

Business views of organised crime

Second Edition

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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.

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Keywords

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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.

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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.