ORGANIZED CRIME AND THE
POLITICAL-CRIMINAL NEXUS IN CHINA

Ko-lin Chin and Roy Godson

The research goals of this study, undertaken on behalf of the National Strategy
Information Center (NSIC), were to describe the evolution of the political-criminal
nexus (PCN) in China and predict its development, examine the causes and pat-
terns of PCN in China, assess the anticipated threats of Chinese PCN, and identify
options for external factors—inside and outside government—to weaken PCN in
China. The researchers used a variety of techniques as part of an overall explor-
atory methodology, including interviews and field observations in three Chinese
provinces. Key informants included law enforcement officers, government offi-
cials, scholars, prosecutors, judges, businessmen, and underworld figures. Inter-
views and site visits were supplemented with the review of a large collection of
English and Chinese literature on the subject. The major findings are (1) in China,
PCN is primarily a nexus between gangsters and low- and mid-level government
officials from the criminal justice system; (2) the Chinese government is concerned
with the problem of PCN mainly because it is eroding the authority of the Chinese
Communist Party (CCP), and not because of the threat of organized gangs to social
and economic stability; (3) organized crime in China is going to be a local problem
for many towns and cities in the foreseeable future; (4) reasons for the development
of PCN in China could be categorized as economic, structural, social/cultural, and
psychological/ideological and the impact of PCN could be categorized as social,
economic, and political; and (5) several options exist for external governmental
and nongovernmental measures to curb or at least control PCN in China, including
research, education, and judicial reform.

Introduction

After China adopted its open-door policy in the late 1970s and began to encour-
age economic reform and social development in the years that followed, the prob-
lems of gambling, prostitution, and drug use reemerged. Organized crime,1 rampant
in China during the early twentieth century, but virtually wiped out by the Chinese
Communists after they came to power in 1949, also began to revive during this
period (He Bingsong, 2003, 2004).2 In recent years, even though the authorities
have conducted several major campaigns against crime, law and order in China has
never been so precarious since the Communists took over.
One of the main concerns among Chinese authorities and the general public is the existence of the so-called *baohusang* or "protective umbrella." A protective umbrella is a government official who takes bribes from criminals and in turn provides protection to the criminals and their illegal activities (Tian Hongjie, 2001). There is a conviction among the Chinese that the existence and prevalence of the protective umbrella is the main reason for the development and persistence of organized crime in China.

Between October 2004 and March 2005, the authors amassed a large number of newspaper and magazine articles, scholarly papers, books, and court documents on the issue of the political-criminal nexus (PCN) (Godson, 2003), the collaboration of the political establishment with the criminal underworld in China. The first author, an ethnic Chinese who speaks Chinese fluently, made a research trip to three provinces: Hainan, Guangdong, and Fujian. He visited Haikuo and Chengmai of Hainan Province, Guangzhou and Dongguang of Guangdong Province, and Fuzhou and Putian of Fujian Province. While there, he conducted face-to-face interviews with a number of subjects. The subjects can be categorized as follows: in Hainan Province, two professors, one police officer, one crime boss, two lawyers, one judge, and one prosecutor; in Guangdong Province, two professors and one businessman; in Fujian Province, six professors, four police officers, three gangsters, one village head, and one businessman. Most of the professors interviewed were formerly police officers before becoming teachers in a police college. Some subjects were interviewed twice or more. The first author also spent ten months in China as a visiting scholar in 2004.

Based on the primary and secondary data, the authors reached the following conclusions:

1. In China, PCN is a serious problem that will continue to exist and expand for at least the next decade.
2. PCN is primarily a nexus between gangsters and low- and mid-level government officials from the criminal justice system, i.e., police officers, prosecutors, and judges. High-level political leaders from the executive branch and party apparatus rarely act as a protective umbrella for underworld figures. High-ranking administrators and party officials are more likely to be affiliated with, and corrupted by, seemingly legitimate businesspeople. Thus, it is important to differentiate protective umbrella from official corruption when discussing the emergence of PCN in China. The public, the media, and the authorities normally do not see these two issues as the same. For the nation's leaders in Beijing, official corruption is a somewhat more serious issue than PCN because it involves higher government officials and greater economic loss than PCN.
3. The Chinese government is concerned with the problem of PCN mainly because it is eroding the authority of the Chinese Communist Party (CCP), not because of the threat of organized gangs to social and economic stability. In other words, for the Chinese government, PCN is first a political issue and second a criminal justice issue.
4. Organized crime in China is going to be a local problem for many towns and cities in the foreseeable future. It is unlikely that contemporary organized gangs will
expand their influence to other cities, provinces, or countries. There is little, if any, evidence to suggest that Chinese underworld organizations are going to collude with foreign-based organized crime groups in order to participate in transnational organized crime activities such as drug trafficking and human smuggling. These groups that are involved in transnational criminal activities are not “organized gangs.”

This paper discusses the evolution of PCN in China with a focus on the development of PCN after China opened its doors to the West in the late 1970s. This includes (1) the existence of PCN in two coastal provinces—Hainan and Fujian—with specific details on two recent PCN cases in the cities of Haikuo and Fuzhou; (2) projected trends in the PCN during the next ten years; (3) economic, social, and cultural factors that are behind the close relationship between government officials and underworld figures; (4) anticipated economic and political threats of PCN to China and to the Asia/Pacific region; and (5) some of the options for official and nonofficial organizations to curtail and contain the development of PCN in China—research, education, and judicial reform.

Evolution of Political-Criminal Nexus in China

Development of Political-Criminal Collaboration in China

The PCN is not a new phenomenon in China (Chesneaux, 1972). In the late nineteenth and early twentieth centuries, political leaders such as Sun Yat-sen, Chiang Kai-shek, and Mao Zedong had closely associated with the Chinese underworld and relied heavily on influential gangsters and their organizations and financial resources to achieve political goals (Seagrave, 1985; Booth, 1991; Wakeman, 1995; Martin, 1996). The pattern continued in Taiwan. In 1984, military intelligence in Taiwan sent three Bamboo United gang leaders to the United States to kill a Chinese-American writer (Kaplan, 1992). In Taiwan, the recent development of so-called “black-gold politics”—the penetration of underworld figures into the economic and political sectors—is such a serious problem that some Taiwanese officials claim that one-third of local politicians are gangsters (Chin, 2003).

After the CCP defeated the Kuomintang (KMT) in 1949 and took over China, the Communists executed a large number of underworld figures. Others fled to Hong Kong and Taiwan (Morgan, 1960). In the late 1970s, not long after the Cultural Revolution had ended, the Chinese government adopted its open-door policy. As China's economy began to improve and social control mechanisms in China were somewhat loosened, crime rates in China began to soar (Liu Xiangyu, 1997; He Bingsong, 2002). In response, Chinese authorities launched the so-called yanda (strike hard) campaign beginning in August 1983, and lasting until January 1987. As instructed by the then paramount leader Deng Xiaoping, the campaign’s strategy was to “organize three major wars [against seven types of criminals] within the next three years and arrest all the criminals within a city; the goal of every attack is to arrest a large number of criminals” (Wang Mingliang, 2004: 36). Altogether,
197,000 crime groups were dismantled and law and order was temporarily restored (Wang Mingliang, 2004). However, in the early 1990s, when China shifted from a centrally planned economy to a market economy, crime rates escalated and eventually were reported to be eight times higher than in the 1980s. As a result, the Chinese government conducted a similar campaign in 1996. Unlike the wide-ranging 1983 strike-hard campaign, the 1996 operation specifically focused on violent crime groups, especially groups that committed crimes with firearms and those groups that were considered to have underworld characteristics (i.e., well-organized, well-financed, protected by government officials, and monopolizing an area or market) (Wang Mingliang, 2004). According to Professor He (2003), more than 130,000 criminal gangs and over 670,000 members were rounded up, including more than 900 gangs of an underworld nature with over 5,000 members.

In spite of the two crackdowns, influential and better-organized criminal gangs continued to emerge in the late 1990s (see Table 1). Crime bosses had become so influential that some were called “mayor,” “the second government,” or “sky boss.” Tian Bo, a gang leader in Meihekuo City, Jilin Province, who was known as “black mayor,” once boasted that, “During the daytime, someone else is the mayor. At night, I am the mayor. . . . In this city, I am more effective than the mayor and the police chief, and that’s because I can deal with people from both the ordinary world and the underworld” (He Bingsong, 2003: 186). Liu Yong, another crime boss in Shenyang City, Liaolong Province, claimed that he could summon any high-ranking government official to his house with one phone call and that in his city, there was nothing he could not do (Li Honglin, 2002; Ouyang Yifei, 2004b).

In response to the increase in the number of organized gangs, the authorities continued to crack down. In the so-called “No. 1 Underworld Case of 1998,” Liang Xiaoming, a police officer as well as a crime boss in Changchun City, Jilin Province, was arrested for murder, assault, robbery, extortion, prostitution, and gambling. Thirty-five government officials were also arrested for working as protective umbrellas of Liang’s group. In the same year, the authorities dismantled two other major underworld-like gangs. Crackdowns on organized gangs continued in the year 2000. According to Wang Mingliang (2004), the number of organized gangs eliminated in 2000 was six times higher than the previous year.

**Current Case Studies**

Hainan and Fujian, the first an island province and the second a coastal province illustrate more specifics of the development of underworld-like gangs and the emergence of PCN in China. Two groups were once active in the underworld of Haikuo and Fuzhou, the capital cities of these two provinces. The first group was the Liang Dingfa group in Haikuo City, Hainan Province. The arrest, indictment, and sentencing of the group did not attract much media attention outside of Haikuo City, mainly because the group had not engaged in murder, and the government officials who were protecting the group were relatively low-level police officers. However,
### TABLE 1

<table>
<thead>
<tr>
<th>Year</th>
<th>City and Province</th>
<th>Official Number of Defendants</th>
<th>Number of Officials Implicated</th>
<th>Major Crimes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>Liang Xiaoming, Jilin</td>
<td>59</td>
<td>35</td>
<td>Murder, assault, robbery, extortion, gambling, prostitution</td>
</tr>
<tr>
<td>1999</td>
<td>Tang Lifeng, Henan; Zhang Wei</td>
<td>40</td>
<td>Unknown</td>
<td>Murder, assault, gambling, extortion</td>
</tr>
<tr>
<td>1999</td>
<td>Wenling, Zhejiang</td>
<td>30</td>
<td>67</td>
<td>Murder, assault, monopoly of certain markets</td>
</tr>
<tr>
<td>2000</td>
<td>Liu Yong, Shenyang, Liaoning</td>
<td>52</td>
<td>Unknown</td>
<td>Murder, assault</td>
</tr>
<tr>
<td>2000</td>
<td>Zhuang Xiangji, Hengtong, Hunan</td>
<td>Unknown</td>
<td>25</td>
<td>Assault, bid rigging</td>
</tr>
<tr>
<td>2001</td>
<td>Tian Bo, Meihekouo, Jilin</td>
<td>52</td>
<td>21</td>
<td>Murder, kidnapping</td>
</tr>
<tr>
<td>2001</td>
<td>Zhou Shounan, Gaungxi</td>
<td>Unknown</td>
<td>11</td>
<td>Murder, robbery, prostitution, gambling</td>
</tr>
<tr>
<td>2001</td>
<td>Liang Shengli, Xuchang, Henan</td>
<td>50</td>
<td>Unknown</td>
<td>Assault, monopoly of various wholesale markets, extortion</td>
</tr>
<tr>
<td>2001</td>
<td>Xitou Group, Beihai, Guangxi</td>
<td>27</td>
<td>5</td>
<td>Murder, assault, gambling, loan-sharking, drug dealing, extortion</td>
</tr>
<tr>
<td>2001</td>
<td>Xiong Jinwen, Gejiu, Yunnan</td>
<td>25</td>
<td>Unknown</td>
<td>Murder, assault, robbery, extortion, gambling, rape</td>
</tr>
<tr>
<td>2001</td>
<td>Huang Tao, Fuzhou, Jiangxi</td>
<td>40</td>
<td>Unknown</td>
<td>Murder, assault, robbery, extortion</td>
</tr>
<tr>
<td>2001</td>
<td>Li Jie, Lanzhou, Gansu</td>
<td>54</td>
<td>Unknown</td>
<td>Murder, assault, gambling</td>
</tr>
<tr>
<td>2002</td>
<td>Yao Zhihong, Shaoyang, Hunan</td>
<td>60</td>
<td>14</td>
<td>Murder, assault, loan-sharking, prostitution</td>
</tr>
<tr>
<td>2003</td>
<td>Song Liugeng, Zhengzhou, Henan</td>
<td>100</td>
<td>Unknown</td>
<td>Murder, assault, kidnapping, extortion, gambling, prostitution</td>
</tr>
</tbody>
</table>

*Note: With the exception of Zhuang Xiangji, all the gang leaders mentioned above had been executed.*

This group is probably typical of the hundreds of gangs of an underworld nature in China. The second case involves the Chen Kai group in Fuzhou City, Fujian Province, a case that was not only widely reported in the Chinese media but also implicated a large number of mid-level government officials. It was the kind of case that captured the public's imagination.
Hainan Province

Hainan Island was an extremely poor area before 1949 and remained underdeveloped after the Communists took over. The island was dominated by radical left wing leaders, who were more interested in political struggles and ideological debates than economic development (Cheng Duowei, 2000). In April 1988, Hainan became a province when it was separated from Guangdong Province. The Chinese government decided to transform Hainan into a province in the hope that it would become another Taiwan in economic terms. Suddenly, the remote island became a place where people from all over China came to chase their dreams.

After four years of frantic development, the real estate business in Hainan Province reached its peak in 1992. The area continued to prosper for another year until the central government decided to tighten credit. Because most of the money invested in real estate was from bank loans, the real estate industry collapsed in 1993. Within two years, a large number of people on the island had become rich, and then went broke, virtually overnight. The real estate industry survived for the next two years until all the unfinished projects were completed in 1995. Then it came to a halt. Taiwanese had arrived during the early 1990s to take advantage of the booming real-estate industry. After the collapse, they left the island, and another group of Taiwanese arrived in 1995 to get involved in the agricultural industry. Hainan now has an agricultural industry and tourism, but no other established industry. Of the more than eight million people there, 30 percent are urban dwellers and the rest are all farmers.

In addition to the collapse of the real estate industry, the development of the province was also slowed by corrupt officials. According to a professor, who is also a lawyer in Haikuo, “After Hainan became a province, we had two very good leaders, the governor and the party secretary. Unfortunately, one died not long after his arrival here and the other was purged after the Tiananmen Square incident because he supported the students during the unrest. After that, all the top leaders we got were corrupt officials who were only interested in promoting their personal interests.”

Between 1992 and 1995, a large number of women from across China arrived in Hainan to get involved in the thriving sex business. Some of the cities’ main thoroughfares overflowed with young streetwalkers. As a result, there was a saying in China about Hainan Province, “If you have never been to Beijing, you don’t know you have very little political power. If you have never been to Shanghai, you don’t know you have very little money. If you have never been to Haikuo, you don’t know you have very poor health [not healthy and energetic enough to enjoy all the sex in Haikuo City].” When asked how active were the organized gangs in prostitution, an underworld figure in Haikuo said, “There are quite a few crime groups in Haikuo. Almost every block is controlled by a small group. Most of them are involved in illegal gambling. They are not that active in prostitution and drug dealing.”
One of the best-known organized gangs in Hainan Province was the Wang Xinhan Group. Wang was known as nanbatian, the Sky Boss of the South (Xiao Chong, 2002). Wang, a native of Chengmai County near Haikuo City, was originally a martial arts teacher. Later, as the real estate industry in the province began to flourish in the late 1980s, Wang transformed himself into a contractor. Over the next few years, Wang, his two sons, and a group of followers were involved in murder, assault, extortion, and bid rigging. In the nationwide crackdown in 1994, the provincial authorities of Hainan decided to go after Wang and his followers. Wang, one of his sons, and three other core members were arrested and executed (Xiao Chong, 2002). One of the research subjects in Haikuo had the following to say about Wang. “I don’t think the Wang Yinhan Group should be considered a mafia-like gang. He was targeted mainly because Jiang Zhemin [the then paramount leader] and a group of leaders in Beijing were informed of Wang’s activities in Hainan and they ordered local authorities here to get rid of Wang [because of his notorious reputation]. When he was executed, the authorities used a special, powerful bullet and he died terribly.” A gangster who was interviewed in Chengmai said, “I used to know Wang Yinhan well. He was not a bad guy; he was polite and fair. The problem with him was that he had two sons who were violent and acted like gangsters. They would hurt or kill whoever they didn’t like.”

A police officer said the following, “Before Wang was arrested, there was an attempt to investigate Wang’s crimes. However, after phone calls from concerned high-ranking provincial government officials poured into the police department, the case was closed. Later, there was an order from the central government in Beijing to get Wang. The chief of police of Chengmai was not included in the task force to investigate Wang; actually he was later arrested for being the protective umbrella of Wang. Wang’s group could not be considered a mafia-like gang. First of all, there was no structure. Secondly, the group had no financial power. By the time he was arrested, Wang’s assets were less than a million renminbi [RMB]. You can’t really say he was a rich man. Thirdly, he didn’t have powerful protective umbrellas. Lee [the chief of police of Chengmai] was suspected of protecting Wang, but Lee was released later because there was no evidence to charge him as protective umbrella.”

A professor summarized the case this way, “Calling Wang Yinghan a bandit is probably more accurate than calling him a godfather. His group in my opinion was not a mafia-like gang; rather it was just a bunch of hoodlums coming together to get involved in violent and petty crimes.”

LIANG DINGFA GROUP. On August 8, 2003, the authorities in Haikuo City arrested Liang Dingfa and 17 other suspects for involvement in a criminal gang of an underworld nature and ties to organized gambling. According to the investigation report prepared by the Haikuo police department, starting in 1995, Liang and his associates had formed a large armed group that was highly organized and stable. After equipping itself with guns, ammunition, and cars, the gang was actively
involved in robbery, assault, extortion, gambling, illegal debt-collection, and the use of threats and violence to collect debts. Liang Dingfa was the top leader, and there was a division of labor within the group. One member was responsible for operating the gambling joints and bribing government officials, another was assigned the duties of managing the gang’s firearms and carrying out the group’s violent activities, another took care of the group’s motor vehicles, and two others were principally responsible for organizing the group’s street fights and assaults.

To protect his gambling operations from the police, Liang and his followers gave a $7,300 bribe to the district’s chief of police. In return, that police officer protected Liang’s gambling operations for six months. Two other police officers were also actively involved in Liang’s debt-collection activities; in the process, they used their police firearms to commit violent acts. On various occasions, the two police officers took actions to deflect an investigation of Liang by the authorities.

On February 27, 2004, Liang, 17 followers, and three police officers were indicted by the Haikuo City prosecutorial office. All the defendants were represented by their lawyers in court. Three months later, the court found the defendants guilty of organizing or joining a criminal group with an underworld nature, gambling, extortion, debt-collection, and assault. Liang received a ten-year sentence for organizing and leading a criminal gang with underworld nature, ten years for extortion, three years for involvement in the illegal transaction of firearms, two years for illegal possession of firearms, and three years for gambling. The judge decided that Liang would serve a total of 20 years.

According to the defense lawyer of one of the defendants, the case was extremely weak. She said, “Of all the people who were accused of being members of a gang with underworld nature, only the first three defendants can be considered as members. The rest were all peasants who arrived in Haikuo to make a living and they just followed orders because Liang gave them $25 to $36 a month as salary. I don’t think these people knew what it was that they were getting into. The issue of protective umbrella is also controversial. Liang did donate money to the local police station, but it was all very normal. The police station even issued receipts to Liang for his donations. In return, the police would not bother Liang’s gambling operation. This is also very normal in the context of China. I really don’t think this can be considered protective umbrella.”

A gangster interviewed in Haikuo had the following to say about Liang and his arrest, “I knew Liang Dingfa. He was arrested because he was too arrogant and I told him this would lead to his downfall. Actually, there were quite a lot of gang people here who were trying to get rid of him. That’s why no matter where he went, he would go with a group of his people. He was mainly involved in gambling and debt-collection.”
Organized Crime in China

Fujian Province

When Deng Xiaoping adopted the open door policy in the late 1970s, Fujian and Guangdong provinces were selected as the sites for China's experiment with a market-oriented economy (United Daily's Mainland China News Center, 1993). Although Fujian was considered to have lagged behind Guangdong in economic reform, the province was, in many respects, more developed than the rest of China (Duffy, 1993; Lyons, 1994).

Fujian Province has long been characterized as the home of outward-looking people who are active in sea trade and smuggling (Seagrave, 1995). Its two major cities, Xiamen and Fuzhou, each have a thriving seaport (Weng, 1994). Xiamen City had been selected by the authorities in order to attract Taiwanese investors because Xiamenese speak minanhua (the dialect of southern Fujian), the same dialect spoken in Taiwan. The Fuzhou area, which encompasses three cities and six counties, is situated in the northeastern part of Fujian Province. Fuzhou City is the center of human trafficking. The snakeheads or human smugglers set up their operations in the area and use it as the staging point for the majority of the Fujianese being smuggled abroad. There are three main routes. People go from Changle City to the United States, from Fuqing City to Japan, and from Pingtang County to Taiwan. Because of the massive illegal immigration of Fujianese from these sending communities, there is a saying in Fujian, “The U.S. is afraid of Changle, Japan is afraid of Fuqing, Taiwan is afraid of Pingtang, and the world is afraid of Fujian” (Qiu Ping, 2004: 231).

Although human smuggling is rampant in Fuzhou, Chinese authorities normally would not crack down on the snakeheads, unless there is a dramatic—and embarrassing—international incident in which large numbers of illegal immigrants are killed en route to their destination country. For example, after the Golden Venture incident in New York City in 1993 and the Dover incident in Dover, England in 2000, in which more than 60 lives were lost, the authorities in Fuzhou arrested a large number of little snakeheads, as the recruiters for the big snakeheads are known. The big snakeheads simply went into hiding and shut down their operations for a few months (Chin, 1999; Zhang and Chin, 2002). The Chinese authorities did not regard them as underworld figures.

In Fuzhou City, besides snakehead organizations, there were a large number of organized gangs that were involved in violent crimes such as murder, assault, robbery, and extortion. Most of these gangsters were originally hired as security guards by owners of the booming illegal electronic gambling industry and the sex industry. When there was a major crackdown on these two types of businesses in the mid–1990s, many security guards lost their jobs and soon banded together to form their own gangs. According to a gangster interviewed in Fuzhuo City, “After I was discharged from the army for fighting, I was assigned to a police station as a police officer. My monthly salary was a pitiful $48 a month, so I did not even bother to show up for work. Then I found a job with a businessman from Hong Kong, and I
was paid a little more than $122 a month. Later, I became one of his main assistants and my monthly salary shot up to more than $610. My boss was a legitimate businessman, but he was also involved in some shady businesses as well. Later, he became involved in the electronic gambling business. He opened up three stores, one here, one in Wuhan, and another one in Nanking. All these stores needed to be guarded, so my boss formed a large security guard unit. Most of the guards were former soldiers, police officers, or ex-convicts, and they were all good fighters. That’s why in the 1990s, if there was an underworld in Fuzhou, it was basically made up of these security guards. When the police went after all the electronic gambling establishments in the late 1990s, many security guards lost their jobs and began to get involved in all kinds of crime to make a living.

When the 2001 strike-hard campaign was launched, the Ministry of Public Security in Beijing (the headquarters of the Chinese police force) took the opportunity to dismantle large numbers of organized gangs in Fuzhou and especially those that were part of protective umbrellas. With the active support of the provincial prosecutor’s office, the police in Fuzhou City arrested 374 underworld figures from 19 organized gangs. Eventually, 13 gangsters were executed and a number of protective umbrella received jail sentences. In this campaign, the police dismantled a notorious underworld-like gang that was active in Minhou County. The gang was highly organized, and through violence and vote-buying, was able to make one of its leaders a party secretary of a village. The gang also established a company and monopolized several construction-related markets in the area. Moreover, the gang established a close relationship with more than 13 key government officials in Minhou County, including the mayor and the deputy party secretary of the county. A police officer in Fuzhou City characterized the groups that were dismantled during the strike-hard campaign as follows. “These groups were mainly involved in the monopolization of one or more lucrative businesses or markets, extortion, kidnapping for ransom, or protection. They were, however, not involved in drug trafficking. The majority of the sex establishments here in Fuzhou were not owned by these underworld-like gangs. They did get involved in selling certain soft drugs such as MDMA, but not heroin. Those who were involved in the amphetamine business here were mostly Taiwanese, but these Taiwanese were not underworld figures either.”

In all the counties and towns around the Fuzhou area, there are several powerful groups active in each and every town or county. For example, a gangster in Putian, a county about a hundred miles from Fuzhou City, said, “Of course there are many ‘big brothers’ in this county. They are all businessmen and they are involved in all kinds of businesses. They also have a bunch of street fighters under their command. Moreover, they enjoy a very good relationship with people in the criminal justice system. So, nobody dares to touch them. A few years ago, there was a strike-hard campaign against organized gangs, but the authorities only went after the small flies. The big fishes were left alone.” A police station chief in the county echoed the gangster’s assessment as follows. “We don’t have organized gangs here
but we do have several wealthy businessmen who are involved in all kinds of lucrative businesses. They are very low key, and their activities are secret. After we arrested some of their little soldiers, we tried to arrest the men behind them, and often we found that there was another layer of followers of the big bosses. The real bosses are all behind the scene and way up there. We know who the big bosses are, but we are not able to investigate them. Besides, many of them are elected deputies and they have the authority to monitor us. How can we touch them?"

Chen Kai Group. Chen Kai, a 44-year-old Fujianese man, was sentenced to death on January 24, 2005, for being a leader of a criminal group with underworld nature, organizing prostitution and gambling, providing places for people to use drugs, ordering subordinates to commit violent crimes, committing financial frauds, evading taxes, and bribing government officials (Hu, 2005). Before his arrest, in 2003, he was dubbed “the richest man” in Fuzhou City, with estimated assets of $146 million. He was then president of the Kai Xuan Group, a business conglomerate that included a hotel, a nightclub, a real estate development firm, three restaurants, a renovation company, and three sauna establishments that were essentially brothels. All these firms were considered in Fuzhou to be some of the largest and fanciest in their respective industries.

Chen Kai was born in 1962 in Minhou, a county near Fuzhou City. Chen’s parents were farmers, and Chen is believed to have had a tough childhood. At the age of 17, he joined a performing group and two years later became a street vendor selling clothes. After accumulating some money, Chen opened an electronic appliance store. Not long after, he became involved in the restaurant business, operating two very popular high-end restaurants in Fuzhou City. While operating the restaurants, Chen began to establish a network of contacts in the greater Fuzhou area.

Chen Kai’s fortune began to change dramatically in 1991, after he became a key player in the rapidly expanding electronic gambling industry in Fuzhou. Through the operation of numerous electronic gaming stores that were basically gambling dens, Chen and his associates were able to earn big money. One of his associates was Xu Li, the son of Xu Congrong, the then chief of police of Fuzhou City who was also called the “Godfather of Fuzhou.” Chen became the godson of the police chief and gave him bribes amounting to almost a million dollars. With the full support of the police chief and his son (who later became the vice president of the Kai Xuan Group), Chen Kai began to expand his business empire by moving into the entertainment and real estate businesses. At one point, his Kai Ge Entertainment Center was considered to be the largest nightclub in Southeast Asia, and was known as a place where customers were allowed to use drugs and have sex with the hostesses. His Kai Xuan garden apartment complex was the most expensive real estate property in Fuzhou City. Being the godson of the police chief and a close friend of numerous mid-level government officials also enabled Chen to quickly establish a close relationship with officials in the criminal justice system, government, and CCP organizations (Qiu Ping, 2004). A mid-level police officer in Fuzhou
told one of the authors, “When a bureau chief was on his way to Chen Kai’s dinner party, how could a unit chief say no to such an invitation? Almost all officials from the criminal justice system had eaten numerous times in Chen Kai’s Hai Shan Hotel.” Another policeman wondered, “Who in the police department would dare say he or she has not eaten Chen Kai’s free meals?”

In May 16, 2003, American and Chinese authorities arrested Wang Jianzhang, a major drug trafficker who was a Fujianese from Tingjiang, a county near Fuzhou City, which is another major sending community of illegal Chinese immigrants to the United States (Chin, 1999). Wang, aka Tingjiang125 (reportedly because he weighed 125 kilograms), was arrested in 1989 in New York for drug sales and served four years in jail.

After his release, Wang was deported to Hong Kong because he was a Hong Kong citizen. Wang later returned to Fuzhou and resumed his drug business. This time, Wang was arrested inside his sauna establishment in Fuzhou City while conducting a drug transaction. Between 1997 and 2000, Wang was alleged to have imported 680 kilograms of heroin from the Golden Triangle into the United States via China. American DEA officers in Bangkok and Beijing were directly involved in the joint operation. The same day Wang was arrested, the Chinese authorities also arrested Chen Kai.

Right after Chen was arrested, there were rumors that he was arrested mainly because he was laundering Wang Jianzhang’s drug money. According to a police officer interviewed in Fuzhou, “There is no doubt that Chen Kai was laundering money for Wang Jianzhang. Chen had assets of $146 million, but he only had $12 million worth of bank loans. Even if we assume that he made about $24 million from his various businesses, where’s the other $110 million from?” A taxi driver in Fuzhuo also said, “Chen Kai’s fall is definitely related to the drug business, plus the involvement of the American authorities in this whole investigation. Otherwise, with Chen Kai’s background and connections, who can do anything to him?”

In the aftermath of Chen’s arrest, authorities in Fuzhou arrested 50 government officials for taking bribes from Chen Kai and for acting as his protective umbrella. Among them were Song Licheng, the deputy party secretary of Fuzhou City, Fang Changming, the standing committee member of Fuzhou City’s CCP, Zhu Jian, the party secretary of Fuqing City, and Wu Yulin, the deputy police chief of the Fuzhou City police department. Chief of police Xu Chongrong and another deputy chief of police, Wang Zhenzhong, both fled to the United States. The authorities charged that Chen paid the 50 officials a total of $1.15 million. In return, the officials made sure that Chen’s businesses would not be disrupted by the authorities.

On December 20, 2004, Chen and his associates were indicted for operating a criminal organization with underworld nature and committing a variety of crimes. However, the group was not indicted for drug trafficking or money laundering. During the trial, according to a research subject who attended the trial, neither the name Wang Jianzhang nor the word “drugs” were ever mentioned. A month later, the court found Chen guilty of operating an underworld-like criminal group and
being involved in the sex business. Chen received a ten-year prison term for organizing a criminal gang with underworld characteristics and numerous life sentences for a variety of other crimes, but he was sentenced to death for organizing prostitution rings. In China, death sentences for operating sex establishments are unusual.

Interviews were conducted in Fuzhou about a month after Chen Kai was sentenced to death and talked to about 20 subjects with diverse backgrounds about Chen Kai and the current state of organized crime in the area. Most subjects believed that Chen Kai was involved in money laundering, but because there was no hard evidence to indict him, the authorities decided not to charge Chen with that offense. On the other hand, the subjects were split when asked whether Chen Kai was an underworld crime boss.

Several subjects said they considered the Chen Kai group to be a criminal organization with an underworld nature because the group did use threats and violence in the operation of prostitution rings; for instance, they beat up a reporter who was writing articles about the group’s sex businesses. They also used physical intimidation to maintain order in the various business premises. A gangster who operates a nightclub in Fuzhou City, however, said he does not think Chen Kai was a crime boss. “If Chen Kai was guilty of organizing prostitution rings, there are many other people in Fuzhou whose commercial sex business is bigger than Chen Kai’s. If Chen Kai is an underworld figure, then there are many people in Fuzhou who can also be considered underworld figures. Using force in the operation of prostitution rings is inevitable. For example, when a high-ranking government official visits one of Chen Kai’s places and he is not interested in any of the sex workers there but very keen on one of the staff, who is a pretty college student, what can Chen Kai do? Can he not adopt any means to force that girl to satisfy that official’s demand?” Interestingly, a mid-level police officer provided the same scenario when he was asked how it was possible for Chen Kai and his people to use force in their daily operation of so many public entertainment establishments where hundreds of young females were employed.

**Trends into 2015**

According to Cai Shaoqing, a professor at Nanking University and an expert on organized crime, there are at least one million members of underworld-like organizations in China. For the next ten years, the authors believe that the problem of underworld-like gangs and PCN in China will develop along the following lines. First, underworld-like gangs will continue to form as long as large numbers of young people leave the police, military, and other official units as the Chinese government downsizes its public institutions and enterprises. According to a gang leader in Fuzhou, “You’ve got to understand that an underworld gang is not something a group of bad people intentionally set up in order to commit crime. After I was discharged from the army, I was starving and yet I saw people my age who were eating well, wearing brand-name clothes, and walking down the street with
pretty girls on their arms as if there’s nobody else around. Then, if they give me one
look, I will of course give them a good beating, just to release my pent-up frustra-
tion. Damn it, I gave myself to my country for so many years, and now I am poor as
hell. And then I see these guys having a good time and living a good life. All I
know is how to fight. How could I not beat up someone, anyone?”

Second, gang leaders will continue to establish close relationships with people
in the criminal justice system within their own turf. They will also try to expand
their sphere of influence by recruiting party secretaries and mayors to be their
protective umbrella. They will penetrate the legitimate economy, get involved in
local politics and may run for public office.

Third, despite what some other researchers (He Bingsong, 2004) have suggested,
gangs in China are not likely to coalesce with foreign-based organized crime groups
and become active in transnational organized crime activities. There is no question
that there are more and more Chinese gang leaders and gang members from Hong
Kong, Taiwan, and the United States living in China nowadays, but their influence
is exaggerated by the media and the Chinese authorities. There is no evidence to
show that the movement of a relatively large number of gangsters from Hong Kong,
Taiwan, and the United States to China has resulted in the transplantation of Hong
Kong, Taiwanese, or United States organized gangs in China, nor is there any evi-
dence to show that gangsters from abroad are working closely with local organized
gangs. Even if this were to happen and when foreign-based organized gangs begin
to work with local organized gangs, the foreign gangs would not automatically
lead the local groups into transnational criminal activities.

In order to make this point, it is useful to briefly examine the activities of some
of the prominent Chinese organized crime groups active outside of China. Over-
seas Chinese organized crime groups generally include the following categories:
Hong Kong-based triads, Taiwan-based organized gangs, U.S-based tongs, and
Chinatown street gangs (Chin, 1990, 1996, 2003). To the law enforcement commu-
nity and the mass media in the United States and Europe, these groups are often
lumped together and called “triad” or “Chinese Mafia” with little regard to the
varied historical, cultural, social, and economic conditions that gave rise to these
different types of crime groups.

Hong Kong-based Triads

Triad societies in Hong Kong are alleged to be the largest, most dangerous, and
best organized crime groups in the world (Booth, 1991). They evolved from patri-
otic secret societies formed three centuries ago to fight against the oppressive and
corrupt Qing dynasty. The word ‘triad’ means the unity of three essential elements
of existence—heaven, earth, and humanity. When the Qing dynasty (1644–1911)
collapsed in 1911 and the Republic of China was established, some of these triad
societies became involved in criminal activities (Morgan, 1960). According to one
source, there are roughly 160,000 triad members in Hong Kong, belonging to some
50 factions (Zhang Mungyuen, 1991). They are reported to be involved in illegitimate enterprises (such as gambling and prostitution) as well as legitimate businesses (Chu, 2000). Some of the societies are believed to be very well organized with highly disciplined members and leaders who are deemed to be among the most influential figures in Hong Kong (Booth, 1991).

**Taiwan-based Organized Gangs**

The emergence of criminal organizations in Taiwan can be traced back to the 1930s, following China’s recovery of Taiwan from Japan. In addition to the traditional trades (e.g., operating or protecting illegal gambling dens, brothels, collecting debts, and extorting money from store owners), organized crime has evolved so cleverly over the years that it is believed by many to have infiltrated legitimate business enterprises in Taiwan. Members of organized crime groups are reported to be owners of restaurants, coffee shops, nightclubs, movies, cable television, magazine, and construction companies (Chi Zongxian, 1985). Some gang members are actively involved in futures trading, the stock market, and other commercial activities (Chen Changfeng, 1986). Over the past 15 years, organized gang members in Taiwan have penetrated the political arena of Taiwan, and, as a result, it is believed that a large number of elected deputies in Taiwan are gangsters (Chin, 2003).

**U.S.-based Tongs**

Tongs in the United States were first established in San Francisco in the 1850s following the first wave of Chinese immigration. The word “tong” simply means “hall” or “gathering place.” The tongs, like the family and district associations, provided many needed services, such as job referrals and housing assistance, to immigrants who could not otherwise obtain them. The tongs also acted as power brokers mediating individual and group conflicts within the community. Most tong members are gainfully employed or have their own businesses. They pay dues to their associations and congregate occasionally at tongs to meet friends, socialize, or to gamble. These tongs also hold banquets and picnics a few times a year. However, control of the groups’ daily affairs and decision making rests with the leaders of the tongs. These leaders usually have connections with youth gangs who act as their street soldiers in illegal activities.

Historically, tongs have been active in operating or providing protection for opium use and dealing, gambling, and brothels (U.S. Senate, [1877] 1978). Over the past three decades some tong members have been arrested for narcotics trafficking or human smuggling. U.S. authorities generally consider tongs to be organized crime groups that are heavily involved in transnational activities. In the 1990s, several tongs in New York City, San Francisco, Chicago, Houston, and Atlanta were indicted as racketeering enterprises (Chin, 1999).
US.-based Ethnic Chinese Street Gangs

There are more Chinese street gangs in New York City than in any other American city (Chin, 1999). Hence, New York is considered the center of Chinese organized crime in the United States. The first Chinese street gang, the Continentals, was formed in 1961 by native-born Chinese high school students; their primary objective was self-protection. Subsequently, new gangs such as the White Eagles, Black Eagles, Ghost Shadows, and Flying Dragons began to emerge. During the early years, Chinese gangs were, in essence, martial-arts clubs headed by masters of martial arts who were tong members.

During the late 1960s and early 1970s, the gangs transformed themselves completely from self-help groups to predatory groups. They terrorized the community by demanding food and money from businesses and by robbing illegal gambling establishments. When these youth gangs began to “shake down” merchants and gamblers who were themselves tong members, the tongs decided to hire gang members as their street soldiers to protect themselves from robbery and extortion and to solidify their position within the community.

In the 1980s, new gangs such as the Fuk Ching, White Tigers, Tung On, Green Dragons, Golden Star, and Born-to-Kill emerged in the peripheries of New York’s Chinatown and in the outer boroughs of Queens and Brooklyn, following the emigration of Chinese businesses and residents. Beyond the major Chinese urban communities in New York, San Francisco, and Los Angeles, where Chinese gangs were first established, other forms of Chinese gangs also became active in Oakland, Dallas, Houston, Falls Church, Arlington, Philadelphia, Chicago, and Boston. American authorities consider Chinese street gangs to be organized crime groups. In the 1990s, almost all major Chinese street gangs in the United States had been indicted as racketeering enterprises (Chin, 1999).

In summary, these four categories of Chinese criminal organizations—Hong Kong-based triads, Taiwan-based organized gangs, U.S.-based tongs, and U.S. Chinatown gangs—differ significantly from each other in their historical and cultural backgrounds as well as their geographical origins. However, these groups also share many organizational similarities, such as hierarchical structure, restricted membership, monopolistic practices in their commercial activities, the use of violence to eliminate competition or manage intergroup conflicts, and the establishment of rituals for group identity and self-perpetuation (Chin, 1990). Furthermore, these crime groups tend to be territorial; cross-group affiliations or collaborations are rare.

According to Chin (1990, 1996, 1999, 2003) and Zhang and Chin (2002), a generation of Chinese organized criminals—citizens of the United States, the PRC, Taiwan, or Hong Kong—has emerged in the late 1980s as an active force in illegal transnational enterprises such as drug trafficking and human smuggling. The rapid expansion of global commerce, coupled with shrinking totalitarian societies, has created many opportunities to enter the illicit marketplace. While the American
law enforcement policies and strategies are still influenced by the dated La Cosa Nostra model, this new generation of Chinese organized criminals is enjoying unprecedented opportunities as providers of illicit services and goods. Empirical studies conducted thus far have not observed a strong link between these modern, transnational organized crime groups and the more traditional Chinese crime groups such as Hong Kong-based triads, Taiwan-based organized gangs, U.S.-based tongs, and U.S.-based Chinatown gangs.

Although they deal in different commodities and target different markets, heroin trafficking and human smuggling are similar in many aspects. Both are transnational activities, in which significant planning and coordination are required. Both are highly lucrative. Both appear to be dominated by people who are well traveled and possess international contacts. Both types of activities are generally considered victimless crimes by the participating agents. Consequently, little social stigma is attached to individuals engaging in these illicit activities. These enterprises depend on flexible international networks of individuals and groups who contribute time, energy, expertise, and capital and who share the same objective—large profits. What is missing from this picture, despite their elaborate transnational schemes, is any systematic involvement of traditional Chinese criminal organizations in either of the two transnational criminal activities.

One can assume that since transporting heroin across vast distances requires significant financial investment and organizational planning, triads and other crime groups would be ideally positioned to carry out this trade. What Chin (1990, 1996, 1999) and Zhang and Chin (2002, 2003) have found in their research points instead to groups of entrepreneurs from diverse backgrounds who seek personal gain through large-scale heroin trafficking. These enterprising agents include illegal immigrants from China, Hong Kong, Taiwan, Thailand, and other Asian countries. Some of these traffickers are U.S. permanent residents or American citizens, and include community leaders, business people, restaurant owners, workers, and the unemployed. Not only are these drug entrepreneurs mostly not members of triads, tongs, or street gangs, but they are also likely to be engaged with members of various ethnic groups in their dealings.

Similarly, most believe that organized crime groups are behind human smuggling activities because moving human cargo across the Pacific or across continents requires global networks of committed individuals (U.S. Senate, 1992; Zhang, 1997). American officials claim that Chinese human smuggling rings have connections in 51 countries that are either part of the transportation web or are involved in manufacturing fraudulent travel documents, or both (Freedman, 1991; Mydans, 1992). A complex web of smuggling networks appears to have formed globally, capable of effective response to various uncertainties and legal constraints that are inherent in this illicit business. In other words, transnational human smuggling requires organizational structures that provide logistical support, financial backing, and sophisticated operational skills, all of which are difficult if not impossible for individual endeavors.
The U.S. anti-smuggling policies therefore have been built upon two erroneous assumptions (Thompson, 2000). First, an elaborate international network exists to facilitate the transport of Chinese nationals via various transit points. Second, Chinese human smugglers are connected with traditional crime organizations such as Hong Kong-based triads and U.S.-based tongs.

In the years since 1993, two large-scale studies have been carried out to gather systematic information on illegal Chinese alien smuggling, in addition to a few independent studies by researchers (Chin, 1999; Zhang and Chin, 2002). All have thus far failed to produce any convincing evidence to link any of the traditional Chinese crime groups to the human smuggling business.

Based on the empirical findings in their studies in the past few years, Zhang and Chin (2002, 2003) have reached the conclusion that human smuggling should not be considered as “organized crime,” as it has most commonly been defined in the literature of criminology (Maltz, 1994), but as “crime that is organized,” as James Finckenauer and Elin Waring (1998) described Russian crime in the United States. Contrary to the assumptions held by U.S. law enforcement agencies, Zhang and Chin (2002, 2003) have found most Chinese human smugglers to be ordinary citizens of the United States, the PRC, Taiwan, or Hong Kong whose familial networks and fortuitous social contacts with resourceful individuals have led them to a profitable trade in shipping human cargoes around the world.

According to Zhang and Chin (2002, 2003), there is no doubt that members of triads, tongs, and gangs are, to a certain extent, involved in trafficking Chinese, but their participation is not organized through, sanctioned by, or even known to their respective organizations. Likewise, organized crime groups play no significant role. Rather, the human trafficking business is controlled by enterprising individuals working independently or in groups. These groups have their own connections and smuggling methods and routes.

Several factors may explain why traditional Chinese crime syndicates are not availing themselves of the opportunities in transnational criminal activities. Zhang and Chin (2003) propose a structural deficiency perspective to explain how the time-tested patterns of traditional triad organizations are ill equipped to deal with the challenges of the newly emerging transnational criminal opportunities. They believe the market conditions and operational requirements of human smuggling and heroin trafficking are vastly different from those of the entrenched triad societies or other established Chinese crime groups. The lack of involvement by traditional Chinese organized crime groups in these transnational activities is not coincidental; rather, it is determined by the deficiencies inherent in their traditional organizational structure.
Causes and Patterns of Political-Criminal Nexus

Causes

The principal reasons leading to the development of PCN in China could be categorized as economic, structural, social/cultural, and psychological/ideological. However, these same reasons could be used to explain any and all corruption in China.

Economic/Monetary

In China, an official in the criminal justice system receives an average salary of $250 a month. A police chief of a city or county would have a monthly salary of no more than $300. In China, the difference between the salaries of a subordinate and a superior is almost negligible, even though the latter may be in charge of hundreds or thousands of subordinates and may possess an enormous amount of power. With a monthly salary of $250 to $300, it is not difficult to imagine how frustrating it could be for a criminal justice official in China to live a “normal” life. As the country’s economy took off in the last two decades, living expenses increased dramatically, as did patterns of consumption. For many Chinese in urban centers, especially those who are businesspeople and government officials, it is not unusual to spend $200 to $300 for a dinner party. Whereas businesspeople will treat these payments as business expenses, government officials will pay with so-called gongkuan (public money). After dinner, it is also normal for all parties involved to go to a karaoke club, a nightclub, or a sauna establishment to sing, drink, or have sex; these expenses could be two to three times more than the dinner party itself. For those criminal justice officials who are not interested in nightlife, they still need extra money to send their children to good schools, to buy homes and furnishings, to go overseas, to buy expensive clothes and watches, or to support a mistress. In sum, many government officials receive a monthly salary that is barely enough for them to live modestly. On the other hand, they have many opportunities to make large amounts of money without serious interference. Most resist the temptation, but quite a few do not.

Structural/Legal

Although gambling and prostitution are illegal in China, there is nonetheless a strong demand for these services. In both urban and rural areas, in both coastal and inner provinces, a large number of gambling and sex establishments exist. Because these operations are illegal, everyone involved in these businesses knows that it is necessary to maintain a good relationship with police officers in the jurisdiction, usually by bribing officials. According to a gangster who runs a nightclub in Fuzhou City, “In this business, the one thing that I am most concerned about is harassment...
from local officials. As a result, it is typical for them to come in and have fun for free. Not only that, I have to pay my girls tips with my own money [tips paid to the girls after they have had free sex with the local officials]. We call the high-ranking officers grandpa, ancestor, or big boss, and we have to please them all the time, and will use any opportunity to get close to them. We also need to have good relationships with the rank-and-file officers who walk the beat.” According to another gangster in Haikuo City, who used to operate a gambling operation, “Every gambling place needs the protection of the area’s police station. Before you open such a place, you need to talk to the police and figure out a way to make them happy. Otherwise, there is no way you can operate a gambling place.”

As mentioned above, many police officers were arrested in Fuzhou City for protecting Chen Kai’s nightclubs and sauna establishments that were used as fronts for prostitution. Yu Ting, the chief of police of Liuzhou City, Guangxi Province, was executed in 2001 by the Chinese government for providing protection to Jiang Qang’s gambling operation inside a hotel that was owned by the city’s police department. Jiang gave Yu and his wife more than $240,000 in bribes, and, in return, Yu lived in a room in the hotel and made sure Jiang’s gambling joint would not be investigated by the police (Xiao Chong, 2002). There are many “businesses” in China that are called chabianqiu (balls near the line). These businesses activities are sometimes legal and sometimes not; they need protection from the police and run into trouble when they do not have it. For example, the legal boundaries between goods smuggling and international trade, between human trafficking and labor export, between legitimately dealing cars and smuggling cars may not always be clear. As a result, people who are involved in these businesses are going to seek protection from law enforcement officials. Hu Yonglin, the chief of police of Weizhou City, Guangdong Province, received a death sentence for taking bribes from a group of criminals. He had allowed them to smuggle large numbers of cars and goods into China without paying customs duty (Xiao Chong, 1998). The same is true with the Yuan Hua case in 1999, in which Li Jizhou, the then deputy minister of the Ministry of Public Security, was implicated in the largest smuggling case ever to become public in China.

The police departments in China are also able to arrest and release suspects at will. Over the past 15 years, many police officials were accused of releasing suspects without going through formal procedures. A police officer interviewed in Fuzhou City revealed that, “Whenever I arrested a little brother [a low-level gang member], his boss would definitely find a police officer who is one of my colleagues and ask him to talk to me. Under these circumstances, I have to give ‘face’ to my colleague, so as long as the little brother isn’t arrested for a serious crime, I will let him go. After that, of course, there will be a dinner gathering where all parties involved will come together and get to know each other.”

There are also problems in the legal system, which is one of the reasons why criminals are eager to get close to prosecutors and judges. All the subjects interviewed, including prosecutors and judges, asserted that the court system in China
is not impartial. A professor, who is also a lawyer, said, “As lawyers, we need to beat our rivals outside the court, not inside the court. We know we can get to almost any high-ranking government official because we know that they always have family members, drivers, secretaries, and bodyguards who we can approach. The government officials may not want our bribes, but their families and subordinates may have a different idea. For instance, I am handling a business case now. My client was able to hook up with a high-ranking government official in Beijing who will do whatever he can to help my client. Whenever there is a business dispute and the case is being handled in court, we always try to find a high-ranking government official to tell the court how to decide the case. Cash is delivered to the government official in suitcases.”

A former judge who quit his job in frustration and became a private lawyer said, “I gave up my job as a judge after ten years because I was a nobody in the system. Almost every civil case was being tainted by my superiors. They would make sure you knew what kind of result they wanted. As a result, civil cases in China are not determined inside the court, but outside. It’s about who can connect with people in the highest position and how much money you can spend to affect those that are in power. . . . In sum, the judicial system here is part of our political system, which means that it is controlled by the party. There is no such thing as an independent judiciary system here. . . . Many judges are not professional legal experts but are transferred from the military. When these judges make decisions in a court, their number-one concern is their own financial and professional well-being.”

A judge at one of the research sites reaffirmed that the court is not where justice is served. “There is no such thing as an independent judge. Our decisions are being affected by our chief judge, our public security authorities, our government officials and our party leaders. We cannot afford to irritate any parties, and we have to be careful that we don’t make a decision that could cost our job. In China, being a judge and deliberating a case is like being raped. You feel disgusted with all the things going on around here. I don’t want to be here, I want to go into the private sector and make money.”

Social/Cultural

Social/cultural factors also play an important role in the development of PCN in China. Here, *guanxi* is developed through family and relatives, neighbors, colleagues, and people from the same village, county, city, and even province. In several major PCN cases, the gangster and the police officer arrested were brothers by birth, or the gangster and the prosecutor involved were father and son. If a person cannot establish a link through these channels, as long as he or she is willing to spend money, he or she eventually can find someone to be a middleman to establish the link. If a government official agrees to have dinner with an individual, it is not unusual for that person to show up with several others who also want to get close to the official. In fact, the whole thing is arranged by that individual just for
this purpose. According to a low-level police officer in Fuzhou City, “Not every 
police officer who is affiliated with a gangster does it just for money, free meals, or 
entertainment. Many police officers are associated with underworld figures be-
cause the two were classmates, neighbors, relatives, etc. Besides, these gangsters 
are not the monsters you imagine. They are usually very nice.”

Psychological/Ideological

Many mid—and high-level government officials in China are dedicated Com-
munist party members who have gone through hard times to reach their current 
status. After China engaged in economic reform in the 1980s and 1990s, a certain 
number of the so-called getihu (individual entrepreneur) or siqilaoban (private firm 
owner) were getting rich, but many high-ranking government officials remained 
poor because of low salaries. As a result, many taxi drivers in the early 1990s 
proudly claimed that they made more money than their governor or provincial party 
secretary. Of course, many high-ranking government officials were insulted by 
this, especially when they knew that they had a great deal of power in their hands. 
Soon, many government officials began to think, “Power equals money. If you 
don’t have power in later years, then you need to have money. . . . If you do not use 
your power now, you won’t be able to use it when you retire.” Lai Changxing, the 
main figure behind the Yuan Hua smuggling case, once said, “In China, no matter 
how powerful you are while in office, once you step down, you are history” (Sheng 
Xue, 2001: 69). This type of thinking was particularly strong among those who 
were about to retire and who realized that they needed to do something for them-
selves or their children before they stepped down or ended up with nothing. In 
China, this is called the “fifty-nine phenomenon,” indicating that those who are 59 
years old and about to retire in a year are especially vulnerable to taking bribes 
(Zhao Gang, 2004).

Some officials take bribes to prepare for a comfortable life after retirement, but 
there are also those who believe that the CCP and China, like the former USSR, are 
going to collapse and they better take what they can now. For example, a deputy 
governor who was executed for taking bribes told his son who had emigrated to the 
United States and became a U.S. citizen, “One day, China is going to fall apart. 
When you have dual citizenships, you have room to maneuver” (Xu Sulin, 2004: 25).

Patterns

There are many ways for criminals to establish a good relationship with govern-
ment officials. Some of the most prevalent ways are as follows.

Money

Most government officials are tempted by the large amounts of money crimi-
nals can provide. For their part, criminals know how to exploit individual vulner-
abilities by judging when money is mostly needed. For example, money may be offered when a government official is going abroad on official business, when he is going to Beijing for training, and as dividends from the bribemaker's businesses even though the official has not invested any money. If an official has a family member who is sick, going overseas, starting a business, or going to college, then is a good opportunity to approach the official. Other opportunities arise when an official is going to renovate his home, buy a house for his family, an apartment for his mistress, or needs money to gamble. For example, Lai Changxing, the man behind the Yuan Hua smuggling case in Xiamen City, volunteered to offer a half million dollars to the daughter of Li Jizhou, the deputy minister of the Ministry of Public Security who was making less than $200 a month, when he learned that the daughter needed money to start a business in the United States. When Li's wife wanted to start a business in China, Lai offered her another $120,000. In other words, people who are eager to bribe are always very good at finding the right reason and occasion to offer money to those who are in power (Sheng Xue, 2001).

Sex

It is quite common for criminals to establish a good relationship with government officials by accompanying them to various entertainment centers and then paying the bill. Very often, these criminals may be owners and operators of a variety of sex establishments, so it is only natural for these criminals to entertain government officials in their own establishments. For those who are sufficiently high-ranking government officials, offering a mistress is becoming a more effective measure. The mistress, often called a "life secretary," will please the official and the bribemaker will pay the "secretary" an attractive salary. As a high-ranking official once told his colleagues, "A mistress is a status symbol. If you don't have one, people will look down on you" (Chao Yunhua, 2004: 292).

Expensive Gifts

Another way to get close to a government official is to offer him or her expensive gifts, such as a brand-name suit, a Rolex watch, a car, or even an apartment unit. Yang Weizhong, the police chief of Wenlin City, Zhejiang Province, who was accused of being the protective umbrella of Zhang Wei and his followers, was initially offered a three-piece suit by Wang Xiufang, Zhang Wei's partner. After Yang accepted the offer, Wang then offered him a car. After that, Wang offered Yang $24,000 to help his brother start a business. Li Zhen, a high-ranking official of Hebei Province who was executed in 2003 for corruption, was offered a Lexus automobile by a businessman (Chao Yunhua, 2004). Li said in an interview with a reporter that, "These people [bribers] know when my birthday is, but they may not remember when their own parents' birthdays are. When I was in power, there were so many who wanted to please me. Of course they gave me money, but they also
came up with all kinds of goddamn gifts. For example, some gave me Viagra, some bought me souvenir swords, a fortune teller, masseuse, even their girlfriends or wives. . . .” (Chao Yunhua, 2004: 94). Chen Kai, the man who was sentenced to death in Fuzhou City for organizing prostitution, offered several units in his newly developed Kai Xuan garden apartment complex to government officials who were his protective umbrella (Qiu Ping, 2004).

Promotion

It is alleged that many government positions in China are bought with money. A police station chief proudly told the authors that he did not have to pay any money to be promoted as the station chief, implying that most positions in the police force are bought by paying a superior. As a result, he said, many police officers become more interested in trying to get their money back through corrupt practices rather than in performing their duties. Many criminals are able to have certain police officers in their pockets by spending money whenever necessary to facilitate the promotion of these officers. As Lai Changxing, the man behind the Yuan Hua smuggling case, once said, “I am not afraid of any government officials. I am only afraid of those government officials who do not want anything.” As long as a government official is vulnerable to temptation, the bribe maker will eventually find out what that is, and will make sure the official’s wish or desire is satisfied.

The other side of PCN is the number of people in the criminal justice system who return favors to those who bribe them (Tian Hongjie, 2001). Some of the most common favors are as follows.

Protecting the Criminals’ Businesses

Many criminal gangs are involved in gambling, prostitution, and a variety of other illegal businesses. Corrupt police officials can make sure the gangs’ businesses are not disrupted, which can mean lost revenue. They can either order their subordinates not to raid these businesses or inform the owners beforehand whenever there will be raids and tell them to shut down the businesses for a few days. Moreover, these officers can crack down on businesses that are not owned by these gangs, both to eliminate competition and to show that they are doing their jobs.

Protecting the Criminals from Law Enforcement Authorities

Another way in which a government official can help a criminal is to protect him and his followers from law enforcement by either releasing suspects without charging them or by warning gang members that they are being targeted and advising them to flee. For example, Lai Changxing was able to escape to Canada mainly because he was alerted by Zhuang Lushun, the police chief of Fuzhou City about a police action against him. The same is true with Liu Yong of Shenyang City and
numerous other crime bosses who were targeted by the Chinese authorities over the past few years. The only difference is that, unlike Lai, they were all arrested before they could leave China.

_Actively Participating in the Criminals' Businesses_

A government official can help a gang by participating in the gang’s criminal activities. For example, before Liu Yong was arrested and executed, his brother, a police officer, and his four colleagues were not only protecting Liu and his businesses, but were also directly involved in the group’s activities. When the gang was once involved in a confrontation with a rival gang, Liu used a police officer’s gun to shoot the rival gang boss, and his brother and his colleagues beat up the enemies. Liu once said, “No matter where I go, I am willing to have police officers come along. They carry guns, so I feel safe when I am with them” (Ouyang Yifei, 2004b: 64). In another PCN case, police officers helped a gang boss in his loan sharking and debt-collection businesses.

Besides a collusion between red [Communist officials] and black [gangsters], there is also the problem of certain people occupying both red and black identities, that is, an acting government official is also an active crime boss. For example, when Liang Xiaoming of Changchun City, Liaoling Province, was arrested and charged as a gang leader in the so-called “No. 1 Underworld Case of 1998,” he was also a police officer of the city’s criminal investigation unit. Liang started as hoodlum, and then became a police officer through fraudulent means. After Liang became a cop, his status within the city’s underworld reached an all-time high, and he once boasted, “The reason why I am so successful in this world is because I’ve got three knives. The first knife is my police identity—Who is not afraid of me? The second knife is that I am an underworld figure—Who dares to challenge me? The third knife is my _guanxi_ network; there are people high above who are protecting me—Who can touch me?” (Zhou Xingtong, 2001: 17). In other cases, even though the arrested police officers were not charged as gang leaders, they were involved in criminal activities normally dominated by underworld figures. For example, Lin Fuji, the chief of police of Nebo City in Laoling Province, who was known as “The Richest Cop in China” before he was executed in December of 2004, was extensively involved in loan sharking and extortion. He was alleged to have earned $6 million from these activities and to have taken $850,000 in bribes (Zhong Shan and Yu Ji, 2004).

_Anticipated Threats of Chinese PCN_

In China, the impact of PCN could be categorized as social, economic, and political.
Social

Currently, there are a large number of crime groups in China; many ordinary people, especially those who are involved in small businesses, are victimized by them. However, the widespread conviction that government officials from gong (police force), jian (prosecutorial office), and fa (court) are closely associated with underworld figures often discourages crime victims from reporting their victimization to the authorities. As a self-proclaimed people's government, the Chinese authorities put the word “people’s” in front of almost all government institutions. However, as many ordinary people are convinced that “the police and the bandits belong to one family,” the moral authority of government institutions, especially those in the criminal justice system, is almost bankrupt. Consequently, many people interviewed, including those who are in the legal profession, claimed that they would seek help from a gangster rather than a police officer if they had a problem with other people.

Economic

Another threat of PCN is the devastating effect it might have on certain industries within the local economy. Like the Cosa Nostra families of New York City, many crime groups in China are now moving into the legitimate economic sectors. In many cities across China, certain wholesale and retail markets, seaports, bus terminals, construction sites, and the food industry are tightly controlled by criminal gangs of an underworld nature. Many gang leaders arrested and executed over the past five years were known as successful businessmen rather than crime bosses right up to the point they were arrested. Liu Yong of Shenyang City, Chen Kai of Fuzhou City, Zhang Wei of Wenlin City, and Zhuang Xiangji of Hentong City were all chairmen of major business conglomerates. It was estimated that Liu Yong had total assets of $85 million, with a business empire consisting of 26 companies and 2,500 employees. Liu’s businesses included trading, clothing, restaurants, entertainment, and real estate development. His ability to bribe the city mayor and deputy mayor was considered to be the main reason for his success in Shenyang’s business sector. Zhuang was a key player in Hentong City’s construction industry, while Chen Kai played a significant role in Fuzhou City’s real estate and restaurant industries. Other crime bosses listed in Table 1, although not as successful as the above four, were nevertheless active in the local economic sectors. For example, numerous wholesale markets in Xuchang City were monopolized by Liang Shengli and his followers.

According to various scholars, crime bosses in China will continue to penetrate the legitimate economy, a trend that has already been apparent in the United States (Jacobs, 1999), Sicily (Arlacchi, 1987) and Taiwan (Chin, 2003). In fact, all the gangsters interviewed are involved in some kind of legitimate business. A gang leader in Putian County who introduced himself as a general manager said, “In the
past, I liked to fight, and I did that often. I also had a bunch of followers. Now, I am more interested in doing business. My main business now is in transportation, moving goods from one place to another.”

**Political**

There are two dimensions to the threat of PCN on the political sector. First, some underworld figures are entering the political sphere by becoming political representatives or by getting deeply involved in local elections. For example, Liu Yong was a member of the People’s Congress of Shenyang City before his downfall. The second aspect of the political threat is the criminals’ ability to permeate the very heart of the CCP and corrupt and destroy a large number of low—and mid-level party members who are employees of the criminal justice system. According to a low-level police officer in Fuzhou, the police department there is now in disarray because all the outstanding police officers are now in jail for their affiliation with gangsters. A law professor explained, “The Communists do not want anyone to form a group. They will not even tolerate a religious group existing here. There are groups that are involved in anti-government activities and mafia-like gangs that are definitely involved in anti-government activities. Lastly, a mafia-like gang can corrupt government officials, who are supposedly the backbone of the CCP. As a result, it is understandable that the Chinese government will not tolerate the existence of mafia-like gangs.”

Research and interviews indicate that the threats from PCN in China are basically local in nature. Even powerful groups such as the Liu Yong Group, the Zhang Wei Group, and the Chen Kai Group were not able to expand their influence outside the cities where they were located. Other observers of PCN in China have also reached the same conclusion (Dreyer, 2001; He Bingsong, 2003). As a result, it is difficult to see how PCN in China could pose a threat to U.S. interests in the Asia/Pacific region or directly upon the United States. The one possible impact is the arrival in the United States of Chinese criminal justice officials who have fled China after the criminals they were protecting were arrested. Both the chief and deputy chief of police of Fuzhou City fled to the United States after they became wanted by the Chinese authorities. According to Chinese sources, there are a large number of corrupt Chinese government officials living a good life overseas with the support of their ill-gotten money. Recently, the Chinese government has begun to go after these officials (Li Guangseng, 2004).

Having said all this, it is also important to differentiate another type of nexus in China—the collusion between people who are not members of an underworld organization but are actively involved in transnational criminal activities (i.e., human smuggling, trafficking in women, drug trafficking, counterfeiting) and Chinese law enforcement authorities. This type of collusion does constitute a threat to U.S. interests. The development of human smuggling illustrates the concerns.

Over the past 15 years, tens of thousands of Chinese citizens have been smuggled
into Japan, Europe, and North America by human smugglers who are known as snakeheads (Kwong, 1997; Smith, 1997). Several strategies have been used to transport Chinese citizens into the United States (U.S. Senate, 1992). Some travel to Mexico or Canada “by some means” and then illegally cross the borders into the United States. Others fly into the United States via several transit points outside China. These by-air illegal immigrants must have fraudulent documents that enable them to enter the country. Still others are transported to the United States by fishing trawlers or freighters (Chin, 1999).

Unlike Mexican illegal immigrants who enter the United States at little or no cost, each illegal Chinese migrant must pay smugglers tens of thousands of dollars (Chin, 1999). Some estimate that more than 100,000 undocumented Chinese are being smuggled into the United States each year, and that the human trafficking business makes $3.2 billion in annual profits (U.S. Senate, 1992; Myers, 1994). This means that Chinese illegal immigration is lucrative enough to rival heroin trafficking.

According to Zhang and Chin (2002), many role imperatives have emerged in smuggling operations to carry out highly specialized tasks and they have identified the following categories of roles in smuggling operations:

- **Recruiters.** These are often the relatives or close friends of the would-be migrants who somehow know the smugglers. They may or may not have any further involvement in the smuggling operation. For each referral they make a fee of about $2,000.
- **Coordinators.** These are the central figures in smuggling operations, however they may have nothing more than the right connections to acquire necessary services for a fee. Their survival is dependent upon a dyadic relationship with other partners who provide them with specific services.
- **Transporters.** When an immigrant is to leave China by land or by ship, a China-based transporter helps him or her get to the border or to the smuggling ship. Transporters based in the United States are responsible for taking smuggled immigrants from airports or seaports to safe houses.
- **Document vendors.** These individuals are well connected and are able to produce needed documents to facilitate the transportation of aliens. Some of these documents are authentic, obtained through official or unofficial channels, while others are counterfeit.
- **Corrupt public officials.** Law enforcement authorities in China and many transit countries are paid to aid the illegal Chinese immigrants entering and exiting their countries.
- **Guides and crewmembers.** A guide is someone responsible for moving illegal immigrants from one transit point to another, or for aiding immigrants in entering the United States by land or by air. Crewmembers are people employed by snakeheads to charter smuggling ships or to work on them.
- **Enforcers.** The enforcers, themselves mostly illegal immigrants, are hired by snakeheads to work on the smuggling ships. They are responsible for maintaining order and for distributing food and drinking water.
- **Debt collectors.** U.S.-based debt collectors are responsible for locking up illegal immigrants in safe houses until their smuggling fees are paid. There are also China-based debt collectors. These debt collectors sometimes also serve as debt reducers depending on which side they are working for.
Chinese government officials play a crucial role in the Chinese human smuggling business because their complicity is considered to be vital in the movement of such a large number of people out of China (U.S. Senate, 1992). According to a number of respondents who participated in Chin’s (1999: 45) study, their snakeheads were either former or active Chinese government employees. Said one, “My snakehead was a [Chinese] government employee working as a middleman for a big snakehead who was his relative. The big snakehead, a Chinese-American, was in Thailand.” In the words of another respondent, his snakehead “was a government official responsible for recruiting customers locally and referring them to his younger brother who lived abroad.”

A corrupt official whom Zhang and Chin (2002: 752) interviewed also explained how and why he was involved in the human smuggling business. “I used to be a customs inspector in China. I had a good job and comfortable life. But I wanted to make big money and got involved with snakeheads. I became acquainted with a snakehead and he asked me to help him with his smuggling business. He paid me $1,000 for each ‘client.’ He would tell me which boat contained his clients and when it was to leave, and I would choose to inspect that boat. After I completed the inspection, I would write a report confirming that everything was okay.”

A snakehead interviewed by Zhang and Chin also had the following to say about the nexus between human smugglers and government officials. “Just think about it. How can so many people be smuggled out of China by boats? Wouldn’t you find it odd that our coastlines are so loosely guarded that thousands and thousands of people can easily pass through and sail to the U.S. or other countries? Of course, corruption is the key. Only those small snakeheads get caught. The real big ones are immune to most law enforcement efforts. They will never get caught. Just imagine, if you work for the police and have taken a few hundred thousands of yuan from me, wouldn’t you make a phone call to me if I were close to danger?”

It is no secret that snakeheads and their operations are not only supported by the Chinese authorities in the sending communities but also that some government institutions are actively involved in the promotion of illegal immigration through officially-sanctioned labor export practices (Chin, 1999). The nexus between snakeheads and government authorities in the sending communities of China of course seriously undermines the integrity of U.S. immigration policy and the political asylum system. However, from the Chinese perspective, these snakeheads are not underworld figures and their organizations have never been charged as criminal gangs of an underworld nature (Zhang and Chin, 2002).

Options for External Government and Nongovernmental Actors

Research

In China, conducting research on a sensitive topic such as PCN could be a major challenge, especially if the researcher is an American citizen. When one of the
authors was collecting data for this project, he had to overcome many obstacles, even though he was an ethnic Chinese who has been to China numerous times. First, it was relatively difficult to collect any kind of written materials, including newspaper and magazine articles. On one occasion, the researcher and his assistant were asked by a librarian of a provincial library to leave after she found out who they were and what they were doing in the library. The researcher said that he and his assistant were only reading and copying articles from a widely circulated weekly magazine. The librarian replied that she would allow them to continue only if the researcher could provide a letter of introduction from a government institution in China. She said she did not want the American (the researcher made the mistake of introducing him to her as such) to find any information in the magazine that could be used against the Chinese government. To obtain materials such as police reports, indictments, and sentencing documents on two recent organized crime cases, the researcher’s contacts in the criminal justice system had to go through many of their friends to eventually get copies of these documents.

Second, it is almost impossible to arrange an interview with a Chinese official through formal channels because the person’s work unit is not going to grant it. As a result, the researcher had to ask his friends to arrange the interviews with government officials on the basis that these meetings were all private, informal gatherings. Even so, several potential subjects declined to meet the researcher after they found out that he was a professor from the United States. His friends informed him that this would not have happened if he had been a professor from any other country. We believe that it is because the officials know that only the United States is in a position to exact penalties if it discovers something is not right in China.

An American or U.S.-based researcher conducting criminological research in China needs to have the support of a scholar in a Chinese institution. Most Chinese or China-based scholars the researcher has talked to are willing to collaborate with American scholars. However, there are five potential problems in this type of collaboration. The first problem is finding the right partner. If an American researcher selects a Chinese counterpart from an academic institution, then it is likely that the Chinese scholar may not have the connections to collect data from the law-enforcement community. If the American researcher selects someone from the many public security (police) colleges, the Chinese counterpart is in a better position to help the American researcher to hook up with law enforcement officers and institutions, but the Chinese counterpart may not know how to conduct empirical research because most of them are former police officers with no academic training. The second problem is that there are very few financial resources in China to support research, and it is necessary for a U.S.-based researcher to come up with these resources. Third, there is little effort by government agencies in China to systematically collect information on organized crime. This means there will not be much that can be readily tapped. Fourth, many government officials and practitioners are not enthusiastic about helping researchers. One of the authors was greeted by a judge who said, “Guys from the academic community and so-called scholars are
often the most ignorant people. They don’t study anything, but they have opinions about everything. Whatever they say and do is useless. Tell me which professor is actually doing his job by conducting research and teaching. They are all looking for a way to make a little extra money.” Finally, the collaboration may need the approval of the central government in Beijing and this type of approval is usually not easy to obtain.

Having said this, it is not impossible to conduct research on sensitive issues in China. To conduct a study on PCN in China, the researchers suggest the following strategies: (1) An American researcher (or a U.S.-based researcher) has to be directly involved in the project from the start to the conclusion. Subcontracting the project to a Chinese researcher (or a China-based researcher) is not going to work; (2) a Chinese counterpart with very good connections to government institutions, especially to criminal justice agencies, should be recruited as co-principal investigator for the project; (3) a high-ranking law enforcement official, at the provincial level or above, should be hired as a consultant to the project so that he or she can play the role of troubleshooter or middleman; and (4) the Chinese co-principal investigator should come up with a similar research project of his or her own, and all the communications with government agencies should emphasize that the project is primarily a Chinese project and downplay the involvement of an American researcher. It is not hard to imagine how people in the Chinese criminal justice system would react if an American approached them and asked for information on how their colleagues, and probably themselves, are mingling with crime bosses.

Research on the issue of PCN in China is needed because we do not know much about the prevalence of PCN there. Reports in the media are highly unreliable and that is because the media is tightly controlled by the government and the government is very good at using the media to control public opinion and sentiment. Police reports and statistics are also highly tainted because, whenever there is a campaign or crackdown on organizations of an underworld nature, the police are forced to report that there are a certain number of such organizations in their jurisdiction. The chief of a police station at a county said, “When there is a campaign against organized gangs, we are under a lot of pressure to come up with something. If we tell our leaders at the provincial level that we don’t have any such organizations here at the county level and then they find out otherwise, it would leave a very bad record in our personal file. That’s why whenever there is a campaign, we tell our superiors that there are several such groups in our jurisdiction. If the investigation eventually concludes that none of these groups could be considered as organizations with an underworld nature, then so be it, nobody would get into trouble because of this.” Thus, there is the problem of overestimation.

The other problem with the issue of prevalence is underestimation. A criminal court judge said, “There are a lot of influential groups in Hainan City that should be investigated. For example, there is a group of people in charge of the seaport. There’s another group in construction, another group in private, illegal lottery gambling, another group in transportation. Why are none of these groups being tar-
geted? It's because they are tied to those who are in power.” As a result, it is very difficult to judge how many organizations with an underworld nature actually exist in China.

Besides the problem of prevalence, there is another problem associated with the definition of an organization of an underworld nature. From the Chinese government’s viewpoint, there are no locally developed underworld organizations in China yet, even though there are foreign-based underworld organizations such as the 14K, Sun Yee On, and Bamboo United active in China. From the Chinese authorities’ viewpoint, an underworld organization has to be somewhat like the Italian Mafia, the Japanese Yakuza, and the Hong Kong Triad. As a result, the Chinese categorize the locally developed crime groups into three types: criminal gang, criminal group, and organization with an underworld nature (He Bingsong, 2002, 2003; Yang Yujuan, 2003). According to He Bingsong (2003: 95), a criminal gang is “a partnership of more than three people who form a partnership to commit crimes regularly. The partnership is flexible in form and has a loose structure. Its membership is not fixed, with only one or a couple of core members, and its degree of organization is very low. The partnership has not evolved into an organization with a certain form.” A criminal group is, according to the Chinese criminal law promulgated in 1997, “a relatively fixed criminal organization of more than three people who are organized to commit crime together” (He Bingsong, 2003: 96). The difference between a criminal gang and a crime group is the latter is better organized, more stable, and more committed to committing premeditated crimes than the former (He Bingsong, 2003).

The promulgation of the Criminal Law of the People’s Republic of China in 1997 has, according to He Bingsong (2004: 3), “for the first time in the history of criminal law, specified organizations with underworld characteristics and crimes with such characteristics.” According to Section 1, Article 294 of the Criminal Law, organizations with underworld characteristics are “any organizations that commit organized illegal or criminal acts through violence, threat or other means, such as lording it over the people in an area, perpetrating outrages, riding roughshod over the rights of or cruelly injuring or killing people, thereby seriously disrupting economic order and people’s daily activities” (He Bingsong, 2004: 3).

In 2000, the judicial committee of the Supreme Court passed the “Explanations of Applications of Law in the Trial of Underworld Crimes” which states that an “organization of underworld nature” should have the following characteristics:

1. A relatively close organizational structure and relatively large number of members. Has clear organizer and leader. Core members are fixed, and have relatively strict disciplines.
2. Gains economic benefits through illegal activities or other means and has certain economic power.
3. Lures or forces civil servants into underworld activities or provides illegal protection for the organization through bribery or threat.
4. Within certain area or industry actively participates in illegal activities such as extorting, fighting, stirring up trouble, intentional injury, among other things, all of
which severely jeopardizes economic and social order (He Bingsong, 2003: 116-117).

After the Explanation was issued by the Supreme Court, it became the guide for police, prosecutors, and judges to decide whether an organization possessed an underworld nature or not (Nan Ying, 2003). Many were happy that the Supreme Court provided identifying characteristics of the underworld nature, but others did not think that it was necessary for an organization to have “certain economic power” or “protective umbrella” (the second and third characteristics above) to be considered to possess underworld nature (Huang Jingping and Shi Lei, 2002; Sun Qin, 2002; He Bingsong, 2003). According to the Explanation, an organization had to have all four characteristics mentioned above to be considered to have an underworld nature.

Due to the dissatisfaction with the Supreme Court’s Explanation among criminal justice practitioners, the Standing Committee of the National People’s Congress in 2002 states that an organization with underworld characteristics should possess the following characteristics:

1. The formation of a relatively stable organization, with a large number of gang members and also unequivocal organizers, leaders, and a reliable core group.
2. The pursuit of economic gains through organized crime or other illegal means, with sufficient economic strength to support its activities.
3. The repeated commission of organized crimes through violence, threat or other means such as riding roughshod over the rights of or cruelly injuring or killing people.
4. By committing illegal or criminal activities, or being harbored [protected] by government officials, it lords over people in a given area, or has illegal control or imposes a major influence in a certain region or trade, which seriously disrupts both the economic order and people’s daily activities.

In the People’s Congress explanation, it is not a requirement for an organization to have protective umbrella to be considered to have an underworld nature (Chen Xingliang, 2002). However, many practitioners are now somewhat confused and become uncomfortable when they are asked to define an organization with underworld nature. The researcher interviewed a chief prosecutor who thought that, under the People’s Congress explanation, it is actually easier to define a group as having an underworld nature. “We are having a hard time figuring out what is a protective umbrella and what is not. When the Supreme Court defined it, its definition was much stricter. In order to be considered a protective umbrella, the official who was providing protection to the gangsters had to be bribed. However, the People’s Congress explanation that came out later adopted a looser definition. From their viewpoint, as long as an official provides help to a gang, regardless of whether he or she is bribed or not, that person will be considered a protective umbrella. I myself think the looser definition is a better one because it is very hard to prove in court that the official had been bribed by the defendants.”

Others are downright antagonistic about how certain organizations were being labeled as underworld. A professor argued that, “None of the four so-called organi-
organizations with underworld nature that were the targets of crackdowns in this province since the 1990s were really organized gangs, even though they were convicted as such. Especially when you are talking about protective umbrella. There is no definition of the term in our law, so it is very hard to know what is and what is not a protective umbrella."

Others, including a judge, believe that PCN is more of a political issue rather than a criminal justice issue. The judge stated, "Only those loosely knit, powerless groups will be labeled as underworld-like gangs and will be cracked-down upon. I mean, this is a communist country, how the hell could it be possible to have thousands of underworld-like gangs exist in such a tightly controlled society? What is going on is that those who do not deserve to be treated as underworld-like gangs are harshly punished and those that actually are underworld-like groups are being protected. Only if there is a major conflict of interest and the parties involved cannot come up with a solution, then will there be a problem. Then the involved parties will try to use our courts to get rid of a rival group by labeling the rival group as an underworld-like gang."

In sum, research is very much needed to better understand the nature and prevalence of PCN in China. In this section, the researchers has pointed out some of the pitfalls of doing research in China and the murky areas that need to be focused on while conducting research on this topic.

Education

While working on this project, the researchers observed that many people in China, including those who work in the court system, are ignorant of what is a crime or not. Some people were executed probably not knowing what they had done wrong. Many government officials think that it is all right to receive something in return for doing something for others. A number of high-ranking government officials, who are called yibashou (the boss or the man, mostly city—or provincial-level officials) believe that they are above the law after they become yibashou. For example, a former party secretary of a city in Shangtong Province used to say that, "anyone who sits in my office is not subject to anybody’s monitoring anymore" (Xu Sulin, 2004: 25). Another party secretary of a county rationalized his bribe-taking behavior as follows. "This money is not for me, it is for the seat of county party secretary. No matter who occupies this seat, they are going to give the money to that person" (Zhang Wen, 2003: 30). A judge admitted in an interview that, "Here, people always try to solve a problem through extra-legal ways. For example, if I am stopped by traffic police for speeding, I as a judge won’t think for a minute that I did something wrong and should admit guilt, but will immediately call someone I know in the police department to take care of this thing. When people at the top are not following the rules, people at the bottom are not going to pay any attention either."

As a result, the researchers think it is important to educate both ordinary people
Organized Crime in China

and government officials in China in the culture of lawfulness (Godson, 2003). It might be a good idea to implement the kind of program being introduced in Colombia, Mexico, Hong Kong, and other countries. Godson and his associates train teachers to teach young students on the culture of lawfulness, and they also promote the same culture utilizing the media and other moral authorities (Orlando, 2001; Godson, 2003). Through appropriate governmental channels, maybe the media in China can contribute something other than reporting propaganda materials.

Other Preventive Techniques

External actors can also prevent the worsening of the PCN problem by helping the authorities get involved in judicial reform. Right now, all the components of the Chinese criminal justice system, from the police, prosecutorial office, the courts, to the prison system, are in need of reform. One of the main problems is the lack of adequate funding for these institutions. As a result, most of these criminal justice agencies are functioning somewhat like business enterprises, with an undue focus on benefiting and sustaining the organizations and the individuals who work for them. For example, the police are more interested in collecting fines and confiscating assets than anything else, and that is because they are inadequately funded and they need to enhance their regular income. The prosecutors and the judges can also easily be bought off because, as noted above, a case is won or lost outside the court depending on which party can spend the most money. Qualified prosecutors and judges are leaving the system to go into private practice, and those who are left behind to run the system are usually former military personnel without much legal training. Prisons in China are literally manufacturing factories where thousands of inmates are treated basically as factory workers, and their daily activities revolve around the fulfillment of their production quota in order to help the prisons make money. Quite frankly, this may be another reason why the authorities are disinterested in reforming the existing situation.

The reform of this vast, flawed criminal justice system is going to take a long time. Fortunately, the Chinese government is willing to change, and if foreign actors know how to approach them—without harsh criticism—there is room for external forces to play a more active role in the reform process. What is needed is for foreign agencies to have more contact with their counterparts in the Chinese criminal justice system, in order to provide equipment and training, as well as to share ideas and new methods in dealing with underworld gangs. Right now, China’s authorities within the criminal justice system remain very much in the Mao era of doing things, and that is to fight crime using war tactics and rhetoric.

Conclusion

In China, high-ranking government officials are often affiliated with wealthy businessmen in order to gain money, sex, gifts, promotions, and other benefits of
Table 2
CCP Members Who Were Penalized or Dismissed (1993–2002)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Penalized</td>
<td>669,000</td>
<td>846,000</td>
<td>+26.4%</td>
</tr>
<tr>
<td>Dismissed</td>
<td>121,500</td>
<td>137,700</td>
<td>+13.3%</td>
</tr>
<tr>
<td>City-level officials*</td>
<td>1,673</td>
<td>2,422</td>
<td>+44.8%</td>
</tr>
<tr>
<td>Provincial-level officials</td>
<td>78</td>
<td>98</td>
<td>+25.6%</td>
</tr>
</tbody>
</table>

* Most officials working for the provincial governments are considered city-level employees rather than provincial. Only the provincial party secretary, provincial deputy party secretary, governor, deputy governor, and a few other leaders who are heads of the various provincial party units are considered provincial-level leaders.

the good life. In China, it is also commonly understood that authorities within the criminal justice system are known to associate with crime figures in order that they, too, may earn such benefits. Businessmen are more than willing to be close to government officials because the latter are in a position of power who can help facilitate their lucrative business deals. Gangsters are eager to have good relationships with police officers and other judicial figures for the protection they can provide to the gangsters’ criminal, money-making activities. Paradoxically, high-ranking government officials have so many opportunities to make large amounts of money from their associations with legitimate businessmen, that they are normally not vulnerable to the kinds of temptations offered by underworld figures. But both corruption and PCN are serious problems in China. From the Chinese government’s point of view, the combination of corruption and PCN is a two-pronged attack on the CCP, more than anything else. Corruption destroys those CCP members who are at the top, and PCN, those who are at the bottom. According to one source (Sun Zhan, 2004), significantly more CCP members were penalized or dismissed during the years 1998–2002 than previously in 1993–1997 (see Table 2). Consequently, there was a concerted effort by the Chinese authorities to crack down on PCN in the years between 1998 and 2001 and on corruption in the years between 2001 and 2004.

Although law enforcement measures have been used to crack down on PCN and corruption, the Chinese government is currently trying to prevent corruption and PCN through the use of social constraints. Every CCP member now is required to attend the so-called baoxian (maintaining advanced) meetings, in the hope that through these educational meetings, the CCP will able to “maintain CCP members’ advanced characteristics” [no mention of what specific characteristics these might be]. This movement is now in its first stage; according to the research subjects interviewed, there will be three more stages and a certain number of CCP members are going to be purged, just to convince the public that the CCP is serious about restoring its reputation as a true people’s party.

Even so, many people in China, especially those who are at the bottom of the social ladder, are extremely dissatisfied with the CCP for corruption, PCN, unem-
ployment, social inequality, and other social problems. The possibility of social unrest in China cannot be ruled out whenever there is an occasion to vent frustration and anger at the status quo. If and when there is social instability in China and problems escalate into violent conflict, the problem of PCN will manifest itself in many ways. First of all, a large number of Chinese citizens could, with the help of snakeheads and corrupt officials, flee China for safe havens in the United States, Europe, and Asia. Given the enormous size of the Chinese population, even if one percent of the people in China were to leave under such circumstance, that would mean 130 million Chinese refugees for the world community to deal with. Moreover, the collapse of the country's economy will also result in the massive looting of the national treasury by government officials and their counterparts from the underworld.

Even if we assume that the total collapse of the CCP is an unlikely scenario, that still leaves the problem of the CCP's unwillingness to pay more attention to the collusion between government officials and criminals who are involved in transnational organized crime activities such as human smuggling, drug trafficking, trafficking in women, and money laundering. For Chinese authorities, many transnational criminal activities considered to be pressing issues in the West are not their major concerns and, consequently, PCN associated with transnational criminal activities is also considered an insignificant issue by the Chinese government. Of course, this is not good news for the world community, which is more likely to be affected by PCN related to transnational crime than by PCN in the local communities of China.

Notes

1. The words “organized crime,” “organized gangs,” and “underworld groups” are used interchangeably throughout this article. According to Chinese authorities, the most powerful and best-organized criminal organizations in China have not yet reached the status of underworld organizations like the Italian Mafia, the Japanese Yakuza, or the Hong Kong Triad. As a result, Chinese authorities described the most advanced criminal organizations in China as “organizations with underworld nature” (or characteristics), to differentiate them from other loosely knit and less influential criminal organizations such as criminal gangs and crime groups. This article is exclusively about the discussion of “organizations with underworld nature.” In addition to the Chinese government's label, terms such as “underworld-like gangs,” “underworld-like organizations,” “underworld gangs,” and “mafia-like gangs” are also used to depict these groups. Definitions and characteristics of these groups are discussed in detail in the latter part of this article. The words “gang members,” “gangsters,” “underworld figures,” and “crime bosses” will also be used interchangeably to characterize members and leaders of these groups.

2. If the source is in English, we indicate only the last name of the author(s). If the source is in Chinese, we indicate the full name of the author(s) (last name first and followed by last name).

3. We use the pinyin system to transliterate Chinese into English. Some well-known Chinese names are presented in Wade-Giles.

4. One U.S. dollar equals to 8.1 RMB. A million RMB is about $123,000.

5. In the past four years, there have been many books on the downfall of a relatively large number of high-ranking government officials, and with the exception of the mayor and deputy mayor of Shenyang City (Ouyang Yifei, 2004b), none of them were reported to have associated with underworld figures (Chao Yunhua, 2004; Li Guangseng, 2004; Min Xin, 2004; Ouyang Yifei,
Even in the Yuan Hua smuggling case, Li Jizhou (the deputy minister of public security) and Zhuang Lushun (police chief of Fuzhou City), who were charged as protective umbrella of Lai Changxing, did not really associate with professional criminals.

References

In English


**In Chinese**


