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Huisman, W.; Nelen, J.M.

published in

Crime, Law and Social Change
2007

DOI (link to publisher)

[10.1007/s10611-007-9083-3](https://doi.org/10.1007/s10611-007-9083-3)

document version

Publisher's PDF, also known as Version of record

[Link to publication in VU Research Portal](#)

citation for published version (APA)

Huisman, W., & Nelen, J. M. (2007). Gotham unbound Dutch style. The administrative approach to organized crime in Amsterdam. *Crime, Law and Social Change*, 48(3), 87-103. <https://doi.org/10.1007/s10611-007-9083-3>

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Gotham unbound Dutch style

The administrative approach to organized crime in Amsterdam

Wim Huisman • Hans Nelen

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Abstract An inquiry committee of the Dutch parliament concluded that the capital Amsterdam – and especially the famous Red light district – is a centre of national and international organized crime. The city of Amsterdam set up a project to develop and implement an administrative approach to combat the organized crime problem: the Van Traa-project. This project is internationally recognized as a successful example of such an approach. Elaborating on an evaluation study this article critically analyses the policy theory and the effects of this project. This analysis shows that the assumptions that underlie the project are debatable, or proved hard to employ in practice. Despite the fact that in the policy plans the necessity of a multi-agency approach is stressed, external parties such as the police and the public prosecutors department take a rather passive stand, preventing the administrative approach of becoming a part of a truly integrative approach to organized crime. Furthermore, this article proves that it is hard to confirm this successfulness in a sound scientific manner. Many positive results can be observed, but it remains unclear to what extent these results have an impact on organized crime. Although some indications of a plausible impact of the measures taken in the Van Traa-project on organized crime were found, this article also refers to some indications of counterproductive effects.

Introduction

In 1996, Dutch criminologists Fijnaut and Bovenkerk reported to a parliamentary committee (on police investigation methods in organized crime cases) that Amsterdam had to be regarded as a ‘centre’ for both national and international organized crime [3]. According to both social scientists, the city was even a major centre in the world market for narcotics. In addition to groups from native and immigrant communities many foreign groups

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were active in the (illegal) distribution of (illegal) goods. Some of these groups had – mainly in the inner city districts and especially in the famous *Red Light District* – built up economic positions of power in the hotel and catering sector, the gambling sector and the property sector.

With regard to the Red Light District, the researchers concluded that “criminal individuals and groups have, through their illegally acquired property and capital, gained control of most of the economic power. As a result, this enables them de jure and de facto to decide who to a certain extent can develop what (illegal and/or legal) activities, and thus eventually determine to a high degree the level of public (dis)order in this area” [3]. The report stated that the indecisiveness of the local authorities had created a fertile breeding ground for illegal and criminal activities in the Red Light District. The authors referred – anonymously – to 16 criminals in particular, who allegedly had become the key players in this area.

In reaction to these findings, the city of Amsterdam decided to put more emphasis on an administrative approach, in order to prevent the facilitation of organized crime. This approach consisted of a number of instruments, ranging from integrity tests for civil servants, the purchase of strategically positioned buildings and the refusal or withdrawal of permits, to the screening of companies competing for major contracts. Due to the specific problems in the Red Light District, members of the Amsterdam city council emphasized that additional administrative attention should be devoted to this part of the city centre. In 1997 they instigated the appointment of what came to be known as a “Red Light District manager” or in Dutch “Wallen coordinator.” Three years later the name of the project was changed into *Van Traa-project* (named after the chair of the parliamentary committee mentioned above), and its scope was extended to the city of Amsterdam as a whole.

In a recent study [6] the application of this project in daily practice and the additional effectiveness of this instrument in preventing organized crime was evaluated. In this research the activities of the project team and other participants was closely monitored over a 3-year period. Objectives, action plans, progress reports, internal documents and all the confidential files of the Van Traa-team were examined, together with Amsterdam police crime analyses. Further, interviews were conducted with many involved parties, including: public servants and administrators of city districts and departments, representatives of the police, the public prosecution service, the tax authorities and private partners. In a separate field study, entrepreneurs in the Red Light District – some of them also living in the area – were interviewed on their perceptions of the contemporary state of affairs in the area.

Elaborating on the main findings of the study, two questions will be addressed in this article that are relevant for any preventive approach to organized crime. The first question refers to the policy theory that lies at the root of the Van Traa-project. The term policy theory refers to a system of social and behavioral assumptions that underlie public policy which has been reformulated in the form of propositions. These propositions reflect beliefs of policy makers about the beliefs, attitudes, and behavior of the policy’s target groups: the people whom the policy is aimed to affect. However, they also refer to more structural factors on which policy makers have been making assumptions [11]. In general, the premises at the basis of a policy theory can be distinguished into three categories: ideological assumptions, causal assumptions, and efficiency assumptions. The various assumptions of the Van Traa-project will be highlighted and discussed from a criminological point of view. Special emphasis will be put on the efficiency assumptions, i.e. the basic premises that are bound up with the formulated goals of the Van Traa-project and the means available to achieve these goals, since they are vitally relevant regarding the question how the Van Traa-project has been applied in daily practice. Since the Van Traa-project has been profiled as a *multi-agency-approach*, the cooperation between city administration and other actors will receive special attention.

The second question concerns the outcome of the project. Are there plausible effects of the Van Traa-project on organized crime in Amsterdam? Before answering these questions, the historical and international context and the development of the administrative approach to organized crime in Amsterdam will be described. The article will be concluded with some general remarks and recommendations.

Historical and international context

Since the early 1990s, the field of organized crime has been studied extensively in The Netherlands. In particular, the research by Duyne et al. [20, 21], the research group Fijnaut [4] and the research group of the Dutch organized crime monitor [9, 10, 18] must be mentioned. Similarities between these studies can be found with regard to methodology – extensive case studies and interviews – and to the finding that many forms of organized crime in The Netherlands boil down to international smuggling activities. The production and trafficking of drugs, human trafficking, and human smuggling are the most important manifestations. Less agreement exists among scholars whether organized business fraud should be regarded as an important feature of organized crime in The Netherlands. Some scholars tend to answer this question positively [20, 21], while others maintain that the nature of organized crime in The Netherlands is primarily ‘transit crime’ [9, 17]. This debate reflects different definitions of the concept of organized crime. Duyne [20] has adopted a rather broad definition of organized crime, originally formulated by the German Federal Criminal Office. The research group-Fijnaut [4] and the research group of the Dutch organized crime monitor [9, 10, 18] on the other hand, have used a more strict definition.¹

In 1992, the policy paper *Organized crime in The Netherlands* was published by the Dutch Ministers of Justice and Internal Affairs. Despite the fact that at the beginning of the 1990s the empirical evidence on the intertwining of legitimate and illegitimate activities was scarce, it was stressed in this paper that the administrative authority should not allow legal and illegal business practices to mesh, and that the administration had a task in the prevention of organized crime. The Dutch Ministry for Internal Affairs commissioned a study into the extent to which certain public regulations could be equipped with grounds for refusal, so that the abuse of these regulations by criminals could be prevented. The results of this study were published in the report *Armoured Administrative Law* [16], and contributed to the basis of what was to become the Public Administration Probity Screening Act, hereinafter “BIBOB”-Act, which came into effect mid 2003. The BIBOB Act allows the refusal or withdrawal of previous positive administrative decisions, and the refusal of participation in public tenders or contracts. Screening methods are applicable if there is a serious risk that an administrative decision will be used to commit criminal acts or to utilise financial benefits, gained through criminal acts.

A central premise of the administrative approach is that services or facilities of public administration are needed to carry out criminal activities or invest illegally acquired capital. If criminal organisations can be excluded from public contracts or from receiving subsidies

¹ As the administrative approach was introduced in Amsterdam after the criminological analysis of the research group-Fijnaut, the three components of their definition of organized crime are mentioned here:

- Groups that are primarily focused on illegal profits;
- Groups that systematically commit crimes that adversely affect society;
- Groups that are capable of effectively shielding their activities, in particular by being willing to use physical violence or eliminate individuals by way of corruption [4].

or licenses for certain activities, the investment of criminal capital and the infiltration of the legal economic sectors might be hindered. To this end, administrative bodies have become involved in combating a form of crime which previously had been the sole reserve of the police and the judiciary.

This administrative approach to organised crime should not be confused with the concept of *regulated tolerance*, for which Dutch criminal policy is renowned. Brants [1] has used the latter term to describe the decriminalization and administrative regulation of products or services that are considered to be undesirable from a moral or public health point of view, but for which there is considerable public demand. The option of regulated tolerance has been used frequently in The Netherlands in matters of morality and personal autonomy on which no political consensus can be reached. Examples include abortion, euthanasia, and the tolerance of the sale of small quantities of soft drugs. Although depriving organized crime of an illegal market is an intended side-effect of regulated tolerance, the administrative approach discussed in this article directly aims at fighting and preventing organized crime.

The administrative approach to organized crime is in line with recent developments in the study of crime and crime prevention, which focuses not so much on the criminals, as on the opportunities available to commit a crime. The resultant intervention strategies aim at eliminating these opportunities and creating obstacles to committing crime. The police and the judiciary are not always the first or the sole appropriate actors. Other social actors are also responsible for the elimination of opportunities and creation of barriers: businesses, organisations and citizens. This need for accountability in the fight against crime first took shape in the integral public safety policy. This policy is primarily aimed at problems relating to safety and crime in the public environment. Garland [5] refers to this policy as a strategy of responsabilization. He states that “increasingly preventive action takes the form of establishing co-operative, inter-agency structures which bring together public and private organizations in order to initiate local projects” [5].

The leading example for new intervention strategies is the approach to crime in the city of New York, which is regarded by many public officials as the Mecca of modern crime prevention. This city also initiated the concept of an administrative approach to organized crime. In addition to, and in close co-ordination with a very intensive criminal policy – partly based on the Racketeering Influenced and Corrupt Organizations-act (RICO), administrative measures have enabled the authorities to break the positions of power of the five big *Cosa Nostra* families in the city. Jacobs et al. [8] describe this policy in detail in their book with the intriguing title *Gotham Unbound; how New York City was liberated from the grip of organized crime*. According to these authors, the Guiliani administration accepted responsibility for cleaning-up racketeer-ridden industries, arguing that they impeded the city’s growth and prosperity. The authors conclude that the city’s regulatory initiatives have significantly expanded the repertoire of organized-crime control strategies [8].

In Europe, Italy is the leading country in this field.² Since the BIBOB Act came into effect, The Netherlands has become the second European country with administrative regulations against organized crime. In other European countries, attention for prevention

² Anti-mafia legislation stipulates that all departments putting out public contracts, organisations issuing licenses and all other authorities providing favourable decisions have to investigate whether a preventive measure has been imposed by the judiciary on applicants or candidates due to connections with organized crime, on which ground they are excluded from all public services and facilities.

so far has been part of traditionally more repressive policy plans to tackle organized crime. Despite several action plans and resolutions, a structural framework within the European Union for a dual strategy, i.e. a strategy in which law enforcement powers and administrative powers complement one another, is still missing.³

The administrative approach to organized crime in Amsterdam

The administrative approach in Amsterdam really received a boost after Fijnaut and Bovenkerk [3] published their report on the situation in Amsterdam. The threat analysis of the two criminologists was taken very seriously in the Amsterdam city council. The political debate produced a request to the Mayor and Alderman to draw up a plan of action that would include proposals for the prevention of organized crime. The plan of action announced 77 actions. These actions were related to respectively the internal organisation of the city administration, the integrity of the civil servants, data-mining and data-sharing (i.e. sharing information with the police and tax authorities), and the development of a screening and surveillance system with regard to public contracts. It is important to note that no definition of organized crime was formulated in the plan of action. Although the policy plan was based upon the findings of the Fijnaut research group, their aforementioned rather strict definition of organized crime was not officially adopted by the city authorities. The mayor and aldermen explicitly stated that the approach should aim at a broader range of criminal problems.

The majority of the 77 actions have been taken care of in the framework of three specific projects. These projects are inter-related and form the backbone of the administrative approach to organized crime in Amsterdam. The first project is linked with the *Integrity Bureau* established in 2001. This bureau is mainly responsible for the actions concerning the internal organisation. The main objective of the Integrity Bureau is to develop and promote a municipal integrity policy and to monitor the developments in this area. The second pillar of the administrative approach is formed by the activities of the *Bureau for Screening and Auditing* (in Dutch abbreviated to *SBA*), operating under the direct authority of the Mayor. This bureau is responsible for the screening and monitoring of all parties involved in tender procedures of large infra-structural projects in relation to construction activities, communication, data transfer and so on. The SBA bureau has been officially operational since 2000, but some screening and monitoring activities date back to the beginning of the nineties. To carry out its tasks properly, this agency not only uses its own expert analysts but also cooperates closely with the police, the public prosecution department, the fiscal authorities and the municipal services. One of the most striking examples of screening activities by the local administration in Amsterdam is related to the construction of the North–South metro line. Although the construction work is still in

³ Although the first *Action Plan to Combat Organised Crime* adopted by the European Council in 1997 stressed that ‘prevention is no less important than repression in any integrated approach to organised crime’, the second *Action Plan to Combat Organised Crime* of 2002 only offered the recommendation of making available ‘successful approaches and best practices on a local and national level’. In *The Hague Programme: strengthening Freedom, Security and Justice*, as adopted by the European Council in 2005, combating organized crime is an important topic, but no reference is made to any administrative measures. In its communication of 2 June 2005 *Developing a strategic concept on tackling organised crime* the European Commission stated that ‘some EU Member States have been innovative in using an administrative approach to prevent the penetration of legal markets by criminal organisations. The Council recently adopted recommendations that this approach merits further research and dissemination across the EU.’

progress (according to most recent calculations, this subway line is due to be operational in 2013!), the first blueprints for the project were drafted around 1990. Given the discussion at the time about infiltration by criminal organisations into *bona fide* companies and their efforts to get a grip on the governmental apparatus via tendering, around late 1993 a multi-disciplinary project group was established, representing both the City Transport Department and the police. The tender procedures were audited, the backgrounds of all tendering parties were checked, and methods were developed to prevent cartel formation. Notably, the city made no secret of this project and it was discussed quite openly when the construction plans were presented in October 1994 [2].

The third project that is an integral element of the administrative approach is the Van Traa-project. As mentioned above, in 1997 a Red Light District manager was appointed at the request of the city council, with the objective of improving the prevention of organized crime in the Red Light District. The Red Light District manager and his team were asked to develop a methodology for the administrative approach to organized crime. In 2000, the Van Traa-project started. Since then, the methodology developed by the Red Light District manager, has also been applied in other city districts and in specific economic branches. The Van Traa-team no longer has a project status and has been integrated into the department for Public Order and Safety of the Amsterdam city administration. Presently, the team consists, besides a team manager, of several legal advisers, project leaders and information specialists. In addition to using its own methodology, the Van Traa-team also coordinates the implementation of the BIBOB Act on behalf of the city of Amsterdam.

The methodology developed in the framework of the Van Traa-project comprises of two components: first, the collection and analysis of relevant information, and second, the taking of measures on the basis of this information. Although the collection and analysis of information are conducted by non-police officers, this process resembles the contemporary popular concept of intelligence-led policing in many ways. In every sub-project, several steps are taken to get a clear picture of crime in the district or sector concerned by consulting and linking information from public sources, municipal records and, if appropriate, classified information from the police, the judiciary and the tax authorities. With regard to the latter, the project team is given special authority by the Minister of Justice to have access to classified police information. Using and combining all these different types of information, further actions for the maintenance of public order can be initiated. Due to the fact that different partners work together in the Van Traa-project, a wide range of measures can be taken, varying from the refusal or withdrawal of licenses and permits, the levying of taxes, the closure of certain establishments, the instigation of a criminal investigation, and under certain circumstances, the acquisition of real estate by the city itself, in order to prevent criminals investing their money in specific objects. In this respect, it is better to refer to this approach as a form of *integrated* maintenance, rather than call it an administrative maintenance of public order.

Before examination of the set of instruments developed as part of the Van Traa-project in more detail, the policy theory of the project will now be considered.

Policy theory

The ideological, causal, and efficiency assumptions that lie at the root of the Van Traa-project were not formulated in the policy plans as such, but were revealed by the researchers on the basis of a text analysis of these policy plans and interviews with key players in the decision making process.

Ideological assumptions

Ideological assumptions are the normative pillar of a specific social policy. With regard to the Van Traa-project, two ideological assumptions can be identified.⁴ The most important and explicitly formulated ideological assumption is that the public administration should not facilitate organized crime in any way. At first sight, this seems a very strong normative proposition, with which few people would disagree. However, a second ideological assumption can be derived from the first: fighting and preventing organized crime is a major responsibility of administrative authorities.

The underlying assumption of these central premises is that the public administration has the means and opportunity to prevent criminals to abuse public facilities. This assumption is questionable in various ways. Firstly, the problem arises that local government can hardly influence the developments within a market or economic branch that is not regulated by law. When an individual decides to invest his illegally obtained money in a specific enterprise and he does not need any license or permit from the government to run this company, the public administration has hardly any instruments to stop him so doing. For example, in Amsterdam it is not necessary to have a specific permit to run a so called 'smart shop,' presumed to be connected to drug trafficking, or a 'public phone house,' presumed to be connected to money laundering, or an escort business, which is presumed to be connected to the trafficking of human beings.⁵

A second problem with the aforementioned assumption is that it is based on foreign images of what organized crime is about. Organized crime in the Dutch context does have a specific character. Unlike the situation in Italy and New York, racketeering activities are no common feature of organized crime in The Netherlands. In New York City, the administrative approach was directed to the core business of the Cosa Nostra families, but in The Netherlands there's no evidence of a strong intertwining between organized crime, the economic sectors and the political institutions. Political corruption, infiltration in the unions, protection rackets, and kidnapping connected to organized crime, are rarely observed in The Netherlands.⁶

Due to the fact that the vast majority of criminal activity takes place in illegal markets (drugs, vices), and that most criminals are not interested in generating economic and political power in The Netherlands, the picture of a public administration that is facilitating organized crime has to be reconsidered. Of course, in an *illegal* market the public administration by definition has no instruments to regulate the market as such. Only when criminals, in the course of their activities in an illegal market, abuse public facilities, (local)

⁴ These are not unique for the Van Traa-project and seem to lie at the root of any administrative approach to organized crime. For instance, both assumptions are also found in the proceeding and the application of the BIBOB act [22].

⁵ Recently, the city administration announced that the escort business will be subjected to a licensing-system, just as other forms of exploitation of prostitution.

⁶ At the moment, a criminal investigation is going on concerning money laundering, extortion, and contract killings in the real estate sector in Amsterdam. If the suspicions turn out to be justified, we would be dealing with a rather new development. Up till now, unlike the USA and Italy, extortion has been regarded as an unfamiliar manifestation of organized crime in the Netherlands (apart from extortion within closed ethnic enclaves, like the Chinese community). But even if the primary suspects of this alleged extortion case will be convicted, it's far too early to conclude that organized crime in the Netherlands is taking on American or Italian 'traits.' The focus of criminal entrepreneurs in the Netherlands seems to be still on illegal markets, rather than they want to control specific economic sectors.

governments may have some options to counteract. Various studies have indicated that for logistic purposes criminal networks abuse public facilities in many ways [7, 9, 15]. They may, for example, (ab)use a legitimate company to shield their operations, or to launder their illegally obtained income. Due to the fact that such a (shell) company has to comply with administrative regulations, the public administration may have some legal instruments at its disposal to reduce the accessibility to legitimate resources for criminal purposes.

Causal assumptions

The process of formulating a causal assumption starts by allocating the alleged causes of a specific problem. Based on such a problem-analysis, possible solutions will come up, depending on the goals governments want to achieve. Two causal propositions were found when studying the policy plans of the administrative approach in Amsterdam. The first one is that due to administrative backlashes, poor law enforcement, and lack of interest, the public administration in Amsterdam lost control over certain areas and economic branches and gave ample opportunity to criminals to commit crimes and launder their money. The solutions to this problem seem to be rather straightforward: more accurate information, better cooperation between the various departments within the municipality, and better cooperation between the public administration, the police, and the tax authorities.

These solutions are in line with both the aforementioned concepts of integral public safety and responsabilization and the ideological assumption that public administration should not facilitate organized crime. But does this also mean that organized crime is effectively combated? The empirical basis for the suggestion in the policy plans that the improvement of administrative processes and the introduction of a multi-agency approach will actually decrease the power and impact of organized crime, is rather small. According to the plans, many policymakers tend to subscribe to such a causal relationship, but no one is able or willing to specify the nature of it. Consequently, many questions remain unanswered. What particular actions are expected to weaken the position and influence of organized crime? What is the strength of the project, the withdrawal of permits or the possibility that criminals start investing their illegally obtained income elsewhere? What kind of counter measures may be expected from the criminal networks to prevent their position being eroded? Specifically with regard to possible side-effects, the policy plans reflect some ignorance, and maybe even some naivety. After having read all relevant policy documents, it has to be concluded that nobody seems to have anticipated counter-strategies of criminals. The abuse of corporate bodies, the use of shell companies, straw men or other methods to conceal ownership are nothing new, but undoubtedly the need for criminals to pull up more advanced smokescreens has increased, since the administrative approach was launched.

The second important causal assumption concerns the presumed relationship between low levels of “liveability” – both in a social and an economic sense – on the one hand, and organized crime on the other hand. Due to this proposition, for a long time the main focus of the *Van Traa*-project has been on deprived areas and marginalized branches.⁷ Although there is sufficient evidence for the fact that organized crime has a negative influence on the liveability of an area or sector, it is tricky to reverse the relationship by formulating the

⁷ With one major exception: in the framework of the *Van Traa*-project, the most expensive shopping street of Amsterdam was subject to a problem-analysis as well.

proposition the other way around. In the Dutch context, there is hardly any evidence that deprived areas and marginalized business activities are breeding grounds for organized crime. Areas and sectors that, as a result of governmental policies, have been uplifted seem to be just as vulnerable.

Let's take for instance a closer look at the *Zeedijk*, one of the main streets in the Red Light district. Due to drug related problems, this street was considered to be a *no-go-area* in the 1980s. During the last two decades, the city administration, in close co-operation with local entrepreneurs, has succeeded in transforming the Zeedijk in a popular and fashionable bar and restaurant area. However, as for a long time the licit business community has been reluctant to invest money in the notorious Red Light district, the city administration had to turn a blind eye to less reputable investors. A similar development can be observed after the legal ban on the exploitation of prostitution in The Netherlands was lifted in 2000.⁸ Despite the process of legalization, the entrepreneurs in this sector still encounter serious difficulties in finding a regular bank that is willing to support them financially. Financial institutions keep their distance to the sex industry, as they want to avoid that they will be associated with 'vice.' Thus, according to the law, the exploitation of prostitution is a 'normal and regular' economic activity, but the sector still operates in a moral twilight zone. Due to this paradox, entrepreneurs in the sex industry (still) are highly dependent on informal financial institutions and arrangements.

Efficiency assumptions

Efficiency assumptions are related to the formulated goals of a policy and the means (manpower, expertise and information, legal instruments) to achieve these goals. Two propositions are particularly relevant in this context:

- The belief that the administrative approach would be adopted and implemented by all city districts⁹ and departments concerned;
- The belief that, due to the multi-agency approach, the execution of the Van Traa-project would be a matter of *joint action*, rather than *cooperation without engagement*;

We already described how a relatively small team forms the core of the execution of the Van Traa-project. However, in all policy plans it was stressed that the success of the project strongly depends on the support and participation of many other municipal and non-municipal agencies.

The Van Traa-team is responsible for supporting specific projects by providing expertise and for analysing confidential information of the police, the public prosecution department, and the tax authorities. City districts and city departments are responsible for the execution

⁸ According to the law that came into force on October 1st 2000, brothels where adult prostitutes choose to work voluntarily are no longer prohibited. At the same time, legislation on unacceptable forms of prostitution – human trafficking, minors – has become more severe. Before 2000 the exploitation of prostitution was officially a criminal offence, but the police and prosecution department hardly paid attention to this form of 'crime'. By legalizing the employment of prostitutes, the government is thought to exercise more control over the sex industry and counter abuses.

⁹ Many of the city's responsibilities are delegated to the fourteen neighborhood councils, such as public safety on the local level.

of the sub-projects, and in doing so for the implementation of the Van Traa-approach in their regular work processes. The public servants that issue the licenses and are responsible for the supervision are in fact the first line of defence at which any criminal initiatives and applications have to be selected.

Other co-operating partners such as the police, the judiciary, the tax authorities and the housing corporations, are supposed to participate in the implementation of sub-projects, to provide relevant information in this respect, and decide in close consultation on the specific measures that can be taken. The distinction in the second efficiency assumption between *cooperation* (without engagement) on the one hand and *joint action* on the other, is made to emphasize the idea that the administrative approach and other forms of law enforcement should not be regarded as separate, parallel tracks, but that the several approaches to contain and prevent organized crime should be integrated to a maximum degree. Of course, in daily practice the level of integration between different forms of law enforcement varies between non-cooperation at one extreme of the continuum, to fully integrated forms of joint action at the other end. In the next sections, the implementation of the Van Traa-approach within the city districts and departments, as well as the cooperation with external parties will be discussed in more detail.

Adoption and implementation

During a period of 7 years, seven out of fourteen city districts participated and set up sub-projects in cooperation with the Van Traa-team. So therefore only half of the city districts have some experience with the administrative approach. In the city centre district a special project was started to implement the Van Traa-approach in the regular work processes. A project leader was appointed, and working groups and special consultation at management level were put into place. However, the evaluation study shows that in the end the implementation of the Van Traa-approach in this very important city district has ‘evaporated.’

In the six other city districts, the implementation of the methods developed by the *Van Traa*-team was limited to specific sub-projects. Although the sub-projects led to an improvement in the process of issuing and supervising licenses and in the cooperation with external partners, the police in particular, its impact was restricted to the public servants and departments involved in the sub-projects. The sub-projects did not have the expected oil stain effect on the rest of the organisation.

This finding is not unique for the Van Traa-project. In most experimental projects, the management of most partners tends to pay lip service to a new policy. However, a gap exists between the formal statements and covenants that are signed at management level and the perceptions of street level bureaucrats. As the classical study of Lipsky [13] already revealed, street level bureaucrats do not strive to achieve a maximum output, but to take decisions which primarily suit themselves. Most civil servants in the Amsterdam setting do not regard the administrative approach to prevent organized crime as relevant in terms of job satisfaction. Paradoxically, the existence of a specialized Van Traa-team seems to have had a negative side effect in this respect. Civil servants have had a perfect excuse to be passive and reluctant: ‘I do not need to be alert, because that is what we have the Van Traa-team for, isn’t it?’ Despite its active involvement in the implementation process, the Van Traa-team was also partly to blame for this. The team sometimes had the tendency to take over tasks, especially when the suspicion arose that the personnel in the line organisation were not handling a task properly. The Van Traa-team therefore regularly faced the

following dilemma: do we allow the city district to proceed, at the risk of a task not being handled properly? Or do we do it ourselves, at the risk of depriving the city district or department of the stimulus to take initiative?

The Van Traa-team itself also concluded that the implementation of the project did not meet expectations. The city administration got a second chance with the arrival of the BIBOB-Act, which instrument had also to be implemented by public authorities. This time, the implementation was not limited to certain city districts and departments, but had an impact on the administrative processes in the whole city.

Participation and cooperation

The Van Traa-project has always been regarded as a multi-agency approach. Although the city administration, represented by the Van Traa-team, is the principal agent, non-municipal parties are supposed to participate and support the administrative prevention of organized crime. In order to determine the nature and intensity of the participation of the various agencies, in the evaluation study three elements were taken into account. Firstly, the evaluation focussed on the collection of information, secondly on the process of analysing the data, and thirdly, on the measures eventually taken by the parties concerned [6].

Collection of information

The Van Traa-team has built up an extensive dossier on property and utilisation of buildings in Amsterdam city centre, in the selected zones in the city districts, as well as in the branches that have been investigated. Due to poor information management within the city districts and city departments, difficulties to collect information from external partners, and a lack of capacity, the process of collecting has proved to be a time-consuming activity.

The collation of relevant police information has turned out to be an important bottleneck in many sub-projects, despite the agreements that have been made on the providing of police information to the Van Traa-team. The authorization to collect this information apparently does not guarantee that the city authorities will also actually receive the requested data. Despite the special authority to have access to classified police information, criminal intelligence was scarcely provided to the Van Traa-team, and, more importantly, only at the urgent request of the Van Traa-team. At best, cooperation in sharing data meant a passive willingness to share data by the police, rather than a proactive attitude of thinking along with the Van Traa-team about what information would be relevant for the administrative approach. The reluctance of the police is partly due to the fact that the police are unfamiliar with the administrative approach and that there is insufficient expertise to generate the relevant information.

Obtaining information from the tax authorities has also been a problem. Although the Van Traa-team considers this information to be vital for an effective approach to organized crime, the tax authorities decided in 2000 not to extend the covenant with the participating agencies in the framework of the Van Traa-project. The tax authorities not only were disappointed about the results of the project, but also did not regard the administrative approach as one of their core activities. As a result, the Van Traa-team did not have access to information from the tax authorities on a structural basis. It took a policy change at the Dutch ministry of Finance and some intensive lobbying by the city administration, to persuade the tax authority to sign a new covenant for the exchange of information in 2005.

We can conclude that, officially, non-municipal authorities did join the Van Traa-project, but that in daily practice the most important partners, the police and the tax authorities, remained passive and sometimes even reluctant to share information with the public administration.

Analysis

The administrative analysis in the framework of Van Traa-project concerns the linking and interpreting of data obtained from the various public, municipal, police, judicial, and when appropriate, fiscal records. For this purpose, a seven-step tool for analysis was created. In the different sub-projects, the relevant data are put in matrices or 'fact sheets.' This information is continually updated during a sub-project. A matrix or fact sheet of this kind usually provides information such as:

- Type of house or business accommodation
- The identity of the owner of a building;
- The identity of the leaseholder or tenant;
- The identity of the person(s) who actually run(s) the business;
- The way the business or property is financed.

Additionally, information is provided on what licenses have been granted and to whom, what has been established on control visits, what measures or sanctions have been imposed, what antecedents or convictions the (legal) persons concerned have and, if necessary, whether these persons have tax arrears. The completion of these matrices is the core of the seven-step plan and constitutes the heart of the sub-project.

The greatest challenge is the interpretation of the results of the analyses. When can indications of money laundering or other organized crime related activities be inferred from an overview of property, leasing and letting, and the financing and exploitation of properties? The instrument does provide for the collation and analysis of data, but does not provide for the assessment of the results: no indicators have been developed to determine to what degree is there a risk that certain observed constructions indicate criminal activity. It is usually information from the police and judiciary concerning the person involved that is decisive in determining whether organized crime can be assumed.

It was anticipated that the analysis of databases managed by the city administration (for instance the land register) would provide a first assessment of risks of organised crime related activities. However, the format and structure of these databases turn out to give only limited insight in the actual property relations. Since it is not unusual in the real estate sector to utilize domestic or foreign corporate vehicles to conceal the beneficiary owner of a property, the transparency of this market is low.

The result of the administrative analysis therefore relies to a great extent on the availability of criminal information. The city administration is unable to check the origin and reliability of this information, but does have to act on the basis of the information. Thus, the Van Traa-team not only depends on other parties for obtaining data, but also for the expertise to assess these data. Although in some sub-projects this expertise was provided, to a large extent the Van Traa-team was thrown back on its own resources.

Measures

The final step of the Van Traa-approach is taking measures on the basis of the analysed information. In the course of the Van Traa-project, many sorts of measures were taken.

Often, the analysis led to increased monitoring and inspection. Furthermore, 56 properties have been acquired in the inner city and were given a *bona fide* exploitation, four illegal casinos¹⁰ have been put out of business, about 20 licenses for bars and restaurants have been refused or withdrawn, several bars have been temporarily closed, the ownership and financial structure of whole city blocks and branches of industry have been screened, and a structure for the regulatory enforcement in the Amsterdam harbor has been created. Last, but not least, preventative screening procedures for issuing licenses and providing subsidies have been introduced.

Only a few cases come close to the efficiency assumption that the execution of the Van Traa-project is a matter of joint action. The best illustration in this respect is a sub-project in the inner city that was started to dismantle illegal casinos. Not only four illegal casinos were closed down after a mutual inspection of the city administration, the police and the tax authority, but the Inland Revenue service also levied taxes and imposed severe fiscal sanctions. Another good example of joint action is the structure plan for the regulatory enforcement in de Amsterdam harbor area, which was developed by the city administration together with the police, customs and the port authority. However, in most cases, cooperation was limited to sharing and analyzing data. Sometimes, external parties promised to take further action, but the activities of the participating agencies were not geared to one another, and it remained unclear to the partners whether each of them actually kept their promise.

Taking the findings into consideration with regard to both the collection and analysis of data and the measures taken, it must be concluded that so far the nature and intensity of the participation of the various agencies in the course of the Van Traa-project reflect the image of cooperation without much engagement, rather than joint action. The ambivalence of many partners is influenced by their perception that the Van Traa-project primarily has to be regarded as a matter of the Amsterdam city administration. After all, they tend to emphasize that the project is part of the *administrative approach* to fight organized crime. Despite the fact that in the policy plans the necessity of a *multi-agency approach* is stressed, the external parties seem to take the position that they are solely assisting the public administration in preventing organized crime. However, assistance is only rendered on a voluntarily basis. The city administration does not have the means and power to compel involvement and commitment from the police and tax authorities. Not surprisingly, these partners tend to become increasingly involved in the activities of the Van Traa-project once they have the feeling that they are in charge of the operation. The main reason why the aforementioned sub-project on illegal casinos turned out to be successful was that the tax authorities were convinced that they could take the lead and that the sub-project served their own interest.

¹⁰ In The Netherlands, since 1975, *Holland Casino* is the only legal casino operator. *Holland Casino* is a foundation under government control which operates as a normal commercial company. A report published in 2000 ('New round, new chances') proposed a revision of the government's gaming policy. It recommended that the embargo on new casinos should be lifted, with a phased introduction of a totally free market which would be open to any commercial operator able to meet the licensing requirements. These recommendations were not taken up because the government felt that the consequences were too unpredictable. Rather, in 2004 the government reaffirmed its restrictive gaming policy, stating that *Holland Casino* would remain the only legal, licensed casino operator in the Netherlands.

Outcome

The final goal of the evaluation study was to assess the outcome of the Van Traa-project. What is the impact of the administrative approach on organized crime in Amsterdam? Literature on evaluation studies indicates the difficulty in determining the effects of policy measures, since it is often problematic to establish causality between measure and effect [14]. Reliable conclusions on causality require experimental research designs or statistical analysis. Since criminal entrepreneurs generally try to hide the illegal nature of their business, these methodological requirements can not be met when evaluating the effects of measures on organized crime. Due to the difficulties of requiring data, Levi and Maguire [12] argue that for organized crime it remains largely a matter of belief that there is some effect. When assessing the outcome of organized crime prevention, a distinction should be made between the observed output – the results of the efforts of the Van Traa-team and its partners – and the plausible effects of this output on organized crime. This plausibility is based on the assumptions of the policy theory [19].

Observed output: results

The most important results in terms of observed output were already described in the section that dealt with the measures taken in the course of the Van Traa-project. Furthermore, the Van Traa-project attracted a lot of attention, which put the administrative approach of organized crime on top of the political agenda. In The Netherlands and even within Europe, the Van Traa-approach is seen as a ‘best practice’ of organized crime prevention.¹¹ Within the city administration, the approach generated some awareness of the urgency and possibilities of administrative crime control. The Van Traa-project united several parties that would otherwise have barely encountered each other. This led to an exchange of information and the coordination of measures. Also, the project triggered improvements of the quality of regulation and enforcement by the city administration. Licensing databases have been updated, zoning plans have been adjusted (to exclude unwanted forms of business) and enforcement activities have been intensified. However, probably of the highest importance is the clear message that the city of Amsterdam has a vigilant attitude toward illegal business.

Plausible outcomes: effects on organized crime

As stated above, it is very difficult to assess the effects of preventive measures on organized crime. For several reasons, this is even more the case in the Van Traa-project. First, no clear definition of organized crime was used. In fact, in all official documents the term ‘organized’ is placed between brackets. Second, the Amsterdam police lack a reliable analysis of the organized problem in the city, from which changes could be ascribed to the Van Traa-project. The initial report of Fijnaut and Bovenkerk [3] proved to be insufficiently specific and reliable for this purpose.¹²

¹¹ Council of Europe, Best Practice survey nr. 9.

¹² Although this analysis was the incentive for the Van Traa-project, the Van Traa-team never received the original criminal intelligence analysis on which the report by Fijnaut and Bovenkerk was based. A local crime reporter filled in the names of the 16 anonymous criminal groups described by Fijnaut and Bovenkerk and this interpretation was used without being confirmed. Furthermore, one of the authors and even the criminal intelligence officers who made the analysis later questioned the reliability of the analysis.

In spite of these limitations, there are some indications of a plausible impact of the measures taken in the Van Traa-project on organized crime. The files of the Van Traa-team show several examples of criminal entrepreneurs who have been successfully barred from operating. Another clear example is the closure of the four known illegal casinos in the city. When it was announced that the Van Traa-approach would be aimed at the bar and catering industry in a certain run down neighbourhood in the city, 25 establishments immediately folded. A first internal evaluation of the implementation of the BIBOB-Act showed that the possibility of being screened discouraged several applicants from continuing the application process for a license.

The files of the Van Traa-project also show some possible effects of displacement. There seem to be some geographical displacements: several entrepreneurs who were targeted in the city center were found trying to set up businesses in other city districts. Other entrepreneurs remained active in the same area, but shifted to other types of business in branches not subjected to regulation or administrative control.

It is plausible that the Van Traa-project has also had some counterproductive effect. So far, the start of a new sub-project in a certain neighbourhood or branch has attracted a lot of media attention in which these neighbourhoods and branches have been portrayed as crime-ridden. This has had a stigmatising effect and may have discouraged legitimate entrepreneurs from investing in these already vulnerable areas and sectors.

Another side-effect is that, especially after the introduction of the BIBOB-act, entrepreneurs and civil servants have been confronted with a lot of extra paperwork. Screening and auditing instruments inevitably lead to more bureaucracy. The same development was observed by Anechiarico and Jacobs [23] in New York City. They concluded that all instruments put in place to safeguard the integrity of government operations had serious downsides in the form of costly inefficiencies.

Residents and entrepreneurs in the Red Light District area also mention another counterproductive effect: the deterrent effect of the administrative approach is stronger for small, marginal businesses than for larger, more powerful businesses who know how to demolish the administrative lines of defence. This may lead to a situation in which relatively small businesses are taken over by larger, but not always immaculate, businesses. An example of such an effect is the concentration in brothel ownership in the prostitution-industry in the Red Light District. Since the introduction of a licensing-system, the execution of the BIBOB-Act and the operations of the Van Traa-team, many small brothel-owners have sold their 'windows' to a few large players, who now own almost all brothels in the area. One of these key players was apparently on the list of the sixteen 'criminal' individuals Fijnaut and Bovenkerk referred to 10 years ago in their analysis of the vulnerability of the Red Light District [3].

Recently, the city administration announced that the renewed application for a prostitution-license for 37 brothels will be refused on the basis of suspicious connections to organized crime under the BIBOB-Act. These brothels are mainly owned by these large players. Since none of the entrepreneurs was able to meet the desired standards of transparency, the licenses for about hundred 'windows' in the red light district were withdrawn at the end of November 2006. Although a number of entrepreneurs decided to appeal this decision, they may be forced to close their establishments in the near future.

Despite this recent action, the sixteen representatives of organized crime who allegedly had built up economic power in the inner city of Amsterdam – or what is left of them (due to violent confrontations within the criminal world, more than half of them were killed during the last couple of years) – are still present in the inner city. Their economic power has been challenged, but not broken.

Concluding remarks

Internationally, the administrative approach is seen as an important addition to more traditional ways of combating organized crime. The Van Traa-project of the city of Amsterdam has been recognized as a successful example of such a dual strategy. The evaluation study discussed in this article proves that it is hard to confirm this success in a sound scientific manner. Many positive results can be observed, but it remains unclear to what extent these results have an impact on organized crime. The impact is hard to assess because beforehand no clear target was defined and neither the city administration nor the police have an accurate picture of the problem of organized crime in Amsterdam. Furthermore, the assumptions that underlie the project are debatable, or proved hard to employ in practice. Although some indications of a positive impact of the measures taken in the Van Traa-project on organized crime were found, we also referred to some indications of counterproductive effects.

Many of the shortcomings found with regard to the execution of the Van Traa-project are due to the trial-and-error character of this experimental project. The city administration of Amsterdam should be praised for taking up the challenge of developing an administrative answer to the threat of organized crime. However, since the Van Traa-approach has been upgraded to regular policy of the city, a few lessons should be learned from the experimental phase. These lessons could form the conditions for any successful administrative approach to organized crime: a clearly defined target, an empirically tested (or at least plausible) policy theory, sufficient capacity and expertise for data gathering and intelligence analysis, an integral implementation in the organizational processes and effective cooperation with law enforcement agencies and other relevant parties.

It is true that many parties work together in the Van Traa-project, but this mostly takes the form of cooperation without engagement. In the successful handling of the *Cosa Nostra* in New York there was a much more effective interaction between the criminal and administrative methods of approach [2, 8]. The administrative approach to organized crime should belong to an integrated approach to organized crime, which is not yet the case in Amsterdam. The criminal, fiscal, and administrative prevention of organized crime, with the exception of some successful operations, are still separate and distinct programmes. In order to improve harmonization and integration, at a strategic level, a platform should be established in which the most important partners (city administration, police, public prosecution department and tax authorities) are represented. In this platform, all strategic actions and decisions in the course of the fight and prevention of organized crime should be geared to each other.

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