

Chapter 6

The Mobility of East and Central European Organized Crime: The Cases of Lithuania, Poland, Bulgaria and Romania

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The transition period from socialism to capitalism, accompanied by political instability, economic chaos and new freedoms, is often described in the literature as providing the necessary conditions for the growth of organized crime in Eastern Europe. The opening up of the borders, the expansion of the EU and increased mobility are also seen as facilitating factors for cross-border criminal activities. In the present article an attempt will be made to combine these two processes—the transition and the enlargement of the EU—in an effort to explain the current activities of organized crime networks in East and Central Europe as well as their expansion to the West.

Most East and Central European countries have an established tradition of organized crime, in particular since the fall of communism in the early 1990s, when a large number of local criminal organisations came to the fore. These organisations were known for their hierarchical structure, discipline and use of violence. Most criminal leaders were well connected to political figures and the business world and their activities were facilitated by corruption. In fact, the position and status of the leaders of these criminal organisations depended on their success in international business, their collaboration with the legitimate world and their ties to politics.

This article is based on research data collected in 2012–2013 on itinerant East and Central European criminal groups operating on the territory of the Netherlands and Belgium. It focuses on four countries in particular: Lithuania, Poland, Bulgaria and Romania. At the time, these countries stood out in police statistics in the Netherlands. The research methods included interviews, observations and file analysis in all four countries and the Netherlands. The full research was published in Siegel (2014).

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The present article will focus on the socio-economic conditions facilitating the mobility of criminal groups to the West.

The Long Transition Period

The transition from socialism to capitalism involved a long and confusing process. In the social science literature, most Central and East European countries are still described as unsafe, economically unstable, and inclined to turn a blind eye to corruption and organized crime. Shifts in perceptions, images and terminology progressed with difficulty, if only because people were still afraid of government sanctions. The boundaries between legal and illegal were blurred, the process of rethinking and reorganising the basic principles of the economy was complex and organized crime took full advantage of the uncertainty and confusion surrounding business transactions.

The transition process brought new economic and social conditions, such as the free mobility of people, goods and capital in all post-socialist countries. At the beginning of the nineties, organized crime in most countries in East and Central Europe resembled a 'diabolical troika' (Friedman 2000), a configuration consisting of members of the old state apparatus (the *nomenklatura*), professional criminals and people who operated on the black market, and a new type of 'businessman'. Corruption and distortion were rampant as a result of the fact that the process of privatisation and the transition to the free market were not accompanied by effective regulation regarding the rights of ownership (Siegel 2005).

Despite their similarities, there were also notable differences between the various countries in transition, not just in their internal organisation and socio-economic dynamics, but also in their position vis-à-vis other countries. For example, some countries were not only forced to rearrange their economic markets and democratic regimes, but also to assert their independence [such as the countries of former Yugoslavia (Selih 2012)] and deal with violent ethnic conflicts and socio-political unrest.

The post-socialist transition period has been well studied by criminologists and there is an abundance of terms to describe the situation at the time, such as the 'captured state' or the 'privatized state' (Brovkin 1988), 'processes of privatisation and quasi-privatisation' (World Bank 2000), the 'bandit state' (Mateescu 2001) where 'violent entrepreneurs' (Volkov 2002) and 'blackmailers' (Darden 2001) operate as free businessmen.

The socio-economic conditions in East and Central Europe varied from one country to another, but some general patterns can be distinguished in almost all of them. In most post-socialist countries a considerable number of police personnel moved into the private security industry, which became active in both legal and illegal markets. Entrepreneurs in the security industry turned to extortion,

kidnapping, robbery and debt collection (Los 2003: 153). In most countries former sportsmen (athletes, wrestlers and boxers), members of army sports clubs and former soldiers played an important role (Nikolov 1997).

In this period, the countries were also faced with an influx of criminal groups from abroad, mainly from the former Soviet Union and Asia (Cejp and Scheinost 2012: 163). Russian-speaking criminals operated in Poland, Turkish drug traffickers were active in the former Yugoslavia and Hungary became the target of East-Asian criminal groups (ibid.: 163). Criminal organisations from the former Soviet Union joined forces with Polish criminals (Plywaczewski 2003). Bulgarian, Romanian, Serbian and Turkish criminal groups were active in Hungary, mainly in the drug trade (KLPD 2004: 59). All these groups sought to expand their criminal markets not only in East and Central Europe, but also in Western Europe.

At the same time, indigenous criminal groups mushroomed everywhere in the former socialist countries and, in a very short period of time, were able to strengthen their position. A joint characteristic of the organized crime groups in all these countries was their ambition to achieve internationalisation and the expansion of their markets and activities (Cejp and Scheinost 2012: 164, 165).

Although there were slight differences in the areas of their activities, all post-socialist states faced problems with organized crime groups making huge profits through means of extortion, human trafficking, fraud and financial crimes, and the smuggling of drugs, weapons, cigarettes, cars and art.

The Enlargement of the EU—Warnings from Criminological Studies

On 1 May 2004, ten countries were admitted to the EU as new member states, eight of them in East and Central Europe. The EU considered that the economy, agriculture, human rights situation and standard of living in these countries had improved to such an extent that they now complied with EU requirements. In 2002–2003 these countries had been evaluated and found to be ‘good enough’ for EU membership. It was not until the very final phase that some politicians and analysts expressed their doubts in the media, asking questions about organized crime, corruption and other serious problems.

In 2007 further expansion of the European Union took place. Two important aspects of this expansion were seriously underestimated throughout the preparations. (1) There was no evaluation of the crime level in the new countries, even though many of these countries were known in the academic literature for their high levels of corruption, organized crime and violence. (2) Despite clear signals and police statistics indicating that East European criminals were already operating in West Europe and that further enlargement of the EU would be followed by even more crime from East Europe, no preventive measures were taken with regard to this issue (Siegel 2006).

By this time, a number of international and Dutch academic reports had been published on East and Central European criminal organisations and their involvement in robbery, fraud, car theft, human trafficking and prostitution in their own countries as well as abroad (Aromaa 1998; Joutsen 2000; Krajewski 2004; Plywaczewski 2003; Bruinsma 2004; Gruszczyńska 2004). Beata Gruszczyńska warned that: ‘an enlarged European Union means not only more territory and a greater population, but also more crime and perpetrators of crime’ (2004: 123). The Bulgarian Center for the Study of Democracy in Sofia published 15 reports in English on organized crime, criminal markets and corruption in which they warned of possible negative consequences for the rest of Europe if Bulgaria joined the EU (CSD 1999a, b, c, d, e, f, 2000a, b, 2002a, b, 2003, 2004a, b, c, 2007). Various international organisations also presented their analyses of threats and criminal activities originating in East and Central Europe (including IOM 2000; OSCE 2002; Europol 1999; EMCDA 2002).

In the Netherlands, the threat level was outlined by the police in 2004 (KLPD 2004). Violent Latvian and Polish gangs had been spotted in large Dutch cities. Many Dutch citizens anticipated problems with the new Europeans. Dutch shopkeepers, for example, were warned by their trade associations to stay alert and take preventive measures before 1 May 2004. Many of them had already had negative experiences with Polish and Bulgarian thieves. Furthermore, there was evidence that criminals interested in operating and/or living in the Netherlands had already arrived and settled there long ago. In the mid-1990s, the Van Traa Committee concluded that Russian, Yugoslavian and other East European criminals were active in the Netherlands.

The problem of corruption in East and Central Europe is considered to be of major importance when it comes to organized crime. Various reports on the level of democracy within the four countries prior to their accession to the EU acknowledged that legislative and institutional changes had been implemented. However, what these reports had in common was that they all pointed to the discrepancy between legislative changes and the way in which they were applied in practice. The level of corruption has still not decreased significantly, despite pressure from the EU.

Categories of Organized Crime Groups

Between the criminal organisations in the four studied countries there are many similarities as well as differences, especially with regard to the ethnic component, the role of criminal bosses, cooperation or rivalry with other criminal groups and the intensity of contacts with political and economic actors.

Bulgaria

In post-communist Bulgaria, three different forms of organized crime can be distinguished (CSD 2007: 11). The first group, the ‘force entrepreneurs’ (*silovi grupirovki*), consisted of former sportsmen, former police officers and former prisoners. They became more generally known as *Mutri*, ‘members of organized crime’ (Tzvetkova 2008: 328). Their main activities involved the protection of stores, clubs and businesses, extortion, collecting loans and punishing people who did not repay their loans. The second group, the ‘high risk entrepreneurs’ (*ekstremno-riskovi predpriemachi*) included legal professionals such as accountants and lawyers. They operated in close cooperation with the ‘force entrepreneurs’ and their main activities involved prostitution and smuggling cars, drugs and foreign currency. The third group included former directors of large communist companies, former officials of the communist party and former employees of the Bulgarian Communist Security Services. These people established large holding companies in order to merge thousands of smaller companies and place them under their control. They dominated the financial institutions and took charge of state-owned banking institutions such as the Bulgarian National Bank, as well as the mass media.

In the early 1990s, Bulgaria was a country where organized crime groups such as TIM, VIS, MULTIGROUP and SIK were able to establish private companies in every region, including insurance companies, banks, etc. The members of these groups set up a ‘market for selling violence and security’ (CSD 2007: 15), which was the key to survival for any legal business that existed in the country at that time. Bulgarian criminologists have pointed out that the development of private security companies, a synonym for organized crime, was unique to the Bulgarian situation and unlike the development of criminal networks in other post-communist countries (Gounev 2006; Tzvetkova 2008; RB16; RB11). Tzvetkova mentions two reports prepared by the Service for Information, Coordination and Analysis (SKIAD) in 1995, which clearly associated private security with protection rackets, such as VIS-1, Club 777, DITO-Veliko Turnovo, First Private Militia, Ares, Sofia, (Ivo Karamanski’s group) and various other firms (Tzvetkova 2008: 334, 335).

The transformation of the ‘force entrepreneurs’ into criminal structures occurred in 1992, when the UN imposed an economic embargo on the Former Republic of Yugoslavia. Many smuggling channels were established during this period.

One of the economic branches controlled by organized crime was the car market. High demand after the collapse of socialism led to the emergence of a large black market for stolen cars. In the mid-1990s, several hundreds of cars were stolen every month, i.e. in post-communist Bulgaria every fourth family (or company) was at risk of becoming a victim of car theft (CSD 2007: 15, 16). The country was soon covered in stickers bearing the inscription ‘This property is protected by ...’. These stickers guaranteed the owners of cars, shops or other small businesses that their goods would not be stolen or damaged (CSD 2007: 20). Cars bearing stickers indicating that they were protected were indeed stolen much less often than cars without stickers. ‘The first person to implement the transformation of protection

through security into protection through insurance in Bulgaria was the boss of VIS-1, Vasil Iliev' (Tzvetkova 2008: 339). His men would first steal a car and then demand a ransom payment (Nikolov 1997: 4). Nevertheless, these insurance companies still provided better protection than the police. They developed networks not only inside the criminal world, but also with each other: when necessary, they bought their clients' stolen cars back from each other (Tzvetkova 2008: 342).

In 1994, government regulations and the growing number of legitimate security services (set up by former MVR officers) made the private security business less popular (Tzvetkova 2008: 337) and in May 1997 the Ministry of the Interior fatally disrupted the 'business' when it ordered all stickers to be removed. It then introduced a licensing regime for insurance companies, which resulted in the closure of many criminal insurance companies. As a result, organized crime turned its attention to new markets and activities, such as the smuggling of alcohol and cigarettes, one of the main and most profitable activities of the 'force entrepreneurs'. The 'loss' of the car market was compensated for by the investment of money in the ongoing process of mass privatisation of state companies and banks.

One of the most powerful Bulgarian organized crime groups in the years 2000 was Multigroup, the successor of the two criminal organisations VIS and SIC. In 2003 its leader Iliya Pavlov tried to legitimise his business dealings, but he was assassinated. After his murder, the powerful TIM was able fill the gap and rise to a leadership position in the criminal arena. In 2003 it was in charge of 150 'companies' with approximately 10,000 employees. TIM is considered to be closely connected to the Russian mafia (specifically to one of its leaders, Michael Chiorny). Based in Varna, TIM is involved in extortion, gambling, car theft and car trafficking, drugs and prostitution.

Another criminal group is VAI Holdings, established in 1991 by former wrestler Vasil Iliev and consisting of his previous VIS-1 and VIS-2 private security firms. When Iliev was shot dead in 1995, his younger brother Georgi (alias Bob) took over the leadership, together with Nikolay Mirchiov (alias Koko). Konstantin Dimitrov (alias Samokovets), a relative of Iliev, a drug lord and trafficker, was killed in the centre of Amsterdam in December 2003. The group is engaged in drug trafficking, the trade in natural gas from Russia, money laundering, trafficking stolen cars from Western Europe to the former Soviet Union, extortion, arms trafficking, gambling and prostitution. It also owns several football teams and has interests in tourism and the entertainment business.

Another major player is Intergroup, which specialises in trafficking stolen cars, the heroin trade, fraud, extortion and prostitution. The group is involved in both legal and illegal enterprises ranging from drug trafficking and human smuggling and/or trafficking to business interests in sporting clubs, banks, oil, metal trading, construction and real estate.

From 2001 to 2005 a 'mafia war' took place in Bulgaria during which several crime bosses were killed (CSD 2007: 67).

Romania

In contrast to Bulgaria, it is more difficult to differentiate between the different categories of organized crime groups in Romania after the fall of communism. However, a distinction can be made between three general groups: the first group consists of the old *nomenklatura* and Securitate (Secret Service) members involved in extortion and money laundering, the second group includes foreign nationals and Romanian repatriates mainly involved in smuggling drugs and cars, while the third category is specific to the Romanian context and includes the so-called *interlopi*.

Regarding the first group, the rise of organized crime in post-socialist Romania was made possible, as was the case in Bulgaria, by the strong relationships between politicians and illegal businessmen (Mateescu 2002). However, the roots of this connection are to be found much earlier in the socialist era. The internal situation of 'pauperisation and shortages' and the external agenda of repaying the foreign debt, 'created extremely fertile ground for the proliferation of trans-border organized crime' (CSD 2002a, b: 19). Managers of state enterprises and members of the Securitate were engaged in money laundering and cigarette, drug and arms smuggling. These smuggling activities had been going on since the 1970s 'with the goal of obtaining hard currency for Securitate's covert operations abroad' (ibid.). Given the overall poverty in the transition period that affected even the Securitate, its members began to divert money from the smuggling business to their own accounts, mostly in Switzerland (ibid.).

The path for organized crime to flourish was paved in the early 1990s, when a massive banking fraud perpetrated by former state officials caused 'the loss of the life savings of tens of thousands of small-scale investors' (Salinger 2005: 272). The transition period meant 'the beginning or, better said, the escalation of authentic Romanian organized crime' (Albu 2007: 170).

The second group included foreign nationals who played an important role in establishing smuggling channels. In response to the harsh living conditions in the 1980s, students from developing countries (mostly Arab), studying in Romania, became 'businessmen' and the main suppliers of the black market. After 1990 they were the first to 'legalise' their business. The biggest competition to the Arab smugglers seems to have come from Turkish Kurds who controlled the heroin trade. (Observatoire Geopolitique des Drogues 1997 in CSD 2002a: 20). Although at first the great majority of people involved in the drug business were foreigners, Romanian criminals are currently well integrated into drug trafficking (Albu 2007: 198). This was also the time when the repatriates appeared, people who had left Romania during communism and had become involved in drug networks. They returned to Romania either to recruit new members or to launder money (ibid.).

Several of the most influential groups emerged in the 1990s. The country's proximity to Russia facilitated the growth of drug trafficking, human smuggling, car theft and the black market in nuclear material from former Soviet republics (Salinger 2005: 272–273). The port of Constanta on the Black Sea, a major

international hub with large commercial flows, was efficiently used by Romanian organized crime for smuggling and illegal trade (OCTA 2008).

The third category of criminal groups consists of the so-called *interlopi*. In the Romanian media the '*interlop*' is described as a big boss, the head of a gang, whose blessing is needed before his subordinates can enter a certain market. The '*interlop*' is described as having 'born aggressiveness, affective instability and double morality. A gypsy mafioso is a master at adapting to situations. He knows that there are certain people whom he must approach with humility and respect. Towards others, he manifests his power and his force' (Pitulescu in Vertical News 2011). These professional criminal clan bosses run their own networks and do not have a clear action area.

The Corduneanu clan is involved in human trafficking, drugs and card fraud. The Tanase and Gologan clans are known for human trafficking but are willing to take advantage of other opportunities.

In the 1990s, the first members of organized crime belonged to '*Raketi*' groups, which included thousands of soldiers who had returned from the 'strategic areas' in various East European countries. Another organized crime group in Romania in the early 1990s was led by Zaher Iskandarani. He recruited a series of associates from the *interlop* world in Timisoara and other towns, as well as foreign businessmen from various countries. He established good contacts with corrupt customs officials and got involved in trafficking cars stolen in the West, cigarettes, coffee, alcohol, drugs, arms and munitions, and petroleum products. Iskandarani's group included more than 400 core members. It also had a clear division of roles and more than 11,000 participants (associates, protégées, etc.).

The Clămparu network, named after its leader Ioan Clămparu, rose to prominence in the years 1988–1998. Clămparu established a human trafficking network (RISE Project-Investigation 2012), then moved to Spain, where—according to Romanian prosecutors—he still runs this network's activities. In Spain, he monopolised the prostitution market by eliminating rival Russians and Albanians (Evenimentul Zilei 2012). His network has branches in Italy, Ireland, France and Great Britain (Ziare 2012).

Another criminal group is headed by Fane Spoitoru, who used to be a boxer in the 1990s, but made a name for himself in the criminal world due to 'the friendship of some high-ranking prosecutors and judges' (Pitulescu in Vertical News 2011). In 1990–1991 he established businesses in Germany and later bought a coffee shop and a taxi company in Bucharest (interview with Fane Spoitoru in Evenimentul Zilei 1998). In 1996, he spread his activities to Canada, but was sent back by the Canadian authorities to Romania, where he spent a short spell in prison before being released (Vertical News 2011).

Another powerful organisation is 'the Dragon'. This network was established in 1995. The Dragon's orders were executed by the Cămătaru clan, the Clămparu clan and the Alexa network. Each of them was in charge of a particular activity but they also worked together. If one operational unit fell into the hands of the law, their place was filled by the next group (Jurnalul National 2005).

Today, Romania has also become an arena for foreign criminal groups, such as Chinese Triads, Vietnamese crime groups dealing in migrant smuggling, and the illegal trade in goods through Constanta Harbour, which are later sold in the Red Dragon commercial centre. The money made this way is smuggled in cars to Moldova and Ukraine and deposited in shady banks (Anchete online 2011). The Turkish mafia is involved in complex drug networks, stolen car trafficking and acts of extreme violence (Descopera 2009). As is the case in other post-socialist countries, Romanian cities are divided into spheres of influence where various criminal groups demand protection fees from both private persons and businesses.

Poland

After the collapse of the socialist system in Poland, the crime rates for drug trafficking, prostitution, the use of violence against individuals, violence between groups, etc. increased as rapidly as in other post-socialist countries.

Much like the situation elsewhere in Eastern Europe, a new type of criminal arose when people high up in the Polish political hierarchy became involved in criminal activities, as demonstrated by a series of economic scandals in the 1990s. The number of organized crime groups involved in economic and ordinary crimes also increased dramatically (Plywaczewski 2004: 468; RP1; Border Guard Warsaw 2012). Foreign groups began operating in Poland. The internationalisation of organized crime in Poland manifested itself in the growing presence of criminals from Belarus, Moldova, Armenia, Ukraine and other Russian-speaking organized crime groups (Plywaczewski 2004: 477). An example of such a group came from 'Treble City' (Trójmiasto, which consists of the three cities of Gdansk, Sopot and Gdynia). This group counted Russians and Belarusians among its members and had contacts with Polish and German groups active in the illicit arms and drugs trade. Most of the activities of the Russian-speaking groups in Poland concerned crimes against the state and social institutions, forging documents, kidnapping and robberies (Plywaczewski 2004: 477). The crime patterns in Poland changed when serious economic crimes became more commonplace due to privatisation and rapid economic development. The criminal world also became more violent: organized crime groups carried out bombings to eliminate competitors and/or traitors in Warsaw, Gdansk and Katowice (Krajewski 2004).

Later in the 1990s, Poland became increasingly involved in the drug trade (Krajewski 2003), partly because of its geographical location and partly because its police and secret services were less acquainted with methods of tackling drug trafficking than police in Western Europe. In the 1990s, Poland became one of the most important countries for the production of amphetamine. It also became a major destination and transit country for human trafficking, in which a wide range of international networks were involved.

After the fall of communism, the opening of the borders made it possible to import Western cars to Poland. The number of stolen cars increased significantly until 2002, when rates decreased again (Plywaczewski 2004: 482–483). Car theft was common in 60% of all Polish cities, particularly in Krakow and Warsaw. During these years, groups involved in car theft were among the most organized and internationally operating criminal groups (*ibid.*).

The two largest criminal organisations, named Pruszków and Wolomin, had international contacts. Their mutual rivalry resulted in many violent incidents. The Pruszków group was led by Andrzej Koliowski (alias Pershing), who started his international criminal career shortly before the fall of socialism. In the 1980s, he smuggled cars and currency, operating from West Germany. Later, he invested in an illegal casino in Warsaw. In 1992, during the reform period, he put together a group of 100 people and joined the Pruszków Mafia (named after the small town of Pruszków near Warsaw). This group was involved in extortion and counterfeiting. The criminal proceeds were laundered in legal businesses such as restaurants and discothèques. At the end of the 1990s, his leadership was challenged by the rival Wolomin group and in 1999 Koliowski was murdered. The new leader of the Pruszków organisation, Leszek Danielak (alias Wańka), was arrested in 2000 (Warsaw Voice 2000a). In 2001 it was estimated that the Pruszków groups consisted of 2000 members (Warsaw Voice 2002b).

The organisation was active inside Poland, especially in the Lower Silesian (Dolno-Slaskie) and West Pomeranian (Zachodniopomorskie) regions (*idem*, 2002). Investigative journalists estimated that there were about 400 criminal groups operating in Poland at the beginning of the twenty first century (RFE/RL 2002). In the mid-2000s the Russian criminal group Solntsevskaya, which had been active in Poland from the beginning of privatisation in the 1990s, became the leader of organized crime in the country after groups from Pruszków, Wolomin, Marki, Zoliborz and Mokotow were dismantled by the police.

Today the structure of criminal groups in Poland has changed: they are less organized, smaller and more inclined to cooperate with organized crime groups in western countries. Their main aim is still the same: material gain in the form of money and territory. Violence is still widely used to maintain discipline within the group, although there is less violence involved in crimes such as robberies and extortion in comparison to previous years (Border Police Warsaw 2012).

What is noticeable is the increased incidence of theft of vehicles used in construction, road building, infrastructure and agriculture. The other main activities of Polish crime groups involve human trafficking for the purpose of forced labour and phishing through the use of documents relating to loans and social assistance.

Lithuania

After the fall of socialism in Lithuania¹ we can see developments in the country that are similar to the radical changes that took place in the Soviet Union. The first private ‘cooperatives’ in the Soviet Union were set up in the late 1980s. In 1992, the government announced its policy of privatisation. Those who had accumulated sufficient funds were in a position to buy state enterprises for relatively little money. These people ‘privatised’ economic enterprises in their sector and removed them from government control (Varese 2001: 24). The younger generation saw opportunities to make money without much business experience or a specialised education. The old *nomenklatura* was joined by new young entrepreneurs who had no government money or contacts, but a great deal of motivation and talent. Among them there were also persons connected to organized crime. According to Ledeneva, ‘organized crime in the 1990s should be viewed as an expanding network of recruits who did not inherit anything from the Soviet past: no money, no power, no connections; they were forced to use violence to make money’ (1998: 190).

In Lithuania, the situation of privatisation, economic chaos and political instability was also seized upon by new groups of criminals. These were people with few prospects who were nevertheless able to quickly and efficiently build contacts with politicians, the police and the church. The dominant view is that the economic chaos and the situation of lawlessness in the transition period in post-Soviet republics made it virtually impossible for a business to survive without protection, which the government was unable to provide. As everywhere in the former Soviet Union, businesses in Lithuania came under the protection or *krysha* (Russian for ‘roof’) of a criminal organisation. *Krysha* could be provided either by criminal organisations or the police.

In Lithuania in the 1990s, criminal groups functioned on the *stogas* principle (which was the same as the *krysha* model) whereby fees were levied by criminal organisations in return for the right to run a business. Those who refused to pay were threatened, physically harmed or had their properties destroyed (Gutauskas et al. 2004: 207).

The main criminal groups in Lithuania after the fall of communism were the Daktarai (in Kaunas) and the Vilniusskaya Brigada and the Centurioni (in Vilnius). The Tulpinai and Zemaitukai in Panevezys (also called the ‘Lithuanian Chicago’), a group of Gaidjurgis in Klaipeda, and the Princai in Siauliai were the names of other well armed criminal organisations that did not hesitate to use violence in the process of redistributing state-owned property (Gutauskas et al. 2004: 201, 202). High-ranking police officers, judges, journalists and businessmen were among the victims murdered by organized crime (Juska et al. 2004: 164). The whole country

¹For a more detailed and full account of Lithuanian organized crime groups and their mobility in the EU see Siegel (2014). Lithuanian itinerant gangs in the Netherlands, *Kriminologijos studijos*, 2, p. 5–40.

seemed to be divided into spheres of influence, where all businesses, from large corporations to street kiosks, were controlled by criminal groups.

These first criminal groups acquired a dominant position on the criminal market. Some managed to infiltrate the army, the government and the banking sector. The criminal world of the former Soviet Union can be seen as a mosaic, each part representing a different criminal gang with its own military system, sphere of influence and business structure (Siegel 2005: 2). These criminal groups were structured hierarchically, with a leader at the top, followed by the leaders of various divisions, the brigadiers and the soldiers. They hired ‘specialists’, such as lawyers and financial advisors, to work exclusively for the organisation and made use of a communal fund (*obshchak*). Many wrestlers, boxers, weight lifters, ice hockey players and unemployed members of the KGB or the special forces of the Soviet army became members of these first criminal organisations (ibid.).

By 1993, four major criminal organisations were operating in Kaunas: the Daktarai (doctors, physicians), named after their leader Henrikas Daktaras (alias Henyte) from Vilijampole, a notorious criminal suburb of the city. The second group was known as the Zhaliakalnis (from the Green Mountain district) named after a neighbourhood in the city, or Dashkiniai, under the leadership of the Dashkevitchiai brothers. One of the brothers was president of the Lithuanian Boxing Federation. The third group was known as Senamiestis (the Old City), and the fourth as the Kauliniai (also called Shancthiai). All these groups consisted of family members, such as uncles and cousins, or childhood friends from school or the neighbourhood. Mutual trust among members was based on a shared past in the streets and neighbourhoods where the recruits had grown up. Most members were Lithuanians, and the few Russians who joined were never included in the top of the organisation. This, however, did not prevent the Daktarai and Dashkiniai from seeking to cooperate with Russian criminal groups (Siegel 2014: 43–44).

In Lithuania, a distinction is usually made between organized crime groups from Kaunas and those from Vilnius. The differences do not so much concern the geographical location (the cities are no more than 60 km apart), but rather the composition of the gangs. Organized crime in Vilnius is multicultural, while in Kaunas it is more nationalistic Lithuanian (Siegel 2014: 43). One example of the cosmopolitan nature of the underworld in Vilnius was the Vilniusskaya Brigada, which consisted of Lithuanians and Russians. Their leader was Boris Dekanidze, convicted in 1994 for the murder of the Lithuanian journalist Vitas Lingys. Dekanidze was the last person to be executed before the death penalty was abolished in Lithuania in 1998. Organized crime in Vilnius worked together with former KGB officers and drug barons from Central Asia. Despite differences, most of the activities and spheres of influence of these organized crime groups were well coordinated and they communicated with international criminal groups (Johnstone 2004: 368).

Henrikas Daktaras, at one point considered the godfather of the Lithuanian underworld, ran an organized crime group in Vilijampole. For many years he stood at the top of a strictly hierarchical organisation consisting of approximately 200 people, with a ‘board of directors’, brigadiers, *torpedos* (soldiers) and a communal

fund. After his arrest, young criminals later used Daktaras's name and 'brand' to reorganize, but these young criminals were much more violent. According to police informants, the Desantininkai gang became particularly notorious for brutal assassinations and torture. They used the services of contract killers from Russia or Belarus. These criminals, who operated throughout the entire country and later moved to Germany, specialised in contract killings and car theft. An influential criminal organisation in Klaipeda specialised in the training of juvenile car thieves (Gutauskas 2004: 207).

Soon after the beginning of privatisation, criminal organisations controlled a significant part of the Lithuanian economy and their members also succeeded in penetrating political and financial institutions. Some managed to infiltrate banks, the military, the government and the tax department.

In his 2011 report, Gutauskas mentioned the following seven major organized crime groups still operating on Lithuanian territory: the Agurkas (Agurkiniai), Beglikas (Beglikiai), Šmikiniai, Žemaičiai, Miliai, Buduliai and Švinius (Gutauskas 2011: 66–68). These criminal groups are large organisations with a broad range of activities. All these groups are involved in extortion and drug trafficking, but some also focus on cigarette smuggling, prostitution, robbery, vehicle theft and other crimes. Other activities include counterfeiting euro banknotes and car theft, which is still the major source of income for all the groups from Kaunas. Lithuanian criminal groups also engage in fraud and the falsification of documents.

The stable criminal hierarchical structures have been replaced by more flexible networks. Criminal operations are now usually conducted by small groups, in a framework of supplier–consumer or a temporary employer–employee relationship (Pullat 2009: 24). There is an emphasis on specialisation and the distribution of labour, especially as regards cross-border operations (ibid.: 26). Criminal organisations also 'invest' in legal companies and then demand repayment of their investment—at double the original amount. Criminal proceeds are primarily invested in real estate and luxury goods and services (Siegel 2014: 44).

The younger generation of criminals has become more business-oriented and mainly operates across national borders in search of new markets and clients. They do not feel bound by the traditions and customs of the old criminals. Some groups are now focusing exclusively on money laundering, tax evasion and other fiscal and economic crimes (Gutauskas 2011: 211).

These days, the chaos caused by rapid privatisation has almost disappeared in most East and Central European countries. These countries became too small a territory for the activities of local criminal groups. Large criminal organisations send their members abroad to establish new contacts and look for new opportunities.

The Mobility of Organized Crime

After establishing their position at home and, in many cases, in neighbouring countries, a number of large criminal organisations are now looking for new opportunities further west. Thus, Bulgarian organized crime groups now operate transnationally, with drugs and car theft/smuggling as their main activities.

Another form of Bulgarian organized crime has manifested itself in West and Southern Europe in the shape of small itinerant criminal groups (or clans) specialised in pickpocketing, shoplifting and burglary. After the fall of communism and especially after Bulgaria's accession to the European Union, many of these people began practicing their profession abroad because they were no longer able to 'earn' enough in their own country. They first started in neighbouring countries, but soon went on to become travelling thieves operating all over Europe (Siegel 2014).

Romanian criminal groups are also overrepresented in police statistics in many West European countries. In the Netherlands, these groups can be tied to burglary, shoplifting, car theft and pickpocketing (Siegel 2014).

Various Polish groups have also moved to Western Europe. Many criminals wanted by Polish law enforcement are hiding abroad. Poland is also still an important production and transit country for drug trafficking. Various Polish groups are engaged in the production of the synthetic drug amphetamine. The most commonly used ingredient in the illicit manufacture of amphetamine is BMK (benzyl methyl ketone), which is obtained and smuggled across the eastern border. Not much stays in Poland: some is used to manufacture amphetamine, but the rest goes to Western Europe, primarily the Netherlands and Belgium (Border Police Warsaw 2012). Due to the high prices and taxes on tobacco products, several Polish criminal groups have become involved in the production and smuggling of illegal tobacco products. The most popular smuggled goods on the black market are cigarettes from Ukraine, followed by cigarettes from Russia, Belarus and China. Other common offences involve the reactivation of pre-war companies with a view to phishing for EU grants and tax fraud related to trade rights for emitting carbon dioxide (Border Police Warsaw 2012).

A special form of human trafficking in Poland involves forcing people to beg. Organized crime groups recruit handicapped persons, women with small children and children with a visible disability in other countries, especially Romania and Moldova. These people are then taken to Poland and other EU countries, usually without documents confirming their identity. They are then forced to beg, often by physical and psychological violence. Small children in particular are treated as objects: they are collected from their mothers and 'leant out' to other women for begging. The perpetrators of this crime are usually citizens of Moldova and Romania (Border Police Warsaw 2012). This is a new form of organized crime, even though it is not regarded as 'organized crime' in all jurisdictions.

The Lithuanian criminal groups are now considered to be the most influential mafia both in the Baltic countries and elsewhere in East Europe. They collaborate with each other as well as with local criminal groups outside Lithuania. Criminals

from different countries and diverse ethnic groups are apparently finding it easy to connect with each other. Cooperative relationships have developed between Polish criminals and members of the Russian mafia, between Lithuanians and *grupirovki* from Belarus, and between Lithuanian, Turkish and Afghan criminals, particularly in the area of smuggling and the illegal trade in drugs, cigarettes, women and oil. These relationships highlight the high degree of flexibility and mobility on the part of contemporary transnational organized crime.

The Agurkiniai, named after their leader Saulius Veletchka's nickname 'Agurkas', are the major Lithuanian criminal organisation operating internationally. This group focuses on car theft, robbery, extortion, fraud, women trafficking and counterfeiting. The Agurkiniai operate in Russia, the other Baltic countries and almost all of Western Europe. Two other internationally operating criminal organisations are the Shiliniai from Zhemaitiya (the northwest of Lithuania), who are involved in fraud, robbery, stealing cars, motorcycles and agricultural machinery, the illegal arms trade and drug smuggling, and the Gaidjurginiai gang (property crime and drug smuggling) (Siegel 2014). Other transnational groups include the Kamuoliniai, Shmikiniai, Beglikiniai, Shvininiai and Buduliai (Gutauskas 2011: 66–68). These organisations operate in the Baltic states, Germany, the United Kingdom and Spain. They are primarily involved in smuggling drugs and cigarettes and counterfeiting (ibid.).

According to Varese, contrary to the prevailing conviction that organized crime has spread its activities across the globe as a result of open borders, criminals are often *forced* to move and do not always do so of their own free will. Sometimes they flee from prosecution by the justice system and/or rivalry with other criminal groups in their own countries and their relocations are not always successful. 'What might appear the product of globalisation is in fact the consequence of state repression exporting the problem to other countries' (Varese 2011: 8). The choice of a new location is often determined by the presence of reliable contacts, friends or family.

My previous research into the post-Soviet mafia in the Netherlands (Siegel 2005) has also shown that these criminals are extremely mobile. In the 1990s, they used to come to the Netherlands for a temporary respite from the gang wars in the former Soviet Union or to settle their family in a peaceful environment, but they did not stay in the Netherlands to do any real business.

Conclusion

In this article, an attempt was made to analyse the socio-economic and political conditions that led to the rise to prominence of organized crime groups in four East and Central European countries, namely Bulgaria, Romania, Poland and Lithuania. Like other post-socialist states, these four countries have undergone the transition from socialism to the capitalist market system and benefited from the expansion of the EU. As we have seen, these two processes have enabled and facilitated the rise

and easy mobility of organized crime, as well as the emergence of new forms of cross-border crime.

Structural changes in the setup of criminal organisations, from the ‘old-style’ strictly hierarchical organisations of the 1990s to the present-day multiple flexible criminal networks, have enabled a new generation of criminals to expand their areas of influence and develop new criminal markets and products abroad. The ease with which criminal organisations from different countries appear to be able to connect and collaborate with each other has further facilitated the increase in cross-border activities by these groups.

The difficulties faced by law enforcement in their efforts to combat East and Central European criminal organisations, such as a lack of information, have not been addressed in this article, but it is clear that further criminological research is needed to gain more insight into the development of new markets, new forms of mobile crime, new *modi operandi* and the emergence of new criminal leaders.

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