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How the Kremlin influences the West using Russian criminal groups in Europe

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Article by: Mark Galeotti

Does the West realize the impact the Russian criminal world has on life and politics in Europe?

The European Council on Foreign Relations published the report Crimintern: How the Kremlin uses Russia's criminal networks in Europe. Authored by Mark Galeotti, it shows the origins of Russian criminal structures in Europe, their dependence on the Kremlin and their areas of influence.

the report shows tight connections between the criminals acting in Europe and Russian state intelligence services FSB and GRU.

According to the report, today Russian criminals operate less on the street and more in the shadows: as allies, facilitators, and suppliers for local European gangs and continent-wide criminal networks. The interpenetration of the criminal 'underworld' and the political 'upperworld' has led the regime to use criminals from time to time as instruments of its rule. Russian-based organized crime groups in Europe have been used for a variety of purposes, including as sources of 'black cash', to launch cyber attacks, to wield political influence, to traffic people and goods, and even to carry out targeted assassinations on behalf of the Kremlin.

The penetration of the criminal world in Russia

In 1990s, after the collapse of the Soviet Union, hybrid gangster-businessmen who were able to take advantage of the crash privatization, legal chaos, and state incapacity showed up. Drive-by shootings and car bombings were almost routine and gangsters openly flaunted their wealth and impunity.

However, even before Vladimir Putin was made acting president in 1999 and confirmed as Yeltsin's successor in 2000, the gang wars were declining.

Many criminals at the time feared that Putin was serious in his tough law-and-order rhetoric, but it soon became clear that he was simply offering (imposing) a new social contract with the underworld.

A word went out that gangsters could continue to be gangsters without fearing the kind of systematic crack-down they had feared - but only so long as they understood that the state was the biggest gang in town and they did nothing to directly challenge it. The underworld

complied. Indiscriminate street violence was replaced by targeted assassinations; tattoos were out, and Italian suits were in; the new generation gangster-businessmen had successfully domesticated the old-school criminals.

This was not just a process of setting new boundaries for the criminals; it also led to a restructuring of connections between the underworld and the 'upperworld', to the benefit of the latter. Connections between these groups and the state security apparatus grew, and the two became closer to each other. The result was not simply institutionalisation of corruption and further blurring of the boundaries between licit and illicit; but the emergence of a conditional understanding that Russia now had a 'nationalised underworld'.

During Putin's most recent presidency, Russia has entered a new phase of national mobilisation. The Kremlin clearly considers itself threatened by – and in a kind of war with – the West. One of Russia's tactics for waging this war is using organised crime as an instrument of statecraft abroad.

Russian criminal groups in Europe

In the 1990s, Russian-based organized crime (RBOC) groups came to Europe as would-be conquerors. For some time, they appeared to be unstoppable. Prague became home to representatives of all the main RBOC networks, such as Solntsevo, Tambovskaya, and the Chechens, as well as mobster banker Semen Mogilevich. Russian and Chechen gangs fought each other for supremacy over the Baltic underworld. From the nightclubs of Budapest to the finance houses of London, apocryphal tales and official reports alike began to warn of a coming age of Russian gangster dominance. RBOC even emerged in France, Germany, and beyond. But it wasn't to last. The explosion of apparent RBOC activity owed more to a combination of surprise, media hype, and desperation within RBOC groups to internationalize than anything else. The process of expansion was ultimately unsustainable. Many groups were eliminated or forced back to Russia, Ukraine, and other eastern states by indigenous gangs and law-enforcement agencies who mobilized against the new threat, sometimes in cahoots with each other.

So when RBOC returned in the 2000s and 2010s it was largely in the shadows, as brokers and facilitators.

Today most RBOC groups operate on a more strategic level, offering access to their resources and networks. These groups offer everything from Afghan heroin and Russian methamphetamines, to cybercriminal expertise, and investment of dirty money.

Connection to the Kremlin

What makes this type of organized crime unique is how it is instrumentalised by the Russian security apparatus. As such, the novel concept of 'Russian-based organized crime' may be the most useful term for capturing the essence of this relationship between criminal groups and the state. This term is defined by the connection of criminals to Russia and its state apparatus above and beyond anything else. RBOC's crucial feature is that its members, while operating abroad, have a strong stake in Russia, regardless of their official nationality, residence, or

ethnicity. This means the Kremlin has leverage over them. As a Western counter-intelligence officer inelegantly but evocatively put it, "so long as his balls were in Moscow, the Russians could always squeeze.

It was perhaps inevitable that an especially strong connection between the security agencies and organized crime would arise in Russia. This is nothing new. For a start, from the tsarist Okhrana to the various Soviet agencies, the political police looked to the underworld for sources and recruits. The prevailing culture of Russian officialdom - in which political authority is there to be monetised - combined with the powers and impunity of the security apparatus, led to endemic corruption. On the whole, officers from the security and intelligence services did not join gangs or even necessarily form them, even though there were a few so-called 'werewolves in epaulets'. Rather, they usually conspired with organized crime networks or provided services for money – primarily protection or information.

However, Putin's Russia is also very much an 'ad hoc' system. Institutions and formal positions, whether one is a civil servant or not, matter very little. What matters is how useful one is to the state. As a result, any individual or structure may be called upon as and when the need arises. The blurring of social and functional boundaries in this way has also, inevitably, blurred the legal ones. Just as the Soviet state frequently used criminals and agents as instruments, whether controlling political prisoners in the Gulags or compromising foreigners, so Putin has continued the tradition and also put them to use.

A quintessential example is Viktor Bout, a man whose career spanned the worlds of crime, business, and intelligence work – and often all three at the same time. An intelligence officer, probably from the GRU (military intelligence), he set up an air freight business specializing in shipping to dangerous destinations. Alongside delivering aid, he was also implicated in sanctions busting and arms dealing, periodically as an apparent agent of the Russian state. It is unclear whether his offer to sell 700 Russian Igla surface-to-air missiles to Colombian FARC narco-rebels was on Moscow's behalf (although the volume of the missiles he could acquire suggests so), but his example illustrates the smooth and often imperceptible transition between official and non-official roles.

The roles of Russian criminals in Europe

With coy understatement, the Czech Security Information Service noted in its 2011 Annual Report, that "Contacts of officers of Russian intelligence services with persons whose past is associated with Russian-language organized criminal structures and their activities in the Czech Republic are somewhat disturbing." Given that modern Russia is a state in which every aspect of society is considered open to being co-opted by the regime, it was inevitable that this co-optation would also extend to the use of RBOC by the intelligence agencies. RBOC actors take on a variety of roles, all of which can be expanded on and developed with regrettable ease. **Cybercrime and cyber-espionage** Although there is evidence that Russian security agencies are increasingly developing their own in-house hacking capabilities, Moscow still depends, to a considerable extent, on recruiting cybercriminals, or simply calling on them from time to time, in return for their continued freedom.

The opportunities for using cyber attacks and espionage is growing at a rate faster than the intelligence services are developing capacity. This means that the scope for mercenary hacker operations could increase in the near future, as it is much easier for the intelligence services to 'outsource' these activities.

Black cash. In September 2014, Estonian Kapo (Security Police) officer Eston Kohver was about to meet an informant, when an FSB snatch squad crossed the border with Russia and forcibly abducted him.

He was convicted on trumped-up espionage charges and subsequently traded for a Russian agent. The primary reason for the brazen raid appears not have been the exchange, nor even a chance to warn Estonia of Russia's capacity and willingness to intrude, so much as to derail Kohver's ongoing investigation into illegal cross-border cigarette trafficking. The evidence suggests that the FSB was facilitating the smuggling activity through an RBOC group in return for a cut of the profits. This was not for the enrichment of the officers concerned, but to raise operational funds for active political measures in Europe that had no Russian 'fingerprints' on them. RBOC's vulnerability to Moscow's pressure, the advantages to be gained from cooperation, and the considerable assets the criminals hold, make them useful sources of *chernaya kassa* ('black account' funds), which can be used for mischief abroad more easily than directly moving funds out of Russia.

Agents of influence. The continued presence in Russia of powerful RBOC financier Semen Mogilevich - who was arrested in 2008 but controversially released the following year - not only illustrates organized crime's capacity to generate and move money around for the purpose of attaining intelligence, it also suggests that it can provide agents of influence for Moscow. After all, senior RBOC figures are often far removed from street-level criminality and instead operate as investors and brokers within legitimate and illegitimate economies. Mogilevich, who was added to the FBI's 'Top Ten Most Wanted Fugitives' list in 2009, was reported in 2014 to own 30 percent of Sweden's Misen Energy AB through Nell Kingston Holdings, leading to the suspension of trading of the company's shares, pending an investigation. Often, such material interests go unnoticed, hidden as they are behind a complex web of front companies in jurisdictions around the world. Such investments provide structures within which to place agents under non-official cover (such as Evgeny Buryakov, the SVR officer arrested in New York in 2015, who notionally worked at Russia's Vneshekonombank), but also provides political and financial influence.

Ghosting borders. Professionals adept at moving people and goods across borders are valuable to intelligence operations. In light of the rise of Russian-linked paramilitary groups such as the Hungarian National Front, and the agitators that took part in the Moscow-backed attempted coup in Montenegro in 2016, the capacity of RBOC specifically to smuggle weapons and military equipment must be of particular use to the Kremlin.

Assassination for hire. Russian state security agencies are occasionally empowered and expected to eliminate those considered threats to the homeland, whether defectors such as Alexander Litvinenko (murdered in London in 2006) or supporters of Chechen and other North Caucasus militants. Several of the latter have been assassinated in Istanbul and also Vienna.

While some of these murders appear to be the handiwork of government assassins, others seem to have been subcontracted to RBOC, especially groups from the North Caucasus themselves or with links to Chechnya. For example, Nadim Ayupov, one of the killers of three alleged Chechen terrorists in Istanbul, was a member of a Moscow-based organised crime group, which had, until then, specialised in car theft. The Turkish authorities believe them to have been engaged by the FSB.

About the author

Mark Galeotti is a senior researcher at the Institute of International Relations Prague and coordinator of its Centre for European Security. A widely-published specialist on Russian security issues - from political-military affairs to the murkier understrata of crime and intelligence services - he has taught, researched, and written in his native United Kingdom, the United States, and Russia. Educated at Cambridge University and the London School of Economics, he has been head of the History Department at Keele University, professor of Global Affairs at New York University, a visiting faculty member at Rutgers-Newark, MGIMO (Russia), and at Charles University (Czech Republic). He now lives in Prague, where he is also director of the consultancy Mayak Intelligence.