A Havocscape Report:
Black Market Crime

Organized Crime:
Statistics on Extortion and Racketeering
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Introduction

The business of organized crime is a very profitable industry. According to the United Nations Office on Drugs and Crime, organized crime groups and criminals around the world made up to $2.1 Trillion in 2009. Based on that year’s GDP, the amount accounted for 3.6 percent of the world’s GDP.¹

In this short briefing book, we highlight cases of how organized crime generates money on the black market. Ranging from the price of an extortion fee to the amount that a mafia hitman charges for an assassination, we share data and stories about organized crime.

All of the information listed in this book has been collected from public sources. These sources include news reports, government publications, and academic papers. All information about organized crime in this book is listed with the original source.

¹ Alex Plough, "New tactics needed in the war against dirty money," Thomas Reuters Foundation, June 13, 2013.
Country Reports

Africa

According to a report by the United Nations Environment Programme and Interpol, black market smuggling of charcoal across Africa causes losses up to $9 Billion a year across the continent, with governments losing at least $1.9 Billion in tax revenue. The value of the illegal charcoal trade in Africa is reportedly three times more than the amount of the continent’s illegal drug trade.

Security and intelligence agencies believe that terrorist groups, militias and organized crime syndicates earn up to $289 Million from the sale of smuggled charcoal. By comparison, the groups make about $12 Million a year from selling ivory on the black market.

Al-Shabaab, a militant group based in Somalia, is believed to earn between $38 Million to $68 Million from illegal charcoal sales and taxation per year.²

Australia

Security officials in Australia estimate that the indoor marijuana growing industry in the country is worth $1.85 Million (2 Million Australian Dollars) per year.

The marijuana is grown by organized crime gangs that use empty residential houses to produce the illicit drug on a commercial scale. Immigration officials report that many of the growers are from Vietnam who were brought over by human smugglers specifically to work in the cannabis cultivation industry.

Police in Victoria stated that nearly 50 percent of people who were charged for marijuana cultivation were from Vietnam.³

In addition to generating revenue from illegal drugs, security officials estimate that outlaw biker gangs generate up to $9 Billion (10 Billion Australian Dollars) in annual revenues each year through various racketeering methods. The biker gangs, known as Bikies, account for up to two thirds of the total organized crime revenue that is generated in Australia.

The number of bikie gangs in Australia increased by nearly 50 percent over the past 19 years, according to the Australian Crime Commission. There are now a total of 44 separate bike gangs that have 179 chapters across the country. A total of 4,483 members are involved with the gangs.

The largest bikie gang in Australia is the Rebels, which has 1,200 members. The most common industries where the Rebels earn legitimate revenue and wash their money is in the construction, transport and retail industries. Although most of the Rebels members pay taxes, financial crimes officials state that many members have “unexplained wealth” that include luxury cars and boats, as well as complex financial arrangements such as trusts, partnerships and companies.⁴

At a security forum, investigators shared cases that demonstrated the financial reach of the groups. One gang attempted to buy a pharmaceutical company in India in order to obtain a constant supply of pseudoephedrine to produce meth. Another case found a Russian woman with ties to a major bikie gang investing $13 Million Australian Dollars in Melbourne real estate.

In total, the organized crime gangs generate up to $15 Billion AUD ($11.5 Billion US Dollars) in revenue each year.⁵

Bolivia:

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In 2013, security officials in Bolivia reported an increase in homicides and targeted assassinations in the country. Officials attribute the rise in contract killings to drug trafficking by organized crime syndicates. Bolivia is the world’s third largest producer of coca.

The New York Times reported that one man and his two sons paid a hitman $15,000 to kill his ex-wife. In a separate incident, a wife paid $4,000 to have her husband killed by a professional assassin.

In the first 4 months of 2013, there were 16 killings in Bolivia that appear to have been targeted assassinations.  

Brazil:

The PCC (First Command of the Capital), a criminal organization in Brazil, generates $60 Million a year through drug trafficking and other racketeering activities.

Based on data collected from various security agencies, a report found that the crime syndicate has over 11,000 members operating in 22 of the 26 states of Brazil. 6,000 of its members are in prison, including its leaders who operate out of a Sao Paulo prison. The leaders of the group operate out of a Sao Paulo prison and conducts its activities in 22 of the 26 states of Brazil. Its operations has also expanded to neighboring Bolivia and Paraguay.  

One type of racket that has spread into Bolivia is the market in stolen cars. High quality automobiles are stolen in Brazil and then traded for 10 kilograms of cocaine. The network of car thieves is considered to be a major source of funding for organized crime groups in Bolivia. 

Bulgaria:

According to a report by the Center for the Study of Democracy, criminal activities by organized crime in Bulgaria generate $2.2 Billion (1.7 Billion Euros) in revenue each year.

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The black market is estimated to be about 4.7% of the country’s GDP.

The largest black market in Bulgaria is reported to be the prostitution industry, with $845 Million (1.26 Billion Bulgarian Lev) in revenue.⁹

**Canada:**

750 organized crime groups were operating across Canada in 2009, according to the Royal Canadian Mounted Police.¹⁰ 135 of those gangs were active in British Columbia.¹¹

In 2012, police in Montreal reported that there were 18 murders that were related to organized crime activities. The number refers only to successful killings and does not include the many attempted murders that took place in public places such as in bars and cafes. Law enforcement officials in Montreal report that the Italian Mob is contracting out hits to biker gangs in the region.¹²

Another income generating rack for organized crime in Canada is cigarette smuggling. The Royal Canadian Mounted Police (RCMP) reported that there are around 50 illicit tobacco manufacturers producing contraband cigarettes on First Nations in Ontario and Quebec. Directly across the border of the United States in New York State, the RCMP estimates that there are roughly 10 contraband cigarette manufacturers in the Akwesasne Mohawk territory.

At least 58 organized crime groups were involved in the illegal tobacco industry in Canada. 35 of the groups were operating in Central Canada.¹³

**Central America:**

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A study conducted by the World Bank found that the economic costs to the Central America region due to organized crime violence is $6.5 Billion per year. The costs associated with the violence decreases the region’s GDP by 7.7 percent.

The impact of organized crime and drug trafficking violence on the country's GDP is as follows:

El Salvador: 10.8 percent of GDP worth $2 Billion.

Nicaragua: 10 percent of GDP worth $529 Million.

Honduras: 9.6 percent of GDP worth $885 Million.

Guatemala: 7.7 percent of GDP worth $2.2 Billion.

Costa Rica: 3.6 percent of GDP worth $791 Million.

24 percent of the world’s marijuana smokers and 45 percent of the world’s cocaine users resides in Central America.14

One of the main drivers of organized crime violence is the trafficking of guns. A report released by the Collective Security Analysis for Democracy stated that there were 2.8 million unregistered firearms in Central America, and an additional 15 million unregistered guns in Mexico.

According to the study, the majority of these guns are used by organized crime gangs and drug trafficking cartels to carry out their illicit activities.

The Central American Region has the world’s highest gun-homicide rate, with 41 people being killed by guns per 10,000 people.

According to statistics released by criminal justice programs, Honduras has a gun-homicide rate of 85.5 people per 10,000, followed by El Salvador with 69.2 homicides, Guatemala with 38.5, Mexico with 22.7, Panama with 18, and Costa Rica with 11.3 gun-related homicides.

The World Health Organization states that 5 homicides per 10,000 is considered normal, with over 10 homicides per 10,000 being an “epidemic”.

The unregistered guns in the region comes from four main sources. The first source is through straw buyers who purchase firearms on behalf of the drug cartels. The second source is by purchasing guns from corrupt military soldiers in Guatemala and Honduras. The third source is finding leftover supplies from the civil wars that took place in Guatemala, Nicaragua and El Salvador in the 1980s. And the last source of unregistered firearms is through the crafting of homemade weapons known as chimbás. The guns are handcrafted and uses a welded pipe and can fire a single shotgun cartridge.\(^{15}\)

One manner that people across Central America attempt to combat these threats is to hire private security guards. According to industry officials, there are around 300,000 private security guards working in the Central America region. The number of private guards in the region are higher than the number of police officers in the region. The rise in security guards to attributed to fears of kidnap for ransom activities conducted by organized crime groups.

In Guatemala, there are 24,000 police officers in the country. The number of security guards is estimated to be around 100,000.

In Costa Rica and Honduras, there are twice as many security guards as police officers in each country.

The private security guard industry in the region is growing at 8 percent annually.\(^ {16}\)

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\(^{16}\) AFP, "Private security industry grows as organized crime spreads through Central America," Tico Times, October 21, 2012.
China

Chinese organized crime groups operating in Italy laundered $3.3 Billion (2.7 Billion Euros) in illegal revenue back to China between 2006 and 2010. The proceeds were from criminal activities such as counterfeiting, prostitution and human smuggling.17

The sales of counterfeit goods is a profitable trade for gangs within China. According to statistics released by state media, security services in China arrested nearly 60,000 people for violating intellectual property in 2013. The total estimated value of the counterfeits and fakes seized by China was $28 Billion (173 Billion Yuan). Over 90 million tons of counterfeit goods were seized by security services across China in 2013. Included in the seizures were 300 million counterfeit drug pills worth $360 Million.

1,260 organized crime gangs were involved in the counterfeiting trade in 2013.18

On the island of Hong Kong, the number of incidents linked to the organized crime syndicates known as the Triads have increased in recent years. Between 2010 to 2012, the number of incidents in Hong Kong lined to the Triads increased by nearly 15 percent.

In the first half of 2013, there were 988 triad-related crimes reported in Hong Kong.19

Colombia:

Law enforcement agencies in Colombia reported that 786 criminal gangs were broken up within the country in 2012. In addition to the actions against the gangs, police and security services captured 242 drug traffickers and extradited 192 traffickers to foreign nations. 40 drug trafficking networks were also dismantled by police during that year.20

One profitable income stream for organized crime gangs is through the use of micro-extortions. These are extortion demands that target various working professionals across Colombia. The demands are generally in small amounts and must be paid regularly. For example, media

17 “Chinese gangs step into gap left by mafia,” Telegraph, June 29, 2010.
reports stated that teachers were paying $7.90 a month in micro-extortions to gangs in order to work. Bicycle taxis operating in Bogota must pay $1.50 per day in extortions.

Although the rates are small, business do have difficulty paying the extortion. In the town of Narino, security officials reported that 1,300 businesses were forced to shut down due to extortion demands between 2011 and 2013.

Nearly 160 different organized crime gangs earn over $100,000 a month from micro-extortion demands. Across Colombia, the total amount of extortion money that organized crime gangs earn per year is over $1 Billion. 21

Another way that criminals in Colombia can earn money is the be a contract killer. A professional hitman working in Colombia was interviewed by journalist Ioan Grillo in his book, El Narco. The contract killer said that he is paid a base salary of $600 a month by an organized crime group. When the assassin is assigned a hit, he is paid between $2,000 to $4,000 to carry out the murder.

The assassin works in a squad where one team is on a bike and another driving in a car. On the bike, there is a driver with the shooter riding on back. The target is stopped by the car braking in front of it, while the bike pulls up next to it to carry out the hit. The shooter then immediately passes the gun to the driver of the car, where it is hidden in a secret compartment. 22

Europe:

According to a 2013 report released by Europol, there are around 3,600 organized crime groups operating across the European Union. These gangs are active in black market rackets such as drug trafficking and human trafficking. In order to increase their revenue, criminals are diversifying their activities and are increasingly committing acts of fraud and counterfeiting products. 23

Drug trafficking in the European Union is estimated to generate over $131 Billion (100 Billion Euros) in revenue on the black market for these criminal organizations.\textsuperscript{24}

In recent years, the profits from cybercrime have been larger than that of the illegal drug trade in Europe. The European Commission estimates that organized crime generates up to $388 Billion a year in profits from cybercrime.

In the United Kingdom alone, British businesses were losing up to $28 Billion (21 Billion Euros) from cybercrime. In Germany, police reported over 5,000 phishing incidents in 2010, an increase from the less than 200 incidents reported in 2008.\textsuperscript{25} A study by the London Metropolitan University found that transnational organized crime groups are responsible for 80 percent of all crime committed online.\textsuperscript{26}

An estimated 1,300 criminal organized crime gangs that operate across Europe focus on fraud and online theft. A quarter of the gangs are based in Eastern Europe and Russia and use the internet as their main tool of conduct their criminal activities.\textsuperscript{27}

The gangs in the European Union earn over $1.9 Billion (€1.5 Billion) a year from payment card fraud within the region. The gang members steal information from credit cards, debit cards and ATM cards.

The Associated Press stated that many of these types of criminals are based in Romania. Due to its history under the Communist dictator Nicolae Ceausescu, Romania has a strong history in mathematics and coding, and the organized crime groups have tapped into these skills. The AP further stated that students in Romania are often more advanced in mathematics than other students across the EU.\textsuperscript{28}

\begin{flushright}
\textsuperscript{24} “EU Steps up Fight Against Organized Crime,” RIA Novosti, March 15, 2012.
\textsuperscript{27} “UK ‘losing fight’ against internet crime, warn MPs,” BBC News, July 29, 2013.
\end{flushright}
Despite the profits generated from cybercrime, organized crime groups in Europe are still active in traditional rackets such as match fixing and illegal gambling. In February 2013, Europol announced that it discovered an international organized crime syndicate based in Asia that was match fixing European Football games.

Police discovered that up to 380 matches played across Europe was fixed for illegal gambling purposes. The matches included World Cup Qualifiers, European Championship Qualifiers, two Champions League matches and other top matches. The matches took place in 15 different countries.

Up to $21.6 Million (€16 Million) in bets were placed on the fixed matches, with the criminals receiving $10.8 Million (€8 Million) in profits. The gamblers paid out $2.7 Million (€2 Million) in bribes to participants who were involved. Up to 425 match officials, club officials and players are believed to have been involved.29

Greece:

Between $6.2 Billion to $12.5 Billion (5 to 10 Billion Euros) is illegally borrowed by consumers from loan sharks each year in Greece. The loan shark industry quadrupled in size between 2009 and 2012, with some lenders charging customers annualized interest rates starting at 60 percent.

The Ministry of Finance in Greece stated that most of the illegal lending syndicates are rackets connected to organized crime groups in the Balkans and Eastern Europe.30

Germany:

Organized crime groups in Germany laundered $708 Million in 2007.31

Honduras:

A report by NPR in June 2013 stated that up to 20 people were being killed in Honduras each day and that the country has the highest murder rate in the world.

In the city of San Pedro Sula, over 1,200 people were killed in 2012.

Two major causes for the high rate of murders are organized crime gangs and drug trafficking cartels, according to the report.

In San Pedro Sula, the gangs of Mara Salvatrucha and the 18th Street have been battling over territory. In total, there are about 65,000 gang members in Honduras.

Along with gang warfare, drug trafficking violence has contributed to the murder rate. Due to its geographic location between South American and the United States, up to 42 percent of all cocaine being transported to the US passes through Honduras. The US State Department also states that up to 90 percent of all worldwide cocaine flights pass through the country as well.\(^\text{32}\)

Between January 2011 and February 2013, organized crime groups and drug trafficking organizations killed 151 National Police Officers in Honduras. Of the 151 killings of police officers, 20 cases have been prosecuted by the Public Ministry.\(^\text{33}\)

59 lawyers were killed by organized crime between 2010 and 2013, according to the National Human Rights Commissioner. 6 lawyers were killed in the first four months of 2013. There were 15 killings of lawyers in 2012, 26 killings in 2011, and 12 killings in 2010. According to the Commissioner, 92 percent of the killings involved firearms, 6 percent were killed by suffocation, and 2 percent involved knives.

Out of all the deaths, there has been two convictions.\(^\text{34}\)

In addition to protecting their drug trafficking routes, organized crime groups in Honduras make an estimated $62.6 Million a year in extortion money and other threats to businesses. Up to 17,500 small businesses in Honduras were estimated to have been forced to shut down due to

\(^{32}\) Carrie Kahn, “Honduras Claims Unwanted Title Of World’s Murder Capital,” NPR, June 12, 2013.
the extortion payments in 2012. In the city of Tegucigalpa alone, up to 14,000 vendors pay about $15 per week to the gang members, generating roughly $10 Million per year in revenue.\textsuperscript{35}

As previously mentioned, businesses in Central America hire security companies in order to provide some sense of security against these threats. There are over 700 legitimate private security companies in Honduras that are staffed with over 70,000 security guards, compared to 16,000 police offices and 14,000 army soldiers.

However, organized crime has found ways to infiltrate these industries. There are around 300 illegal security companies operating in the country. Government security officials claim that organized crime groups create security companies in order to illegally traffic firearms into the country.

650,000 of the 800,000 firearms that circulate within Honduras are illegal unlicensed weapons. Between 2011 and 2013, roughly 100,000 weapons were believed to have been trafficked into Honduras.\textsuperscript{36}

India:

Security officials stated that they have seen up to 5 major contract killings take place in Delhi during the course of four decades. One of these types of killings took place in the capital of India in 2013 when a politician was killed. Police reported that the contract for the hit was $900,000 (50 Million Indian Rupees). The previous contract hit that took place in Delhi was in 2003, where the price of the contract was for $18,000 (1 Million Rupees).

Contract killers in India, also known as Supari, have a history in the Mumbai underworld. The first reported contract killing officially registered by police was in 1969, where a gangster was paid 10,000 Pakistan Rupees to carry out a hit.

In 2013, organized crime groups in Mumbai were hiring hitmen for $35 to $900 (2,000 to 50,000 Indian Rupees) to carry out murders, according to law enforcement in the city.\(^{37}\)

**Indonesia**

According to estimates by the United Nations Office on Drugs and Crime, organized crime in Indonesia generates up to $1 Billion a year.

Most of the funds is generated through illegal drug trafficking. Illegal logging activities also contribute to their black market income.\(^{38}\)

**Ireland**:

In the first half of 2013, environmental officials in Ireland recovered 400 tons of waste that was illegally dumped by organized crime groups in Ireland. The waste was used to create white fuel that was used by drivers, and included ingredients such as sulfuric acid, cat litter, charcoal, and sand. In 2012, officials seized 445 tons of waste during the entire year.

Law enforcement agencies across the country discovered 11 illegal oil and fuel producing plants in 2012 that were creating these types of fuel. The fuel smuggling operations was estimated to have cost the government up to $130 Million (€100 Million) in tax revenue.\(^{39}\)

**Israel**

Security agencies in Israel reported a rise in advanced explosive attacks by organized crime groups. The groups were conducting assassinations and attacks with the use of explosives and other materials stolen from security forces.

All men in Israel must serve in the military. Thus, organized crime members are well versed in handling explosives. Due to their expertise, many of the bombs placed by the

\(^{37}\) Kritika Sharma, “The Rs 5 crore contract killing of Bhardwaj shows murder is still big business in the Delhi and Mumbai underworlds,” Daily Mail India, April 11, 2013.

\(^{38}\) Hotli Simanjuntak, “Indonesia must address transnational crimes: UNODC,” Jakarta Post, October 29, 2013.

syndicates are well made and leave no fingerprints. The bomb makers are able to create targeted explosions and precise detonators that are able to kill their target in an efficient manner.

The materials for the bombs are collected from various sources. Some are stolen from military depots, while other are home made. According to reports, there are many grenades for sale on the black market in Israel for $287 (1,000 Israeli Shekels).

In addition to the explosive skills, many crime groups also use their training in surveillance and intelligence collection. A raid on a safe house by police in February 2014 found that the criminals were tracking rivals through the use of advanced cell phone tracking software. The rivals location was being displayed on high-resolution monitors, with additional screens dedicated to street level surveillance conducted by gang members.

In 2013, police forces arrested about 500 members of major Israeli organized crime groups.40

Italy:

Organized crime activities in Italy generates up to $204 Billion (140 Billion Euros) in financial turnover every year in the country, according to a report by Italy’s Employers Federation. The report by Confesercenti stated that the mafia clans within the country have $83 Billion (65 Billion Euros) in liquid assets. 41

Here are some of the ways that the Mafia in Italy generates revenue.

- A report by the Italian farming lobby states that the mafia in Italy controls $19.2 Billion worth of farming activity in the country. The value of farming for the Mafia increased by 12 percent from 2011. Nearly 25 percent of all Mafia properties seized by police was farmland, according to the report. 15 percent of all farming activity in Italy was linked in

some way to organized crime. The Mafia is also involved in stealing farm animals and farm equipment and resells them on the black market.\textsuperscript{42}

- Italian organized crime group the Camorra is estimated to earn up to $25 Billion a year from selling counterfeit goods in the United States and Europe.\textsuperscript{43}
- Due to the role of organized crime in food production in Italy, a report has found that 80 percent of the olive oil produced in Italy and stamped with a “Made in Italy” logo was made with cheaper, lower quality oils from other countries.\textsuperscript{44}
- Prostitution in Italy brought in $600 Million in revenue for organized crime syndicates in 2009.\textsuperscript{45}
- According to FIFA, organized crime groups made up to $2.75 Billion (2 Billion Euros) between 2005 and 2011 from illegal match fixing in soccer games in Italy.\textsuperscript{46}
- Security services in Italy estimate that the organized crime group ‘Ndrangheta brings in up to $65 Billion (£40 Billion) a year in black market revenue. One of the main revenue sources is in cocaine trafficking, where ‘Ndrangheta controls up to 80 percent of the cocaine imported into Europe.
- Another key areas of money is from “pizzo”, or the Mob Tax. Between 2008 and 2013, the European Union have granted $4.1 Billion (£2.5 Billion) in public works projects such as new roads to areas controlled by the “Ndrangheta. Portions of these government money ends up being paid by construction firms to the syndicate. Out of the total revenue that is collected, a third of the money is reinvested back into its criminal operations. The remaining money is either laundered into legitimate businesses, or is used to pay bribes to police officers and politicians.\textsuperscript{47}
- Over 1,800 businesses in the country have been shut down and closed due to loan-sharking by organized crime. Around 270,000 businesses associated with the federation reported being subjected to 1,300 crimes a day by organized crime groups.\textsuperscript{48}

\textsuperscript{42} Tom Kington, “Italy: Mafia escapes to the country,” Scotsman, October 29, 2013.
\textsuperscript{44} Leslie Clarula Taylor, “Italian olive oil part of organized crime probe,” The Star, January 27, 2012.
\textsuperscript{46} Tariq Panja, “Italian Match-Fixing Earned Up to $2.75 Billion Over Six Years, FIFA Says,” Bloomberg, October 17, 2011.
\textsuperscript{47} Nigel Blundell, “The new godfathers: Deadlier and MORE secretive than the Sicilian mafia,” Mirror Online, December 8, 2013.
According to a study organized by Italy’s anti-mafia commission, in 2009 13 million people in Italy were directly living in areas where the Mafia exerts influence over their daily lives.49

Waste Dumping by the Mafia:

From 1990 to 2012, over 10 million tons of waste is believed to have been collected by Mafia groups in Italy and burned at illegal trash sites, according to environmental group Legambiente.

Criminal justice programs in Italy reported 82 investigations of the mafia and the arrest of over 900 members. 443 waste collection companies have were also investigated during this time.50

In towns surrounding the city of Naples in Italy, the cancer rate has increased by nearly 50 percent in the past two decades. Health care agencies and security services are attributing the rise in tumors to illegal toxic waste dumping activities conducted by the Mafia.

The Italian Mafia won contracts to dispose of toxic waste, yet simply dumped the materials in illegal, unauthorized sites. According to released documents, millions of tons of nuclear waste from Germany was dumped on farms, lakes and caves near Naples.

The toxic materials infected the surrounding environment, causing cancer rates in increase. In the last two decades, the cancer rates for men in the region increased by 47 percent and increased 40 percent for women.51

Mafia Killings

Between 1992 and 2010, there have been a total of 3,374 killings committed by the four main mafia syndicates in Italy. The groups are Cosa Nostra, ‘Ndrangheta, Camorra, and the Sacra Corona Unità (United Holy Crown, or SCU).

The table below listing the number of killings from 2000 to 2010.\textsuperscript{52}

<table>
<thead>
<tr>
<th>Year</th>
<th>Cosa Nostra</th>
<th>'Ndrangheta</th>
<th>Camorra</th>
<th>SCU</th>
<th>Total</th>
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<td>17</td>
<td>45</td>
<td>86</td>
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<td>24</td>
<td>18</td>
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<td>67</td>
</tr>
</tbody>
</table>

A hitman for the Italian Mafia told explained to police how much he was paid for committing a murder on behalf of organized crime.

According to press reports, the man told police he would charge $3,700 to kneecap a person.

In two of the murders that he confessed to, the hitman stated that he was paid nearly $20,000 to deal a cocaine dealer, and $27,000 for killing a loan shark.\textsuperscript{53}

Due to the threat of murders and retaliation by the Mafia, there were nearly 4,700 people in 2010 living under the witness protection program in Italy after testifying against organized crime. Around 1,000 of these witnesses were “collaborators,” or people who were previously


\textsuperscript{53} David Harding, “Mafia hitman in Italy tells investigators how much he charged for different jobs, including more than $20K for murder,” New York Daily News, March 7, 2015.
associated with the Mafia before turning state’s evidence. The rest of the people are family members of the collaborators.

The programs costs the Italian Government over $129 Million (100 Million Euros) to operate each year.\textsuperscript{54}

Jamaica:

Jamaican authorities state that there were over 300 organized crime gangs within the country in 2010. The gangs were responsible for 26 percent of the 1,428 murders that occurred in 2010.\textsuperscript{55}

Japan:

The National Police Agency in Japan reported that the number of members in Japanese organized crime groups totaled 58,600 in 2013. The number of Yakuza members in 2013 was lower than the 63,200 reported in 2012.

This is the first time on record that the number of Yakuza members across the country was below 60,000.

Security experts in Japan state that there are various reasons for the decline in membership. Police have recently introduced tougher enforcement against the Yakuza, as well as a poor public image and a slowing Japanese economy has made the life of a gangster much more difficult in the country.

The largest Yakuza group in Japan is still the Yamaguchi-gumi. The group had a total of 25,700 members in 2013, a decline of 2,000 members from the year before. The second largest gang, the Sumiyoshi-kai, had 9,500 gangsters on its roll, a decline of 1,100 from the previous year.\textsuperscript{56}


\textsuperscript{56} AFP, “Membership of Japan’s yakuza crime gangs falls to all-time low,” Guardian, March 6, 2014.
Organized crime groups in Japan previously earned about $21 Billion a year through various black market activities such as prostitution, illegal gambling, loan-sharking and stock manipulation.\textsuperscript{57}

**Mexico**

Organized crime and drug violence may cause Mexico’s GDP to lose up to 3 percent.\textsuperscript{58}

One aspect of organized crime activities that impacts the local economy is the high extortion rates that businesses are forced to pay.

In 2013, there were 8,042 reported extortion cases in Mexico, according to statistics released by the Federal Government. The number of extortion cases reported was higher than the 7,272 extortion cases reported in Mexico in 2012.

In the State of Mexico, 1,688 extortion cases were reported in 2013, a 58 percent increase in the number of reports compared to 2012.\textsuperscript{59}

However, these numbers are widely expected to be extremely low. According to the National Statistics Institute, 92 percent of Mexico’s citizens do not report extortion attempts and payments to the police.

A survey conducted in April 2013 found that extortion was the second most common crime that impacts residents of Mexico behind street robberies. 7.6 percent of those surveyed stated that they have been a victim of extortion, up from 5 percent the previous year.\textsuperscript{60}

The Associated Press presented a few examples of the payments to organized crime syndicates in Mexico. Sawmills owners were being charged nearly $10 (120 Mexican Pesos) for each cubic meter of wood sold. Broken down, the cost of the extortion fee would be around

\textsuperscript{57} “Feeling the heat,” The Economist, February 26, 2009.
\textsuperscript{58} Jens Erik Gould and Hugh Collins, “Mexico Violence May Sap 3% of GDP as Gangs Flourish,” Bloomberg, September 14, 2009.
\textsuperscript{60} Associated Press, “Mexico’s drug crackdown spurs extortion wave,” Richmond Times-Dispatch, October 20, 2013.
$0.10 for each 2X4 sold. The Knights Templar also charged avocado farmer $160 (2,000 Pesos) for each hectare of avocado trees.

In the instances listed above, when the owners failed to pay, the Knights Templar set fire to their properties.

The group was also reportedly charging a cattle farmer up to $80 (800 to 1,000 Pesos) in extortion for each head of cattle that was raised in his farm.\textsuperscript{61}

These extortion payments have created a new revenue stream for Mexican drug cartels. According to an organized crime expert at Mexico’s Autonomous Technological Institute, only half of the drug cartels revenue in 2011 were coming from the illegal drug trade. The other half in revenue was generated from black market activities such as kidnapping for ransom, extortion, human smuggling, and counterfeiting.\textsuperscript{62}

Another new profit stream for organized crime in Mexico is illegal gambling houses. Illegal gambling houses in Mexico provide up to $10,000 a week in “tax payments” to drug cartels in Mexico, according to security experts.

Although casinos modeled after Las Vegas are outlawed in the country, sports-betting and other gambling games are permitted. Numerous illegal gambling parlors operate in the backrooms of legal gaming establishments.

In 2000, there were a little over 100 such legal/illegal gambling houses in Mexico. By 2011, there were over 800.\textsuperscript{63}

\textsuperscript{62} Lauren Villagren, “Mexico’s crime groups grabbing lucrative market for pirated goods,” Bellingham Herald, May 22, 2011.
Monaco

A man in Monaco paid a pair of hitmen over $330,000 (€250,000) in cash and gifts to kill his mother-in-law.

The man previously served as Poland’s honorary consul in Monaco and was married to the daughter of a heiress. In an attempt to gain access to the wealth of the mother-in-law, Janowski paid $272,000 (€200,000) in cash and an additional $67,000 (€50,000) in gifts.

Security officials do not believe that the wife of Janowski and the daughter of the victim had anything to do with the contract killing.  

New Zealand:

The Justice Ministry reported that New Zealand shell companies launder an estimated $1.16 Billion (1.5 Billion New Zealand Dollars) of illicit funds generated by organized crime each year.

The Reserve Bank of New Zealand identified around 1,000 New Zealand limited partnerships and companies that may be used for money laundering activities in foreign off-shore accounts.

Pakistan

Organized crime gangs operating in Pakistan collect up to $2.5 Million (270 Million Pakistani Rupees) each year from extortion threats to truck drivers. According to the truckers union, over $37 Million (4 Billion Rupees) have been collected by organized crime groups in the past 15 years.

Drivers of 10 wheel trucks are forced to pay $18 (2,000 Rupees) in extortion, while 6 wheel trucks pay $9 (1,000 Rupees).

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**Peru:**

Security officials estimate that racketeering by organized crime groups in Peru earn between $5 Billion to $7 Billion a year. Cocaine production in Peru is estimated to be around 325 tons per year, which generates over $1 Billion a year. Cocaine from Peru accounts for 5 percent of the 300 tons of cocaine that is used in the United States each year.  

**Philippines**

In a report by Human Rights Watch, a death squad organized on the southern island of Mindanao in the Philippines were reportedly being paid $110 per killing of drug dealers, thieves and even children.

The death squad was reportedly organized by the mayor of Tagum City, who paid the hit men a monthly salary of $220 and issued .45 caliber handguns and motorcycles. The main task of the squad was to kill “weeds,” or criminals who were viewed as problems for the city. In addition to the criminals, the hitmen would also commit for profit killings, such as assassinating a judge or other local politicians.

**Romania:**

Intelligence officials with Europol has identified 240 organized crime groups operating within Romania. These gangs are responsible for 6.7 percent of all criminal networks that are active across Europe.

Many of the criminal gangs are involved in rackets such as payment card fraud and pickpocketing. 90 percent of the card-skimming crimes that takes place in Europe are done by gangs in Romania and Bulgaria.

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The director of Europol stated that many of the gangs use low-cost airlines to travel quickly and cheaply across the EU. The gangs would fly into one city, conduct their pickpocketing crimes and card-skimming, and then quickly leave the city at the end of the day. 69

**Russia:**

Cyber security researchers estimate that organized criminal gangs in Russia make up to $60 Million a year from selling spam.

The spammers control computers infected with a virus that allows the spambot to send out emails selling Viagra or any type other type of product. Most of the infected computers are located in Brazil, India, and other developing countries where computer users are unable to afford virus protection. Owners of computers that send out spam usually do not know that their computer is sending out the messages.

The impact to businesses from spam is estimated to be around $6 Billion a year, as companies are forced to pay for spam filters and in lost revenue from counterfeit drugs. 70

In general, the United Nations Office on Drugs and Crime estimates that there are 450 organized crime gangs in Russia with some 12,000 members. 71 Worldwide, it is believed that there are over 300,000 people with ties to the Russian organized crime network. 72

Internal estimates by Russian Security Services place the number even higher. Russia’s Counter-Narcotics Agency stated that there are nearly 1,900 organized crime groups and 150 major drug cartels that are trafficking illegal drugs into Russia. These illegal networks operate in Central Asia and use 100,000 drug mules to transport heroin from Afghanistan into Russia.

Intelligence agencies across Russia estimate that there are over 2,000 drug processing laboratories in Northern Afghanistan that produced heroin exclusively for the Russian market.

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72 Matt Quinton, “Don and dusted! The incredible graveyard of Russian gangsters killed in mafia wars,” Sun, February 19, 2013.
Nearly 1.5 million people in Russia are addicted to heroin, with roughly 30,000 people dying each year from heroin abuse. Nearly 150,000 people are arrested each year for drug offenses.\(^{73}\)

**South Africa:**

Security agencies in South Africa estimate that up to 500 organized crime gangs in the country are involved in human trafficking activities.\(^{74}\)

**Syria**

The Islamic State in Iraq and the Levant (ISIS) that is fighting in Syria is estimated to be collecting over $1 Million a month from extortion rackets in Northern Iraq.

According to intelligence from security agencies, the group has expanded on collecting payments from businesses and shop owners since late 2012 and into 2013. The group runs its extortion rackets in the city of Mosul.

In an example of the type of demands made, a computer repair shop owner was told to pay $114,000 for jihad, according to a report in NPR. The group would call the man and tell him to leave the money in a bag. The man never saw the individuals, and was threatened that the ISIS has many people working for them to kill those that do not pay the extortion fee.\(^{75}\)

**United Kingdom**

The National Crime Agency reported that serious organized crime activities in the United Kingdom costs the country $38.6 Billion a year. The criminal rackets are conducted by around 37,000 gang members operating in 5,500 criminal gangs. Security intelligence estimate that 22 percent of criminal gang members in Britain are foreign nationals.\(^{76}\)

\(^{73}\) “1,900 Gangs Smuggling Afghan Drugs to Russia – Anti-Narcotics Agency,” RIA Novosti, September 13, 2013.


\(^{75}\) Alice Fordham, “For Extremists In Syria, Extortion Brings Piles Of Cash From Iraq,” NPR, April 21, 2014.

Over a quarter of organized crime groups in the United Kingdom have links to legitimate businesses in the country, and 20 percent of these companies are believed to be fronts to launder money of black market income.  

According to law enforcement officials in the United Kingdom, 90 percent of all 500 Euro bills in circulation was estimated to pass through the hands of organized crime members, causing the UK to withdraw the bill from circulation in 2010.

Criminals like to use the note because its high value makes it much easier to launder money and transport cash. One Million British Pounds in 500 Euro notes would only weigh about 2.2 kilograms. If the One Million British Pounds were in 20 GBP Notes, then the total amount of cash would weigh over 50 kilograms.

Here are some ways that organized crime gangs earn money in the UK:

- The Association of Chief Police Officers (ACPO) in the United Kingdom stated that over $482 Million (£300 Million) in artwork and antiques were being stolen across the country each year by organized crime groups. The organization states that the costs of the stolen art is more costly than the theft of stolen cars vehicles. Between 1991 and 2013, nearly 60,000 stolen art pieces, antiques or collectables have been registered as stolen, missing, or looted in the United Kingdom.

- In 2010, there were 367 organized crime groups with a total of 4,066 people active in Scotland. At least 10 of the groups were involved in human trafficking.

- At the start of 2011, police reported that there were 180 organized crime gangs in Northern Ireland who were involved in black market rackets such as counterfeiting and fuel smuggling.

- The UK Home Office reports that one in five organized crime gangs in the country is involved in arms trafficking within the country.

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77 Mark Townsend, “Seizing assets from crime bosses ‘is more effective than prison’,” The Observer, October 4, 2009.
• Due to an increase in landfill taxes in Scotland, organized crime groups have been providing illegal waste dumping services to companies. According to the Organized Crime and Corruption Reporting Project, a single illegal landfill can be filled with trash that causes the government to lose up to $1.3 Million (€1 Million) in tax revenue. Between 2008 to 2012, 40 companies were convicted for illegal waste dumping in Scotland.83

**United States:**

During the heyday of the New York City Mafia in the 1970s and 1980s, the Federal Bureau of Investigation (FBI) dedicated a squad of agents to each of the Five Mafia Families in the NYC: the Bonanno, Colombo, Gambino, Genovese, and Luchese families.

According to a report by the Wall Street Journal, in 2014 the FBI had two squads investigating all five families. One squad, identified as C-5, investigates the Bonannos, Colombos and Genoveses families, while the C-16 squad investigates the Gambinos and Lucheses.

Previously, it was reported that the NYC FBI Field Office has roughly 36 agents investigating organized crime activities in the city.

Investigation of organized crime activities has fallen in the United States and in New York City as law enforcement priorities shifted to other areas. A 2010 report by the Inspector General listed the priorities of the FBI. The bureau’s top priority was terrorism, followed by espionage, cybercrime, public corruption, protection civil rights, and battling organized crime groups coming in sixth.

The New York Police Department has also cut its funding and staffing for organized crime investigations. In 2014, the NYPD had about 5,000 detectives, about 2,000 detectives below the 2002 staffing levels.84

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In today’s interconnected world, black markets have the power to wreak havoc on all industries and across all regions. Whether denying needed tax revenues to governments, destabilizing societies, or damaging the environment, the global black market impacts everyone on a daily basis.

Havocscope provides the public with a centralized location for all information about the black market. By collecting and analyzing hundreds of pieces of data every day, we provide only the highest quality of information to our global users.

With our transparent nature and strict source documentation, Havocscope has gained the trust of users around the world. These are just some of the media publications and international organizations that have used our data:

- Bloomberg
- National Geographic
- World Economic Forum
- United Nations Environment Programme
- United States Coast Guard
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