

# **CONTROLLING TRIADS AND ORGANIZED CRIME IN HONG KONG**

**By Harold Traver**

The term ‘triad society’ entered the English language in the first half of the 19<sup>th</sup> century and referred to the triangular symbol used by one of the many Chinese secret societies dedicated to the overthrow of the alien Manchu (Ching) Dynasty. Although triad societies were originally established for political purposes, they ultimately degenerated into criminal gangs by the 20<sup>th</sup> century. It is generally agreed that when the British took possession Hong Kong in 1841 there was already a strong triad presence in the territory, which helps explain why some of the colony’s earliest legislation involved the suppression of triads. In fact, Hong Kong is the only jurisdiction in the world that has enacted specific laws prohibiting membership in triad societies. Controlling the criminal activities of triad societies was often incidental to government efforts to suppress groups that could threaten Hong Kong’s prosperity and stability.

Hong Kong, a small speck of land on the south coast of China, has always had good reason to feel insecure. In particular, the possibility always existed that at some point China would attempt to reclaim its lost territory. The Chinese government, whenever it wished to, could exert pressure on the Hong Kong colonial government by stirring up social unrest among the Chinese population. Moreover, there was also the reality that any form of social unrest inside China could in all probability spill over into colony and threaten trade, as well as the security of its residents. From the standpoint of colonial administrators, the first order of business was to find ways of controlling what it viewed as an alien and untrustworthy native population.

## **Suppressing Triads**

One logical solution was to declare triad societies to be illegal organisations. Membership, the recruitment of members or claiming membership in a triad society became criminal offenses. The first Societies Ordinance was passed in 1845 and was progressively amended in 1887, 1911, 1920 and 1949. As originally written, the ordinance (No. 1 of 1845) sought to suppress the activities of triads as well as “other secret societies prevalent in China”. This

ordinance was amended a few months later to introduce an element of intent and apply only to membership in a triad society (No. 12 of 1845). The 1887 Societies Ordinance (No. 8 of 1887) expanded its scope to include any society formed for unlawful purposes which were incompatible the “peace and good order of the Colony”. It also introduced the concept of “unlawful assembly”, and thus knowingly attending the meeting of an unlawful society became a crime. The 1911 Societies Ordinance (No. 47 of 1911) introduced the notion of registered and exempted societies and established a Registrar of Societies. The term “society” included any club, company, partnership or association of 10 or more persons, whatever its nature or object. Any society that was not registered or exempted by the Registrar was unlawful.

The 1920 Societies Ordinance (Cap 8 of 1920) declared as unlawful any society which “by reasons of its actions or proceedings is calculated to excite tumult or disorder in China or excite persons to crime in China.” Under the provisions of the 1949 Societies Ordinance (Cap 151) the Registrar could refuse to register any local society that was affiliated with a political organization established outside the colony and which appeared to have been established for unlawful purposes or for any purpose that threatened the peace, welfare or good order in the colony (Cap 151, Sec. 5(3)). Its provisions have been amended repeatedly in subsequent years to include threats to national security as well as to rights and freedoms. Given that Taiwan now is defined as being part of China, restrictions on foreign political activities in Hong Kong have been amended to specifically include Taiwan-based political organizations (Cap 151, Sec 8(1b)).

Although the Societies Ordinance has been repeatedly revised, the original version established principles that carry into the present day. First, it established the principle of attempting to control triad activities by declaring membership in them to be illegal. Thus it is no accident that the word “suppression” appears in the title of the first ordinance. The current Societies Ordinance (Cap 151), continues the tradition of attempting to suppress organizations deemed be undesirable by declaring them to be illegal. Second, it established the principle that the Commissioner of Police would serve as the Registrar of Societies. Third, it represents a long held view that the control of triad societies was a domestic issue requiring a local solution.

## **Victory over Triads**

In October 1956, there were serious civil disturbances involving Nationalist sympathizers attacking Communist sympathizers, with triads allegedly being criminally involved. The provisions of the Societies Ordinance, combined with emergency legislation, enabled the deportation of 600 triad members and the detention of more than 10,000 suspects. During this period, arrests for Unlawful Society jumped from 79 in 1955/56 to peak at 3,521 in 1959/60. The police established the Triad Society Bureau in 1958 to improve enforcement of provisions of the Societies Ordinance and to collect criminal intelligence on triad activities. By 1960/61, arrests for Unlawful Society had dropped to 747. Throughout the remainder of the 1960s arrests for Unlawful Society declined to a low of 110 in 1967/68. The Bureau could point to these arrest figures as an indication of success in fighting triads.

However, there was an inherent problem with the Triad Society Bureau; the police themselves were widely believed to be corrupt and working hand in hand with triads to protect their criminal activities. It was an open secret that syndicated corruption in the police force was fueled by triad money. This was characterized as a police-triad alliance that served to keep street crime at relatively low levels in exchange for police protection of triad activities in other areas. By the 1970s, this comfortable arrangement was starting to unravel as major cases of police corruption began to surface. The police were responsible for enforcing the Prevention of Bribery Ordinance (Cap 201), but they were increasingly seen as either unwilling or unable to reduce corruption.

A series of high profile cases of police corruption culminated in the establishment of the Independent Commission Against Corruption (ICAC) in January 1974, and in the following month the Police Anti-Corruption Office was closed. From that point, anti-corruption law enforcement was entirely in the hands of the ICAC. It is no accident that for the very first time the Police Review for 1974/75 specifically mentioned police anti-triad activity. This involved the launching of a major operation in July 1974 to “to strike at and disrupt triad and gang activities in all their various forms”. This operation resulted in 3,123 being arrested for “unlawful society” as compared with 1,568 arrests in the previous year. In 1976, arrests for Unlawful Society reached an all-time high of 4,061. As 1976 drew to a close, the police were claiming victory over triads, and described them as “being ‘more like fleas on a dog’ than belonging to a “monolithic organization”. By 1981, arrest figures for Unlawful Society had declined to

919. The standard police line during this period was, as stated in the Commissioner of Police Report for 1978:

Triad societies exist largely in name only, having degenerated from strictly controlled, politically motivated organizations into loose-knit gangs of criminals that merely usurp the names of triad societies of the past. Such gangs have their “fellow-travelers” but infrastructure has gone; such little leadership as there is revolves around individuals who have gained prestige or influence by virtue of their criminal background, and it is generally limited to the gang only.

The police might not have been given the chance to prove they were capable of effectively dealing with corruption in their ranks. But they could at least show their critics that they could move effectively against the triads. If the ICAC was seen to be solving the problem of corruption, the police at least would be able to point to their success in suppressing triad societies.

### **Organized Crime and Triads**

As the 1970s drew to a close, the police started to acknowledge organised crime as something separate from triad activities. Triad societies may have degenerated into a “loose-knit group of thugs” but members were still seen to be capable of engaging in syndicated illegal activities such as loan sharking, extortion, illegal gambling and street-level drug trafficking. In 1978, the Triad Society Bureau was reformed into a specialist unit dealing with in-depth investigations of important triad “personalities” and more serious types of triad activities. In the following year, the Triad Society Bureau was incorporated into the newly-established Organized Crime Bureau as a Division.

The problem of triad societies reemerged with a vengeance in 1983. Explanations for this have ranged from an attempted police cover-up of a long standing problem to triads trying to make as much money as possible before the resumption of Chinese sovereignty in 1997. Regardless of the reason, the police admit that several triad societies had become well structured and held “boardroom type” committee meetings to review policy and organize criminal activities. Apparently, triad societies had been only “temporarily” disorganized and fragmented. Attention also turned to assessing the degree of triad involvement in organized crime. The result was a major revision of the strategy to counter triad activity, which involved

disbanding the Triad Society Division and establishing the Organized and Serious Crime Group which comprised two bureaux: the Organised and Serious Crimes Bureau and the Criminal Intelligence Bureau. The disbanding of the Triad Society Bureau generated considerable public controversy at the time but was defended on grounds that front-line police action against triads should be concentrated where it mattered most – on the streets at regional and district level.

This period saw a fundamental change in the official view of triads. First, the activities of triad societies begin to take on some of the characteristics of organized crime. Second, for the first time the police talked about “triad involvement in organized crime”. In other words, there is organised crime and there are triad societies. However, some things did not change. First, triads and organised crime continued to be viewed as a domestic issue. Second, the Societies Ordinance continued to be the only available means for controlling triads and organised crime.

The reemergence of Triads happened to coincide with the period when Hong Kong suddenly was thrust upon the world stage because of the sovereignty question. During this period, which ran roughly from 1983 to 1997, public confidence in the future of Hong Kong plummeted and emigration increased dramatically to peak at 62,000 in 1990. Given the well-publicized triad problem in Hong Kong, there was growing concern overseas that an exodus of triad members would leave the territory in anticipation of harsh Chinese rule to seek the relative safety of Western host countries.

The government undoubtedly had a wider audience in mind when it published, in 1986, “A Discussion Document on Options for Changes in the Law and in the Administration of the Law to Counter the Triad Problem”. For the first time, there was formal acknowledgement that criminals overseas had connections to Hong Kong triads. After listing various triad activities in Hong Kong, it mentioned that:

Last, but not least, are the proven connections between overseas Chinese organised crime in the United States and Australia with Hong Kong gangs. In the last few years, there have been several visits made by infamous gangs from the United States...They have met known triad office bearers to assist, most probably, in arranging drug deals. In addition to overseas Chinese organised crime groups,

there have been indications that the Japanese Yakusa...have conducted joint ventures in Hong Kong.

In 1987, just as international attention was focusing on Hong Kong's triad problem, Hong Kong appeared on the US Department of State's "Majors List" of drug producing and/or drug transit countries. As well as being implicated in the spread of Asian organized crime, Hong Kong now was officially and publically labelled as a major transit point for the heroin trade. Whether the authorities liked it or not, the triad problem was no longer a domestic affair.

### **New Solutions to an Old Problem**

The 1986 Discussion Document represented an admission that previous control efforts had failed. The suppression of drug trafficking was relatively straightforward. Under the Dangerous Drugs Ordinance (Cap 134), drug trafficking already was a serious offense, punishable by up to life in prison. The Prevention of Bribery Ordinance (Cap 201) offered an additional means for combating drug trafficking, which was the forfeiture of assets. Consequently, in 1989 the Drug Trafficking (Recovery of Proceeds) Ordinance (Cap 405) was enacted to enable the confiscation of proceeds derived from drug trafficking.

Organised crime was another matter. It was apparent to everyone involved that a new law was needed to deal with emerging organised crime groups which could not be dealt with effectively under the Societies Ordinance. The most immediate solution in sight was the Racketeer Influenced Corrupt Organizations (RICO) Statute then in force in the United States. This statute contains provisions for prosecuting the varying activities of organised crime and allows for the forfeiture of assets derived from these activities. It had the added advantage that Australia and Canada were then in process of enacting similar laws.

For Hong Kong to even consider such a solution was a radical departure from previous practice, which helps explain why it took so long to enact this legislation. An Organized Crime Bill was not introduced until 1991. In that year, the Organized Crime and Triad Bureau also was established to investigate the involvement of organized crime in triad society activities. After considerable discussion and 70 amendments, the Organized and Serious Crimes Ordinance (Cap 455) finally was enacted in October, 1994.

This ordinance is entirely directed at controlling the activities of organized crime rather than membership in criminal organizations. Attention turned to determining the number of people involved in the offense (two or more), the degree of planning and the nature of the offense. A court can pass enhanced sentences for those convicted of offenses under this ordinance.

In 2007, prosecutors made 37 applications for enhanced sentences. Another 853 persons were prosecuted for triad society offences. Both the Organized and Serious Crime Ordinance and Drug Trafficking (Recovery of Proceeds) Ordinance have been amended several times since their enactment to enhance provisions that address such things as money laundering and terrorist financing. In 2000 the Witness Protection Ordinance (Cap 564) established a program for the protection of witnesses from threats and intimidation. With the passage of this ordinance, Hong Kong's legal arsenal for fighting triad and organized crime was largely complete.

How has Hong Kong fared in its long fight against triads and organized crime? Determining the number of triad society members in Hong Kong is obviously difficult. Estimates usually number in the tens of thousands but vary widely depending on whether both active and inactive members are counted. What we do know is that police statistics indicate triad involvement in overall crime in Hong Kong has remained near the three percent level for the past 10 years and shows little sign of changing. In recent times, there was a slight increase in the number of arrests for triad-related crimes (from 2,471 in 2003 to 2,705 in 2008) and a slight decrease in the reports of triad-related crime (from 2,471 in 2004 to 2,376 in 2008).

Despite police efforts, there still appears to be a steady supply of individuals willing to join the triad ranks. What has changed is the ability of the authorities to deal effectively with triad and organized crime activities since the Organized and Serious Crimes Ordinance took effect in 1994. In 2007, prosecutors made 37 applications for enhanced sentences for persons convicted of offenses under this ordinance. In 2008, 248 were prosecuted under this ordinance for money laundering offenses and \$17.2 million of crime proceeds was recovered and paid to the government. Another \$8.9 million was ordered confiscated and \$420 million was held under restraint orders pending the outcome of criminal trials. This confiscation of criminal proceeds, more than anything else, strikes at the heart of organized crime.

## **Conclusion**

The Societies Ordinance continues to be used to suppress membership in triad societies. The Organized and Serious Crimes Ordinance and the Drug Trafficking (Recovery of Proceeds) Ordinance are used to deal with criminal activities of triads and organized crime, and an undisclosed number of witnesses are protected under the Witness Protection Ordinance. What has changed is that crime has clearly globalized. The Organized Crime and Triad Bureau now regularly conducts joint operations with counterparts in Macau and Guangdong. Threats to Hong Kong's prosperity and stability are now seen to include international terrorist groups. Partly as result, money laundering has been particular focus of interest in recent years. The money laundering provisions of the Organized and Serious Crimes Ordinance and the Drug Trafficking (Recovery of Proceeds) Ordinance were significantly strengthened in 1995 and most recently in 2002. In recent years there has been considerable legislation in this area including the United Nations (Anti-Terrorist Measures) Ordinance (Cap 575) enacted in July 2002, which prohibits the funding of terrorist groups.

There continues to be interplay between crime control and the suppression of illegal organizations. However, now the focus has shifted from local triad societies to international terrorist groups. Clearly, the control of organized crime in its various forms is no longer a domestic issue subject only to local solutions.

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