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**ASIAN TRANSNATIONAL ORGANIZED CRIME  
AND ITS IMPACT ON THE UNITED STATES:  
DEVELOPING A TRANSNATIONAL CRIME RESEARCH AGENDA**

**A FINAL REPORT**

Submitted to  
the National Institute of Justice

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**ASIAN TRANSNATIONAL ORGANIZED CRIME  
AND ITS IMPACT ON THE UNITED STATES:  
DEVELOPING A TRANSNATIONAL CRIME RESEARCH AGENDA**

*Undertaken on behalf of the National Institute of Justice between July 2003 and August 2004, the research goals of this study were to (a) determine high priority areas for research on Asian transnational organized crime (TOC); (b) assess the impact of Asian TOC on the United States; (3) identify relevant data and information sources in Asia; and (4) identify potential collaborative research partners and institutions in Asia. The aim was thus not to examine in detail the organized crime situation in this region, but rather to lay the foundation for a research agenda and strategy that would accomplish that purpose.*

*In seeking to achieve this aim, the researchers used a variety of techniques as part of an overall exploratory methodology. They included four months of interviews (and field observations) with experts in eight Asian sites, including law enforcement officials, policymakers, and scholars, as well as American officials in each site. Meetings were also held with Asian crime experts in the United States. Interviews and site visits were supplemented with surveys and analyses done by local Asian researchers, an analysis of U.S. indictments, and the review of a large volume of literature. The sites covered by this research are China, Hong Kong, Macau, Taiwan, Japan, Philippines, Thailand, and Cambodia.*

*The major findings are first, that there is little consensus among the Asian authorities on just what their main organized crime problems are. Whereas the Asian authorities give higher priority to traditional organized crimes, e.g., gambling, extortion, prostitution, etc., the American authorities focus more on transnational crimes. Consistent with this view, Asian authorities do not see much linkage between the local or regional crime groups about which they are most concerned, and transnational organized crime. Next, contrary to the views and expectations of some American authorities, the commonly expressed view among the respondents in this study is that there is no collaboration or linkage between transnational organized crime groups and terrorists. Finally, the transnational organized crime networks operating in the region are said to be highly specialized, with any overlapping of criminal activities occurring mostly at the level of transportation of goods or people.*

*It is recommended that future collaborative research efforts focus on trafficking in women and children, human smuggling, and drug production and trafficking. These are likely to continue to have the most impact upon the United States and upon U.S. interests in the region. It is further recommended that these research efforts be both bi-lateral (principally with China) and multi-lateral in nature. A wide variety of potentially willing research partners are identified and their strengths and weaknesses are assessed. Finally, a specific strategy for accomplishing the research agenda is proposed.*

## I. Introduction

### Research Purposes

The National Institute of Justice (NIJ), as part of its effort to build an international research agenda that will help the United States better appreciate and understand potential threats from transnational crime, asked us to look specifically at what is happening in Asia. Our charge was to make a preliminary assessment of Asian organized crime, pinpoint potential research issues of mutual interest, and identify potential research partners in Asia who might work collaboratively on those research issues.

Following the charge outlined above, our principal purpose in carrying out this project was to determine the most crucial and high priority areas for research on Asian transnational organized crime and to project the possible implications of research for developing national policies and procedures. To accomplish this purpose, we tapped both Asian crime experts in the United States, and researchers, law enforcement authorities, and policymakers in Asia to help pinpoint the most pressing issues and problems, and the kinds of research that are most urgently needed.

Our second purpose was to assess the impact of Asian transnational organized crime on the United States. For this, we looked into the structure, activity, and harms of Asian transnational organized crime – including the multiple criminal groups and organizations involved (secret societies, tongs, triads, gangs, drug cartels, criminal networks, etc.), the multiple goods and services that constitute criminal markets (drug production and trafficking, human smuggling and trafficking, money laundering, and the violence attendant to these crimes), and the multiple nations and national components (China, Hong Kong, Taiwan, Macau, Japan, Thailand, the Philippines, and Cambodia –

in addition to the United States) that might be involved. This examination was intended to give us a sense of the current as well as the future threat of these forms of transnational organized crime on the United States.

Third, in considering a potential research agenda, we were to identify indigenous sources of data and information on Asian transnational organized crime and assess the feasibility of accessing these sources. This meant exploring the various sources of data and information on organized crime groups and activities in Asia, how these data are collected and by whom, how and where the data are maintained and in what language, and, most importantly, how these sources could be accessed by American researchers.

Finally, we were to identify researchers (and their affiliated institutions) in the specified countries who are involved in the study of organized crime (or are interested in such study), and who have access to relevant crime data and criminal justice officials. We also pursued the question of what might constitute a mutually acceptable framework for collaborative cross-national studies. It was hoped that the project would identify researchers and analysts in both the academic and law enforcement communities who are involved in the study of Asian organized crime. And further, that it would explore how researchers in Western countries (specifically the U.S.) could establish working relationships with Asian-based researchers so that they can become jointly involved in cross-national studies that utilize the same definition of organized crime and the same research protocols.

We believe, as our report will demonstrate, that we have been able to accomplish each of these purposes. In addition, we are optimistic about the possibilities for joint research projects that will inform U.S. policy and practice with respect to Asian crime.

## Research Methods

Consistent with the multiple purposes of the project, and given the complexity of those purposes, we pursued a variety of research initiatives in fulfilling them. First, we made three separate research visits to Asia – together comprising almost four months – to interview people who are familiar with organized crime in that part of the world. We visited Beijing and Fuzhou (China), Taipei (Taiwan), Hong Kong and Macau (both special administrative regions of China), Tokyo (Japan), Manila (the Philippines), Bangkok (Thailand), and Phnom Penh (Cambodia). Altogether, we interviewed 139 subjects, including 61 Asian law enforcement officials, 30 American officials, 27 professors/researchers, 13 workers in nongovernmental organizations (NGOs), six sex workers and owners of sex establishments, and two reporters (see Appendix A for the subjects' names and affiliations). Sex workers means such occupations as prostitutes, employees in sex clubs and massage parlors, exotic dancers, etc. Sex establishments refer to brothels, sex clubs, etc.

The American authorities we interviewed included a variety of roles: FBI legal attaches, DEA representatives, immigration and customs officials, resident legal advisors for a U.S. embassy and consulate, and Secret Service personnel. We conducted most of the interviews with the aid of an interview guide (see Appendix B). The main exceptions were the sex workers, establishment owners, reporters, and NGO staff. We should also stress that this was a “guide” and not an interview schedule. As such, we did not ask all questions of all respondents, and additionally, in some instances we asked questions not in the guide. Thus, we do not present here a systematic, comparative analysis of the interview results question by question and respondent by respondent.

We participated in a police raid of a sex club in Taipei; we visited a detention center for illegal immigrants (outside of Taipei) – where we interviewed two young Chinese women detainees; we talked extensively to the local residents of a leading migrant sending community in China; and, toured some crime hot spots accompanied by either American or local authorities. We also spoke with law enforcement officials from the FBI and the Organized Crime and Racketeering Section in Washington, DC who are dealing with Asian organized crime matters, and the staff of the Office to Monitor and Combat Trafficking in Persons at the U.S. State Department.

In addition to our interviews and field visits, we asked a select number of experts in Beijing, Taipei, and Hong Kong to complete a survey instrument on major organized crime groups in their respective areas, and to prepare brief analyses on two illegal markets: drug trafficking and human smuggling/trafficking.<sup>1</sup> From our correspondent in Beijing, we received only the survey instruments on 10 organized crime groups in China. See Appendices C and D for analyses of illegal markets and major organized crime groups in Taiwan and Hong Kong. The reports from Taiwan were originally prepared in Chinese and have been translated into English by us.

To help examine the impact on the U.S., we collected 11 indictments involving Asian crime groups in the United States and conducted a harms analysis to evaluate their impact directly on the United States. Fourth, we systematically collected and analyzed a large volume of both the English and Chinese literature on Asian organized crime.

Lastly, we had the good fortune to have unique access to the original data that came from Chin's recently completed study on the social organization of human smuggling and from his ongoing project on the drug trade in the Golden Triangle in

Southeast Asia. For these two studies, he and his colleagues interviewed hundreds of human smugglers and drug growers, producers, and traffickers. Obviously, this information provides an invaluable augmentation of our findings.

## **II. Leading Organized Crime Problems**

One thing we have learned from our recent interviews and research in Asia is that it is very hard to generalize about the problem of organized crime there. For example, there is little consensus among law enforcement authorities as to what the leading organized crime problems in Asia are. Nevertheless, if we are to try to generalize, our impression is that local law enforcement authorities in Asia seem to be more focused on traditional organized crime activities such as extortion, gambling, prostitution, loan sharking, debt-collection, and violence than they are on transnational organized crime activities such as drug trafficking, human smuggling/trafficking, arms trafficking, and money laundering. Moreover, many Asian officials are concerned with the nexus between gangsters and politicians, and especially the penetration of organized crime figures into business and politics. In this section, we will first briefly discuss some of the most important organized crime problems in the eight research sites, according to the information we received from our interviews with local authorities. We will then examine the viewpoint of American officials in Asia, and close by adding our own assessment. By traditional organized crime groups we mean groups that have continuity across crimes and over time, that engage in multiple criminal enterprises, that employ violence and corruption, and that usually have hierarchical structures.



## **Asian Authorities' Perspective**

The survey assessment of criminal organizations adapted from the United Nations' Center for International Crime Prevention for use here defines an "organized crime group" as "a structured group of three or more persons existing for a period of time acting in concert with the aim of committing one or more serious crimes or offences...in order to obtain, directly or indirectly, a financial or other material benefit." It further defines the transnational dimension of organized crime by the fact that the crimes are committed either in more than one country, or in one country but with preparation, planning, direction or control in another country. Beyond this guide, respondents were asked how their respective "governments" officially defined organized crime. Within that framework, the following is a relatively brief, country by country summary of the major organized crime issues and problems in the countries we visited.

### China

For Chinese authorities, the most serious organized crime problems are, in order of seriousness: drug distribution, gambling, prostitution, and violence (He 2002, 2003). The Chinese government is alarmed by the dramatic increase in the number of heroin addicts in China, and the authorities believe that local and foreign-based drug syndicates are responsible for importing heroin from the neighboring Golden Triangle and distributing it throughout China (Ma 1994, Luo and Liang 1999, Zhao and Ke 2003). Gambling and prostitution have returned to China with a vengeance after they were practically wiped out by the Chinese Communists after the takeover in 1949 (Tse 2003, Si 2004). As crime groups are becoming better armed and more violent, Chinese

authorities are also concerned with violent acts committed by mobsters against rival gang members, ordinary citizens, business owners, and government authorities (Xiao 2002).

As for the future, according to Chen Xiao-cun of the Criminal Investigation Division, Ministry of Public Security: “Our main concerns are: (1) mafia-like criminal organizations will penetrate into the legitimate business sector; (2) gangsters will get involved in politics and run for public office; and (3) they will eventually hook up with foreign-based organized crime groups.” In fact, there is evidence to suggest that many crime groups in China have monopolized certain wholesale businesses and that the majority of these groups are protected by local authorities known as *baohusan*, or “protecting umbrella.” In general, official corruption is seen to be a large and growing problem in China. Chen, and others, stressed that organized crime is largely a regional or citywide phenomenon in China – rather than a national or transnational phenomenon. Given the pace of economic development in China, and the interest of external investors in this development, the involvement of criminal organizations has significant implications, including a potential chilling effect upon the nature of economic growth.

Even though tens of thousands of Chinese men and women are being smuggled abroad every year, and the arrival of large numbers of undocumented Chinese laborers or sex workers is a major concern in many countries (Smith 1997, Kwong 1997, Emerton 2001, Brazil 2004), Chinese authorities do not consider this to be a major problem or view it as an organized crime problem. Some Chinese officials would even say that this is not a Chinese problem because most snakeheads (human smugglers) are Chinese-Americans (Chin 1999). Local authorities recounted to us the many benefits of having a large number of their own people working abroad and sending money home. Indeed, we

observed considerable new housing development outside Fuzhou, which development is being fueled by monies allegedly sent home by illegal workers in the United States.

### Taiwan

In Taiwan, the number one organized crime problem is *heijin*, the penetration of mobsters into the legitimate business sector and the political arena (Chin 2003). Many influential gangsters in Taiwan are now chief executive officers of major business conglomerates, and they are heavily involved in the businesses of bid-rigging, waste disposal, construction, cable television networks, telecommunications, stock trading, and entertainment. Since the mid-1980s, many crime figures, to protect themselves from police crackdowns, ran for public office and it is estimated that today one-third of the elected deputies in Taiwan are current or former gangsters.

Besides *heijin*, Taiwanese authorities are also concerned with “traditional” organized crime activities such as gambling, prostitution, loan sharking, debt-collection, extortion, and gang violence. Kidnapping for ransom is also a major concern for the authorities in Taiwan because influential and wealthy figures are often targeted and, as a result, a large number of Taiwanese entrepreneurs have left Taiwan for a safe haven abroad. It should be noted that none of these activities of major concern are of a transnational nature.

A relatively recent and growing crime problem that is transnational in nature is the production and distribution of pirated CDs and DVDs. Each of the three major criminal gangs surveyed in Taiwan is said to be involved in this business.

Even though Taiwan is a destination country for heroin from the Golden Triangle and amphetamine from China, Taiwanese authorities are more concerned with the influx

of sex workers (or potential sex workers) from China, who are smuggled into Taiwan by boats across the Taiwan Strait or through fraudulent marriages with Taiwanese citizens (Chang 2002). The police sex raid, in which we participated, was for purposes of determining whether there were any illegal Chinese women working in those particular sex clubs, which are not otherwise illegal. The detention facility we visited was detaining, for periods of upwards to nine months or more, over 1,000 mostly young Chinese women awaiting deportation back to mainland China. According to the Taiwanese law enforcement authorities we interviewed, they are frustrated in dealing with the human smuggling issue because Chinese authorities are not cooperative, and because judges in Taiwan are reluctant to apply the country's anti-organized crime laws to the human trafficking networks. The latter is said to be because the judges do not regard this as an organized crime problem.

As was the case in Mainland China, our sources in Taiwan reported that there were no connections between organized crime groups and terrorist groups in Taiwan, nor was there evidence of any alliances of organized crime with armed opposition groups.

### Hong Kong

Hong Kong has a most unusual status in that part of the world. It was a British colony for over a hundred years, returning to Chinese control in 1997 (van Kemenade, 1997). It now has the status of being a special administrative region, meaning a degree of autonomy and self-governance – although that is constantly in contention with the mainland. Hong Kong has a long tradition of being home to the criminal organizations known as triads (Chu 2000). It also has a strong history of combating these triads, and of combating corruption – for which it has one of the most sophisticated and well-resourced

operations in the world (Lo 1993). At the same time, Hong Kong is very much subject to the illicit movement of goods, services, and people to and from the mainland. As to any U.S. interest, the DEA representative in Hong Kong told us that some 18 million tons of cargo destined for the United States pass through the port of Hong Kong in a year. This clearly poses a security concern for the U.S.

According to the elite Organized Crime and Triad Bureau (OCTB), Hong Kong Police (HKP), some of the leading organized crime problems in Hong Kong are: vehicle crime and smuggling, human smuggling, cross-border organized crime involving China and Macau, money laundering, drug trafficking, debt-collection, and triad monopolies. The latter include the control by triad societies of private bus routes, fish markets, street markets, wholesale markets, entertainment centers, parking services, fake VCD sales, prostitution, illegal gambling, and extortion. With respect to the fake VCDs, each of the Wo Shing Wo, the San Yee On, and the 14K are said to be involved in the manufacture and street-level distribution of pirated VCDs and DVDs.

As a major transportation and financial center of Asia and a transit point in and out of China, Hong Kong has been a hub for transnational organized crime activities for the past thirty years.

Although there are triad organizations active in Hong Kong, the OCTB indicated that there is no international triad organization. The DEA representatives in Hong Kong said that drug trafficking there was also not that well organized at the wholesale level. Instead, there are mainly small groups of individual entrepreneurs, and the triads are mostly involved in organizing the retail drug business at the street level.

The assessment done for us on major criminal organizations in Hong Kong indicates “they are not interested in involving themselves in politics.” The kinds of political/ideological missions associated with terrorism are said not to be the missions of the Hong Kong triads.

### Macau

Like Hong Kong, Macau is also a special administrative region, being a former Portuguese colony. The impression of Macau is that it is a tourist mecca, dominated by gambling casinos, prostitution, and drugs. Indeed, according to Sio-chak Wong, Director of the Judiciary Police of Macau, the two major organized crime problems in Macau are gambling and illegal immigration/prostitution. Gambling is dominated by triad groups transplanted from Hong Kong, while illegal immigration/prostitution is controlled by crime groups formed by mainland Chinese. Recently, these Chinese crime groups began to be involved in fraud, money laundering, and the smuggling of stolen goods from Macau to China.

Because the Macau administration relies heavily on taxes from the gambling industry, and prostitution is considered to be an important component to its gambling industry, Macau authorities are reluctant to crack down on crime groups active in gambling and prostitution. As a result, organized crime groups maintain a strong presence in the gambling business in Macau; at the same time, the sex industry in Macau is booming because of the arrival of large numbers of sex workers from China.

## Japan

In Japan, the most serious organized crime problems are almost always related to the notorious Japanese organized crime groups – the yakuza (Hill 2003, Kaplan and Dubro 2003). Japanese authorities are mostly concerned with the yakuza’s involvement in gambling, prostitution, amphetamine trafficking, and the victimization of legitimate businesses. According to Chief Ikegami of the Anti-organized Crime Division, Ueno Police Department, Tokyo Metropolitan Police, Japanese officials are alarmed by the presence of a large number of legal and illegal immigrants from China (mostly Shanghainese, Fujianese, and Northeasterners) who are involved in organized crime activities and who are considered to be heavily armed and dangerous.

Because of its wealth and the spending power of Japanese businessmen, Japan has become a major destination country for sex workers from Thailand, the Philippines, Colombia, China, Korea, and several other countries (Human Rights Watch 2000, Santos 2002). According to the latest Trafficking in Persons report from the U.S. State Department, Japan is currently a Tier 2 Watch List country. That list includes “countries whose governments do not fully comply with the Act’s minimum standards but are making significant efforts to bring themselves into compliance with those standards, and:

- a. The absolute number of victims of severe forms of trafficking is very significant or is significantly increasing; or
- b. There is a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons from the previous year; or
- c. The determination that a country is making significant efforts to bring themselves into compliance with minimum standards was based on commitments by the

country to take additional future steps over the next year” (U.S. Department of State 2004:29).

In addition to women from abroad, Japan also has a large number of local Japanese women who are involved in the sex trade (Kaplan and Dubro 2003).

Even though Japanese authorities are convinced that yakuza members are heavily involved in the transportation and control of foreign sex workers, they told us that it is not their number one priority because they believe foreign sex workers are not being forced into their activities, nor is there pressure from the Japanese public to do something about it.

### The Philippines

Because of political instability and corruption, the country’s economy is in bad shape, which results in a large number of Filipino people having to go overseas to work. Many of them are women, and a significant percentage of these women who leave with an “entertainer visa” end up working in the sex industry abroad (Santos 2002). Although the Philippine government has recently passed an anti-trafficking law, few human traffickers have ever been prosecuted and punished (U.S. Department of State 2004). The Philippines is also a Tier 2 Watch List country, according to the State Department. The Filipino officials we interviewed are more concerned with high profile crimes such as drug trafficking, kidnapping for ransom, hijacking, bank robbery, prostitution, illegal gambling, and firearms smuggling rather than the problem of Filipino sex workers abroad.

The trafficking of amphetamine (called *shabu* in the Philippines) from China to the Philippines has also been a major concern for the Filipino authorities for a long time.



Recently, according to our Filipino subjects, many *shabu* laboratories have been established in the Philippines, in part because of the greater effectiveness of tighter coastal patrols in stopping the drug flow from abroad. The authorities we interviewed also indicated that the drug business in the Philippines is controlled by predominantly Filipino-Chinese, or Chinese from China, Hong Kong, and Taiwan who are protected by local politicians.

A U.S. government official interviewed in Manila indicated that organized crime and terrorism in the Philippines are different entities. The terrorist groups there are said to be mostly isolated groups and not involved in such transnational crimes as human trafficking and drug smuggling. A Philippines official did indicate that some terrorist groups may be involved in kidnapping for ransom, but they do not play a major role in such kidnappings because they are not strong in Manila, where most of the wealthy Chinese who are potential victims live.

### Thailand

Undoubtedly, the two leading organized crime groups in Thailand are the *jao pho* (godfather) (Phongpaichit Piriya-rangsana 1994) and the United Wa State Army (Gelbard 1998, Takano 2002). *Jao pho* are mostly ethnic Chinese based in the provinces who have business interests in both legitimate and criminal activities. Moreover, they have groups of associates and followers, move closely with powerful bureaucrats, policemen and military figures, sit in positions in local administration, and play a key role in parliamentary elections. According to Thai authorities, there are *jao pho* groups in 39 of Thailand's 76 provinces. The United Wa State Army (or the Red Wa) is another major concern for the Thai government because this organization, located in the Burmese part

of the Golden Triangle, is believed to be responsible for the manufacturing and trafficking of millions of methamphetamine tablets (called *yaba* or mad drug in Thailand) into Thailand for local consumption. While heroin produced by the Red Wa and other groups in the Golden Triangle continues to pass through Thailand, the Thai authorities are, as in the past, less concerned with this because the heroin market in Thailand itself is relatively small.

Thailand has a well-established sex industry; it is also a source, transit, and destination country for trafficked women (Asia Watch 1993, Brown 2000, Jeffrey 2002). Because the sex trade is vital to the country's enormous tourist industry, and Thai policemen are believed to be heavily bribed by sex establishment owners, the sex business is not considered to be an organized crime problem by the Thai authorities. Nor are Thai officials concerned with the presence of a large number of Burmese sex workers in Thailand or in the trafficking of Thai women to Japan and Europe for sex work. Thailand is also a Tier 2 Watch List country.

### Cambodia

The two leading organized crime problems in Cambodia are drug trafficking/production and human trafficking. Cambodian officials are concerned that drugs produced in neighboring countries are being trafficked into Cambodia for local consumption. There is also the problem of drug traffickers using Cambodia as a transit country, but Cambodian authorities are less alarmed by this. The trafficking of Cambodian women into Thailand for sex work and the presence of a large number of Vietnamese women in the Cambodian sex industry are major concerns for NGO groups in Asia. According to NGO people in Cambodia, however, local authorities are reluctant

to crack down on the local sex industry because they want to promote Cambodia as a place for cheap sex to attract tourists (Gilboa 2001). Some NGO people believe that Cambodian authorities are either directly involved in the sex trade or benefit from it. These same sources indicate that there is no link between terrorism and trafficking in women in Cambodia.

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To sum up the perspectives of local authorities, the different countries in Asia clearly have different concerns about organized crime activities (see Table 1). In general, most countries are more concerned with criminal activities that directly impact on their societies, and pay less attention to those activities that they see as only affecting their international images. Human trafficking falls into this latter category. That means their top priorities are mostly traditional organized crime activities committed by local crime groups rather than transnational crime activities involving foreign crime groups. None of our sources (respondents and reports) indicated any strong connections between organized crime and terrorism.

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Table 1 about here

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### **American Authorities' Viewpoint**

The American authorities with whom we spoke were much more likely than the Asians to consider transnational organized crime activities to be the more serious organized crime problems in Asia. This could be because their job responsibilities require them to adhere to and represent official U.S. policy on issues such as human trafficking. It could also be because in some cases they lack knowledge and

understanding of the local situation, as a result of depending upon formal sources of information. In any event, from the U.S. viewpoint, the problems of drug production and trafficking, human smuggling, trafficking in women and children for the purpose of prostitution, arms trafficking, and money laundering are all very serious problems in Asia. They also think that these activities have either a direct or indirect impact on U.S. interests or, at the very least, that they have undermined the stability and well being of ally countries in Asia.

Some American officials – repeat some – we interviewed thought that the U.S. government is paying too much attention to terrorism, at the expense of transnational organized crime. None of them believe that terrorist groups and transnational organized crime groups are linked. As previously indicated, this is also the view held by some (of those who expressed any opinion on the issue) of the Asian authorities as well. For example, faculty members at the Fuzhou Police College in China (most of whom are former police officers) said there is no collaboration between organized crime and terrorists. In China, Taiwan, and Hong Kong, our correspondents indicated that none of the sixteen organized crime groups they surveyed has shown evidence of involvement in terrorism.

## **Our Assessment**

Organized Crime Problems Based on our interviews, fieldwork, and reading the literature on organized crime in Asia, we think the five leading organized crime problems in Asia (not necessarily in this order) are: (1) drug production and trafficking; (2) trafficking in women and children; (3) human smuggling, (4) the nexus between organized crime and politics and official corruption, and (5) the penetration into

legitimate businesses by organized crime groups. Because American researchers might encounter many obstacles in studying the last two topics, and because these activities are less likely to have a direct impact on the U.S., we suggest that American resources should be devoted to researching the first three organized crime problems.

Heroin continues to be a popular drug among Asians, and the Golden Triangle in Southeast Asia is still a major heroin-producing area. What is alarming is that heroin traffickers are taking advantage of China's open-door policy and transporting drugs from the Golden Triangle through China (Zhao and Ke 2003). The Chinese land route not only enables traffickers to move hundreds of kilograms of heroin in one delivery, but also helps them to develop a huge heroin market in a country with more than 1.3 billion people. Some heroin traffickers in China are also utilizing the Chinese route to transport large quantities of heroin into the United States (Chu 2004).

The recent development in the production and trafficking of amphetamine is a major problem in China, Taiwan, Japan, and the Philippines. Moreover, the massive production of methamphetamine in the Golden Triangle by the United Wa State Army and the explosion of methamphetamine use in Thailand are no doubt not only serious problems but are also volatile international problems for two hostile neighbors such as Burma and Thailand. As a result, we think that the use, production, and trafficking of drugs should be considered a serious organized crime problem in Asia.

Putting aside what Asian authorities had to say, we believe that trafficking in women and children for the purpose of prostitution is a very serious problem in Asia (Skrobanek et al. 1997, Williams 1999, Thorbek and Pattanzik 2002). We agree with these authorities that some of the women (as opposed to children) have not been forced,

coerced, or deceived into prostitution, but anyone who is familiar with the plight of a large number of women and children engaged in the sex trade in a foreign country will agree that this is a major problem that needs to be addressed. The distinction between smuggling and trafficking, the relative numbers involved, and comparisons of smugglers and traffickers, all need to be addressed with respect to this issue. The same is true of the claim often made by Asian law enforcement authorities that sex workers voluntarily cross national boundaries and continue their occupation simply to increase their income.

We believe that this problem is only going to get worse before it gets better, especially where the trafficking of Chinese and Vietnamese women is concerned. We should not, however, unconditionally accept such emotional labels as “debt-bondage,” “sex slaves,” and “trafficked victims” that are often prevalent in discussions of this issue (Asia Watch 1993, Atlink 1995, Brown 2000). There are relevant distinctions and nuances that need to be addressed to permit a fuller understanding of the problem and how to most effectively combat it (Kempadoo and Doezema 1998, Murray 1998, Sobieszczyk 2002, Thorbek and Pattanzik 2002).

The smuggling of human beings is also a serious problem in Asia – in some ways more serious than trafficking because of the numbers involved. Every year, a large number of people in Asia go abroad either legally or illegally to earn better wages. Millions of Filipino and Thai people are working overseas, and many of them have been smuggled abroad. The smuggling of Chinese from China to the United States has continued unabated since the early 1990s, and the practice has spread from the original sending community in Fuzhou City to other provinces, especially Zhejiang Province and the three northeastern provinces of Laoling, Jiling, and Heilongjiang. Moreover, the

smuggling fee per person has been increased from around \$30,000 in the early 1990s to \$65,000 after 9/11. We believe that the issue of human smuggling should also be considered a serious crime problem in Asia, and one that has a direct impact on the United States.

Organized Crime Groups Let us now turn to the many crime groups active in Asia. We think it is important to differentiate genuine, “traditional” organized crime which has hierarchy, turf, continuity and structure, from crime that is organized to exploit current social and economic conditions (Finckenauer and Waring 1998). In Asia and the United States, there are Asian criminal organizations such as the yakuza, the triads, the *jaotou*, the *jao phro*, the tongs, and organized gangs that indeed have a name, a turf, a hierarchical structure, restricted membership, and use violence to monopolize their illegal markets (Chin 1996, Lintner 2003). But there are also networks (many networks) of people who are involved in transnational crime on an ad hoc basis that do not have a group name, a territory, or a structure. They act like, and view themselves as, opportunistic businesspeople rather than violent gangsters. People from each of these two worlds may be involved in transnational crime, but our research suggests that it is the latter network groups who are the key players in transnational “organized crime” (Chin 1990, Finckenauer 1996). We think it is also pertinent to discuss this issue while we are examining the leading “organized crime” problems in Asia.

### **III. Scope and Patterns of Organized Crime**

There are many crime groups in Asia, some of them indigenous and others imported from abroad or formed by foreigners (see Table 2). As with the task of ranking the seriousness of organized crime problems in Asia, the attempt to generalize the scope of

each and every organized crime group is also difficult because this may depend on the country, the group, and the product or service involved.

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Table 2 about here

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### Scope

Table 3 shows the scope of organized crime problems in Asia. In general, most traditional organized crime groups (i.e. mafia-like criminal organizations in China, organized gangs and *jiatou* in Taiwan, triad societies in Hong Kong and Macau, yakuza in Japan, and *jao phro* in Thailand) are local in scope. Three Chinese organized crime syndicates identified in a recent UN study – the Liu Yong Syndicate, the Zhang Wei Syndicate, and the Liang Xiao Min Syndicate – were all said to be local or at most regional in their scope, and to be without cooperative relationships with other organized crime groups (United Nations Centre for International Crime Prevention 2000:131-135).

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Table 3 about here

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No doubt, some members of such local/regional organizations may have influence at the national level, but their legal and illegal operations are more likely to be local in nature. An exception to the latter characteristic is yakuza in Japan. A Japanese official told us that yakuza members are very much involved in the trafficking of persons and the operation of sex establishments in Japan. Some members of these various crime groups may also travel to other countries or may be involved in bilateral or multinational criminal activities, but, as mentioned above, they are not key players in transnational criminal activities (Chu 2000, Hill 2003, Zhang and Chin 2003).



A Chinese official in Beijing explained the organized crime/transnational crime connection this way: “According to our law, there are four types of organized crime groups: (1) criminal groups; (2) criminal organizations; (3) black society-like criminal organizations; and (4) black societies. At this point, we don’t yet have black societies, but we expect them to be formed in the very near future. The above mentioned three groups are not involved in transnational crime. That is because these groups are all territorial – their spheres of influence and their activities are restricted to their own turfs. They are not mature enough to establish a transnational crime network.” Similarly, the assessments of specific criminal organizations in Taiwan do not indicate any involvement on the part of these groups in transnational crime. The drug market analysis in Taiwan, however, shows that some organized crime groups may be active in the transnational trafficking of the new, synthetic drugs in particular.

In the Philippines, we were told specifically that the transnational “headhunters” who recruit sex workers there are not members of organized crime groups. In Bangkok, a U.S. official expressed some ambivalence on the question of whether members of traditional organized crime groups have been key players in transnational crime: “I feel strongly that transnational criminal activities are committed by highly organized groups, but I can’t prove that these groups are linked to, or are the same as, traditional organized crime groups.” A Thai official was much less ambivalent: “In Thailand, there are influential groups [organized crime groups] and there are transnational organized groups formed by foreigners. There is not much relationship existing between the influential groups and the transnational organized crime groups.”

Even those nontraditional organized crime groups that are heavily involved in transnational crimes such as drug trafficking and human smuggling/trafficking are local or at most national in scope. Their transnational criminal operations are almost always compartmentalized. Most large-scale transnational criminal activities, such as the trafficking of hundreds of kilograms of heroin or the smuggling of hundreds of illegal immigrants, involve numerous independent groups operating in source, transit, and destination countries. There are also, however, mom-and-pop, small-scale transnational criminal activities involving a couple trying to smuggle a small amount of drugs or two or three migrants from one country to another. What is unique about transnational crime is that it can be carried out in some cases by an individual, e.g., computer crime, or by a group or network with hundreds of members or associates (Zhang and Chin 2002).

### **Specialization**

Most of our subjects suggest that there is little specialization among traditional organized crime groups. Most of these groups are involved in a variety of both legitimate and illegitimate businesses. While these crime groups continue to be involved in traditional organized crime activities such as gambling, prostitution, drug distribution, loan sharking, debt-collection, conflict mediation, and violence, they are also expanding their influence into legitimate businesses such as the stock market, construction, waste disposal, wholesale markets, and the food industry.

According to our subjects, however, transnational crime networks are highly specialized. It is relatively unlikely for a human smuggling organization to be involved in drug trafficking, or for a drug-manufacturing group to participate in the trafficking of women for prostitution. As we indicated, almost all our subjects also suggest that there is

little link between traditional organized crime groups or transnational crime networks and terrorist groups.

The only overlapping or nonspecialization that may occur is among offenders who are involved in transportation. In this instance, individual members, as opposed to crime groups as a whole, may crossover in providing services for smuggling and trafficking. As shown in Figure 1, even though there are different groups operating in the source and destination countries in a given transnational criminal activity and these various groups do not get involved in more than one type of transnational crime, the same group responsible for transportation may simultaneously be involved in smuggling both drugs and human beings.

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Figure 1 about here

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### **Structure or Opportunity?**

Traditional organized crime groups are preexisting groups, while transnational crime networks are developed in response to criminal opportunities. Some of the traditional organized crime groups we mentioned above have been in existence in Asia for centuries and they are most likely to continue to exist. These groups have names, structure, territory, and a strong attachment to their environment, and as a result are handicapped in taking advantage of criminal opportunities that are transnational in nature (Zhang and Chin 2003). The second group, the networks of transnational crime, are more likely to emerge around specific opportunities. Very often, a nuclear or an extended family will initiate an operation in response to a new opportunity and people from the same village or at least the same ethnic group who are living in source, transit, and

destination countries will be recruited to participate as members of a network that may dissolve after the criminal operation is successfully carried out.

This distinction has implications for both research and policy. For research, there is a need to expand our current thinking about the causes of organized crime and about the risks and vulnerabilities that may lead to the creation of criminal markets. There is also a need to better understand how those criminal markets operate in order to provide useful information to shape strategies and tactics to disrupt them. For policy, law enforcement officials need to do more thinking “out of the box” of traditional, mafia-like structures in order to effectively combat the crime networks that are dominating transnational organized crime.

### **The Flow**

There are several major movement patterns involving sex workers, drugs, and laborers on the transnational scene.

#### Sex Workers

In Asia, the most notable flows of trafficked women are: (1) from the Philippines to Japan, (2) from Thailand to Japan, (3) from Burma (or Myanmar) to Thailand, (4) from Vietnam to Cambodia, and (5) from Nepal to India. There are also somewhat less notable movements such as (1) from Cambodia to Thailand, (2) from Laos to Thailand, and (3) from the Philippines to Korea.

Our fieldwork in Asia leads us, however, to believe that the most significant development in human smuggling and trafficking is the massive movement of women from China to other Asian countries and, indeed, to the rest of the world. Authorities in

all the countries we visited indicate that many Chinese women are showing up in their sex industries; sex establishments in Hong Kong, Taiwan, Macau, and Japan have almost been taken over by Chinese sex workers. The presence of large numbers of Chinese women in the sex industries of Burma, Thailand, Singapore, Malaysia, Indonesia, Australia, and the United States has also been heavily reported.

### Drugs

In Asia, heroin is produced in the Burmese part of the Golden Triangle and flows into the international market via either Thailand or China. China's heroin market is expanding rapidly, and heroin markets exist in most Southeast Asian countries and also in Australia. Methamphetamine is produced in the Burmese part of the Golden Triangle as well; Thailand is the main market for the drug. Meth is smuggled into Thailand either across the Burma-Thai border or through Laos and Cambodia. Amphetamine is mainly produced in China and smuggled into Taiwan, Japan, the Philippines, and other Asian countries.

### Undocumented Workers

A large number of Chinese laborers are smuggled by boat into Taiwan across the Taiwan Strait. Chinese are also arriving in Japan and Burma in large numbers. The presence of a substantial number of Chinese, both legal and illegal migrants, is also a matter of concern for the majority of nations in Asia. Undocumented workers are also a matter of concern in the United States. And it is to the general issue of impact on the U.S. that we turn in the next section.

#### **IV. The Impact on the United States**

As a description and illustration of the impact of Asian organized criminality on the United States, it is important to point out what our discussion does and does not contain. In the latter category, we do not deal with the garden variety of crimes that just happen to have been committed by Asians, nor do we examine the Asian street gangs that operate in certain U.S. cities. Instead, our focus is first upon those crimes that appear to be transnational in nature – the U.S. being on the receiving end – and, that originate in (or at least involve) any of the eight countries (or administrative regions) that were the focal point of our study here. We realize that any gaps in our coverage may be in part a consequence of these choices.

Our second focus requires that we construe impact and harm broadly, to include not only direct criminal activities in the United States, but also harm and/or potential harm to U.S. interests both at home and abroad. For example, given the history and the volatility of relations between mainland China and Taiwan, and the strong U.S. interest and investment in that area, criminal developments involving those entities are of critical interest to the United States. In other cases, where there are developing U.S. business interests, such as in China and in the casino industry in Macau, again there is the potential for a criminal impact on U.S. interests. Such matters are our second focus.

The methods we employed in our research clearly influence our ability to discern the threat, impact, and harm to the U.S. and to U.S. interests, and thus a further word about methodology is in order. As noted, our principal respondents in interviews were nationals (scholars, law enforcement officials, and in some cases victims) of the respective countries that we visited. Thus, their perspective of how, what they know,

might impact upon the United States is pretty much speculative. Even in the cases of the U.S. officials that we interviewed in each country, their perspectives on the crime and organized crime problems are an “in-country” view, albeit keeping United States’ interests very much in mind.

In addition to the interviews and field visits we conducted, as previously mentioned, we had local scholars in Hong Kong and Taiwan prepare market assessments of the criminal markets of human trafficking and drug trafficking, and also analyses of the major organized crime groups in each of their respective areas. Again, we should recognize that these reflect the perspectives of those native scholars.

None of this should be construed to mean that the interviews, assessments, and analyses are not valuable – quite to the contrary. Our original sources provide a foundation, a stepping off point, to compare and relate what we learn from them, with a plethora of existing secondary materials. We will therefore look at what we learned in the context of what has been recently reported in various U.S. government reports and research studies. The latter include in particular: (1) the U.S. State Department’s Trafficking in Persons Report for 2004; (2) “The Commercial Sexual Exploitation of Children in the U.S., Canada and Mexico” (a 2002 report to NIJ by Estes and Weiner); (3) “Sex Trafficking of Women in the United States” (a 2001 report to NIJ by Raymond and Hughes); and (4) a “Survey of Practitioners to Assess the Local Impact of Transnational Crime” (a 2003 report to NIJ by Abt Associates). We also look to the work of Bertil Linter in his 2002 book, *Blood Brothers: The Criminal Underworld in Asia*. Let us turn first to what we can say about crime impacts directly upon the United States.

## **Threat, Impact and Harm to the United States**

When asked about transnational crime, only a few of our Asian respondents referred to specific crimes impacting the U.S. For example, according to members of the faculty of the Fuzhou Police College in China, the principal forms of transnational crime involving China and the United States are kidnapping and human trafficking. And, officials of the Bureau of Investigation of the Ministry of Justice of Taiwan, told us that fake IDs are used to gain Taiwanese passports for travel to the U.S. by Chinese who are being smuggled here. But as we showed in Table 1, these are not seen as high priority (or even medium priority for the most part) problems in Asia. On the other hand, as we pointed out earlier, human trafficking and smuggling were indeed high priority issues for most of the U.S. authorities with whom we spoke. These included U.S. officials both in Washington and abroad. For instance, an FBI official indicated that each of such activities as trafficking in women/children for the sex industry, trafficking in human beings for the purpose of labor, and illegal immigration were transnational criminal activities of Chinese organized crime groups in the United States.

Let us begin then with the human trafficking problem. The issues here concern this seemingly vast difference in priority accorded this problem by Asian versus U.S. authorities, substantive differences between smuggling and trafficking, and differences between organized crime and what we call the crimes that are organized. The latter, as we indicated earlier, involve networks of criminal entrepreneurs who exploit criminal opportunities, but who do not have the attributes of traditional organized crime, e.g., continuity, hierarchical structures and leadership, self-identification with the group, multiple criminal enterprises, violence, corruption and government protection, etc. The



Asian authorities view what is happening in the transnational movement of people as mostly smuggling. People wanting to leave China, for example, pay smugglers to transport them to Taiwan or even to the United States. There is little or no coercion or deception in these cases. This is part of the reason for the authorities' lack of concern.

Our Asian experts also do not see this smuggling as an activity of traditional organized crime groups. A top criminal investigator with the Ministry of Public Security in Beijing told us that human trafficking was indeed “organized,” but that it was not a form of organized crime. He indicated the main destination countries for Chinese women were Japan, Korea, Russia, Taiwan, and Hong Kong. Our correspondent in Hong Kong indicated that in the cases of the three most prominent organized crime groups in Hong Kong (the San Yee On, the Wo Shing Wo, and the 14K), none of the three are involved in human smuggling or human trafficking. Other authorities in Hong Kong likewise told us that there is very limited trafficking in Hong Kong, that the vast majority of people moving transnationally are smuggled (not trafficked), and that this is a “mom and pop” industry not controlled by organized crime. These views reflect those of authorities in the other locations we visited as well. For example, representatives of the National Police Administration in Taiwan said there is no evidence of the human smugglers engaging in other transnational organized crime activities, nor are they involved with well-established organized crime groups. In fact, as we said, because the judges in Taiwan do not consider human smuggling to be an activity of organized crime, they do not enforce the Organized Crime Prevention Law against smugglers.

So what is the impact of Asian human smuggling/trafficking upon the United States? Both the United Nations and the United States (in the TIPS report) make much of

the connection between organized crime and human trafficking. The latter report concludes that trafficking fuels organized crime. As indicated above, our interviews and examination of the data from the aforementioned reports seem to belie that claim – at least as far as the specific problem of smuggling/trafficking from Asia to the U.S. is concerned.

Seeking some empirical evidence that might shed light on this issue, let us begin with the Raymond and Hughes study that tracked incidents of trafficking to the U.S. between 1990 and 2000. Of 38 specific cases they describe, 18 had an Asian connection, particularly from Thailand or elsewhere in Southeast Asia (Raymond and Hughes, 2001:100-105). From their brief descriptions of these cases, some are clearly alleged to have organized crime involvement, but a dozen or so cases over a ten-year period does not strike one as a huge number. Further, Raymond and Hughes’s interview respondents indicated that the trafficking organizations with which they were familiar were mostly small, having only 1-5 people involved. This supports the mom and pop characterization rather than the organized crime one. Since we have used this label several times, what does a “typical” mom and pop case look like? The following is illustrative.

U.S. federal authorities arrested in Miami a husband and wife team who allegedly smuggled thousands of Chinese illegal immigrants into the United States over the past 20 years. Alexandre Wei, a Taiwanese national with French citizenship, and his wife Bing Xei, a Chinese citizen, used Miami, Florida as the U.S. entry point for their clients, who usually ended their round-the-world journey in New York City. In Manila, U.S. and Philippine authorities arrested the couple's son Jacques, a suspected co-conspirator, along with six other Chinese. This family of people smugglers would first send their clients from China

to the Philippines and several other Asian countries. They would then be moved to France, Suriname, or the French territories in the Caribbean, Jamaica or the Bahamas. From the West Indies, the illegal immigrants were moved to Florida.

The illegal immigrants were charged as much as \$50,000 each by the smuggling ring.

Tanya Weinbert, Sun-Sentinel (Fort Lauderdale, Florida), November 11, 2003.

Next, the Estes and Weiner study surveyed a variety of sources, including 1,000 informants in 17 U.S. cities, in their examination of the commercial sexual exploitation of children (including trafficking). They concluded that among the “less common” forms of this exploitation was participation by international organized crime networks. Only 10 percent of the children they encountered had been trafficked internationally, and that included from all sources (Africa, Central and Latin America, and Central and Eastern Europe) as well as from Asia (Estes and Weiner, 2002:8). Thus again, these findings do not support a belief that human trafficking to the U.S. by Asian organized crime is a major problem.

Do U.S. law enforcement agencies view human trafficking in general as a critical issue? In a survey of 184 state and local police departments from across the country, Abt Associates asked how many had conducted investigations and made arrests for human trafficking, among a list of transnational crimes. The sources of the trafficking were not delineated, but fewer than a third had conducted investigations, and fewer than a quarter had make arrests in any instances of human trafficking (Abt Associates, 2003). Extrapolating from this, to how much of their activity may have involved Asian organized crime, would again seem to produce relatively small figures. Lest this result be

attributed to a belief that this is due to federal law enforcement having jurisdiction over a significant volume of such cases, we offer the following.

We requested from the Justice Department access to all recent federal indictments involving all forms of Asian organized crime. Our request produced eleven RICO indictments of Asian criminals for a variety of crimes in the United States (provided us by the Organized Crime and Racketeering Section of the U.S. Department of Justice). The indictments covered the period 1993 to 2002. We do not claim that these are either all the cases, or that they are a representative sample of all the cases. Instead, they are simply an opportunity sample. Seven of the eleven indictments charged crimes that could be construed to be related to human trafficking, e.g., interstate travel for illegal sexual activities, prostitution, kidnapping and hostage taking, asylum fraud, and alien smuggling.

Perhaps the best known of these cases is the “Sister Ping” case. Chen Chui Ping, who is referred to as “the mother of all snakeheads,” allegedly earned \$30 million over 15 years transporting thousands of undocumented Chinese into the U.S. To do so, she retained subcontractors in New York and other American cities. These included the notorious Fuk Ching gang in New York, who performed the domestic chore of transporting smuggled Chinese from Boston to New York City. Apart from this connection with a known criminal group, Sister Ping and her operation very much exemplify the kind of entrepreneurial criminal networks we have been describing.

Our first general observation from these cases, with the proviso about representativeness stipulated above, is that seven such cases over a 10-year period again does not appear to be an especially large number. Second, an examination of the details

in the indictments indicates that most of these cases involved crimes that were indeed organized by opportunistic networks, e.g., Sister Ping, but not by traditional and well-defined Asian organized crime groups having the characteristics outlined previously. This reinforces our earlier observation that it is the former, rather than the latter, who are the key players in Asian transnational crime.

That we believe that this is a smuggling rather than a trafficking issue, that it is conducted by entrepreneurial criminal networks rather than by traditional OC, and that the estimates of victims and cases may be overstated, does not mean that there is no reason for concern. The Department of Homeland Security estimates that there may be some seven million illegal immigrants living in the U.S., and in FY 2000 alone, 1.8 million illegals were apprehended. We do not know (nor does anyone else) how many of either of these numbers are Asian. What we do assume, however, is that any substantial number is a drain on U.S. resources, accountable to that part of the world. Demands upon education, health care, social services, and for jobs have a financial impact. A specific case in point is reflected in our visit to a village near Fuzhou in China that has been the source of much smuggling of people to the United States. There, we were introduced to a number (35-40) of Chinese children of pre-school age. These children were referred to by our official guide as "citizens," as in U.S. citizens. They were children born in the U.S., now being raised in China until they reach school age, at which point they will return to the U.S. for schooling. The costs of educating these children of parents -- many of whom were illegal immigrants -- will obviously have a financial impact upon the U.S.

## **Impact on U.S. Interests**

Irrespective of how much crime emanating from Asia may actually show up on U.S. shores, there are broader U.S. interests at stake here. These interests relate to humanitarian concerns, to business interests, to political relationships, to investments in training and assistance, and to law enforcement cooperation.

The United States does, and very much should have an interest in what happens to trafficking victims and to persons who are being smuggled across national borders. This interest exists apart from the question of how many such persons actually wind up in the U.S. It is a humanitarian and human rights issue. As it does elsewhere in the world, the problem in Asia requires effort and investment on both the demand and supply sides of the human trafficking/smuggling equation. Economic development and opportunity must be coupled with action to combat exploitative sex tourism, corruption, and official indifference.

We have mentioned U.S. business interests previously, e.g., in casinos in Macau and in trade in China and Taiwan. To the extent that the local and regional organized crime in these countries penetrates, interferes with, and jeopardizes business, to that extent that is harmful to U.S. interests. A specific example of this sort of harm is the crime of intellectual property theft, including software piracy. All six of the criminal organizations surveyed in Taiwan and Hong Kong, for example, are reported to be involved in pirated CDs and DVDs. In the case of the Wo Shing Wo, it is said to be the dominant activity in which the group is involved. Our interview of U.S. customs officials in Beijing stressed the problem of intellectual property theft as a major concern.

As it has elsewhere, the United States has made a considerable investment in law enforcement training and assistance in Asia. The U.S., for example, operates the International Law Enforcement Training Academy in Bangkok that has trained hundreds of law enforcement operatives from throughout the region. It is obviously in the best interests of the U.S. to see this investment payoff. Such payoff includes more effective combating of the crime problems we have described here. With respect specifically to drug trafficking, the DEA emphasized to us that China is a critically important player on the Asian drug scene; it was described as the key to heroin trafficking. What is needed, they said, is more joint investigative training and exchanges of intelligence information between the U. S. and China.

On the political front, the United States walks a tightrope balancing our interests in China, Hong Kong, and Taiwan. Because the crime problems we have described are, for the most part, regional problems, they require regional solutions. It is in the U.S. interest to play the role of honest broker in helping the region deal with organized crime.

Finally and specifically, a number of law enforcement officials, particularly in Taiwan and China expressed dissatisfaction with Interpol and with cooperation with U.S. law enforcement. Interpol they regard as basically ineffective. With respect to U.S. cooperation, they complained of essentially being ignored when they make requests for information and assistance. The Mutual Legal Assistance Treaty (MLAT) system was criticized as involving too much “red tape.” Whatever the merits of these complaints, they obviously have implications for U.S. efforts to secure information and assistance for its own investigations.

## V. Research on Organized Crime in Asia

As part of our objective to identify potential research partners, we talked to a number of organized crime researchers in Asia about their willingness to collaborate with U.S.-based researchers. Not surprisingly, they all welcomed the opportunity to do so. They also remind us, however, that there are very few resources in their countries to support research and, as a result, it is important for U.S.-based researchers to come up with the financial resources. The following is a list of researchers we met in Asia, their affiliations, and the areas of mutual interest.

### **China**

#### China Institute of Contemporary International Relations (CICIR)

This institute operates under the auspices of the executive branch of the Chinese central government and thus has the authority to participate in joint research projects with foreign scholars, and most importantly has the connections to collect crime data. We had a meeting with Professor Mingjie Yang, Director/Senior Researcher of the Center for Crisis Management Studies; Director Wei Li, Senior Associate for Research; Gang Shi, Senior Associate for Research; Ying Gao of the Center for Counter-Terrorism Studies; and Program Coordinator Bo Liu of the Division for International Exchanges. They are interested in conducting studies on the political-criminal nexus in China, and on drug trafficking, human trafficking, and human smuggling.

CICIR proposed jointly (with the U.S.) funded projects that might focus on “academic” research apart from government purposes. By this, we took it to mean not simply studies of topics only of interest to the government. They would be interested in an exchange of delegations, in bi-lateral or multi-lateral conferences, and in some kind of



visiting fellows program. They indicated specific interest in comparative research on youth gangs.

#### People's Public Security University of China

This university is the training ground for high-level law enforcement officers in China and belongs to the Ministry of Public Security (MPS), the all-encompassing law enforcement organization in China. Because crime data are often treated as a state secret in China and interviewing law enforcement authorities is almost impossible for researchers not affiliated with the MPS, it is important that any research on crime in China should involve researchers from this university. We met Professor Dawei Wang and Professor Hongjie Tian of the university while we were in Beijing and both of them are interested in any topic that is related to organized crime. They are very much interested in collaborative research with foreign scholars.

### **Taiwan**

#### National Central Police University

Like the People's Public Security University in China, the National Central Police University is the key academic institution in Taiwan for training high-ranking police officers. As in China, the collection of crime data is also a challenge in Taiwan and outsiders (meaning professors from purely academic institutions) often do not have access to official statistics or reports. For this reason, we think that it is important to have researchers from the National Central Police University involved in any research projects on organized crime in Taiwan because almost all high-ranking police officers in Taiwan are alumni of this university. We met Professor and Chair Ping-wu Chang, Professor

Sandy Yeh, Professor Wen-yung Chou, and Professor Bill Hsu of the School of Crime Prevention and Correction, a major research institute within the university that offers a Ph.D. program in criminal justice. These individuals are interested in issues such as the trafficking of Chinese women into Taiwan for the purpose of prostitution, cross-border drug trafficking between Myanmar and China and its impact on the heroin market in Taiwan, the repatriation of undocumented Chinese from Taiwan to China, and improving cross-strait cooperation between the Chinese and the Taiwanese police forces.

#### Department of Prosecutorial Affairs of the Ministry of Justice (MOJ)

The Department of Prosecutorial Affairs of the Ministry of Justice (MOJ) should be considered as a potential research partner not only because Director Pi-yu Tsai, Public Prosecutor Chi-jen Ching, Prosecutor Tay-jeng Li, and Liaison Officer Dan Chan of the department are eager to participate in joint research projects with U.S.-based researchers, but because they also have access to most official data on organized crime in Taiwan. The MOJ is mainly interested in such issues as drug trafficking, money laundering, the penetration of organized crime into politics, and ways to improve international law enforcement cooperation.

#### National Taipei University, Graduate School of Criminology

In addition to the above two institutions, professors at the Graduate School of Criminology, National Taipei University, are also eager to work with U.S.-based scholars. Professor Chuen-jim Sheu, a criminal justice Ph.D. from the State University at

Albany, New York, is program chair and an expert on organized crime in Taiwan, and he has said that he will be interested in working with American scholars in any project that is related to organized crime or transnational crime. Professor Sheu was our correspondent for organized crime groups and criminal markets in Taiwan.

## **Hong Kong**

### University of Hong Kong (UHK)

The Center for Criminology at the University of Hong Kong is ideally located to conduct research on transnational organized crime activities in Asia. Unfortunately, the center (as a matter of fact, the whole of Hong Kong) has only one criminologist who specializes in organized crime, and that is Professor Yiu Kong Chu (our correspondent in Hong Kong). He is interested in conducting joint research projects on triad societies, human smuggling, human trafficking, and drug trafficking. Another professor at the UHK's Sociology Department is Karen Joe, a U.S.-trained criminologist who has written extensively on street gangs and female involvement in crime. The Centre for Criminology at the University might provide an ideal vehicle for collaborative projects. We met with the then Director of the Centre (David Hodson, who has unfortunately since retired), but who nevertheless was quite optimistic about the possibilities.

## **Japan**

### National Research Institute of Police Science

According to our subjects in Japan, there are relatively few criminologists there and none of them specialize in research on organized crime. The largest crime research institution in Japan is the National Research Institute of Police Science, and within it the

Department of Criminology and Behavioral Sciences. The director of the department, Dr. Yutaka Harada, is a U.S.-trained criminologist but he said that no one in his department studies organized crime. Nevertheless, he did say his institution was interested in conducting research with American scholars on the issues of organized crime. He also stated that his is the ideal organization to work with if someone wants to collect crime data in Japan.

## **The Philippines**

### Philippine Center on Transnational Crime (PCTC)

The center is part of the Philippine National Police (PNP) and researchers at the center are all considered to be law enforcement officials. We talked to Reynold Osia, Police Superintendent and Director; Ireo Bacolod, Police Senior Superintendent and Director; Nolan Antonio, Police Superintendent and Chief of Budget and Finance; and Ernesto Belen, Police Chief Superintendent and Deputy Executive Director of Operations. It is apparent that they are all well-connected to the Philippine criminal justice system. They are interested in collaborating with American researchers in the study of drug trafficking, money laundering, arms smuggling, trafficking in persons, intellectual property rights violations, piracy and armed robbery against ships, cyber-crime, and terrorism.

### Philippine Public Safety College

This college is responsible for the education and training of police officers in the Philippines. We met the president of the college, Rosita Evangelista, and several faculty members and a score of high-level police officers who are receiving continuing education

at the college. The president is very excited about the possibility of working with American researchers and she said her colleagues would be interested in collaborating on any research topics proposed by U.S. scholars. Of all the countries we have visited, U.S. researchers would have the fewest communication problems in the Philippines because most Filipinos speak fluent English.

Long standing American ties to the Philippines, and humanitarian concerns related to the large outward migration of Filipino workers are compelling reasons for U.S. attention.

## **Thailand**

### Thammasat University

This university is considered to be one of the preeminent research institutions in Thailand. Moreover, some of the faculty members of the law school are active in criminological research as well. Professor Prathan Watanavanich and Professor Twekiat Menakanist are well known for their expertise on trafficking in women.

### Chulanlongkorn University

Pasuk Phongpaichit, a UK-trained economist at the university, has written extensively on corruption, the illegal economy, and public policy in Thailand. She is well respected and well connected and she should be a very good partner for joint research projects on transnational organized crime in Thailand.

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We do not include either Macau or Cambodia for potential research collaborations for several reasons. First, it would be relatively difficult to find research partners in these places and second, Macau and Cambodia could better be studied in concert with researchers from Hong Kong and Thailand. We also do not recommend any NGO organizations in these particular countries because, even though some of the NGOs we talked to are involved in research activities, we do not think they would be ideal research partners. In our view, they are (1) ill-equipped to conduct research; (2) do not have sufficiently well-qualified researchers; and (3) are less likely to be objective because of their stated missions which are advocacy in nature.

From the interviews with researchers and government officials in Asia, we discovered that there is little effort by government agencies in Asia to systematically collect information on organized crime. This means there will not be much that can be readily tapped. We also believe that it is going to be a challenge whenever an American researcher tries to approach government agencies in Asia for access to organized crime data. This, of course, is not unlike the situation in the United States. It is, however, why we emphasized above that American researchers should collaborate with those research partners who can help them gain access to government data. The alternative is for American researchers to plan to collect first hand information from the offenders or the victims instead of relying on secondary, official data.

## **VI. Structure or Platform to Promote International Research**

We recommend three possibilities for pursuing a research agenda on Asian organized crime. There are also other bi-lateral, and/or one-to-one collaborations that can be explored as well. Which of the three main possibilities we describe is adopted will be

guided in part by whether the decision is made to pursue a bi-lateral arrangement or a multi-lateral one. An argument in favor of the latter approach is the fact, as we have emphasized, that organized crime in this area has strong regional connotations. The decision on how best to proceed will also be shaped by the degree of participation by U.S. government agencies that is desired.

The most important country to work with, and the best possibility for a bi-lateral arrangement to do so is, we believe, with the China Institute of Contemporary International Relations (CICIR). CICIR appears to have knowledgeable and sophisticated researchers; it has the capability of partnering or working collaboratively with foreign researchers (there are English speakers in the Institute); and, it is well connected to the government. The latter means it has access to data and information that would be critical to research. CICIR is also well regarded for this purpose by U.S. law enforcement representatives in the U.S. embassy in Beijing.

CICIR is interested in joint research funding possibilities, and in developing information for dissemination to the international community. As previously indicated, they are interested in exchanging visiting fellows, and would be interested in considering a formal memorandum of understanding (MOU) with the National Institute of Justice. Besides an interest in the comparative study of youth gangs mentioned earlier, they are interested in examining the differing definitions of organized crime, as they see it, between China and the United States. They are concerned with the huge internal migration from the countryside to the cities in China, and the potential this has for organized crime. They are also, unlike most others with whom we spoke, concerned about links between organized crime and international terrorism.

A specific way to proceed with this particular bi-lateral approach would be to propose a jointly sponsored conference in Beijing on transnational organized crime. This conference might invite specifically, Chinese officials (who CICIR believes are insufficiently aware and concerned about the threats of organized crime), Chinese law enforcement authorities and scholars, U.S. researchers, U.S. law enforcement representatives in China, and members of the diplomatic community. An alternative to moving directly to such a high profile conference could be to first have one or more workshops in which American and Chinese researchers plan and then conduct studies to examine the problems and prepare analyses to be presented at the conference.

A second suggestion, this for a multi-lateral approach, is to pursue a collaboration with the Centre for Criminology at the University of Hong Kong. This would be multi-lateral in that it would involve at least China, Hong Kong, Taiwan, and the United States (other Asian countries could be involved as well). As with the CICIR recommendation, this arrangement could begin either with a major conference, or better yet, with one or more workshops to begin a research collaboration. The advantage of the multi-lateral approach is that it recognizes that organized crime in Asia is very much a regional problem. China and Taiwan are major players with respect to that problem, and Hong Kong provides a “neutral” site for organizing some kind of joint research involving each of them. The enthusiastic support and interest of U.S. law enforcement representatives in Hong Kong would also be a great asset. That said, a major disadvantage is that the Criminology Centre, and the Criminology Program at the University, are vastly under-resourced and under-manned for these purposes. This might require participation by



multiple partners – which is certainly possible and who might be sought from the institutions we have identified.

The third possible platform, again beginning with the workshop and then conference idea, is the International Law Enforcement Training Academy in Bangkok. The ILEA has the advantages of being a known regional entity, of being located in a city that itself has significant transnational crime problems, and of providing links to the U.S. law enforcement community (both in Asia and in Washington). The disadvantages might be that it is not geared for this kind of project, would be seen as too U.S.-centric, and might be seen as too oriented to law enforcement as opposed to scholarly research. We regard this as the least preferable of the three possibilities we have outlined.

## **VII. Conclusion**

The National Institute of Justice has recognized that crime and criminals more and more have a global face. This recognition means expanding NIJ's international research agenda to both better appreciate and to understand potential threats from transnational crime. We believe that our preliminary assessment of Asian organized crime, our pinpointing of potential research issues of mutual interest, and our identification of potential research partners in Asia lay a solid foundation for that expanded research agenda. We recommend prompt action on our findings and recommendations.

### **Endnotes**

<sup>1</sup> Both the survey and the market analysis were developed by the Center for International Crime Prevention, United Nations Office of Crime Prevention, to assess transnational organized crime worldwide. The instruments were translated into Chinese for the convenience of our Chinese subjects.



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Table 1: Leading Organized Crime Problems in Asia

	China	Taiw.	HK	Macau	Japan	Philip.	Thai.	Camb.
<u>Drug Trafficking</u>								
Heroin	H	M	H	L	L	L	L	M
Amphetamine	M	M	L	L	H	H	L	L
Methamphetamine	L	L	L	L	L	L	H	M
<u>Drug Manufacturing</u>								
Heroin	L	L	L	L	L	L	L	L
Amphetamine	H	L	L	L	L	H	L	L
Methamphetamine	L	L	L	L	L	L	M	M
<u>Trafficking in women/ children for the sex industry</u>								
	L	H	M	L	L	L	L	L
<u>Trafficking in human beings for the purpose of labor</u>								
	L	L	L	L	L	L	L	L
<u>Human smuggling</u>								
	L	M	M	L	H	L	M	L
<u>Kidnapping for ransom</u>								
	M	H	M	M	L	H	L	L
<u>Gambling</u>								
	H	M	M	H	H	H	H	M
<u>Prostitution</u>								
	H	H	H	L	M	M	M	L
<u>Political-criminal nexus (bribery, corruption, and mafia politics)</u>								
	H	H	L	L	H	H	H	L
<u>Penetration into legitimate businesses</u>								
	H	H	H	H	H	H	H	M

H = High Priority, M = Medium Priority, L = Low Priority

Table 2: Organized Crime Groups in Asia

**China**

1. Crime groups (no structure)
2. Criminal organizations (some extent of structure)
3. Criminal syndicates bearing triad (mafia) characteristics
4. Triad (mafia) organizations (not yet exist, according to Chinese authorities)
5. Foreign-based triad (mafia) organizations

**Taiwan**

1. Organized gangs
2. *Jiaotou* (large, well-organized, territorial crime groups)
3. *Juho* (small, loosely-knit, territorial crime groups)

**Hong Kong**

1. Triad societies
2. Organized crime groups formed by PRC Chinese

**Macau**

1. Triad societies transplanted from Hong Kong
2. Organized crime groups formed by PRC Chinese

**Japan**

1. Yakuza
2. Organized crime groups formed by PRC Chinese
3. Organized crime groups formed by Koreans

**The Philippines**

1. Filipino crime syndicates
2. Chinese drug trafficking groups

**Thailand**

1. *Jao Pho* or Dark Influence Groups (mostly Thai-Chinese)
2. The United Wa State Army
3. Various organized crime groups formed by foreigners

**Cambodia**

1. Chinese organized crime groups



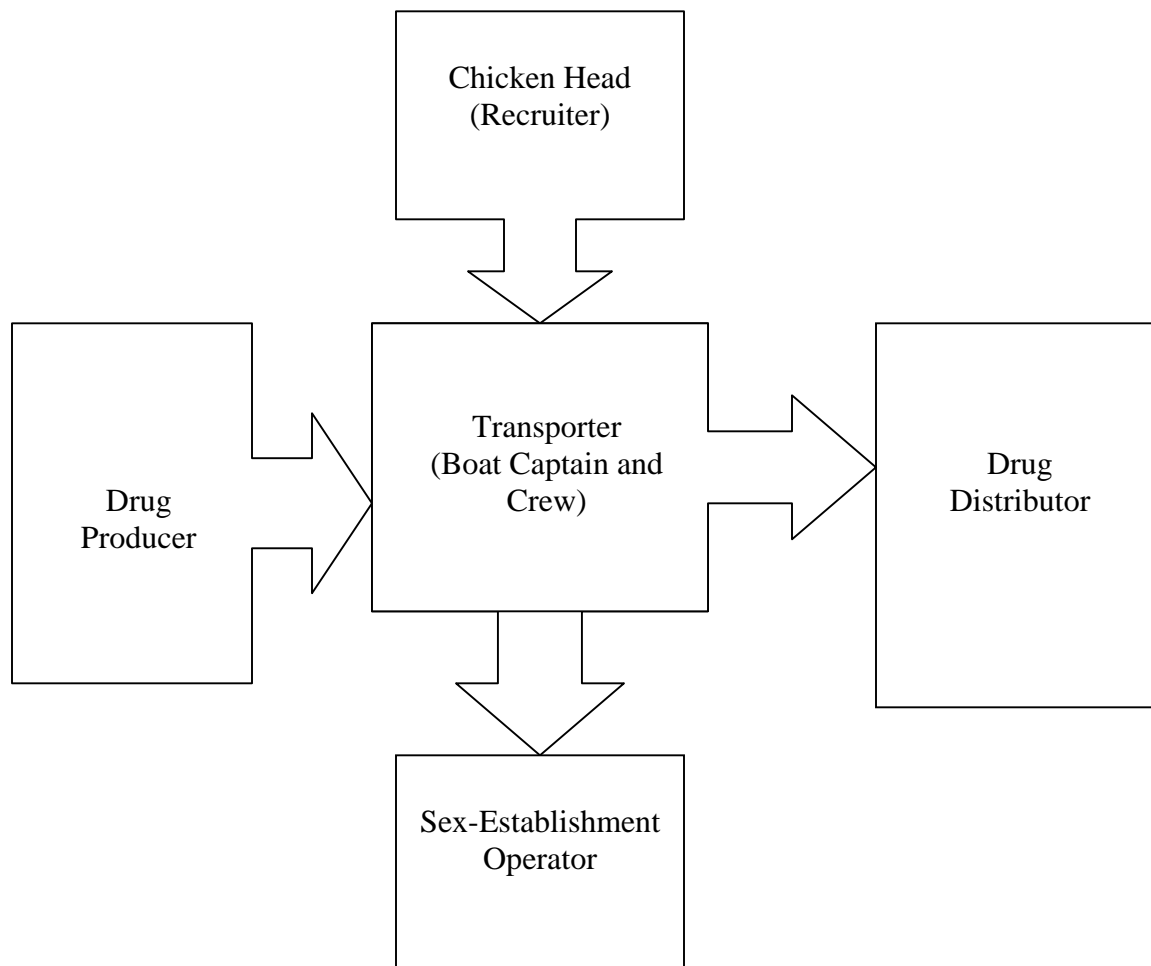
Table 3: The Scope of Organized Crime Problems in Asia

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	<u>Local</u>	<u>National</u>	<u>Bi-lateral</u>	<u>Multi-national</u>
<u>Drug Trafficking</u>				
Heroin			X	X
Amphetamine			X	X
Methamphetamine			X	X
<u>Drug Manufacturing</u>				
Heroin			X	X
Amphetamine			X	X
Methamphetamine			X	X
<u>Trafficking in women/children for the sex industry</u>				
			X	X
<u>Trafficking in human beings for the purpose of labor</u>				
			X	X
<u>Human smuggling</u>				
			X	X
<u>Kidnapping for ransom</u>				
		X	X	
<u>Gambling</u>				
	X			
<u>Prostitution</u>				
	X	X	X	X
<u>Political-criminal nexus (bribery, corruption, and mafia politics)</u>				
	X	X		
<u>Penetration into legitimate businesses</u>				
	X	X		

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Figure 1: The Intersection between Drug and Human Trafficking across Taiwan Strait



## **Appendix A**

### **Subjects Interviewed**

**Taipei, Taiwan**  
(7/29/03 - 8/6/03)

China Times Weekly  
Deputy Director  
Yi-hung Liu

Ministry of Justice Investigation Bureau (MJIB)  
Rung-chun Wu  
Wang Hsu-hsun  
Kao Tai-sung

Chang Ping-wu  
Chair of the Crime Prevention Department  
Central Police University  
Chou Wen-yung, a professor at the above department

Graduate School of Criminology  
National Taipei University  
Professor Chuen-jim Sheu

**Taipei, Taiwan**  
(12/29/03 – 1/3/04)

Graduate School of Criminology  
National Taipei University  
Professor Chuen-jim Sheu

Division of Security Investigation  
National Police Administration  
Ministry of Interior  
Deputy Director Jiao-nan Yang

Bureau of Immigration  
Ministry of Interior  
Deputy Commissioner Yeou-yang Chou  
No. 4 Division Director Tseng-liang Chang  
No. 1 Division Director Sen-kuei Ho  
Staff Officer Chi-yuan Chen

Criminal Investigation Bureau

National Police Administration  
 Ministry of Interior  
 Commissioner Yu-ih Hou  
 Deputy Commissioner Wen-chung Wang  
 Hoodlums Section Chief Jer-wen Chen  
 International Section Chief Wen-jen Chang  
 Criminal Investigation Section Chief Yuan-ming Liang

School of Crime Prevention and Correction  
National Central Police University  
 Professor and Chair Ping-wu Chang  
 Professor Wen-yung Chou  
 Professor Bill Hsu, Administrative Police Department

Investigation Bureau  
 Ministry of Justice  
 Drug Enforcement Center, Director Kuang-chuan Yang  
 Drug Enforcement Center, Deputy Director Wang Hua-fu  
 Drug Enforcement Center, Section Chief James Cheng  
 Drug Enforcement Center, Section Chief Han-jou Wang  
 Drug Enforcement Center, Steven Lee  
 Money Laundering Prevention Center, Section Director Joey Wang  
 Economic Crime Prevention Center, Director Ter-len Shu  
 Foreign Affairs, Director James Chuang  
 Foreign Affairs, Tim Wu

Department of Prosecutorial Affairs  
 Ministry of Justice  
 Director Pi-yu Tsai  
 Public Prosecutor Chi-jen Ching  
 Prosecutor Tay-jeng Li  
 Liaison Officer Dan Chan

### **Beijing, China (1/3/04 – 1/10/04)**

U.S. Embassy  
 Department of Homeland Security, Assistant Customs Attaché Thomas Hipelius  
 Drug Enforcement Administration, Country Attaché James Tse  
 Second Secretary Arthur Marquardt  
 Resident Legal Advisor Ira Belkin  
 Federal Bureau of Investigation Assistant Legal Attaché Steven Hendershot

Ministry of Public Security  
 Criminal Investigation Division  
 Division Chief Xiaokun Chen

Liaison Officer Lujun Liu

China Institute of Contemporary International Relations (CICIR)

Center for Crisis Management Studies, Director/Senior Research Professor Mingjie Yang

Center for Counter-Terrorism Studies, Director Wei Li

Center for Counter-Terrorism Studies, Senior Associate for Research Gang Shi

Center for Counter-Terrorism Studies, Senior Associate for Research Ying Gao

Division for International Exchanges, Program Coordinator Bo Liu

All-China Women's Federation

International Liaison Department

Deputy Division Director Dongli Bi

People's Public Security University of China

Professor Dawei Wang

Professor Hongjie Tian

**Fuzhou, China (1/10/04 – 1/14/04)**

Fujian Public Security College

President/Professor Lishun Lan

Professor Yung Wang

Professor Changrong Zhang

Professor Wenan Cao

Professor Wen-an Chao

Professor Xiao-yu Ni

**Hong Kong**

**(8/6/03 – 8/8/03)**

Yiu-kong Chu

Department of Criminology

University of Hong Kong

**Hong Kong**

**(1/14/04 – 1/18/04)**

U.S. Consulate General

FBI Legal Attaché Kingman Wong

DEA Attaché Thomas Ma

Homeland Security Immigration Attaché Mark Steele

Homeland Security Immigration Officer John Ma

Economic/Political Section Consul Harry Sullivan

Secret Service Attaché Kit Menches

Secret Service Specialist Larry Ho

Narcotics Bureau

Hong Kong Police Force

Head Kenny Lau-cheun Ip

Detective Senior Inspector Paul Lewis

Organized Crime and Triad Bureau

Hong Kong Police Force

Superintendent Ping-kuen Ng

Detective Chief Inspector of Police Anthony Ching-fo Tsang

Independent Commission Against Corruption

Principal Investigator Ricky Shu-chun Yau

Department of Justice Public Prosecutions

Senior Assistant Director Alain Sham

Centre for Criminology

University of Hong Kong

Director David Hodson

**Macau (1/18/04 – 1/20/04)**

Judiciary Police

Director Sio-chak Wong

**Tokyo, Japan (6/1/ - 6/6/04)**

Yutaka Harada

Director

Department of Criminology and Behavioral Sciences

National Research Institute of Police Science

Mr. Ikegami

Chief

Anti-organized Crime Division

Ueno Police Department

Tokyo Metropolitan Police

A Japanese police officer who is a specialist on the yakuza

Ueno Police Department

Hideki Soneoka

Police Sergeant  
Organized Crime Control Administration Division (OCCAD)

Ann Kambara  
Counselor for Labor Affairs  
U.S. Embassy, Tokyo

Lawrence Futa  
FBI Legal Attaché  
U.S. Embassy, Tokyo

Wang Lei  
A Chinese from Beijing and the owner of a hostess bar  
in the Kabukicho area of Shinjuku

Mitsuko Horiuchi  
Director  
ILO (International Labor Organization) Office in Japan

Luis Hernandez  
First Secretary  
Embassy of Colombia, Tokyo

Jake Adelstein  
Reporter  
Yomuri Shinbun

Mizuho Matsuda  
Director  
Asian Women's Fund

Keiko Otsu  
Director  
HELP Women's Shelter

Jun Shimato  
Attorney  
Criminal Affairs Bureau  
Ministry of Justice

**Manila, the Philippines (6/13/04 – 6/20/-04)**

Steve Cutler  
Legal Attaché  
Federal Bureau of Investigation

U.S. Embassy, Manila

Richard Nelson  
Deputy Political Counselor  
U.S. Embassy, Manila

Kevin Peters  
Deputy Attaché – DHS-ICE (Department of Homeland Security, Immigration and  
Customs Enforcement)  
U.S. Embassy, Manila

Julian Briola  
Acting Immigration Attaché  
Department of Homeland Security  
U.S. Embassy, Manila

David Meisner  
Customs Attaché  
Department of Homeland Security  
U.S. Embassy, Manila

Doug Creer  
Customs Representative  
Department of Homeland Security  
U.S. Embassy, Manila

Timothy Teal  
Country Attaché  
DEA  
U.S. Embassy, Manila

A Filipina “entertainer”  
A nightclub in Manila

Ager Ontog Jr.  
Police Senior Superintendent  
Director, Intelligence & Investigation Service  
Philippine Drug Enforcement Agency (PDEA)

Lina Sarmiento  
Director, Plans and Operation Service  
Philippine Drug Enforcement Agency (PDEA)

Ricardo Diaz  
Chief



INTERPOL  
National Bureau of Investigation (NBI)

Sernesto Macabare  
Head Agent  
Anti-Organized Crime Division  
National Bureau of Investigation (NBI)

Jun De Castro  
Supervising Agent  
National Bureau of Investigation (NBI)

Mario Garcia  
Special Investigator III  
National Bureau of Investigation (NBI)

Edmundo Arugay  
Regional Director, NCR  
National Bureau of Investigation (NBI)

Rogelio Mamauag  
Chief, IPRD  
National Bureau of Investigation (NBI)

Benny Wong  
INTERPOL  
National Bureau of Investigation (NBI)

A Chinese sex worker from the PRC  
Chinatown, Manila

Kimberly Harrington  
Political Officer, TIP report writer  
U.S. Embassy, Manila

Three officers from the  
Philippine Immigration Bureau

Arturo Lomibao  
Police Chief Superintendent  
Director  
Criminal Investigation and Detection Group  
Philippine National Police (PNP)

Rosita Evangelista  
President

Philippine Public Safety College

Cecile Oebanda  
 President  
Visayan Forum Foundation, Santa Ana, Manila

Reynold Osia  
 Police Superintendent  
 Director  
Philippine Center on Transnational Crime (PCTC)

Ireno Bacolod  
 Police Senior Superintendent  
 Director  
Philippine Center on Transnational Crime (PCTC)

Job Nolan Antonio  
 Police Superintendent  
 Chief, Budget and Finance  
Philippine Center on Transnational Crime (PCTC)

Ernesto Belen  
 Police Chief Superintendent  
 Deputy Executive Director of Operations  
Philippine Center on Transnational Crime (PCTC)

Maribel Buenaobra  
 Managing Program Officer  
The Asia Foundation

Anna Foz, Trafficking Officer  
 Cedric Bagtas, Commissioner  
 National Wages and Productivity Commission  
Department of Labor and Employment

Jean Enriquez  
 Deputy Director  
Coalition against Trafficking in Women-Asia Pacific (CATWAP)

Charrie Calalang  
 Legal Services Officer  
Coalition against Trafficking in Women-Asia Pacific (CATWAP)

**Bangkok, Thailand (6/20/04 – 6/27/04)**

Brian Vaillancourt  
Assistant Attaché  
Department of Homeland Security (DHS)  
Investigations & Criminal Enforcement (ICE)  
U.S. Embassy, Bangkok

Timothy Scherer  
First Secretary  
Labor Affairs and Anti Trafficking in Persons  
U.S. Embassy, Bangkok

Robert Cahill  
FBI Legal Attache  
U.S. Embassy, Bangkok

Pol. Maj. Gen. Pornpat Suyanan  
Deputy Commissioner  
Immigration Bureau, Thailand

Pol. Col. Monthon Ngerwattana  
Deputy Commander, Immigration Div. 1  
Immigration Bureau, Thailand

Pol. Col. Chote Kuldiloke  
Superintendent Investigation & Interrogation Group  
Immigration Bureau, Thailand

Pol. Maj. Phuvaphat Suwannarong  
Inspector Chiang Mai  
Immigration Check Point  
Immigration Bureau, Thailand

Pol. Col. Naras Savestanam  
Director, Office of Foreign Affairs  
& Transnational Crime  
Department of Special Investigation  
Ministry of Justice

Pol. Lt. Col. Paisith Sungkahapong  
Special Investigator  
Department of Special Investigation  
Ministry of Justice

Kirk Meyer  
Group Supervisor  
DEA

U.S. Embassy, Bangkok

Wanchai Roujanavong  
Fight against Child Exploitation (FACE)

**Phnom Penh, Cambodia (6/27/04 – 7/2/04)**

Christopher Pryer  
Department of State  
Diplomatic Security Service  
U.S. Embassy, Phnom Penh

Bri. Gen. Moek Dara  
Director  
Anti Drug Department  
Commissariat General of National Police  
Ministry of Interior

A Vietnamese sex worker  
Svay Pak (a village where there are many Vietnamese brothels), Phnom Penh

Gino Chiang  
Owner of the Tai Ming Plaza Hotel and  
The Ritz Night Club within the hotel

Ron Dunne  
Director of Investigations  
International Justice Mission (IJM)  
Phnom Penh

Michael Keller  
Economic and Commercial Officer  
U.S. Embassy, Phnom Penh

Suos Vansak  
Special Investigator  
Department of State  
U.S. Embassy, Phnom Penh

Legros Pierre  
AFESIP International  
Phnom Penh

Szu-yen Lo  
Manager

Ritz Night Club

Nop Sarin Sray Roth  
Monitoring Coordinator  
Cambodian Women Crisis Center (CWCC)

## Appendix B Interview Guide

1. How does your government define organized crime? How serious is the problem of organized crime in your country?
2. Is the fight against organized crime a high priority? What about relative to other priorities?
3. Is there concern about collusion/cooperation between organized crime groups and terrorists/guerilla groups? Major concern?
4. What are the main activities in which organized crime groups are involved?
5. Are any criminal groups involved in transnational organized crime?
6. What are the criminal activities in which transnational organized crime groups are involved? What are the main activities? What criminal markets are being exploited by transnational organized crime?
7. Have there been any arrests of members of organized crime groups in the past 3 years? Prosecutions? Convictions? Approximately how many? Have any of these involved in transnational organized crime?
8. Are there particular organized crime groups that are of concern to the government? Are any of these transnational groups?
9. **For both groups of major concern and transnational crime groups**, what is known about the organizational structure of these particular groups? How big are they? How and from where do they recruit members? What is known about their internal structure?
10. **For both**, how willing are these groups to use violence? What is the form of that violence? Against whom is violence used?
11. **For both**, what is known about the economic resources of these groups? Are they involved in both legal and illegal activities? What kinds of activities? Do they coordinate with other criminal groups overseas? If so, which ones?
12. Are there foreign-based organized crime groups active in your country? Are these groups of concern to the government? Why? Do these foreign-based organized crime groups coordinate with local organized crime groups?
13. Do criminal groups attempt to infiltrate and corrupt law enforcement and the political process?

14. How effective has law enforcement been in combating organized crime? How about transnational organized crime? Have any law enforcement techniques been particularly effective? Any particular laws?
15. Is the public aware and concerned about organized crime?
16. What is the role of the media and other non-governmental entities in raising public awareness of organized crime?
17. Is drug trafficking/smuggling a concern? Is this a transnational crime problem? If yes, what countries are involved?
18. Is human trafficking/smuggling a concern? Is this a transnational crime problem? If yes, what countries are involved?
19. Is money laundering a concern? Is this a transnational problem? What countries are involved?
20. Is there interest in working closely or more closely with the U.S. in combating transnational organized crime?
21. Any ideas about how your country and the U.S. might collaborate more effectively in combating these problems?
22. Would law enforcement agencies and researchers in your country be interested in working collaboratively with their American counterparts to learn more about transnational organized crime?
23. To this end, is there interest in and willingness to jointly share information with American counterparts?
24. What would be the best way to begin such a mutually beneficial collaboration?

## **Appendix C-1**

### **THE ILLICIT DRUG MARKET IN TAIWAN**

#### **Introduction**

Definition: “Drug crime organization” in this analysis refers to criminal organizations that are engaged in trafficking, transporting, producing and distributing large quantities of drugs in Taiwan. Individual drug dealers and drug users are excluded from this analysis.

#### **Main Sources for Drugs in Taiwan**

##### **Heroin**

Opium poppy is not cultivated in Taiwan. Heroin in Taiwan is mainly from the Golden Triangle, the border area between Thailand and Burma, and is trafficked into Taiwan from Thailand, mainland China and Hong Kong, or directly from mainland China. Over the past six years, it has been found that North Korea grows opium poppy and produces heroin with the support of the government. Through contacts with drug barons in other countries, North Korean officials sell drugs to East Asia, European countries, and North America. North Korean heroin has gradually become the main staple in Taiwan’s market.

##### **Amphetamine**

Taiwanese drug dealers have the ability to produce a large amount of good quality amphetamine with their superior techniques. Besides supplying Taiwan’s local market, they also export their drugs to Japan. Ephedrine, the precursor chemical for



amphetamine production, is almost always trafficked from mainland China. Six years ago, in reaction to Taiwanese law enforcement crackdowns, drug dealers moved their amphetamine laboratories to the southeast coastal provinces in mainland China, especially to Fujian Province. They produced amphetamines there, and then trafficked them back to Taiwan. However, in the past two years, mainland China has begun to crackdown on drug crimes as well. Taiwanese drug dealers were deterred by the severe punishments for drug crimes in mainland China. Therefore, they have gradually moved their amphetamine laboratories back to Taiwan.

### **Marijuana**

Marijuana is not produced in Taiwan. From cases solved in the past, all marijuana in Taiwan has been trafficked by mail parcels from America. But recently it has been found that drug dealers are growing marijuana in some remote districts in Taiwan on a large scale basis, or growing it within some buildings on a small scale basis.

### **Ecstasy**

In the early years, ecstasy, FM2 and other controlled drugs were trafficked into Taiwan from Holland, the United States, and Malaysia. Because these drugs are relatively easy to produce and raw materials are abundant, local gang members are working with college or graduate students to produce ecstasy. In one incident, equipment and raw material from a school lab were utilized to produce ecstasy.

### **Relationships between Gangs and Drug dealers in Taiwan**

In the traditional drug markets of heroin and amphetamine, it has not been found that Taiwan's local gangs are involved in them in a systematic way. Most gang members

are pure drug users, and only a few of them are involved in the drug business. In the new drug market of ecstasy and ketamine, city gangs such as the Bamboo United, the Four Seas, and the Pine Union are the main forces in the market. Recently, profits from this drug trade have become an important financial resource for some gangs.

### **Hong Kong Gangs in the Taiwan Drug Market**

Due to its free market and well-developed economic system, Hong Kong was a trading hub for South Asia during the time when there was tension across the Taiwan Strait. Just like ordinary businessmen, triad members were able to travel to China, Taiwan and other countries in Southeast Asia. Relying on their tight organization and sufficient money supply, they connected drug producing places and costumers and quickly established a huge international heroin trafficking and trade network. This network even reached Europe and America. Between 1960 and 1998, Taiwan's heroin sources were mostly controlled by gang members from Hong Kong. Triad societies such as the San Yee On, Wo on Lok and 14K all sent their members to Taiwan. These members were highly professional. They divided their jobs expertly. They were in charge of trafficking drugs into Taiwan, setting up storage houses and negotiating with local drug dealers. They were not permitted to contact each other. They followed the orders from their bosses in Hong Kong individually. These actions resemble international espionage. After 1998, Taiwanese businessmen who went to mainland China and Thailand to conduct business were able to contact foreign drug producers. These businessmen established a direct channel of heroin trading and trafficking from producers to Taiwan. Since then, the supply channel of Hong Kong gangs has been gradually replaced.

## **The Structure of Organizations**

### Internal division of labor and order (different roles, orders and aims)

The organizational structure of drug crime groups in Taiwan is formed naturally by the needs of drug producing, trafficking and trading. The division of labor is divided into six parts as follows:

1. Coordinator: He or she is the key man in every group who is in charge of contacting money suppliers (money men), collecting money, looking for drug resources, arranging drug supply channels and storage houses and negotiating drug sales. He is the general coordinator of the entire process.
2. Drug producer: He is in charge of producing, taking care of and safeguarding amphetamine and ecstasy factories, and harvesting marijuana.
3. Trafficker: He is knowingly and voluntarily involved in drug trafficking. He carries drugs either on himself, or takes vehicles or airplanes to specific places or to specific persons.
4. Receiver: He is in charge of receiving drugs from international or domestic express mail services, aviation cargos, hidden parts of containers or consigned baggage, or from third persons, who may or may not be aware they are trafficking drugs to specific destinations.
5. Warehouseman: He is in charge of storing and safeguarding the highly valuable drugs.
6. Dealer: Drug suppliers sell drugs to buyers. It is possible for these buyers and suppliers to contact each other directly, or to use drug brokers (middlemen). The money may be paid before, during or after a deal, and in cash or via an overseas remittance.

It should be noted that there is no one group in Taiwan can perform all six of these roles and complete the whole process on their own. One group may take one to three roles, for example, one group may take roles 1, 2 and 3, and then may cooperate with other group(s), who look for buyers, introduce drug brokers, sell drugs, and collect drug money. In other words, the drug crime groups in Taiwan have scattered roles.

### **The ability to recruit new members**

Drug groups in Taiwan are structured much like the local *jiaotou* groups; few of them are formal or enterprise-like in their structural patterns. The head or principal in a group leads “little brothers,” follows orders from a “big brother;” and is in charge of some trivial as well as dangerous jobs such as safeguarding, trafficking and selling drugs. “Big brother” must offer them housing, transportation, and good salaries, or share a bonus with them. Most members join a group for economic reasons. Also, some Taiwanese businessmen in mainland China or Thailand, because of business failures or financial difficulties, became vulnerable to the local drug criminal organizations. Consequently, they went back to Taiwan to traffick in or sell drugs.

### **Qualifications and Regulations**

Drug groups in Taiwan recruit members based on whether a person has the connections and the ability to contribute in the drug trade. Having a fishing boat or a crew license, owning a company with a legal permit for exporting and a customs declaration, maintaining good relations with local drug dealers, or engaging in the business of chemical materials or medical equipments -- all these characteristics may decide whether a person has the potential to join. There is no strict discipline or set of

rules. Among all the actions or interactions of members, the most important thing is to keep the drug trade moving smoothly. Making money is their priority. Meanwhile, as ordinary businessmen, they also emphasize prompt delivery, quality of drugs, and on-time payment.

### **The mechanism of market-division and dispute-solving**

In Taiwan, different drugs have different dealers, so there is a market division by type of drug. The heroin market is controlled by Hong Kong gang members in Taiwan, and by Taiwanese businessmen in mainland China and Southeast Asia. The amphetamine market is controlled by Taiwan *jiaotou* group leaders and those who are in possession of the techniques to produce amphetamine. The ecstasy market is controlled by young gang members who are of mainland China descent. Interactions among different kinds of drug groups are rare, but drug groups dealing in the same drug compete with each other. As in any other legitimate business transaction, a buyer may first inquire about prices from a few sellers, and then eventually buy the drug from a dealer who has relatively low prices and good quality. Disputes arise from late delivery, late payment, or so-called “black eating black” (one side delivered the drugs, but the other party did not want to pay the money; or one side paid the money, but the other party did not want to deliver the drugs). When such disputes occur, usually both sides are willing to negotiate. If they cannot resolve the dispute through negotiation, they may solve it by violence. There is no effective mechanism of dispute resolution, or an arbitrator in a group or between different groups.

## **Violence**

### **The inclination to use violence**

In a relatively large, professional drug trafficking or manufacturing group, most members do not use drugs. Their behavior patterns are similar to ordinary businessmen. They rarely use violence against other drug group members or law enforcement authorities. But in the case of solving trade disputes, gaining revenge for “black eating black,” or actually carrying out “black eating black”, they will use violence. As for local, middle-sized and small-sized drug dealers, they usually are drug users, who are more likely to use violence against their partners, competitors, or law enforcers.

### **Hiring roughnecks or killers**

Recently, drug criminal organizations in Taiwan often hire killers from mainland China to murder competitors for snatching drug money. These are all professional killers who are cheap, cruel and efficient. After they fulfill their contract, they abscond back to mainland China so that they can escape punishment from law enforcement authorities in Taiwan. “Little brothers” who are on the lower levels of a group will perform the role of “bouncers” during normal times.

### **Use of Weapons**

No matter what the size of their groups, drug dealers are commonly equipped with weapons. Moreover, because of abundant funds, they have the capacity to buy semi-automatic and submachine guns. They don't use revolvers or locally made handguns. The leaders of groups do not take care of or bring guns themselves. They appoint their trusted followers to store weapons together in certain places, and to distribute them to other

members when it is necessary. This way, these leaders will not be arrested for gun possession.

## **Money Resources**

### **Initial money resources**

The startup monies of drug criminal organizations in Taiwan come from investors with whom the gang members have personal connections. The planners and coordinators usually contact 3 to 6 investors (called money men), and the coordinator will buy or produce the drugs. The profits will be distributed among them in certain proportions, or by just distributing drugs to the money men who want to sell the drugs by themselves. Attracted by the lucrative returns from the drug trade, these money men are very willing to invest. Moreover, after making a large amount of money from the drug trade, drug dealers on the frontline may become money men in order to reduce the risk of being arrested.

### **Diversification of economic activities**

After they make big money, the money men and members of a drug group mainly spend their money on cars, gambling, food, and women. Some prudent persons among them may buy real estate, invest in the stock market or set up companies for disguising the drug trafficking and trading. Most of the above activities are carried out individually. It has not been found that drug crime groups systematically invest or engage in legal or illegal underground economic activities in Taiwan as a group.

### **The degrees of control of illegal markets**

In Taiwan, because of severe punishment for drug offenses and aggressive law enforcement measures against drug crimes, people who are involved in the informal economy are reluctant to be associated with drug dealers. However, the main costumers for ecstasy are youngsters gathering in underground dance halls, so the illegal dance hall owners usually cooperate with the dealers, even themselves selling ecstasy. Underground foreign currency exchange dealers on both sides of the Taiwan Strait are the very people the local money men or drug buyers rely on to send money over to mainland China. The money laundering business is the one industry that is closely affiliated with the drug business.

### **Degree of involmment in legal economic activities**

In Taiwan, leaders of the drug groups usually disguise themselves as legitimate businessmen. Some of them were recruited into the drug business after their legitimate businesses collapsed. Most of them often travel to China or Southeast Asia. Occasionally, local politicians such as town representatives or councilors are involved in the drug trade. It has not been found that drug crime groups in Taiwan invest or engage in legal economic activities in a systematic way.

### **Political Capital**

#### **Corruption and penetration into law enforcement**

Taiwan's law enforcement authorities are, as a whole, very tough on drug crimes. If a law enforcement member becomes involved in drug crimes, he will face severe punishment. Even though there is corruption in the law enforcement community, this not



related to drug crime groups. Occasionally, some judges let off drug dealers after receiving bribes, but this is not systematic or group corruption.

### **Controlling political parties through participating in local or national administrative mechanisms**

Some local politicians, like town representatives or county councilors, are drug users or are involved in the drug trade, but the number is small. Members of national level representative bodies are highly unlikely to be involved in drug offenses. In the view of Taiwanese society and the media, if a politician became involved in drug use or drug sales, it would be a big scandal. His or her political career would end. So no political parties or politicians want to be involved in drugs. They do not even dare to suggest that punishment for drug offenders should be more lenient. It has not been found that drug crime groups have participated in local or national representative bodies.

### **Electing group members to legislative bodies**

Drug trafficking groups are neither integrated nor business-like. Most of these groups are small, local groups with members who are mainly concerned with making money and avoiding being prosecuted. To date, there is no evidence to suggest that members of these drug groups are ambitious enough to penetrate into national politics.

### **The nexus with terrorist groups**

There are no terrorist groups in Taiwan.

## **Law Enforcement Reactions to Drug Crime**

### **The Reconstruction of Law Enforcement Organizations**

After the mid-1980s, Taiwan's economy developed rapidly, and people in Taiwan began to pursue excitement and comfort. As a result, drug use also began to spread. In 1993, police solved a heroin trafficking case involving the greatest quantity of drug in Taiwan's history. Meanwhile, youngsters could buy amphetamines at a very cheap price. The drug problem was getting out of control. At that time, Lian Chan, Director of Administrative Yuan, declared a "War on Drugs." The entire law enforcement community was mobilized to fight against drugs. By 1997, most amphetamine factories in Taiwan had been shut down by the authorities. The remaining drug group members moved their factories to mainland China. The quantity of seized heroin increased and the circulation of drugs decreased. The situation appeared to be under control. But in January of 1998, five privately owned mobile phone companies started to operate their businesses. At that time, law enforcement authorities did not have the equipment to monitor cell phone calls. Nearly all criminals in Taiwan changed to the use of mobile phones almost immediately. Law enforcement could not monitor and investigate their phone conversations, and the quantity of drugs seized for that year (1998) was reduced to a low level. The drug market in Taiwan thus entered a second 4-year golden period (1998-2001). In the meantime, violence and property crimes rose drastically. In March 2000, "Rules for Implementation of Telecommunication Safeguarding and Monitoring" entered into force, requiring that telecommunication practitioners must cooperate actively to establish a telecommunications monitoring system. It forced telecommunication practitioners to cooperate with law enforcement authorities to establish a phone

monitoring system, and this system began to work that year. The quantity of drugs being seized increased greatly in 2001 and 2002.

Since 2002, mainland China began to strike hard on drug crimes by sentencing a large number of drug producers and traffickers to death. As a result, Taiwanese drug groups moved their amphetamine factories back to Taiwan. Since then, about twenty amphetamine factories have been dismantled by law enforcement authorities. Meanwhile, ecstasy use has been spreading among youngsters. Taiwan's law enforcement authorities have heightened their attention to this problem.

### **Changes in law enforcement measures**

Taiwan's law enforcement officials usually investigate drug related-cases by means of relying on anonymous reports, using informants, monitoring phone calls, and collecting evidence through actions. As to undercover operations, which have always been employed by law enforcement authorities in the United States, because of the lack of any legal basis for waiving criminal responsibility with respect to any undercover operation, this method is rarely used in Taiwan. Even those informants who are involved in drug crimes in order to obtain information for law enforcement are not immune from prosecution. As a result, a "Witness Protection Law" was formulated in Taiwan in 2000. It clearly stipulated many provisions: "dirty witnesses," waiver of the criminal responsibility of a witness, protection of witnesses, and temporary living arrangements. This law is very helpful for investigating drug crime cases. Arrested drug dealers are especially willing to "flip" and become a dirty witness for the government in order to reduce their criminal responsibility. Many major drug cases were solved this way.

A draft of an “Undercover Agents Law” was sent to the legislature for its deliberation in July 2003. The Judicial Committee of the Legislature Yuan finished its initial review in October of 2003.

Recently, the Internet and other new types of telecommunication products such as PHS, 3G, MSN, Yahoo Messenger and Internet phones are spreading rapidly in Taiwan. Based on the depressing lessons from the past four years, an article was stipulated in advance in the “Law for Implementation of Safeguarding and Monitoring Telecommunication.” It says that those who plan to engage in the business of third generation mobile phones (3G), before applying for a permit to construct the phone system, must cooperate with law enforcement. This entails discussing the construction plan, and seeking the legal documents necessary for granting permission to construct a monitoring system and obtaining the necessary equipment. As a result, law enforcement agencies may be able to prepare for future criminal investigations. On the other hand, it is really difficult to monitor the Internet. Recently, it has been found that some drug dealers use Internet phones to contact each other. This will be a big challenge to law-enforcement authorities.

All heroin in Taiwan is from mainland China and Thailand. Amphetamine produced in Taiwan is exported to Japan. Criminal organizations in Taiwan also provide technological knowhow about the manufacture of amphetamines to America and the Philippines. After gaining access to heroin resources in Southeast Asia, Taiwanese drug organizations have partly replaced the Hong Kong gangs’ role in Taiwan. These groups traffick heroin to Australia, Japan and America. Their criminal activities have extended to the international community. Therefore, there is an urgent need for international law

enforcement cooperation. In recent years, Taiwan's law enforcement authorities have maintained frequent connections with their counterparts in surrounding countries and solved many cross-border drug cases.

### **Legal Changes in Drug Crime**

The major law against drug crimes in Taiwan is the "Regulations on the Prevention of Drug Harms" act. Its predecessor was the "Regulations of Drug Offenses during the Period of Mobilization" that was enacted on June 3, 1955. The latter was renamed "Regulations of Eliminating Drug Harms" on July 27, 1992, and renamed again to "Regulations on the Prevention of Drug Harms" on Oct 30, 1997. Its revised version has 36 articles. In April 1999, March 2000, June 2001 and January 2002, the Executive Yuan released several modifications to increase or decrease some parts of the classification of drugs and the quality of drugs. On July 9, 2003, Article 32-1 and 31-2 were added and named "Delivery of Drug under Control". On January 9, 2004, another modification was added and ecstasy and cocaine drugs were categorized as the fourth class drugs.

## **External Environment**

### **The degree of acceptance of drug crimes**

In today's Taiwan, people hold strongly negative attitudes toward drug dealers and users. The degree of acceptance is almost zero. Most Taiwanese citizens support the government's policy of harsh punishments and thorough investigations.

### **Current social movements for strengthening the recognition of drug crimes**

Anti-drug movements in Taiwan are organized by citizen groups mainly focused on “say no to drugs,” and providing drug treatment assistance. However, their methods make it hard to attract the attention of youths and drug users. Thus, their effects are very limited.

### **The media’s functions in shaping the public’s recognition of the harms of drug crime**

Taiwan’s media have not paid much attention to drug-related crimes. The common news reports on drug crimes are concentrated on disclosing information from law enforcement. After one or two days of a “hot” news wave, everything cools down. It is very rare to see any further and deeper reports tracking criminal activities in terms of drug trafficking and drug users.

## Appendix C-2

### The Trafficking of Mainland Chinese Women to Taiwan for the Purpose of Prostitution

#### I. Introduction

According to statistical data released on March 31, 2004 by the National Police Administration (NPA), 2,345 illegal immigrants from China were arrested in the year 2003. The number of arrested illegal immigrants has increased by 28% (512) over 2002. Among the arrestees, 1,001 people (43%) said they were not employed yet at the time of their arrests, 894 people (38%) admitted they were working as prostitutes, and 418 people (18%) said they were illegally employed. In 2003, it was the first time that illegal female immigrants (1,962) outnumbered illegal male immigrants, a result of a 41% (569) increase from the previous year. Among the female immigrants, 894 said they were sex workers, 840 indicated they were not yet employed. Among female immigrants, 1,233 (36%) were between the age of 16 and 20, which is the largest age group. There were 1,095 (32%) women between the age of 21 and 25, which is the second largest age group. There were 521 (15%) women between the age of 26 to 30, which is the third largest age group. In sum, most illegal immigrants from China were young females.

The majority of the illegal immigrants were arrested in three different areas: the coastal area, inland, and on the sea. Over the years, most illegal immigrants were arrested inland. In inland areas, 2,603 people were arrested in 2003, an increase of 44% (797) from 2002. Among them, police arrested 1,845 (71%) people, mostly in Taipei City, Taipei County, Taoyuan County and Taichung City. There were 754 (29%) illegal immigrants arrested by the Coast Guard Administration. Three hundred and fifty illegal

immigrants were arrested on the water in 2003, a decrease of 27% (127) from the previous year. All of those were apprehended by officers from the Coast Guard Administration. On March 31, 2004, there were 2,155 illegal immigrants being detained in various detention centers exclusively for Mainland Chinese. Among them 1,132 people were detained in the center in Yilan, 1,011 people in the center in Hsinchu, and 12 people in the center in Matsu.

## **II. Channels for Mainland Chinese Women to Travel to Taiwan**

### **A Brief Introduction**

There are three ways for Chinese women to come to Taiwan: “marriage,” “visit,” and smuggling. Because rules for visiting relatives are very strict, it is difficult for Chinese to obtain a visa to visit their relatives in Taiwan. Therefore, mainland Chinese sex workers in Taiwan rarely enter the country utilizing this method. The most common channels for those women who are willing to work in the sex industry in Taiwan is to arrive in Taiwan by using “fake marriage” and smuggling. Usually, people in a fake marriage enter Taiwan through international airports (so they are called “air force” in jargon). Smuggled people enter Taiwan usually by fishing boats (so they are called “navy” in jargon). Since it is hard to obtain travel documents to enter Taiwan by air, rarely do Chinese being smuggled into Taiwan come by air.

### **Going to Taiwan through Fake Marriage**

The reasons for Chinese women to come to Taiwan through fake marriage are (1) lack of job opportunities and (2) low income in China. Usually they are introduced by friends or recruited by human traffickers.



A man is chosen to be the fake husband. Usually, fake husbands are recruited by human trafficking groups in Taiwan. Some of them are wanderers, and most of them are people with lower class backgrounds with little financial resources and are tempted by the extra-income of being a fake husband. According to data from the Aviation Police Bureau of the National Police Administration, fewer and fewer Chinese women were coming to Taiwan this way in the past year due to police crackdowns.

At the beginning of the process, a human trafficking group will arrange a fake husband to travel to China. He will bring along his single certificate to China so that he can file a marriage registration with a woman in China (for trafficking purposes, being registered with the Chinese authorities is good enough. As a result, fake marriage is different from a genuine marriage in which conducting an elaborate wedding ceremony is a must. Thus, whether a couple conducted a wedding ceremony or not is a good way to differentiate the fake from the real marriage). After a marriage is registered, under current laws a newlywed bride is entitled to apply for a visa to visit her husband in Taiwan. According to the Statute Governing Relations Between People of the Taiwan Area and the Mainland Area, a spouse from China can stay in Taiwan for a month per visit, and if she passes an interview with Taiwanese authorities, she can extend her stay for five more months. If she applies to go to Taiwan again, she can get a visa for six months to stay in Taiwan. In other words, a sex worker who arrives in Taiwan through fake marriage can stay in Taiwan for a maximum of six months per visit (the old regulations, revised on January 2004, allowed a Chinese spouse to stay in Taiwan for three months and apply for an extension for another three months). Based on interview information from Chinese sex workers, normally a Chinese sex worker can earn a

relatively large amount of money during the six months stay in Taiwan. After her visa has expired, she returns to China, then divorces her fake husband immediately. It has also been found that, in some cases, before fake wives come to Taiwan, they had an agreement with their fake husbands that they will go to Taiwan twice for a total of twelve months stay. For a sex worker staying in Taiwan for twelve months, the only relationship between her and her fake husband is monetary: she has to pay her fake husband NT\$30,000 per month [about \$900] and the fake husband must accompany her when she goes for an interview with the authorities for extending her stay. Her living arrangement is set up by a human trafficking group. They will also assign a driver to drive her to work.

### **Going to Taiwan by Boat**

Clandestine immigration is called *jor tongji* or riding a bucket [bucket means boat in Taiwanese]. This method is simpler than fake marriage. First, human smuggling groups seek suitable women who are willing to work in Taiwan. Some women may initiate the contacts with human trafficking groups in the hope that they can go to Taiwan to make money. Then, these women will be smuggled by human traffickers to Taiwan. Most departing locations are in the coastal areas of Fujian Province. For the purpose of smuggling more people, they are compelled to throw away their luggage. They are carried by mainland Chinese fishing boats (called “mainland horses” in jargon) to the sea. In certain locations in the Taiwan Strait, they are transferred to Taiwanese fishing boats (called “Taiwanese horses” in jargon). Human smuggling groups will pay NT\$ 70,000-NT\$100,000 [\$2,100 to \$3,000] to the fishing boat owner for every smuggled woman (In January 2003, the price rose to NT\$150,000-NT\$200,000 [\$4,500 to \$6,000]).

While changing boats, because of bad weather and strong waves, women will be thrown between the boats like goods in order to speed up the transfer. During an interview, a woman said her ears and hearing were damaged because of this. As to the landing locations in Taiwan, these women have no knowledge. After landing in Taiwan, they are sent to hidden places, and then they are sold in auctions arranged by human trafficking groups. People from the sex industry are invited to the auctions. Agents within the commercial sex community are the bidders. The price to buy a woman from the auction usually is around NT\$120,000 – NT\$200,000 [\$3,600 to \$6,000]. Then the woman who has been sold will be transferred to a place near where she is going to work. Agents will take these women with them to visit sex brokers (pimps or, in Taiwanese, “cats.” Also called auntie, internal general, or chicken head). After a customer contacts a chicken head, the latter will get in touch with an agent to “deploy” a sex worker. The agent will send the girl to a designated place. At the beginning stage, when a sex worker from mainland China starts working, persons from human trafficking group supervise her work. After a while, she will be taken care by a designated “jockey” or driver.

### **III. Modus Operandi of Commercial Sex Organizations**

#### **A General Description**

Regardless of how Chinese women are smuggled to Taiwan, their methods of payment vary. Only a very small number of them either pay their smugglers the entire fee up front or pay a down payment before departure and pay off the balance in China after arriving in Taiwan. For the majority of the women, they do not pay any fees. Instead, various sex ring organizations will front the money. After the women arrive in Taiwan, they will go to work and repay their smuggling fees from their income.

## Operational Patterns

Taiwan as a whole is divided into Northern Area (Taipei area), Central Area (Taichung area), and Southern Area (Kaohsiung Area) and other smaller areas such as Taoyuan, Hsinchu, and Tainan. As far as the sex business is concerned, every area is unique.

In the Taipei Area, operational patterns involving mainland Chinese sex workers could be categorized into three: (1) “take out,” “fixed location” and “one apartment one phoenix.”

Take Out Under this pattern, a customer will check into a hotel, get in touch with a pimp, and a sex worker will be delivered to the customer’s room. The price for “taking out” is about 2.5K to 4K (“K” is a slang used by people in the commercial sex world to indicate the amount of money. 1K is NT\$1,000 [about \$30]. One “volume” means NT\$100,000 [\$3,000]). Sex ring operators often categorize sex workers into “high class” and “low class.” High-class sex workers are further categorized based on their sophistication, and each category signifies a different NT\$1,000 amount. Currently, the highest price for Mainland Chinese prostitutes in the Taipei area is 8K. All prostitutes in the Taipei area, regardless of their nationalities, are categorized into these various “classes.” Another method to find a mainland Chinese sex worker is to check into a hotel and ask an “internal general” (a hotel employee who is also often called “auntie”) to find a sex worker. This “internal general” is essentially a pimp, while being a full-time employee of a hotel. Under such circumstances, the on-going price is between 3K to 5K and more often than not, the sex worker is from China. However, not all hotels in the

Taipei area have this type of extra service. It depends on the state of mind of the owner of a hotel and the willingness of its employees to play the additional role as a pimp.

Fixed Location A fixed location is also called a “chicken den.” In the Taiwanese dialect, it is called a “private brothel.” Most sex workers in these chicken dens are from China. These chicken dens are very similar to the traditional Taiwanese brothels called “dried *tofu*,” so named because these brothels are haphazardly built by metal sheets and congregated in a certain area. From a bird’s eye view, these brothels are like dried *tofu* stacked against one another. Dried *tofu* brothels are mostly staffed by Taiwanese sex workers, the time for a sex transaction is limited (about 15 minutes per trick), and the environment is far from ideal (a small room partitioned with wood panels). Currently, these dried *tofu* brothels are mostly located in Keelung, San Chung City (Taipei County), Chungli (Taoyuan County), and Hsinchu. Chicken dens staffed predominantly with mainland Chinese cost about 2.5K—3K per visit. A chicken den owner will rent a house or an apartment in a residential area and make it look like an ordinary dwelling place. A chicken den owner will rent a house or an apartment with at least three rooms. For the safety of the sex workers and customers, the sexual services are provided in the rooms of the chicken den; no girls will be allowed to leave the premises with a customer. Those working in the chicken dens are mostly smuggled into Taiwan from China by boats, and they are often moved from one chicken den to another. In addition, to evade law enforcement authorities, a customer would have access to these places only through someone who had been there before.

One Studio One Phoenix The One Studio One Phoenix mode of operations is most prevalent in Taipei City and fixed locations are mostly located in Taipei County.

Most studios are located in an apartment complex. When a customer gets to the complex, the chicken head will tell the customer a room number to go to. After the customer rings the bell, a sex worker will open the door. If the customer does not like what he sees, he will get in touch with the chicken head downstairs and a new room number will be offered. These places often restrict the transaction to one hour, but some places do not set time limits, as long as a sex worker does not have another customer waiting. These One Studio One Phoenix operations involve both “Taiwanese Tea” (Taiwanese women) and “Water Tea” (Mainland Chinese women). Some studios are famous for the quality of their service, and some are appealing because they are staffed predominantly with Mainland Chinese women. Taiwanese sex workers in these studios include both full-time and part-time workers. Mainland Chinese working in these establishments may come to Taiwan on their own or by being smuggled into Taiwan by sex ring operators. A sex worker could be bought by a chicken head for an entire day and he will put her in a rented studio and go out to recruit customers. The quality and the age of the women in the studios can be widely varied. The fee for a visit to a studio is between 2.8K to 3.5K. As with the fixed locations, these studios can be found only with the help of an old customer. The One Studio One Phoenix mode of sex operation was originated in Hong Kong and it became popular in Taipei in the past ten years. In Taipei, the studios were initially the dwelling places of bar girls where they entertained their best customers or their lovers. Gradually, these places were transformed into One Studio One Phoenix operations. Consequently, most of these studios are now situated near the red light districts where a large number of studio apartments are located. Chicken heads can be seen at night wandering around these complexes in their attempts to recruit customers.

In the Taichung area, the most prevalent mode of operation is the “take out.” However, sex workers there are rarely delivered to hotels, but if so, it is mostly to five-star hotels. The “take out” operation in the Taichung area often work like this: A chicken head will rent a three-story residential property and then convert the first floor into a lobby. After a customer arrives, the chicken head will contact a sex ring operator and ask for mainland Chinese women. After a customer picks a girl he likes, the two will go upstairs. The price is about 2.5K for ordinary sex workers. For high class women, the price is 3K and above. However, there are not many high class sex workers in Taichung.

In Kaohsiung, the most prevalent mode of operation is similar to the “take out” operation in Taipei. Fixed location and One Studio One Phoenix modes of operation are almost nonexistent in the area. The price for “lower class” sex workers in Kaohsiung is 2K per date, and 2.5K for “higher class.” Some hotels in Kaohsiung will, to attract more business, provide a free room if a customer asks for sex service. According to fieldwork conducted in May 2004, there were about 500 Mainland Chinese working in the area at the end of 2003 and the sex business is dominated by four to six upper-level [large] organizations. However, due to recent police crackdowns, there are currently only 200 mainland Chinese sex workers. The uniqueness of the sex trade in Kaohsiung is that the operators there are relatively unified and better organized.

#### **IV. The Distribution of Income within a Sex Ring**

In the Taipei area, a sex worker from Mainland China charges about NT\$3,000 [\$90] per trick (due to recent police crackdowns, the price has recently increased to NT\$3,500 [\$105]). Of course, this number is just a rough estimate, because the price may vary

significantly based on a sex worker's attractiveness and service. For each date, a mainland Chinese sex worker will receive NT\$1,100 – 1,500 [from \$33 to \$45] and the rest will go to the sex ring operator. The mode is to pay a sex worker 40% of the income and the sex ring operator 60%. According to an interview conducted in Taipei with a sex ring operator around April 2004, if a chicken head (or pimp) charges a customer NT\$3,000, he or she will turn over NT\$2,200 ( $\text{NT\$}3,000 \times 0.8 - \text{NT\$}200$ ) to the “company” (the sex ring organization). The “company” will pay the “agent” (the agent of the sex worker or the “owner” who had bought the woman in an auction) NT\$1,800 ( $\text{NT\$}3,000 \times 0.6$ ). Of this, the agent will give the sex worker NT\$1,200. If a sex worker has already repaid her smuggling fees, she will be offered more money per trick as a bonus from the “owner.”

A sex worker will clear the book with her “owner” every 7 to 10 days. Her “owner” will then help her to wire the money to China via the underground banking system or gold stores. An “owner” may also wire the money from a bank in Hong Kong into the sex workers' bank account in China. A mainland Chinese woman is responsible for her daily expenses and rent. Besides, a sex worker has to pay her “jockey” or car driver NT\$3,000 [\$90] a day and her “fake husband” NT\$30,000 [\$900] a month, and to repay the “owner” for the amount of money he spent to buy her in an auction. In general, a mainland Chinese sex worker must perform about 200 tricks to clear her debt and begin to have her own “real income” because income from the first 200 dates would have to be used to cover her daily expenses, rent, driver, fake husband, and smuggling debt. If a sex worker performs 6 to 8 tricks on an average per day, it is estimated that she would have



had 200 tricks in a month. That's why if a sex worker is not arrested by the police within a month of her arrival, the agent who bought her is guaranteed a profit.

### **V. Jockey: A Unique Role in the Sex Business**

The "jockey" (driver) is the bridge between a sex worker and a sex ring. Normally, one jockey will be assigned to one girl. In the past, a jockey is most likely to drive a sex worker around in a yellow taxi, but because of recent crackdowns, more and more jockeys are switching to private, unmarked cars. A driver will drive a sex worker around to the customers because most mainland Chinese women are not familiar with their new environment. Whenever a customer contacts a sex ring (normally the chicken head), the chicken head will select a sex ring after he or she listened to the special needs of the customer. An operator of the sex ring will then instruct a jockey to drive a sex worker to the customer's place. While the sex worker is with the customer, the driver will park his car around the vicinity to keep an eye on the people going in and out of the hotel and to keep track of the time. Ten minutes before the time is up, he will call the sex worker to hurry up. Of course, if the driver observes some law enforcement personnel, he will also alert her and the customer. When the sex worker comes out of the hotel with the money collected from the customer, she will immediately hand it over to the driver to avoid being robbed by a subsequent customer. At the end of the day, the driver will turn over all the day's earnings to the sex ring. When the sex worker is not with a customer, the driver will keep an eye on her and wait for instructions from the sex ring. The driver is also responsible for making sure the sex worker is not deprived of food. While waiting for business, the driver and the sex worker may find a secure place to rest and wait or

drive around a certain area or go shopping. When a sex worker is off due to menstruation, the driver may take a short break. However, it is also reported that the driver may have to go shopping with the sex worker during this period. From the sex worker's perspective, a driver may also be a guardian. The driver is also responsible for another important function. That is, whenever an agent buys a new girl and the girl is packaged accordingly, the driver will drive the new girl to various chicken heads to be examined or "interviewed" in the hope that these chicken heads will be familiar with the newly arrived sex worker and bring business to her. In a sense, for most Mainland Chinese sex workers in Taiwan, the one person with whom she is most familiar is her jockey.

## VI. Going Home

The dream of mainland Chinese sex workers in Taiwan is to make a certain amount of money and then return home. Because they do not have legal status in Taiwan, they can not settle down in Taiwan, and the best they can do is to go home on a good note. However, due to police crackdowns, many of them are deported back to China.

If the Taiwanese police arrest a sex worker from China, the authorities will, according to the Kinmen Agreement between China and Taiwan, first check the arrestees' background to make sure she is a Chinese citizen and then inform the Chinese authorities. While waiting for the Chinese government to take her back, she will be kept in a "Mainland Chinese Processing Center," the so-called *Jinru* center. In Taiwan, there are currently two detention centers for illegal mainland Chinese, one in Hsinchu and one in Yilan. In the past, to solve the problem of overcrowding at the two detention centers,

local police bureaus and the Coast Guard Administration converted some of their cells into temporary holding pens for Chinese sex workers. However, because it is too problematic to detain illegal female migrants in these facilities and because it is a drain on the police, the majority of them are now kept in the *Jinru* centers. Those who come to Taiwan via fake marriages are by law required to buy a roundtrip air ticket and, as a result, they will be immediately asked to fly back to China after being briefly detained.

There is little information on the return trip of mainland Chinese women who are never arrested by Taiwanese authorities. In May 2004, however, authorities in northern Taiwan discovered nine mainland Chinese women who were about to board a boat. According to the authorities, the nine women were all dressed fashionably and they all seemed to have been in Taiwan for a period of time. Because the case is still under investigation, all the details are still not known. However, from interviews with sex ring operators, people who are in the smuggling business will once in a while contact sex establishment owners to find out whether there are Chinese sex workers who would like to return home. If there are such women, the smugglers will transport these women – usually about 10 in group – out of Taiwan right after they bring in a group of women from China into Taiwan. The patterns and the routes of the two processes are the same, it is just that one group comes in and one group goes out. Each returnee is reported to have to pay between NT\$80,000 to NT\$100,000 [\$2,400 to \$3,000] for the trip home.

## Appendix C-3

### Taiwan Gangs: The United Bamboo Gang

#### I. Organizational Structure

##### I.1 Internal hierarchy and/or division of labor

The Bamboo United has a headquarters and numerous local branches. According to a 1985 sentencing report, the headquarters is made up of an “Ultimate Gang Leader” (or “Headquarters’ Leader” or “Boss”), an “Ultimate Enforcer,” and an “Ultimate Superintendent.” Various police reports have also suggested that there is an “Ultimate Executive” in the headquarters. The Ultimate Gang Leader leads the gang, the Ultimate Enforcer enforces gang rules, the Ultimate Superintendent monitors gang members and their activities, and the Ultimate Executive operates gang businesses. In 1981, the gang established its first eight branches: *Chung* (loyalty), *Shao* (filial pity), *Len* (sympathy), *Eia* (love), *Shing* (trust), *Yi* (righteousness), *Hor* (harmony), and *Ping* (peace). By 1996, there were 21 branches and currently there are more than 60 branches. A branch or a *tong* has a Branch Leader, Deputy Branch Leader, and “brothers” (or members). Some branches (such as the Ho Tong) also have a Right-arm Enforcer, Left-arm Enforcer, Communication Officer, War Officer, and Internal Regulator. Recently, some branches have had their own sub-branches and some of the sub-branches are “guardian unit” or “combat unit” in nature. Even though there are many branches in the Bamboo United, most of these branches are located in urban centers, especially Taipei City and Taipei County. Branches are often involved in intra-gang conflicts; for example, Ho Tong and

Sky Dragon Tong have fought over debt-collection; and Air Tong and Heaven and Earth Tong got involved in a nasty war as a result of a minor argument.

### I.2. Ability of the group to recruit or diversify its human resources

On March 25, 1999, the police found out that the Ping Tong was involved in the recruitment of more than 40 junior high school students in Shing Tien [a suburban area of Taipei]; on April 18 of the same year, law enforcement authorities discovered that the Sky Eagle Tong was recruiting trade school students in Taipei City and County. This method of massive recruitment of students or drop-outs enables the gang to expand quickly in a short period of time; however, how long these students and drop-outs will belong to the gang is questionable. It is the regular members or those with a long criminal record who are the core of the gang, and it is they who have had the most impact on the gang's development. According to official records, between 2002 and 2004, the number of United Bamboo members who are on the official "watch list" increased by only a mere 100 members.

### I.3 Rules and conditions of group membership and internal codes of conduct

There are no specific requirements to become a member. For example, according to police records, Lin Jun-hung became a member of the gang after he met Chen Chi-li [the Ultimate Leader] and Wu Tun (the Ultimate Enforcer) in a prison. There was neither an initiating ceremony nor a formal registration. Over the past few years, the gang has been very active in recruiting students and according to the police, the gang did not have any requirements for the new recruits. A recent study conducted by the National Police University indicated that newly recruited Bamboo United members interviewed said they

became members after hanging out with other United Bamboo members for a certain period of time or being introduced into the gang by friends. They also said there was no screening, no special requirements, nor initiation ceremony.

The gang's regulations, written in 1957, require members to (1) pay most of their attention to the fight with the Four Seas gang, (2) not betray the gang, (3) be united, and (4) contribute NT\$5 [about 15 cents] a week to the gang coffers. Later, as the gang began to expand, different branches sometimes developed their own regulations. For example, the Central Tong's regulations are: (1) parents are number one; (2) "brothers" are number two, (3) do not resist your superiors, follow the orders, (4) do not use drugs, (5) do not steal or rob, (6) do not rape, and (7) do not use your gang name to solve personal problems.

#### I.4 Primary mechanisms for internal conflict resolution with regard to territorial and market division and other disputes

For the Bamboo United, market division is primarily based on (1) the kinds of businesses existing within a branch's territory and (2) the kinds of businesses branch leaders are familiar with. When there is conflict between two branches, the first priority is to sit down and talk it out, and if this does not work, to try to discuss it peacefully with the help of a senior leader of the gang. If the negotiations break down, then there will be serious violence between branches even though they all belong to the same gang.

## **II. Violence**

### II.1. Willingness to engage in ruthless violence

There is both inter-gang and intra-gang violence. The main function of intra-gang violence is to control gang members' behaviors and the main purpose of inter-gang violence is to neutralize the power of rival gangs or to carry out certain gang activities and missions. Bamboo United has often been involved in conflicts with other gangs. For example, in November 2002, the United Bamboo, the Pine Union, the Four Seas allied with the Heavenly Alliance's Sky Eagle Branch to smuggle a large amount of firearms into Taiwan to go to war with the Heavenly Alliance's Sun Branch. At the end of 2003, the United Bamboo's Mei Hua Tong and the Heavenly Alliance's Er Lin Branch got into a shootout after they were unable to settle a business dispute between two groups of legitimate businessmen. The United Bamboo is a heavily armed gang, and members of the gang have often been involved in gun fights with members of rival gangs and *jiaotou* groups.

### II.2. Availability of enforcers/specialists in the use of violence

Violent acts by the United Bamboo are committed by members of the gang, especially by members of the tongs' guardian unit or combat unit. We have not seen the gang hiring outsiders (hit men or specialists) to commit violence for the gang.

### II.3. Access to a variety of weapons

The main weapons of the gangs in Taiwan are guns. It is very common for each and every tong to have guns. When gang members are involved in gang conflicts or violent crime, they almost always use guns. Because gun control is relatively tight in Taiwan,

gangs in Taiwan also produce their own guns. For example, the United Bamboo's Wang Tong used to own a gun factory where eight re-assembled handguns, manuals, and machines were found.

### **III. Economic Resources**

#### III.1. Original source of capital accumulation

The United Bamboo's original source of capital accumulation was from traditional organized crime activities. In the 1980s, the gang was involved in extortion, debt-collection, gambling, demanding protection money, prostitution, and operating illegal electronic games.

#### III.2. Subsequent diversification of activities

The gangs in Taiwan were able to accumulate a substantial amount of wealth after the 1980s when the Taiwanese economy took off. In the 1990s, besides continuing to be involved in traditional organized crime activities, the gangs began to penetrate into the legitimate business sector, including providing security, investing in legitimate businesses, bid rigging, construction, investment, mass communication, futures trading, underground banking, publication, entertainment, the movie industry, and cable television, etc.

#### III.3. Degree of dominance in selected illegal markets

The Bamboo United has a strong influence over gambling, debt-collection, protection, ecstasy sales, the bar business, fake VCD sales, and the funeral business in Taiwan.



#### III.4. Degree of professional know-how within the group itself

Some United Bamboo members own and operate legitimate businesses. However, according to a recent study conducted by the National Police University, police records, and media reports, the level of professionalism within the gang is not as high as the public had imagined. According to the National Police University study, there was not even a lawyer, an accountant, or a professional involved in an entire tong. The tong is nothing more than a big brother mingling with a group of young men just to get by.

#### **IV. Political resources**

##### IV.1. Corruption and/or inflation of the law enforcement process

There are very few reports in the news media about the corruption of law enforcement officials by United Bamboo members. The most recent incident involved a case that occurred in October 2003 where local police officers provided information on fugitives to United Bamboo members who were involved in debt-collection. However, from academic studies, there is evidence that there are local police officers demanding bribes from sex establishments operated by gangs.

##### IV.2. Manipulation of political parties participating in local and/or national government

By providing help to political candidates during elections, the gang established a close relationship with politicians so that these politicians will provide the gang with immunity from police crackdowns or help the gang to expand their spheres of influence. For example, gang members help politicians to run for the legislature, city and county councils, town and township representing bodies, and ward chieftains during elections by donating money, participating in campaign activities, and providing protection.

#### IV.3. Direct representation in parliament, executive or diplomatic service

Some of the members used to work as assistants to legislators.

#### IV.4. Alliance with armed opposition groups

This has not ever happened before.

### **V. Response of Law Enforcement Agencies to Organized Crime**

#### V.1. Re-structuring of law enforcement agencies and operations because of organized crime

The Organized Crime Prevention Law was passed on December 11, 1996.

Besides having a mechanism with the U.S. to extradite fugitives, the Taiwanese government also has worked with the Chinese authorities on extradition. There are also informal relationships existing between authorities in Taiwan and authorities in Southeast Asia so that fugitives who flee to these countries can be extradited to Taiwan on a case by case basis.

#### V.2. Changed law enforcement techniques

Local police agencies are actively involved in collecting gang intelligence and this information is provided to the Criminal Investigation Bureau (CIB) to enter into a gang data base and the data base is used by investigators when they investigate gang-related crime. In addition, law enforcers can obtain the approval of the court to monitor the telecommunication activities of suspected gang members.

### V.3. Changes in law because of organized crime

The Organized Crime Prevention Law was adopted on December 11, 1996 and this law allows the authorities to confiscate gang members' illegally gained assets. The law also enables authorities to punish gang crime offenders severely, protect witnesses, protect victims and prohibit gang members from running for public offices. Other related laws include:

#### A. Witness Protection Law (adopted on February 29, 2000)

1. To protect witnesses in criminal cases and hoodlum cases.
2. When witnesses run the risk of physical or financial harms due to their willingness to testify in court, the judge or the prosecutor will issue a witness protection certificate to the witnesses. If the certificate cannot be issued in time, other necessary measures will be adopted to protect witnesses.

#### B. Money Laundering Law (passed on October 23, 1996)

This law was adopted to punish those who accumulate wealth through major criminal acts, including the development of, participation in, or assisting of organized crime groups. Financial institutions are required under the law to report suspicious financial transaction activities to the designated authority.

#### C. Anti-hoodlum Law (revised on April 4, 2004)

## **VI. The External Environment**

### VI.1. Present level of cultural acceptance of the group/organization's activities in the social environment in which they operate

Ordinary people in Taiwan normally have a negative attitude towards organized gangs, especially when these gangs are involved in violence and politics. However, a small proportion of the general public also want to receive the gangs' services or goods: gambling, prostitution, drugs, debt-collection, etc. As a result, some people are receptive to gangs and may even do business with them.

VI.2. Presence of social movement engaged in awareness raising campaigns on organized crime

No such campaigns have ever been carried out in Taiwan.

VI.3. Role of the press and other mass media in sensitizing citizens on the dangers and threats posed by organized crime on the society at large

People in Taiwan generally pay attention to media reports on organized crime, especially during election times or when the gangs penetrate into schools.

## Taiwan Gangs: Heavenly Alliance

### I. Organizational Structure

#### I.1 Internal hierarchy and/or division of labor

In 1984, Taiwanese authorities launched a nationwide gang sweep, code-named Operation Cleansweep, because of rampant gang activities. Many gang members were arrested and sent to prisons for rehabilitation. In the prisons, native Taiwanese gangsters banded together to protect themselves from members of the United Bamboo, a gang whose members were primarily descendants of mainland Chinese who came to Taiwan after 1949. In 1986, at the Taipei Detention Center, under the leadership of the spiritual leader Lo Fu-chu, Lin Min-teh (aka Min-teh), Hsieh Tung-yun (aka Ah-pu-tou), Lee Por-shi, and Chen Hsien-ming (aka Ya-ba) declared the establishment of the “Heavenly Alliance.” Many of the participants in the ceremony were assigned as heads of various branches. At that time, Hsiao Jer-hung (aka Ji-kung) announced his intention to join the Heavenly Alliance, and even though he did not participate in the ceremony because he was locked up in the Taipei Prison, he was also allowed to become a branch leader. Thus, at the very beginning, there were six branches under Lo Fu-chu: Sun Branch (Wu Tung-tang as leader), Pu Tou Branch (Hsieh Tung-yun as leader), Ming-the Branch (Lin Ming-the as leader), Peacock Branch (Lee Por-shi as leader), Le Yi Branch (also known as Ya Ba Branch, Chen Hsien-ming as leader), and Cloud Branch (also known as Ji Kung Branch, Hsiao Jer-hung as leader). By 1996, the gang had altogether 14 branches, and it was increased to more than 30 branches in the year 2004. The structure of the most typical branch – the Sun Branch – is as follows: Under the leadership of the Branch Leader, there are Deputy Branch Leaders, Advisers, Special Combat Teams, Unit Chiefs,

and members. The deputy branch leaders control the sub-branches and they have the authority to recruit their own unit chiefs. The latter are responsible for expanding their organization and they are the key players in the recruitment of ordinary members. Unit chiefs are free to recruit members as they see fit and need not obtain approval from branch leaders and deputy leaders. Unit chiefs will ask the leaders for instructions or support only when there are major incidents. Even though there are many branches in the gang, some branches are formed as a result of internal struggle, take Unity Branch for example. However, of all the internal conflicts, the war between the new and old Sun Branch is the most violent.

#### I.2. Ability of the group to recruit or diversify its human resources

Under the guidance of the Sun Branch's leader Wu Tung-tang, the Heavenly Alliance gang expanded rapidly as many new members joined the gang. Over the past few years, gangs in Taiwan were eager to have more branches and members to extend their influence. As a result, the Heavenly Alliance also imitates the recruiting tactics of the United Bamboo and the Four Seas, and that is to recruit a large number of students or school drop-outs. For example, a branch of the gang was subject to crackdown by the police in Yunlin County in 2004 for recruiting students and school drop-outs. This method of massive recruitment of students or drop-outs enables the gang to expand quickly in a short period of time; however, it is also questionable how long these students and drop-outs will remain with the gang. It is the regular members or those with a long criminal record who are the core of the gang, and it is they who have had the most impact on the gang's development and social order. According to official records,

between 2002 and 2004, the number of Heavenly Alliance members who are on the official “watch list” increased by only 140 members.

### I.3 Rules and conditions of group membership and internal codes of conduct

The gang does not conduct an elaborate initiation ceremony for new recruits. A person becomes a member by simply taking a pledge. According to police intelligence, the gang has four rules: (1) help heaven in dispersing justice, that is to support the weak and help the poor; (2) be honest and candid with other members, that is to be united, (3) follow the example of heaven and earth, that is to assist the world with empathy and justice, and (4) fly as high as possible, that is to travel around the world and do just things. When the police arrested members of the gang’s Heaven Snail Branch on March 2004, they discovered that this branch has its own rules, including: members who make a key contribution to the branch cause will receive a monetary reward; members who commit mistakes will be reprimanded or fired; follow orders and do not disobey superiors; do not fight own members for money; do not go out and create trouble; be low key when dealing with outsiders; attend all the branch meetings (if one must be absent, inform the leader); and do not seduce your leader’s wife or girlfriend. Like other traditional large gangs, when a gang has many branches, eventually each branch will come up with its own rules.

### I.4 Primary mechanisms for internal conflict resolution with regard to territorial and market division and other disputes

The Heavenly Alliance has branches throughout Taiwan, and every branch develops its own economic activities. For economic reasons, members of a branch may

become involved in a power struggle. For example, there were conflicts between the Unity Branch and the Sun Branch, and there were shootouts between New and Old factions of the Sun Branch. The Unity Branch was formed mainly to fight the Sun Branch. Even the Sun Branch eventually split into New and Old Sun Branch and they became involved in a bloody war. The leader of the New Sun Branch was later killed by members of the Old Sun Branch.

## **II. Violence**

### II.1. Willingness to engage in ruthless violence

The Heavenly Alliance is heavily-armed and members are willing to use violence when there is a conflict of interests. Members of the gang are often involved in intragang violence. For example, there was a major conflict between the Unity Branch and the Sun Branch, and there were bloody conflicts between the Old and New factions of the Sun Branch. In addition, the gang was involved in intergang violence. For example, members of the gang shot and killed the leader of the Three Rings gang, the gang got involved in a major conflict with the Bamboo United in August 2002 because of the conflict in futures trading, and in 2003 there was a major war between the Heavenly Alliance's Er Lin Branch and United Bamboo's Mei Hua Tong because of a fallout from a failed business dispute. Moreover, members of the Heavenly Alliance set fire to a rival gang's dance hall, kidnapped a legislator by the name of Liao Hsuer-kwang, destroyed the office of Next Magazine, etc. All these incidents indicate that the gang is a violent organization.



## II.2. Availability of enforcers/specialists in the use of violence

Gang-related violent activities are carried out by members. Over the past few years, there were several major violent incidents involving the gang, and judging from these cases, it is clear that the gang does not hire hitmen or killers from the outside.

## II.3. Access to a variety of weapons

The main weapons for gangs in Taiwan are guns. All the branches of the Heavenly Alliance regularly commit crimes with guns, especially when there is intergang conflict or gang members are involved in violent crime. The gang's Heaven Eagle Branch, working with the Bamboo United, Pine Union, and Four Seas, was involved in gun smuggling to fight against the gang's Sun Branch. The authorities seized 10 handguns and 8,000 rounds of ammunition after a raid in November 2002. On March 2004, the gang's Heaven Snail Branch was found to be involved in operating a gun factory.

## **III. Economic Resources**

### III.1. Original source of capital accumulation

At the beginning, the gang was active in providing protection to sex establishments, operating high-stakes gambling operations, and operating a lottery game. After the gang began to be involved in the lottery game, it was able to take over the business across Taiwan. The gang's dominance in the lottery business was originally its main financial source.

### III.2. Subsequent diversification of activities

After the gang began to grow, each and every branch started its own businesses. The Sun Branch is an example. The branch was involved in operating: nightclubs, dance halls, jewelry stores, a construction consultant company, cable companies, bid rigging, advertising firms, private investigation offices, car washes, furniture stores, newspapers, and ecstasy sales. Other branches are active in: loan sharking, restaurants, construction, debt-collection, waste disposal, and prostitution and gambling.

### III.3. Degree of dominance in selected illegal markets

This gang is relatively dominant in the following criminal markets: gambling, prostitution, debt-collection, bid rigging, illegal futures trading, vice, waste land disposal, protection rackets, and extortion.

### III.4. Degree of professional know-how within the group itself

All the branches of the gang operate one or more firms, but these firms are basically fronts for their illegal activities, especially the gang's construction firms. According to various academic researchers, members of the gang are not as professional as the media has depicted. Most of them go after risky and lucrative businesses and use violence to achieve their goals.

## **IV. Political resources**

### IV.1. Corruption and/or inflation of the law enforcement process

There is very little reported in the news media about the corruption of law enforcement officials by Heavenly Alliance members. However, from academic studies,

there is evidence that there are local police officers demanding bribes from sex establishments operated by gangs.

#### IV.2. Manipulation of political parties participating in local and/or national government

Local politicians in Keelung are keenly aware of the influence of the Sun Branch in their jurisdiction. Members of the gang who are in Panchiao often help local politicians to win elections. Some candidates will also pay the gang to help them with their campaigns. Former legislator Lo Fu-chu played a key role in the development of the gang. When Lo was in the legislature, his influence in the congress was immense.

#### IV.3. Direct representation in parliament, executive or diplomatic service

Lo Fu-chu [the gang's spiritual leader] is a former legislator, and his two sons are also successful politicians. At the age of 30, the elder son Lo Ming-shiu was elected to the provincial assembly in the 1990s, making him the youngest assemblyman. The younger son Lo Ming-jia became the youngest national representative at the age of 26, also the youngest KMT central committee member. He won during the 1996 legislature election.

#### IV.4. Alliance with armed opposition groups

This has never occurred.

### **V. Response of Law Enforcement Agencies to Organized Crime**

See the same section in the report on the Bamboo United.

### **VI. The External Environment**

See the same section in the report on the Bamboo United.



## **Taiwan Gangs: FOUR SEAS GANG**

### **I. Organizational Structure**

#### I.1 Internal hierarchy and/or division of labor

The gang has three types of leaders at the top: “chairman of the committee,” “deputy chairman of the committee,” and “standing committee members.” These leaders are in charge of a number of tongs that belong to the Four Seas. A tong has a tong master, a deputy tong master, “big brothers,” and “brothers.” The chairman is the ultimate leader of the gang, the deputy chairman is the second in command, and the standing committee members are elected by gang members to represent them in gang meetings to discuss important matters. Decisions made at the meetings are relayed to the tongs to be implemented. In 1997, the Four Seas had only 11 tongs. After rapidly developing for the past several years, there are now more than 40 tongs that are being targeted by law enforcement authorities.

#### I.2. Ability of the group to recruit or diversify its human resources

The Four Seas gang is very good at recruiting new members. For example, when police cracked down on the gang’s Heiteh tong in Taichung City in 1995, the authorities found out that the tong had 87 members, even though it was established for only two years at that time. In addition, the tong had 14 underage members. On March 18, 1993, police discovered the Four Seas’ Heikung tong recruited more than 20 high school students in Taipei City. The problem with recruiting high school students or drop-outs is that many of them may not remain with the gang for long. It is the regular members or those with a long criminal record who are the core of the gang, and it is they who have

had the most impact on the gang's development. According to official records, between 2002 and 2004, the number of Four Seas members who are on the official "watch list" increased by only about 50 members.

### I.3 Rules and conditions of group membership and internal codes of conduct

There are no special requirements for new recruits. However, some branches may set up their own methods of recruitment. For example, according to police records, the Heiteh tong will put new recruits on a three-month probationary period. Those who fit in will remain with the tong and those who do not will be asked to leave. The initiation ceremony of the gang has these processes: opening the ceremony, bowing to Kuan Kung [a legendary warrior idolized by the Chinese underworld], taking oaths, pricking fingers, drinking wine mixed with blood, announcing gang rules, and introducing new recruits to old members. There are ten gang rules, all involving the prohibition of : (1) drug use, (2) rape and kidnapping, (3) eating free meals, (4) creating trouble, (5) cheating and fraud, (6) resisting orders, (7) robbery and theft, (8) victimizing good people, (9) compromising national interests, and (10) betraying the gang and its members.

### I.4 Primary mechanisms for internal conflict resolution with regard to territorial and market division and other disputes

For the Four Seas, market division is primarily based on (1) the kinds of businesses existing within a branch's territory and (2) the kinds of businesses branch leaders are familiar with. Basically, each and every tong is doing its own businesses independently. When there is conflict between two tongs or branches, the first priority is to sit down and talk it out, and if this does not work, to try to discuss it peacefully with

the help of a senior leader of the gang. If the negotiation breaks down, then there will be serious violence between branches even though they all belong to the same gang.

## **II. Violence**

### II.1. Willingness to engage in ruthless violence

There is both inter-gang and intra-gang violence. The main function of intra-gang violence is to control gang members' behaviors and the main purpose of inter-gang violence is to neutralize the power of rival gangs or to carry out certain gang activities and missions. Four Seas has often been involved in conflicts with other gangs. For example, in November 2002, the United Bamboo, the Pine Union, and the Four Seas allied with the Heavenly Alliance's Sky Eagle Branch to smuggle a large amount of firearms into Taiwan to go to war with the Heavenly Alliance's Sun Branch. Moreover, according to academic research and police records, the Four Seas have often been involved in violent confrontations with other gangs such as the United Bamboo, Heavenly Alliance, and various *jiaotou* groups. Members of the gang also use violent tactics such as threats, damaging property, shooting, and assault to achieve their goals. For example, on August 2002, a group of Four Seas members shot and wounded a non-cooperative telecommunications businessman.

### II.2. Availability of enforcers/specialists in the use of violence

Violent acts by the Four Seas are committed by members of the gang, especially by "killers" in the various tongs. We have not seen the gang hiring outsiders (hit men or specialists) to commit violence for the sake of the gang.

### II.3. Access to a variety of weapons

The main weapons of the gangs in Taiwan are guns. It is very common for each and every tong to have guns. When gang members are involved in gang conflicts or violent crime, they almost always use guns. Police authorities once confiscated an assault rifle from a Four Seas tong. A tong master was arrested and sentenced to jail for working with a Heavenly Alliance member to import firearms into Taiwan. Because gun control is relatively tight in Taiwan, the Four Seas also used altered guns. The gang's Heilun tong and Lenai tong had their own underground firearms manufacturing factories.

## **III. Economic Resources**

### III.1. Original source of capital accumulation

The Four Seas's original source of capital accumulation, like other traditional organized gangs, was from traditional organized crime activities, including protection, debt-collection, gambling, prostitution, and extortion.

### III.2. Subsequent diversification of activities

The gangs in Taiwan were able to accumulate a substantial amount of wealth in the 1980s when the Taiwanese economy took off. In the 1990s, besides continuing to be involved in traditional organized crime activities, the gangs began to penetrate into the legitimate business sector, including entertainment, underground banking, investment companies, land development, real estate brokerage, bid rigging, and other small businesses.



### III.3. Degree of dominance in selected illegal markets

The Four Seas have a strong influence over gambling, debt-collection, protection, ecstasy sales, bid rigging, fake VCD sales, underground banking, the taxi business, and the waste disposal business in Taiwan.

### III.4. Degree of professional know-how within the group itself

Even though the gang is engaged in bid rigging, credit card frauds, and price-fixing in the home gas business, according to police records and media reports, the level of professionalism within the gang is not as high as has been imagined. According to the National Police University study, there was not even a lawyer, an accountant, or a professional involved in an entire tong. The operating principles of the gang are opportunistic and violent.

### III.5. Degree to which some members of the group work primarily in the legitimate economy

Some members of the gang are operating taxi companies, bars, investment companies, real estate companies, car washes, and restaurants.

## **IV. Political resources**

### IV.1. Corruption and/or inflation of the law enforcement process

There is very little reported in the news media about the corruption of law enforcement officials by Four Seas members. However, from academic studies, there is evidence that there are local police officers demanding bribes from sex establishments operated by gangs.

#### IV.2. Manipulation of political parties participating in local and/or national government

By providing help to political candidates during elections, the gang established a close relationship with politicians so that these politicians will provide the gang with immunity from police crackdowns or to help the gang to expand their sphere of influence. For example, gang members will help politicians to run for the legislature, city and county councils, town and township representing bodies, and ward chieftains during elections by donating money, participating in campaign activities, and providing protection.

#### IV.3. Direct representation in parliament, executive or diplomatic service

Some of the members are elected as city or county councilors.

#### IV.4. Alliance with armed opposition groups

This has not ever happened before.

### **V. Response of Law Enforcement Agencies to Organized Crime**

See the same section in the report on the Bamboo United.

### **VI. The External Environment**

See the same section in the report on the Bamboo United.

## Appendix D-1

### **HONG KONG DRUG TRAFFICKING SITUATION – 2003** **(With 2004 update)**

#### Trends and Seizures

In 2003, a high priority was again accorded to tackling psychotropic substance abuse. Police were able to consolidate on the success in the previous year in reducing the problem. When compared to 2002 there was a 25% decrease in the number of young persons arrested in respect of psychotropic substance cases. Throughout the year police made every effort to cut-off the supply of psychotropic substances to the mainly young abusers. During numerous enforcement operations, various police units joined forces to enhance the effectiveness in quelling the psychotropic substance problem.

The heroin reaching the Hong Kong, Special Administrative Region (SAR) invariably originates from the Golden Triangle. The heroin is smuggled overland through Mainland China to clandestine stores in areas of southern China adjacent to the SAR. Hong Kong syndicates arrange for numerous small amounts of heroin to be smuggled into Hong Kong via the land boundary with the Mainland. The sheer volume of traffic coming through the boundary provides opportunities for traffickers to avoid detection. As Hong Kong is not used as a significant drug transit centre nowadays, heroin smuggled into the SAR is for local abusers. At the start of the year heroin divans (premises where addicts go to purchase and consume the narcotic) were a major focus of attention for police. The majority were situated in the Kowloon West Region. Numerous operations to neutralize the divans resulted in a substantial reduction in such premises operating towards the end of the year.

Three heroin-cutting centres were dismantled in 2003. Arrests in relation to heroin offences were down by around 5.2% when compared to the previous year. A total of 52.87 KGs kilograms of heroin were seized.

The average wholesale price of heroin in 2003 was HK\$256,638 per kilogram, an increase when compared to the average wholesale price HK\$222,592 in 2002. The average retail price of heroin increased from HK\$419.91 per gram in 2002 to

HK\$424.75 per gram in 2003. Retail purity increased to an average of 59% when compared to an average purity of 41.5% in 2002.

Ketamine seizures and arrests were again relatively high in 2003. The drug has now become firmly established as the most prevalent drug of abuse among young persons in the SAR. The abuse of ketamine was inextricably linked to the still popular rave/dance party music scene in the SAR. With a diminishing number of dance parties held in large hired venues, abuse tended to be in discos, bars, karaoke lounges or in private settings. The number of persons arrested for offences related to ketamine in 2003 was 1,770, a fall of 24.9% on the preceding year. In 2003, the average wholesale price of ketamine was HK\$57,125 per kilogram and the average retail price was HK\$194 per gram.

Again in 2003, as seen in recent years, there were tablets in circulation, being sold to consumers as "ecstasy", that were found to contain a mixture of dangerous drugs. Many tablets seized contained a mix of ketamine and methamphetamine. Those tablets that contained MDMA, the substance originally associated with the term ecstasy, were found to contain a wide variation in the volume of the active ingredient. In some tablets the MDMA content was as low as 70 mg, in others it was more than double at around 150 mg per tablet. Ecstasy-type tablets are brought into Hong Kong from production sources by couriers. Packages of the small (roughly 8mm diameter) tablets are taped to the body and hidden under clothing or concealed in luggage. The retail price of an ecstasy-type tablet decreased from around HK\$90 in 2002 to around HK\$85 in 2003. Over the year, a total of 141,038 ecstasy-type tablets were seized, an almost three-fold increase when compared with 48,840 tablets seized in 2002. The increase can be ascribed to three major cases where several thousands of tablets were seized. In a significant case, a fairly sophisticated ecstasy-type tablet production enterprise based in Kowloon was dismantled.

Passengers concealing small quantities on their person or in luggage bring cannabis from the Golden Triangle and Cambodia into the SAR. Larger consignments may be smuggled by the sea route. The total herbal cannabis seizures for the year amounted to 586.61 kilograms. The average wholesale price of herbal cannabis decreased to about HK\$16,083 per kilogram in 2003 as compared to average wholesale price of HK\$16,396 per kilogram in 2002. The average retail price of herbal cannabis decreased

slightly from HK\$67 per gram in 2002 to HK\$58 in 2003. The amount of cannabis resin seized increased substantially from 0.37 kilograms in 2002 to 24.46 kilograms in 2003.

Methamphetamine, in crystalline form or sometimes liquid form, is smuggled into the SAR via the land boundary with the Mainland. Whilst the vast majority is for local consumption, in a few cases foreign nationals from Asia have been apprehended when attempting to smuggle small amounts of 'ice' back to their homelands via the Hong Kong International Airport. In 2003, a total of 41.10 kilograms of methamphetamine were seized. The wholesale price of methamphetamine averaged HK\$54,458 per kilogram in 2003 while the average retail price of one gram was HK\$374

Cocaine, originating from South America, is smuggled into Hong Kong by couriers secreting the drug on their body or in luggage and sometimes by swallowing the drug. Another method of smuggling cocaine is to send it to the SAR by post or courier falsely declared as some innocuous item. In 2003, cocaine remained expensive with an average retail price of HK\$1,152 per gram. The logistics of trafficking cocaine from distant production areas in South America to the region and consequent limited supply keep the costs high. Cocaine abuse has not been widespread in the SAR. The total cocaine seizures in 2003 amounted to 8.33 kilograms, a slight increase compared to 8.30 kilograms in 2002.

Abuse of prescription medicinal preparations continued in 2003 and seizures of midazolam (38,617 tablets), chlordiazepoxide (24,784 tablets), diazepam (22,190 tablets) and triazolam (13,165 tablets) were made. Young persons often abuse tranquillizers, however, heroin addicts also consume the tablets to prolong the effect of the narcotic and ease withdrawal symptoms. A relatively new drug of abuse to Hong Kong with the proprietary name 'Erimin 5' which contains Nimetazepam, was abused by youngsters along with other psychotropic substances in 2003.

On one occasion in 2003 a small amount of Gamma-Hydroxybutyric Acid (GHB) was seized. This was the fourth seizure of the drug in Hong Kong since it was scheduled as a dangerous drug in October 2001.

In order to interdict transnational drug trafficking the Hong Kong Police and Customs officers work closely with their counterparts in the Mainland and overseas. As a result of the close partnership with Mainland enforcement agencies, substantial seizures

of drugs were made before the illicit consignments could reach lower level traffickers and abusers. Furthermore, Narcotics Bureau of the Police participated in several major international drug trafficking investigations with overseas law-enforcement agencies in 2003. Significant seizures made overseas with the assistance of Narcotics Bureau totaled 92 kgs of methamphetamine, 9.3 kgs of heroin, 800 kgs of cannabis and 12,000 ecstasy-type tablets.

### Drug Trafficking Flow

As there are no significant amounts of illicit drugs grown or processed in Hong Kong, substances seized locally are for the most part smuggled into the SAR. Hong Kong has for some considerable time ceased to be a location for transit or transshipment of large consignments of drugs. The majority of substances smuggled into Hong Kong are to be sold and consumed locally.

Smuggling overland is the means by which most heroin and methamphetamine reach Hong Kong. Heroin, which is produced in the Golden Triangle, enters Mainland China via its land borders. Consignments are then carried overland to Guangdong Province where syndicates purchase some portion in order to supply the Hong Kong market. Small consignments are then smuggled across the land boundary on vehicles or by foot passengers. Methamphetamine is similarly conveyed into the territory across the land boundary.

Smuggling bulky drugs such as herbal cannabis by the sea route is a still a viable option for traffickers on account of the extensive maritime traffic in waters surrounding Hong Kong. Use of air transport for drug smuggling remains one of the preferred methods for those dealing in drugs from distant continents, including ecstasy tablets from Europe and cocaine from South America. Syndicates make use of couriers who have drugs packed on the body or concealed in luggage or on occasions have internally concealed the drugs.

## Drug Arrests

During 2003, 8,652 persons were arrested for drug offences, a decrease of 8.08% when compared to the 9,413 persons arrested in 2002. There were 2,827 arrests for major drug offences such as drug manufacturing or trafficking or possession of large amounts, a decrease of 6% when compared to 3,010 major drug offence arrests in 2002. The number of arrests for minor offences (e.g. possession of small amounts of drugs for own consumption) fell from 6,403 in 2002 to 5,825 in 2003.

The trend of increasing numbers of young people arrested for drug offences witnessed in 2000 and 2001 has reversed in the past two years. In 2003, a total of 474 young persons were arrested for major offences as compared to 552 the previous year. A total of 739 young people were arrested for minor drug offences, a decrease when compared to the 1,025 arrested in 2002.

### Number of Persons arrested for Drug Offences

Year	Major Drug Offences (DD)	Minor Drug Offences (DD)	Major (other drugs)	Minor (other drugs)	Total
2003	2,741	5,130	86	695	8,652

### **UPDATE FOR 2004 – TO DATE**

- There were 4,573 persons arrested for all drug offences compared to 4,182 last year; representing a 9.3% increase.
- Of those persons arrested 885 (or 19.4%) were under 21-years of age compared to 623 (or 14.9%) in the preceding year.
- A total 2,811 persons were arrested for psychotropic substance offences compared to 2,134 last year (+31.7%).
- Of the persons arrested for psychotropic substance offences a total of 797 (or 28.4%) were under the age of 21, compared to 541 (or 25.4%) last year.
- In the first 6 months of 2004 a total of 1,573 persons were arrested for ketamine-related offences, a 112% increase when compared to 742 the corresponding period last year.

- Large cocaine seizures have been made in 2004 (e.g 30.08 kgs in a single case/ 5 kgs in a single case).
- Drug seizures in the first half of 2004 are set out below:

	<b>2004 (Jan-Jun)</b>
<b>Cocaine (kg)</b>	<b>44.27</b>
<b>Heroin (kg)</b>	<b>27.02</b>
<b>Cannabis Herbal (kg)</b>	<b>123.06</b>
<b>Methylamphetamine (kg)</b>	<b>15.11</b>
<b>Ecstasy-type Tablets (tab)</b>	<b>187,788▲</b>
<b>Ketamine (kg)</b>	<b>52.52</b>

*30.08 kgs seized in a single case.*

- ▲ *Several large seizures in single cases were made including one of 70,000 tablets.  
14 kgs seized in a single case.*

*\*All figures are provisional figures only.*

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## Appendix D-2

### Hong Kong: Chinese Human Smuggling

#### Definition

In law enforcement community, the terms '*human smuggling*' and '*illegal migration*' are used interchangeably though there is a distinct difference in their nature.

Human smuggling is commonly understood as the process in which a person physically participates for gaining illegal entry into a country. There are a variety of reasons that initiate that person to set off his illicit attempt but his final goal is no more than making a decisive intent for migration to the receiving country.

Hence, *human smuggling is the prerequisite process that leads to the fulfillment of one's intent for illegal migration*. Alternatively speaking, human smuggling is the means and illegal migration is the goal.

#### Nature

It has been well acknowledged by sociologists of different disciplines as well as policymakers in public sectors worldwide that the flow of migration, irrespective internal or international, is governed by two key elements, the *push* and the *pull* factors. Massey et al (1993) have summarized and examined the currently dominant theoretical frameworks on these push and pull factors. Some of those frameworks can be used to explain the migratory flow of Mainland Chinese to receiving countries.

The Neoclassical Economics: Macro Theory (or better known as Macroeconomic Model) (ibid, pp. 3-4) suggests that international migration is caused by the wide wage rates disparity between two countries. In the presence of the obvious wage gap between Mainland China and other affluent immigrant-receiving countries/regions such as USA,

Canada, Australia Europe and Hong Kong, some individuals may seek to leave their homeland for those receiving countries with a view to making a better living. That model appears to have provided a plausible explanation to the migratory situation relating to Mainland Chinese.

Intrinsically, the push and the pull factors are materialized and co-existing at that stage.

For a high-skilled individual, his application for migration to the receiving country may not meet with obstacles and his immigration may be legitimately granted after assessment. However, for an unskilled or low-skilled individual, he may not qualify to meet the conditions laid down as immigration requirements, and such failure may lead him to resolve, if the push and pull factors are so prevailing, his dilemma by illegal means. The obvious choice is human smuggling.

### Process

As mentioned earlier, human smuggling is a process involving transnational crossing. There are stakeholders playing different roles and functions in such process for profitable returns – a smuggling ring is formed. They often interact with each other throughout the process up to its completion, and then a new cycle may initiate again with new participants.

Deriving from operational experience, the stakeholders may be categorized into 6 types. Figure 1 is the organization model used to generally illustrate their distinctive roles. Their functions in the smuggling process are further illustrated in Figure 2.

In the smuggling ring, the recruiters (or commonly known as ‘snakeheads’) would contact the clientele (commonly known as ‘illegal migrants’), or vice versa, in their homeland. After reaching an agreement with the clientele, the logistics arrangers would step in to plot out what transportation means are required to complete the whole process until the clientele are successfully transported to the receiving countries. The document arrangers would, on the other hand, arrange all the necessary documents, whether genuine or forged, for their clientele to use in the process.

The action stage commences when the clientele physically leave their homeland for the receiving countries. The smuggling ring organizers would deploy certain ring members to act as escorting parties to the clientele for ensuring the subsequent process is carried out smoothly. Circuitous routings will be designed to shaking off tracks and traces and intermediate ports of relay will be included for achieving that purpose in the whole journey.

At the final stage, the clientele will ‘touch down’ the receiving countries where they will be resettled, or job-hunting, and repay their debts to the ring organizers.

With reference to past investigations, the most popular receiving countries are USA, Canada, Australia, and Europe. The intermediate ports of relay are Hong Kong, major cities in Malaysia, Thailand and certain African cities like Cairo and Dubai. Figure 3 below shows the possible routings adopted by smuggling rings.

### **Legislative & Administrative Measures**

The common law system in Hong Kong and the statutory instruments enacted over the past decades have provided significant volume of judicial precedents (case law ) and ordinances (substantive law) to deal with crimes of all nature, including those

criminal offences arising in human smuggling activities. Amongst them are the Immigration Ordinance (Chapter 115), Crimes Ordinance (Chapter 200) and The Organized and Serious Crimes Ordinance (Chapter 455) of the Laws of Hong Kong. The provisions of these ordinances have provided effective enforcement and prosecutorial basis to prevent Hong Kong from being used by syndicates as a springboard for smuggling persons overseas.

Administratively, the Hong Kong Immigration Service, the Hong Kong Police Force, and the Customs and Excise Department have jointly worked in concerted efforts to prevent, detect, arrest and prosecute human smuggling offenders through frequent and regular law enforcement operations. The Hong Kong Immigration Service has also maintained close contacts with her international counterparts on intelligence sharing and exchange with respect to human smuggling activities.

### **Conclusion**

Human smuggling activities are orchestrated by smuggling ring organizers. By nature, smuggling is the process involving transnational crossing. As illustrated earlier, different stakeholders have to be attentive in each component in the smuggling process whose operations would rely in fact upon well-established networks of interpersonal ties. In examining the Network Theory, Massey et al (1993) points out that

“[w]hen migrant networks are well-developed, they put a destination job within easy reach of most community members and make emigration a reliable and secure source of income. Thus the self-sustaining growth of networks occurs through the progressive reduction of costs may also be explained theoretically by the progressive reduction of risks.”

This argument may be viewed as a plausible projection that the human smuggling activities may not be completely eliminated in view of their self-sustaining abilities. Nevertheless, through the concerted efforts exerted globally by transnational cooperation amongst concerned nations over the subject matter, the problem of human smuggling is expected to be effectively contained in a lesser magnitude of severity.

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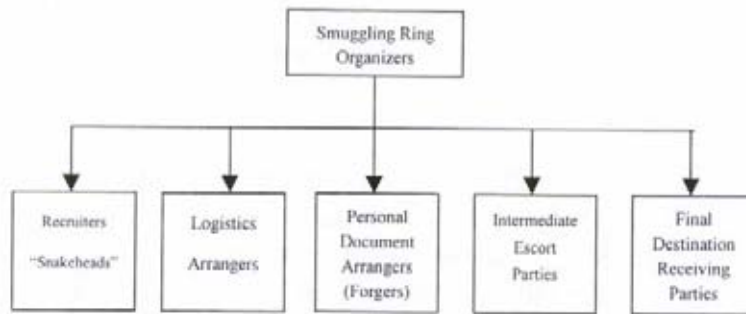
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**Fig. 1 Organization Model of Smuggling Ring**



**Fig.2 Process Model for Human Smuggling**

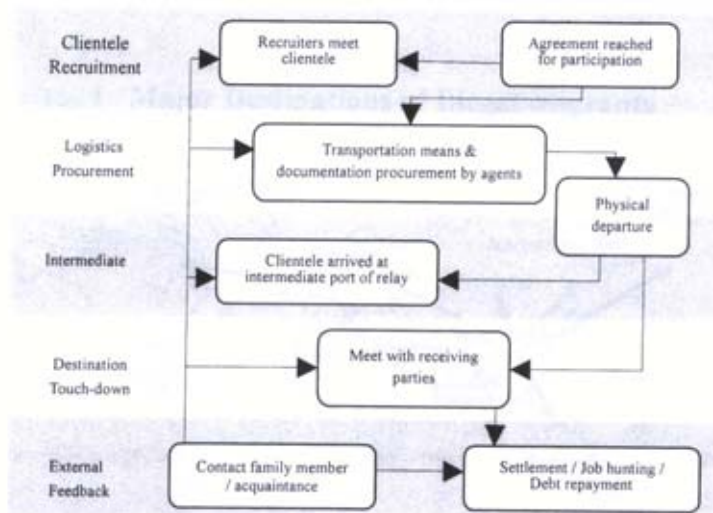
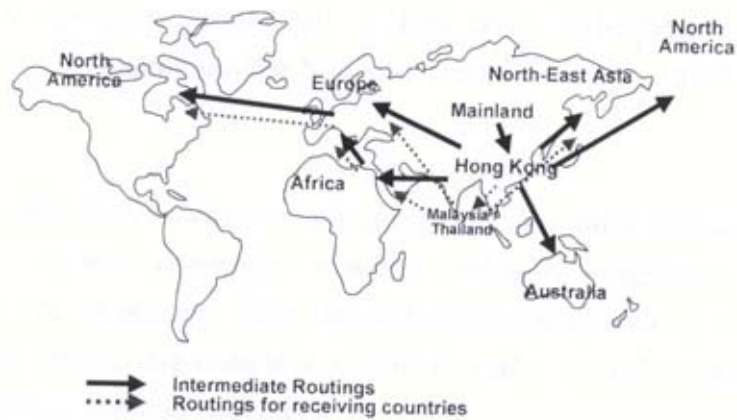


Fig. 3 Major Destinations of Illegal Migrants



## Appendix D-3

### Hong Kong Gangs: San Yee On

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#### 1. Background

According to police records, only 14 out of the 50 triad societies remain active in Hong Kong. Out of these 14 active groups, San Yee One is regarded as one of the most influential triad groups. It was originally formed by a Chinese minority native group called Chiu Chau in Hong Kong. Nowadays members of San Yee On come from different ethnic Chinese groups. A small number of local born Indian and Pakistan are also recruited to the Society. Nevertheless, San Yee On is still a male dominant secret society. Few females joined the Society formally.

#### 2. Organizational Structure

It is true that triad societies are secret organizations, but they are in fact loose cartels consisting of a number of independent gangs that adopt a similar organizational structure and ritual to bind their members together. Although various societies are symbolically part of the triad 'family', they are decentralized in that no one central body is able to unite all triad societies, or to give universal commands. The triads' organizational structure has become flexible and decentralized. The traditional rank system has been largely reduced to three – Red Pole, 49 and Blue Lanterns. The initiation ceremony has been simplified. Most people joined a triad society based on an oral agreement with their Big Brother. Traditionally San Yee On triad society liked to conduct the full initiation ceremony for their newly recruited members. However, in the last few years we seldom heard about that San Yee On arranged the elaborate initiation ceremony for their new members.

Today it is no longer possible for many triad societies to enforce strict discipline over their members. Membership transfer can be done quite easily. Triad Big Brothers have no obligation to look after their followers who encounter problems. Compared with other triad groups, the senior members of the San Yee On triad society are relatively coherent.



They may offer assistance to each other, especially when their members are in legal troubles.

It is evident that San Yee On members are found in USA, Canada, UK and Australia. In USA some individual members may have connections with the Fuk Ching Gangs. However, it should be noted that this is not an organized movement launched by San Yee On in Hong Kong. No mass triad migration to Western counties has ever happened before nor has it happened after 1997. Their connections with overseas criminal organizations are largely based on personal networks and probably there is nothing to do with the Society.

### **3. Violence**

In Hong Kong young triad Big Brothers may use violence to establish their reputation in the community. Individual triad members may be more violent than others. However different triad groups tend to use 'settlement talk' to solve their disputes. Although triad bosses may mobilize a large number of their followers or hire other gangsters to demonstrate their power in the settlement talk meeting, serious mass triad gang fight cases were not found in Hong Kong in the last few years.

Firearms are tightly controlled by the Hong Kong government. Triad members seldom use firearms to kill. According to police records, few homicide cases were done by triads. In Hong Kong we cannot find any cases that police officers or government officials were killed by triads because of their job duties in the last few years.

### **4. Economic Resources**

Individual San Yee On members may get involved in drugs, pirated VCD/DVD trade in the street, speculative activities in the stock market, money laundering, vehicle theft and smuggling, prostitution, extortion, loan sharking, illegal gambling and so on, but they are not required to get permission from the Society to conduct these businesses. In fact these are personal investments and individual members will not transfer part of their profits to the Society.

In the past San Yee On members were known to be active in international drug trafficking, especially importing heroin from Thailand to Hong Kong and some of the drugs were smuggled to Western countries. Although individual San Yee On members are still doing the drug business, we have no sufficient evidence to support that San Yee On members play a significant role in the trade. In fact, other triad members and the people without triad members can get involved in the business if they have the capital, connections and skills to do it.

Although indicators have showed that individual San Yee On members may have been involved in some specific legitimate business such as catering businesses, the film

industry or even in the stock market, their roles in the legitimate economy are not certain. For instance, it is difficult to confirm whether they are simply legal entrepreneurs, using their triad reputation to monopolize the business, or laundering their money through investing legitimate business. Compared with other triad groups, it is quite clear that San Yee On members have intended to participate in more non-violent crime such as black market crime and economic crime. In addition, they have more connections with legitimate business entrepreneurs and professionals like lawyers and accountants.

## **5. Political Resources**

Hong Kong has a clean civil service. The criminal justice professionals are well paid. The system to monitor the proper functioning of the legal procedure is well established. The Independent Commission Against Corruption (ICAC) is a powerful law enforcement agency to combat corruption. There are no indicators that large-scale corruption syndicates exist within the Hong Kong criminal justice system.

Hong Kong triads are not interested in involving themselves in politics. We cannot see any triad group that is able to manipulate politicians and the political process in Hong Kong and abroad. There is also no evidence to support that triads have managed to get their members elected to the Legislature. Before 1997, some journalists reported that senior San Yee On members were connected to high-ranking Chinese government officials. But in the last few years, we seldom heard about this kind of reports.

## **6. Response of Law Enforcement Agencies to Organized Crime**

In the last few years the Hong Kong Police tried to focus on targeting the source of triad criminal income. Therefore, a number of operations were launched to combat their vice and illegal gambling activities. The Hong Kong Police also sent undercover agents to penetrate different triad societies to collect intelligence about their criminal activities. In addition, financial investigation techniques were regularly employed to trace and then confiscate their criminal proceeds. The Hong Kong Police also maintain close liaison and cooperation with different law enforcement agencies in the Mainland China, Macau and overseas in order to combat cross-border and transnational triad activities. In his 2004 Operational Targets, the Commissioner of Police summarized the following measures to fight against triad-related activities:

- Strengthen the Force intelligence network and enhance cooperation amongst units at all levels;
- Enhance professionalism in the response to and investigation of triad-related incidents;
- Continue to mount strategic undercover operations;
- Proactively target key triad personalities and activities;

- Optimize the use of the Organized and Serious Crimes Ordinance in investigating triad related cases;
- Continue to exchange intelligence with the Mainland and Macau authorities as well as overseas law enforcement agencies.

## 7. The External Environment

Compared with other social issues in Hong Kong, the priority about triads and their organized crime activities is always high on the public agenda especially due to grave concern about the occurrence of some collective violent cases. It should nevertheless be noted that triad activities have nothing to do with the everyday life of most Hong Kong people. Local people strongly believe that Hong Kong is a very safe city. People perceived triads as a menace because they are portrayed as such in the sensational media reports and gang movies. For ordinary Hong Kong people, their most concern about triads may not be their organized crime activities, but their influences on the vulnerable juvenile, especially the so-called 'triad infiltration to schools'.

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## Hong Kong: Wo Shing Wo

### **1. Background**

According to police records, only 14 out of the 50 triad societies remain active in Hong Kong. Out of these 14 active groups, Wo Shing Wo is regarded as one of the most influential triad groups. Wo Shing Wo was originally an off-shoot society of Wo Hop To which was established in 1908. Wo Shing Wo broke away from Wo Hop To in 1930 and then became an independent triad society. Members of Wo Shing Wo come from different walks of life. A small number of local born Indian and Pakistan are also recruited to the Society. Nevertheless, Wo Shing Wo is still a male dominant secret society. Few females joined the Society formally.

### **2. Organizational Structure**

It is true that triad societies are secret organizations, but they are in fact loose cartels consisting of a number of independent gangs that adopt a similar organizational structure and ritual to bind their members together. Although various societies are symbolically part of the triad 'family', they are decentralized in that no one central body is able to unite all triad societies, or to give universal commands. The triads' organizational structure has become flexible and decentralized. The traditional rank system has been largely reduced to three – Red Pole, 49 and Blue Lanterns. The initiation ceremony has been simplified. Most people joined a triad society based on an oral agreement with their Big Brother. Today it is no longer possible for many triad societies to enforce strict discipline over their members. Membership transfer can be done quite easily. Triad Big Brothers have no obligation to look after their followers who encounter problems.

Wo Shing Wo has a Central Committee composed of a body of influential and senior officials. The Chairman and Treasurer now known locally as *Cho Kun* and *Cha So*, are often elected from this body at an annual or bi-annual meeting. The leadership in the Central Committee may help to settle internal and external disputes but they are unable to dictate to their members in which criminal activities they should get involved.

It is evident that Wo Shing Wo members are found in UK, Canada and USA. According to police sources, some individual members may have connections with the Big Circle Gangs in Holland. However, it should be noted that their connections with overseas criminal organizations are largely based on personal networks and probably there is nothing to do with the Society. There are no indications that mass Wo Shing Wo triad migration to Western countries has ever happened before nor has it happened after 1997.

### **3. Violence**

In Hong Kong young triad Big Brothers may use violence to establish their reputation in the community. Individual triad members may be more violent than others. However different triad groups tend to use 'settlement talk' to solve their disputes. Although triad bosses may mobilize a large number of their followers or hire other gangsters to demonstrate their power in the settlement talk meeting, serious mass triad gang fight cases were not found in Hong Kong in the last few years.

Firearms are tightly controlled by the Hong Kong government. Triad members seldom use firearms to kill. According to police records, few homicide cases were done by triads. In Hong Kong we cannot find any cases that police officers or government officials were killed by triads because of their job duties in the last few years.

### **4. Economic Resources**

Individual Wo Shing Wo members may get involved in drugs, pirated VCD/DVD trade in the street, London Gold scams, money laundering, vehicle theft and smuggling, prostitution, extortion, loan sharking, illegal gambling and so on, but they are not required to get permission from the Society to conduct these businesses. In fact these are personal investments and individual members will not transfer part of their profits to the Society. According to police sources, Wo Shing Wo members have their strength in the pirated VCD/DVD industry. They not only get involved in street-level distribution but also the manufacturing of pirated VCD/DVDs. Compared with other triad groups, Wo Shing Wo members intended to participate in more violent crime and tried to be dominant in the street-level organized crime in the last few years.

Although indicators have showed that individual Wo Shing Wo members have been involved in some specific legitimate businesses such as catering and entertainment business, their roles in the legitimate economy are not certain. For instance, it is difficult to confirm whether they are simply legal entrepreneurs, using their triad reputation to monopolize the business, or laundering their money through investing legitimate business.

### **5. Political Resources**

Hong Kong has a clean civil service. The criminal justice professionals are well paid. The system to monitor the proper functioning of the legal procedure is well established. The Independent Commission Against Corruption (ICAC) is a powerful law enforcement agency to combat corruption. There are no indicators that large-scale corruption syndicates exist within the Hong Kong criminal justice system.

Hong Kong triads are not interested in involving themselves in politics. We cannot see any triad group that is able to manipulate politicians and the political process in Hong

Kong and abroad. There is also no evidence to support that triads have managed to get their members elected to the Legislature.

## **6. Response of Law Enforcement Agencies to Organized Crime**

In the last few years the Hong Kong Police tried to focus on targeting the source of triad criminal income. Therefore, a number of operations were launched to combat their vice and illegal gambling activities. The Hong Kong Police also sent undercover agents to penetrate different triad societies to collect intelligence about their criminal activities. In addition, financial investigation techniques were regularly employed to trace and then confiscate their criminal proceeds. The Hong Kong Police also maintain close liaison and cooperation with different law enforcement agencies in the Mainland China, Macau and overseas in order to combat cross-border and transnational triad activities. In his 2004 Operational Targets, the Commissioner of Police summarized the following measures to fight against triad-related activities:

- Strengthen the Force intelligence network and enhance cooperation amongst units at all levels;
- Enhance professionalism in the response to and investigation of triad-related incidents;
- Continue to mount strategic undercover operations;
- Proactively target key triad personalities and activities;
- Optimize the use of the Organized and Serious Crimes Ordinance in investigating triad related cases;
- Continue to exchange intelligence with the Mainland and Macau authorities as well as overseas law enforcement agencies.

## **7. The External Environment**

Compared with other social issues in Hong Kong, the priority about triads and their organized crime activities is always high on the public agenda especially due to grave concern about the occurrence of some collective violent cases. It should nevertheless be noted that triad activities have nothing to do with the everyday life of most Hong Kong people. Local people strongly believe that Hong Kong is a very safe city. People perceived triads as a menace because they are portrayed as such in the sensational media reports and gang movies. For ordinary Hong Kong people, their most concern about triads may not be their organized crime activities, but their influences on the vulnerable juvenile, especially the so-called 'triad infiltration to schools'.

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## **Hong Kong: 14K**

### **1. Background**

According to police records, only 14 out of the 50 triad societies remain active in Hong Kong. Out of these 14 active groups, 14K is regarded as one of the most influential triad groups. 14K was formed in Hong Kong in the early 1950s by a group of triad members with the Nationalist Party background in Guangdong province. Nowadays members of 14K come from different walks of life. A small number of local born Indian and Pakistan are also recruited to the Society. Nevertheless, 14K is still a male dominant secret society. Few females joined the Society formally.

### **2. Organizational Structure**

It is true that triad societies are secret organizations, but they are in fact loose cartels consisting of a number of independent gangs that adopt a similar organizational structure and ritual to bind their members together. Although various societies are symbolically part of the triad 'family', they are decentralized in that no one central body is able to unite all triad societies, or to give universal commands. The triads' organizational structure has become flexible and decentralized. The traditional rank system has been largely reduced to three – Red Pole, 49 and Blue Lanterns. The initiation ceremony has been simplified. Most people joined a triad society based on an oral agreement with their Big Brother. Today it is no longer possible for many triad societies to enforce strict discipline over their members. Membership transfer can be done quite easily. Triad Big Brothers have no obligation to look after their followers who encounter problems.

Compared with other triad groups, 14K is relatively disorganized. It has different sub-groups and they have developed into separate triad societies in their own right. Gang fights among different sub-groups are not uncommon. It is evident that 14K members are found in UK, Holland, USA, Canada and Australia. According to police sources, some individual members may have connections with the Big Circle Gangs in Holland, Yakuza in Japan and the United Bamboo Gangs in Taiwan. However, it should be noted that their connections with overseas criminal organizations are largely based on personal networks and probably there is nothing to do with the Society. There are no indications that mass 14K triad migration to Western counties has ever happened before nor has it happened after 1997.

### **3. Violence**

In Hong Kong young triad Big Brothers may use violence to establish their reputation in the community. Individual triad members may be more violent than others. However different triad groups tend to use 'settlement talk' to solve their disputes. Although triad



bosses may mobilize a large number of their followers or hire other gangsters to demonstrate their power in the settlement talk meeting, serious mass triad gang fight cases were not found in Hong Kong in the last few years.

Firearms are tightly controlled by the Hong Kong government. Triad members seldom use firearms to kill. According to police records, few homicide cases were done by triads. In Hong Kong we cannot find any cases that police officers or government officials were killed by triads because of their job duties in the last few years.

#### **4. Economic Resources**

Individual 14K members may get involved in drugs, pirated VCD/DVD trade in the street, London Gold scams, money laundering, vehicle theft and smuggling, prostitution, extortion, loan sharking, illegal gambling and so on, but they are not required to get permission from the Society to conduct these businesses. In fact these are personal investments and individual members will not transfer part of their profits to the Society. According to police sources, 14K members have their strength in organizing illegal gambling including underground casinos and illegal bookmaking. In addition, many detected London Gold scams showed that 14K members were the organizers and operators. Compared with other triad groups, 14K members tend to continue to participate in their traditional street-level organized crime.

Although indicators have showed that individual 14K members have been involved in some specific legitimate businesses such as catering and entertainment businesses, their roles in the legitimate economy are not certain. For instance, it is difficult to confirm whether they are simply legal entrepreneurs, using their triad reputation to monopolize the business, or laundering their money through investing legitimate businesses.

#### **5. Political Resources**

Hong Kong has a clean civil service. The criminal justice professionals are well paid. The system to monitor the proper functioning of the legal procedure is well established. The Independent Commission Against Corruption (ICAC) is a powerful law enforcement agency to combat corruption. There are no indicators that large-scale corruption syndicates exist within the Hong Kong criminal justice system.

Hong Kong triads are not interested in involving themselves in politics. We cannot see any triad group that is able to manipulate politicians and the political process in Hong Kong and abroad. There is also no evidence to support that triads have managed to get their members elected to the Legislature.

14K was formed in Hong Kong in the early 1950s by a group of triad members with the Nationalist Party background in Guangdong province. It is true that some 14K members had a close relationship with senior Nationalist Party members in Taiwan in 1960s and

1970s. Nowadays, we cannot see that 14K members are interested in political movements.

## **6. Response of Law Enforcement Agencies to Organized Crime**

In the last few years the Hong Kong Police tried to focus on targeting the source of triad criminal income. Therefore, a number of operations were launched to combat their vice and illegal gambling activities. The Hong Kong Police also sent undercover agents to penetrate different triad societies to collect intelligence about their criminal activities. In addition, financial investigation techniques were regularly employed to trace and then confiscate their criminal proceeds. The Hong Kong Police also maintain close liaison and cooperation with different law enforcement agencies in the Mainland China, Macau and overseas in order to combat cross-border and transnational triad activities. In his 2004 Operational Targets, the Commissioner of Police summarized the following measures to fight against triad-related activities:

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## **7. The External Environment**

Compared with other social issues in Hong Kong, the priority about triads and their organized crime activities is always high on the public agenda especially due to grave concern about the occurrence of some collective violent cases. It should nevertheless be noted that triad activities have nothing to do with the everyday life of most Hong Kong people. Local people strongly believe that Hong Kong is a very safe city. People perceived triads as a menace because they are portrayed as such in the sensational media reports and gang movies. For ordinary Hong Kong people, their most concern about triads may not be their organized crime activities, but their influences on the vulnerable juvenile, especially the so-called 'triad infiltration to schools'.

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