

Source: <http://www.policemaq.com/blog/gangs/story/2007/06/the-business-of-gangs.aspx>



## The Business of Gangs

**Gangs can make a lot of money and accrue a lot of power, but they will make mistakes that you can exploit.**

June 1, 2007 | by Richard Valdemar

The dynamics of Los Angeles and the Crip and Blood gangs of the 1980s presented certain criminal entrepreneurs with the opportunity to control the drug trade in large sections of the city, and the L.A. drug lifestyle provided an unlimited consumer base for expansion; it was supply and demand economics in its most vicious form.

All of this money and power has led to an explosion of black criminal gangs in the city. There were 45 identified Crip gangs in Los Angeles in 1978, today there are more than 200 L.A. Crip gangs with 17,000 members. An even smaller Blood beginning resulted in more than 70 L.A. Blood gangs with 7,000 members. Nationwide there are more than 600 Crip sets with some 30,000 members. There are almost 600 Blood gangs and 20,000 members. How did the Crip and Blood organizations expand and spread?

After Los Angeles became the nation's cocaine capital in the mid '80s, L.A. gang members realized that they could buy powdered cocaine wholesale and sell it at a major—100 percent or more—markup in other cities and states. This led to the expansion of these gangs along the major freeway and highway systems eastward.

Small groups of Crips or Bloods would move into a city, scout the local drug spots, and undersell the local suppliers. They would then make the local traffickers "an offer they could not refuse." They would agree to being controlled by the gang, or they would be murdered by the gang. When the rock cocaine epidemic hit, the gangs were in a perfect position for expansion into new markets and business growth in their existing markets.

And make no mistake, this was big business. "Ray Ray" Browning from the Pasadena Denver Lanes Bloods, "Fat Pat" Johnson and Leroy "Chico" Brown from the Compton Corner Pocket Crips, "Harry-O" Harris from the Bounty Hunter Bloods, Honcho" Day from the Grape Street Crips, and "Freeway" Ricky Ross from the Hoover Crips, ran million-dollar drug organizations with their own ties to Colombian drug cartels. They were smart and enterprising. Believe me, if some of these Los Angeles Street Gang members had been involved in legitimate businesses instead of crime, they might have become household recognized names and leaders of international corporations. Unfortunately, they choose the outlaw path.

Equally unfortunate for us all, they were really good at being outlaws. They were clever criminal entrepreneurs operating in the underground criminal system that exists in every culture. The weak, the slow, and the stupid, were quickly made the victims of natural selection. But the smartest and hardest working learned from the mistakes of others and themselves, and they became successful and wealthy.

Blood and Crip gang members invented the crack trade as we know it today. They developed fortified rock houses, used video security systems to watch over them, used cloned cell phones as secure lines of communication, and executed complicated money laundry schemes to protect and maintain their wealth. They even invested their money in offshore banks and in cell telephone and pager companies. And they armed their soldiers with ballistic vests and the finest weapons, often with better arms than our SWAT teams. If you want to know more about this, you can read about it in books like "Desperados" by Elaine Shannon, "Dark Alliance" by Gary Webb and "Monster" by "Monster" Cody of the Eight Tray Gangsters.

These vast, sophisticated Crip or Blood drug organizations nationwide are formidable, but they also have their weaknesses. They are organized but, as my old partner Kenny Bell used to say, "Not that organized."

The Crip organizations in Los Angeles are not now, and never were, allied together, except in prison under the Black Guerilla Family. The Los Angeles Bloods were allied as gangs, but each gang jealously guarded the secret of its own narcotic sources. They were basically all gang and drug competitors. And they preyed on each other. They eliminated each other as competitors and "jacked" shipments and rock houses from each other all the time.

And although the organization leaders were often smarter than your average gangster, their staff members generally were not. You can add to this the fact that the gang leaders themselves were/are gangsters first and foremost. Which means that, for all of their smarts, they were/are nothing but liars, cheats, and thieves.

They cheated their suppliers and their customers. Money was often short, and it was 25 grams or less, not 28 grams to an ounce, and when possible, the product was cut with anything handy. This made customers and suppliers unhappy, and they often took their business elsewhere.

The greatest problem for these Crip and Blood drug organizations was the terribly addictive quality of crack cocaine. Workers often became unreliable to the organization and the victims of their own poison. Side businesses in PCP, marijuana, and heroin also took their share of would-be millionaires.

The late Notorious Mr. Big said, "Number Four: Never get high, on your own supply" in his now classic "Ten Crack Commandments" of Gangsta Rap. And he was right.

I once read a very funny article in the Los Angeles Times called "Why Drug Dealers Live With Their Moms" (4/24/05). It was about a study done by Sudhir Venkatesh, a University of Chicago graduate student who was embedded for six years with a crack dealer. The study pointed out that despite the trappings of flash money, the Escalade, and the bling, drug dealers usually end up broke and living with their Moms.

Gangs can be very enterprising. They will find a product or service that people want. Then some intelligent gang member will figure out a way to provide that product or service, no matter what law

he must break to provide it. And a new enterprise will be born. Other competing gangs will imitate this system. They will war with each other, and the strongest and smartest gang will become dominate in the area. The organization will then seek to expand. They will follow the path of least resistance and establish outposts in the frontier area. And the cycle will repeat it self.

Look for these new products or services in your area. Then find the answers to these questions:

- Who's running them?
- Who are the competitors?
- Where will they likely try to expand?
- Where, what, and who are the weak links in the organization?
- Can I exploit the unhappy customers and addicts as informants?
- What technology are they utilizing against law enforcement?

When you know the answers to these questions, you will have valuable intel that will help you monitor and perhaps hinder gang enterprises in your city or county.