

NARRATIVES ON ORGANISED CRIME IN EUROPE

CRIMINALS, CORRUPTERS & POLICY



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

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

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2013 Cambridge, UK	2004 Berlin, Germany
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List of authors

Petrus C. van Duyne

Tilburg University, the Netherlands

Kathryn Gudmunson

University of Leeds, UK

Jackie Harvey

Northumbria University, UK

Rob Homsby

Northumbria University, UK

Alan Kabki

Saxion Academy, the Netherlands

Anita Lavorgna

University of Southampton, UK

Ilona Karpanos

City University of London, UK

Klaus von Lampe

John Jay College of Criminal Justice, New York, USA

Paul Larsson

National Police University College, Oslo, Norway

Anna Markovska

Anglia Ruskin University, UK

Radu Nicolae

Centre for Legal Resources, Romania

List of authors

Brendan J. Quirke

Manchester Metropolitan University, UK

Mihaela Sandulescu

USI-University of Lugano, Switzerland

Miroslav Scheinost

Institute of Criminology and Social Prevention, Prague,
Czech Republic

Anna Sergi

University of Essex, UK

Peter Sproat

The University of the West of Scotland, UK

Yuliya Zabyelina

John Jay College of Criminal Justice, CUNY, USA

Marija Zumić

New Europe College, Bucharest, Romania

Introduction: crime narratives and their narrators

Petrus C. van Duyn

Narratives: more than just tales

What is obvious is often overlooked because it seems so simple and banal. One of the obvious things is that most of the time we live like villagers with a limited action radius and narrow knowledge horizon. That is not the glorified ‘global village’ but the ‘village of daily existence’ with a nine-to-five job and a household with one or more kids and an equally busy partner. To complement our limited knowledge horizon we rely on a variety of stories from a multitude of sources, which feeds the major part of our understanding of the world of which we experience so little directly. This multitude of stories can be experienced as confusing; we need to put them in order to get a coherent mental representation of all these things we hear about, but are beyond our ‘village of daily existence’: a leading narrative. The narrative can be political: at the time of writing there is a competition of the narrative of ‘leaving’ versus ‘staying’ in the European Union and by the time of publication we will know which one was the most appealing to the British. Indeed, narratives have the power of evoking a ‘mental match’ in the mind of a receptive audience, reinforced if presented by a source or persons of prestige. Narrating is the craft of the religious, political and financial gurus ranging from prophets, charismatic politicians to conmen such as Madoff or Stanford.¹

¹ Bernard Madoff was a respected and successful Wallstreet investment broker operating as a kind of pyramid-play or Ponzi scheme: using the investment of recent investors to pay the earlier ones. Robert Stanford was also a New York investor and asset manager operating on the same principle. The financial crisis in 2008 led to their exposure. Both are serving prison terms in excess of 100 years.

History abounds with such leading narratives, some of them surviving for many Centuries. By way of striking example, one of them is the narrative of the Viking threat in the ninth and tenth Century. The traditional, leading narrative was that of merciless brutes who plundered churches, besides killing monks and priests. That happened indeed. However, that narrative was composed by the only people who could write down their experience: the victimised priests themselves. The English priest Bede was one of the most important narrators of this history of the terrible Norsemen. His narrative was copied and re-copied by many fellow priests across Europe. This narrative remained in the traditional history books till archaeological research in the last Century revealed another narrative. The Norsemen from Scandinavia were what we call today ‘adventure capitalists’ and depending on the opportunities they paid or robbed – not much different from contemporary Christian warrior-traders. By robbing ‘immobile’ church silver and using it for trade, they contributed to currency circulation which furthered the European economy: silver coins could be found as far as Russia (Jones, 1973). Viking ‘crime-money’ in circulation did no harm! Moreover, in many parts of the North Sea region, Normandy and Sicily they also proved to be good rulers (Van der Tuuk, 2015). That is historically recognised by now, but has nevertheless not been adopted as an element of traditional or popular narrative of the fierce Norsemen as the ‘scourge of Christianity’.

Religion provides an inexhaustible source of competing narratives all claiming to be the True Narrative as a path to heaven. Some give strict commandments how to deal with fellow human beings with serious historical and political consequences. For example, the arrival of Columbus in America led to a real problem: the conquerors met unbaptized people who had never heard of Christ and the ‘Glad Tidings’. What should be done? In order for them to be converted a pressing question had to be answered: do these creatures have an eternal soul? That was an important question: according to the Christian Narrative a positive answer would imply the sacred duty of rescuing them from eternal hell and doom. Thereupon, the very Catholic Spanish kings sent a delegation of the Inquisition to the new land to investigate the matter. The delegation concluded that the natives did have a soul and that the King had the Christian duty to convert them (Parry, 1973). This differed from the colonising Portuguese who operated as traders: saving souls had no place in their commercial narrative (Boxter, 1973). For the indigenous people the dif-

ference was marginal: they succumbed by millions to deceases, violence and exploitation, with or without a converted soul.

If modern readers would think this too much as just ‘historical dust’, I remind them of the Promised Land narrative and a Century of modern Middle-East history since the Balfour declaration of 1917 (Rogan, 2016; 2010; Mansfield, 2003): a ‘holy’ narrative inspired and victimised millions of people keeping the world in its grasp till the present. Narratives of whatever age or conviction do matter, either as an originator of actions and their justification, or as a mindset to take things for granted.

Narratives must not be equated with legends or folkloristic stories. They can function as powerful collective mental schemata or frameworks for judging events with inherently connected political and legal values. A modern, highly disputed narrative is the mass murder of the Armenians during the First World War by the Turkish army and/or government (Rogan, 2016). This is a criminal narrative which can be named by one word, a word that changes its meaning fundamentally even if the factual components remain the same: ‘genocide’.² Mentioning the Armenian genocide narrative is forbidden in Turkey while the Armenians in Diaspora lobby for its universal recognition. Narratives can be powerful political schemes.

These selected examples strongly suggest that the concept of narrative is to be taken seriously. Nevertheless, the question remains whether it is suitable for a scientific application in the human sciences, such as criminology or political science? Is it not another fuzzy concept with hazy delineations? That may be true and it has overlaps with the concept of ‘discourse’. But I am of the opinion that the concept of narrative puts more emphasis on a theme that provides the pivot around which concrete stories can unfold. It is a concept also used in psychology of language and cognition in which it more or less corresponds with what is called a ‘mental scheme’ for interpreting linguistic or sensory input (Hertel and Ellis, 1979). If you do not have the mental scheme of, for example, ‘vacuum cleaning’ the sentence “a strong humming sound came from the corridor” would be difficult to interpret (Thorndike and Hayes-Roth, 1979). Likewise it is difficult to interpret a sentence “the bagman was done because he used to skim” without a mental scheme of the outline of an organised

² Although some would argue that it is factual components rather than meanings that define genocide (see, for example, Stanton, 1996).

crime narrative. But in the last example one does not only use a scheme of meanings, but also a temporal sequence cast in a ‘story grammar’, together the narrative (Harley, 2001).

It should be remarked that the narrative as an approach has many ‘frills of imprecision’ concerning the themes and concepts it contains. When people think in and act from a narrative, the meaning of particular terms, including the narrative label, are no more specified as the user deems practical. Psychologically narratives can be fuzzy and even contradictory while business goes on. For example, organised crime and money laundering can be presented as schemata which order collections of narratives, such as the Mafia, Cosa Nostra, Russian organised crime etc. Von Lampe (2016, ch. 1 and 2) provides a proper review of the conceptualisation of OC which a cognitive psychologist would cast into a narrative approach.

The word ‘narrative’ has a dual meaning: it denotes an approach as well as the subject of observation which is the meaningful scheme in which (one or more) stories are perceived or brought together. In this way it is an approach with ‘frills’ on its borders: it is not an operationalised concept in the way it is usual in experimental settings – though that is not excluded.

In this Cross-border Crime Volume a number of important narratives are elaborated: corruption in ‘usual suspect’ countries in Eastern Europe, ‘organised crime’ slipping into the new cyber crime narrative; economic crime within which each conman is a deceptive narrative producer himself and finally ‘moral panic’, a kind of heated-up narrative of which one may ask: what is genuine and what is narrative manipulation?

Corruption

The narrative of corruption, which goes beyond (mainly lower level) direct bribery, is like a quiver with ‘accusing arrows’ that can point at a multitude of culprits in a single case: each pointing their arrows to others, equally or even more guilty and having his own narrative within the overarching narrative. This is how it goes in higher-level cases of corruption: pots calling kettles black. The resulting chain of narratives can unfold rapidly and broadly, growing into a scandal: a kind of on-going story or a chain-process of revelations. In countries in which corruption is endemic

or even institutionalised and which have a weak state structure, such a scandal may stir bottom-up social unrest, which impact on the relevant institution(s) or even the structure of the state. This happened in 2014 in Ukraine during the Majdan revolt (Jansen, 2014, ch. 11). What did that produce? Taking stock of the present situation we can say that in that country the timber frame of the public institutions proved to be too deeply eroded by corruption to bring about short term change. Rotten institutions can be resilient if the interests for the corrupt stakeholders are high enough.

Three chapters in this volume narrate about corruption in Eastern Europe, where corruption is in every respect endemic and where corruption as a narrative label loses its distinctiveness and shades into that of mal-governance. The three countries studied are Serbia, Romania and Ukraine.

For the state of corruption in Serbia *Marija Zumić* addresses the development of the first decade after the deposition of Milošević (2000). Did the corruption situation change for the good after his departure? Actually, the author's story points at two answers. In the 'reality on paper' much has been achieved: there is an Anti-Corruption Council, an Anti-Corruption Agency, and a multitude of laws and ratified conventions. To this it should be added that almost nothing happened without external pressure from the EU. The normal reactions of the Serbian elite are: foot dragging or, if action is unavoidable, creating Potemkin Villages (Van Duyne and Stocco, 2012). This 'institutional corruption resilience' was investigated from the angle of 'discourse' (or in my terms: narrative) and Institutionalism, together: Discursive Institutionalism. The question the researcher poses is: do corruption scandals in Serbia cause legal and institutional changes. The author's *pièce de résistance* is the scandal around the privatisation of the *Port of Belgrade* of which the state owned shares were sold to two controversial entrepreneurs for a too low price in 2005. It was a shady deal which did not directly cause a scandal. Actually, it 'simmered' for a while until in 2008 it became a real scandal, which was not the only one in which these entrepreneurs were involved. It was a protracted complicated scandal giving rise to three subordinate narratives or discourses: The Mainstream Discourse (of the present ruling elite) told the story that the previous government was to blame; the Sub-discourse, pointed at the confluence of politics and capital in which handsome deals were cooked, and the Counter Discourse came from the businessmen themselves, reject-

ing all allegations and blaming the government and Anti Corruption Commission which they even summoned to court.

The outcome of this contest of narratives or discourses was disappointing: for the theory of Discursive Institutionalism as well as for the Serbian people. The ruling elite in the formal institutions proved resilient against ideas and argumentations derived from this and other scandals. However, they were receptive to EU pressure. Even then one can observe foot dragging rather than acting from an inner conviction. One can say that the anti-corruption narrative did not penetrate into their own discourse.

In the second chapter *Radu Nicolae* recounts the story of corruption in the medical sector of Romania. It reads like a narrative of a house of mirrors, in which nothing is what it pretends to be. Naturally one thinks of the ubiquitous tradition of informal payments of patients to the general physician. But this is only the baseline of corruption involving mainly poor patients and low paid doctors and it is certainly not specific of Romania. Above this baseline the author elaborates a labyrinth of opportunities for corruption and fraud. This ranges from the doctor who conspires with the pharmacist next-door to make phony prescriptions, to “big pharma” to get its ineffective brand on the most advantageous compensation list.³ The experience with corruption starts with medical students who get their diplomas by bribing the professor after which they slide into a system where they are under a corruption pressure to hustle patients (some real, others on paper from a bought name list, some dead), medicines, and his own career towards an equally corrupt top. Actually, this is a technical enumeration of deceit and abuse and is not the real social and psychological – human – narrative. That is the broadly shared complicity through the whole social system of patronage and clientelism, from the successive Ministers of Health downwards. For example, from 2006–2014 each Minister ordered an audit of the Bucharest Oncology Institute, which revealed gross irregularities. So the manager was fired and replaced by his protégé, resuming the old practice. The next Minister also ordered an audit with the same result and installed a new protégé till the next Minister etc. It should be no surprise that new laws to curb corruption in the health sector were either technically ramshackle or failed in their im-

³ Again Romania is not unique in this if we compare it with the medical practices of “Big Pharma” in Western Europe and the US as recounted by the Danish expert Peter Gotzsche (2014).

plementation. In the literature it is called “*lack of political will*”, which sounds too passive and impersonal. I think the real narrative of corruption is better described as a social hierarchy or elite network taking care of mutually advantageous crooked decision making.

In the description of the corrupt health sector the author did not cast the criminal wheeling and dealing in the conceptual frame of organised crime though according to Götzsche (2014) it would have made a perfect organised crime story. In the next chapter on the gambling industry in Ukraine the researchers *Anna Markovska* and *Yuliya Zabyelina* make up for this omission by combining the narrative of corruption and organised crime. Not because of the nature of gambling which is not criminal *per se*, but because of the policy making by the Ukrainian government. What is the case? Gambling was a normal licit commercial sector until in 2009 a gambling hall burned down resulting in many victims. Although this tragedy had nothing to do with gambling itself but with violations of safety regulations, the government pronounced a ban on the whole industry. By this act all existing licenses (costing € 150.000), became null and void and without compensation even if bought shortly before this prohibition. The government simply pocketed the money: welcome in Absurdistan!

What followed was the predictable enfolding of an illegal market as the demand for gambling services remained: the population did not appreciate what was wrong with gambling and did not feel any pangs of conscience being served in an illegal setting. The illegal gambling service developed soon enough, though in a more fragmented shape: various kinds of ‘underground’ gambling dens came into being. That is according to expectation and as such of little interest, if it were not the case that in some absurd way above this underground gambling economy illegal ‘upperworld’ enterprises sprang up. These were publicly observable as chic facilities and thus known to the authorities. To which the authors add: protected on a higher level than just the local police only. One of such illegal ‘upperworld’ gambling facilities was registered in the company register under the ironic name: *International Organisation against Human Rights Violations*. It operated professionally, right in the centre of Odessa, protected by the police (for ± € 50.000 per month), while keeping the neighbourhood clean through its own security staff.⁴

⁴ All numbers are in normal European writing: the comma for the decimals and the dot for the thousands.

From a criminological point of view it is an absurdistic narrative. A clearly weak and corrupt government enacted a law that created a criminogenic environment in which not only a low-level underground market developed but also openly tolerated professional organisations.⁵

The many facets of the organised crime narrative

The chapter on corruption in Ukraine shows that one can smoothly transit to the organisation of crime as soon as one deals with the criminal economy. Does that mean that only another label is put on the same narrative or does the OC-label matter because another dimension is added? Though that may depend on the narrator, the chapter by *Ilona Karpanos* telling the story of almost a Century of organised crime and criminal economy in Russia shows that with a change of perspective the narrative itself changes. In contrast to most authors on organised crime in Russia, Karpanos' study of the interweaving of crime and state starts right at the Russian Revolution a Century ago. Despite the socialist dogma that crime did not exist in the Soviet utopia, corruption and criminal organisations have always been an element in the socialist and nowadays capitalist economy. Illegal ways to obtain scarce consumer goods, corrupt interactions between the socialist officialdom and the underground economy, the *thieves in the law*, all this was part and parcel of the history of the Soviet economy. When under Gorbachev with glasnost and perestroika the reigns slackened organised crime presence in the economic regulations became more visible. For the underworld and upperworld the windows of criminal opportunity opened, at first slowly and just ajar and then, in the 1990s, they were flung wide open. New enterprises mushroomed and so did the need for protection, either provided by criminals from sport schools or the moonlighting police. Criminals became licit entrepreneurs seconded by erstwhile higher officials who themselves became criminals. Some state that Russia is ruled in mafia style (Dawischa, 2014). Interestingly, from the beginning of Putin's presidency Russia did not return to

⁵ It is fair to mention that the drug policy in many European countries has resulted in similar absurdism: cannabis trade is prohibited, but the public outlets in the Netherlands through 'coffee-shops' is regulated, the difference being that no corruption is involved.

the chaos of the 1990s. On the contrary: with its principle of ‘vertical power’, the state is strongly organised and little of importance happens without a ‘green light’ from Moscow: deviation from the Kremlin is not tolerated and can be severely punished (Kasparov, 2015), if not in, then out of court. Corruption is still endemic and officially a ‘matter of concern’⁶, but otherwise deeply integrated in the power structure of the state.

How different can the narrative of organised crime be if we follow *Peter Sproat* in his analysis of organised crime in the UK. As a matter of fact we have here two sub-narratives: the official one and Sproat’s data story. The annual *official* narratives are composed by law enforcement, first Serious Organised Crime Agency and then its successor National Crime Agency and adopted by media as well as mainstream researchers. The dominant theme, as can be observed in the regular threats assessment is always seriousness: naturally the adoption of the word ‘threat’ always implies a serious narrative. How valid is this narrative? The author addresses this question by collecting public data across the years 2009–2015: the outcomes of law enforcement actions. Subsequently he let these data speak for themselves, presenting the components one by one. That results in an empirical narrative which is characterised by a steady mismatch between these public data and pretences and claims in the official narratives. For example, compare the 155 identified cases with 761 convicted defendants collected from open sources with the official story that “*around 38.000 individuals, [are] operating as part of around 6.000 criminal gangs*” (note the imprecise “around”). Both propositions are supposed to stem from the same underlying official databases, though their nature can be different in terms of reliability and validity. This points at a number of methodological *caveats* which may explain the gap between the aggregated conviction data and the threat narrative of the NCA, but the latter agency does not even touch on this subject. Is there a systematic exaggeration of the official organised crime threat? The author underlines this suspicion by pointing at the size of the identified criminal organisations. One third consists of *sole* perpetrators or partnerships (what is the organisation of one person?)

⁶ This was admitted by Russian officials to the assessors of the Financial Action Task Force during their assessment of the compliance to the anti-money laundering recommendations: “*the existence of corruption within law enforcement as acknowledged by Russian authorities, has a negative impact on the effectiveness of the system.*” FATF Second Mutual Evaluation Report. Anti-money Laundering and Combating Financing of Terrorism. Paris, 2008. P. 9

and almost half of five persons. Then there is the differentiation between domestic as well as 'transnational' crime which should be interpreted in neutral way: after all, most smuggling implies a foreign participation as part of the criminal trading pattern, not much different from cross-border licit traffic. Does a foreign threat emerge from the data? Don't worry: 73% of the identified organised criminal groups are British grown, and 175 of mixed national origin, leaving only 10% solely consisting of foreign nationals, while altogether the level of violence was low, UK or not. Surveying this data stock taking, it is an interesting method of enabling the reader to make his own narrative: not of the threat narrative but of a police-to-fact mismatch. Naturally this raises the question why the police narrative still remains dominant in the official discourse. Is there a kind of official resilience against data based narratives

A 'True Crime', real life story of a professional criminal family is provided by *Jackie Harvey* and *Rob Hornsby*. Of course, single crime-family biographies are not very frequent in criminology. Nevertheless, they are important for a more detailed account of the criminal whims of fate, human relationships and personal roles. The approach is more akin to (contemporary) history than to mainstream criminology: trying to understand conduct 'from within'. That is one side of the approach which does not necessarily result in a coherent criminological narrative. To achieve that coherence the authors subsumed the raw material, subsumed findings from personal sources around the crime-family (not of the core family itself) under the concept of (criminal) entrepreneurship. The central person in the narrative is *Jack*, who followed in the criminal footsteps of his father, but perfecting the crime-business by his talent for *criminal risk management*. This implied not only avoiding operational risks (from police as well as fellow criminals) but also by creating a *licit* businessman profile. This risk management led him to transit from the risky bank robbery jobs to real enterprising: recreational commodities (drugs) and investment in the legitimate night-life scene with related (muscl'd) protection. For all involved it was a 'strong-handed' management with no freedom to say 'no'. But still, like the erstwhile robber barons in the 19th Century US (Abadinsky, 1994: ch. 2), the narrative of the crime-family enterprise can close (for the time being) by mentioning their safe landing on the white sands of legitimacy.

This portrait of a crime family shows the important function of a narrative in ordering data which remain otherwise fragmented. But a narrative

can also be like a procrustean bed, forcing an ordering which do not fit to the facts. This is demonstrated by *Anita Lavorgna* in her chapter on cyber-crime and her questioning of the imposition of the cyber-OC narrative. Under the motto: “*language is a whole reality*” the author analyses how that narrative emerged and unfolded: from Interpol to Europol and so further. What is striking is that so many warning words have been spent with so little evidence: another data and official story gap. For example, the *Key Findings of the Europol OCTA Report 2014* mention how traditional OC groups are using the Internet for more sophisticated crime. That sounds serious, but is it true? The author finds no underlying systematic evidence and wonders what ‘key findings’ actually mean when so little is found. She was not the first to signal a void under ‘threat claims’: Schudelaro (2005) noticed a similar emptiness under the cyber-laundering threat. The answer is implied in the little sentence: “*language is a whole reality*”: socially as well as institutionally. Institutions make reality by incantations, cast it into a narrative and present this to a congregation of believers (Van Duyne, 2011). And so it goes with Europol: its *European Cybercrime Centre* (2013) needs an OC-threat in its justifying narrative. So it begins with the OC-cybercrime word. Paraphrasing the first verse of the Gospel according St John: “In the beginning was the word; and the word became an organisation”. Against this socio-linguistic background it does not matter whether the concept has become an empty signifier as long as it furthers institution building. Meanwhile it is far from certain whether mastery of IC technology makes OC really more extensive: the authors mention the ironic outcome that applying IC skills may save a lot of staff in the crime-enterprise, implying smaller organisations or none at all. So: “less OC with more IT”.

We have seen that irrespective of its content (or the lack of it) the organised crime phrase has a function of its own by serving the interests of its users. But what about the contents of the OC narrative? In her chapter on ideas of organised crime *Anna Sergi* goes deeper into this aspect by analysing how prosecutors in three different jurisdictions – Italy, the UK and the USA – give further content to the OC label. The author interviewed 24 prosecutors and analysed their “story-telling of criminal procedures”. Unsurprisingly, the author presents three “tales” more or less determined by the national criminal code environment: these are jurists narrating in terms of their profession. In the interviews they talked about professional criminals who can only be successful if displaying sufficient criminal risk management, and one of the most obvious tools in this re-

gard is language and secrecy. With that the interviewees do not mean a secret coding of messages, but also the many languages and dialects spoken in metropolis like London and New York. This is a very practical thing because of time: how long does it take before the investigators understand a rarely spoken language or dialect or find the competent interpreter? That points at another facet of the narrative: the *otherness* which is not the same for the three prosecution services. In the narrative of the UK and the US interviewees, OC is to a large extent an ‘alien’ thing of migrants and incomers. Naturally Italy cannot attribute its OC problem to ‘foreign import’.

What is the ‘moral’ of the prosecutors’ narratives in terms of security? While the author observes some common traits, she also notices that under the same OC label the content of each narrative is determined by *national* law, history and case input. The latter can pose a threat because of the seriousness of the specific crimes or the menace because of the kind of organisation involved. But the *security dimension* of transnational organised crime remained in the responses of the interviewees in the background. So to say: ‘kept in reserve’ as a kind of politically correct concept to be used when opportune.

The last observation is remarkable: from the first day that organised crime was put on the political agenda, the emphasis was on the threat to national security. This has always been a serious element in the political narrative of international policy makers, certainly when also the ‘transnational’ dimension was dragged into the equation (Van Duyne and Nelemans, 2012). Has the security dimension been reduced to an incantation, as is so often the case with policy phrases or does it escape our attention because security subjects are often also an institutional secrecy concern that cannot be fully disclosed in a narrative? As these subjects, OC and security, are in the remit of secret/intelligence services we have a knowledge problem: secret services are not very talkative: if they have any narrative, their most frequent word is ‘classified’. How to shed light on OC and security? In the relevant chapter *Klaus von Lampe* describes how he collected all what the German Federal Intelligence Service (*Bundesnachrichtendienst: BND*) allows to filter through their veil of secrecy. This proved to be sufficient to describe its role.

The German Intelligence Service has a strict legal mission: to advise the federal German government on matters of foreign policy and (military) security policy and it is not allowed to carry out any law enforce-

ment task. This has not changed, though after the fall of the Berlin Wall the BND's mandate was extended to criminal areas with the restriction of "foreign policy relevance". Criminal topics could only be covered within the task of intelligence gathering and analysis. These topics concern drug trafficking, currency counterfeiting, international money laundering and human smuggling; all of a "significant nature". Organised crime can be a significant feature of these criminalities when it has an international dimension. So OC slipped into the BND remit too. The BND decides whether and what information is passed to the police or prosecution service.

How did the BND fulfil its new role? It appears that the BND was not very eager in fulfilling this new task assignment. The strategic monitoring of cross-border communication is used primarily for investigating terrorism and the proliferation of weapons, and only to a limited extent for investigating drug trafficking and alien smuggling and organised crime: a concern but not prioritised. As the BND has the support of the main political parties to focus on organised crime, this lower priority reflects clearly the lower threat perception of the BND itself. This raises the question whether organised crime is genuinely (perceived as) a security threat. I refer to the previous chapter by Anna Sergi, who also found the security dimension of the law enforcement narrative rather at the background. It is interesting to compare these threat assessments of transnational organised crime with the ones conveyed by Europol and then wonder why the language of the latter is always so threatening. If "language is a whole reality" various agencies may well live in different worlds.

Cheating narratives, policy making and moral panic

Narratives have a purpose: they are intended to bring you into a world to be believed as real. Nevertheless, you don't need to believe it fully to be carried away by it. That is the good story and it is the craft of the narrator to foster the conveyed narrative in the believers' mind and maintain it in the intended shape. Some narrators are politicians, some are criminals. Criminals need this craft perhaps more than other people because it may be part of their on-going criminal risk management: always pretending

another story than the real one. There is a defence side (hiding what has happened) and an *attack* side: narratives as tools to seduce gullible victims. You can call it a smooth-talk robbery: instilling so much confidence with empty promises that victims hand over their money voluntarily: the confidence trickster or conman as psychological manipulator.

In the chapter on investment and long firm fraud, the authors *Petrus C. van Duyne* and *Alan Kabki* elaborate the conduct and skills of these criminal narrative artists, who lure victims into spending the last cent of their nest egg with the promise: “*trust me, I will make you rich*”. In his PhD research Kabki collected the criminal files of 15 investment and 15 bankruptcy fraudsters to obtain insight into their *modus operandi*, personality traits and motives. This resulted in a quite heterogeneous population of fraudsters: *the* fraudster does not exist; nor *the* fraud narrative as the tool to seduce victims. The idea that fraudsters victimise only by appealing to the greed of credulous investors by promising golden mountains is a cliché with a limited validity. Yes, to some greed appealing unrealistic returns (as high as 240%) were promised, but alongside very modest ones, even with the warning “*if you doubt, you must not participate*” (with the prompt result of participation). From the narrative approach the fraudsters had to heed the consistency of their story, which also forced them to victimise friends and relatives: hearing the golden opportunities to make money the latter asked to participate in the investment programme. The fraudster could not say ‘no’ lest they would expose themselves. To convince victims of the value of the investment narrative a personal approach (“trust me”) was the most common, inclusive ‘wine and cheese evenings’, though ‘distant recruiting’ by means of websites and (unwitting) call-centres were also used. The more charismatic fraudsters conveyed such convincing narratives that even after exposure and trial the victims continued to believe their story which would have come true “*if only the fiscal police had not interfered*”. In one case the prosecutor thought that the fraudster compulsively believed his own narratives and, therefore, suggested a psychological investigation to determine his mental responsibility (see also Scheinost, 2004; p. 151).

The narrative tool of the bankruptcy fraudsters was of a different nature and relied only partly on abuse of confidence. In essence they ‘helped’ desperately indebted businesses to get rid of their liabilities by buying their firm (often for a symbolic price). Subsequently they installed a straw man, sold the remaining assets, accumulated the firm’s debts by buying (without paying) and selling the goods and in due course, filed for

bankruptcy of the stripped firm. The firm became a phantom and the traders phantom capitalists (Levi, 2008). This is not a 'just trust me' story, but a 'we will help you story' with creditors as victims. These fraudsters were not 'loners' but had to execute their fraudulent schemes by using their criminal networks, which reflected more than once a highly organised character. Nevertheless, the indictments in these cases were not cast into the organised crime narrative which matters: change of narrative label would entail a more severe criminal charge.

Clearly, the criminal law labelling to shape the narrative of the indictment is not just theory: it matters in terms of police priorities, prosecution and sentences meted out. This is elaborated by *Miroslav Scheinost* describing how in the Czech Republic in economic crime cases the prosecutors only gradually took the 'organised crime' banner seriously and thereby changed their prosecution narrative. He does this by a detailed description of three fraud schemes which also reflect the transition in the perception of economic crime. The first case took place in the 1990s, the wild years of transition and privatisation, during which there were still many shortages, particularly in cheap houses. This was taken advantage of by six businessmen who misled over 1000 common citizens desperate to get an affordable dwelling and inflicting € 36 million in damage. The victims were presented glowing housing opportunities, a seemingly American coverage as guarantee, of course, permission to participate after paying an 'entrance fee'. Despite the well organised nature of this scam, it was not prosecuted as a criminal conspiracy even though it had all components of such an offence.

The prosecution of a second case took a decisive step to indict the culprits of a large bankruptcy fraud under the conspiracy clause, later renamed as 'organised crime'. Technically this bankruptcy fraud used methods similar to that described in the chapter by Van Duyne and Kabki: indebted firms were bought, stripped of all assets and 'guided' towards bankruptcy. However, this case was more serious as the central role in this narrative was played by a corrupt judge: he was the competent authority to declare the targeted firms bankrupt followed by the appointment of an equally corrupt receiver and a quick sale of the assets under market value. This case made the people aware of the one-sidedness of the organised crime narrative: organised crime did not 'penetrate' the public administration, but grew right within the ranks of respectable guardians of the rule of law.

The third case also described the development of a criminal organisation amidst licit entrepreneurs. The complicated scheme was operated by a group of socially and economically well-integrated Vietnamese. They formed a kind of informal and illegal ‘custom service’ importing and distributing goods from China, forging documents of origin or otherwise corrupting the Czech customs. In general they lowered the value of the cargo in case of import restrictions mentioned another country of origin. The manager of this cross-border criminal organisation saw to the well-organised flow of goods into the Czech Republic and further into the EU, encompassing also transport lines.

While the use of the narrative approach allows for presenting a subject with proper coherence, it is also liable to bias. Within the academic discourse it is assumed that there will be a kind of self-correcting mechanism which counteracts bias such that it is less impacting on public opinion and policy making. This is a reassuring assumption, but a wrong one as the research by *Kathryn Gudmunson* on de-criminalisation of drug possession shows. She looked at the way and frequency of reporting on drug de-criminalisation in two comparable countries with similar policies: Portugal and the Czech Republic. Though there was not a ‘contest’ for academic and media attention between the two countries, the analysis of references showed that Portugal was presented as *the* success story, while the drug policy of the Czech Republic was just as successful: for two decades earlier than Portugal it had followed a harm reduction policy from the 1990s onwards. This had a consequence that changes were more gradual. For example, a drop in the occurrence of HIV, was much less dramatic in the Czech Republic than in Portugal, where there was a sensational drop, more suitable for a ‘glowing narrative’. Hence, Portugal was elevated as the shining light for Europe, though also other countries such as the Netherlands, Spain and Italy, had already decriminalised possession of drugs for own use long before. I call this ‘narrative absorption’. This is not without consequences, for good and for bad as a narrative spiral is set into motion: media headlines, policy makers responding by agenda making, political priority shifts and funds allocation, more research, media picking up the outcomes which impact again on policy makers *etc.* On the debit side it leads to one-sidedness, neglect of other research or perspectives. The skewed attention can also be the base for over-emphasis and possibly moral panic to be discussed in the last chapter.

First we have to look at a 'Brussels narrative': EU-fraud. That is a complicated narrative, which must be multiplied by the total of the member states for all the variations on the same theme. *Brendan Quirke* has unravelled for us the story of the anti-EU fraud strategy in the small member state Malta. In terms of law enforcement priority EU-fraud has always been treated as a poor relation with more lip service than action. To tighten the reins, the EU not only installed a central coordination body, the OLAF, but required that all candidate states will put into place an anti-Fraud coordination structure: AFCOS. In that structure all relevant national agencies would have a place, while the national organisation hosting that structure would be the contact point for OLAF in Brussels. Naturally, such a structure is as good and effective as its constituent components and the actual conduct in terms of compliance. It appeared that the 'watchdog' OLAF was the first to break the rules of the game: it ignored the AFCOS organisation by addressing the Malta Customs directly. OLAF proved to be a 'repeat sinner' as earlier it acted likewise in other member states. It was also not of great help when the head of the lead organisation (Internal Audit and Investigations Department) proved to have a very self-serving interpretation of the principle of integrity and conflict of interest. Though she was considered technically very competent, her integrity reputation was too damaged and she had to resign. So, despite the fact that in Malta there are not many big fraud stories, the EU-fraud narrative started in a minor key.

The following chapter deals with the money laundering narrative which actually consists of a bundle of mutually related stories because of the diversity of narrators who all want to say their bit. Leaving aside the official narrative of the FATF, *Mihaela Sandulescu* in her research turned to the workers in various (Swiss) banks to make their narratives heard. They are the gatekeepers, eye to eye with customers opening accounts and making transactions. What are their narratives? From the interviews with 25 Relation Managers (RM) a many-sided story was told with tensions between sub-stories. In the old days the system was easy: the RM was the gatekeeper and made money by welcoming customers, heeding strict confidentiality and not asking too many questions which could disturb the trustful relation between both. Though the Swiss banking industry had an anti-laundering policy from as early as 1977, the real change came with the Federal anti-laundering law of 1998 which impacted on the psychology of the RM. In the first place he had to ask his customers a lot of ques-

tions while developing a sense of ‘reasonable suspicion’ instead of the usual trust. But he also got an additional gatekeeper, behind him or sometimes next to him: the compliance officer (CO). While the RM made money for the bank, the CO interfered with his profit making operations: has the due diligence task been executed correctly and is there not a risk of involvement in laundering or even terrorist financing? That interference was experienced as a workload increasing nuisance. However, being obliged to share the same working place, the RM learned that the vetting your customer also had advantages: avoiding risks and attuning better to customer’s opportunities. So, as time went by, the CO became more appreciated. Still, the nature of both jobs did not bring real love: the RM has to spend more time on ML compliance while the annual targets became more compelling. In other words: with increased compliance related workload he earned less money. In this way the money laundering narrative of the work floor continues to encompass two stories by two main narrators who have learned to share the same working place but between whom tension remain simmering: money making and money controlling never fully fuse.

Narratives are rarely neutral descriptions of the world around us: they are informative as well as emotional, especially in the field of crime. The emotional component is usual negative: condemnation of wrong conduct or warning against threats of public order and safety. But crime as threat has also a sale value: it arouses a thrill, a sensational curiosity and fear. Fear can swing to ‘moral panic’. For this change one needs a good narrative: a “*dramatisation of evil*” and a crystallisation point of fear around a disturbing *other* with an alleged capacity to threaten. In his chapter *Paul Larsson* raises the question whether the Norwegian bikers, Motor Cycle gangs, the Hells Angels, the Bandidos or their Norwegian support groups created a moral panic. An interesting question because all the ingredient for such a panic were present. In the first place, one can present the bikers as the *others*, given their rough appearance and lifestyle, or rather the way they succeed in presenting themselves to public and media. Their violent reputation seems as a guarantee for drama, if not threat, while their reputed involvement in drugs and other contraband traffic justify a moral rejection.

The police and policy makers, together with the media as their outlet, used all the ingredients to present the bikers as a kind of public enemy though it cannot be concluded that it was their intension to evoke moral panic. As a matter of fact they issued alarmist reports, but did not sustain

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it. First the bikers were connected to the drug traffic threat; then to organised crime, but each time public calm soon set in again. It was as if every time hot air was escaping out of the balloon of excitement. One can also conclude that with each 'media breaker' rolling in, the police achieved its objectives in terms of budget and powers and, therefore, allowed the wave to subside again. And after so many years of worrying stories about the bikers' threat the author wonders: what is at present the situation? None of the facts of the biker community has changed in the two decades of intense policing them while in the end the number of biker-like clubs has even increased. Did the threat increase accordingly? The police provide no indications. In its recent threat assessments and trends the police no longer mention the bikers on the list of main threats: just as one among others. And the bikers themselves? They may still enjoy the comradeship, the dress and the macho as well as presenting the image of the sturdy independent man on his bike, the motorised modern Viking.



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**The Prague Cross-border
Crime Colloquium 2015**

In this Cross-border Crime Volume a number of important European criminal narratives have been brought together. The chapters speak of criminal ‘narratives’ having a particular leitmotif around which elements of criminal phenomena are ordered such that a specific meaning can be conveyed. Corruption, organised and economic crime, fraud and money laundering are important themes for narratives about crime in Europe. The phenomenon of corruption has many common elements, which in each country become re-arranged into a national narrative or discourse. At present such narratives on corruption in Eastern Europe are highly relevant, in particular in view of the relationships with the EU. Also the organised crime narrative still has a prominent place in the European crime scene, whether it concerns Russian organised crime or cybercrime, targeting banks as well as individuals. The organisation of fraud and economic crime remains a serious challenge to consumers as well as the business sector. Amidst all these high-level forms of criminal organisation one can also find “traditional” versions of organised lawlessness, for example outlaw motorcycle gangs that continue to capture the imagination of law enforcement and the general public, not only Scandinavia.

This fifteenth volume of the Cross-border Crime Colloquium, held once a year at a different location in Europe since 1999, contains the peer reviewed contributions of 18 internationally established and up-coming experts in the field of organised and economic crime, corruption, fraud and money laundering. The chapters are based on original empirical data and critical analysis and provide new insights in these fields, stimulating a critical discourse on criminal phenomena in Europe and beyond.

