



# **A SCRIPT ANALYSIS OF ORGANIZED CRIME IN THE SWEDISH CONSTRUCTION INDUSTRY**

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*Background:* Organized crime and the construction industry in relation to prevention and theoretical perspectives are understudied areas.

*Aims and method:*

This study aims to contribute to the knowledge of organized and financial crime in the Swedish construction industry and map the blind spots for control mechanisms and crime prevention. The purpose is to identify the structure of opportunities for organized crime in the Swedish construction industry through crime script analysis.

*Results:* Two generalizable scripts following a similar modus operandi emerged, the “corporate looting” script and the “invoice factory” script. The peripheral involvement of organized crime groups indicates that there is a point in distinguishing between the actors and actions.

*Conclusions:* Interventions should target intermediaries, earlier stages, and situations where the script enters the legal market. Further integration of macro-level analysis with crime script analysis can contribute to the formulation of effective crime prevention strategies.

Keywords: construction industry; crime script analysis; financial crime, organized crime; situational crime prevention.

# CONTENTS

INTRODUCTION	3
The global impact of organized crime	3
The conceptualization of organized crime	3
The construction industry	4
The Swedish context	6
RESEARCH QUESTION	7
THEORY	7
Rational choice theory and situational crime prevention	7
Crime script analysis	8
METHOD	9
Sample and procedure	9
Data and analytic strategy	10
RESULTS	11
Introduction	11
The “corporate looting” script	11
The “invoice factory” script	12
DISCUSSION	16
Introduction	16
The infiltration and emergence of organized crime	16
Situational measures	17
Limitations	18
CONCLUSIONS	19
REFERENCES	20
APPENDIX 1: Data collection process	24
APPENDIX 2: Coding book for crime script analysis	25

# **INTRODUCTION**

## **The global impact of organized crime**

The construction industry is massive, and a central driving force for both the economy and for the political life of society. It has also been central for the development of organized and financial crime globally. It is challenging to gauge the magnitude of organized and financial crime on a global scale, and its effects on political, cultural, social, and economic levels. The role of organized crime groups in Japan and Italy before, during and after the second world war, in the transformation economies of the former USSR and the former Yugoslavian federation, and in the narco-states of Latin America are historical examples of how organized and financial crime have shaped the world at a fundamental level (Allum & Siebert 2003).

Estimates of the revenues from organized crime and its cost on society vary. The United Nations have estimated that the US\$ 400 billion turnover from the illicit drug industry might be considered at the same level as the global tourism industry, and that the cost of transnational organized crime might be at US\$ 870 billion (Calderoni 2014). The magnitude of money laundering is estimated to be somewhere between US\$ 45 billion and US\$ 2.8 trillion, depending on a diversity of assumptions at different stages in the estimation process (Biagioli 2008).

In its most concise definition, organized crime can be viewed as traditional crime but organized in structured associations that are active over a longer period (Council of the European Union 2008). Financial crime, or economic crime, can be defined as illegal acts aimed at obtaining financial gain, such as fraud, procurement rigging, theft, deception, blackmail, corruption, and money-laundering (Europol 2021). Rather than a clear delineation, there seems to be a reciprocal relationship between the worlds of organized crime and financial crime. Firstly, there is a tendency for organized crime to focus on financial crime in their activities. Secondly, there is a tendency for financial crime to many times be organized in nature. The view of organized crime as emerging from the margins of society or specific ethnic groups to infiltrate other aspects of society is problematic when compared to empirical data. The upper world of business and finance can be the instigator, and not just the victim, of activities by organized crime groups, by requesting their services (Ichniowski & Preston 1989, Jaspers 2019), or contributing to their evolution in the form of joint crime projects (Hobbs & Lashmar 2018).

## **The conceptualization of organized crime**

There is a wealth of literature on organized crime from sociology, economics, anthropology, history, law, and criminology, based on field work, interviews, and secondary data. Compared to other areas of criminology, the theoretical perspective on organized crime is underdeveloped. The theories as well as the empirical data have shifted its focus with time, from traditional crime groups such as the Cosa Nostra, the Italian-American families, the Yakuza and the Chinese triads, to modern networks of trafficking and financial fraud, and to local markets of gambling, prostitution and loansharking (Kleemans 2014). A critical approach to relevant theoretical perspectives will contribute to the analysis of organized crime in the Swedish construction industry.

Until the 1980s, the “alien conspiracy theory”, a non-scientific approach focused on Italian American mobsters and developed in public debate by policy makers in the United States, was the dominant perspective on organized crime. While heavily criticized (Potter 2008), this association between ethnicity and organized crime has not been limited to this period nor to the United States. In Western Europe, heroin trade has traditionally been associated with Chinese and Turkish groups, and the fall of the Soviet Union and relaxation of travel restrictions has brought the fear of an imminent invasion of Russian and Eastern European crime groups (Kleemans 2014). The association between ethnicity and organized crime defines it as an “outsider” problem, shifting focus from the structures of opportunities and incentives for organized crime as well as the involvement of “insiders” in the worlds of business and politics. Empirical research shows that the foundation of organized crime builds less on ethnicity than on social relationships, often based on family or place of birth, but also welcoming to other ethnicities (Kleemans & Van de Bunt 1999).

Among other theoretical perspectives, the bureaucracy model describes organized crime groups as corporations with a strict hierarchy and a clear division of tasks (Cressey 1969), while the illegal enterprise model paints the Mafia as a more benign actor, meeting the demands on the market, providing products and services to the public that have been defined as illegal by the state (Reuter 1983), and the protection theory argues that rather than simply supplying a demand on the market, organized crime groups will impose their power through violence and other means even when there is no demand for their services (Paoli 2003). Relevant to this study, the social embeddedness model encourages researchers and law enforcement to focus on mediators and how gaps between macro-structures can be filled by micro-level social relations. The importance of the intermediary, familiar with both worlds and able to establish trust between them, is evident in how cocaine trafficking between groups in South America and Europe is organized (Kleemans 2007). Instead of focusing on a leadership that can be replaced without considerable friction, it allows us to focus on who the criminal organization is the most dependent on, and for what reason (Kleemans & Van de Bunt 1999).

The historical contrast between earlier and later conceptualizations of organized crime highlights how a more sophisticated theoretical understanding contributes to the development of effective crime prevention strategies, and to our understanding of the consequences of organized crime on corruption, economic development, rule of law, human rights, and democracy. The theoretical perspectives on organized crime that have been introduced will also contribute to a more nuanced and critical analysis of the results in this study.

### **The construction industry**

The construction industry is massive and should be viewed as a sector in the economy consisting of many different industries. Building projects involve several different contractors and subcontractors, larger and smaller firms specialized in demolitions, foundations, carpentry, and cleaning. The diversity and complexity of the construction industry make it challenging to regulate. Its high profits and opportunities for diversification makes it vulnerable to the infiltration of organized crime groups, presenting opportunities both for the lower level criminal and for powerful transnational crime groups to launder money, exploit undeclared labor, organize cartels, and bribe politicians and public officials to

gain public contracts and receive lenient treatment from inspectors and regulators. The same factors allow actors within the industry to engage in financial and other forms of crime, with or without the help of organized crime groups (Ichniowski & Preston 1989).

The infiltration of the construction industry gives strength and stability to the organized crime groups of the world and works as a bridge between the underworld of crime and the upperworld of legitimate business. Infiltration builds on a reciprocal relationship, where criminal groups penetrate legitimate businesses, and the upper world of business initiates joint projects with members of organized groups (Hobbs & Lashmar 2018) or requests their services (Ichniowski & Preston 1989, Jaspers 2019). The infiltration of the construction industry strengthens their other activities, such as extortion and drug trafficking, and increases the levels of corruption and pollutes the public administration and politics in a vicious cycle, with detrimental consequences for economic development, rule of law, human rights, and democracy (Savona 1995).

The construction industry has been central for the evolution of organized crime groups internationally. In Japan, the collaboration between nationalist politicians, construction contractors and the organized crime group the Yakuza emerged from a common fear of labor unrest during the years after the first world war (Siniawer 2012) and deepened in the national reconstruction after the second world war. Today, the Yakuza receives somewhere between 10 and 20 percent of the Japan's public works budget, with the construction of two airports being examples of recent Yakuza-controlled schemes (Grant 2019). The Italian American Mafia families have a long history of infiltrating unions, organizing cartels, and controlling companies in the construction industry (Block & Griffin 1997). On the other side of the border, the Cosa Nostra in Canada have established a similar system, at times cooperating with other Italian American families, the Hells Angels, and other organized crime groups (Jaspers 2019).

Research has suggested a relationship in post-war Italy where the Cosa Nostra has supported the election efforts of the Christian Democrats, who in return have facilitated private developments and awarded public construction contracts to companies controlled by the Mafia (De Feo & De Luca 2017). The 'Ndrangheta, the most powerful of the Italian Mafias, have spread from its roots in the southern Calabria region and around the world, while establishing a presence in the financial centers in the North of Italy. Centered around their activities in Desio, a town north of Milan, they have involved themselves not just in construction but also in the drafting of the local master plan (Chiodelli 2019). Similar processes in land development and urban planning are found in Mumbai, India. Organized crime groups exploited first the poverty and the absence of regulation in the squatter settlements, and later the regulation of land development. The booming construction industry in the city helped these groups to establish property development branches, construct shopping centers, commercial establishments and residential buildings, and involve themselves in the urban planning process (Weinstein 2008). The construction industry and urban planning is built around the same basic arrangement in most countries, with politicians, public officials and construction companies sharing the same interest. The mentioned cases are not exceptions to the rule but should instead be viewed as extreme examples of processes taking place in several locations around the world (Chiodelli 2019, Weinstein 2008).

## **The Swedish context**

The changes in Swedish society described through the lens of organized crime and its violent conflicts has been a prominent topic in national and international media (Schclarek Mulinari 2017). From being the most economically equal country in the world in 1980, Sweden is the country in Western Europe that has taken the sharpest turn towards economic inequality. Sweden is described as a society in transition from one economic system to another (Therborn 2020). Among other challenges facing a society in economic transition is the emergence and evolution of organized crime (Savona 1995, Varese 2011).

Organized crime groups providing goods and services on the market in Sweden have existed for over a hundred years, and the construction industry has been a focus area regarding the infiltration of organized crime for the Swedish police since the 1970s (AMOB 1977). In the media and in the academic literature, the history of organized crime in Sweden has been characterized by the establishment of outlaw motorcycle gangs in the early 1990s and the Great Nordic Biker War between 1994 and 1997, followed by the emergence of street gangs in the late 1990s. The landscape for organized and financial crime in Sweden is characterized by networks to a high degree, with the Hells Angels and the Syriac mafia south of Stockholm as two examples of more stable organizations and hierarchies (Rostami et al 2018).

It is often challenging to distinguish between organized crime and financial crime perpetrated by informal networks. Known white-collar criminals are also reported to work in project form with organized crime actors. It is suggested that organized crime is increasingly investing in legitimate business and real estate but compared to consumption levels investments are still rare. While profits from Swedish organized crime are invested both in Sweden and abroad, foreign organized crime groups very rarely invest in Swedish businesses (RKP 2012). The risk of corruption of institutions and the threat of foreign Mafias should not be exaggerated. Researchers have shown how the main interest of the Italian mafia is protection rackets in their territory of origin, while they establish their presence and diversify their activities according to local conditions, focusing mainly on investment opportunities and trafficking in other countries. Compared to other European countries, the geographical location of Sweden makes it less desirable for these activities (Campana 2011, Varese 2011).

Sectors that handle large sums of cash and where subcontracting is common are the most vulnerable to organized crime. Other risk factors are privatization, deregulation, and a lack of efficient control mechanisms (Heber 2009). The construction industry in Sweden shows signs of infiltration by informal networks of fixers and criminal entrepreneurs organized in temporary project forms (Brå 2007, Savona et al 2015). Outlaw motorcycle gangs and transnational groups based in Russia and Eastern Europe are suspected of having interests in the construction industry. Criminal networks in the Swedish construction industry turn over sums above 10 million Euro through tax evasion, corruption, and the exploitation of unregistered labor. This affects market pricing and forces law abiding companies to use similar methods to be able to compete (Brå 2011).

Research on organized crime in Sweden and its role in the construction industry is parsimonious and largely made up of reports from government institutions (Heber 2009). Most law enforcement strategies against organized crime are focused on

crime control, i.e. arresting and convicting offenders, seizing shipments of illegal commodities, and attacking a specific crime group's control of geographic areas, and not on prevention in the sense of identifying the system of opportunities for organized crime (Levi & Maguire 2004, Savona 2010). To develop effective crime prevention, we need to combine the wealth of analysis of organized crime on a macro-level, with increased knowledge of how organized crime works on a micro-level, sequenced in concrete steps.

## **RESEARCH QUESTIONS**

The aim of this study is to contribute to the knowledge of organized and financial crime and to map the blind spots for control mechanisms and crime prevention in the Swedish construction industry. The aim is achieved through identifying the structures of opportunities for organized crime in the Swedish construction industry. Crime script analysis is an appropriate method for analyzing complex criminality such as organized crime in the construction industry, and for answering the research questions.

Research questions:

*What are the crime types and actors involved in the systematic criminality of the Swedish construction industry?*

*What are the structures of opportunities for organized crime in the Swedish construction sector?*

The aim of this study is not to prove the existence of organized crime in the Swedish construction industry. While police reports and researchers have described the situation in Sweden (Heber 2009, Savona 2015) it is rare that the courts can prove the involvement of organized crime groups.

## **THEORY**

### **Rational choice theory and situational crime prevention**

This study uses a crime script analysis to answer its research questions. Crime script analysis is a way for us to understand crime from a theoretical standpoint, with a foundation in rational choice theory. Crime script analysis is also a method for analyzing crime in the context of situational crime prevention.

The rational choice theory views offenders as rational actors making decisions to benefit themselves. The focus is not on explanatory background factors or the motivation of the criminal, but rather on the decision-making process and the key factors encouraging or dissuading the criminal from committing a crime. The focus of rational choice theory is to identify the opportunities for crime (Cornish & Clarke 1986), which is in line with the purpose of this study: to identify the structures of opportunities for organized crime in the Swedish construction industry. Organized crime and financial crime are specifically rational forms of criminality (Kirby & Penna 2010). It can be argued that the opportunity creates the thief in organized crime and financial crime, more so than in other forms of criminality. Situational crime prevention is generally less expensive and quicker to apply than traditional preventative methods. By focusing on actions instead of



actors, it can target more than one organized crime group at the time (Kirby & Penna, 2010). However, the original situational crime prevention model is insufficient when analyzing complex criminality.

### **Crime script analysis**

Organized crime activities include a variety of crimes, stretch over long periods of time, require planning and resourcefulness and actors that can adapt, improvise and turn challenging circumstances to their favor (Cornish and Clarke 1987, 1989). To identify the structures of opportunities and points of intervention, a crime script analysis allows us to break up complex crimes into sequential stages and scenes. Crime script analysis views the crime not as a single event but as a process, made up of different scenes that are dependent on specific actors and resources. The crime script allows us to move from one specific preconceived model of organized crime in the construction industry, and instead track how organized crime takes place in a specific time and location by constructing coherent scripts from separate but related scenes (Cornish 1994).

This process details how crimes are linked together by decisions taken in each scene and allows for the identification of criminal opportunities used by offenders, which together make up a generalizable modus operandi of the crime. Crime script analysis understands that the casting of actors for different roles has a central function and that there is room in the criminal process for improvisation and re-ordering of the scenes. The script concept highlights the rational and routinized qualities as well as the flexibly responsive nature of the decision making in certain crimes (Cornish 1994). Crime script analysis is an appropriate methodological approach for the complex criminality of organized crime activities, and its foundation in rational choice theory makes it appropriate for analyzing the rational nature of organized crime (Kirby & Penna 2010).

One problem with most police work is that it is reactive in nature. Reactive intervention only targets those known to authorities, while there is a line of criminals ready to take over their roles (Kleemans & Van de Bunt 1999, Mazerolle et al 2007). Organized crime groups will evolve to avoid repression. A richer understanding of complex forms of crime will aid in designing crime prevention that assists in a long-term crime reduction (Levi & Maguire 2004). By mapping the entire process before, during and after a crime, crime scripts show a full series of scenes that allow for creating the most effective forms of intervention at key points of vulnerability, which tend to be earlier in the process or at the point of integration to the legal market. With increased knowledge about the process of complex criminality, effective crime prevention can be developed, focusing on manipulating one or more specific key factors (Leclerc et al 2011).

When using situational crime prevention against violent or property crimes, a concrete target exists in the form of a house or a person. At times the target is more abstract and best defined as systems affected in a negative manner by criminal activities, like in the study on contraband cigarettes by Von Lampe (2011). In the construction industry, a company can be the target of organized crime. In other cases, a system of regulations can be the target. This could be a system of taxation that businessmen avoid through different schemes, or a system of public procurement that organized crime groups try to corrupt for their benefits.

## **METHOD**

### **Procedure and sample**

Convictions from the Swedish courts is an appropriate option for data in a crime script analysis of organized crime in the construction industry. Court data is not immune to bias and human errors but has undergone scrutiny before being added to the procedures of the courts. It is also data that is based on several sources of evidence such as offender statements, forensic evidence, and witness statements, which together paints a more nuanced picture of the events. The problems inherent with the interview method, such as potential bias and the difficulty of recalling events factually, are mitigated when relying on secondary data (Porter 2008). Effective crime prevention strategies are dependent on updated information. Collecting court data is a fast and inexpensive method, which is an important factor in the construction industry, where criminality changes quickly. To explore complex criminality, it is better to analyze fewer cases but with greater depth, than quantify the data in all cases and miss out on specifics that would form the basis of the crime script analysis (Kirby & Penna 2010).

The material in this study were obtained through investigators and prosecutors at The Swedish Tax Agency (Skatteverket) and The Swedish Economic Crime Authority (Ekobrottsmyndigheten). The report on organized crime from The Swedish Tax Agency covers convictions from the Swedish district courts dating back from 2009 to 2017. This is a pilot study with limited scope. The aim is to explore the present situation. There were 301 cases in the report from The Swedish Tax Agency. By setting a time limit from 2015 and onwards, 39 cases were collected. The report from The Swedish Economic Crime Authority contains 39 cases from the 2018 and 2019 financial crime convictions from the Swedish Courts of Appeal that resulted in sentences of two years in prison and over. This resulted in a total of 78 cases in the first selection (see Appendix 1).

Among the cases from The Swedish Tax Agency, two cases with incorrect case numbers were excluded, leaving 37 cases that were requested from the district courts. The report from The Swedish Economic Crime Authority contained a short description of the cases, making it possible to exclude 23 cases that had no connection to the construction industry. The resulting 16 cases were requested from the Swedish Courts of Appeal. In the second selection, a total of 53 cases were requested from the Swedish courts for further analysis. After a first reading of the 37 cases from the Swedish district courts, 21 cases with no connection to the construction industry were excluded. One duplicate case that was appealed later was excluded from the selection, resulting in 15 included cases. After a first reading of the 16 cases from the Swedish Courts of Appeal, ten cases with no connection to the construction industry were excluded, resulting in six cases. A total of 21 cases were included in the third selection for further analysis.

The involvement of organized crime is not an inclusion criteria. It is rare that the courts manage to prove the involvement of organized crime. The purpose of this study is not to prove the existence of organized crime in the Swedish construction industry but to identify the structure of opportunities for organized crime, which makes the involvement of systematic criminality an inclusion criteria. After a closer reading of the 21 cases, five cases were excluded that only had a vague connection to the construction industry, seven cases were excluded that did not involve systematic criminality, and one case was excluded that did not contain

sufficient material for a crime script analysis. A total of eight cases were included for crime script analysis in the fourth and final selection of material.

### *Ethical considerations*

This project has been approved by the Council on Ethics at Health and Society, Malmö University. Due to a lack of research on the Swedish construction industry, the ideal method of the literature review is not an option, making convictions an adequate source of data for this study. To minimize the infringement on the lives and integrity of the participants, it is preferable to use secondary data when exploring a subject, and the interview method at a later stage when there is a clearer understanding of the nature of the problem.

Sensitive information that directly or indirectly can be used to identify an individual, such as names, addresses and the exact age of an individual will be excluded, along with any information that can be used to identify an individual by cross-referencing, such as age, occupation, employer, and location. The role of an individual in a corporate structure and their connections to countries, political parties or other information that is crucial for understanding the systematic criminality in the construction industry will be included in the material, as long as it do not compromise the anonymity of the individual. Replacement for identifiers such as “major Swedish city” instead of “Göteborg” will be used. There is a risk that these precautions might affect the transparency of the data collection process.

Convictions are secondary data and available to the public, but still personal data and need to be treated with the same precaution and respect as primary data. The results of the qualitative content analysis of the material, in the form of patterns that emerge and conclusions that are drawn, might compromise the anonymity of the individual and must in this case also be anonymized or excluded. The analysis and its conclusions might also stigmatize specific groups of people, a risk that should be balanced with the value the research has for the specific groups and for society.

The data is stored on an external USB drive that is password protected and used on a password protected computer that is not be connected to the internet. No other person will have access to the USB drive nor the computer. The collected material is deleted as soon as the thesis is completed.

### **Data and analytic strategy**

To analyze and interpret the data a coding book was created in Word, based on the original crime script analysis coding book (Cornish 1994) and by a crime script analysis of the organized crime infiltration of the Italian construction industry (Savona 2010). In line with the research questions and study’s theoretical foundation in the rational choice perspective, the coding book aims to identify the crime types, actors, and structures of opportunities for organized crime in the Swedish construction industry (Cornish & Clarke 1986).

The crime script consists of categories in the form of crime type, actors (lead actors, organizers, helpers, runners, front men, backers, directors), resources, security methods, and stages divided into sequential scenes. In the example of Savona (2010) the initial stage is the *preparation* stage, where actors agree on a plan, organize meetings, select co-offenders, and identify the target. The *enabling conditions* stage entails setting up a front businesses and recruiting front men. The

stage where bids are designed, contracts are awarded, and workers are employed is called *the doing*. The actions in the *aftermath* stage often involve setting up the preparation for a new script (Cornish 1994, Savona 2010).

When analyzing the material, the categories and the stages of the crime script were modified in an iterative process according to the results found in the analysis. As an example, the stages of preparation and aftermath were less detailed in this study compared to the micro-level crimes of Cornish (1994) and the more highly organized criminality of Savona (2010). The script for each case is made up of a web of possible actions and actors. After an initial identification of categories, a script for each case, organized in stages and scenes, gradually emerged by studying the actors, resources and decisions involved. When patterns and common points in each script were compared the modus operandi of a larger generalizable script could be detailed (Cornish 1994, Leclerc et al 2011).

## **RESULTS**

### **Introduction**

This study has two research questions: What are the crime types and actors involved in the systematic criminality of the Swedish construction industry? What are the structures of opportunities for organized crime in the Swedish construction industry? This section attempts to answer the first question by presenting the results based on the categories of *crime type* and *actors*, and attempts to answer the second question by presenting the actions of different stages and scenes of the crime scripts (see Appendix 2). These actions illustrate the structures of opportunities for organized crime in the Swedish construction industry.

After analyzing and comparing the scripts for each case, two generalizable scripts following a similar modus operandi emerged. The “corporate looting” script and the “invoice factory” script detail two different structures of opportunities in the Swedish construction industry. The first script involves the looting of a company, where one removes assets in an illegal manner before declaring bankruptcy. Out of eight cases in total, two cases follow this script more closely. In the second script, a web of incorrect invoices is sent between shell companies and actual construction companies, with the goal to avoid taxation and obtain cash for paying undeclared labor. Six cases follow this script more closely.

The “corporate looting” script and the “invoice factory” script sometimes intertwine. Companies are looted with the help of incorrect invoices, and companies used for writing incorrect invoices are often looted before being unregistered or declared bankrupt.

### **The “corporate looting” script**

#### *Preparation*

#### **Social and professional networks**

The criminality in both cases are mixed up with legit businesses and undertaken in a systematic manner, requiring planning and a long-term perspective. The criminal activities are more based on family-ties than the involvement of organized crime groups. In the first case, a father and a son loot a company group that had been in family control for more than three generations. In the second

case, a hotel manager had started a company two years before the actual construction of the hotel was initiated.

### *Enabling conditions*

#### **Avoiding taxes**

For two years, father and son avoided paying 12 million SEK in VAT and general payroll tax through accounting and tax violations. The hotel manager had no records of contracts for the workers who built his hotel, which suggests labor exploitation and tax and accounting violations (these events are not part of the convictions against him).

### *The doing*

#### **Looting and selling**

Shortly before the parent company of the company group controlled by father and son was sold, 12 million SEK in incorrect invoices were paid to a shell company controlled by a man from Eastern Europe living in Sweden. When their accountant remarked on incorrect dealings she was threatened and harassed by the son.

#### **Shell companies and bank accounts**

Two years after the construction of the hotel had started, the hotel manager acquired a Hongkong based company, and opened a bank account in Luxemburg two months later.

#### **Looting and selling**

The property and hotel were sold some months later for 14 million SEK, with a documented surplus of 5 million SEK. In the same month, close to 5 million SEK were paid to the bank account in Luxemburg through incorrect invoices from the Hongkong based company, dated from before the hotel manager had acquired this company. Several money transfers (stated as gifts) were also made to other bank accounts belonging to the hotel manager.

#### **Declaring bankruptcy**

The buyer of the hotel threatened to sue after several construction errors were discovered. Consequently, the hotel manager declared the company bankrupt in the same month with more than 4 million SEK in debts. The activities of the hotel manager constitute gross misconduct against creditor and serious tax and accounting violations. The hotel manager claims it was not his intention to bring the company to bankruptcy and that the money transferred to him were compensation for work for sanitation and construction of the hotel which he had paid for by private means. The court, however, argued that this work should be valued at a tenth of the 5 million SEK.

#### **The “invoice factory” script**

The prosecution in one particularly complex case details the typical business idea behind the “invoice factory” script.

- 1. The city or a larger company orders the services of company A for a large construction project.*
- 2. Lacking the full capacity to finish the project, A requests the services of subcontractor B, who in turn hire subcontractors C, D and E.*

3. *A orders from B, receives an invoice and pays.*
4. *B receives an incorrect invoice from company C that B pays.*
5. *C then withdraws the money in cash and hands it back to B, who now can pay undeclared labor in cash.*

The aim is for C to write as many incorrect invoices and make available as much cash as possible for B, in what is best described as an “invoice factory”. The cash is typically used for paying undeclared labor, but the scheme allows for higher profits through accounting and tax violations at several stages. Compared to the “corporate looting” script, the “invoice factory” script is more complex, involving more shell companies, bank accounts, and actors. The script has a richer material in the categories of *crime type*, *actors*, *resources* and *security methods*. After the stages and scenes have been detailed, these results will therefore be presented under separate subheadings.

### *Preparation*

Many of the lead actors are old friends or family, and many have a background in construction. Several cases detail previous criminality of a similar nature. The activities are organized, not in the sense that there is an organized crime group behind all actions, but all criminal activities in the material are undertaken in a systematic manner, requiring planning and a long-term perspective. In some cases, the sequence of companies used in the criminal schemes extend before and after those detailed in the convictions.

### *Enabling conditions*

#### **Social and professional networks**

Most leaders and organizers have a background in the construction industry. They are actively searching for companies and people they can use in their schemes, as well as customers interested in ordering incorrect invoices, through networks they have already established. Actors are normally introduced by colleagues and mutual friends. There is more than one example of family members working together. In one case the family members of one lead actor helped by withdrawing money and lending their bank accounts.

#### **Front men**

The recruitment of front men typically happens at this stage, but also later in the script. Most examples in the material fit somewhere between the two extremes of the homeless person who has no comprehension of what papers he is signing and what the consequences will be, and the industry colleague who is a willing and active participant. One case details the systematic exploitation of addicts and homeless people from Eastern Europe. For smaller payments, individuals signed documents that changed their residency to Sweden, opened several bank accounts, and registered companies in their name. The lead actor later assumed the name and identity of one of the front men when running the company on a day to day basis.

### *The doing*

Besides the scheme involving the hotel project leader and two smaller “invoice factories”, three schemes were on a decidedly higher level, with more actors and companies involved. In the first case, the lead actor was a close friend to the president of an outlaw motorcycle gang. In the second case, an organized crime network from Eastern Europe were behind an extensive scheme, that involved 41

companies and invoice payments of 66 million SEK. The third case did not involve organized crime groups, but contained a rich material detailing the concrete sequences of how invoices and other resources were used in a systematic criminality. Wiretaps of telephone conversations indicates that money was sent back in cash to the companies that paid the invoices, after a fee of 20% was deducted and shared among the three lead actors. 55 such letters were sent containing a total of 10 million SEK. Two men were based in a smaller Swedish town and retrieved cash from ATMs and sent back the money, normally in a registered letter, to the third lead actor, who was based in a major Swedish city and had a more central position. There he could hand over the cash in person to the individuals who had paid the invoices. The scenes below detail a typical order from their “invoice factory”.

### **Placing the order**

*Day one.* The customer telephones D and orders an incorrect invoice. Later that day, D telephones F and instructs him how to write two invoices, one for 128 hours and the other for 264 hours.

### **Confirmation**

*Two days later.* F telephones D and says that mail has arrived and that he understood the instructions.

### **From invoice to cash**

*Two weeks later.* The customer pays the invoices of 44,800 SEK and 92,400 SEK. D telephones F and tells that the money has been sent. Later that day, E telephones F to tell him that he should come over so they “can finish that little errand”. 52,000 and 59,000 SEK are transferred between shell companies and 15,000 SEK are withdrawn in cash. Three transfers of 15,000 SEK each goes to three back accounts belonging to E. One transfer of 16,000 SEK and two transfers of 20,000 SEK each goes to bank accounts belonging to F. All money is withdrawn in sequence from different ATMs. F telephones D and tells him that he will “send it tomorrow”. D asks how much there was for him, and F replies “around nine”.

### **Registered letters**

*One day later.* A registered letter is sent from F to D.

### **Delivering the cash**

*One day later.* F telephones D and states that there was barely one hundred for the customer. D picks up the envelope at the post office, and then meets the customer at a hardware store in the same major Swedish city and delivers the envelope to him.

### **Aftermath**

Many of the actors involved have a background in construction and there is a probability that they will continue to be active in the same industry. All criminal activities in the material are undertaken in a systematic manner, requiring planning and a long-term perspective. In some cases, the sequence of companies used in the criminal schemes extend before and after those detailed in the convictions. This indicates that the end of one crime script often is the beginning of a new crime script, following a similar modus operandi.

### *Crime type*

All six cases involved convictions for accounting and tax violations, and a majority involved serious accounting and tax violations. Separate cases also involved gross misconduct against creditor, serious fraud and serious taking of bribe, and money laundering. Contributory crimes are rare in the material. In several cases, helpers and runners have received convictions for tax and accounting violations. Since their participation have been less active and their roles have been peripheral these actions could be classified as contributory crimes.

One of the six cases that follow the “invoice factory” script differ regarding the *crime type* and *actors* categories. A project leader at a hotel engages in serious fraud and takes bribes to a value of four million SEK. In his role as a project leader for a hotel chain he approved incorrect invoices to be paid to a construction companies for work that was never done. The money was then transferred, through several other companies, back to the project leader as a bribe for awarding other contracts to the right contractor.

### *Actors*

When analyzing the case involving the hotel project leader, it is difficult to say who initiated the scheme and what roles the acquitted defendants had. It can be argued that the project leader scheme details another structure of opportunities than the other five cases, since the lead actor is working from outside the construction industry. The social and professional networks are important for introducing actors and organizing the criminal activities. In many cases, family is involved. A father and son were the lead actors in one of the “corporate looting” cases, and in the other case, a younger brother was convicted for accounting and tax violations after helping the lead actor. In the “invoice factory” case detailed in scenes above, E takes help of his relatives to transfer and withdraw money. In the other two complex “invoice factory” cases, the wives of the lead actors are involved in the writing of invoices and other administrative tasks. The two lead actors in the case involving organized crime networks from Eastern Europe were brothers.

### *Resources and security methods*

Compared to the “corporate looting” script, the knowledge of accounting and taxes, the access to shell companies and front men, as well as the access to actual businesses and a professional network in the construction industry are more important for the “invoice factory” script. By mixing up shell companies with real businesses, by mixing made up and actual services on the invoices, by people mixing up their roles as front men and businessmen, and by using a sequence of short-lived companies that declare no profits and that are unregistered after a year or two, the schemes have been more difficult to discover and penetrate for the IRS and law enforcement. The use of cash makes it harder for authorities to follow a money trail. The activities often depend on exchange offices where cash is handled and post offices where cash is sent by mail in registered letters. Companies specializing in invoices are also used. Some actors operate mainly out of their homes, but the access to real office spaces seem to facilitate the criminal activities. The actors work systematically under the limitations of accounts and ATM withdrawals to not alert authorities. Encrypted telephones and new SIM cards and telephone numbers are used. It is discussed that a potential interrogation should be answered with “no comments”.



In two cases central actors are hired with a subsidy from the employment service. In one case this is used as a way of receiving money from the employment service on incorrect grounds, and in the other case the employer can coerce the person into criminal activity since he is a part of help out of prison program and the employer controls his position. Violence is mentioned in the three more complex cases and is used to get things done. In one case a connection to an outlaw motorcycle gang is used to threaten people to take part in the criminal activities. Several cases involve workers from Eastern Europe, but only one case clearly mention the involvement of organized crime networks from Eastern Europe.

## **DISCUSSION**

### **Introduction**

This section starts with a discussion of the results regarding crime types and actors. The structures of opportunities are then discussed, and situational measures are suggested. This section concludes by discussing limitations of the study and areas for future research.

### **The infiltration and emergence of organized crime**

Following the inclusion and exclusion criteria of the sample, all cases in the analysis involve systematic criminality. The two generalizable scripts illustrate two structures of opportunities for organized crime in the Swedish construction industry, while the varying results in the script categories tell different stories of how this organized criminality happens and what crime types and actors are involved. While actors within the industry typically engage in financial crime in an organized manner by themselves, two scripts detail how actors within the industry engage in projects together with individuals from organized crime groups. The results show no clear delineation between the infiltration of organized crime groups and the emergence of organized crime from within the industry. This is in line with the theoretical perspective of the crime script analysis and its foundation in rational choice theory. The decision making in complex crime activities, such as organized crime, is rational and routinized but still flexible and has room for improvisation. Roles can be changed, scenes can be re-ordered, and the paths of the scripts can change their trajectories (Cornish 1994). These results are also in line with the complex image of organized crime, in a Swedish and a global perspective, that the background literature suggests.

It is difficult to determine if organized crime groups are skillful in concealing their infiltration or if the general tendency is that systematic crime in the construction industry is organized initiated by “insiders”. While the geographical location of Sweden makes it less desirable for trafficking and investments, compared to The Netherlands or Germany (Campana 2011, Varese 2011), the results suggest that the construction industry is attractive for foreign organized crime groups. Still, only one of eight cases in the study suggests the involvement of networks from Eastern Europe. Rather than an “alien conspiracy” (Kleemans 2014), the results suggest a scenario of joint crime projects between actors within the industry and individuals from informal crime networks and more stable criminal organizations. The results suggest no connection between specific criminal activities and ethnic groups (Kleemans 2014, Potter 2008). The

criminality in this study is mainly based on social and professional relationships and is welcoming to other ethnicities (Kleemans & Van de Bunt 1999).

The theoretical perspective of social embeddedness and the results of this study suggest that the emergence of new hierarchies and alliances in the Swedish organized crime landscape is dependent on intermediaries that connect professional networks and organized crime networks (Kleemans 2007, Kleemans & Van de Bunt 1999). When targeting individuals, focus should also be on actors that control money, information and communication and play important parts in the earlier stages and where the crime script enter the legal market (Leclerc 2011).

### **Suggestions for situational measures**

The structures of opportunities for organized crime in the Swedish construction industry are illustrated by the actions from the stages and scenes in the crime scripts. These results will be discussed in relation to the background material and the theoretical perspectives of this study. Situational measures related to the actions detailed in the two generalizable scripts will be suggested under the headings of *reducing the excuses*, *increasing the effort and the risk*, and *changing the opportunities* (Cornish 1994, Savona 2010).

#### *Reducing the excuses*

The importance of social and professional networks is detailed in the preparation stage of the crime scripts. Information material targeted at the industry about illegal practices is one way of reducing the excuses that facilitate systematic criminality. This measure can be applied on all stages of the scripts. Public information on how to avoid supporting criminal activities when hiring contractors should be developed, with a special focus on politicians and public officials involved in the public procurement process.

One important difference from the Italian construction industry (Savona 2010) is that corruption is not detailed in the crime scripts of this study. This is most pronounced in the preparation stage, where Italian politicians play an important role in defining the sphere of influence, organizing meetings, selecting co-offenders, and identifying the target (ibid). This is a pilot study, and a broader sample might reveal the involvement of corrupt politicians in a Swedish context. While the risk of corruption of institutions should not be exaggerated (Campana 2011, Varese 2011), the challenges that organized crime provide for a society in economic transition should not be ignored (Savona 1995, Varese 2011). Risk factors in the form of privatization, deregulation, and a lack of efficient control mechanisms should be taken seriously (Heber 2009) and the preventive work against corruption needs to be developed further (Brå 2014).

#### *Increasing the effort and the risk*

A large part of all projects in the Swedish construction industry is initiated by public procurement, but there were few details on this process in the material. By establishing strict rules and routines for public procurement, politicians and public officials can limit the structures of opportunities for organized crime in the construction industry. The key points in preventing organized crime actors to obtain public contracts is in the specifications of the tender and the possibility of eliminating bidders connected to organized crime from the bidding process (Brå 2010). Models that have been developed to alert investigators of anomalies in the process could be implemented, along with requirements that bidders declare the

identities of all subcontractors. Since the infiltration of organized crime typically starts in the form of subcontracting companies that gradually becomes the main contractor, there should be a focus on smaller subcontractors as well (Savona 2010). These interventions highlight the conflict in public procurement between transparency and efficiency. Public information should specifically target the fear that costs will increase with more extensive prevention and control strategies. What is saved on the initial contract will later be lost in frauds, extortion and over-charging when organized crime actors have successfully infiltrated the public procurement process (Savona 2010). The situational measures suggested above focus on the earlier stages, which is where intervention should result in a greater disruption of the crime scripts (LeClerc 2011).

### *Changing opportunities*

The opportunities for organized crime in the construction industry are mainly decided by criminogenic factors in the form of procurement legislation and the strength of the criminal organizations (Savona 2010). Besides corruption, organized crime actors can obtain public contracts through lower bids made possible through systematic criminality (Brå 2010). A stricter system of regulation against accounting violations, VAT fraud, undeclared labor, and crimes related to working conditions will be strengthened by more effective control mechanisms. These control and prevention strategies should target the key points where the crime scripts enter the legal market (Leclerc 2011), i.e. the use of shell companies, front men, and services provided by banks, post offices and exchange offices.

### **Limitations**

The material in this study was obtained through investigators and prosecutors at The Swedish Tax Agency and The Swedish Economic Crime Authority. This should make it representative of the topic, while there is an inherent risk of bias when relying on a gatekeeper. The reports that the study samples from involve mainly tax and accounting violations. Since the material is obtained from prosecutors focusing on financial crime, the convictions mostly involve money laundering and accounting and tax violations. By requesting reports from other authorities, another focus could be possible, covering cases involving working conditions, labor exploitation, human trafficking, and other forms of organized crime.

The report from The Swedish Economic Crime Authority covers the convictions from the Courts of Appeal that resulted in sentences of two years in prison and over, excluding all cases where the evidence was not sufficient to generate the full sentence of the prosecuted crime. One conviction is part of a greater schemes and mentions the case numbers of two other relevant convictions. These, and other cases, could be included following a systematic search process. Most cases involving the Swedish construction industry are not mentioned in the media and would neither be covered in a systematic search of news article databases. Furthermore, cases brought to the Swedish courts represents a fraction of the actual criminality in the construction industry. There is no searchable database of court documents available, which makes it difficult to reach a point of saturation in the data collection. The limited sample size and the explorative approach of the study illustrate the tentative nature of the two scripts in relation to the concepts of organized crime and the Swedish construction industry. The two generalizable scripts in the results are indeed time- and place-specific. To develop one workable

script, the analytical process should be continued on several levels. These limitations indicate areas for future research.

The crime script analysis of the Italian construction industry detailed three generalizable scripts for the schemes of the Cosa Nostra, the Camorra, and the 'Ndrangheta (Savona 2010). This study detailed two generalizable scripts that are defined more by complexity than the involvement of a specific organized crime group. Organized crime groups exist on the periphery, and members and associates are involved rather than the organization itself. There is a point in distinguishing between the presence of organized crime groups and the presence of organized crime. Since there are always criminals ready to take over and organized crime will evolve to avoid repression (Mazerolle et al 2007), future research should focus on actions more than actors (Brå 2010), or in other words, on the structures of opportunities for organized crime. By choosing the interview method the subject could be explored from the perspectives of the workers, union organizers, or from the offenders themselves. The rational choice perspective limited the scope of this study by focusing on the concrete actions, excluding questions of motivation, agency and social background factors, and did not allow for cultural and organizational perspectives on the criminality.

When analyzing organized crime through a crime script analysis the embeddedness of the specific situation in a broader social context becomes apparent. From this interaction between actor and context immanent in the rational choice perspective, the analysis of a crime situation where the target is a system of regulations, rather than a vehicle or an apartment, contributes to a richer understanding of how situational factors interact with the context of laws, regulations, economy, culture, social networks, and organizations. The integration of the wealth of analysis of organized crime on a macro-level with an analysis of the mechanisms and key factors in specific crime situations, is an area for future research, and will contribute to the formulation of effective crime prevention strategies and a long-term reduction of criminal activity.

## **CONCLUSIONS**

The aim of this study was to contribute to the knowledge of organized and financial crime and to map the blind spots for control mechanisms and crime prevention. Crime script analysis was performed on a total of eight cases from the Swedish courts to identify the crime types, actors and structures of opportunities for organized crime in the Swedish construction industry. Further analysis suggested that interventions should target actors connecting professional networks and organized crime groups, situations when the script enters the legal market, and earlier stages of the script, with a special focus on the public procurement process. The two generalizable crime scripts are tentative in relation to the concepts of organized crime and the Swedish construction industry. The analytical process could be continued on several levels. Starting with a broader sample and qualitative interviews, other aspects of organized and financial crime could be included. By analyzing structures of opportunities, the embeddedness of the specific crime situation in a broader social context becomes apparent. Further integration of macro-level analysis with mechanisms and key factors in specific crime situations can contribute to the formulation of effective crime prevention strategies.

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# APPENDIX 1

## Data collection process

### *First selection:*

The Swedish Tax Agency report: 301 cases, 2009 to 2017. Time limit set from 2015 and forwards.	39 cases were collected.	
The Swedish Economic Crime Authority report: 39 cases from 2018 and 2019.	39 cases were collected.	A total of 78 cases were included in the first selection.

### *Second selection:*

The Swedish Tax Agency report. two cases with incorrect case number excluded.	37 cases were requested from the Swedish district courts.	
The Swedish Economic Crime Authority report: after descriptions were analyzed, 23 cases unrelated to the construction industry were excluded.	16 cases requested from the Swedish Courts of Appeal.	A total of 53 cases were requested from the Swedish courts.

### *Third selection:*

The Swedish Tax Agency report: after a first reading, 22 cases unrelated to the construction industry were excluded.	15 cases were collected from the Swedish district courts.	
The Swedish Economic Crime Authority report: after a first reading, ten cases unrelated to the construction industry were excluded.	Six cases were collected from the Swedish Courts of Appeal.	A total of 21 cases were included in the third selection.

### **Fourth selection**

After a closer reading of the 21 cases, five cases with a vague relation to the construction industry were excluded.	Seven cases with no systematic criminality were excluded. One script with insufficient material for crime script was excluded.	A total of eight cases from the Swedish courts were included for crime script analysis.

## APPENDIX 2

### Coding book for crime script analysis

#### Case 01

VARIABLES	CATEGORIES
<i>Type of crime</i>	Serious accounting violations.
<i>Contributory crimes</i>	There are other criminal activities on the margins of this scheme in a larger criminal enterprise, like money laundering, human exploitation and other work life related offenses.
<i>Security methods</i>	Incorrect invoices to cover payments of undeclared labor. Front men.
<i>Actors</i>	Witnesses, e-mails and wiretaps point out the older brother A1 as responsible for the construction company C1. The younger brother A2 was responsible, in a legal and practical sense, for the two subcontracting companies C2 and C3. A3 and A4 were behind C1 and C4, as backers / directors (prosecuted in a separate case focused on the company C4). A5 was the front man used by A3.
<i>Resources</i>	Several companies and incorrect invoices.

STAGES	SCENES
<i>Preparation</i>	1. A1 said he met A3 in 2010 or 2011 while looking for employment after his old company failed. Another person introduced them. A3 needed someone who could work as foreman for projects in his own company C1.
<i>Enabling conditions</i>	2. A3 used A5, an older homeless man, as a front man for C1. For smaller payments, A5 signed documents for A3 so that A5 changed residency to Sweden in late 2010 and opened several bank accounts in early 2011. The company C1 was registered in his name in 2012.  3. A3 assumed the name and identity of A5 when managing the business on a day to day basis.

<i>The doing</i>	<p>4. The contract between A1 and A3 was signed in 2012. A1 started to work for the company earlier. A1 managed C1 between 2013 and 2016, but A3 was the real leader of the business and used the name of A1 for writing e-mails, tenders, and invoices.</p> <p>5. The wife of A3 was employed to helped with invoices and other tasks.</p> <p>6. Another company C4 had no other activity besides writing incorrect invoices to C1, C2, C3, and several other companies to a value of around 66 million SEK. Money were used to pay undeclared labor. Around 51 million SEK taken out from different ATM:s. Around 9 million SEK were paid to more than 200 individual bank accounts. Witnesses have said that they let friends or acquaintances receive money on their account. 1 million SEK were also transferred to the bank accounts of suspects or their relatives.</p> <p>7. A2 started C2 in 2008 and C3 in 2015. Around 10 people worked for him in 2015 and around 20 people worked for him at the end of 2016. E-mails have shown how he ordered invoices from C4 for specific amounts, for C2 during 2015 and 2016 and for C3 during 2015. He paid these invoices, and that money was then transferred to other bank accounts to pay undeclared labor working for C2 and C3. A1 used the same scheme for C1. The court states that the criminality of.</p>
<i>Aftermath</i>	<p>8. This case is part of a larger investigation, and refers to at least two other convictions.</p>

Case 03

<b>VARIABLES</b>	<b>CATEGORIES</b>
<i>Type of crime</i>	Accounting and tax violations.
<i>Contributory crimes</i>	
<i>Security methods</i>	A4 mentions in one conversation with A6 that they must work under the limitations of both accounts and ATM withdrawals, that it is not possible to work like older times, “otherwise you will wake up the bears”. He also mentions that they should invest in special encrypted telephones to talk on, and they discuss that they should handle a potential interrogation with “no comments”.
<i>Resources</i>	Several companies. Previous knowledge about accounting. Witness says A6 has a capacity for violence. A7 is a member of outlaw motorcycle gang A7.

<b>STAGES</b>	<b>SCENES</b>
<i>Preparation</i>	1. A4 states that he has known A6 since the 1990s. A4 had some knowledge of accounting from working for previous employers in the same industry. Witness from the post office states that A6 has picked up registered letters, in a way similar as described below, for ten years.
<i>Enabling conditions</i>	
<i>The doing</i>	2. A4, A5 and A6 used C1, C2 and C3 in a complex scheme to send incorrect invoices to C4, C5 and nine other companies, with the overall aim of VAT fraud and obtaining cash to pay undeclared labor. 10 million SEK were inserted and withdrawn from the account of C3 between 2013 and 2016. A5 was the legal representative for C3 during this time. A2 was also a legal representative for C3 between 2014 and 2016. This money was untaxed and unaccounted for. Wiretaps of telephone conversations indicates that the business idea was that money was transferred back to the companies that paid the invoices so that they could pay undeclared labor in cash. Avoid VAT and general payroll tax.

	<p>3. A4 and A5 were based in a smaller Swedish town. After deducting a fee of 20% for A4, A5 and A6 for their services, A4 retrieved cash from ATM:s and sent back the money, normally in a registered letter, to A6 who was based in a larger Swedish city. There he could hand over the cash in person to the individuals who had paid the invoices. 55 such letters were sent by A4 between 2015 and 2016.</p> <p>4. When A4 was in prison, between 2014 and 2015, A5 sent the letters in A4:s name. Several bank accounts from the different companies as well as private bank accounts have been used to bypass the withdrawal limitation on ATM:s.</p> <p>5. A4 worked in the office of C1 since the summer of 2015. He wrote incorrect invoices for work that did not exist for C1 between 2015 and 2016, and between 2013 and 2016 for C3. He did the same for company C2 since 2013.</p> <p>6. A1 responsible for C4, staffing company in another city, that has missed accounting and has used incorrect invoices between 2014 and 2016.</p> <p>7. A3 responsible for C5. Missed accounting, incorrect invoices, between 2015 and 2016. A7 was an assessor in this by handling cash intended for payments of undeclared labor.</p>
<i>Aftermath</i>	

Case 04

<b>VARIABLES</b>	<b>CATEGORIES</b>
<i>Type of crime</i>	Gross misconduct against creditor, serious tax and accounting violations. Tax violations.
<i>Contributory crimes</i>	
<i>Security methods</i>	Shell companies and back accounts
<i>Actors</i>	
<i>Resources</i>	Several companies and incorrect invoices.

<b>STAGES</b>	<b>SCENES</b>
<i>Preparation</i>	
<i>Enabling conditions</i>	<p>1. A1 started a company C1 in 2010.</p> <p>2. A1 decided that building and managing a hotel close to a tourist location would be a good business idea.</p>
<i>The doing</i>	<p>3. Between 2012 and 2014 A1 built and managed a hotel through C1. There are no records of contracts or other documents for the workers, only records of payments to 12 people in Lithuania. The salary for the workers was 80 SEK an hour, according to A1.</p> <p>4. A1 acquired a Hongkong based company C2 in late 2013.</p> <p>5. A1 opened a bank account for C2 in Luxemburg in early 2014.</p> <p>6. The property and hotel were sold in 2014 for 14 million SEK – with a documented surplus of 5 million SEK. In the same month, almost 5 million SEK was paid to the bank account in Luxemburg through incorrect invoices from C2, dated from before A1 had acquired C2. Several money transfers (stated as gifts) were also made to other bank accounts belonging to A1. The buyer threatened to sue in after several construction errors were discovered in the hotel. This led to</p>

	<p>A1 declaring the company bankrupt in with more than 4 million SEK in debts.</p> <p>It was not his intention to bring C1 to bankruptcy. A1 claims that the money transferred to him were compensation for work for sanitation of the property and construction of the hotel which he had paid for with his private means. The court, however, argues that this work should reasonably be valued at a tenth of the 5 million SEK.</p>
<i>Aftermath</i>	

### Case 05

<b>VARIABLES</b>	<b>CATEGORIES</b>
<i>Type of crime</i>	Accounting and tax violations. Serious accounting violations.
<i>Contributory crimes</i>	
<i>Security methods</i>	
<i>Actors</i>	A1, A2, A3.
<i>Resources</i>	
<i>Multi-stage facilitators</i>	

<b>STAGES</b>	<b>SCENES</b>
<i>Preparation</i>	
<i>Enabling conditions</i>	<p>1.</p> <p>A1 helped A3 start C1, a staffing company focused on the construction industry in 2009, together with two other people, A4 and the lawyer A5. According to A3, C1 was started by A4 and A5 during spring 2010. A1 supplied start capital and was the only responsible on paper (due to the “industry ban” of A3) from 2010.</p>
<i>The doing</i>	<p>2.</p> <p>A5 (lawyer) fixed contracts. The daily management and accounting were handled by A3 and A4. A3 handled most of the papers and the contacts with workers. Around 1,5 million SEK was hidden from taxation during 2013 and 2014 through incorrect accounting and the use of undeclared labor.</p>

	<p>3. A1 became seriously ill between 2013 and 2014. In late 2014 he discovered that the accounting was incorrect.</p> <p>4. C1 goes bankrupt in October 2014.</p> <p>5. A3 did renovation works for A2 during 2014, outside of the company and with the use of undeclared labor.</p>
<i>Aftermath</i>	

### Case 06

<b>VARIABLES</b>	<b>CATEGORIES</b>
<i>Type of crime</i>	Serious fraud, serious taking of bride and serious accounting violation. Four helpers acquitted for money fencing and serious fraud.
<i>Contributory crimes</i>	
<i>Security methods</i>	
<i>Actors</i>	
<i>Resources</i>	

<b>STAGES</b>	<b>SCENES</b>
<i>Preparation</i>	
<i>Enabling conditions</i>	
<i>The doing</i>	<p>1. Between 2014 and 2015, A1 worked for C1 and approved incorrect invoices from company C2 for a total of almost 4 million SEK to hotels (of the same hotel chain) in three different mid-sized Swedish cities for work that was never done.</p> <p>2. The invoices were paid and the money, that should be understood as a bribe to A1, has then been transferred to other companies, foreign car companies and to a Lithuanian bank account.</p> <p>3. The flow of money was controlled by A1 and companies that A1 awarded contracts to in his role at the hotel chain C1.</p>
<i>Aftermath</i>	



Case 09

<b>VARIABLES</b>	<b>CATEGORIES</b>
<i>Type of crime</i>	Serious accounting violations and tax violations.
<i>Contributory crimes</i>	
<i>Security methods</i>	
<i>Actors</i>	A1, A2, A3.
<i>Resources</i>	Threats and harassment towards the accountant.

<b>STAGES</b>	<b>SCENES</b>
<i>Preparation</i>	1. C1 is a family business controlled and owned together by son A2 and father A3. C1 was in turn owned and controlled by A3 and his father earlier.
<i>Enabling conditions</i>	
<i>The doing</i>	2. A group of companies C1 were controlled and owned together by son and father until 2012. A2 was chairman in the construction company C2 from 2006 until 2011. A3 was member of the board during the same period, and CEO from 2011. All the shares in the company were sold in 2011. A4 took over C2 in the same month 2011. A1 took over C1 (that changed name) and C3 and C4 two months later.  3. 2,6 million SEK were transferred from the parent company and 1 million SEK were rewarded in share dividend to the owners in 2010. A1 controlled the accounting in 2012 and asked A2 and A3 about the 2,6 million SEK that was missing. A1 has claimed threats and harassments from A2.  4. A2 and A3 avoided paying 12 million SEK in VAT and general payroll tax during 2010 and 2011 through accounting and tax violations. 12 million SEK were paid from C2 to incorrect invoices from a, in all probability non-existing, Hungarian company before it was sold in 2011.
<i>Aftermath</i>	

## Case 10

<b>VARIABLES</b>	<b>CATEGORIES</b>
<i>Type of crime</i>	Tax violations.
<i>Contributory crimes</i>	
<i>Security methods</i>	
<i>Actors</i>	A1 A2 front man A3 front man A4 front man
<i>Resources</i>	Exchange offices Company specializing in invoices Front men

<b>STAGES</b>	<b>SCENES</b>
<i>Preparation</i>	
<i>Enabling conditions</i>	
<i>The doing</i>	<ol style="list-style-type: none"> <li>1. A1 paid almost 3 million SEK in 41 incorrect invoices from his company C1 to three different subcontractors, C2, C3, C4, from 2010 to 2011 for non-existent services. The aim was to provide cash to pay undeclared labor.</li> <li>2. Through the incorrect invoices, A1 have made VAT deductions for his company for more than 500,000 SEK and lowered the company results with more than 2 million SEK for the tax years of 2011 and 2012.</li> <li>3. The incorrect invoices were sent to another company, specialized in handling invoices, and transferred to money orders.</li> <li>4. The money orders were later exchanged for cash in an exchange office by front men for the three different subcontractors. Front men have testified that they did not do any work except signing papers that other people handed them and exchange money orders. The three subcontractors did not have accounting, bank accounts nor registered workers.</li> </ol>

	<p>4. C2 sent incorrect invoices to C1 between during 2010. A3 was involved as a front man five days after the first invoice was sent. C2 was forced into bankruptcy 2011 due to tax debts.</p> <p>5. C3 sent incorrect invoices to C1 between 2010 and 2011. A3 was involved as a front man one day after the first invoice was sent. C2 was unregistered in 2012.</p> <p>6. C4 sent incorrect invoices to C1 during 2011. A4 was involved as a front man from 2011 to 2012. C2 was unregistered in 2012.</p>
<i>Aftermath</i>	

### Case 17

<b>VARIABLES</b>	<b>CATEGORIES</b>
<i>Type of crime</i>	Serious accounting and tax violations, money laundering.
<i>Contributory crimes</i>	
<i>Security methods</i>	<p>By using a sequence of different companies. In several cases, the services referred to are real, but incorrect since the invoices have been sold by another company. By mixing up made up and actual services on the invoices, by mixing up actual businesses with shell companies, and by people mixing up their roles as front men and businessmen the scheme has been more difficult to discover and penetrate for the IRS and law enforcement.</p> <p>By declaring no profits and by being unregistered after a year or two, shell companies avoid the attention of the IRS.</p>
<i>Actors</i>	<p>A3, A4, A5 and A7 acquitted.</p> <p>A9 is to have had the real power over the whole scheme, by directing different transactions and front men. His wife central for doing the office work. Front men.</p>
<i>Resources</i>	One witness who worked for C1 states that A9 was managing C1 together with the president of an outlaw motorcycle

	gang and another person. Another witness states that A9 wanted her to front a new company. When she had second thoughts, he said that two men “from the club” would come to her to collect the necessary papers.
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<b>STAGES</b>	<b>SCENES</b>
<i>Preparation</i>	1. A2, A6 and A10 have lived and worked together.
<i>Enabling conditions</i>	2. Through an extended network in the mid-sized Swedish city, the main actors get to know people who can help them to front companies or that have companies they can take over.
<i>The doing</i>	3. Crime script for the whole scheme, which includes 1360 invoices sent out by 16 different companies to a total value of 68,5 million SEK. The conviction describes a sequence of events from 2009 to 2014, involving 10 main companies and three different locations for offices in a mid-sized Swedish city. Three male names reappear as front men through this sequence, together with the wife of A9, who have been more involved with the actual writing of invoices.  4. A6 gets to know A7 and A2 during the summer of 2012 through A9, who he knows from earlier.  5. C8 is created in 2013 with A6 as legal representative. A3 helps him to fill in the papers.  6. C4 is created in 2013 with A6 and A2 as legal representatives. A6 claims he has no experience of running a business and does not know who is behind or what the business plan is.  7. A person he does not want to name tells him to sign contracts for a rental office space in 2013. This unnamed person has

	<p>rented the same space before, at least from the summer of 2012 and until 2013.</p> <p>8. A6 gives the keys to A2. A8 also has keys. A6 claims that A8 works at the office with writing invoices that A6 signs. A10 also works at the office as a fixer and a front man (signing papers).</p> <p>9. A6 has been unemployed for a long time. A6 claims he received 5,000 SEK when C2 started and that the unnamed person has helped A6 to pay his rent on a few occasions. He was given 1000 SEK to keep from each withdrawal that he made. Other witnesses claim he played a more active part in the businesses.</p> <p>10. A6 opened two bank accounts, one for C2 and one for C1. He has withdrawn money in different ways from these, and other, accounts and given to the unnamed person. He received orders on his “small phone” that was given to him, usually by A2 and A10. A6 does not know where the money came from.</p>
<i>Aftermath</i>	