



Australian Government
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Responding to Transnational Crime

*Responding to organised crime through
intervention in recruitment pathways*

Dr Russell G Smith
Principal Criminologist



Outline

The thesis:

- A critical task of organised crime is to recruit willing participants
- If the processes of recruitment can be identified, it might be possible to intervene in ways that make recruitment difficult, likely to lead to detection by law enforcement, and thus act as a deterrent to criminality

Theoretical background

- Sutherland's theory of differential association
- Opportunity theory / routine activities / rational choice decision-making
- Crime scripts analysis / environmental crime prevention

Research evidence

- Dick Hobbs *Lush Life* (2013); Dutch Ministry of Security & Justice (2013); Jan Goldstraw-White *White Collar Crime* (2012); Diego Gambetta *Codes of the Underworld* (2009); Art Veno *Brotherhoods* (2009); Robert Mazur *The Infiltrator* (2009); Mike Levi *Organised Fraud* (2008); Matrix Knowledge *Illicit Drug Trade* (2007); Carlo Morselli *Criminal Enterprise* (2005); Smith et al. *Cyber Criminals on Trial* (2004)



A 'Procrustean Bed'

when researching organised crime –

“... criminal collaborations generate chaotic sets of personal and commercial affiliations featuring fluid and often unpredictable interchanges that are ill suited to the sociometric analysis favoured by police and police science” (Dick Hobbs *Lush Life* 2013: 5).



United Nations Palermo Convention (2000)

‘Organised criminal group’ *Article 2*

- A **structured group** of three or more persons
- Existing for a period of time and acting in concert with the aim of committing one or more **serious crimes**
- Obtaining directly or indirectly, a financial or other material benefit

‘Structured group’

- A group that is not randomly formed for the immediate commission of an offence and that does not need to have formally defined roles for its members, continuity of its membership, or a developed structure

‘Serious crime’

- Conduct constituting an offence punishable by a maximum deprivation of liberty of at least four years or a more serious penalty



Organised crime – seriousness by impact

High

- Terrorist activity
 - Drug cartels
 - Corporate fraud
 - Human trafficking
 - Child exploitation
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Medium

- Serious financial crime
 - Organised maritime piracy
 - Organised environmental crime
 - Organised cybercrime and scams
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Low

- Small-scale business fraud and tax evasion
 - Family-based local crime
 - Small-scale street crime
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Seriousness 



Recruitment pathways

Recruitment strategies

- Identification of suitable targets (recruiters & recruitees)
- Engagement with individuals who can be trusted
- Successful selection of skilled and cooperative individuals

Recruiter pathways

- *Established crime groups* seeking new workers for:
 - skill-sets to assist with criminal activities (e.g. drugs, card fraud)
 - violence and intimidation that bosses don't want to undertake
 - laundering the proceeds of crime
 - high risk activities involving weapons, explosives or likely arrest

Recruitee pathways

- *Non-criminals* seeking participation in organised crime due to:
 - need for funds to satisfy debts or lifestyle expenditure
 - desire to enhance financial or social standing
 - interest in risk-taking activities, or with pathological motivations



Recruitment of drug couriers

Ron – Drugs Manager

“Ron was in his mid-fifties, and had been retired from his job in law enforcement for a decade when he first became involved in the drug trade. Ron managed an operation based upon couriers importing cocaine into the UK from Granada, and his role was to recruit and manage the couriers. He frequented a local casino where he spotted potential couriers from amongst the casino’s clientele, tending to target white, middle-aged men, low on money, and ‘who needed a holiday’. Ron made all the travel arrangements, purchased the airline tickets, provided the suitcase, and handed over the spending money. . . The couriers would have their holiday and return with an identical suitcase containing cocaine. On the successful arrival of a consignment into the UK, Ron would collect the case from the courier at the airport and hand the drugs over to his bosses, who would be waiting in a nearby carpark. The boss would pay Ron £12,000 in cash which was £7,000 for the courier (who had also had a two-week holiday) and £5,000 for Ron”.



Recruitment pathways of recruits

Billy – Car dealer – turned drug boss

“Billy was a successful car dealer and nightclub owner, and had also made money from an expanding property portfolio before he was introduced to a group of drug importers who were contemplating how to invest their profits. Attracted by the prospect of easy money, Billy fed these profits through his car dealership, and progressed to become a ‘middle man’, seeking out buyers for importers. Eventually, he ran the enterprise, becoming embroiled with the day-to-day workings of a large operation consisting of storers, mixers, testers, and legitimate professionals, many of whom were paid a salary.

Billy also courted the friendship of police officers who, in exchange for free drinks, would provide him with information and carry out background checks on business associates and employees”.



Identification of suitable targets for recruitment

Recruiters – Identifying interested individuals

- Potential criminals (e.g. skilled; ex-military; drug mules & youth)
- Legitimate workforce (e.g. lawyers, accountants, IT security workers)
- Public sector employees (e.g. police, customs, intel, prison officers)
- Criminal justice system (e.g. prisoners, other recidivist offenders)

Recruitees – Identifying criminal organisations

- Traditional organised crime groups (e.g. Yakuza – tattoos)
- Groups with common meeting places (e.g. CEM – online clubs)
- Groups with public persona (e.g. OMCGs – motor cycles, club colours)

Accidental and serendipitous recruitment

- Common meeting places – pubs, casinos, gyms, brothels, Internet sites
- Familial contacts – family members of criminals or seeking involvement
- Media publicity and social networking – information on individuals who show a willingness to become involved in illegality
- Opportunistic discovery of potential criminal connections



Recruitment in prison

Karl – Accountant

“Karl was a former accountant who was serving a term of imprisonment for tax fraud in Western Australia. While in prison, he was approached by another prisoner who needed his assistance in order to obtain funds from the Tax Office. The accountant assisted him, but later found out that the claim was not legitimate. He was then approached by other prisoners who asked him to prepare false income tax returns with false business details and other fabricated evidence. Over a period of a year he filed 210 fraudulent tax returns on behalf of 125 fellow prisoners in which fraudulent tax refunds, amounting to almost \$1.3m were claimed. A total of half a million dollars was refunded by the Tax Office to the prisoners. Karl administered the scheme using a computer for online banking and mobile phone and received \$61,000 in commissions and fees over the 12-month period. He argued that he was forced to carry out the scheme under duress, but was sentenced to an additional 2 years with a non-parole period of 12 months”.



Recruitment into OMCGs

Robbo – Biker – turned outlaw bikie

[After developing an early interest in motor cycles, Robbo attended the Bathurst motor cycle races in 1976]. “Over that weekend he met many characters, some of whom became an integral part of his life as a biker. . . Robbo began to use his bike more and more, attending rallies and making more friends in the biker world. . . He found himself drawn more and more into hanging out with a local outlaw club, ‘Satan’s Cavalry’. . . His values began to change from biking as a lifestyle choice within straight society, to living life as a bikie and rejecting and simply not caring about the straight world. . . A biker cannot simply become a bikie. . . Most clubs have a long, arduous process of admission and members must adhere to strict rules to maintain their membership. To become an outlaw motorcyclist can require years of scrutiny by fellow club members, impeccable credentials as a biker and, in certain circumstances, even a requirement to commit an illegal act”).



Recruitment of a café owner

Brahim – Café owner recruited into drug trafficking

[Brahim was a former truck driver who set up a café to be able to spend more time with his family. A group of customers recruited him to become involved in transporting heroin].

“You start talking and ask each other: ‘What did you do before and where do you come from?’ That’s the first thing you do. And when I mentioned I’d been a truck driver for years, that triggered something of course. He should know people, maybe he wants to. But I never wanted to. [. . .] I wasn’t interested at all. I did not need the money and did not bite, it did not fascinate me. After some months, however... After all, they are your frequent customers and you talk to them all the time. There comes a time it goes through your mind that some others you know have the ability to and probably want to do it. At first I thought: I’ll do them both a favour and I can earn some additional money, you know. I really did not see the danger in doing it”. [sentenced to 12 years’ imprisonment for heroin trafficking]



The crime scripts of recruitment

Initial identification

- Signs of criminality (e.g. tattoos, criminal record, behavioural patterns)
- Visibility of skill sets (e.g. lawyers, public servants, IT workers, drivers)

Establishing trust

- Initiation tasks (e.g. sample criminality, violence, CEM libraries)
- Verification over time (e.g. absence of risk; proof of veracity & loyalty)
- Successful operations (e.g. demonstrated skill, or prison time)

Compliance and reinforcement

- Proof of commitment to cause – investment in organisation
- Recruiting others – proof of willingness to use recruitment pathways
- Escalation of criminality – increasing seriousness of involvement

Failed recruitment

- Detection of non-compliance – breaching rules, whistleblowing
- Sanctioning – imposition of sanctions; threat of expulsion
- Removal – exclusion, dobbing-in, assault, murder



The methods of recruitment

Face-to-face contact

- Familial contacts (e.g. ethnic and family connections)
- Common locations (e.g. workplaces, pubs, clubs, prison)
- Use of non-verbal cues to facilitate identification (Diego Gambetta)

Online recruitment

- Membership of underground groups (e.g. CEM Groups, *Shadowcrew*, *Carderplanet*, *DrinkOrDie*, *Rock-Phish*, *BotMaster*, *Mpack*)
- Social networking (e.g. location of corruptible public servants & CVs)
- Online advertising (e.g. work from home scams; card skimming)

Anonymity and security processes

- Use of aliases and false identities – cyberspace names; gang names
- Data security – encryption, steganography, biometrics, looping networks
- Identity verification procedures – on enrolment and ongoing refereeing



Recruitment for cybercrime

CrimeEnforcers.com Home Page for skimming devices etc.

“We are private organisation for your special developing requests. We are focused at Electronic and Computer Engineering. If you need special hardwares (especially hi-tech) nor software that can not be done or even discuss in your Country because of any reason such as laws etc. then u are at the very right place.

We are offering absolutely anonymous & offshore developing for your projects. We don't care what you want to do with hardwares and softwares you requested to be done by us.

Needless to say, your privacy is very important for us and we don't share with anyone else because of any reason. We don't need your Name, Adress etc. because of any reason. We only need your email. You will have a certificate and account for secure login to our private forum for tracking your development, you even may ask question to engineers who engineering your project.

If you reach this Web Site then you already know us. We are not cheap developers and we cant make partnership with you. If you wish your dreams to come true then u have to have enough money to invest for your dreams. You even have to pay for request for quote from us for your project”.



Intervening in recruitment pathways

Interrupting *recruiter* pathways

- *Skills* – regulation of skill-based sectors (e.g. banking, drivers, lawyers)
- *Locations* – monitoring high-risk locations (e.g. prisons, pubs, gyms)
- *Detection* – increasing the probability of detection and indictment

Interrupting *recruitee* pathways

- *Motivations* – attacking the motivations for involvement (e.g. red flags of fraud; gambling debts; business failure; lifestyle attractions)
- *Rationalisations* – neutralising the rationalisations for involvement
- *Risk-taking* – publicity of the consequences of criminality; monitoring of online activities of individuals who may be recruited via the Internet

Addressing anonymity

- Using convicted offender databases to facilitate identification
- Data analysis of financial and cyber intelligence; location tracking

Changing perceptions about organised crime

- Making organised crime unattractive and unprofitable (confiscation of assets, unexplained wealth, disruption to lifestyle, physical harms)



Potential policy initiatives

Enhancing the regulatory environment

- Professional regulation – lawyers, financial advisers, transport industry
- Data and network security – ICT personnel; data encryption
- Anti-corruption controls within the public sector – *National Plan (2013)*
- Encouraging reporting (Qui Tam) and protection of informants

Enhancing the collection and analysis of intelligence

- Improving financial intelligence collection and analysis
- Improving prison security and corrections agency intelligence
- Allowing data monitoring – with judicial authorisation
- Online identity verification, including biometric authentication

Attitudinal and motivational change

- Publicity of the financial and social impact of organised crime
- Publicity of the probability of detection and sentencing patterns
- Publicity of confiscation of assets and unexplained wealth laws
- Publicity of the avenues for reporting and whistleblower protections



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Russell.Smith@aic.gov.au

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