

Russian Speaking Organized Crime Groups in the EU

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Introduction

One of the greatest challenges of the 21st century by far is the opening of international borders, the worldwide flow of communication and advanced technology, which create rich opportunities for enhanced political and economic cooperation between countries. However, this globalizing trend, whether we consider the political, economical, social or cultural sectors of human life, reveals its darker side when the phenomenon of organized crime is taken into consideration. Although globalization is an age-old process with which every state has always had to deal, the scope of the activities pursued by organized criminal groups has become alarming in recent decades. In consequence, it appears that, to quote Pino Arlacchi, Executive Director of the United Nations Office for Drug Control and Crime Prevention (ODCCP), "Never before has there been so much economic opportunity for so many people. And never before has there been so much opportunity for criminal organizations to exploit the system."¹

Taking into consideration the latest trends and events we can surely infer that certain criminal organizations have made (and are still making) maximum use of these opportunities, Russian speaking organized crime groups being the most "successful" from this point of view.

In the two decades since the collapse of the Soviet Union, the world has become the target of a growing global crime threat from the criminal organizations and criminal activities that have poured over the borders of Russia and other former Soviet republics. The nature and variety of the crimes being committed seem unlimited — trafficking in women and children, drugs, arms trafficking, automobile theft, and money laundering being among the most prevalent.

The spillover is particularly troubling to Europe because of its geographical proximity to Russia and to Israel (because of its large numbers

¹ Quoted in United Nations Department of Public Information, "Fighting Transnational Organized Crime," Tenth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, Press Kit, Backgrounder No. 1 (March 2000), <http://www.un.org/events/10thcongress/2088f.htm> (accessed September 23, 2010).

of Russian immigrants). But no area of the world seems immune to this menace.²

After avoiding any use of the term “Russian mafia” in the last few years, law enforcement personnel in Europe and elsewhere are now referring to it again, noting that it numbers “up to 300,000 people” and dominates the criminal world in many countries around the world.

Law enforcement personnel in many countries — including Spain, Greece, Hungary, Italy, France, Mexico “and even the United States” — have been surprised by how “confidently” criminal groups consisting of people from the former Soviet Union now dominate their national criminal worlds. The Russian speaking groups have succeeded in pushing aside local groups and establishing their own “spheres of influence” to the point that they no longer need to “clarify relations with the help of arms.”³

The transnational character of Russian speaking organized crime, when coupled with its high degree of sophistication and ruthlessness, has attracted the world’s attention and concern to what has become known as a global “Russian Mafia.” Along with this concern, however, has come a fair amount of misunderstanding and stereotyping with respect to Russian speaking organized crime groups.

² Jim Kouri, “From Russia with love: The Russian mob,” *examiner.com*, December 19, 2009, <http://www.examiner.com/law-enforcement-in-national/from-russia-with-love-the-russian-mob> (accessed October 9, 2010).

³ Руслан Горевой, “Братва ушла за кордон,” *Версия*, March 1, 2010, http://versia.ru/articles/2010/mar/01/russkaja_mafija (accessed September 18, 2010).

Terms and Definitions

Each country has its own criminal legislation. Therefore specific features can be noticed in defining the terms of organized crime. Nevertheless, it should be mentioned that EU member states are characterized by a high degree of convergence when it comes to the meaning of the term “organized crime.” This is due not only to the general tendency of European countries to align themselves with UN regulations on the matter, i.e. the UN Convention Against Transnational Organized Crime, but also to their commitment to have a common vision towards this phenomenon. As a result of this common goal the EU Council approved a Joint Action against Organized Crime in 1998.

As the majority of definitions used by countries are consistent with those used by the UN and EU, their definitions of the notion of organized crime are therefore important. Article 2 of the UN Convention Against Transnational Organized Crime states that an organized criminal group must have at least three members operating in concert to commit a “serious crime” as part of an internally structured organization which has been in existence over a period of time preceding and subsequent to the criminal act.⁴ The EU legal definition can be found in Article 1 of the abovementioned Joint Action of December 1998: “A criminal organization shall mean a structural association, established over a period of time, of more than two persons, acting in concert with a view to committing offences, which are punishable by deprivation of liberty or a detention order of a maximum of at least four years or a more serious penalty, whether such offences are an end in themselves or a means of obtaining national benefits and, where appropriate, of properly influencing the operation of police authorities.”⁵

⁴ United Nations Office of Drugs and Crime, *United Nations Convention Against Transnational Organized Crime and Protocols Thereto* (Vienna: United Nations Office of Drugs and Crime, 2004), available: <http://www.unodc.org/documents/treaties/UNTOC/Publications/TOC%20Convention/TOCebook-e.pdf>

⁵ Joint Action of March 19, 1998 adopted by the European Council, on the basis of Article K.3 of the Treaty on European Union, establishing a program of exchanges, training and cooperation for persons responsible for action to combat organized crime (Falcone programme), <http://www.ena.lu/> (accessed October 13, 2010).

One exception to the definitions presented above is employed by the Dutch police, formulated by the Fijnaut committee of enquiry, a parliamentary fact-finding committee dealing with methods used for investigating organized crime in the Netherlands: "We speak of organized crime if groups which focus primarily on illegal gains commit crimes with *serious consequences for society*, and are able to screen these crimes in a relatively successful manner, in particular by showing that they are prepared to use physical violence or by ruling out persons by corruptive means."⁶ The inclusion of the phrase "serious consequences for society," while obviously open to broad interpretation, nonetheless sets out as an important consideration the impact on society of illegal activities committed by persons employing certain techniques and behaviors in the execution of these acts. It allows for non-static, culturally specific and simultaneously internationally broad constructions of the term "organized crime," an expedient approach at a time when national and international interests intersect. This is not simply an accommodation exercise. Any consideration of how certain illegal acts impact on society requires a qualitative assessment of the nature of those acts in context.⁷

The aforementioned descriptions are focused mainly on the structure of an organized crime group, defining the crimes committed in association with the structure according to the penalties received for such offences. Under these definitions organized crime can comprise a small gang of three to an association of three hundred, a huge numerical spectrum that can have significant repercussions on statistics and the various national responses to organized crime. If, for instance, one country records the presence of one hundred crime groups, which comprise small numbers, while another has twenty or thirty groups with larger memberships, how is it possible to measure the actual influence of organized crime in the different jurisdictions (and hence devise appropriate responses by law enforcement) from the criteria posited in the definitions?

⁶ Edward Kleemans, "Organised Crime in the Netherlands," in Cyrille Fijnaut and Letizia Paoli, eds., *Organised Crime in Europe: Concepts, Patterns and Control Policies in the European Union and Beyond* (Norwell, MA: Springer, 2004), p. 304.

⁷ Paddy Rawlinson, "Russian Organized Crime and the Baltic States: Assessing the Threat," Centre for Comparative Criminology & Criminal Justice, University of Wales, *Working Paper*, 38/01 (2001), p. 8.

Thus, bearing in mind that discussions of the notion of organized crime are still ongoing, this paper will tackle the phenomenon based on the definition given in the UN Convention Against Transnational Organized Crime.

It is important to distinguish between Russian organized crime and Russian speaking organized crime groups. The present research will be focused on the Russian speaking organized crime groups, which are much larger and also include Russian groups. RSOCG is short for Russian speaking organized crime group and refers to a group residing and/or operating in one or more EU member states and use Russian as lingua franca.

Some researchers believe that the concept of Russian organized crime is a misnomer. According to them there is no unified Russian mafia, but only Russian speaking organized crime groups that have emerged from the former Soviet Union.⁸

This distinction has a bearing on crime-fighting strategies, for example, the use of extradition and the effectiveness of border controls as well as the attitude of the criminal justice system in terms of its investigation and prosecution of those suspected of organized criminal activities. As in many societies, even in the most democratic, there exists the problem of "criminal racism," as alluded to above, that is, the demonization of a particular ethnic group in terms of its alleged propensity towards deviancy and crime.⁹

Thus, besides the citizens of the Russian Federation, RSOCGs include also Belarusians, Ukrainians, Azeri, Georgians, Armenians, Kazakhs, Uzbeks, etc. If Russian citizens are referred to strictly as part of RSOCGs, it should also be noted that a considerable number is of other ethnic descent than Russian, e.g. Chechens and Daghestans. Another specific feature can be found in Germany, where quite often Germans repatriated during the Soviet period formed part of Russian criminal groups. Although of German origins, most of them were born and educated in the Soviet Union. After emigration they got involved in the activities of the local Russian communities, and were included in their illegal activities.

Certain researchers include all those coming from the former Warsaw Bloc countries in the the RSOCG category. This is a relatively inaccurate approach, as most people from the countries which were not part of the

⁸ Louise Shelley, "Contemporary Russian Organized Crime: Embedded in Russian Society," in Fijnaut and Paoli, eds., *Organised Crime in Europe*, p. 563.

⁹ Rawlinson, "Russian Organized Crime and the Baltic States," p. 9.

USSR do not know Russian or the so-called Soviet atmosphere or culture. Moreover, the code of conduct of the majority of RSOCGs (Poniatya) emerged within the geographical limits of the Soviet Union and is known in that region only. When it comes to RSOCGs, there is one more important element that should be mentioned and described from the beginning – “thieves in law” (vory v zakone).

The “thieves in law” are “professional” criminals, who form the basis of the Russian criminal system, guaranteeing the respect of old criminal traditions and rules. The “thieves in law” do not have the right to work, to be in military service, to have a family, or to use violence without a particular “need,” are strictly forbidden to cooperate in any way with the authorities and live solely on goods stolen or won in card games, etc. Although the “thieves in law” are considered equal to each other, there are still those among them who have a higher authority than others. In the case of disputes that the “thieves” are trying to solve at their meetings, the power of final decision belongs to them, although they have to take the points of view of the others into account.¹⁰ They are given the title “vory” by others and in order to be accepted they must demonstrate considerable leadership skills, personal ability, intellect and charisma. Once accepted they must live according to the code. The penalty for violation of this code is often mutilation or death.

Ethnicity has rarely determined whether someone can become a “thief in law,” and today most of them, even those active inside Russia, are from other post-Soviet countries and not ethnic Russians.

The “thieves in law” were born in Stalin’s prison camps and grew into a group of criminal barons who kept order in the gulags and governed the dark gaps in Soviet life. While the Communist Party had a steadfast grip on government and society, “thieves in law” had something of a monopoly on crime. With its own code of ethics, hierarchy and even language, they formed a society in opposition to rigid Soviet conformity, surviving on theft and black market dealing when not in prison. When the Soviet Union fell, “vory” emerged to exploit the legal chaos, experts say. It infiltrated the top

¹⁰ Risto Pullat, *Organized Crime Related Drug Trafficking in the Baltic Sea Region* (Tallinn: Estonian Police Board, 2009), p. 140.

political and economic strata while taking command of a burgeoning crime network that spread over the borders of the post-Soviet countries.¹¹

To be inducted into this society involves a life devoted to crime and, traditionally, an adherence to a strict ethical code, said Aleksandr Gurov, an expert on the "vory," who headed the organized crime units of the Soviet Interior Ministry and the KGB.¹²

Unlike the Cosa Nostra, the "vory" have fewer rules, but they are more severe. This means that "thieves in law" show unconditional obedience to the rules and that all criminals recognize and accept their authority. The abovementioned rules are called "Poniatya." According to this code of conduct the members of this criminal caste must have no ties to the government, meaning they cannot serve in the army or cooperate with officials while in prison. They must also have served several jail sentences before they can claim the distinction. They should not marry.

One more specific feature of this type of criminal is "obsheak," a kind of budget which funds various different criminal purposes. This budget is mainly created on the basis of the "income" resulting from criminal activity, contributions made by all members of the criminal organization, extortion as well as money paid to "thieves in law" for mediation and solving criminal conflicts. Usually, the funds from "obsheak" are used for planning and developing new criminal schemes, committing other crimes, bribing public servants and representatives of law enforcement bodies, providing material support to the criminal group members who are in prison or to their family members. Nowadays "thieves in law" are losing their power; this is especially true in the world outside the Russian prisons.¹³

This report covers mainly the RSOCGs that appeared and are developing within the European Union. Other countries or parts of the world are referred only in connection to processes taking place in EU.

¹¹ Michael Schwartz, "Vory v Zakone has hallowed place in Russian criminal lore," *The New York Times*, July 29, 2008, <http://www.nytimes.com/2008/07/29/world/europe/29iht-moscow.4.14865004.html> (accessed October 15, 2010).

¹² Michael Schwartz, "In a River Raid, a Glimpse of Russia's Criminal Elite," *The New York Times*, July 30, 2008, <http://www.nytimes.com/2008/07/30/world/europe/30russia.html> (accessed October 15, 2010).

¹³ Петр Скобликов, "Обычай воровского 'права'," *Энциклопедия безопасности*, December 20, 2009, <http://os-info.ru/enciklopedia-brzopasnosti/obychai-vorovskogo-prava.html> (accessed January 15, 2011).

The Development of the Russian Speaking Organized Crime Groups in Europe

Russian speaking organized crime groups in Europe trace their roots back to the Soviet Union and later to the ex-Soviet republics. This region was and is a supply source for the respective criminal groups, as well as a distribution market, transit zone and place of refuge. Therefore it is obvious that most of the trends and processes (in particular those related to criminality) taking place previously in the Soviet Union and currently in former Soviet republics influence directly the RSOCGs in the EU.

According to various researchers, the expansion of Russian speaking groups started in the 1970s, when the Soviet Union and the United States agreed that in return for trade facilitation the USSR would allow Jews to emigrate.¹⁴ From 1971 to 1988, about 291,000 Jews emigrated from the Soviet Union. Although the travel documents of each immigrant indicated Israel (165,000) or the United States (126,000) as their destination,¹⁵ a large number of them settled in Europe, and particularly Germany. Furthermore, by 1988 around 56,500 Armenians and 322,000 ethnic Germans emigrated from the Soviet Union.¹⁶ It is clear that among those emigrants were people with criminal records, and that has not changed abroad. Once settled in Europe, the majority of Soviet emigrants were initially confronted with various problems, such as unemployment. Some of them tried to solve the problems by turning to illegal activities: burglary, theft, robbery, etc. Later some of them have organized themselves into criminal groups, each of them having specific functions and positions. In certain cases these groupings managed to establish contacts with the Soviet criminal world.

One of the most profitable and wide-spread activities carried on by members of the RSOCGs in that period was smuggling from the Soviet

¹⁴ Олег Утицин, "Русская мафия в Старом и Новом свете," *Compromat.Ru*, March 22, 2007, <http://91.202.63.4/main/mafia/russkayadolya.htm> (accessed September 23, 2010).

¹⁵ Марк Тольц, "Постсоветские евреи в современном мире," *Демоскоп Weekly*, No. 303–304, October 14, 2007.

¹⁶ Александр Ахиезер, "Эмиграция из России: культурно-исторический аспект," *Свободная мысль*, No. 7 (1993), сpp. 70–78.

Union into the EU of old valuable items and antiques. Traders of these items established a permanent route through Czechoslovakia and Poland, initially to Germany and later to France and Spain.¹⁷

The Baltic countries ought to be examined on a separate basis when we speak about organized crime in Europe. First, as Estonia, Latvia and Lithuania were once part of the Soviet Union, one element, RSOOG import, is missing, at least in the sense in which this applies to Western European countries. In these countries criminal groups appeared and spread almost identically to the rest of the USSR, with slight regional variations. The Russian element in the Baltic countries can be easily seen in demographical data from the Soviet period. In Estonia the population ratio changed significantly from the prewar 88.2 percent Estonian and 8.2 percent Russian to 61.5 and 31.3 percent, respectively. Latvia has an even greater ratio imbalance, where 56 percent are indigenous while 32 percent (and as high as 48–50 percent in the capital, Riga) are ethnic Russian in a population of 2,439,400. In Lithuania only eight percent of the 3,700,800 inhabitants are ethnic Russians.¹⁸

These conclusions were recently reconfirmed by a former police officer from Estonia, who in an interview published in the electronic publication “Delfi” mentioned that organized crime in Estonia emerged at the beginning of the 1980s, when several criminal groups were directed by certain individuals, usually ethnic Russians. Even though these groups were distinct both in size and membership, there were still some common characteristics, such as the insistency of the leaders of the criminal groups on imposing the criminal code of conduct “Poniatya,” which spread throughout the entire territory of the Soviet Union. The leaders were often former sportsmen or coaches that have kept certain traditions to the present day, including weekly football or boxing tournaments.¹⁹

The rise of criminal activity within the Soviet Union at the end of the 1980s, together with the increased possibilities for Soviet citizens to travel abroad, has had a direct impact on the criminal situation in Europe. In this period, more representatives of the organized crime groups that gained new dimensions once the Soviet cooperatives were established fled to the rest of

¹⁷ Утицин, “Русская мафия в Старом и Новом свете.”

¹⁸ Rawlinson, “Russian Organized Crime and the Baltic States,” p. 3.

¹⁹ “Койт Пикаро: Организованная преступность в Эстонии никуда не делась,” rus.Delfi.ee, September 7, 2010, <http://rus.delfi.ee/daily/estonia/article.php?id=33006659> (accessed October 12, 2010).

Europe, establishing the basis for various illegal businesses, such as the theft of cars and their subsequent transportation to the Soviet Union. At the same time these groups were involved in the trafficking of women from Russia and other Soviet republics to brothels from Europe, smuggling of precious metals as well as of armaments and drugs from Asia.

The fall of the Soviet Union at the beginning of the 1990s led to a sharp increase in organized crime activities in the former Soviet republics, with a level rising continuously until 2000–02. In the first half of the decade the development of organized crime in Russia and other post-socialist countries had mostly a confrontational character, with different kinds of collisions and conflicts between criminal groupings and public authorities. This period is also characterized by an extensive number of criminal groups with constantly changing memberships. Among the most common activities carried on by these groups were money extortion (racketeering) in exchange for so-called “protection,” prostitution, drug smuggling, etc.

In the second half of the 1990s the situation changed and a closer interaction between representatives of public authorities and those of criminal world could be noticed. Thus, more and more cases of corruption occurred as well as cases involving public officials in fraudulent schemes. On the other hand, there were several cases in which representatives of the criminal world gained political power (e.g. Serghei Sasurin, two mandates in the Russian Duma); economic leadership (e.g. Anatolii Bicov); or philanthropic coverage (Otari Kvantrivili, former athlete).²⁰

This explosion of criminality in the post-Soviet area extended to other European countries, so that, according to German police data of, in German territory alone there were around 300 RSOCGs of various backgrounds in 1994.

To a large extent, these groups engaged in illegal trading of stolen cars, smuggling of antiques and drugs, as well as illegal trading of precious metals, oil and art. Some groups managed to make considerable profits by establishing contacts with Russian soldiers stationed in Germany, with whose support they managed to steal weapons and ammunition that were due to be transported to the Russian Federation.²¹

²⁰ Алексей Мухин, “Всемирность и народность ‘Русской Мафии’,” *Преступность*, No. 2 (2003), p. 2.

²¹ Утицин, “Русская мафия в Старом и Новом свете.”

In analyzing the developments of the RSOCGs in Europe during the 1990s, one should take into consideration that these groups can be divided into different categories by the way in which they emerged. Thus, one should distinguish between criminal groups formed by immigrants previously found in Europe and groups that appeared in one of the ex-Soviet republics and later moved or extended their activities to the EU. At the same time it cannot be overlooked that the criminal groups carry on a part of their illegal activities in Europe, when the country of residence is a former Soviet republic. These distinctions are important when it comes to the methods and instruments for preventing and fighting the RSOCGs.

In reference to the second category, it should be stressed that the motivation for certain criminals from Russia and other post-Soviet countries to move their "business" to Europe depends, on case by case basis, on issues such as the national legislation of their country of residence, its immigration policy, tourism development, etc.²² Some experts argue that there was a massive inflow to Europe of criminal immigrants from former Soviet republics between 1993 and 1995, particularly from Russia. This wave was mostly determined by the confrontations – which often turned to real wars – among criminal groups in Russia. Most of those involved in the conflicts tried to flee to Europe, in particular Western Europe, as far away from Russia as possible.

In this way, based on various circumstances, preconditions and motives, criminal structures with deep roots in the former Soviet Union appeared in most European countries in the 1990s.

A quite interesting fact is that the RSOCGs managed not only to successfully settle in Europe, but also were able to initiate cooperation with local criminal organizations. An example of such cooperation is the relations established with the Italian "Mafia." A result of this cooperation was the emergence of "thieves in law" like Robinzon Arabuli ("Robinzon") and Beslan Djonua ("Besik"), who opened the first exclusive shops in Moscow with counterfeit Italian designer clothes, shoes and accessories.

According to Oleg Utitin, during one period in the 1990s, there was an entire criminal system, well organized at the transnational level that was involved in illegal activities not only in Europe but in North America, as well as other regions of the world. Russian speaking criminal leaders, most

²² Shelley, "Contemporary Russian Organized Crime," p. 568.

of them “thieves in law,” were responsible for countries or regions such as Ciornii Lev Semenovich “Ciornii” (Black) in Great Britain, Djamal Hachidze “Djamal” and Vladimir Turin “Tiurik” in Spain, Oleg Plotnikov “Plotnik” in Hungary and Polan, Vladimir Podatev “Pudel” and Evghenii Vasin “Djem” in Germany and Switzerland, Matvei Pilidi “Matvei” in Greece, Alexei Dinarovich Petrov “Petrik” and Tahtahunov Alimjan Ursulovici “Taiwancik” in France and Germany.²³

The scale of the RSOCGs during this period can be judged by the fact that the 65th General Assembly of Interpol held separate extensive discussions on this subject in 1996. During the session of the General Assembly participants discussed the main directions of activity of the RSOCGs, as well as the countries in which their activities were carried out.²⁴

As for the years after 2000, it is known that the RSOCGs in Europe underwent multiple transformations and gained new features and tendencies. A part of these changes was dictated by events and developments taking place in Russia and other countries belonging to the Commonwealth of Independent States (CIS).

Thus, a large part of the criminal groups (in particular Russian ones) of the 1990s, which were extremely aggressive and acted almost openly, have disappeared. Some of them were suppressed by more influential ones, others disappeared as a result of the measures taken by law enforcement authorities. Most of the surviving groups “redirected” their activities in such a way that they would appear legal. After participating in the privatization processes, many former criminal leaders (having large amounts of money) became entrepreneurs and shareholders in important companies.

The RSOCGs passed through more or less similar stages in Europe. Those who were living for a longer time in Europe did all they could to conceal their activities, trying to place them under a legal umbrella. Money gained from crimes and offences were invested in businesses, real estate, etc.

As to the zones of influence, there were also some transformations and new tendencies when it came to the members of criminal groups. Thus, in 2006 Germany and the Northeastern part of the EU became the areas with

²³ Утицин, “Русская мафия в Старом и Новом свете.”

²⁴ Мухин, “Всемирность и народность ‘Русской Мафии’,” p. 4.

considerable influence from RSOCGs, with particular focus on the Baltic countries.²⁵

In Europol organized crime reports from recent years, RSOCGs are mentioned increasingly often as a problem affecting all EU member states, with these sorts of groups involved in virtually every type of illegal activity.²⁶

Beginning in 2008, officials in Brussels understood that the RSOCGs need a separate approach, a more serious one. The European Council Conclusions on the Russian organized crime threat assessment report, approved at the 2863rd Justice and Home Affairs Council meeting, serves as proof of the new attitude. One of these conclusions was to endorse the idea of developing a Russian Organized Crime Threat Assessment (ROCTA), with the recommendation for Europol to develop a template of an intelligence requirement in line with the Organized Crime Threat Assessment Report (OCTA) methodology.

In spite of the fact that in recent years many criminal groups (consisting of people from the former Soviet Union) from different member states of the EU (Spain, Germany, the Netherlands, France and Switzerland) were detected and incapacitated, the RSOCGs maintain their dominant position. Moreover, in the Baltic countries these groups almost monopolized the area, holding the whole Northeast criminal hub under their control. The borders between the Russian Federation/CIS countries and the EU are an important factor, creating certain dynamics essential for the functioning of these criminal groups. The RSOCGs are interested in using banks located in the Nordic and Baltic countries for laundering criminal money derived from crimes perpetrated in CIS countries and probably for a less suspicious and low-profile entry into the financial systems in the EU.²⁷

²⁵ Europol, "EU Organised Crime Threat Assessment 2006," p. 24, [http://www.europol.europa.eu/publications/European_Organised_Crime_Threat_Assessment_\(OCTA\)/OCTA2006.pdf](http://www.europol.europa.eu/publications/European_Organised_Crime_Threat_Assessment_(OCTA)/OCTA2006.pdf) (accessed October 6, 2010).

²⁶ Europol, *2004 European Union Organised Crime Report* (Luxembourg: Office for Official Publications of the European Communities, 2004), p. 9, available: http://www.europol.europa.eu/publications/Organised_Crime_Reports (accessed November 26, 2010).

²⁷ Council of the European Union, "First main assessment and description report for internal debate" (M.A.D.R.I.D. Report), JAI 473, COSI 35, 10203/10, Brussels, May 26, 2010, <http://register.consilium.europa.eu/pdf/en/10/st10/st10203.en10.pdf> (accessed November 26, 2010).

The development of RSOCGs outside the Soviet Union/CIS cannot be described and analyzed without taking into consideration the theory of “controlled expansion of organized crime.” According to this theory, which was initiated and sustained by the U.S. intelligence community, the mass emigration of “thieves in law” from the USSR, and later the CIS, to Western Europe and the United States was an operation planned and carried on (or sustained) by the KGB. This theory is founded on the idea that some of the “thieves in law” were trained by the KGB and helped to get abroad. These criminals had the goal of forming different criminal gangs in countries in Western Europe and in the United States in order to undermine and destabilize their economies through their criminal activities.

Those accepting this theory came with several arguments and proofs to support their position. According to the Russian historian Alexei Muhin, in the mid-1980s the first contacts (approved on the high level) between representatives of KGB and criminal leaders from “Vladimerskaia,” “Tulun-skaia,” “Belii Lebedi” (“White Swan”) prisons took place. The results of these contacts are unknown, but the files of many “thieves in law” were taken from the archives of aforementioned prisons by the KGB agents, perhaps to create its own archive. These files contained not only simple biographical data, but also various kinds of compromising information given by other prisoners.²⁸

Later, most of these “thieves in law” moved to Europe and initiated different criminal schemes and illegal affairs. The difficulties that European law enforcement agencies have when they try to obtain information about “thieves in law” from their Russian counterparts is also seen as proof of this theory.

In this context, the case of Beslan Djonua (“Besik”), a “thief in law” who has been a very active criminal leader and operated not only in former Soviet Union but also in France and Italy, should be mentioned. The interesting thing is that for a long period of time he had been living, and was officially registered, in one of the buildings that belonged to the Ministry of Defense and KGB.²⁹

²⁸ УТИЦИН, “Русская мафия в Старом и Новом свете.”

²⁹ “‘Вор в законе’ был прописан в доме Министерства обороны и КГБ,” *Новые Известия*, February 8, 2007, <http://www.newizv.ru/lenta/62956/> (accessed November 16, 2010).

In spite of this theory, the majority of experts and researches are still of the opinion that the appearance and evolution of RSOCGs in EU member states took place in a more simple and chaotic way. Some of the criminal groups were indeed initiated and led by “thieves in law,” but they have never had the tendency to create big gangs on a paramilitary basis with the purpose of destroying as much as possible. Being quite small, much smaller than those from Moscow or St. Petersburg, these groups were doing their best to keep their illegal activities far from the attention of law enforcement agencies.

Characteristics of the Russian Speaking Organized Crime Groups in Europe

The RSOCGs grew enormously in the European Union, having a significant impact on both the economic and social life of EU member states. Being relatively new in Europe, these criminal groups managed to impose themselves and even to become dominant in some member states. Often, this “success” is due to specific features and characteristics of these criminal entities, making them criminally “efficient” and immune to counteracting measures undertaken at the national level by each country individually as well as at the general EU level.

Over the course of their development the RSOCGs managed to diversify, showing the ability to infiltrate different areas and activities. At the same time, it was noticed that these groups are not homogenous and can be classified into separate categories based on several criteria.

One of the main categories is the groups to which “vory” belong. The main feature of these types of groupings is the unconditional obedience by its members to “Poniatya,” the old criminal code of conduct. These criminal groupings are led, in the majority of cases, by “thieves in law” who are considered the “generals” of the criminal world. Reportedly, today the “vory” has spread to Madrid, Berlin and New York and is involved in activities ranging from petty theft to billion-dollar money-laundering while also acting as an unofficial arbiter among conflicting Russian criminal factions.³⁰

Another type of Russian speaking criminal group is the one to which “bandits” belong. The main distinction between this group and the one described previously is that the bandits are not bound by any codes of conduct, having the mere interest and scope to make money. In most cases representatives of these criminal groups do not recognize the authority of “thieves in law” and easily apply violence to reach their targets. Moreover, unlike “thieves,” the “bandits” do not have a common budget (“obsheak”).

³⁰ “History of the Vory: Thieves In Law,” Mafia Wars, January 31, 2010, <http://www.vory.info/History-Mafia-Wars-Vory-v-Zankone.html> (accessed November 10, 2010).

“Bandits” are considered to be more violent and less organized compared to “thieves,” being involved in small-scale illegal businesses, based on “criminal terror” and instilling fear (extortions, robberies, pimping, etc.).³¹

It should be emphasized that the rivalry between these two types of groups led to open confrontations among their members in Russia, but not in Europe.

A third category of RSOCGs in Europe is the one that represents entities whose main activity is focused on a single illegal scheme. Its members usually do not have criminal records, and are also relatively young. Another specific feature is its non-violent character. These groups are mostly involved in illegal activities involving banking cards, misappropriation of funds, document forging, counterfeiting and distributing products breaching intellectual property rights.

One important aspect is that, lately, an increased number of mixed groups have been formed, having no rules or distinct features and having only the common goal of making money.

If we analyze the first two types of groups, which have their origins in the former Soviet Union, it is clear that once they reached Europe, their members adapted themselves to the new conditions. The “thieves in law” understood that operating only by following old rules and methods makes it extremely difficult to “work” in Europe, and a large part of the customs followed in former Soviet republics proved to be inefficient in this part of the world. In the same way, “bandits” were forced to adjust to the fact that in Europe, it was easier to avoid as far as possible the attention of law enforcement authorities than to openly intimidate and confront them.

The RSOCGs are more and more often considered the most dangerous criminal groups not only in Europe but in the global context. At the same time, it has to be kept in mind that the high degree of danger of these entities is based not on the large number of crimes committed, but rather on the nature of these illegal activities and the ways in which they are committed.

These groups can also be categorized by their structure. The first category is the hierarchical type of groups of which a key feature is its multi-level “management,” from the leader to the officer in charge of daily criminal activities. The second type is one with loose affiliations, which is a chain

³¹ Лариса Кислинская, “Уходящие ‘в натуре’,” *Совершенно секретно* (2003), <http://criminalnaya.ru/publ/73-1-0-769> (accessed October 14, 2010).

of more or less equal groups and people trying to accumulate money and influence. They avoid violence and have proved to be very “effective” at the international level. An example of this type is the Solntsevskaja network that managed to transform from a hierarchical group (in the first part of 1990s) to a conglomerate of several groups headed by independent bosses and located in different regions. Another type is semi-autonomous local gangs which operate in certain regions or districts. In this case there is usually only one leader who is managing processes at all levels (if there are levels at all).³²

As an example, one can take the situation in Germany in 2006, where the first place by the number of crimes committed was held by Turks (111,000 cases per year), second place Serbs (40,000), Polish (36,000), Italians (26,000) and Russian speaking criminals coming in only in fifth place with 17,000. The important thing is that crimes committed by the latter were mostly carried out in groups and in cold blood; they were also well planned and have often remained undisclosed.³³

In its *EU Organised Crime Threat Assessment* (2008), Europol made a classification of all criminal groups that are active across the European Union, based on their origins. Three categories were identified: (i) traditionally indigenous organized crime groups or EU-based groups; (ii) traditionally non-indigenous or non-EU-based groups; and (iii) intermediary situations, including both second generation organized crime groups and groups that combine aspects of both non-EU and EU-based groups.³⁴ This classification is extremely important when it comes to defining the methods of fighting against organized crime groups, as well as the methods to prevent their crimes.

The classification seems simple and clear, but trying to fit the RSOCGs into any of the above indicated categories, one understands how complicated it is, thus the counteracting measures must be equally sophisticated, well planned and carefully implemented.

³² Interview with a high-ranking Swedish National Police officer by the authors (January 28, 2011).

³³ Горевой, “Братва ушла за кордон.”

³⁴ Europol, “EU Organised Crime Threat Assessment 2008,” p. 13, [http://www.europol.europa.eu/publications/European_Organised_Crime_Threat_Assessment_\(OCTA\)/OCTA2008.pdf](http://www.europol.europa.eu/publications/European_Organised_Crime_Threat_Assessment_(OCTA)/OCTA2008.pdf) (accessed October 20, 2010).

Naturally these groups are supposed to fit in the second category as non-indigenous. At the same time, being non-indigenous, most of these groups are EU-based, their entire activity being conducted exclusively in the EU by persons who have a permanent residence in member states. Seeing this issue from the perspective of Baltic countries, it is worth saying that some of the RSOCGs that were established and are active in this region, should be considered indigenous. The same pattern could be applied to certain groups in Germany who have among their members second generation immigrants from the countries of the former Soviet Union.

The OCTA classification can be applied in case of specific criminal groups. From this point of view, we can divide them into groups based in Russia (Ukraine, Georgia, Belarus, Azerbaijan etc.), intermediary RSOCGs, and EU-based RSOCGs. The first types of groups have a strong profile of “providers,” money launderers and high-technology fraudsters. The specific feature of intermediary groups is that their leaders and assets can be easily moved from one region to another and vice versa in case of danger. The EU-based groups are less numerous and have the strongest ties with the EU. Usually, the members of these groups have settled in the EU member states, holding citizenship or have permanent residence permit.³⁵

Passing through several stages of transformation, nowadays the RSOCGs have a major impact on the EU, where they are found in all member states and involved in all kinds of criminal activity, showing a particular skill in exploiting new opportunities in the economic and financial sectors.

An important thing that should be mentioned about the RSOCGs is their tendency to use legal business structures, which makes the fight of law enforcement agencies against them difficult. Legal businesses are invaluable for these groups to avoid attention of the authorities. These groups use legal coverage to facilitate criminal activities, to launder money and to invest them.³⁶

The RSOCGs are known to use physical violence and intimidation to support their activities, on a larger scale than other groups, to protect their business from rivals and as a threat to competitors. Violence and intimidation are also used when negotiations have broken down and a crime group

³⁵ Interview with a high-ranking Swedish National Police officer by the authors (January 28, 2011).

³⁶ Ibid.

wants to achieve its objective. The important thing is that they make equal use of all types of violence: (i) intra-group violence, used primarily to maintain the discipline and compliance of group members and criminal associates; (ii) inter-group violence, which erupts because of a dispute between criminal groups; and (iii) extra-group violence against the non-criminal community which usually is used in case of extortion or exploitation. The RSOCGs are also known to target and corrupt key individuals within organizations (for example, banks).³⁷

Another specific feature of the RSOCGs is the low level of interaction with locals. This is mainly due to the specific activities carried on by Russian speakers, as well as the language and cultural barriers. In order to make this point clearer we can compare RSOCGs and Columbian organized crime groups active in Spain. Columbians are mostly involved in smuggling and drug dealing, crimes that involve a high degree of interaction with the local Spanish population. If we refer to the RSOCGs, we notice that their crimes mostly involve tax evasion and large-scale money laundering. These activities do not require close contacts with the locals or a good knowledge of the language, in this case Spanish.³⁸ This quality has both advantages and disadvantages for the Russian speaking groupings. Numerous differences in regard to locals and the limited interaction create problems for the law enforcement authorities in attempting to infiltrate these groups with their agents or to benefit from any information leaks on the part of their members. On the other hand, it also hinders criminal groups in developing their activities, in particular when they try not to attract attention. After the events of March 2010, when 24 persons of Russian and Georgian origin involved in different illegal schemes were arrested in Spain, the locals will be truly suspicious every time when a Russian speaking person would approach them with a business proposal.

The tendency of the RSOCGs to become part of the European financial and banking system is also specific to these groups.³⁹ Representatives of

³⁷ Europol, *2004 European Union Organised Crime Report*.

³⁸ Carlos Resa Nestares, "Transnational Organised Crime in Spain: Structural Facts that Explain Its Penetration," Universidad Autónoma de Madrid, Report (February 27, 2001), http://www.uam.es/personal_pdi/economicas/cresa/text9.html (accessed September 24, 2010).

³⁹ Council of the European Union, "First main assessment and description report for internal debate" (M.A.D.R.I.D. Report).

the Russian criminal world had already noticed the advantages of having a banking institution under control at the beginning of the 1990s, when it was relatively easy, without considerable resources or efforts, to open a bank in former Soviet republics due to the lack of proper legal regulation. Similar attempts, some even being successful were observed in EU.⁴⁰ Here the banking sector in the Baltic countries, which is still largely affected by criminal elements, will be considered.⁴¹

The RSOCGs have more varied activities than other groups in EU. Members of the criminal groups of ex-Soviet origin have proved their abilities in all criminal areas, without giving preference to any particular kind of crime. Moreover, this category of group is often simultaneously involved in various different illegal schemes, without any direct link between them.

However, a discussion of criminal markets in general should take into account that there are some areas where RSOCGs are more involved. The first bloc of criminal activities more or less characteristic for these groups consists of property crimes, racketeering and extortion. In these areas the RSOCGs are quite "effective" because of the easiness with which its members are ready to use violence.

Another category is frauds related to trade which are usually committed using legal business structures such as transport or logistics companies. "Successful" involvement in such frauds depends mostly on the ability of these groups to exploit weaknesses of the EU VAT system, different commercial legislations of EU member states and other countries as well as the lack of cooperation in the region.

Advanced technology frauds are also often committed by RSOCGs. This type of crimes is perpetrated exclusively with the help of IT specialists, who are relatively easy recruited in former Soviet republics. Since EU systems and processes become more and more dependent on advanced technologies, the IT component of the criminal activities will increase. Fraudts using advanced technology are often committed from a distance, so that sometimes it is hard to detect and arrest perpetrators.

⁴⁰ Nestares, "Transnational Organised Crime in Spain."

⁴¹ Pauls Raudseps, "Latvia Bank Failure Dashes Hopes," *Bloomberg Businessweek*, December 5, 2008, http://www.businessweek.com/globalbiz/content/dec2008/gb2008125_793417.htm (accessed November 16, 2010).

The RSOCCGs are also deeply involved in facilitating illegal immigration, with trafficking of women for sexual purposes most common. This kind of illegal activity provides criminal groups with a very substantial “income.”

The position of RSOCCGs in drug dealing is quite dominant, especially with regard to their influence over the North East criminal hub. Their involvement in circulation of heroin in the EU is relatively constant and predictable, which is not the case for synthetic drugs and cocaine. There are some signs that certain groups have managed to establish contacts with drug cartels from Latin America, so that they are able to supply heroin directly to the European market.⁴²

Taking this into consideration, it can be concluded that the RSOCCGs is a phenomenon as dangerous as it is complex, which requires particular attention and effort not only at the national level on behalf of individual member states, but also at a more general level, involving joint EU action and cooperation on the global level.

⁴² Interview with a high-ranking Swedish National Police officer by the authors (January 28, 2011).

Countries and Areas of Illegal Activities

As described in the previous section, it was only in the middle of the 1990s that the authorities of several countries recognized the scale and severity of RSOCG activities. As a result, it was an issue put forward for debate during the 65th General Assembly of Interpol in 1996. During the Assembly Sessions, the main directions of activity of RSOCGs were revealed as well as the countries where they operate. Thus, it was acknowledged that these groups are involved in committing crimes of a financial nature in Germany, Austria, Switzerland, Cyprus, Madagascar, Uruguay, the U.S., Great Britain; pimping and sexual exploitation in Israel, Turkey, Japan, China, Singapore; smuggling of raw natural resources in China, North Korea, Germany, Poland, Iran, Iraq; weapons smuggling from Russia to Germany through Estonia and to Poland from China, Afghanistan and Pakistan; car smuggling from Germany, Italy, Finland, Netherlands and the Balkan region; crimes involving real estate in Poland, Germany, Cyprus, Greece, U.S., Hungary, Uruguay; trade with oil products in the U.S., Germany, Poland and the Balkan region; human trafficking in China and Vietnam, and smuggling of antiques in Germany. At the same time, experts noticed that crimes like forgery and spreading of forged banknotes, smuggling of alcohol and tobacco products, drug smuggling, racketeering, bank card fraud and smuggling of precious metals are committed in all regions, regardless of its specifics.⁴³

Germany

Germany can certainly be placed in the category of EU member states where RSOCGs create acute problems. The largest Russian speaking immigrant community in Europe was established in Germany after the breakup of the Soviet Empire. It included ethnic Germans, Jews, Russians, Caucasians and Ukrainians. However, the historical conditions in which the emergence of this community took place differed from those in other European countries, because more than half a million Soviet soldiers were based in Eastern Ger-

⁴³ Мухин, "Всемирность и народность 'Русской Мафии'," p. 4.

many. At the time, RSOCGs had established a very strong and stable basis among the Russian troops.

Later, in a short period of time the higher echelons of the Russian criminal world managed to settle in Germany. There were about fifteen Russian speaking “thieves in law” living in Germany in 1997; among them the notorious “Taiwanchik,” who had obtained legal residence permit. Similarly, other “thieves in law” lived in Germany for an extended period of time, such as Heidar Iusipov “Lesik,” the Georgian Alidjan Tahtahunov and Anatolii Roxman, the leader of the “Mazutkinskaya Gang,” who in the end was charged for money extortion. According to some sources, Germany was also frequently visited by criminal leaders like Veaceslav Ivancov (“Iaponchik”) and Serghei Mihailov (“Mihasi”).⁴⁴

According to the data of the German Federal Criminal Police Office (Bundeskriminalamt), Russian criminal organizations are mainly involved in activities such as extortion, car theft and smuggling of art and antique items,⁴⁵ as well as smuggling of drugs, precious metals, petrol products, pimping and others.

The capital of the RSOCGs in Germany is Berlin. Moreover, many researchers believe that Berlin is the center of the RSOCGs in Western Europe. According to Bernd Finger, a leading chief-inspector from the organized crime section in Berlin, the Regional Criminal Investigation Department spotted ten criminal groups in 2007 that consisted of 95 members originating from former Soviet republics. In 2008 fourteen groups of this kind were established, with 167 active members. These groups consisted predominantly of Lithuanians, Russians, Ukrainians, Belarusians and Azerbaijanis. Among those who were partly involved (without being members) in illegal activities carried on by the aforementioned groups were also Moldovans and Kyrgyzstanis. In 2006 and 2007 the main emphasis in Berlin was placed on car theft, followed by business criminality such as fraudulent account openings, credit transfer fraud and other economic crimes. Counterfeiting of documents and Euro banknotes as well as the trafficking of marijuana and ecstasy also play a crucial role. In the sphere of “Russian” organized crime there has been an estimated loss of 13 million Euro in

⁴⁴ Ibid., p. 8.

⁴⁵ Dina Siegel, “The Transnational Russian Mafia,” in Dina Siegel, Henk van de Bunt and Damián Zaitch, eds., *Global Organized Crime: Trends and Developments* (Dordrecht and Boston: Kluwer Academic Publishers, 2003), p. 58.

2006 and 2007 from the victim's point of view and at the same time a profit of 3.6 million Euro on the culprit's side. The sum, however, has not been officially confirmed.⁴⁶ Also, it is important to mention that during the operations undertaken by Spanish authorities against RSOCGs ("Avispa" in 2005 and "Java" 2010), it was established that certain stages of the investigated fraudulent schemes were carried out in Berlin.⁴⁷

The second "Russian criminal" German city is Cologne, the territory of what is probably the most influential RSOCG in Germany, "the Kioln-skaya group." This criminal group has approximately 100 members in Cologne and around 500 in other European countries. The main activities of this group are related to smuggling and dealing drugs and weapons, as well as money extortion. Another large criminal organization operating in Germany is "Dolgoprudnenskaya gang." There are also small independent ethnic groups (Chechens, Georgians, Armenians and Azeri) known to operate in Frankfurt, Düsseldorf and Hamburg. The RSOCGs in Düsseldorf are believed to control the night life and prostitution.⁴⁸

Money laundering is also a considerable problem faced by German authorities when dealing with the RSOCGs. Several attempts to legalize illegally accumulated financial resources (mostly in the Russian Federation) have been discovered. One example is the operation carried on by law enforcement authorities in Stuttgart in 2007. During that operation three persons of Russian origin were arrested for having laundered about eight million Euro through real estate deals in Germany. The money was deposited in several accounts in Berliner Bank and a branch of Commerzbank in Esslingen in southern Germany. Using these accounts group members were acquiring/selling buildings and property in Stuttgart and the surrounding area. They also founded a German-based company, S+L Iba GmbH, to manage the funds. Later, it was proved that laundered money came from different kinds of illegal activities carried on by "Izmailovskaya," a Russian criminal organization.⁴⁹

⁴⁶ "Berlin is the center of the Russian Mafia in Europe," Flare Network, February 3, 2009, http://www.flarenetwork.org/learn/europe/article/berlin_is_the_centre_of_the_russian_mafia_in_europe.htm (accessed December 11, 2010).

⁴⁷ Андрей Полуниин, "Русская мафия предпочитает Германию," Свободная Пресса, July 2, 2010, <http://www.stopcrime.ru/investigations/440/4393.html> (accessed November 12, 2010).

⁴⁸ Siegel, "The Transnational Russian Mafia," p. 58.

⁴⁹ Andreas Ulrich, "Germany Puts Suspected Russian Mafia Boss on Trial,"

Spain

The first RSOCG emerged in Spain in the early 1990s and consisted mainly of Ukrainians, Belarusians, Georgians, and Chechens. Since 1994, these groups, mixed with the *nouveaux riches* of the budding and still confusing Russian market economy have been establishing themselves primarily in three areas: the Costa del Sol in Malaga province (especially in Marbella and Estepona, two cities which are mainly tourist oriented), the area of Valencia (above all Torrevieja and Benidorm), and the Catalan coast. In 1993 the Spanish Consulate in Moscow issued 44,584 visas and in 1994 this number almost doubled. Over the following two years the Spanish government followed a stricter policy for granting visas to citizens of the former Soviet republics. This, however, has not prevented even criminal groups from controlling the visas in their own countries. Later, the visa regime was simplified, so that the access of criminals from Russia and other former Soviet republics became easier.

All signs point to the existence of large-scale money-laundering operations run by RSOCGs in Spain, mainly in investments in real estate and tourism, which, given the instability of the mother country, is safer than keeping the money in Russia. The investments are individual or are made through mercantile companies located in the coast that receive a flow of capital from the mother country. They are principally dedicated to foreign trade, real estate sales, food and tourism, which are all cash-based businesses.⁵⁰

According to certain sources, in March 2003 an important gathering of “thieves in law” Zaharii Kalašov (“Şarko Molodoy”), Aslan Usoyan (“Ded Hasan”), Vladimir Tiurin (“Tiurik”), Vitalii Iygilov (“Zveri”), Taniel Oniani (“Taro”), Merab Gogia (“Merab”), Djamal Cheachidze (“Djamal” – representing the “Solntevskaia” group), Vahtang Kardava (“Vaha”), Mamuka Mikeladze (“Mamuka”), Armen Artiunov and some businessmen, including Leon Lann, took place in Spain. During this meeting a decision was made to establish a mechanism in Spain to launder money coming from the illegal activities of the groups represented by these leaders. The “laundered” money was to be invested mainly in real estate in Costa del Sol. In order to achieve this, several companies were established: Sunnivist 2000,

Spiegel Online International, August 14, 2007, <http://www.spiegel.de/international/world/0,1518,499854,00.html> (accessed October 3, 2010).

⁵⁰ Nestares, “Transnational Organised Crime in Spain.”

Elviria Invest, Megrisa, Megabetta V and N, Inmboliaros Estepona, and others. Later, during investigations carried on by Spanish authorities it was established that two founders of Sunninvest 2000 Leon Lann and Constantin Manukian were mainly responsible for money laundering.⁵¹

In 2005 the Spanish authorities initiated an extensive operation called "Avispa," which was led in two phases. The first phase of the operation took place in June 2005 when 28 suspects were arrested – 22 of whom were believed to be Russian mafia bosses – and charged with illegal association, money laundering, and fraudulent bankruptcy. 400 officers took part in the operation, during which 41 properties were searched and 800 bank accounts frozen. Nine people were arrested in the second phase of the operation in November 2006.⁵² The investigation of this case is not yet finished, as is shown by the arrest on November 3, 2010 of Vladimir Tiurin ("Tiurik"), by the Russian security service, FSB. The Spanish authorities that submitted the request for his international search believe that he was the organizer of the entire scheme of money laundering.⁵³

Another operation should be mentioned. It was called "Troika" and was carried out by Spanish authorities in the summer of 2008. Following this operation 20 persons were arrested, among them Alexandr Malishev, Mihail Rabo and Genadii Petrov, believed to be the leaders of the Tambovskaya-Malyshevskaya gang. This group is alleged to have used 500 bank accounts to launder tens of millions of Euros a year. Money that was earned back in St. Petersburg where the group is involved in drug dealing, hotels and restaurant, and had a lot of influence over banking institutions. Operation Troika dealt a huge blow to the activities of the Tambovskaya-Malyshevskaya gang, especially with regard to the laundering of their ill-gotten gains and leadership. There is also a lot of talk about connections between these men and high placed Russian government officials.⁵⁴

⁵¹ Юрий Вершов, "'Русскую мафию' прижали и дома, и за границей," Росбалт, March 16, 2010, <http://www.rosbalt.ru/print/720723.html> (accessed October 8, 2010).

⁵² "Ex-Barcelona MP accused of aiding Russian mafia gangs," Mafia News, July 17, 2007, <http://www.mafia-news.com/ex-barcelona-mp-accused-of-aiding-russian-mafia-gangs/> (accessed October 23, 2010).

⁵³ Manuel Altozano, "Moscu detiene a uno de los mayores capos de la mafia rusa por blanquear dinero en España," El Pais.com, April 11, 2010, http://www.elpais.com/articulo/espana/Moscu/detiene/mayores/capos/mafia/rusa/blanquear/dinero/Espana/elpepiesp/20101104elpepinac_6/Tes (accessed November 12, 2010).

⁵⁴ David Amoruso, "The Russian Mafia in Spain: Operation Troika," gangstersinc.

In March 2010 the “Java” operation was conducted, resulting in the arrest of 69 persons, 24 of them in Spain (15 in Barcelona, four in Getso, four in Valencia and one in Guadalajara). Searches and arrests related to this operation were also conducted in Germany, Switzerland, Austria, France, Germany and Italy. The presumed leader of the criminal group, the Georgian Kahaber Shushanashvili, was arrested in Barcelona, and his main associate (the author of the money laundering schemes) “Sovetnik” in Getso. Most members of this criminal grouping were Georgians. Their main activities comprised money laundering, hired killers, money extortion and theft, the latter being the main source of income for the group. An investigation established that the group was involved in crimes committed on the territory of at least ten European countries, as well as in Columbia and Mexico.⁵⁵ In each of these countries, “supervisors” and “cashiers” of regional “cash common funds” were detained. The gang’s primary “common cash fund” into which all profit from illegal activities flowed was controlled by Kakhaber Shushanashvili. The police believe that one of the major achievements of the operation was the capture of “the most sacred” – the register of all inflows of money to the “common cash fund,” which is the key evidence against the apprehended members of the network.⁵⁶

The German newspaper *Frankfurter Rundschau* published an article by Andreas Förster on June 22 concerning these issues entitled “Georgian Mafia Planned a Coup,” in which it was stated that part of the Georgian political opposition received funds from this organized crime network to foment unrest in Georgia with the aim of toppling the government of Mikheil Saakashvili. Förster’s main claim was that the street protests and four month-long occupation of downtown Tbilisi by the increasingly disorganized and unhinged opposition in the spring and early summer of last year were at least partly financed by the Georgian criminal groups operating in the EU. The article relied solely on the 66-page report released by the Austrian Federal Criminal Police Office. According to this report, financing took place

com, November 9, 2009, <http://gangstersinc.tripod.com/OperationTroika.html> (accessed October 22, 2010).

⁵⁵ Luis Gómez, “Detenidas 24 personas en España en una operación internacional contra la mafia rusa,” *El País.com*, April 15, 2010, http://www.elpais.com/articulo/espana/Detenidas/24/personas/Espana/operacion/internacional/mafia/rusa/elpepuesp/20100315elpepunac_2/Tes (Accessed November 10, 2010).

⁵⁶ “Details of famous operation,” Prime Crime News Agency, March 22, 2010, http://www.russianmfiaboss.com/news/2010-03-22_4325 (accessed September 27, 2010).

through Kakhaber Shushanashvili's brother Lasha Shushanashvili, who was living in Austria and managed to escape to Greece.⁵⁷

Organizations dedicated to the theft of luxury cars have also sprung up in the Costa del Sol and in Madrid. Once stolen, these cars are transported by Russian or Polish criminal groups to Eastern European countries in order to be sold. The proliferation of Russian-controlled prostitution rings, so common in other countries in the European Union, and especially in Turkey, is still unusual in Spain. The same can be said of the falsification of passports, visas and residency permits, as well as of the importation of Belarusian children for adoption purposes, made possible by the falsification of official documents.

There are also certain Eastern groups which are getting more and more involved in drug trafficking, mainly of heroin, due to their advantageous position on the heroin routes from Southeast Asia.⁵⁸

Poland

According to certain data, at the present time there are as many as 20,000 Russian criminals operating in Poland, making it, in numerical terms at least, the largest Russian criminal Diaspora in the world.⁵⁹ The RSOCGs are considered to be the most dangerous and influential criminal community in Poland. It should be mentioned, however, that beside Russians, there are also Ukrainians and Byelorussians in these groups. These criminal groups are mostly involved in illegal activities related to murders, pimping, car theft, and car smuggling into the CIS countries. It should be remembered that Poland was the first European country (outside the USSR) to be infiltrated by RSOCGs. Before 1992 they managed to achieve a dominant position in Poland, with Romanian and Albanian criminal entities being almost excluded from the criminal business, while local gangs exercised control

⁵⁷ Alexander Melikishvili, "Is Part of the Georgian Opposition Financed by Georgian Organized Crime?" *Eurasia Daily Monitor* [The Jamestown Foundation], June 30, 2010, http://www.jamestown.org/programs/edm/single/?tx_ttnews%5Btt_news%5D=36551&cHash=f425bb5c20 (accessed September 26, 2010).

⁵⁸ Nestares, "Transnational Organised Crime in Spain."

⁵⁹ Paul Goble, "'Russian Mafia' Abroad Now 300,000 Strong, Journal Says," *The Moscow Times*, March 2, 2010, <http://www.themoscowtimes.com/columns//article/russian-mafia-abroad-now-300000-strong-journal-says/400786.html> (accessed November 10, 2010).

only over a part of activities involving auto transport and drug dealing. Kosovo Albanians attempted to regain power in 2008 by establishing a drug dealing network in Poznan (a city considered to be the Russian criminal capital in Poland).⁶⁰ As a result, several cases involving murders of Albanians took place, inclusively the murder of relatives of Kosovo Prime Minister Hashim Thaci.⁶¹

Over a long period of time, taking advantage of the fact that Poland is a country with well-developed transit routes, many RSOCGs specialized in road robberies. There were different methods used by the perpetrators of road robberies with the goal of extorting a fee for driving through Polish territory, which ranged from attacks on people resting at border crossing points, car parks, petrol stations, etc.; stopping cars at communication routes by blocking the road with the perpetrators cars or by placing objects on the road which destroy the tires of the victim's car; stopping cars under the pretence of police control by using police uniforms, for example. The most effective means, which was very frequently used by these groups, is so-called criminal terrorism, which has the purpose of weakening the victim psychologically.

It is easier to describe criminal activities of the RSOCGs and the difficulties in countering it efficiently, by looking at the example of the Bialystok district. The eastern border of this district is the national border between Poland and Belarus, with five border-crossing points in this sector. Due to existing communication systems, former Soviet citizens who visit Poland or are travelling farther via Poland arrive in the Bialystok district. In 1996, on average about 450 vehicles were crossing the border crossing points at Polowce and Kuynica Bialostocka per day. Tourists and traders were regularly accompanied by criminals from the same countries. In this district over 90 percent of criminal acts were committed by foreigners involve Russian speaking perpetrators.

The crimes committed by this group are most often road robberies against fellow citizens, armed extortion, smuggling cars from illegal sources and the related production of false documents and identification plates for the vehicles, crimes related to excise tax (usually involving cigarettes and alcohol) and minor offences related to tragic regulations. The data provided

⁶⁰ Мухин, "Всемирность и народность 'Русской Мафии'," p. 18.

⁶¹ Горевой, "Братва ушла за кордон."

by District Police Command in Bialystok shows that in the following years there has been a growth in the level of organization of criminal activity by Russian speakers, as well as in the severity of the crimes.⁶²

In 2007 and 2009, Polish law enforcement authorities undertook activities oriented towards diminishing the influence of the RSOCGs in Poland. Both attempts were unsuccessful, being transformed into scandals involving suicides. In April 2007, Barbara Blida, a former Minister for Construction and Member of Parliament, committed suicide during a search performed at her home. Later it was stated that she was suspected of passive corruption in accepting favors offered by representatives of RSOCGs.

In December 2009, the Director of State Chancellery of the Polish Government, Gjegoj Mihnevici, was found hanged in his apartment. Even though the results of the criminal investigation did not exclude the possibility of murder, the investigators ended the case concluding that he had committed suicide. Some researchers linked his suicide to the PKN Orlen Company, where he was member of the board. Mehenevici was recently questioned by the prosecutors in a case related to the activities of the above company, activities controlled by representatives of the Russian criminal world.⁶³

France

As in most other European countries, RSOCGs were already involved in criminal activities in France at the beginning of the 1990s, being involved in a large spectrum of illegal activities ranging from ordinary theft to complicated money laundering schemes. A specific feature for France was the considerable presence of these groups in activities related to precious metals and stones, as well as the oil and wood markets. Moreover, several cases were investigated in which these groups were involved in antiquities dealing and elite prostitution.⁶⁴

For a long time, the RSOCGs in France was closely linked to the name of Alimjan Tohtahunov ("Taiwancik"), who was officially involved in the modeling industry, but was unofficially considered the RSOCG curator

⁶² Emil W. Plywaczewski, "The Russian and Polish Mafia in Central Europe," in Siegel, et al., eds. *Global Organized Crime*, p. 68.

⁶³ Горевой, "Братва ушла за кордон."

⁶⁴ Мухин, "Всемирность и народность 'Русской Мафии'," p. 28.

(smotreashii) for all of Europe.⁶⁵ He became known throughout the entire world when he was accused of influencing the results of some probes at the Salt Lake City Winter Olympic Games in 2002. According to what was latter claimed, he influenced both the French judge who gave a higher mark to the Russian Federation team as well as the Russian judge in favor of the French team. In the end, his involvement in the case was not proved and the case was suspended.⁶⁶

The interest of RSOCGs for France is proved also by frequent visits (in particular during the 1990s) by criminal leaders from the former Soviet Union. Some of them even managed to settle in France for quite some time, among them the “thieves in law” Beslan Djonua (“Besik”), Djamal Hachidze (“Djamal”), Sergei Ermilov (“Ded”), as well as the leader of the “Mazutinskaza” group, the “thief in law” Alexei Petrov (“Petrik,” “Lenea Hytrii”).⁶⁷

A well-known case involves the “thief in law” Amiran Gazdeliani, who is better known in the criminal world by his nickname Bego, who was deported in June 2010 from France to Georgia. He was arrested in 2005, together with two other Georgian “thieves in law,” Bakradze and Jeiran Kintsurashvili, who are still serving their sentences in France. They managed to organize an entire scheme of new car theft, directly from the parking lots of the factories, later smuggling them into countries from Eastern Europe and the CIS. A native of the Lentekhi District of Georgia, Gazdeliani is a countryman and a proxy of Tariel Oniani, one of the most influential Russian speaking criminal leaders, who helped Bego settle in France.⁶⁸

Making a thorough evaluation of the events with criminal features occurring in France in recent years, it is evident that the RSOCGs are mostly concentrated in the Southern part of the country, especially on the Riviera.⁶⁹ This tendency can be explained simply by the fact that the region is

⁶⁵ ©“Алимжан Тохтахунов,” <http://www.peoples.ru/state/criminal/tohtahunov/>

⁶⁶ Jessica Reaves, “Person of the Week: Alimzhan Tokhtakhounov,” *Time*, August 1, 2002, <http://www.time.com/time/pow/article/0,8599,333290,00.html>

⁶⁷ Мухин, “Всемирность и народность Русской Мафии,” p. 27.

⁶⁸ “Georgian thief-in-law deported from France,” *Prime Crime News Agency*, June 12, 2010, http://russianmfiaboss.com/news/2010-06-12_4390 (accessed October 3, 2010).

⁶⁹ Emily Andrews, “Gassed in their beds by Riviera robbers: Terrifying ordeal of the British tourists falling victim to Mediterranean gang crime wave,” *Mail Online*, August 14, 2010, <http://www.dailymail.co.uk/news/worldnews/article-1302917/Gassed-beds-Riviera-robbers-Terrifying-ordeal-British-tourists-falling-victim-Mediterranean-gang-crimewave.html> (accessed November 12, 2010).

economically well developed, full of empty villas for a considerable part of the year and also quite popular for tourists from around the world. At the same time, the French Riviera is widely preferred by criminal leaders as a permanent place of residence. According to the statements of a French police officer who was involved in the arrest of 69 members of a Georgian syndicate in March 2010, everything from burglary and money laundering to vice is controlled by the mob from former Communist countries: "They're into everything, from the Russian prostitute rings in resorts like Cannes and St Tropez to gassing tourists in their villas and stealing everything they've got."⁷⁰

According to Alain Bauer, a French criminologist, these groups are one of the best structured criminal organizations in Europe, with a quasi-military structure. According to Laurent Laubry, a representative of the police union Alliance, many of the gang members were heavily armed ex-soldiers from Soviet regions such as Chechnya.⁷¹ The area of illegal activities practiced by criminals from former Soviet Union is quite extensive, including theft, robberies, tax evasion, murderess and money laundering.⁷² The active and transnational character of the RSOCGs in France can be judged after the arrests that took place in March 2010. Among the 69 arrests in the "Java" operation initiated by the Spanish authorities, the majority took place in France and were later discovered to be a close and permanent link between those arrested in France and Spain.

Sweden

The first RSOCGs appeared in Sweden at the beginning of the 1990s, after the collapse of the Soviet Union. The main activities carried on by the representatives of these groups were smuggling and dealing in objects of art and antiques from ex-Soviet republics, theft of different goods and their subsequent smuggling into the Russian Federation. Initially these violations were considered to be disorganized, carried on by small groups without any relevance to each other. Later, however, the involvement of the Russian criminal

⁷⁰ Peter Allen, "Russian mafia taking over French Riviera," *The Telegraph*, August 31, 2010, <http://www.telegraph.co.uk/news/worldnews/europe/france/7973637/Russian-mafia-taking-over-French-Riviera.html> (accessed October 16, 2010).

⁷¹ Ibid.

⁷² Мухин, "Всемирность и народность 'Русской Мафии'," p. 27.

group “Tambovskaya” in different offences committed in Sweden could be noted. Presumably the increased interest of these groups in Sweden was determined first of all by the relatively short distance between the eastern coast of Sweden and St. Petersburg where they held supremacy in the criminal world. In the years following their establishment in Sweden and until the present, the “Tambovskaya” gang has consolidated its position.

In recent years, the RSOCGs have undergone several transformations when it comes to the ethnic background of its members. Firstly, an increased number of crimes committed by Georgians and Azeri were noticed. Moreover, they have managed to organize themselves in groups based on ethnic origins. An interesting fact is that most of these groups are quite small (three to five members) and are involved in relatively “simple” crimes, like theft, robberies and money extortion. It should also be underlined that their members are mostly recent immigrants that have not even attempted to integrate into the Swedish society, having the intention to commit crime before even reaching Sweden.

A specific feature of the RSOCGs in the region is their relatively high degree of training and information. In most cases they manage to get a legal residence permit in Sweden, obtaining all necessary documents in order to fully benefit from and be integrated into the Swedish social system. Additionally, they are quite skillful in operating with legal provisions, so as to manage to stay in the country.

Next to the groups mentioned above (committing “simple” crimes), there are also other groups characterized by a higher degree of organization, applying complex criminal schemes. In the summer of 2010, following an investigation carried on by the Swedish National Police an entire complex fraud scheme was discovered. It involved persons from CIS member countries, who were residing in Sweden, holding false Bulgarian, Czech, and Greek passports. They have contracted considerable amounts of money through various credit schemes, later disappearing without leaving any traces.

Another criminal scheme applied in practice by RSOCGs involves false bankruptcy. As mentioned above, the groups are characterized by good knowledge of Swedish legislation, including the labor field. In 2010 a case was investigated by the Swedish authorities involving the false bankruptcy of a company (a division of a British company) which had 21 employees.

As according to Swedish law, if the bankrupt company does not have the means to pay the wages and terminal payments, this is done from public fund, and the criminals used this provision in their favor in order to obtain the fees for the so-called employees from the state coffer.

Furthermore, in Sweden there are a considerable number of companies whose founders are persons originating from CIS member countries. Several of these companies are operating with large amounts of money and have almost no commercial activity.

Currently at least two “thieves in law” (one of them being Dmitrii Gal-eev “Gheli”) from Tariel Oniani’s gang are living in Sweden. According to some sources, these “thieves in law” are not only residing in Sweden, but also have a specific task and agenda pre-established from back home. The Russian-speaking community in Sweden is increasing continuously; most probably these criminal leaders have the mandate to better control the activities of Russians in Sweden.⁷³

A certain increase was observed in relation to the activities of criminal groups with Georgian or Azeri members. Moreover, there are indications that these groups have hostile relations with each other due to their efforts to establish areas of influence within the country. In July 2010, a person of Georgian origin was fired on in central Stockholm. Later, the identity of the assaulter was found out; he was of Azeri origin and a member of a criminal group. The interesting part of this case is that even though the victim knew the aggressor, he refused to cooperate with the police, refusing to offer any information.

According to representatives of the Swedish police, one of the circumstances complicating the efficient fight against RSOCGs is the diminished cooperation among Russian law enforcement authorities. The Swedish police had two liaison officers in St. Petersburg and Moscow for a long time, but this proved to be of no use because of insufficient cooperation on the part of the Russian authorities. It should be noted that the cooperation with other former Soviet republics in this field is much better, although institutional resources and the legal framework is quite limited.⁷⁴

⁷³ Interview with representatives of the Swedish National Police by the authors, November 2010.

⁷⁴ Ibid.

The influence that RSOCGs have in Sweden was also confirmed during the “Java” operation mentioned above. According to one of the police officers taking part in the operation, Sweden was one of the countries from which the criminal group received financing.⁷⁵

Switzerland

The RSOCGs pose a problem for Switzerland that is probably similar to that of London, insofar as both locations are extensively used to launder criminal funds and also for prosperous individuals to take up residence. The (then) Swiss Attorney General Carla del Ponte was quoted in 1999 to the effect that RSOCGs had infiltrated some 300 Swiss companies and were using Switzerland as a “piggy bank.”⁷⁶ This comment reinforced a Swiss Federal Police Report released two years earlier according to which Switzerland could in coming years be increasingly hit by the expansion of organized crime groups, particularly Russian. The use of Switzerland by Russians started in the early 1990s with large flows of money from the former Soviet Union from wealthy people who tried to secure the value of their wealth by moving it to a safe haven. The Swiss authorities estimated that US\$40 to US\$50 billion in total was deposited in Swiss banks and other financial institutions. Switzerland welcomed the original influx, as its banking sector was facing competition from both offshore centers and global mainstream banks muscling in on the traditional Swiss domain of wealth management and private banking. There was no way of knowing how much of this early torrent of money was tainted by crime, just as there is no way of calculating what percentage of the entire amounts deposited is dirty money.

The Russians then decided that their wealth should not only be in Switzerland but also their families. They bought properties, moved their families and started contributing to the local economy.⁷⁷

⁷⁵ Jonathan Adams, “At least 69 alleged Russian mafia arrested in European crackdown,” *Christian Science Monitor*, March 16, 2010, <http://www.csmonitor.com/World/terrorism-security/2010/0316/At-least-69-alleged-Russian-mafia-arrested-in-European-crackdown> (accessed September 25, 2010).

⁷⁶ Nicky Molloy, “Swiss Official Says 300 Firms Linked To Russian Mafia,” Reuters, August 12, 1999, <http://www.mail-archive.com/ctrl@listserv.aol.com/msg20622.html> (accessed November 2, 2010).

⁷⁷ Peter Lilley, *Dirty Dealing: The Untold Truth about Global Money Laundering, International Crime and Terrorism* (London and Sterling, VA: Cogan Page, 2007), p. 42.

In recent years the features of the RSOCGs in Switzerland have undergone several transformations. One of them is that besides criminal groups that used to carry on their illegal activities in other countries and only laundered the money in Switzerland, there are now new criminal groups whose members moved to and live in the country. These groups are usually small and involved in illegal activities like theft and robbery. For example, in the Vaud region, in 2008, 11 percent of the 36,639 crimes committed were robberies, of which 24 percent involved apartment burglaries carried on mostly by people originating from the former Soviet Union, primarily Georgians. These groups are also characterized by Swiss police as well organized and skilled.⁷⁸

The interest in Switzerland shown by RSOCGs has not decreased in recent years. This is confirmed by the data of the “Java” operation in March 2010. According to Swiss authorities, 11 of the 69 criminals were arrested in Switzerland. According to officials, the group specializes in theft, house breaking and robberies, as well as receiving and passing on stolen goods. They collected money which was deposited into a central fund called “obschak,” with each level of the group having responsibility for contributing a share to the fund.⁷⁹

Greece

Greece is one of the EU countries in which RSOCGs have settled down. Despite this fact, these criminal groups operate in a relatively calm manner, doing their best to avoid the attention of Greek law enforcement agencies.⁸⁰ At the same time, the representatives of the former Soviet criminal world managed to establish strong and durable cooperative relations with the local criminal groups,⁸¹ so that up to now there have been no serious hostilities between them.

⁷⁸ Ellen Wallace, “Residential break-ins rise 22% in Vaud, crime up 34% in 10 years,” *genevalunch.com*, April 28, 2009 <http://genevalunch.com/blog/2009/04/28/residential-break-ins-rise-22-in-vaud-crime-up-34-in-10-years/> (accessed October 26, 2010).

⁷⁹ Ellen Wallace, “Georgian, Russian mafia swoops in Europe include Switzerland,” *genevalunch.com*, March 15, 2010, <http://genevalunch.com/blog/2010/03/15/georgian-russian-mafia-swoops-in-europe-include-switzerland/> (accessed October 26, 2010).

⁸⁰ Мухин, “Всемирность и народность ‘Русской Мафии’,” p. 17.

⁸¹ Ron Hanser, Jeffrey P. Rush, Deborah I. Pace and Joel M. Keyes, “International Organized Crime and its Impact on U.S. National Security,” in Frank G. Shanty and Patit Raban Mishra, eds., *Organized Crime: From Trafficking to Terrorism, An International*

There are two important circumstances that should be considered when discussing the emergence and development of RSOCGs in Greece. The first one is Greece's strong profile as a tourist destination, a fact that made the country a desirable place in which to live for many criminals from the former Soviet Union. The second circumstance (and here there is a similarity with Germany) is the large number of Pontian Greeks repatriated to Greece after the collapse of the Soviet Union from countries such as Georgia and Ukraine. In a short period of time the Pontian Greeks managed to take control of some areas, especially the leather and fur products businesses. The RSOCGs are mostly also involved in drug dealing and human trafficking. One of these groups is "Chealkinskaya," the name originating from the Georgian city Chealka, from which most of its members come. Another criminal group is "Suhumskaya" (from the Georgian City Sukhumi) which is considered by some experts to be one of the most powerful and influential criminal group in the northern part of Greece. Members of this criminal group are mostly involved in human trafficking, supplying Greek brothels and night clubs with women from CIS states.⁸²

In recent years, Greek law enforcement bodies have observed many cases of RSOCGs being involved in different sorts of tax and banking fraud. A notable case in these criminal schemes was discovered in 2005. Making use of certain regulations in the banking sector, several persons from CIS countries performed bank transfers, only to cancel these transfers within a few hours, citing various different reasons, and request reimbursement of the money. The banks returned the money, but were unable to recover the "wrongly" transferred amounts, as they had already been retransferred to bank accounts in Russia. The main idea behind this scheme was that the holders of the accounts "wrongly" indicated were actually people employed by bogus companies to carry on the transfer in exchange of a fee.⁸³

Events that took place in the Russian criminal underworld in 2010 also show us the attitude of Russian speaking criminal leaders towards Greece. Thus, according to several sources, on December 11, 2010, a meeting of

Encyclopedia (New York: ABC-CLIO/Greenwood, 2008), p. 150.

⁸² "Понтийская мафия» просто одолела," BBRATVA Common Sites, Inc., April 22, 2008, <http://rushistory.3dn.ru/forum/18-279-1> (accessed November 13, 2010).

⁸³ Катерина Арабаджи, "За 390 Евро им грозит 10 лет тюрьмы," Русский портал в Греции, November 10, 2005, <http://www.russiangureece.gr/content/view/879/120/> (accessed December 12, 2010).

approximately 50 (other sources claim 60) criminal leaders and “thieves in law” originating from the former Soviet Union took place in Greece. This is believed to be the most important meeting in the Russian speaking criminal world for at least ten years. It is considered that the meeting was held in order to solve the conflict between the criminal groups led by Aslan Usoyan “Ded Hasan” and Taniel Onian “Taro,” a conflict lasting for several years with some fatal outcomes – the murder of Vyacheslav Ivankov in Russia in October 2009, Vladimir Danashia in France in March 2010, and Malkhaz Kitia in Greece in May 2010,⁸⁴ and attempted murder of Aslan Usoyan in Moscow in September 2010.⁸⁵

Italy

Even though the first members of a RSOCC came to Italy in 1988, the imminence of the danger coming from these groupings was acknowledged only at the beginning of the 1990s. Initially these groups treated Italy mostly as a real estate market and as an area for their legal businesses. Later, starting in 1995, this phenomenon gained a new dimension, when Italian police units discovered an increasing number of people coming from former Soviet republics with false residence permits. Moreover, there were also cases of drug dealing and trade with weapons. In this period these criminal groups were mostly located in the north-western part of the country and the Adriatic Coast. In the course of some investigations, an entire system in the Rimini airport was discovered that made it possible for RSOCC members to avoid customs control. The scheme was organized by Petrosian brothers from Armenia.⁸⁶

When examining Russian criminality in Italy in the 1990s, it is necessary to refer to Yurii Esin (“Samosval”), considered to be the representative of the Solntevskaia gang in Italy. Officially, Esin was involved in legal export/import activities from Russia to Italy and vice versa.

⁸⁴ “Influential Criminal Leader Malkhaz Kitia Murdered in Greece,” *The Georgian Journal*, May 13, 2010, <http://www.interpressnews.ge/en/justice/17543-infuent-cmn-lede-mkhz-kt-mudeed-n-geece.html> (accessed December 15, 2010).

⁸⁵ Юрий Вершов, “‘Воры в законе’ заключили перемирие,” *Росбалт*, December 24, 2010, http://www.azerizm.ru/stati/crime/st_k_vori-peremirie.htm (accessed January 12, 2011).

⁸⁶ Мухин, “Всемирность и народность ‘Русской Мафии,’” p. 15.

In 1997, as a result of operation “Checkmate,” eleven citizens of the Russian Federation were arrested, among them Esin. They were charged with multiple offences, including the establishment of a criminal organization, kidnapping (mostly Russian citizens), as well as illegally importing petrol products from Russia to Italy. Even though the results of this operation caused a large scandal involving well-known businessmen, politicians and even Italian designers, but all those who had been arrested were later released and the investigations were suspended. Later there were other cases when members of RSOCGs were arrested, even though the visa regime was becoming more rigid for citizens from ex-Soviet countries, but this did not have a considerable influence over the spread of crimes perpetrated in Italy by Russian criminals.⁸⁷

In 2002, a new stage of anti-RSOCG fight was initiated in Italy, and approximately 50 persons were arrested, including Russians, in one operation called “Spiderweb.” Afterwards it was established that these persons were involved in a giant money laundering scheme.⁸⁸ According to the system set up, for several years money coming from illegal activities in Russia was transferred to bank accounts at various financial institutions in the United States, and afterwards these funds were transferred to companies all over Europe, including Italy.⁸⁹ Using this money, the group acquired goods and services that were exported to Russia. In the Bologna court ruling from May 31, 2002, by which the arrest of some of the criminals was authorized, it was indicated that there are representatives of the “Solntevskaia” and “Izmailskaia” gangs on Italian territory, led by Kikalishvili, Moghilevici (“Seva”) and Luceanskii.⁹⁰

According to the Russian expert Ruslan Gurevoi, the RSOCGs managed to establish cooperative relations with some Italian gangs like Ndrageta and Cosa Nostra. At the same time, the RSOCGs are already exercising

⁸⁷ Максим Варьвдин, “Итальянские походы против русской мафии,” Коммерсант-Власть, September 16, 2002, http://www.comproamat.ru/page_12260.htm (accessed October 11, 2010).

⁸⁸ Сергей Югов, “Паутина накрыла русскую мафию: Bank of New York финансировал террористов, связанных с Аль-Каидой, ...,” June 11, 2002, <http://www.pravda.ru/world/11-06-2002/807603-0/> (accessed November 19, 2010).

⁸⁹ Анна Зафесова, “Русская мафия. Операция ‘Паутина,’” *Московские новости*, June 18, 2002, http://www.comproamat.ru/page_11952.htm (accessed September 23, 2010).

⁹⁰ Варьвдин, “Итальянские походы против русской мафии.”

increasing control over the majority of Italian agricultural companies, as well as over national and international transport companies. The RSOCGs are also active in the drug market, having a certain degree of control over the transport of drugs by air from Asia.⁹¹

People coming from ex-Soviet republics hold a dominant position in Italy in the case of weapons trade. In 2008 the Italian authorities succeeded in arresting 16 RSOCG members who had supplied weapons to Libya and Iraq from Ukraine and China for several years. Previously, on February 12, 2007 one such group managed to organize the delivery of 500 units of automatic weapons to Iraq.⁹²

Latvia

Examining RSOCGs in countries like Estonia, Lithuania and, in particular, in Latvia, one should look at this phenomenon from a different perspectives compared to other EU member states. First of all, referring to the classification used by Europol in its latest reports on organized crime, unlike other European countries, Latvia is regarded as a country in which the RSOCGs are considered to be indigenous. Secondly, Latvia is considered not only a country in which these gangs have a long tradition, but also a continuous source of criminal elements for the countries of Western Europe. Moreover, according to certain experts, Latvia frequently serves as a transit country for criminals from the Russian Federation before reaching other EU member states.

The development of organized crime in Latvia is not only closely linked to that of the Russian Federation but is also quite similar to it in many aspects. Immediately after the collapse of the Soviet Union, Latvia was divided between two influential criminal groups. Riga fell under the control of a gang led by Ivan Haritonov, while Yurmala and other coastal cities were given to the group called Pardaugava led by Yurii Raigorodskii and Vladimir Lescov.⁹³ In the first half of the 1990s, Haritonov was considered to be

⁹¹ Горевой, "Братва ушла за кордон."

⁹² Руслан Гуревой, "Мафия процветает всюду: от торговли оружием до сельского хозяйства," *ИноСми.ру*, March 23, 2010, <http://www.inosmi.ru/social/20100325/158797535.html> (accessed November 12, 2010).

⁹³ Леонид Беррес, "Дело бригады Харитона: ни одного потерпевшего, только обвиняемые," *Газета Коммерсантъ*, No. 132 (1090), August 16, 1996, <http://www.kommersant.ru/doc.aspx?DocsID=237699> (accessed September 28, 2010).

the most influential criminal in Latvia. In 1994 he was arrested and charged with several offences and served eight years in prison.⁹⁴

According to unofficial data, until 2001 there were around 150 criminal groups in Latvia. The Haritonov gang managed to regain its position and even to expand into Latvia, practicing money extortion, smuggling, and car theft. Another dominant criminal group in Latvia is the one which used to be headed by Iurii Valivaci and Andris Verhovskii. It is believed that its members had close connections with representatives of the RSOCGs in Russia, Great Britain, Germany and Israel. Its main illegal activities involved smuggling, car theft as well as paid killings. A certain influence in that period was acquired by the Checheny group, which was characterized by relatively rapid expansion. Presumably this group made several attempts to get involved in the Latvian banking sector, trade with oil products and in construction. There were also other relatively powerful criminal groups in Latvia in the 1990s, such as the "Adu" gang.⁹⁵

Organized crime in Latvia is expanding. The links with international organized crime groups are intensifying. According to Europol's *Organised Crime Threat Assessment 2009*, Latvian organized crime plays a crucial intermediary role between the Russian and the EU organized crime environments.⁹⁶ Latvian police sources agree that organized crime groups in Latvia have close connections with criminal structures in Russia. Economic crime is especially dependent on outside sources. It includes the most sensitive area of finance and investments in legal projects.⁹⁷

The types of organized crime groups in Latvia have become more refined and more difficult to detect. Illegal transactions are hidden behind legally

⁹⁴ ЛЕОНИД БЕРРЕС, "В Риге судят русских бандитов," Коммерсантъ, No. 132 (1090), August 16, 1996, <http://www.kommersant.ru/doc.aspx?DocsID=237699> (accessed September 28, 2010).

⁹⁵ "Латвийская организованная респубность ищет партнеров в России и Белорусии," Бизнес и Криминал, No. 26 (113), July 10, 2001, http://www.businesspress.ru/newspaper/article_mId_34_aId_74021.html (accessed October 6, 2010).

⁹⁶ Europol, "EU Organised Crime Threat Assessment 2009," p. 16, [http://www.europol.europa.eu/publications/European_Organised_Crime_Threat_Assessment_\(ОСТА\)/ОСТА2009.pdf](http://www.europol.europa.eu/publications/European_Organised_Crime_Threat_Assessment_(ОСТА)/ОСТА2009.pdf) (accessed September 26, 2010).

⁹⁷ "Latvijas organizētā noziedzība neesot uzskatāma par patstāvīgu sistēmu," Baltic News Service, November 21, 2004, <http://www.apollo.lv/portal/news/82/articles/34325> (accessed December 12, 2010).

proper operations (agreements). The criminal groups employ professionals in law and finance.⁹⁸

According to Europol's *Organised Crime Threat Assessment*, the organized crime groups in Latvia are pursuing strategies based on interfering with law enforcement or judicial processes.⁹⁹ The Latvian Organized Crime Enforcement Department agrees that penetration into the public administration is one of the most important tasks of organized crime.¹⁰⁰ Latvian mass media frequently report on corruption, fraud and money laundering scandals involving leading politicians. The former Chief of Corruption Prevention Bureau (KNAB) Aleksejs Loskutovs claims that the number of such cases will increase substantially in the future.¹⁰¹

According to Europol's *Organised Crime Threat Assessment*, illicit flows through Latvia can be traced from the East towards the West (trafficking, illegal immigrants, cigarettes, drugs) but also vice versa (cocaine).¹⁰² The Latvian police has issued reports detailing increased smuggling, fraud and trafficking. Unfortunately, it is only a small part of all crimes committed, and detected thanks to Interpol, European and U.S. authorities. The reality is that organized crime in Latvia, especially money laundering, bribery and corruption, destroys the country's economy (Latvia is one of the poorest EU countries). According to the World Bank, the share of the illegal economy in the Latvian economy is around 40 percent.

In 2009, the Organized Crime Enforcement Department disclosed 372 smuggling cases. According to the Security Police, smuggling and corruption are the main problems on the Russian–Latvian border. While small-scale smuggling is decreasing, new organized crime groups are being

⁹⁸ "Latvija ir augsts organizētās noziedzības līmenis," Nra.Lv, March 7, 2010, <http://zinas.nra.lv/latvija/kriminalzinas/17949-latvija-ir-augsts-organizetas-noziedzibas-limenis.htm> (accessed November 17, 2010).

⁹⁹ Europol, "EU Organised Crime Threat Assessment 2009," p. 46, [http://www.europol.europa.eu/publications/European_Organised_Crime_Threat_Assessment_\(OCTA\)/OCTA2009.pdf](http://www.europol.europa.eu/publications/European_Organised_Crime_Threat_Assessment_(OCTA)/OCTA2009.pdf) (accessed September 26, 2010).

¹⁰⁰ "Latvijas noziedzības vidē joprojām pastāvo liela Krievijas noziedzības ietekme," Diena.Lv, December 24, 2008, <http://www.diena.lv/lat/politics/sabiedriba/latvijas-noziedzibas-vide-joprojam-pastavot-liela-krievijas-noziedzibas-ietekme> (accessed October 20, 2010).

¹⁰¹ Robert Nilsson and Walter Kegö, "The Impact of Drugs Trafficking, Corruption and Organized Crime: How to Strengthen Regional Cooperation around the Baltic Sea," Institute for Security and Development Policy, *Policy Paper* (June 2009), p. 19.

¹⁰² Europol, "EU Organised Crime Threat Assessment 2009," p. 27.

created. The so-called “Latgales” organized crime group includes criminals recently released from prison. The border-crossing point Grebneva–Terehova is one of the most problematic. For example, recently a case of half a million cigarettes was disclosed. Dozens of border guards and customs officials have been accused of involvement. The situation has been analyzed at the highest political level. In 2010, the Security Police initiated three criminal proceedings against civil servants.¹⁰³

According to the *Organised Crime Threat Assessment*, certain groups are strengthening their position in the cocaine market by directing the cocaine couriers from their origin via the Baltic States to the growing Russian market.¹⁰⁴ The transit of drugs, mainly using sea and land transport, has been undertaken with the support of transnational organized crime groups.

The State Police reported in 2009 that the number of illicit traffic of drugs in Latvia had not increased. Nevertheless, the problem is that number of the completed criminal cases and arrests has not increased.¹⁰⁵

In April 2010, in the port of Riga a record 202.5 kg cocaine was seized from a cargo ship, according to the Latvian organized crime officials. Police have detained several persons. The cargo from Chile was supposed to be sent to Russia. Police have commenced the criminal proceedings, but no one has been detained in connection with the cocaine shipment so far.

Money laundering is also a very acute problem in Latvia. According to Europol, the RSOCGs are interested in using the banks located in the Baltic countries to launder criminal money. High volumes of trade crossing the region create opportunities that both white-collar and organized crime groups can exploit (smuggling activities, money laundering, VAT fraud, double-invoicing, etc).¹⁰⁶

¹⁰³ “Drošības policijas priekšnieka Jāņa Reinika intervija laikrakstam: ‘Latvijas Avīze’,” Latvijas republikas Iekšlietu ministrija (homepage), April 21, 2010, http://www.iem.gov.lv/lat/drosibas_policija/aktuala_informacija/?doc=18224 (accessed October 20, 2010).

¹⁰⁴ Europol, “European Union Organised Crime Threat Assessment 2009,” p. 27.

¹⁰⁵ Annual Report on Organized Crime of Latvian Republican Prosecutor Office for 2009, http://www.lrp.gov.lv/doc_upl/Generalprokurora_Jana_Maizisa_parskats_par_2009.gadu.pdf (accessed October 9, 2010).

¹⁰⁶ Europol, “European Union Organised Crime Threat Assessment 2009,” p. 30.

The Impact of Russian Speaking Organized Crime Groups

The phenomenon of RSOCGs has attracted increasingly close attention in recent decades. It is seen as a serious problem, and solving the problems they create is a top priority in many European countries. Despite this interest, few studies have been conducted on the exact impact of organized crime, and almost none on the case of Russian speaking groups. Indeed, the impression is often that the organized crime phenomenon is based on “ghost stories” the veracity of which is difficult to judge.¹⁰⁷

It must be understood that organized crime affects our daily lives. Not everyone is aware of it, but it affects the taxes we pay (tax revenue losses from contraband tobacco and alcohol); our car insurance premiums (higher auto insurance due to car theft by organized crime rings); our banking fees (banks recovering fraud costs), and even our safety and health (drug-related violence, faulty counterfeit goods and neighborhood marijuana growing operations).

The data on organized crime are very poor – which should not be a surprise given the covert nature of these activities – but researchers have tried to come up with estimates wherever possible. Failure to do so runs the risk of the activity in question being downplayed relative to other crimes in which quantification is less difficult. In each chapter the key caveats are identified, to help provide some qualitative indication of the level of uncertainty. Ranges have not been used – in general there is little to base any estimates on – and there is a danger they would falsely indicate that the degree of uncertainty could be quantified precisely. The methodologies used to estimate the revenues and economic and social costs are independent of each another, drawing from many data sources. All economic and social costs are expressed in monetary terms even if the underlying drivers are not themselves financial.

¹⁰⁷ Tom Vander Beken, et al., *Measuring Organised Crime in Europe: A feasibility study of a risk-based methodology across the European Union*, 2nd ed. (Antwerp/Apeldoorn [Belgium] and Maklu; Holmes Beach, Fla.: Gaunt, 2006), p. 74.

In this sense, previous research on the economic and social costs of crime has been based on monetizing non-financial harms. Economic and social costs, or “harms,” include the costs incurred in anticipation of crime, as a consequence of crime, and in response to crime.

- Costs in anticipation of crime include defensive expenditure (for example, on chip and pin to help prevent credit card fraud) and precautionary behaviors and are considered to be a cost of crime since they are based on the risk of becoming a victim.
- Costs as a consequence of crime include the value of property stolen or damaged (for example, the value of plastic fraud), time costs of replacing property, documents and so on, the emotional and physical impact and reduced quality of life for victims, and reduced effectiveness at work for people affected by crime. In cases in which crime involves violence to the victim, health costs fall on the National Health Service and other health service providers.
- Costs in response to crime are numerous and relate generally to the criminal justice system. This includes costs to police, the prosecution office, magistrates and courts, legal aid and non legally-aided defense costs, and costs to the prison and probation services.¹⁰⁸

Regarding the costs mentioned above, it should be mentioned that it is difficult to determine an exact amount that would represent more or less the economic costs of the activities carried on by criminal groups in Europe. When speaking about the RSOCs the quantification task is even more complicated, as it is also questionable as to exactly which part of European organized crime is to be considered to have been perpetrated by Russian speaking groups.

Interpol does not maintain the kind of files that allow even an approximate assessment of the number of Russian criminals operating abroad. But

¹⁰⁸ Richard Dubourg and Stephen Prichard, eds., “The impact of organised crime in the UK: Revenues and economic and social costs,” <http://www.homeoffice.gov.uk/about-us/freedom-of-information/released-information1/foi-archive-crime/9886.pdf?view=Binary> (accessed December 20, 2010).

in 2009, the National Prosecutor of Italy concluded that there were “up to 300,000” criminals from Russia operating in other countries.

One of the largest or at least most profitable activities of Russian criminals abroad, according to the Italians, is money laundering, with the “Russian mafia” laundering funds in the United States, the Marianas and Guam. In addition, they added, Russian criminals are charging Mexican drug lords 30 percent for laundering drug profits from sales in the United States.

In Italy, prosecutors reported, “representatives of the Russian mafia in 2008 formed an alliance with local criminal groups, including the Cosa Nostra” and took under joint control “practically 100 percent of the agricultural enterprises of Italy and at the same time practically all shippers, both international and domestic.”¹⁰⁹

The German newspaper *Süddeutsche Zeitung* reports, citing official and other sources, that there are approximately 160,000 Russian criminals in Europe, compared to 70,000 of Italian origin, 40,000 of American background and 37,000 from Asian countries. The Russians have corrupted at least some officials in order to cover their own tracks, the paper reported.

There is also some data regarding the activities of Russian speaking criminals in Poland. According to the Russian expert Ruslan Gorevoy, there are as many as 20,000 Russian criminals operating in Poland, making it, in numerical terms at least, “the largest Russian criminal Diaspora in the world.”¹¹⁰

Looking into the RSO CG phenomenon, one should also take into consideration that the threat posed in the EU is mainly due not to the large number of members, but rather to the cruelty and to the methods applied in committing crimes. According to the Munich paper’s Rudolph Himelli, the RSO CGs are better organized and commit the boldest crimes, remaining in practice unpunished, crimes that are of a completely different order of magnitude than those committed by Turkish immigrants or criminals

¹⁰⁹ Paul Goble, “‘Russian Mafia’ Abroad Now 300,000 Strong, Journal Says,” *The Moscow Times*, March 2, 2010, <http://www.themoscowtimes.com/columns//article/russian-mafia-abroad-now-300000-strong-journal-says/400786.html> (accessed November 10, 2010).

¹¹⁰ Маша Матвеева, “Чем занимается русская мафия в Европе,” *Newsland*, September 13, 2010, <http://www.newsland.ru/News/Detail/id/557485/> (accessed November 5, 2010).

from countries in Eastern Europe, including illegal arms sales to Libya and Iraq.¹¹¹

Long-term residence in host countries, good knowledge of the legal and tax systems, a background in financial crime and active orientation towards running business enterprises are typical features of the RSOCGs.

The danger emanating from this type of groups is increasing due to their ongoing integration into the EU member states. The higher the level of assimilation, the larger is the area of activities and possibilities for RSOCGs in EU. One of the most negative effects of the assimilation is the growing capacity to use corruption as a way to influence decision makers within official authorities, law enforcement agencies and even private companies.¹¹²

According to some sources, RSOCGs are interested in using banks located in the Nordic and Baltic countries to launder criminal money derived from crime perpetrated in the Russian Federation/ the former Soviet Union and probably for a less suspicious and low-profile entry into the financial systems in the EU. The high volumes of trade crossing the region create opportunities that these criminal groups do not usually avoid exploiting (smuggling activities, money laundering, VAT fraud, double-invoicing, etc).¹¹³

The RSOCGs are quite “successful” in the activities mentioned above, mainly because of the large number of experts and specialists working for them. There are many cases when the whole process is organized and established by a team of lawyers, economists, financial advisers and accountants.¹¹⁴

The impact of RSOCGs is increasing since financial scams have become the second most common category of cross-border crime (after drug trafficking). This is in part due to the Internet, which has had a profound effect on the underworld. Lucrative crimes are now more often committed remotely, anonymously and far beyond the reach of the law. Europe’s financial businesses are under constant assault from “technically brilliant Russian cyber criminals.”

¹¹¹ Goble, “‘Russian Mafia’ Abroad Now 300,000 Strong, Journal Says.”

¹¹² Interview with a high-ranking Swedish National Police officer by the authors (January 28, 2011).

¹¹³ Europol, “EU Organised Crime Threat Assessment 2009,” p. 30.

¹¹⁴ Interview with a high-ranking Swedish National Police officer by the authors (January 28, 2011).

Aside from 419 scams, these gangs engage in “e-crimes”: new forms of extortion, fraud and identity theft. Gangs can extort huge sums of money from legitimate businesses by threatening to take down or disrupt their IT systems. These are known as DDoS (distributed denial of service) attacks. First, the gang target a firm, perhaps a large bank or online casino, and infiltrate its computer network using viruses or “bots,” a type of remote control software. They then threaten to launch a cyber attack, which can cost millions in lost transactions and clients. Many companies prove willing to quietly buy the gang off, say with US\$40,000 lodged into a secure bank account or cash transfer service, often on another continent.¹¹⁵

The RSOCGs operate with quite large amounts of money; a fact that once again emphasizes how great the impact is. One case is the money laundering scheme uncovered by Italian law enforcement agencies during operation “Spiderweb” in 2002. The operation revealed that at least US\$500 million originating from different criminal activities undertaken in the Russian Federation and other former Soviet republics was “laundered” through this scheme.¹¹⁶

The Bulgarian authorities identified another money laundering “affair” in January 2009. During the investigation it was established that “dirty” Russian money, amounting to at least US\$1.4 billion had been laundered through a series of financial transactions in Bulgaria and Estonia.¹¹⁷

The facts presented above indicate that the damage caused by RSOCGs is considerable, the economic impact being even more significant, when counting the costs sustained by public authorities (both at EU and national level of individual member states) in fighting against and preventing these crimes.

Naturally, part of the damage is recovered when representatives of criminal groups are convicted. Here we can look at the example of Zahar Kalashov “Zahar Molodoi” (Zahar the Young), detained in 2006 in Dubai during the “Avispa” operation initiated by the Spanish authorities. After

¹¹⁵ Hugo Brady, “The EU and the fight against organised crime,” Center for European Reform, *Working Paper* (April 2007), p. 7.

¹¹⁶ P. K Semler, “Marc Rich Linked To \$9 Billion Money Laundering Investigation,” *The Washington Times*, June 23, 2002, <http://fpp.co.uk/online/02/06/Israel/Rich020702.html> (accessed January 30, 2011).

¹¹⁷ Gabriel Ronay, “A tale of Russian mafia, a Bulgarian businesswoman and 1bn,” *The Sunday Herald*, February 22, 2009, http://findarticles.com/p/articles/mi_qn4156/is_20090222/ai_n31381611/ (accessed January 30, 2011).

a time-consuming investigation, Kalashov was not only sentenced in May 2010 to seven and a half years in jail, but also fined 20 million Euro.¹¹⁸ Moreover, there are important goods and amounts of money seized from those convicted of crimes.

Finally, it should be stressed that the scope of this chapter was not to come up with concrete figures and numbers that would represent the result of criminal activities of the RSOCGs, but rather to give an approximate image of the existing situation and thus to underline its complexity. Even if we were to try to estimate the approximate impact of the RSOCGs, that would be extremely difficult (if not impossible) due to the absolute lack of statistical data and research in this area.¹¹⁹

¹¹⁸ Rob Turner, "Spanish court sentences Georgian crime boss," DW-World.de, Deutsche Welle, June 1, 2010, <http://www.dw-world.de/dw/article/0,,5639811,00.html> (accessed December 3, 2010).

¹¹⁹ One of the most trustworthy sources could be the EU Russian Organized Crime Threat Assessment (ROCTA), but it is quite inaccessible due to its confidential character.

Concluding Remarks

The concept of the “Russian mafia” is a misnomer. There is no unified Russian mafia, but only the RSOCGs that has emerged from the former Soviet Union. This form of organized crime is unlike the Sicilian mafia – it is not a strict hierarchical organization based on family, permanent membership and induction rituals. The RSOCGs involve rather a wide range of actors who are not connected by family ties and operate with flexible network structures. They are not the “standard” underworld criminals, like most criminal groups from Western Europe, but ingenious criminals, with in many cases relations with successful entrepreneurs or high-ranking officials.¹²⁰ From groups mentioned in this paper, several specific features of the RSOCGs can be distinguished: (i) stability and sustainability; (ii) inclination to go for maximum profit (iii) a high degree of organization of illegal activities; (iv) clear division of functions and well-defined hierarchical structure; (v) existence of common reserve funds (obsheak), and permanent attempts to legalize the income from criminal activities.¹²¹ All these features allow us to conclude that the RSOCGs must be said to be dangerous, and having a continuously growing influence in the EU.

According to “Global Trends 2025: A Transformed World,” a report issued by the U.S. National Intelligence Council, the most serious internal threat may be posed by “Eurasian transnational organizations” – Washington-speak for RSOCGs. By 2025 these organizations might be so greatly enriched by “involvement in energy and mineral concerns” that they could end up dominating “one or more” governments in eastern and central Europe.¹²² This opinion was recently confirmed by U.S. embassy cables released by WikiLeaks. One of these cables describes the discussion that took place between the U.S. Ambassador in Kiev and Dmitry Firtash, a Ukrainian billionaire businessman who owns nearly half of the

¹²⁰ Shelley, “Contemporary Russian Organized Crime,” p. 563.

¹²¹ “Мафия, Организованная преступность”, *Онлайн Энциклопедия Кругосвет*, http://www.krugosvet.ru/enc/gumanitarnye_nauki/sociologiya/MAFIYA_ORGANIZOVANNAYA_PRESTUPNOST.html (accessed December 6, 2010).

¹²² National Intelligence Council, “Global Trends 2025: A Transformed World,” p. 33 (November 2008), http://www.dni.gov/nic/PDF_2025/2025_Global_Trends_Final_Report.pdf (accessed January 15, 2011).

RosUkrEnergO Company. According to the secret memo, Firtash admitted that Semyon Mogilevich (one of the most powerful leader of one group) was the real power behind his own multibillion-dollar gas interests.¹²³ This case allows us to see and understand the true extent of the problem and risk to which the EU is subjected. It is already clear that as far as RSOCGs are concerned, one should not limit the understanding to groups working together or isolated in different EU countries, but rather perceive it as an influential criminal conglomerate, which has at its disposal not only traditional criminal methods, but also the entire bureaucracy of some countries in the region. RSOCGs are often used as an example of very well-developed international connections. Utilizing Russia's position in the Eurasian heartland, criminal groups in Moscow (as well as in other cities) are able to work with suppliers and clients in East Asia and the opium-rich Golden Crescent through the former Soviet republics in the Caucasus and Central Asia. Furthermore, they can smuggle goods to and from the Middle East and send commodities to and from European and American markets through ports on the Baltic Sea and White Sea coasts. Due to the sheer scale of this, any entity that seeks to control this landmass must be very well organized and possess a wealth of resources.¹²⁴

It is therefore reasonable to conclude that the fight against the RSOCGs is a more complicated and difficult process than the counteracting of any other forms of organized crime in Europe. There are no methods that could achieve substantial successes in the fight against this type of organized crime over a short period of time. It appears that the influence of the RSOCGs can be reduced only as a result of combined actions and tactics undertaken at national, regional and even interregional levels.

Thus, on the one hand, considerable efforts should be directed towards identifying and detaining the leaders of criminal groups active in the EU, and, on the other, increased attention should be paid to measures of financial and social control so as to avoid inflows of financial resources to the illegal circuit. Moreover, these activities should be accompanied by institutional

¹²³ Luke Harding, "WikiLeaks cables link Russian mafia boss to EU gas supplies," *The Guardian*, December 1, 2010, <http://www.guardian.co.uk/world/2010/dec/01/wikileaks-cables-russian-mafia-gas> (accessed December 6, 2010).

¹²⁴ Walter Kegö, "Internationally Organized Crime: The Escalation of Crime Within the Global Economy," Institute for Security and Development Policy, *Policy Paper* (March 2009), p. 11.

and legislative measures. By institutional measures is meant specialized capacity building of law enforcement authorities in dealing with organized crime. A good example is the initiative to start a Russian Organized Crime Threat Assessment (ROCTA), launched at the EU Justice and Home Affairs Council meeting in Luxembourg on April 18, 2008. Another relevant illustration of a proper attitude towards this phenomenon is the Millennium Project, conducted by Interpol, targeting criminal Eurasian organizations.

As already mentioned, the fight against the RSOCGs must be accompanied by actions of a normative and legislative nature, thus providing the law enforcement agencies with sufficient instruments and tools to enable them to hold the members of the groups liable for their criminal activity. It has to be emphasized that according to various experts, these groups have an army of lawyers and counselors,¹²⁵ who are skilled enough to make use of any gaps in the legislation or procedural errors committed by those who are conducting the investigations.

To conclude, it should be stressed that any actions undertaken within the EU in order to counteract the RSOCGs would most probably be ineffective if the processes taking place in the Russian Federation and other former Soviet republics are not taken into account. Thus, one of the main preconditions for a successful fight against these criminal groups is the existence of an effective cooperation based on mutual trust between the EU and countries in Eastern Europe.

¹²⁵ Мухин, "Всемирность и народность 'Русской Мафии'," p. 14.