



Original article

Marketisation of Social Services and Mafia Infiltration: The Case of Migrant Reception Centres in Rome

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Abstract: The inquiry “*Mondo di mezzo*” uncovered a new criminal Roman organisation, named “*Mafia Capitale*”. The judiciary wanted to define it as a mafia in its own right, by applying art. 416 bis of the Italian Penal Code, which until recently had exclusively been used for groups most widely known as mafias active in the South of Italy. This inquiry initiated a public debate about the concept of 'new mafias', with reference not only to the expansion of older traditional mafias (the groups that moved away from the South of Italy), but also to the genesis of new criminal organisations that demonstrate typical mafia characteristics. Starting from this debate, we attempt to reconstruct the functionality of “*Mafia Capitale*”, its organisational profile and the grey area in which it is embedded. Doing this, we attempt to show “*Mafia Capitale*” as a large network of social cooperatives that penetrates (through intimidation and corruption) public administration and public-private companies to get tenders in sectors linked to the welfare state (healthcare, social housing, education and social services). In this way, the Roman mafia is capable of networking with entrepreneurs, politicians and public officials in order to make important inroads into the management of migrant reception centres in Rome.

Keywords: Italian Mafia, corruption, social services, public contracts, human trafficking

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The Italian Debate into New Mafias and the Case of “*Mafia Capitale*”

In December 2014, the judicial inquiry “*Mondo di mezzo*” uncovered a mafia organisation, named “*Mafia Capitale*” (henceforth referred to as “MC”). The judiciary wanted to define this criminal group from Rome as “a Mafia” in its own right, by applying art. 416 *bis* of the Italian Penal Code which until then had exclusively been used to prosecute the most widely known mafias of Southern Italy: Cosa Nostra of Sicily, the Camorra of Naples and the ‘Ndrangheta of Calabria.¹ This inquiry initiated a public debate about the concept of ‘mafias’ with reference to the expansion of traditional mafias (the groups that move away from the South Italy) but also to the genesis of new criminal organisations that possess typical mafia characteristics.² On this point, there now exists a vast literature in the social sciences, which analyses the theme of mafia expansion into international markets³ and the migration of mafias into Northern Italy (see, for instance, Sciarrone, 2009, 2014b; Varese, 2011; Allum, 2016).

At the heart of this debate, we would like to draw attention to the transformations made by migrating mafias: when they relocate, the groups increase their investments in the legitimate economy. As already demonstrated in some areas of Southern Italy, mafias are capable of networking with entrepreneurs in order to obtain significant expansion into legal markets, influencing the economic dynamics of certain sectors (especially construction, agriculture, logistics, restoration, wide scale distribution etc.) (Sciarrone, 2011b). In general, however, traditional mafias tend to prefer sectors subject to public regulation, where they can put pressure on policy-makers and gain advantageous positions in accessing public resources (Sciarrone and Storti, 2014). In these sectors, corruption is often used by mafia groups to receive public contracts and sub-contracts of major public works of infrastructure, healthcare and

¹ In Italian law, “organised crime” is based on Article 416 of the Penal Code: a criminal organisation consists of at least three members who repeatedly get involved in serious associated crimes. From 1982, Law No. 646 which introduced Article 416bis, criminalizing membership in “mafia-type” organisations, related to the intimidation power of the bonds of association, the condition of subjugation, and a code of silence as enforced by intimidation (*omertà*). It also informed the definition of the term “organized crime group” adopted in the United Nations Convention against Transnational Organized Crime (UNODC, 2004).

² The concept of mafia is also analytically distinct from that of organised crime, even if these terms are often used as synonyms. The origins of the latter are in fact traced to the political and legal debate, the phrase was coined to emphasize the organisational and criminal sections of the organisation for the purpose of repression (Kefauver Committee, 1951; Smith jr., 1991). But the concept of mafia should be instead considered as the crossover between economic, social and political dimensions that serve as the context in which it operates and which transcends continuity in time and space. To be defined as mafia, means to be a historical phenomenon, which must possess at least three characteristics: it must exert authority like that of a political or institutional power with the cooperation or cohesion of state powers; it must be socially embedded in certain social sectors and accepted as the authority; it must operate like a capitalist business.

³ Such as work on international drug networks (Oliva and Fierro, 2007; Forgione, 2008), smuggling (Sales, 2006; Guarino, 2009), counterfeiting and distribution of clothes (Brancaccio, 2011, 2015).

construction of new malls, as well as in real estate speculation and waste management (Lavorgna and Sergi, 2012).

The features of mafias considered thus far (their business profile, investments in regulated sectors and corruption) are all present in the new Roman mafia. In this article, we attempt to reconstruct its operations and ask questions about the relationship between its business activities and the predatory practices of capital accumulation in the sector of social services.

Essentially, MC is a large network of social cooperatives that penetrates (beyond intimidation and corruption) public administrations and public-private companies to obtain contracts in sectors linked to the welfare state (healthcare, social housing, education and social services). MC confirms what the Italian sociological literature suggested on this subject: the social services—after a large process of privatisation of the welfare state—represent a new and interesting market for criminal enterprises (Ascoli and Sciarrone, 2015). This sector has been reordered towards a wide marketisation (Clarke, 2004), with the introduction of a regulation model inspired by the controlled competition in the supply of social services (Ascoli and Pavolini, 2012). Growing portions of utilities are externalised, delegating some of their functions to private companies that are involved with “public-private” partnerships. These sectors demonstrate an ever-growing presence of neo-patrimonialism and dealings that favour bias in the management of public resources. This leads to a licentious mix between public and private dealings where it is then difficult to draw a line between what is legal or illegal (Coco and Fantozzi, 2012). We witness the spreading of corruption among administrators, political representatives and bureaucratic officials as well as that of the businessmen and professionals, and a phenomenon of weak legality (diffused violation of judicial norms (Costabile and Fantozzi, 2012). This de-regulated framework facilitates criminal penetration because mafia enterprises enter by gaining easy access to public tenders (Sciarrone, 2014a).⁴ This system is also valid in the case of the management of migrant reception centres, the sector in which MC invests the most (Martone, 2016a).

The reception of migrants and refugees in Italy operates in a constant state of emergency, largely subsidised by state spending and organised via a large externalisation of its services (Marchetti, 2014). The process of marketisation here is carried out in a context of de-regulation and diffusion of illegal practices, generating an

⁴ From a Max Weber perspective, Carlo Trigilia defined *political-criminal capitalism* as “a kind of economic organisation that uses illegitimate forceful threats (those of the mafia) and the conditioning of public institutions, local and regional, to promote economic activity that isn't based on professional competence but on violence and legal political resources (concessions, tenders, etc.)” (Trigilia, 2012: 52).

opaque “market of migrants”, in which social cooperatives are also connected to the mafia, which obtain illegitimate profits.

This article firstly seeks to explore the relationship between mafia enterprises and social cooperatives with reference to the so-called “false cooperation”. Secondly, it illustrates the functionality of MC, its organisational profile and the grey area in which it is embedded. Thirdly and lastly, we demonstrate the role of mafia regulation in the management of migrant reception centres.

The theoretical framework developed and the data collected are part of different projects coordinated by Rocco Sciarrone in the *Laboratorio di Analisi e Ricerca sulla Criminalità Organizzata* (Sciarrone, 2011b, 2014b; Brancaccio and Martone, 2014) and by Luciano Brancaccio and Carolina Castellano in the *Laboratorio interdisciplinare di ricerca su mafie e corruzione* (Brancaccio e Castellano, 2015; Martone, 2015) and has recently been updated with new information.⁵ This research began with the 1.600 pages written by the Anti-mafia Public Prosecutor’s office of Rome (Rome Court, 2014; 2015): this enabled us to understand the organisation of MC, the grey areas, and its circuits of corruption. The research also includes in-depth and direct observation and participation in open debates and public events on this topic. Then, a series of interviews with observers and witnesses⁶ and an analysis of the local press and reports produced by civil anti-mafia organisations were undertaken.

“False cooperation” in Italy as a Context for the Infiltration of Mafia Type Organisations

In recent years, various reports and judicial investigations have signalled a worrying phenomenon: a situation of illegality diffused into the functionality of the market, which also involves the Italian cooperative movement, until now considered a strong and unalterable point in the complex economic system of the country.

Italian legislation underlines the social functions of cooperation, which is explicitly recognized by Article 45 of the Italian Constitution, which states: “The Republic recognises the social function of cooperation with mutual character and without private speculation purposes” and promotes and favours its growth. This general character later resulted in stricter impositions on profit distribution for cooperatives that sought public subsidies than in most other countries. Given the low

⁵ In particular, this research is carried out in the frame of Programme STAR, financially supported by UniNA and Compagnia di San Paolo.

⁶ The interviews were conducted with judges and prosecutors, law enforcement officers and other qualified observers, members of trade and anti-racketeering associations, trade unionists, politicians, experts, entrepreneurs, journalists and other experts.

capitalisation of most cooperatives, these limits imply that the profits that can be distributed are extremely low, making cooperative enterprises in effect not-for-profit organisations (Borzaga, Depedri and Bodini, 2012).

The Italian cooperative movement has a long history, as it has contributed to the development and growth of the country since the second half of the nineteenth century. Italian cooperatives operate in many sectors, and some of them have a very large share of the market. Over the last few years they have performed better than the economy as a whole and managed to develop their business activities in new sectors, including for instance health, education and social services. In these sectors, cooperatives were recognized by a special law in 1991⁷ with the name of “social cooperatives”. In the case of social cooperatives, the law requires the cooperative to pursue the interests of the community and not just the interests of its members.

Hence, cooperatives, even in their “social” form, should have a non-profit profile; they are nevertheless oriented towards the market and the pursuit of results ensuring their stability and growth in terms of finances and assets. In 2013, there were 67.062 cooperatives, to which we can add 1,904 *consortia* to reach a total of almost 70.000 (Borzaga, Carini, and Zandonai, 2014). The value of production was around 108 billion euros: a figure, which underestimates the phenomenon, because only 44.000 cooperatives have their funds available in the bank.

The dimension of the industry has increased compared to 2011, when there were 61,398 cooperatives that had declared earnings of 105 billion (Borzaga, 2015). Employment has also increased: in 2013 cooperatives had roughly 1,764,000 employees, 382,000 more workers compared to the previous year. Cooperatives are present in all economic sectors, the most important being agriculture, health and social services: 75.1% of employees work in these kinds of services, and of these 22.4% are social (Censis, 2012).

The so-called “social cooperatives” have since the 1990s developed through extensive policies of externalisation in the management of social and educational services by public administrations, carried out despite the austerity measures after the 2008 crisis (Pavolini et al., 2015).⁸ Therefore, there are cooperatives that have increased profits, primarily with public finances, offering services of social importance with particular relevance to children, the disabled, the elderly and immigrants.

⁷ Legge 8 novembre 1991, n. 381, “Disciplina delle cooperative sociali”.

⁸ Between 2001 and 2011 the social co-operatives in Italy almost doubled, from 5,674 to 11,264 (+88.5%) and they have increased the number of employed by 129.4% (from 159,144 to 365,006). In 2013, despite the economic crisis, the social cooperatives generated a production value of around 10,1 billion euros with 390,000 persons employed and investments of 7.7 billion euros (Istat, 2013).

In this context, the recent demands for cooperatives to remain in the non-profit sector of the Italian economy make no sense (Bernardi, 2007). On the one hand, not all cooperatives operate in the non-profit sector. On the other hand, it must be remembered that non-profit organisations are not necessarily bodies endowed with social responsibility or those best placed to meet the needs of workers, consumers or users. There are some industrial sectors where cooperatives lose their identity by definition: here the growth in terms of scale (social base, balance sheets, organisational complexity, etc.) is accompanied by a loss of cultural and democratic values, like the principle "one person-one vote" (Cornforth, 2004). This development cannot be compatible with preservation of the cooperative identity. In other words, not all the "mutualist" cooperatives—in the sense indicated by the Italian legislation—are good cooperatives and mutually meritorious, and vice versa.

The role cooperation assumes in the economic and productive development of the country is therefore increased, giving the cooperative movement an extremely dynamic and vital place in Italian economy. Furthermore, this vitality and the margins of profit they achieve risk to lure illicit interests and make it difficult to control the sector at its core, where there are responsible figures of representation.⁹

Historically, in Italy this kind of business has been treated as a guarantee of a social mission (Pombeni, 2015). Not just in Italy. In 2012, the UN General Assembly declared the International Year of Cooperatives to endorse the economic role of the cooperatives in the world, and their impact on poverty reduction, employment generation and social integration. A success that did not leave cooperatives intact: transformation in their vocation occurred toward a "market oriented" inclination, covered by the etiquette of "philanthrocapitalism" (Edwards, 2008). This has favoured an impressive growth in this sector, attracting a huge number of businessmen and staff, and also carrying out practices more similar to capitalist businesses (with an absence of internal democracy, competition and a reduction of costs) and forms of workers mistreatment (reduction of salaries, unstable work contracts) (Corbisiero et al., 2009).

Here we have the phenomenon of "false cooperation", already present all over the world from Colombia to Chile, from Finland to Spain (Bernardi, 2005). But in Italy it is accompanied by other illegal phenomena, such as tax evasion, undeclared work, illegal hiring, and lack of application of collective agreements (Pelos, 2012). The problem of "false cooperatives" unquestionably exists in Italy, creating a grey area in which criminal

⁹ In 2011 the three biggest representative cooperatives (Agci, Confcooperative, Legacoop) united in the *Cooperative Alliance*. Since 2007 the *District Observatories on Cooperation* became active, without significant results. In 2015, to stem criminal infiltration, the *Cooperative Alliance* submitted a law proposal as part of a popular incentive called *Dispositions to counter false cooperatives*.

organisations are active. At the national level, the sector most at risk is the so-called “*agromafia*”, or rather the infiltration of the mafia in agriculture.¹⁰ The interests of the Mafias are also oriented towards social services that, as we have just seen, have great importance in the cooperative’s profit.¹¹ Indeed, the economic power of MC clan is based on a large cooperative company linked to numerous social cooperatives. In the following sections, we analyse how this particular new mafia group works with an emphasis on the social service sector managed by a mix of violent intimidation and corruption.

“Mafia Capitale”: Origins, Organisation and Networks

The organisation, named by the Roman Judiciary “*Mafia Capitale*”, has its own very real “manifesto”. Its founder, Massimo Carminati, had his phone intercepted by the police, while he described it to one of his members. The conversation began like this:

It’s the theory of the “*mondo di mezzo*” mate, the living live up top, the dead below and we’re in the middle (Rome Court, 2014: 432).

The “*Mondo di Mezzo*” (taken from the term “Middle Earth” in Tolkien’s well known novels) became the title of the operation that defeated the clan. MC is in fact a mafia organisation that operates above all in the “*mondo di mezzo*”, the place to exchange favours between the world above, consisting of grey areas, enablers and white collars, and the world below, in which there are street level criminals, traffickers and other Southern mafias that also have bases in Rome.

According to the Anti-mafia Public Prosecutor’s office of Rome, MC has “strength of intimidation”, which is the factor that distinguishes it in a legal sense from other criminal organisations.¹² The strength resides in the fact that MC was not founded recently, its origins are in the subversive neo-fascist movement of Rome in the 1960s and 1970s which then merged into a criminal organisation, known as *Banda della Magliana*. This *Banda* was the first of its kind in Rome that was able to reunite all the gangs of the area into a single criminal strategy. The *Banda della Magliana* dominated

¹⁰ In the agricultural sector, 43% of workers are illegal, 36% of the added value comes from the underground economy. The “*caporalato*”, a term meaning illegal agricultural workers paid below minimum wage, involves around 400.000 workers a year, especially illegal immigrants. The phenomenon is present in all the regions with intensive agriculture, such as Puglia, Campania, Centre-South, Lazio, Piemonte and Veneto in the North (Flai Cgil, 2014).

¹¹ As has been noted, the mafia used the cooperatives to obtain tenders for council social services, not just for profit but also for the political control (carried out with favours and backhanders), and social consensus (jobs for their affiliates and the population) (Colletti, 2016).

¹² See note 1.

Rome criminal traffic until judicial repression (Rome Court, 2000). Massimo Carminati, boss and founder of MC, came from this background and gangster lifestyle: a “legendary” icon magnified by representations in popular literature and films.¹³

Carminati had relations with other mafia-type organisations active in Rome¹⁴ and connections with extreme right-wing movements, in particular with organised hooligans, (Testa, 2009)¹⁵, political representatives and civil servants linked to neofascist militancy.¹⁶

In addition, despite this criminal reputation, the real success of MC is owed to its originality that resides in its ability to construct networks within the “grey area”. In other words, the strength of the clan resides not so much in its capacity to exert violence, but in its capacity to accumulate and use social capital in order to manipulate social relationships in different political and economic circles (with businessmen, politicians, professionals, public officials) (Sciarrone, 2011a).¹⁷ These “white collars” refer to the other boss of MC, Salvatore Buzzi, the business heart of the clan. By means of an impressive constellation of cooperatives, Buzzi managed the economic activities of the clan in the garbage collection sector, conservation of green spaces and services for immigrants, refugees, and the Roma people. The last edition of magazine *29 giugno* published information about Buzzi’s companies,¹⁸ it based its information on four cooperatives, one consortium and 1,200 workers with a quoted income of 60 million euro a year.

These individuals use public money and corruption to obtain control of public contracts of Rome City Council and the Lazio region, the Ministry of the Interior and the European Union. Buzzi and his associates “buy” the collaboration of public officials, politicians elected in local government, heads of public sector companies or public-private multi-utility companies.

To illustrate the scale of this network, we have counted the actors involved in the interests of the group, cited in the official documents of the Antimafia Public Prosecutor’s office of Rome (see Table 1). Out of 109, the network of the clan consists

¹³ The most famous case is the book *Romanzo Criminale* by Giancarlo De Cataldo, which then became a film and a TV series shown on Sky Italy. On media representations of Roman mafias see Martone 2016b.

¹⁴ Predominantly the Calabrian 'Ndrangheta and the Neapolitan Camorra, but also other native groups.

¹⁵ In particular, Carminati has ties with the *ultras* from the S.S. Lazio football team, traditionally neofascist. Out of which the most important is Fabrizio Piscitelli, known as *Diabolik*, described as a reference for the clan and the racket of drug trafficking in the area North of Rome.

¹⁶ From the ex-members of neofascist groups of Rome (such as, *Nuclei Armati Rivoluzionari*, *Terza Posizione* and *Ordine Nuovo*) several public executives have been under investigation, including administrators of public companies (Eur Spa, Atac, Ama), lawyers, judges, university professors.

¹⁷ Inspired on Rocco Sciarrone’s studies, explicitly cited by Antimafia Public Prosecutor’s office, this network is named «institutional capital» of MC (Rome Court, 2014: 91 and 809).

¹⁸ Available on the site <http://www.cooperativa29giugno.it/> (Last consultation: 31 December 2015).

primarily of cooperative businessmen (26), public officials (managers and regional officials, city councils) (20), elected politicians at various levels (14) and other businessmen (8). There are also other professionals (lawyers and accountants) and police officers. Just 33 of the 109 that were counted are described as criminals (25 of them are affiliated to other clans or organised hooligan gangs controlled by Carminati). The members tied to Carminati and Buzzi essentially offered a service of guarantying corrupt arrangements that were informally stipulated in illegal markets.

Table 1: Actors involved in *Mafia Capitale*

Actors involved in the interests of the group	<i>n.</i>
Boss	2
Clan member	6
Members of other clans	25
Businessmen	8
Cooperative businessmen	26
Politicians	14
Public Administration Officials	20
Police officers	3
Professionals (Lawyers, Accountants, Notaries)	5
Total	109

Source: author's own elaboration based on Rome Court 2014 and 2015.

An iconic case that highlights how mafia regulation works as well as the interaction between corruption and intimidation is that of Riccardo Mancini. Mancini was the CEO of Eur S.p.A. (2008 – 2012).¹⁹ He has a past of militancy with Carminati (he is an ex-comrade of *Avanguardia Nazionale*, a subversive fascist group; he managed the electoral campaign for the then former mayor of Rome Gianni Alemanno, from the centre-right. Alemanno appointed Mancini as head of Eur S.p.A. So, there is a long relationship of corruption between Mancini and Carminati, but the latter was forced to resort to intimidation strategies. The scope was to obtain payments from Eur S.p.A. to the cooperatives of Salvatore Buzzi. Making the most of his criminal reputation, Carminati made sure Mancini knew that if he was not up to the job, he would soon suffer the “consequences”:

If not, the King of Rome will come here... you are a subordinate ... the King of Rome will come here. I'm going, I come in from the main door. He'll see what

¹⁹ Public company for real estate and events management.

I'm gonna do. He won't break my balls. He must solve everything for me (Rome Court, 2014: 68).²⁰

Within these social networks corruption and intimidation are both used to win dozens of tenders within the public companies of Rome City Council (especially for migrant reception centres and waste management), in the regional healthcare and European funding (for environmental services). The unlawful agreements within this network can influence the allocation of many public tenders by means of delays, leaking of confidential information and fraudulent evaluations. The competition in the public sector of the city council's services plays its hand first and foremost in the "grey area" of relationships based on political influence with cooperatives as shown in table 2.

Table 2: Public officials involved in investigations by role

Public officials	
Rome City Council	Director of <i>Public Gardens Services</i> Officer of <i>Heritage Department</i> Manager of office for <i>Roma and Travellers</i> Department Director for the <i>Promotion of Health and Social Services</i> Manager of <i>Public "Green" Maintenance</i> Officer for the <i>Commission of Tenders for the Maintenance of Public Parks</i>
Lazio Region	Director of the <i>Department of Social Policy</i> Secretary of President of the Region of Lazio
Central Government	4 Experts in the <i>National Coordination Board for National Asylum Programme</i>
Public-private Utilities	Head of <i>Eur S.p.A.</i> Manager of <i>Eur S.p.A.</i> Head of <i>Ama</i> (Municipal environment joint stock company) Manager of <i>Ama</i> 4 others members of the Board of Directors of <i>Ama</i>

Source: extracted from info obtained from the Court of Rome, 2014 and 2015

Concerning the sectors linked to social services, we will discuss below how the management of migrant reception centres works. All sectors characterized by emergency statuses, with numerous players already well inserted in corruption. Here

²⁰ In this case the boss strategically uses the "legendary" image the media have constructed for him; he cites an article *The Four Kings of Rome* by Lirio Abbate (*L'Espresso*, December 2012), that describes the boss Carminati as one of the kings of the city. Now available on the site <http://espresso.repubblica.it/> (Last consultation: 31 December 2016).

the activity of illegal lobbying promoted by the clan become a regulatory element in a market subject to public regulation.

The Management of Migrant Reception Centres

In order to understand the mechanisms of the market social services, we will present three elements of its operation: the management of reception services for illegal migrants, diffused illegality in the management of emergency services, the role of “*Mafia Capitale*” in this scenario.

The management of the refugee crisis in Italy

The reception of immigrants and asylums seekers in Italy operates via three types of structures: welcoming centres (Cda); reception centres for those seeking asylum (Cara) and centres for identification and expulsion immigrants (Cie) (EMN, 2012). The Cda must guarantee the first rescue response to the refugee who arrives on Italian territory. The reception by the Cda is limited by a very strict time scale, necessary for establishing the identity and legitimacy of the person’s stay in Italy, or indeed the preparation for their deportation. Cara are structures that deal with the migrants who wish to request political asylum. They are hosted for a variable period (from 20 to 35 days) in order to allow time for proper identification and define the process of establishing their status as refugee. In emergency cases, when Cara do not have space to host everyone, the Ministry of the Interior can prolong their stay in Cda centres. Finally, the Cie are structures intended for illegal migrants who are subject to deportation.

From 2011, only for refugees and asylum seekers, the Protection System for Refugees and those Seeking Asylum (Sprar) was started and spread across the whole of the Italian territory. Sprar is made up of a network of local authorities that have access, within the resources available, to the fund for Asylum, Migration and Integration (Fami) and other funds managed by the Ministry of the Interior and financed by the EU. The central government also assures the coordination and monitoring of the system and the allocation of refugees who arrive on the Italian coast in twenty regions.

Locally, the municipalities, in partnership with non-profit organizations, provide interventions of “integrated reception” which embrace not only board and lodging but also guidance and support, including legal help, and preparation for social inclusion and socio-economic integration. Thus, the system definitely follows the principles that have characterized the Italian welfare system: the processes of delegation to local governments, mainly to municipalities, delivery of services; progressive outsourcing in

the provision of such services, with public funding; consequent privatisation of important sectors, broadening the scope of welfare providers. They open public-private relations throughout Italy with associations, NGOs and social cooperatives that make an essential contribution to ensuring successful interventions (Ambrosini, 2016).

The performance in this system of public-private governance has proved to be insufficient due to the important size of the migration flow and Italy's geographical position in Europe. In 2011, migrants fleeing the so-called Arab Spring and arriving in Italy were 63,000, then another 13,000 in 2012 and 43,000 in 2013. In 2014, with conflicts in Eritrea, Libya and Syria, the crisis saw the highest number of arrivals ever recorded in Italian history: 918 boats carrying 146,922 people (Censis, 2014). Faced with the emergency, the Sprar system was supported by the network of Extraordinary Reception Centres (CAS). CAS represent the emblem of emergency and deregulated management. Created to help the Sprar system, the CAS recorded the fastest and most impressive growth. In October 2014, two months before the arrest of MC, 61,536 migrants were placed in government centres, 50,711 of them in 3,100 CAS (Unhcr, 2015). This growth demonstrates the enormous space opened up for operators in this sector, amongst which the cooperatives of MC.

Between emergency and de-regulation: MC in the “refugee market”

The management of migrants reception centres described above generates an important turnover that revolves in around € 1 billion a year. It has attracted a widespread system of centres, with cooperatives, associations, various subjects already operating in the third sector or completely improvised that responded to the emergency call, accepting migrants for an average of 45 euro per day.²¹

The management of migrants reception centres described above generates an important turnover that revolves in around € 1 billion a year and which has attracted a widespread system of centres, with cooperatives, associations, various subjects already operating in the It is an interesting business opportunity: Cara of Mineo, Sicily, accommodates up to 4,000 migrants despite having a capacity of just 2,000. It allows the managers to earn between 70,000 and 140,000 Euros a day (Rome Court, 2015). The contract includes an expense of € 97.9 million for 3 years, to be paid to a consortium of companies and cooperatives with strong ties with Sicilian politics. This data comes from a judicial inquiry into a social cooperative called *La Cascina* (Rome Court, 2015). The

²¹ Currently, for every one person requesting asylum, the state gives the management bodies of these centres 35-45 euros a day, from which they should ensure food and board, clothing and integration assistance.

board of directors of Cara of Mineo received money from *La Cascina* (20,000 Euros per month) in order to cheat the competitive bidding.

As shown in this case, the illegal business in migrant reception centres is based on a constant and widespread emergency with few controls. The use of public centres and private homes' accommodation to shelter immigrants has generated for too long a worrying uncontrollable spending and severe forms of lawlessness in its management (Ammirato, 2013). There is a lack of transparency in the identification of structures and distribution of refugees and in the evaluation criteria in public procurements (Colucci, 2014). In August 2014, the Prefect of Trapani sounded the alarm by declaring that "it is obvious the interest of some in the granting of contracts for reception centres has been identified as nominees of the mafia". He continues, "we know that some administrators of social cooperatives are closely linked to organized crime and other criminality, so I asked him to set up a commission to verify the methods of approval of the agreements between Trapani and Agrigento" (Borgia, 2014).

The conjectures of the Prefect proved to be true in the case of MC. Here a large consortium of social cooperatives owned by the boss of the criminal group managed to make big gains from the management of refugee camps in the Lazio region.

The highest profits obtained through services for refugees were earned in Rome. Here MC fits into the governance of the sector as described above: the clan directs incoming flows of human traffic towards their preferred cooperatives so that they might receive more immigrants and therefore more funding from the state. The centrepiece of this scam is Luca Odevaine: a technician who sits as an "expert" on the National Board²² directing the flux and two-year plans of refugee reception, authorizing the host structures to be set up as shelters. Odevaine has a chance to steer the flow of migrants transiting from Cara of Mineo to reception centres of MC as he makes clear in this intercepted conversation:

Being part of the National Table and having a continuing relationship with the Ministry, I'm able to direct the flow [of immigrants] that arrive, especially because they pass via Mineo [Cara of Mineo, ndr]. Then from Mineo they are sorted around Italy. So, some in Rome, some in the rest of Italy... if they [MC, ndr] have the structures that can be used as centres for the reception, to be activated immediately in an emergency with no-bid contracts, the structures

²² See Table 2. The *National Coordination Board* is established by the Ministry of the Interior and is responsible for planning interventions and measures to promote integration. They also prepare the "National Two-Year Plan" intervention to achieve the effective integration of beneficiaries of international protection. On the board are representatives of the United Nations High Commissioner for Refugees (UNHCR), the Ministries of Interior, Labour and Social Policy, Equal Opportunities and the representatives of local Italian governments.

available are occupied. And the fact is that I do have a lot of work (Rome Court, 2015: 209).

In decisions of “emergency”, illegal business can creep in more easily. In April 2013, the centres of Lampedusa and Mineo were full and the Ministry asked the Italian Municipalities to find within a week at least eight hundred CAS places. Buzzi was inserted in the deal because it could have involved several municipalities interested in opening reception centres.

The case in point concerns the town of Castelnuovo di Porto, near Rome, where Buzzi had a complex of apartments that became a temporary shelter as it was suitable to accommodate four hundred migrants. The corrupt Mayor of Castelnuovo di Porto, gave his consent to begin works. In exchange, he obtained – formally – electoral contributions (“we’ll sponsor his electoral campaign... 10 thousand ... not much... in exchange he’s going to make himself available... to meet us halfway”, to use Buzzi’s words) and the promise of 0,50 euros per immigrant per day. Odevaine was compensated with a salary (directly or through fictitious rents, hiring of his wife and son) from 5 to 10 thousand euros monthly.

In the various tasks related to migration centres, there were also money-laundering activities, which favoured payments to the boss Carminati, who used this operation and his criminal reputation to ensure order in the centres. In the case of *Roma* camps, for example, he mediates with another criminal organisation in Rome: the Casamonica. This group is Sinti in origin (a nomadic people from Romania). They moved to Rome in the 1970s and joined up with various criminal bands including *Banda della Magliana* getting involved in money laundering, prostitution and drugs. It has a clear structure as noted by investigators: in 2008, 350 affiliates were identified, the most part with strong family ties, whilst in January 2012 many leading representatives were arrested for various crimes, one of which was shockingly organised “at industrial levels” (Dna, 2012: 719) with real “fortresses of drug dealing”, including security for payments and drug pick-ups.²³ When MC cooperatives obtained the tender to enlarge the management of the centres, Carminati intervened to act as a mediator with the Casamonica clan, who had a huge influence on the Roma population. Carminati agreed upon 20.000 euros a month in exchange for the “service” of managing the movements of Roma people as well as maintenance order inside the Roma camps in the suburbs of the city (Court of Rome, 2014). This system in the corruptive circuit explodes in

²³ This clan has become known to international public opinion in August 2015, after a Hollywood-style funeral of its boss, “replete with a gilded horse-drawn carriage, flower petals tossed from a helicopter and the theme music from *The Godfather* playing outside the church” (See: “Disgust in Rome at mafia don’s glamour funeral complete with *Godfather* music”, *The Guardian*, 21 August 2015).

emergency centres in the Rome area (250 to 2,500). In fact, immigrants received in Italy through the system were distributed abnormally over 20 Italian regions: over 40% of admissions there were indeed in Lazio (22.6%) and Sicily (19.7%), followed by Puglia (8.8%) and Calabria (8.4%) (Ministry of Interior, 2014: 29).

Conclusion

From an organisational perspective, MC has many characteristics that are similar to other criminal groups in Rome: absence of hierarchy, charismatic figures with criminal reputation, and investments in traditional economic sectors (illegal gambling, drug dealing, and prostitution). However, MC also presents typical elements of historical mafias, such as the obligation of secrecy, respect of the pecking order, the sharing of legal fees and *omertà*, the code of silence. Other elements of traditional mafia, such as strong family ties between members, do not appear.

MC has great intimidatory power, that resides in its origins (subversive neo-fascist movements and the *Banda della Magliana*) inherited from the boss Carminati, with his legendary criminal reputation. This long history distinguishes MC from roving bandits (Olson, 1993) due to its durable organisational structure, criminal reputation, and brutality. In other words, Carminati and his affiliates (other mafia organisations, organised hooligans, extreme right-wing movements) can choose to avoid explicit violence. Yet, their potential for violence is clear and used to subdue others within the social norms and values of *onorabilità* (the level of criminal reputation) recognised in the underworld. Values linked to a long history of subversive militancy and neo-fascism.

The real power of MC, however, is linked to its capacity to accumulate and use social capital by manipulating social relationships in the “*mondo di sopra*” (‘Upper World’). Analytically, here we come across the so-called “committee of affairs”, already well immersed in the mafias of Southern Italy, from whom they reinvest their capital in legal businesses (Sciarrone 2011a: 38). The committees are networks of businessmen (in our case, cooperatives), politicians, professionals and public officials, strengthened by fraudulent relationships for the control and regulation of determinate sectors and public funds. Through this network, MC cooperates with local state power and exerts authority in sectors subject to public regulation. Here corruption is consistently used in public contracts and sub-contracts concerning healthcare and social services.

Discussing the concept of New Mafias, corruption represents “the highway made available for mafia organisations to advance” in other territories, serving as a way to bridge a cultural gap and root themselves there (Dalla Chiesa, 2015: 256). The relation between corruption and mafias has been already observed in regard to the genesis of

new mafias in the first case in Italy in which it has been recognised: the *Sacra Corona Unita* in Puglia.²⁴ Sciarrone has demonstrated that the excess of illegality in the public administration sector favoured the genesis of an organised criminality in Puglia (2009: 175-229). But this connection between administrative and political corruption and the genesis of a strong organised crime group is especially strong if we consider the case of MC with reference to the genesis of new criminal organisations that demonstrate typical mafia characteristics. In fact, in the committee of affairs of MC it is difficult to define the level of “mafia-ness” (*mafiosità*) of the actors involved in the network, but is clear that mafia regulation works in the interaction between corruption and intimidation. In other words, the role of affiliates tied to Carminati and Buzzi is to offer a service guaranteeing corrupt arrangements that are informally stipulated in illegal markets. The corruption market is illegal in itself and has a high degree of uncertainty and transaction costs. As widely noted, the mafias regulate and organise activities in illegal markets (Schelling, 1984) where they are third party (Della Porta and Vannucci, 2007). The mafias prosper in the field of unstable transactions (Gambetta 1992). They are adept at imposing sanctions and guaranteeing agreements, which may also manifest with the use of violence (Vannucci, 2015).

The spreading corruption in the grey area is facilitated by de-regulation of the migrants’ reception system, the sector in which MC work as a capitalistic business in the “market of migrants”. This system operates in a constant state of emergency, largely subsidised by the state and carried out in a context of de-regulation and diffusion of illegal practices. It facilitates criminal penetration because mafia enterprises, in the case as “social cooperatives”, obtain illegitimate profits by gaining easy access to public tenders. These fake cooperatives hide an underworld of convenient shadiness for illicit profit and the laundering of capital. These are companies that use the cooperative model, but without any social mission, resulting in fiscal evasion, money laundering, unreported employment and exploitation of workers.

In the management of migrants’ reception centres MC has had the biggest gains, mainly due to the fact that the influx of refugees has seen such a dramatic growth of the number of people entering the country. By his network, MC has the chance to steer the flow of migrants towards its centres, making an increase of immigrants seeking political asylum in the Rome area. It had disastrous consequences, linked to the frequent escapes of migrants from these centres. Often these people end up in illegal activities, such as selling drugs or other minor offenses, initially to ensure their daily survival and later to earn a living. Drug dealing, pickpocketing, robbery in the street or sale of

²⁴ For an overview of the history, characteristics, strategies and modus operandi of *Sacra Corona Unita*, see Massari, 2014.

counterfeit goods appear to be the most common tasks. In other cases, they settle in abandoned houses, occupying space in the suburbs, waiting to leave. A case in point concerns the Selam Palace in Rome, a building of 9 floors in the southern suburbs of the city occupied by about 2,500 foreigners living in precarious and unimaginable conditions.²⁵

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²⁵ Selam Palace, formerly the Faculty of Arts, University Tor Vergata, has been occupied for nearly five years by immigrants who do not want to ask for political asylum in Italy. See: Citizens of the World, *Selam Palace: the invisible city - hensa deqi hedertena*, Report, June 2014.

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