

# Chapter 2

## National Mafia-Type Organisations: Local Threat, Global Reach

David Anzola, Martin Neumann, Michael Möhring, and Klaus G. Troitzsch

### 2.1 Introduction

A first challenge in characterising and quantifying the nature and dimension of the extortion rackets phenomenon worldwide is that extortion is an umbrella concept grouping a large array of criminal practices. Extortion is often associated with long-standing and well-organised criminal organisations, such as the Italian mafia and the Japanese Yakuza, given the amount of data and research about these criminal groups and their popularity in contemporary popular culture. Yet, a review of the different extortion practices around the world quickly makes readily available the significant diversity and complexity of the social contexts in which extortion occurs. This chapter provides a brief review of typical dynamics of extortion in different countries around the world. The main goal is, first, to summarily show the persistence and diversity of extortion rackets worldwide and, second, and most important, to contextualise the two cases analysed in the following chapters, by providing some points of contrast regarding the social conditions of the phenomenon of extortion, as well as their academic accessibility.

---

D. Anzola (✉)

Department of Sociology, Centre for Research in Social Simulation,  
University of Surrey, Guildford, Surrey GU2 7XH, UK  
e-mail: [d.anzola@surrey.ac.uk](mailto:d.anzola@surrey.ac.uk)

M. Neumann

Department of Computer Science, Institute for Information Systems Research, University of  
Koblenz-Landau, Universitätsstr 1, Koblenz 56070, Germany

M. Möhring

University of Koblenz-Landau, Koblenz, Germany

K.G. Troitzsch

Computer Science Department, Universität Koblenz-Landau, Universitätsstraße 1, Koblenz,  
Rheinland-Pfalz 56070, Germany  
e-mail: [kgt@uni-koblenz.de](mailto:kgt@uni-koblenz.de)

Four main cases are analysed through the text. The first one is the Japanese Yakuza, a very popular and thoroughly studied criminal organisation. Extortion is extremely common in Japan. The Japanese context is distinctive, for there is strong social and political legitimisation of several extortive practices: first, because of the long-standing bonds between criminal organisations and the state and right-wing elites and, second, because of the perceived relative advantage civilians have in consuming some of the services or goods provided by criminal groups in the form of extortion.

The second case is the Russian mafia. Along with the Sicilian mafia and Japanese Yakuza, the Russian mafia is probably one of the most well-known criminal organisations in popular culture. They all have a similar context of origin, i.e. important social and political transitions, and have achieved similar level of penetration of social, economic and political life. Yet, contrary to its Japanese and Italian counterparts, extortion practices of the Russian mafia are not well documented. Information is scarce and unreliable. This is partly because of operational and methodological difficulties in the collection of data, but also because extortion is often subordinate of other more important types of crimes committed by these criminal groups.

The third case is Latin America. This region provides an interesting mixture of criminal organisations engaging in different forms of extortion. None of these groups, however, fits entirely into the mold of a mafia-type organisation (MTO). In spite of lacking the level of institutional penetration of more well-known mafia groups, some types of extortion thrive in the region because of widespread conditions of violence, exclusion and deprivation and the weak reliance on geographic factors, such as exclusive control of the territory, of some common extortive practices in the region.

Finally, the last case discussed is Germany. Unlike some of the other countries described, most extortion in Germany is performed by criminal organisations that did not originate in the country, such as the Sicilian or Russian mafia, or motorcycle gangs, which are often chapters of large motorcycle gangs with worldwide presence. Extortion in Germany is not strongly linked to a historically advantageous institutional framework for criminal groups or impoverished social conditions. It does not seem to constitute a serious threat to citizen security, either. Still, the case is interesting because it shows the international reach of some criminal organisations and the challenge for governments and research organisations, in terms of developing adequate tools to measure the impact of the transnationalisation of extortion practices.

Before diving into the analysis, it is important to set a couple of distinctions. Extortion is often classified in terms of its extension in time and the nature of the victim-perpetrator relationship (TRANSCRIME, 2008). Regarding the temporal extension, there is a differentiation between casual and systemic extortion. The former is an one-off episode, whereas the latter involves a relationship that extends over time. This difference is important in the present context, for most extortion carried out by large criminal organisations is somewhat systemic, given the institutional penetration and amount of resources these organisations have at their disposal. Regarding the victim-perpetrator link, the relationship, following a biological analogy, can be classified as predatory, parasitic and symbiotic. The first one

implies a casual exploitation of the victim; the second, a systemic relationship of exploitation; and the third, a systemic relationship in which both parties receive some benefit from the interaction. Most criminal organisations tend to combine more than one type of extortion of this second category. The type chosen usually gives important clues about the level of institutional penetration achieved by the criminal organisation, the amount of resources invested by the victim and perpetrator and the level of social or legal legitimisation of the interaction.

## 2.2 Yakuza

The Japanese Yakuza is one of the oldest ERSs with worldwide reach. “Yakuza” is an umbrella concept, grouping several criminal syndicates, originated in Japan since the early twentieth century. These criminal organisations are well entrenched in social institutions, developing several mechanisms of control of social life, including extortion. These control mechanisms are strengthened and validated by historically resilient links with the Japanese Government and the right-wing elite. Kaplan and Dubro (2003) quote a Japanese social critic as saying: “Extortion is to Japan as snow is to the Eskimos. There are a hundred variations” (p. 158). These variations can be generally grouped in casual and systemic, although it could be argued that most extortion methods in Japan is, in fact, somewhat systemic.

### 2.2.1 Systemic Extortion

Protection rackets are probably the most common mode of systemic extortion. Many of these rackets occur in illegal industries, tolerated both by the authorities and the Japanese society, because of their relative innocuous character. Japan, for example, has the largest sex market for women in Asia, producing annual profits between ¥4 and ¥10 trillion, which represents between 2 and 3 % of the country’s GNP (Dean, 2008). As of 2006, there were 1200 brothels and 17,500 sex-related businesses, such as massage parlours and strip clubs (Hongo, 2008); all this in spite of the fact that prostitution is illegal in Japan. The Yakuza have taken advantage of the absence or ambiguity of the legal framework and developed several extortion rackets focused on preventing the disruption of business and providing quick conflict resolution. These services are also widely sought for by legal establishments, such as clubs, bars and restaurants. A 1995 police survey of entertainment businesses in Tokyo revealed that almost one-third of the 60,000 establishments surveyed were paying protection money (Kaplan & Dubro, 2003).

Extortion rackets are also common in labour-intensive industries, such as construction. By the late 1990s, up to 50 % of public construction projects in Japan paid extortion money to the Yakuza, ranging between 2 and 5 % of the total construction cost (Hill, 2006). While the anti-mafia measures of the last couple of decades have

cracked down hard on Yakuza-linked construction companies, these criminal organisations still profit from this business, thanks to the use of extortion rackets. Yakuza extortion rackets in the construction business cover two basic aspects. The first one is labour. The sector depends on large flows of unqualified workers. Informal labour brokering takes a staggering 70–80% of the labour exchange market in Japan (Hill, 2006). Yakuza influences these flows through labour brokerage. Rackets are also used to control the everyday operation of construction. The labour-intensive construction sector is very susceptible to delay and sabotage. Along with the provision of sufficient and well-behaved workforce, Yakuza offers protection for things such as theft or damage of machinery and construction materials.

Extortion rackets in corporate Japan are not limited to labour-intensive industries. For years, the companies listed on the stock market have been targeted by a distinctive type of financial racketeering known as *sōkaiya*. This form of financial racketeering was developed by criminals outside the Yakuza. Yet, these criminal syndicates quickly took notice of the profit generated by this extortion method and started taking over the *sōkaiya* business during the 1970s. By the early 1980s, there were around 6800 men working on this type of extortion, distributed in over 500 separate groups and extorting as much as \$400 million a year (Kaplan & Dubro, 2003).

The principle behind *sōkaiya* is relatively simple. Criminals would buy shares of the targeted company in the stock market, which grants them permission to attend the annual shareholder meeting. Once there, they extort the company with threats as simple as disrupting the meeting. Most *sōkaiya* have more sophisticated threats, however. It is common for criminals to show up at the meeting and present the directors with scandalous or embarrassing information about them or the company, e.g. irregular payoffs or bookkeeping, safety issues and mistresses. A 1999 survey showed that Japanese companies were paying these regular extorters an average of \$2000 a year, and double that amount for a selected few “expert” *sōkaiya* (Kaplan & Dubro, 2003).

The practice of *sōkaiya* changed when organisations started hiring their own *sōkaiya*, either to protect them against other *sōkaiya* or as private security forces. A large retail company, for example, paid a Yakuza-linked *sōkaiya* ¥160 million to keep shareholder meetings in order between 1994 and 1995 (Hill, 2006). This change in extortion practices has eventually led to the distinction between in-house, *yotō-sōkaiya*, and outsider, *yatō-sōkaiya*. The former provides a protection service that is symbiotic; the second attempts predatory or parasitic extortion. Yakuza syndicates are often at both sides of the practice.

### 2.2.2 *Casual Extortion*

The Yakuza also engages in different kinds of extortion beyond the traditional protection rackets. Casual one-off types of extortion target both individuals and companies, and extort money or specific goods provided by the corporations. In some cases, casual extortion is partly associated with extortion rackets.

Criminal organisations in Japan are powerful enough to extort the largest and more important companies. Along systemic modes such as *sōkaiya*, there is quite a diverse variety of casual types of corporate-based extortion. A 1991 police survey of 3000 large firms in Japan found that around 41 % had been extorted by the Yakuza (Rankin, 2012). These companies are extorted into giving positions, money or different kind of goods or services to the criminals. In some cases, these extortions are done in order to further increase the criminals' reach in legal businesses. During the early 1990s, for example, the DKB bank was extorted into lending ¥26 billion to a well-known *sōkaiya*. This money was then used by the criminal to buy shares of a company he later extorted (Hill, 2006).

Some of these modes of casual extortion have moved from the parasitic to the predatory. The Yakuza, for example, has historically intervened in processes of bankruptcy management. Criminals were often hired by both the company management and the creditors. The former would hire them to provide protection, and the latter, for debt collection. This privileged position would allow the Yakuza to manipulate the whole process. In occasions, this ability to manipulate the entire negotiation process would lead creditors to sell their debt to the Yakuza, sometimes for as little as 5 % of face value (Hill, 2006).

These extortion schemes were eventually taken further. Extorters identify companies in the break of bankruptcy, for which they provide short-term financial support. From there, they force the manager to give them enough access and power in order to advance their position as creditors. Once the company finally goes bankrupt, and sometimes even before that, the Yakuza takes over its assets. It is difficult to estimate the extent of this kind of extortion, but it should be significant, taking into account that, through the 1980s, an average of 18,000 companies, with debts over ¥3.6 trillion were declared bankrupt annually (Hill, 2006).

Beyond the corporate world, the most important mode of casual extortion is associated with the provision of conflict resolution. The prevalence of this mode of extortion is not so much linked to Yakuza's power, as it is to the inefficiency and limitations of Japanese bureaucracy and legal system. Civilians prefer the intervention of the Yakuza, in order to avoid a system that is both slow and expensive. Debt collection, for example, can only be performed by lawyers. When done legally, the process is often extremely slow, so lenders prefer to pay a hefty fee to the Yakuza, so as to speed up the process. Criminals usually keep 50 % of the debt, plus expenses, which, in some cases, could leave the lender with as little as 20–30 % of the original debt (Hill, 2006). A similar situation occurs with individuals looking forward to resolving traffic disputes, businessmen looking to get official permits processed and ordinary citizens seeking to get a hold of official authorities. They are all forced to rely on criminal organisations to get things done quickly.

The Yakuza have also developed a particular scheme of casual extortion known as *pretext extortion or racketeering*. The criminal basically claims compensation for a good or service for which a relatively trivial fault is found (Hill, 2014), for example, a bug in the food, a purchased item of substandard quality or a service or good that is different than advertised. Pretext racketeering is sometimes carried out by creating

fake social and political movements or by infiltrating existing ones, which makes the extortion escalate both in terms of complexity and profit. A 1986 survey of 5030 companies in 17 different industries found that around 26 % of them had been extorted by social groups protesting on discrimination-based claims (Hill, 2006).

The Yakuza is naturally present in traditional areas of predatory extortion, such as loan-sharking. This activity is particularly profitable in Japan, since the formal financial system is not entirely integrated and financial services are extremely fragmented. As much as 10 % of the Japanese population resorts on moneylenders, which lend money under huge interest rates (The Economist, 2008). By 1983, it was 73 % a year. This value has constantly been reduced to a low of 20 % in 2006. The Yakuza have been increasingly pushed out of the legal moneylending business, but they still operate a parallel illegal system in which money is lent, for example, adding 10 % of the debt every 10 days (Kaplan & Dubro, 2003).

The landscape of casual extortion carried out by the Yakuza varies with contextual conditions. Due to the real estate bubble of the 1980s, for example, the Yakuza entered into the business of land-sharking. The goal of this type of extortion was to force land-owners or lease holders to sell or give up their lease, respectively, so as to allow larger real estate developments on that land. This extortion was usually paid by big developers, which were usually charged 3 % of the land value by the criminals (Hill, 2006). This was an extremely popular practice during the 1980s. By 1990, the Osaka police had documented up to 1600 land-sharking denunciations (Kaplan & Dubro, 2003). It, however, lost its attractiveness after the real estate bubble burst, which significantly decreased land prices for more than 20 years. By 2008, property prices in Japan were only about 40 % of their values before the start of the crisis (McCurry, 2008).

The widespread character of extortion rackets in Japan is the consequence of both the inefficiency and complacency of local authorities. Regarding the latter, historically, there has been a strong link between the Yakuza, the Japanese Government and right-wing elites. This connection has allowed the Yakuza, first, to take over important economic sectors, such as construction, and, second, to gain important leverage when it comes to issuing policy aiming at crackdown on organised crime. The inefficiency of the Japanese Government has, on the other side, allowed the Yakuza to position themselves as crucial brokers of social life. The Yakuza has traditionally focused on the provision of social and public services and goods. While the provision of these goods and services is usually underlain by an unfair advantage for the criminals, many victims actively seek for the Yakuza services, since they are in different ways perceived to be better than official channels.

### 2.3 Russia

“Russian mafia” is a generic way to refer to a vast array of criminal organisations that emerged within the territories of the former Soviet Union. These organisations developed criminal enterprises strongly linked to the communist system and gained significant power during the transition to capitalism. Like the *Yakuza* and *Cosa Nostra*,

there are conflicting foundational myths regarding the origin of these criminal groups. Sometimes their origin is traced back to criminal organisations that emerged in the early twentieth century, during tsarist times. Yet, most accounts trace the origin of these groups to the *Vory v zakone* (thieves-in-law) of the Soviet *gulags*. These groups allegedly emerged as an informal mechanism of control of the prisoners in the *gulags*, but quickly became highly organised criminal groups that took full advantage of this level of organisation once the *gulags* were closed and the prisoners were out.

The different criminal groups that compose the Russian mafia are engaged in numerous types of crimes, ranging from petty crime to highly coordinated transnational criminal activities, e.g. drug, human and gun trafficking. This diversity in the criminal activities in which these groups take part is, to a certain extent, an effect of their high structural flexibility. The best detailed overview of different criminal organisations around the world—albeit a little outdated—can be found in the “Violent Non-State Actors Database”, compiled by the *Matthew B. Ridgway Center for International Security Studies*.<sup>1</sup> This database contains information for the six main Russian mafia-like brotherhoods currently operating worldwide: The Izmailovskaya, the Mazukinskaya, the Liuberetskaya, the Podolskaya, the Solntsevskaya and the Tambovskaya. Except from the last one, all these criminal organisations were named after suburbs or city districts in the Moscow region. They all were founded between 1985 and the early 1990s. Structurally, they all adopt a vertical structure, but are heavily fragmented in networks spreading all over the world. Central coordination diffuses as the cells are farther away from central in the Russian Federation (for an older source see Volkov, 2002).

In terms of extortion, the Russian mafia has followed a path quite similar to that of the Yakuza and the Sicilian mafia. It amassed significant power through the provision of protection rackets during the tumultuous period of transition between socialism and capitalism. According to Gans-Morse (2012), after the collapse of the Soviet Union, “[c]ourts, law enforcement bodies, and state regulatory agencies capable of enforcing the rules of the game for a modern market economy had to be created from scratch or rebuilt from the remnants of socialist institutions” (p. 263). Because of the lack of adequate protection and the importance of property rights in a market economy, several private actors turned to criminal organisation for the provision of protection of the recently acquired or expanded property rights. This role was not limited exclusively to protection, but also covered some other aspects related to the everyday economic transactions in a market economy. “In the absence of effective state institutions, firms turned to alternative forms of protecting property and enforcing contracts. Criminal protection rackets and private security agencies provided physical protection, collected debts, and adjudicated disputes among firms” (p. 263).

While protection became a particularly sought-out service during the transition period, the overall brokering of social life was a role criminal organisations were regularly engaged with way before the collapse of the Soviet Union.

---

<sup>1</sup><http://research.ridgway.pitt.edu/topics/gang-intro/violent-non-state-actors-database/>, last opened September 8, 2015 11:58.

According to Burton and Burges (2007), criminal organisations were often involved in the provision of social goods and services for “Corruption in the Soviet Union was bred largely by a state-run economy that left citizens lacking basic goods. Small groups of entrepreneurs emerged to provide items otherwise not available—and the black market was born”. Reports about the dimension of the second economy of the Soviet Union tend to agree that it experienced a rapid increase between the 1960s and the 1980s and that, right before the collapse of the Soviet Union, it had a large participation in the nation’s GDP (Alexeev, 1995). These dynamics had important ripple effects in post-Soviet economies for years to come. Around 1998–1999, Georgia’s shadow economy was still significantly large, at 64 % of the country’s GDP (Schneider & Enste, 2002).

The role of social brokers of criminal organisations was not significantly altered with the transition to capitalism.

Since the Iron Curtain fell, Russian organized crime groups have used the economic reforms and crises to increase their wealth and influence. [...] Over the years, organized crime also has conducted certain functions of the government, including dividing territory among competing economic actors, regulating business markets, imposing ‘taxes’ (protection fees) and setting up tariffs, legitimizing the mafia in the eyes of many Russians as a type of de facto government. (Burton & Burges, 2007. This is also argued in Hignett, 2012)

Interestingly, however, after Putin’s rise to power, the Russian Government has taken away from the Russian mafia some of its traditional extortion markets (Volkov, 2014), because of the country’s transition into a competitive authoritarianism, in which the government focuses on the accumulation of institutional power under the central government, but without doing away with democratic institutions (Levitsky & Way, 2010). In order to succeed in the implementation of this political system, the Russian Government needed to get rid of other major institutional actors, including the mafia.

The relative governmental success in pushing the mafia away from its traditional zone of influence is due to the fact that, unlike other traditional mafia-type organisations, Russian criminals did not care much for the development of widespread trust networks within the local population. As a result, a significant part of the population that depended on the mafia rackets started using legal institutions and mechanisms, following the government crackdown on the mafia (Taylor, 2011). The Russian mafia lost a hold of these people, even though, as of 2012, 64 % of the Russians claimed that they usually try to go along with their business without involving governmental institutions and 63 % reported having a negative image of the law enforcement institutions (Levada Analytical Center, 2013).

While the overall dynamics of extortion rackets in Russia and other former Soviet states where the Russian mafia has strong presence has been documented, precise quantification of the phenomenon has not been possible. There is far less information about this ERS than about any other major criminal organisation. Russian official sources are more or less taciturn about this phenomenon. Internet sources—however reliable they might be—rarely go beyond about 2005. Potential Russian stakeholders who promised to contribute to GLODERS in the early phase of the project withdrew for mostly unknown reasons. One can only speculate about the reasons of this scarcity of reliable information: either it is the reluctance of



Russian academics to do research into this type of crime or the desire of Russian official administrative and statistical bodies to leave this type of crime in the dark — or, as Gans-Morse (2012) believes, the prevalence of extortion has decreased in Russia for several years, at least for the criminal racketeering, and been replaced by “state threats to property rights. [...] Key threats include seizing firms’ assets, illegal corporate raiding, extortion, illicit fines, and unlawful arrests of businesspeople” (p. 263). Hence, according to this source, the influence of mafia-like groups was replaced by official administrative behaviour of a similar severity.<sup>2</sup>

## 2.4 Latin America

There are several ERSs currently operating across Latin America. Criminal organisations such as drug cartels, guerrilla movements and local and international gang are all involved in different types of extortion practices. These ERSs differ in structure, mode of operation and goals, but share a relatively homogeneous context of origin and operation that accounts for their most distinctive features. The emergence and propagation of diverse ERSs in Latin America are strongly linked to a historically generalised context of exclusion, deprivation and violence. By 2014, there were 96 million poor and 71 million indigents, most of them indigenous, black and/or living in rural areas. In turn, while the richest decile controls around 40 % of the total income, the four poorest control only 10 % and the first seven only around 30 % (ECLAC, 2014). Regarding violence, rates of violent crimes in Latin America are sixfold the numbers for the rest of the world. Homicide is particularly critical. The region accounts for only 8 % of the world’s population, but 40 % of the homicides (Felbab-Brown, 2011). Firearms are used in around seven out of every ten homicides in the region, while in the rest of the world it is around four out of every ten (UNODC, 2013). Organised crime has a lot to do with these numbers. Organised crime/gang-related homicide accounts for around 30 % of the homicides in Latin America, compared to less than 1 % in Asia, Europe and Australia (UNODC, 2013).

ERSs in Latin America differ from traditional mafia-like organisations in their connection to territory. Territorial control is often considered a basic prerequisite of extortion (Block, 1980; Paoli, 2003). Yet, in the region, territorial control is a subordinate resource. It is still possible to find traditional protection rackets. Some of these rackets, in fact, have achieved a high degree of sophistication and formalisation. In some regions of Colombia, for example, the FARC issues no debt certifications, in order to allow for a smoother operation of their extortion rackets (El Espectador, 2014). Yet, unlike traditional MTO, extortion practices in Latin America are usually more aligned with the needs of the drug business, which relies on local

---

<sup>2</sup>Otherwise, recent articles in *Post-Soviet Affairs* touch the mafia problem only superficially. “Extortion” has never been mentioned in this journal since 1999.

networks, civilians and strategic alliance between major criminal organisations (Chalk, 2011; UNODCCP, 2000).

Extortion in the region does not depend on territorial sovereignty either. The FARC, for example, have developed long-standing protection rackets over the drug production and transportation in Colombia (McDermott, 2014). They, however, do not control the business or the criminal organisations behind it directly (Otis, 2014). Non-sovereign protection rackets are common in Latin America, probably due to the multiplicity of actors in the region. These rackets are also underlain by strategic political or economic alliances. The Zetas, for example, provide protection for the remnants of the Beltrán Leyva Organisation, a once powerful cartel that is now in decline. The protection racket relies both on the territorial control the Zetas exert on the Atlantic coast of Mexico and their superb military abilities. The Beltrán Leyva Organisation's zone of influence is on the South West of Mexico, but they have operations in Quintana Roo, on the South East. While these latter operations might affect the Zetas' control over that area and, to some extent, minimise the possible revenue from the drug business, the connection between the two organisations is profitable because they partnered up to fight the Sinaloa Cartel, the largest and more dominant criminal organisation in Mexico at the moment.

The relatively loose connection between extortion dynamics and territory in Latin America is perhaps better exemplified by the pervasiveness of extortive kidnapping. Latin America accounts for 66 % of the extortive kidnappings worldwide (OEA, 2012). The planning and execution of extortive kidnapping do not depend much on the control of the territory, but on infrastructure and resources, especially when the victim is a high-value target. Territory, however, could become a strategic asset. In 2013, for example, the FARC kidnapped 16 people working for companies in the extraction sector, in spite of the tight control military forces keep over the extraction activities (Fundación Paz y Reconciliación, 2013). These kidnappings occurred both inside and outside their zone of influence. For the execution of the kidnapping, territorial control was subordinate to other aspects such as intelligence on the target and quickness in carrying out the abduction. Territorial control, however, is an important resource for the FARC, once the target has been kidnapped, for the victim is brought into their zone of influence and is usually moved through different locations, depending on the likelihood of military rescue operations (Fundación Paz y Reconciliación, 2013; Leech, 2009).

Extortive kidnapping in the region is practiced both by large and small criminal organisations. In Colombia, between 20 and 30 % of the kidnappings are carried out by small criminal organisations, with no affiliation to guerrillas or paramilitary movements. Because they usually lack the infrastructure and resources of large organisations, these small ERSs opt for more cost-effective modalities. One that is gaining increasing popularity across the region is called "express kidnapping" (Oropeza, 2015). The victim is abducted for a few hours, e.g. when boarding a cab, and taken to their place of residence or business, so the perpetrators can steal whatever they have, or to an ATM, where victims are forced to withdraw money from their accounts. Sometimes a small ransom that can be easily paid is demanded from companies or family of the victim.

Extortion is also particular in the region because criminal organisations usually do not have relatively homogeneous control of the territory. In Rio de Janeiro, for example, Comando Vermelho's control of the territory is limited by the urban layout of the favelas. Favelas are scattered across the city, but have clearly delimited borders with contiguous urban areas. This has created an interesting crime landscape in Rio. Within these borders, criminal gangs have successfully developed protection rackets that range from basic tax-like extortion to the monopolistic provision of social services, such as van transportation or cable TV, which the gang controls (Masciola, 2015). Beyond these borders, criminals lack the power to exert territorial control and heavily resort to crimes of opportunity. The strong link between these urban gangs and the favelas has made the pacification campaigns carried out by the Brazilian Government work almost like a shell game. Instead of a steadily expanding the pacification front, armed forces pick geopolitically important favelas, such as those around the city centre, and force the criminal gangs to relocate, usually to favelas in the southern outskirts of Rio, where they can still continue their criminal activities (Felbab-Brown, 2011).

Guerrillas across the region experience a similar situation. These criminal organisations usually control rural areas of the countries in which they operate. The success of this territorial control depends on geographical features associated with mobilisation, accessibility and camouflage. In Colombia, for example, guerrilla movements have, in part, been successful due to the particular features of the Andean mountain range. The Andes splits into three in the South of Colombia and cuts across the whole country. The rural areas of the FARC control are mostly around these three mountain ranges because of strategic advantages provided by the landscape. Apart from topographic conditions, these areas are mostly tropical forests, which makes access to them even more difficult. Protection rackets usually cover rural population and urban settlements located within these areas. The particular geographic conditions allow these organisations to perform extortion and other types of crime, minimising the risk of confrontation with governmental forces.

The uneven control of the territory has also made the ERSs in the region to specially target companies that are forced to use this territory. Extraction and transport industries are common targets. The Zetas, for example, have a combined scheme of petroleum rusting and extortion. Reports of PEMEX, the Mexican petroleum company, reveal that, between 2007 and 2012, the company suffered 1267 thefts, at a cost of \$427 million. Large part of this oil was presumably stolen by the Zetas. In turn, this criminal organisation extorts companies in the North East of Mexico with 10% of the contacts for gas extraction (Grayson & Logan, 2012). The FARC in Colombia also target extraction companies. In 2013, this guerrilla movement dynamited 108 energy towers and 259 pipelines, as a way to pressure these companies to pay extortion. They have also targeted machinery, vehicles and facilities in 44 occasions (Fundación Paz y Reconciliación, 2013). The maras have also developed a widespread extortion racket in the transport sector in the Northern Triangle. In Guatemala, for example, around 200 bus drivers were killed between 2005 and 2011, as a means to pressure transport companies to pay extortion. These gangs charge about \$25 per bus each week. Each line

has around 200 buses, which means that the gangs are pocketing around \$500 for each line every week (Dudley, 2011). In Honduras, the maras earn around \$16 million a year for extortion of the transportation sector (Cawley, 2013).

Criminal organisations have also specialised in making a transition in extortion dynamics from geographical to social spaces, such as local markets. In Latin America, face-to-face transactions still dominate the economy and social spaces such as local markets constitute a perfect target for extortion. They are very large and have significant amounts of transactions, usually in cash, occurring daily. Extorting sellers does not require significant resources or infrastructure and is difficult to identify. Chances of reporting are also very low. The maras in Tegucigalpa charge around \$15 weekly to every shop in local markets. There are around 14,000 shops in 16 markets, which means that these criminal organisations are pocketing around \$10 million from these extortion rackets (Cawley, 2013).

There is a large diversity of criminal organisations in Latin America carrying out extortion activities. These organisations are all similar in that they emerge and operate in a widespread context of exclusion, deprivation and violence, typical of the region. Unlike traditional mafia-type organisations, ERSs in Latin America do not depend entirely on territorial control for extortion. These organisations benefit from a pervasive context of criminality in which different sources of income can be found. ERSs in the region have developed a complex hierarchical structure of competition and collaboration that is mostly determined by the participation in the drug business, which is, by far, the most profitable criminal activity in the region (UNODC, 2011). Different types of extortion are articulated and carried out depending on the ERS's position in this criminal power structure.

## 2.5 Germany

According to the most recent report on organised criminality provided by the German Bundeskriminalamt (2013), there are two main groups involved in the practice of extortion rackets in Germany: outlaw motorcycle gangs and mafia-type organisations, especially the Italian and the Russian. Transnational outlaw motorcycle gangs have become a major problem, in terms of organised criminality. In several countries, these gangs have proven participation in criminal activities such as drug and gun trafficking (Barker & Human, 2009), but have always hidden behind the motorcycle club façade. These clubs are divided into chapters that are independent, but all chapters depend on the mother chapter for any major organisational decision. This alleged independence created significant difficulties in the prosecution of the entire gang, for it is often argued that crime is deviant not sanctioned action of the prosecuted chapter. The time taken for affected countries to update the normative framework in order to counter this type of criminal organisation has been used by most outlaw motorcycle gangs to articulate large well-connected criminal networks around the world (Barker, 2011).

In Germany, there is recorded presence of four major outlaw motorcycle gangs: Hells Angels, Bandidos, Gremium and Mongols (German Bundeskriminalamt,

2013); these groups were responsible for 11 reported cases of extortion (Bundeskriminalamt, 2013, S. 18). They, however, do not seem to have a major impact on criminality statistics at the moment. Their overall activities, including other kinds of crimes, in which participation is higher, make up for less than 10% of organised crime in Germany.

Italian mafia has a documented presence in Germany. Several members of the Cosa Nostra, 'Ndrangheta and Camorra have been killed in Germany—e.g. in Duisburg in 2007 (Piller, 2007; Schilder, 2007) or arrested—e.g. near Lake Constance in 2015, where eight 'Ndrangheta suspects were detained, as they had been prosecuted by the Anti-mafia Directorate of Reggio Calabria for years (Braun, 2015). Yet, diasporas of Italian mafias do not seem to have engaged in extortion practices within the German territory. These groups were responsible for 11 reported cases of criminality, but most of them were not associated with extortion (Bundeskriminalamt, 2013, S. 18). Russian-language organised crime groups, on the other hand, were responsible for 30 reported cases, which, even though is almost three times the amount of Italian organisations, makes up for less than 5% of organised crime reports in Germany (Bundeskriminalamt, 2013, S. 19). As “extortion racket” is not a reporting category of its own in German criminal statistics, it could be estimated that less than a half of the 30 reported cases were linked to extortion. The latter is a subcategory of “crime against property” and of “crime in economic life”, which, together, add to only 14 cases in the main activity fields of organised crime groups from the countries of the former Soviet Union.

Unlike the situation in Italy, extortion rackets in Germany, due to their rarity, do not lend itself to statistical analysis. The numbers recorded in earlier reports of the German Bundeskriminalamt are approximately the same as the ones reported above for 2013. This stands in stark contrast to traditional zones of influence of these criminal organisations in the Italian *mezzogiorno*, where there were more than 100 reported cases of extortion per year between 2006 and 2013.<sup>3</sup>

## 2.6 Summary

This chapter has provided some evidence for the diversity of extortion practices and ERSs around the world. While extortion is often associated with traditional and popular mafia-type organisations, extortion carried out by the Italian, Japanese and Russian mafias can diverge significantly on crucial factors, for example, the social and political legitimation of the extortion. In addition to these traditional criminal organisations, several other relatively newer criminal groups with local and international reach are also engaged in different forms of extortion. These groups also display distinctive features, both in their organisation and in their relationship with

---

<sup>3</sup> Source: [http://dati.istat.it/Index.aspx?DataSetCode=DCCV\\_DELITTIPS#](http://dati.istat.it/Index.aspx?DataSetCode=DCCV_DELITTIPS#), downloaded September 5, 2015, 09:48. The data from this source are not exactly comparable to the German data above, as the numbers for Italy refer to “tipo di delitto: Associazione di tipo Mafioso”.

victims. Motorcycle gangs, for example, are not entirely criminal, while most ERSs in Latin America do not require exclusive territorial control for extortion. The next chapter tries to make sense of many of these differences through a typology that addresses the main contextual and organisational features of systemic extortion.

## References

- Alexeev, M. (1995). *The Russian underground economy in transition*. Report to the National Council for Soviet and East European Research, Title VIII Program. Retrieved from <https://www.ucis.pitt.edu/nceeer/1995-809-04-Alexeev.pdf>
- Barker, T. (2011). American based biker gangs: International organized crime. *American Journal of Criminal Justice*, 36, 207–215.
- Barker, T., & Human, K. (2009). Crimes of the big four motorcycle gangs. *Journal of Criminal Justice*, 37(2), 174–179.
- Block, A. (1980). *East side, west side*. New Brunswick: Transaction Publishers.
- Braun, J. (2015). Schwerer Schlag gegen die Mafia. *Südkurier*, 154, 10.
- Bundeskriminalamt. (2013). *Organisierte Kriminalität. Bundeslagebild 2013*. Wiesbaden.
- Burton, F., & Burges, D. (2007). *Russian organized crime*. Stratford. Retrieved from [https://www.stratfor.com/weekly/russian\\_organized\\_crime](https://www.stratfor.com/weekly/russian_organized_crime)
- Cawley, M. (2013). La Extorsión Obliga a Cerrar más de 17.000 Negocios en Honduras. In *SightCrime*. Retrieved from <http://es.insightcrime.org/noticias-del-dia/la-extorsion-obliga-a-cerrar-a-mas-de-17000-negocios-en-honduras>
- Chalk, P. (2011). *Latin American drug trade*. Santa Monica: RAND Corporation.
- Dean, M. (2008). Sold in Japan: Human trafficking for sexual exploitation. *Japanese Studies*, 28(2), 165–178.
- Dudley, S. (2011). InSide: The most dangerous job in the world. In *SightCrime*. Retrieved from <http://www.insightcrime.org/investigations/inside-the-most-dangerous-job-in-the-world?highlight=WyJtYXJhIiw1J21hcmEiLCInbWFyYSciLCJtYXJhJ3MiLCJidXNlcyJd>
- ECLAC. (2014). *Social panorama of Latin America*. Santiago de Chile: ECLAC.
- El Espectador. (2014). Guerrilleros de las Farc entregaban “paz y salvo” a víctimas de sus vacunas. *El Espectador*. Retrieved July 29, 2014, from <http://www.elespectador.com/noticias/judicial/guerrilleros-de-farc-entregaban-paz-y-salvo-victimas-de-articulo-509933>
- Felbab-Brown, V. (2011). *Bringing the State to the Slum*. BROOKINGS. Retrieved from [http://www.brookings.edu/~media/research/files/papers/2011/12/05latin\\_america\\_slums\\_felbab-brown/1205\\_latin\\_america\\_slums\\_felbabbrown.pdf](http://www.brookings.edu/~media/research/files/papers/2011/12/05latin_america_slums_felbab-brown/1205_latin_america_slums_felbabbrown.pdf)
- Fundación Paz y Reconciliación. (2013). *Cómo es Eso de Negociar en Medio del Conflicto*. Retrieved from <http://www.pares.com.co/wp-content/uploads/2013/12/Informe-Farc-2013.pdf>
- Gans-Morse, J. (2012). Threats to property rights in Russia: From private coercion to state aggression. *Post-Soviet Affairs*, 28(3), 263–295.
- Grayson, G., & Logan, S. (2012). *The executioner's men*. New Brunswick: Transaction Publishers.
- Hignett, K. (2012). We had to become criminals, to survive under communism: Testimonies of petty criminality and everyday morality in late socialist Central Europe. In M. Ilic & D. Leinarte (Eds.) *The Soviet past in the post-socialist present. Methodology and ethics in Russian, Baltic and Central European oral history and memory studies*. New York: Routledge.
- Hill, P. (2006). *The Japanese mafia*. Oxford: Oxford University Press.
- Hill, P. (2014). The Japanese Yakuza. In L. Paoli (Ed.), *The Oxford handbook of organized crime*. Oxford: Oxford University Press.
- Hongo, J. (2008). Law bends over backward to allow “Fuzoku.” *The Japan Times*. Retrieved from <http://www.japantimes.co.jp/news/2008/05/27/reference/law-bends-over-backward-to-allow-fuzoku/#.VXm0LRNVhBc>

- Kaplan, D., & Dubro, A. (2003). *Yakuza*. Berkeley: University of California Press.
- Leech, G. (2009). *Beyond Bogotá*. Boston: Beacon.
- Levada Analytical Center. (2013). Russian public opinion 2012–2013. Retrieved from [http://www.levada.ru/sites/default/files/2012\\_eng.pdf](http://www.levada.ru/sites/default/files/2012_eng.pdf)
- Levitsky, S., & Way, L. (2010). *Competitive authoritarianism*. Cambridge: Cambridge University Press.
- Masciola, S. (2015). Matthew B. Ridgway Center for International Security Studies, South America: Brazil. Retrieved from <http://research.ridgway.pitt.edu/topics/gang-intro/south-america/brazil/>
- McCurry, J. (2008). Japan's lost decade. *The Guardian*. Retrieved from <http://www.theguardian.com/business/2008/sep/30/japan.japan>
- McDermott, J. (2014). The FARC and the drug trade: Siamese twins? In *SightCrime*. Retrieved from <http://www.insightcrime.org/investigations/farc-and-drug-trade-siamese-twins>
- OEA. (2012). *Report on citizen security in the Americas 2012*. Washington, DC: OEA.
- Oropeza, V. (2015). Secuestro Express y Rescate en Divisas, un Delito en Auge en Venezuela. *El Nuevo Herald*. Retrieved from <http://www.elnuevoherald.com/noticias/mundo/america-latina/venezuela-es/article25390987.html>
- Otis, J. (2014). *The FARC and Colombia's illegal drug trade*. Wilson Center. Retrieved from [http://www.wilsoncenter.org/sites/default/files/Otis\\_FARCDrugTrade2014.pdf](http://www.wilsoncenter.org/sites/default/files/Otis_FARCDrugTrade2014.pdf)
- Paoli, L. (2003). *Mafia brotherhoods*. Oxford: Oxford University Press.
- Piller, T. (2007). Von Kalabrien in die Welt. *Frankfurter Allgemeine Zeitung*, 189, 7.
- Rankin, A. (2012). 21st-century Yakuza: Recent trends in organized crime in Japan—Part 1. *The Asia-Pacific Journal: Japan Focus*, 10(7). Retrieved from <http://www.japanfocus.org/-Andrew-Rankin/3688/article.html>
- Schilder, P. (2007). Mit den Mitteln der Mafia. *Frankfurter Allgemeine Zeitung*, 189, 7.
- Schneider, F., & Enste, D. (2002). Hiding in the shadows. *Economic Issues*, 30. Retrieved from <http://www.imf.org/external/pubs/ft/issues/issues30/>
- Taylor, B. (2011). *State building in Putin's Russia: Policing and coercion after communism*. Cambridge: Cambridge University Press.
- The Economist. (2008). Lenders of first resort. *The Economist*. Retrieved from <http://www.economist.com/node/11413090>
- TRANSCRIME. (2008). *Study on extortion racketeering the need for an instrument to combat activities of organised crime*. Retrieved from [http://ec.europa.eu/dgs/home-affairs/doc\\_centre/crime/docs/study\\_on\\_extortion\\_racketeering\\_en.pdf](http://ec.europa.eu/dgs/home-affairs/doc_centre/crime/docs/study_on_extortion_racketeering_en.pdf)
- UNODC. (2011). *Estimating illicit financial flows resulting from drug trafficking and other transnational organized crimes*. Vienna: UNODC.
- UNODC. (2013). *Global study on homicide 2013*. UNODC. Retrieved from [https://www.unodc.org/documents/gsh/pdfs/2014\\_GLOBAL\\_HOMICIDE\\_BOOK\\_web.pdf](https://www.unodc.org/documents/gsh/pdfs/2014_GLOBAL_HOMICIDE_BOOK_web.pdf)
- UNODCCP. (2000). *World Drug Report 2000*. UNODCCP. Retrieved from [http://www.unodc.org/pdf/world\\_drug\\_report\\_2000/report\\_2001-01-22\\_1.pdf](http://www.unodc.org/pdf/world_drug_report_2000/report_2001-01-22_1.pdf)
- Volkov, V. (2002). *Violent entrepreneurs: The use of force in the making of Russian capitalism*. New York: Cornell University.
- Volkov, V. (2014). The Russian mafia: Rise and extinction. In L. Paoli (Ed.), *The Oxford handbook of organized crime*. Oxford: Oxford University Press.