

# Michigan Journal of International Law

---

Volume 14 | Issue 3

---

1993

## Masters of Paradise: Organized Crime and the Internal Revenue Service in the Bahamas

Mary Lorenz Dietz  
*University of Windsor*

Follow this and additional works at: <https://repository.law.umich.edu/mjil>



Part of the [Banking and Finance Law Commons](#), [Criminal Law Commons](#), and the [Transnational Law Commons](#)

---

### Recommended Citation

Mary L. Dietz, *Masters of Paradise: Organized Crime and the Internal Revenue Service in the Bahamas*, 14 MICH. J. INT'L L. 452 (1993).

Available at: <https://repository.law.umich.edu/mjil/vol14/iss3/5>

This Book Review is brought to you for free and open access by the Michigan Journal of International Law at University of Michigan Law School Scholarship Repository. It has been accepted for inclusion in Michigan Journal of International Law by an authorized editor of University of Michigan Law School Scholarship Repository. For more information, please contact [mLaw.repository@umich.edu](mailto:mLaw.repository@umich.edu).

# MASTERS OF PARADISE: ORGANIZED CRIME AND THE INTERNAL REVENUE SERVICE IN THE BAHAMAS

By Alan A. Block. Transaction: New Brunswick, New Jersey, 1991.  
xii + 319 pp.

*Reviewed by Mary Lorenz Dietz\**

I. THE DEVELOPMENT OF A SERIOUS CRIME COMMUNITY IN THE BAHAMAS .....	455
II. MAJOR COMPANIES AND THEIR ASSOCIATED SCHEMES AND SCAMS .....	457
III. IRS INTELLIGENCE OPERATIONS IN THE BAHAMAS .....	460
IV. THE LEGAL AND FINANCIAL PROFESSIONS .....	462
V. CONCLUSIONS .....	463

Anyone who is satisfied that he or she has a grasp on the criminal conduct that has been classified as organized crime or has an understanding of the relationship between licit and illicit economies will be stunned by the long lasting international relationships and sophisticated money management machinations exposed in Alan A. Block's analysis of organized crime in The Bahamas. Block proposes that traditional classifications of crime and criminals into categories such as organized and white-collar crime are both simplistic and misleading. To demonstrate the validity of this contention, the author provides a meticulously detailed sociohistorical analysis of the government, business, and legal development in The Bahamas prior to, during and after decolonization. He cites names of persons and companies, dates, and details about the incredibly complex network that was and continues to be a "serious crime community."<sup>1</sup>

Block does not spend a great deal of time setting out the parameters

---

\* Mary Lorenz Dietz (B.A. and Ph.D., Wayne State University, M.A., Michigan State University) is a Professor of Sociology and coordinator of the Honors Criminology Program at the University of Windsor. She is a member of the Ontario Civilian Commission on Police Services and the author of *Killing for Profit: The Social Organization of Felony Homicide* (1983). Professor Dietz teaches graduate and undergraduate courses in interpersonal, criminal, and social violence and in organized crime and penology.

1. ALAN A. BLOCK, MASTERS OF PARADISE: ORGANIZED CRIME AND THE INTERNAL REVENUE SERVICE IN THE BAHAMAS (1991).

of a more realistic theory of organized crime as it combines with government, business, and the legal profession on an international basis. Instead, he focuses on the crime community in The Bahamas to illustrate his point. This is unfortunate, as his theoretical position represents an advance beyond the tired and traditional rhetoric describing organized crime as a singular evil syndicate.

In the past decade the conceptualization of organized crime has changed considerably. Primarily this has resulted in a horizontal expansion of the classification to include other, usually ethnic, crime groups as more or less equal in significance to the Italian Mafia. Criminologists now include the Chinese Mafia or the Triads, the Japanese Mafia or the Yakuza, the Colombians, the Jamaicans and the Outlaw bikers, among others, in their research on organized crime.<sup>2</sup> Most researchers have not, however, made the move to include, as other than satellite members, criminal groups identified with government or business. Criminologists have viewed traditional organized criminals as corrupters, not partners.<sup>3</sup> This is not to suggest that white-collar and corporate crime are being ignored, but rather that the focus is exclusive rather than inclusive of organized crime.<sup>4</sup>

*Masters of Paradise* begins with Block arguing that such crime classifications as "white-collar" and "organized" crime fail to capture the quality of the relationships between members of financial and legal professions on the one hand and what variously has been termed "La Cosa Nostra" or, more generally, the "Mafia," on the other. He suggests that examining these activities in isolation distorts the extent to which criminals designated in one or the other category are in business with each other. Essentially such divisions focus attention on relatively minor aspects of the criminal activities engaged in by both groups and draw

2. HOWARD ABADINSKY, *ORGANIZED CRIME* (3d ed. 1990). Abadinsky now devotes considerable attention to crime groups other than the Mafia active in the United States. See also JAMES DUBRO, *DRAGONS OF CRIME: INSIDE THE ASIAN UNDERWORLD* (1992); DAVID E. KAPLAN & ALEC DUBRO, *YAKUZA: THE EXPLOSIVE ACCOUNT OF JAPAN'S CRIMINAL UNDERWORLD* (1986); YVES LA VIGNE, *HELL'S ANGELS: TAKING CARE OF BUSINESS* (1987); ELAINE SHANNON, *DESPERADOS: LATIN DRUG LORDS, U.S. LAWYERS, AND THE WAR AMERICA CAN'T WIN* (1988); CLAIRE STERLING, *OCTOPUS: THE LONG REACH OF THE INTERNATIONAL SICILIAN MAFIA* (1990).

3. See DONALD R. CRESSEY, *THEFT OF THE NATION* (1969) (one of the earlier attempts to focus on the aspects of corruption; government officials and business persons are viewed as being seduced into cooperation by members of organized crime groups).

4. See, e.g., JAMES COLEMAN, *THE CRIMINAL ELITE*, (1985); John Hagan & Celesta Albonetti, *Race, Class, and the Perception of Criminal Injustice in America*, 88 *AM. J. SOC.* 329 (1982); David Weisburd et al., *Class, Status, and the Punishment of White-Collar Criminals*, 15 *LAW & SOC. INQUIRY* 223 (1990) (just a few of the many books and articles that concentrate on white-collar and corporate crime).

attention away from their interlocked financial empires. In speaking of this alliance, Block points out:

Organized criminals, who must operate in the underground economy, were more eager than most to reap the advantages offered by such helpful institutional growth. Their natural allies in banking, law, and accounting not only served their financial needs in the traditional onshore sense, but offshore became partners with them in the absolute sense. And that made a difference. So long as their banks and trusts engaged in financial crimes, including massive tax evasion and the laundering of illegal monies for organized crime, the owners and depositors were confederates; this bound the serious crime community more securely than would otherwise have been the case.<sup>5</sup>

Further, ethnocentric approaches to crime within U.S. borders reduce the recognition of the truly multinational nature of serious crime communities.<sup>6</sup> Thus Block's analysis of a crime community tied to The Bahamas serves as a case in point to demonstrate his theory.

Reading between the lines in this study, one is left with the conclusion that what makes a serious criminal community possible is the involvement of members of government, business, and the legal profession. Although Block never explicitly makes that point, it is clear nevertheless. This book is a stark condemnation of the duplicity of lawyers, not only those who are labelled as "mob" lawyers but also those whose firms cater to wealthy individuals and corporations. In the following discussion the development of a serious crime community in The Bahamas over a thirty year period will be reviewed, the activities of the Internal Revenue Service relative to investigation and prevention of criminal activities in the Bahamas will be examined, and some conclusions will be drawn regarding the involvement of the legal and financial community as they participate in both upper level and underground economies.

---

5. BLOCK, *supra* note 1, at 17-18.

6. While the examination of organized crime on an ethnic group basis recognizes ties between Italian American groups with Italy or Triads with Hong Kong, and has always made note of business arrangements in growing and transporting drugs, these associations are not recognized as criminal communities but rather as links in a chain conspiracy approach.

## I. THE DEVELOPMENT OF A SERIOUS CRIME COMMUNITY IN THE BAHAMAS

As Block explains:

In the Bahamas and nations like it, this role in the "underground economy" is perhaps their most distinguishing feature. It is so prominent, of course, because it is government policy to provide a haven for the world wealth no matter who owns it or how their fortunes were made.<sup>7</sup>

Block uses the first two chapters of the book to describe how The Bahamas came to be part of the underground economy. The term "paradise" is used both generically and specifically in reference to Paradise Island in The Bahamas and to development companies involved in questionable financial transactions. Many people envision all islands in the sun as tranquil escapes from the pressures of the modern-day world. Perhaps this fantasy had some basis in truth before the present-day pirates brought present-day problems into the picture. The transformation of places like Nassau and Freeport does not, however, prove to be a simple condemnation of free enterprise and venture capitalism; rather it demonstrates that greed and power-seeking occur at all levels of development even though the dollar value of the stakes may change.

In The Bahamas, the story of organized crime, or "organizing crime" as Block calls it, begins while the territory was still a British Colony. Block points out in a note that "American organized criminals have always contributed to the sophisticated criminality rampant in The Bahamas."<sup>8</sup> He goes on to suggest that this pattern emerged in U.S. Civil War smuggling activities and continued through years during which prohibition laws were in effect, to the period on which he concentrates and beyond. This history has been thoughtfully pieced together through interviews, newspaper accounts, and agency files, in fact using all sources that could be collected or contacted other than the key criminal community players themselves.<sup>9</sup> The documents used, including the Internal Revenue documents, are available for scholars to examine at Pennsylvania

---

7. BLOCK, *supra* note 1, at 103.

8. *Id.* at 23.

9. In selecting a combination of methods for collection of data for his case study, Block has achieved triangulation as recommended by Denzin. Denzin has stated that "... no single method can ever completely capture all the relevant features of that [empirical] reality; consequently, sociologists must learn to employ multiple methods in the analysis of the same empirical events." NORMAN K. DENZIN, *THE RESEARCH ACT: A THEORETICAL INTRODUCTION TO SOCIOLOGICAL METHODS* 13 (3d ed. 1989).

State University.

One difficulty with this study is that reading about the development of Bahamian criminal activities and financial arrangements gives one the feeling of being the lone outsider at a multigenerational, extended family reunion. Each new "relative" introduced to the reader is given a short introduction to his or her background and how she or he happens to be attending this reunion. There are so many separate but interrelated "families" designated by person and company names that it becomes extremely difficult to follow, particularly as the author assumes that the reader will remember a character introduced with a group of others in an earlier discussion. In his effort to include every person and company involved in the schemes and scams associated with resorts, casinos, banking and government, Block presents such a mind-boggling amount of minutia that the total picture sometimes is obscured in the detail.

Essential to understanding the "serious crime community" that is described in *Masters of Paradise* is that a considerable number of wealthy upperworld and underworld characters have sought and continue to seek to find ways to hide, invest, or in other ways conceal money gained both legally and illegally in order to avoid paying income or capital gains taxes or face confiscations of money and property.

In the process of engaging in these activities, Bahamian government officials as well as investment companies, banks and other institutions made a great deal of money. There were several major companies that Block traced under a series of names and through a network of shadow and shell corporations (e.g., Resorts International, Intertel, Devco, among others) that tie a series of key manipulators to each other and to such diverse others as Meyer Lansky, Howard Hughes, Donald Trump, Richard Nixon, Credence Clearwater Revival, and other familiar and not so familiar names from the underworld, business, entertainment, and government. Taking this beyond what we have come to expect from government and business, Block was also able to trace illegal gambling, drugs and arms deals to the same Bahamian banks and holding companies. While this does not come as a big surprise to those of us who study crime or even those of us who read the newspaper, the detail that Block supplies allows us to comprehend at some new level how deeply imbedded is this second economy in all of our lives. It is also not surprising that there is so little effort made to suppress or control these legal and quasi-legal activities which are much more costly to the economy than those street crimes for which there are endless prosecutions.

## II. MAJOR COMPANIES AND THEIR ASSOCIATED SCHEMES AND SCAMS

In later chapters in the book Block traces the dealings of Robert Vesco at length and follows up on the banking enterprises in The Bahamas by examining the Castle Bank in detail, under its various names. In describing Castle, Block has this to say:

Castle was not an organized crime bank in the way that Bank of World Commerce had been. That bank was formed by racketeers as part of a complex casino laundering scheme, though it may have had other purposes as well. Castle was a tax haven first and foremost, formed by lawyers who had mob connections, and used from time to time to launder illicit funds . . . . Its real job covered the panoply of white-collar crime hiding otherwise legitimate profits, aiding in financial frauds, evading taxes, and investing in various projects for its clientele, most of whom were not from the ranks of organized crime.<sup>10</sup>

These chapters serve to illuminate the ongoing processes of money moving and tax evasion and also to establish even clearer links between these activities and the serious crime community in The Bahamas. Although there was some mention of drug money being laundered and bankrolled in the early days of Bahamian development, most of the earlier monies came from and went into different sources. In the years moving into the 1980s the involvement with persons linked to the drug trade became more and more visible. As the final chapter, "From Cuckoo's Nest to Cocaine" suggests, major dollars that once came from the entertainment industry and still flow from gambling skims are today overshadowed by drug dollars. Block focuses primarily on what law enforcement personnel designate as La Cosa Nostra and on white-collar criminals. He does include in later chapters some of the non-traditional, non-Jewish/Italian organized crime groups such as the Colombian Medellin Cartel. His discussion of these groups hardly gives a sense of the vast sums of drug money handled by confidential banking services outside the U.S. As he has limited his analysis to the period up to the 1980s and to the crime community targeted by the Tradewinds/Haven operations this is certainly reasonable. However, if readers are to understand these offshore banking communities they must understand that more than one crime community is involved and we have little clue as to the impact of other "Mafias" on the existing crime community that Block is describing. For example, crime journalist Gerald L. Posner gives some

---

10. BLOCK, *supra* note 1, at 187.

idea of the business garnered from the North American Chinese Triads. In referring to the Bahamian connections he says:

Chartered Lear jets leave the United States from major airports and fly the money in cardboard boxes directly to offshore banks in the Bahamas or the Dominican Republic. Sometimes so many cartons of cash arrive that the banks need trucks to transport the shipment from the airport. U.S. banks are more difficult to use because of a law mandating that every cash transaction over \$10,000 be reported to the Federal government. In a multi-billion-dollar cash business, the \$10,000-dollar limit is like having the average worker report each \$1.00 banking transaction.<sup>11</sup>

Some experts on crime appear to be apologists for the involvement of the lower classes, immigrant groups, or developing countries in organized criminal activities. They describe crime organizations as vehicles for these groups to achieve material success that would be inaccessible to them otherwise. These writers rarely trace the movement of the economies of entire countries through the same cycles although there is some hint of this in accounts of the growth of the drug trade in South and Central American countries.<sup>12</sup> They also have not been able to satisfactorily explain the majority of official corruption and white-collar involvement in affluent countries like the United States.<sup>13</sup> Block makes it abundantly clear that white-collar criminality has been effectively hidden by the practice of viewing it apart from organized crime, and that the criminality of many organized crime figures does not diminish when they achieve material success or even social acceptability.<sup>14</sup> Bell's description of American culture as criminogenic and crime as a way of

---

11. GERALD L. POSNER, *WARLORDS OF CRIME: CHINESE SECRET SOCIETIES: THE NEW MAFIA* 222 (1988).

12. Recent reports of organized crime in Italy have suggested that these groups account for approximately 15 per cent of the gross national product in that country as well. *See, e.g., Mafia Poised for East Europe*, CHI. TRIB., July 19, 1992, at Business 7; Richard Waddington, *Italy's Financial War With Mafia Needs Computers Not Guns*, REUTER NEWSWIRE, July 18, 1991.

13. Abadinsky, however, begins his examination of organized crime with a look at the history of the "robber barons," of the nineteenth century e.g., John Jacob Astor, Cornelius Vanderbilt, John D. Rockefeller, Russell Sage and others. Although he and others recognize a shift in ethnicity and form during prohibition, they see upperworld and government involvement as preceding the Mafia. HOWARD ABADINSKY, *ORGANIZED CRIME* 59-99 (3d ed. 1990). Fox traces not only the Mafia but its relationships to upperworld persons like Joseph Kennedy. STEPHEN FOX, *BLOOD AND POWER: ORGANIZED CRIME IN TWENTIETH-CENTURY AMERICA* (1989).

14. Many current organized crime figures are second and third generation Italians whose parents and grandparents were involved in Mafia activities which suggests that they are staying in the business rather than leaving it for newer immigrant groups. *See Peter Lupsha, Individual Choice, Material Culture, and Organized Crime*, 19 CRIMINOLOGY 3, 18-22 (1981).



succeeding in the American money economy is the first of a number of criminal ethnic succession theories posed by organized crime researchers.<sup>15</sup> If we did not see the same kind of organizing criminals in a wide variety of socioeconomic systems, this kind of explanation would be more appealing. With the exception of the Italian Mafia and more recently the Chinese Triads, there has been little attention paid by criminologists to the international scope of organized crime. In Block's work, which attends to a crime community that involves government and business as willing partners, we find only hints at what motivates any of the key players other than greed. The descriptions of many of the money people associated with The Bahamas make it appear that the game itself is more compelling than the results.<sup>16</sup> The transition from colonial to indigenous government did not disrupt the money flow or the collusion in the least. Certainly business and government alike approached deals with the Mafia as equal partners, sometimes initiating activities and sometimes being brought in at later stages. Perhaps Jack Katz's theory<sup>17</sup> of the seductiveness of criminal activities, which he developed primarily to explain the appeal of underclass crime, might be applied to the white-collar and organized criminals that we find in serious crime communities. Katz has suggested, in looking at street crimes, that people generate the experience of being seduced to deviance, cover up by maintaining a normal appearance, and experience a euphoric thrill by getting away with the activity.<sup>18</sup> His contention is that crime has a sensual attraction and that ordinary people can achieve a moral transcendence over the law that allows them to do crime. Viewing crime as seductive and sensual as well as easily rationalized offers a possible way of understanding how so many "law abiding" citizens involve themselves with known criminals in known criminal activities. While the Bahamian government and other elites seemingly joined the crime community with little reservation, the book gives little sense of the feelings of the indigenous people other than those who took over the governing of the islands after the British.

---

15. DANIEL BELL, *THE END OF IDEOLOGY* (rev. ed. 1966). See also FRANCIS A. J. IANNI, *THE BLACK MAFIA: ETHNIC SUCCESSION IN ORGANIZED CRIME* (1974).

16. Fox describes the excitement as also being important for the underworld figures: "It was more the excitement than anything else. It was more fun getting the apple than it was eating it." FOX, *supra* note 8, at 171

17. JACK KATZ, *SEDUCTIONS OF CRIME: MORAL AND SENSUAL ATTRACTIONS OF DOING EVIL* (1988).

18. *Id.* at 53.

### III. IRS INTELLIGENCE OPERATIONS IN THE BAHAMAS

Block devotes one chapter to description of the activities of Operation Tradewinds and several later chapters to the IRS and its follow-up of this and the subsequent Haven operation. The Tradewinds operation was devised by the IRS Intelligence Division, and used as agents a well established American family living in The Bahamas. The Haven project was a second undercover project that was initiated based on findings from Tradewinds.

Block details the myriad sweetheart deals, fiduciary malfeasances and government corruptions that characterized The Bahamas during both the colonial and indigenous government control periods that these intelligence operations uncovered, as well as the thoughts and actions of the agents. Throughout the book he creates, even with the inclusion of massive documentation, a story that reads very much like one of the current genre of fact-based spy thrillers.

Given the very limited number of participants that could be designated as heroes in this drama, it is no surprise that Block does not report on the Tradewinds and Haven undercover operations or their key operatives from the same critical stance that appears to characterize his reporting on the "bad guys" from the business, government and organized crime arenas. He seems to be so enamored with undercover agents Jaffe and Woodruff that he is able to justify or ignore spying and reporting on friends, document misappropriation and a number of other questionable activities used to build cases against the crime community. Although, in his descriptions of crime community members, he sticks quite close to the documentation provided by agents' reports, newspaper accounts, and other identified sources, he occasionally resorts to namecalling, i.e., "mobster," "known Mafia associate," "sleazy." The Tradewinds/Project Haven personnel, however, are described with obvious admiration. They are presented as heroic underdogs. The operations themselves were understaffed, underfunded and resisted by the IRS and other agencies. Block is obviously caught up in this small undercover group's valiant attempts to beat the overwhelming odds. Everyone appears to be against them—the governments of both countries, the crime community itself, and, even more damaging, the various territorial and competing law enforcement agents and agencies. Little effort is made in this study to determine who is really victimized and in what ways, or if the existence and persistence of underground economies speak to some larger problems in the political economies of developed and developing countries.

Block does consider the colonial and post-colonial exploitation of The

Bahamas and other Third World countries in several footnotes<sup>19</sup> but even these comments are paternalistic and patronizing and assume a rightness of the American government and its agencies while at the same time demonstrating culpability and incompetence at both the highest and lowest government levels.

Both in tracing the investors and directors of the various financial and investment institutions, and in following the trail of the investigations, there is evidence of bribery and corruption as well as clear government cooperation in creating legal tax and investment loopholes on the part of the American as well as the Bahamian governments. Indeed, the entire book is an indictment of the IRS, particularly under Director Alexander and his successor. Block views Alexander's egregious policies as exacerbating tax evasion and money laundering problems and supporting the already positive tax haven environment. The most visible victims are the law-abiding taxpayers, if one discounts the assumed victimization of those who are robbed in get-rich-quick schemes or in trying to avoid paying taxes. It is difficult to muster up much sympathy for these groups. One does feel sorry, however, in the context of Block's presentation, for the agent who spearheaded the undercover operation and who was ultimately relieved of his duties and even tried. What seems to slip by unnoticed are the number of agents such as "Special Agent Wallace Musoff (later to represent the [New York] Purple gang after leaving the IRS) . . ." who went over to the other side.<sup>20</sup> For those people who seem to have changed sides during the course of the case study, Block simply notes the fact but does not search for a pattern. In documenting the rise and fall of this undercover operation, Block tends to take a pro law enforcement position. He recognizes that the highest levels of government, such as former President Nixon and the heads of the Internal Revenue Service seem to be working against the undercover operation, but he does not question the tax laws themselves nor give any credence to the possibility that the Tradewinds agents may have been compromised.

Although there is no reason to doubt the sincerity of Agent Jaffe and his people, it is difficult to credit the Internal Revenue Service with mounting a sincere effort to control the crime community that operates out of The Bahamas with apparent impunity. Other than accepting a blatant paternalism that suggests that the U.S. indeed knows what is best for Bahamians, it is difficult to comprehend why anyone should expect

---

19. BLOCK, *supra* note 1, at 24.

20. *Id.* at 111.

The Bahamas to do better than the U.S. in controlling this crime community under which Bahamians have achieved considerable prosperity. If the reader accepts Block's assessment of the ways in which the various U.S. law enforcement agencies have operated, and there is no reason to doubt that his assessments are accurate after reading his book, one of the few successful or potentially successful operations aimed at bringing members of a crime community to justice was sabotaged and its driving force was punished. This would offer little hope that the IRS is going to be able to outsmart or outmaneuver the serious crime communities in The Bahamas or elsewhere or that this is a serious goal.

#### IV. THE LEGAL AND FINANCIAL PROFESSIONS

In viewing IRS efforts to apprehend tax evaders, everywhere one turns one finds legal and moral dilemmas. Readers have to wonder, "How do we get other governments to play by our rules?" "How do we know that our rules are the right ones?" and "What does it suggest when we find that in the war between money and morality, morality seems to lose every time?" Certainly there is little evidence that there has been a serious effort on the part of any branch of the United States government to contain overseas tax evasion and money sheltering activities.

Throughout *Masters of Paradise*, one cannot help but be struck by the overt and covert involvement of the financial and legal professions. Block quotes "a California-based tax attorney . . . under investigation by the IRS for masterminding an elaborate offshore tax scam for scores of wealthy clients," as saying:

There is nothing more corrupting to our society than a system of taxation . . . . He (the taxpayer) puts money in a Bahama central trust. Why in the Bahamas? There is no income or estate tax in the Bahamas . . . . He takes losses and deductions in the United States and he takes gains and profits abroad, under a tax treaty. Do you think any Congress we have is going to change the laws that allow this? . . . With those savings, the rich of this country can afford to buy the entire Senate, if necessary.<sup>21</sup>

Without condemning specific existing tax laws, there seems to be something intrinsically wrong when there are different standards of morality and legality for different groups in society. On page after page of this book there are references to the involvements of members of the legal profession. It does not appear that the internal policing by the profession is effective. While the reader does not want to judge the

---

21. *Id.* at 274.

entire profession by those who violate the ethical standards, it is clear that too many lawyers are involved not as defenders but as major players. By attending to the significant involvement of lawyers, bankers, investment and accounting firms, as well as organized crime figures, Block makes an arresting case for reconceptualizing how members of society are labelled as criminals and punished for their criminal activities.

By linking key figures in government, as well as respected law and business firms, to organized crime figures, he demonstrates how inconsistently we respond to criminality in different segments of society and how inconsistently we punish offenders. Tax and corporate lawyers seem to regard it as their duty to help their clients to retain and increase their assets (and the lawyers' assets as well). Does this expectation for service to wealthy clients in some way contradict the intent of taxation legislation which purports to share the burden of government? Block does not deal with this question nor examine the benefits or liabilities of second economies but these are issues that need to be considered. These questions need thorough examination by the legal and financial communities.

## V. CONCLUSIONS

Alan Block, in *Masters of Paradise*, has demonstrated the power of the crime community and forces us to rethink our understandings of organized and white-collar crime. In showing that he, as a researcher using existing information, is able to untangle and document the criminal network and successful tax evasions of a large number of known organized crime figures and their "non-criminal" associates, Block writes a powerful condemnation of the existing social controls for these types of criminal activities. The handling of the Tradewinds and Haven Projects by the Internal Revenue Service makes a mockery of the degree to which the wealthy of this country are required to pay taxes. Certainly the initial support and the subsequent destruction of this effort suggests a lack of commitment on the part of the IRS to seriously enforce tax laws on those most able to pay. (On the other hand, do we, in a free and democratic society, need yet another secret police agency such as the IRS Intelligence Division to gather information on the activities of citizens?) Most people are aware that since the FBI convicted Al Capone on an income tax evasion charge, tax evasion laws and the newer and more wide range Racketeer Influenced and Corrupt Organizations (18 U.S.C. Sections 1961-68), better known as RICO, statutes have been virtually the only way that organized crime figures have been convicted and impris-

oned.<sup>22</sup> We are also aware that white-collar criminals have been caught and penalized under security trading or banking regulations. Existing laws enforced by existing law enforcement agents could be sufficient. We must ask ourselves how much the United States can and should be able to control or violate laws of other countries and under what circumstances. Many offshore banking laws are created to provide tax havens—to evade U.S. tax laws. However, this has been the case for many years in some European banking communities. Can we deal with impoverished island communities in different ways than we deal with established European communities? If international regulating is required, should it not then be done through international negotiations which recognize equal sovereignty of all nations? Grassi<sup>23</sup> suggests that countries must organize themselves to combat international organized crime. He believes that at the present time there are neither legislative nor judicial ways to deal with international crime and that simple information exchange and extradition will not resolve the problem.

*Masters of Paradise* is a well-documented and fascinating study detailing the merger of international business, government and organized crime in one island community. The fact that this is only one small example of a serious international crime community and that American control agencies' efforts to bring members of this crime community to justice were largely ineffective, should alert readers to serious problems in containing the growth of criminally dominated second economies. Block's work abruptly departs from the limited focus of researchers and citizens alike on old geographically, socially and ethnically limited visions of organized crime. For too many years the focus on organized crime as distinct from white-collar crime has diverted attention away from crimes of the rich and towards a convenient scapegoat.

We are still too willing to believe in the integrity of government and professional communities that are intrinsically involved in damaging criminal activities. Perhaps Block's work will refocus attention away from crime in the streets and onto serious crime communities composed of organized crime, government and their financial and legal partners. Whether or not it has this effect, the book is an interesting study and well worth reading.

---

22. However, the existing Internal Revenue Code, Conspiracy Laws, or Drug Laws, and certainly the Money Laundering Control Act of 1986 (18 U.S.C. §§ 1956-57 (1988)) have all been used in organized crime cases as well.

23. Aldo Grassi, *The Role of the Courts in Combatting Organized Crime*, in INTERNATIONAL PERSPECTIVES ON ORGANIZED CRIME 37-47 (Jane Roe Buckwalter ed., 1990).