

## **Enterprise not Ethnicity: an interview with Dwight C. Smith jr.**

**Abstract** This email interview with Dwight C. Smith jr. was conducted during 2012 and 2013. It discusses Smith's background, influences, career and current thinking and activities from his early career in U.S. Army Counter-Intelligence in the 1950s and New York State organized crime intelligence in the 1960s, through to his debunking of Mafia mythology – particularly in the influential book, *The Mafia Mystique* (1975) - in the 1970s and then to his development of the spectrum-based theory of enterprise as a potentially more productive way of addressing the problem known as organized crime.

**Michael Woodiwiss:** Can you start by telling us a little about your upbringing, early education and where you were raised?

**Dwight Smith:** I was born on June 23, 1930 in Bellingham, WA, where my father was a Congregational minister. We lived there (except for a 2-year period, 1934-36, when we were in Edinburgh, Scotland while my father was in residence for a PhD in Theology at the University) until the Spring of 1939 when we moved to Olympia, WA, the state capital. While in high school there I had my introduction to politics in general as a page in the state legislature (a 60-day biennial session).

I grew up in a world defined more by words than by numbers. I was expected to ask "Why?" not "How much?" - unless, of course, I was in a food store! Thoughts and ideas have been my stock in trade, not statistics. I grew up in a manse where, for my Congregational minister-father, the calendar revolved in part around a weekly challenge of developing thoughts and concepts for the purpose of discovery, analysis and persuasion - known to outsiders as "sermonizing". And since in his case the challenge to him was not drudgery but pleasure, I matured with the expectation that wrestling with words and ideas was a good way to live. When I reached high school the natural route to follow was debate -- an activity in which I proudly earned a varsity letter. To me, that letter showed mental skill and development equivalent to the physical levels reflected in a letter in varsity sports. In contrast, my knowledge of numbers

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extends to adding, subtracting, multiplying and dividing -- and not much more. That may seem strange when you look at my resume, which seems to focus on information systems, but there my concern has been with the operational needs of the user, not the engineering or mathematical skills of the designer. The value of a system is not its programming elegance but the extent to which it helps the user do a better job.

I graduated from high school in Olympia in 1947 and matriculated that fall at Yale University, New Haven, CT, in the footsteps of most of my male relatives. I majored in Government, graduating with Honors in Course. In my final year I won the Frank K. Patterson prize for the best senior essay in American Politics, a significant accomplishment then (the essay was titled "American Foreign Policy and Regionalism in the United Nations"). The award began my serious interest in writing.

In the fall of 1951 I enrolled for graduate study in public administration at the Maxwell School of Citizenship and Public Affairs at Syracuse University. Those were heady days in which public service was an honorable calling. I received a Master of Public Administration degree in the summer of 1952, and began my career.

**Michael Woodiwiss:** Can you tell us how your career progressed from then?

With many of my Maxwell classmates I headed to Washington, spending nine months in an obscure position in the Navy Department. The Korean War was on; the draft was in effect. Not waiting for my number to be called, I enlisted for a 3-year tour in Army Counter Intelligence. After basic training I married Rachel Stryker. We moved to CIC Headquarters, Fort Holabird, MD (on the outskirts of Baltimore), where I spent the remainder of my enlistment. My work was not vital to any war effort, present or future, but the tour prompted an interest in analysis and investigation. After my discharge I went to work in the Management Analysis division of the Connecticut State Budget Division, under the supervision of another Maxwell graduate, Paul Veillette.

Six months later the Maxwell Career Office contacted me about a much more responsible position in the Maryland State Budget Division, so we returned to Baltimore for a 4 year assignment. It ended with an unexpected call from a former professor at Maxwell, Lynton K. (Keith) Caldwell. He invited me to join him at Indiana University (IU) to work on some State Department projects being managed by the Government Department there. We moved again, and

spent 4 ½ years in Bloomington, Indiana.

There was a Department of Police Science at IU, and one of its faculty organized a consulting group to work with mid-West police departments. I joined the group and went on a couple of assignments. During that time, in the spring of 1963, I had another telephone call, this time from Paul Veillette. He had moved to Chicago, and was organizing a management analysis group in the Chicago Police Department under its newly-appointed superintendent, O.W. Wilson. There were no experienced analysts there. Could I come to work on a “simple” problem for his staff to observe? I spent a week in Chicago, performing a hands-on demonstration of how to probe and ask unexpected and non-obvious questions about existing routines.

Two years later I had another call from Paul Veillette. He had moved to Albany as Technical Director of the brand-new New York State Identification and Intelligence System, or NYSIIS. The Legislature had just approved its creation and had given it one year to get organized. His staff consisted of a few permanent state employees and some consultants. The permanent staff showed promise, but the consultants were not competent. Would I come join him as his Deputy, with immediate responsibility for writing the System’s development plan? I agreed, and we moved to the Albany area in late summer 1965.

After 18 months at NYSIIS, I returned to academia as Director of Institutional Research at the State University at Albany. During my 11-year tour there I wrote *The Mafia Mystique* (events leading to it are described later in this interview) By 1978 the University, and my position there, had moved beyond my management interests. Simultaneously, interest in my book had grown. I decided to pursue it academically through a teaching position in the School of Criminal Justice at Rutgers University in Newark, NJ. While at Rutgers I also consulted with a local law firm retained by Bally Manufacturing Company to manage its request for a license in the newly created New Jersey casino industry.

There had been claims that the principal owner of Bally had ties to organized crime; I was asked to look into them. The result was a lengthy report to the law firm and the company from an “illicit enterprise” perspective. The approach worked very well, and I wanted to turn the report into a book. Even though it was favorable to the owner and the company, Bally was unwilling to cooperate in a public review of historic perceptions within law enforcement they had

been able to overcome in the license approval process, and declined to release the report.

In the Fall of 1981 I was invited to deliver a paper at a conference on *Mafia e Potere*, sponsored by the University of Messina, Italy. There were some 50-60 attendees, including police personnel and magistrates who were involved in combating mafia operations in Sicily and Italy. Pino Arlacchi was another conference attendee; he did me the honor of reading, without prior review, my English paper in Italian.

I could not continue at Rutgers because my lack of a doctorate precluded advancement to tenure, and my appointment ended in 1982 - along with my efforts to continue organized crime research. I spent three years working in a management consulting firm based in Boston, MA, then returned to Albany (from which I had been commuting since the Rutgers days) and eventually joined the Governor's Office for Minority and Women's Business Development (I was the token Male WASP!). My return to State government was prompted in large measure by substantial health coverage provisions that accompanied retirement from State service. I retired in 1993.

**Michael Woodiwiss:** Can you discuss how you got interested in organized crime and its control?

**Dwight Smith:** While checking some facts I chanced upon some correspondence I had in 1976 with the late John Mack, then on the faculty at the University of Glasgow. He had just finished a review of *The Mafia Mystique* for the *Canadian Journal of Sociology*, and was curious about how I got into the field. There was a brief comment in my Preface referring to "fortuitous chance". He wrote in his review: "I found this very promising, on the analogy of my own first chapter. But while this first chapter of mine runs to about 20,000 words, D.S. goes on in three lines to a series of acknowledgements. It would be nice if he were to go to town on the series of unconnected steps etc." I answered him in some detail in personal correspondence, and in rereading my copy now, I conclude that contemporary recollections are a lot better than my present memory. It was fortuitous that he asked your question: here is what I told him:

The first unconnected step occurred in 1949 when, as an undergraduate at Yale, I was introduced by the late [Professor] Willmoore Kendall to his dispute with Sherman Kent over strategic intelligence. In an article for

*Foreign Affairs* that year, Kendall had referred to Walter Lippmann's idea of "the pictures in men's minds of the world beyond their reach."

The next step was my military experience (1953-56) in the Army Counter Intelligence Corps, a tour that was not in itself very exciting, but one nevertheless that introduced me in a humble way to the insides of the intelligence community. In 1963, (a) third step came: I spent a week with the management analysis unit of the Chicago Police Department, doing a small records study for them. I went there at the invitation of the unit head, who had been my first post-Army civilian boss seven years earlier, in Hartford, Connecticut. It was a short trip, but I absorbed a lot just from sitting around, shooting the breeze with the old-timers. Then in 1965 I was invited to Albany to become the first Assistant Deputy Director for Systems Planning and Research for the New York State Identification and Intelligence System. I came at the invitation once again from the man from Hartford (who had returned East from Chicago), who was the Technical Director of NYSIIS. Two months after I arrived he informed me that I was to be the in-house expert on organized crime intelligence and computers, for which purpose I became rapporteur for Oyster Bay conferences 2 through 5 (described in *The Mafia Mystique* pp.242-248). At that point the earlier steps suddenly fell into a pattern. Two of the major police attendees were from Chicago; though I had not met them there, we had an external common ground at the outset. Eliot Lumbard, the conference guru, decided that the third meeting would consider how national intelligence doctrines might be applied to organized crime intelligence; I was charged with preparing for that agenda, and the task brought my Army experience back into focus. I became the principal author of "A Theory of Organized Crime: A Preliminary Statement." It was a 200-page manuscript intended to explain (for the Third conference) how the concept of strategic intelligence differed from the kinds of intelligence police officers were used to. For that purpose I had to study the 4 or 5 texts available – beginning with Sherman Kent's *Strategic Intelligence*, which had prompted Willmoore Kendall's earlier argument. (I knew I was on the right track, incidentally, when I received a complimentary, and supportive, essay about the manuscript from Sherman Kent himself, who was then Chairman of the CIA Board of National Estimates.) As I read Kent, I looked again at Kendall's article, saw again his reference to Lippmann, and was prompted to check the original, *Public Opinion*. The introduction to it consists of a quotation from Plato's "Allegory of the Cave," and that's where the distinction between imagery and reality began for me.

I left NYSIS for the University [at Albany] after the Fourth Conference, though I attended the Fifth in the Spring of 1967 as a consultant-visitor and did the minutes for it in that capacity. One of its attendees, Don Riddle, was then Dean of Faculties at John Jay College. On the final morning of the conference he asked me if I would be interested in putting together a senior seminar [on organized crime] for the following fall. I agreed. Over the summer, as I was trying to put the course together I had a visit from Keith Caldwell, for whom I had worked at Indiana University. Keith had some friends living near us here, and during a vacation visit to them he came over to chat. I told him of my course, and that the images/ realities question [would be] one of its main threads. He suggested that I look at Jim Thompson's new book, *Organizations in Action*, which had just come out (and which he knew about because Thompson was a friend from the School of Business faculty at Indiana). Sight unseen, I ordered it and put it on the reading list. It turned out to be far too difficult for undergraduates, especially if they were also full-time policemen, so I dropped it as a required text. But from it came the ideas about task environments and domains, and the whole idea of dynamic organizational behavior as being perhaps an important aspect of "organized crime."

About that same time, someone steered me toward Werner Sombart, and that lead opened up for me the idea of entrepreneurship in any kind of business, legal or illegal.

Incidentally, while I was at Indiana, Gertrude Lindesmith worked for me as a tutor in a program for foreign students. Her husband was Alfred Lindesmith and his book, *The Addict and the Law* (1965) came out shortly after this time. Knowing them, the book, and his problems with the Narcotics Bureau\*, helped prepare me to appreciate what the Bureau had been doing with the Mafia label, when it came time for me to start looking at the post-war period. Although I was, I think, highly critical of the Bureau, I never experienced the sort of harassment that plagued Lindesmith.<sup>1</sup>

In September 1970, Laud Humphreys came to the School of Criminal Justice

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<sup>1</sup> Alfred Lindesmith was a sociologist who endured three decades of harassment by Harry Anslinger and his agency, the Federal Bureau of Narcotics, detailed in John F. Galliher, David P. Keys and Michael Elsner, 'Lindesmith v. Anslinger: A Early Government Victory in the Failed War on Drugs', *Journal of Criminal Law & Criminology*, Vol. 88, Winter 88, pp. 611-682, available at <http://druglibrary.org/schaffer/history/anslingerlindesmith.htm>

at Albany. We became good friends. As a deviance theorist he was fascinated by what I was doing, and insisted that I think about a book. My consciousness of deviance theory stems from our numerous conversations. Ironically, the FBI was tapping his phone at that time, in connection with a federal indictment in Illinois that had preceded - and prompted -- his move to Albany. He didn't learn that until much later. I wonder how many of our conversations they recorded? And did they generate a file on me as a result?

He didn't learn about the taps until he and his Albany lawyer (a colleague on the School of Criminal Justice faculty) were preparing his defense for the federal trial that would take place in Illinois in 1971.

The background of the wiretapping starts with Laud's role in 1970 - at the height of the anti-Vietnam War period - in diverting a student protest from trashing files in the draft board office in Carbondale, home town of Southern Illinois University. As Laud described it to me later, the students stormed the office and intimidated the staff; but before they could take physical action, he called upon his prior experience as an Episcopal priest and diverted the crowd with the notion that they were participating in a religious act, even as they gave expression to their politics. To bring their presence in the draft board office to a conclusion he took a picture of President Nixon (note: every public federal office displays a picture of the current president), tore it into pieces and passed the pieces out as the equivalent of communion wafers. He then dismissed the students (with a pastoral blessing). As they left peacefully, he apologized to the staff for the intrusion and assured them that the students would not return. They didn't.

It was a brilliant tactical maneuver. But rather than being thanked for his actions, Laud was indicted by a federal grand jury for destruction of government property. The picture he had ripped up -- the "destruction" act - was office equipment with monetary value (probably not more than \$2.00). The wiretapping was part of the information-gathering needs of the District Attorney for Southern Illinois for the grand jury and for anything else that might pertain to events at the draft board or to other anti-war protest action.

As an epilogue to this story, Laud told me that when he was arrested by the FBI following the indictment, he was driven down to the court house for formal arraignment. While in the car the agents asked a number of

questions, none of which had anything to do with the case at hand; all they wanted to find out about concerned his book, *Tea Room Trade* <sup>\*</sup>.<sup>2</sup>

One final and critical step. Laud introduced me to Leslie Wilkins' concept of a range of behavior "from the very saintly to the most sinful." The spectrum of legitimacy concept comes from that. But I didn't know how to put it together until December 1972, when I went into an evening seminar at John Jay (the last year I taught the course), conscious of the fact that somehow I had not quite made my point. I determined to give it one more try, took a piece of chalk to the board - and suddenly, there it was! It was truly a moment of revelation. The diagrams of power brokering and security and enforcement (pp. 343 and 344 of *The Mafia Mystique*) come from that piece of chalk, though at the time the diagram was horizontal.

That's what I meant in the preface by "unconnected steps." The contrast with "rational design" was an arcane slap at Donald Cressey's insistence on it as the justification for deliberate development of Cosa Nostra. Bear in mind that my book began really because I was angry at *Theft of The Nation*, and I simply had to draw blood one more time, even if I were the only one to see it flow. (Donald Cressey had contributed an influential paper to President Lyndon Johnson's Commission on Law Enforcement and the Administration of Justice. He followed this up with *Theft of a Nation: The nature and operations of organized crime in America* (New York: Harper, 1969). I analysed both publications at length in *The Mafia Mystique* pp. 306-310.

Incidentally, in connection with my comment about Cressey's short deadline for the Crime Commission (p. 307 in *The Mafia Mystique*), I remember being with Charlie Rogovin one time - I don't think it was an Oyster Bay meeting, and I don't think Cressey was present - when Charlie asked and answered a rhetorical question: "You wanna know how that paper (for the Commission) was written? I told Ralph (Salerno),<sup>3</sup> 'Tell Cressey all you know,' and I said to Cressey, 'Don, write it all down.'" (Charles Rogovin served as Assistant Director of President Lyndon Johnson's Commission on Law Enforcement and the Administration of Justice. Ralph

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<sup>2</sup> An ethnographic study of homosexual encounters in public places published by Duckworth in 1970.

<sup>3</sup> Ralph Salerno was a Detective Sergeant in the New York Police Department. He would later co-author with John S. Tompkins, *The Crime Confederation: Cosa Nostra and Allied Operations in Organized Crime*, (New York: Doubleday, 1969).



Salerno. So much for scholarship. I didn't put the anecdote in the book because there was no substantiation for it other than my memory; and I didn't want to interject a potential fight over a relatively minor point.

So. As a result of all this I adhere to the aphorism, "Chance favors the mind prepared."

**Michael Woodiwiss:** From 1965 to 1967 you were Assistant Deputy Director for Systems Planning and Research for New York State. I understand you supervised the initial definitional studies for an organized crime intelligence capability for the New York State Identification and Intelligence System. As part of that process you were the principal recorder for the Oyster Bay Conferences on Organized Crime. Can you elaborate a little on your work for NY State during this period and the upshot of these definitional studies? Why was there thought to be a need for the Conferences as part of that process?

**Dwight Smith:** As a preface to my answer a brief comment about Eliot Lumbard is in order. When we came to Albany he was serving as "Special Assistant Counsel to the Governor (Nelson Rockefeller) for Law Enforcement." In that capacity he was instrumental in designing and, subsequently, birthing through the State Legislature the statewide criminal justice information-sharing entity that became known as NYSIIS. (From the Governor's Office he was also instrumental in persuading the State University to establish a School of Criminal Justice at Albany.) NYSIIS focused initially on developing a computer-based repository of criminal histories, but Eliot's real interest was development of a computer-based information system for supporting organized crime control. In fact, at one point at Oyster Bay Eliot told me that, as he saw it, the fingerprint and rap sheet records of NYSIIS were a "front" for the unpublicized mission of NYSIIS: organized crime control. It was his way of turning his Apalachin investigation (see below) from a failure to a success. Intelligence was more important than Identification.

In Chapters 7 and 8 of *The Mafia Mystique* I described the meeting (of a number of suspected Italian-American racketeers) at Joe Barbara's house in Apalachin in 1957, and the aftermath of federal and state investigations and prosecutions. Ultimately, little of substance came from the latter, much to the frustration of those who had led the investigative charge. Inherent in all of the investigations, and a clear cause of the failure of those efforts, were the lack of consistent and comprehensive information about Barbara's "guests;" and the absence of a genuine inter-jurisdictional approach. Eliot, as Counsel to the

State Commission on Investigations, was one of the principals in that investigative process - and the only one who addressed the problems associated with obtaining and acting upon police records from multiple sources. The Oyster Bay Conferences, which I described in some detail in *The Mafia Mystique*, pp. 242-248, would address the need for a unified approach.

The First Conference, in June 1965, was a bold experiment. To further his goal Eliot organized the first Oyster Bay (named for its location) Conference on Organized Crime in June 1965. He invited some 30-40 individuals from around the country, the core of whom were police officers, prosecutors and representatives of local crime commissions, to come and talk about their common interest, organized crime control. He was the only one present who knew them all, and he asked them to share their knowledge about a subject towards which most of them started with high anxiety about secrecy and confidentiality. The experiment worked: they could share confidences, and they agreed to talk again.

The Second Conference had a slightly different list of attendees because of prior commitments that some had for one date or the other. It was also successful, but there was a general sense that more than shared confidentialities was needed. A third meeting was proposed with a more specific goal: greater consensus on what was meant by organized crime and its control. I was asked to prepare a background paper for that meeting.

I was in a unique position to address definitions because I carried no prior conceptions or images. All I had besides that clean slate was an analytical approach. The "Theory of Organized Crime Control," prepared for the Third Oyster Bay meeting, was the result. I presented it to approximately 40 attendees, having previously circulated copies for advance reading. I only had to give a summary to start the discussion. I focused on the fact that most of them thought and acted tactically and that for a more deliberate approach to organized crime control they had to think strategically. To their credit, they all recognized this as a new and valid point, and my "preliminary approach" (I remember emphasizing the sub-title) as a useful way to proceed. It had to be someone other than the Oyster Bay participants, however, because they were all immersed in tactical issues and didn't have the time or resources to try a new approach. Eliot said that NYSIIS would do it.

After Eliot said "NYSIIS would do it," we employed new and more knowledgeable consultants to investigate the creation of an intelligence

capability on organized crime. They came via the Hughes Aircraft Company Technical Analysis Office. The two principal investigators were Lieutenant General (ret.) Charles Cabell, formerly Deputy Director of CIA, and Richard Bissell, Jr., former head of the Operations Division of CIA. I enjoyed our dealings with them (and the rest of their team); they produced what I thought was credible and useful. We never discussed CIA covert actions (Bissell's former area of responsibility) since our focus was on the office end (i.e., in-house analysis) of a strategic intelligence capability. I don't know what became of the report, I was preparing to leave NYSIIS and my mind was elsewhere, preoccupied with a new job; I don't remember any details of their report. And I don't know what the NYSIIS successor - it was renamed the Division of Criminal Justice Services two or three years after I left - did about organized crime after that.

It is likely that Lumbard had other agendas beyond NYSIIS for convening the Oyster Bay conferences. The attendees were from around the country, not just New York State, and couldn't be a force promoting ideas for one state alone. Eliot in this case hoped to create an inter-state community of specialists who would be willing to talk together about their individual assignments. It was to be a community of believers, not a forum to promote governmental action.

At the same time, Eliot sensed the opportunity to co-opt the Conferences as part of a public campaign to establish the reality of an "organized criminal conspiracy" in the public mind, especially in New York State. As I wrote in *The Mafia Mystique*, especially Chapter 8, there were other contributors to that effort. It was wider, and covered more time, than Eliot's particular share in it; but he certainly contributed.

### **Who were the most influential participants?**

Eliot was obviously the most important participant. He organized the first five Conferences, and he ran them. (There was a Sixth conference, organized by the new School of Criminal Justice at Albany as Lumbard was leaving the Counsel's Office. Since Eliot's "hidden" purpose for NYSIIS remained out of sight, the School assumed that it should take over the responsibility in the context of normal law enforcement operations. The result was an academically-oriented meeting at which the law enforcement attendees were polite but, I think, turned off: there were no minutes from the Sixth conference, and there never was a Seventh conference).

In addition to Eliot, 91 individuals were present at Oyster Bay, but most of them (53) attended only one conference. In fact, there were only nine others who attended conferences 1-5, and four of them were staff or consultants at NYSIIS. The other five included three police officers, one lawyer from the staff of a district attorney and one local Crime Commission executive. They were from different jurisdictions, only two being within New York State. Consequently, 'influential' varied by meeting and topic.

Of the 39 multiple conference attendees, Ralph Salerno (who was not at the first conference) was perhaps the most consistently influential largely because he had the most seniority at the police end of the business, and he got along well with Eliot. The other attendees all participated actively, but no one tried to steal the podium from Eliot (except when it came to the Sixth conference, as I mentioned above). A Fourth Conference in the fall of 1967 focused on "educating the public" about organized crime, and a half dozen prominent reporters attended for that discussion, and their contributions were noteworthy (see *The Mafia Mystique*, pp. 245-246 for a description of the unexpected outcome of that meeting!). The Fifth Conference was held in the spring of 1968, after the Task Force on Organized Crime of President Lyndon Johnson's Commission on Law Enforcement and the Administration of Justice had completed most of its work. Three of its principals were vocal attendees at that meeting: G. Robert Blakey, and the aforementioned Rogovin and Cressey, I remember in particular. They participated a great deal at that conference and at the two previous ones that they also attended. (Blakey, like Cressey, had contributed an influential paper to it. He became the main author of the Racketeering and Corrupt Organizations (RICO) Act that Congress passed shortly after. I remember that we talked at some length about his idea while it was still in draft form.)

There was one participant in the Oyster Bay meetings who was never publicly identified: N. Harris Lyon. I don't know the circumstances under which he attended, except that I doubt that it was at Lyon's, or his agency's initiative; the participants all came at Eliot's invitation. Lyon was employed by CIA. He participated as a listener, seldom entering the discussion. Through him I sent a copy of my "Theory" to Sherman Kent for comment after the Third Conference, and through his good offices subsequently visited Kent at CIA headquarters. Kent's principal observation then and in writing beforehand was that the most important information to obtain was the equivalent of manning tables.<sup>4</sup> But

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<sup>4</sup> A manning table can be defined as a survey chart or inventory for scheduling manpower requirements in an industrial plant.

this was from the perspective of never having previously thought about “intelligence” within law enforcement. He was assuming (I believe) that one could extend the spectrum of intelligence he had charted in his book into “new” territory. And at his writing from his position the opponent on which you would focus intelligence gathering was a formal government entity, the Soviet Union. Would the same collection strategy apply if the target is a non-governmental “organized crime?” I’m not sure.

**Michael Woodiwiss:** Did a consensus emerge about a) the nature of organized crime and b) the best ways to control organized crime? Was the focus on organized crime in legal markets or in illegal markets? Were alternatives to gambling and drug prohibitions discussed?

**Dwight Smith:** The conferences did not change the consensus: the participants went out the door they came in. Organized crime is a secret criminal conspiracy imported to this country by Sicilian criminals. That’s how the Crime Commission report defined it. The best way to control it is to get rid of “them”. Our task is to figure out how to do that. The focus was so intently on a tactical approach to an ethnic group that virtually all discussion started from these premises. Alternative approaches were not part of the equation.

I haven’t mentioned it previously, but it’s appropriate here: my initial assignment was to think about how computers could be used in organized crime control. Bear in mind, this was the 1960s, when computers operated under primitive languages such as Cobol. NYSIIS was touted as a way to get “instantaneous” (how I hated that word!) answers from hardware that consisted of two back-to-back giant mainframes supported by 67 tape drives on-line. I kid you not: that was the description in the 1966 System Development Plan (my other main contribution to NYSIIS). In that context, how do you write a program that will distinguish some criminals from others on the basis of last names that end in vowels? That, essentially, is how organized crime was perceived. The computer system problem framed my thoughts through the Oyster Bay experiences. Can you really define organized crime that way? In truth, this is the context in which *The Mafia Mystique* was germinated.

On the surface, it would appear that we no longer think that way. We now recognize that many other criminal enterprises have ethnic dimensions that are not Italian - but they are still called Mafias. As I wrote in the book, “Look at all these criminals behaving like Italians.” I have the sense, from what I read

mostly in the papers, that law-enforcement is still (and probably always must be) focused on tactics, not strategies.

Somewhere along the line I was referred to Thomas Kuhn's *The Structure of Scientific Revolutions*. It is entirely pertinent to the organized crime question. To look at illicit entrepreneurship rather than criminal organizations is a paradigm shift that society as a whole has not been able to accommodate -- and until it can, law enforcement will continue as it has in the past. Using Kuhn's terms, I think it is fair to say that law enforcement operates at the base level of "normal" science, and is not prepared, or able, to think out of that box.

**Michael Woodiwiss:** To the best of my knowledge the earliest mention of the concept of money laundering in the media is in 1965 and from then on the best selling work of Hank Messick helped to establish it in the public's mind. Was money laundering discussed at Oyster Bay or in other parts of the law enforcement community? In other words what can you tell us about the origins of 'Follow the Money' organized crime control techniques?

**Dwight Smith:** I do not recall money laundering as the formal topic of any of the discussions. That doesn't mean the topic was entirely absent; it may have come up in the course of other conversations. As I see the issue, though, initiative for dealing with money laundering lies primarily with the legal community -- Justice Departments (federal and state) and District Attorneys. The principal focus of the conversations at Oyster Bay was on police activity led, of course, by appropriate legal entities, and in that context money laundering was somewhat of a subordinate topic. The "follow the money" approach may have more roots in investigative reporting than in law enforcement. But I may be stretching the point. Those who pushed it, however, were not part of the Oyster Bay attendee group.

This may be an appropriate point to mention the most significant *non*-attendee at Oyster Bay: the FBI. One Special Agent from New York City attended the Second and Third conferences, but no one else from the Bureau. There are several reasons for this. First, Hoover was not going to be part of someone else's agenda (I'll say more about this later). Second, almost every state and local law enforcement organization had had its difficulties trying to deal with the FBI; the result, at Oyster Bay, was that negative comments about the Bureau's role, or lack of it, in information sharing on all topics were common. Third, Eliot himself was *persona non grata* with the FBI. At one point a letter went from Hoover to Governor Rockefeller as a specific complaint against some

way that Eliot had interfaced with the Bureau. Copies of the letter were circulated clandestinely among some of the senior technical staff at NYSIIS, and I kept mine as a souvenir. I believe it was a factor in Eliot's departure from the Governor's Office.

**Michael Woodiwiss:** In your work you cite *A Theory of Organized Crime Control: A Preliminary Statement, prepared by the technical staff and consultants of the New York State Identification and Intelligence* as a background paper for the Third Oyster Bay Conference. Can you explain the essence of this theory?

**Dwight Smith:** As I mentioned previously, the most important part of that paper is its subtitle. When I was given the assignment I had no idea what the result might be. Further, I had less than six months in which to produce it so that it could be circulated in advance of the Third meeting. I did very little else in that period. First, I had to absorb the contents of the 4 or 5 books then available concerning strategic intelligence; and as I did that, I realized (a) that there are profound differences between tactical and strategic intelligence; and (b) law enforcement entities, especially police agencies, focus on the former with no real appreciation of the latter. My "preliminary statement" was to make that point. I don't have a copy in front of me but apparently, from Sherman Kent's comments (which I do have and just re-read), I added some initial thoughts about how a strategic approach would be organized: what strategic intelligence respecting organized crime and its interface with computers might be was the topic for another time. In fact, that was the principal impetus for the consultant activity described above.

**Michael Woodiwiss:** The conventional/popular explanation for America's slow start in organised crime control lays the responsibility on J. Edgar Hoover of the FBI. Any comments/thoughts?

**Dwight Smith:** There is a lot of truth in that explanation. Personalities and political/bureaucratic in-fighting have always been part of the picture. Primarily, Hoover's focus was on crimes that could be identified, solved and put into statistical reports that either demonstrated or implied the importance of the FBI in general crime control; organized crime doesn't fit that simple framework. (Incidentally, much of the local law-enforcement antagonism at that time stemmed from the perception that the FBI was taking credit for what local police forces had done.)

A second, but in some ways equally important factor was that Hoover did not intend to take a subordinate position to any rival -- especially the Federal Bureau of Narcotics (FBN). Hoover and Anslinger competed for budget resources and for top-dog imagery. The fact that FBN was the first to publicize the drug problem as a "Mafia" event meant that Hoover couldn't acknowledge it without admitting that the FBN got there first. That's why Joe Valachi and "Cosa Nostra" became so important: they allowed Hoover to enter the discussion under a different label that indirectly implied that he knew better than Anslinger. And that's why after Valachi the FBI always used the name "Cosa Nostra," and never "Mafia."

You won't find any documentation of this second point: it's entirely circumstantial. But I think it's the only plausible way to explain how and why the FBI's entry into organized crime control occurred.

**Michael Woodiwiss:** In 1975 *The Mafia Mystique* was published and during this time period you introduced a 'theory of illicit enterprise'. Can you briefly explain this theory and its implications for the development of organized crime control policies? Why did your efforts to make the study and analysis of organized crime more contextual and rigorous provoke such a negative response from some quarters?

**Dwight Smith:** The first explication of the Theory was in *The Mafia Mystique*. I expanded on it in subsequent writings, some of them published. I'm not sure what its implications are specifically for the development of organized crime control policies because in my mind it is a paradigm shift which, if ever adopted, would encourage "normal science" practitioners (Thomas Kuhn's language here) to develop those policies. Generating that shift is a hard slog in today's politics, but I still think it is worth someone's efforts to pursue it. My most recent statement of the issue was in my 1995 unpublished paper, "Legitimacy as a Definer of Business: Who can 'Play the Game?'" When I picked the title 17 years ago I didn't realize how prescient it was.

In my view, the principal reason why there was a negative response was that leaders had too much invested in the current paradigm of the alien criminal conspiracy. Besides I was asking that someone take time away from pursuing and prosecuting racketeering cases in order to sit and think. Also, the proposal that there is only a thin and movable line between licit and illicit tends to evoke a queasy feeling in some circles. For example: whatever happened to the concept of usury? Does it have anything to do with credit card interest rates?



**Michael Woodiwiss:** Can you offer an explanation for the US government's and the international community's continued adherence to the 'parasitic' model?

**Dwight Smith:** The political consequences of a paradigm shift take viewers beyond rational thought. That is particularly true in the U.S. now, given the resource and power gaps between the 1% and the rest of us and the undeniable result of having corporations defined as “persons” in the context of campaign financing. This is one place where the “thin and unmovable line” I mentioned before comes into focus.

**Michael Woodiwiss:** Today there seems to be very little debate about the nature and meaning of organized crime. Most discussion and research seems either to be 'presentist' - lacking any effort to engage with the past - and focused on the possible future - in the form of large, continually updated 'threat' assessments. - any comments or observations?

**Dwight Smith:** My comments will sound cynical, and in part they are. But I mean them to be grounded in thought rather than emotion. A lot of the debate has political ramifications (Yes, it always has, and probably always will), but here I mean political in terms of what is doable. In U.S. politics today, “threat” is a powerful word. Since 9/11 people have been looking for assurances, and an agency that can convince its viewers that it has its threats in focus and is working to relieve anxiety about them is in a stronger position than a different view of the facts might suggest.

**Michael Woodiwiss:** Your work has made a significant contribution to the study and understanding of organized crime? May I ask why there have been no publications since the 1990s?

**Dwight Smith:** In 1992 I tried to get back into my earlier studies. My mechanism for that was to enroll in a doctoral program in organizational studies at the University at Albany. As I wrote in my application, “I want to pursue a doctorate in organizational studies in order to establish a full and systematic academic grounding that I can use to elaborate upon, and test, a spectrum-based theory of enterprise.” I completed the course work for the program and took the first of three comprehensive exams that I had to pass in order to assemble a committee and proceed to write a dissertation. I received a marginal pass for that exam; and on reflection realized that I did not fit the mold of the program. I was older and more experienced in the outside world

than any of the faculty, and I was at least of father-age to my fellow students. I was not intending to enter a teaching career as they were, and as the faculty viewed the purpose of the program. My working career, as noted above, ended after the class phase of my studies. I was too old to jump through hoops, so I decided to drop out.

Meanwhile, I had reached out to scholars in both the criminology and business communities. My aim was to try to bridge the gap between them by addressing the problem of “legitimacy” that kept them theoretically apart. I made formal presentations in 1994 and 1995 to the national meetings of the American Society of Criminology and the Academy of Management. I had positive feedback from both, but only in the abstract. Two barriers to an operational response were obvious. Without a doctorate I could not be taken seriously; and no one wanted to stray from their established positions in academia in order to take up a new idea. My proposal was “incommensurable,” to use Kuhn’s term.

If I had been part of a recognized, “legitimate” forum from which to speak I might have kept at it, but I was not, and so decided to spend my time cultivating my own garden (literally: in 1994 we moved from downtown Albany to the country and started raising flowers).

**Michael Woodiwiss:** In 1991 you wrote an article entitled, ‘Wickersham to Sutherland to Katzenbach: Evolving an “official” definition for organized crime’ for the Journal *Crime, Law and Social Change*. Is it fair to say that in essence you argue that the “official” theorizing on organized crime represented by Wickersham consultants Goldthwaite Dorr and Sidney Simpson was far superior and more likely to be productive than “official” theorizing on organized crime since the 1950s? Dorr and Simpson’s work implied that government policy on organized crime should be based on understanding the ‘what’ of organized crime. Why do you think that this approach was superior to the one that became dominant from the 1950s which stressed the need to target the ‘who’ of organized crime because they constituted a ‘national security threat’?

**Dwight Smith:** I started that article with a quote from Justice Frankfurter (which came to me courtesy of Bob Blakey), “where one comes out on a case depends on where one goes in.” The “what” and the “who” as starting points for the organized crime question lead to very different answers. And it may be significant that Dorr and Simpson, who asked “what” in 1929 came from

outside law enforcement. They were lawyers in private practice in New York City, and their exposure was more to the law than to the culprits. They were asked to develop an estimate, and a description of its parts, for determining the economic cost of crime. They defined four categories of loss: those due to crimes against persons; those due to crimes against property; those incidental to the administration of justice (such as wages lost by jurors); and “losses due to other crimes affecting wealth.” That final category had two parts: commercialized fraud, and, extortion and racketeering. As to the former, they noted that “(s)uch criminal schemes shade off by imperceptible degrees into enterprises which are so conducted as to avoid criminal liability although employing unethical or even illegal methods of doing business; and the line between criminal and noncriminal activity is thus frequently a rather arbitrary one.”

The significance of their analysis is that by focusing on events rather than persons they identified a broad economic category that encompassed both the “businessman gone wrong” and the racketeer. Both of their crimes, they concluded, “are examples of organized crime as a business. Both are modern in development and methods, and constitute, it is believed, by far the most serious problem with which criminal justice in present-day America must deal.” The Commission agreed. The letter by which its report was transmitted to Hoover and the Congress ended on this note: “the importance of dealing effectively with organized crime, whether commercialized crime or extortion, can not be overestimated.”

For our purposes here, the importance of the Dorr-Simpson analysis is that it was organized around categories based on criminal law rather than categories based on criminals. Unfortunately, for our purposes, their analysis was eclipsed then by the larger question facing the Commission: Prohibition -- and, then, the Great Depression. Their approach after that was ignored. In 1939 it was effectively killed when Edwin Sutherland, in his presidential address to the American Sociological Society, invented the category of “white-collar crime” to describe the businessman-gone-wrong and to distinguish him from the gangster-businessman. From then on we could discuss organized crime as separate from white-collar crime, because the people involved were more different than the similarities between their acts.

Thus when the Crime Commission did its work in 1967 the public and professional focus was on people, not events. The alien conspiracy theory was waiting in the wings for its cue to take center stage - and to educate us to

believe than organized crime was a foreign importation not an inherent part of the economy.

### **Selected Publications of Dwight C. Smith Jr.**

*The Mafia Mystique* (Basic Books/Hutchinson & Co, 1975)

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“White-Collar Crime, Organized Crime and the Business Establishment: Resolving a Crisis in Criminological Theory,” in Peter Wickman and Timothy Dalley (eds) **White Collar and Economic Crime**, (D.C. Heath & Co., 1982) 23-38.

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“Illicit Enterprise: An Organized Crime Paradigm for the Nineties,” in Robert j. Kelly, Ko-Lin Chin and Rufus Schwartzberg (eds.), **A Handbook of Organized Crime in the United States**, (Greenwood Press, 1994) 121-150.