

# CORRUPTION, GREED AND CRIME MONEY

## SLEAZE AND SHADY ECONOMY IN EUROPE AND BEYOND



Petrus C. van Duyne  
Jackie Harvey  
Georgios A. Antonopoulos  
Klaus von Lampe  
Almir Maljević  
Anna Markovska  
(eds.)

CORRUPTION, GREED AND CRIME MONEY:  
SLEAZE AND SHADY ECONOMY  
IN EUROPE AND BEYOND



CORRUPTION, GREED AND CRIME MONEY:  
SLEAZE AND SHADY ECONOMY  
IN EUROPE AND BEYOND

*Petrus C. van Duyne*  
*Jackie Harvey*  
*Georgios A. Antonopoulos*  
*Klaus von Lampe*  
*Almir Maljević*  
*Anna Markovska*  
*(eds.)*



## **Corruption, greed and crime-money. Sleaze and shady economy in Europe and beyond**

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

ISBN: 978-94-6240-128-0

This volume contains a selection of peer reviewed papers based on the presentations of the authors at the fourteenth Crossborder Crime Colloquium, hosted 12-14 May 2013 by Anglia Ruskin University, Cambridge.

This project was supported by Tilburg University (the Netherlands)

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 fourteen times:

2013 Cambridge, UK	2005 Sarajevo, Bosnia and Herzegovina
2012 Manchester, UK	2004 Berlin, Germany
2011 Tilburg, the Netherlands	2003 Ainsring, Germany
2009 Gent, Belgium	2002 Ljubljana, Slovenia
2008 Belgrade, Serbia	2001 Bratislava, Slovakia
2007 Prague, Czech Republic	2000 Budapest, Hungary
2006 Tallinn, Estonia	1999 Prague, Czech Republic

Copies can be ordered at:

Wolf Legal Publishers (WLP)  
P.O. Box 313  
5060 AH Oisterwijk  
The Netherlands  
[www.wolfpublishers.com](http://www.wolfpublishers.com)  
E-Mail: [sales@wolfpublishers.nl](mailto:sales@wolfpublishers.nl)

©The Authors, *Wolf Legal Publishers (WLP)*, 2014

# Table of contents

<i>Petrus C. van Duyne</i> Greed: the deadly sin as red thread –An introduction	1
<i>Anna Di Ronco</i> Multinational anti-corruption self-regulation in the pharmaceutical sector: evidence of (in)effectiveness	21
<i>Radu Nicolae</i> Ethics and systemic corruption: assessing ethics policy of Romanian public administration	47
<i>Miroslav Scheinost</i> Shadows of corruption and bribery – Can we see through?	73
<i>Marija Zurnić</i> Political scandal and anti-corruption debates in Serbia	93
<i>Anna Markovska and Alexey Serdyuk</i> Analysing media representation of corruption in Ukraine: who is panicking?	121
<i>Anita Lavorgna and Anna Sergi</i> Different manifestations of organised crime and corruption in Italy: a socio-legal analysis	139
<i>Daniela Irrera</i> The Multilateral response in tackling the crime – terror nexus: The EU contribution	163
<i>Mihaela Sandulescu</i> Reconciling the anti-money laundering compliance duties and the commercial objectives of the bank	185
<i>Jackie Harvey, Michael Hutchinson and Adam Peacock</i> AML and the political power weight	211
<i>Petrus C. van Duyne, Wouter de Zanger and François H.G. Kristen</i> Greedy of crime-money. The reality and ethics of asset recovery	235
<i>Klaus von Lampe, Marin Kurti and John Bae</i> Land of opportunities. The illicit trade in cigarettes in the United States	267

<i>Jon Spencer</i>	
Human trafficking policy making and the politics of international criminal justice. A case study of sexual exploitation	291
<i>Georgios A. Antonopoulos and Steve Hall</i>	
The death of the legitimate merchant? Small to medium-size enterprises and shady decisions in Greece during the financial crisis	313
<i>Matjaž Jager and Katja Šugman Stubbs</i>	
Inner contradictions of economic crime control	337
<i>Ciril Keršmanc</i>	
Bestiarum vocabulum of economic crime: excerpts from the Slovene volume 1996–2010	355
<i>Nicholas Dorn</i>	
Boom and bust in financial and housing markets: re-readings through Schumpeter and Bourdieu	383

## List of authors

*Georgios A. Antonopoulos*

Teesside University, UK

*John Bae*

John Jay College of Criminal Justice, New York, USA

*Nicholas Dom*

Formerly of Erasmus School of Law, The Netherlands

*Petrus C. van Duyne*

Tilburg University, The Netherlands and Manchester University, UK  
(emeritus)

*Steve Hall*

Teesside University, UK

*Jackie Harvey*

Northumbria University, UK

*Michael Hutchinson*

Northumbria University, UK

*Daniela Irrera*

University of Catania, Italy

*Matjaž Jager*

Institute of Criminology at the Faculty of Law, University of Ljubljana,  
Slovenia

*Ciril Keršmanc*

Institute of Criminology at the Faculty of Law, University of Ljubljana,  
Slovenia

*François H.G. Kristen*

Utrecht University, The Netherlands

*Marin Kurti*

Rutgers School of Criminal Justice, Newark, New Jersey, USA

*Klaus von Lampe*

John Jay College of Criminal Justice, New York, USA

*Anita Lavorgna*

University of Trento, Italy

*Anna Markovska*

Anglia Ruskin University, Cambridge, UK

*Radu Nicolae*

Centre for Legal Resources, Romania

*Adam Peacock*

Northumbria University, UK

*Anna Di Ronco*

Department of Penal Law and Criminology, Ghent University, Belgium

*Mihaela Sandulescu*

USI-University of Lugano, Switzerland

*Miroslav Scheinost*

Institute of Criminology and Social Prevention, Czech Republic

*Alexey Serdyuk*

National University of Internal Affairs, Kharkiv, Ukraine

*Anna Sergi*

University of Essex, UK

*Jon Spencer*

Criminological Research Unit, University of Manchester, UK

*Katja Šugman Stubbs*

Faculty of Law, University of Ljubljana, Slovenia

*Wouter de Zanger*

Utrecht University, The Netherlands

*Marija Zurnić*

Nottingham University, UK

# **Greed: the deadly sin as red thread**

## **An introduction**

*Petrus C. van Duyne*

### **Greed: a brute drive**

According to Catholic dogma there are seven deadly sins. The sixth one on the list is *greed*: the desire for material wealth or gain, ignoring the realm of the spiritual. The last sentence part can be considered as an aggravating condition. Such a serious sin deserved an appropriate punishment, if not during the earthly existence, then certainly in hell: being boiled in oil. It is not just a 'self-centred' sin, but one with serious social implications, because according to Thomas Aquinas "it is a sin directly against one's neighbour, since one man cannot over-abound in external riches, without another man lacking them." This places greed in a harmful relationship with the social surrounding. Greed causes harm because being covetous of wealth may be at the expense of the fellow man.

This sounds all very edifying. However, even if greed is a sin, bad enough to be cooked in oil in the afterlife, it is not a crime. As a matter of fact it is an elementary driving force. In Freud's conceptual framework it is a 'lust', though subordinate to the sexual lust as the most elementary driving force of life. It is interesting to speculate about their similarities, differences and interdependent relationship. Sexual lust has its enjoying and disappointing variations: it can peak, decline, flame up and eventually wither, often together with the relationship in which it usually functions. Its uncertainty in fulfilment, disappointment, attraction and rejection is an inexhaustible source of drama, art as well as a sustainable income of sex-workers, therapists and illegal Viagra sellers, to name just a few benefiting service providers.

How different is the lust of greed. It has no glowing romance and is depicted in art as a low, mean trait. If it is the subject of drama, it is one of betrayal and (self or mutual) destruction as in the *Nibelungen-song* or *The Good, the Bad and the Ugly*, just to name two greed centred dramas two millennia apart. Greed has no 'friends' and is not served by a (surrogate) satisfaction service industry. Apart from the speculation that it can function as a compensation for the unfulfilled sex drive, and apart from all morality, it is a self-centred drive without the vicissitudes in the life history of sexuality and the uncertainties of potency. There is no 'greed Viagra' in case of

‘failing greed’ and there is no warm, understanding therapist helping you through “difficult greed phases”. Greed is a cold self-propelling ‘growth-drive’, increasing life-long with every new acquisition and rarely has a tragic heroic end. On the contrary: the greedy can die rich and respected (for his wealth) in his bed. The only punitive and tragic event is the inevitable cauldron with boiling oil in the afterlife, but that is a surprise for non-believers only.

Greed as a drive, is a given without excuse, with no ‘friends’ but only ‘followers’ as no-one is exempt from it, except an odd self-extincting pillarist or a saint in the desert. Even if one is not clearly aware of the drive to possess and hoard ever more valuables, there is the general admiration or envy of the lesser ones: the failed greedy. This is an important accompanying condition: while greed is essentially a self-centred trait, it needs a social embedding: even if Robison Crusoe would have been greedier than anybody else, being alone on the island made indulging in accumulated richness pointless. With this social necessary condition we return to Thomas Aquinas, since “one man cannot over-abound in external riches, without another man lacking them”. Indeed, greed does not target goods which are in abundance, but those which are valuable because of their relative scarcity. Surrounding the successful greedy there is always a needy crowd.

With this observation we enter the field of economics, morals and crime. The amoral brute drive becomes a sin, not because it ignores the “realm of the spiritual”, but because unboundedly indulging in it can lead to inroads on social justice. And depending on the way societal values are protected the satisfaction of greed may be accomplished by criminal means, or may remain just on the borderline, “illegal but not criminal”. Before we enter the field of law breaking, we should point at the licit greed satisfaction. Despite sermons of Church Fathers or moralist reformers, there is no other stimulus but greed to maintain a thriving capitalist economy. When after the Second World War Russia imposed its hapless socialist economic principles on Eastern Europe, particularly concerning ‘fair pay’ (rather the lack thereof), production plummeted (Applebaum, 2013). Conversely, when after the death of Mao the new Chinese leadership aspired to achieve economic expansion, it declared “get rich” (but not ‘free’). The (legal) greed function in the financial system of the industrial world hardly needs further clarification after the credit crisis of 2008: stepping up the greed satisfaction by a system of ever higher bonuses contributed, among other circumstances, to the housing bubble and credit crisis. According to various authors this unbounded social system of greed led to a neglect of responsible risk management, if not to abuse and deception (Dorn, 2010; Dorn and Levi, 2011; Keršman and Ahtik, 2013; Levi, 2013). Despite that, the bonus is back again.

Recognising the potentially criminal satisfaction of greed and its social imbedding, an important corollary is loss of integrity and corruption: the agreed mutual smearing

by exchanging coveted assets or favours. This must be compared with the ways society reacts against such ways of greed induced law breaking.

## **Smearing greed– and fighting it?**

Why do we cross over to corruption and not to other forms of profit motivated crime, such as property crime, drug trafficking or fraud? The reason is the nature of corruption and offenders: it is not about the ‘usual suspect’ we meet in trafficking, theft or fraud, but about a consensual and hidden transaction satisfying at least two desires by bending or violating a legal decision rule. This implies one party having a formal decision power and another party with something desirable in the offing. It is a ‘soft’ criminal transaction, albeit with hard consequences for citizens, the economy as well as for the integrity and stability of a country. Essential is the decay of the decision making discretion, which may occur at all the levels of an organisation where functionaries must have some latitude, from street cop to the head of state. Though this means a whole organisation can be riddled by corruption, it is nevertheless mainly a *leadership* disease: if the management is characterised by a lack of integrity, the fish of the organisation starts to rot from the head (Van Duyne, 2001).

While most of the attention in literature and research is traditionally devoted to corruption in the administration (often referred to as ‘abuse of power’) corruption in the private sector has been less put to the fore, until recently. This has changed, internationally under pressure of the US, feeling outcompeted by corrupting wily foreign companies (Gelemerova, 2010). Also within the business sector corporations became aware that even as a corporate profiting co-offender (if not caught), one can become a victim of the own corruption because of the all permeating decay of integrity grows into a state of normality. In her chapter on *multi-national anti-corruption self regulation in the pharmaceutical sector* Anna Di Ronco describes the awareness of this “normalisation of corruptive acts” in this sector and the measures taken to reverse this ingrained conduct. This is not an easy task, as basically the share value at the stock exchange is not determined by the ethics of the corporations but by their annual dividends. The principle of ‘profits first, ethics second’ may therefore result in all sorts of wishy-washy internal regulations. Compliance offices are established and anti-corruption policies are drawn up, which is prudent to have ‘on the shelves’ in case questions are asked, either as a consequence of the discovery of a major corruption case or when outside pressure is exerted, for example from the European Commission. This pressure is not only motivated by morality concerns, but by the public health budgets: health is big money, for the public and pharmaceutical sector alike. It is a clash of affordability and profitability: low prices and stiff competition

versus high prices and rigged ('fair') competition. In this tension the salesmen representing their corporations at hospitals and doctors must keep up their weekly rates to get their bonuses. The author describes how companies have introduced a gratification calculation system in which also 'ethics compliance points' are integrated. However, at the same time this stimulates cheating not to lose 'ethic points'. If bankers cheat their million-plus bonuses upwards, so do the humble sale reps for a more basic wage.

While the first chapter shows how difficult it is to balance commercial 'rational' greed against ethics, such a balancing does not seem to be relevant in the public administration. Instead of profit expectations, readiness to serve is the official aim and motivation. While in trade and industry an anti-corruption policy has to gain ground against the basic greed drive for profit, a similar policy initiative should theoretically not find this kind of opposition. Therefore, does this make the implementation of an anti-corruption policy in public administration easier? The answer to this answer appears to be negative, particularly in countries where the public service is riddled with corruption. Research findings in Bosnia-Herzegovina (Maljević, Datzer *et al*, 2008) and Serbia (Van Duyne and Stocco, 2012) demonstrate that such policies amidst a general indifference, from the political elite down to the policeman on the beat, leads to many 'legislative Potemkin Villages', ineffective institutions and half-hearted provisions never intended to function fully. From our greed perspective, the greedy elite cherishes its spoils while neutralising outside pressures for reform by a lame implementation of the required measures. The chapter by *Radu Nicolae* on the *ethics policy of the Romanian public administration* describes a corresponding situation in his country.

Yes, Romania has a formal anti-corruption ethics policy and many important measures are implemented, for example the institution of the ethics officer in the municipalities and counties. However, according to the author, the system is fragmented, being different for the private and public sector and within the latter again differentiated according to the kind of public office. In addition, the ethics officers are poorly trained and mainly perform this function next to other tasks. Ethical dilemmas? Two third of interviewed ethics officers did not know they could have one. Reporting on the integrity policy? 80% of the administrative units did not report and whatever reports submitted were of poor quality. The question whether this reflects a real concern of the leading policy makers and the political elite is indeed a rhetorical one. It is more realistic to assume that the elite's real concern is to keep a grip on the spoils of the country and to implement only 'safe' reform to show they did something. Is this a rash conclusion?

The answer to that question is negative if we compare the findings in Romania and the Balkan states with those of the most 'western' of the previous socialist

## *Greed*

countries, namely the Czech Republic, as described by *Miroslav Scheinost* in his chapter *Shadows of corruption and bribery in the Czech Republic*. He compares the corruption situation in the country before and after the transition from socialism. During the socialist era the country was full of corruption, which was manifested in two ways. To the normal citizen corruption was more or less a kind of self-help barter to get coveted scarce goods. Within the party *nomenclatura* corruption took the form of extending their clientele: the more followers one could buy with favours the better. And these were not followers in the Twitter meaning of the word, but a kind of personal power basis. The situation changed when the country opened up after the fall of the communism. 'Self-help corrupt barter' disappeared to be replaced by a corrupt scramble for the rich spoils in the liberalisation of the plan economy. The author describes a corrupt interaction of new businessmen and office holders at all levels of society, from below in the village up to the central government squandering the public funds for own gain. Interestingly, the prevalence of petty corruption subsided.

This did not escape the attention of the public which considers the politicians and office holders responsible for the corrupt state of the country, to which should be remarked that citizens are equally active in initiating a corrupt act to their own advantage. This could have spurred the competent authorities to an active preventive policy and an intensification of law enforcement. However, neither happened. The criminal statistics, reflecting law enforcement efforts remain dismally low (as is the case in Romania and Serbia). Though during election times the 'fight against corruption' was usually high on the agenda, the after-election policies proved generally disappointing: since 1998 five government anti-corruption strategies have been adopted, followed by five failures. This lends support to my observation concerning the political elite in Romania: the political elite's real concern is to keep the spoils in their hands to satisfy its greed. To that end it is prepared to design any anti-corruption programme – as long as it does not work to its disadvantage. This is anything but a rash conclusion.

I think we can conclude that the combination of greed and power is considerably resistant to calls for change. This is not surprising: possession of mere power can be a greed satisfier in its own right, reinforced by wealth to be obtained or safeguarded. However, there is always the danger that a major scandal about serious breaches of integrity, be it corruption or embezzlement by the political elite, undermines this comfortable position. However, in the chapter *Political scandal and anti-corruption debates in Serbia*, the author *Maria Zurnić* makes clear that even major scandals appear to have only a temporary impact. Once the publicity storm calms down, the waves of the troubled water flatten again.

After the fall of Milošević a massive amount of money appeared to have been illegally channelled to Cyprus. How could that happen and where was the evidence? To answer these questions a Commission for the Investigation of Malfeasance was established, but failed dismally amidst accusation against the chairman who resigned after two months in office. The allegedly embezzled € 11,5 billion were not found and therefore no money was repatriated. Taxing the wealth of the Milošević era profiteers instead, failed also: of the expected € 800 million not more than € 60 million was collected. This created various streams in the angry political debate. The mainstream discourse denied the legitimacy of the Milošević regime and condemned the greed with which the regime misused public funds. But some of these critics could hardly be taken seriously as they abandoned the investigation of the massive embezzlement. Their opponents took a defensive stand and did not make much impact. In between another discourse identified the responsibility of the business elite. However, these streams of awareness raising did little to bring about an effective institutional change, despite the fact that Serbia ratified all conventions and international agreements (Trivunović, 2007). But that was due to outside pressure of the Council of Europe and the EU. All own initiatives to secure a lasting institutional change petered out: no career was really damaged by the Cyprus scandal while the political elite is still enjoying its spoils. And the Anti Corruption Agency? After 11 months its director was dismissed because of lack of integrity.

It seems that on the one hand, a political and business elite of ‘crooks and thieves’ are ‘bedevilled’ by the public and the media while on the other hand, this state of affairs is born with equanimity. To a large extent this is an outcome of media presentation itself: after all, the media are the public ears and eyes (at present extended with social media). This is researched as far as Ukraine is concerned by *Anna Markovska* and *Alexey Serdyuk* in their chapter on *media representation of corruption in Ukraine*. As research focuses they took two events: the football event *Euro 2012* and the *Shell or shale gas agreement negotiation 2013* and investigated whether and to what extent the topics of corruption and racism were represented. For the Shale gas agreement the authors also studied the foreign press releases.

What was the outcome of this comparison? The British media represented the *Euro 2012* in the lights of racism, human rights abuse, totalitarian state and selective justice. Corruption featured much less. In the Ukrainian press the football event was naturally presented as a major success, with corruption during the tendering process and construction ranking second. In contrast, the *Shale agreement* was represented in the British press positively with little attention to corruption and environmental hazards, while in the Ukrainian press there was ample mentioning of corrupt deals, apart from ecological problems and expected damage. While normally the western media in general are lavish in criticising the Ukrainian authorities of corruption and

abuse of office, they looked away in the case of a major breakthrough in the exploitation of Ukrainian mineral wealth. Corruption is 'in the eye of the beholder' and in this case the western beholding greedy eye was coveting Ukrainian gas. The media reports on corruption was received by the authorities with as much indifference as can be observed in Serbia. However, thinking it could persevere in this arrogant indifference proved to be a miscalculation when the Ukrainians revolted against the President's rejection of the EU offers and chose for Russia instead. That ignited the slumbering emotions against corruption, exposing the greed of the elite, the President's family in the first place, and the intertwinement of government and crime.

## **Organised crime, corruption and terror**

In much of the literature it seems to be taken for granted that organised crime goes hand in hand with corruption. This proposition is nuanced by *Anita Lavorgna* and *Anna Sergi* in their chapter on *different manifestations of organised crime and corruption in Italy*. Taking the broad concept of organised crime the authors show that in Italian legal thinking corruption is fundamentally implied in the former concept, that is, if it overlaps with the *mafia* or *mafia type organisations*. These are covered by two main sections in the Criminal Code and concern the 'ordinary' organised crime, a kind of 'mafia light' and a mafia heavily involved in corruption and political penetration, inclusive meddling in the election of representatives. In short, the kind of organised crime Berlusconi appeared to be receptive to (Stille, 2006). That is well known though this does not cover the whole spectrum of organised crime: the authors differentiate two other forms of organised crime in Italy, much less involved in corruption. These are the *mixed criminal networks*, the usual kind of organised crime in Europe. To carry out their crime business, such groups are not averse of corruption, but that is a matter of opportunity and connected to their criminal logistics. The other variety, more Italian specific, constitutes the *migrated* groups of organised criminals, wandering branches of mafia groups who settled in Northern Italy. These are not 'colonists': a kind of off-spring of the Sicilian mafia or 'Ndrangheta, but rather a kind of criminal 'gastarbeiter', sending their ill-gotten profits home. They are much less fluid than networks and have to establish good corruptive contacts with the surrounding business community they are interacting with. But this is still 'operational corruption', connected to 'doing crime business'. The endemic corruption of the 'home' mafia's is different and characterised by a "tacit understanding of corruptive practices assumed without interventions or specific initiative." From the mayor to street cop, all swim in the same warm pool of corruptive relationship, which often leads to the dismissal of

the staff of the whole municipality: the ultimate democratisation of greed and corruption.

According to many policy makers and some scholars, organised crime is not only connected to the phenomenon of corruption, but also to 'terrorism' (Clutterbuck, 1995). This connection is often manifested in a particular military conflict, such as in Bosnia 1993–1995, much to the advantage of outcome of the conflict (Mincheva and Gurr, 2010). Indeed, a multi-interpretable connection. This is researched by *Daniela Irera* in her chapter on *the multilateral response in tackling the crime–terror nexus*. Though we are scant of empirical evidence, the idea of such a threat has haunted the international security policy making community long before the terrorist attack on the Twin Towers of 11 September 2001. Of course, this nexus is something the international security community relishes, certainly if reinforced with the attributes 'transnational', 'cross-border' or 'global'. This has contributed to the formulation of multilateral security policy as a response to the allegedly blurring dividing line between organised crime and terrorism. In this policy development the US played a major role: it 'exported', rather imposed, its concepts, whether it concerned (transnational) organised crime or money laundering by using the UN as forum for making its opinions known and accepted (Van Duyne and Nelemans, 2011). Naturally, the EU did not want to lag behind and also designed an internal security strategy covering all sorts of crime, however, with the subject of corruption lacking. That is strange, because having to deal with corrupt political leaders, such as Berlusconi (always left untouched by the EU), the whole Greek government or Yanukovich (with whom a nice shale gas agreement was concluded), is a primary risk in any security strategy. Is this serious policy making?

## **Money laundering and (crime-)money catching**

Naturally, saying that money is the source of a lot of conflict, is a platitude. However, this platitude has manifold implications and ramifications few customers and policy makers are aware of. Does the 'colour' of the money aggravate such problems? No, in principle not. If the money is not of a white origin and the owner wants to use it, he must parade that money as 'white': the essence of laundering. Does that money and the connected launderers harm, in particular the financial system? The official answer is 'yes', but without substantiating facts (Reuter, 2013). My answer is 'no', if only because of its lack of logic: which launderer will cut the (financial) branch on which he is sitting?

Reputational damage is repeatedly presented as the other major harm a financial institution can sustain. However, reputational with whom? Not with the numerous

(otherwise law abiding) ‘black’ savers of fiscally undeclared wealth who are facing problems with the coming abolishment of the bank secrecy of Switzerland, Luxembourg and Austria. They must either confess their fiscal sins or move their hidden wealth to other ‘disreputable’ banks, in the hope these are as efficient and honest as the banks of the mentioned jurisdictions which will soon disclose their savings. ‘Black savers’ could rush to the Vatican Bank if the Pope promises to absolve their sins and maintain strict bank secrecy. However, the present Pope has decided differently: to clean out the dark corners of his bank, without absolution to murky financiers. Though the reputation dogma is kept up, bankers know that there is only one reputational damage which counts in real financial life: the failure to pay back savers’ deposits. And to maintain that capacity the bank must make money with other people’s money, which is a basic foundation for strict honesty and trust.

This sounds like a simple rule of morality for making money. However, that is of old-time: next to the plain banker as ‘money maker’ the anti-money laundering regime has posited the figure of *compliance officer* who has to guard that abstract risk of ‘wrong’ money entering the financial institutions. This looks like an additional morality, not oriented to honestly making money (with socially acceptable moderate greed), but a moral screening ‘at the gate’. The tension, inherent in this juxtaposed (if not opposed) moral positions is known, but only a handful of researchers investigated this tension empirically (Verhage, 2009, 2011).

One of them is *Mihaela Sandulescu* in her chapter on *Reconciling the anti-money laundering compliance duties and the commercial objectives of the bank*. She analysed the responses to her questionnaire from bank officers from three Swiss cantons. The questions concerned the relationship between the relation managers (the real money makers for the bank) and the compliance officers: the money laundering risk guardians/preventers. The findings confirmed that the employees at both sides of the morality axes, ‘money making’ and ‘money purity’, find themselves in an inherently conflict situation. Even if compliance officers genuinely try to help the relation manager, they realise that “*it is very difficult that a true friendship will develop between a CO and a RM*”. So there is little love lost between the two which does not impede a loyal cooperation for their common organisation.

This loyalty is furthered if not exacted by the keen awareness that their institution is under constant threat: not of wily launderers, but of a whole hierarchy of institutional supervision which hangs as flock of birds of prey over the whole regulated sector, ready to peck down if lack of compliance is observed: this ‘supervisory flock’ consists of national supervisors, the politically responsible ministers and ultimately the FATF: the unofficial global organisation wielding a worldwide power, but accountable to nobody. Indeed, a strange power construction. The interesting thing is that while all think to know what it is good for, no-one is capable

to specify this in empirical terms. So, in the end nobody knows what it is actually good for. The chapter *AML and the political power weight*, contributed by *Jackie Harvey, Michael Hutchinson* and *Adam Peacock* provides us an astonishing insight into the socio-politics of supervisory agnostics which serves the continuation of control power.

The first ‘known unknown’ in this policy agnostics is the extent and seriousness of the laundering problem. That is critically elaborated in most serious research literature, though without having any impact on the stand of the FATF and all parallel institutions (UNODC, World Bank, IMF) or underlying political, supervisory and executive layers. There are some old crude estimates (Tanzi, 1998) which have grown into the canonized ‘IMF consensus range’ of between 2-5% of global GDP (UNODC, 2011). As this consensus functions as a *belief* (Credo quia absurdum, Tertullian, ca 160-230 AD), there is little debate with dissident researchers: they are not part of the ‘FATF congregation’.

While this knowledge question remains unresolved, we are still left with the unanswered question what this whole AML regime is good for. Is it for crime prevention? The authors make clear that there is no causal connection with the underlying prevalence of crime-for-profit and AML (Harvey, 2008). As a matter of fact, the most important crime market, prohibited drugs, does not flinch: prices are still going down and the availability of contraband is still high. Hence, applying the ultimate effect measure of crime reduction does not answer the question: “What is it all good for?”

This does not bring the FATF to sing another tune. On the contrary, it can brow-beat countries as ‘non-compliant’ (small countries only and verdict without appeal) with severe financial consequences (till 2006 a blacklist was used). This is not the only form of exerting what is often called ‘soft’ power (with hard consequences). Mutual evaluation or peer review is another way of keeping everybody in line. This works with the basic social principles of a congregation: nobody questions the assessment criteria and otherwise *no questions* are asked. What are these criteria? Sufficient legislation, organisation and the state of the FIU are criteria reasonably to asses. But comparing *effectiveness* – a fundamental yardstick – is a decisive matter: complying to all requirements is nice, but not able to tell whether this is also effective actually annuls all the previous lofty efforts. Here the shoe of AML assessment pinches and it does so from the beginning. So observe the strange spectacle: a parade of well-intentioned member states wearing the same wrong shoes; they all walk a bit cripple, but nobody whimpers and duly comply. Now just reflect for a moment on the huge power of the FATF and judge the congregational discipline: collectively enduring the pain and continuing with their mutual evaluation benchmark reports without a real benchmark. Ironically that is called ‘benchmarking’ nevertheless. For want of a real benchmark, the members of the FATF grasped for some proxy: the

totals of the produced Suspicious Activity Reports (SAR). Methodologically fully unfit, but despite that accepted without any methodological reflection. What does just counting SARs tell us? Does the sum of SARs in country A mean the same as in country B; are we sure SARs are collected and counted in the same way? What is the relationship between the modern ‘risk based approach’ and just counting SARs? From the risk based perspective it looks like a step back, but endorsed nevertheless. Hence, no questions being asked, the FATF (or the congregation of member states) embarked again on the misbegotten ‘benchmarking’ and SARs counting, as described by the authors. Thus the Mutual Evaluation Reports are produced without real questions raised: for example, what about the Delaware or Nevada corporations; the Russian oligarch finances in the London City? Do the latter not have the capacity of undermining the financial system?

I must pause a moment for reflection. Throughout my discussions I kept the red thread of greed and money to arrive here at what looks like the summit of ‘soft’ power: the ability to make (globally) accepted something which is plainly flawed and without opposition of any significance. I know only three historical examples in which the same was accomplished: the Catholic Church (at least till the Reformation, but still a global operator), the Bolshevik party which after seven decades failed dismally, and the Chinese Communist Party, still in power as an empty shell for the greedy elite families. Should we not speak of a ‘control greed’ or a desire to retain the political power and wealth that has been conquered? No surprise that an open critical debate never developed.

Jackie Harvey and co-authors mention in their concluding section that “the only real method to judge efficacy of the system would be through a drop in underlying crime (see above) and the subsequent prosecution and asset recovery data”. *Asset recovery* is the topic of the next chapter by *Petrus C. van Duyne, Wouter S. de Zanger* and *François H.G. Kristen*. After having investigated the first phase of SAR-reporting (Van Duyne and De Miranda, 1999), the confiscation of real estate (Van Duyne *et al.*, 2009) and monetary assets (Van Duyne and Soudijn, 2010), the authors thought it proper to investigate also the final phase of the fight against crime-money and laundering: the actually estimated ill-gotten profits and how much is eventually collected from the convicted criminals. While preparing the project, the researchers were somewhat out run by the Minister of Justice who not only repeated his policy that asset recovery is a financial instrument benefitting the public funds, but on top of that he announced a substantial expansion of the number of financial investigators: 250 fte’s. But there are strings attached: they must earn back their salary from successful recovery *three times* over. In plain language: the Minister wanted to see money, very much money! Asset recovery serving the principle of restoring justice becomes subordinate to replenishing the state coffer. The minister does not stand

alone in this greed for crime-money: in the 1990s, the US experienced an even more outspoken form of criminal asset hunting under the general assumption of the enormous amount of money being hoarded by criminals (Blumenson and Nilsen, 2001; Rasmussen and Benson, 1994).

How does this compare with the ultimately determined wealth of convicted criminals and with their capacity to fulfil recovery orders? The analysis of the more than 10.000<sup>1</sup> cases of the recovery database of the Dutch Central Recovery Agency reconfirmed in the first place that the income distribution among criminals is very skewed: “few move much and many move only few” (Van Duyne and De Miranda, 1999; 257). All empirical research findings demonstrate a huge inverted J-like distribution with most of the criminal income under € 10.000 while only a tiny minority of the distribution is in the category of “one million plus” (Euros). Apart from that expected, but to policy makers still new and sobering finding, getting money from reluctant criminal debtors is an arduous task, costing much time and money. The execution time of recovery cases is 2,6 years (median 1,5 year), which is of course also unequally divided: small recovery cases (under € 5.000) lasted 2,3 years; “rich” cases (> € 1 million +) 3,5 years.

Naturally, the state is not powerless to make the criminal debtors pay: there are various measures of coercion (apart from selling (expropriating) the confiscated possessions), the most severe being putting the unwilling debtor in jail for a maximum term of three years. That is a kind of sword of Damocles hung up above the head of the *unwilling* debtor. Execution of this coercive measure occurs only by court order but rattling with the sword can sometimes be enough. In general such coercion cases lasted more than 6 years. In between the debtor can submit a request to the court to reduce his debt because of inability to pay. Putting someone in jail for not paying is expensive which induces the state to seek a settlement: this produced 57% of the money due.

The authors also carried out a file analysis of a sample of 35 cases, ranging from ‘one million +’ criminals to those at the low end of the criminal income ladder to address the question whether the non-paying criminals were hiding and smartly laundering their loot. However, there were only a few criminals who had made an attempt to launder, but technically mainly shallow. All to no avail because the recovery order is ‘laundering neutral’: one has to pay irrespective whether the recovery order is to be paid from criminal or ‘licit’ sources such as granny’s heritage

---

<sup>1</sup> All numbers in this volume are in normal *European* annotation: the comma is for the decimals and the dot for the thousands

(whether real or invented). Compared to an effective asset recovery policy money laundering should be rated of a secondary priority.

Meanwhile, if the reader would think our qualification of the minister's conduct as greedy a bit over-stretching its meaning, at the time of writing the minister has put forward a bill intending to charge prisoners for their stay behind bars: € 16 per day. Criminal law philosophy? Nothing but an expected € 60 million to be contributed per year to the state coffer. States can be greedy too.

## **Common crime business & crisis**

By morally locating the trait of greed “at the other side of good and evil” (“jenseits von gut und böse“), we get a more neutral picture of its functioning in market relationships, irrespective of their legality. If need be, we can always slip in morality retrospectively. The cigarette market is a good example for our purpose. It is a tax and price difference driven market: the commodity is cheap but the superimposed imposed taxes create high prices and given the state's tax sovereignty there can be interesting price differences due to different tax policies. And it would be a miracle if traders would not take advantage of these artificial price difference, given a stable demand on the one hand, and stable supply of product on the other hand. Of course, this is only the baseline of the illegal cigarette market story which is further shaped by special local or regional characteristics as ‘windows of opportunity’. A concentration of demand in deprived inner city areas is such an opportunity. Special regulations for ‘tax pockets’ provide other opportunities in addition to an abundant legal production part of which can be channelled to the illegal market. In the chapter *Land of opportunities: the illicit trade in cigarettes in the United States* the authors *Klaus von Lampe, Marin Kurti* and *John Bae* provide an elaborate account of the illegal cigarette market situation in the US.

Concerning the ‘tax window of opportunity’, the US is as much a state patchwork of different tax levels as Europe. In addition, local governments can impose extra excises as is the case in New York City. One does not need to travel far for a handsome tax difference though such an inter-state smuggle is a criminal offence punishable by up to five years in prison. A specific role in this market is played by the Native American Reservations who enjoy a fiscal autonomy. Consequently by imposing lower tobacco excises than is the case in the surrounding state Reservations can give rise to thriving underground markets, as has been the case in New York. One tiny Reservation on Long Island accounted for a turnover of almost 12 billion sticks in ten years. If consumed themselves, such hard smoking would have wiped out the Reservation's population. The wholesale delivery of cigarettes to the

Reservations was provided by the licit tobacco industry, a third important ‘window of opportunity’. Of course, the industry knew it sold to outlets directly connected to the illegal market, but as long as it was not illegal (which it became in 2011), why should it not profit from such an opportunity? Every market has a zone of moral ambiguity: greedy but legal.

Every criminal market has also a zone of political ambiguity, *e.g.* concerning a cluster of social, political and health problems. Then the institutional question arises: who should own the problem and thereby bring it under the institution’s banner? Basically it is a question of who has the best story, or narrative, to claim ownership. If one overviews the story of various important political portfolios (drugs, organised crime, money laundering), it is difficult to deny the factor of greed (institutional as well as personal) as a driving force in the chase of a coveted problem. *Jon Spencer* describes in his chapter on *human trafficking policy making and the politics of international criminal justice* how this has evolved in this specific field in the UK. Human trafficking, a sub-phenomenon of migration which is itself again a sub-phenomenon of the ongoing global mobility for ‘greener meadows’, has been brought into the perimeter of crime, namely *organised* crime. Politically and institutionally this is a major amplifier: what is organised is serious and consequently contributes to the seriousness of the narrative. Loaded with so much seriousness as well as OC connections, human trafficking for sexual exploitation was also embraced by the Palermo Convention and subsequently by UNODC. The UK did not lag behind and a new institution was established: the UK Human Trafficking Centre (UKHTC), which became a part of the Serious Organised Crime Agency (SOCA), a huge organisation that was later renamed National Crime Agency, usually not a sign of smashing success. Was that commensurate to the size of the problem? As a matter of fact: despite huge (gu)estimates, the prosecution and convictions numbers remain stably low. And though the press always has an emotive trafficking story ready, sometimes the convictions do not even concern trafficking; a change of outcome which after the first heated broadcasts, often goes unnoticed.

It is interesting to observe the same institutional conduct as we observed with the FATE: stressing the importance of the field by producing huge estimates based on a shamelessly flawed methodology; disregard of proper effectiveness analysis; evoking public and political emotions. But with the right narrative as public and political tear-jerker and concerned NGOs, of which there are many, such methodological flaws remain unnoticed or are brushed aside: “hands off my portfolio”. The stakeholders can do so as long as people love this narration while there are no competing narratives. And like the greedy miser in Molière’s comedy *Avare* who counted his hoarded coins, the UKHTC and NGOs count their budgets.

While these are ‘political emo-narratives’ satisfying a hard greed for power and control, one may long for a real-life narrative of the ‘common man’ struggling between law abiding and crime, between insolvency and fraud, between morality and survival. Such a narration is sketched by *Georgios A. Antonopoulos* and *Steve Hall* in their chapter “*The death of the legitimate merchant? Small to medium-size enterprises and shady decisions in Greece during the financial crisis.*” The socio-economic history of Greece is assumed to be known: a clientelistic corrupt economy living far beyond its means which was disguised by fraudulent statistics (seconded by Goldman Sachs; Keršmanc and Ahtik, 2013). When the fraud was disclosed, the economy quickly spiralled downwards especially concerning the middle and small entrepreneurs. The authors interviewed 13 small and middle-size entrepreneurs to find out first-hand how they managed to keep their head above water. The entrepreneurs, none of them having a criminal record, first tried to keep their enterprises afloat: economising and dismissing trusted staff. A chocolate maker was at the end of his tether. With no more options to economise he could get hold via friends of cheap ‘dark’ raw material, the origin of which he surmised, but otherwise did not want to know. It was a kind of ‘survivor’s fencing’ of stolen material, which entailed some disguising management.

An internet café entrepreneur and his father ran a successful business, expanded, hired extra staff, till the financial austerity began to bite. For days on a stretch no customer entered the premise. As they had already the computers for gaming, it was easy to convert them into gambling machines, which was illegal, having no license to run a gambling business. Though the Greeks are great gamblers, the dabbling in crime did not work out. The other interviewees likewise slid into the crime-market, or made a deliberate cross-over. Were they only victims of greed and corruption in the Greek economy? Or was the crossing over to crime-markets by taking advantage of those legal sectors also an act of greed? If ‘yes’ it still was a moderate one.

## **Contradictions in economic crime**

With the chapter written by *Matjaž Jager* and *Katja Šugman Stubbs* on the *inner contradictions of economic crime control* we enter a realm of dialectic philosophy: from opposing perspectives something good must develop. That sounds very deep, but the reference to Hegel and Marx raises suspicion. Are we going through some historical pattern of opposing views? Well, Hegel is too metaphysical for the dirty reality of economic crime, while Marx has been refuted definitely. Apart from that, the authors rightly point at the contradiction in economic crime law enforcement: it is intended to stem the social consequences of the greed of the economic powerful while leaving

them intact. The reader may remember Thomas Aquinas quoted in the first section: hoarding wealth at the expense of one's fellow man. That is quite modern: indulging in greed satisfaction can be against a socio-economic policy that protects also the interest of the lower paid classes. But on the other hand, we cannot run a profit making economy without it. That contradiction can lead to internal inconsistencies. The authors describe two Slovenian cases which illustrate this. One case concerned the establishment of an illegal construction cartel for building per kilometre the most expensive highway in Europe, with the connivance of the authorities. The second case was a social insurance swindle: 3.000 firms stopped paying their social security and pension obligations in order to keep labour costs down. The Prosecution Service at first refused to initiate a prosecution until the public protest became so loud, that it had to turn 180 degrees from 'understanding' the sorry plight of the entrepreneurs to the protection of the duped employers.

Of course, all these economic 'white-collar' perpetrators are respectable citizens and *proportionally* their greed may not be bigger than that of a common lower class offender, the difference being only their income baseline. Should that proportionality be a 'yard stick' for punishing economic offenders when the state seeks to apply a more severe penal policy? The authors struggle with the contradiction between dissuasiveness (severity) and proportionality: is the latter not a kind of barrier for more severe sentencing? While the authors do not succeed in solving this problem, practitioners of law enforcement – the prosecution services in the US and other jurisdictions – simply upgraded their idea of proportionality related to swindling banks: in the Libor-scam one of the main culprits, the Dutch Rabo bank, had to settle for € 774 million. If the authorities get greedy, they want to have their full pound of flesh.

In the chapter on economic crime in Slovenia, *Bestiarum vocabulum of economic crime*, the author *Ciril Keršmanc* looks at economic crime from a kind of medieval collectioneurs perspective to find 'exemplary beasts' of Slovenian economic crime. At first sight, the pattern of the economic crime statistics do not deviate from what is found globally: more recorded common crime with on average low damage, less recorded economic crime, but with a higher average damage. Within the set of economic crime the author differentiates between business fraud and abuse of position or trust. The average damage is for the period 1999-2011 is for common and economic crime respectively € 12.939 and € 221.079; a sizeable difference.

These are only rough outcomes, for which reason the researcher performed an in-depth analysis of 1255 cases, almost equally divided between business fraud and abuse of trust cases. The case analysis confirmed the general picture: business fraud was prosecuted more often and lasted less long than can be observed with abuse cases, often of a technically more complicated nature. Looking at the content of the two

## *Greed*

categories, the authors looked at what people were really doing: the simple business fraud cases concerned defaulters who speculated that if they did not pay their bill, the civil procedure of debt collecting might appear too unwieldy and expensive to their creditor to pursue his case. In reaction to this abuse of civil law, the creditors turned to the more stringent method of charging and pressing for prosecution of the defaulters. One can say that both sides abuse the system of justice; the debtor speculating on the ineffective civil law and the creditor using the heavy gun of penal law for civil law debt collection assuming that other criminal law conditions are fulfilled, such as intent. For the prosecution service this means large case inflow, but given the relatively simplicity of the cases, a moderate workload and higher turnover statistics. One can say: this category represents a bit of greed with a moderately positive turnover outcome, but still due to their big numbers a threat to the system which should reserve more capacity for the more serious abuse cases.

In addition, the author selected from his small album of “criminal beasts” a few cases which reveal the innovative imagination of internal abuse of trust and position: financial rewards for phony company ‘innovations’; insurance abuse (company pays the premium and the CEO becomes the beneficiary); treating a patient for a third breast and manipulating and tinkering with the roulette and the tools in the control room. According to the author the latter case has some metaphoric meaning for the functioning of the capitalism running towards its demise in 2008. The greedy operator having also the keys of the electronic control room as is a metaphor for the functioning of the financial markets.

To what extent is the case-metaphor correct for the 2008 crisis? A greedy operator tinkering with the managerial safety procedures compared with the financial market? Yes, but then enlarged to all the financial layers and centres: the floor of the stock exchange and the control rooms were staffed by socio-economic *equals* which allowed the tinkering to continue until the system imploded. Had that a sanitizing effect of washing away the sick parts of the system? No, the operators and their institutions were not discarded, but kept alive with public funds. “Too big to fail” was the adage and to which may be added as sub-adage: “Too high for jail”. This strange mechanism is the subject of the last chapter by *Nicholas Dorn*. He analyses aspects of the financial market from the perspective of an economic and a sociological thinker: *Boom and bust in financial and housing markets: re-readings through Schumpeter and Bourdieu*. Abstracting from Dorn’s subtle theorising, the basic idea is simple. Most capitalist and financial innovations are greed satisfiers (nothing wrong with that) going through a cycle of success, growing, bulging, more bulging, bubble and bust. Then, from the ashes arise new innovations, which is ‘creative destruction’. This is simple capitalism denuded of moralising; the essentials of the pre-war economist Schumpeter in 35 words. If capitalists would leave it at that, we would have a simple outcome of

‘rise and fall’. But now a complicating factor enters the scene: the ‘greedies’ do not want to be hit by their own basic capitalist rule and, though failing, want to be bailed out. That is what higher-level greedies do: ‘let other people toil and bleed’ (actually, this was the name of a Dutch phantom-firm LAWIS). That should be taken literally, for while the risk-takers were saved from the consequences of their folly the principles of capitalist rigour were perversely to be applied to the public sector suffering serious cuts. Indeed, capitalism’s *creative destruction be applied to others*. Let others bleed.

An aspect which to which the author pays special attention and which should be researched more extensively (comparing numerous countries) is the sociological and cultural dimension. Discussing the Bourdieu’s analysis he points at the “ascendency of economic over cultural capital”, and the way “the market forms that were encouraged by policy elites eventually took charge of their thinking”, overwhelming critical reflection. Is this a kind of political elite group think?

Stock taking the measures taken in the UK and EU, the author conveys not much optimism, given the shallowness of thinking, primarily with the usual socio-economic intellectual dimension dominating. That points already in a cheerless direction: whatever has to be changed and how, we still find the same sort of greedy ones. We find the failed banker moving as consultant to the government and the former dozy supervisor or senior policy maker entering the board of a bank. Among each other, they use see to it that none of the club ends in destitution as long as their sin of greed remains wrapped in financial technicalities and they succeed to avoid Madoff-like proportions.

And Aquinas’ observation of their “external riches”, and the fellow man lacking them? That inequality will never be settled in this earthly world. Maybe the afterlife cauldron with boiling oil for the greedy will be the final retribution – for the right believers only.

## **References**

- Applebaum, A., *Iron curtain. The crushing of Eastern Europe*. London, Penguin Books, 2012
- Clutterbuck, R., *Drugs, crime and corruption. Thinking the unthinkable*. Macmillan, United Kingdom, 1995
- Datzer, D, A. Maljević, M. Budimlić, E. Muratbegović, Police corruption through eyes of bribers. The ambivalence of sinners. In P.C. van Duyne, J. Harvey, A. Maljević, K. von Lampe and M. Scheinost (eds.), *European crime-markets at cross-*

- roads. Extended and extending criminal Europe.* Nijmegen, Wolf Legal Publishers, 2008
- Dorn, N., The governance of securities: Ponzi finance, regulatory convergence, credit crunch', *British Journal of Criminology*, 2010, 50(1): 23–45
- Dorn, N. and M. Levi, Theorising the Security and Exchange Commission's 2010 settlement with Goldman Sachs. In G.A. Antonopoulos *et al.*(eds.), *Usual and unusual organising criminals in Europe and beyond.* Antwerpen, Maklu, 2011
- Duyne, P.C. van, Will 'Caligula go transparent?' Corruption in acts and attitude. *Forum on Crime and Society*, 2001, vol. 1, nr. 2, 73–9
- Duyne, P.C. van and E. Stocco, *Corruption in Serbia. From black box to transparent policy making.* Nijmegen, Wolf Legal Publishers, 2012
- Duyne, P.C. van and M.R. Soudijn, Crime-money in the financial system: what we fear and what we know. In: M. Herzog-Evans (ed.), *Transnational Criminology Manual, Volume 2*, Nijmegen, Wolf Legal Publishers, 2010
- Duyne, P.C. van, M.R. Soudijn and T. Kint, Bricks don't talk. Searching for crime money in real estate. In: P.C. van Duyne, S. Donati, J. Harvey, A. Maljevic and K. von Lampe (eds.), *Crime, money and criminal mobility in Europe.* Nijmegen, Wolf Legal Publishers, 2009
- Duyne, P.C. van and H. De Miranda, The emperor's cloths of disclosure: hot money and suspect disclosures. *Crime, Law and Social Change*, 1999, no. 3, 245–271
- Gelemerova, L., Fighting foreign bribery: the stick or the carrot? In: P.C. van Duyne *et al.* (eds.), *Cross-border crime inroads on integrity in Europe.* Nijmegen, Wolf Legal Publishers, 2010
- Harvey, J., Just how effective is money laundering legislation? *Security Journal*, 2008, vol. 21, no 3, 189 – 211
- Keršmanc, C. and M. Ahtik, Learning the ABC's of deceptive practices in banking. In: n: P.C. van Duyne *et al.* (eds.), *Human dimensions in organised crime, money laundering and corruption.* Nijmegen, Wolf Legal Publishers, 2013
- Levi, M., Financial crimes and the global financial system. In: P.C. van Duyne *et al.* (eds.), *Human dimensions in organised crime, money laundering and corruption.* Nijmegen, Wolf Legal Publishers, 2013
- Mincheva, L.G. and T.R. Gurr, Unholy alliances: evidence on linkages between trans-state terrorism and crime networks: the case of Bosnia. In W. Benedek *et al.*, *Transnational terrorism, organised crime and peace-building.* Basingstoke, Palgrave, 2010
- Rasmussen, D.W. and B. Benson, *The economic anatomy of a drug war. Criminal justice in the Commons.* Lanham, Rowman and Littlefield, 1994

- Reuter, P., Are estimates of the volume of money laundering either feasible or useful?. In B. Unger and D. van der Linden (eds.), *Research handbook on money laundering*. Cheltenham, Edward Elgar, 2013
- Stille, A., *The sack of Rome. Media + money + celebrity = power = Silvio Berlusconi*. London, Penguin Books, 2007
- Tanzi, V., Money laundering and the International financial system. IMF Working Paper, Washington, 1996
- Trivunović, M., V. Devine and H. Mathisen, *Corruption in Serbia 2007. Overview of problems and status of reforms*. Bergen, Chr. Michelsen Institute, 2007
- UNODC, *Estimating illicit financial flows resulting from drug trafficking and other transnational organised crimes*. Vienna: United Nations, 2011
- Verhage, A., *The anti money laundering complex and the compliance industry*. London, Routledge, 2011
- Verhage, A., Between the hammer and the anvil. The anti-money laundering-complex and its interactions with the compliance industry. *Crime Law and Social Change*, 2009, no. 1, 52, 9-32



Corruption, economic and organised crime continues to affect European society as anywhere in the world. It seeps through every crack of the structures of civil society: whether it concerns trade and industry, the public administration or the governments. This is not an outside threat against which society can defend itself by establishing more defence mechanisms. It originates from within as the driving force - greed - is not an outside driver. It manifests itself in perverse reward systems within enterprises, disinterested governments, ill-considered law enforcement policies, greedy power games of authorities, or the still prevalent lenient approach to white collar crime. Within these institutional weaknesses one must always search for actors of flesh and blood: from captains of industry to the street cop; from the power builders in board rooms to the clerk at his desk. At all levels greed satisfaction through corrupt rent seeking contributes to a weakening of our social fabric.

This is not a very surprising observation. Basically it is the same old song: retrospectively humans remain true to themselves in manifesting the same basic greedy criminal conduct over time and space. One would almost resign to such a tedious story, if it were not for the good message: one always finds counter-movements working against such abuses. Whether and to what extent such counter-movements are coherent and cost-effective is difficult to judge, though all these lofty intentions must be followed with a critical eye. The crime-money hunt has a quarter-century history by now, but the crime-mones still abound; all new EU Member States have Anti Corruption Agencies, but corruption continues to be rampant in those countries; the financial sector has been turned inside out, but old habits have returned.

This thirteenth volume of the Cross-border Crime Colloquium, a mainstay in the critical discourse on crime and crime-control in Europe, contains the peer-reviewed contributions of 27 international experts shedding light on the wide range of topics related to greed and crime: corruption, money laundering, underground economy and criminal financial policy. The chapters are based on empirical data or critical theorising and highlight new aspects of this field.

