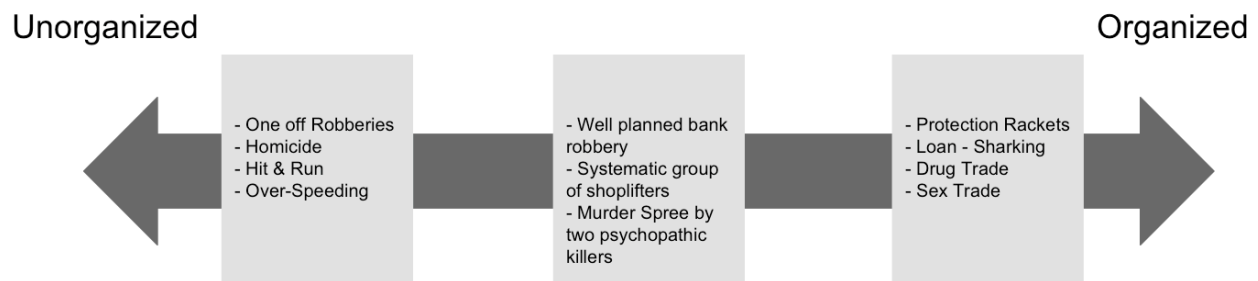Case Study
Understanding Organized Crime
Parv Sondhi

Overview

"Gangs sometimes become sufficiently systematic to be called organized."

Criminal organizations in this modern time have become a highly sophisticated business running through multiple interconnected structures. In this case study, we understand and superimpose the world of organized crime with an organizing system and discuss how the patterns emerging in the world of organized crime can viewed as a highly adaptive organizing system. This case study will include multiple diagrams and figures as artifacts to help support the case and hopefully bring across some thoughts and ideas that are integral to this case. An underlying theme of this case study will be the changes that have emerged in how these crime groups organize themselves and how there has been a radical shift from the original classical hierarchical structure to a more interconnected organizing system. I will be studying how the crime syndicates are inherently using principles of organization to expand as a unit, become more effective and even sustain themselves. Apart from our holistic understanding of the discipline of organizing, we will be leveraging ideas from the TDO concepts such as People as Resources; Resource Properties; Business patterns as an Organizing System; Designing for Interaction; and Categorization.

We first need to understand organized crime, not only is it important to focus on crime, but it is equally important to understand the concept of organized. It is difficult to identify what constitutes as organized vs unorganized in the scheme of crime. To help simplify the concept of organized crime for the purposes of this case study, I propose a **Crime Type Spectrum** (Fig. 1).

Unorganized   Organized

- One off Robberies
- Homicide
- Hit & Run
- Over-Speeding

- Well planned bank robbery
- Systematic group of shoplifters
- Murder Spree by two psychopathic killers

- Protection Rackets
- Loan - Sharking
- Drug Trade
- Sex Trade

Figure 1: Crime Type Spectrum

We can see above that there is no clear line or boundary between what is considered as organized or unorganized in terms of crime. For this case study we will focus on the right hand side of the spectrum to understand Crime Syndicates as an organizing system.

Before we proceed, it is important to give a definition to Organized Crime. Based on my research there are several definitions for organized crime, but the National Criminal Intelligence Service (NCIS) describes Organized Crime as having four salient attributes:

1. An organized crime group contains at least three people;
2. The criminal activity the group engages in is ongoing and indefinite in duration;
3. The group is motivated by a desire for profit or power; and,
4. The group commits serious criminal offenses.

By the end of this case study, I hope to be able to redefine the above as an organizing system.

What is being organized?

Under the umbrella of criminal organizations, we will look at the concept of organization of people as resources. Crime syndicates heavily rely on the effectiveness of its people for the crime organization to run smoothly and achieve their desired goals. Rather than looking at each individual as a resource we need to also look at the smaller sub-groups of people within an organization as a resource in itself. But what do we mean, when we say people as resource, instead of looking at the individual person or sub group as a resource and its organization within the system, it is necessary to study their properties which are the underlying guiding principles for their organization. It is important to note that we can look at the organizing system as such where the properties and skills of these individuals/sub-groups are the resources that are actually being organized.

Let's look at this from the Cressey's Cosa Nostra Theory. Cressey suggests that there is an existence of a hierarchy within the Mafia that controls the flow of power in the organization. He suggested that included in this hierarchy are the boss, the consigliere, the underboss, the caporegime, and the soldiers. This is a primitive hierarchical model *(Fig. 2)* of many criminal organizations and suggests how these resources are organized within a crime syndicate such as the Mafia.
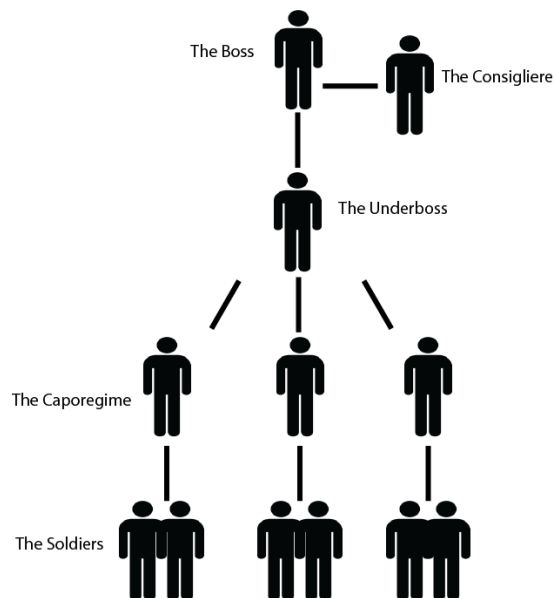
Figure 2: Hierarchical Models for Criminal Organizations

But, the same model can be represented in another way based on the resource properties *(Fig. 3).* We see that it is actually the skills and the properties at each level that are important. It is these properties which are changing over time and lead to the re-organization of the individual or sub-group within the organizing system.
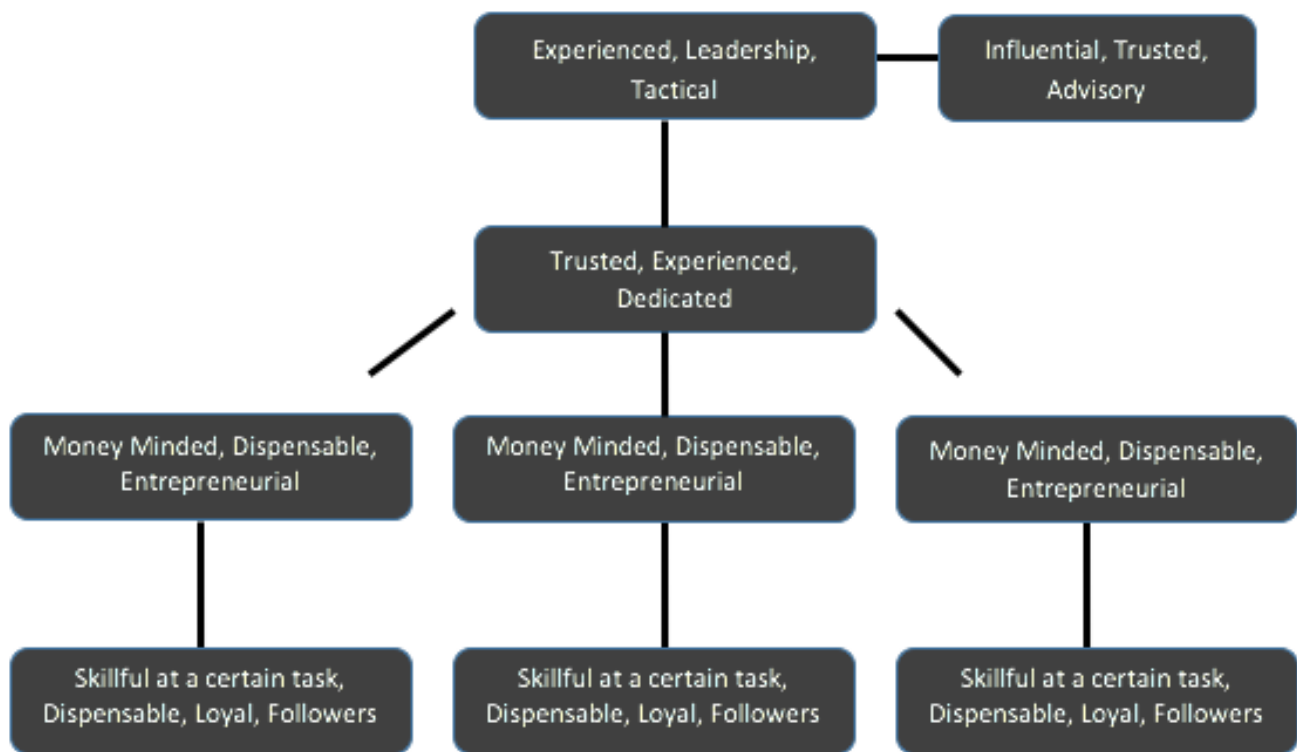
Figure 3: Organizing System based on resource properties

The above is a representation of the resource properties that are considered when organizing within a crime organization. This allows is to look at the system from a more abstract level and not focus on any specific instance. For example, Leaders are the top due their personal characteristics which are required by someone who needs to be the head; they further add more people having the necessary expertise for the criminal undertakings of the organizations. This representation allows us to map many different crime syndicates to a single organizing system where instead of talking about a specific resource under a single criminal organization, we are able to look at additional syndicates without any limitations on their specific vocabulary for each resource type.

Why is it being organized?

The crime syndicates generally follow principles of organization to ensure maximum interaction and the efficiency of their smaller individual sub-groups. They can be organized to ensure that the activities of the crime organization as a whole are completed while the smaller individual goals are achieved as well.

Organized crime's outreach and profit making potential is highly dependent on the organization of the actors involved within the system. It is their actions and their interactions which help a crime organization succeed at their tasks and grow. Having an organized system in place helps reduce various transaction costs which are likely to be associated with random order in the syndicate. Also, there is a better flow of information within the organization. Having correctly organized resources is important for the crime organization to be able to allow for certain interactions to take place within the organization and with external agencies. Certain activities that are supported by organized crime groups and its members include: Provision of illicit goods and services; Conspiracy to commit crimes; Penetration of legitimate Business, and; Extortion. Simply put crime groups need to be highly organized to effectively carry out the crime they are involved in.

How much is it being organized?

It is important to understand that these organized crime groups are intentional arrangements and the organization of the people and sub-groups within these groups is highly important for them in achieving their goals. Researchers (e.g. Shelley, Williams, etc.) suggest that criminal organizations currently have shifted from the original hierarchical model described by Cressey's theory to a more complex structures with higher fluidity. These groups now indulge in diverse forms and sizes of clusters, network structures and groups and are highly adaptive to the environment. In 2002, the United Nations Office on Drugs and Crime conducted a research across 40 selected organized criminal groups in 16 countries to understand how much of these different groups were organized and came up with an organizational typology that defines the various organization forms. These different structures provide an interesting insight to the extent of how much organization is put in place among various crime groups based on the resources and their properties and their intended interactions.

The research identified five categories of organizational structures ranging from the most traditional to more modern network structures and organizing systems:

1. **Standard Hierarchy**

   A standard hierarchy is the most common form of organized crime groups which represents a single organized crime group, led by a single yet powerful individual. These organizations have clearly defined roles based on certain properties that are required by the resources. This highly top-down approach ensures strong internal control and discipline over its members.
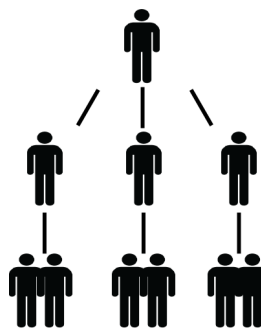

2. **Regional Hierarchy**

   These are similar to standard hierarchies in terms of having a chain of command and distinct roles within the group. However, the primary difference is that they decentralization and distribution of power. Local organizations operating within the criminal organization are granted independence and freedom across specific geographical regions. This allows the crime groups to expand their membership and participate in numerous crime activities.
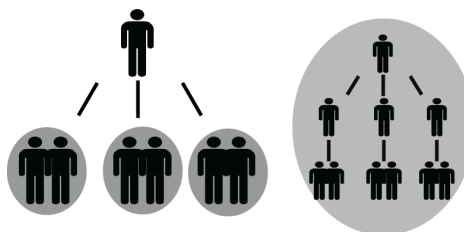

3. **Clustered Hierarchy**

   This primarily consists of an organized crime group that involves a number of smaller organized crime groups. Though there are multiple smaller groups involved they still maintain some degree of association and coordination with the other groups. These individual organized crime groups are

responsible for their respective activities and are autonomous in their identity. The overall cluster develops a stronger holding and power as the organization expands.
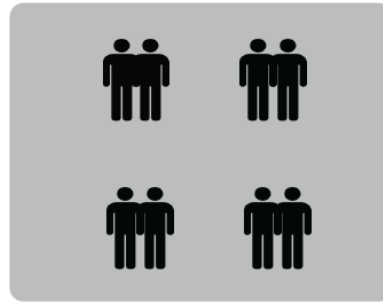

4. **Core Group**
   Core groups are unstructured group of organized criminals surrounded by a large network of associated individuals involved in criminal activity. These are characterized by a "flat" organizational structure where the power is shared by all the individual members. It is a relatively small number of individuals that are involved in core groups. Members are recruited on ad-hoc basis which makes such an organizing system loose and adaptable.
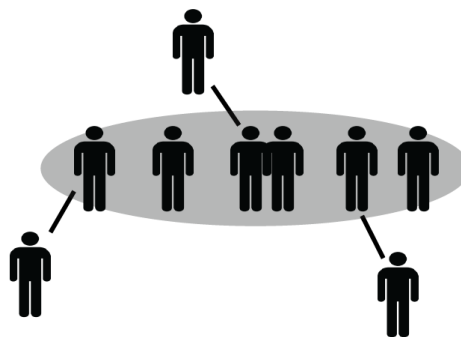
5. **Criminal Network**
   Criminal networks are highly adaptive and fluid networks of individual participants. These participants and members have various skills and characteristics and they loosely organize themselves around ongoing criminal enterprise. These individuals are recruited for specific tasks and jobs. The shape and organization of a network is defined by the resources involved at any given time. Networks are created, re-formed and initiated based on their current criminal projects and these are constantly re-adjusting as individuals leave and join
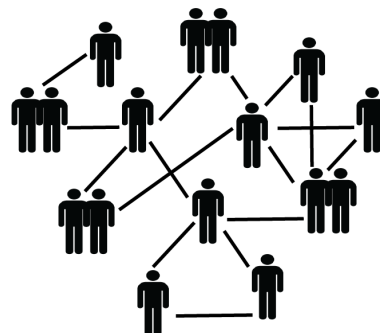
As we see above, the criminal organizations as organizing systems vary a lot from each other based on how much of the resources are organized. We notice that it is important for each of these organizing systems

to understand their interactions that they want to support as criminal group, as this is crucial for the group to categorize themselves as one of the above type.

When is it being organized?

So far in the case study, we have noticed that criminal organizations can be considered as highly self organizing systems. We see that based on the category of the criminal organization they are likely to follow either a top – down approach to organization or a bottom – up approach. Criminal organizations are always changing their internal structure or their functions based on the interactions of its resources with the environment. The environmental factors are highly crucial in shaping a criminal organization. These factors include but are not limited to political conditions such as a weakened state; economic conditions such as market, opportunities for illegal services; social conditions where loyalty to family is important. Changes in these factors are key driving forces for organizing systems to reshuffle. In these opportunity driven and flexible networks, members are recruited and utilized on ad hoc basis based on their specific skill sets and personal characteristics. Financial and other resources are also similarly accessed by the criminal organizations.

Also it is interesting to observe that many criminal organizations do not start out with a certain organizational principle in mind, but rather emerge as a complete organizing system over time. Decisions made by the actors involved in the system are important to ensuing organization structure of the crime group. It is important to understand that resources involved are active in nature and hence can initiate actions on their own. Also as the skills and characteristics of the individuals involved keep changing and they start meeting the needs of other positions, there is re-organizing of these resources within the organization. It appears as of crime members simply move to upper management positions similar to the corporate ladder *(Fig. 4)*.
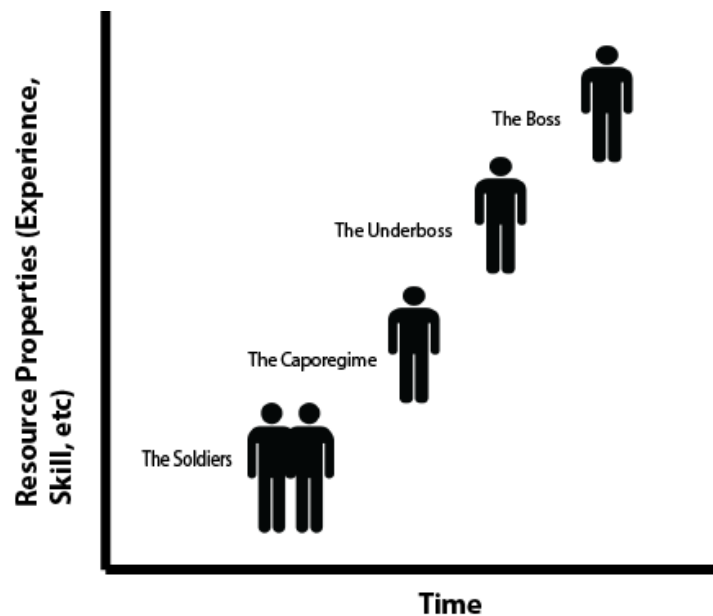

Figure 4: Re-Organizing resources based on internal dynamic properties

How or by whom is it being organized?

As part of the previous sections we have seen how these organized criminal groups are heavily influenced by external and internal forces to define the organizing principles within the system. They are effective self organizing systems. But, that was not always the case. For many of the earlier hierarchical organizations a lot of the decisions are dependent on the head. He has authoritative control over how the

members of the group are organized. He takes decisions to understand and place certain individuals strategically to increase the profitability of the organization or to extend the outreach of the group into new crime sectors.

The role of the family and ethnicity is seen as a very important factor in the scheme of criminal organizations. The organization of the traditional Sicilian Mafia is an extension of their family. The organization would be built up from this basis of family and the network of blood relatives, reproduced and strengthened by other family ties. This network expanded by those granted membership, friends and clients for whom the family had acted and now owed loyalty in return. Apart from ethnicity and kinship, as organizations strive, members move up the ladder and are generally active in re-organizing the structure of the organization to suit their taste and agenda. They usually try and manipulate resources as they feel most appropriate to the goal of the organization *(Fig. 5).* Sometimes they are successful, sometimes not.

> Let's look at the organizing system of the Italian-American organized crime group In New York. Salvatore Maranzano, after the murder of Joe "the Boss" Masseria, established a rigid structure. He claimed the "Capo di tutti Capi" (Boss of all Bosses) as the absolute ruler followed by five family bosses beneath him. This organizing system was set up by Maranzano as it fitted his European background and taste. He created such a structure to fit with what he felt were the goals of the crime group. This did not sit well the young Italian-Americans that were part of the criminal empire. His murder, six months later, brought not only young Americans, but also Americanized "democratic" tendencies, to the organizational structure of the group. Positions were abolished and replaced with commissions to serve as small sub groups within the organization.

Figure 5: Bonanno crime family

Final Remarks

As part of this case study, I hope to have been successful in giving a organized crime a different perspective in terms of an organizing system. There are certain other considerations and aspects such as corruption and inter organization networking that have not been included as part of the analysis. But, I believe these haven't effected my analysis and as promised at the beginning, let's see if we can redefine organized crime as an organizing system *(Fig. 6)*.

Organized Crime (NCIS Definition)	Organized Crime (TDO Definition)
An organized crime group contains at least three people	Needs to be at least three resources as part of the organizing system
The criminal activity the group of people engages in is ongoing and indefinite in duration	The interaction of the resources of the organizing system are continuous in nature
The group is motivated by a desire for profit or power	The resources are organized to maximize profit or power of the organizing system
The group commits serious criminal offenses	Interactions initiated by the resources are criminal in nature

Figure 6: TDO Definition for Organized Crime

Sources and References

The Discipline of Organizing, Professional Edition 2015, Robert J. Glushko

Organized Crime, Fourth Edition, by Michael D. Lyman and Gary W. Potter. Published by Prentice Hall. Copyright 2007 by Pearson Education, Inc.

The Structure of Traditional Organised Crime, John Lea 2008, http://www.bunker8.pwp.blueyonder.co.uk/orgcrim/3802.htm

An Economic Analysis of a drug selling Gang's finances, Steven D. Levitt and Sudhir Alladi Venkatesh, The Quarterly Journal of Economics, August 2000

The Changing Structure of Organized Crime Groups, Jharna Chatterjee, Ph.D., Research and Evaluation Branch Community, Contract and Aboriginal Policing Services Directorate, Royal Canadian Mounted Police, 2005.

Organised Crime Typologies: Structures, Activities and Conditions, Vy Le, Law and Justice Research Centre, School of Justice, Faculty of Law, Queensland University of technology, Australia.

Individual Choice, Material Culture, and organized crime, Peter A. Lupsha, University of Mexico, Criminology, Vol. 19 No. 1, May 1981 3-24

Organized Crime: An evolving Challenge for U.S. Law Enforcement, Jerome P. Bjelopera and Kristin M. Finklea