times the salon was closed because it did not have a license to run a sex-establishment. These violations are at best an indicator that there may be human trafficking involved. From the Human Trafficking Monitor and figures from CoMensha, it appears that approximately 1 percent of human trafficking victims are linked to one of the beauty branches we studied.

Some parts of the beauty sector use chemicals that can be used as drug precursors. This concerns acetone, a substance used for removing nail polish. From data from the Drug Precursors Hotline, it appears there are only a few reports per year about nail studios ordering suspect quantities of acetone. In most reports the quantities are so small that a link to hard drug production does not appear obvious.

Hairdressing businesses, especially barbershops run by entrepreneurs with migration backgrounds, are sometimes associated—in conversations and in police data—with drug

trafficking or fencing. It is especially these hairdressing businesses where many people sometimes gather; in the survey, and also in conversations with entrepreneurs, it is suggested a few times that they might serve as meeting places for criminals. To what extent that is actually the case cannot be determined, but it is a fact that it is not at all unusual for groups of people to gather in hairdressing businesses.

Tattoo shops have historically been associated with motorcycle gangs (OMGs) and there are, especially in court rulings, indications that these ties still exist for some shops. However, there are no signs that tattoo shops play a role in gang criminal activities.

As stated, there are no signals that beauty businesses are used on a large scale for laundering criminal money. The sporadic cases that emerged from the research material are mostly linked to tanning salons.

### *International Experiences*

The essays from Belgium, Italy and the United Kingdom show that in these countries more or less the same forms of subversive criminality within the beauty sector can be recognized. However, foreign researchers are also unable to determine its extent. It is therefore difficult to compare the Netherlands with the other countries. It is striking that in Belgium 10 percent of recorded human trafficking cases are linked to the beauty sector. In the Netherlands, according to CoMensha, this percentage is 1 percent. We have no explanation for this striking difference.

In Italy there are signals that the mafia invests criminal money in the beauty sector. At the same time, it appears this happens sporadically compared with other sectors. This suggests that these rare examples do not indicate vulnerability of the branch, but rather "incidental" interest of individuals linked to the mafia in investing in a beauty business.

Italy and Wallonia have more regulation of the beauty sector than the Netherlands. This seems to have consequences for the number of small entrepreneurs (self-employed) in this sector. This is especially visible in Belgium, where the difference in legislation between Flanders (unregulated) and Wallonia (regulated) has led to a greater increase in the number of hairdressing businesses in Flanders.

### *Resilience*

The second part of the problem statement focuses on the question of how the resilience of the beauty sector can be strengthened. Based on this research, however, the conclusion is that there is no structural criminal infiltration or interference in the beauty sector. Thus, reinforcing the resilience of the sector is not so much in question. Attention is instead given to more general preventive methods to combat crime in the sector. Two methods stand out:

1. Barrier formation by making businesses and/or streets permit-required by the municipality. This allows entrepreneurs who want to start a beauty business at a physical location (that is, not self-employed individuals working from home) to be screened. This

2. can be done using the Bibob Act or designation authority for risky businesses and areas. In this way, it can partially be prevented that criminal money is used to start a business. And it also provides the possibility to regularly inspect after granting the permit.
3. More intensive enforcement by the government by acting more frequently and more decisively on signals indicating (subversive) criminality linked to a beauty business. Here, better data-sharing between government agencies is helpful.

Most surveyed entrepreneurs express the wish to regulate the industry themselves, mainly by reinstating the professional diploma required to start a beauty business. However, from a resilience perspective against (subversive) criminality there seems to be little reason to regulate the sector. This view is supported by the sector representatives present at the validation meeting (hairdressing sector association ANKO and VNO-NCW).

The preventive instruments mentioned in the foreign essays bear much similarity to what is available in the Netherlands. However, the powers based on, for example, anti-mafia legislation are broader than the Dutch Bibob legislation (Peters, 2023). Additionally, in some places there are more regulations. This applies especially to Italy and Wallonia. To what extent the described stricter regulation thereby actually leads to a more resilient sector is difficult to determine based on these contributions. We mainly see case studies, which give little insight into the extent of the problem around subversive criminal activities in the beauty sector of these three countries.

#### *Finally*

It is our impression that, in general, the conclusion that subversive crime is involved is drawn rather quickly, based on an offence description such as drug-related crime or money laundering. This often happens without the question being answered whether there is a link with organized crime (being an essential condition in order to speak of subversive crime). Our research shows that this link is rarely present in the case of the beauty sector. In line with this, it would be interesting to also examine other branches that are currently assumed or presumed to be vulnerable to subversive crime.