

## The Criminal Implications of the 'Soft Borders' of the Former Soviet Union

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### Introduction

The former Soviet Union (fSU) has become the source and target of an immense explosion of criminal activity. This is as true of the organised plunder of the *mafii* (the plural of the Russian word *mafija*, used to denote all organised crime) as the random and small-scale expressions of the stresses and frustrations of life in states and societies in collapse and disarray.

Criminality is so strong in the region for four main reasons. Its constituent economies, developed to be parts of an integrated whole, cannot survive in isolation, creating opportunities for the organised - criminal - manipulation of inherent monopolies and imbalances of supply and demand. With the collapse of the old mechanisms for the distribution of goods and provision of basic staples, criminals have been able to fill the vacuum. Secondly, they have also been able to fill a moral, psychological and institutional vacuum born of the current identity crises of the peoples of the fSU.

Thirdly, the chaos associated with the transition from Soviet power also carries with it legal and practical problems in fighting crime, with new law codes being drawn up by governments in permanent crisis, administered by courts made up of jurists trained under the old order and enforced by police services which are under-funded, under-motivated and under-equipped.

Finally, and most important is the fact that crime has flourished because of its ability to root itself in an existing political culture already accustomed to corruption and illegality. Tsarist Russia and the USSR alike were Russian-dominated empires where a small and deeply corrupt oligarchy exploited the bulk of the population, while openly flouting their own laws. The resulting political culture emphasises personal loyalties over any abstract concepts of legality and 'fair play'; to (mis)use public office for private gain is not just usual, it is almost expected, creating an environment of institutionalised illegality.

It is thus important to emphasise the extent to which criminality in the states of the fSU does not merely reflect *disorder* - the legal governments' inability to maintain their authority - but also an *alternative order*. Nor is it merely a domestic issue: post-Soviet crime has become a global problem. Organised criminal gangs have begun forging alliances with their more established counterparts, from the Italian *Mafia* to Colombian drugs cartels.

In November 1992, senior Italian and Russian godfathers met in Prague to discuss common operations. In effect, this represented a 'franchising' deal: the Italians, concerned that a glut in world drugs markets was depressing profits, would provide the organisation, as well as the support infrastructure (money laundering and the like), while the Russians would take over day-to-day enforcement and management of operations within their 'franchise', while doing all they could to promote new demand. The question is, where would its boundaries be?

As of writing, in summer 1994, it would appear to be the entire fSU plus Poland, Hungary, the Czech Republic, Slovakia and perhaps even Germany, where the Italians have been making a determined effort to establish their 'market position'.

Russian and other fSU gangsters are also looking further afield. The USA is a prime source of new markets, new allies and, inevitably, new rivals. To an extent, this process dates back to the early 1970s when the Soviet authorities began dumping jailed criminals onto the USA in the guise of Jewish dissidents. Since the collapse of the USSR, though, the numbers and nature of immigrants to the United States has changed markedly.

The notorious Russian godfather, Vyacheslav Ivankov (nicknamed Yaponchik, 'Little Japanese') moved to New York's Brighton Beach when pressure at home seemed too much, while in all there are around 24 gangs run by ex-Soviet citizens operating in New York, Chicago, Los Angeles, San Francisco and Miami. Most recently, the FBI broke up a joint Italo-Russian combine involved in a

scheme to avoid paying some US\$50 million in fuel tax.

This strong transnational component to post-Soviet crime should hardly come as a surprise, given the extent to which many of the borders of the fSU are either artificial or unclear. The borders of Soviet Central Asia, for example, were drawn by the state during the Stalinist era purely in the interests of administration. Not only do they bear little relationship to the ethnic topography of the region, they reflected an active desire to foster inter-ethnic tensions as a means to 'divide and rule'. Tatars were resettled from the Crimea to Siberia, and their place taken by ethnic Russians; Russians and Kazakhs have been lumped together in the state of 'Kazakhstan'; and the Armenian enclave of Nagorno-Karabakh left surrounded by Azerbaijan.

Three key features lie at the heart of the 'soft border' phenomenon and the high levels of cross-border crime in, through and around the fSU:

- **National borders are essentially illegitimate**, recognised by neither ethnic allegiance nor practical interest. In part, this simply reflects the inter-penetration of peoples (and especially the twenty million strong Russian diaspora throughout the rest of the fSU). Also, just as tsarist Russians were taught that their realm was wherever there were Slavs and Russian Orthodox (and hence Russia's disastrous meddling in the Balkans in the run-up to World War One), so too were Soviet citizens raised with the rhetoric of 'internationalism' and the dominance of class over national identities. Post-Soviet citizens are, as a result, already used to seeing national borders as far from sacrosanct.
- **There are huge regional imbalances in supply and demand**, opening up the prospects for equally huge profits for those prepared to cross boundaries and satisfy the consequent needs, from drugs to iron ore.
- **The authorities lack the will and the resources to police borders adequately**. Even during the days of Soviet power, problems of coordination and demarcation disputes between republican KGBs and Interior Ministries hindered many an investigation. In post-Soviet Eurasia, this problem has been compounded by the jealousies and suspicions between these new nations, the relative inexperience of many of their senior law-enforcement officers and the dilemmas of protocol raised by cross-border investigations.

## The Crimes

Most cross-border crime falls into six main categories:

### *Vice*

This primarily means the drugs trade, though there is also much 'export prostitution' in Turkey and Germany. The fSU boasts more than two million acres of marijuana-producing farmland, and perhaps one million given over to opium-producing poppy plantations. Even before the fall of the USSR, areas of Soviet Central Asia were beginning to challenge the traditional 'market leaders' of Colombia and the 'Golden Crescent' (Iran/Afghanistan/Pakistan). Cannabis and poppy is also grown within Russia, while the solvents, prescription medicines and synthetic drugs which account for a significant proportion of market share are produced in Russia, as well as Poland (Europe's largest producer of methamphetamines).

With their customs services all too corruptible, the countries of the fSU have also become major waystations on the transit routes of drugs from elsewhere. Central Asian drugs (largely raw opium, hashish and heroin) flow towards Europe, while the Colombian drugs cartels are also making increasing use of Russian ports, lorries and airports to smuggle their cocaine to Europe.

### *Trade in illegal arms (including nuclear materials)*

The decaying ex-Soviet army is the source of most smallarms, such as the 27,000 guns the Russian army 'lost' in 1992. War-torn Yugoslavia has soaked up the majority, but Kalashnikov AK-47 assault rifles have turned up in the hands of drugs dealers in Manchester and other weapons have passed on to Xinjiang separatists in China, Colombian drugs barons and the Islamic guerrillas of North Africa (from Kazakhstan, Russia and both Tajikistan and Uzbekistan, respectively).

The danger of the *mafii* of the fSU involving themselves in the trade of nuclear weapons and fissile materials has aroused particular journalistic hyperbole. While criminals certainly have access to weapons-grade fissile material, fSU organised crime has been relatively reluctant to involve itself in nuclear weapons. This is because the potential risks outweigh the potential profits. Not least, it would destroy a *status quo* which is very much to its advantage, as the region's governments have shown themselves not only unable but also often unwilling

to combat organised crime with any genuine resolution.

### *Contract killing*

In terms of the international market in contract killing, assassins from the fSU are cheap (the usual starting price is around US\$2,000), skilled and relatively anonymous. Many were trained by the Soviet special forces - *Spetsnaz* - or within the more shadowy branches of the KGB, and they can be back within the safety of the fSU within hours of an execution.

### *Smuggling*

Comparing the first quarter of 1994 with that of 1993, the value of smuggled goods seized by the Russian police grew more than five-fold. The Baltic states have become important waystations for the illegal export of metals and minerals, largely from Russia, while stolen goods from north-western Europe are smuggled back into the fSU via Poland and the Baltic.

### *Illegal financial transfers*

The scale of capital flight from Russia since 1991 has been estimated at between US\$12 billion and \$20 billion annually; in overall terms of pure money transfers - whether through the banking system or physically in the form of banknotes - Russia alone has probably 'lost' US\$25 billion - analogous to the entire package of financial aid promised by the IMF in 1992.

Similarly, Ukraine's Minister of Finance alleged in 1993 that Ukrainian firms were concealing US\$500 million in foreign bank accounts (equivalent to one quarter of all export earnings) to avoid taxes.

### *Fraud, counterfeiting and money-laundering*

Given that the interconnected nature of the economies of the post-Soviet states has necessitated a high level of currency and commodity exchange - more, in fact, than their still-embryonic financial control services can adequately monitor - then all intra-fSU transactions are open to criminal misuse. The most extreme single example is an operation carried out through the Chechen-Ingush State Bank (the Chechen State Bank from November 1991)

which, over the five year period 1987-92, embezzled 140-160 billion rubles (comparable to US\$600-700 million), through the falsification of *avisos*, documents confirming the existence of funds in accounts.

### **Conclusion**

The criminals of the fSU are here to stay. With a strong political power base, huge economic resources, an internationalist perspective that sees borders as sources of opportunity and not impediment, they are sure to drive a new wave of cross-border crime.

They are already laying the foundations, through their alliances with the Colombians, the Sicilians and other local groupings. Germany will be one particular target: as of early 1994, some 47 separate Russian 'mafia' groups were operating within the country, and figures released by the authorities suggest that by the year 2000, up to 4% of all crime in Germany will be controlled by Russian 'mafias' alone. Once established inside Germany, they are established inside the European Union and the global financial and trade system. They are thus a problem for the whole world.

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