

# Yakuza Wars

David McNeill, Jake Adelstein

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*A bloody dispute between two rival Yakuza groups in a southern Japanese city has led to a historic fight-back by local people. But rooting out the mob from society will not be easy.*

“Get lost.” Not a promising start to an interview but this is hardly a standard interviewee: a flint-eyed gangster sporting a crew cut and a boiler suit. His two colleagues glower from behind oversized sunglasses and thick layers of suspicion. Rippling tattoos snake out of the rolled-up sleeves of Goon No. 1. “Kieusero,” [Fuck Off], he growls before slamming down the shutter of his office garage.



A reputation for unpredictability and violence keeps journalists away from the Japanese mafia, or yakuza, but a vicious turf battle between two rival gangs in Kyushu in the south of the country has made them reluctant media fodder. The two-year war has resulted in seven deaths and two dozen shootings and bombings. Now, in a remarkable act of collective courage that has electrified the fight against organized

crime in Japan but divided the city of Kurume, local people are taking the gangsters to court.



Kurume City located in Western Japan

“The yakuza are using weapons like the kind you might see in the Iraq War: grenades, bombs and guns that can shoot people from 500 meters away,” says lawyer Kabashima Osamu, who is representing the 1,500 plaintiffs. “My clients have had enough. They want to live in safety and peace, and they’re putting their lives on the line to achieve it, for the sake of their children and grandchildren.”

In the most notorious episode in the war, a gangster hopped up on amphetamines walked into a hospital and pumped two bullets into an innocent man mistaken for a rival. In another,

outside this, the head office of the 1000-member Dojin-kai gang in a busy shopping area, a machine-gun ambush sprayed bullets in all directions. Those attacks finally snapped the patience of local people, who have banded together to drive them out, using a civil law that allows them to challenge businesses that “infringe on their right to live peacefully.”

Win or lose, the legal fight will go down in history, says Japan’s media. “This is the first time that citizens are trying to expel the head office of a designated gangster organization,” heralded the liberal *Asahi* newspaper, which praised the plaintiffs and called on local businesses and government leaders to support them and “drive the yakuza into extinction.” [1]

That seems unlikely. Japan’s National Police Agency (NPA) estimates that there are over 84,000 gangsters in the country’s crime syndicates, many times the strength of the US mafia at its violent peak. An essay in its house magazine, *The Monthly Police* (gekkan keisatsu) said this year that the police had made essentially no progress in trimming the Yakuza down to size. [2]

“Sixteen years have passed since the Anti-Organized Crime Laws were put on the books the power of the yakuza has not declined,” says the author Okubo Hiromichi, former head of the *Yomiuri* newspaper’s Tokyo Metropolitan Police press club. Okubo believes Japanese society tolerates the yakuza because there are so many companies and individuals willing to work with them, if it is profitable. “The yakuza [boryokudan--literally groups that use violent power] are not just using violence to raise money. They are using the power of information, capital, knowledge and networking to achieve their goals.”

A single group, the Yamaguchi-gumi is the General Motors of organized crime, with nearly 40,000 members in affiliates across Japan and a high-walled central compound in one of the

wealthiest parts of Kobe City. Because the yakuza are recognized as legal entities in Japan, with the same rights as any corporation, the group cannot be driven out -- even if the authorities had any desire to do so. On the fifth day of each month, a whispering fleet of Mercedes and Lexus cars ferries local mob bosses here from locations all over Japan. The monthly gatherings are observed by detectives but rarely if ever interrupted.



**April 20, 2002, Yamaguchi-gumi gathers in Kobe for funeral of their slain boss**

Even in cases where they only rent property, yakuza gangs are difficult to remove. The Nagoya Lawyer’s Association advises businesses and landlords to insert an “organized-crime exclusionary clause” into any contract drawn up, to make it easier to sever ties with yakuza tenants. Problems with organized crime in Nagoya -- home of the Yamaguchi-gumi’s leading faction, the 4,000-member Kodokai -- are so extensive that in 2001, the lawyer’s association issued a manual of sorts entitled *Organized Crime Front Companies: What they are and How to Deal With Them*. The book contains anecdotes from former members of a yakuza-run real estate agency.[3]

Like other countries, laws relating to rentals and housing in Japan strongly favor the rights of the renter and/or the person living or “squatting” in a property; part of the civil code

erected after the Second World War to prevent landlords from gouging tenants and hiking prices — a kind of national “rent control” infrastructure. Good for most of Japan, but it has also helped create a type of yakuza who specializes in moving into properties slated for development or auction, and demanding exorbitant fees to move -- the so-called “senyuya”.

Occasionally, the tangled relationship between the yakuza and the real estate industry emerges into daylight. In 2006, the Tokyo Metropolitan Police compiled a list of about one thousand yakuza front companies in greater Tokyo, roughly a fifth of them real estate firms. That confirms the findings of a 1998 NPA examination of the three major crime groups in Japan, (the Inagawa-kai, The Sumiyoshi-kai and the Yamaguchi-gumi), listing real estate, alongside construction, finance, bars and restaurants, and management consulting as the top five types of yakuza front companies.[4]

In March of this year, Suruga Corporation, (formerly listed on the Tokyo Stock Exchange Second Section) was revealed to have paid over 15-billion yen to Koyo Jitsugyo, an Osaka firm affiliated with the Yamaguchi-gumi-linked Goto-gumi. In return, from 2003 to 2007, Koyo mobsters removed tenants from five properties Suruga wished to acquire, taking on average 12 to 18 months to empty a building, according to The Asahi. [5] “We cannot make profits unless we sell land quickly,” Takeo Okawa, director of Suruga’s general affairs department blithely told the newspaper. “Speed is our lifeline. Koyo proved that it had the speed.” Suruga reportedly made 27 billion yen in profit by selling on the property.

What heightens the significance of this incident is that the Suruga board of directors includes an ex-prosecutor and a former bureaucrat from the NPA’s Organized Crime Control Bureau. One possible conclusion is that the authorities

who are supposed to police the yakuza are colluding with, or being deceived by them. Case after case suggests that the authorities are unable to contain the yakuza. In August of this year, a local newspaper in Saga Prefecture revealed that the Kyushu Seido-Kai, a splinter group and now main rival of Dojin-kai, had been renting property on Japanese government land for over six years and using it as a gang office. The Saga Prefectural Government was in charge of managing the land and the three-story building on it, but neither the government nor the local police could get the yakuza to leave, even after residents complained.

All this confirms what observers of organized crime in Japan have long argued: the yakuza, having metastasized into Japan’s economy and society, will not easily be removed. This is not to argue that times haven’t changed. During the 1990s, smaller mob groups went belly up and popular magazines carried regular stories of hard-up mobsters changing careers.[6] Police statistics show that the number of full and associate members fell from 90,600 to a low of 79,300 in the post-bubble years of the 1990s, before recovering, but in a way that seems to mirror the fortunes of the bigger economy: greater reliance on part-time labor in an industry that has consolidated around a smaller number of heavy hitters.

A government squeeze on public works spending has also dried up much yakuza income in the construction industry, and political ties with mob bosses can no longer be flouted as in the past. When in December 2000, pictures of then Prime Minister Mori Yoshiro appeared in the weekly magazine Shukan Gendai showing him drinking in an Osaka bar with a high-ranking Yakuza, the resulting scandal helped end his tenure, but not of course his career (he remains a strong force behind the scenes of the ruling Liberal Democrats). As Maruko Eiko, who wrote a doctoral thesis on the Yakuza notes: “What is notable about Mori’s yakuza-related scandals is

the very fact that they were scandals. The suggestion that a politician's mere association with a yakuza was sufficient to cause substantial public criticism is a fairly recent development.”[7]



**Mori sued Shukan Gendai after it published his picture with a top Yakuza**

These problems aside, the yakuza still operate in plain view in a way unthinkable to American or European observers. Fan magazines, comic books and movies glamorize them. Major gang bosses are pseudo celebrities. Some, such as the heads of the second and third largest crime group, the Sumiyoshi-kai and the Inagawa-kai, grant interviews to publications and television. The Yakuza own talent agencies such as Burning Productions and work with Japanese major media outlets.[8]

The Dojin-kai's headquarters is public knowledge, well known to any Kurume taxi driver. Signs pasted on the doors of the six-story building politely explain that the organization has temporarily moved and provides its new address on the other side of the train station. The new headquarters, immediately identifiable by its business nameplate, is a two-story compound in one of Kurume's better neighborhoods. This symbiosis between the authorities and the yakuza is partly a pragmatic recognition by both sides that, if there's going to be crime, it's better that it be organized. The worst thing anybody wants in orderly, disciplined Japan is chaos on the streets.

After a tense conversation, we're allowed inside to talk to the acting boss, who shows us into a conference room dominated by portraits of deceased chairman Matsuo Yoshikazu in ceremonial kimono, shot in the head in November last year, and his replacement Kobayashi Tetsuji, who is in prison. "You can't publish my name," says the man, a 35-year-old who chain smokes through the interview and appears conflicted by the flattering attentions of the foreign media and the prospect of severe punishment for talking to us. "We have always had a strong relationship with local people so this is a bad situation for us," he explains. "It is obvious that they are being manipulated by the cops who want to crush us."

The police, who declined to go on the record, deny that they are using the plaintiffs, as does lawyer Kabashima, who says the initiative came from his clients, not the cops. "No ordinary person wants to live beside these gangs." "There is a school close to the site of the machine-gun attack. What if the bullets had hit children?" Kabashima and his family have lived in fear since he was outed in the media last year, but he says his foes are "not stupid enough" to attack him. "They cannot move against me without severe consequences."

The yakuza have long occupied an ambiguous position in Japan. Like their Italian cousins, they have deep if murky historical links with the county's ruling party, the Liberal Democrats. A reputation for keeping disputes between themselves and not harming the families of other mobsters or "non-combatants" long protected them from the ire of citizens and the attentions of the police.

That ambiguity was supposed to have ended in 1992 when the government introduced the toughest anti-mob legislation in a generation - the so-called anti-boryokudan law (an anti-Yakuza measure)-- punishment for yakuza excesses during the booming 1980s when they shifted en-masse into real estate and other



legitimate businesses. But the state still hasn't made membership of a criminal organization illegal or given the police the anti-mob tools long considered crucial in other countries: wiretapping, plea bargaining and witness protection.

"The authorities and the Yakuza are in each other's pockets," says journalist Suzuki Tomohiko, who specializes in crime writing. "They've achieved a kind of balance where they basically accept each other's existence but pretend otherwise. It's very Japanese. The 1992 law was a kind of performance for the public." Agata Mitsunori, a former high-ranking member of the Sumiyoshi-kai, agrees. "The law was introduced because some politicians thought we were becoming too big and dangerous," he said during an interview at his office in Kabukicho, Tokyo. "It's had a small impact on what we do, but more important is the economy. We're very sensitive to recession, so some of us have been hard hit. But look at Yamaguchi-gumi. They are getting bigger and bigger."

A 2008 police white paper warns that the yakuza have moved into securities trading and infected hundreds of Japan's listed companies, a "disease that will shake the foundations of the economy." [9] Observers say the Yamaguchi-gumi, in particular, has become a behemoth with resources to rival Japan's larger corporations.

As the yakuza continue to evolve and deal in more sophisticated crimes, the police have struggled to keep up. The so-called marubo cops (organized crime control division detectives) are used to dealing with simple cases of extortion and intimidation, not stock manipulation or complicated fraud schemes. The old days when there was give and take between the police and the mobsters are gone. Cops used to have tea at yakuza offices and chit-chat; it was not unheard of for them to exchange lists of who was who in each other's

organization. Not now. The Yamaguchi-gumi has been notoriously uncooperative since Tsukasa Shinobu took power in 2005. In the past, the police pitted mob organizations against each other to extract information. But now the Yamaguchi-gumi is increasingly the only player in town and they have no reason to cooperate. Aichi police when raiding a Kodo-kai office in 2007 were horrified to discover the faces, family photos and addresses of the detectives working organized crime posted on the walls of the yakuza headquarters.



**Police raid Yamaguchi-gumi headquarters after a February 2007 gangland slaying**

A detective from the Osaka Prefectural Police Department, who asked not to be named, concurs, "In the almost sixteen years since the anti-organized crime laws went on the books, the numbers of the yakuza have changed very little. They have more money and more power than they ever had before and the consolidation

of the Yamaguchi-gumi has made them a huge force to be reckoned with. In many ways, the Yamaguchi-gumi is the LDP of organized crime operating on the principle that ‘Power is numbers.’ They have capital, they have manpower, they have an information network that rivals anything the police have, and they are expanding into every industry where money is to be made.”

He cites a stock-manipulation case, uncovered this year in Osaka, as “the tip of the iceberg.” The case, which involved former Yamaguchi-gumi executive Toyotomi Harukuni, working with three listed firms and over twenty individuals to manipulate stocks prices in violation of the Securities and Exchange Laws, resulted in the delisting of one company. Unusually, the Osaka Police worked with the Securities and Exchange Surveillance Commission for part of the investigation. According to Jiji Press, Toyotomi’s group made over 200 million yen profits in illegal financial transactions. [10] Most of its billion yen in capital is believed to have been borrowed from the Yamaguchi-gumi.

The one-year investigation, concluded in April 2008, forced the Osaka Stock Exchange to begin retroactively reviewing already listed companies in an effort to remove organized crime-affiliated corporations. In an English document distributed to foreign police agencies in August 2008, the NPA warns there is more to come: “Boryokudan (yakuza) groups pose an enormous threat to civil affairs and corporate transactions,” says An Overview of Japanese Police. “They are also committing a variety of crimes to raise funds by invading the legitimate business community and pretending to be engaged in legitimate business deals.”

Experts say the Yamaguchi-gumi, in particular, has become a behemoth with resources to rival Japan’s larger corporations. “The traditional punch-permed, gaudily dressed yakuza are fading away and being replaced by guys in

Armani suits who act more like ruthless businessmen than clueless thugs,” says Ishida Eiji, a lawyer who specializes in dealing with yakuza interventions into civil affairs. “The Yamaguchi-gumi and other crime groups have made massive inroads into civilian businesses and finance and they are doing it well. It’s very hard to tell legitimate businesses from yakuza front companies these days. And the police are not always helpful about sharing their information—even when they know.”

Ishida adds that new privacy laws have made it harder to investigate the legitimacy of businesses, making it easier for mobsters to take over listed firms, or set up new front companies.

“The relaxation of financial laws and regulations has clearly benefited the more organized crime groups because it makes it much easier for them to set up brokerages and financial firms. If you wanted to avoid doing business with a yakuza group, or renting to them, theoretically, you could ask the local police or the Prefectural Centers to Promote Movements for Elimination of Violence for advice. But in many cases they would probably not answer because of concerns about privacy, or the veracity of their information; or because they simply might not know. If the police or the NPA were to publicly say that Firm A was a yakuza front company and could not prove their case, they would be subject to a lawsuit, which is expensive. The bigger yakuza groups have great lawyers, usually former prosecutors. So there exists hesitation to share information, which remains sketchy. All of this benefits organized crime.”

The lack of legal tools to fight the yakuza is painfully obvious in Kyushu, where the law only allows the plaintiffs to challenge hoods within a 500-meter radius of their homes. “It’s not easy to kick them out of town,” laments one, who spoke on condition of anonymity. “We’re demanding that they stop using the building as

a place of gathering. They own the building, it's their property and we can't make them give it up."

Even if they move, the mob will simply pop up somewhere else in Kurume, admits a senior official at the city office, which is backing the plaintiffs. "I guess it is correct to say that Japanese people have learned to live with the yakuza," said the official, who also requested anonymity.

The Dojin-kai are believed to operate protection rackets, transport firms, sex businesses and loan-sharking across the city, which is plastered with thousands of fliers and posters offering "low-interest credit." If unchallenged, the mob invests untaxed profits in real estate, eventually taking over whole blocks of cities like this. "We have to hope that even if they relocate, the residents of the new area will challenge them again," says the official. "The yakuza are strong on a one-to-one basis, but they are extremely weak in the face of collective action."

Kurume's problems began in 1986-7 when a feud between the Dojin-kai and a local affiliate of the Yamaguchi-gumi claimed nine lives and injured 16 people. Locals banded together and organized a protest march on the gang headquarters. The latest chapter began in May 2006 when long-time Dojin-kai boss Matsuo Seijiro suddenly announced his resignation, sparking a war of succession with Kyushu Seido-kai that detonated in front of the Kurume headquarters with an AK-47 attack.

Not everyone is rooting for the plaintiffs. "We're not against the people going to court but if they win, the yakuza might relocate close to us and that would cause problems for my business," laments Okamura Yuichiro, who owns a small restaurant beside Kurume Station. "We're not getting involved." The owner of a vegetable shop next to the Dojin-kai building said the plaintiffs should let sleeping

dogs lie. "The yakuza have never done anything to me. But I'll tell you what: the people in that building have much better manners than some of the youngsters around here today."

As the legal battle takes off, the gangs appear to be winding down their war. Seido-kai recently announced the resignation of its chairman and the end of hostilities with Dojin-kai in a statement sent to the local police. But the murder of another gangster since that truce has unnerved the plaintiffs, who live in fear of intimidation or worse, and carry police beepers linked to local police stations in case of attacks. "Unless we take action against them, the group will keep growing bigger and stronger," said one. "We don't want them in this town."

The cops have a more nuanced view. One low-ranking police officer from the Kurume area says, "I'd rather have the Dojinkai here than the Yamaguchi-gumi. The Kyushu Seido Kai is the problem, but we can deal with the Dojinkai. We're better off with the enemy we know rather than the one we don't. Remove the Dojinkai and the Yamaguchi-gumi will move in to fill in the gap or foreign criminals will and that would be worse. They're a necessary evil."



**Police outside Dojin-kai headquarters in August 2008**

Locals living close to the Dojin-kai building are pessimistic that anything will change unless the government begins to seriously tackle the mob. "When the gangs moved here we protested to the city and they did nothing," recalls a housewife on the same street. "The government didn't even come to see us. At least the gangsters visited door-to-door to introduce themselves," she says, explaining how they brought with them pink and white rice cakes, a traditional symbol of good luck and happiness. "It was nothing to be happy about."

## Notes

[1] Asahi Shimbun editorial: Residents Battle Yakuza, Aug. 27, 2008.

[2] Okubo Hiromichi, "The Social Culture That Allows Organized Crime" October

2008, *Asahi Shimbun*, pg. 95-97

[3] Boryokudan Furonto kigyō sono jitsunō to taisaku. A Tokyo lawyer well-versed in dealing with the yakuza notes: "The clause is very useful when nullifying contracts with organized crime members because it omits the necessity of explaining why or going into long drawn-out discussions with gangsters."

[4] *Gokudo no Urachishiki*, Takurajima Publishing (2006).

[5] "Ten Held in Scam to Evict Tokyo Tenants," March 5, 2008

[6] The LA Times took a look last year at how some mobsters have fallen on hard times in its story about Shiroo Tetsuya, the man who murdered Nagasaki mayor Ito Itcho. See Bruce Wallace, "[Glimpse at a Faded Yakuza](#)," July 23, 2007.

[7] The "Underworld" Goes Underground: Yakuza in Japanese Politics, in Harvard Asia Quarterly, Volume VI, No. 3, Summer 2002.

[8] In 2007, a detective in the Tokyo Metro Police Kitazawa Police Station leaked onto the internet over a gigabyte of data collected on organized crime groups, especially the Goto-gumi. Burning Productions, a major talent agency, was listed as a Goto-gumi front company. In December of 2007, the National Police Agency sent out a formal request to the Federation of Civilian Broadcasters asking them to sever ties with organized crime groups. Burning Productions was not named.

[9] See "Yakuza Target Japan's Financial Markets," in The Times, Aug. 27, 2008. Available [online](#).

[10] "Ryozanpaku Exec Nabbed on Stock Price Manipulation Charges," March 7, 2007.



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*They wrote this article for Japan Focus. Published September 29, 2008.*