

Russian Mafia

Transnational Crime

Dewayne Curtis Clemmons Jr.

Abstract

The world is full of crime and no matter what actions are taken it can never be eradicated. There are organizations that commit crimes throughout the world and execute their operations in many countries. One organization, the Russian mafia, is well known in the world today. To understand how this organization is still operating in present times one needs to understand how the organization started and how it has adapted throughout the years. This paper will analyze where the Russian mafia operates throughout the world and also what those countries are doing to counter the operations within their borders.

Introduction

The Russian mafia is one of the biggest organized crime organizations in the world today. They have tremendous influence throughout Russia and the world and pose significant risk to the security of the United States and many other countries. The Russian mafia has outlasted other criminal organizations. This paper will present information to provide an understanding of how the Russian mafia started, the regions where they operate, national governments efforts to control their operations, and how they continue to operate today.

History

As with all organizations there is a starting point. In *Global Organized Crime a Reference Handbook*, Michael Roth explains where the first of the Russian mafia members came from, "Between the 1920s and 1990s, Soviet labor camps, or gulags, gave birth to an elite criminal fraternity, or vory-v-zakone, which is lived according to a thieves' law, an unwritten system of rules and behavior. By most accounts, modern ROC grew out of this phenomenon, as well as various characteristics of the Soviet system itself, exemplified by individual high level officials developing beneficial relationships with these criminals."¹ This is where one can see the start of many organized crime groups within Russia along with the Russian mafia and the foundation on which they were built. James Finckenauer and Yuri Voronon (2001) go further to explain that, "Specialists in Russian organized crime date the appearance of the first organized criminal groups in the former Soviet Union to the end of the 1960s. It was then that the three-tiered edifice known collectively as the Russian mafia began to take shape."² It was during the 1960s that the Russian mafia became organized; although, it did not thrive until the collapse of the Soviet Union. Bleifuss (2007) explains, "The Russian mafia saw an opportunity in the confusion that followed the dissolution of the Soviet state and the sudden opening of its economy. With their Soviet-era criminal networks intact, the Russian mafia soon found itself a transnational organization with operations that extended into the 15 former Soviet republics and the countries of the Eastern bloc."³ With a new free market economy the mafia was able to use

¹ Roth, M. (2010). *Global organized crime a reference handbook*. Santa Barbara, Calif.: ABC-CLIO. p. 97

² Finckenauer, J., & Voronin, Y. (2001, June 1). The Threat of Russian Organized Crime. Retrieved February 17, 2015, from <https://www.ncjrs.gov/pdffiles1/nij/187085.pdf>

³ Bleifuss, J. (2007, September 7). Business as Usual: The Rise of the Russian Mafia. Retrieved March 8, 2015, from http://www.focusfeatures.com/article/business_as_usual_the_rise_of_the_russian_mafia?film=eastern_promises

their connections to make a move onto the big stage. The Library of the European Parliament explains why this was beneficial for the mafia and other crime groups by stating, “The transition to the free market economy – beneficial only to a privileged few and not accompanied by the establishment of the rule of law – limited the role of the state, making it unable to protect newly-born private enterprises. This is where the criminal world stepped in, offering protection (‘krysha’ – roof) to businesses in return for shares of their profits.”⁴ Few individuals were able to take control of the opportunity that the new free market economy offered in Russia. It is like the classic movie scene where mobsters walk into the store, ask for the money, and report back to their boss that the individual or business has paid up.

Crimes

Organizations like the Russian mafia are driven by crime. Some of the crimes committed by the Russian mafia are stated by Kouri (2005); as “The nature and variety of the crimes being committed seem unlimited — trafficking in women and children, drugs, arms trafficking, stolen automobiles, and money laundering are among the most prevalent.”⁵ The article, *President Vladimir Putin Declared War on Russian Mafia*, states that, “The Russian mafia main sources of income are: drug trafficking, weapons, minerals extraction and illegal gambling.”⁶ These are the main revenue sources for the mafia. Additionally, the mafia is involved in money laundering. Hatcher (2000) explains, “Recently, one mafia group in Russia laundered approximately \$4 billion through the Bank of New York.”⁷ Many criminal organizations are involved in money laundering. Euan Grant identifies in the article, *The Russian Mafia and Organized Crime: How Can This Global Force Be Tamed*, other crimes carried out by the Russian mafia by stating “The Russian mafia, like the Italian and to some extent the U.S. groups, has combined street level visible crime such as human trafficking and drug smuggling with less visible white collar crimes such as counterfeiting of goods, particularly cigarettes, and tax evasion on an industrial scale.”⁸ The crimes committed are carried out on a larger scale to achieve maximum efficiency.

⁴ Russian Organised Crime, The EU Perspective. (2011, April 3). Retrieved March 9, 2015, from <http://www.europarl.europa.eu/document/activities/cont/201207/20120730ATT49511/20120730ATT49511EN.pdf>

⁵ Kouri, J. (2005, July 18). The Russian mob and human trafficking. Retrieved March 8, 2015, from <http://www.renewamerica.com/columns/kouri/050719>

⁶ President Vladimir Putin declared war on Russian mafia. (n.d.). Retrieved March 8, 2015, from <http://europesecuritynews.com/6277/president-vladimir-putin-declared-war-on-russian-mafia/>

⁷ Hatcher, J. (n.d.). The Russian Mafia and its Impact on the Russian Economy. Retrieved February 15, 2015, from <http://web.wm.edu/so/monitor/issues/>

⁸ Grant, E. (2012, October 12). The Russian Mafia and organised crime: How can this global force be tamed? Retrieved February 17, 2015, from <https://www.opendemocracy.net/od-russia/euan-grant/russian-mafia-and-organised-crime-how-can-this-global-force-be-tamed>

Operating Locations

The Russian mafia operates world-wide. Euan Grant of opendemocracy.net explains, “In other words, Russian organised crime operates just about everywhere, and at several levels.”⁹ To further expand on this, CBS news states in the article, *Russian Mafia’s Worldwide Grip* that “Currently, Russian mobsters are operating in 50 countries.”¹⁰ The Russian mafia operates throughout the Former Soviet Union and is also running business throughout the Caribbean and Latin America. Bruce Bagley states the reason why this is happening in *Globalization and Transnational Organized Crime: The Russian Mafia in Latin America and the Caribbean*, by stating, “The longstanding institutional weaknesses of most states in Latin America and the Caribbean, in combination with the existence of a highly lucrative underground drug trade in the Western hemisphere, made the countries in that corner of the world system especially attractive targets for Russian transnational criminal enterprises.”¹¹ Due to a lack of authority in the governments throughout the Caribbean and Latin America, the Russian mafia and other Russian organizations are able to make new business moves throughout these poor countries. It is also known that the Russian mafia operates within the United States as several money laundering busts were successfully carried out, such as the New York Bank Scandal in the early 2000’s.

Membership

An effectively run organization needs many individuals. When the Soviet Union was falling apart in the early 1990’s the mafia boosted its membership. Bleifuss (2007) states, “Taking advantage of the endemic economic insecurity of the early '90s, the mafia were able to bolster their ranks by hiring muscle—former KGB agents, special forces soldiers back from the failed war in Afghanistan, and Soviet-era athletes, like marksmen and wrestlers, who had lost their state sponsors.”¹² The Russian mafia has no shortage of people working in their organizations. Paul Goble of The Moscow Times talks about the number of individuals in the Russian Mafia. Goble (2010) states, “After avoiding any use of the term “Russian mafia” in the last few years, law enforcement personnel in Europe and elsewhere are now speaking about it again, noting that it includes “up to 300,000 people” and dominates the criminal world in many countries around the world, according to a Moscow investigative journalist.”¹³ The individual at

⁹ Grant, E. (2012, October 12). The Russian Mafia and organised crime: How can this global force be tamed? Retrieved February 17, 2015, from <https://www.opendemocracy.net/od-russia/euan-grant/russian-mafia-and-organised-crime-how-can-this-global-force-be-tamed>

¹⁰ Russian Mafia's Worldwide Grip. (2000, July 21). Retrieved March 8, 2015, from <http://www.cbsnews.com/news/russian-mafias-worldwide-grip/>

¹¹ Bagley, B. (2002, November 15). GLOBALIZATION AND TRANSNATIONAL ORGANIZED CRIME: THE RUSSIAN MAFIA IN LATIN AMERICA AND THE CARIBBEAN. Retrieved March 10, 2015, from http://investigadores.cide.edu/bruce_bagley/GLOBALIZATION%202.pdf

¹² Bleifuss, J. (2007, September 7). Business as Usual: The Rise of the Russian Mafia. Retrieved March 8, 2015, from http://www.focusfeatures.com/article/business_as_usual_the_rise_of_the_russian_mafia?film=eastern_promises

¹³ Goble, P. (2010, March 2). 'Russian Mafia' Abroad Now 300,000 Strong, Journal Says. Retrieved March 8, 2015, from <https://themoscowtimes.com/news/russian-mafia-abroad-now-300000-strong-journal-says-35092>

the helm of the Russian mafia is Semion Mogilevich. Mogilevich is on the FBI's ten most wanted list. The FBI website shows that Mogilevich is wanted for a giant fraud scheme he committed in Canada. What makes it hard for Russia to go after the mafia is corruption within the system. Euan Grant explains, "At mid-level they have bank staff, accountants and lawyers who are in effect on their payroll, and at the highest levels they are able to deal as equals with business chiefs, civil servants and politicians. It is this high level capability in the international business field that differentiates the Russian mafia from other groups such as the Mexican drugs cartels, although newly established and growing links with the Mexicans suggest that the latter will soon expand their operations into the field of big business."¹⁴ The individuals working directly or indirectly for the Russian mafia play a crucial role in the system. For example, politicians and lawyers subjected to the Russian mafia are able to play the system and not be arrested or convicted for crimes they commit.

U.S. Efforts

Countering efforts of organized crimes groups is important to controlling their business within a country's border. The United States has listed the Russian mafia as a major problem. In an article on the Pravda webpage it states, "Officials with the U.S. State Department believe that the Russian mafia is the mafia of all mafias. World-known mafia brands such as Cosa Nostra and Yakuza pale in comparison with the great and terrible Russian gangsters."¹⁵ The United States views the Russian mafia as a threat to National Security. If an individual is believed to have connection with the Russian mafia, the U.S. will do whatever they can to prevent these individuals from entering the country. If an individual is already in the U.S., actions will be taken that include freezing bank accounts and possibly deporting the individual back to Russia. In 2011, the White House released a document titled *Transnational Organized Crime: A Growing Threat to National and International Security* that explains how they plan to combat transnational organized crime. In the document it states, "Russian and Eurasian organized crime networks represent a significant threat to economic growth and democratic institutions. Russian organized crime syndicates and criminally linked oligarchs may attempt to collude with state or state-allied actors to undermine competition in strategic markets such as gas, oil, aluminum, and precious metals."¹⁶ The Russian mafia poses a threat to the United States in many ways such as economic development and creates competition between states with resourceful materials. The White House site also states that nuclear trafficking is a large problem within the former Soviet Union. This problem could possibly pose a worldwide threat due to the countries who want nuclear material to make nuclear weapons and possibly use them on other countries. To further investigate what is happening in Russia, the FBI created a task force to deal with Russian Organized Crime. The FBI is helping other countries by stating, "The FBI belongs to several

¹⁴ Grant, E. (2012, October 12). The Russian Mafia and organised crime: How can this global force be tamed? Retrieved February 17, 2015, from <https://www.opendemocracy.net/od-russia/euan-grant/russian-mafia-and-organised-crime-how-can-this-global-force-be-tamed>

¹⁵ Sinelnikov, M. (n.d.). Russian mafia most powerful in the world? Retrieved March 8, 2015, from http://english.pravda.ru/russia/politics/07-11-2011/119544-russian_mafia-0/

¹⁶ Transnational Organized Crime: A Growing Threat to National and International Security. (2011, July 25). Retrieved February 17, 2015, from <https://obamawhitehouse.archives.gov/administration/eop/nsc/transnational-crime/threat>

international working groups to combat the influence and reach of Eurasian Organized Crime and limit its impacts on all countries.”¹⁷ The FBI works with other countries to help limit the effect of the Russian mafia threats. Effective communication and cooperation between the United States and other countries would help reduce the threats posed by the Russian mafia.

Other Nations’ Efforts

In order to curb the operations of the Russian mafia, the European Union has executed tactics to fight organized crime within Europe. The European Union’s plan to reduce organized crime throughout Europe was to create a Regional Joint Investigation Team. This team helps to increase communication throughout different countries and has a prosecutor from each country who can immediately begin to investigate crimes as they occur. In *Counteracting Transnational Organized Crime Challenges and Countermeasures*, Kego and Ozkan state, “The effectiveness of the Regional Joint Investigation Teams lay in their ability to initiate actions in multiple countries simultaneously. Surveillance staff in respective countries enables simultaneously launched investigations, judicial processes, arrests and interrogations.”¹⁸ These teams may help reduce the power that the Russian mafia holds over certain regions of Europe and slowly reduce the size of the organization. Another suggestion by Kego and Ozkan is the necessity of sharing information. For countries who do not partake in the use of the Regional Joint Investigation Teams the sharing of information is crucial. Kego and Ozkan state, “The sharing of information is likely to encourage an alignment of threat perceptions, which at its turn can lead to new forms of cooperation and a more robust common approach. Also, a more complete picture of the shifts in geographical focus or modus operandi is likely to enhance the capacities to combat illegal activities.”¹⁹ Sharing information helps agencies cooperate and build a common ground by which to proceed. Cooperation becomes vital if agencies are going to effectively address these threats.

Conclusion

The Russian mafia is an organization that wields a great deal of power across the world. Since its start in the late 1960’s, the mafia has continuously grown and operates in many countries. They pose a significant threat wherever they operate. Countries are doing all they can to combat crimes that the Russian mafia is involved in and work hard to rid this organization out of their region of the world. The Russian mafia will continue to grow and commit crimes, but countries will use policy and politics to keep this organization from growing.

¹⁷ Organized Crime. (2010, August 27). Retrieved March 8, 2015, from <http://www.fbi.gov/about-us/investigate/organizedcrime/Eurasian>

¹⁸ Kego, W., & Ozkan, C. (2010, April 1). *Counteracting Transnational Organized Crime Challenges and Countermeasures*. Retrieved March 8, 2015, from http://www.isdp.eu/images/stories/isdp-main-pdf/2010_kego-ozkan_counteracting-transnational.pdf

¹⁹ *Ibid*

Bibliography

- Bagley, B. (2002, November 15). GLOBALIZATION AND TRANSNATIONAL ORGANIZED CRIME: THE RUSSIAN MAFIA IN LATIN AMERICA AND THE CARIBBEAN. Retrieved March 10, 2015, from http://investigadores.cide.edu/bruce_bagley/GLOBALIZATION%202.pdf
- Bleifuss, J. (2007, September 7). Business as Usual: The Rise of the Russian Mafia. Retrieved March 8, 2015, from http://www.focusfeatures.com/article/business_as_usual_the_rise_of_the_russian_mafia?film=eastern_promises
- Finckenauer, J., & Voronin, Y. (2001, June 1). The Threat of Russian Organized Crime. Retrieved February 17, 2015, from <https://www.ncjrs.gov/pdffiles1/nij/187085.pdf>
- Goble, P. (2010, March 2). 'Russian Mafia' Abroad Now 300,000 Strong, Journal Says. Retrieved March 8, 2015, from <https://themoscowtimes.com/news/russian-mafia-abroad-now-300000-strong-journal-says-35092>
- Grant, E. (2012, October 12). The Russian Mafia and organised crime: How can this global force be tamed? Retrieved February 17, 2015, from <https://www.opendemocracy.net/od-russia/euan-grant/russian-mafia-and-organised-crime-how-can-this-global-force-be-tamed>
- Hatcher, J. (n.d.). The Russian Mafia and its Impact on the Russian Economy. Retrieved February 15, 2015, from <http://web.wm.edu/so/monitor/issues/>
- Kego, W., & Ozkan, C. (2010, April 1). Counteracting Transnational Organized Crime Challenges and Countermeasures. Retrieved March 8, 2015, from http://www.isdp.eu/images/stories/isdp-main-pdf/2010_kego-ozkan_counteracting-transnational.pdf
- Kouri, J. (2005, July 18). The Russian mob and human trafficking. Retrieved March 8, 2015, from <http://www.renewamerica.com/columns/kouri/050719>
- Organized Crime. (2010, August 27). Retrieved March 8, 2015, from <http://www.fbi.gov/about-us/investigate/organizedcrime/Eurasian>
- President Vladimir Putin declared war on Russian mafia. (n.d.). Retrieved March 8, 2015, from <http://europesecuritynews.com/6277/president-vladimir-putin-declared-war-on-russian-mafia/>
- Roth, M. (2010). *Global organized crime a reference handbook*. Santa Barbara, Calif.: ABC-CLIO.
- Russian Mafia's Worldwide Grip. (2000, July 21). Retrieved March 8, 2015, from <http://www.cbsnews.com/news/russian-mafias-worldwide-grip/>

Russian Organised Crime, The EU Perspective. (2011, April 3). Retrieved March 9, 2015, from <http://www.europarl.europa.eu/document/activities/cont/201207/20120730ATT49511/20120730ATT49511EN.pdf>

Sinelnikov, M. (n.d.). Russian mafia most powerful in the world? Retrieved March 8, 2015, from http://english.pravda.ru/russia/politics/07-11-2011/119544-russian_mafia-0/

Transnational Organized Crime: A Growing Threat to National and International Security. (2011, July 25). Retrieved February 17, 2015, from <https://obamawhitehouse.archives.gov/administration/eop/nsc/transnational-crime/threat>