

Business views of organised crime

Second Edition

Nick Tilley and Matt Hopkins with the assistance of Adam Edwards and John Burrows

This report describes research that examined the impact of organised crime against businesses located in three high crime residential neighbourhoods. It is based on a survey of businesses in the three areas (420 interviews with owners and/or managers between November 2006 and January 2007), police intelligence and local community contacts.

- Businesses in the three high crime neighbourhoods were found to suffer high rates of crime. Many were repeatedly victimised. While a small proportion of the offences were attributed to organised crime the vast majority were not. To have a significant impact on overall levels of commercial victimisation, prevention would, therefore, need to focus on routine, relatively disorganised criminal activities as well as organised crime.
- The social processes through which organised crime is produced and conducted were found to vary by area. Specific disruption tactics would, therefore, need to be tailored to the specific circumstances of organised crime in different places.

- Businesses in the sample neighbourhoods were found very frequently to be invited by organised and non-organised criminals to dispose of illicit goods of various kinds. Offenders appeared to be able to offer the goods, with negligible risks to themselves that their actions would be reported to the authorities. Businesses in high crime neighbourhoods could comprise important potential sources of intelligence and sites for the disruption of crime involving the distribution of illicit goods.
- The three sample areas used in the research were not typical. They were picked in conjunction with the police because there were thought to be organised crime problems there. Further research is recommended, to look at a wider range of neighbourhoods. That research could also usefully use ethnographic alongside survey methods to obtain a richer picture of the ways in which organised crime is undertaken and its impacts on local businesses as well as others within the neighbourhood.

Contents

Summary	i
Overview of key findings	1
1. Introduction	4
2. Background to the study and method	5
3. Levels of crime and organised crime against businesses located in high crime neighbourhoods	11
4. Businesses as invited colluders in organised crime	17
5. Area variations in organised crime impact	22
6. Variations in business vulnerability to organised crime	31
7. Conclusions	36
Appendices	40

Keywords

Organised crime
Business crime
Victimisation
Counterfeiting
Minority groups
Extortion

The views expressed in this report are those of the authors, not necessarily those of the Home Office (nor do they reflect Government policy).

The Research, Development and Statistics Directorate exists to improve policy making, decision taking and practice in support of the Home Office purpose and aims, to provide the public and Parliament with information necessary for informed debate and to publish information for future use.

Business views of organised crime

Nick Tilley and Matt Hopkins with the assistance of Adam Edwards and John Burrows

Aims and objectives

This report describes research that examined the impact of organised crime against businesses located in three high crime residential neighbourhoods. The study is based on detailed interviews with managers or owners of 420 businesses in three high crime neighbourhoods. It was concerned with the effects of both direct and indirect organised crime, including:

- direct victimisation of the businesses from organised crime groups;
- the creation of a local climate of organised crime and intimidation that drives out certain businesses or acts as a barrier to the establishment of others;
- the arrival of unfair competition through the sale and distribution of illicit goods whether stolen, counterfeit or contraband.

Research approach

The research focused upon businesses located in three high crime residential neighbourhoods. The three areas were selected on the basis of police information; they were in different regions and had differing ethnic compositions. Scoping interviews with local police had revealed that there was significant organised crime activity in all three. One of the areas was largely Turkish/Kurdish/Cypriot, another was largely South Asian and the third was largely White and working class.

Data were collected from three main sources. These included a survey of businesses, police intelligence and information from local community contacts. The survey was adapted from the schedule of questions asked in the 2002 Commercial Victimisation Survey (CVS); police

intelligence was provided from locally based police officers and a number of supplementary interviews were conducted with key business leaders and stakeholders within the communities. Managers or owners of a total of 420 businesses were interviewed. Main fieldwork was carried out between November 2006 and January 2007.

The definition of organised crime used for this research was 'any deliberate, co-operative criminal activity engaged in over a sustained period by the same set of three or more collaborating individuals or groups'. All the businesses interviewed had this definition explained to them and were asked to consider it in their responses to questions.

Key findings

Rates of victimisation against businesses

- The prevalence rates of crime (the proportion of businesses experiencing one or more crimes over the twelve-month recall period) in the three areas were higher than those recorded in the 2002 Commercial Victimisation Survey. In total, 42 per cent of the sample had been victims of shop theft, 30 per cent of vandalism, 20 per cent of burglary and ten per cent of customer violence. Areas were chosen because of their high overall crime rates, so this pattern is to be expected.
- Patterns of repeat victimisation accorded with those found in previous research. Generally, those businesses which had experienced one incident had a heightened risk of experiencing further incidents. For example, over a 12-month period, of the 20 per cent which had suffered at least one burglary, 40 per cent of those suffered a second and of those who had suffered a second, 63 per cent suffered a third.

The views expressed in this report are those of the authors, not necessarily those of the Home Office (nor do they reflect Government policy).

The Research, Development and Statistics Directorate exists to improve policy making, decision taking and practice in support of the Home Office purpose and aims, to provide the public and Parliament with information necessary for informed debate and to publish information for future use.

Organised crime against business

In relation to organised crime, businesses were often unsure if the crime they had experienced was the result of organised activities. Overall, the following was found.

- Only a few businesses in high crime residential areas appeared to suffer directly from serious organised crime. For example, only one per cent of all respondents thought they had been victims of organised extortion, three per cent of organised robbery and seven per cent of organised outsider fraud.
- A larger proportion of businesses suffered from loosely organised, relatively minor crime. For example, 13 per cent of businesses thought they had been victims of organised shop theft.
- A few businesses appeared to suffer chronically from 'loosely' organised volume crime. For example, seven per cent of the sample experienced 'linked' incidents of vandalism, four per cent linked burglaries and one per cent linked employee thefts.

Invitations to collude in organised crime

- Many businesses in high crime residential areas were routinely invited to trade in stolen, counterfeit or smuggled goods. The survey findings suggest that receiving offers of stolen and counterfeit goods is a normal feature of business life in the high crime neighbourhoods under review.
- Forty-four per cent of businesses were offered counterfeit goods over the 12-month recall period, 33 per cent were offered stolen goods, 22 per cent were offered smuggled tobacco, and seven per cent were offered smuggled alcohol.
- Forty-six per cent of those businesses who were offered smuggled tobacco thought these offers were associated with organised crime, as did 31 per cent of those who were offered stolen or counterfeit goods and 25 per cent of those who were offered smuggled alcohol.
- Some 20 per cent of businesses thought that the local supply of stolen or counterfeit goods adversely affected their trade, but just nine per cent thought the same for tobacco smuggling and six per cent for alcohol smuggling.

Differences across the three areas

Organised crime was certainly present in the three areas and it affected businesses. Discussions with the police and local community contacts suggested key differences across the three areas.

- In the Turkish/Cypriot area political connections and covers were stressed. Moreover, community obligations and links with kinship networks in the countries of origin facilitated organised criminal activities and also made some members vulnerable to pressure from others.
- In the South Asian area, organised crime appeared to some to be more ephemeral, a function of gangs some of which came and went, and also to have changed with the changing ethnic composition of the neighbourhood.
- In the White working class neighbourhood, established violent criminal families were able to exert pressure on others to co-operate with them and to persuade them to facilitate organised crime.

Key points

The research suggests the following.

- Prevalence rates of crime against business in the three areas were very high when compared to the CVS. This suggests that there are geographical concentrations of businesses that experience a disproportionately high rate of crime that is not uncovered in national surveys.
- A small proportion of the offences that businesses were victims of were attributed to organised crime, though the vast majority were not. To have a significant impact on overall levels of victimisation, prevention would, therefore, need to focus on routine, relatively disorganised criminal activities as well as organised crime.
- Receiving offers of stolen and counterfeit goods is a normal feature of business life in the high crime neighbourhoods under review. Nearly half of those in the samples said they had been offered counterfeit goods over the recall period, though it is not clear how many businesses had accepted such offers. Next to none reported offers of illicit goods to the authorities. The widespread and low risk use of businesses in these areas as outlets for attempting to dispose of illicit goods may indicate a potential starting point for the collection of intelligence and the disruption of the crime, some of which is undoubtedly organised.
- The responses to the survey are likely to provide a more representative view than impressions gleaned from press or police sources, which naturally tend to be mostly concerned with more serious and organised crime.

Business views of organised crime

Nick Tilley and Matt Hopkins with the assistance of Adam Edwards and John Burrows

Overview of key findings

This report presents the findings of a study commissioned to look at the harms caused by organised crime to businesses located in high crime residential neighbourhoods, and methods of measuring them. The research was conducted in three areas: one in London, a second in the East Midlands and a third in the West Midlands. Main fieldwork was carried out between November 2006 and January 2007.

The areas were chosen in consultation with the local police. There had to be sufficient businesses to yield a large enough sample for analytic purposes, there had to be a high crime rate in the neighbourhood and the police had to be of the opinion that organised crime was occurring locally. The businesses in the London area were predominantly Turkish/Kurdish/Cypriot owned and staffed. In the West Midlands they were mainly Asian. In the East Midlands they were almost exclusively White.

In each area, a victimisation survey of a random sample of businesses was conducted. In all, some 420 businesses took part in the survey across the three areas. In addition to this, police were asked for a briefing on their intelligence concerning local organised crime and a range of community interviews were conducted.

Few share a common view of what constitutes 'organised crime' (OC). It is sometimes taken to refer only to the activities of sustained structured criminal groups, such as the mafia, which involve the use of violence and threats of violence to extort money. Adopting a broader view, organised crime is also taken to refer to any criminal activity that involves or turns on co-operative behaviour by two or more offenders. After consultation, it was decided to take organised crime to include *any deliberate, co-operative criminal activity engaged in over a sustained period by the same set of three or more collaborating individuals or groups*.¹ This way of looking at organised crime does not assume any particular crime types. Rather it describes what lies behind the commission of crimes.

The main findings of the study were as follows.

1. **Levels of crime and organised crime.** By national standards, businesses in high crime residential neighbourhoods suffer very high levels of crime. The findings of the survey with businesses suggest that the prevalence rates of crime (the proportion of businesses experiencing one or more crimes over the twelve-month recall period) in the three areas were higher than those recorded in the 2002 Commercial Victimisation Survey (CVS). All businesses had experienced at least one incident of crime over the recall period. A total of 42 per cent of respondents had experienced an incident of shop theft, 30 per cent vandalism and 30 per cent intimidation. Only one per cent of businesses had experienced an incident of extortion.

¹ The definition used for the study is 'inclusive' in that it covers a wider range of activities that might be considered to be organised criminality. This differs from definitions used by organisations such as the Serious Organised Crime Agency which focus on crimes such as drugs trafficking, organised immigration crime and fraud.

The views expressed in this report are those of the authors, not necessarily those of the Home Office (nor do they reflect Government policy).

The Research, Development and Statistics Directorate exists to improve policy making, decision taking and practice in support of the Home Office purpose and aims, to provide the public and Parliament with information necessary for informed debate and to publish information for future use.

Two indices of organised crime were considered. One relied on whether or not businesses themselves thought that incidents that they had been a victim of were organised. The other turned on 'crime linkages', that is, the frequency of repeat crime incidents against the same premises, and whether these were believed to be linked. Where linkages are seen they indicate at least some minimal level of organisation. In relation to organised crime, businesses are often unsure if the crime they have suffered is the result of organised activities. Overall, the following was observed.

- Only a few businesses in high crime residential areas appear to suffer directly from serious organised crime. For example, only one per cent of all respondents thought they had been victims of organised extortion, less than four per cent organised robbery and less than ten per cent organised outsider fraud.
 - A larger proportion of businesses suffer from loosely organised relatively minor crime. For example, 13 per cent of businesses thought they had been victims of organised shop theft.
 - A few businesses appear to suffer chronically from loosely organised volume crime. For example, seven per cent of the sample experienced 'linked' incidents of vandalism, four per cent burglary and one per cent employee theft.
2. *Opportunities to collaborate in organised crime.* Many businesses in high crime residential areas are routinely invited to trade in stolen, counterfeit or smuggled goods. The survey suggested that receiving offers of stolen and counterfeit goods is a normal feature of business life in the high crime neighbourhoods under review. In summary:
- Forty-four per cent of businesses were offered counterfeit goods over the 12-month recall period, 33 per cent were offered stolen goods, 22 per cent were offered smuggled tobacco and seven per cent were offered smuggled alcohol.
 - Forty-six per cent of those businesses who were offered smuggled tobacco, 31 per cent of those who were offered stolen or counterfeit goods and 25 per cent of those who were offered smuggled alcohol thought these were associated with organised crime.
 - Some 20 per cent of businesses thought that the local supply of stolen or counterfeit goods adversely affected their trade, but just nine per cent thought the same for tobacco smuggling and six per cent for alcohol smuggling.
3. *Area 'crime chemistries'.* Data from the survey, police intelligence and community interviews show that there are substantially different patterns of organised crime in different high crime residential neighbourhoods. The three areas appeared to have quite different 'organised crime chemistries', and presented contrasting opportunities, forms of organisation, histories of criminal activity, and community conditions. A brief synopsis is given below.

The London sample area

- The police acknowledged that the main ethnic group in the area (the Turkish/Kurdish/Cypriot community) is a 'hard to reach' group. A number of major crimes have taken place within this group.
- From the point of view of the police, organised crime takes several forms that are facilitated by just those characteristics of the community that inhibit successful engagement with the police. Crimes such as drug and people trafficking are fostered by close ties with the country of origin and the political associations (and origins) of organised criminality provide the means whereby community members can be controlled internally.
- The survey showed that businesses with Turkish/Kurdish/Cypriot (TKC) proprietors tended to have lower prevalence levels for external crimes committed against them. Only extortion was particular to the TKC community, with no offences reported by respondents from other ethnic groups.
- The findings in relation to extortion provide some support for the account of the 'crime chemistry' drawn from police and community sources, but the disparities between the risks faced by TKC businesses and others are unaccounted for. It is not possible, on the basis of the data available, to determine whether there is any form of organisation to the much higher rates at which non-TKC businesses face external crime threats of various kinds. The patterns are consistent with their being targeted, or with protection being provided for TKC businesses.

The East Midlands sample area

- Ethnicity was not thought to be a main driver of crime in this area. The area under review had a history of traditional, prolific and well-networked White working class 'crime families'.
- These networks were deemed to operate both within the city and with other criminal groups in other cities. It was thought that they were relatively rigidly structured, with a division of labour between functions. High levels of violence were said to be used to make sure that discipline was maintained. Criminality was believed to be sufficiently embedded that the removal of any one part of the network in any part of the area would soon lead to its replacement by other criminals.
- A number of public houses were believed to function as the bases for organised criminal behaviour. There was evidence from both police intelligence and community interviews that some were regularly used by criminal gangs as an 'office'.
- It was thought that the 'organisation' of much of the criminality in the area is changing. A key local offender had recently been imprisoned and a number of businesses remarked in interview that demands for protection money had ceased. The police also believed that the removal of this key offender had had a positive impact on crime in the area. There were suggestions, however, that the vacuum left had already attracted a number of local gangs trying to take control of the area, though it was not possible to verify this with the data available for this research.

The West Midlands sample area

- Whilst the West Midlands area suffered from a reputation for organised crime, including drug trafficking and related shootings, police intelligence does not tend to support that supposition. There was some drug-dealing in a local arcade, but the police view was that this was not 'organised' and was not associated with guns.
 - The area partly overlapped with an area known to be dominated by one specific gang, in relation to which there was believed to be a growing number of smaller, less organised, territorial groups committing 'status' crimes as a means of earning membership of the larger group. But there was nothing to suggest that these were involved in organised crime against businesses.
 - As with the London area, the large numbers of businesses in the area run by what is nationally a minority group – in this case Asians – seems to provide a degree of protection for them, though the pattern is less marked than for their TKC counterparts in London. Thus Asian businesses suffer a lower prevalence rate than others sampled for burglary, robbery, employee theft and vandalism.
4. *Variations in business vulnerability to organised crime.* The study tried to identify what characteristics of businesses are associated – and might generate – OC victimisation. Analysis of the data explored the relationship between OC victimisation and a range of independent variables such as the size of the business, age of the business, business sector, customer turnover, and types of goods sold. This analysis highlighted the following.
- Businesses employing more staff were significantly more likely to become victim of an incident of OC. Those businesses that employed ten or more staff had a prevalence rate of organised crime of 47 per cent, as compared to 28 per cent for those employing two or fewer staff. However, smaller businesses were more often invited to receive illicit goods.
 - Retailers, bars and restaurants are at relatively high risk of organised crime and of invitations to receive illicit goods, compared to other business types.
 - Businesses belonging to locally majority but nationally minority ethnic groups suffer crime at a relatively high rate by national standards but a relatively low one by local area standards.

I. Introduction

There is substantial public and political interest in the direct and indirect harms caused by crime. Crime can generate a wide range of harms that impact on a number of interest groups. This study was commissioned to look specifically at the harm caused by organised crime to businesses located in three high crime residential neighbourhoods. The three areas were selected on the basis of police information; they were in different regions and had differing ethnic compositions. Data were collected from three main sources. These included a survey of businesses, police intelligence information and information from local community contacts.

The main stage of the research followed a pilot study during which research instruments were designed and tested. The pilot phase included a review of literature about organised crime and business and problems in defining 'organised crime' were highlighted. The term is used to refer to anything from internationally co-ordinated serious crime connected with terrorist activity to routine co-operation between groups of local offenders committing relatively minor volume offences. After discussion with a number of agencies and experts in the field a working definition was agreed. For the purposes of this research it thus refers to *any deliberate, co-operative criminal activity engaged in over a sustained period by the same set of three or more collaborating individuals or groups*.

This study was concerned with the effects of all types of organised offending. Impacts may be *direct* or *indirect*, including:

- direct victimisation of the businesses by organised crime groups;
- the creation of a local climate of organised crime and intimidation that drives out certain businesses or acts as a barrier to the establishment of others;
- the arrival of unfair competition through the sale and distribution of illicit goods whether stolen, counterfeit or contraband;
- the opportunity of independent businesses to compete against large multiples through access to illicit goods that can be retailed cheaply.

The main source of data in this study was an organised crime victimisation survey. This was used to estimate the direct impact of organised crime on businesses in the area, and perceptions of the significance of organised crime for the businesses operating there. It did not necessarily capture all organised crime in the neighbourhoods or all ways in which it may affect local businesses. The wider significance of organised crime was discussed with police and community informants but the research team did not have access to primary data to determine independently whether or not these views could be corroborated.

This report is divided into six main sections. Chapter 2 provides a summary of the background to the study and the methodological approach taken. The levels of crime and organised crime are then considered in Chapter 3. In Chapter 4 the extent to which businesses were invited to collude in organised crime is outlined. The variations in organised crime and the crime chemistries that generate organised crime in each case study area are presented in Chapter 5. In Chapter 6 some of the key attributes of individual businesses that are associated with organised crime are considered. Finally, summary comments and conclusions are listed in Chapter 7.

2. Background to the study and method

Background

This study was commissioned both to develop a methodology to gauge the ‘harms’ caused by organised crime to businesses located in high crime residential neighbourhoods and then to apply it to estimate the harms in three case study locations. As little previous research had been conducted in this area, it was first necessary to devise and pilot research instruments that aimed to produce as valid and reliable a set of results as possible. The research was therefore undertaken in two stages.

1. *A feasibility study.* The feasibility stage focused on method. In particular the research team was asked to determine whether the Commercial Victimisation Survey ([CVS] see Shury *et al.*, 2005), which has been used nationally to estimate the level of crime against retail and manufacturing businesses, might be adapted to deal with organised crime. The first phase of the research was conducted in one area and concluded, with some qualifications, that this was possible.
2. *Main stage of the research.* The main stage of the research applied the methods formulated during the feasibility study to three other areas. A survey of a sample population of businesses was conducted in each. In addition to this, briefings on police intelligence and the views of a number of key agencies were assembled to round out the picture derived from the survey. Main fieldwork was carried out between November 2006 and January 2007.

Method

The methodology was developed in two stages. The first included the following.

- A review of definitions of organised crime used by organisations such as the European Union (EU) and the Serious Organised Crime Agency (SOCA) to consider how they might be adapted to measure organised crimes against business.
- A literature review of previous research in the area to understand what methodological approaches had been used earlier and what might be learned from them (see Appendix A for the full review of the literature).
- Interviews with a number of experts in the field to assess how their organisations defined organised crime, what crimes they view as organised, the impact of organised crime on business and their views on potential methodological approaches for the research.²
- A pilot study of 17 businesses building on the research instrument developed from the Commercial Victimisation Survey, combined with local intelligence provided by the police and interviews with prominent members of the local community.

The initial phase of the research concluded that the methods piloted were able to yield adequate data on incidents that were perceived to be ‘organised’. On this basis it was agreed that there would be a survey of businesses in three small areas in the UK. These were selected in consultation with the local police. All were residential, experienced a generally high rate of crime and were reported to be sites of organised crime activities. The research sites eventually selected were in the West Midlands, London and the East Midlands.

For the purposes of the research, organised crime, as already noted, was taken to refer to ‘any deliberate, co-operative criminal activity engaged in over a sustained period by the same set of three or more collaborating individuals or groups’. Three data sources were used following the methods developed (and explained more fully in Appendix B) during the feasibility stage.

- *Survey work.* Face-to-face interviews were conducted with businesses. These included questions about their general experience of crime and their experience of organised crime.

2 Interviews were conducted with organisations such as SOCA, the Home Office Hi-Tech Crime Unit, the Home Office Organised Crime Team, the Home Office Business Crime Team, and senior police officers.

- *Police intelligence.* Efforts were made to gather police intelligence data for each of the three areas. However, it has to be recognised that police intelligence is often operational and highly sensitive and thus data on individual business premises are virtually impossible to obtain.
- *Community knowledge.* Interviews were conducted with prominent business leaders in each area. They were asked about key issues in relation to business crime and the organisation of business crime in their area.

Rather than depend on any existing directory of businesses, the fieldwork began by walking each area to conduct an ‘environmental audit’ where details of each business found were entered in a database to establish how many businesses were trading in the areas. All businesses were then contacted to arrange interviews. Table 2.1 shows the number of businesses sampled and the response rates for each area and overall. The overall response rate was 47 per cent (the response rate by business sector is outlined in Appendix B). The refusal rate was above 20 per cent only in the West Midlands and even there was only 22 per cent. The main reason for non-response was failure to make contact following repeated efforts. In all, data were obtained from 420 businesses.

Table 2.1: Response rates across the three areas

	West Midlands	London	East Midlands	Total
Sample size	312	257	326	895
Completed %	43	49	49	47
Unable to contact %	35	32	23	30
Refused %	22	17	15	18
Head Office %	0	1	11	4
Business closed %	0	<1	2	1
Achieved interviews	133	127	160	420

Base: All 895 businesses logged in the environmental audit

The survey, conducted in late 2006 and early 2007, asked respondents about their crime experience over the previous twelve months, their judgements about whether any incidents followed from organised crime as understood for the purposes of this research, and their views about the impact of organised crime on their enterprises (definitions of the crime types are presented in Appendix C). Respondents were also asked background questions about the business: its number of staff; main activities; years of operation; ethnic composition of the workforce; and status as independent, franchise or member of a chain.

Table 2.2 shows the distribution of types of businesses responding to the survey.

Table 2.2: Respondents' business types

	Number
Taxi service/bus	4
Betting shops	11
Wholesale/distribution	14
Retail (small shop/off-licence)	50
Manufacturing	5
Retail-supermarket	8
Pub/Bar	16
Hair and beauty salons	20
Restaurant	52
Retail/non-food (including repairs)	147
Travel agents	8
Finance (banks/building societies)	13
Legal services (Solicitors etc)	7
Property services (Estate/Letting agents)	5
Construction	3
Medical services/therapies	6
Others	46
Unknown	5
Total	420

Base: All 420 businesses

The numbers are too small for detailed analysis by sector. For some purposes they are broken down into 'retail', 'service' and 'other'.

In addition to the survey, local police intelligence sources were consulted in each area. Intelligence files were not made available. Rather, briefings were provided giving police views, based on their intelligence sources, on the nature, extent and working methods of organised crime, as understood here, within the relevant neighbourhoods. Finally, local community sources were approached as they became available in the course of the research, to obtain local insiders' views of the nature and extent of organised crime in each of the three neighbourhoods.

None of the data sources is without difficulty. Survey respondents will not always know whether the crime they have suffered is a result of organised crime. The police try to build an informed picture of what is happening from those local sources that are available to them and that they can cultivate, but there can be no guarantee that the information is reliable or that the inferences drawn are valid. Moreover, the intelligence pictures police seek to obtain reflect their priorities and these have not tended to include relatively low-level organised crime against businesses. Local community information and police intelligence are not independent of one another. The former feeds into the latter and at times the latter may feed back into the former. Members of communities may themselves, of course, only have a partial grasp of what is happening within their neighbourhoods.

This report draws on the range of evidence that was available. In some cases, as will be made clear, the different sources of information complement one another well. In others there are tensions between them. Before moving on specifically to consider organised crime, to put those findings in context a brief comparison is made with the findings of the 2002 CVS (Taylor, 2004; Shury *et al.*, 2005) as they relate to the overall level of crime experienced by businesses located in high crime neighbourhoods.

The research sites

Brief snapshots of the three areas where the research was undertaken are provided below.

West Midlands

The sample area was located just outside the centre of a large city. The focus was on a mile-long stretch of a main thoroughfare. The area is ethnically diverse with local ward census data (2001) indicating that 46 per cent of the population is of Asian and 29 per cent of African-Caribbean origin. There are a large number of small independent businesses of which many are run by Asians. These businesses generally conduct their trade in English though Punjabi and Hindi are also often spoken. Many of these shops sell a variety of goods ranging from discount household goods, cheap electrical items and food, though there are also a number of shops that sell Indian clothes, jewellery and Indian cuisine including large restaurants and small sweet marts³. The area had been the focus of some serious civil unrest both in the early 1980s and as recently as 2005. It is thought that racial tensions found between the African-Caribbean and Asian community are partly related to a perceived lack of opportunity for business ownership amongst the African-Caribbean community. This was used to explain some of the recent civil unrest where Asian-run businesses had been targeted. Police intelligence suggested also that there had been organised crime and gang-related activities close to the sample area. There has been major drug trafficking in the area and a number of shootings. These activities were thought to have impacted on the business community.

London

The sample area was on a mile-long stretch of a main thoroughfare that ran between two tube stations in a London suburb. It was known to the police because of problems with gang-related activities. The area is ethnically diverse with a high number of Turkish and Kurdish immigrants now resident. The road is heavily populated with small independent businesses that are owned by, cater for and are staffed by members of this community. The businesses are busy with customers most days of the week. They are a mixture of retail and service outlets ranging from food shops to Turkish-style cafes. Many of the businesses conduct most of their trade in Turkish, with English being used as a second language. There is substantial police intelligence suggesting that there have been organised crime-related activities in the area. There was a high profile shooting in the early 2000s that received much media attention, and this helped to publicise the risks of local gang-related violence that many businesses are thought to face. Recent police intelligence suggests that a number of businesses have been the focus of organised crime activities in the form of extortion. The stretch of road is reported to have the highest rate of violent street crime in the borough.

East Midlands

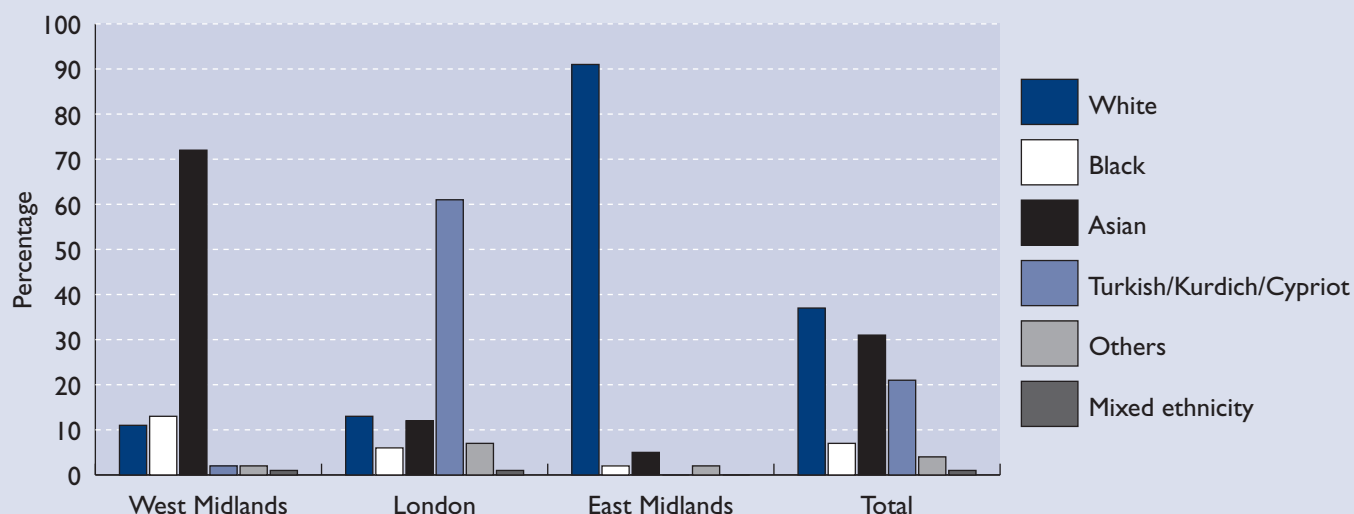
The sample area was a town centre located on the edge of a medium-sized city. The town was once closely associated with the coal mining industry, though since the demise of this trade the area has suffered economic hardship. The area is not as ethnically diverse as the other two sample areas. Local ward data (Census 2001) suggest that over 90 per cent of the local population is White. The sample area is a town centre police beat area, which has a number of retail outlets (both independent businesses and larger well-known chain stores). A large open-air market operates on the square, which sells a variety of goods from fruit and vegetables to designer label clothing. On the outer edges of the centre, there are a number of industrial estates and some large retail premises. 'Area of town centre activity' analysis by the Department for Communities and Local Government (2002) suggests that around 500 people in the area are employed in retail businesses, 130 in offices and 80 in pubs and restaurants. There are relatively few residential premises in the sample area, though the outer edges are characterised by public housing and low level flats. The area has close public transport links to the nearby city centre. Crime levels are relatively high and there have been a number of high profile crime incidents in recent years. There is intelligence suggesting that local families run extortion rackets in the area, and this has been the focus of police attention.

Profile of businesses across the three areas

Figures 2.1 and 2.2 show that the ethnicity of the businesses, in terms of their proprietor and staff, broadly reflected the populations in each neighbourhood.

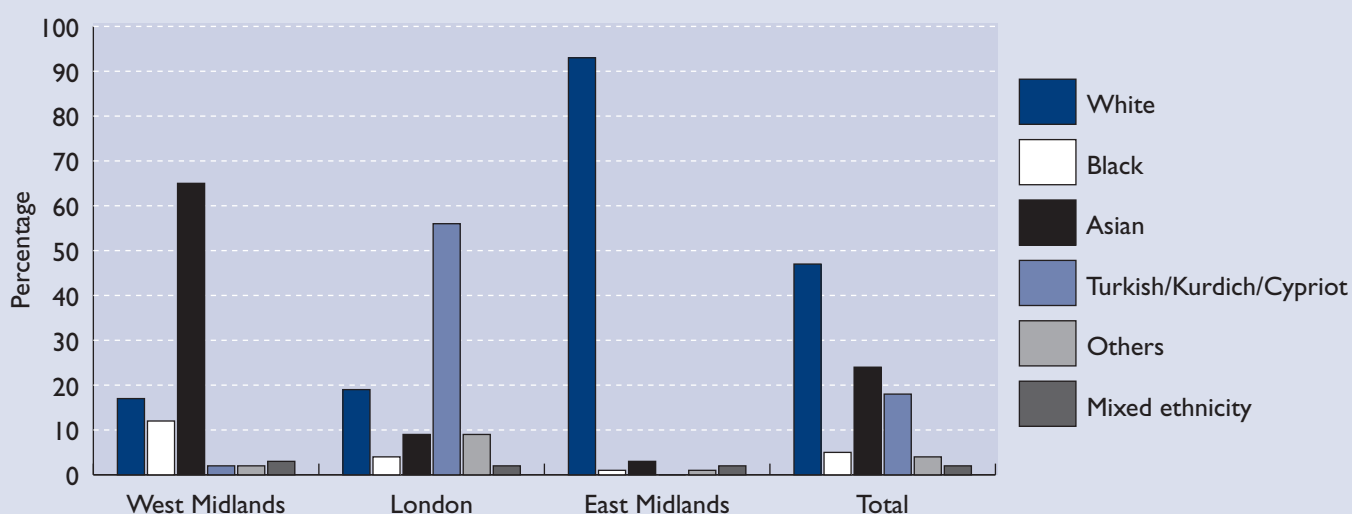
³ Sweet marts are small shops commonly found in Asian areas. They often sell small savoury snacks such as samosas and potato wadas.

Figure 2.1: Main ethnicity of proprietor by area



Base: 353 businesses able to respond to question.

Figure 2.2: Main ethnicity of staff by area



Base: 388 businesses able to respond to question.

Of the achieved sample of 420 businesses, the majority were independents (70%), 22 per cent were branches of a business with an HQ elsewhere, only six per cent were the headquarters of a larger business and two per cent were classified as ‘others’ (including franchises). A higher proportion of businesses in the East Midlands (33%) were the branch of a larger business than was the case in the West Midlands (20%) or London (11%).

In all of the areas, over 50 per cent of businesses had been trading for over five years. However, a high proportion of businesses were also relatively young. Nearly a fifth of all businesses (19%) had been trading for less than two years. The majority of businesses also employed fewer than ten staff (84% overall). A total of 60 per cent of businesses employed three to nine staff (over 50 per cent of businesses across each area employed three to nine staff) and nearly a quarter (24%) employed two or fewer staff. The East Midlands had the highest proportion of business that employed ten or more staff at 27 per cent.

Businesses' perceptions of crime and organised crime in their area

Before consideration is given to the patterns of incidents experienced by businesses, it is worth outlining businesses' perceptions of crime and organised crime across their area.

A total of 28 per cent of businesses thought that crime had increased since they had been trading in their area. Businesses in the East Midlands were most likely to think that crime had increased (34%) and those in London least likely (18%). In relation to organised crime, 18 per cent of businesses overall thought that organised crime had increased since they had been trading. Businesses in the West Midlands were most likely to think that organised crime was increasing (23%) and those in London least likely (14%).

Businesses were also asked whether they viewed a number of crime-related issues as being a problem in their area (table 2.3). Overall, 69 per cent of businesses viewed crime in general as a problem, with 56 per cent saying that stolen goods were a particular issue and 50 per cent stating that young people hanging around was a problem. Patterns of perception were similar across all three areas for crime in general, vandalism, stolen goods, racially motivated crime and prostitution. There were relatively high rates of perceived problems in relation to graffiti in the East Midlands, drugs and gun crime in the West Midlands, and money laundering and protection in London and the East Midlands. These issues are considered in more detail later in this report.

Table 2.3: Business perceptions of specific problems in their area: percentage of businesses stating the issue is a problem in their area

	West Midlands	London	East Midlands	All
Crime general	69	64	72	69
Graffiti	32	29	65	44
Vandalism	41	39	38	39
Stolen goods	54	60	55	56
Young people hanging around	59	53	41	50
Drugs	60	46	37	47
Gun crime	44	23	28	31
Money laundering	9	20	19	16
Racial crime	24	24	25	24
Counterfeit goods	53	55	30	45
Protection	4	27	24	18
Prostitution	20	24	19	21

Base: All 420 businesses

3. Levels of crime and organised crime against businesses located in high crime neighbourhoods

Levels of crime

The overall results of the Commercial Victimization Survey (CVS) and the Organised Crime (OC) survey cannot be compared in a valid way. The OC survey covered all businesses in the local neighbourhoods. The CVS included only retailers and manufacturers. A large proportion of the businesses included in the OC survey were service providers, which were not included in the CVS. Moreover the neighbourhood-based businesses in the OC survey areas tended to be relatively small by national standards. Since size and sector are related to levels of crime experiences, in this section the findings of the CVS are compared to the OC findings for the most similar population of businesses for which the sample sizes are adequate: retail premises with nine or fewer staff.

Table 3.1 shows clearly that across most crime types the relatively small retailers within the high crime residential neighbourhoods had substantially higher 'prevalence rates' than their counterparts in the CVS, 'prevalence rate' referring to the proportion that were victims of one or more incidents in the previous twelve months. The rank order of prevalence rates of individual offences experienced by smaller retailers surveyed in the CVS and OC survey, though, is substantially similar. For all the higher volume crimes, including customer theft, intimidation, vandalism, outsider fraud, burglary, employee theft and theft of vehicles, the prevalence rate for smaller businesses found in the OC survey was higher than that found in the CVS. The rates were very substantially higher for customer theft, intimidation, outsider fraud, and employee theft. Only for relatively uncommon offences, including outsider theft and employee fraud, were prevalence rates lower in the OC survey than those found in the CVS.

Table 3.1: OC and CVS crime prevalence per 100 retail premises with nine or fewer staff

	OC %	CVS %
Customer theft	62	36
Intimidation	27	14
Vandalism	23	18
Outsider fraud	18	13
Burglary	15	13
Employee theft	9	4
Theft of vehicles	5	2
Robbery (including attempts)	4	4
Outsider theft	3	7
Employee fraud	0	4
Offered stolen goods	35	12

Base: OC=175; CVS=2,738

On the basis of the most comparable subset of businesses included in the OC survey and the CVS it can be concluded that the high crime rate in the neighbourhood is reflected in a substantially higher victimisation rate for businesses.

The existence of relatively high rates of crime against businesses in high crime neighbourhoods does not mean, of course, that they result from organised offending. The next section considers the extent to which the crime against the businesses surveyed in the high crime neighbourhoods was organised.

Organised crime in high crime neighbourhoods

Different indicators of levels of organised crime were developed using the OC survey. The first relates to victims' views about whether or not any of the incidents they had suffered were organised.

Victims' views on the organised crime they had experienced

Those respondents who had been victims of crime were asked whether or not they thought that any of the offences they had suffered resulted from organised crime as defined in this report (see Appendix D for more detail). In many cases, of course, they could not know for sure whether this was the case. Table 3.2 shows the findings for the sample as a whole. The first column shows the percentage and raw numbers of respondents who had experienced each crime asked about. The subsequent columns show the percentages of those who had suffered each of the crimes who also believed at least some of them had resulted from organised crime, or who had no idea, or who believed that none had been connected to organised crime.

All of the businesses in the sample experienced at least one incident over the recall period, with 42 per cent experiencing shop theft, 30 per cent vandalism and 30 per cent intimidation. Among the more prevalent offences, where at least a quarter of the businesses had suffered one or more incidents, just under a third of those experiencing shop theft believed that at least some of the offences were organised, but only about one in eight for vandalism, graffiti or intimidation. Amongst moderately prevalent offences (experienced by 10% to 20% of businesses), around two-fifths believed that burglaries and external fraud had been organised, but only about one in seven thought the same for violent offences (defined for respondents as 'actual physical violence', including hitting, slapping, kicking or punching, but excluding robbery and incidents between staff). Amongst the less prevalent offences (experienced by eight per cent or fewer respondents), around two-fifths of respondents believed that robberies were organised, but only about one in seven thought the same for vehicle theft or outsider theft. Extortion was reported by only one per cent of respondents, but all believed (or knew) that it was organised. Table 3.2 also indicates, unsurprisingly, that many respondents felt unable to express an opinion about whether any of the incidents they had experienced resulted from organised crime. Overall, more than 30 per cent of victims thought that, on some occasions, incidents of shop theft, burglary, outsider fraud, robbery and extortion they had experienced were the result of organised crime. In contrast, 15 per cent or fewer attributed any incident of vandalism, intimidation, graffiti, violence, employee theft, vehicle theft or outsider theft to organised crime.

Table 3.2: Victim beliefs about whether or not incidents experienced resulted from organised crime

	Prevalence		Yes %	Don't know %	No %
	%	(n)			
Shop theft	42	(178)	31	15	54
Vandalism	30	(128)	13	18	70
Intimidation ¹	30	(125)	13	12	75
Graffiti	25	(103)	11	19	70
Burglary	20	(82)	39	22	39
Outsider fraud	19	(78)	37	33	29
Violence	10	(44)	14	11	75
Employee theft	8	(32)	6	6	88
Robberies	7	(29)	41	21	38
Vehicle theft	5	(23)	13	43	43
Outsider theft	3	(13)	15	8	77
Extortion	1	(4)	100	0	0

Base: All 420 businesses

1. Intimidation was experienced by businesses in a variety of contexts. Of the 125 cases of intimidation, 36 per cent (n=45) could be classified as being 'expressive' in nature and 30 per cent (n=38) 'instrumental'. Incidents that were expressive in nature were those where there was no immediate attempt by the offender to make personal gain/profit from the business (for example, threats from gangs of youths hanging around the business). Instrumental incidents were those where the offenders tried to make some profit or gain from the incident (in terms of cash or property). These often included incidents that were linked to shop theft where shop staff had apprehended suspects. There was some evidence that some of the intimidation experienced by businesses might have been part of a sequence of events that were leading to demands for extortion monies. However, there was little evidence that the survey was recording incidents of extortion within the intimidation category.

Respondents who thought that one or more of the offences were organised were asked for their reasons for that belief. Their responses were placed into five main categories.

1. *MO of job/type of job*. In these cases the respondent suggested that there had been complex planning or the type of job was too big for only one offender. The crime suggested that several offenders would have to work together to complete it or that it was too proficiently planned to be opportunistic.
2. *There was a series of events in the night or over a period of weeks*. Several crimes occurred within the same premises, or several premises were targeted over a very short period of time.
3. *Types of goods targeted*. In such cases, the types of goods targeted suggested that the event was not simply opportunistic and that offenders had clearly targeted specific items.
4. *Respondent hunch only*. The respondent had no specific hard evidence, the conclusion was based upon a hunch.
5. *Offenders were seen/known*. A group of offenders were seen by a victim, witness or recorded on CCTV or they were known to the business.

Table 3.3 shows the patterns of their responses over a sample of offences.⁴ In the cases of vandalism and outsider fraud it is clear that amongst respondents believing that one or more of the incidents they had experienced followed from organised crime, a majority had no solid evidence for their opinion i.e. they based their assessment on a hunch. Respondents appeared most often to have strong grounds for their beliefs about organised crimes in cases of shop theft and graffiti.

Table 3.3: Victim grounds for believing crime was organised

	Shop theft	Burglary	Outsider fraud	Vandalism	Graffiti
	%	%	%	%	%
MO/type of job	42	16	34	6	18
Series of events	5	16	0	6	36
Types of goods	0	3	0	0	0
Hunch	15	40	55	62	18
Known/seen offenders	38	25	21	25	27
Number of respondents	55	32	29	16	11

Base: All 133 businesses who were victims of organised crime

Patterns of repeat incidents

A second indicator of levels of organised crime related to linkages between incidents experienced by repeat victims. Repeat victimisation against businesses had been previously found to occur at a high rate (see for example Tilley and Hopkins, 1998; Shury *et al.*, 2005). As Table 3.4 shows those who have suffered one offence were at heightened risk of a second, across all crime types.

⁴ A sample is given as numbers become too low across some offence types to be meaningful.

Table 3.4: Risk increases with numbers of incidents (the total percentage of the sample falling into each group is given in brackets)

	Burglary %	External fraud %	Premises robbery %	Vehicle theft %	Customer violence %	Outsider violence %
At least once (N=420)	20 (20)	19 (19)	5 (5)	5 (5)	9 (9)	2 (2)
Of those at least once, percent victimised at last twice	40 (8)	70 (13)	23 (2)	26 (1)	61 (5)	60 (1)
Of those at least twice, per cent victimised at least three times	48 (4)	76 (10)	20 (<1)	67 (<1)	68 (4)	50 (<1)
Of those at least three times, per cent victimised at least four times	63 (2)	64 (6)	0 (0)	50 (<1)	53 (2)	0 (0)
Of those at least four times, per cent victimised at least five times	60 (1)	93 (5)	0 (0)	0	75 (1)	0 (0)

Base: All 420 businesses

The first row of Table 3.4 shows the percentage prevalence rates for six of the offences included in the interview: burglary; external fraud; premises robbery; vehicle theft; customer violence; and outsider violence. The second row shows the percentage of those businesses that were victims at least once for each of these crimes, and which were victimised a second time. The third row shows the percentage of those victimised twice who were victimised a third time, and so on. The first column shows the figures for burglary. This indicates that 20 per cent of businesses suffered at least one burglary in the previous year. Of the businesses that suffered at least one burglary, 40 per cent suffered a second. Of those that suffered a second burglary, 48 per cent suffered a third, and so on. Base numbers clearly become smaller and smaller and the numbers less dependable. What is striking, however, about Table 3.4 is that for every offence type, whatever the initial prevalence rate, those who had experienced at least one crime were at a substantially heightened risk of a second.

If the events are connected to one another, some level of organisation is suggested. Businesses that were repeat victims were, therefore, asked if they thought the incidents were linked. The numbers of repeat victims, the numbers identifying links between offences and the percentage of businesses suffering repeat crimes where links were perceived by victims and the percentage of the total sample where links were identified between incidents are shown in Table 3.5.

Table 3.5: Overall numbers of repeat victims and percentages identifying linkages between incidents

	No of repeat victims	Victims with any linked offences last 12 months (total number)	Repeat victims with linked incidents %	Total sample with linked incidents %
Shop-theft	153	64	39	15
Vandalism	103	29	28	7
Outsider Fraud	55	22	40	5
Graffiti	76	23	30	5
Burglary	33	15	45	4
Employee theft	17	6	35	1
Employee fraud	5	2	40	<1
Theft of vehicles	6	2	33	<1
Violence	22	2	9	<1
Robbery	9	0	0	0
Outsider theft	4	0	0	0
Extortion	0	0	0	0

Base: All repeat victims n= 277 (66% of sample of 420 businesses). Intimidation excluded as victims were not asked for specific number of incidents.

It is clear that in the cases of burglary, employee fraud, outsider fraud and shop theft, four out of ten or more believed that at least some of the incidents they had experienced were linked. This was also the case for around three in ten cases of graffiti and vandalism, where the total numbers of cases make such estimates possible. For employee fraud and theft, theft of vehicles, robbery, outsider theft, and extortion, the numbers of incidents are too small to make any kind of estimates of overall rates of linked incidents as seen by the respondents. As proportions of all businesses included in the survey they represent a small proportion: for shop theft which is a very widespread repeat offence, some 14 per cent of respondents in all reported repeat events, but this figure fell to seven per cent for vandalism, five per cent for graffiti and outsider fraud and four per cent for burglary. Moreover, where linkages are perceived by victims they indicate at least some minimal level of organisation, but not necessarily sufficient to satisfy the working definition used in this research.

Table 3.6 shows the results of the two methods of estimating the annual prevalence of organised crime incidents, for shop theft, burglary, outsider fraud, vandalism and graffiti. The first column shows the percentage of businesses where victims thought at least one incident they had suffered was organised in the terms being used in this report and where they had grounds better than a hunch for their view. The second column shows the percentage which had been repeat victims, believed that the incidents were connected to one another and their grounds were stronger than a hunch. Of course more than one linked incident may have occurred without either being associated with organised crime as understood here. The generally higher numbers of the second column may reflect this. The estimates of proportions are, though, broadly similar. They suggest that from the point of view of victims, organised crime is most commonly seen in relation to shop theft but even then by only about one in eight businesses in high crime residential neighbourhoods. For burglary, outsider fraud, vandalism and graffiti, rates of organised crime involvement are substantially lower. In addition to this there were, of course, one per cent of businesses that had experienced extortion, and this was clearly seen as organised crime.

Table 3.6: Estimates for evidence-based prevalence of organised crime

	Percentage of total sample where offence experienced AND it is believed to be organised AND there were grounds stronger than a hunch	Percentage of total sample where there were repeat incidents AND it was believed that there were linkages between incidents AND there were grounds stronger than a hunch
Shop theft	11	14
Burglary	5	3
Outsider fraud	2	5
Vandalism	2	6
Graffiti	2	5

Base: All 133 businesses who were victims of organised crime

Collectively these data suggest that serious organised crime is relatively uncommon in high crime residential neighbourhoods even though overall numbers of incidents against businesses are high. Most incidents were believed by victims to be the result of relatively disorganised crime. This finding, it should be remembered, emerges from research in three areas where the police thought that organised crime was a significant problem. It would seem unlikely, therefore, that this was a function of having sampled high crime neighbourhoods which suffered uncharacteristically disorganised crime, as compared to other high crime neighbourhoods. Of course it is possible that victims were mistaken about the sources of the offences that they had suffered; the crimes they experienced may have been more organised than they took them to be. If their views are correct, however, only a small proportion of the high numbers of crimes against businesses in high crime neighbourhoods are the result of serious organised crime. A better explanation of the very high levels of business victimisation may be that businesses in these areas provide an ample supply of attractive, accessible targets for locally active offenders who are not associated directly with organised crime.

4. Businesses as invited colluders in organised crime

Businesses, of course, are not only victims of organised crime, they may also be implicated in it. The survey did not ask respondents whether they took part in crime; this was not the focus of the work and, in any case, candid responses could clearly not be expected. Respondents were asked, however, if and how often over the past year they had been offered stolen goods, counterfeit goods, contraband tobacco or contraband alcohol, regardless of whether or not they had agreed to take any of it. If invited to take these goods they were implicitly being asked to take part in criminal activities that involved, at least minimally, some degree of organisation, even if this involved only the production/acquisition, transportation, sale and resale of illicit goods.

Table 4.1 shows across the whole sample that 50 per cent had been offered stolen or counterfeit goods (44 per cent were offered counterfeit goods and 33 per cent stolen goods), 22 per cent smuggled tobacco and seven per cent smuggled alcohol. Moreover, just under a third associated the stolen and counterfeit goods with organised crime, just under half for tobacco smuggling and a quarter for alcohol smuggling.

Table 4.1: Respondent beliefs about whether or not offers of illicit goods were associated with organised crime

	Prevalence % (number in brackets)		Yes %	Don't know %	No %
Stolen or counterfeit goods sales	50	(211)	31	37	32
Tobacco smuggling	22	(93)	46	28	26
Alcohol smuggling	7	(30)	25	45	30

Base: All 420 businesses

Table 4.2 shows the broad types of grounds respondents gave for believing that their invitations to receive illicit goods were associated with organised crime. Numbers for smuggled alcohol are very small but in all cases it was the scale and complexity of the activities of those involved that led respondents to believe that the crime was organised. This was also the most frequent reason for believing that offers of smuggled tobacco followed from organised crime, with two in five suggesting that this was the case, though observations of repeat offenders were also mentioned by a third of respondents. For stolen and counterfeit goods, observations of the same offenders was given as the reason for believing the offending was organised by three in ten of those answering the question with almost as many referring to the scale and complexity of the operation and one in five referring to the activity of gangs. Just under a quarter had no more than a hunch that the offers they had received were connected to organised crime.

Table 4.2: Reasons for believing offers of illicit goods were the result of organised crime

	Stolen/counterfeit goods (%)	Smuggled tobacco (%)	Smuggled alcohol (%)
Same offenders/observations	30	33	0
Scale and complexity of operation	27	39	100
Gang involvement	20	6	0
Hunch	23	22	0
Number of respondents	56	18	4

Base: 56 businesses who thought offers of stolen/counterfeit goods were a result of organised crime, 18 business who thought offers of smuggled tobacco were a result of organised crime and 4 businesses who thought offers of smuggled alcohol were a result of organised crime and were able to give reasons for believing that offers were a result of organised crime.

Taking into account the proportions of respondents being offered illicit goods, the proportion of them believing that the offences were associated with organised crime and the percentage of those who also had grounds for their beliefs that were more than a hunch, one can estimate prevalence rates for offers of involvement in organised crime. These suggest that ten per cent of offers of counterfeit or stolen goods relate to organised crime, eight per cent of offers of contraband tobacco and two per cent of offers of contraband alcohol.

Figures 4.1 to 4.4 show the rate at which businesses are invited to receive illicit goods, and smuggled tobacco and alcohol. In each case the horizontal axis describes the number of invitations per business. The number in the bottom left corner describes the number of businesses saying that they had received no offers of illicit goods. Moving to the right, each number refers to the number of businesses being offered illicit goods on a given number of occasions. The numbers are ranged from those that have received the least offers to those that say they had received the most. The vertical axis to the left describes the number of offers per business. The increments on the horizontal axis are the number of businesses that were offered stolen goods, with frequency indicated on the left axis. The vertical axis to the right describes the cumulative number of offers of illicit goods. The line on the graph describes to the left the number of offers per business in relation to the numbers on the horizontal axis and to the right the cumulative number when these are added to those with fewer offers per business. Hence the top right point of the line for counterfeit goods in Figure 4.1 shows that there was one business that estimated that it had had 1,000 offers of counterfeit goods in the previous year bringing to a total some 15,500 offers of counterfeit goods across the total sample of 414 businesses which provided usable replies to the relevant questions.

All four figures show much the same pattern: that of those businesses invited to take part in illegal activities a small proportion are asked to do so repeatedly. Offers of counterfeit goods are made to more businesses than are other illegal goods, as already shown. They are also often made much more frequently. The result is a far higher incidence level than that found for the other invitations to receive illicit goods. Stolen goods, tobacco and alcohol follow in order for incidence as they were found to do so for prevalence.

With regard to concentration, of the 182 businesses offered counterfeit goods and able to state how many times they were offered such goods, they were offered such goods on average 85 times over the previous twelve months.⁵ The 138 businesses offered stolen goods were offered them on average 36 times each. The 67 businesses offered smuggled tobacco were offered it on average 89 times each. Only 22 businesses offered illicit alcohol were able to state the number of times they were offered such goods. On average this occurred 12 times for each of them. The estimates need, of course, to be treated with great caution. Those saying that they had received many offers of illegal goods clearly made rough, impressionistic estimates. Even taking this into account, however, the findings strongly suggest that for businesses in high crime residential neighbourhoods, opportunities to play a part in criminal activities in concert with others are widespread and for some businesses are very numerous indeed.

⁵ Concentration rates are presented for businesses able to state the number of times they were offered goods.

Figure 4.1: Offers of counterfeit goods



Base: 414 businesses where independent variable could be ascertained.

Figure 4.2: Offers of stolen goods



Base: 415 businesses where independent variable could be ascertained.

persistence with which they were approached might suggest, however, that the vendors both expected some businesses to agree to it and also that they were facing little risk in trying to involve them. The authors have no evidence to indicate rates at which offers were accepted either from the survey or from police and community sources.

Reports to the police of these offers to businesses are extremely rare. The survey found only 13 businesses reporting offers of either stolen or counterfeit goods, no reports of offers of smuggled alcohol and just three reports of offers of smuggled tobacco.

The data presented in this section indicate high annual prevalence and incidence rates for offers of illicit goods, which imply some level of organisation even if many respondents did not recognise it. This is likely to adversely affect those not accepting the goods (because they face unfair competition from those who do accept them), but may also contribute to the survival of those who accept them in those relatively poor neighbourhoods, which tend to suffer high levels of crime.

With regard to the opinions of survey respondents, some 20 per cent thought that the local supply of stolen or counterfeit goods adversely affected their businesses, but just nine per cent thought the same for tobacco smuggling and six per cent for alcohol smuggling.

5. Area variations in organised crime impact

So far, this report has described overall patterns of organised crime and their perceived effects across the three areas, drawing on the OC survey. This section of the report considers each area in turn and attempts to ascertain how the patterns identified in the survey are generated. This section draws again on the survey, but also police intelligence information and community views about crime patterns in each area (a list of those interviewed is presented in Appendix E).

It looks in particular at the ‘crime chemistries’ lying behind the patterns of crime against businesses in the three areas. The term ‘crime chemistry’ is taken from Felson (2002) and describes the constellation of conditions that bring suitable victims and likely offenders together in the absence of protection of the former from the latter through ‘capable guardianship’. Crime chemistries may also include ‘props’ to help commit or prevent crime, camouflage enabling the offender to escape notice, and ‘audiences’ that may persuade or dissuade criminal behaviour by the likely offender. It will be clear that the three case study areas plausibly provide contrasting ingredients both for organised crime and for crime in general against local businesses.

Survey findings on area variations in patterns of organised crime

Table 5.1 presents the prevalence rate of crime per area and by crime type. Overall, 32 per cent (n=133) of all businesses thought they had been victim of any incident of organised crime in the previous 12 months. There was relatively little variation across the three areas with 31 per cent of businesses in the West Midlands, 34 per cent in London and 36 per cent in the East Midlands stating that they were victims. A total of 13 per cent of all businesses thought they were victims of shop theft, eight per cent burglary and seven per cent outsider fraud.

Table 5.1: Area percentages of businesses experiencing any organised incident

	West Midlands %	London %	East Midlands %	Total %
Shop-theft	15	16	9	13
Burglary	10	8	6	8
Outsider Fraud	4	9	8	7
Intimidation	2	2	6	4
Vandalism	3	2	6	4
Graffiti	2	3	3	3
Robbery	3	4	2	3
Violence	2	0	3	1
Outsider theft	0	0	1	1
Employee theft	1	0	1	1
Theft of vehicles	2	0	1	1
Extortion	1	2	0	1
Employee fraud	0	0	0	0
Any Organised	31 (n=40)	34 (n=45)	36 (n=48)	32 (n=133)

Base: All 420 businesses

Table 5.2 considers the percentage of victims who believed, for whatever reason, that any of the incidents they had experienced of each given crime type were organised. At least 30 per cent of victims who had experienced one or more incident thought that at least some were organised in relation to extortion, robbery, burglary, outsider fraud and shop theft. There were only four cases of extortion so little can be gleaned about this. The plausibility of efforts at extortion depends on them being seen by the target victim as sufficiently organised for the threat to be taken seriously. The

particularly high figure for robbery in the West Midlands area needs also to be read cautiously: it relates to only seven cases. For the remaining offence types the highest frequency at which at least some of the incidents were believed to be organised was found in the London area, though at least one in five respondents who had been victimised in both other areas also believed that some of the incidents were related to organised crime.

Table 5.2: Area percentages of victims stating that they thought any incident they had experienced was organised

	West Midlands %	London %	East Midlands %	Overall %
Extortion	100	100	*	100
Robbery	57	36	38	41
Burglary	54	63	21	39
Outsider Fraud	22	44	40	36
Shop-theft	27	38	28	31
Outsider theft	0	0	33	15
Violence	18	0	19	13
Theft of vehicles	33	0	10	13
Intimidation	8	10	16	12
Vandalism	15	14	10	12
Graffiti	10	24	7	10
Employee theft	8	0	7	6
Employee fraud	0	0	0	0

Base: All 133 businesses who were victims of organised crime (West Midlands n=40; London n=45; East Midlands n=48) *=No incident reported.

Table 5.2 also shows that across the sample as a whole, between 13 per cent and 15 per cent of victims of violence, theft of vehicles and outsider theft thought that incidents had resulted from organised crime. However, none of the London sample thought that such incidents were organised. The table also shows that in all areas some involvement in organised crime was perceived in cases of intimidation, vandalism and graffiti.⁷ Finally, it shows that although employee thefts and frauds were, as indicated earlier, often believed to be linked to one another, they were seen to reflect organised crime, as defined for the respondents, only rarely.

Understanding area patterns of organised crime

The attention paid by police intelligence to crimes against business varied according to perceived local needs and priorities. In the London area, police believed that businesses were heavily affected by organised crime. As a result, beat officers belonging to the dominant ethnic group had been appointed to liaise with the community. This involved substantial contact with local businesses to find out what was happening to them within the community. Senior police officers were also well-briefed on community-related issues in part because there were suspicions of connections to much more serious crime. In the West Midlands, reducing business crime had been made a local priority and this had

⁷ It should be noted that although there were substantial area variations in the overall prevalence rate of vandalism and graffiti, there appeared to be an inverse relationship between prevalence rates and levels of organisation. For example, in the East Midlands there was a very high prevalence rate for both vandalism and graffiti (55% and 44% respectively) compared to 17 per cent and 13 per cent in London and 20 per cent and 15 per cent in the West Midlands respectively. However, in the East Midlands, concentration rates for both vandalism and graffiti (average number of incidents per victim) were low at ten and four respectively. This suggests that, in this area, these crimes might have been relatively untargeted and disorganised. In London, there was evidence that graffiti is much more targeted on particular premises than in the East Midlands area. There were some examples where graffiti was thought to be related to organised crime. Eleven businesses explicitly stated that they thought that graffiti was organised with six stating that there had been repeat incidents where the offender had used the same tag or political slogan. Three businesses stated that they knew the perpetrators who were spraying graffiti and two others had a hunch that the incidents were related to specific organisations.

led to increased attention to patterns in it. The East Midlands survey area was located in a BCU⁸ with a very high crime rate across the board. Here, not unnaturally, police intelligence related less specifically to the kinds of crime that might be affecting businesses in particular and more to the general local crime dynamics and how this might involve and also impinge on some businesses in the area.

Community intelligence was gathered from a variety of sources. This included conducting a snow-ball sample of interviews with a number of business leaders and key agencies within the case study areas. Interviews were conducted with representatives of traders' associations, community groups, community safety organisations and key religious groups.

Though there is little robust or independent evidence to test the accuracy of police and community views, they strongly suggest that the 'crime chemistries' lying behind the patterns of crime against businesses in the three areas differ substantially, as the accounts below illustrate.

The London area organised crime chemistry

Survey data showed that a number of respondents had experienced incidents that they thought were carried out by organised criminals and that the 'organised' incidents they had been victims of covered a number of crime types. Both the community and police intelligence interviews were able to give a picture of how serious organised crime was able to manifest itself in the area through population movement and by routine illicit activities feeding off routine legal activities.

Figures 3.1 and 3.2 showed that the staff and proprietors of the businesses in the London sample area were overwhelmingly of Turkish, Kurdish or Cypriot extraction. Both police intelligence and community views suggest that the organised crime in the area is largely shaped by this characteristic. In the early 1990s many of the businesses in the area were owned by Cypriots. As these business owners became wealthier they began to move out of the area. As wealth moved out of the area many of the businesses were taken over by Turkish and Kurdish immigrants. This pattern of ownership, alongside the community dynamics outlined below, appeared to produce a rich opportunity structure for organised crime. There were, thus, attractive targets for acquisitive crime (within the businesses), linkages with those overseas (providing sources of and means of trafficking persons and illicit goods of various kinds) and compromised capacities for local guardianship (language barriers, distrust of the police, illegal immigrants unable to report crime, and transnational community networks enabling intimidation of community members by plausible threats to kinfolk). In addition, there was also camouflage for offenders (in the form of local community organisations), and some audiences to encourage offending (providing political ideologies to justify crime).

The police acknowledge that the Turkish/Kurdish community is a 'hard to reach' group within which a number of major crimes have taken place. It is hard to reach for a number of reasons.

- There is a language barrier -- many members do not speak English, a characteristic revealed in interviews conducted during the surveys of businesses where interpreters were needed in over 50 per cent of interviews.
- Members of the community retain cultural and familial ties with their country of origin. They identify with one another and prefer to manage affairs internally. They also fear retribution if they report internal problems externally.
- There is a historic mistrust of the police, partly based on the experience of policing in community members' countries of origin and thus the community is not always forthcoming with intelligence.
- Some local community leaders are thought to be aligned to a political group that is believed to intimidate members of the community and to be implicated in serious organised crime. Businesses were also said to worry that this group would be able to exert retribution on family members still living in their country of origin if they were to make complaints to the police.
- There are divisions within the community and the police are reluctant to develop close links with any single faction for fear of being seen to be biased.
- Some members of the community are believed to be implicated in or part-beneficiaries of organised crime.

Given these problems for engagement with this community, the police have built up a picture based on quite fragmentary evidence and on information from covert sources of various kinds.

⁸ A basic command unit (BCU) is the key territorial policing unit within a police force area.

From the point of view of the police, organised crime takes several forms that are facilitated by just those characteristics of the community that inhibit successful police engagement.

- Drug and people trafficking is fostered by close ties with the country of origin. There are clear economic benefits from this, which spread somewhat within the business community, some of whom are believed to be substantially involved in retailing drugs.
- The drug trafficking and people trafficking create a context in which other forms of organised crime can flourish, particularly prostitution. The prostitution provides an alternative outlet for organised criminality when drug trafficking is thwarted – there are many brothels in the local area.
- The political associations (and origins) of organised criminality provide the means whereby community members can be controlled internally. Criminal methods include a range of serious offences, notably kidnap and murder, as well as threats of various kinds (the kidnaps and murders do, the police believe, tend to be brought to their attention as there is no more serious threat that may be used to deter reports and the police become the last resort for victims' family members).
- Businesses feel at times pressurised into making financial contributions to community organisations that act as a front for political groups.
- The threats made in the context of extortion may sometimes be directed at employees rather than principals of businesses where those business proprietors enjoy high local status. Their social obligations to staff members of their ethnic group, who are also often family members, mean that they pay up on their behalf.
- The extortion is represented as a contribution to the local community and its interests back home.

The local community organisations are believed both to act as a kind of front for quasi-political organised criminal activity and as a means of internal control over it. Where disputes over the appropriate level of contribution from the community (or extortion) arise and there is a risk of coercion, elder members of the community may arbitrate and determine what comprises a reasonable level of expectation and of payment. In this way harm is reduced in the sense that violence is prevented but 'extortion' still happens in that leverage is applied to those who would otherwise prefer not to make the 'voluntary' contribution.

In the language of crime chemistry, the victims are suitable targets as business owners have cash that can be demanded, with staff in relation to whose interests they have strong obligations, and with vulnerabilities in a foreign country in which it is not practical or plausible to provide protection. The likely offenders have a political mandate to justify their demands. The community organisation provides camouflage for the organised criminality (and community relations' imperatives provide obstacles to interrogating its internal workings). The links to the country of origin provide resources enabling drug and people trafficking to be orchestrated. The police, as potential plausible guardians, are emasculated due to language barriers, historical mistrust of the police and the susceptibility of victims to coercion from within their community. The political dynamics behind the organised crime provide a kind of audience justifying and encouraging much of the organised criminal behaviour.

The survey findings suggest that the London businesses, in comparison to the other two areas, suffered very high rates of repeat shop theft, external fraud, vandalism, violence and graffiti with no obvious relationship to the internal community and crime chemistry described here. Moreover, Table 5.3 shows that the businesses with TKC proprietors tended to have lower prevalence levels for external crimes committed against them.⁹ This was markedly the case for burglary, employee fraud, external fraud, graffiti, robbery, shop theft, vandalism, intimidation and violence. Vehicle theft and outsider theft prevalence levels were similar. Only extortion, a crime reported by three of the businesses interviewed, was particular to the TKC community, with no offences reported by respondents from other ethnic groups.

The findings for extortion provide some support for the account of the crime chemistry drawn from police and community sources, but the disparities between the risks faced by TKC businesses and others are unaccounted for. It is not possible on the basis of the data available to determine whether there is any form of organisation to the much higher rates at which non-TKC businesses face external crime threats of various kinds.

⁹ Similar patterns are also observed for the prevalence rate of organised crime by ethnicity of proprietor.

Table 5.3: Prevalence rates per 100 businesses for various crimes by ethnicity in the London area 2006

Offence	Ethnicity of proprietor	
	Turkish/Kurdish/Cypriot (n=73)	Other (n=54)
	%	%
Burglary	9.6	16.7
Employee fraud	0.0	3.7
External fraud	12.3	33.3
Graffiti	9.6	18.5
Intimidation	8.2	42.6
Outsider theft	4.1	5.6
Robbery	5.5	18.5
Shop theft	34.2	50.0
Vandalism	11.0	24.1
Vehicle theft	5.5	5.6
Violence	5.5	18.5
Employee theft	5.5	3.7
Extortion	4.1	0.0

Base: 127 businesses in London.

The survey findings and police intelligence provide rather different impressions of organised crime and its dynamics in London, particularly in relation to the extent that businesses were being targeted for extortion. There are a number of potential reasons for this.

1. It may be because the businesses failed to disclose what was happening; some of the same dynamics that lie behind failure to report incidents to the police may have lain behind failures to disclose what was happening in the survey that was conducted.
2. It is possible that many victims of extortion refused to take part in the survey due to fear or suspicion.
3. A number of businesses that were interviewed may have been victims of extortion before the 12-month recall period.
4. Police accounts may relate to what remain relatively uncommon instances of extortion and serious organised crime and thus a survey of a large sample of businesses across an area presents a rather different picture of organised crime, compared to the partial, incident-focused one observed by the police.
5. What the police might view as extortion might be construed differently in this community. It might be understood as discharging obligations to the community. Some businesses did mention being forced to sell newsletters for political organisations and being asked to pay for the privilege. Many outsiders might view this as extortion, though the victims did not label it as such.

The East Midlands area organised crime chemistry

The proportion of businesses in the East Midlands claiming to be victim of any incident of organised crime was slightly higher than in London. There were no incidents of extortion against businesses in this area, though nine per cent of shop theft, seven per cent of outsider fraud and six per cent of intimidation were all thought to be organised.

Unlike London, ethnicity was not thought to be a main driver of crime in the area. The East Midlands area is overwhelmingly White in terms both of the surrounding population and in terms of the staff of the businesses included in the survey area. Close to 95 per cent of the businesses interviewed were predominantly staffed by White British people, as were over 90 per cent of the proprietors whose ethnicity could be identified.

The city within which the sample area is located has one of the highest crime levels of any in England and Wales and the high levels of crime against the businesses reflect this general pattern. The area was not believed by the police to be significantly worse than others within the city in terms of organised crime against businesses. It was distinctive, however, in the source of that criminality. Unlike other parts of the city this one had a history of traditional, prolific and well-networked White working class crime families. These networks were deemed to operate both within the city and with other criminal groups in other cities. It was thought that they were relatively rigidly structured, with a division of labour between functions. High levels of violence were said to be used to make sure that discipline was maintained. Criminality was believed to be sufficiently embedded that the removal of any one part of the network in any part of the area would soon lead to its replacement by other criminals.

A number of public houses were believed to function as the bases for organised criminal behaviour. There was evidence from both police intelligence and community interviews that some were regularly used by criminal gangs as an 'office'. The offenders controlled the opening hours and admissible clientele, and provided protection for the landlord in return for a free run of the premises (this included being able to use/take drugs freely, use telephones, and run up large tabs behind the bar). There were also suggestions that publicans had colluded with organised offenders after incidents had taken place both by providing a cover for their activities and by clearing away evidence before the police came. One example was given by the police where after a serious racially motivated incident, the pub landlord cleaned the scene of the crime and destroyed CCTV evidence before the police arrived. If landlords fail to co-operate with criminals it was claimed that they might be forced to close. Likewise, they risk being forced out of business where the police were able to show their collusion in criminal behaviour. According to police intelligence a number of landlords have only spoken to them (the police) when they have left the area.

The police also suspect that a number of the business premises are used as fronts for, enablers of, or collaborators in criminal behaviour, for example:

- arcades, implicated in cash-in-transit robberies often with staff collusion;
- dealers in computers and vehicles, used as fronts for other crime-related activities and as sources of goods and services needed for specific crimes;
- haulage businesses, used for transport and storage of illegal goods;
- second-hand and jewellery shops, used to distribute stolen goods;
- taxi firms, often unwillingly, provided transport in the conduct of crimes, for which payment would not be made and no records of the journeys would be kept.

It was thought that the 'organisation' of much of the criminality in the area is changing. A key local offender had recently been imprisoned and a number of businesses remarked in interview that demands for protection money had then ceased. The police also believed that the removal of this key offender had had a positive impact on crime in the area. There were suggestions, however, that the vacuum left had already attracted a number of local gangs trying to take control of the area. One landlady interviewed had previously been approached for protection money from the imprisoned gang member, but indicated that a gang from another area of the city had become 'active' in the pub and had used it to meet known local criminals (who were believed to be acting as local drug runners).

In the East Midlands survey area key elements in the organised crime chemistry include the fact that there is a substantial supply of likely offenders brought up in traditional criminal families with many criminal opportunities. These interconnected offenders are able to provide mutual resources in the commission of crime. They have established (coerced or otherwise) relationships with public houses that provide 'camouflage' for their persistent and prolific criminal behaviour.

Organised criminal groups also appear to have liaisons with local businesses that can provide further camouflage and/or props for committing crimes of various kinds. Other businesses operating within the neighbourhood presumably furnish relatively rich local pickings for the active offending groups.

The survey data are not inconsistent with the account by local police of how organised crime is produced and sustained in the East Midlands area, but neither do they provide direct support for it.

The West Midlands area organised crime chemistry

Whilst the West Midlands area suffers from a reputation for organised crime, including drugs and related shootings, police intelligence does not support this. Although there was some drug-dealing in an arcade, this was not 'organised' and was not associated with guns. The intelligence suggests instead that such organised crime is neither deep-seated nor persistent. There had, in the past, been occasional short-term spates of specific crimes, for example burglary and robbery, but these had not been repeated. In addition to this the area partly overlapped with an area known to be dominated by one specific gang, in relation to which there was believed to be a growing number of smaller less organised territorial groups committing 'status' crimes as a means of earning membership of the larger group. But there was nothing to suggest that these were involved in organised crime against businesses.

There were, however, some suggestions from the community interviews that a number of businesses in the area have been approached for protection money. Those approaching businesses were said to be local drugs gangs that operate within specific postcode areas. This is evidently not widely reported to the police as the local business community, amongst whom it is often referred to as 'paying rent', accept it as normal. It was also suggested that one of the reasons for the high turnover of businesses in the local area was that many simply could not afford to pay protection money. These protection operations are thought to keep the prevalence of crime low. Some community interviewees also believed that some businesses have opened and closed quickly as fronts for money laundering operations, although the strength of the basis for these suspicions could not be established.

One member of the local Sikh community suggested that gang activity was fairly widespread in the area. These gangs were often involved in activities such as prostitution (linked to people trafficking), money laundering and gun running. A number of young people are reputed to be attracted to such gangs for the money, protection and respect they seem to offer. There were stories of turf wars between gangs from rival areas. It was also suggested that many young Asian men are now being attracted to crime and that many Asian-run businesses are fronts for money laundering operations. In addition claims were made that security firms pose a large problem, in 'forcing' contracts on businesses.

Historically the area had had a large Black community, which had been replaced by a large Asian one, which was itself now being supplemented with Poles and Kurds. The police were of the view that the ethnic transitions within the area were bringing some tensions though these were not expressed in organised crime. In their view the main crime issues were rather different and related to public order.

Within the business community, as Figure 2.1 showed, members of the Asian community ran a large majority of businesses in the area.

Table 5.4 shows that, as with the London area, the larger numbers of businesses in the area run by what is nationally a minority group, in this case Asians, seems to provide a degree of protection for them, though the pattern is less marked than for their Turkish/Kurdish/Cypriot counterparts in London. Thus Asian businesses suffer a lower prevalence rate than others sampled for burglary, intimidation, robbery, employee theft, vandalism and violence. There is no crime type, other than ones where there are so few cases that no conclusions can be drawn, for which they experience a significantly higher crime risk.

Far from being 'picked on' it seems that there was some added safety in numbers in these areas. Whether this is due to the kinds of goods sold (and hence available for theft), or due to the perceived likelihood of mutual protection, or lack of familiarity about potential opportunities for crime amongst offenders from different ethnic backgrounds, or inter-ethnic distance and indifference, or customer and worker attributes, cannot be determined from the data at hand. They present interesting issues that might benefit from further research.

Table 5.4: Prevalence rates per 100 businesses for various crimes by ethnicity in the West Midlands area 2006

Offence	Ethnicity of proprietor	
	Asian (n=88)	Other (n=45)
	%	%
Burglary	13.6	26.7
Employee fraud	1.1	2.2
External fraud	17.0	17.8
Graffiti	15.9	13.3
Intimidation	26.1	37.8
Outsider theft	1.1	0.0
Robbery	3.4	8.9
Shop theft	55.7	55.6
Vandalism	17.0	24.4
Vehicle theft	4.5	4.4
Violence	4.5	15.6
Employee theft	4.5	20.0
Extortion	1.1	0.0

Base: 133 businesses in the West Midlands.

Change and adaptability of organised crime in the three areas

The research provided some evidence in support of the view that organised crime is flexible, adaptable and mobile. In the East Midlands area there had been a lull in organised criminal activities following the incarceration of the city's most notable organised criminal. However, the signs were that his place was being taken by successor offenders bringing in new organised groups and stepping into systems already in place to facilitate crime.

In London, the disruption of one form of organised criminal behaviour was said to lead to its substitution with another, where there were plentiful opportunities and offenders were highly adaptable.

In the West Midlands it was thought that a cadre of junior offenders loosely linked to the organised groups were available to move in, in the event that existing leaders were removed.

Area variations in invitations to collude in crime

Table 5.5 shows the rates at which businesses in the three sample areas were offered stolen or counterfeit goods, illicit alcohol or illicit tobacco. For London and the West Midlands distinctions are made, as in the previous section between the businesses from the dominant local ethnic groups and the rest. This is not done for the East Midlands because of the ethnic homogeneity of the local business community.

It is fairly clear from the table that whilst there are some variations by ethnicity in the West Midlands and London areas, the most striking feature is that the area variations remain. The highest rate of offer of stolen goods occurs in London, followed by the West Midlands and then the East Midlands area. Both the London and West Midlands areas have a much higher rate for offers of counterfeit goods than the East Midlands area (though the respective rates of the local majority ethnic group as against the rest is reversed in London and the West Midlands, i.e. the non-dominant group reports a higher level of offers of counterfeit goods (66%) than the dominant ethnic minority group (53.5%) in London whilst in

the West Midlands the dominant ethnic minority group reports a higher level of offers of counterfeit goods (64%) than the other businesses (54.5%). London has a much higher rate for offers of illicit tobacco, regardless of the ethnicity of the proprietor of the business, than either the West Midlands or the East Midlands. Ethnicity figures vary significantly only in relation to illicit alcohol where the TKC businesses in London were apparently offered it at a substantially higher rate than in other businesses there or businesses in the East or West Midlands areas.

These findings are striking, suggesting that there are area variations in suppliers of illicit goods and in perceptions of the potential to dispose of illicit goods in differing communities. Connections to wider criminal organisations or networks are unclear from the research reported here. The issue of links to organised crime was not mentioned either by the police in their intelligence briefings or by community sources of information.

Table 5.5: Area variations in invitation to take illicit goods

	London		East Midlands	West Midlands	
	Turkish/ Kurdish/ Cypriot	Other	All proprietors	Asian	Other
	(n=73)	(n=54)	(n=160)	(n=88)	(n=45)
	%	%	%	%	%
Offered stolen goods	40.8	58.5	21.9	37.5	30.2
Offered counterfeit goods	53.5	66.0	21.3	64.0	54.5
Offered illegal tobacco	38.0	34.0	11.9	12.5	13.3
Offered illegal alcohol	19.7	5.8	5.6	3.4	2.2

Base: All 420 businesses

No local explanations for the rather marked variations in rates at which illicit goods were offered to businesses in the three areas were forthcoming. Indeed, the patterns do not seem to have been noticed or attended to by either the police or community. They certainly do not reflect differences in local BCU reported crime rates, which were highest in the East Midlands area. It may well be that local recorded crime rates reflect ethnic/cultural differences in reporting practices.

6. Variations in business vulnerability to organised crime

The previous chapter discussed variations in the 'crime chemistries' lying behind the patterns of crime against businesses in the three areas. This section looks at differences in vulnerability in relation to the attributes of individual business premises.

Vulnerability as victims

Respondents were asked if they felt that their business had any particular characteristics that made it vulnerable to crime. A total of 34 per cent (n=141) of respondents thought that there were factors that made them particularly vulnerable. Of these, 48 per cent (n=65) thought that the goods they sold or held on the premises made them vulnerable and 35 per cent (n=51) mentioned that handling cash heightened their risk.

The relationship between a number of the key attributes of businesses that might heighten their risk to crime (and organised crime) were analysed. These included attributes such as age of the business, business size, if the business sells alcohol, holds cash on the premises and so on. The attributes that had statistically significant relationships (at the 0.05 level) to organised crime victimisation are presented below.

Table 6.1 shows that larger businesses, measured in terms of staff numbers, tend to experience organised crime at a higher rate than smaller ones, at least once there are more than ten staff members. Those businesses that employed ten or more staff had an annual prevalence rate of organised crime of 47 per cent as compared to 28 per cent for those employing two or fewer staff.¹⁰ This may reflect prosperity and turnover, i.e. the number of employees is a proxy for the economic context/profitability of OC.

Table 6.1: Number of staff employed and OC victimisation (raw numbers are in brackets)

% (number in brackets)	Number of staff							
	0-2		3-9		10+		Total	
% victims of OC	28	(28)	29	(73)	47	(32)	32	(133)
% not victims of OC	72	(71)	71	(179)	53	(36)	68	(286)
Total	100	(99)	100	(252)	100	(68)	100	(419)

Base: 419 businesses (133 victims of organised crime and 286 non-victims of organised crime). Relationship statistically significant at the 0.05 level.

Table 6.2 shows that some business sectors may be more vulnerable than others to organised crime. Sectors can be defined in various ways. Here, four categories were used.

- Retail businesses whose primary activity was not food (such as clothes shops, tool shops and electrical shops). There were a total of 149 businesses that fell into this group.
- Retail businesses whose primary activity was food (this also included newsagents, off-licences and small shops). A total of 56 businesses fell into this group.
- Pubs, hotels and restaurants. A total of 71 businesses fell into this group.
- Businesses who were not retailers (service providers, manufacturers). A total of 141 businesses fell into this group.¹¹

Table 6.2 suggests that the risks appear to be particularly high for businesses in the retail food sector. The lowest risks are for business in the non-retail sector.

¹⁰ The pattern is also replicated when considering businesses with 25 or more staff. Here, the 18 premises that fell into that group had a prevalence rate for organised crime of 55 per cent. There is also a statistically significant (but fairly weak) correlation between the number of staff employed and the number of incidents of which a business was victim ($r=.164$ p is significant at the 0.05 level).

¹¹ For three businesses it was not possible to classify them into a sector.

Table 6.2: Business sector and OC victimisation

% (number in brackets)	Business Sector				
	Retail non-food	Retail food (alcohol/newsagents)	Pubs, hotels, restaurants	Not retail	Total
% victims of OC	32 (48)	46 (26)	34 (24)	24 (34)	32 (132)
% not victims of OC	68 (101)	54 (30)	66 (47)	76 (107)	68 (285)
Total	100 (149)	100 (56)	100 (71)	100 (141)	100 (417)

Base: 417 businesses (132 victims of OC and 285 non-victims). Relationship statistically significant at the 0.05 level.

Table 6.3 shows that businesses with high customer turnover experienced a higher rate of organised crime than those with a low customer turnover within the premises.

Table 6.3: Customer turnover and OC victimisation

% (number in brackets)	Business has a high customer turnover within the premises				
	No		Yes		Total
% victims of OC	21	(24)	35	(108)	32 (132)
% not victims of OC	79	(88)	65	(197)	68 (285)
Total	100	(112)	100	(305)	100 (417)

Base: 417 businesses where independent variable could be ascertained. Relationship statistically significant at the 0.01 level.

Unsurprisingly, Table 6.4 shows that businesses selling highly accessible goods (that is goods on display that the customer can handle) were at higher risk of organised crime than those that did not do so.

Table 6.4: Goods accessibility and OC victimisation

% (number in brackets)	Business sells highly accessible goods				
	No		Yes		Total
% victims of OC	26	(74)	43	(52)	31 (126)
% not victims of OC	74	(208)	57	(70)	69 (278)
Total	100	(282)	100	(122)	100 (404)

Base: 404 businesses where independent variable could be ascertained. Relationship statistically significant at the 0.01 level.

So far the attributes that have a statistically significant relationship with organised crime have been considered in isolation. Further analysis was undertaken to try and ascertain the independent impact these characteristics have upon organised crime victimisation. The variables used were recoded so they could be used for binary logistic regression.¹² The codes used are outlined in Table 6.5.

¹² The data were not suitable for linear regression analysis.

Table 6.5: Variables used in model

Variable name	Variable codes
Dependent variable: victim of any organised crime incident	1 = yes; 0 = no
Independent variable 1: business size	1 = ten or more staff; 0 = fewer than 10 staff
Independent variable 2: business sector	1 = retail; 0 = all others
Independent variable 3: customer turnover	1 = business with high customer turnover; 0 = all others
Independent variable 4: accessibility of goods	1 = business with highly accessible goods; 0 = all others

The results of the model are presented in Table 6.6. The table presents the results as a series of odds ratios. These are simply the odds that having a certain attribute will increase or decrease the chances of becoming a victim of any organised crime incident. The figures in brackets also indicate whether the independent variables were statistically significant or not. The full statistical output from the model is presented in Appendix F.

The model shows that the odds of being a victim of organised crime do not vary greatly in any of the case study areas. This is not surprising as the prevalence rate for organised crime was similar in each area (see Table 5.1).

Being a retail premise did not appear to have a statistically significant impact on OC victimisation in any of the areas. However, having a high customer turnover, accessible goods on sale and employing ten or more staff did appear to increase the risks. In each area these variables were statistically significant. The size of business (having ten or more staff) increased the odds of organised crime victimisation by 2.9 in both London and the East Midlands and 2.7 in the West Midlands. Businesses with highly accessible goods and a high customer turnover had an increased risk of victimisation, on average 2.2.¹³

Table 6.6: Increased odds of organised crime victimisation for business with specific attributes

	West Midlands	London	East Midlands
Being located in area 1, 2 or 3	.966 (ns)	1.3 (ns)	.786 (ns)
Being a retail premise	.622 (ns)	.719 (ns)	.667 (ns)
Having a high customer turnover	2.3 (sig)	2.1 (sig)	2.2 (sig)
Having highly accessible goods on sale	2.2 (sig)	2.1 (sig)	2.2 (sig)
Employing 10 or more staff	2.7 (sig)	2.9 (sig)	2.9 (sig)

Vulnerability to invitations to participate in organised crime

It is clear from Table 6.7 that across all types of crime-invitation, the size of business matters in relation to invitations to take part in what may be organised crime. Those with ten or more staff consistently experience lower rates of invitation to participate in the crime than do smaller businesses. One possible explanation for this is that extortionists do not see large businesses as ill-defended or likely to accede to pressure.

¹³ The model was also run by omitting organised shop theft from the dependent variable (due to the high prevalence rate of the category). It was interesting to note that when the model was run using the slightly modified dependent variable, those businesses employing ten or more staff were still 2.8 times more likely to be victims of OC than those with less than ten staff. Those businesses with a high customer turnover were still 2.2 times more likely to experience an incident of OC than those with a low customer turnover. The odds did fall to one for having highly accessible goods and the odds for being a retail premise were still less than one.

Table 6.7: Size variations in prevalence of offers of illicit goods

	Per cent offered counterfeit goods*	Per cent offered stolen goods*	Per cent offered smuggled tobacco	Per cent offered smuggled alcohol
Two or fewer members of staff (n=99)	49	34	24	7
Three to nine members of staff (n=252)	47	37	20	9
Ten or more members of staff (n=68)	26	21	10	1
Total %	44	33	22	7

Base: 419 businesses

* Statistically significant at = 0.05 level

Table 6.8 shows that independent businesses are consistently invited at a higher rate to receive illicit goods of all sorts than branches of businesses, headquarters or franchise members.

Table 6.8: Business status and prevalence of offers of illicit goods

	Per cent offered counterfeit goods*	Per cent offered stolen goods*	Per cent offered smuggled tobacco	Per cent offered smuggled alcohol
Independent business (n=291)	49	39	22	9
Branch with HQ elsewhere (n=93)	34	22	13	4
HQ of a business (n=23)	35	13	17	0
Others - including franchise (n=7)	29	29	0	0
Total %	44	33	22	7

Base: 414 businesses

* Statistically significant at = 0.05 level

Table 6.9 shows the prevalence rates for those types of businesses where offers of illicit goods had the highest prevalence rates: non-supermarket food shops, bars and restaurants, betting shops, beauticians and newsagents/off-licences. Numbers of respondents are, of course, small but they suggest very high rates of offer, in particular for retail premises, making the contrast with the CVS findings on retailers even more marked.

Table 6.9: Top business types for prevalence of invitations to accept illicit goods

	Per cent offered counterfeit goods	Per cent offered stolen goods	Per cent offered smuggled tobacco	Per cent offered smuggled alcohol
Retail food, non supermarket (n=31)	52	42	26	20
Bars/cafes/restaurants (n=74)	51	42	24	7
Betting shops (n=11)	46	36	36	9
Beauty/hairdressers/nails (n=22)	51	50	23	9
Off-licences/newsagents (n=19)	42	42	53	32

Base: 157 businesses (37% of total sample), retail (food, non supermarket) n=31, bars/cafes/restaurants n=74, betting shops n=11, beauty/hairdressers/nails n=22, off-licence/newsagents n=19.

Respondents who had been invited to take advantage of opportunities to deal in illicit goods were asked whether they thought that organised crime lay behind the goods in question. In relation to stolen goods, counterfeit goods and illicit alcohol, half of those who had any opinion thought that it did and in relation to tobacco smuggling two-thirds thought so. In support of such a view the volume of goods on offer, the frequency with which they were approached by suppliers and the repeated returns of the same individuals selling the products were typically cited. Some respondents also referred to particular cases with which they were familiar where they knew the groups of offenders or where they believed particular co-operating ethnic groups were responsible.

7. Conclusions

1. Data were collected from a sample of 420 businesses across three high crime residential neighbourhoods (in London, the East Midlands and the West Midlands) to estimate the rate and impact of organised crime against those businesses over the previous year, where organised crime is defined as 'any deliberate, co-operative criminal activity engaged in over a sustained period by the same set of three or more collaborating individuals or groups'. Information was also obtained from local police and community informants to gauge their understanding of patterns and sources of organised crime, in particular as it affects businesses in the area.
2. The high neighbourhood crime levels were reflected in high crime rates against local businesses. Two main methods of gauging whether or not businesses had been victims of organised crime were used. Survey respondents were asked if they believed that they had been victims of organised crime and their grounds for that belief. Where they had been repeat victims they were also asked if they believed the incidents were linked and their grounds for that belief.
3. The percentage of businesses which were victims of what they believed to be organised crime and where their grounds were based on more than just a hunch was fairly small. Where numbers of victims allowed estimates to be made the findings were as follows: 11 per cent for shop theft, five per cent for burglary, two per cent each for outsider fraud, vandalism and graffiti.
4. A further indicator of organised crime focused on linked repeat offences where victims had more than just a hunch that incidents were organised. This found that 14 per cent of all businesses had been organised-crime victims with regards to shop theft, with figures of three per cent for burglary, five per cent for outsider fraud, six per cent for vandalism and five per cent for graffiti. The linkages may not, of course, mean that organised crime, as defined here, was at work but they are suggestive of it. In addition to these figures, one per cent of businesses felt that they had suffered extortion, a more serious but less common organised crime. Against these figures it must be remembered, however, that for many incidents, especially those that were undetected and where the victim had no direct contact with the offenders, businesses would be unable to be certain whether or not organised criminal activity was involved.
5. There was no reason why the police would focus their intelligence operations on relatively minor, loosely organised crimes against businesses. Understandably, they tended to be more concerned with serious organised crime and their information reflected these concerns. Much the same goes for community informants. Police and community were, nevertheless, able to suggest ways in which organised crime might be generated within the three areas. In the London area, the distinct dynamics of the Turkish/Kurdish/Cypriot community were referred to. In the West Midlands, the ethnic relations between the Asian and Black communities were referred to. In the East Midlands, the activities of established White criminal families were referred to.
6. Businesses were not only victims of crime, they were also asked to take part in it, in the sense that they were offered illicit goods of various kinds that they might then sell: specifically smuggled alcohol and tobacco, counterfeit goods, and stolen goods. Those who were offered these goods were asked if they believed that organised crime was involved. They were also asked the grounds for their beliefs. On the basis of the replies to these questions, it was found that ten per cent had been offered stolen or counterfeit goods, believed organised crime to be at work and had reasons stronger than a hunch for their conclusions. The equivalent figures for offers of smuggled tobacco and alcohol were eight per cent and two per cent respectively.
7. Businesses most at risk of being victims of organised crime in high crime neighbourhoods include those that have ten or more employees, are involved in retail or are pubs, restaurants or hotels, have a high customer turnover, and sell highly accessible goods. Businesses most likely to be offered illicit goods in high crime neighbourhoods include those with nine or fewer employees, independent businesses, and retailers, bars and hotels.
8. The areas chosen for this research are not necessarily typical of all high crime residential neighbourhoods. It is also not clear how far, if at all, the findings relating to organised crime can be generalised to businesses located in other types of area. This study suggests quite a high level of what may be regarded as loosely organised or disorganised crime in these high crime neighbourhoods. If there are links to more serious organised crime, the businesses themselves either do not know about them or are unwilling to reveal them in a victimisation survey.

Acknowledgements

Our thanks to the many individuals who gave advice and guidance throughout this study. Particular thanks go to Niall Hamilton-Smith, Karen Bullock and Robert Street from the Organised Crime Research Team for their guidance and comments on the work as it progressed. Thanks also go to the senior police officers in the three case study areas who were more than accommodating in letting the team conduct fieldwork in their areas.

A special word of praise needs to go to the field team (Claire Davis, Sabina Enback, Mehdi Chowdhury, Joshua Rowlands, Joseph Shepherd, Rachel Middlemass, Cengiz Tunctan and Andy Powell) and the fieldwork manager (Paul Huc) for their persistence in approaching businesses across the three areas.

An earlier draft of this report was reviewed by Professor Mike Levi and Kauko Aromaa. We are grateful to them both for their constructive and helpful comments which we have been pleased to use in preparing the published version.

A final word of thanks goes to the businesses and community leaders who gave up their time to take part in the study. Many of the business owners were under constant pressure to keep their business alive, and their willingness to give up their time to talk to our research team was much appreciated.

References

- ACPO Centrex (2006) *Guidance on The Management of Police Information*, National Centre for Policing Excellence. Bedfordshire, UK.
- Alvazzi del Frate, A. (2004) 'The International Crime Business Survey: Findings from Nine Central-Eastern European Cities', *European Journal on Criminal Policy and Research*, 10: 137-61.
- Aromaa, K. (2000) 'Organised Crime and Business Security', in Hatalak, O., Alvazzi del Frate, A. and Zvekic, U. (Eds.) *Surveying Crime: A Global Approach*. Rome: ISTAT/UNICRI.
- Aromaa, K. and Lehti, M. (1996) *Foreign Companies and Crime in Eastern Europe*. Helsinki: National Institute of Legal Policy.
- Bunt, H.G. van de and Schoot, C.R.A. van der (2003) *Prevention of Organised Crime*. Hague: WODC.
- Duyne, P.C. van (1993) 'Organised crime and business crime-enterprises in the Netherlands', *Crime, Law and Social Change*, 19: 103-19.
- Duyne, P.C. van (1995) 'The phantom and threat of organised crime', *Crime, Law and Social Change*, 24: 341-77.
- Edwards, A. and Gill, P. (2003) 'After transnational organised crime? The politics of public safety', in Edwards, A. and Gill, P. (Eds.) *Transnational Organised Crime: perspectives on global security*. London: Routledge.
- Elvins, M. (2003) 'Europe's response to transnational organised crime', in Edwards, A. and Gill, P. (Eds.) *Transnational Organised Crime: perspectives on global security*. London: Routledge.
- Felson, M. (2003) *Crime and Everyday Life*. Thousand Oaks CA: Sage.
- Gregory, F. (2003) 'Classify, report and measure: the UK Organised Crime Notification Scheme', in Edwards, A. and Gill, P. (Eds.) *Transnational Organised Crime: perspectives on global security*. London: Routledge.
- Hobbs, D. (1998) 'Going down the glocal: the local context of organised crime', *The Howard Journal*, 37: 407-22.
- Hobbs, D. (2004) 'The Nature and Representation of Organised Crime in the United Kingdom', in Fijnaut, C. and Paoli, L. (Eds.) *Organised Crime in Europe: Concepts, Patterns and Control Policies in the European Union and Beyond*. Dordrecht: Springer.
- Home Office (2004) *One Step Ahead: A 21st Century Strategy to Defeat Organised Crime*. Cm 6167. London: Home Office.
- Home Office (2006) *New Powers Against Organised and Financial Crime*. Cm 6875. London: Stationery Office.
- Hope, T. (1995) 'The flux of victimisation', *British Journal of Criminology*, 35/3: 327-42.
- Innes, M. (2004) 'Signal crimes and signal disorders: notes on deviance as communicative action', *British Journal of Sociology*, 55/3: 335-55.
- Kelly, R.J., Chin, K. and Fagan, J. (2000) 'Lucky money for little brother: the prevalence and seriousness of Chinese gang extortion', *International Journal of Comparative and Applied Criminal Justice*, 24/1: 61-90.
- Klerks, P. (2003) 'The network paradigm applied to criminal organisations: theoretical nitpicking or a relevant doctrine for investigators? Recent developments in the Netherlands', in Edwards, A. and Gill, P. (Eds.) *Transnational Organised Crime: perspectives on global security*. London: Routledge.

- Lampe, K. von (2006) 'The cigarette black market in Germany and in the United Kingdom', *Journal of Financial Crime*, 13/2: 235-54.
- Levi, M. (2004) 'The Making of the United Kingdom's Organised Crime Control Policies', in Fijnaut, C. and Paoli, L. (Eds.) *Organised Crime in Europe: Concepts, Patterns and Control Policies in the European Union and Beyond*. Dordrecht: Springer.
- Levi, M. (2007) 'Organised Crime and Terrorism', in Maguire, M., Morgan, R. and Reiner, R. (Eds.) *The Oxford Handbook of Criminology, 4th Ed.* Oxford: Oxford University Press.
- Levi, M., Burrows, J., Fleming, M. and Hopkins, M. (2007) *The Nature, Extent and Economic Impact of Fraud in the UK*. London: ACPO.
- Levi, M. and Maguire, M. (2004) 'Reducing and preventing organised crime: An evidence-based critique', *Crime, Law and Social Change*, 42: 397-469.
- Marine, F. (2006) 'The effects of organized crime on legitimate businesses', *Journal of Financial Crime*, 13/2: 214-34.
- Mirrlees-Black, C. & Ross, A. (1995) *Crime against retail and manufacturing premises: Findings from the 1994 Commercial Victimization Survey*. Home Office Research Study no. 146. Home Office: London.
- Office for National Statistics (2003) *UK Standard Industrial Classification of Economic Activities 2003*, London: The Stationary Office.
- Pease, K. (1998) *Repeat Victimization: taking stock*. Crime Detection and Prevention Series. Paper 90. London: Home Office Police Research Group.
- Schoot, C.R.A, van der (2003) "'Red flags" and the measures presented in the national reports', in van de Bunt, H.G. and van der Schoot, C.R.A. (2003) *Prevention of Organised Crime*. Hague: WODC.
- Serious Organised Crime Agency (SOCA) (2006) *The United Kingdom Threat Assessment of Serious Organised Crime 2006/7*. London: SOCA.
- Serious Organised Crime Agency (SOCA) (2006) *Annual Plan 2006/7*. London: SOCA.
- Shury, J., Speed, M., Vivian, D., Kueachel, A. and Nicholas, S. (2005) *Crime against retail and manufacturing premises: findings from the 2002 Commercial Victimization Survey*. Home Office Online Report 37/05. Home Office, London.
- Song, J.H. (1992) 'Attitudes of Chinese immigrants and Vietnamese refugees toward law enforcement in the United States', *Justice Quarterly*, 9/4: 703-719.
- Taylor, J. (2004) *Crime Against Retail and Manufacturing Premises: Findings from the 2002 Commercial Victimization Survey*. Home Office Findings 259. London: Home Office.
- Taylor, N. (2006) 'Crime against businesses in two ethnically diverse communities', *Trends and Issues in Crime and Criminal Justice*, No. 321. Canberra: Australian Institute of Criminology.
- Transcrime (2002) *Falcone 2001: Business Crime Prevention in Europe: Implementing an Early Warning Strategy*. Brussels: European Commission.
- Tilley, N. & Hopkins, M. (1998) *Business as Usual: An Evaluation of the Small Business & Crime Initiative*. Police Research Series Paper 95. Home Office: London.
- Wood, J., Wheelwright, G. & Burrows, J. (1996) *Crime Against Small Business: Facing the Challenge*. Crime Concern: Swindon.
- Woodiwiss, M. (2003) 'Transnational organised crime: the global reach of an American concept', in Edwards, A. and Gill, P. (Eds.) *Transnational Organised Crime: perspectives on global security*. London: Routledge.

Appendix A: Literature review

Assessing business victimisation by organised crime

Introduction

The Home Office White Paper, *One Step Ahead* (Home Office, 2004) sets out the Government's strategy for tackling the perceived threat of organised crime. The strategy represents a significant shift in official thinking about the causes of organised crime and appropriate policy responses. Specifically, it advocates a focus on preventing the harms caused by organised crime and identifies the need for a specialist agency, the Serious Organised Crime Agency (SOCA), which was subsequently provided for in the Serious Organised Crime and Police Act 2005 and established on 1 April 2006, to co-ordinate this preventative approach.

Whilst the conventional preoccupation with identifying, disrupting and dismantling organised crime groups and detecting and prosecuting specific organised criminals or 'core nominals' remains as an aspect of the Government's strategy, the emphasis now placed on harm reduction entails a re-conceptualisation of what constitutes organised crime. It implies an acknowledgement of other actors and activities that make the organisation of serious crimes possible and alternative targets for constraining, if not eliminating, these possibilities. In turn, this acknowledgement requires innovations in the way the organisation of serious crimes is assessed, measured and interpreted so that success can be defined in terms of the harms reduced rather than in tactical terms, such as volumes of seizures, numbers of arrests and convictions or law enforcement operations undertaken (Home Office, 2004: para 2.1.)

This review considers the role that victimisation surveys can play in assessing the impact of serious organised crime and informing a harm reduction approach. A victim-centred approach to serious organised crime is in its infancy and hitherto there have been no victimisation studies of this issue specifically in the UK. Nonetheless, surveys of business victims of organised crime in Eastern Europe (Alvazzi del Frate, 2004; Aromaa, 2000; Aromaa and Lehti, 1996) and across the European continent (Transcrime, 2002) provide valuable conceptual and methodological insights that can inform the development of research instruments for assessing the impact of serious organised crime in the UK.

This review will consider lessons that can be drawn about the design, conduct and outcomes of these surveys for studies of business victimisation by serious organised crime in the UK. As a prelude to this discussion and to clarify the significance of victimisation studies, the review distinguishes a harm reduction approach from the various offender-centred research programmes that have thus far dominated thinking about organised crime.

The rise of organised crime as a problem for the Government in the UK

The immediate and rudimentary problem encountering any research into the problem of 'organised crime' in the UK is that there is no separate offence category and neither is there any offence of belonging to a criminal organisation, as provided by the Racketeer Influenced and Corrupt Organisations (RICO) statutes in the United States. As a consequence, organised crime appears neither in the recorded crime statistics nor in statistics on convictions and so the evidence base for ascertaining the scale and distribution of the problem, and thence the impact of any policy responses, has been very limited.

Prior to the establishment of the Home Office Organised Crime Notification Scheme (OCNS), in 1997, perceptions of the existence and threat of organised crime were premised on an admixture of academic case studies of particular gangs, professional criminals, 'True Crime' confessionals by notable 'gangland' figures and 'soft' data gleaned from police investigations (Hobbs, 2004; Levi, 2004). Despite the common currency of the concept in the UK as far back as the mid-1960s and concerns over the activities of the Kray and Richardson gangs in London, there remained substantial antipathy in official circles to the very notion of an organised crime problem. Professional crime and gangland activity were regarded as local problems that could be adequately addressed by local constabularies. In addition to ideological

investment in local policing and related suspicion of centralised, national, police agencies, chief constables stood to lose autonomy and prestige from any concept of organised crime as a national, much less transnational problem requiring national and international organisational responses (Levi, 2004: 827).

The rise of organised crime as an issue of international relations, particularly through concerns over the expanding trade in narcotics in the 1980s, began to break down resistance to the idea of organised crime as a legitimate object of the Government in the UK. The principal driver of policy change came, however, from the European Union, in particular the establishment in 1992 of the 'Third Pillar' of the Maastricht Treaty of European Union on intergovernmental co-operation in Justice and Home Affairs (JHA). JHA Council meetings were dominated by concerns over the role of criminal organisations in trafficking illicit drugs into the EU and the organisation of illegal immigration following the collapse of the Soviet Union. These concerns were further fuelled by a global policy debate over the threat of 'transnational organised crime' launched by the United Nations special conference in Naples in 1994. Further concerns over the fall-out of the Balkan wars for trafficking and migration culminated in the adoption of the EU Action Plan to Combat Organised Crime by the JHA in July 1997. The Action Plan placed an obligation on all member states to return annual situation reports on organised crime groups (OCGs) and activities in their countries (Elvins, 2003).

The OCNS was a response to this requirement and so, in a relatively brief period: "At the national level, the UK moved from a position of 'no data because we don't have a problem' in the early 1990s, to an 'awareness of the issue' stage in the mid-1990s, to the current stage of trying to understand what policy and institutional responses are required by reference to the data gathered on OCG activity." (Gregory, 2003: 78). Gregory describes the design of the OCNS, making the important point that the nature and scale of the threat posed by organised crime to the UK had been asserted by politicians and police officers *prior* to the emergence of any reliable data (Gregory, 2003: 81). The OCNS was thus conceived in a political climate in which the threat of organised crime had already been defined, in accordance with the EU Action Plan's focal concerns over cross-border, transnational, crimes undertaken by groups structured by common bonds of ethnicity and kinship. This definition has been pejoratively described as an 'alien conspiracy theory' with its roots in American conceptions of organised crime as a 'mafia' of ex-patriot Italians, *La Cosa Nostra*, presenting an external threat to the integrity of US political and economic life (Woodiwiss, 2003). The continued influence of this conception is evidenced in recent work emanating from the US Department of Justice, which traces the increased involvement of other ethnically-defined, non-traditional, groups such as the Ethnic Asian Criminal Enterprises (EACE) and the Russian Organised Crime (ROC) in the corruption of legitimate business (Marine, 2006). Early threat assessments provided by the National Criminal Intelligence Service (NCIS)¹⁴, exemplified the mafia conception of organised crime, with their focus on the threat posed by Colombian cartels, Turkish heroin traffickers, Jamaican yardies, the Russian mafia etc., and the initial location of the OCNS in NCIS goes some way to explaining its preoccupation with measuring the number, ethnic composition and geographical base of OCGs for the first annual sweeps of the scheme (1997-2000) (Gregory, 2003; Hobbs, 2004: 426-8).

The Organised Crime Notification Scheme (OCNS): method and data

The OCNS was designed as a national survey of all 43 constabularies plus other law enforcement bodies such as the British Transport Police, Royal Ulster Constabulary, Customs and Excise, the then Immigration and Nationality Department Intelligence Service (now the UK Border Agency (UKBA)), the Benefits Agency Strategic Intelligence Service, the Serious Fraud Office, Inland Revenue, NCIS and NCS. In all, 60 reporting agencies were identified and circulated with a questionnaire which asked respondents to return information on every OCG they identified, through their own intelligence networks and operational caseload, as active in their service area over the previous year.

The common content definition of organised crime groups provided by the EU argued that, "in order to speak of organised crime at least six out of a set of 11 characteristics need to be present, four of which must be those numbered 1, 3, 5 and 11 of the following list:

¹⁴ Created in 1992 as a department of the Home Office before its establishment in 1997 as a stand-alone agency with an operational wing, the National Crime Squad (NCS). NCIS and NCS were merged with the intelligence wing of HM Customs and Excise to form the Serious Organised Crime Agency in 2006.

1. Collaboration of more than two people.
2. Each with own appointed tasks.
3. For a prolonged or indefinite period of time.
4. Using some form of discipline or control.
5. Suspected of the commission of serious criminal offences.
6. Operating at an international level.
7. Using violence or other means suitable for intimidation.
8. Using commercial or businesslike structures.
9. Engaged in money laundering.
10. Exerting influence on politics, the media, public administration, judicial authorities or the economy.
11. Determined by the pursuit of profit and/or power.” (Elvins, 2003: 34).

The annual internal reports based on OCNS returns for 1997-1999 were based on a simple aggregation of OCG numbers but the returns also permitted some qualitative analysis which Gregory (2003) has summarised in terms of criminal activities, ethnicity, geographical locations, criminal group networking, penetration of the legitimate economy, presence of ‘mafia-like characteristics’ and outcomes of law enforcement responses. Whilst the individual returns made to the OCNS are, of course, classified information, Gregory was given leave to summarise findings for public consumption from the first full sweep of the OCNS in 1999, where all 60 reporting agencies filed returns.

The key findings from the 1999 sweep are instructive for the picture they provide of organised crime in the UK in the late 1990s as contrasted with the alien conspiracy theories that predominated in official thinking at the time. Gregory’s analysis reports that of the 965 OCGs identified as active in 1999.

Activities

- 46 per cent were involved in money laundering;
- 41 per cent were involved in drug trafficking;
- 18 per cent were involved in fraud;
- 12 per cent were involved in illegal immigration and human trafficking.

Ethnicity

- 64 per cent were identified as having a White European ethnic origin;
- Seven per cent were identified as containing nationals from the former USSR and East Europe.

Geographical base

- 30 per cent had their geographical base in London;
- 20 per cent had their base in the Midlands and East Anglia;
- 15 per cent had their base in the North West of England;
- 12 per cent had their base in the North East of England and Yorkshire.

Mafia-like characteristics

- Four per cent of OCGs had the highest number of Mafia-like characteristics, meaning a group that was numerically large in number of personnel, hierarchically structured in terms of line management (‘boss’ to ‘captains’, ‘capos’ to ‘soldiers’), which uses violence to maintain internal discipline and violence and corruption to put the group itself beyond the reach of the law (Gregory, 2003: 91);
- 35 per cent used violence for internal discipline;
- 13 per cent were known to use corruption.

The core of Gregory’s findings have been critical in debunking the alien conspiracy image of organised crime in the UK: 85 per cent of all OCGs identified were based in the UK, 75 per cent located in or near metropolitan England, 64 per cent of these groups were defined as being of White European ethnicity, only 1.7 per cent of groups were known to have bases outside the UK, 43 per cent were known to be active outside the UK, mainly in Europe, and only seven per cent were known to be active in at least three continents. In summary: “If this information is taken to indicate a globalisation trend of OCG activity, then, on the known information, it only relates to 6.7 per cent of OCGs reported in

1999". (Gregory, 2003: 89). Conversely, most organised crime groups, so defined, are highly local in their membership and geographical scope being composed of ethnically White Europeans operating in the big English cities.

Gregory is, however, clear on the methodological limitations of the OCNS and the consequent need to qualify the picture of organised crime activity that emerges from its first full sweep.

Cross-matching data

In 1999, OCNS data had not been fully cross-matched to indicate the volume or value of the activities of particular subsets of the OCGs, such as those operating sub-globally or globally. It may, therefore, be that although less than seven per cent of OCGs at the time could be defined as transnational in their scope, they nonetheless accounted for the overwhelming volume of drug and people trafficking (which remain the two main priorities of the Government's strategy for tackling organised crime).

Standardised collection, monitoring and validation of police intelligence

In 1999 there were no standardised procedures for collecting, monitoring and validating police intelligence data on organised crime. The returns made to the OCNS at this time were uneven both between law enforcement agencies (with some more diligent than others in making returns) and within specific agencies, with question marks over the degree to which all relevant parts of the agency in question were receiving OCNS questionnaires or completing as many returns as their actual knowledge of OCG activity might suggest.

Although some of these issues are being addressed through the police National Intelligence Model (NIM), a broader criticism levelled at the OCNS is that any data premised on police activity and categories must be treated with a degree of scepticism for reflecting more the interests and priorities of law enforcement agencies as much as any accurate measure of actual organised crime (Edwards and Gill, 2003; Hobbs, 2004: 428). In turn, this raises the complex issue of other intelligence sources and the importance of 'data mining' to identify patterns of criminal activity hitherto obfuscated by the preoccupation with police conceptions and measures of organised criminality (Levi, 2007: 776-7).

Case studies of illicit enterprise: an alternative methodological approach?

An alternative method of assessing organised crime has been pioneered by a group of scholars working in collaboration with the Dutch Ministry of the Interior (van Duyne, 1993, 1995; van de Bunt and van der Schoot, 2003). This ministry gave access to closed police and court files of successful and unsuccessful police investigations and prosecutions of organised criminals, which were subject to qualitative content analysis to identify common themes or particularities in the organisation of different serious crimes. Critically, this research programme shifted the focus of concern away from the structures and attributes of OCGs towards the processes through which various serious crimes are organised and enabled. So the focus shifts from criminal actors to crime activities. In these terms, van Duyne regards the organisation of serious crime as a form of illicit enterprise operating in two specific kinds of markets:

- those markets in which goods and services are themselves forbidden;
- those markets in which legal goods and services are handled in illegal ways (van Duyne, 1995: 341).

Van Duyne employed the first official definition of organised crime that gained currency in Europe, and which has had a significant impact on thinking about serious organised crime in the UK. This definition was offered by the Bundeskriminalamt (BKA, the German Federal Crime Intelligence Office).

Organised crime is the planned violation of the law for profit or to acquire power, which offences are each, or together, of a major significance, and are carried out by more than two participants who co-operate within a division of labour for a long or undetermined timespan using:

- a. *commercial or commercial-like structures, or*
- b. *violence or other means of intimidation, or*
- c. *influence on politics, media, public administration, justice and legitimate economy.*

Using this definition, van Duyne dismissed certain cases offered to him by the Dutch police as organised crime, but which he felt were "morbid examples of pathological violence rather than organised crime" (1995: 347). He selected 44 cases, 22 of which concerned drug trafficking and 19 organised business fraud. His content analyses of the closed case files were further supplemented by "discussions and interviews with the investigating teams, sometimes providing me with information not included in the files." (1995: 347).

The key results of this case study research reveal the entrepreneurial character of much serious organised crime, both in terms of the emulation of licit business practices and the maintenance of good relations with legitimate businessmen (interested in cheap goods and services). This research made a significant contribution to debunking the strict dichotomy between the "upperworld" of legitimate business and the "underworld" of gangsters to reveal the "large range of interactions between organised crime and legitimate industry". In terms of organised business crime (the illegal handling of licit goods and services), the leading crime entrepreneurs were mostly 'market insiders' for example those involved in VAT and excise frauds in trading oil and foodstuffs, illegal labour contracting in the construction industry and toxic waste dumping (van Duyne, 1993).

Further research conducted by Dutch academics has developed the enterprise model of serious organised crime to identify crime opportunities and how they might best be reduced (van de Bunt and van der Schoot, 2003). This research, entitled, *The Identification and Prevention of Opportunities that Facilitate Organised Crime*, was funded by the EU Falcone programme. The researchers analysed 15 cases of organised crime, again selected from spent criminal investigation and public prosecution files, in the Netherlands, Italy, Finland and Hungary. Qualitative content analyses of these files were conducted in order to identify opportunities for facilitating organised crime and 'red flags' or indicators of possible preventive interventions. The authors argue;

The innovative aspect of this preventive approach is the fact that it is not primarily aimed at the perpetrators of organised crime, but rather at the various circumstances which facilitate organised crime. The preventive approach addresses governments, civilians and enterprises and it attempts to make them feel responsible for reducing the opportunities for organised crime. (van de Bunt and van der Schoot, 2003: 19).

The researchers adopted a situational crime prevention framework for the analysis of the case files in which it is presumed "the level of crime – including organised crime – is determined by the presence of facilitating situational factors, e.g. the presence of attractive targets, a low level of supervision and low risk of apprehension. Criminal activities therefore have to be analysed to reveal the facilitating role of situational factors". (2003: 20-1). Further, the research sought to identify the 'contact-points' between the licit and illicit environment in recognition of the dependence of illicit enterprises on the legitimate economy for initial opportunities for criminal gain and for the subsequent concealment of illicit activities. It is these contact points which can be regarded as red flags or priority foci for intervention by law enforcers.

Whilst the four national reports (Netherlands, Italy, Hungary, Finland) are confidential because of the classified information contained in the spent cases analysed in each country, van der Schoot (2003) provides a summary of 'red flag' findings from the national reports. Four major 'red flags' were identified:

- the role of public administration and local business;
- the role of legal professions;
- transferring the proceeds of crime;
- the forgery of identity documents.

In these terms preventing organised crime is defined as a matter of reducing the number of contacts between

organised crime groups and the licit economy through better control and surveillance of public administration and local commercial transactions, legal professionals, financial services and identity theft. Analysis of these contact points suggests three basic foci for prevention:

- the demand for illegal products and services from the licit environment;
- the abuse of facilitators in the licit environment; and
- the availability of 'tools' for organising serious crime in the licit environment

(van der Schoot, 2003: 25).

Findings from the national reports identified illegal labour and prostitution as the two principal illegal products and services demanded by the licit environment. Reducing organised crime, in these terms, implies measures aimed at reducing the demand for illicit goods and services. One means of reducing this demand is to legalise and regulate formerly illicit services, such as prostitution. It is claimed, for example, that the legalisation of brothels in the Netherlands in 2002 enabled the authorities to detect women working in such establishments against their will, whilst also reducing the demand for prostitutes in illegal venues which are harder to monitor and regulate. The lifting of prohibition on prostitution also decreases the demand of brothel owners for victims of women trafficking for the sex industry (van der Schoot, 2003: 26), as all workers are registered by local authorities, and are thus 'known' in the system. This effectively means that trafficked women would not be able to work in such brothels.

It is suggested that abuse of facilitators in the licit environment can be improved through increasing the awareness and integrity of public officials, professionals and other facilitators, for example increasing hierarchical and collegial supervision to decrease the corruption of particular public officials and the exclusion of particular persons suspected of criminal activities from involvement in tendering for public grant aid, whether from domestic authorities or the European Union. A particular focus on reducing the abuse of crime facilitators has been lawyers and accountants who are now subject to various rules on disclosing to the authorities evidence of criminality made available to them by their clients under threat of penal sanction if it is subsequently discovered they had this information but did not disclose it. Other facilitators identified by the Falcone research were transport companies, hotels, landlords, taxi drivers, bouncers, bailiffs and car rental services. Reduction of abuse with regard to these facilitators implies better regulation, kite-marking and other monitoring measures, for example the licensing arrangements for 'door supervisors and other security providers' in England and Wales.

Finally, reducing the availability of tools in the licit environment implies measures to restrict possibilities for using or owning tools that may facilitate criminal activities, in particular forged documents, illegal persons and financial services. Passports and other identity documents facilitate trafficking of illegal migrants, women and incognito criminals across borders. A key measure for reducing the utility of such tools is the development of 'foolproof' official documents using biometric data to constitute and verify identity. Abuse of financial services is now the subject of extensive measures to flag money laundering activities, such as the UK Suspicious Activity Reports (SARs) which ask banks and other financial services to report transfers of currency over £5,000, which they regard as suspicious, to the authorities.

In summary, the Dutch research programme on illicit enterprises demonstrates the insights that can be gained from qualitative case study analysis for identifying the processes through which serious crimes are organised. A particularly important insight of this research has been the dependence of illicit enterprises on the licit environment, the identification of key points of contact between licit and illicit business and, therefore, vulnerabilities that can be targeted by preventative strategies. This marks a paradigmatic shift in thinking from the 'kingpin'¹⁵ approach pursued by US law enforcement agencies towards a concern with reducing organised crime by reducing the opportunities for its commission, opportunities which predominantly reside within the 'upperworld' of the licit economy. It also offers a more protean image of serious crime organised through networks of criminal entrepreneurs, who may only come together for the perpetration of particular jobs facilitated by 'criminal contact brokers' (Klerks, 2003) rather than 'mob bosses' of hierarchically structured and immutable groups.

¹⁵ A ten-pin bowling metaphor employed by US law enforcement authorities to suggest that by 'taking out' the figureheads of organised crime groups, through intensive law enforcement operations such as undercover operations and other intelligence-gathering measures to build prosecution cases, the remaining structure and personnel of these groups will be toppled and hence organised crime activity reduced, an approach that has had little discernible impact on the volume of drug trafficking, as suggested by drug seizures over the past three decades.

Organised crime prevention: the role of victimisation studies?

The impact of the Dutch research programme and of other European researchers examining the operation of crime markets (Hobbs, 1998; von Lampe, 2000) on official thinking in the UK is clear in the increasingly sophisticated understanding of serious organised crime as a business. This is demonstrated in the provisions of the Serious Crime Bill and in the first UK Threat Assessment of Serious Organised Crime produced by SOCA (Home Office, 2004, 2006; SOCA, 2006). It is also reflected in the definition of 'serious organised criminals' adopted by SOCA:

Those involved on a continuing basis, normally working with others, in committing crimes for substantial profit or gain, for which a person aged 21 or over on first conviction could expect to be imprisoned for three or more years (SOCA, 2006).

This definition foregrounds the economic dimension of organised crime and admits hierarchically structured OCGs of the 'Mafia' image whilst also accommodating the more protean networks of individual entrepreneurs and contact brokers that collude for particular jobs (SOCA, 2006: 3.6.). It provides a clear definition of 'seriousness' in terms of indictable offences warranting a custodial sentence of some significant duration for a first offence. Nonetheless, official knowledge of how organised crime operates in the UK remains very thin. The White Paper went so far as to argue: "There has been virtually no work anywhere in the world to measure the scale of organised crime and the harm it does" (Home Office, 2004: 8). To this end the Home Office has commenced a programme of research seeking to assess overall harms according to a number of measures.

Unpublished Home Office estimates suggest a cost of losses and harms caused by all forms of organised crime that amounts to some £40bn per annum. These costs are mainly incurred through trafficking in class A drugs, organised immigration crime, VAT fraud, excise fraud and fraud against the private sector (including counterfeiting).

Despite the increased sophistication of official thinking about the structure and conduct of serious organised crime, as noted from the methodological discussions of the OCNS and the Dutch case study research into organised criminal activity, authorities are reliant upon law enforcement data. The SOCA threat assessment makes this clear:

Knowledge of the various forms of serious organised criminal activity to a large degree reflects the UK's law enforcement priorities. The true significance of areas that have not been national priorities is currently difficult to assess.
(SOCA, 2006: para 2.41).

There is, however, growing interest in studying organised crime victimisation as a means of informing strategies of prevention or reduction of offences rather than the detection and prosecution of offenders. As in victimisation studies of 'conventional' or 'street' crime (Hope, 1995; Pease, 1998), establishing the incidence, prevalence and concentration of victimisation (for certain offences, amongst specific populations, in particular geographical or 'virtual' locations) can inform the targeting of scarce resources for reducing organised crime (Levi and Maguire, 2004: 454).

Victimisation studies offer the potential of establishing what are the principal offences (e.g. fraud, extortion, corruption etc.), experienced by populations of interest (e.g. small, medium, large enterprises) and where they are experienced (in specific economic sectors: construction, chemicals, textiles, e-commerce, and in particular localities: metropolitan economies of London, Birmingham, Manchester etc.). In this way a more robust evidence base can be produced for identifying victimisation risk and, on this basis, criteria for targeting crime reduction measures.

Victimisation studies can also inform the conceptualisation of 'organised crime' as a real social object of concern in addition to a political construction and useful cipher for diffuse anxieties about national security. In a recent critical review of the political construction of organised crime and its purported relationship with terrorism, it is argued:

There is no Blofeld figure or SMERSH collective organising 'crime' or 'terrorism' worldwide: rather there are layers of different forms of enterprise criminal, some undertaking wholly illegal activities and others mixing the legal and illegal depending on contacts, trust, and assessment of risks from enforcement in particular national markets. Which of these we choose to call 'organised criminals' is a matter of judgement ... and we need to be clearer about which segments of the criminal market

we are referring to before we can be sure we are discussing the same thing when we use the term 'organised crime'. In fact it might be better not to rely on the term, or alternatively to rely on the fact that it does not have a stable meaning.
(Levi, 2007: 799).

Whereas the overwhelming focus of research on organised crime has been on perpetrators of offences judged to be organised in terms of ethnically-based groups or networks of 'entrepreneurs', relatively little attempt has been made to build an understanding of the scale and impact of criminal markets through reference to those victimised by their operation.

Clearly, however, victimisation studies confront a number of methodological challenges. There is the problem of sampling populations that existing research suggests are particularly vulnerable to serious organised crime, such as users of the illicit goods and services provided by organised crime who may be defrauded or legitimate businesses subject to fraud and extortion, who will wish to remain anonymous lest any association with organised criminality tarnishes their reputation or even leaves them vulnerable to prosecution. In addition to assurances over anonymity, there is a further need to ensure that respondents from such samples understand what constitutes organised crime and are able to identify when they have been victimised.

Victimisation studies of conventional crime have been developing over the past three decades and now secondary data analysis of large scale surveys, such as the British Crime Survey, are informing a more sophisticated understanding of the distribution of victimisation risk. This literature provides some key insights into the contribution that victim surveys can make to the assessment of organised crime and to evaluations of any measures taken to reduce this threat. Actual surveys of organised crime victims are, however, very thin on the ground and have focused on sampling businesses.

Lessons from Business Crime Surveys

Hitherto, the most authoritative surveys of business crime that have attempted to identify connections with organised crime are the International Crime Business Survey (ICBS) (Alvazzi del Frate, 2004) and Aromaa and Lehti's (1996) survey of crimes experienced by Finnish companies in St. Petersburg and Estonia. The ICBS survey was also focused on business crime victimisation by companies in nine Eastern European cities. One-third of respondents to the ICBS survey believed local organised crime groups were involved in extortion; only two respondents mentioned the involvement of international organised crime groups. In the case of requests for protection money (the other key offence identified by respondents as having a connection to organised crime), 61 per cent of respondents believed local organised crime groups were involved, whilst only eight per cent identified international organised crime groups as responsible and 13 per cent identified rival businesses (Alvazzi del Frate, 2004: 151-2). It is not clear from Alvazzi del Frate's discussion of the ICBS methodology, how respondents distinguished 'local organised crime groups' from international or transnational organised crime groups or lone operators.

Aromaa and Lehti's (1996) survey of Finnish companies as victims of crime in Estonia and St Petersburg is more instructive. The purpose of the survey was to provide an up-to-date overview of the central crime-related problems of Finnish businesses establishing operations in Russian and the Baltic States following the collapse of the Soviet Union and the liberalisation of commerce in these countries. Another aim of the survey was to 'develop techniques for, and to gain experience with, surveys of corporate victimisation in the region' (Aromaa and Lehti, 1996: 1). The principal purpose of the survey was, therefore, not to identify business victimisation by organised crime but this emerged as one of the central findings of the survey, subsequently influencing the focus of the ICBS on extortion and protection rackets in Eastern European countries.

Respondents in St Petersburg were identified through the Finnish-Russian Chamber of Commerce and the Finnish consulate in St Petersburg which both had registers of Finnish companies established in the city during the period of the survey (December 1994 – January 1995). Companies were also identified through snowballing interviews with persons responsible for Eastern trade relations in 29 Finnish companies. A further 24 companies were surveyed over the phone. These initial surveys and interviews were used to refine the questionnaire, in particular including questions on criminal groups and the extortion activities of various 'security' groups known to operate in the city. Ultimately 95 respondents

were identified for the final survey which was a postal questionnaire. Of these 64 (67%) returned the questionnaire. In Estonia, 250 Finnish companies were identified through a register kept by the Finnish Foreign Trade Association. This group was sent questionnaires through a meeting of the Club of Finnish Business Executives and directly through the post with telephone calls made prior to posting. A total of 72 (49% of sample) questionnaires were returned. A possible reason for the relatively low response rate in Estonia was the use of local staff by Finnish companies who may have been resistant to involvement in an all-Finnish study and to the timing of the survey, which was sent out during the summer holiday period (June – July 1995).

Aromaa and Lehti make an important conceptual distinction between 'external crimes' and those committed by staff of the companies involved in the survey. The former included burglary, robbery and vandalism but following the pilot studies, protection and other extortion were identified as key problems and included in the questionnaire. A key difference in the surveys of St. Petersburg and Estonia was the involvement of 'criminal groups'. In St Petersburg 42 per cent of the respondents experienced extortion of protection money compared with three per cent in Estonia. In St Petersburg it was suggested by respondents that being a victim of a protection racket was the norm rather than the exception. Many companies were targeted within a fortnight of establishing themselves or soon after a publicity campaign in the local media or through involvement in trade exhibitions or especially after opening a new retail outlet. None of the companies involved in retail sales of daily consumer goods had been able to avoid visits from extortionists. The principal form of extortion was the sale of 'security' contracts.

Of specific interest is the finding that:

Organised and unorganised protection activities identify their clients with different methods. The main means of obtaining information used by gangs of boys were personal observations, and therefore 'hiding' the premises, when this was possible given the nature of the business, was a relatively effective prevention method for this particular source of problems. The organised groups, in contrast, had access to connections with the banks as well as the authorities, and then it was possible to prevent their approaches only if the entire business could be 'concealed' – an entirely theoretical possibility except for the smallest one-man businesses without permanent premises. (Aromaa and Lehti, 1996: 29).

So, Finnish businesses were confident of identifying connections between their experience of extortion, especially demands for protection money, and organised criminal groups by the persistence of calls from particular sources, even after attempts had been made to conceal contact details. Such visibility along with economies of scale was found to be a key factor in the kinds of companies that had the highest risk of extortion. Small businesses could circumvent extortion from criminal organisations (as opposed to opportunistic youth gangs) through their invisibility and relatively modest turnover. Large enterprises managed extortion through powerful connections with the authorities, who valued their continued establishment in St Petersburg given income, wealth and tax generation. Medium-sized enterprises were most vulnerable as they were large enough and therefore lucrative enough to attract the interest of criminal organisations and small enough not to carry political weight with the local authorities and so there was a higher risk of attempting to extort from them.

The business environment of Eastern Europe post-Soviet Union, including established problems with levels of corruption and simple ineptitude amongst law enforcement agencies, is clearly a very different context for business victimisation to that encountered by legitimate enterprises in the UK. Even so, the vulnerability of medium-sized enterprises to organised criminality remains a key finding of the Aromaa and Lehti survey which is worth exploring further.

The only attempt at a victim survey in Western Europe, which has attempted to assess the connection between organised crime and business victims, was undertaken by academics at the Transcrime Centre at the University of Trento as part of the EU Falcone programme (Transcrime, 2002). Due to a very small response to a relatively small sample frame (10 respondents from 79 multinational companies), this survey failed. The companies had been identified through the International Security Management Association (ISMA) and the European Roundtable of Industrialists (ERT). In other words a convenience sample was used of those companies which happened to be members of ISMA and ERT as opposed to any theoretically driven sampling frame. Most of the companies simply did not respond to the initial survey or to subsequent reminders. Some argued they could not respond because of a lack of security information. Where such information was available it was in disaggregated form or only collected for some of the companies branches, often not in Europe (Transcrime, 2002: 34).

This raises the key point that victimisation studies cannot presume that even large, well-resourced, multinational companies have systematic procedures for recording, monitoring and aggregating experiences of crime whether perpetrated by staff or externally from identifiable organised crime groups. Identification of the most appropriate respondent for different size businesses is critical for victimisation surveys and it is imperative that clear and parsimonious definitions and examples of what constitutes organised criminality are provided in the questionnaires. This is especially the case for postal questionnaires. In Aromaa and Lehti's relatively successful survey of business victimisation in St Petersburg individual contacts in the companies surveyed were identified and contacted by phone and given an explanation of the survey's objectives.

Methodological challenges for assessing business crime victimisation by OC in the United Kingdom

There are key methodological lessons that can be drawn from the ICBS, Aromaa & Lehti and, especially, the failed Transcrime surveys for developing a sampling frame and questionnaire of businesses in the UK. Drawing on this material and on insights into the interrelationships between licit and illicit business found in the (now substantial) case study research of serious crimes in various economic sectors (especially construction, waste disposal, financial services – see van Duyne, 1993, 1995), it is possible to make some general observations about the prospective development of victimisation studies in this area.

Aromaa and Lehti's survey had a clear purposive sampling frame: Finnish businesses establishing operations in St Petersburg, Estonian cities and other Baltic states (see Aromaa, 2000). This research identified protection rackets as the primary concern of Finnish businesses, the principal type of 'external crime' they were victims of and the principal mechanism through which businesses were victimised by identifiably organised criminal groups. Similarly the ICBS sampling frame, informed by the Aromaa and Lehti research (Alvazzi del Frate, 2004: 138) was composed of businesses in nine Eastern and Central European capitals and explicitly concerned with protection rackets as the principal threat of organised crime to legitimate business. The ICBS, however, used random sampling of businesses from local directories and registers (Alvazzi del Frate, 2004: 140).

A basic decision confronting any survey of business victimisation by serious organised crime in the UK is whether to use purposive or random sampling. The following observations make the case for a purposive sampling frame, which identifies enterprises of a certain size operating in sectors known to be vulnerable to organised crime and in specific geographical areas of the country, in particular metropolitan England.

Importance of medium-sized enterprises.

Regrettably, the Transcrime survey of companies operating in Western Europe was unsuccessful and so it is currently not possible to corroborate protection rackets as the principal threat to business in this part of Europe. Notwithstanding the exceptional commercial environment provided by societies in transition from communism to free market capitalism post-Soviet Union, protection rackets are an obvious starting point for comparison as are medium as opposed to small or large-sized enterprises given their relative 'high returns/low security' vulnerability.

Vulnerable economic sectors

Case study research suggests businesses in certain economic sectors are vulnerable to serious organised criminality.

- **Protection rackets** are renowned in the retail sector and, most notoriously, in the entertainment and leisure industry. Following Aromaa and Lehti, the organised character of such crime could be inferred through questions about the persistence of protection demands.
- **Unfair competition** through low unit costs of production enabled through the employment of cheap illegal labour is clearly another form of crime whose organised nature can be inferred from the provision of high volume illegal labour forces. Existing research suggests the garments, foodstuffs and construction industries are key foci of this particular form of organised crime (van Duyne, 1993).
- **Counterfeiting** is most obvious in the finance and garments industry.
- **VAT fraud** – endemic but particularly organised in tobacco and alcohol industries (von Lampe, 2006).

- **Excise fraud** – again, organised in terms of tobacco and alcohol industries (van Duyne, 1993).
- **Payment card fraud** – retail and e-commerce, including counterfeiting of cards and identity fraud. Both have an enormous impact on businesses in these sectors and, "the collection of data on individuals and the counterfeiting of their identities for credit purposes is prima facie evidence of organised crime" (Levi and Maguire, 2004: 434).

Ethnicity and victimisation

Research into crime against businesses in ethnically diverse communities in Australia (Taylor, 2006) and the USA (Kelly *et al.*, 2000; Song, 1992) has identified ethnicity and the capacity to speak the official language of the country in which offences are commissioned to be key variables in the pattern of victimisation. It was found that employee theft and credit card fraud were less prevalent amongst Chinese and Vietnamese businesses than amongst English speaking enterprises, reflecting the cultural practices of the former in restricting employment to family members and limiting their commerce to cash transactions (Taylor, 2006: 4). English speaking businesses were also more likely to report serious crimes, such as extortion, to the police (Taylor, 2006: 6). This suggests English language proficiency is an important factor in the visibility of extortion amongst enterprises for whom English is not the first language and who may lack the confidence and trust to report serious crimes to the authorities. This also raises an important methodological challenge for uncovering patterns of serious crime victimisation of businesses in ethnically diverse populations and the importance of interviewing entrepreneurs in their first language (Kelly *et al.*, 2000; Song, 1992). The Australian research identified the relatively low risk of fraud and high risk of extortion amongst Chinese and Vietnamese businesses by employing fluent Mandarin, Cantonese and Vietnamese speakers to conduct face-to-face interviews for a victim survey (Taylor, 2006: 3).

Geographical distribution of victimisation

Returns to the OCNs suggest that most OCGs are concentrated in or near the main urban conurbations of England (Gregory, 2003: 89). However, it is important to avoid the fallacy of confusing offender and offence location. Even so, it is clear from case study research and the ICBS and Aromaa and Lehti surveys that businesses located in urban centres are the most vulnerable to protection and extortion activities and that there may be important variations amongst businesses owned by entrepreneurs from different ethnic backgrounds. Presumably payment card frauds also have a geographical distribution with concentrations of offences in urban retail centres, although, again, cultural practices of cash-only commerce may affect the differential vulnerability of entrepreneurs from different ethnic backgrounds.

If, as suggested by the admixture of existing qualitative and quantitative research on organised crime and criminality, victimisation is likely to have an uneven distribution across different sizes of enterprise operating in particularly vulnerable sectors in particular geographic locations, purposive sampling is likely to provide greater insights into business victimisation than some random sample of business victimisation per se. If, however, the purpose of victimisation studies is to reveal new forms of business victimisation, then a random sample makes better sense. In the latter case the rationale of the random sample would be to trawl for innovations in business victimisation and identify new areas and techniques of victimisation using more open-ended, exploratory, questions.

Conclusion

Given the immaturity of the evidence base on business victimisation by organised crime one is some distance away from an understanding of its incidence, prevalence and concentration. The cross-sectional and longitudinal secondary data analysis of victimisation enabled by the British Crime Survey and by local victimisation surveys of conventional crime (see Hope, 1995) is, nonetheless, something to be aspired to if a more evidence-based approach to organised crime reduction is to replace the current dependence on law enforcement data, case study material and political hyperbole. Data-mining of various economic and social databases and their cross-referencing with criminal justice databases may also yield hitherto hidden patterns of victimisation. Once baseline data are provided on the distribution of business victimisation, it will become possible through subsequent sweeps to build up a picture of how the concentration of victimisation amongst certain sizes of enterprise, in certain sectors in particular locations and so forth, alters over time and consider any correlation with crime reduction measures adopted by SOCA, other statutory agencies and the private sector itself.

Appendix B: Approach used in the main study

The approach used in the feasibility study was broadly replicated in the main study. It required some further refinement (mainly to the survey), though the adapted approach was viewed as the most likely to produce valid and reliable results.

Research sites selected

The advice of the Home Office was that the areas selected would be expected to have relatively high levels of organised crime and should also encompass a range of business types, ethnic composition and be in different regions. Seven areas were identified as possible candidates for the study. In each area, an estimate of the total number of trading businesses was made by researchers walking around the area and counting. In the main stage it was hoped to achieve a sample of 120 interviews in each area (360 in total). It was recognised that a high number of businesses would be needed if this target was to be achieved.

The sites were selected after some scoping work had been conducted on their suitability. In some areas the business population was too small and others were not suitable as they did not appear to have the correct crime profile. Three sites were selected for the fieldwork: one in the West Midlands, the second in London and the third in the East Midlands. Interviews with local police officers had shown that they were all areas where organised crime activities had occurred and it was thought such activities might impact upon local businesses. All three areas were also known for experiencing a generally high rate of crime, though they were all 'residential' in that they were not located in a city centre or a shopping centre.

Survey work

A target of 120 face-to-face interviews with businesses was set for each area (giving a total sample of 360). It was therefore important that the sample areas were locations that were able to generate a large number of businesses. To achieve a sample of 120 interviews in each area, it was thought that a sample frame of around 240 businesses would be required (assuming a 50 per cent response rate).

There is no single adequate list of all businesses in a given neighbourhood. To overcome this problem, prior to sampling respondents an 'environmental audit' had to be undertaken. This recorded the names and addresses of all discernable businesses operating in the area alongside a range of their visible attributes. The environmental audit was completed by researchers walking around the research sites logging details of all trading businesses, what their main activity appeared to be, their address and contact details. This appeared to be the best way to capture up-to-date information about the number of trading businesses in the area (though it was still likely to miss some businesses). The audit found 312 businesses in the West Midlands site, 257 in the London site and 326 in the East Midlands site. There were 895 in total.

All interviews were completed with business owners or managers who were initially contacted by researchers 'cold-calling' business premises with an introductory letter. The purpose of the visit was briefly to outline the project and arrange an appointment for interview. In many cases an interview or an appointment for interview was immediately secured. A proportion of businesses immediately refused to take part in the survey and in some cases it proved difficult to track down an owner or manager for interview. Businesses were approached up to three times for interview and they were asked to take part in a survey about their 'experience of crime' rather than their 'experience of organised crime'.

The final survey instrument used had four main sections.

1. **Section A - general business information:** this section included questions about background details of the business (type of business, location, number of employees). It replicated a number of those questions asked in the CVS.
2. **Section B - the general environment:** this section included questions about the general environment in which the business was located. Some modifications to the CVS related to the perceived effects of local crime. Both the

selection of crimes covered and the distinction between 'own business' and 'the area in general' mark significant modifications to the CVS. Additional questions were asked on gun crime, money laundering, counterfeit goods and protection rackets/extortion. Businesses were asked whether these were specific problems for their business and also for the local community. Supplementary questions were also included asking whether the business had ever considered leaving the area and about any factors that prevent business growth in the area.

3. **Section C - businesses experience of crime:** The crime categories were similar to those asked about in the CVS (although attempted burglary and theft by persons unknown were dropped). The crime types included were, therefore:

- burglary;
- vandalism (damage to premises),
- graffiti (spraying of writing on the walls);
- theft of vehicles;
- theft by customers (shoplifting);
- theft by employees;
- theft by outsiders;
- fraud by staff;
- fraud by outsiders;
- robbery;
- violence;
- extortion/protection;
- intimidation;
- tobacco smuggling;
- alcohol smuggling;
- being offered stolen or counterfeit goods.

The general convention was similar to that used in the CVS. An initial screener question was asked (have you been a victim of XX in the last year?). If the answer was 'yes', then follow-up questions were asked about the number of incidents experienced and so on. There were some key differences to the questions asked in the CVS in this follow-up section. Here, businesses were asked:

1. if they thought incidents were linked;
2. why they thought incidents were linked;
3. if incidents were linked, further details about the last incident (such as items stolen, cost, reporting to the police);
4. if they believed that any incidents experienced were by organised criminals (whenever businesses were asked about organised crime, the definition used was reiterated to them).¹⁶

As already emphasised, what the victim knows about organised crime will often be limited, so that it was anticipated that estimates would at best be rough and ready, if they were possible at all. An example is given below (Table B.1) of how it was thought that this might work in practice. The details relate to burglary though the broad structure was to be similar for all of the crime types asked about in the questionnaire. The first two questions were identical to those asked in the CVS. They were to establish if the business had been victimised and on how many occasions. The subsequent questions were designed to gauge whether there were any clear patterns to the incidents and whether the volume and the type of goods stolen indicated that there was an organised element to the crime. Questions also asked (following the CVS) if the incident had not been reported to the police and, if so, why not. Here, it was felt that, if the reasons for non-reporting included fear of reprisals, this too might indicate an organised element to the crime.

¹⁶ The definition reiterated by researchers stated; "By organised crime I mean crime that involves three or more people who come together in committing criminal offences over a sustained period of time".

Table B.1: Questions asked for burglary and reasoning behind them

Question	Main reason for question
If burgled in last 12 months	Establish if victim
Number of incidents in last 12 months	Establish number of times victim
If more than one, if the victim believes that any were linked?	Establish if there is a repeat pattern to incidents
Why did business owners/manager think they were linked?	Tries to establish why the business owner/manager thinks there is a repeat pattern
For the most recent incident: what was stolen?	To establish if goods might be stolen to order or to supply part of a network/chain.
For the most recent incident: how many items were stolen?	To establish if goods might be stolen to order or to supply part of a network/chain
For the most recent incident: were premises targeted because offenders were aware of goods available?	To establish how carefully goods were targeted
For the most recent: was there any evidence that goods were stolen to order?	To try and establish if there is a criminal infrastructure behind the incident
Value of goods stolen in last burglary?	To establish if goods might be stolen to order or to supply part of a network/chain
If any incidents not reported and why?	To establish if victims are fearful of reporting to the police as this might suggest gangs have intimidated them
If any incidents were believed to be by organised criminals	If business believed they were victim or organised crime
What makes business think incidents were by organised criminals	What was it about the incidents that suggested they were the work of organised criminals

It should also be noted here that some sections of the CVS were omitted entirely in the pilot work. In relation to burglary, questions on time of the incident and entry point for the burglar were not felt to be relevant. In addition, the suites of questions relating to insurance, crime prevention and to general perceptions of the police were cut from the draft schedule on similar grounds.

4. **Section D - general perceptions of crime in the area.** This asked a suite of questions in relation to the business perceptions of changes in crime over the last two years. This section was intended to try and ascertain if new businesses are more likely to be victimised than older more established businesses. It was split into three sections. First, businesses that had been trading for more than two years were asked if they thought crime had increased or decreased (and which crime types) and if they thought OC had increased or decreased (and which crime types). Businesses that had been trading for less than two years were then asked if they were 'picked on' when they first opened and if they thought this might be the result of OC. All businesses were then asked if they thought they were at risk of any particular crime types and why.

Survey responses

A sample of 895 businesses was selected across the three areas. The overall numbers in the West Midlands were 133 (representing a 43 per cent response rate), 127 in London (49 per cent response rate) and 160 in the East Midlands (49 per cent response rate). The overall refusal rate was 21 per cent (187 businesses). No contact could be made despite repeated call-backs for 27 per cent (241) of the businesses. Four per cent of the businesses (39) had closed, and one per cent (8) were head offices.¹⁷

¹⁷ Comparison of the response rates with the 2002 CVS is difficult. In the CVS an initial screening exercise was completed where a sample of 8,200 retailers were subject to a telephone screener. After this was completed a number of businesses were removed (a number had moved, had

Table B.2 outlines the overall response rates by business type. The categories of business sector/types here are those that were originally used for the environmental audit of businesses and these were adapted from the categories used in the CVS (these were then recoded into other categories after the fieldwork had been completed). The table does, however, give an indication as to the response rates across these business sectors/types. This shows that a response rate of over 50 per cent was secured for a number of business types. The highest response rate was for taxi service/bus services at 80 per cent, betting shops (73%) and wholesale/distribution (67%). The poorer response rates were for medical service business (19%), construction (20%) and property services (24%). The largest proportion of businesses in the overall sample were retail/non-food which formed 35 per cent of the sample (n=147), restaurants (12%, n=52) and retail/small shops (12%, n=50).

Table B.2: Response rates by business type/sector (ranked by response rate)

	Interviewed	Not Interviewed	Total	Response rate
Taxi service/bus	4	1	5	80
Betting shops	11	4	15	73
Wholesale/distribution	14	7	21	67
Retail (small shop/off-licence)	50	36	86	58
Manufacturing	5	4	9	56
Retail-supermarket	8	7	15	53
Pub/bar	16	14	30	53
Hair and beauty salons	20	18	38	53
Restaurant	52	48	100	52
Retail/non-food (include repairs)	147	142	289	51
Travel agents	8	8	16	50
Others	46	62	108	43
Finance (banks/building societies)	13	24	37	35
Legal services (Solicitors etc)	7	13	20	35
Property services (estate/letting agents)	5	16	21	24
Construction	3	12	15	20
Medical services/therapies	6	26	32	19
Unknown	5	33	38	13
Total	420	475	895	47

Base: 895 businesses logged during environmental audit

Details of the status of businesses (whether an independent enterprise, the branch of a national chain or the headquarters of a business etc.), and the ethnicity of proprietors and staff are presented in the report.

Police intelligence

Police intelligence data were collected across each of the areas. The police collect intelligence data from a number of sources. These include informants, police officers and members of the public. All three of the areas had computerised intelligence systems and intelligence was graded in terms of its perceived reliability. Therefore, 'intelligence' information can range from hard facts to information that is little more than rumour.

over 250 employees, refused to take part, no replies etc.). A total final sample frame of 6,157 retailers were drawn of which 64 per cent (3,955) responded to the survey (compared to 47% here). However, if the initial 8,200 business are used as the baseline this gives a response rate of 48 per cent, which is nearly identical to the OC response rate (see CVS, p83).

A main issue that researchers have in terms of gathering police intelligence is that much of it is operational and highly sensitive. This makes it virtually impossible to obtain intelligence on individual premises without the highest security clearance.

The attention paid by police intelligence to crimes against business also varied according to perceived local needs and priorities. In the London area, police believed that businesses were heavily affected by organised crime. As a result, beat officers belonging to the dominant ethnic group had been appointed to liaise with the community. This involved substantial contact with local businesses to find out what was happening to them and within the business community. Senior police officers were also well-briefed on community-related issues in part because there were suspicions of connections to much more serious crime. In the West Midlands, reducing business crime had been made a local priority and this had led to increased attention to patterns in it. The East Midlands survey area was located in a BCU with a very high crime rate across the board. Here, not unnaturally, police intelligence related less specifically to the kinds of crime that might affect businesses in particular and more to the general local crime dynamics and how this might involve and also impinge on some businesses in the area.

Community knowledge

Community intelligence was gathered from a variety of sources. It included conducting a 'snowball' sample of semi-structured interviews with a number of business leaders and key agencies within the case study areas. Interviews were conducted with representatives of traders' associations, community groups, community safety organisations and key religious groups. In each interview a semi-structured questionnaire was used. This asked the respondent about:

- their organisation and role within the organisation/what the organisation does (how the organisation links to the business community);
- key issues in relation to *crime in general* (what are the key crime problems, how does it affect business, who is responsible);
- key issues in relation to OC – for example, extortion, smuggling, stolen goods markets, fraud, gang and drug activities;
- key issues in relation to *the general prosperity of business* (other non-crime related issues), general turnover of businesses in the area and if this is related to crime in any way.

Though a number of respondents were happy to be interviewed for the study, a key issue in relation to community knowledge was the extent to which the information provided was valid. Many of the interviews conducted were with people who do not own a business and did not have access to police intelligence or recorded crime data. Therefore, the extent to which the data gathered in these interviews was based upon fact or rumour is subject to speculation.

Appendix C. Definitions of crime types in survey

Table C1: Crime types and definitions used in the survey

Crime type	Definition
Burglary	Breaking in to the business without permission in order to steal things
Vandalism	Causing deliberate damage, including arson
Graffiti	Spray or write on the business or inside of the premises, on equipment or stock belonging to the company
Theft of vehicles	Theft of vehicle owned or leased by the company
Theft by customers	Customers stealing money or goods
Theft by employees	Employees stealing money/goods from the premises
Theft by outsiders (suppliers/contractors)	Outsiders other than customers stealing goods or money from the premises
Fraud by employees	Any employee cheating the company in terms of diverting funds, goods or services
Fraud by outsiders	Any outsider cheating the company in terms of diverting funds, goods or services
Robbery	Anyone not employed at the premises trying to steal or attempt to steal anything by using force or threats of force
Violence	Any incidents of actual physical violence including hitting, slapping, kicking, punching (not between staff)
Intimidation	Threats made against employees in a way that made staff worry about their personal safety
Extortion/Protection	Business asked for money on the premise that if the money was not given then staff would be hurt or business premises vandalised in some way

Appendix D: Reasons why businesses thought crimes were organised

The questionnaire asked respondents directly if they thought that any incidents they had been victim of were organised. This questionnaire then asked businesses to say why they thought any incidents had been organised. The reasons were given in free text, though were coded into a number of generic categories for each crime type. These generic groupings and their definitions included the following.

1. **Modus Operandi (MO) of job/type of job.** In these cases the respondent suggested that there had been complex planning or the type of job was too big for only one offender. The crime suggested that several offenders would have to work together to complete it or that it was too proficiently planned to be opportunistic.
2. **There was a series of events in the night or over a period of weeks.** Several crimes occurred within the same premises, or several premises were targeted over a very short period of time.
3. **Types of goods targeted.** In such cases, the types of goods targeted suggested that the event was not simply opportunistic and that offenders had clearly targeted specific items.
4. **Respondent hunch only.** The respondent had no specific hard evidence, the conclusion was based upon a hunch.
5. **Offenders were seen/known.** A group of offenders were seen by a victim, witness or recorded on CCTV or they were known to the business.

The following section outlines the responses for each crime type.

Burglary. A total of 32 respondents said that they had been victims of burglary that had been committed by organised criminals (table below). Of these 40 per cent (n=13) merely had a 'hunch' that the crime was committed by organised criminals. The other 60 per cent were, however, able to give a specific reason as to why they thought the crime was organised. Of these, 25 per cent said that the offenders had been seen, were recorded on CCTV or were known to the businesses. For example one respondent said:

Our CCTV documented four to five people doing the job.

A total of 16 per cent thought that the MO of the job or the size of the job suggested that it was likely to have been committed by a group of offenders and that planning would have been required. Sixteen per cent also noted that a number of similar types of events had occurred in their premises or other businesses in the area around the same time and this suggested that organised criminals were at work. For example, one said:

A number were committed against the bookies at the same time – must be a group, one person couldn't have done it all on their own.

Table D1: Reasons given by respondents for thinking that an incident of burglary was organised

Reason	Number	%
1. MO/Type of job was too big/complex for only one offender	5	16
2. There was a series of events in one night or over of period of weeks	5	16
3. Goods targeted	1	3
4. Respondent hunch only about people involved suggest it was OC group	13	40
5. Offenders were seen by victim, witness or recorded on CCTV or are known to business	8	25
Total	32	100

Base: n=32 (39% of all incidents of burglary)

Vandalism. A total of 16 respondents thought they had been a victim of organised vandalism (12 per cent of all vandalism). Similar to burglary, the majority of respondents based this conclusion on a 'hunch' (62%; n=10) and in 25 per cent (n=4) of cases the offenders were seen or known to the businesses.

Graffiti/fly posting. With regards to graffiti/fly posting, 11 respondents thought they had been victim of an ‘organised’ incident in the last 12 months. Here, respondents were more able to give a firm reason as to why they thought that an incident was organised (rather than simply basing their conclusion on a hunch). Four said that the graffiti persisted over a period of time and thus could have been the work of organised criminals. Three said they felt the incident was organised because they had seen the offenders or they were known to the business (these all related to fly posting by known political groups).

Of particular interest with this crime type (and somewhat enabling victims to readily identify offenders) was the use of ‘tags’ in graffiti incidents. A tag is a signature of a graffiti artist that is signed as part of a piece of graffiti or the signature is the graffiti itself. Two respondents mentioned a ‘tag’ in relation to the graffiti that suggested that it was the same person/group.

Shop theft. Several businesses said that they had been victims of incidents of shop theft that they thought were organised. A total of 31 per cent of victims (n=55) thought that they had been victims of organised shop theft. The reasons for this varied, with respondents most commonly (42%; n=23) stating that the MO of the incident(s) suggested that offenders worked in groups and were often highly organised. Examples included businesses saying that it was often the case that offenders had transport available to move the goods and were able to call on different people to shoplift for the group, so individuals were not so easily recognised (like a rotation system). A further 38 per cent (n=21) said they knew (know) the offenders well, though no respondents mentioned that specific goods had been targeted.

It was also of interest to note that some businesses became aware of the fact that shoplifting might be more organised than they initially thought when they confronted offenders. Here, one business mentioned that if shoplifters were confronted then several people might show up to challenge the owner. One respondent also saw goods from their shop being sold in the pub. A common theme with much shop theft was that businesses often felt intimidated by offenders and the threat of violence was common.

Table D2: Reasons given by respondents for thinking that an incident of theft by customers (shop theft) was organised

Reason	Number	%
1. MO/Type of job was too big/complex for only one offender	23	42
2. There was a series of events in one night or over of period of weeks	3	5
3. Goods targeted	0	0
4. Respondent hunch only about people involved suggest it was OC group	8	15
5. Offenders were seen by victim, witness or recorded on CCTV or are known to business.	21	38
Total	55	100

Base: n=55 (31% of all theft by customers)

Fraud. A total of 29 respondents thought that they had been victims of organised fraud by outsiders. Of these, the majority (55%; n=16) based their conclusion on a hunch only. A further 24 per cent (n=7) thought that the MO suggested that organised criminals might be behind the incident. For example, one respondent provided an example of an incident where former employees knew about credit accounts and several of them worked together to defraud the company. In 21 per cent of cases it was also thought that the incidents were organised as offenders were known to the business. One respondent said there had been a number of incidents where a known group had tried to defraud the local bookmakers.

Table D3: Reasons given by respondents for thinking that an incident of fraud by outsiders was organised

Reason	Number	%
1. MO/Type of job was too big/complex for only one offender	7	24
2. There was a series of events in one night or over of period of weeks	0	0
3. Goods targeted	0	0
4. Respondent hunch only about people involved suggest it was OC group	16	5
5. Offenders were seen by victim, witness or recorded on CCTV or are known to business.	6	21
Total	29	100

Base: n=29 (36% of all fraud by outsiders)

Robbery. There were 12 victims of robbery who thought that incidents were organised. In all 12 cases of robbery the victim would have seen the offender. However, in most cases the victim was able to state further as to why he or she thought the incident was organised. In half of all cases (n=6), the MO of the incident suggested that the incident was organised. For example, one respondent said, "the incident involved a group -- one came to scout the place and the others then followed to do the robbery". In three cases, the victim thought that incidents were organised simply because of the number of offenders involved.

Intimidation. In relation to intimidation, there were 16 businesses who said they had been a victim of organised intimidation (12 per cent of all intimidation). Intimidation is dissimilar to a number of other crime types as there is often no clear act (such as taking something or hitting somebody) and 'intimidation' can often be subjective (i.e. what might intimidate a lone worker late at night in a shop, might be different to what intimidates a group of workers in a business in the middle of the day). What was clear is that intimidation is widely used by offenders against businesses (see shoplifting above) and it is possible that intimidation is used in many contexts. These can relate to disputes over pricing of goods or when offenders are apprehended for shoplifting. There are more sinister occasions when intimidation will be used as part of an extortion racket. A total of 11 businesses were able to state why they thought the last incident was organised. In 60 per cent of cases (n=7) the respondent thought the incident was organised because the offenders were known to them. Commonly, offenders were known to be a part of gangs or political organisations that tried to intimidate businesses.

There were a number of other incident types where businesses thought they had been victims of organised incidents. However, for many of these crime types the numbers were very low or (as was the case for theft by outsiders) there were no data available on why businesses thought incidents were organised. These are outlined below.

1. **Organised extortion.** Four businesses claimed to be victims of organised extortion (100 per cent of all extortion). In all cases, groups of people from known organisations came into the premises.
2. **Organised theft of vehicles.** Three respondents suggested that they were victims of organised theft of vehicles (13 per cent of all theft of vehicles). Of these, two were able to say why they thought incidents were organised. One suggested it was because a number of incidents had occurred over a period of time; the other was because of a hunch that the crime had been carried out by a drug gang.
3. **Organised theft by employees.** Only two incidents of theft by employees were thought to be organised (6 per cent of all theft by employees) and only one business was able to specify why they thought the incident was organised. In this case, the business thought that the employee involved was working with an outside group.
4. **Organised violence.** There were six respondents that had been victims of organised violence (13 per cent of all violence). In all six incidents the offenders were known to the victim.
5. **Organised theft by outsiders.** There were only two incidents where respondents thought that incidents had been organised (15 per cent of all incidents). There were no data available on why the respondents thought these incidents were organised.
6. **Employee fraud.** There were no organised incidents.

Appendix E: Interviews conducted in case study areas

Table E1: Sources of Police Intelligence Data

Police intelligence data	
East Midlands	Chief Constable DCI (Crime Manager) for Case Study Area
West Midlands	Inspector for Case Study Area
London	Area Commander For Case Study Area Turkish Intelligence Officer(s) Head Of Intelligence Bureau

Table E2: Sources Of Community Intelligence Data

Community Intelligence Data	
East Midlands	Councillor Police Beat Officer Three Local Business Leaders Crime And Disorder Reduction Partnership (CDRP)
West Midlands	Traders Association Community Safety Partnership Community Association Councillor Sikh Community Leader Community Centre
London	Traders Association Community Association Police Beat Officer Neighbourhood Manager Safer Neighbourhood Team

Appendix F: Binary logistic regression output

Table F1: Logistic Regression Output West Midlands

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 0	Constant	-0.788	0.107	53.741	1.000	0.000	0.455

Variables not in the Equation

			Score	df	Sig.
Step 0	Variables	Staffnumber	10.175	1	0.001
		Retailornot	3.177	1	0.075
		Highcustomerbase	6.984	1	0.008
		Accessiblegoods	11.033	1	0.001
		WestMidlands	0.541	1	0.462
	Overall Statistics		27.560	5	0.000

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	27.742	5	0.000
	Block	27.742	5	0.000
	Model	27.742	5	0.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	472.952a	0.067	0.094

a Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1(a)	Staffnumber	1.005	0.290	11.969	1.000	0.001	2.731
	Retailornot	-0.413	0.326	1.603	1.000	0.205	0.662
	Highcustomerbase	0.833	0.311	7.196	1.000	0.007	2.301
	Accessiblegoods	0.809	0.313	6.674	1.000	0.010	2.247
	WestMidlands	-0.035	0.250	0.019	1.000	0.889	0.966
	Constant	-1.650	0.272	36.855	1.000	0.000	0.192

a Variable(s) entered on step 1: Staffnumber, Retailornot, Highcustomerbase, Accessiblegoods, WestMidlands.

Table F2: Logistic Regression Output London

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 0	Constant	-0.788	0.107	53.741	1.000	0.000	0.455

Variables not in the Equation

			Score	df	Sig.
Step 0	Variables	Staffnumber	10.175	1.000	0.001
		Retailornot	3.177	1.000	0.075
		Highcustomerbase	6.984	1.000	0.008
		Accessiblegoods	11.033	1.000	0.001
		London	1.290	1.000	0.256
	Overall Statistics		28.970	5.000	0.000

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	29.209	5	0.000
	Block	29.209	5	0.000
	Model	29.209	5	0.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	471.485a	0.070	0.098

a Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1(a)	Staffnumber	1.079	0.297	13.201	1.000	0.000	2.941
	Retailornot	-0.330	0.330	0.998	1.000	0.318	0.719
	Highcustomerbase	0.768	0.314	5.969	1.000	0.015	2.156
	Accessiblegoods	0.766	0.314	5.950	1.000	0.015	2.150
	London	0.309	0.252	1.495	1.000	0.221	1.362
	Constant	-1.748	0.270	41.846	1.000	0.000	0.174

a Variable(s) entered on step 1: Staffnumber, Retailornot, Highcustomerbase, Accessiblegoods, London.

Table F3: Logistic Regression Output East Midlands

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 0	Constant	-0.788	0.107	53.741	1.000	0.000	0.455

Variables not in the Equation

			Score	df	Sig.
Step 0	Variables	Staffnumber	10.175	1.000	0.001
		Retailornot	3.177	1.000	0.075
		Highcustomerbase	6.984	1.000	0.008
		Accessiblegoods	11.033	1.000	0.001
		East Midlands	0.141	1.000	0.706
	Overall Statistics		28.540	5.000	0.000

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	28.737	5	0.000
	Block	28.737	5	0.000
	Model	28.737	5	0.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	471.957a	0.069	0.097

a Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1(a)	Staffnumber	1.081	0.301	12.951	1.000	0.000	2.949
	Retailornot	-0.406	0.322	1.585	1.000	0.208	0.667
	Highcustomerbase	0.809	0.311	6.761	1.000	0.009	2.245
	Accessiblegoods	0.819	0.311	6.929	1.000	0.008	2.269
	East Midlands	-0.240	0.240	1.003	1.000	0.316	0.786
	Constant	-1.569	0.274	32.864	1.000	0.000	0.208

a Variable(s) entered on step 1: Staffnumber, Retailornot, Highcustomerbase, Accessiblegoods, East Midlands.