**The Criminal Entrepreneur:**

**a case study of an organised criminal family**

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**Introduction**

*There is no reason to assume that in dealing with the criminal we are dealing with something extraneous. We are really dealing with all of society even if we begin dealing with the problem of crime.*

Frank Tannenbaum, (1938:23)

This chapter reports on a study on a criminal family as an enterprise with an ongoing history of armed robbery, drugs, extortion, fraud and tax evasion. Studying a family, or even a single criminal, may not be considered as conclusive in its findings and, therefore, at the margin of scientific research. Actually, it is far from a marginal approach: it is shared by a multitude of historians, who enliven our knowledge of the past by this human touch. Specific historical studies of *criminal* families are rare, given the political emphasis. But the few available studies on the deeds of a criminal family, such as the Renaissance Borgia family, even providing one of the most ‘colourful’ popes (Hillgarth, 1996), or the young bank robber Stalin and his family in the first half of the previous Century measure up to many criminological studies (Montefiore, 2007). By their nature, these are studies undertaken by hindsight: looking back, based on documentary evidence. The same applies to studies of leading criminals of whom the evidence could be obtained after the end of their criminal career, either by death or incarceration. Moreover, more attention is devoted to the leading criminal than to the family. Anderson’s (1965) study of an operational New York Casa Nostra family followed by that of Ianni and Reuss-Ianni (1972) are an exception. Using the method of participating observation, it describes ‘real time’ how the family ramified into the upperworld, more by smart socialising than by violence, which was primarily a part of their underworld branch. A similar ethnographic approach was adopted by Adler (1985) who engaged in participant observation of a San Diego-area group of drug smugglers. These studies were undertaken with the knowledge of the criminal subjects whilst our own study was without such direct access. One of the challenges of studying a criminal who is still very much in operation is ensuring anonymity not only of participants but also of the subjects in order to protect the academics engaged in uncovering the activity.

 Compared to these studies, the contribution of our chapter is to specifically align the successful exploits of a particular entrepreneurial criminal family by focusing on their skills and ways of decision making. The attribute ‘entrepreneurial’ is important, as it refers to the decision making conduct as is more usually seen in legal entrepreneurs. Both face risks in their daily management, not only concerning investment, but particularly in managing people in executing the firm’s tasks. Naturally, a crime-entrepreneur faces some additional risks due to operating in a hostile, often violent environment. Overnight he can lose his life or freedom due to respectively fellow-criminals or law enforcement. Surviving these constraints is rather a matter of acumen and skill than of luck which is of interest to describe.

 The family we studied – the Baxters, was such a surviving criminal enterprise. It operated in a city in the North of England. The most important person of interest was the eldest son ‘Jack’, who took over from his father. As will be discussed in the methodology section, the research was conducted over a four year period[[2]](#footnote-2), long enough for collecting a wealth of material. Studying a criminal over his working life is not new; indeed such ‘life-course criminology’ (Van Koppen et al, 2010:102) has been used in the analysis of different career trajectories. Others have focused on the personality characteristics of criminals, exploring their pre-disposition to a certain type of criminal activity (Bovenkerk, 2000). Yet, focus on such ‘criminogenic’ determined characteristics as espoused in the rational choice theories that have dominated ‘government project’ agendas (Garland, 1997, 2001; Morgan, 2000) offers little in the way of additional insight into how criminals manage their business affairs. Instead such studies generally ignore wider and more complex concerns of how diverse moral characters go about business (Van Duyne, 2000; Hobbs, 2013) or the success of life-long criminal careers (Gadd and Farrell, 2004; Laub and Sampson, 2001) The contribution from this chapter is, therefore, to argue that it is not only the type of personality that the criminal has developed but also their entrepreneurial business acumen that has responded to, and been shaped by, the socio-economic background within which they operate.

**A brief overview of the socio-economic climate**

The political-economy within the region in the North of England has, during an approximate forty year time-frame, fundamentally altered from a solid industrial-based culture and heritage to the post-industrial wasteland supported through the state provision of financial support (Taylor, 1999). In this Northern city, in line with other post-industrial cities once reliant on heavy industry, 1970 witnessed a change in the economic environment. Industries and traditional employment trades closed, leading to an evaporation of traditional working class legitimate work opportunities. A toxic combination of the 1973 oil crisis and union action in remaining labour intensive heavy industry that were the mainstay of the working class blue collar workers in support of demands for higher wages, fuelled both inflation (at historically high, double digit levels) and unemployment (the highly corrosive years of stagflation). It was also a decade that delivered both the three day week (1973-4) and a winter of discontent (1978). Unhappy times indeed and for a generation of school leavers who would have expected to follow their fathers into one of the many heavy industries, jobs were simply no longer available.

 Although improved since those dark days of the 1970s, the economic environment continues to be generally more deprived than in other areas of the country. Data from the Office of National Statistics indicates that although unemployment rates during the early part of the decade were low at approximately 4% (1 million people) the level of unemployment did increase during the mid-1970s before levelling off to some 1,5 million or 5% of the economically active population (Leaker, 2009). Recession in the early part of the 1980s saw again a rise in unemployment with a peak of 12% (3 million) in 1984 before gradually improving to 7% (2 million) by the end of that decade. It currently stands at just over 10% of the economically active labour force.[[3]](#footnote-3) This should be noted as a long-standing (and perhaps cyclical) trend within the city and its surrounding regions. It is this changing environment that provided our family with the career opportunities that we discuss.

**Method of research**

Data for our study was obtained from individuals who were familiar with his career as it unfolded and was captured through formal and informal interviews held with key respondents. The participants involved included associates of the Baxters and law enforcement officials. Key members of the extended criminal family firm were initially contacted through associates to seek their involvement with the study. They declined. Such involvement of active ‘free-agents’ involved in on-going and often serious levels of criminality is generally difficult to acquire(Winlow *et al*., 2001).Negotiating the problem of such rejection by those we wished to research and who were often scrutinised by the regional media, we sought out other contacts with specialist dealings with the criminal firm, not only from law enforcement agencies but also close associates. The aim of this approach being to shift the research from a ‘policing study’ with its general nuances and biases (Hobbs, 2013), towards a more balanced and objective viewpoint that we hoped would be gained from those more personal affiliations.

 We employed a social constructionist approach to our enquiry, pooling data from three main sources: building a picture from: formal interviews with police officers; field notes from interactions with those that formed part of the family’s social and work sphere; and finally news reports and information otherwise in the public domain concerning the activity of the family. The main part of the data used within the chapter was drawn from the interviews held with key individuals who were well connected with the Baxters and were willing to share their recollections. This enabled us to construct a narrative covering a span of 40 years stretching from the 1970s. The main formal interviews took place with three individuals responsible for law enforcement in the region and whom were well acquainted with the activity of the Baxters. These sources were corroborated by supplemental interviews with a range of individuals, some of whom were engaged at certain levels, in procuring criminal acts while others were on the periphery, employed within the legitimate businesses. As shall be discussed, these included care homes, pubs, taxi firms, wholesale food supply and security businesses. In total eight participants were involved in supplying the data for this study. While interviews with the police respondents (A, B and C) were formally documented (providing us with six hours of interviews that produced 89 pages of transcript), another five further interactions were on an informal basis with field notes only, it being very much a ‘grab and bag’ approach, jotted down following informal encounters and chance conversations. We used our own intuition to sort this latter group into who were valid/reliable participants by way of their personal/professional histories, reputations and general credibility. Others were left by the wayside due to a lack of validity or because recollections were based on spurious ‘relationships’ such as: “*He seemed like a decent bloke. I used to drink in his pub*”.

 The formal transcripts were coded by letter and line identified to enable us to track a range of activity tracing the involvement of a network of 24 named individuals. This data set was then supplemented by a review of all local newspapers which enabled us to build a documented time line around the activity of the Baxters from 1989 (which was the date of first conviction) through to 2013. The information collated from these different sources helped us build a picture of how both this family and its individual members elected to utilise a skill set that is also associated with successful legitimate businesses. This entrepreneurial guile was employed to build a criminal enterprise that merges illegal with legal activity and that is characterised, as discussed in the next section, as being: profit driven; able to anticipate change and move into different lines of business; and one that actively manages ‘business’ risk. The data shared in this chapter provides an overview of the growth of the Baxter’s ‘business’ empire mapping that entrepreneurial activity. It is illustrated by extracts from the activity of our family to show how they demonstrate use of key entrepreneurial traits as further discussed below.

**Characteristics of the entrepreneur**

In modern usage we tend to associate the term entrepreneur with high profile individuals who are regarded as being quick witted and risk taking, able to see and seize opportunities that would pass others by – people such as Richard Branson or Bill Gates. People that are very much seen as drivers of change (Kanter, 1996). However, the term ‘entrepreneur’ appears in economic literature as long ago as the early 1920s. For example Dobb (1924), refers to the entrepreneurial function being an accompaniment to capitalism as a necessary way in which the competing frictions between consumers and producers are smoothed. Tuttle (1927) traces use of the term to describe an individual having control not only over the application of his labour but also the way he is able to create wealth through his intelligence. He attributes the first use of the term ‘entrepreneur’ to describe the individual owner of a business to the economist Quesnay in 1757 (Tuttle, 1927: 502). From its use in describing the role of the individual agent, the term became associated more widely with business and corporations wherein the entrepreneur has control over the activity of the organisation (Lewis, 1937).

 Recent literature has focused on both migrant entrepreneurs (Collins and Fakoussa, 2015; Khosa, and Kalitanyi, 2015; Soydas, and Aleti, 2015) and on emergent technology and associated access to financing (Stritar, and Drnovšek, 2015; Mamou‐Mani, and Burgess, 2015). A further strand of literature focusses on the personal attributes that characterise successful business entrepreneurs. These can be usefully organised across two dimensions: the first relates to management skills and abilities (familiarity with their business as well as management in more general terms) and the second to the characteristics of their personality (a dimension that requires subjective and intuitive judgment) (Maxwell *et al*., 2011; Riding *et al*., 2007). It is possible to identify entrepreneurs as being intuitive thinkers, risk takers and active managers of that risk as well as possessing influential personalities. Further to this they have a solid understanding of and are able to effectively manage the position of their business within the market relative to the market positioning of their competitors.

**Dirty Cash: It’s all about the money, money, money**

As discussed in the section on Entrepreneurs, the attributes and skills they demonstrate can, we argue, be translated into the skill set demanded of particular profit focused criminals. So ‘Jack’, exhibited the characteristics used by entrepreneurs to build successful legitimate businesses. His understanding of the functioning of particular ‘leisure’ based markets (particularly drugs) enhanced the economic efficiency and productivity of his loose and fluid ‘job-and-finish’ specific firms. In so doing he demonstrated an autonomous, creative and malleable framework of business sharpness (Hobbs 1995). This exhibited commitment, robustness, opportunity, obsession and the tolerance of hazard within a variety of trading relationships (Hornsby and Hobbs, 2007; Timmons, 1994). This entrepreneurial guile was employed to build a criminal enterprise that merges illegal with legal activity and that is characterised, as discussed in the next section, as being: profit driven; able to anticipate change and move into different lines of business; and one that actively manages ‘business’ risk. The data shared in this chapter provides an overview of the growth of the Baxter’s ‘business’ empire mapping that entrepreneurial activity. It is illustrated by extracts from the activity of our family to show how they demonstrate the use of key entrepreneurial traits as further discussed below.

 The notion that the criminal can be viewed as an entrepreneur more usually making a negative rather than positive contribution to society has already been discussed in the literature by, for example, Baumol, (1990); Gnutzmann *et al.* (2010) and van Duyne (1998; 2000). This chapter, as with others in this collection, supports the concept of the ‘entrepreneurial criminal’ and the positioning of criminal activity as a facet of capitalist society. Both criminals and capitalists have a common goal in that both groups can be defined by the search for profit (Hobsbawn, 1969). Van Koppen *et al.* (2010) emphasise that the differences in career trajectories between different criminal types can be explained by individual personalities and by abilities to cope with and respond to a shifting risk environments (van Duyne 2000).

 Contribution to economic growth is dependent, therefore, on how much entrepreneurs, as the embodiment of the free market, devote themselves to the positively viewed productive undertakings as opposed to the ‘unproductive’[[4]](#footnote-4) criminal endeavour (Baumol, 1990). For some, crime is firmly positioned as “*the consequence of human ambition, and the flip-side of an entrepreneurial spirit*” (McCarthy *et al,* 2014: 2; Gnutzmann *et al*, 2010: 245). In other words from this perspective, crime is most certainly innovative but its execution is seen to contribute negatively and to the detriment of the legitimate economy. Although others have argued that the interface between the two economies operates so easily that it is less clear that criminal enterprise does not make some form of contribution to economic growth through, for example, consumption expenditure. And, with the common drive for profit, boundaries between legitimate and illicit trading are increasingly blurred. For example, the contraband markets in illicit cigarettes (Hornsby and Hobbs, 2007; L’Hoiry, 2013) has been viewed as providing specific consumers with a service (Wiltshire *et al.,* 2001) and has demonstrated that there are few moral distinctions between those illicit operators and big ‘legitimate’ tobacco firms, in securing market position and enhancing profit margins (Joossens and Raw 2012).

 Thus the market that the criminal firms seek to exploit “*is largely indistinguishable from the arenas that capacitate legitimate entrepreneurial pursuits*” (Shover *et al*, 2003: 489). ‘Criminal’ enterprises feature interlocking legal and illegal commercial structures engaging with both legal and illegal markets that shape their entrepreneurial options. As will be discussed, this same model of interlocking legal and illegal business structures was also seen within the operations of the Baxters. In particular, the activities employed by Jackto build a criminal enterprise that merges illegal with legal activity can be characterised as being: profit driven; able to anticipate change and move into different lines of business; and one that actively manages ‘business’ risk.

**Criminal risk management**

Insofar as the motive to commit crime is predicated upon opportunity for personal profit, deterrence effort is constructed around manipulation of the criminal profit formula (Gnutzmann *et al.*, 2010). The formula is presented in two dimensions: the probability of being caught and the severity of sanction imposed if caught. In similar light, rational choice theory (attributed to Cornish and Clarke, 1987) has been applied within criminology to explain the utility driven decision making of criminal actors in which largely short term benefits (immediate gratification of gain) are considered and weighed against longer term costs (incarceration if apprehended). The ability to accurately weigh this decision is bounded by limited information gathering and evaluation of future costs.

 Sittlington (2015) argues that the real deterrent is not a stretch of incarceration but the loss of assets for the professional criminal that is most effective and this is highlighted by other research on asset recovery (Levi 2003; Levi and Osofsky 1995). In such circumstances criminal enterprises increasingly adopt a risk-averse strategy to counteract the legal dilemma of demonstrating ‘where the money came from’. Hence the move towards renting rather than purchasing/owning high value assets that may subsequently be seized by the authorities. In such manner, they are able to derive full consumer benefits of occupying often very nice property without fear of loss (see, Matrix Knowledge Group, 2007; Van Duyne, 2003). In a similar approach, top of the range cars are hired/rented (Matrix Knowledge Group, 2007) or, as our own research for this particular study found simply ‘lifted’ from top-of-the-range car dealers. Due to the formidable local reputation of the family, the car sales company felt they had limited recourse to law enforcement nor means to prevent its reoccurrence. As one of our participants divulged:

“We were getting phone calls from a couple of absolute top-brand car sale rooms, and I mean this is Premier League football standard customers, ‘Jack Baxter and his brother Sean, they’ve lifted a Range Rover Sport off the forecourt. It’s over £90,000 worth of motor and they’ve basically come in and said ‘Right. We’re going to have this for a while. If there’s any damage to it, we’ll sort it out’.

‘So, basically, they’re stealing it. So we say: ‘Right we’ll [police] come to you and take a statement from you. The vehicle will be returned. You can press charges for theft and we’ll take it on from there’. Not a chance, what we got back, on numerous occasions was: ‘No way! That is not going to happen. If you could have a quiet word and let them know some concerns have been raised and once they’ve finished playing with it could they get it back to us in a decent state, That will do it. I really don’t want to take it any further than that.

‘So, what are we going to do with that? Unofficially and with a quiet word in my ear: ‘The Baxters’ have stolen one of our top range motors. They won’t keep it. They won’t sell it on. This is just ‘flashing about’ for them and their cronies. But, because of their formidable penchant for violent retribution we aren’t going to officially report this’.

‘See, the way I see it, and I do fully understand their concerns, who’d report it? These are simply deranged playground bullies who have historically made their names through this sort of gutter criminality. This is the rubbish at the bottom who, basically through established and regionally recognised consideration of their violence, and their threat of violence, made it to the top of the tree here”.

Such understanding of the instrumental use and/or threat of violent tactics is often negated within the continuing functional role of establishing a partisan ‘brand’ of violence where no “*. . .matter how sophisticated and market orientated organized crime becomes, and no matter to what cause its profits contribute, the cultural inheritance of traditional visceral practices remain central to the establishment, marketing, regulation, and culture of illegal markets*” (Hobbs *et al*, 2003: 681). This is a criminal family firm that has ‘logoed’ the mercantile capacity of its resource of heavy-handed violence - a strategy that has firmly established its branding of the family name in regional folk-lore.

 Fear of loss of assets further emphasises the necessity of having ‘background operators’, often within the legitimate world (Middleton and Levi 2005; Mack and Kerner, 1975) available to discretely launder the proceeds of crime. Sittlington (2015) also shows, as highlighted by Tupman (2015), that there still exists a distinction between criminals who habituate crime to fund a consumption lifestyle and those that are building for a secure financial future in retirement, seeing an end to and change from, criminal activity to that which is law-abiding. For most criminals, even if affluent, that is too high an aim in life. Sittlington (2015) also pointed out that rational thought processes are not as strong as theory suggests, rather that the interest of criminals is often in relation to their own status and their credibility within the criminal fraternity. We find evidence of both of these areas in relation to our own criminal family.

 Just as one can witness entrepreneurs functioning in the licit world are effective at implementing rational strategies to minimise the risks associated with investment decisions, so we were able to witness our influential criminal family employing risk management strategies. These included, from really strategic to more operational for example, changing the focus of criminal activity in response to toughening penalties and to pre-emptively setting up alibis in advance of activity. Our family was also careful to manage its reputation. Firstly, as already illustrated, within the illicit world they maintained dominance across the criminal sector by judicious threat and application of violence. A further risk management technique we identified was careful management of public image and *creation of a legitimate veneer[[5]](#footnote-5)* including the use of press interviews to suggest to the public at large that they were being victimised by the police; indeed they freely employed methods to discredit the police. They also utilised ‘trust’ (von Lampe and Johansen, 2004) by only working with and alongside members of their own extended family (our records indicated some ten members of the family and a network of close friends).

**Evolution of the criminal entrepreneur –**

**Pills, thrills and bellyaches**

Jack Baxter’s father was involved in long-firm fraud and ‘*an affable criminal*’[[6]](#footnote-6) and his mother was reasonably well educated with no criminal background. The construct of the ‘gentleman criminal’ is one that was popular with the media and it is apparent from our data that the interface with law enforcement was always polite and it seemed stemming from the appreciation that the police had the power to ‘hurt’ either the family or its operations. However, this is in contradiction to other descriptions of the individual that are far less flattering drawing attention to the father’s formidable violent reputation and penchant for the use of control via domestic violence towards both his spouse and his children. As one of our other informal respondents stated:

“He could be a cunt of a bloke to his wife and his kids. You’d often hear it kicking off. He’d come back pissed from the pub, he’d get stuck into the wife, the boys would then jump in and he’d give them all a proper going over. We’d hear them sobbing. He’d kick them out into the back yard and make them sleep, with the dog, in the dog’s kennel. They were brought up with violence in the home, in the community, at school and from the police. They had it hard and they all turned out to be hard-men who could do violence well”.

In similar tone:

 “He could be quite a sort of violent, aggressive man – good with his fists. So he built up a bit of a status in that sense but in terms of his antecedence and criminal history I don’t know to be quite honest”[[7]](#footnote-7). . .

The father viewed himself as the intellect behind the family firm, as both a business man but also as its investment adviser: “*as a business they have a pecking order. The father is the brains ‘the teflon don’[[8]](#footnote-8) nothing sticks. Not violent but into long firm fraud. He thinks he is a businessman’*. [He] *‘employs foot soldiers to get involved in the nasty business’*. Further “*it was impossible to get witness statements: They were too frightened*”[[9]](#footnote-9).

 As seen elsewhere, such reliance upon family structure in forging and maintaining a well-established criminal branding are often reliant upon locally established credibility and urban folklore where family, and particularly that of brothers prone to deploying instrumental violence, forge an intrinsic link in upholding reputation (Lambrianou, 1992; Richardson, 2005; Gambette, 1993).

 The father was chairman and shadow director of the later to be established pub empire. He appears to have demonstrated some degree of financial sophistication and of recognising the importance of ‘facilitators’, as he was also responsible for arranging that funds were invested offshore through Guernsey using a London-based financial adviser. Interestingly he ensured that minutes and records were kept of family business meetings all being recorded by his wife, Jack’s mother. “*It’s a business structure because you’ve got managers and middle managers and foot soldiers who are totally expendable*”.[[10]](#footnote-10) It was as a result of this business head that his “*Sons look to him for guidance on investment of their cash*”[[11]](#footnote-11) and he helped Jack invest his money.

Jack’sbackground was, therefore, apparently characterised by violence, growing up in a ‘tough’ part of the city. Our man’s first foray into criminal activity was through his initial involvement in low level offences of theft and dishonesty. At school and in his local neighbourhood as a teenager he followed his father and built a reputation of being a “*handy lad with his fists at school, a good fighter*”[[12]](#footnote-12). His first serious introduction to crime saw him undertaking a junior role in post office (PO) burglaries during the early 1980s. The safes which were stolen from those burglaries would be manually removed from post-offices and deposited into vans and then later cut open using oxyacetylene cutters.

 By the late 1980s and with his second group of cohorts (when Jackwas in his late teens early 20s), he had graduated into armed PO robberies and cash in transit, the latter being perceived to carry a lower risk factor. The first major undertaking by this group was a 1986 post office robbery for £750.000 of which Jack’sshare amounted to £160.000 (£435.000 in today’s prices).

 This cash injection raised the game and led to the establishment of the business as he was now in a position to bankroll a move into other areas. Significant here, in light of prior discussion of the literature, Jack was able to establish his personal and family reputation as top quality criminals, good at what they did where the ‘firm’ was described as a “*strictly controlled group, his little team in organised crime*”[[13]](#footnote-13). Credibility was enhanced (as is usual in organised crime – “*violence and organised crime are natural partners*”(Hobbs *et al.*, 2003: 834) through building a reputation for violence. This is an important part of position marketing and maintenance of market share with the professional armed robber belonging “*to an exclusive club*” (Hobbs, 2010: 295). Such high status criminality negated the limited financial rewards and/or lack of excitement and restrictive independence and autonomy perceived to be part and parcel of the legitimate world (Hobbs, 2010; Shover and Honaker, 1992). The establishment of the role of protector/extortionist relies upon the provider of security being more violent than his clients, and this is crucial in the case of criminal clients who may also be prone to violence as both perpetrators and as victims of violent retribution. However, extortionate relations are not confined to the illegal enterprise and particularly can be found in those enterprises that are situated alongside businesses based on vice. In such cases, extortion is often accepted as an informal tax. Extortion may not involve actual violence but its mere suggestion is often all that is needed, particularly when the criminal and/or criminal group are prone to anarchic, illogical and sporadic violence (Reuter *et al*, 1983; Schlegel, 1987; Hobbs, 2010). Jack Baxterand his family clique established a guarded reputation of being the biggest and meanest hitters in town:

“People were being kidnapped and tortured by the family. People would go 'missing'. People with money, with families . . . with kids, savings, cars and mortgages. . . never to be seen or heard of again. No withdrawals of cash from bank accounts. They disappeared”. They employed “heavy-handed enforcement and extortion of companies in the [region]; Protection rackets; setting fire to restaurants to enforce security contracts stealing valuable things and extorting fees for safe return”.[[14]](#footnote-14)

**Only fools and horses: Entrepreneurship and organised crime**

From this position of strength, Jack is able to ‘franchise’ out his brand by drawing in others who wanted to be associated with the Baxterfamily name. Van Koppen *et al.* (2010) in a discussion of organised crime draw our attention to “*the importance of social relationships*” (p. 103). In this way the Baxter ‘trade-mark’ would be bought or loaned to a limited number of individuals on a credit-based payment of favours owed or a share of profits received from such business ventures (see Topalli, 2005). Our family was careful only to deal with members that were either relatives or close friends of Jack.

“People working for them would be contacts they met in prison, family friends and friends of friends- there was no alternative to crime, there were no jobs or they were low pay, they were attracted to ‘Jack’ and they did little jobs and were tested for trust”.[[15]](#footnote-15)

However, in 1989 Jack was caught and given 15 years for a security services[[16]](#footnote-16) robbery. This was a professionally planned commercial robbery where the Crown Prosecution Service (CPS) mandate for sentencing guidelines is: “*The sentence should be considered in the context of those imposed with those for murder. Starting point for a single armed robbery where no serious injury caused was 15 years*” (Crown Prosecution Service: n/p: undated)

 Within a hierarchy of criminal endeavour, graduation to this type of hold-up was major league involving as it did, Special Purpose Automatic Shotguns (SPAS) twelve pump action/semi-automatic firearms and full body armour. And this was against British law enforcement agencies that, at that time, generally armed themselves with little more than truncheons and handcuffs (Waddington, 1991). The proceeds of this robbery were recovered in somewhat bizarre fashion by the police.

 The money from the robbery had been stashed in a safe-house in the city. The man whose house was used had left the gang the keys to his property while he was away on a short holiday. It was a dark winter’s evening and some of the gang were in an upstairs bedroom dividing up the proceeds. Unluckily, while this activity was underway a family member of the man who owned the property drove past the house and seeing an upstairs bedroom light on and knowing that the man was out of the country, called the police suggesting a burglary was in progress at the property. The police arrived shortly afterwards. Entering the property they discovered the armed robbery crew in mid-count and were able to apprehend the gang and recover the proceeds.

 From this point, the Jack could see that the risk associated with armed robbery was too high and that the time had come to cross over from criminal into semi-legitimate and legitimate business operations. Police reports from 1996 to 1997 indicated their belief that Jack was continuing to run his crime empire from behind bars. Under his direction, via oblique letter communications and prison visits the Baxter sons alongside their established criminal associations set in motion and operated a range of new activities. This saw them expand operations into drug distribution, prostitution, taxi operations and running ‘the doors’ of the burgeoning night club scene. Such diversification afforded opportunity to exploit the considerable profits available to be earned from the leisurely drug fuelled youth culture of the period (Collins, 1998) and the rapidly developing Night Time Economy together with its associated security enterprises (Hobbs *et al*., 2003) alongside the wider distribution of drugs (Collins, 1997). Strategically this decision made perfect business sense as armed robbers were risking receiving lengthy sentences or being shot on the job and many professional armed robbers were switching to lower risk criminal activities (Hobbs, 2010; Smith, 2005). From this point, the Jack could see that the risk associated with armed robbery was too high and that the time had come to cross over from criminal into semi-legitimate and legitimate business operations.

 Part of the *modus operandi* that further demonstrated a sophisticated approach to risk management (in anticipation of any further stretch of incarceration), saw Jack deliberately attempt to invalidate the reliability of the police:

“. . . provide a means to convince the jury that the police were lying; writing . . . with information about police corruption and victimization – putting their defence in place before they perpetrated a big crime.”[[17]](#footnote-17)

We were told that there was evidence of jury tampering, of having people on the inside within the police “*someone on the inside to negotiate risks and be aware of risks coming your way*”[[18]](#footnote-18)and that Jack was able to very effectively exploit allegations of corruption to discredit police evidence.

 Indeed, whilst in prison Jack gained a reputation and ‘*controlled the landings*’ and “*was entrepreneurial, . . . extracting intelligence from a cross section of people*”.He was deft and manipulative “*striving for publicity, credibility and reputation*”.[[19]](#footnote-19) On one occasion, as a publicity stunt to affirm the family's ‘noble’ status the City’s Bishop’s crook, which had been previously stolen from the cathedral, was ‘recovered’ by the Baxter family and returned to the Bishop under a blaze of regional press camera flashes and reportage.

In the early 2000’s, Jack Baxtermoved into heavy handed enforcement (marketing violence as a commodity or tool to deal with competition) and extortion of multiple companies in the region primarily based around restaurants and car dealerships under the guise of ‘security contracts’.

**Images 1 and 2 – the Business organisation and money flows**

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Note: oval companies are those in the legitimate economy; the oblong shapes are those in the illegal economy.

As indicated in the images above, over the period from 2000 to 2005, the family gradually established a range of legally incorporated firms that enabled investment in a network of pubs, security firms and taxi firms ensuring their “*businesses were profitable to secure their future income stream*”. While utilising control of the floors and doors of the night time economy, Jack Baxter and his brothers expanded into the ‘adult’ industries. Further, being able to successfully trade on the threat of violence, they expanded into the City’s pubs, restaurants and food supply business. This was simply achieved by informing the owners of a wholesale food distribution company that they would be ‘selling’ their company to the Baxters (at a fraction of its actual value). Having entered into the wholesale supply business they secured their market by ensuring that targeted restaurants purchased supplies from their company. Acquisitions took place “*by threats and violence as well as coercion*”. They employed similar methods to “*supply flowers and food to pubs and restaurants*”.[[20]](#footnote-20)Examples were made of those initially unwilling to engage with the services of the Baxter delivery and ‘security’ services. Two Mediterranean restaurants were burned out after forced entries. As one of our participants[[21]](#footnote-21) told us:

 “It’s a pretty simple and thuggish way of screwing money out of people. It works like this. You have your business, pub, cafe, restaurant . . . whatever. And in he comes.

‘I’m offering security...delivery of food...bread buns’; it could be whatever the business will need and probably already has.

‘Thanks mate, but I’ve already covered that stuff. We’re fine as we are and have it all taken care of, thank you’.

‘Ok, but do have a good think about it, wont you? If you have any problems just give me a call, Okay?.’

‘A week later your boozer is smashed up, chairs going through the optics and the mirrors. A break in during the small wee hours at your restaurant and it’s burned out. You pay up or fold in. That’s the choices you are left with. What you going to do? He then turns up again and says: ‘I heard on the grapevine you had some trouble with some thugs and they made a right old mess of your boozer? As I said the other week, I can help you out here. It’s 400 quid a week and we’re on call 24/7 all year round. We’ll be up, mob-handed, to sort out any shit in three minutes flat from your call. No one will ever fuck with you or your gaff again if you get us on board. My name goes over the bar: ‘These premises are protected by Baxter Security Services’.

 ‘So, I’m basically giving money for nothing. Aside that instance (above) all we have had here in the 15 years I’ve had this pub is the odd drink fuelled fight-which are very rare-and these generally get stopped by the people sat around. When he (the extortionist) arranged to smash my pub up that was the only time it had happened. You try not claim on your insurance, as it comes back to bite you with the premiums. That damage of that ‘raid’ cost me over £1,300 and also put the jitters into some regulars and the staff we have in the pub. So basically, I’m giving him four hundred quid a week, as are the other six boozers round here, not to smash up our businesses. I know of people who pay him five-hundred pound a week not to put his name up over the bar and not to call in now and then for a free pint. Paid him off to simply him keep away.”

Aside from the acquisition of taxi firms, this move into the catering and hospitality trade by criminal entrepreneurs was also observed, within the Dutch economy, by van Duyne (1998). The use of criminal proceeds to acquire legitimate cash based businesses led van Duyne to refer to the individuals as ‘mixers’ ‘*reinvesting their crime-money in hardly viable enterprises*’ (1998: 368; also see Van Duyne, 2003).

 The functioning of the criminal entrepreneur within both legitimate and illicit markets is frequently facilitated by a blurring of the characteristic frameworks that define ‘organised’ crime as distinct from ‘legitimate’ business organisations. Simple economic exchange and consumption bring both worlds bumping up against each other. As globalisation has intensified (Robertson, 1992; 1995), the organisation of criminal activities has mirrored trends in the administration of the legitimate economy (Ruggiero, 2003; Hobbs, 1998). It is also evident that legitimate players are equally willing to cross over to the darker side by, for example, paying cash for services delivered to avoid payment of VAT. Just as with their legal counterparts, the criminal entrepreneur is “*constantly trying to better or maintain his position by choosing between alternative courses of action*” (Boissevain, 1974: 6), shifting between various actions, markets or activity as they weigh the accompanying risks and plan the execution of their criminal act (Cohen, 1977).

 Whilst Jack was in prison, Baxtersenior, using proceeds from his son’s legitimate and laundered criminal profits invested into a men’s hostel, creatively using the latter for benefit fraud. During the late 1990s and into the 2000s, the father capitalised on state deregulation and the hollowing-out of state welfare interventions that saw a neo-liberal shifting of this social policy into the private sector. He invested into and legitimately ran a number of care homes for pensioners. In particular he ran an old aged people’s home specialising in dementia care, the residents of which were paid for by the State through welfare payments. Despite this legal switch into a growing market for private sector provision of a previously supplied public sector good, much of the day-to-day running of that care home was decidedly dubious. As one of the care-home workers who previously worked there claimed:

“Often, more often than I care to remember, you'd go to the bank to withdraw some of the month’s wages on pay-day and there would be no payment. The wages hadn't gone through. And I'm skint, literally no money to feed my kids or pay for petrol. You know? That end of the month skintness? So, all the staff hadn't been paid again, and then the phone calls start asking from the staff: ‘Where's my money? This isn't on’. A day or two later he'd (Jack’s Dad) would turn up at your house-I mean-what the fuck-at your house-and open up a big black satchel full of brown envelopes with each of the care home's workers names on them and with each envelope stuffed with notes and coins and a: “Sorry for the late payment. There's an extra tenner in there for you for your troubles”. I mean, what the fuck? What type of an organised business model was that?”

Ironically, Baxter senior was recently arrested, charged and committed to trial for a multi-million pound income tax evasion fraud related to his care-home businesses, mortgage frauds and crooked pub accounts. After the pre-trial hearing the case was dropped due to medical reports claiming he was suffering from fronto-temporal dementia and was considered unfit to plead and to stand trial. Although tiring and struggling on with his old age, Baxter senior is currently semi-retired. A brother Jack Baxter has recently rescinded his criminal status and has reportedly turned his back on a life of crime. Jack Baxter continues managing his businesses.

**Conclusion: Mirror images – licit and illicit worlds**

From this discussion of the activity of the Baxters and in particular that of Jack,we have drawn attention to the development of a criminal business from armed robbery through to a highly profitable organised supply and distribution of recreational drugs through ‘controlling the doors’ of nightclubs in the City. They then branched out via the ‘high jacking’ of other legitimate businesses through a combination of extortion and threat (through legitimate security firms and food wholesalers), before finally investing in their own legitimate businesses (including legitimate acquisition of run down pubs on sink-estates) that also provided cover for fraud, laundering and tax evasion whilst latterly recognising the business opportunity provided through ‘care homes’. Jackin particular exhibited the characteristics associated with successful legitimate entrepreneurs being adept at risk management and having an influential personality. Importantly, he was aware of the significance of brand management (through enforcement and his reputation for violence) and of a status portraying the family as the victim of police vendetta.

 Many of these ‘skills’ mirror the licit world demonstrating a nimble response to changing market conditions by moving out of high risk armed robbery into lower risk drugs. As with other legitimate entrepreneurs, acute appreciation of the market position and brand image of the business (and of how it can be protected) saw Jack establish a monopolistic position within the city. Juggling multiple businesses requires understanding of their structure and of the need to ensure that their management was executed only by those close associates and family members who were trusted. His highly developed sense of public *persona,* his ability to manipulate the local media and his resultant media profile and finally his ability to both exploit and expose police corruption “*the big white elephant in the room*” shows both intelligence and a sense of humour and willingness to engage in “*the game - villains and the cops and the courts and the barristers*”.

 Whilst part of the family appear to be moving towards ‘legitimation’ and cross over into the licit world it remains to be seen whether Jack will similarly follow suit. We rather expect that his ‘status’ within the criminal fraternity will see his continued operation in the illegal sector. If the socio-economic environment in this Northern town had offered wider legitimate career choices, our conjecture is that he could have been a very successful business man rather than being a pillar of the criminal one instead.

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2. This work was partially supported by a small research grant funded by our university which was used to employ a research assistant for a two month period. [↑](#footnote-ref-2)
3. ‘North East had the highest regional unemployment rate in mid-2013’, Office for National Statistics, available at: <http://www.ons.gov.uk/ons/rel/regional-trends/region-and-country-profiles/region-and-country-profiles---key-statistics-and-profiles--october-2013/key-statistics-and-profiles---north-east--october-2013.html> (accessed 14th September, 2015) [↑](#footnote-ref-3)
4. Unproductive within this context means that the criminal contributes primarily only to the black and not towards the legal economy. [↑](#footnote-ref-4)
5. Respondent A [↑](#footnote-ref-5)
6. Respondent B [↑](#footnote-ref-6)
7. Respondent A [↑](#footnote-ref-7)
8. A reference to the Mafia patriarch John Gotti. [↑](#footnote-ref-8)
9. Respondent C [↑](#footnote-ref-9)
10. Respondent C [↑](#footnote-ref-10)
11. Respondent B [↑](#footnote-ref-11)
12. Respondent A [↑](#footnote-ref-12)
13. Respondent A [↑](#footnote-ref-13)
14. Respondents A, B and C. We cannot add further evidence to this from local press, *albeit* that such is available, as to do so would enable the family to be identified. [↑](#footnote-ref-14)
15. Respondents A and C [↑](#footnote-ref-15)
16. He was released in November, 1999 having served 10 years of his sentence. [↑](#footnote-ref-16)
17. Respondent B [↑](#footnote-ref-17)
18. Respondent A [↑](#footnote-ref-18)
19. Respondents B and C [↑](#footnote-ref-19)
20. Respondent A and C [↑](#footnote-ref-20)
21. Pub landlord [↑](#footnote-ref-21)