

Gambling and organized crime — A review of the literature

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Abstract

This paper was written to review the literature on the historical relationship between gambling and organized crime (OC) in the 19th, 20th, and 21st centuries; examine the current state of affairs; point out gaps in the knowledge; and above all draw attention to this understudied topic. The paper begins with an examination of the different sources of information examined, including law enforcement reports, participant observation studies, psychological and economic studies of the links between gambling and crime, historical studies of gambling and crime, and a number of commission reports. The paper then provides an overview of OC and definitions of OC and gambling. This is followed by a discussion of the history of OC and its historic links to gambling. The paper ends with a discussion of the contemporary setting and directions for future research. Our literature review was written in part to facilitate further research and thereby help rectify a shortcoming in overall efforts to understand and document gambling-related issues.

Keywords: organized crime, gambling, literature review, history.

Introduction

This project began when a colleague asked the second author for an academic reference on the relationship between problem gambling and organized crime (OC). He could think of several films, but not of any academic paper that explicitly examined the topic. This paper is the result of an attempt to answer that request.

Under Canadian law, only the government (and its licensed agents), charities, and the horse-racing industry are legally entitled to offer gambling to the public. Although private bets between individuals (e.g., card games, sports bets) are legal, any game in which an unlicensed third party (e.g., a bookie or the owner of a card room) makes a profit from the betting is illegal. Privately run sports books, card rooms, numbers games (lotteries), and unlicensed casinos are therefore illegal. In the United States, legal gambling is often run privately but operates under license by the state. In Canada, Australia, the United States, and the United Kingdom, the laws regulating gambling deal

mainly with controlling legal and illegal gambling operations rather than controlling the gambler per se. That is, the focus is on restricting the venue, not the player. An examination of the literature on gambling suggests that illegal gambling is often linked to OC. In this paper, we examine the links between gambling and OC by reviewing the available literature.

A gambling venue is a complex business that requires a number of specialized workers, such as dealers, maintenance workers, supervisors (e.g., pit bosses), managers, security staff, financial officers, cashiers, and marketing staff. An illegal gambling venue will also employ lookouts to spot potential police raids, "ropers" to bring in the people and shills or cappers to encourage customers to bet, and debt collectors (Asbury, 1938, pp. 182–184). Given the number of specialists, it is perhaps not surprising that illegal gambling venues have often been associated with OC. In fact, a certain level of organization would be necessary to run most illegal gambling operations. Illegal gambling venues often rely upon OC for finance, protection, security, and the collection of debts (Asbury, 1938; de Champlain, 2004). There have been historical links between gambling and OC (Asbury, 1938; de Champlain, 2004; Pileggi, 1986, 1995), and this history has been depicted in movies such as *The Godfather* (Ruddy & Coppola, 1972) and *Casino* (de Fina & Scorsese, 1995; see Turner, Fritz, & Zangeneh, 2007, for reviews).

OC, especially that dominated by Italian and Jewish figures, has long been discussed and portrayed, romanticized and vilified, in both books and films (see Turner et al., 2007; Thompson, 1997). Any source dealing with OC in general is likely at least to touch on the theme of gambling, and the sources discussed in this paper are nowhere close to exhaustive in that respect. Instead, we offer up the following as a sample of sources that deal directly with OC's relation to gambling.

In the wake of the legalization of many forms of gambling throughout most of North America, it has become increasingly important to understand all aspects of gambling. Given the ongoing importance of gambling profits to organized criminals, understanding the links between OC and gambling presents itself as a research priority. Four scientific journals are now publishing research specifically on problem gambling (*Journal of Gambling Studies*, *Journal of Gambling Issues*, *International Gambling Studies*, and *Gambling Research*), plus several journals in the addictions field that regularly publish papers on problem gambling. An examination of the content of these journals found very few references to OC. We have chosen this topic precisely because it has, despite all the folklore, received little in the way of serious scholarly attention.

It is our hope that this literature review will draw attention to this understudied topic and that our preliminary efforts will be of use to those endeavoring to fill this gap in the current state of knowledge. The length of the reference section of this paper suggests that in fact there is a rich literature on the link between gambling and OC. However, few of these sources specifically focus on the link. Instead we had to pull information together

from a variety of sources. Information on the relationship between gambling and OC can be divided into six main types of sources:

1. accounts that can loosely fall under the heading of "participant observation" or are detailed accounts of the lives of crime figures (e.g., biographies);
2. information provided by law enforcement agencies;
3. academic studies (e.g., psychology, sociology, and economics) that either look at crimes committed by pathological gamblers or assess the impact on crime rates of expanding legal gambling;
4. summaries of historical information;
5. commission reports that summarize information from various sources and make recommendations regarding policy; and
6. films that have provided relatively accurate depictions of traditional OC.

In Table 1, the sources cited in this paper are grouped into these six general categories. None of these sources is ideal. Participant observation reports, such as Henry Hill's description of his life in a mafia family (e.g., Pileggi, 1986), offer a rich source of information. These can range from popular story-telling, such as the account given by Clarke (1929), to texts that are far more scholarly (Ianni & Reuss-Ianni, 1972). However, such accounts are often suspect given that personal contact is unavoidably opportunistic and anything but systematic, and also that authors may not be free to divulge everything they know. The approach does, however, generate information that could not be gathered in any other way. Conversely, reliance upon reports and the testimonies of law enforcement officials entails, essentially, reliance upon information compiled for purposes other than scholarship: the apprehension of criminals. This alone is a huge limit, as the information offered is invariably selective. Another limit involves an unavoidable professional bias: law enforcement agents will have emotional as well as budgetary reasons to exaggerate the extent of crime in any sphere. Without meaning to disparage any individual's integrity, one should at least take this *possible* bias into account when combing through such material. Academic research papers tend to focus on crime in general rather than on OC. They often involve computing the number of charges laid in an area to determine the impact of a new gambling facility or estimate the portion of crimes by pathological gamblers committed to finance their addiction. As such, they deal with the reported crime itself, rather than the organization that may lurk in the background. In addition, studies of prison samples typically combine pathological gamblers with subclinical problem gamblers and as such may not differentiate between the prey and the predators who take advantage of them. Summaries of historical information range from the sensational to the scholarly. Commission reports often encompass a range of information from anecdotes to statistical summaries. Their

information is usually second-hand in that it summarizes information from other sources; however, these reports are invaluable for bringing together the various sources of information and for their role in setting policy. In addition, we discuss a few of the films that have examined OC. In this paper, we only examine films that are largely based on historical evidence. These are used, in part, to add color to the paper, but also to highlight popular conceptions. The latter, if nothing else, has generated an atmosphere that may have affected scholarship. This literature review has been designed to provide the reader with a range of sources and hence the opportunity to reach informed conclusions.

This review has eight sections: 1. An overview of OC; 2. Definitions of OC and gambling; 3. History; 4. Gambling and its relation to crime in general; 5. Scope and nature of OC involvement; 6. Social impact; 7. The contemporary setting; and 8. Directions for future research.

An overview of OC

Crime and the emergence of order

Organized gangs of criminals, such as pirates, have existed throughout history (Banting, 2006). However, in the early 1950s, the well-known Kefauver report on OC (U.S. Senate Special Committee, 1951) identified what was then a new, and sophisticated, approach to criminal behavior. While texts emphasizing the continuity of OC practices throughout the last few centuries can be found (Asbury, 1938; Banting, 2006; Johnson, 1992; Peterson, 1983), and though some continuity is clearly undeniable, current discussions of OC tend to focus on this early and mid-20th century manifestation of OC. The new form of organization emerged primarily during alcohol prohibition and often achieved monopoly control over illicit products and services such as drugs, gambling, and prostitution. It was a form of criminal organization made possible through advances in travel and communication technologies, such as the wire services integral to bookmaking.

Organization

By its nature, OC is opportunistic. According to Schelling (1967), criminals organize in response to how strongly the laws against an activity are enforced. If a product is too widely available, criminal monopolies cannot be formed. In this view, there is some optimal degree of enforcement that attracts criminal monopoly. On the other hand, Skaperdas (2001) has discussed how OC "emerges out of a power vacuum that is created by the absence of state enforcement," and how it in fact provides "primitive state functions" in lieu of legitimate authority (p. 1). If a product is in high demand, but is prohibited, contracts along the supply chain from primary producer to consumer cannot be enforced through the normal legal channels, creating a power vacuum that is filled by OC (Skaperdas, 2001). One can also view OC's role in economic terms. For instance,

Boulding (1973), though not directly focusing on OC, has discussed in general terms how the absence of legitimate enforcement of contracts (in spheres where there is no legal legitimacy) provides an opportunity for enforcement by alternative actors. In addition, immigrant and other socially disadvantaged groups may not feel that they have access to legal authorities and government services. The police and the justice system are often viewed at best as indifferent to their welfare or even as agents of repression (Skaperdas, 2001). As a result, the people may be willing to cooperate with an alternative system of ethnically based gangs. This theme is depicted in the film *The Godfather* (Ruddy & Coppola, 1972).

There were important differences between the new organized groups that emerged at the beginning of the 20th century and older forms of OC, such as pirates, including the hierarchical structure of the newer organization, the specialization of members into different roles, and the strict code of conduct observed by members (de Champlain, 2004). For example, in an Italian Mafia group, or "family," the members had only limited knowledge of the hierarchy of the family, and only the most trusted associates were made into official members (de Champlain, 2004). As well, the management of the family was usually not involved directly in crime, thereby insulating the management from police authorities. This is the type of OC, popularized in movies such as the *Godfather* (Ruddy & Coppola, 1972) and *The Godfather II* (Coppola, 1974), that has come to be known as Mafia or Cosa Nostra. Interestingly, some authors have argued that the very existence of the Mafia is debatable (Albanese, 1989; Drzazga, 1963), a view also expressed by some alleged members of the organization.

Understanding OC requires a grasp of its structures, networks, and hierarchies. Contrary to some cinematic depictions (e.g., *The Godfather*, Ruddy & Coppola, 1972), according to de Champlain (2004), Italian crime "families" were not usually related to each other by blood. Instead, membership and progress through the hierarchy was determined by merit. At the bottom were the associates who worked for the various enterprises run by the family. Close associates would run businesses and pay their tribute to the local family. A soldier was an official member of the family. Men of Italian descent would be invited to join a crime family based on merit and loyalty. To become a soldier or a *made man*, the initiate would have to swear an oath of secrecy and loyalty. The soldiers worked under the directions of a *capo*. The capo in turn reported to the underboss, who reported directly to the boss. The boss ran the family with the help of the underboss and *consigliere* (an advisor). The consigliere was also available to the ordinary member as an advisor or advocate. In some cases, the local boss would report to the boss of another family (usually one of the New York families), and all families respected the commission of families also known as the Syndicate. De Champlain's (2004) description of the organization of the Italian Mafia is based on accounts by former members and associates who had turned state's evidence and then written accounts of their criminal activities (e.g., Henry Hill, whose criminal career was described by Pileggi (1986) and depicted in the movie *Goodfellas* (de Fina & Scorsese, 1990)).

Visibility and ethnicity

Some organized criminal groups are easily identified (e.g., outlaw motorcycle gangs), others wear clothing to make themselves easy to spot for those familiar with the gang (e.g., the Bloods wear red bandanas; Banting, 2006), while other gangs try to be inconspicuous (e.g., the Italian Mafia). Traditional organized crime (TOC) often refers to activities governed by Italian mobsters (Criminal Intelligence Service Canada (CISC), 2003). Some Italians have rightly objected to the strong emphasis placed on Italian organized criminals in the media (Albanese, 1989; Drzazga, 1963; Woodiwiss, 1988). In fact, OC is a worldwide phenomenon that involves many different groups. Banting (2006) describes a number of groups, including gangs originating in the former Soviet Union, Japan (Yakuza), China (the Triads), Columbia (drug cartels), and Jamaica (the Yardies). Less is known about the detailed hierarchy of many of these other crime organizations. Banting (2006), however, does describe the history of the Yakuza and the Triads and lists the 36 rules of conduct for the Triads.

Canadian authorities (Ogrodnik, 2002) identify several groups as running organized criminal activities within Canada. These include Asian, Italian, Aboriginal, and Eastern European-based OC groups, as well as outlaw motorcycle gangs and street gangs. In recent years, law enforcement has become aware of cooperation between various criminal groups and also of emerging criminal groups of a multiethnic nature.

Underreported crimes

According to Ogrodnik (2002), OC is often underreported. First, many of the crimes are consensual, as the target is a willing partner in the offence. These include crimes such as running a gambling house, selling drugs, running a house of prostitution, corrupting authority figures (e.g., the police), illegally importing and exporting, loansharking, smuggling illegal immigrants, and selling guns. The customers are typically willing participants and may not view themselves as victims (p. 33). Second, by their very nature, OC groups operate in secrecy. This secrecy is often enforced by intimidation and violence. Third, it is often difficult to determine if a particular crime is related to OC, in part because the links between a particular crime and the overall structure of the organization are intentionally obscured by the criminal organization. For example, a police officer might not necessarily know if a motor vehicle theft was a case of joyriding or perpetrated by a street gang on behalf of a larger criminal organization for export (Ogrodnik, 2002, p. 12).

Definitions of OC and gambling

OC

For the purposes of this paper, a single exhaustive definition of OC is unnecessary. Our goal, after all, is to introduce the reader to a range of sources rather than to any kind of consensus. We will, however, start with a definition provided by Jay Albanese after that author surveyed the many opinions on this topic: "Organized crime is a continuing criminal enterprise that rationally works to profit from illicit activities that are in great public demand. Its continuing existence is maintained through the use of force, threats, and/or the corruption of public officials" (Albanese, 1989, p. 5). Interpol (2007) defines OC as "Any enterprise or group of persons engaged in a continuing illegal activity which has as its primary purpose the generation of profits irrespective of national boundaries." In the United States, the Federal Bureau of Investigation (FBI) (2007) offers the following: "The FBI defines OC as any group having some manner of a formalized structure and whose primary objective is to obtain money through illegal activities. Such groups maintain their position through the use of actual or threatened violence, corrupt public officials, graft, or extortion, and generally have a significant impact on the people in their locales, region, or the country as a whole." The National Criminal Intelligence Service (NCIS) in the United Kingdom specifies that the group must consist of at least three people, be involved in serious criminal offences for a prolonged or indefinite period of time, and be motivated by profit or power (Banting, 2006, p. 2). These definitions are useful but do not necessarily differentiate OC from other criminal activity. For example, the Bonnie and Clyde gang fits the NCIS definition (see Banting, 2006), but their disorganized spree of bank robberies was very different from what we normally think of as traditional OC. Typically, definitions will hinge upon a party's interests, be they intellectual, economic, political, or other. As noted in one U.S. policy document, "there are as many definitions of organized crime as there are reasons to define it" (U.S. National Commission, 1976, p. 170).

The difficulties in distinguishing between OC and "regular" crime need not, on their own, preclude a discussion of OC. Scientific inquiries, for example, have a long tradition of accepting what are called "working definitions" — the idea being that despite a lack of consensus on the meaning of terms and concepts, one can still proceed with a study. Essentially, there is more than one way to define OC — and given the fact that a degree of organization is endemic to most criminal activity, such confusion should not be surprising. Our intention here is simply to review the literature, thereby directing readers to a range of opinions. Nonetheless, we offer four considerations that should not be overlooked.

1. Anderson (1979) has pointed out that, unlike a business firm, an OC operation can simply be a group of individuals dealing with assorted ventures (Anderson, 1979; Ianni, 1971a, 1971b). That is, the group need not be thought of as a single business. In fact, according to de Champlain (2004), a crime "family" runs a wide assortment of small-

scale enterprises. The day-to-day operation of these businesses or rackets might be run by the low-level members (soldiers) directly, or by associates who pay tribute to the family. The wide variety and small-scale nature of the operations insulate the family from legal prosecution. If the police raided any one business, the loss would be small. The business operated by a family may be legal (e.g., a bar or nightclub) or illegal (e.g., an underground casino or drug distribution network), or it might be a legal operation that also engages in illegal activities (e.g., importing legal and illegal products).

2. Perhaps the central defining characteristic of modern OC is the sophistication made possible by modern technologies. This is evidenced by how, since its inception in the early 20th century, OC activity has necessitated comparable sophistication in the sphere of law enforcement. Tactics such as prolonged surveillance and wiretapping have consistently been necessary (Woodiwiss, 1988).

3. Another necessary feature seems to be corruption: without cooperation from at least some politicians, police, or other key figures, OC as we have come to know it could not exist (Peterson, 1983).

4. As noted below, numerous studies have shown a strong link between criminal behavior and gambling. For the field of gambling studies, it is important to distinguish the extent to which offenders gamble because they have a psychiatric disorder (the prey) from the extent to which they gamble or offer gambling opportunities in order to take advantage of others (the predators). Organized criminals are often the suppliers of illegal gambling opportunities, and pathological gamblers are (for obvious reasons) an important part of their client base.

Gambling

Gambling can be viewed as the act of risking money (or equivalent) on an uncertain chance of winning a larger amount of money (or some other good). Gambling may involve some element of skill (e.g., poker, horse track bets) or be determined by pure chance (e.g., slot machines, lotteries) (see Turner & Fritz, 2007). In nearly all cases, the long-term expected result for the player is a loss. The percentage taken from various games ranges from around 1% of each bet for some popular table games to about 50% for a typical lottery. In this paper, we use the term *gambling* specifically to refer to games of chance such as lottery tickets, raffle tickets, instant lotteries, bingo, horse race betting, sports betting, and casino games such as roulette, blackjack, poker, and electronic gambling machines. In addition, speculative investments on the stock market (e.g., shorting commodities) can often be a form of gambling. Gamblers Anonymous (GA) advises its membership: "Don't gamble for anything and this includes the stock market, commodities, options, buying or playing lottery tickets, raffle tickets, flipping a coin or entering the office sports pool" (Gamblers Anonymous International Service Office (GAISO), 1999, p. 17).

Illegal gambling

In Canada, gambling itself is not illegal. As mentioned, private bets between individuals (e.g., card games, sports bets) are legal. Rather, the Criminal Code of Canada (2008) focuses very much on controlling the venues that are allowed to offer gambling. Typical examples of illegal gambling venues are sports books, cards rooms (often located in the back rooms of or above restaurants), numbers games (e.g., unlicensed lotteries), underground casinos, dogfighting rings, and unlicensed gambling machines.

The legal issues related to gambling are complicated by the differences in the legal status of different games in different provinces (Smith, Wynne, & Hartnagel, 2003). Smith et al. (2003) state that "gambling is an elusive legal term in Canadian society because, depending on the game and circumstances surrounding it, a variety of legal statuses are possible" (p. 8). For example, "eight of the ten provinces allow video lottery terminals (VLTs), but Ontario and British Columbia ... forbid the machines."

Enforcement is also complicated by the public's attitude toward a game. The police rely heavily on public tips and complaints in order to determine that a crime has occurred (Campbell & Marshal, 2007). However, for a variety of reasons many people may participate in illegal gambling schemes that they do not perceive as illegal, such as 50/50 draws organized for a wedding (see http://www.mgcc.mb.ca/charitable_raffle_faqs.html), locally organized numbers games (Anderson, 1979; Dunstan, 1997), or sports books run by friends.

For the purposes of a study of OC's relation to gambling, the most important definitional consideration is probably a practical one. As the following sections will make clear, gambling has long been the linchpin of OC. Even if loansharking has at times been comparable to gambling in importance, gamblers are often a loan shark's most important clients. Clarke (1929) provides insight into this matter: typically, *organized criminals prey upon those who want something for nothing* (pp. 58–59). Gambling can be thought of as an attempt to substitute risk for labor in the pursuit of gain, a pursuit that often backfires. Consequently, gamblers are often the best customers of OC.

History of gambling and crime

As mentioned, OC as we have come to understand it emerged with the advent of modern communication and travel technologies. Yet there has been some continuity and, whether organized or "disorganized," and whether or not gambling served as the main source of income, the criminal underworld has been dominated by gamblers since well before the 20th century (Asbury, 1938; Clarke, 1929; Peterson, 1952, 1983; Schwartz, 2006). Given that crime is a risky endeavor, this should not be surprising. More important, attitudes toward gambling have certainly been affected by its popularity among criminals. And the current state of available literature on gambling and OC cannot be understood without at least some grasp of these attitudes. From popular stories and romanticized outlaws to

prohibitory legislation, North America has found many ways to express its ambivalence toward vice. Bloch (1962, p. 355) discusses this longstanding ambivalence to gambling and states that Americans who may be against "gambling within their own jurisdictions do not hesitate to enjoy and encourage such facilities elsewhere" (p. 355). Turner et al. (2007) have identified OC activity and stealing from casinos as major themes in the overall depiction of gambling in film.

In his history of drinking in America, Rorabaugh (1979) identifies his nation as one infatuated with two things: money and salvation. Gambling has long had a special place in the realm of sin and spirit — complicated perhaps by a culture obsessed with money. Whereas polytheist religions are often receptive to gambling (Binde, 2007) and use it as a means of discovering one's fate, monotheist religions such as Christianity and Islam tend to condemn gambling (Schwartz, 2006). The Roman Catholic Church views games of chance as sinful only when played to excess, leading to deprivation. The first Puritans to settle in America were more stringently monotheist than their Catholic and Anglican counterparts. For them, God's will was completely beyond human comprehension. Yet this entailed a paradox: God's will, divine providence, is the attribute to which Puritans paid the most attention. Financial success, for example, was seen as divine providence, the reward for hard work and faith. Games of chance were thought sinful because they trivialized providence (Miller, 1939, pp. 10–11, 30; see also Winship, 1996).

As with many vices, the American attitude has often been more judgmental than in other parts of the world. According to Binde (2007), antigambling Christian sentiment associates gambling with greed, demonic forces, cosmology, and a fatalistic, or occult, alternative to Christianity. Dunstan (1997) traces current disagreements over gambling back to colonial times: in non-Puritan colonies, gambling was acceptable (see also U.S. National Commission, 1976). Rose (1991) describes how public sentiment in the United States toward gambling has shifted from progambling to antigambling in at least three distinct waves. We are currently living in the third wave of legalized gambling (Rose, 1991). When gambling is legal, its consequences generate more negative attitudes toward gambling. When gambling is illegal, people forget the consequences and demand more liberal laws. In addition, when gambling is illegal, the unsatisfied demand for gambling creates a market niche often filled by illegal gambling.

These tensions have been compounded by other currents specific to the North American continent: Findlay (1986) argues that gambling was consistent with the adventurism and risk-taking common to a frontier spirit and was popular for this reason. Many heroes of the old west were famous for their gambling exploits (e.g., Wyatt Earp; Asbury, 1938). Asbury (1938) describes the gradual westward drift of professional gamblers from the eastern seaboard to the Mississippi and then on to California. Professional gamblers were typically cheats who used a number of means to swindle their customers (Asbury, 1938; Dunstan, 1997). Already in the late 19th century, the stories of gamblers and outlaws were popular in dime novels (Oriard, 1991), and this trend continued into the 20th century (Asbury, 1938; Clarke, 1929; Coates, 1930). However, a parallel trend has

demonized gambling by exaggerating the link between gambling and crime, which is most clearly shown in the abundance of films about criminals in charge of casinos (see Turner et al., 2007)

Perhaps the greatest flowering of gambling in 19th-century America occurred under the auspices of OC in the large cities of the eastern seaboard. Asbury (1928, 1938) describes how large gangs in New York City, with the cooperation of corrupt government officials, ran numerous gambling venues around the city. Although officially illegal, these casinos operated openly, and the police had well-defined fees that they charged to turn a blind eye. One of the most notorious gambling barons was John Morrissey. He was so successful that he eventually became a Democratic State Senator and U.S. Congressman from New York. However, by the late 1890s, the tide of public opinion had turned against the casinos and the political corruption that profited from them. Gambling was forced underground by the early part of the 20th century (Asbury, 1938; Schwartz, 2006; Turner, Howard, & Spence, 2006).

For the purposes of a contemporary discussion, it is the kind of OC that emerged around the 1920s — along with its relation to gambling — that is of interest. As mentioned, general accounts of OC that also touch on gambling are abundant (Albanese, 1989; Banting, 2006; de Champlain, 2004; Ianni, 1974a, 1974b; Ianni & Reuss-Ianni, 1972; McIlwain, 2003; Peterson, 1952, 1983; Reid & Demaris, 1963; Richter-White, 2003; Tyler, 1962). Figures such as Capone, Siegal, Luciano, and Rothstein are by now legendary (Banting, 2006; Clarke, 1929; de Champlain, 2004; Katcher, 1958; Short, 1984), and it is no secret that OC as we know it today received its major opportunity for growth during Prohibition. During this period, underground casinos and other gambling venues were one of the means for the distribution of alcohol. After repeal, organized criminals returned to gambling as a main source of revenue (Anderson, 1979; California Attorney General, 1971; de Champlain, 2004; Monkkonen, 1992; Thompson, 1997; Zendzian, 1993), but added to gambling the distribution of illegal drugs and the infiltration of labor unions (de Champlain, 2004).

Authors often use Las Vegas as a prototype for lessons learned and how, given its early association with mob rule, to avoid criminal control (Hsu, 1999; Johnson, 1992; Johnston, 1992; National Gambling Impact Study Commission, 1999; Skolnick, 1978; Woodiwiss, 1988). Discussions of that city's post-Prohibition OC history are readily available (Banting, 2006; de Champlain, 2004; Denton & Morris, 2001; Pileggi, 1995; Reid & Demaris, 1963; Roemer, 1990, 1994; Short, 1984; Tyler, 1962). In the 19th century, gambling was widely available in bars and saloons. However, territories such as Nevada were forced to outlaw gambling in order to be recognized as states (Asbury, 1938). In 1931, though, Las Vegas legalized casino gambling as a depression-fighting measure (de Champlain, 2004). Promoters who once had conducted illegal gambling operations were the first to operate legal establishments (Campbell & Marshal, 2007). For a discussion of states' rights in the United States, and how this autonomy made it possible for Nevada to legalize "sin," see Ostrander (1966). Until the 1970s, law enforcement in

Las Vegas was weak and corrupt (Denton & Morris, 2001; Pileggi, 1995). According to de Champlain (2004), to avoid a territory war, the Cosa Nostra treated Las Vegas as an open territory. In addition, they prohibited any murder within Las Vegas in order to make it a "safe and quiet place for gamblers and tourists" (p. 191).

A good chronology of legalized gambling can be found in Thompson (1997, pp. 89–105) (who also identifies gambling-related websites and periodicals and provides an annotated bibliography as well as an annotated list of films with gambling themes). Another excellent resource is the Kefauver report (U.S. Senate Special Committee, 1951), which has extra value in that OC and its involvement with gambling are addressed city by city. Other authors have discussed the pros and cons of gambling's legal status in the 20th century prior to the more recent trend toward legalization (Albanese, 1989; Anderson, 1979; Beare & Hampton, 1983; Hsu, 1999; Johnson, 1992; Johnston, 1992; Monkkonen, 1992; Peterson, 1951; U.S. National Commission, 1976; Weinstein & Deitch, 1974; Woodiwiss, 1988; Zendzian, 1993).

The amount of actual control that OC exerted in Las Vegas is debatable (Fidance, 2009). By 1999, the National Gambling Impact Study Commission (1999, p. 3-1) confidently stated that effective state regulation and the takeover of much of the gambling industry by public corporations had eliminated OC from the direct ownership and operation of casinos. This new "era" can loosely be identified with the late 1970s and the sanitization of gambling in Las Vegas. Between 1980 and 1996, Las Vegas reported a 41% decrease in its crime rate (Hsu, 1999). This transition from mob-run gambling to corporate gambling is described by Pileggi (1995; see also de Fina & Scorsese, 1995). With North America's major gaming center no longer under mob control, by the 1990s it was easier to render gambling more acceptable elsewhere (Burbank, 2000). Interestingly, the idea that the mob no longer controls casino gambling has not reached Hollywood. Turner et al. (2007) found that references to OC were quite numerous in films about gambling. Some commentators have claimed, however, that OC still plays a major role in Vegas, albeit more clandestinely (Johnson, 1992; Johnston, 1992; Mahon, 1980). These sources, however, are dated, and current OC involvement in the Las Vegas casino industry might no longer be as significant as it is alleged to have been in the 1980s and early 1990s.

Two offshore locales played a key role in the mid-20th century gambling expansion: Cuba and the Bahamas. Under Batista, Cuba was a haven for North American gangsters and their gambling rackets (Cirules, 2004). When Castro put an end to this arrangement, many interests relocated to the Bahamas and, eventually, Atlantic City (Block & Scarpitti, 1986; Demaris, 1986; Mahon, 1980; Zendzian, 1993). Tales of CIA attempts to assassinate Castro, with the help of disgruntled gangsters, add even more color to this development (Rappleye & Becker, 1991). Another such mid-20th century "migration" involved Montreal (Humphreys, 1999; Lamothe & Humphreys, 2006). Many OC gambling operators fled the United States for Montreal during and after the Kefauver inquiries into OC (U.S. Senate Special Committee, 1951).

Atlantic City presents another popular topic in the literature (de Champlain, 2004; Demaris, 1986; Goodman, 1995; Hakim, 1985; Hsu, 1999; Johnston, 1992; Mahon, 1980; Sternlieb & Hughes, 1983; Thompson, 1997; Zendzian, 1993). Though, with New Jersey passing legislation to allow casinos in the late 1970s, and the "action" really beginning in the 1980s (Demaris, 1986), we would classify this as a contemporary development, better addressed in the following sections.

Gambling and its relation to crime in general

The predominant correlation between gambling and crime is also the most obvious: some forms of gambling are illegal. Coontz (2001) claims that while betting on sports is illegal in every U.S. state except Nevada, it may also be one of the most common forms of gambling in the United States. The same point has been made elsewhere (Beale & Goldman, 1975; Lamothe & Humphreys, 2006). Questions arise pertaining to the extent to which media and other institutions are complicit, with newspapers for example carrying odds and lines in sport sections (Wexler, 2008). It has been argued that if forms of illegal gambling are accepted by large sections of the public, tolerance for other forms of criminal behavior may also increase (Anderson, 1979; Dunstan, 1997; Ianni, 1974a, 1974b; International Gaming Institute, 1996; Lasswell, 1972; Liddick, 1999; Light, 1977; Schatzberg, 1993; Schatzberg & Kelly, 1996; Weinstein & Deitch, 1974). Longstanding issues addressed in the literature include the corrupting effect the acceptance of illegal gambling can have on police and other officials (Beale & Goldman, 1975; Dixon, 1991; U.S. Senate Special Committee, 1951; Pace & Styles, 1975; Peterson, 1951; Tyler, 1962) and an ensuing tolerance of other illegal activities (Albanese, 1989; Drzazga, 1963; Ianni, 1974a, 1974b; Knapp, 1972; Liddick, 1999; Reid & Demaris, 1963; Schatzberg & Kelly, 1996; Steffensmeier & Ulmer, 2006).

Numerous authors have debated the merits and problems of legalization as a solution to the above dilemma, with heated discussions over the extent to which gambling is inextricably associated with crime. For example, Clarke (1929) argued that "if the state ran gambling houses an Arnold Rothstein wouldn't be possible" (p. 18). However, it has also been argued that legal gambling will simply render illegal forms of gambling more acceptable to the public (Anderson, 1979, p. 145; Beale & Goldman, 1975; Lamothe & Humphreys, 2006; Sternlieb & Hughes, 1983; Thompson, 1997, p. 67; Weinstein & Deitch, 1974). Recent trends toward legalization have provided a focal point for queries into gambling's relation to crime (Campbell, Hartnagel, & Smith, 2005). The issue is contentious. Grinols (2000) examined crime statistics for all 3,165 counties in the United States for 20 years beginning with 1977 and found that 12.4% of the crimes observed in casino counties would not have occurred had casinos been absent. A similar picture emerges for violent crimes.

As mentioned in the introduction, police sources often emphasize a link between crime and gambling with little qualification (Edelman, 1982; Florida Law Enforcement Releases, 1995). According to Edelman (1982), "In the gambling capital of the east,

crime is rising with every throw of the dice" (p. 41). The author is of course referring to Atlantic City, a focus for much of the literature on the merits of gambling legalization. This is to be expected: New Jersey was a trendsetter, legitimizing casino gambling over a decade prior to similar developments elsewhere. Texts offering strong associations with crime and corruption in that city are abundant (de Champlain, 2004; Demaris, 1986; Goodman, 1995; Hakim & Buck, 1989; Johnston, 1992; Mahon, 1980; Sternlieb & Hughes, 1983; Zendzian, 1993). Some of these associations are questionable. For example, Demaris (1986) identifies a strong mob presence in that city, yet also acknowledges that Atlantic City had a significant OC presence well before the legalization of casino gambling. For a good discussion of a range of opinions (not limited to Atlantic City), see Thompson (1997).

A large number of studies have focused on the introduction of gambling in Atlantic City because it was a unique situation of changing from little legal gambling to wide-open gambling within a short period of time. Sternlieb and Hughes (1983); Friedman, Hakim, and Weinblatt (1989); and Hakim and Buck (1989) argue for a positive relationship between the presence of casino gambling and crime rates and a spillover of crime to communities surrounding Atlantic City. However, other authors have argued that the higher incidence of crime in Atlantic City was in large part due to increases in the number of visitors (Albanese, 1985; Gazel, Rickman, & Thompson, 2001). Ochrym (1990) has argued that nongaming tourism would have similar consequences for a community (Ochrym, 1990, p. 127; see also Albanese, 2003). Miller & Schwartz (1998) found correlations between casinos and local street crime to be anecdotal and inconclusive, arguing as many do that such increases are consistent with greater general activity associated with other tourist attractions. Phipps (2004) and Davis (2006) also found the evidence for a correlation between casinos and crime to be inconclusive.

Campbell and Marshal (2007) note that it is difficult to find objective data on the link between gambling and crime. Part of the problem is that the needs of police simply do not match those of social scientists. Their goal is to acquire evidence sufficient to sustain criminal charges, not to determine the background issues of the case. Campbell and Marshal (2007) list a number of factors (or filters) related to the reporting of a crime statistic. For example, someone has to perceive an activity as a crime, the person has to call the police, the police have to respond to the call, and then the police have to write up a report. Other factors can affect the chance of the police noticing the crime. These authors also note that the introduction of a new gambling venue will often lead to more pedestrian and car traffic that may require more policing. As such, the police may be more likely to notice crimes that would have occurred anyway.

There are several links between gambling and crime. Smith et al. (2003) offer four categories of criminal offences related to gambling:

(1) illegal gambling — gambling activity that is counter to Criminal Code of Canada statutes, such as bookmaking, keeping a common gaming house, and cheating at play; (2) criminogenic problem gambling — such as forgery, embezzlement, and fraud, typically committed by problem gamblers to support a gambling addiction; (3) gambling venue — crimes that occur in and around gambling locations, such as loan sharking, money laundering, passing counterfeit currency, theft, assault, prostitution and vandalism; and (4) family abuse — victimization of family members caused by another family member's gambling involvement (e.g., domestic violence, child neglect, suicide, and home invasion). (p. 8)

Alternatively, Campbell and Marshal (2007) list six major links between gambling and crime. Their first two categories of crime are the same as Smith et al.'s (2003): (1) illegal gambling and (2) criminogenic problem gambling. However, they do not list family abuse as an issue and break down gambling venue crimes into four additional categories: (3) increases in crime specific to the expansion of the casino; (4) crime committed in the venue, such as money laundering; (5) crime committed against the casino or other players, such as cheating; and (6) corruption.

Turner, Preston, Saunders, Mcavoy, & Jain (2009, in press) found evidence to support several of these links between gambling and crime. A majority (65.2%) of the severe problem gamblers in their study reported criminal activity as a direct result of their gambling problem. These crimes tended to involve income-producing crimes such as break and entry, robbery, and theft. However, 37% of moderate problem gamblers and 22% of nonproblem gamblers reported that gambling was part of their criminal lifestyle. For example, some offenders reported that their criminal associates gambled, so they also gambled. Other offenders reported that crime led to a surplus of disposable income that made gambling possible or even necessary (e.g., earning \$5000/week and had to spend it somewhere). Many reported gambling in prison, and one respondent said that he had learned bookmaking in jail.

Scope and nature of OC involvement

Gambling as a key venture

According to Moodie (2002), gambling is a key component of many criminal organizations. At a University of Alberta conference, a Canadian law enforcement official said the following:

Illegal gambling, while appearing to be a minor part of a Traditional Organized Crime (TOC) network, is actually a foundation upon which most other illicit activities are supported. Illegal bookmaking, card dens and video gambling machines are Traditional Organized Crime's main source of revenue. Illegal gambling and related crimes such as loansharking, money laundering and corruption provide working capital to invest in more legitimate enterprises, thereby strengthening their entire illicit operation. (Moodie, 2002, p. 7)

If this is to be believed, gambling should be the backbone of OC, which is precisely how a U.S. senator once put it (King, 1969, p. iii). The literature provides a fair bit of support for that position, demonstrating a remarkable consistency over the years (Albanese, 1989; Anderson, 1979; Banting, 2006; Block & Scarpitti, 1986; Clarke, 1929; de Champlain, 2004; Demaris, 1986; Drzazga, 1963; Dunstan, 1997; Humphreys, 1999; Ianni & Reuss-Ianni, 1972; King, 1969; Lamothe & Humphreys, 2006; Johnson, 1992; Johnston, 1992; Liddick, 1999; Pace & Styles, 1975, p. 112; Pileggi, 1995; Rappleye & Becker, 1991; Steffensmeier & Ulmer, 2006; U.S. Congress Senate Committee, 1961; U.S. Senate Special Committee, 1951; Zendzian, 1993). For many readers, the first counterpoint would involve the relative importance of illicit drugs — an issue to be addressed shortly.

De Champlain's (2004) book on OC describes how the bosses of various families came together to form a syndicate (or commission) to avoid wars and designate territories of operation:

From then on, gangland wars stopped. New territories were allocated according to everyone's specialties. Meyer Lansky was given Florida and the Caribbean. Benjamin Siegal got California and Nevada for gambling operations. Frank Costello received the slot machines, Bechalter the garment centre, Luciano narcotics and prostitution, and Michael Coppola the numbers racket (de Champlain, 2004, p. 19)

This quotation reveals how, when "crime" was divided up in the early 20th century, the larger category of "gambling" required subdivision. This is still the case. From the same text, with reference to the 1990s: "Soldiers can have an interest in more than one business, legitimate or illegitimate — whether it be clubs, restaurants, dice games, usury operations or lottery or bet-taking establishments" (p. 103). Given that hard numbers pertaining to illegal activities will invariably be elusive, such clues to gambling's relative

importance are necessary. As Munting (1996) has pointed out, "By definition the extent of illegal gambling cannot be measured" (p. 30). Nonetheless, there is some quantitative information in the literature. According to Smith et al. (2003):

It is difficult to precisely gauge the scope of illegal gambling in a jurisdiction; however, revenue estimates rival, and in some cases surpass, those of its legal counterpart. For instance, sports bookmaking is illegal in every American state except Nevada; Nevada's 153 legal sports books handled \$2.5 billion in betting action in 1999, whereas the American National Gambling Impact Study (1999) estimates that \$380 billion annually is bet illegally on sports events around the nation. By this comparison, Nevada's legal sports betting total accounts for less than one percent of America's sports betting revenues. (pp. 9–10)

The figure of \$380 billion may be exaggerated because much sports betting occurs between friends, involving neither a bookie nor OC. However, it suggests a huge potential profit for anyone willing to take the risk of running an illegal gambling book.

Liddick (1999) provides some staggering accounts of the scope of numbers gambling in New York state (esp. pp. 44–45), though many of his law enforcement sources are dated to the mid-20th century. One 1967 estimate has the proceeds of "illegal gambling" in the United States at a net \$7 billion (King, 1969). Using the Implicit Price Deflator for 1967 (23.9%) and 2008 (119.7%) (U.S. Department of Commerce, 2008), this figure would translate as roughly \$35 billion in today's dollars. However, we will leave it to the reader to decide upon the reliability of this ballpark figure as well as the precision of a category such as "illegal gambling." Demaris (1986) provides a great deal of information, exemplified by the following late-1970s estimate: one OC network supposedly controlled 80% of slot machine sales in the United States (p. 204). Anderson (1979) did a close study of one OC group and found the major activities to be gambling and loansharking, with the former clearly dominant (and, as already mentioned, loansharking generally depends upon gambling). Pace and Styles (1975) identify horse and sports betting as the most profitable OC ventures and provide thorough accounts of how these operations tend to be structured. The Kefauver report (U.S. Senate Special Committee, 1951) discussed mid-20th century OC activities in several major U.S. cities, and one is left with the impression that gambling is the most lucrative of all OC business enterprises. Drzazga (1963) described illegal gambling as "the principal source of revenue for today's hoodlums and racketeers" (p. 14). Conversely, there has been little evidence to suggest that bingo, lotteries, and off-track betting are under serious OC influence (State of California, 1971).

Newer developments are only starting to receive serious attention (McMullan & Perrier, 2003; Schwartz, 2005):

In Western Canada, video gaming and lottery machines are the newest, and possibly the largest, illicit source of gambling income available to organized crime groups.

The machines can earn up to \$2000 per machine, per week, making this an extremely lucrative business. The cost of the machines ranges between \$2500 and \$5000 and is quickly paid off. Organized crime groups including the Hells Angels, Asian-based organized crime, Traditional organized crime, and East European-based groups are all involved in the illegal operation of these machines. (CISC, 2000, p. 33)

Other developments are only starting to be understood. Smith et al. (2003, p. 9) describe online gambling as "a rapidly growing phenomenon that is becoming an enforcement challenge for police and law enforcement." The unregulated nature of Internet gambling provides an opportunity for OC to profit from gambling (Pontell, Geis, & Brown, 2007; Banting, 2006; see also Behnam, 2007). Attempts to prohibit Internet gambling may lead to greater involvement by OC (Schelling, 1967; Skaperdas, 2001). In addition, gambling on the Internet may provide an easy means for money laundering (National Gambling Impact Study Commission, 1999). In particular, issues such as the lack of "uniform international law and oversight or regulatory regime, the fluidity of funds crossing international borders, and the high degree of anonymity" (National Gambling Impact Study Commission, 1999, pp. 5–6) have been identified as particularly problematic regarding Internet gambling.

Another interesting development is Internet hacking attacks, which can involve extorting money from sports and gambling websites (Germain, 2004). In these attacks, online gambling websites receive threats containing demands for money. If the money is not paid, the site becomes the target of "distributed denial-of-service (DDoS) attacks that would shut down the targeted Web site." OC figures are also involved in identity theft and Internet fraud (Banting, 2006). Another technique known as "black-holing" redirects users who are trying to access targeted financial and gaming websites to an identical-looking site run by the thieves. The visitors log in, and their user IDs and passwords are collected by the thieves. The visitors are passed back to the real location (Germain, 2004) and likely will not know they have been hijacked. While the perpetrators of such schemes are often hard to trace, such attacks may at times be directed at gambling sites for another reason: the uncertain legality of these sites could compromise recourse to legal action against the attackers. This is a question worth exploring, for there are certainly precedents for shakedowns aimed at businesses that specialize in "sin." Historically, sin trades such as gambling, prostitution, and drug dealing have often been directly controlled by OC, or at least forced to pay tribute, for the very same reason.

Given that thorough quantification is an unrealistic expectation even with legitimate industries, the goal is simply impossible with criminal activities. The following figure, while impressive, highlights the need for very rough estimates: the British Internet security firm mi2g "estimates that \$200 billion is channeled through untraceable man-to-man financial networks" (Germain, 2004).

One approach to gauging the relative importance of gambling to OC is a review of the literature itself, and as mentioned we have found that informal treatments of OC tend to focus more on gambling than on any other activity. Clarke (1929) discusses the career of Arnold Rothstein, and the book clearly presents gambling as primary. Given that Rothstein himself was a gambler first and foremost, this may not be representative. Pace and Styles (1975) deal with OC in general, and in the index gambling and drugs get roughly equal footage. The authors do, however, identify gambling as more profitable (p. 112). In his treatment of Johnny "Pops" Papalia, Humphreys (1999) mentions gambling before discussing any other criminal activity (p. 3) and mentions another point we have already raised: even where gambling is not a mob figure's main activity, he is likely to engage in loansharking with gamblers as his most important clients. General OC accounts — not explicitly focused on gambling — such as those by Anderson (1979), Banting (2006), and de Champlain (2004), leave the reader with a strong, though arguably anecdotal, impression that gambling is OC's main activity.

Low priority for law enforcement

In a report written for the U.S. Justice Department, Fowler, Mangione, and Pratter (1978) complain how gambling laws are often a low priority for law enforcement officials and that resources devoted to dealing with them are scant. OC is often underreported because vice-type offences (e.g., prostitution, gambling, and drugs) generate few if any complainants or witnesses and are hence less likely to be reported to the police (Ogrodnik, 2002, p. 22). Campbell and Marshal (2007) also discuss this matter. One difficulty is that the police often rely on the general public to report a crime. In the case of gambling, the customer is often a willing participant in the crime, which rules out one of the main sources of information for the police.

Gambling is viewed as hard to regulate and prosecute — with prosecutors themselves often poorly motivated — in comparison to other activities (Fowler et al., 1978; Knapp, 1972; Pace & Styles, 1975; U.S. Senate Special Committee, 1951). Even if charges are laid for running illegal gambling venues, a conviction may not follow. Dewhurst (2006), a retired police officer, notes on a Listserv for gambling treatment and research professionals that it is often difficult to get a conviction in a case of illegal gambling. During a trial for running illegal gambling venues, he heard a judge ask, "How is this different from the casino?" The judge's wry grin in reaction to the Crown's response, "They are legal," indicated that the fines would be lowered.

The difficulties with detection, arrest, and prosecution may help to explain the seemingly little attention Canada's Criminal Intelligence Service devotes to gambling in many of its reports on OC. The reports from 2003 through 2006 (CISC 2003, 2004, 2005, 2006) barely deal with gambling. The 2005 report, when listing types of crime, provides "drugs" with six subheadings, whereas gambling gets no corresponding mention. The 2006 report lists six types of crime, and gambling is not one of them. These breakdowns, with respect to space and categorization, are clearly at odds with the allocations provided

in the sources listed above, reflecting political and budgetary realities that should be taken into account when scrutinizing many official documents.

A harmless vice

De Champlain (2004) states that OC focused on gambling in part because it was not considered a priority with law enforcement officials. Our review of official documents seems to confirm this view. A theme that consistently resurfaces in the TOC literature is the relative acceptability of gambling compared to the drug trade (Banting, 2006; de Champlain, 2004; Drzazga, 1963; Fowler et al., 1978; Ianni & Reuss-Ianni, 1972). Gambling is viewed as attracting relatively little attention and risk, in contrast to drugs, which attract much more negative political and police attention. The drug trade is often perceived as immoral, dangerous, and hence forbidden in many traditional OC circles (de Champlain, 2004; Lamothe & Humphreys, 2006; Pace & Styles, 1975; Pileggi, 1986). This view is also reflected in popular culture: in the movie *The Godfather* (Ruddy & Coppola, 1972), for example, Don Vito Corleone (Marlon Brando) refuses to get into the drug marketing business because he is worried about losing the cooperation of the politicians and police that he has on the payroll. The issue is also addressed in the film *Goodfellas* (de Fina & Scorsese, 1990). The point is clear: gambling is acceptable whereas drugs are not. To some extent, however, the refusal to get involved in the drug trade may have been more a public relations gimmick. De Champlain (2004) reports that the proscription against the drug trade was violated by some families and that the trade was controlled indirectly through links to other organizations, such as the Sicilian mafia, street gangs, and motorcycle gangs. In addition, other groups, such as the Hells Angels, have no such inhibitions about drug marketing at all (CISC, 2004; de Champlain, 2004).

The significance of gambling to OC groups cannot be understood without a grasp of gambling's many social roles. For example, Banting (2006, pp. 48–49) discusses how gambling enabled one mobster to fraternize with the rich and famous. As well, there is the simple fact that casinos provide an atmosphere that many OC figures seem to enjoy (Beare & Hampton, 1983, pp. 16–17; Johnston, 1992). King (1969, pp. 1–14) even offered conspiratorial explanations for why the gambling and OC connection had not received the attention that it should: apparently, powerful interests would be threatened. Either way, gambling is more likely than drugs to be perceived by the public as "victimless" (Albanese, 1989; de Champlain, 2004, pp. 150–152; Drzazga, 1963; Ianni & Reuss-Ianni, 1972; Pace & Styles, 1975), and this is perhaps more so in recent years given the legalization of many forms of gambling (Burbank, 2000).

It is highly probable that gambling will continue to have a strong attraction for criminals, and for organized criminals in particular. Gambling involves a quest for unearned profit — so even honest gambling has something in common with crime. Further, OC has long had a tendency to follow money — and especially money that flows freely and is hard to trace. Gambling profits can qualify on both counts. Commentators have mentioned that casinos present ideal opportunities for the skimming of profits as well as the laundering

of moneys already earned through crime (de Champlain, 2004; Demaris, 1986; Mahon, 1980; Munting, 1996; Sternlieb & Hughes, 1983; Zendzian, 1993). Arguably, money generated at casinos is harder to monitor than profits at many other businesses, and casinos often provide credit, which criminals can use to finance other ventures (Beare & Hampton, 1983, pp. 11, 16–17; Edelman, 1982). However, this perception of legal gambling venues may be obsolete because today the gambling industry is among the most highly regulated and monitored (National Gambling Impact Study Commission, 1999; see also Collins, 2007). Even as far back as 1985, Albanese found little evidence linking casinos to crime, organized or not. So we strongly advise interested readers to acquaint themselves with a range of perspectives when trying to unravel issues that still rely largely upon the anecdotal for clarification.

Social impact

Most of the issues pertinent to this section, such as the corruption that illegal gambling entails, have already been discussed. This section was written in part to revisit these issues and bring them under a single heading. Still, some new themes are raised.

Problem gambling

So far we have had little to say about problem, or pathological, gambling itself. Though an important topic, pathological gambling is not specific to OC and hence not a proper focus for this study. Nonetheless, a few points deserve mention. As noted above, pathological gamblers do utilize illegal gambling venues and loansharking services. As such, pathological gamblers are probably among the best customers of OC.

According to Abbott, McKenna, and Giles (2005), between one third and two thirds of problem gamblers engaged in treatment or mutual help groups report having committed gambling-related offences. A review of the literature by Williams, Royston, and Hagen (2005) reports that studies have consistently found very high rates of pathological gambling in offender populations. Williams et al. (2005) found that approximately one third of criminal offenders were either problem or pathological gamblers. Approximately 50% of crimes by incarcerated problem and pathological gamblers are reportedly committed to support gambling.

There has been some suggestion in the literature that problem gamblers may be more inclined to gravitate to illegal gaming venues (Weinstein & Deitch, 1974). In a study of the Canadian prison system, Turner et al. (in press) found that offenders were more likely to engage in nonregulated forms of gambling (e.g., private card games, games of skill, sports bets) than nonoffenders.

If a player finds him- or herself in debt to a legal casino, credit card company, bank, or other legal business, he or she can resort to a consolidated loan, credit counseling, or bankruptcy protection. These options may not be open to those who owe money to OC.

Turner et al. (in press) note that many pathological gamblers report that gambling led to their involvement in crime. Several offenders described being caught in a cycle of gambling, followed by debt, followed by crime, and then again by more gambling. One offender reported working as a debt collector to pay off his gambling debt.

In their study of Gamblers Anonymous (GA), Ferentzy, Skinner, and Antze (2007) also found that indebtedness to OC figures (e.g., loan sharks) could have serious effects upon how gamblers in that fellowship pursue their recovery. Engagement with the "Twelve Steps," and other psychospiritual endeavors, is often sidelined in favor of financial matters. As one interviewee put it, "You can't compare an AA or an NA. These are real things you have to address. You don't address them, you may not be walking the earth." Such dilemmas have serious clinical implications, as they are certainly not limited to mutual aid approaches to recovery.

On the other hand, during an informal discussion prior to an interview (Ferentzy, Skinner, & Antze, 2004), one GA member told the investigator that these TOC elements often display a respect for family and the obligations that go with it. According to this GA member, when gambling was primarily under mob control, if a woman were to approach one of the local "wise guys" complaining that her husband's gambling was leaving the family destitute, the husband would likely be barred from games run by that family. Though anecdotal, this information speaks to the difficulties with assessing the normative dimension associated with criminal elements. Regardless of what one chooses to believe, it is too simplistic to paint the ethical distinctions between legal and illegal gambling in black and white terms. It would not be hard to imagine, for example, how something akin to "self-exclusion" could be done more effectively in a setting that is both less formal and more personal.

Responsible gambling initiatives

Another social impact we have yet to mention involves the lack of guidelines when criminals run an operation. Given that the organization is illegal, no legal age limit can be imposed on access to the games. According to Richter-White (2003), OC can increase youths' opportunity to gamble. Youth under the legal age to gamble "could use illegally operated machines or participate in arranged competitive gambling" (p. 19). More generally, legal venues can be forced to comply with regulations regarding responsible gambling initiatives such as age limits, making helpline information available, ensuring that the games are designed and operated fairly, and providing information centers for the customers. No such pressure can be brought to bear on illegal gambling operations. As such, illegal gambling venues may generate a higher percentage of problem gamblers.

However, these problems also have to be weighed against the ability of the legal gambling venues to advertise and draw in new customers. Illegal gambling venues are limited to word-of-mouth advertising. Legal casinos can draw much larger crowds, which may lead to more problem gambling (Room, Turner, & Ialomiteanu, 1999).

Corruption

Gambling has long been associated with corruption of all sorts (Goodman, 1995; Asbury, 1938). For example, bookies have paid college athletes to throw games (U.S. Congress, 1961) and in 1919 paid most of the players of a baseball team to lose the World Series (Clarke, 1929). The exposure of such schemes can be emotionally charged. Such scandals typically involve illegal gambling schemes (National Gambling Impact Study Commission, Statement by William A. Bible, Appendix 1, 1999, p. 2)

Some authors, such as Demaris (1986) and de Champlain (2004), claim that in the 1970s many mobsters were hopefully awaiting casino legalization. Casinos can indeed provide good opportunities for money laundering (CISC, 2000; Munting, 1996), loansharking (CISC, 2000), and many other illegalities (Burbank, 2000; Germain, 2004; Moodie, 2002; Smith et al., 2003). Conspiratorial claims, especially on a smaller scale, are common. Demaris (1986) discusses the bribing of officials in Atlantic City (p. 154). The corruption of police, other officials, and businesspeople of all stripes is, of course, a natural extension of OC involvement with gambling (Beale & Goldman, 1975; Block & Scarpitti, 1986; Dixon, 1991; Fabian, 1990; Ianni & Reuss-Ianni, 1972; Johnson, 1992; Johnston, 1992; Mahon, 1980; Pace & Styles, 1975; Peterson, 1951; Tyler, 1962; U.S. Congress, 1961; U.S. Senate Special Committee, 1951). With certain associations established, people (including police) are "connected," and other criminal acts might then be overlooked (Albanese, 1989; Anderson, 1979; Beale & Goldman, 1975; Drzazga, 1963; Ianni, 1974a, 1974b; Knapp, 1972; Liddick, 1999; Reid & Demaris, 1963; Schatzberg & Kelly, 1996; Steffensmeier & Ulmer, 2006). High-level attempts on a politician's life (in this case Castro) have also been linked to OC and its association with gambling (Rappleye & Becker, 1991).

As mentioned, King (1969) claimed that illegal gambling is often left unexposed because well-placed, powerful individuals are involved. This problem was perhaps even more apparent in the 19th century, where, for example, politicians who were members of New York's famous Tammany Hall social club collected money from local crime bosses (Asbury, 1938), while the police licensed gambling houses even though they were officially illegal. The U.S. National Commission on the Review of the National Policy Toward Gambling (1976) provides a decent discussion of such 19th-century developments.

There is much in the literature to suggest that legalizing gambling venues does not necessarily mean an end to the involvement of OC or of corruption in general. During the 1970s, much of the OC revenue from gambling in Las Vegas came through skimming operations (de Champlain, 2004). Skimming is the practice of stealing monies from a casino's cash boxes, cashier's cages, slot machines, and sports books before they are counted. The book *Casino: Love and Honor in Las Vegas* (Pileggi, 1995) and movie *Casino* (de Fina & Scorsese, 1995) illustrate how the skimming operation worked in Las

Vegas. It cannot be done without the participation and cooperation of casino employees. In addition, de Champlain (2004) discusses the attempts by the New Jersey mob to infiltrate the casinos in Atlantic City through its unions.

Money laundering

Munting (1996) has pointed out that casinos are ideal for money laundering and other fraudulent practices, and many have said the same (Beare & Hampton, 1983; Burbank, 2000; Demaris, 1986; Johnston, 1992; Sternlieb & Hughes, 1983; Zendzian, 1993). Such activities can finance other crimes. However, as Collins (2007) points out, the gambling industry must now follow strict codes of conduct regarding money laundering, including reporting requirements for all transactions over a certain amount (e.g., \$10,000 in Canada) as well as any other transaction deemed suspicious. Collins (2007) goes on to say that the industry is regularly tested by the regulators to ensure compliance. Conversely, small wins are routinely paid out without any reporting requirement. According to Smith and Wynne (1999), money launderers avoid detection by making several smaller cash exchanges so as not to arouse suspicion. The scope of all these effects is, of course, impossible to measure.

Benefits of illegal gambling

So far we have focused on the costs of illegal gambling, such as corruption, money laundering, and problem gambling. To be fair, we should also consider the question of what benefits illegal gambling might offer.

The benefits of legal gambling to society are at best debatable. When evaluating the impact of a gambling venue, progambling advocates consistently draw the conclusion that opening a casino boosts the local economy, tourism, employment, or housing market (Grinols, 2007). Often this is accomplished by picking and choosing the numbers carefully to emphasize the improvement in the economy caused by the gambling venue (for an example, see Turner, 2008, p. 40). Grinols (2003) argues that the net benefits of opening a legal casino (e.g., consumer surplus due to short distance to the casino) are outweighed by the negative consequences of gambling, such as problem gambling and criminal activity (see also Grinols, 2004). However, Eadington (2003) has argued that whether it is good or bad for the economy depends on a number of factors, including how we evaluate benefit. Destination casinos may have a net positive impact on a specific community, whereas convenience gambling (e.g., electronic gambling machines at the local bar) may be the least beneficial and most problematic.

Can the same logic be applied to illegal gambling venues? Are they beneficial to the economy under some circumstances? OC gambling can compete with legal gambling, and often the former attracts business by offering tax-free winnings at better odds (Beare & Hampton, 1983; Liddick, 1999). For example, the house edge from a bookie averaged across all gamblers is typically 4.55% (risk \$11 to win \$10), whereas for a sports lottery

the house edge may be 20% or more. Legally a gambler is still liable to pay tax on the winning, but because illegal gambling venues do not report wins to the authorities, it is unlikely that the player will be caught for tax evasion on gambling wins. Whether any of this can qualify as a "positive" social impact depends upon one's point of view.

Traditionally, the numbers racket (a privately run lottery) has often been run in ways that benefit the local community. This is especially apparent in marginalized communities, such as low-income, inner-city neighborhoods. Numbers or policy rackets were often initiated by respected community members and not by criminals, and these operations provided employment, credit, and other necessities to individuals lacking access to channels deemed legitimate in other circles (Light, 1977; Schatzberg, 1993; Schatzberg & Kelly, 1996; Steffensmeier & Ulmer, 2006). It is likely that in many locales the players would not "feel" like criminals when participating in the racket. In these cases, illegal gambling functions both economically and socially in ways that may be considered positive (Anderson, 1979; Dunstan, 1997; International Gaming Institute, 1996; Lasswell, 1972; Liddick, 1999; Schatzberg, 1993; Schatzberg & Kelly, 1996; Steffensmeier & Ulmer, 2006; Weinstein & Deitch, 1974). Yet this in itself entails a counterpoint: given the acceptability of this illegal activity, it has been argued that numbers rackets have an especially powerful corrupting effect upon police, who either ignore this crime or are actively involved in facilitating it (U.S. National Commission, 1976, p. 172).

Finally, Johnston (1992) has argued that the recent proliferation of legalized gambling has, with greater availability and more competent management of the gambling industry, led to more corruption and more debts. In the past, these problems were limited to selected segments and to regions such as Nevada. Now, according to Johnston (1992), the same evils have become a mainstream problem: perhaps the business should simply have been left in the hands of criminals, as "Corporate America" has legitimized and broadened something innately destructive (pp. 296–297).

Once more, we advise all interested readers to acquaint themselves with a range of opinions and to keep in mind that the relation of OC to gambling is still an understudied topic and that assessment of "social impact" will typically be clouded with ideology, emotion, and anecdote.

Illegal and legal gambling

Gambling has long been a part of human society (Schwartz, 2006). People like to gamble and, unless something drastic happens to change human nature, people will continue to gamble. The main issue for researchers on the social impact of gambling has to be the extent to which we want to control or prohibit gambling. Typically societies have opted for either prohibition or exploitation (Skolnick, 2003). Rose (1991) has shown that over the past 250 years in North America, regulation has swung wildly from wide-open gambling to prohibition. Currently we are in a liberalization phase in which companies and governments exploit gamblers (Skolnick, 2003), but Rose (1991) has predicted that society will swing back toward prohibition in the near future. This instability is driven by two competing aspects of gambling: (1) it is fun and exciting and seems to be an issue of individual choice, and (2) available gambling breeds cheats, criminals, and problem gamblers, which eventually leads to a general distaste for the entire enterprise.

In this paper, we have discussed how in the past, during times of prohibition, gambling products have been available from organized criminals. The absence of legal gambling therefore does not mean the absence of gambling. Clarke (1929) argued that "If the state ran gambling houses an Arnold Rothstein wouldn't be possible" (p. 18). Clarke appears to be advocating legal gambling in order to prevent OC from profiting from gambling. On the other hand, Demaris (1986) has argued that "Gambling is a parasitic enterprise that thrives on the weaknesses of people. It leaves in its wake corruption, debasement, despair, and the subversion of moral authority" (p. 424). This suggests that gambling should not be legalized. Legalization may take profit away from organized criminals, but legalization is often associated with a surge in public participation in gambling (Room et al., 1999). Legalizing gambling likely leads to more betting and hence more problem gamblers.

If gambling is illegal, it becomes a lucrative means of making a profit for people willing to break the law. It is unlikely that illegal gambling venues will encourage responsible gambling or stop their customers from sinking too deeply in debt. In fact, loansharking has often been practiced alongside illegal gambling. If gambling is legal, however, more people will gamble, and perhaps more people will be negatively affected by the consequences of gambling. The fact that illegal gambling fills the demand left unsatisfied during times of prohibition may to some extent explain why the relationship between legal gambling exposure and the prevalence of problem gambling is often weak (Abbott, 2007). Accurate assessment of the relationship between gambling exposure and gambling problems requires an accurate measure of the illegal gambling available in the communities examined. Our purpose in writing this paper was to generate interest in the topic of gambling and OC and to take a broader perspective on the social ramifications of both legal and illegal gambling. It may be that some forms of gambling are so inherently dangerous that they should be banned altogether, but that other forms of gambling may be better regulated than left to the nefarious world of criminals. This issue is likely to become quite prominent due to the availability of Internet gambling.

The contemporary setting

Nevada's casinos were once closely linked in the popular mind with OC. This perception was given substance by repeated federal and state investigations and prosecutions of casino owners and operators (National Gambling Impact Study Commission, 1999). Because of the volume of cash transactions involved in casino gambling, a number of regulations have been imposed on gambling businesses in order to minimize money laundering. A number of commissions have examined the link between gambling and crime (National Gambling Impact Study Commission, 1999; President's Commission on Organized Crime, 1986; U.S. National Commission, 1976). The general consensus of these reports is that OC no longer plays a major role in legal gambling. The 1999 National Gambling Impact Study Commission argued that "effective state regulation, coupled with the takeover of much of the industry by public corporations, has eliminated organized crime from the direct ownership and operation of casinos" (p. 3-1). However, the commission also noted that OC may play a role in illegal gambling, sports gambling, and Internet gambling. It also noted that legalization of gambling may increase some types of crime (e.g., crime by pathological gamblers to acquire funds for gambling) but concluded by noting the paucity of information on the relationship between gambling and crime. Firm conclusions are therefore elusive.

Given the recent proliferation of legalized gambling venues, the role of OC in gambling cannot be presumed to have remained constant. The Internet, still being explored, raises another set of questions yet to be answered. There is also the traditional attraction of gambling for the purpose of money laundering. Although a number of recent measures have been implemented to prevent money laundering, Levi and Reuter (2006) describe evidence for the effectiveness of these measures as "anecdotal" (pp. 1, 33, 59, 65). These facts, coupled with the longstanding difficulties involved in the study of criminal activities and criminal organizations, render OC's current role in gambling as hard to ascertain as at any other time since its inception in the 1920s.

Directions for future research

We have argued from the start that the relation between gambling and OC is understudied. To be fair, there is enough material on OC in general to provide some decent knowledge. The topic, however, should be addressed directly. Perhaps the best suggestions we could make would be consistent with the breakdown we provided section by section in this review. Since definitions of OC tend to be commensurate with an author's interests, perhaps some work should be done on working definitions best suited to this topic. Historical work, on both gambling and OC, is plentiful. Yet some history with a direct focus on this relationship would be of great value. The relationship of gambling to crime is still highly contentious, and the extent to which the two are linked requires more study. The nature of OC involvement will, above all, require more study along the lines of participant observation and discussions with former (and if possible

current) OC associates. Though often anecdotal, and problematic for other reasons we have mentioned, such approaches have long been considered integral to the study of hard-to-reach populations. The latter may be street drug addicts or members of AA — and it is not hard to see why professional gangsters are even less accessible, so the same methodological arguments will apply to a greater degree. Social impact, for example, will require quantitative analysis. Such analyses, however, could clearly be enhanced by the kind of qualitative knowledge that direct contact can generate.

One issue of paramount importance involves the many insinuations pertaining to the corruption of officials mentioned in this review. Is corruption still an important issue, or has effective regulation managed largely to keep crime organizations out of the gambling industry? Corruption scandals associated with the gambling industry are not uncommon (Phillips, 2006), but such scandals do not necessarily involve OC. We found little evidence of corruption at the highest levels of authority, but such evidence would indeed be elusive. So our own conservative treatment of this matter proves little. If someone found a decent way to study this issue, the findings could be invaluable.

Of course, a whole new world of OC-related gambling has been made possible through Internet technology. Potential OC involvement in Internet gambling is an urgent matter, one that the research community should target right away. As noted above, Skaperdas (2001) has argued that OC occurs in the absence of state enforcement of contracts. OC essentially functions as an alternative enforcement mechanism to facilitate the chain from supplier to consumer. Schelling (1967) has noted that criminal monopolies form when enforcement restricts the availability of a commodity, making it more viable for criminal monopoly control. Currently, some countries are attempting to restrict Internet gambling, but these regulations are inconsistent. Ironically, the restrictions may make the Internet a prime place for potential organized criminal involvement. Soon OC's involvement in Internet gambling might dwarf all other variations and could represent the highest research priority of all.

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Table 1
Sources of Information Organized by Type of Document

Participant Observer/Biographies		
Author	Date	General topic
Anderson	1979	OC
Clarke	1929	OC
Humphreys	1999	Biography of participants
Ianni	1971a	OC
Ianni	1971b	OC
Ianni	1974a	OC
Ianni	1974b	OC
Ianni & Reuss-Ianni	1972	OC
Katcher	1958	OC
Pileggi	1986	Based on life of Henry Hill
Pileggi	1995	Based on actual events involving Frank "Lefty" Rosenthal & Tony "The Ant" Spilotro
Law Enforcement		
Author	Date	General topic
CISC	2000	Annual report on OC
CISC	2003	Annual report on OC
CISC	2004	Annual report on OC
CISC	2005	Annual report on OC
CISC	2006	Annual report on OC
Dewhirst	2006	Gambling & law
Edelman	1982	Gambling expansion
FBI	2007	OC
Florida Law Enforcement Releases	1995	Gambling & crime
Fowler et al.	1978	Gambling & law
Interpol	2007	OC
Moodie	2002	Gambling & OC
Ogrodnik	2002	OC
Richter-White	2003	OC

Academic		
Author	Date	General topic
Abbott	2007	Gambling & crime
Abbott et al.	2005	Gambling & crime
Albanese	1985	Economics & crime
Albanese	1989	Economics & crime
Albanese	2003	Economics & crime
Behnam	2007	Gambling & law
Bloch	1962	Gambling
Block & Scarpitti	1986	Gambling & OC
Boulding	1973	Economics
Campbell & Marshal	2007	Gambling & crime
Campbell et al.	2005	Gambling & crime
Coontz	2001	Gambling & OC
Davis	2006	Gambling & crime
Eadington	2003	Gambling & law
Ferentzy et al.	in press	Gambling problems
Ferentzy et al.	2004	Gambling problems
Friedman et al.	1989	Gambling & crime
Gazel et al.	2001	Gambling & crime
Grinols	2000	Economics & crime
Grinols	2003	Economics & crime
Grinols	2004	Economics & crime
Grinols	2007	Economics & crime
Hakim	1985	Gambling expansion
Hakim & Buck	1989	Gambling & crime
Hsu	1999	Gambling expansion
Lasswell	1972	OC
Liddick	1999	Gambling & OC
Light	1977	Gambling & OC
McMullan & Perrier	2003	Gambling & crime
Miller & Schwartz	1998	Gambling & crime
Monkkonen	1992	OC
Ochrym	1990	Gambling & crime
Pace & Styles	1975	OC
Peterson	1951	Gambling expansion
Phipps	2004	Gambling & crime

Pontell et al.	2007	Gambling & crime
Room et al.	1999	Gambling expansion
Schelling	1967	Economics of OC
Skaperdas	2001	Economics of OC
Smith et al.	2003	Gambling & crime
Steffensmeier & Ulmer	2006	Gambling & OC
Thompson	1997	Gambling expansion
Thompson et al.	1997	Gambling problems
Turner	2008	Gambling problems
Turner et al.	2006	Gambling problems
Turner et al.	in press	Gambling & crime
Weinstein & Deitch	1974	Gambling expansion
Williams et al.	2005	Gambling problems

 History

Author	Date	General topic
Asbury	1928	History of gambling
Asbury	1938	History of gambling
Banting	2006	History of OC
Binde	2007	Culture & religion
Coates	1930	Crime
de Champlain	2004	History of OC
Denton & Morris	2001	Gambling & OC
Dixon	1991	Gambling & law
Drzazga	1963	OC
Fabian	1990	History of gambling
Fidance	2009	Gambling & OC
Findlay	1986	Gambling
Johnson	1992	Gambling & OC
Johnston	1992	Gambling expansion
Lamothe & Humphreys	2006	OC
McIllwain	2003	OC
Miller	1939	Religion & gambling
Munting	1996	Gambling
Ostrander	1966	Nevada
Peterson	1952	Crime
Peterson	1983	OC

Rappleye & Becker	1991	OC
Reid & Demaris	1963	OC
Roemer	1990	Gambling & OC
Roemer	1994	OC
Rorabaugh	1979	Alcohol
Rose	1991	Gambling & law
Schatzberg	1993	OC
Schatzberg & Kelly	1996	OC
Schwartz	2005	Gambling expansion
Schwartz	2006	Gambling
Short	1984	OC
Sternlieb & Hughes	1983	Gambling expansion
Turner et al.	2006	History of gambling
Tyler	1962	OC
Winship	1996	Religion & providence
Woodiwiss	1988	Vice & prohibition

Commission Reports

Author	Date	General topic
Beale & Goldman	1975	Gambling & law
Beare & Hampton	1983	Gambling expansion
California Attorney General	1971	Gambling expansion
Dunstan	1997	Gambling
International Gaming Institute	1996	Gambling
King	1969	Gambling & OC
Knapp	1972	Economics & crime
National Gambling Impact Study Commission	1999	Gambling expansion
President's Commission State of California	1986	OC
U.S. Congress Senate	1971	Gambling & OC
U.S. National Commission	1961	Gambling & OC
U.S. National Commission	1976	Gambling
U.S. Senate Special Committee	1951	OC

Film		
Author/Producer/Director	Date	General topic
Coppola	1974	Based on historical events, but not on specific people
de Fina & Scorsese	1990	Based on life of Henry Hill
de Fina & Scorsese	1995	Based on historical events involving Frank "Lefty" Rosenthal & Tony "The Ant" Spilotro
Ruddy & Coppola	1972	Based on actual events, but not tied to specific people
Turner et al.	2007	Review of films about gambling
Other		
Author	Date	General topic
Burbank	2000	Gambling & law
Cirules	2004	OC
Demaris	1986	Gambling & OC
Germain	2004	Gambling expansion
Goodman	1995	Gambling expansion
Kim	2008	Gambling & crime
Mahon	1980	Gambling expansion
Skolnick	1978	Gambling expansion
Skolnick	2003	Gambling
Wexler	2008	Gambling expansion
Zendzian	1993	Gambling & OC