The decline of the American Mafia

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The American Mafia emerged during Prohibition as the wealthier and more violent successor to local city gangs involved in prostitution and gambling. It is thus a contemporary of the Soviet Union, another long-standing problem for the United States government. Coincidentally, the Mafia and Soviet Union have ceased to be significant strategic adversaries at almost the same time. The Mafia is almost extinguished now as a major actor in the United States' criminal world. And, to extend the comparison with the Soviet Union perhaps beyond its fair limits, the Mafia's decline is the result of both its conservatism and of federal government actions.

Initially, the American Mafia was a prominent supplier of bootlegged liquor. That required good connections with the local police department and political machines. Paying off the local beat cop provided a speakeasy, with its conspicuous and regular flow of traffic, little effective protection. Instead, it was necessary to guard against any cop who might be on that
beat; the efficient solution was buying the whole department, if it was for sale. In many cities it was. Frequently, that also meant connections with urban political machines. While Al Capone’s control of Chicago (though some scholars question Capone’s Mafia membership) in the 1920s is the most notorious instance, almost 50 years later the Mayor of Newark, New Jersey, Hugh Addonizio, retained strong connections to the local Mafia family. Elliot Ness and the federal revenuers, frequently less honest than legend, were a nuisance but not a major one.

At the same time, the Mafia acquired control of many unions, largely through direct intimidation of members. By 1929, when John Landesco did his classic study of organized crime in Chicago, he could already list a dozen local industries that the Mafia dominated through the unions. Prices were fixed and/or territories were allocated, with the threat of union strikes or picketing of customers as the enforcement mechanism. The Depression, which created a demand for cartel-organizing services later met by various New Deal agencies, such as the Reconstruction Financing Administration, added a few more industries (e.g., fur manufacturing) to the Mafia list, particularly in New York.

By the 1960s, the Mafia had mostly shifted from direct provision of illegal services, like bookmaking and loansharking, to selling services to bookmakers, loansharks, and other criminal entrepreneurs. The organization’s reputation for being able to deliver on threats was good enough that it could, in effect, sell these entrepreneurs contract insurance and dispute-settlement services. A bookmaker could insure himself against extortion by other gangsters or customer welching by making regular payments to some Mafioso. The organizational reputation, painstakingly and bloodily acquired earlier, was now the principal asset.

**Losing to the competition**

The evidence of the Mafia’s decline is partly of the “dog didn’t bark” variety. A Senate committee has a hearing on international fraud and organized crime, and the American Mafia goes unmentioned. The Department of Justice lists its principal targets for drug enforcement, and Mafia leaders don’t
make the cut. The New York City Police Department has yet another major corruption scandal, and none of the events involve the Mafia. A major numbers banker in New York, "Spanish Raymond" Marquez, who paid 5 percent of his profits to the Mafia in the 1960s, now pays only $300 per week.

There are a few more direct indicia as well. At least one family, based in Cleveland, has effectively disbanded. The New York Times, long the newspaper of record for Mafia events, now lists the membership of the five major New York families as only 1,200, down from 3,000 in the early 1970s. The DeCavalcante family of New Jersey, admittedly a weaker family even then, now has only 10 members, scarcely enough to fill a good-sized dining table, let alone an organization chart of the type so dramatically displayed by the FBI at numerous Senate hearings.

The Mafia has failed to maintain control of the New York heroin market and has been a marginal player in the cocaine business everywhere. Mexican-source heroin became available when the heroin market first expanded in the early 1970s, and the Mafia was never able to prevent its distribution in New York City, the home of perhaps one-third of the nation's heroin addicts. Its earlier control of the market had apparently rested on its domination of the New York docks, through the longshoremen's union as well as its connections with southern European processors. Mexican imports evaded that bottleneck. By the late 1980s, the traditional circuitous route for Southeast Asian heroin, through Sicily, southern Italy, or France, had primarily been replaced by direct importation, via the West coast, by Chinese and Vietnamese entrepreneurs. The Mafia proved helpless to deal with any of these incursions on its traditional territories.

Asian drug distributors have major advantages as heroin importers and domestic wholesalers. In the source countries for heroin, they can more cheaply ascertain the credibility and capacities of producers and exporters, as well as the corruptibility of local officials and transportation executives. Chinese gangs are better partners for Kun Sa, the long-standing leader in the Burmese/Thai opium trade, historically connected with remnants of the Kuo Min Tang army from pre-1949 China.

In the United States, these gangs have better natural cover.
Even creative and entrepreneurial drug-enforcement organizations have had difficulty developing informants and intelligence about Asian distributors. Few agents speak the relevant languages, and even fewer are of Asian origin. It is difficult to blend into the community, which, reflecting its recent immigration and cultural distinctiveness, is generally distrustful of police agencies.

In contrast, the Mafia is familiar territory to enforcement agencies, with its membership and affiliate lists updated as often at FBI headquarters as at John Gotti's Ravenite Social Club hangout. Indeed, there have been occasions in which, as was true for the U.S. Communist Party in the 1950s, FBI undercover agents seem to be as significant in some families as were the members themselves. The communities in which the Mafia recruits and operates are well known to police and provide comfortable terrain for undercover operations; language is not much of a problem anymore.

The Mafia's failure to play a role in the cocaine market is particularly striking. Most reasonable estimates suggest that this constitutes the largest single illegal market, in terms of gross sales, in recent times and perhaps ever. Credible estimates of U.S. revenues are approximately $40 billion, with as much as $10 billion going to higher-level distributors. No list of the major players has ever included any senior Mafiosi. The failure of the Mafia to participate directly in this market is partly explained by the very high legal risks associated with drug trafficking (a reason offered for the often-broken rule, immortalized in the movie The Godfather, for staying away from heroin), but more interesting is the Mafia's failure to serve as the source of dispute-settlement, enforcement, or financing services.

Several factors may explain the Mafia's inability to provide services to cocaine dealers. Colombian drug-dealing organizations have developed their own general reputation for violence. Indeed, the Colombians are known for their unwillingness to follow even the moderately restrictive rules of Mafia murders, e.g., that wives and children are exempt. That probably reflects a shorter planning horizon (the leaders will go back to Colombia once rich) and a belief that the criminal-justice system will not punish them. The historical experience
in Colombia itself since 1950 could account for that; the criminal-justice system there has been highly vulnerable to intimidation and corruption, and Colombia has experienced extraordinary levels of political and other violence over the last 40 years.

The Mafia has also suffered a major loss from its racketeering activities in legal markets. The election of a Teamsters reform slate, headed by Ron Carey, capped a decades-long battle with the U.S. Department of Justice. During that time, four Teamster presidents (Dave Beck, Jimmy Hoffa, Roy Williams, and Jackie Presser) were indicted and/or convicted of corrupt activities in connection with the Mafia, particularly the Chicago and Kansas City families. The Mafia's long-standing role in Las Vegas casinos, originally arising from the pariah-like nature of the industry itself, had come to center on its ability to direct the Central States Teamsters pension funds to compliant casino operators. The shift to trusteeships of that fund, again after a remarkably long battle with the Justice Department, greatly reduced the capital available to the Mafia.

Deregulation of the trucking industry, which curtailed the bargaining power of the Teamsters, also played a major role in lowering the value of racketeer control of the union. Trucking companies now had to compete with each other, as well as with other modes of transport, and could no longer pass on wage increases in regulated prices.

The most poignant indicator of decline is evidenced by recent court pleadings. Twelve Philadelphia Mafiosi have asked for public-defender representation, and prosecutors believe that they may indeed be poor enough to justify the request. Even the bar specializing in defense of Mafiosi has apparently hit hard times: "Lawyers who once made a steady diet of this type of work are having to diversify," said a prominent local defense lawyer.

**Sources of decline**

Some have suggested that the decline is largely the result of the "Americanization" of the Mafia—the demise of old values of loyalty to the fictive family and the increasing greed and self-centeredness of members. A less colorful, but more
plausible, explanation may be found in a combination of three factors.

*The altered structure of urban politics and policing.* As already stated, the principal original asset of the Mafia, built during the Prohibition era, was its connection to urban political machines. Mayors in Boston, Kansas City, New York, and Philadelphia were all credibly associated with their local Mafia families between 1950 and 1980. Those connections helped the Mafia develop property rights to centralized police corruption. As Thomas Schelling argued in these pages 28 years ago, the Mafia’s ability to control illegal markets may have rested largely on its ability to use the monopoly power of the police. The Mafia was, in effect, the collector for corrupt politicians and police, with the limits of the franchise dictated by political resistance in the populace.

By 1970, urban machines were largely gone; Chicago was an important exception into the 1980s. Cities are now mostly governed by much broader coalitions, with strong federal involvement in local government financing. Local corruption, the original justification for passage in 1970 of the Organized Crime Control Act, is now much less systemic. The flight of white ethnic communities to the suburbs and the growth of strong urban black political organizations has also contributed to the decline. Though *The Godfather* movies depicted corrupt, whiskey-guzzling Irish police overcoming their contempt for wine-sloshing Sicilians and making deals with the Mafia, the traditional relationship between blacks and the Mafia has not encouraged the development of trust. For a long time, the Mafia pushed around black gambling operators, and the memory remains.

Local police agencies have become more professional, and the growth of large federal law-enforcement agencies, with concurrent jurisdiction and strong interest in making corruption cases, has inhibited the development of long-term corrupt relationships between Mafiosi and police. Before 1960, the local police effectively had a monopoly of law enforcement aimed at illegal markets; paying off the Miami Police Department was enough to provide total protection of bookmaking there in the 1950s. Federal and state agencies might have

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jurisdiction, for example, under the Harrison Act (drugs) or the Mann Act (prostitution), but these agencies were small and timid. The famous Harry Anslinger, an aggressive proselytizer for tough drug enforcement and the head of the predecessor to DEA, had assembled a force of no more than 300 agents when he retired in 1962.

Now, the local police can sell, at best, very partial protection, since state and federal agencies can all make cases against loansharks, drug dealers, or extortionists. To make matters worse for would-be sellers of local protective services, offering up your local protector is one of the few ways for criminals to get relief from long federal sentences. The market for local police corruption has certainly not disappeared, but it is much less systemic than in previous decades. What the recent Mollen Commission inquiry in New York City uncovered was a group of entrepreneurial police who stole drugs from dealers when they had the chance but then had to sell the stuff themselves. There was no criminal organization able and willing to take advantage of their corruption to develop control of some area or market.

**Legal eagles and stumbling felons**

*Better federal enforcement.* The FBI got out of pretentious pinstripes and into badly cut leisure suits in the late 1970s. Long-term undercover investigations, which Hoover had always rejected because of the difficulty of controlling the agents, became frequent. One of the first (UniRac, for “union racketeering”) snared Anthony Scotto, a highly visible figure in the waterfront industry with close ties to the New York State political system and, as it turned out, a member in good standing of the Gambino family; that membership was scarcely surprising since he had married the daughter of Anthony Anastasia, of Murder, Inc., fame.

Federal prosecutors became much more sophisticated in their use of the Racketeer Influenced and Corrupt Organizations (RICO) and the Continuing Criminal Enterprise (CCE) statutes. Instead of convicting dons for running gambling enterprises, which was the outcome of many investigations in the early 1970s, RICO allowed them to bring cases with more significant and substantive crimes. John Gotti, the putative
Godfather, was sentenced for his involvement in a homicide. The list of charges on which the heads of the five New York families were convicted in 1986 (the “Commission” case, in which, for the first time, the defendants admitted that the Mafia existed and was directed by a commission of the leaders) included three murders.

The federal judiciary, with guidelines in hand, delivered long sentences. For example, taking the Times listing as definitive, each of the leaders of the five families in New York in 1985 has received a sentence of at least 15 years; most of them and their principal deputies are in prison for life sentences without parole.

The price of loyalty, the much-vaunted “omerta,” has thus become a lot higher. Members who might serve three years rather than inform changed their minds when 15-year terms became common. John Gotti is serving a life sentence because Salvatore Gravano, his longtime deputy and an admitted participant in 19 murders, chose to testify and turn an expected life sentence into a more reasonable five years. The federal government now reports over 100 Mafiosi in its witness protection program, compared to just a handful 10 years ago.

Not surprisingly, the increasing incidence of informants has begun to destroy the families from within; by early 1993, 11 Lucchese family members had been killed in an internal struggle. As Ronald Goldstock, longtime director of the New York State Organized Crime Task Force, commented in 1993: “The fate of anyone who assumes a leadership position in a [Mafia] family is a life prison sentence or assassination by a rival.”

Incompetence. The Mafia has continued to recruit from among uneducated, tough felons and requires that they commit serious and brutal crimes to gain admission. This is not a very effective method for finding the best and the brightest of criminal talent, particularly when the shrinking pool of young Italian-immigrant labor has much better legitimate opportunities than in the past. Whereas in the period from 1900 to 1909 over one million Italian males under the age of 45 migrated to the United States, for the 1960s the figure was only 80,000.

Inevitably, some older leaders lost their edge. Mark Haller,
the leading historian of American organized crime, reports that Harry Riccibone, a senior member of the Bruno group, was accused by one of his associates of turning into a "philanthropist" because of his unwillingness to act aggressively against his debtors. The current leader of the Genovese family, Vincent Gigante, may be mentally impaired, though some maintain that this is a ruse on his part to ensure that he cannot be tried.

The leaders may be decisive, they may be shrewd at determining when to use force, but they are not strategic in their thinking. Colombian drug distributors are less sophisticated than suggested by highly stylized accounts, such as novelist Tom Clancy's *Clear and Present Danger*, but they do seem to have acquired a few contemporary business practices, particularly with respect to financial services. The American Mafia languishes in suspicion of such sophistication, with nary a computer in sight.

**The future of organized crime**

This is not to say that organized crime has disappeared from American cities. New ethnic gangs, mostly from East Asia, have become wealthy through their control of large-scale illicit drug-distribution systems. Chinese and Vietnamese importers have come to dominate the importation of drugs into New York and Los Angeles; they are sufficiently competent at these activities that the price of imported heroin has simply collapsed, from $2,000 per gram in 1980 to less than $500 per gram in 1992.

They are also effective extortionists of their own communities. Chinese gangs have long been able to intimidate small businesses in traditional Chinatowns; the expansion of these communities, with new migration and economic mobility, does not seem to have reduced that capacity. Like their predecessor migrant populations, Asians have been unwilling to go to alien police to deal with indigenous intimidation. Police departments have made only modest recruiting efforts in Asian communities, with little success.

Yet, these gangs have not been able to diversify, as the Mafia did, into control of mainstream political and social institutions outside of those communities. The leading Chinese
triads lack the name recognition of Mafia families in the non-
Asian community. Asians are only just now producing their
first generation of prominent local politicians, reflecting, in
many cases, the lack of an active political tradition in their
own nations. The path to success of the Mafia in American
urban politics does not seem to be the path that the Asian
gangs will follow.

But will the Colombian gangs, fed by the vast revenues
from cocaine trafficking, take on Mafia-like capabilities? So
far, they have not exhibited the same entrepreneurial capaci-
ties as their 1920s counterparts and have not branched out
into other activities in this country. This contrasts with their
supplier organizations in Colombia, which have greatly broad-
ened the base of their legal and illegal activities. The critical
difference is probably the role of systemic corruption. In Co-
lombia, their success has been built on the purchase of broad
political influence, in addition to the intimidation of law en-
forcement. That influence permitted the Medellin principals
to invest with impunity in agricultural land; the scenes of the
baronial country homes of smugglers in Clear and Present
Danger are allegedly close to the truth.

In this country, that same kind of systemic protection has
not been available. The leaders have not built connections to
political machines or developed any other institutional base
for expanded operations. Gambling operators and bootleggers
in earlier eras were public figures, with broad reputations that
were important assets in many phases of their business. Drug
dealers, in contrast, are rewarded for discretion. Moreover,
major drug dealers do not need to have traditional retail busi-
nesses, but only have to make very occasional deals in varying
locations; consequently, they do not need the same kind of
long-term police protection.

The reduced power of unions, a concomitant of the decline
in American manufacturing, also makes it difficult for new
groups to acquire broad criminal powers. Thus, the list of
racketeer-dominated industries has not expanded in the last
65 years. Indeed, I would argue that it was a list of low-
technology industries with poorly educated workforces that
have mostly disappeared.
Bring back the Godfather?

A nostalgia for the Mafia has already emerged in this country. It is associated with a remembrance of orderly illegal markets, when bootleggers and bookmakers only shot each other and understood the dangers of killing the innocent. Alan Block, a Pennsylvania State University historian, estimates that only about 190 gangland murders occurred in New York during the 1930s, a mere bagatelle when compared with the hundreds generated annually by drug markets through the 1980s and 1990s. Unless we want to reinstall systemic, local police corruption and have police intimately involved in the regulation of the business, the Mafia would not be able to do much about the retailing end, where almost all the violence occurs.

Another component of the nostalgia is for the simplicity of having one monolithic enemy, particularly one whose leaders often displayed a certain panache and whose lineages were well known. Alas, to conclude with the Soviet analogy, we will now have to live with the more complicated world of many less well-known gangs. The FBI, like the CIA, must develop the capacity to track the activities of lots of groups, many as meaningless to the American public as the leaders of Azerbaijan. We may be better off dealing with a foe less capable of undermining government, but we will inevitably pay less attention to the struggle, and the agencies themselves will miss the public attention that goes with catching stars.