Organised Crime and the Corruption of Public Institutions in the United Kingdom: Implications for Policy and Practice

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In the UK, prosecution rates for corrupt acts and perceived levels of corruption are both low by international comparison. An audit into the nature and extent of corruption in the UK, conducted by the non-governmental organisation Transparency International UK (TIUK) and published in 2011, however, concluded that the problem of corruption within the public sector, and of the risks posed by the relationship between corruption and organised crime more particularly, had been underestimated and insufficiently explored by official bodies and independent experts alike. A key concern motivating the audit was the potential impact upon the effectiveness of UK public bodies to counter corruption of major cuts to public sector funding that have been introduced nationally over the past two years. Alongside reviewing the types of corruption found within the National Health Service, social housing services, and public sector procurement practices, the report considered the challenges of corruption being experienced by different component bodies within the criminal justice system. As well as noting problems being faced by the police and the judiciary in combatting corruption, the report drew uncommon attention to the predicament of prisons. It was argued that prisons in Britain manifest significant vulnerabilities to corruption: the risk of non-prison officer staff becoming involved in corrupt acts; the risk that performance measurement targets for prison institutions stimulate demand for corruption (both amongst prison staff and between prison staff and inmates); and what is described as the risk of a “symbiotic relationship” forming between organised crime groups with imprisoned group members and corruption taking place within prisons.

With a view to contributing to an incipient debate about the way in which criminal justice policy might appropriately rise to the challenges set out by the TIUK report, this policy paper draws on an assessment of British, regional and international experiences of the problems of, and policies against, corruption and organised crime. The text below represents an attempt to help conceptualise the risks that could be posed by organised crime to UK public bodies through the use of corruption, to discuss factors that affect accurate assessment of the actual level of risk today, and to consider which counter-measures could be helpful to combating the dual challenge of organised crime and corruption.

Conceptualising the potential challenges posed by organised crime to UK public bodies through the use of corruption

Official portrayals of the risk posed by organised crime to the public sector have predominantly focused on the impact of groups working in the black economy seeking to facilitate their operations by corrupting public officials through offering bribes, blackmailing, possibly threatening violence, and infiltrating public bodies. Third-party individuals or organisations working primarily or substantially in the legal economy have also been acknowledged to play a role – whether unwittingly or unwittingly – by transmitting information or money in or out of public bodies, and to and from organised criminal and corrupt networks. However, organised crime may also be perpetrated by groups that emerge from, and remain within the confines of, a public institution, where public servants have themselves instigated and are sustaining corruption and crime. Equally, the category of organised crime could be applied to the activities of unscrupulous private sector bodies operating in the legal economy but using illegal means to distort it, such as by offering bribes to well-placed officials in order to secure contracts, to defraud the public sector, and to either avoid prosecution or limit its potential reach and sanctions.

There appear to be three key ways in which the use of corruption by organised crime challenges UK bodies: by undermining crime control, by undermining state control of public bodies, and by undermining the broader functional purpose of public bodies. Public control of crime is challenged by the non-recording and mis-reporting of individual offences, and by the systematic provision of protection to organised illicit activities. Serious organised crimes pose immediate risks to health and lives, whether through the supply and use of weapons, drugs, or...
other consumables, or through practices of extortion, blackmail, and protection, for example. The dynamics of corruption can be perceived to have raised standards of management and conditions across the board — the culture and expectations of private suppliers may be liter-ally be entirely foreign, and accountabil-ity and standards may be lower. Security safeguards are not simply jeopardised by the pressure to reduce costs, but also by the pressure of a ‘payment by results’ regime, the instigation of which may raise the risks of fraud and corruption as institutions strive to meet targets.

Alternatively, the indiscriminating impact of corruption upon a public institution may lead to a political decision to increase mo-netary investment in order to mitigate potential losses. Furthermore, failure to control or manage prison institutions risks cultivating low levels of trust in the institution, particularly if inmates are tolerated or ex-posed in other prison environments. Failure to control the provision of works contracts and weakening public sector accountabil-ity and oversight. The current proxi-mity of such risks have been illustrated by a scandal that accompanied the introduc-tion of elected police commissioners in England and Wales in 2012, in which a po-lice commissioner candidate was alleged to have received substantial sums from a US-based think-tank known to support the privatisation of public services.

The severity of the threat

UK authorities have long perceived the use of corruption by organised crime to be a greater threat to the country when it takes place in other states with weaker au-thorities, where stronger relationships be-tween the public sector and organised crime may have more severe and widespread re-percussions. Indeed, the use of corruption by organised crime is more widely recon-ised to be a greater challenge to weaker states than to stronger states, such as the UK. One key area of anxiety that has re-lated to risks emerging from the UK con-text has been the potential for convergence between organised crime groups and those involved in religious or politically-motivated violence, in which case the do-mestic risk to the area of corruption would increase. At present, however, there appears to be little evidence available of such relationships forming in the UK, and it is not even clear how much corrup-tion within the public sector can reason-a-bly be associated with organised crime group activities.

There are evidently limits to what is known about the extent to which Brit-ish public bodies are affected by the use of corruption by organised crime. One problem in at-


7 Police Candidate a Trojan Horse for Right-Wing American Think Tank?, The Independent, 22 October 2012.

8 HOME OFFICE, 2012.


from a range of public bodies that has weakened networked and individual me-
chanisms of oversight and investigation and prosecution of corruption. Plans have been
made to merge the Office of Fair Trading and the Competition Commission into a
new body: the Competition and Markets Authority. Responses to the Government’s
consultation process on the proposed merger indicated that those who used the sys-
tem were largely sceptical about the re-
forms, with the loss of a highly-valued
www competitioncommission.org.uk page in the two
ruling authorities being deemed particularly
controversial13. HM Revenue and Customs
has faced significant reductions of its se-
nior staff, a move which, according to their
union, would severely downgrade the abili-
ty of the organisation to combat complex
tax avoidance and evasion. As regards the
foreseen dissolution of the Financial Ser-
cices Authority, the Treasury Committee
warned in 2012 that the bodies
subsequently expected to take over consu-
mer protection might be even weaker and
less accountable to parliament than their predecessor. And the budget of the Serious
Fraud Office fell from £52 million in 2008 to
£32 million in 201114.

The experience of the primary national body tasked with controlling corruption
within prisons has been similar. Although
only established in 2008, just two years lat-
ner the budget of the Corruption Preven-
tion Unit (CPU) of the National Offender
Management Service (‘NOMS’), the organi-
sation responsible for the administration of the public prison service in England and
Wales, for the management of contracts with private prisons, and for the running of
the National Probation Service) was bal-
ved from around £700,000 to around
£350,000, and its personnel was reduced
from ten to five. In 2011, the Chief Execu-
tive of the Unit retired without being re-
placed, and the CPU became subsumed
within the Security Directorate of NOMS
as a national corruption prevention team. While each prison has a local corruption
prevention manager, reports to regio-
nal corruption prevention managers, modes and levels of oversight and of co-
operation with law enforcement are not uniform, and rather vary according to the loca-
tion and status of the institution (whether public or private). Furthermore,
recent years have seen the pressures of monitoring corrupt practices intensify as the
growth of private prison contracts has been significantly declined, as the number of prison
officers has seen little growth since the mid-1990s, whilst inmate numbers have risen dramatically15.

Finally, there is concern that risks could be
being heightened by the expansion of
private sector participation in the provision
of public services. These risks are asso-
ciated with the financial profits driving
private bodies that may lead them to at-
tempt to subvert fair and proper processes and to maintain weaker oversight and ac-
countability mechanisms (such as lower
standards of vetting and training staff)
than are characteristically expected to be in
place in the public sector. Taking the
example of private prisons in the US, for
instance, institutional logics requiring con-
sistent occupancy rates have led pri-
vate providers to seek to distort fair pro-
cess accordingly, employing both legal, and
illegal, means of doing so. In 2012, it was
revealed that the Corrections Corporation of
America had lobbied to take over the pro-
vision of imprisonment in 48 states in ex-
change for a contractual agreement from
those states guaranteeing 90% occupancy of
their prison facilities for the next twenty
years16. Meanwhile, 2011 saw the senten-
cing of two Pennsylvanian judges who, af-
ner having played a part in closing the pub-
licly run detention centre of their county
in the early 2000s, had proceeded to sys-
tematically subvert the judicial process in ex-
change for bribes from profit-making juve-
nile detention centres, in order to supply
them with a steady stream of children17.

As regards oversight and accountability, private businesses and civil society associa-
tions may be more vulnerable to hijacking
or manipulation by crime groups due to
weaker vetting, training and audit me-
chanisms. Controversies relating to the
funding source of public organisations are
likely to become more complex as public
institutions grow more enmeshed with pri-
ivate and third sector bodies, such as th-
rough the appointment of publicly-
elected police commissioners and the ex-
pansion of private and third sector in-
volvement in the management and running
of prisons. Not only can illegitimate or ille-
gal practices committed at higher manage-
rial levels from public and private third
bodies raise serious implications for the
maintenance of trust in the public systems of justice and law enforce-
ment, they may also, crucially, risk provo-
cing dispersed acts of corruption and
crime lower down the institutional frame-
work by fuelling cynicism and disaffection
amongst staff.

Combatting the dual challenge

In the effort to erect suitable measures to
effectively tackle the challenges posed by
organised crime to the public sector via
corruption, lessons can be sought from
other institutional and environmental set-
tings. Yet the phenomena of corruption
and organised crime and the means of ef-
effectively countering them are not neces-
sarily comparable across different sectors
and locations. For example, the hiring of
women as a means of countering corruption
in the workforce has attracted adhe-
rants amongst some police forces interna-
tionally: research has found female public
servants less likely to accept bribes than their male counterparts; in high crime
areas in which bribery is already stigmatised,
and this knowledge has led police forces
in Mexico and Peru, for example, to hire
more women with a view to lowering le-
vels of corruption within these forces18.

Within prisons, by contrast, the protracted
contact typically experienced between in-
mates and prison officers negates the po-
etential of an anti-corruption gender divi-
dence. Women are more appropriately shown
to manifest susceptibility to the develop-
ment of improper staff-inmate rela-
tionships that can lead to exploitation,
blackmail and corruption19.

There may, nonetheless, be some lessons
that are transferrable. At the level of indi-
viduals, whistle-blower protection is an im-
portant prerequisite for the effectiveness
of law enforcement against organ-
ised crime, and appears to be equally va-

ducial crime, and appears to be equally va-


13 https://www.competitionpolicyinternational.com/the-
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14 Xenakis S., 2012. See further Doig A.,
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15 See further Liebling A., Price D., Shepher G.,
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17 Ibid.
18 Chadouri A., 2012, Gender and Corruption: A
Survey of the Experimental Evidence, in Serra D.,
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13-49 ; Earey J., Chirillo G., forthcoming, Fairer
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tutional Context, Palgrave Macmillan, 2014 ;
Mith, 2009, Policing and Gendered Justice: Examining the Possi-
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19 Seldon T., 2010, Rethinking Prison Inspec-

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Quirk H., Seldon T., Smith G., (eds), Regulation and
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Research and Policy Development, Cambridge, Cambridge
University Press, 261-282.
20 Ibid.
21 Ibid.
support is vital to ensure that there is adequate financial backing to oversight infrastructure and control actions, and that there is joined-up policy-making and practice across different relevant issue areas, such as between the management of drug rehabilitation efforts and law enforcement-focused counter-narcotics policies.

More broadly, the implications of research into re-branding institutions may also be pertinent, which show that endeavours to re-brand an institution regarded as corrupt will only influence if action matches rhetoric. For an institution seeking to reform, it needs to consider what will persuade its staff that the initiative is sincere, and will therefore need to bear in mind that staff will not only absorb the message that is targeted for them by leaders that are not sincerely, and will therefore need to bear in mind that staff will not only absorb the message that is targeted for them by leaders that are not intended to influence their behaviour.

Counter-measures are not without their own potential risks, however, and in this regard there are two popular but problematic policy approaches that are repeatedly chosen to counter organised crime and corruption which deserve mention: supply-side strategies and awareness-raising strategies.

Supply-side strategies

One of the major limitations to supply-side strategies is the so-called « balloon effect » caused by law enforcement constraints. Pushing illicit trade into different fields and routes strategies may appear effective from one standpoint without practically being so, as the trade simply shifts around the pressure but is not eliminated. Strategies need to be innovative and institutionally broad in order to hope to manage this possibility. Another well-known weakness of supply-side strategies is that by restricting flow of traffic and expanding the criminalisation of substances their value is increased, and the value enhanced of the associated illicit business engaged in by organised crime groups. By contrast, legalisation and managed supply have been argued to be a more effective means of reducing the power of organised crime.

Supply-side strategies also tend to imply a neglect of the problem of demand for illicit goods and services, which is problematic even if demand does not inevitably provoke organised criminal trade. In the case of illicit drugs, a lack of attention to the potential counter-effectiveness of supply strategies on reducing problematic drug use, and an over-emphasis on interrupting the supply chain, has caused such strategies to be widely criticised as failures. Internationally trends in drug use over recent years suggest that where falling usage has occurred, this has been stimulated more by cultural change than law enforcement strategies, whilst in markets that have seen rising use (such as opiates), supply-side law enforcement strategies have been equally inconsequential. A related point is that a failure to adequately tie law enforcement strategies sufficiently tightly to the overall desired goals of such strategies may lead them to be self-defeating. In the case of the UK, for example, it has been suggested that law enforcement efforts to inhibit the sale of Class A drugs have led to a decline in the quality of drugs on the streets that has increased the potential lethality of such drugs for users as a result.

Awareness-raising strategies

At the European level, efforts to combat organised crime and to counter corruption have both emphasised the importance of awareness-raising, whether amongst the public or amongst particular target audiences, in order to strengthen resistance to related criminal and deviant acts. Yet – at least as regards awareness-raising about corruption in the case of South-East Europe, for instance – it has been argued to have had a strongly self-defeating effect. Despite dropping levels of individual experience of corruption, perceptions of the prevalence of corruption have remained high, apparently fuelled by the ubiquitous presence of debates about « the problem of corruption » within political and civil society discourse. In the case of organised crime, the potential for unnecessarily inflaming public concerns has also been recognised as potentially self-defeating, by undermining the state’s ability to deliver security and thereby reducing public faith in the value of reporting crimes. Another problem related to awareness-raising, but also to the remit of counterorganised crime and counter-corruption initiatives more generally, is the degree to which they cohere with the values and practices of the society in which they are applied.

Political debate, scholarly research and opinion polling together provide useful indicators of the extent to which the premisses underlying law enforcement missions are accepted by the broader public or are believed to be counterproductive, whether in terms of financial or social costs. For example, opinion polling in the UK on the subject of illicit narcotics has shown that a majority of the public has adopted the position that those who use illegal drugs but who have not committed any other crime should not be criminalised, whilst a significant minority also believe that legalisation of drugs would lead to a decline in related illegal activities such as drugs smuggling and people trafficking. These are findings that raise questions about the enforceability of related statutes as much as about the effectiveness of awareness-raising efforts that strive to go against the tide of public opinion.

Conclusion

As this paper has sought to highlight, whilst the risks posed by corruption to public bodies in the UK are difficult to calibrate at this stage, they are conceivable at individual, structural, and functional levels of public institutions. These risks are potentially interrelated, as their impact may extend beyond the levels at which they originate; failure to effectively counter corruption may risk the life of the institution challenged, whilst high-level misconduct may undermine the credibility of counter-corruption drives lower down the institution’s hierarchy. To ensure the effective management of these risks, counter strategies must not only seek to persuade employees of the sincerity and strength of their purpose throughout all levels of the public sector institution, but also gain and retain political support behind such efforts.