

ORGANIZED CROSS-ATLANTIC CRIME

racketeering in fuels

P r o f e s s o r A l a n A . B l o c k

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1. INTRODUCTION

Deep concern about the penetration of organized crime into legitimate industry is a recurring public topic. It is one of the factors which contributes to the demonology of organized crime and ensures that it will remain or move up on the agenda of law enforcement policy making. Research in the U.S. and Europe reveals that important segments of the underworld economy are at risk of being penetrated by organized crime, though one should be careful not to let such concern develop into a *moral panic* (Van Duyne, 1991; 1993; Block and Chambliss 1981; Block, 1983; Scarpiti and Block, 1987; Passas and Nelken, 1991; 1993; Francis, 1988; Koch, 1988). This penetration can take various forms, ranging from a complete 'take over', which is relatively rare, through predatory control of small but vital sectors which enables criminals to control other branches, to a veritable symbiosis between crime-enterprises and legitimate industry. In this essay we will describe the symbiosis of organized crime with the legitimate underworld trade in mineral fuels in the U.S. and in Europe.

Not all markets or segments of industry are susceptible to organized crime influences. Organized crime is not a monolithic force marching to take control of society, but a multifaceted *organizing* force continually testing the membrane of the legitimate market for permeable spots (Van Duyne, 1991). A natural weak spot is the profit margin of legitimate entrepreneurs. There is an evident relation between the permeability of a market segment by criminal elements and the degree in which its profits have been marginalized by cutthroat competition. However, marginalization of profits is a natural outcome of a free market in a capitalist economy in which everybody is free to enter a profitable trade. Hence, marginality by itself does not explain the penetration of organized crime into some branches of industry. Particularly while other branches remain relatively untouched, legitimate industry must be weakened in other respects as well, and there have to be additional favorable crime-inducing circumstances. The following interrelated aspects have important explanatory value:

- the existence of a governmental imposed '*price wedge*' between the cost price and delivery price, that is easily and widely abused 'to bring down the costs': tax fraud; evasion of labour regulation (pay and safety standards); violations of (expensive) toxic waste regulation etc;
- the *system of law*, legislation and law enforcement are *opaque* at least: legislation is fragmented, sometimes contradictory and invariably difficult to enforce providing opportunities for increasing law breaking;
- there is a *collective* erosion of corporate and public (financial) morals which leaves ample space for rationalizations: 'I have to defraud otherwise I will be priced out of the market!' 'I have to take a bribe because that is the way my colleagues sell their contracts'.

For decades, till the present day, the fuel market in the U.S. and Europe and the agricultural industry in the European Community have been affected by crime-enterprises because of the above mentioned reasons (Passas and Nelken, 1991; Van Duyne, 1993b). The marginality of the oil market and its vulnerability to widespread abuse and moral erosion was succinctly formulated by a wholesaler in the following manner: 'I defy anyone to make money [running a gas station] unless you can steal or have a fantastic bay [repair] operation'.

In the following paragraphs we will describe the findings of our on-going research on organized cross-border crime in the oil market.

2. THE LANDSCAPE OF ORGANIZED BUSINESS FRAUD IN THE U.S.

Tax fraud in the fuel market has its roots in the oil embargo of the early 1970s. U.S. government policies were subsequently to ensure adequate reserves by government purchases and stockpiling on the one hand, and through stimulation of private entrepreneurs on the other. Unfortunately but predictably, regulatory and law enforcement investigations strongly suggest that criminal activities seriously undermined the private market, taking quick advantage of those government policies designed to promote private investments and spur production. A fair amount of crime came in several forms of tax cheating in the coal and oil market.

In 1979 law enforcement reports noted that 'Criminal elements are acquiring substantial interests in and control of the American coal industry, including coal resources, mining and support industries' and that 'through the use of foreign coal purchase contracts, these criminal elements are defrauding foreign purchasers of American coal and bankrupting American coal producers.'¹ Reagan's SEC Transition Team estimated the tax loss from these frauds during the 1970s, particularly following the first Arab oil embargo, somewhere between \$ 5 to \$ 10 billion.²

Tax frauds in the coal industry, however painful they were for at least some of the legitimate investors, and destructive of future coal mining ventures, were not as significant as tax scamming in the gasoline and diesel fuel. Coal as a source of energy is negligible compared with petroleum. But in these preparatory years the landscape of organized fraud had been thoroughly designed.

By the early 1980s the evasion of federal and state excise taxes was at epidemic proportions in the gasoline and diesel industry, costing states and the federal government billions of dollars in lost revenues. The taxing system, as described in 1986 by Texan J. J. Pickle Chairman of the House Subcommittee on Oversight of the Committee on Ways and Means, was based on 'a [federal] tax of nine cents per gallon . . . levied on the sale or use of gasoline by a producer or importer.' The federal tax rate was set in 1982 by the Surface Transportation Act. In addition, there were state gasoline excise taxes which by 1986 in conjunction with the federal tax reached a total in some states of over 27 cents a gallon.

The key to the taxing structure lies partly in the definition of a *producer* who was characterized as either 'an actual producer, as well as a refiner, compounder, blender, wholesale distributor, and a dealer selling gasoline exclusively to producers of gasoline.' In general, Chairman Pickle added, the federal tax must be remitted when a producer or importer finally sells the product to a retail gas station or other non-producer.¹ Given that the tax is only due when sold to retailers, it thus 'may be sold tax-free' within that broadly defined category of 'producer' so long as the seller and buyer are registered with the IRS. That task was satisfied when the producer filed IRS Form 637 entitled 'Registration for Tax-Free Transactions' with the appropriate IRS District Director. The producer then received a particular certificate registry number. Tax-free sales, to be legitimate, called for the seller to inform the buyer what their number was and with which District Director it was recorded. This was a structure ripe for fraud and corruption: it turned the last seller in the chain of producers into a kind of 'tax collector'. What is easier than to control that last chain by installing

¹ Pennsylvania Crime Commission, *Coal Fraud: Undermining a Vital Resource*, February 1985, p. 6.

² President-elect Ronald Reagan's Transition Team: *Report on the Securities and Exchange Commission*, (undated), Section VI, pp. 16-19.

a daisy firm headed by a strawman and pocket the money? Do not try to turn merchants into tax collectors: Do not violate nature!³⁾

Scamming in gasoline did not depend upon the machinations of the personalities described here, although their influence left its mark on new conspiracies and upon the development of a significant but short-lived criminal cooperative among New York area bootleggers. Tax scamming along with all the other related illicit activities were victimizing the industry nationwide. The nationwide scope of the fuel problem was evident by the early 1980s. For instance, in the summer of 1983, the Michigan Attorney General and the State Revenue Commissioner charged 26 gas station operators with sales tax evasion. Their investigations found a sweeping evasion of untold million of dollars in sales taxes.⁴⁾ The (basically simple) scheme consisted of grossly underreporting purchases of gasoline and thus remitting only a small portion of the tax. One year later in Michigan, the head of two petroleum firms was accused of evading over \$ 400.000 gasoline taxes.⁵⁾

3. ORGANIZED CRIME MUSCLES IN

It did not take long before the profitable area of tax scamming in gas and diesel was detected by traditional organized crime families. They did not construct the patterns of racketeering and the personal network of connections essential for organized fraud, but efficiently they took control of the key figures thus profiting from the fraudsters by milking them. As such they acted as parasites imposing themselves on those already deeply involved in the scams (Abadinsky, 1991).

The known cast of criminals in these schemes includes traditional organized criminals primarily from the New York metropolitan region, organized criminals newly migrated to the U.S. particularly from Eastern Europe, crime-entrepreneurs from the Benelux nations, various energy-industry executives in the U.S. and Europe, and institutions and individuals involved in quite massive money-laundering operations. To understand how the various actors interacted in shaping the final dominance of the *La Cosa Nostra Colombo Family* we shall describe the amazing history of *Lawrence Iorizzo*.

3.1. The enigmatic Lawrence Iorizzo

³ This structure is similar to the VAT-system in the E.E.C.

⁴ Michigan Office of Attorney General, "Press Release," 19 August 1983.

⁵ United States District Court, Eastern District of Michigan, Southern Division, **United States of America vs. Quentin Stringer: Information**, Case No. 84 20027, 13 January 1984. The sums mentioned in the charges are usually moderate compared with the suspected fraudulent turnover. This is inherent to investigating and prosecuting complex fraud schemes: the criminal investigation must stop somewhere in order not to endanger prosecution. The fiscal calculations of the damage are usually much higher.

One of the prime witnesses at the Ways and Means hearing was convicted tax evader, Lawrence Iorizzo, who, for about twenty years, had worked as a wholesaler of different fuels--aviation, diesel, and gasoline.

Iorizzo began working in the fuel industry in 1965 operating a retail gas station. By then he had been married for six years. Eventually he would have five children with his first wife: in the early 1970s he married another woman with Belgian connections, useful in his later career, and fathered three more children. However, he neglected to divorce his first wife until 1989. Though never charged with bigamy, he was convicted in 1974 of attempted grand larceny, trying to cash a \$ 9,500 check knowing that it was worthless. A trifle compared to the big money ahead.

The beginning of Iorizzo's racketeering is a matter of speculation. However, the nature of his criminal career since 1977 makes it unlikely that by that time he was an inexperienced novice. The first evidence of criminal involvement dates from 1977 when Iorizzo's firm *Vantage Petroleum* got intertwined with the interests of *Martin Carey*, the brother of the former governor of New York (1974 - 1982). This intertwining reveals some of the characteristics of the criminal landscape at that time: widespread violation of the law, governmental and corporate corruption and protective political connections.

The relationship between the two was based on an exchange of interests: Iorizzo sought influence with the state's executive branch and Carey was virtually bankrupt, having failed to pay his regular supplier and no longer able to obtain that product. In the spring of 1978, Iorizzo's firm Vantage leased the Mattituck terminal from Carey Resources even though it was under a 1977 EPA order to close because it did not have the necessary equipment for spill-control.⁶ Once the lease with Vantage was signed, Carey Resources filed an affidavit falsely claiming the necessary equipment was in place.⁷ A few months later the association became closer still. Vantage, through a subsidiary, took over Carey's businesses rescuing them from bankruptcy, and signed Martin Carey to a consulting contract.⁸ Like Carey's firms, Vantage was run scandalously. It was accused of illegally overcharging for gas, bid-rigging to secure a contract to run state-owned gas stations

⁶ The year before Carey had been notified by Meyer Scolnick the Director of the EPA's Enforcement Division of the violations and penalties. See, United States Environmental Protection Agency, Region II, **Notice of Violation and Assessment of Civil Penalty, "In the Matter of Carey Resources, Inc., Dicks [sic.] Hill, New York: Violation of the Oil Pollution Prevention Regulations of the Federal Water Pollution Control Act Amendments of 1972,"** 1 February 1976.

⁷ This was uncovered in 1980, and Charles S. Warren, the Regional Administrator for the Environmental Protection Agency, submitted a "**Criminal Referral in the Matter of Carey Resources, Inc.**", to Edward R. Korman, U.S. Attorney for the Eastern District of New York. Four months later, it was noted that the Department of Justice had not yet answered the EPA's "request for prosecution." See Brian Donovan, "U.S. Slow to Act on Requests for Vantage Probe," *Newsday*, 25 January 1981, pp. 6 and 23.

⁸ Carole Agus and Brian Donovan, "Parkway Gas Gouging Alleged," *Newsday*, pp. 3, 25.

on Long Island parkways, and of diverting gasoline secured from a state program (as well as a federal hardship program) to lucrative out-of-state spot markets. The gas was supposed to go to Long Island stations during the critical fuel shortage of 1979.⁹ Whatever crimes Vantage committed during this period obviously involved Martin Carey in one way or another.

The crimes of the entrepreneurial duet were financially significant, indeed. They made their criminal profits through two basically simple devices. The most common has been referred to at the end of paragraph 2: creating a chain of companies with a 'vanishing point'. This was described by Iorizzo himself at his trial for mail fraud: 'We [the conspirators] incorporated numerous firms which laid a paper trail showing tax-free gasoline sales from one company to another until finally one of the companies would vanish, especially the firm that was responsible for tax collection. Just in case someone checked, the firms were generally incorporated in Panama.' But hardly anybody really checked: 'There was no policy on the tax returns . . . no Federal agencies checking your operations as to whether you did or didn't pay'. The 'dummy company' which pays no taxes can then provide retailers with discounted gasoline, naturally to the detriment of anyone operating legitimately. In order to avoid a paper trail the retail sale of the fuel can be done surreptitiously—'they can pay cash for the gasoline or diesel fuel or whatever, and there is no record of that transaction, and they can evade the income taxes on the profit.' The 'legitimate' buyers cannot be unaware that they are buying from fraudsters and are thus in a way fencing the product.

Another method was mixing the fuel with liquid toxic waste. This was (and continues to be) profitable in many ways: the industry that has toxic waste saves on the costs of legitimate processing by selling it cheaply to the gas dealer. The latter cashes the money and dilutes his product expanding the volume with toxic waste while selling it for the same price. According to Iorizzo the profit for Carey from selling these 'cocktails' was \$ 1.12 per gallon. *Newsday* revealed Carey's 'cocktailing' of chemical wastes with gasoline. Some of the liquid toxic waste came from a Carey-owned petroleum tank farm in Mattituck, Long Island, and some came from another Carey operation, Marine Transportation of Chemicals, in Queens, New York City. In just two years, almost 900,000 gallons of toxic wastes were pumped through Carey's retail stations into motorists' cars.¹⁰ This would make a profit of \$ 1,008,000. Combined with method 1 while avoiding the paper trail this represents net profits.

The 'marriage of reason' between the two crime-entrepreneurs was not a happy one. Carey was quickly several million dollars in arrears: he preferred investing into politics to paying his debts as we shall see. Iorizzo warned him he would take the matter to court.¹¹ After that, all Iorizzo's legal problems began. But

⁹ See Brian Donovan and Carole Agus, "Parkway-Gas Bidding Probed," *Newsday*, 24 February 1980; and, Carole Agus and Brian Donovan, "State Senate to Probe Vantage," *Newsday*, 25 February 1980.

¹⁰ 'The Gasoline Bootleggers: Adding Wastes To Gas Boosted the Profits,' *Newsday* (August 1981).

¹¹ Circuit Court of the Seventeenth Judicial Circuit in and for Broward County, Florida, **The State of Florida, Plaintiff, vs. Michael Franzese, et al., Defendants**, Case No: 85-15683

Carey appeared to be well protected: Iorizzo truthfully testified that the former was called before a New York Grand Jury and given immunity from prosecution. Asked by Florida prosecutors in 1986 why Carey had failed to pay him, Iorizzo stated that Martin did not have the money because he had funneled it into the campaign for re-election for his brother, Hugh Carey.¹²⁾ Iorizzo's attack worked badly and soon backfired. He had stated his charge of political corruption in the presence of his attorney and another witness to two New York State tax investigators. He insisted that Martin Carey had been stealing the state sales tax on gasoline to help finance his brother's political campaigns for years.¹³⁾ Iorizzo also reported the deceptions to the IRS and the Federal Bureau of Investigation. One month after he recounted this to the state tax agency and gave it certain documents, it started to subpoena people from my company, investigating Vantage.¹⁴⁾

A through Z and 85-15684 A Through Z, **Deposition of Lawrence S. Iorizzo**, Volume VI, 8 May 1986.

¹² Ibid.

¹³ Records on this matter were discovered by Iorizzo after Vantage took over PCI/Gas Value. Some of Carey's personal records were kept in a locked room at the former Woolworth Mansion on Long Island which he purchased in 1976. In moving Carey's books and records to Vantage headquarters, the locked room was entered and the campaign financing material found. "The Gasoline Bootleggers: Adding Wastes to Gas Boosted the Prices--Penchants of 'the Brother'," Newsday, 1 September 1981, p. 26.

¹⁴ Ibid. With all the attention paid to Iorizzo and Michael Franzese during these years, there seemed little left over to attend to Martin Carey. Not until 1987, when columnist Sydney Schanberg wondered why that was so, was Carey back in the news. Schanberg recalled that when Iorizzo was first indicted in 1980 on bid-rigging charges by the Suffolk County District Attorney there was a rush to place Carey before the Grand Jury and to grant him immunity. Just prior to the court's ruling to dismiss the case as without merit, Carey had his day in the Grand Jury and his immunity from future prosecutions. Schanberg remarked that many prosecutors were perplexed by the grant of immunity at the time and remained so today. The significance of Carey's immunity became apparent for all to see when New York's Attorney General subsequently indicted Carey for evading \$122,000 on gasoline sales taxes. With just a touch of irony, Schanberg pointed out that the courts held Carey could not be tried on these charges. They said to Schanberg that the Suffolk DA's past action in granting Martin Carey immunity in the bid-rigging case left them no option but to rule in Carey's favor. Sydney Schanberg, 'Time to bare Carey tax case,' Newsday, 7 December 1987, p. 5A..

Iorizzo's woes began to multiply. Vantage itself was tottering on the brink of ruin. The reason he gave for this situation was the criminality of Vantage gas station owners and managers. Not wishing to pay any taxes either, they bought fuel from clandestine sources. His market was drying up because Vantage station owners, who were obligated to buy from Vantage Petroleum, were bypassing him, buying gas from bootleggers. In addition, certain organized crime figures from the West Coast were attempting to muscle into his company. This takeover attempt prompted Iorizzo to contact law enforcement. Again he received no satisfaction despite supplying supposedly incriminating tape recordings to the U.S. Attorneys from both the Southern and Eastern Districts of New York. Thus, in the fall of 1981 he turned to a more important criminal, the notorious John 'Sonny' Franzese, for help in handling this dual problem. Despite his later complaints about the Iorizzo should have known better.

As early as 1979/80, he was involved with two men both of whom were deeply implicated in extensive money laundering operations at the time and soon would be looting several U.S. Savings & Loan institutions. One was, in fact, moving money for the leader of New York's largest organized crime syndicate--Paul Castellano the head of the Gambino mob.¹⁵ Iorizzo had in the past supplied Sonny with gasoline from Vantage for an auto dealership owned by the racketeer. Sonny had also done some unidentified favor for Iorizzo. At that time, Sonny suggested to Iorizzo that he should keep in mind Sonny's son, Michael, for some future business deal. That time had now come.

Until their first meeting (at *Peter Ranieri's* restaurant, of whom later) Michael Franzese knew nothing about the fuel business. Still Franzese eagerly agreed to a partnership with Iorizzo. The corporate vehicle chosen was an Iorizzo-owned Panamanian shelf company called Galion Holding Corp., a 'bearer share' company. That meant 'bearer' was the only name on Galion's stock certificates --whoever physically held the stock owned the company.¹⁶ Ironically enough, Galion was created to provide the cheap alternative fuel Vantage

¹⁵ United States District Court for Kansas City, Ks., District of Kansas, **In the Matter of the Extradition of V. Leslie Winkler**, Case No. 87-20049-03, **Affidavit of Lawrence S. Iorizzo in Support of Request For Extradition**, filed 9 October 1987, p. 3.

¹⁶ Ibid., p. 113. 'Panama did not take on its present role as a center for criminal cash until a team of U.S. AID funded economists suggested that an offshore banking center would help Panamanian development. The AID team in fact suggested to the Panamanians the legislative package that would put them in business and the package was rushed into law after Omar Torrios took effective control of the government in 1968. Panama added an important feature to the tools available to those seeking anonymity. It passed legislation creating 'bearer share' corporations. These corporations have no registered shareholders. They physical holder of the certificates owns the corporation. When this device is combined with the trust in The Bahamas, the curtain of secrecy is virtually impenetrable. Panama also offered criminals the chance to deposit unlimited amounts of cash because Panama uses the dollar as its currency." See Alan A. Block and Jack A. Blum, 'Money Laundering on Two Caribbean Islands: Sint

dealers craved. The latter were buying from other suppliers who would be replaced by the bootlegging operations of Iorizzo. That would evoke opposition and Iorizzo needed Michael's 'muscle and people to back us up'.

Operations started in December 1981. Within a few months, Iorizzo unhappily learned that dealing with any organized crime faction was disastrous, so he claims. Through a variety of artifices, Galion looted the Vantage treasury of \$3 million without reaching Iorizzo's pockets. He confronted Franzese about the funds and was told they were gone, had disappeared. Meanwhile Galion boomed, comprising within a few years hundreds of stations, storage terminals and fleets of tankers. He successfully undersold the legitimate competition and Tezca, Chevron and Shell welcomed their cheap suppliers-- after dark.¹⁷⁾ Iorizzo complained until the patience of his partners ran out and one of Franzese's gunman, Frank Castagnaro, threatened to kill him. There was nothing left for Iorizzo to do but file for bankruptcy which he did on 2 August 1982.

Apparently Iorizzo's victimization did not leave him empty handed: together with Franzese he spent their profits lavishly on yachts and planes. He thoroughly fleeced his New York enterprise according to bankruptcy court appointed trustee,¹⁸⁾ and then turned to Florida in 1983. He did it in style, moving to Boca Raton and into a \$600,000 waterfront home that featured a very expensive yacht. He also continued the same type of criminal activities that he had seemingly left behind in New York. By 1985, federal and state authorities in Florida were investigating millions in unpaid gasoline taxes which were siphoned through "at least eight

Maarten and Grand Cayman,' (paper presented at the international symposium, 'Illicit Drugs and Global Geopolitics,' December 1992, Paris, France), p. 18.

¹⁷ Vanity Fair, February, 1991

¹⁸ The trustee, Hudwalker Jr. had some savage comments about Iorizzo's actions. Among the most serious charges levelled in the bankruptcy court against Iorizzo was a last minute move to assign Vantage's petroleum distribution rights, worth millions of dollars, to Krell Petroleum. This was done on 9 July 1982, just before filing the bankruptcy papers. No compensation was given to Vantage and the royalty payments from Krell were assigned to Houston Holding, Inc., one of Iorizzo's Panamanian Corporations whose president, the Trustee thought, appeared to be Iorizzo's uncle. That was not so, however. The president was actually a Panamanian national who washed the windows in the office. Additionally, the trustee reported on other Vantage frauds some concerning Vantage retail dealers who individually paid \$60,000 to \$100,000 for what was called 'key money' to secure their leases. Paid in cash, this money never went into Vantage accounts. See United States Bankruptcy Court, Eastern District of New York, **In re: Vantage Petroleum Corp., Debtor**, Case No. 882-81963-20, pp. 19, 45

Florida corporations controlled by Iorizzo, his relatives, or by Long Islanders who had been associated with Iorizzo.¹⁹⁾

Meanwhile he was indicted by federal authorities in New York on 16 November 1983 for fiddling with his state tax returns from 1978 through 1981.²⁰⁾ Convicted on two counts, the first in April 1983, the second in June that same year, he fled the jurisdiction a day or so before sentencing. It was not a voluntary voyage: a Franzese gunman told him his son had been kidnapped and persuaded him 'to do the right thing'. Guarded by Ranieri (Franzese's watchdog) Iorizzo landed in Panama, where he owned about 100 other corporations besides Houston Holdings, and Galion,²¹⁾ and a large, expensive home. However, he was not allowed to stay there: two unidentified locals kidnapped him at gunpoint and put him on a plane for Miami. FBI agents arrested him when he stepped off the aircraft.²²⁾ A few days later, Iorizzo became a cooperating witness working with federal officials in New York and Florida, and state officials in New York. On 6 March 1985 he was finally sentenced to ten years on probation, ordered to repay \$1.7 million, and fined almost \$20,000.

At his Sentencing Hearing on 6 March 1985, U.S. District Judge Frank X. Altamari noted Iorizzo acted as 'the controlling figure in one of the largest gas distributors on Long Island' choosing to work with well known organized crime figures. That his scheme 'deprived the State of New York of up to \$200 million a year of sales and excise taxes' and the federal treasury of about \$70 million.²³⁾

He was placed in the Federal Witness Protection Program presumably for the length of time of his probation or however long he would be of value to prosecutors. Naturally, Iorizzo was subject to immediate imprisonment if he failed to fully cooperate in a truthful manner and if caught committing new crimes. Suffice it to say for the moment, Iorizzo's stay in the program was somewhat tumultuous and rather short.

3.2. The absence of law enforcement and corruption

The scale of the tax fraud in the mineral oil industry and the success of the Colombo Family in entering (by means of Franzese) the profitable criminal trading network cannot be understood without taking the role of the authorities and of the legitimate industry into consideration. According to Iorizzo, both furthered the spread of organized fraud. The role of the authorities was a very simple one: absenteeism. Iorizzo described an operation that reached New Jersey, Connecticut, and Florida. The profit culled from the non-payment of gas taxes was about \$8 million per week. Asked how this was done, Iorizzo responded that there was

¹⁹⁾ Robert E. Kessler, "Florida Tax Probe," Newsday, 4 February 1985, p. 6.

²⁰⁾ Daniel Hays and Don Singleton, "Fuel dealer indicted in \$2.5M case," New York Daily News, 17 November 1983.

²¹⁾ Kennon trial transcript, p. 113.

²²⁾ Vanity Fair, February, 1991

²³⁾ United States District Court, Eastern District of New York, United States of America -vs- Lawrence Iorizzo, CR 83 00495, U.S. Courthouse, Uniondale, Long Island, New York, 6 March 1985, p. 26.

simply no enforcement, no `policing of the tax returns . . . no Federal agencies checking your operations as to whether you did or didn't pay.' In 1982 New York changed the structure of its tax law intending to restrain tax frauds. The criminals hardly needed to have worried, though, for the new law was a failure. Three years later, it was reported that public officials agreed that the legislation actually made it a bit easier and far more lucrative to cheat on gas taxes, thus attracting more and more mobsters to the enterprise.²⁴⁾ In the opinion of the U.S. Attorney for the Eastern District of New York, the New York legislature had `opened a window of vulnerability big enough to drive Jones Beach through.²⁵⁾

These crime-enterprises had no difficulty in selling their cheap product, the major oil refiners acting as major `fences' as we have remarked before. Iorizzo commented that one major in order to `cover their tracks' complained to the authorities, while in the meantime, they continued to supply his organization with fuel. Could this behaviour have inspired Iorizzo to file complaints at the authorities in 1979 and later against Carey? Whatever the sincerity of these complaints, Iorizzo's own scams continued unabated. However, he was less successful in covering his own tracks than the major companies: his complaints against Carey led to a crackdown on his own company which raises the question of the role of law enforcement and the suspicion of high level corruption.

One aspect of some delicacy emerging from Iorizzo's testimony came from the potential corruption issues in which such an extraordinarily profitable illicit activity seemed to be implanted. There was obvious government laxness, shady political contributions, the involvement in, or at least knowledge of, serious crimes by major oil refiners, the seemingly carefree blending of toxic wastes, and allegations about Governor Carey's brother.

Governor Hugh Carey's brother Martin enjoyed a form of law enforcement immunity despite the evidence of fraud, tax evasion, and other crimes during the 1970s and early 1980s. *Newsday*, ran a series entitled `The Gasoline Bootleggers' in August 1981 which exposed Carey's illicit activities. A summary of Carey's cheating revealed the following:

- Carey, assisted by his top lieutenants, . . . used three sets of books to avoid paying a large percentage of the state sales tax on gasoline sold by his stations.
- Efforts during *Newsday*'s investigation to obtain tax records for 1977 and 1978 by an official responsible for filing them were blocked by a state tax investigator posing as an accounts representative!
- Employees at the company-operated stations were regularly paid off the books out of the cash register with no federal or state income taxes, Social Security, work man's compensation or disability payments being taken out or paid to the proper federal or state agency.

We have already described Carey's `cocktailing' using toxic waste from his plants and *Newsday*'s coverage of this crime. Additionally Carey was protected by being given immunity. We have also noted that Martin Carey contributed lavishly to the re-election of his brother. It is quite impossible not to at least suspect that Iorizzo's corruption charge was on the mark.²⁶⁾

²⁴ Robert E. Kessler, `Florida Tax Probe', *Newsday*, 4 February 1985, p. 23.

²⁵ Ibid

²⁶ European scholars are always a bit bewildered about U.S. invitations to join the war on crime when confronted with some example of egregious corruption. For the `war on drugs' see also Levine (1990) and Van Duyne (1993b).

4. AN EXPANDING PROBLEM

Crime markets are in many ways similar to legitimate markets. As soon as it becomes known that large profits are to be made greed y business `buc cancers' of all kinds and nationalities move into the market. After all, if the legitimate capitalist market is free and open, so is the crime market. As in old times (commercial) buccaneers are highly mobile and not tied up in a particular nationality. As described in Van Duynes (1993b) increased global mobility is not restricted to the law abiding migrants: the mobility of crime-entrepreneurs is just as conditioned by expectancy of profit and wealth as is the case of the unemployed and `have-not' migrants. This implies that the fraud pattern will expand for the simple reason that the `criminal participation' is expanding, given the continued inadequate law enforcement. By 1990 in the U.S. there was a generalized `hue and cry'. James W. Wetzler Commissioner of The New York State Department of Taxation and Finance noted that year that the complexity and scope of the gas tax schemes must alarm both law enforcement and the petroleum industry across the nation. He described an enormous range of crimes from `rolling back meters and bootlegging fuel under false documentation, to the mislabeling and contamination of fuel products, to the defrauding of shareholders through the skimming of receipts, to international smuggling, falsification of business records, filing false tax returns and vastly underreporting sales and income.'²⁷⁾ This implies a really thriving `fraud market' with criminal opportunities for many entrepreneurs of old and new criminal descent.

The criminal trading networks in their composition are not restricted to a particular nationality: oil trade is by its very nature international and so are the networks of organized fraudsters. However, every market has its commercial and social boundaries. Large scale organized fraudsters are likely to learn about each others exploits; sooner or later they share mutual technical interests which may lead to a stronger mutual cohesion. The outcome may be a `criminal trading community'. Given its unlawfulness this is not to be considered a cosy `social club of mutual assistance': disputes and tensions, similar to the ones described about the Iorizzo-Carey-organization, may contribute to a similar muscling in by organized crime families `scamming the scammers'. In this paragraph we will first have a look at some of the new-comers who succeeded in their aim to make big (criminal) money in the oil fraud schemes. The reader will not be surprised that we will soon meet our leading actors in a commercial drama with apparently no end.

At first the pattern of ethnic involvement looks a little patchy: in the Michigan case referred to in the introduction of § 3. the fraudsters charged in Detroit in 1983 were primarily of Lebanese origin.²⁸⁾ A year

²⁷⁾ New York State Department of Taxation and Finance, "Statement by Commissioner James W. Wetzler," 8 January 1990.

²⁸⁾ United States District Court, Eastern District of Michigan, Southern Division, **United States of America vs. Quentin Stringer: Information**, Case No. 84 20027, 13 January 1984.

later, two Turkish-American brothers pled guilty to basically the same charge in New York.²⁹⁾ The new ethnic involvement was considerably broadened and intertwined with 'indigenous' American organized crime with the entry of Russian racketeers.

The initial entry of Russian racketeers occurred in the New York metropolitan area although their presence was quickly felt in Southern California as well. The first important case exemplifying this new ethnic cast occurred in 1985 and involved a potpourri of both old and new gangsters, and at least 33 corporations and companies.³⁰⁾ Involved in this jumbo conspiracy were such criminal notables as *Sheldon Levine*³¹⁾, *Michael Markowitz* affiliated with what has been coined 'the Russian Mafia', comprising several traditional organized crime figures and Russian mobsters and lastly a former New York City police officer, Anthony Zummo, who had been dismissed from the force in 1973 for accepting bribes from bookmakers.³²⁾ The criminal enterprise appeared too large not to run into the veterans of professional oil fraud schemes: Iorizzo acting within the framework of the Colombo family.

The scheme, which ran for about five years, was carried out by approximately twenty New York Metropolitan area gasoline distributors. It operated in at least nine states, and cost the federal treasury around \$1 billion a year. According to an affidavit Iorizzo had been one of the original conspirators. He had several meetings with Levine and other bootleggers in 1982 to work out 'new methods to 'launder' stolen gas monies,' Murphy reported. Eventually, an agreement was worked out establishing a fixed price for gasoline that was to be distributed by a 'co-op' or cartel of bootleggers.' Additionally, a fee was to be 'assessed on a per gallon basis on each member/bootlegger company to launder the stolen tax monies through the use of false and/or fraudulent invoices.' To ensure compliance, Michael Franzese would provide the necessary force.³³⁾ As in so many illegal cartels, cheating started almost immediately and

²⁹ '2 brothers admit sales tax evasion,' Associated Press dispatch, 15 February 1984.

³⁰ New York County Court, Suffolk County, **In the Matter of the Application of Detective Investigator Peter M. Calabrese for Warrants--Affidavit**, 11 February 1986.

³¹ who was heard on a court-ordered wiretap uttering the immortal words--'what we're doing here is not legal.'

³² Ibid., pp. 11-12. Investigators in this case also commented upon the failure of New York State's 1982 motor fuel tax, mentioned earlier. On this issue, Detective Peter Calabrese stated that because of the hidden deals between the criminals, and the employment of 'Connecticut, Pennsylvania and New Jersey companies with tax exempt status as conduits for gasoline actually distributed in New York,' the creation of fraudulent records is a necessity for successful bootleggers. Moreover, once the tax exempt companies are in place, they generate fake sales invoices. Added to this are the usually successful efforts by the criminals 'to induce third party transporters and terminal operators to maintain similar false or incomplete records.' All that is left is the filing of false tax returns. New York attempted to fix the 1982 law three years later, but the changes only resulted in a greater, perhaps somewhat more creative, effort to generate false documents. Ibid., p. 21.

³³ County Court of the State of New York, County of Suffolk, **In the Matter of The Secretion of videotape recording devices . . . within office suite 229 occupied by Prospect Petroleum, Inc., No Brand Petroleum, Inc., and Snug Harbor Fuel Corp. . . . : Affidavit in Support of Application for an Eavesdropping Warrant and a Search Warrant--Statement of Paul Murphy, Senior Excise Tax Investigator with the New York State**

violence followed, according to the senior tax investigator.³⁴⁾ The denomination 'cartel' may be a bit too elevated: the prosecutors viewed it as 'an uneasy alliance between traditional elements of the Cosa Nostra and newer, Soviet-emigre organized-crime groups that were vying for control of sales of 'no-brand' gasoline from Brooklyn to Suffolk.' It was indeed uneasy.³⁵⁾

The end of one line for Levine and eight others came in 1987 when they pled guilty to participating in what the enthusiastic prosecutors held then was the largest gasoline-bootlegging ring in the nation's history: \$ 55 million evaded in federal, state and local taxes.³⁶⁾

Department of Taxation and Finance, 1 August 1985, p. 4.

³⁴ In this case, Iorizzo found out that Levine was under-selling the fixed price and Michael was prepared to dispatch two thugs to shoot up Levine's office. Before that happened, however, Levine hurriedly agreed to stop his cheating. Murphy, 'Affidavit,' pp. 14-15. Not unexpectedly, that did not last. As soon as Levine felt secure, particularly when he retained other organized crime figures on his side, the troubles returned. A mob sit-down in Florida took place to reconcile the dispute in pricing, and another cease-fire was worked out. Ibid., p. 16. But the temptation to sell low proved irresistible and around Christmas 1983, Levine and a fellow bootlegger, George Kryssing, were both severely beaten. Interestingly enough, Levine provided a somewhat more complex explanation for the assault, one in which the price war was not mentioned. Racketeer John Musacchia was Levine's organized crime confederate in this venture. Soon, Musacchia claimed Levine owed him almost \$850,000. One thing led to another, and Musacchia, accompanied by his partner, gangster Joseph A. Gambino, assaulted Levine. Ibid., p. 21. In interviews with law enforcement officials, Levine stated that Musacchia may actually have been cheating his organized crime associates including Gambino, and for his own protection accused Levine of withholding funds. Ibid., p. 22.

³⁵ Ibid. One of the state's cooperating witnesses in the Levine case was Michael Markowitz who was born in Rumania and arrived in the U.S. via Israel in 1979. Markowitz was closely affiliated with the emerging Russian mob. Less than two years after he testified, Markowitz was gunned down while in his Rolls Royce on a Brooklyn street proving it was dangerous to testify against racketeers and/or drive around in a white Rolls convertible in Brooklyn. Thomas Raffery and Jerry Capecci, 'Turncoat is Slain,' *New York Daily News*, 3 May 1989; and Selwyn Raab, "Mob-Linked Businessman Killed in Brooklyn," *New York Times*, 3 May 1989.

³⁶ Joshua Quittner, "9 Plead Guilty in Gas-Tax Scam," *Newsday*, 12 May 1987, pp. 7, 27.

Whatever the nature of the alliance between settled organized crime families and the new mob, the presence of a Russian or Soviet or (often now called Odessa) 'Mafia' in the 'bootleg' end of the gas industry has become stronger over time.³⁷ Indictments handed down in Los Angeles in 1990 and 1991 conclusively demonstrate that gas tax scammers from what was the Soviet Union (though not all are ethnic Russians) have banded together in one scheme after another.³⁸ Federal officials in Pennsylvania, New Jersey and New York have recently culminated long undercover investigations against organized fuel fraudsters selling untaxed heating oil as diesel fuel. Federal officers raided truck service stations and padlocked diesel pumps in October and November 1992.³⁹ Though this investigation ultimately focused on a 'Russian' crime syndicate resident in the New York City Borough of Queens, the multiethnic participation proved more extensive: all the truck stops involved were operated by *Sikhs*, members of a Moslem sect with origins in North-western India. The latest New Jersey case, reported in late May 1993, involves thirteen defendants including members of three New York area traditional organized crime syndicates and members and associates of the Russian mob, several having been tried and convicted in the past, charged with racketeering, extortion, mail and wire fraud, money laundering, and tax evasion.⁴⁰ Lastly, in New York eighteen individuals were charged with defrauding the federal government of \$ 34 million in gas excise taxes. Those charged include U.S. organized crime figures from the Colombo crime syndicate, and 'Russian and Israeli immigrants'.⁴¹

5. TRANSATLANTIC BUSINESS CRIME NETWORKS

³⁷ See also Raufer (1993) who briefly describes the development of the 'Little Odessa' in New York and the negligence by the law enforcement authorities.

³⁸ See United States District Court for the Central District of California, February 1990 Grand Jury, **United States of America v. Oleg Yasko, Boris Lomazov, Lieb Yarmolkin, Feliks Rosen, Jeffrey Torgan, Roman Raskin, Indictment--Conspiracy; Tax Evasion; Aiding and Abetting**; and United States District Court for the Central District of California, **United States of America v. Abram Egyazarov, Eugene Slusker, Mark Sertich, Samuel Lehtzer: Criminal Complaint**, 15 October 1991.

³⁹ Mike Bucsko, "IRS raids Coraopolis firm in fuel-switch probe," Pittsburgh Post-Gazette, March 29, 1993, A-1.

⁴⁰ United States District Court, For the District of New Jersey, **United States of America -vs- Anthony Morelli, Joseph Maritato, Edward Dougherty, John Sorrentino, Anthony Zummo, Gregory Federico, Victor Zilber, Mela Rubinov, Arkady Seifer, Igor Roizman, Jacob Dobrer, Vyacheslav Dobrer, George Doddy, Indictment** (undated).

⁴¹ '18 Indicted in Fraud Scheme After an Undercover Inquiry,' *The New York Times*, May 28, 1993, B6.

As we have seen the oil crime-market in the U.S. has been 'enriched' by newcomers of various national origins who were quickly engaged in various alliances with the 'veterans' and traditional crime-families. To the latter this may not have come as a surprise. As a matter of fact they had already numerous contacts with Europeans for the management of their ill gotten profits. It is by now established that Iorizzo had extensive interests in Austria stretching back to the early 1980s. Sometime around late 1982 or early 1983, he secured a safe deposit box in a bank in Vienna. Within a short period of time he began to wire substantial sums to that bank where he had now several accounts as well as dozens of safe deposit boxes. Some of the boxes, if not the accounts, were in the names of his co-conspirators such as *Peter Ranieri*. In fact, during Iorizzo's three month excursion to Panama where he fled to escape sentencing, he continued doing the paper work on various fuel tax-evasion schemes in New York and Florida, and monthly travelled by private jet (owned by Houston Holdings) to Vienna. There appear to have been two primary reasons for the Vienna sojourns: the first was money laundering; the second was to buy, along with Michael Franzese, an Austrian firm for gas tax scamming in Europe.⁴²⁾ An office for such a purpose was consequently established. Iorizzo also had a home in Vienna and many of his second wife's relatives kept him company. It would not be an exaggeration to speak of a European Colombo service side-line.

Iorizzo later testified that he deposited around \$ 13 million in the bank which was recovered by the U.S. He also introduced several other gas tax scammers to it. George Kryssing from Pilot Petroleum, for example, deposited one million dollars in cash in two trips to Vienna in the summer of 1983. Austria was not the only European country used to hide money in these early days. Two individuals, Marty Meyer and Ron Weiner, from tax scamming firms, Conlo, Dart, and Apache, personally deposited millions in Liechtenstein.⁴³⁾

At the end of the 1980's the Colombo service side-line would be expanded with an active trading branch in the Low Countries: Belgium, The Netherlands and Luxembourg (BENELUX). The expansion was facilitated by the existing criminal trading community in the BENELUX-countries.

The prevalent tax system in the European Community, *Value Added Tax and excise* have proved to be a very attractive regulation to criminals as well as to fraudulent 'legitimate' entrepreneurs who do not differ much from their colleagues in the U.S. The branches which in the last ten years have proven to be very permeable for crime-entrepreneurs were the *consumer electronics* market and the *mineral oil* market. For fraudsters the system of indirect taxes in the BENELUX with its open borders is particularly enticing: you pay VAT in the country of consumption which means that an exporting firm can reclaim the VAT he has paid before to another firm. If one creates a chain of front firms in which some reclaim --legitimately-- the VAT while the others do not pay the tax due (and thus have to go bankrupt) one can sell at a very handsome price by pocketing the VAT. The profits are higher (and detection risks lower) when one creates cross-border chains exporting (= reclaiming taxes) importing (not paying taxes), exporting again the same goods (cashing taxes anew) etc. one has the well known fraudulent carousel-trade. One cannot 'carousel' by oneself: one

⁴² USA -against- **Ruggiero, Aspromonti**, op. cit., p. 253.

⁴³ U.S. -v- Kennon, op. cit., p. 126. United States District Court, Eastern District of New York, **United States of America, v. Joseph Aracri, John Papandon, and Anthoy Zummo**, CR 90-0363, "Transcript of Trial," 5 December 1990, p. 227; and USA v. Kennon, op. cit., pp. 136-141.

needs a trading network. These soon developed in the BENELUX. Because of the low degree of law enforcement and duration of the operation these network grew into 'trading crime-communities' as could be noticed in the U.S. (Van Duyne, 1993c). The most extensive and stable trading crime-community could be found in the oil market.

As is the case with the Iorizzo-Colombo story, the development of the crime-market in the BENELUX is a mixture of fraud inducing structures and the entrepreneurial skills of the main actor: *Clemens Blackoyster*. He can be described as a talented fraudster. According to some 'sources' he started as a labour racketeer (for which he was not prosecuted). His next job as managing director of a waste plant resulted in the beginning eighties in one of the largest toxic waste scandals in the Netherlands and Belgium. After having served a prison term he discovered the profitable mineral oil market and started another criminal trading career using the same techniques as described above, in addition to cocktailing with toxic waste and buying on paper low taxed heating fuel which was on the black market sold as diesel.

More interesting than these generally used techniques is the social-economic structure which developed giving rise to an elaborate fraud community: under the undisputed authority of Blackoyster Belgians, Dutchmen, hardened criminals as well as captains of oil tankers were engaged and their long term cooperation guaranteed the internal continuity of the enterprise. Of equal importance was the dubious role of the upper world economy whose 'captains of industry' either turned a blind eye or were *at least* co-organizers of the various fraud schemes. 'Higher interests' appeared to be well protected against investigative reporters who were warned that their unhealthy curiosity was not appreciated. Witnesses were pressed into silence. The organization extended into West Germany and North France.

The success of the Blackoyster organization did not go unnoticed to the Colombo family entrepreneur Iorizzo. He may have got the news from his relatives in Brussels or may have known about it all along but, being in the witness protection programme, may have thought it more prudent not to enter another large scale fraud scheme. Anyhow, being technically out of the witness protection programme he joined the European fraud scheme, as usual accompanied by his watch dog Ranieri. Again Iorizzo, now under a 'witness protection name', made his entry in style: his wife, sons and two broad shouldered scarfaced bodyguards in a private plane. A suitable scene for a cheap B-movie gangster film. According to his own statement he and Ranieri worked for the FBI and the Inland Revenue Service.

As usual his aims were not cheap: he made it clear he had no intentions to play for small change. He kept his word. With the help of Italian lawyers front firms were established in Belgium, Northern France, and finally in Northern Germany, following the known pattern of the Blackoyster. After these preparations the VAT/excise-carousel started with a conservatively estimated yield of more than Dfl. 65,000,000 in almost a year. The losses to the Belgian, German and France Inland Revenue Service are not included but should be more, as some of the schemes were restricted to Belgium, Germany and France. Selling only for cash a money-laundering scheme had to be worked out. They contacted a Swiss Trustees office (Treuhand), who apparently felt morally satisfied by a written statement declaring that the money deposited for investment was no drug money.⁴⁴⁾ In a very classical way the money was often brought in sport bags to a hotel in Basel

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This hypocrisy did not differ much from what has been the target of Zieglers sarcastic attack on the moral attitude of the Swiss banking community in his book *La Suisse lave*

where it was picked up without counting or giving receipts. Sometimes they were not even opened. A small part of the laundered money was invested in real estate in Northern France and Southern Belgium. The rest of the money (95%) disappeared probably through a labyrinth of accounts in Liechtenstein. Iorizzo delegated much of the executive work to his sons and other relatives and returned to the U.S.

The 'American-BENELUX' fraud scheme was stopped in 1991 in Belgium. Iorizzo's son was arrested and released after 30 days. He was sent back to the U.S. after the U.S. Embassy in Brussels showed some concern. It has been suggested that U.S. officials rather airily floated the claim that Iorizzo was working for the FBI or some similar organization and then refused to provide any further significant information. Not surprisingly the FBI stonewalled any request for further information as has been communicated to one of the authors (also to other U.S. law enforcement agencies).⁴⁵⁾

If there is mystery around Iorizzo so there is around Blackoyster. How was it possible that Iorizzo was in a condition to muscle in an ongoing organization that operated most successfully? Judged according to its turnover and its profits, Blackoyster had no need for outsiders unless they could provide him with cheaper product than the majors did. The answer to this question is that Iorizzo was in a better position to bargain on an equal level with the majors. The Belgian oil baron only wanted to enter the deal with the so-called 'black deliveries' after he had spoken personally with Iorizzo senior. His son was not taken seriously for working out the scam. The oil baron received 50% to 30% of the evaded taxes which depended on the participation of a third fraudster, exporting to France. Blackoyster was more or less manoeuvred to the (profitable) sideshow of the fraudulent Dutch-Belgian oil trade. This may imply that he was no longer the leading actor on the scene but instead became a high ranking executive just as Iorizzo may be in the oil branch of the Colombo Family. If that is the case he (and Iorizzo) is just the conductor who performs the score written and handed to him by the real composers of the fraud symphony! According to that theory he got in this period the score of the major fraudsters or even Colombo to play. Such an orchestration would imply more than a trading crime-community with a few profitable outlets in the upperworld economy: a careful tuning of the operations of the trading communities and the legitimate suppliers and buyers.

6. DISCUSSION

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The arrested son of the crime entrepreneur was after 30 days hurried back to the US where the apparently embarrassed federal officers stonewalled every request for information. This silence (also to the State of New York law enforcement agencies) and personal communications to professor Block about the way the case has been handled raises serious doubts about the procedural and political 'purity' of this example of 'war against crime'. All crime figures involved are still at large in the U.S., apparently not bothered by U.S.'s law enforcement vigilance.

What can be deduced from this case history of organized business crime? The first lesson is to watch weak markets which suffer from the blessings of free competition. A more important lesson is to watch the public morale and law enforcement in such a market. Organized crime does not penetrate the strong healthy wood but enters through the existing spots of decay (van Duyne, 1993d). To put it less poetically: widespread abuse precedes the development of criminal trading networks which consolidate into trading crime-communities. The leading actors in such a trading crime-community do not form a 'mafia' or a hierarchy. They are the pivots in a system of 'personnel availabilities'. Such a lucrative trading crime-community may be left alone for some time or go down in a turmoil mutual rivalry and law enforcement activities which are sparked by discontented informers. However, this case history reveals the risks of an attractive crime-market acting as a magnet to numerous 'buccaneers' trying their luck and thereby expanding the problem. Another risk is the take-over by the strong hand of settled crime families. In both cases the crime-market is likely to expand, not only in intensity but also geographically. This is the normal outcome of the crime-trade following the routes of the legitimate trade which is eased because of the similar fraud patterns elsewhere, as well as by the multinational participation of crime-entrepreneurs. This makes the conception of organized crime as being a national problem in many cases a provincial anachronism.

This case history finally shows that a weak and permeable market and deficient law enforcement which contributes to the gradual penetration of organized crime cannot be considered isolated from a surrounded decay in public morality. 'Captains of ('legitimate') industry' eager to buy or sell turning a 'Nelsonian eye' to the backgrounds of their trading partners with their 'interesting' offers; the public officials with dubious interests needing money, votes or both; high level undesirable contacts greased by the show of 'big money' which may be motivated to find a shelter against law enforcement. When one compares the case history presented here with other cases, such as the exploits of the duo Parretti and Fiorini (d'Aubert, 1993) or recently the 'Nadir-affair' of the Conservative party in the UK, one may well come to the conclusion that much attention is devoted to the recognisable symptoms of traditional organized crime while the landscape in which organized business crime is allowed to flourish remains underexposed.

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