

SUMMARY

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Receiving stolen goods

Where organized crime meets the legal market

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Contents

A NEW APPROACH TO REDUCING THEFT CRIME	5
PART 1: THE MOVEMENT OF GOODS AND MONEY	5
PART 2: RECEIVING STOLEN GOODS – A MEETING BETWEEN THE LEGAL AND ILLEGAL ECONOMIES	6
OBJECTIVE AND RESEARCH QUESTIONS	7
METHOD AND MATERIAL	8
THEORETICAL BACKGROUND	9
ANALYTICAL MODEL	10
PRODUCTION OF STOLEN GOODS	11
RECEIVING STOLEN GOODS AS A BUSINESS CONCEPT	12
STOLEN GOODS FOR SALE	13
CONCLUDING DISCUSSION	16
PART 3: STRATEGIES AND MEASURES TO COMBAT RECEIVING STOLEN GOODS	18

A new approach to reducing theft crime

A great deal of attention has been focused on theft, on preventing theft crimes and on attempting to arrest individuals who commit theft, i.e. the thieves. However, the issue of what happens after the theft and where the stolen goods end up has received very little attention. Most thefts occur because the thief wants to make a profit, not because he or she wants to use the stolen goods personally. Stolen goods are quite simply sold. It is unlikely to be profitable for the thief to sell stolen goods to acquaintances. Stealing on a more or less professional basis often results in large volumes of stolen goods and at times in specific, special-request objects. An efficient channel is required for the stolen goods to reach the market. There is one particular group of criminals (receivers) whose work involves handling large volumes of stolen goods and who are able to find the right customers for the various objects. The goods often end up with “normal” companies and consumers.

The purpose of this report on receivers of stolen goods is to launch a supplementary strategy to combat theft crime. By focusing additional efforts on the receivers and the criminal markets for stolen goods, theft crime can be fought from one more perspective. Thieves abound, but the number of receivers is significantly smaller. The aim of a supplementary strategy of this kind is to reduce theft by making it more difficult to dispose of the stolen goods. In order to work to combat the work of receiving and the criminal markets for stolen goods, the receiver’s role in the production and market process that leads from theft to the sale of stolen goods must first be examined more closely. In this way, it becomes possible to identify different points in this process and other processual factors that will facilitate the formulation and implementation of measures to combat and prevent this type of crime. This report describes the production and market process from the perspective of the receiver’s role. The production and market process can be divided into three phases which will be described below. The production phase is focused on “producing” goods for the market. The goods are primarily produced as a result of theft. The next step involves the receiver purchasing stolen goods. Some goods then need to be “refined” – i.e. manipulated – to adapt them to an intended market. The final phase involves the receiver marketing and selling the item to an end-user or consumer.

The report is divided into three parts. The first part covers the prerequisites required for the crime of receiving, i.e. how illegal and legal organizations meet and collaborate. Organized crime is characterized by this meeting, for example, when legal companies are used to facilitate the smuggling of narcotics or when stolen goods are channelled to ordinary shops. Part 1 constitutes a framework not only for the investigation into the receiving of stolen goods presented in this report, but also for other studies conducted in the *Varans och pengarnas väg research programme*. Receiving stolen goods and measures to combat this type of crime will be dealt with in Parts 2 and 3.

Part 1: The movement of goods and money

Organized crime is characterized as being the most structured form of crime. It involves criminal operations that are reminiscent of legal businesses in terms of having the same elements of power, resources, a division of labour, roles and positions. The aim of the *Varans och pengarnas väg* research programme, which includes this study on receiving stolen goods, is to investigate organized crime and to focus on its organizational patterns. An analysis of the illegal labour market is also included. This market supplies organized crime with manpower and services. Organized crime can occur in many forms, for example in networks or

as projects. However, a large proportion of organized crime occurs in connection with completely legal businesses, or biker clubs and other similar organizations that consist of several different collaborating layers.

For understandable reasons, crime research focuses on the crime itself and the perpetrators. The reasons for the occurrence of crime and what causes people to commit crimes are explained, as is the opposite – why people obey the law. Victims of crime are also emphasized, as are measures against and reactions to crime. A common point of departure is that crime is deviant behaviour. In the current context, however, the emphasis is focused on the connection between the legal community on the one hand and illegal actors and structures on the other. Legal organizations, illegal organizations and networks operate in economic life and counteract one another. In other situations they collaborate or at least benefit from one another (Johansen, 1996). Despite legitimate rules and systems of regulation, legal and criminal labour markets overlap since there are individuals in the legal sphere who also participate in criminal activities. Expertise and resources that are developed in the sphere of legitimate activity are used to commit crime, and skills that are obtained as a result of criminal activities are also used in the legal sphere.

The recurrence of insider crimes in the context of security van robberies and thefts, for example, clearly shows how closely linked legal and illegal activities can be as well as how information that is obtained legally can be used illegally. Criminal profits are invested in the legal economy. The legal and illegal economies are shaped by one another in constant interplay. This is similar to Steffensmeier's (1986; Steffensmeier & Ulmer, 2005) classic depiction of a receiver named "Sam". Goods and services change guises from being legal to illegal, and then back to legal again. The flow and interplay are constant. We want to analyze this circulation, and above all explain which factors determine the occurrence and appearance of criminal projects, networks and organizations. Attendant questions focus on what the criminal labour market actually looks like and what factors it is influenced by.

Part 2: Receiving stolen goods – a meeting between the legal and illegal economies

Most people believe that stealing is morally reprehensible; however, the issue is more complicated when it comes to purchasing something that may have been stolen. According to the Swedish Penal Code, any involvement with stolen goods involves committing a crime. In practice, however, the issue is never this black and white. In order to be guilty of a crime, it must be possible to prove that the buyer knew or had reason to believe that the item was stolen. The issue is complicated by the existence of a completely legal second hand market where various types of goods are sold – private individuals that may wish to buy a better product, or who may have developed new interests or changed their living conditions etc. may wish to sell fully functional objects via one of the many available channels. These channels include, for example, newspaper or internet advertisements, auctions or specialized second hand shops, trade-ins when purchasing new capital goods – or perhaps word-of-mouth offers to neighbours across the street. Selling used goods is not usually something that results in suspicion when it is done via legitimate channels, and it is rarely possible to see if the object in question has been stolen.

However, stolen goods are not always second hand. They may have been stolen from a warehouse or in the course of being transported from one location to another. These types of goods have not yet reached shops or retail premises. For this reason, they can be sold alongside other new products that are similar or

identical. In this situation, it is very unlikely that the consumer would suspect that some of the boxes on the shelf were stolen while others are completely legal. The dealer may not be completely aware that the goods were stolen either. At each step on the way, different agents positioned along the route from the thief to the retailer (i.e. receivers of various kinds) have increased the distance between the goods and the theft. Stolen goods are often acquired at a lower purchase price than their legal counterparts, which means that the dealer can sell them at bargain prices. If the price is “right”, the willingness to question the origin of the goods decreases (Steffensmeier & Ulmer, 2005). “Stolen” is transformed into “bargain”.

The judicial system concentrates on thefts, and therefore misses the organized element of theft crimes – the common denominator of many thefts is the receiver of stolen goods who then sells them. Directing action towards receivers of stolen goods should be of interest since there are significantly fewer receivers than thieves (see Figure 1). Researchers have become increasingly interested in the receiving market due to its significance for theft crime (see for example Stevenson et al., 2001; Freiberg, 1997; Sutton, 1998). Thomassen (2000) says it is reasonable to assume that the number of crimes would decrease on a long-term basis if profitability and the opportunities to sell stolen goods were to decrease; in other words, effective action against receivers of stolen goods should reduce the number of thefts (cf. Walsh, 1977; Brå 1978:1). Freiberg (1997:15, footnote) notes, however, that lower profitability may lead to more thefts. Our hypothesis is that only certain categories of thieves will attempt to steal more if it becomes more difficult to locate a receiver. If the opportunities to sell stolen goods to receivers are reduced, thefts should decrease in general.

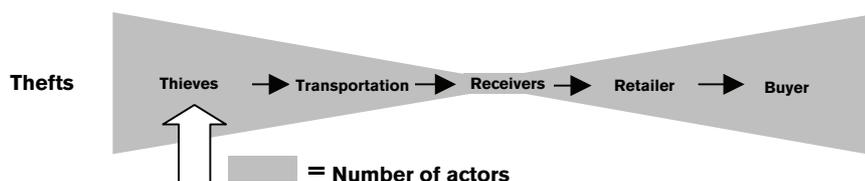


Figure 2.

The above discussion suggests that it is of particular interest not only to identify and analyze differences and similarities between legal and illegal markets and the actors involved, but also to look for possible points of contact, interfaces and meeting places as well as the prerequisites necessary for these to function. It would be difficult for the illegal market to exist without the legal market (see for example Duyne, 2003, for a more detailed discussion of this relationship). The legal economy can also benefit from the illegal economy since companies are not solely victims of thefts, for example, but can also profit from thefts that occur at other companies. For example, receiving stolen goods can help boost a legitimate business that is doing poorly (Steffensmeier & Ulmer, 2005). If the thief transforms an object into stolen goods and conveys it to the criminal market, the crime of receiving can be understood as the organized route taken by the stolen goods back to the legal market.

Objective and research questions

The object of this study is to identify and analyze the crossover points that exist between illegal and legal economies in relation to the crime of receiving and the related labour market. We call this *the market and production process of receiving*, whereby “production” typically takes place in the illegal economy whereas

the legal economy is responsible for a large proportion of the “market”. The theoretical model presented below has served both as a point of departure and as an analytical framework for the study. The following research questions are addressed:

- 1) How do *goods* and *money* move between the illegal and legal economies; in other words, what does the market and production process of receiving look like?
- 2) What *activities* and *actors* are involved and how do they move between the legal and illegal economies?
- 3) At which meeting places or *interfaces* do the *illegalization* and *legalization* of goods, money, activities and actors take place?
- 4) Is it possible to speak of an *illegal labour market*, and if so, how is it structured in the context of receiving?
- 5) To what extent are activities and actors on the market for stolen goods organized – in terms of *networks*, *projects* and *hierarchical* patterns – and how are they related to activities and actors on the legal market?

The hope is that by answering these questions, it will be possible to identify the weak links in the production and market process and to formulate measures to prevent and combat crime. These will be presented in Part 3. As can be discerned from the above, receiving crimes occur at all levels in terms of the degree of organization and professionalism: from isolated deals involving stolen goods made within the thief’s circle of immediate acquaintances, to established businesses that sell both legal and illegal goods to a large clientele. In this report, we have chosen to focus primarily on the type of crime that occurs on a slightly larger scale – the type that includes some sort of division of labour and coordination between activities and actors – i.e. on criminal enterprise (compare the concept with Steffensmeier’s & Ulmer’s use of “criminal enterprise”, 2005:37, or Hall’s “professional fence”, 1935). This is in line with the overarching aims of the *Varnings och pengarnas väg* project, which focuses on professional or organized crime.

Method and material

This study is based on three data sources – literature studies, court judgements and criminal investigation reports, and in addition on interviews with inmates and individuals who are active in and have knowledge of the receiving market.

Court judgements and criminal investigations related to receiving crimes have been studied in terms of their connection to legal businesses and organization. The sample comprised all court judgements issued over a period of one year, for one of the years between 2000 and 2005. Approximately 60 court judgements were included. (The exact year and number is not given in order to obstruct the possibility of identifying the cases involved.)

The aim of the interviews has been to highlight aspects that could not be clarified on the basis of the other material. The interviews enabled the study to focus on the relationship between various actors, as well as on how contacts are created, how tips and other information are communicated, how work tasks are distributed and what consideration is taken of the risks involved. The interviews were conducted with two groups of individuals. The first group (eight persons) consisted of individuals who had served a prison sentence, but not necessarily for receiving stolen goods. The second group that was interviewed (five persons) consisted of individuals who have a great deal of experience and knowledge of theft and receiving crimes from the context of their occupational activities. This

group included police with experience of criminal investigations in this area, investigators from the insurance industry and representatives of other industries. These interviews also illuminated possibilities for counteracting and combating receiving.

The court judgements and criminal investigation reports included in the study comprise a rather select set of data, since they only take up cases where a crime was detected, proceedings initiated and where a court conviction for the aggravated receiving of stolen goods had been handed down. Thus, the material cannot be said to provide a complete description of the structure of receiving stolen goods (cf. Korsell, 2003). Based on the study, we can only claim to describe the structure of the cases of receiving stolen goods that have been dealt with by the judicial system and that have been assessed by a court to constitute aggravated offences. Neither can we comment upon the proportion of the crimes that occur on the receiving market that constitute aggravated offences. The deficiencies resulting from the selection of the material based on court judgements and criminal investigation reports have in part been compensated by the interviews. The interviews have facilitated an unrestricted insight into the various segments of the receiving market.

We also conducted two internal seminars in which preliminary results and proposals for crime preventive measures were discussed. Representatives from the police, the office of the public prosecutor, the tax authorities, the insurance industry and other relevant professional categories took part in these seminars.

Theoretical background

The point of departure for this study on receiving stolen goods was expressed very well by Hall: “The only adequate approach to the criminal receiver is that which deals with him as an established participant in the economic life of society” (1952:155). Since the receiver is an established actor in the national economy, his or her activities must follow technical, economic and political developments in society. It is this type of adaptation that McIntosh (1971, cited by Walsh, 1977:11 and 81) says took place when, as a result of industrialization, theft developed from being a “trade” to becoming a project – this involved the need for a functional division of labour in which the receiver of stolen goods assumed an increasingly distinct role. This illustrates two important aspects of the crime of receiving stolen goods: that it is an activity that has a relationship to the *regular economy* and that it is *organized* to a varying extent.

Hall (1952:155–156) speaks of the professional receiver as “the *dealer* in stolen goods”, as a “*reliable* market, known in advance to be available” (emphasis in original). Henry (1978), however, has directed sharp criticism at this tendency towards focusing on professional receivers. He believed the importance of their role was exaggerated by Hall and his followers. He said that contrary to the image of a “Mr. Big” who pulls strings and controls crime, that there are no watertight lines between the legal and illegal economies and that we are all more or less involved in society’s “shadow economy”. Cromwell et al. (1993) provide several illuminating examples of how “normal” people with no known criminal background actually commit the crime of receiving stolen goods on an amateur basis. Irrespective of the role assigned to the professional receiver of stolen goods, this illustrates an additional, important aspect of the crime of receiving stolen goods, namely that theft crimes are dependent upon a *market* and that the receiver of stolen goods constitutes an important actor on the market of the thief. The professional receiver’s business concept is to sell the stolen goods at a profit in a legitimate market. Thus there need not be a contradiction between the existence of both large and small receivers of stolen goods who operate both in

the legal and illegal economies and who target a market that includes all of the parties involved.

Steffensmeier (1986) states that there are many similarities between running a legal and an illegal business. Both types of businesses are dependent upon the scope of the business, proficiency in the marketing of goods, contacts who do not reveal business secrets but who are instead loyal, and employees who arrive at work on time. By comparison with legal activities, receiving can be more profitable as a result of low acquisition costs and the absence of taxation. Thus, Steffensmeier and Ulmer (2005) question the idea that criminals lack self control, are incapable of planning and organizing, are unwilling to learn “the trade” and lack interest in future rewards. A characteristic trait of established thieves is that they tend to put more effort into planning “what to do afterwards” than they do into planning the burglary itself, which also illustrates the significance of the receiver’s role for the theft industry (Steffensmeier & Ulmer, 2005:61).

As a rule, the buyer does not want to take any excessive risks, which is why the sale takes place in a manner whereby the item is not perceived as stolen goods. Since used goods in second hand shops, in the antique trade, at auctions and in media and internet advertising are legitimate, substantial opportunities exist to create a legitimate situation where the buyer does not need to feel like a part of the criminal market, particularly when the “no questions asked” technique is applied (Steffensmeier, 1986:34).

Even if the activities that take place in the receiving market are illegal, the market can at best be characterized as a grey zone of the legal economy, in which it is also located, since activities are oftentimes conducted in companies or in other legitimate structures that prevent the buyer from understanding that the item is illegal. Walsh (1977) indicates that the legal market is also important for the receiver of stolen goods in an indirect sense. The legal market invests a great deal of money in marketing, which means that the receiver of stolen goods is able to save on this cost. Furthermore, the sales function in modern consumer society is characterized by anonymity, which makes it easier for businesses that are not completely legal to act on the market.

Analytical model

A common denominator for all receiving of stolen goods is the financial motive. This means that receiving stolen goods can advantageously be studied in terms of production and market processes where the movement of goods and money is tracked in basically the same manner as in the legal economy. The aim of activities is financial gain, and production consists in stolen goods or goods that have been illegally acquired in some other manner. The model in Figure 2 describes the production and market process for the receiving of stolen goods in three primary steps: *production*, the receiver’s *acquisition* (and refinement) and (marketing and) *sales*. It also illustrates the flow of goods and money between the legal and illegal economies. It also becomes clear that the activities and actors that are involved in the process can also be found in both the legal and illegal economies – or in the grey zones.

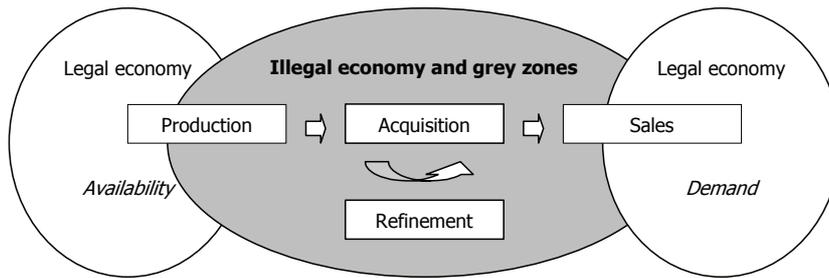


Figure 2. Model presenting an overview of the production and market process of receiving

Production of stolen goods

The main focus of our criminal investigation material on stolen goods is directed at valuable goods, which can be explained by the fact that the study is based on court judgements concerning aggravated receiving offences. Cars are involved in a third of the cases, and are the most frequent type of stolen goods followed by boats, expensive tools and various types of electronic equipment. Lorries, contractor and farm machinery, money and meal tickets, weapons, car parts, bicycles, mopeds, motorcycles, sports and music equipment and cultural objects also occur in a few cases. The least frequent items are kitchen appliances, clothing, shoes, groceries, jewellery and furniture.

The difference between the various types of goods is related to a certain extent to who is able deliver them to the receivers. In the context of the review of legislation conducted by the National Council in 1978 (Brå 1978:1), two broad key groups were identified among those who supplied the receivers of stolen goods: a relatively small group of “professional thieves” and a group of unknown size that contains individuals who continuously commit theft at their workplace. Addicts, employees who take advantage of their insider position and professional thieves are all found in the material examined in this study. Less advanced small-time thieves support themselves via the systematic pilfering of items such as sweets and razor blades, while more advanced suppliers are commissioned to perform more complicated assignments – to steal exclusive cars, for example. Insider thieves, on the other hand, can combine a systematic approach with the theft of valuable objects.

Different types of resources are required to perform theft – or fraud as is the case in some instances. The significance of resources such as industry know-how and contacts is illustrated in several cases. One example that illustrates this is a case where a former employee managed to organize extensive and systematic theft from a wholesaler. Important factors that enabled the theft were that the perpetrator already knew how work was organized and the types of surveillance in place. Furthermore, he was aware of the atmosphere at the workplace and was easily able to recruit insider help. Thanks to old contacts among the wholesaler’s customers, he was able to find buyers that were happy to purchase the same goods at a lower price. The fact that the customers worked in a competitive industry with small margins also facilitated the dealings. Knowledge of a firm’s routines and a company’s customer number at other firms both constitute examples of information that is easy to obtain and that can easily be taken advantage of when committing fraud, for example.

More concrete resources that in some instances may be required to commit theft include false documents, tools and means of transportation. False or stolen driving licences are used to steal new cars from dealers. Access to a key is often necessary when stealing new cars. In one case, an extra key was ordered from the automobile manufacturer’s head office with the assistance of false documents.

The receiver of stolen goods can at times supply the thief with the necessary equipment for commissioned assignments. This occurrence was noted in a few cases. There are also examples of perpetrators taking advantage of the employer's premises, tools or vehicles when committing crime without the employer's knowledge.

The producer of stolen goods – the thief – must be aware of what the demand is for different types of stolen goods. Just like in the legal economy, it is the market that determines demand, irrespective of whether or not the theft is commissioned. It is clear that there is a market for everything, from stolen chocolate bars to contractor machinery; the only difference is found in the channels employed.

Receiving stolen goods as a business concept

Based on the scope of the business, Hall (1935/1952) makes a rough division into professional receivers, part-time receivers and amateur receivers. This categorization recurs in different forms in the work of several researchers. The more professionally focused receivers in Sweden have been categorized as professional receivers, trade-specific receivers and luxury receivers (Lenke, 1980). Lenke argues that the receiver of stolen goods fulfils the following functions from the perspective of the thief: 1) to purchase the stolen goods from the thief, 2) to make immediate payment, 3) to have an overview of the nature of the demand and to inform the thief of this and 4) to reduce the risk of discovery for the thief. At the same time, the receiver is a businessperson who wants to make a profit – a profit that makes working as a receiver of stolen goods worth the risks that are involved (Steffensmeier, 1986).

Just as thieves have different capabilities and resources, receivers have varying opportunities to handle different types of goods. The receiver can also choose a more or less pronounced strategy; for example, to specialize in a certain type of goods, to operate receiving activities close to or completely separated from a personally owned business or to focus on specific suppliers. A personally owned business entails access to various resources – transportation, storage, equipment and, importantly, contacts. When investigating the court judgements and criminal investigation reports relating to cases of aggravated receiving, connections to companies or company owners emerged in 17 of 60 cases. Most common were instances where the receiving business corresponded to the legal business. This can be called an “integrated front” (Walsh, 1977). Lenke talks about “trade-specific receiving”. The examples found in the current study included companies that trade in boats, cars, computer components and groceries. Another case involved a tyre company that offered “the lowest prices in town” – due to deliveries of inexpensive, stolen tyres.

Receiving stolen goods can also be a side-line for other crime, in particular crimes involving narcotics where stolen goods can be used as payment. There are also indications of the receipt of stolen goods being linked to criminal biker gangs. Receiving activities that are not linked to legal companies can be divided into two categories – stolen-goods centres that have various items of somewhat insignificant value and stolen-goods centres focused on items that resemble the goods handled by luxury receivers and which deal with more valuable items. Mobile phones, bicycles, mopeds and clothing are typical items in the first category. Most of these stolen-goods centres also have links to addict circles. Advanced technical equipment and expensive tools are examples of goods found at the more exclusive stolen-goods centres.

Some goods require special expertise and resources in order to be handled. Contractor machinery constitutes one example of goods that are difficult to han-

dle without a knowledge of the industry and market involved. For this reason, the receiver of stolen goods found in several of the six cases involving such machinery identified in the criminal investigation material specialized in this type of goods. He or she thus had the contacts needed to steal, transport, refine and sell the machinery.

Delivery costs, or the amount paid to the thief, vary substantially in the material examined. One of the interviewees stated that addicts find it difficult to get properly paid. Payment often mirrors the nature of relationship between receiver and thief.

Costs may also arise for transportation, storage and refinement. These services can be purchased from various suppliers. Transportation and storage are services that can also be purchased on the legal market, since delivery services and storeroom premises rarely arouse suspicion in themselves. One interviewee talked about one instance of fraud he had committed where he had a piece of machinery worth 50,000 SEK delivered to the buyer. The only cost he incurred was the 700 SEK that he paid to the delivery firm.

Expertise must also be purchased at times. Examples that recurred frequently in the material included in the current study involved mechanics and craftsmen whose expertise was needed to change the identity of or dismantle stolen cars, for example. Another task that persons are at times paid or forced to perform is that of front-man. This involves taking various types of risk and concealing the true perpetrators' involvement. An example is a case where a front-man is registered on the lease agreement for a garage where stolen goods are stored.

Refinement involves various measures to increase the value of goods and facilitate their sale on the intended market. However, it is also a step in concealing activities involving stolen goods. Most commonly, this is a matter of concealing the fact that the goods are stolen. False receipts, forged documents and altered VIN numbers on stolen cars are examples of these types of measures. In one instance, a person was paid 10,000 SEK to allow his name to be used on a false receipt for an exclusive boat. Legal services can at times be used to perform refinement. Examples might be registration inspections of vehicles, insurance for stolen goods or submitting items to an auction or pawnshop – measures that subsequently give the appearance of the item being completely legal.

Stolen goods for sale

To simplify the issue, three different sales situations can be discussed where the receiver sells stolen goods to consumers – via *legitimate businesses*, *private homes* and other *direct meetings between buyers and sellers*. Walsh (1977) categorized receiving stolen goods in legal companies as *integrated*, *functional facilitating* and *dissonant fronts*. In part this relates to goods being entirely, partially or not at all similar to the legal company's products, in part to the way in which receiving activities may be pursued entirely or partially within the framework of the legal business or completely separately from the legal business. Receiving activities that are closely related to the legal business can benefit from the legal company's resources and contacts. Several studies (Steffensmeier, 1986; Sutton, 1995, 1998; Felson, 2002) have emphasized businesses that deal in used goods as being important places to sell stolen goods. Jewellers, pawnshops and antique dealers are often mentioned, as are more anonymous locations such as flea markets and auctions. Steffensmeier and Ulmer (2005:164) also emphasize auction firms and second hand dealers.

Sales location

Goods in which receivers deal are those found in the legal market, and it is in this market that buyers pay the most and receivers make the most profit. At the same time, the receiver's criminal activities are concealed since activities resemble those pursued in a legal business. Ten of the cases found in the criminal investigation reports had links to legal businesses that resemble *integrated fronts*. These related to: companies that sell stolen boats and tractors to buyers abroad, a company selling stolen processors, stolen groceries that are sold to small shops by wholesalers, stolen weapons that are sold by an arms dealer, sales of stolen tyres at a tyre company, a car company that mixes stolen and legal cars, a workshop that repairs and sells stolen cars and a restaurant that accepts stolen meal tickets. One interviewee said that pawnshops enabled "legalized receiving". Another interviewee talked about scrap dealers who consciously or unconsciously purchase stolen metal.

It was difficult in several cases to identify where and how sales took place when the stolen-goods centre did not have a link to a legal business. One interviewee said that "transactions take place at the most natural location where the contact with the individual in question was initially established. If the parties usually meet in someone's home, business is conducted there or if they usually see each other at the workplace, then business is conducted there."

More expensive property, such as cars, is as a rule sold in a different town or country in order to make detection more difficult. In several cases Sweden was merely a country of transit.

Market channels

Various legal market channels are available depending upon the type of goods in question. The easiest way to reach interested buyers appears to be to sell the stolen goods together with legally obtained goods and to benefit from the latter's marketing. Almost all types of products are legitimate in terms of selling them on the second hand market. Goods can be sold in the second hand market via companies that trade in used goods, or privately through advertisements on the internet or in various publications. Advertising provides wide distribution, but also entails risks. There are examples of companies in the material that advertised both stolen and legal cars on the internet. Risks were reduced in some cases by the receiver responding to advertisements under the "Want to buy" heading rather than exposing him- or herself by placing an advertisement personally.

Channels for less expensive items such as home electronics are abundant. Contractor machinery, on the other hand, generally entails the receiver needing access to a company through which to sell the machinery. Companies are also the most natural purchasers of this machinery. Groceries can easily be presented as non-stolen by placing them on a shelf together with other goods that have been legally purchased.

Several interviewees emphasized the importance of contacts and informal networks – colleagues, family acquaintances, etc – which corresponds well with findings reported in previous research. The receiver is able to reach a broad circle of potential buyers through acquaintances and acquaintances' acquaintances. There are also a few cases in the material involving individuals who "owe" the receiver and are thus forced to act as salespersons and to locate buyers. In this case, it is previous criminal experience that places the receiver in such a position of power.

Sales context

In general, it can be said that stolen goods can be sold in three different ways with varying degrees of buyer awareness:

- 1) Together with a company's other goods to private buyers. In this case, the buyer can be assumed to purchase in good faith since there is little opportunity to determine the origin of the goods. Examples from the material include the stolen tyres that were sold by a tyre company or the groceries that were sold via small shops.
- 2) Through private sales, e.g. via advertising on the internet or in newspapers, or to acquaintances or by way of them. Depending on the circumstances, this sales situation often resembles legal second hand sales. The buyer might be suspicious in some cases, but may choose to make the purchase with the "no questions asked" attitude. There is one example in the material where stolen mopeds were sold to buyers who advertised that they were looking for suitable items to purchase.
- 3) The buyer is aware of the item's origin in the third type of sales situation. It might be a matter of bartering or network sales between criminals or that the theft was commissioned by the buyer. It is not unlikely in these instances that the item will be sold further before reaching the final customer.

One interviewee said that the internet has simplified matters for receivers in that a larger geographical area can be reached and that potential buyers ask fewer questions. For example, it can be worth the effort to travel a great distance in order to purchase a new car if the price is favourable. One hypothesis suggested by this interviewee was that a prospective buyer who travels a great distance is not inclined to go home empty handed. This means that the inclination to ask questions and check the authenticity of information is diminished.

The internet can also be used by receivers to orient themselves in terms of price levels. An excessively low price can arouse the buyer's suspicion but at the same time diminish the inclination to question the origin of the item.

Customers

Henry (1978) notes that all social groups contain buyers of stolen goods. As has already been mentioned, findings from British (Sutton, 1998) and American (Cromwell & McElrath, 1994) studies show that just over ten percent of the population had consciously bought stolen goods in the past five years.

Who the customers are varies to a large extent depending on the type of goods. Tools and machinery often have business owners as their final customer since they are the type of goods that can be used in businesses. Restaurants can consume goods such as groceries, or the groceries can be sold to consumers from grocer's shops. Cars and capital goods are preferably sold to private individuals, either via legal companies or directly through the second hand market. Small electronics products end up in private homes; these types of goods develop rapidly and many people switch to the latest models available. Thus the second hand market can be fairly large. As a result of these circumstances, a buyer may not necessarily feel suspicious if a relatively new computer or digital camera is offered for sale at an inexpensive price.

It seems that the likelihood of a buyer being aware that an item is stolen is greater when the final customer is a company than when the purchase is made by a private person. In some cases, this may depend on the company in question placing an order which initiates the theft.

Concluding discussion

The meeting between legal and illegal elements

The theme of the overall analysis below involves the meeting and interface between legal and illegal elements in terms of finances, the market and organization.

Goods and money

The goods found on the receiver market are primarily produced through theft, but they are also produced as a result of fraud. The goods are transferred from a legal context to an illegal one, which produces a meeting between the legal and illegal markets, and between legitimate and illegal contractors. The next step is central to our investigation: the item is transferred from the thief to the receiver, that is between two layers of the illegal economy, and the receiver may also operate a legal business. The successful receiver readapts the item for the legal market so that the final customer will perceive it as legitimate.

Activities and actors

Criminal activities such as theft and fraud take place in the production phase. After production, a number of activities occur that are rarely criminal in their design, but which become criminal in their intention – to handle illegally obtained goods in various ways. Included in this type of activity are storage, renovation, dismantling and other types of processing, registration, taking out insurance and transportation. Finally, different types of market activity are performed – advertising, buying and selling transactions, etc.

A large proportion of these activities are of a type that can take place completely legally in businesses or that can be conducted legally by private individuals. Criminal documents may also appear legal, for example in the case of insurance fraud where a false notification of damages is used, or in the case of a car that is hired or test driven using false documents and then not returned. Utilizing insiders can also help thefts appear to be normal purchases.

Meeting places and legalization processes

There are several conceivable meeting places for legal and illegal elements on the receiving market. It is primarily a matter of legal services and resources being utilized in criminal activities, but also involves actors contributing to crime within the framework of their legal activities.

Examples of resources that can be taken advantage of are equipment and tools that belong to a legal company, and manpower and specific expertise could also be mentioned. Examples of legal services include transportation and advertising.

Meeting places can be divided into *actors* who combine legal and illegal activities, (legal) *company resources* that are utilized for illegal purposes and (legal) *services* that facilitate illegal activities.

The item's transition from the illegal to the legal economy requires some sort of legalization process. Sales via a legal business give a semblance of legitimacy to criminal transactions and constitute an example of *situational legalization* – the context makes the handling of the item appear legal.

It suffices at times if enough distance is created to the preceding offence in terms of time or geography. Other cases require some sort of refinement, for example changing serial numbers, producing false documents or dismantling a car and selling its parts separately. Signing insurance policies for machinery or registra-

tion inspections for cars are examples of services that can be a part of *refinement legalization*.

Organization, patterns of goods and the labour market

The receiver market shows a great deal of variety in terms of the degree of organization and types of organization involved. Just as on the legal market, trade varies a great deal – from individual sales to private individuals to large deliveries to dealers. Organization primarily depends on the type of item being traded, which can be described according to the following:

- Sales of individual items to private individuals greatly resemble customary legal trading in used goods without any specific measures needing to be taken. Network contacts can be used to find customers.
- Selling large quantities entails several steps and often also requires a division of the goods into smaller quantities, in addition to increased coordination in order to place the goods on the market quickly. A large network is needed that can quickly get involved in project-like activities. A flexible organization is required that can be mobilized quickly.
- Refinement and sales of large and expensive goods often require the type of professional expertise that exists at relevant businesses, which means that such businesses are often involved. Well-planned and organized activities are required here too. There is a clear hierarchy among core and auxiliary actors in a couple of the examples found in the material, but work tasks are less hierarchically distributed within the actual core.

Chains of goods and distribution patterns

The manner in which goods are distributed from production to consumption or utilization primarily depends on two factors – the type of goods involved and the type of buyer for which the goods are intended (cf. Roselius & Benton, 1973–1974; Sutton, 1998).

The examples of chains of goods provided here are gross simplifications based on the type of goods and the type of actor involved – private or business. The chains presented below are merely an attempt to analyze how patterns of distribution may vary based on different types of goods and actors. (“> >” indicates longer chains depending on the value or volume of the goods.)

- **Groceries:**
commercial property > receiving stage > company (> private consumption)
- **Small electronics or capital goods:**
private or commercial property > receiving stage > private purchase
- **Large volumes of consumer or capital goods:**
commercial property > > receiving stage > > private purchase
- **Cars, boats:**
private or commercial property > > receiving stage > > private purchase
- **Machinery:**
private or commercial property > > receiving stage > > company

Illegal labour market

Jobs in the receiving market can be roughly divided into production, marketing and sales and service functions. In addition to production jobs – thieves, robbers, swindlers – most jobs have legal counterparts such as craftsmen, mechanics, con-

veyors, loaders, distributors, brokers, salespeople, etc. With the exception of insider assignments, working conditions are often comparable to freelance assignments or working on commission. For some, criminal assignments are similar to moonlighting in addition to legal employment, while other individuals have criminal activities as their main employment.

Further research

The study indicates that there is a need for more research based to a larger extent on intelligence data and interviews. Future research should illustrate how different receiving markets function, i.e. how different types of goods and actors form different chains of goods and patterns of distribution.

Part 3: Strategies and measures to combat receiving stolen goods

Receiving in society

The negative consequences of receiving are not always obvious – the buyer finds a bargain and imagines perhaps that the person who was robbed received insurance compensation, which led to increased insurance premiums and to more policies being sold. However, the situation is not quite that simple. Receiving crimes are largely an integrated part of the national economy, and the national economy is also the greatest loser. One issue involves tax revenues that are lost when transactions take place illegally. Another perhaps more important issue is that receiving crimes entail unfair competition so that honest business owners are disadvantaged. This can lead to diminished confidence in the rules that guide the market and in society's ability to uphold the law. Since receiving takes advantage of the legal markets, everyone involved risks voluntary or involuntary participation in receiving crime. The boundary between legal and illegal economies is thus erased, which has a negative effect on ethics in society. The actual victim is almost never visible when a receiving crime is committed, but there is nevertheless often an individual who has been subjected to the violation and financial loss that theft can entail. Theft crime accounts for a large proportion of the everyday crime that increases feelings of insecurity and vulnerability in the context of people's day-to-day lives – and these thefts are encouraged by the receivers of stolen goods. Receiving has one foot in everyday crime and the other in organized crime, and there are links to other crimes, especially those involving narcotics.

Receiving crimes are facilitated by the fact that there is no victim present to report the crime. The consumer society's powerful urge to shop inexpensively and to make advantageous business transactions, as well as the ability of receiving crimes to melt into activities in the legal economy, constitute other factors that are beneficial for the receiving market.

Previous proposals and experiences

Most researchers agree on the role of the market and the receiver in terms of theft, but they do not all agree on the make-up of the market or which receivers are the most important. While Walsh (1977), for example, emphasizes the importance of more professional receivers of stolen goods who purchase to sell, other researchers (Henry, 1978; Cromwell et al., 1993) believe that the market increasingly consists of a number of amateur receivers – consumers who sometimes purchase stolen goods, but mostly for personal use. Several researchers would like to see and have proposed a more market-focused strategy to better prevent and combat theft and receiving (Roselius & Benton, 1973–1974; Lenke, 1980; Sutton, 1998; Sutton et al., 2001; Schneider, 2005, et al.).

Tougher sentences and stricter legislation are nearly always proposed in the context of crime prevention efforts. In Sweden, the sanction for receiving is on a par with that for theft. A legislative change was introduced in 2003 that may be perceived as a tightening of the legislation regarding acquisitions made in good faith. As a result of this legislative change, good faith is no longer sufficient for the transfer of ownership rights. Thus, the legislative change entails increased responsibility on the part of the buyer whose good faith can now lead to financial loss since the purchased object may need to be surrendered without compensation. The police are of the view, for example, that it is often the financial risk that deters some businesses and consumers from purchasing items that may have been stolen.

Points of departure for crime prevention

The offences that precede receiving crimes vary a great deal, from fraud and advanced business dealings involving contractor machinery to pilfering and selling groceries in a competing shop. There is also a large private market for second hand goods that is difficult to survey. There is no real possibility of putting a stop to the entire receiving market, but it is possible to reduce it.

Receiving involves crime on a commercial market – crimes that are committed because they are both possible and profitable. At the same time, it can be assumed that risk and moral considerations are viewed as less important than possible gains. Situational crime prevention is based on perpetrators acting rationally (Cornish & Clarke, 1986) and taking advantage of existing opportunities to commit crime (Felson, 2002). We believe that the most promising approach would involve focusing crime prevention efforts on situations and areas of the market which facilitate crime or where crimes are committed. Approaching the problem in this way would direct the focus of prevention at the prerequisites for committing crime by 1) making it more difficult to commit crime, 2) making it more risky to commit crime, 3) reducing the profitability of crime and 4) restricting the scope for the use of excuses and, to a certain extent, increasing the incentive to behave correctly.

Central problems and strategies

The conditions described above that facilitate the commission of receiving crimes – i.e. the absence of a victim, the fact that the urge to buy outweighs moral considerations, and the legal camouflage employed by receivers – can be translated into three central issues. These issues characterize receiving crime and distinguish it to some extent from other types of crime:

1. Receiving is a part of the legal economy
2. Receiving is perceived as an accepted activity
3. Receiving is to a large extent free of risk

In short then, efforts to combat and prevent this form of crime should be focused on these three points and should be based on the following strategies:

1. Making it more difficult to utilize the legal economy to handle and sell stolen goods. Measures should be focused on
 - a. increasing legal actors' awareness of their voluntary and involuntary function when supplying services or resources that facilitate receiving crimes
 - b. increasing the awareness and knowledge of potential buyers
 - c. increasing the risk of discovery

2. Changing attitudes towards buying stolen goods and towards participating in receiving crimes in other ways. Measures intended to influence attitudes should be focused on
 - a. increasing knowledge related to receiving crimes; of particular value is showing that there are “victims” in this type of crime
 - b. increasing awareness of what activities constitute crime as well as the content of the stricter regulations related to acquisitions made in good faith
 - c. reducing the scope for excuses to be made by actors who are not primarily criminals
3. Increase the possibilities for detecting receiving crimes and imposing sanctions. Measures for increasing the risk of detection are largely a matter of
 - a. reviewing the priorities, routines and working methods of crime fighting agencies
 - b. increasing awareness and watchfulness on the part of other actors who may conceivably come into contact with receiving crime, for example by focusing information on certain industries to enable more receiving crimes to be detected and reported

In conclusion...

There are a great many actors involved – agencies within the justice system, the insurance industry, market actors, etc. These actors also have different interests that sometimes result in their efforts pulling in different directions: the police would rather arrest an individual than think in terms of stolen goods and criminal markets, the public prosecutor prioritizes cases that have a certain penal value, the insurance industry wants to recover the stolen goods, companies want smooth business dealings and thus count on a certain level of loss. Last, but not least – consumers want to make secure purchases, but they may be more interested in inexpensive transactions. A great deal will have been gained if we can get each actor to think in terms of receiving and markets to a greater extent. This will enable theft crime to be considered as part of a larger context, which will make it possible to combat receiving. It is in this way that theft levels can be reduced.