



ORGANISED CRIME IN INDIA: A WORRISOME PROBLEM

By Sabhya Kaushal
From JEMTEC School of Law

Introduction

Organised crime is unlawful, transnational activities that are operated secretly by a group of criminals. These criminals are engaged in continuing crime, basically, they are part of continuing criminal organization that rationally works to get profit from illicit activities. These group often target those countries which are known to have less effective enforcement system.

Organised criminal activities are well planned, designed and implemented by mafia bosses or gang leaders and these activities have notably increased since traditionally there used to be only two types of criminal activities, The First was buying and selling of illicit goods and service and the second was Extortion.

Organised crimes cannot be committed by a single person, there has to be atleast two persons to be part of organised crime. No country is immune from organised crime, organised criminals have a wide ranged network and they are no longer behind in diversifying their activities. They deal in different types of illicit activities throughout the world, these networks not only include individuals who are part of criminals activities but also include politicians, police officers, and other government officials who aid these criminals in return of power and profit. Therefore, it is necessary to disrupt criminal network which are across several jurisdictions.

Background

Organised crime has always existed in India in some of the other forms. Pirates, bandits (dakoos) are considered as the earliest organised crime groups, these groups attack a whole village and kidnap children, abduct women, stole their goods, and extort money from the poor villagers. Victims in fear of threat and for the safety of their families were left with no option but to fulfil their demands. Those who oppose their demands or go against them were murdered.

Modern organised crime started from Bombay which is perhaps known as the center of organised crime. After independence, many states including Maharashtra prohibited the trading of alcohol. This in turn led to an illegitimate supply of alcohol and made bootlegging a highly profitable business for emerging criminal groups. Initially, those who entered this business made large profits and grew big. One of the emerging gang was Varada Rajan Mudaliar Gang, He started off as a petty criminal and became a bootlegger, who provided protection to other bootleggers after acquiring considerable wealth from boot-legging. He reigned supreme for two decades in Bombay underworld. Likewise, other gangs which established illegitimate business and started smuggling gold and silver. They were headed by Haji Mastan and Yusuf Patel, rivalries between the gangs led to the beginning of warfare in Bombay which continues till date. The major organised criminal gangs are Dawood Ibrahim Gang, Chhota Rajan Gang, and Babloo Shrivastav Gang.

Impact of different types of organised crimes in India



Increasing numbers of Organised crime in our country is a growing threat to national security which is a disruption to the social and economic development of our nation. An estimate puts¹ India's black economy to be an astonishing \$500 billion (Rs.20,50,000), about half the size of the official economy.

Drug trafficking –

Drug trafficking is an illegal process of cultivating, manufacturing, distributing, importation, and exportation of drugs. It is the main source of income for organised crime groups. These groups adopt creative ways to launder their profits.

Drug trafficking exists because of the high illegitimate demands of the public which cannot be otherwise met because of legal prohibition. Illicit drugs remain a serious threat to the health, safety, security, and financial well-being of Indians and it is truly transnational in character. According to the report of the UN, India alone is accounted for six percent of the world's cannabis herb seizure in 2016 that is almost 300 tons and this seizure turned out to be much higher in 2017 as it became 353 tones. This is the data of only one kind of Illicit drug which is consumed in India. These Illicit drugs are distributed by Criminal Organizations in an exceptionally planned manner. The process of distribution of these drugs to the public consists of stages and in every stage, some sort of crime is committed by the organization who is responsible for the distribution of these drugs some stages are- Bribing Police, Bribing the representative of people of a particular area to get immunity for illegally storing these drugs, etc.

¹ According to Arum Kumar a professor of JNU, Delhi and author of Black Money India.

Money Laundering-

Money laundering is a financial crime that undermines the economic stability of a nation. It is the illegal process of converting tainted money into untainted money by adopting various illegal techniques. Money generated by organised groups from illegal activities such as smuggling, illegal arms sale, terrorist funding, etc, is laundered by a variety of techniques to make dirty money appear clean. Pattern of Financial crime facilitated by modern technology, international banking practices, and a lack of corporate transparency, have advanced quickly and rendered many current law enforcement practices as outdated. It is evident that there are massive amounts of dubious financial transactions that are detected but rarely followed up by effective investigations. Law enforcement efforts with respect to financial crimes and money laundering are ineffective.

Nowadays, in India, the organised crime groups have found a new way to launder their money. The Concept is known as the Art Galleries concept. The value of the Indian Art galleries market is now estimated at Rs. 5.000 crore per year. According to income tax authorities, these unregulated industries as they don't have SEBI counterparts become a conduit for laundering illicit money.

Smuggling - Smuggling is the primary source of income for organised criminals. It can be defined as a secret act or a process of conveyance of things across national borders in order to evade custom duties and import and export restrictions. Smuggling of



goods/products may take place through both direct illegal ways of smuggling or legal channel of trade by adopting different ways and means to evade customs duties. Smuggling taking place by illegal channels is referred to as outright smuggling. Smuggling through legal channels of trade involves various means to evade customs duties and other taxes applicable on goods and products. Smuggling flourishes wherever there are high revenue duties, and in countries with demand for the supply of prohibited goods, it is carried out by land, air, or sea. Smuggling structures enjoy the support of corrupt security and judiciary officials whose expertise helps to diminish or step side the penalties. According to the report published by FICCI, named 'Invisible Enemy', it showed that smuggling led to a loss of Rs 5,726 crore in the textiles industry, Rs 5,509 crore in the readymade garments industry, Rs 8,750 crore in the cigarettes industry, Rs 18,425 in the capital goods industry, and Rs 9,059 crore in the consumer durable industry in the year 2017-18. On the employment front, the report further showed that the smuggling caused a total job loss of about 5.01 lakh in these five industries in the same year. Out of this, 3.55 lakh jobs loss was registered in readymade garments and tobacco products, being a largely a labour-intensive industry. Adding to the woes, due to the backward linkage and multiplier effects of these industries, a total job loss of around 16.36 lakh was estimated due to smuggling in these five industries.

Prostitution-

Prostitution is an act of engaging in sexual activities for money, it is regarded as the oldest profession in the world and there are several countries with histories of this activity. Women who sell themselves for sexual

purposes are called prostitute, tawaif and devadasi. Women in particular are more involved in this activity. Organised prostitution traffic has been flourishing in different parts of India and criminals groups have expanded the practice of prostitution by adopting modern ways of dealing with clients and one such popular way of dealing is through telephone. The development in new technologies is the result, that many prostitutes henceforth offer their services through internet. The expansion of the sex industry was accompanied by an increase in human trafficking. Organised criminal subdue the women with violence and isolation those who fight or attempt to escape, as prostitution has become the preferred crime with high profit margin. Tourism is becoming a real industry in certain regions of India, and along with it is an upsurge in prostitution, particularly in Goa, Bombay. Flourishing prostitution has significantly increased the tourism in India, at the same time hitting high levels of government cooperation and organization. Sex tourism has turned into a business sector for lots of cities like Bombay and Kathmandu.

Prostitution causes strong consumption of drugs and liquor. Liquor consumption in some bars is a part of prostitution activity in order to induce the client to consume, which in turn increases the profits of the tenant and the owner. Goods subject to excise taxes are of great interest to crime groups .

Towards a more Severe control of establishments in order to fight against organised crime

India does not have a special law to defeat organised crime. However there are 2 state legislations in India to suppress organised



crime. The Maharashtra Control of organised crime act, 1999 was the first act to apply to entire state of Maharashtra and NCT of Delhi. This act provide for the establishment of special courts to try the offence under the act and confers special powers to police officers to conduct surveillance etc. Following the lines of Maharashtra control of organised crime act, Government of Uttar Pradesh also approved the draft of Uttar Pradesh control of organised crime act. Unfortunately these laws did not prove to be much effective, therefore establishment of national legislation and national agency in order to fight against all criminal activities is need of an hour. The country will continue to be plagued by organised crime, if it keep using the conventional strategies to curb it. The following measures can help to tackle organised crimes:

- The country require a global regime for controlling illicit trade.
- Breaking the networks in order to provide safety, security and prosperity to citizens, as these networks pose a great threat to national security.
- Forming alliance with other countries to end illicit trading of drugs, arms, people and other contraband.
- Create agencies with hi tech software to keep check on high alert areas.
- Strengthening legal structure, enforcement agencies and criminal justice system.
