
Organized Crime Watch – Russia

Center for the Study of Transnational Crime & Corruption at American University

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Focus: Trafficking in Human Beings

EDITORIAL NOTE

Human Trafficking: Defining the Problem

**Louise Shelley, Director
Washington, DC Center**

At a round table co-sponsored by our Moscow Center, the Chairman of the Security Committee of the Russian State Duma called the trafficking of Russian women and children abroad a national security threat to the Russian Federation.

The current financial crisis in Russia, which has

significant spill-over effect in Ukraine, has only exacerbated the problem of human trafficking, which began with the collapse of the Soviet Union in 1991. It is depleting the Russian and Ukrainian labor force of valuable human capital today because the women who are trafficked, in contrast to many of their Asian counterparts, are often women with high school or university-level education. The trafficking is not only affecting the labor force and exacerbating the public health situation by spreading AIDS and venereal disease, but is also benefiting the criminal organizations which exploit these women.

The collapse of the USSR resulted in a breakdown of numerous social, political, and economic institutions, creating chaos, uncertainty, and even poverty for many Russian and Ukrainian citizens. Unemployment skyrocketed and those most affected by these bleak economic trends are women and the children they support.

According to Anita Botti, Deputy Director of the Office for International Women's Issues in the Department of State, Russia and Ukraine are among the main "source" countries from which women are exported and exploited. A key distinction between the victims of trafficking in South Asia and victims in the former Soviet Union and Eastern Europe is their educational level, an insight that is essential in planning a successful prevention program. Russian and Ukrainian women tend to be much better educated and are not merely engaging in activities that are considered "normal" or "acceptable" for women and children in Thailand or Philippines with a long history of large scale prostitution.

Russian and Ukrainian women, looking for a way out of poor economic conditions resulting from the

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collapse of their respective economies, are taken advantage of by savvy and appealing offers of clerical and hotel positions in Asia, Western Europe and the United States.

Thousands of women have been trafficked to Western Europe, the United States and the Far East since the end of the USSR. Recent research by Dr. Gerben Bruinsma of the University of Leiden indicates that thirty-three percent of the approximately 25,000 women working as prostitutes in the Netherlands came from Ukraine and an additional three percent came from Russia. These women, in situations of virtual slavery, have replaced the Asian prostitutes who formerly dominated Red light districts in the Netherlands.

Clearly, coordinated efforts between the source and recipient countries are essential in trying to address this problem. Law enforcement agencies, governmental bodies, multi-national agencies and non-governmental organizations must break down institutional barriers and come together to attack this most heinous development of the enslavement of women at the end of the 20th century.

FEATURED ARTICLES

Highlights from the Duma Roundtable on Trafficking

In October 1997, about 100 participants representing a wide range of governmental institutions in Russia, the United States, the International Organization for Migration and the United Nations assembled for a roundtable discussion on trafficking in women and children.

The Chair of the Duma Security Committee opened the roundtable by conveying a sense of alarm about the seriousness and scope of the illegal trafficking of women and children. He noted that there are 6.5 million unemployed Russian women and that 2.5 million Russian minors are roaming the streets instead of going to school. These women and children are vulnerable to offers of travel abroad, work permits, and handsome salaries which are in actuality sponsored by criminal groups.

Once the women and children are drawn into these schemes, the offenders confiscate their passports and force them into any number of unsavory activities, such as prostitution, molestation, and the creation of pornography. Sergei Boskholov, Deputy Chair of the Duma Security Committee, tried to introduce norms into the Russian Criminal Code to defend the rights of women and children and explained how little has been done to address this problem.

The roundtable participants discussed many causes of the problem and suggested approaches to combating the illegal export and exploitation of persons abroad through legislation, law enforcement, border controls, accounting procedures, and enhanced international and regional cooperation. It was noted that the recipient countries of this “human chattel” (*zhivoi tovar*) such as Holland, Germany, Israel, and Japan, are especially in need of coordinated international law enforcement efforts. Louise Shelley, then representing the United Nations, stated that trafficking in human beings has become a six-billion-dollar business annually.

Response to the Problem

Comments by Sergei Boskholov, Deputy Chair, State Duma Security Committee

The Parliament of the Russian Federation has tried to introduce norms into the Criminal Code to safeguard order in this sphere, to defend the rights of the most undefended category of our Russian citizens — women and children. Naturally, this is only the beginning of our work. The Security Committee has a document signed by P.M. Latyshev, Deputy Minister of the Ministry of Internal Affairs (MVD) of the Russian Federation, containing the following data:

In 1994, according to the MVD, more than one hundred organizations were engaged in recruiting citizens for prostitution in the countries of Eastern and Western Europe, Middle East, North American, and Asia. More than twenty criminal cases were opened under Article 226 of the Criminal Code of the RSFSR, which defines criminal responsibility for the operation of prostitution.

In Moscow, a criminal group has been identified which exports women to Belgium through Germany, on the basis of labor contracts for work in night clubs. Similar organizations and persons engaged in such criminal businesses have been identified in St. Petersburg, Kaliningrad, Yekaterinburg and Buriatiia.

Criminal organizations of this type have been exporting women for prostitution to countries of western Europe, China, and Turkey using fake passports, visas, and invitations.

In 1997, officers of the UVD (Directorate of Internal Affairs) of the Kaliningrad region identified and arrested an international criminal group while conducting joint operations with the German police and Central Bureau of Interpol in Russia. Using mass media, members of the criminal group found women wishing to work in Germany as administrators and domestic help. Using fake passports, they transported these women across the border, where they handed them over to their counterpart citizens of Turkey. As a result, those deceived women turned up in the nightclubs engaged in prostitution.

We have to stress that this type of crime is very secretive. At present, only a few cases are under investigation. The victims of such crimes do not really count on the aid of law enforcement agencies and prefer to keep silent. They fear for their lives and for the security of their friends and families.

Trafficking: A Case Study

Comments by John Fehr, US Immigration and Naturalization Service

Recently a woman was brought to the US under a false passport for prostitution. An interrogation of the owners of the brothel revealed that she was bought for \$15,000 by another brothel in order to replace her predecessor who had already “left” (*vyshla v tirazh*). She was transported by airplane and measures were taken to avoid attention.

The migration service, however, was able to determine the city of her destination and the city of her origination. Owing to the cooperation between agents at these points it was possible to catch and to try her as a prostitute and the owners of the brothel.

Let’s say that a girl has been ordered for \$15,000. This amount includes the preparation of false documents and delivery to the United States. Someone usually accompanies the girl and no one can warn the inspector about such a “guest.” The escort receives several thousand dollars for delivering her to the brothel in the United States. The woman signs an agreement with the pimp for a salary of about \$40,000

for three months, during which time she must perform 10-15 sexual acts per day. The intermediaries and the contraband offenders normally use the original passport with supporting documentation as the method of entry. In the United States, a visa is also required. However, a girl can get a temporary visa using another person’s passport to come to the United States. If this cannot be done, then a false photograph is glued on and an original visa is prepared. Because people have similar physical features, it is often hard to differentiate identities upon entry into the US.

There is also a hierarchy of contraband organizations. The criminal family pays \$15,000 for the woman, the escort is paid, then the agent takes the woman to a brothel and the criminal family makes a profit. The agent is also paid, but the prostitute gets nothing but tips. She is obliged to pay \$40,000 by the end of her contract.

There are many violations involving minors ranging from contraband to prostitution. There are laws permitting the arrest of those bringing in prostitutes to the US and changing one’s identity, forging documents, etc. Law enforcement agencies need to cooperate in the investigations of various intermediaries and contraband offenders on the international and national level.

Border Controls

Comments by Vladimir P. Dantin, First Deputy Chief of Border Control, Russia

In 1996 and up until July of 1997, some 4,326 women were prevented from crossing the border — some with forged documents, some with foreign documents, and some with no documents. They were trying to go to Turkey, Italy, Germany, Bulgaria, China, Latvia, Finland, and Estonia. The story is similar for children who were prevented from leaving. There were thirty cases of Russian women and children who were detained by the border guards for attempting to leave Russia illegally through concealed forms of transportation.

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Conclusions from the Roundtable

1. Include Russia in the international legal documents that monitor measures to counter the illegal export of labor abroad, the illegal adoption of children and other forms of slavery.
2. Prepare targeted bilateral and multilateral treaties, accompanied by detailed commentaries of legal norms for their application.
3. Create an intergovernmental database on cases concerning the exploitation of children and women, accessible to national law enforcement organs.
4. Establish designated posts for United Nations representatives on matters of preventing the illegal adoption and export of children abroad as well as the export and exploitation of women abroad.
5. Recommend to the General Procuracy of the Russian Federation to act as the national coordinating center in combating organized crime, and to create a special mechanism that can provide effective interaction among the following institutions: Ministry of Foreign Affairs, MVD, Ministry of General and Professional Education, Federal Border Service, and Federal Migration Service.
6. Establish parliamentary control over the law enforcement agencies that are combating the illegal export and exploitation of women and children.
7. Recommend to interested ministries and institutions of the Russian Federation to publicize and investigate crimes involving the export and exploitation of women and children abroad.
8. Urge state law enforcement bodies and social organizations to create an open and effective mechanism of cooperation to prevent the illegal export of women and children.
9. Interested committees of the State Duma of the Federal Assembly of the Russian Federation must evaluate the matter of amending and adding to the current legislation.

Legislative Change: Results of the Roundtable

As a result of our roundtable discussion on trafficking, amendments were added to Point “e”, Part 2 of Article 152 (On Trafficking in Minors) of the Criminal Code of the Russian Federation. The amendment gives authorities the power to prosecute a criminal for forcing minors to commit crimes or anti-

societal behavior of a sexual nature. Before the adoption of this change, the law was limited to prosecution of crimes involving forcing minors into criminal activity. This change, therefore, introduced the sexual trafficking of minors by crime groups into the Criminal Code of the Russian Federation for the first time. It was ratified by the State Duma of the Russian Federation on 20 May 1998.

The Center for the Study of Transnational Crime and Corruption at American University wishes to thank Moscow center fellows Dr. Ninel Kuznetsova and Dr. Sergei Maksimov for organizing the Duma roundtable and for their continued research and efforts in combating transnational organized crime and corruption.

Trafficking Highlights of the Irkutsk Conference

In November 1997, our Irkutsk center organized a conference on Combating Crime in the Asia-Pacific Region. The conference was attended by Russian, American and Korean prosecutors and other law enforcement officials, criminologists, and government officials. Mikhail Borisovich Katyshev, Deputy Prosecutor General of the Russian Federation, served as chairman of the event.

The participants discussed many elements of organized crime and corruption in the region, including trafficking in human beings. Following is the material presented for discussion on trafficking.

The Trafficking of Russian Women and Children

Comments by Anna Repetskaya, Director, Irkutsk Center

There are two aspects to the problem of illegal migration and organized crime. On one hand, it is the problem of illegal migration of foreigners to Russia, while on the other hand it is the migration of Russians (mostly women and children) abroad where they are frequently used as “chattel.”

At the October 1997 State Duma roundtable on issues of international cooperation in combating the illegal export and exploitation of women and children

abroad, all of the representatives of Russian law enforcement bodies, including members of the Supreme Court, agreed that Russia had little experience with this matter. Because these crimes occur beyond the borders of the Russian territory where Russian law enforcement bodies have no jurisdiction, it is easy to cast a blind eye to it.

On the other hand, no one can deny that this problem exists. The sooner the state acknowledges it, the more Russian citizens who are exploited abroad can be protected. We must not forget that many Russian citizens end up overseas through companies operating on Russian territory which organize the transport of our citizens for jobs abroad.

Indeed, the fraud schemes have grown here: companies have taken advantage of the complex socio-economic situation in Russia by making offers of employment that are too good to be true. Many Russians see taking such opportunities as the only way to earn money in order to feed their families. When they arrive at their “workplace” their passports are confiscated, they are physically and psychologically threatened. As a result, because they have no money and do not know the language, the men often become slave laborers or cheap terrorists, while women end up in brothels and other such places.

The sale of our children to foreign citizens has been a highly profitable business for some time. Our children, unfortunately, not only find themselves orphaned by parents who have gone abroad, but in some instances babies are simply sold by orphanages to “clients” for the transplantation of live body organs. Such an affair was allegedly organized by the Karaguliana group.

Examples like these abound and they all come back to one matter: the activity of persons organizing “deliveries” of Russian citizens abroad is taking place on Russian territory while the illegal exploitation takes place beyond our borders. This business is highly profitable and therefore well organized and protected.

We are dealing with a new and growing category of organized crime which at present is developing successfully and purposefully: The territories of Siberia and the Far East deliver “human chattel” to the countries of Asia, European Russia — and Europe itself. Another big problem is the protection of Russian citizens who become the victims of crime abroad. The American government, for example, takes care of its citizens when something happens to them abroad. We could learn their experience. Undoubtedly, this problem can only be solved at the international level.

Illegal Migration to the Irkutsk Oblast

*Comments by Professor S.V. Skliarov,
Dept. of Criminal Law, Irkutsk State University*

In 1997, the number of Chinese citizens emigrating to the Irkutsk oblast, which does not border China, was the same as the number emigrating to Khabarovsk krai, which neighbors China. Representatives of Chinese law enforcement claim that half of the Chinese citizens have false passports and are therefore emigrating illegally. They also claim that they cannot deal with this and are turning to international organizations for help. Yet, because the Chinese are coming to our country, I believe that it is our problem and a problem for our law enforcement. It seems an odd coincidence that so many crimes committed by organized groups are by persons of precisely these countries, Mongolia and China whose citizens are coming to Irkutsk oblast. There are several reasons for this illegal migration:

Unsatisfactory registration mechanisms for foreigners entering the Irkutsk oblast. In 1992 an agreement with China was signed to permit Chinese citizens entry into Russia, especially tourists, without visas. Tour groups register in the following manner: the tour organization provides a list of the travelers to our border control. This list is stamped and a photocopy is given to all travelers. Neither in the passport nor in other documents is mention made of this travel. Therefore, Chinese or Mongolian citizens who come into Russia this way can stay and even migrate beyond the Irkutsk oblast with this paper.

Inadequate control of the movement of foreign citizens. The absence of any indication in the passport together with the absence of registration documents means that Chinese citizens have the opportunity to remain on the territory of the Irkutsk oblast or move to other regions.

Unprotected registration documents during visa-less entry. These are simply stamped papers. I have seen many forgeries in signatures and stamps. Even our law enforcement agents frequently cannot distinguish the original from the forgery. Moreover, many documents are written in Chinese.

The absence of an effective mechanism for expelling foreign citizens entering our territory illegally. This has several aspects: 1) we cannot finance deportations, 2) law enforcement bodies can detain a foreign citizen for only three hours in order to

establish her/his identity, 3) Mongolian citizens enter the Irkutsk oblast on private visas, but, passport/visa services fail to process private invitations. Mongolian citizens then come to Irkutsk and are apprehended at the automobile check point. When the Irkutsk government turns to the Mongolian consulate and to the Russian embassy in Ulan Bator, nothing happens.

The following policy changes are recommended:

Coordinate the activities of the law enforcement agencies. For example, in Khabarovsk krai and the border regions of China prosecutors can render legal assistance directly instead of going through Moscow. Agreement should also be made with the MVD and Customs Service.

Improve the registration mechanism for the visa-less entry of Chinese citizens. For example, in Khabarovsk they take the passports of Chinese citizens entering Russia and give them temporary permission to remain in the Khabarovsk krai, thereby preventing them from going beyond the boundaries of the Khabarovsk krai. Irkutsk is also in the process of creating a special registration card on tamper-resistant paper for distribution to foreign citizens who enter the Irkutsk oblast.

Request a deposit from foreign citizens in the amount of a plane ticket back to their original destination. In this way, if it is determined that a foreign national is staying in the Irkutsk oblast illegally, he/she can be sent back to his/her home country.

Create tamper-resistant visa documents. As they are now, our documents are very easy to forge. They are simply made out of regular paper with a number and no special markings.

Prostitution in Korea

Excerpt from remarks by Kiebae Yi, Senior Prosecutor and Director, Department of Organized Crime and Narcotics, Seoul, Korea

There is a law in Korea that prohibits prostitution. However, bands in concert with pimps get illegal profits that partly go towards hiring prostitutes and to influence illegal methods of judicial decisions on such matters and to provide legal protection for the pimps. We know for a fact that prostitution rings in Korea are connected to foreign prostitution rings. Many Russian women were discovered by police in Pusan in September of 1997.



PRESS SURVEY

Organized Crime in the Maritime Province and the Far East

November 1998

V. Chernyshova, Far East State University
Vladivostok, Russia

Corruption in Government

In November 1998 the newspaper *Primorye Plus* published an open letter from a member of the Maritime Province Duma to President Boris Yeltsin, which stated: "While fulfilling my duties as a deputy, the following circumstances came to my attention. The First Vice Governor of the Maritime Province, Konstantin Tolstoshein, using his official position, not only maintains strong ties to leaders of organized crime groups, but also lobbies for their interests in the commercial sphere. Moreover, through relatives and trusted persons, he has founded and actually runs commercial organizations."

It is alleged that First Vice Governor Tolstoshein has close ties with organized crime leaders of Vladivostok, including Aleksenkov, Kovalyev (killed), Koptyev and Baidelyuk, who intended to finance Tolstoshein's election campaign and guarantee that members of firms under their control would vote for him in the October 1996 elections of the head of the city administration. These elections were ruled invalid.

In addition to financial support, the organized crime leaders used violence against opponents to ensure the normal functioning of commercial structures under their control. For example, in June 1994 two employees of the radio broadcast company VBC, Sadykov and Zhuravlyeva, were kidnapped and beaten for publishing material that reflected unfavorably on these commercial structures.

The allegations persist that the vice governor continues to render support to commercial structures of organized crime groups, receiving a certain share of the proceeds in return. Thus, the firm "Amis & Co." (headed by A. E. Minin) carried out a scam of

unprecedented scale in connection with the purchase of Hotel Vladivostok. The hotel was sold for 127 million rubles, though it was considered to be worth 40 billion rubles. As a result, Aleksenkov ended up on the board of directors of the joint stock company Hotel Vladivostok, and the Konstantin Tolstoshein's daughter received a 20% share of the company.

At the same time, a vacation home was built in the region of the Sedanka railway station in the neighborhood of vacation homes owned by Aleksenkov and his friends. The approximate cost of the cottage is \$200,000. Directly following the building of this vacation home, Aleksenkov received preferential trading rights for petroleum products, which is typically bought by the city at wholesale prices. Additionally, Minin gave Tolstoshein a Jeep Grand Cherokee valued at \$25,000.

At the end of 1995 and beginning of 1996, the city administration purchased equipment for repairing the water supply system from the American company *K-International*. Both sides agreed to a sale price of over \$80,000. The vice governor allegedly used part of this money to finance a personal vacation in the Caribbean.

Profiting from Bankruptcy

The statement of Maritime Province Governor E. Nazdratenko is worth noting. It concerns the external management of enterprises after they have been declared bankrupt. The press is examining a case involving the fish industry corporation *Noviy Mir* in which, according to a representative of the labor collective, external management ran the enterprise into the ground. In connection with this, Evgeniy Nazdratenko admitted that mafia groups interested in making money by any means possible are behind all bankruptcy cases. He added that the agency of the federal department on insolvency (bankruptcy) of enterprises has caused more losses to the Maritime Province than all economic crimes put together.

In July 1998, the Joint Stock Company *Vladivostok Base of Trawlers and Refrigerator Ships Fleet* (VBTRSF) was declared insolvent, i.e., bankrupt, by the Maritime Province court of arbitration, and it was put up for sale by competitive bidding.

According to *Komsomolskaya Pravda*, the bankruptcy was due to major pilfering of the property of the large fishing company by "private pockets."

In 1996 a controlling block of shares of the company was transferred to foreign shareholders. In part, the company *American Seafood of Russia* has 34% of the shares. On January 1, 1997, the balance of the company showed 70 ships. Within one year, the company lost 60

ships, of which fifty percent were simply sold. The rest were allegedly transferred to the closed joint stock company *Super*, which is registered in the Cayman Islands and has headquarters in Seattle, Washington. Key positions in that company are held by the son and nephew of Nikitenko (former head of VBTRSF). An entire fleet of the newest super-trawlers, and hundreds of tons of fish quota are transferred to a foreign company practically for free.

Last year alone, the value of stock in the company was artificially lowered from 4.5 trillion "old" rubles to 500 billion. Obviously, in recent years there has been a blatant theft of the company's property, and its overall losses could be estimated at \$400-500 million.

According to the author of the article, many of the strings which control the actions of figures in Vladivostok are pulled in Moscow, or more accurately, in London.

Auto Transit Market

In February of this year the newspaper *Zolotoi Rog* investigated the situation with passenger carriers. Now the situation is such that private transport has displaced municipal transport, and competition has become even more fierce. Criminal groups are also active in this market. An article in *Zolotoi Rog* relates, in part, that at the dawn of privatization of the auto business in Vladivostok, the main boss was the head of the Armenian gangs, Vrezh Babakekhyan (killed).

According to information received from several heads of large private firms, the auto transit market today is divided up among three gangs, one of which is the successor to Babakekhyan. Another boss looks after the operations of the quasi-municipal enterprise *VATO*. All major decisions regarding private taxis, such as establishing routes, fares, etc., are made in close consultation with the bosses standing in the shadows. By the way, we should make some adjustment to our understanding of the notion "criminal control." The widespread opinion is that authorities in the auto market operate not so much with fists and machine-guns as through administrative contacts - with pens and print.

Illegal Migration

The issue of illegal activities of citizens of China in the Far East remains one of the most acute. The mass media continues to follow the development of events in this field. According to the newspaper *Novostiy*, the problem of Chinese in the Far East has several aspects.

Most of them come for commercial reasons. Very often, Chinese "shuttle traders" come to Russia and conduct trade operations illegally. Moreover, they actively engage in poaching or provoke Russians into doing so. This includes trepanga, ginseng, musk glands, and other organs of animals of the taiga used in traditional Chinese medicine, which citizens of Korea buy for dollars.

Analysis of the situation with illegal residents and the illegal activity of the Chinese in the province leads one to conclude that a multi-layer system is at work against, Russia. It works slowly, methodically, very professionally, not letting a single detail slip through, not missing a single opportunity to obtain any information of a military, technical, scientific, political, economic or other nature.

The migration service of the Maritime Province, together with the tax agencies conducted an operation intended to bring order to the activity of firms advertising services in finding employment abroad. According to one of the newspapers, the initiator of this verification was one of the firms which legally engages in job placement. According to its managers, illegal companies discredit its activity.

Advertisements in mass publications and on night time television, such as "girls wanted for work abroad," "work convenient hours," "dancers wanted for work in Korea and Japan," actually meant that girls were being chosen to work as "night butterflies" (prostitutes). At best, this means working as waitresses or striptease dancers. Russian citizens are taken out under the guise of a tour group, and then given work without the permission of the official authorities, i.e., illegally.

Poaching

The issue of foreign poachers in territorial waters is real. On October 30, 1998 the Japanese fishing vessels *Savei-mary No. 15*, *Sinkoi-mary No. 38* and *Nourei-mary No. 58* violated the territorial waters of Russia near the island of Shikotan and were seized by one of the patrol cutters. According to the local press, after the matter was sorted out and a fine of \$15,388 was paid by the captain of each schooner, the vessels were escorted out of the territory of the Russian Federation.

On the River Ussuri, border guards arrested eight Chinese fishermen. On several boats the violators tried to poach fish in Russian waters.

On the evening of November 5, 1998, in the Peter the Great Gulf near Vladivostok, a border patrol boat seized a Russian ship trying to smuggle about 20 tons of processed crab to South Korea.

Narcotics Trafficking

According to the prognosis of specialists at Interpol, in the next few years the Far East region may turn into the main transit point for narcotics going to the countries of Europe and Asia.

Russian Far East lies on the drug distribution route. So far, the situation with drug distribution remains alarming. The population is almost saturated with drug addiction. Specialists call the rate of growth of drug abuse catastrophic (23.9% in 1997). Today there are 7000 drug addicts registered at abuse centers in the province, and another 7000 being treated anonymously.

The criminal world is the most active market for the drug business: drugs are used by 90% of the thieves, robbers, swindlers and car thieves. This group is adjoined by users of ephedrine, for whom opium is too expensive.

Marijuana and its products are transported into the Far East from regions where it is grown, and also comes from the Khabarovsk territory and the Amur region, and is forwarded from us to Kamchatka, Sakhalin and Magadan.

Opium comes to us from Central Asia and Afghanistan via Moscow, Novosibirsk and Khabarovsk. Central sales points for opium in the Far East are Ussuriisk, Artem, Partizansk and Nakhodka. There are Russians who professionally engage in selling, but most "specialists" of this type are Tadjiks, Gypsies, Azeris and Uzbeks. Ephedrine comes in from China and South Korea.

Heroin and cocaine are distributed more and more. Shuttle traders make deliveries to the Far East from Korea, Australia, Turkey, Moscow, and St. Petersburg. The market for these goods is not yet saturated. This is evident by their high prices, which vary depending on the season, quality and supply. Today one can buy heroin for an average price of \$200-250 per gram, which is 5 times more expensive than in Samara, for example.

NEWS FROM OUR CENTERS

The Vladivostok Center

The problem of organized crime in the Russian Far East was touched on at a press conference in Moscow held by the Criminology Association of

Russia at the Central House of Journalists at the end of October 1998. V.A. Nomokonov, Director of the Vladivostok Center, pointed out that on the eastern border of Russia criminal shootouts are becoming more and more common. The criminal clan Dzhem, headed by Evgeniy Vasin, is the most powerful criminal gang in the region at the moment. It has been challenged by the rapidly-growing Korean mafia and a group of “young entrepreneurs,” who have decided to enter the criminal underworld and thereby survive these difficult financial times. Each of the three is trying to secure a larger income from a variety of sources. The first source is trade with China. In provincial Ussursk alone, local organized criminals killed six businessmen trading with Podnebesna using knives and axes. The second source is oil obtained from the continental shelf. Dzhem has already paid tribute to the oil dealers. So far, criminal business in this area is peaceful, but it is unlikely that competitors will not try to seize their own share of this golden calf. Thus, one can expect more criminal settling of scores.

The Washington, DC Center

On January 22, Vladimir Brovkin, Director of UReCOrcE, gave a lecture at the Foreign Service Institute on Organized Crime in the Baltics. His main thesis was that the major problem areas with organized crime (OC) in the Baltic countries were connected to Russian organized crime, primarily through the import-export operations at the ports, the fishing industry and money laundering operations. The specific features of OC in the Baltic are in its geographic location connecting the East with the West. This is attractive to Russian OC groups, which attempt to avoid taxation by shipping through the Baltic ports. As a means of addressing this problem, Brovkin suggested controlling financial flows and strengthening controls at the Estonian-Russian land border and the Kaliningrad - Lithuanian border.

The Moscow Center

On 28 January 1999, Moscow Center Chairman Sergei Maximov and center fellows Viktor Luneyev, Ninel Kuznetsova, and Larisa Ismailova took part in a round table at the Academy of Sciences' Institute of State and Law entitled “The Problem of Societal Involvement in Combating Organized Crime.”



UPCOMING EVENTS

11 February 1999, Moscow, Russia

Sergey Maximov, Chair of the Moscow Center will speak at a seminar hosted by ABA CEELI entitled “The Problem of Corruption in Russia.”

18 February 1999, Washington, DC

The Washington, DC Center in cooperation with the AU Center for Human Rights and Humanitarian Law will host a seminar entitled “Fighting Organized Crime: the Impact on Human Rights.” Mr. Boris Pustintsev, Director of Citizens' Watch in St. Petersburg, Russia, is the featured speaker.

30 March 1999, Washington, DC

The Washington, DC Center in cooperation with the Russian Embassy in Washington will host a seminar entitled “The Challenges of Transnational Organized Crime — Perspectives from Russia, the United States, and India.”

For more information about upcoming events, please contact Karen Saunders, Program Assistant, by telephone at 202-885-2657 or by e-mail at saunder@american.edu.

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Our mission is to generate and facilitate discussion among international scholars, law enforcement agencies, government officials, policy makers, non-governmental organizations, the business community and legislators on combating transnational organized crime and corruption.

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