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LA COSA NOSTRA IN THE UNITED STATES

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Organizational Structure

La Cosa Nostra or LCN -- also known as the Mafia, the mob, the outfit, the office -- is a collection of Italian-American organized crime "families" that has been operating in the United States since the 1920s. For nearly three quarters of a century, beginning during the time of Prohibition and extending into the 1990s, the LCN was clearly the most prominent criminal organization in the U.S. Indeed, it was synonymous with organized crime. In recent years, the LCN has been severely crippled by law enforcement, and over the past decade has been challenged in a number of its criminal markets by other organized crime groups. Nevertheless, with respect to those criteria that best define the harm capacity of criminal organizations, it is still pre-eminent. The LCN has greater capacity to gain monopoly control over criminal markets, to use or threaten violence to maintain that control, and to corrupt law enforcement and the political system than does any of its competitors. As one eminent scholar has also pointed out, "no other criminal organization [in the United States] has controlled labor unions, organized employer cartels, operated as a rationalizing force in major industries, and functioned as a bridge between the upperworld and the underworld" (Jacobs, 1999:128). It is this capacity that distinguishes the LCN from all other criminal organizations in the U.S.

Each of the so-called families that make up the LCN has roughly the same organizational structure. There is a boss who controls the family and makes executive decisions. There is an underboss who is second in command. There is a senior advisor or consigliere. And then there are a number of "capos" (capo-regimes) who supervise crews made up of "soldiers," who are "made members" of Cosa Nostra. The capos and those above them receive shares of the proceeds from crimes committed by the soldiers and associates.

Made members, sometimes called good fellows or wise guys, are all male and all of Italian descent. The estimated made membership of the LCN is 1100 nationwide, with roughly eighty percent of the members operating in the New York metropolitan area. There are five crime families that make up the LCN in New York City: the Bonanno, the Colombo, the Genovese, the Gambino, and the Lucchese families. There is also LCN operational activity in Boston, Chicago, Philadelphia, and the Miami/South Florida area, but much less so than in New York. In other previous strongholds such as Cleveland, Detroit, Kansas City, Las Vegas, Los Angeles, New Orleans, and Pittsburgh, the LCN is now weak or non-existent. In addition to the made members, there are approximately 10,000 associate members who work for the families. Until the recent demise of much of its leadership, there was a Commission of the bosses of New York's five LCN families that coordinated control of labor unions, construction, trucking and garbage hauling companies, and that resolved disputes between families.

La Cosa Nostra does not enjoy general social acceptance and support. With the exception of a few ethnic Italian neighborhoods where certain of the more brazen exploits and some of the community "good deeds" of bosses are admired, Italian organized crime reinforces a stigma that most Italian-Americans want to get rid of. Along with the effectiveness of law enforcement, the absence of support for the LCN means that recruitment has become difficult. Some families have disappeared, and others are only 50 percent to as little as 10 percent of their size 30 years ago. At the same time however, as with all organized crime, it is the community's desire for illicit goods and services that continues to help fuel the survival of the LCN.

Becoming a made member of LCN requires serving an apprenticeship and then being proposed by a Boss. This is followed by gaining approval for membership from all the other families. Once approved, there is a secret, ritualized induction ceremony. Made membership means both honor and increased income. It also, however, entails responsibilities -- in particular taking an oath of omerta. Omerta demands silence to the outside world about the criminal affairs of the family, never betraying anyone in the family, and never

revealing to law enforcement anything that might incriminate anyone in organized crime. The penalty for violating this oath is death. Any wise guy who takes a plea without authorization by the family runs the risk of the death penalty. That death is indeed used to enforce internal discipline is evidenced by the execution in 1998 of a capo in the Genovese crime family for pocketing money that should have been passed on to his superiors. An underworld source said about this missing capo: "The people they're looking to send a message to is not the general public. It's the mob itself, which totally understands that the guy is gone." At the same time, the fact that there are over a hundred members in the Federal witness protection program suggests that omerta is not nearly as effective as it once was.

Violence

La Cosa Nostra, over many years, established its reputation for the ruthless use of violence. This violence has occurred mostly in the form of beatings and killings. Personal violence, and to a lesser degree violence against property, e.g., bombings, arson, explosions, is the typical pattern of the systematic use of violence as a tool of doing business. Violence, and subsequently just the threat of violence, was the means by which the LCN gained monopoly control over its various criminal enterprises. It discouraged and eliminated competitors, and it reinforced the reputation and credibility of the LCN. Violence was and is also used for internal discipline. Law enforcement experts indicate that the threat of violence is at the core of LCN activities. Murder, or conspiracy to commit murder, has often appeared as one of the predicate offenses in RICO (Racketeer-Influenced and Corrupt Organizations) prosecutions.

That violence continues to be an LCN tool is evidenced in several cases within the past three years. The first two incidents were carried out at the behest of the former head of the Gambino crime family in New York, John Gotti. In a 1997 trial, a member of the Gambino family testified about a torture killing that had been ordered by Gotti. The victim had apparently fired a shot at Gotti. He was tortured with lighted cigarettes and a knife, shot in the buttocks, carried in the trunk of a car, and ultimately killed with five shots to the head. In the second example, the same John Gotti, from his federal prison cell, contracted with two members of the white supremacist group the Aryan Brotherhood to kill the former consigliere of the Gambino crime family who had threatened to kill him.

In a 1997 case that demonstrates the approach of the LCN with respect to the use of violence for retribution and intimidation, there was an LCN plot (not acted upon) to assassinate the federal judge who had presided over some of New York City's biggest mob trials. Finally, in 1999, a member of the Lucchese crime family (also based in New York) and others were charged with conducting a 15-year reign of terror against competitors in the private sanitation business. The charges included setting fire to trucks and buildings of rival carters, damaging businesses that dared to hire carters outside the LCN cartel, and killing a salesman for a rival carting company.

The history of violence and the LCN demonstrates the importance of reputation in this respect. Jacobs and Gouldin (1999) cite criminologist Peter Reuter's point that when there is sufficient credible evidence of the willingness to use violence, actually violence is rarely necessary. This is especially true when the targets are not professional criminals. La Cosa Nostra personifies this principle.

Economic Resources

Jacobs (1999) believes that one of the LCN's major assets is its general business acumen. They are best described, he says, as being entrepreneurial, opportunistic, and adaptable. They find ways to exploit market vulnerabilities, while at the same time maintaining the necessary stability and predictability that business requires to be profitable. One of the ways they do this is by taking over only a piece of a legitimate business -- and providing a service in return -- rather than taking over the whole business. The latter would, of course, require a management responsibility that they do not want and possibly could not handle, and that would in addition likely upset the business climate necessary for success.

La Cosa Nostra's illegal activities cover a wide range. Gambling and drugs have traditionally been their biggest money makers. Loan sharking is often linked with the gambling and drugs, and is an area that exemplifies the role played by the credible use of violence. The same is true of extortion. The other more traditional crimes also include hijacking, air cargo theft, and of course murder.

Then there a set of crimes that have become specialties of the LCN, and are unique to them in the United States. Although some of these criminal activities have had national effects, they have been carried out almost exclusively by the five crime families in New York City since LCN penetration of the legitimate economy elsewhere in the U.S. is minimal. The specialties of the New York families include labor racketeering, various kinds of business racketeering, bid-rigging, business frauds, and industry cartels. It is in these areas that the LCN demonstrates its most aggressive and effective penetration of the legitimate economy. Labor racketeering involves organized crime control of labor unions. With this control, gained by

the threat and use of violence, vast sums of money are siphoned from union pension funds, businesses are extorted in return for labor peace and an absence of strikes, and bribes are solicited for sweetheart contracts. Another speciality, business racketeering, has occurred in New York City in the construction, music, and garbage industries. The LCN controls unions, bars, strip joints, restaurants, and trucking firms. The five families have also controlled at various times the Fulton Fish Market, the Javits Convention Center, the New York Coliseum, and air cargo operations at JFK International Airport, among other targets. Again the principal tools of control are extortion and the use of violence.

One of the best examples of an LCN cartel was their monopoly of the waste hauling industry in New York City for almost 50 years. La Cosa Nostra used its control of local unions to set up a cartel (Jacobs & Hortis, 1998). The cartel monopolized the industry by threatening business disruption, labor problems, and personal violence. As a result of its monopoly control, the LCN forced participants and consumers to pay inflated prices for waste hauling -- a practice known as a "mob tax." Over the years this mob tax cost the industry hundreds of millions of dollars.

In part in reaction to effective law enforcement actions in many of the areas mentioned above, La Cosa Nostra has diversified its activities and extended its penetration in legal markets by switching to white-collar crimes in recent years (Raab, 1997). They have carried out multimillion dollar frauds in three areas in particular: health insurance, prepaid telephone cards, and through victimizing small Wall Street brokerage houses. Professional know-how is demonstrated in each of these scams. In an example of their health insurance frauds, mobsters set up Tri-Con Associates, a New Jersey company that arranged medical, dental and optical care for more than one million patients throughout the country. They used non-mob employees of Tri-Con as managers, and intimidated health insurance administrators into approving excessive payments to the company. With the prepaid telephone cards, the Gambino family set up a calling card company that stole more than \$50 million from callers and phone companies by means of fraudulent sales. In the case of the stock market, LCN members and associates offer loans to stockbrokers who are in debt or need capital to expand their businesses. The mobsters then force the brokers to sell them most of the low-priced shares in a company before its stock is available to investors through initial public offerings. They then quickly inflate the value of the shares and sell out with huge profits before the overvalued stocks plunge.

La Cosa Nostra's monopoly control over various illegal markets, and its diversification into legal markets, has so far not been matched by any other criminal organization in the United States. This is so despite its having been substantially weakened over the last decade.

Political Resources

As has already been indicated, La Cosa Nostra is today much less powerful and pervasive than it was in the past. A loss of political influence has accompanied its general decline. In its heyday, the LCN exercised its political influence mostly at the local level, through its connections with the political machines that operated in certain U.S. cities such as New York, New Orleans, Chicago, Kansas City, and Philadelphia. With the demise of those machines, and with the advent of political reforms stressing open and ethical government, many of the avenues for corrupt influence were substantially closed. Today, the LCN exercises political influence in certain selected areas and with respect to certain selected issues. For example, it has attempted to influence the passage of legislation regulating legalized gambling in states such as Louisiana.

With respect to police and judicial corruption, again there is much more evidence of this in the past than there is today. In the past three years, there have been a handful of corruption cases involving law enforcement and one or two involving judges that are linked to La Cosa Nostra families. In Chicago, for example, a federal investigation of corruption in the courts (and city government more generally), led to 26 individuals -- including judges, politicians, police officers, and lawyers -- pleading guilty or being convicted at trial in 1997.

In one of the most notorious cases in recent years, in Boston a former FBI supervisor admitted (under a grant of immunity) to accepting \$7,000 in payoffs from two FBI mob informants. The two mobsters were major figures in the New England Cosa Nostra. A second FBI agent was subsequently convicted in the case in 1999. The two FBI agents were charged with alerting the informants to investigations in which they were targets, and with protecting them from prosecution.

There has never been any evidence that La Cosa Nostra has had direct representation in the Congress of the United States, nor in the U.S. executive or diplomatic service. Neither is there any evidence that it has ever been allied with such armed opposition groups as terrorists, guerrillas, or death squads. In this respect, the LCN exemplifies one of the traditional defining characteristics of organized crime in that its goal is an economic rather than a political one. Where there has been political involvement, it has been for the purposes of furthering economic objectives.

Responses of Law Enforcement Agencies to Organized Crime

Law enforcement, and particularly federal law enforcement, has been tremendously successful in combating La Cosa Nostra over the past 10 years. Crime families have been infiltrated by informants and undercover agents, and special investigating grand juries have been employed in state and local jurisdictions. Especially effective use has been made of investigative and prosecutorial techniques that were designed specifically for use against organized crime, and in particular against La Cosa Nostra. These latter techniques include electronic surveillance, the witness protection program, and the Racketeer-Influenced and Corrupt Organizations Act (RICO). The RICO statute has clearly been the single most powerful tool against the LCN. There are now state RICO statutes as well as the federal one. RICO enables law enforcement to attack the organizational structure of organized crime and to levy severe criminal and civil penalties, including forfeitures. It is the threat of these penalties that has convinced many made members of the LCN to become informants and/or to seek immunity from prosecution in return for becoming a cooperating witness. They are then placed in the witness protection program. Civil remedies have included the court-appointment of monitors and trustees to administer businesses and unions that had been taken over by the LCN, to insure that these enterprises remain cleansed of corrupt influences.

Two of the latest weapons against La Cosa Nostra penetration of sectors of the legitimate economy are regulatory initiatives. As such, they are not law enforcement approaches per se, but rather administrative remedies designed to expand a local government's ability to control public services such as waste hauling and school construction. The first instance involves the creation of a regulatory commission. New York City, for example, created the Trade Waste Commission (TWC) that ended the LCN cartel in the waste hauling industry in that city through a process of licensing, investigation, competitive bidding, rate setting, and monitoring (Jacobs & Hortis, 1998). Other jurisdictions are now following suit.

The second example is the creation of a private inspector general. These inspector generals are hired in industries that have historically been controlled by organized crime, and in this case the LCN. An example is the school construction industry in New York City for which a School Construction Authority had already been created. This SCA then utilized a private inspector general to monitor its contractors, to establish corruption controls, and to report back to them on contractor conduct. Jacobs calls this "one of the great contemporary innovations in organized-crime control" (Jacobs, 1999).

La Cosa Nostra is a high priority for the FBI and for law enforcement in New York City. Elsewhere, however, it is a low priority, with attention being characterized by experts as "hit and miss" because of a belief that "things are under control." The FBI pays the most attention to transnational organized crime, with state/local law enforcement paying very little attention. Because La Cosa Nostra is mainly a domestic operation, there is little international cooperation in its investigation and prosecution.

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