In the Shadows of War
The Impact of Russia's Invasion of Ukraine on Criminal Networks in Eastern Europe

Laura Jasper, Ana Dadu and Davis Ellison
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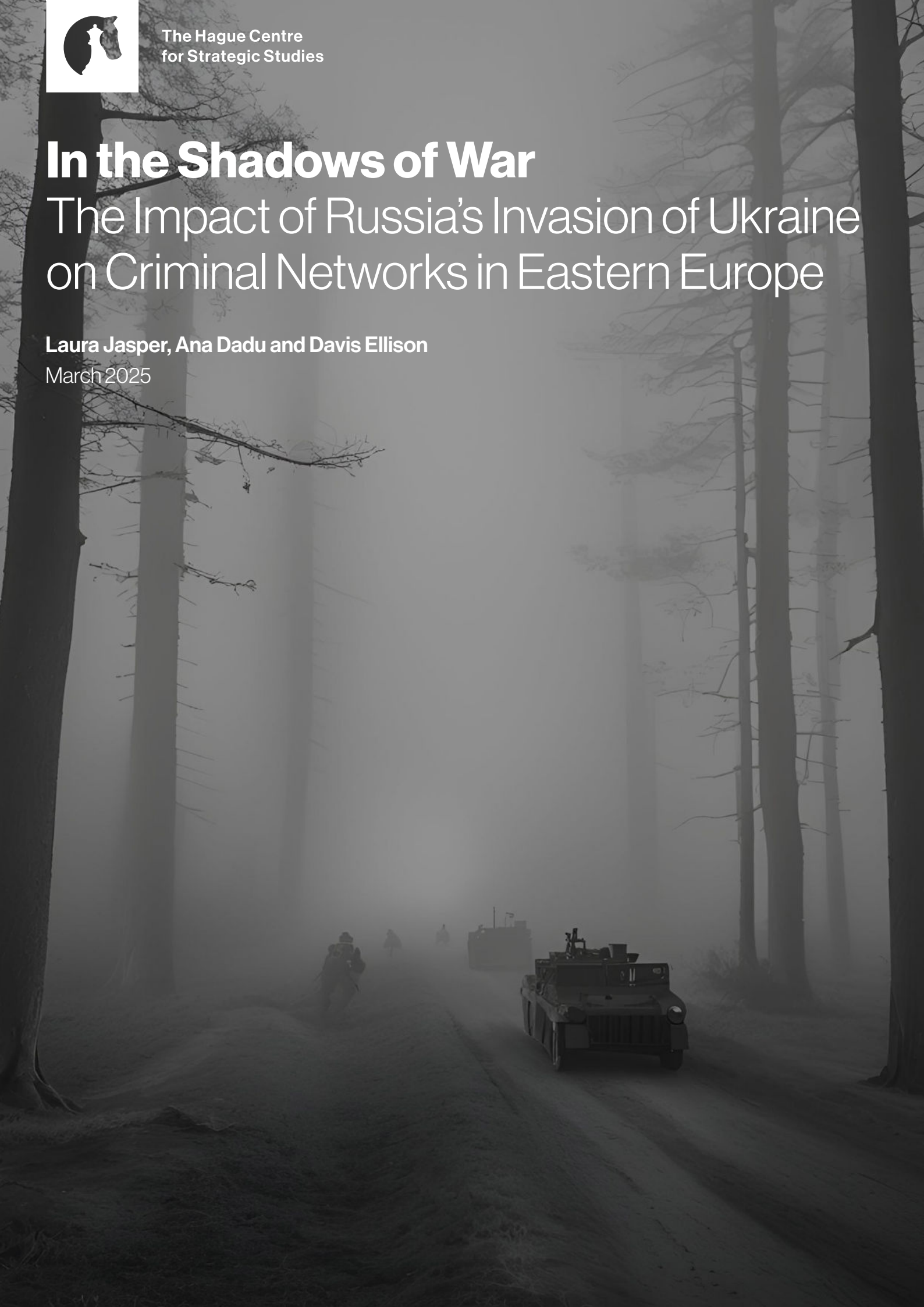
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Introduction

Organised criminal networks are just as reactive to shifts in the international scene as any other business enterprise.

War changes how economies work, both legal and illegal. Organised criminal networks are just as reactive to shifts in the international scene as any other business enterprise. In Europe, the extensive criminal networks across the east and west of the continent were disrupted by Russia's invasion of Ukraine, driving illicit activity into other states and fuelling black markets. More perniciously, the entanglement of crime and state power in certain Eastern European states - with a reputation for corruption and aggression – has become further entrenched and arguably emboldened. In Russia itself, Ukraine, Moldova (especially the breakaway region of Transnistria), and Georgia criminal networks have become more deeply tied to the functioning of the state and have worsened regional stability.

This report will address one of the various security aspects surrounding the war in Ukraine. In particular it tackles three topics: the connection between organised criminal networks and states and their role regional and European stability, and in extension the impact of the Russian invasion of Ukraine on criminal networks. It will show that there is a meaningful connection between organised crime, kleptocracy, and stability, and that this has had a particularly destabilising impact on eastern Europe. More so it will highlight how Russia's invasion has opened up new spaces for organised crime to become weaponized across Europe and thereby risking security across the continent. As such this research takes place on the intersection between conflict and organised crime, thereby laying a foundation for further research in the specific role of organised crime networks and how they can be leveraged by states in conflict and their broader role in hybrid threats.

In this study, we cover four major cases: Russia, Ukraine, Georgia, and Moldova. The first two cases are treated in connection given the close connections between criminal groups across the respective borders and the role this has played in recent and ongoing conflicts. It explores the state/criminal nexus in these cases, the networks of organised criminal activity in arms smuggling, illicit financial flows, and drug trafficking, and finally tracks the changes in the above dynamics since February 2022. As such this study will function as a cornerstone document highlighting dynamics before and during the war, thereby providing a foundation of research that is crucial for further analysis wen the after-war period presents itself.

This research has been based on a lengthy period of data collection and analysis, using both official and informal sources, to trace the development of criminal networks and corrupt regimes. This is an exercise fraught with methodological challenges, not least of which being the covert ways in which both organised criminal networks and kleptocracies pursue their efforts. Data is nonetheless available and is presented in the chapters below in detail. Furthermore, through interviews and engagements with both Dutch law enforcement experts and researchers with experience in the respective cases, the findings have been scrutinised as much as possible.

The following chapter begins the report synthesis on existing research on organised criminal networks, their connections to state corruption, and the related impacts on stability in order to assess their different drivers as well as their impact when applied to the areas covered in this report.

Kleptocracies, Criminal networks, and Regional stability: Interconnections and Risks

The relationship between corruption and regional instability has a long history of academic research. Eastern Europe has been a particular area of interest, especially during the 'wild 90s' of the post-communist period of transition. The emergence of violent entrepreneurs, corrupt state officials, former members of the military and intelligence services, and the rapid privatisation of previously state-owned industry raised fears of failed states, oligarchs, and domestic conflict. Indeed, an entire region experienced an economic and cultural earthquake within the course of a decade. Within the former Soviet republics alone, civil wars broke out in Russia (Chechnya and Dagestan), Moldova (Transnistria), Tajikistan (Gharm and Gorno-Badakhshan), Armenia and Azerbaijan (Nagorno-Karabakh/Artsakh), and Georgia (Abkhazia and Ossetia) throughout the 1990s. Each of these conflicts featured organised criminal activity and corrupt breakaway governments during and after hostilities.

But do these connections between corruption, organised crime, civil wars, and regional instability constitute a coincidence, something that is simply expected to be seen in all wars, or is there some unique correlation between kleptocratic governance, organised criminality, and conflict? Of course, all types of governments have started wars in recent history, including leading democratic states. Aggressive foreign policy is not necessarily something unique to kleptocracy, but there are unique identifiable features in kleptocratic aggression versus other types, namely a personalist economic function that include informal networks to both official entities and criminal groups.

State structure is crucial for understanding the connections discussed in this report. In the cases discussed, epitomised by the Russian state under Vladimir Putin, opaque patron-client networks within government and between officials and the criminal underworld shape not only state behaviour in general, but also foreign policy preferences and actions. Just as formal institutions shape state behaviour, so too do informal networks, and this is not exclusive to kleptocratic styles either. Indeed, informal networks in 'Western-style' democracies are a crucial connection for organised criminal groups and their state affiliates to rely upon. In kleptocratic systems, the formal institutions act as a façade for informal patron-client networks centred around the top levels of government. Put simply, the kleptocratic state structure is a

Networks within government and between officials and the criminal underworld shape not only state behaviour in general, but also foreign policy preferences.

> Being a businessperson, a politician, and a member of an underground criminal network are not mutually exclusive.

system based on virtually unlimited grand corruption coupled with impunity for those authorised to profit by the head of state.[1]

In such an arrangement, exactly who qualifies as an organised criminal actor and who does not can be fuzzy. Does a minister with the energy portfolio who uses criminal cutouts to sell black market oil and gas on the global market constitute part of the criminal network per se, or are they just part of the wider informal network? The wider network perspective is helpful in that it contextualises both the state officials and the organised crime groups, their interconnectivity, and how this mutual reliance shapes foreign policy behaviour. In much of the Eastern European and Central Asian context, such fuzzy networks can be seen in the oligarchs that dominate business and some corners of government. In this, being a businessperson, a politician, and a member of an underground criminal network are not mutually exclusive. Rather, they are strongly mutually reinforcing by design. One such example was the case of pro-Kremlin Ukrainian politician Viktor Medvedchuk. Prior to his blacklisting and arrest by the Ukrainian government, he was a member of parliament, owner of an oil refinery, and was involved in channelling funds from illegal natural resource exploitation in Crimea to pro-Russian militias in Donetsk and Luhansk through criminal groups and Belarusian banks.[2] Medvedchuk is the archetype of the post-Soviet conflict 'fuzzy' figure.

In some cases, the state is dominated by figures such as Medvedchuk. Such a state structure has several identifiable implications for foreign policy, ones that can be seen to greater or lesser degrees depending on the degree of criminal state capture.[3] They are:

1. Leaders will view foreign and domestic actors through the prism of informal networks, rather than formal institutions. This has a direct bearing on the policies of states captured by corruption. The survival of the post-Soviet pseudo-states is largely a result of the Kremlin's attempts at maintaining a grip on its near abroad. In Transnistria, the secessionist government is largely funded and controlled by Kremlin loyalists. Russian oligarch and former KGB agent Viktor Gushan owns the Sheriff conglomerate upon which most of Transnistria's economy relies. Whilst supermarkets, gas stations, and a telecommunications company operate in the upper world, most of Sheriff's earnings are owed to its illegal trade in alcohol and cigarettes. Gushan is a hardline proponent of "Ruski Mir" and the company is deeply involved in the region's politics. Using its largely illicit income, Sheriff essentially created and funded the region's ruling party and incumbent president. Benefitting from the informal networks in place, the region's government has had little incentive to dismantle them.

2. Kleptocratic regime leaders will try to appear aggressive internationally, but will generally avoid truly high-risk foreign policy actions, in order to convince the weak in the network to go along and the strong not to resist. Russia's foreign policy has certainly been geared towards appearing aggressive, while the Kremlin has repeatedly calculated that its actions are not high risk. Given that the invasions of Georgia (2008) and Ukraine (2014), as well as the 2015 intervention in Syria received no serious pushback from his internal or external opponents, Putin assessed that a full-scale invasion of Ukraine in 2022 was not as costly as it turned out to become. Once launched, the "special military operation" was used as justification to weaken domestic rivals, including several oligarchs, clamp down on dissent, and to reward network loyalists with key positions, such as Russian criminals being put into leadership positions in occupied Donetsk and Luhansk.

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[1]   Thomas Mayne, 'What Is Kleptocracy and How Does It Work? | Chatham House – International Affairs Think Tank', 3 July 2022,.

[2]   Julian Borger, "Kremlin Dismisses Ukraine's Offer to Free Putin Ally in Prisoner Exchange," *The Guardian*, April 14, 2022, https://www.theguardian.com/world/2022/apr/12/ukraine-arrest-putin-ally-viktor-medvedchuk.

[3]   Marten, Informal political networks and foreign policy, pg. 74-76

3. Specific foreign policies will have long periods of stasis, with little public discussion about change, but will then suddenly and unpredictably shift drastically. In the short term, reactive policy shifts are aimed to maintain network coalition cohesion. The Azerbaijani invasion of the breakaway region of Nagorno-Karabakh in 2020 was such an example. Though preceded by small border clashes, this had occurred regularly over the years and the general situation was one of static acceptance of the status quo, a *de facto* independent Nagorno-Karabakh/Artsakh. By the summer of 2020, this shifted drastically, leading to a full-scale offensive to seize portions of the territory, followed in 2023 by a total takeover and end of the independent republic. Aliyev's sudden policy shift followed nearly three decades of stasis. There is already some evidence that Aliyev has awarded posts in the newly integrated province to regime loyalists, such as former energy manager Shahmar Usubov, all under the watch of Russian "peacekeeping" forces.

4. The economic interests of key network members drives many foreign policy choices, even if that means diverting state policy in odd directions. This has been especially notable in both Serbia, Respublika Srpska (within Bosnia and Herzegovina), and Georgia, where network members connected to Alexander Vucic, Milorad Dodik, and successive Georgian Dream politicians have worked to derail the pro-European direction of the state out of individual economic interest. In Georgia in particular, as seen under the Irakli Kobakhidze's leadership, the anti-corruption criteria for EU membership was seen as a threat to the party network, which could partially explain the state's turn against transparency groups and to label internationally funded NGOs as "foreign agents".

Taken together, kleptocratic foreign policy can be summarised as driven by the economic aggrandisement of the centre, rapid shifts in policy to maintain networks both in and outside of government, and a belief that rapid action can swiftly solve foreign policy challenges. In the areas covered by this report, much of this is done as part of a balancing act by smaller states in eastern Europe and Central Asia in order for the governing elite to reap the benefits of ties to both Russia and the EU.

Convince the weak in the network to go along and the strong not to resist.

Cross-border criminal networks in Eastern Europe: dynamics prior to February 2022

Soviet and post-Soviet evolution of organised crime

In the Soviet Union, organised crime was explained as a "manifestation of the illnesses of capitalism", and thus, officially, did not exist.[4] From the late 1920s onwards, statistical records of criminal phenomena were classified as state secrets and disappeared from the public view. Yet, it was during the Union's Bolshevik era that professional criminals – the "vory-v-zakone" (воры в законе) or "thieves-in-law" – emerged. The traditional thieves-in-law adopted an "uncompromising rejection of the legitimate world" following a strict code barring them from cooperating with, or working for, state institutions.[5] However, another branch of criminals diverged from this strict thieves-in-law culture, forming crucial links between organised crime and the Soviet nomenklatura. Under Stalin, prison authorities were found co-opting criminals to keep other inmates, namely political dissidents, in line.[6] As the Soviet political-criminal nexus deepened corruption, embezzlement, and black-marketeering became endemic.[7] The KGB would recruit prostitutes, pimps, and black-marketeers as assets to watch and gather intelligence on foreign travellers with the aim of acquiring compromising information.[8] This went on well into the early 2000s, with alleged reports that Russia's president, Vladimir Putin himself, was involved in drug trafficking.[9] It was only in the late 1980s that the existence of organised crime was officially admitted by the Gorbachev administration.[10] With its existence no longer being treated as a

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[4]   Mark Galeotti, ed., 'Joseph L. Albini, R.E. Rogers, Victor Shabalin, Valery Kutushev, Vladimir Moiseev and Julie Anderson (1995), "Russian Organized Crime: Its History, Structure and Function", Journal o f Contemporary Criminal Justice, 11, Pp. 213-43', in *Russian and Post-Soviet Organized Crime* (Routledge, 2002).

[5]   Mark Galeotti, 'Gangster's Paradise: How Organised Crime Took over Russia', *The Guardian*, 23 March 2018, https://www.theguardian.com/news/2018/mar/23/how-organised-crime-took-over-russia-vory-super-mafia; Alexander Kupatadze, *Organised Crime, Political Transitions and State Formation in Post-Soviet Eurasia.*, 2012.

[6]   Mark Galeotti, 'The Mafiya and the New Russia', *Australian Journal of Politics & History* 44, no. 3 (1998): 419.

[7]   Galeotti, 419.

[8]   Mark Galeotti, GI-TOC talk on the report titled "Gangsters at War: Russia's Use of Organized Crime as an Instrument of Statecraft", 4 November, 2024.

[9]   Mark Krutov, Andrei Soshnikov, and Carl Schreck, 'Corned Beef And Cocaine: Putin's Men, The Israeli Smugglers, And The Great St. Petersburg Drug Bust', *Radio Free Europe*, 19 May 2022, https://www.rferl.org/a/putin-cocaine-connection/31855099.html.

[10]   Kupatadze, *Organised Crime, Political Transitions and State Formation in Post-Soviet Eurasia.*, 49.

state secret, the definition of organised crime in late Soviet Russia remained unclear. By the late 1990s it was established that entities such as the Russian mafiya exists, but Yeltsin favoured the more neutral term of "organised criminal groupings".[11] The Russians used a "very elastic definition" of organised crime, including almost "any group of more than three people who committed a premeditated offence".[12] Although difficulties in defining organised crime is not limited to Russia, this lack of a precise definition in Soviet and post-Soviet Eurasia allowed elites and institutions to selectively ignore and even abet crimes which benefited them.

> The collapse of the Soviet Union triggered not only a capitalist market transition but also a transition of organised crime. As the state's monopoly on violence collapsed, a decade of chaos and lawlessness, or "bespredel" (беспредéл) ensued.[13] The term "bespredel" forms the root of the word "bespredelnik", meaning criminals that, unlike prestupniki (street-level criminals), operated outside the vory-v-zakone (thieves-in-law) framework. Thus, they embodied a new brand of lawbreakers and coined the period of Russia's wild-90s. Amid this chaos the so-called "Russian mafiya" formed.

Galeotti attributed the rise of the Russian mafiya to the "local loyalties and self-help ethos of a polity in collapse."[14] The often corrupt and violent re-organisation of political positions and industrial giants led to fierce competition amongst former Soviet elites and rising oligarchs.[15] Many criminals found themselves becoming government officials and aspiring "biznesmeni" (businessmen). Assassinations of these businessmen, state administrators, and journalists became a common occurrence.[16] In response to a weak and corrupt state, the mafiya offered protection to citizens and businesses when the state could not. This role was reinforced by the proliferation of private security firms – known as "kryshas" (крыша), meaning "roof", and signifying protection rackets. By the late 1990s, over 6,500 of these firms operated, employing more than 800,000 people, including disillusioned veterans of the USSR's last war in Afghanistan, former celebrated athletes, and ex-KGB officers.[17] Today, Russia has over two dozen private military companies. Legally, these paramilitaries do not exist, allowing them to operate alongside Russia's armed forces while giving Moscow plausible deniability. One of the most well-known ones – the Wagner Group – were found operating in Ukraine, Syria, and Libya, acting as tools of Moscow's foreign policy. Major Russian corporations have also embraced these security forces, with Gazprom, Russia's energy giant, having one of its own. Its soldiers have been reported to be fighting in Ukraine. [18]

Yet the mafiya did not only have an economic role, but also a social one. At a time when state pensions were – and still are – barely enough to make ends meet, traditionally maintained criminal communal funds, known as "obshchaks", supported their families and the elderly.[19] Hence, the post-Soviet elite could not ignore the importance of the mafiya in society, often actively working in tandem with one another. It is perhaps no coincidence that when Georgian born Soviet wrestler/criminal tycoon Otari Kvantrishvili was murdered in a gang war, his funeral was broadcast on live television, with Yeltsin himself offering written condolences.[20] An environment of insecurity

This lack of a precise definition allowed elites and institutions to selectively ignore and even abet crimes which benefited them.

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11   Galeotti, 'The Mafiya and the New Russia', 415.

12   Galeotti, 'The Mafiya and the New Russia', 415.

13   Galeotti, 416.

14   Galeotti, 'The Mafiya and the New Russia'.

15   Kupatadze, *Organised Crime, Political Transitions and State Formation in Post-Soviet Eurasia.*

16   Galeotti, 'The Mafiya and the New Russia', 428.

17   Galeotti, 422.

18   'It's Not Just Wagner At Least Three Gazprom-Linked Private Military Companies Now Have Fighters in Ukraine', *Meduza*, 16 May 2023, https://meduza.io/en/feature/2023/05/16/it-s-not-just-wagner.

19   Galeotti, 'The Mafiya and the New Russia', 418.

20   Niklas Nilsson, 'Georgia's Conflicts: Abkhazia and South Ossetia', in *Conflict, Crime, and the State in Postcommunist Eurasia* (University of Pennsylvania Press, 2014), 18, https://muse.jhu.edu/book/28413.

and uncertainty, corruption and bribery, and violence and assassinations became entrenched in post-Soviet society, shaping the criminal landscape that has emerged since the collapse.

Georgia, Moldova and Ukraine pre-2022

The following section takes a closer look at three post-Soviet states and three EU candidate countries impacted by organised crime – Georgia, Moldova, and Ukraine – prior to Russia's invasion of Ukraine. A quick overview of the countries' state of organised crime is outlined using the Global Organised Crime Index Criminality and Resiliency Scores and the Transparency International Corruption Perceptions Index. It is important to note that, over the past 30 years, the level of organised crime and corruption in these countries has steadily declined, with the quality of the governance and justice systems improving. However, it is also noteworthy this process has faced challenges and has not been linear. Economic hardships, enduring corruption at all levels of the state apparatus, and separatist conflicts have had a disruptive effect on combatting organised crime and its associated causes and consequences.

To illustrate this, accompanying the abovementioned indices is a deeper dive into the dynamics of organised crime in each country. This includes 1) the role of geographical positioning, with Russia's close proximity found to have been playing a role in exacerbating organised crime in all cases 2) the type of organised crime and criminal networks impacting society, with contraband smuggling, weapons, and human and drug trafficking varying in prominence but present in all cases 3) the role of corruption and its interplay with crime, a common occurrence in all three cases and 4) the interplay between conflict and crime experienced by all three states. The conflict and crime nexus is further highlighted by taking a closer look at Abkhazia and South Ossetia, Transnistria, and Donbas and Crimea.

Georgia

The wild 90s in Georgia was described as the "most chaotic and criminalised [decade] in Georgia's recent history".[21] However, since then, and particularly after the 2003 Rose Revolution, the country has implemented reforms to legalise the economy and combat

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21   Kupatadze, *Organised Crime, Political Transitions and State Formation in Post-Soviet Eurasia.*, 122.

organised crime and corruption, becoming the poster-child of the Caucasus.[22] In 2021, its criminality score on the Organised Crime Index stood at a 2.96 out of 10.[23] Nevertheless, while substantial progress has been made, the country continues to face challenges. Aside from continuing trafficking operations, governance pitfalls involving corruption have remained present. In 2021, Georgia's Corruption Perception Index stood at 55 out of 100.[24] Oligarchs are known to exert strong control over policy, political interests, and rule of law, while the criminal justice system lacks transparency due to being affected by informal negotiations taking place behind closed doors.[25] To add fuel to the fire, the increase of Russian support to Abkhazia and South Ossetia, and Russia's subsequent invasion of Georgia in 2008 following Georgia's westward turn, has created favourable conditions for organised crime to flourish.

Georgia is positioned in the middle of the "Northern Route" – the main heroin smuggling route of the so-called "Golden Crescent", originating primarily from Afghanistan.[26] Georgia's access to the Black Sea through its Poti and Batumi ports, Azerbaijan through the Red Ridge, and Turkey through the Sarpi checkpoint, as well as its smuggling connections to the northern Caucasus republics of Chechnya and Dagestan in Russia, makes it a key transit hub for drug, weapon, human trafficking, and contraband smuggling.[27] At its peak before 2022, a quarter to a third of heroin coming into Europe was shipped through the "Northern Route", of which Georgia and Russia are part.[28]

Georgia in the Northen Route
Significant locations to trafficking networks in the Caucasus

22   Nilsson, 'Georgia's Conflicts: Abkhazia and South Ossetia', 120; 'Georgia's Dangerous Slide Away From Democracy', Carnegie Endowment for International Peace, https://carnegieendowment.org/europe/strategic-europe/2019/12/georgias-dangerous-slide-away-from-democracy?lang=en.

23   'Criminality in Georgia: The Organized Crime Index Profile', 2021, 1, https://ocindex.net/.

24   'Georgia', Transparency.org, 30 January 2024, https://www.transparency.org/en/countries/georgia.

25   'Criminality in Georgia: The Organized Crime Index Profile', 2021, 4.

26   'Criminality in Georgia: The Organized Crime Index Profile', 2023, 3, https://ocindex.net/; 'Illicit Financial Flows and Asset Recovery in Georgia' (United Nations Interregional Crime and Justice Research Institute, 2021), 15, https://unicri.it/Publications/Illicit-Financial-Flows-and-Asset-Recovery-in-Georgia.

27   Alexandre Kukhianidze, Alexander Kupatadze, and Roman Gotsirdize, 'Smuggling through Abkhazia and Tskhinvali Region of Georgia', in *Organised Crime and Corruption in Georgia* (American University's Transnational Crime and Corruption Center Georgia Office, 2004), 35; 'Illicit Financial Flows and Asset Recovery in Georgia', 15.

28   Mark Galeotti, GI-TOC talk on the report titled "Gangsters at War: Russia's Use of Organized Crime as an Instrument of Statecraft", 4 November, 2024

Aside from acting as a transit country for human trafficking, it also acts as a source state. Trafficking for sexual exploitation and forced labour is prevalent in Georgia, however, it has been described as "minimal compared to other criminal markets in the country".[29] Within Georgia, women are forced into prostitution in large cities such as Batumi and Tbilisi, while internationally trafficked victims have been found to end up in Turkey, the UAE, Egypt, Cyprus, and Iraq.[30]

With heavy Russian interference, Georgia's secessionist states of Abkhazia and South Ossetia also pose a problem in combating organised crime. The civil wars of the 1990s, followed by the Russian invasion of Georgia in 2008, have left the government with limited control over these regions and their borders. Abkhazia and South Ossetia have since become hotspots for various forms of trafficking and smuggling.[31] Alongside the smuggling of drugs, humans, and other illicit goods, the most prevalent risk is weapons trafficking.[32] Russia's military bases in Abkhazia and South Ossetia have seen serious decreases in Russian arms storage facilities, and Russian military personnel who control traffic across borders have been found to be complicit in smuggling activities.[33] By the mid-2000s, most of the arms trafficked in the region originated from Russian military bases in Georgia and Armenia. These weapons are frequently smuggled to destinations in Europe, the Middle East, and northward to Chechnya.[34] Additionally, Abkhazia's Sukhumi and Gaudata ports, which grant access to the Black Sea, have been observed to serve as illicit transit points.[35] Russia is also currently completing the construction of a military port in the Abkhaz city of Ochamchire, needed for the partial relocation of its Black Sea fleet.[36]

Most of the arms trafficked in the region originated from Russian military bases in Georgia and Armenia.

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[29] 'Criminality in Georgia: The Organized Crime Index Profile', 2023, 3.

[30] 'Criminality in Georgia: The Organized Crime Index Profile', 2023, 3.

[31] Kukhianidze, Kupatadze, and Gotsirdize, 'Smuggling through Abkhazia and Tskhinvali Region of Georgia', 33.

[32] Oleksiy Yarmolenko and Dmytro Rayevskyi, 'Moscow Has Turned Abkhazia and South Ossetia into Military Bases Dependent on Russian Money. Despite This, the Locals Do Not Want to Return to Georgia. How the Unrecognized "Republics" Live Now', 13 August 2024, https://babel.ua/en/texts/109720-moscow-has-turned-abkhazia-and-south-ossetia-into-military-bases-dependent-on-russian-money-despite-this-the-lo-cals-do-not-want-to-return-to-georgia-how-the-unrecognized-republics-live-now.

[33] Kukhianidze, Kupatadze, and Gotsirdize, 'Smuggling through Abkhazia and Tskhinvali Region of Georgia', 27.

[34] Nilsson, 'Georgia's Conflicts: Abkhazia and South Ossetia', 110; 'FSB Intercepts Weaponry Allegedly Smuggled From Georgia', *Radio Free Europe/Radio Liberty*, 10:41:11Z, sec. Caucasus Report, https://www.rferl.org/a/caucasus-report-weapons-smuggled-ossetia-georgia/25129647.html.

[35] 'Organised Crime, Trafficking, Drugs: Selected Papers Presented at the Annual Conference of the European Society of Criminology' (Helsinki: European Institute for Crime Prevention and Control, 2003); Ben Crabtree, 'Black Sea: A Rising Tide of Illicit Business?', accessed 18 September 2024, https://globalinitiative.net/analysis/black-sea-illicit-flows/.

[36] Yarmolenko and Rayevskyi, 'Moscow Has Turned Abkhazia and South Ossetia into Military Bases Dependent on Russian Money. Despite This, the Locals Do Not Want to Return to Georgia. How the Unrecognized "Republics" Live Now'.

Case study: Abkhazia and South Ossetia

Abkhazia and South Ossetia's governments have largely been sustained through their relationship with Russia and their involvement in organised crime networks. Abkhazia's first president, Vladislav Ardzinba, appointed family members to key government positions, giving them control over the region's resources and smuggling activities.[37] These included timber exports from Sukhumi's ports, control over a cigarette factory that exported untaxed cigarettes to Georgia proper and Russia, and petroleum smuggling from Russia to Georgia. Involved in these smuggling operations were the crime group "The Forest Brothers" (with links to former Mkhedrioni members[38]), Georgian officials, and businesspeople. Akhra Avidzba – a former foreign relations aid and alleged organiser of protests against former president Raul Khajimba – was found to be the commander of the international "Pyatnashka" brigade that fought alongside Russia in the 2014 Donbas war.[39]

With South Ossetia being almost completely reliant on Russian financial support and the shadow economy, it has been argued that in comparison to Abkhazia, South Ossetia is even further infiltrated by Russian control.[40] The complete destruction of South Ossetia's agricultural sector in the 1991-1992 civil war, and its isolation from the outside world, forced the region to become heavily reliant on contraband trade and Russian subsidies. In 2004, South Ossetia's GDI was estimated at just $15 million, of which a large portion was collected through customs at the border and then appropriated as direct income for members of the South Ossetian government.[41] However, in 2010 South Ossetia's GDI had grown to $140 million, with 98.7% coming from Russian aid, much of which was embezzled.[42]

Smuggled goods primarily included flour, gasoline, and cigarettes, alongside smaller quantities of drugs and weapons. The key smuggling route passed through the Roki Tunnel, which connected South Ossetia with Russia, sidestepping Georgian border control. Russian soldiers stationed at checkpoints played a role in smuggling the goods, albeit a smaller one compared to their counterparts in Abkhazia.[43] Nevertheless, Georgia has repeatedly accused Russian soldiers of facilitating weapons smuggling through the Roki Tunnel.[44]

Aside from sustaining South Ossetia economically, Moscow has always been highly involved in the region's political spheres, positioning former Soviet elites in the governance and security structures of the de facto state.[45] Most prominent among them was Eduard Kokoity – a former member of the Soviet national wrestling team – who had worked to consolidate his power by forming closer links to Moscow.[46] However, in 2011 Kokoity's preferred presidential candidate, and one backed by Moscow, lost to former South Ossetian education minister Alla Dzhioyeva. In response, the South Ossetian Supreme Court annulled the results, sparking a series of protests.[47] Her presidency was replaced by former South Ossetian KGB chief Leonid Tibilov's, who managed to position himself as an alternative to Kokoity's circle.[48] Tibilov's men were later sent as Ossetian volunteers to fight for Russia in its 2022 invasion of Ukraine.[49]

37 Nilsson, 111.

38 Nilsson, 108.

39 Yarmolenko and Rayevskyi.

40 Nilsson, 'Georgia's Conflicts: Abkhazia and South Ossetia', 116; Yarmolenko and Rayevskyi, 'Moscow Has Turned Abkhazia and South Ossetia into Military Bases Dependent on Russian Money. Despite This, the Locals Do Not Want to Return to Georgia. How the Unrecognized "Republics" Live Now'.

41 Nilsson, 'Georgia's Conflicts: Abkhazia and South Ossetia', 117.

42 Nilsson, 117.

43 Nilsson, 118.

44 'Georgian Foreign Minister Protests Arms Deliveries to S. Ossetia', *Civil Georgia*, 18 January 2006, sec. News, https://civil.ge/archives/109598.

45 Nilsson, 'Georgia's Conflicts: Abkhazia and South Ossetia', 116.

46 Nilsson, 116.

47 Andrew E. Kramer, 'Turmoil Erupts in a Kremlin-Protected Enclave', *The New York Times*, 11 February 2012, sec. World, https://www.nytimes.com/2012/02/11/world/europe/turmoil-erupts-in-kremlin-protected-south-ossetia.html.

48 'Ex-KGB Man Wins South Ossetia Presidential Election', *Reuters*, 9 April 2012, sec. World, https://www.reuters.com/article/world/ex-kgb-man-wins-south-ossetia-presidential-election-idUSBRE83805M/.

49 Yarmolenko and Rayevskyi, 'Moscow Has Turned Abkhazia and South Ossetia into Military Bases Dependent on Russian Money. Despite This, the Locals Do Not Want to Return to Georgia. How the Unrecognized "Republics" Live Now'.

Moldova

While not as prominent as in Ukraine or Georgia, Moldova also had a thieves-in-law culture during its early years of independence, with six thieves-in-law networks known to be operating at the time.[50] The leaders of these networks appointed local supervisors to all of Moldova's 32 districts, ensuring that they had eyes everywhere.[51] Today little is known about Moldova's organised crime groups, but traces of them survived the aftermath of the dissolution of the thieves-in-law networks, adapting to continue their operations today. In 2021, Moldova's criminality score on the Organised Crime Index stood at 4.45 out of 10.[52]

While Moldova does not have direct access to the Black Sea, as it's squeezed between Romania and Ukraine, it does still serve as a transit hub for trafficking. Moldova seems to be a minor part of the heroin trafficking scheme running through Georgia and Ukraine, with Moldovan construction companies often acting as import and export fronts.[53] Similarly to Ukraine, trafficked substances include the use and smuggling of synthetic drugs such as ecstasy.[54] These are sold through social media networks including Odnoklasniki[55], Facebook, Instagram, and Telegram.[56]

Moldova is also a prominent source of sex and labour trafficking.[57] Given that approximately one third of Moldova's population has been affected by labour migration, a large portion of trafficking victims have been observed to be labour migrants.[58] Victims have been found being trafficked to Russia, Turkey, Italy and Cyprus, Morocco, and the UAE, as well around Moldova's own sizeable local market.

Similar to Georgia and Armenia in the Caucasus, Moldova is home to Soviet-era arms left behind after the 1991 dissolution, and thus, is a source and transit state for arms trafficking.[59] Notably, Transnistria's Colbasna ammunition depot – believed to be Eastern Europe's largest ammunition depot due to holding an estimated 20,000 tonnes of ammunition – was, and potentially still is, a key source of weapons destined for smuggling.[60] Ilegal arms trafficking is an important source of income for both Transnistrian criminals and Tiraspol officials.[61] However, the Colbasna depot was not the only source of smuggled weapons, as Transnistria's strong industrial base also served as a lucrative weapons manufacturing enterprise. Between 1995 and 2000, weapons were found to have been produced at the Bendery Mechanical Factory, the Ribnitsa Steelworks Factory, and the Elektromas, and Elektroagregat factories.[62] These weapons later appeared in the port of Odessa, as well as in conflict zones such as Abkhazia, Chechnya, Congo, and the Ivory Coast.[63]

Transnistria's Colbasna ammunition depot – believed to be Eastern Europe's largest ammunition depot due to holding an estimated 20,000 tonnes of ammunition – was, and potentially still is, a key source of weapons destined for smuggling.

[50]   Alexandru Molcean and Natalie Verstandig, 'Moldova: The Transnistrian Conflict', in *Conflict, Crime and the State in Postcommunist Eurasia* (University of Pennsylvania Press, 2014), 138.

[51]   Molcean and Verstandig, 138.

[52]   'Criminality in Georgia: The Organized Crime Index Profile', 2021.

[53]   'Criminality in Moldova: The Organized Crime Index Profile', 2021, 3, https://ocindex.net/; 'Criminality in Moldova: The Organized Crime Index Profile', 2023, 4, https://ocindex.net/.

[54]   'Criminality in Moldova: The Organized Crime Index Profile', 2023.

[55]   Russian version of Facebook

[56]   'Criminality in Moldova: The Organized Crime Index Profile', 2021.

[57]   'Criminality in Moldova: The Organized Crime Index Profile', 2023, 3.

[58]   Molcean and Verstandig, 'Moldova: The Transnistrian Conflict', 142.

[59]   'Criminality in Moldova: The Organized Crime Index Profile', 2021.

[60]   Ilie Gulca, 'Cobasna: Russia's "MacGuffin" Between Ukraine and NATO', *Balkan Insight*, 20 March 2023, https://balkaninsight.com/2023/03/20/cobasna-russias-macguffin-between-ukraine-and-nato/.

[61]   W. Alejandro Sanchez, 'The "Frozen" Southeast: How the Moldova-Transnistria Question Has Become a European Geo-Security Issue', *The Journal of Slavic Military Studies* 22, no. 2 (29 May 2009): 153–76, https://doi.org/10.1080/13518040902917917.

[62]   Molcean and Verstandig, 'Moldova: The Transnistrian Conflict', 141.

[63]   Molcean and Verstandig, 141.

More worryingly, nuclear materials have been observed being trafficked through Moldova. These have been found going to the Caucasus, Middle East, and Africa. Furthermore, several reports have uncovered the existence of groups specialising in the smuggling of nuclear materials.[64] In 2011, six people suspected of smuggling uranium were detained in Chisinau.[65] Two of them were from the Transnistrian region, one of which held Russian citizenship. Officials reported that the uranium came from Russia and was destined for an unnamed African state. In 2015, attempts by smugglers to sell nuclear materials to buyers in the Middle East were intercepted.[66] The nuclear materials were once again reported to have come from Russia, with some groups allegedly having links to Russian intelligence services.

At higher levels, corruption and tax evasion remain significant issues.[67] A prominent example is the so-called "Russian Laundromat". In 2016, 17 Moldovan judges were arrested due to their involvement in the money laundering of Russian assets.[68] The operation was found to have laundered 20 billion USD in stolen Russian funds.[69] Once "clean", the money was found to have been channelled to Latvia, from where it could be transferred anywhere.[70] Involved in the Russian Laundromat were businessman Veaceslav Platon and pro-Russian oligarch and politician Ilan Sor.[71] Today both are fugitives with warrants for their arrest – Platon is hiding in London, and Shor in Moscow. Shor still remains a thorn in the central Moldovan government's side. He is believed to have funnelled 39 million USD into the bank accounts of thousands of Moldovans to buy their votes in the country's November 2024 EU referendum and presidential election.[72]

One of the main benefactors of organised crime in Moldova is the eastern breakaway region of Transnistria. As a consequence of a separatist conflict fought in the early 1990s, Moldova has, been fragmented and unable to fully and effectively control its borders.[73] Considering the region's close proximity to Ukraine's Black Sea ports, Transnistrian organised crime groups and affiliated officials have benefitted greatly.[74] A 2006 estimate puts the profits generated by the illegal trade from Transnistria at 250 million USD per year.[75] Like in Georgia, the region's Russian fuelled separatism further complicates cross-border regulation, making Transnistria a source of various trafficking activities, and an appealing option for transnational smugglers.[76]

64   Brian Johnson Thomas and Mark Franchetti, 'Radioactive Rockets "for Sale" in Breakaway Soviet Republic', *The London Times*, 8 May 2005, https://www.thetimes.com/article/radioactive-rockets-for-sale-in-breakaway-soviet-republic-w2fgk6fwwbz; 'Nuclear Smuggling Deals "thwarted" in Moldova', *BBC News*, 7 October 2015, sec. Europe, https://www.bbc.com/news/world-europe-34461732.

65   'Six Moldovan "uranium Smugglers" Arrested', *BBC News*, 29 June 2011, sec. Europe, https://www.bbc.com/news/world-europe-13968903.

66   'Nuclear Smuggling Deals "thwarted" in Moldova'.

67   'Criminality in Moldova: The Organized Crime Index Profile', 2021.

68   'Moldova: 20 Judges, Court Officials Accused in Huge Money-Laundering Scheme', OCCRP, accessed 15 November 2024, https://www.occrp.org/en/news/moldova-20-judges-court-officials-accused-in-huge-money-laundering-scheme.

69   Paul Radu, Mihai Munteanu, and Iggy Ostanin, 'Grand Theft Moldova', OCCRP, accessed 15 November 2024, https://www.occrp.org/en/investigation/grand-theft-moldova.

70   'Moldova'.

71   Radu, Munteanu, and Ostanin, 'Grand Theft Moldova'.

72   'Moldovan Police Accuse Pro-Russian Oligarch Of $39M Vote-Buying Scheme', *Radio Free Europe/Radio Liberty*, 25 October 2024, https://www.rferl.org/a/moldova-police-accuse-shor-russia-oligarch-39m-vote-buying/33172951.html.

73   Molcean and Verstandig, 'Moldova: The Transnistrian Conflict'.

74   Molcean and Verstandig.

75   Steven Lee Myers, 'Ukraine Battles Smugglers as Europe Keeps Close Eye', *The New York Times*, 28 May 2006, sec. World, https://www.nytimes.com/2006/05/28/world/europe/28ukraine.html.

76   'The Conflict in Ukraine and Its Impact on Organised Crime and Security: A Snapshot of Key Trends', 16.

Case study: Transnistria

In Transnistria, one of the ways in which organised crime groups and their associated political elites have enriched themselves, has been through the contraband smuggling business.[77] One way of smuggling contraband is through the poultry and tobacco industry. Data by The European Union Border Assistance Mission to Moldova and Ukraine (EUBAM), showed that between 2006 and 2007 the poultry imported into the Transnistrian region was enough for each inhabitant, including newborns, to consume at least 8kg weekly, which is far beyond normal consumption.[78] This chicken would then be cross-docked into smaller trucks with makeshift refrigeration and smuggled back into Ukraine, where it was sold below market rates due to evading customs duties and Ukrainian sanitary inspections.[79] The sophistication of the smuggling efforts, including the need for warehouses and retrofitted trucks, suggested that the operation was backed by the Transnistrian government.[80] A similar story unfolded with tobacco, with 2014 import numbers amounting to 11 billion cigarettes reaching Transnistria.[81] The Sheriff cooperation was found to be involved in this type of smuggling from the ports in Odessa and Illichiovsk into Transnistria.[82]

Since its founding, the Sheriff corporation has had a strong criminal profile with a consistent record of engaging in corruption, smuggling, and money laundering.[83] Sheriff was founded in 1993 by Viktor Gusan, an ex-KGB agent and now a pro-Russian oligarch.[84] Most of Transnistria's economy, approximately 60% of it, is owned and controlled by Sheriff.[85] The company has an extensive network of supermarkets, gas stations, construction companies, hotels, and banks, as well as the only mobile phone network in the region. Sheriff also runs a mini media empire of radio and TV stations in Transnistria.[86] In 2004, more than 36 million USD belonging to the Sheriff executive elite was found to be deposited in Raiffeisen Central Bank and in the Austrian branch of the Dutch ING Bank.[87] By financing Transnistria's current president, Vadim Krasnoselsky, the cooperation essentially gained full control over the region's politics.

Transnistria's first elected president Igor Smirnov, as well as his family, have played a significant role in abetting the region's criminal networks. Before coming to power, Smirnov had ties to the Soviet nomenklatura and was in charge of Elektromas, one of the aforementioned industrial plants involved in weapons manufacturing, while also serving as the head of the local city council.[88] After assuming power, Smirnov was known to exercise control over the legal and illegal flows of goods to the region, either directly himself or through close associates and family members.[89]

77   'The Conflict in Ukraine and Its Impact on Organised Crime and Security: A Snapshot of Key Trends', 16.

78   Molcean and Verstandig, 'Moldova: The Transnistrian Conflict', 140; Myers, 'Ukraine Battles Smugglers as Europe Keeps Close Eye'.

79   Myers, 'Ukraine Battles Smugglers as Europe Keeps Close Eye'.

80   Myers.

81   EUBAM, 'Transit of Cigarettes from Odessa and Illichevsk Ports to Transnistria Drops to Zero', accessed 20 November 2024, https://eubam.org/newsroom/transit-of-cigarettes-from-odessa-and-illichevsk-ports-to-transnistria-drops-to-zero/.

82   Tony Wesolowsky, 'The Shadowy Business Empire Behind The Meteoric Rise Of Sheriff Tiraspol', *Radio Free Europe/Radio Liberty*, 11:23:22Z, sec. Moldova, https://www.rferl.org/a/moldova-sheriff-tiraspol-murky-business/31516518.html.

83   Wesolowsky.

84   Wesolowsky.

85   Wesolowsky.

86   Wesolowsky.

87   Alina Radu, 'Afacerea transnistreana in bancile din Austria (Transnistrian business in Austrian banks)', *Ziarul de Garda*, 25 October 2005, https://www.zdg.md/old/62/investigatii/.

88   Molcean and Verstandig, 'Moldova: The Transnistrian Conflict'.

89   Molcean and Verstandig, 134.

Ukraine

Like in Georgia, Ukraine's organised crime scene has deep roots in the Soviet vory-v-zakone (thieves-in-law) tradition and has historically been a significant national issue.[90] Prior to the 2022 invasion, Ukraine scored a 6.18 out of 10 on the Organised Crime Index criminality score.[91] Since its independence, the power of Ukraine's *vory*/thieves has decreased but still continues to persist. One of these traditional crime syndicates known as the "Bashmaki" (башмакі), meaning shoes or boots, still operates in Crimea, and is known to have played a role in seizing government buildings and isolating Ukrainian troops during Russia's annexation of the peninsula.[92] Through privatisation in the 1990s and 2000s, Ukraine's criminal networks moved themselves out of traditional organised groups by forming links with the oligarchic class. The influence of these links have since been observed at multiple levels of the state, and particularly in the annexed regions of the Donbas and in Crimea.

Ukraine's geographical position plays an important role in the prevalence of organised crime in the region. The country shares its eastern border with Russia, its northern border with Belarus, and its western border with Moldova and the European Union. Its southern border opens up to the Black and Azov Seas which are lined with major shipping hubs. These features make Ukraine an appealing transit state for various trafficking operations. Cities that have served as logistical centres for criminal networks are Dnipro, Kharkiv, and Kyiv, as have the regions of Donetsk and Luhansk.[93] Along the coast the ports of Sevastopol, Simferopol, and Odesa have also functioned as illicit drug transit hubs.[94] The Afghan heroin that is trafficked through Russia, Turkey, and Georgia often ends up in the port of Odesa, before going onwards into Europe.[95] More recently, Latin American cocaine has also made its way into Europe through Odesa's port.[96]

As with Georgia and Moldova, Ukraine inherited large weapon stockpiles from the dissolution of the Soviet Union. This, combined with limited barriers to accessing weapons and millions of small arms on the black market, has led Ukraine to be considered as one of the largest arms trafficking markets in Europe.[97] Territories annexed by Russia were especially major sources of illicit arms flows.[98] Between 2013 and 2015, only 13% of the ~300,000 small arms and light weapons reported lost or stolen were recovered, with the rest remaining in circulation on the black market.[99] While most of them are believed to be trafficked domestically, the illicit arm trade goes beyond Ukraine's borders.

Ukraine's east/west divide has also impacted the dynamics of organised crime in the country. For example, in the rural and agricultural district of Chernvitsi (bordering Romania), organised crime groups were more likely to forge alliances with smuggling networks, while those

> **Ukraine's geographical position plays an important role in the prevalence of organised crime in the region.**

90 'The Conflict in Ukraine and Its Impact on Organised Crime and Security: A Snapshot of Key Trends', 13.

91 'Criminality in Ukraine: The Organized Crime Index Profile', 2021, https://ocindex.net/.

92 Mark Galeotti and Anna Arutunyan, 'Rebellion as Racket: Crime and the Donbas Conflict, 2014-2022', July 2022, 4, https://globalinitiative.net/analysis/donbas-conflict-crime/.

93 'Criminality in Ukraine: The Organized Crime Index Profile', 3.

94 Iffat Idris, 'Corruption, Crime and Conflict in Eastern Ukraine' (University of Birmingham, 2022), 37; 'Port in a Storm: Organized Crime in Odesa since the Russian Invasion' (Global Initiative Against Transnational Organised Crime, September 2023), https://globalinitiative.net/analysis/odesa-bessarabia-organized-crime/.

95 Idris, 'Corruption, Crime and Conflict in Eastern Ukraine', 15.

96 Idris, 23.

97 'Criminality in Ukraine: The Organized Crime Index Profile', 3.

98 'Criminality in Ukraine: The Organized Crime Index Profile', 3.

99 Anton Martyniuk, 'Measuring Illicit Arms Flows: Ukraine' (Small Arms Survey, 16 April 2017), 4, https://www.smallarmssurvey.org/resource/measuring-illicit-arms-flows-ukraine.

in the industrially developed east of Ukraine were more likely to get involved in financial and economic crime.[100] Prior to the full-scale invasion, Russian and Ukrainian organised crime groups were generally known to form the strongest criminal ecosystem in Europe.[101] An example is the case of the Solntsevskaya Bratva – a Moscow-adjacent crime syndicate – which arrived in Crimea prior to its annexation to talk with the locals and "just feel out the scope for further criminal businesses, but also to gauge the mood of the local underworld".[102]

Ukraine's geography is not the only factor that has shaped the country's organised crime scene, as its governance and justice systems are instrumentalised to enable criminal activity to thrive and seep into the political and financial institutions of the country. In 2021, Ukraine scored 32 out of 100 on the Transparency International Corruption Perception Index.[103] Corruption in Ukraine, despite some significant efforts such as the anti-oligarchic law adopted in late 2021, has been and continues to be a problem in the country.[104] The rampant corruption has had knock-on effects on Ukrainian society, with the shadow economy accounting for 38.3% of the GDP in 2017.[105]

Corruption in Ukraine is strongly linked to organised crime.[106] This nexus has been observed playing out in Russia's incursions into Crimea and the Donbas, with the case study below touching on the use of organised crime for political goals.[107]

[100]   Kupatadze, *Organised Crime, Political Transitions and State Formation in Post-Soviet Eurasia.*, 91.

[101]   'New Front Lines: Organized Criminal Economies in Ukraine in 2022', accessed 4 October 2024, https://globalinitiative.net/analysis/organized-criminal-economies-ukraine-2022/.

[102]   Mark Galeotti, 'Commentary: Crime And Crimea: Criminals As Allies And Agents', *Radio Free Europe/Radio Liberty*, November 2014, sec. Ukraine, https://www.rferl.org/a/crimea-crime-criminals-as-agents-allies/26671923.html.

[103]   'Ukraine', Transparency International, 30 January 2024, https://www.transparency.org/en/countries/ukraine.

[104]   'The Conflict in Ukraine and Its Impact on Organised Crime and Security: A Snapshot of Key Trends'.

[105]   Abel Polese et al., 'Presenting the Results of the Shadow Economy Survey in Ukraine While Reflecting on the Future(s) of Informality Studies', *Journal of Contemporary Central and Eastern Europe* 30, no. 1 (2 January 2022): 101–23, https://doi.org/10.1080/25739638.2022.2044585.

[106]   Idris, 'Corruption, Crime and Conflict in Eastern Ukraine', 14.

[107]   Idris, 18.

Case study: Khimprom

While Ukraine is mostly considered a transit state for drug trafficking, there have been instances where it has acted as a source state for drugs and other smuggled goods.[108] This is exemplified by the establishment of the Khimprom organised crime network.

Khimprom is a criminal network comprised of both Ukrainian and Russian nationals which was established amidst the annexation of Crimea and the conflict in the Donbas in 2014.[109] According to the Ukrainian Security Services, the crime ring is run with the coordination of Russian special services and is known for trafficking alpha-PVP, a drug known by the street name "flakka" or "bath salts". After Russian Security Services busted the drug syndicate in 2017, many of its affiliates moved their work

to Ukraine. In 2019, the Ukrainian authorities dismantled a lab near Kyiv capable of producing 200kg of the substance per month, causing improvised micro-labs to appear around the country ever since.[110] With a drugs-for-cryptocurrency set up, its monthly income stood at 2 million USD.[111] The revenue was then invested in real estate and businesses around the world. The kingpin behind Khimprom is believed to be its founder, Yehor Vasylyovych Burkin (on his Russian passport), or Yehor Vasylyovych Levchenko (on his Ukrainian passport). Levchenko-Burkin also uses the names Artem Oleksandrovych Iermolaiev (as a native of Moldova) and Artur Sachianov (as a citizen of the Republic of Lithuania), showcasing that his criminal activities extend past the borders of Russia and Ukraine.

Use of Ports of Hubs in Eastern Europe and Central Asia
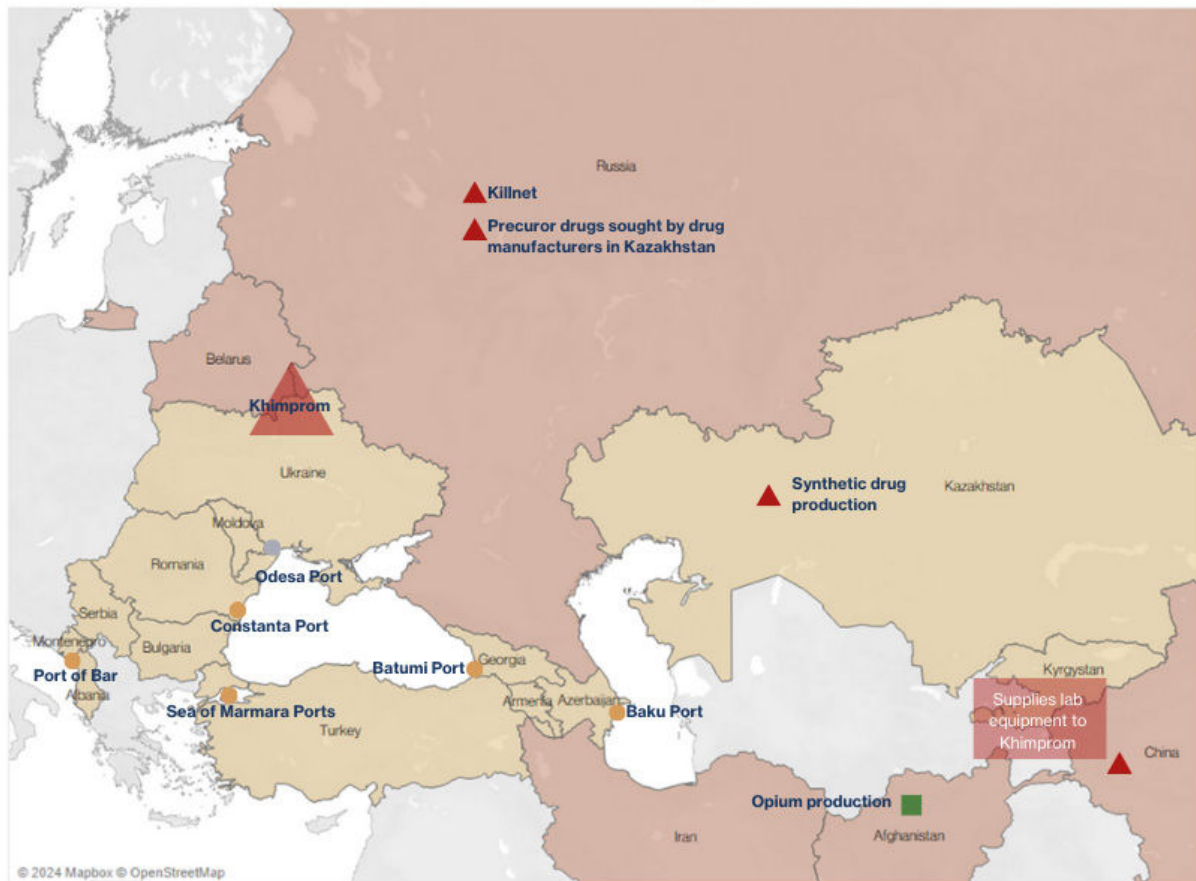
108 Idris, 'Corruption, Crime and Conflict in Eastern Ukraine', 15.

109 'Sanctions Against the Leaders of the Khimprom Drug Cartel. Who the "Russians with Ukrainian Passports" are, and What Kyva, Avakov and the "Catch the Dealer" Campaign Have to do with It', *Slidstvo.info*, 4 January 2024, https://www.slidstvo.info/english-stories/sanctions-against-the-leaders-of-the-khimprom-drug-cartel-who-the-russians-with-ukrainian-passports-are-and-what-kyva-avakov-and-the-catch-the-dealer-campaign-have-to-do-with-it/.

110 Ruggero Scaturro, 'The Devil's Not-so-New Psychoactive Substance', *Global Initiative against Transnational Organised Crime*, 23 May 2023, https://globalinitiative.net/analysis/alfa-pvp-drug-trafficking-ukraine-russia-conflict/.

111 'Sanctions Against the Leaders of the Khimprom Drug Cartel. Who the "Russians with Ukrainian Passports" are, and What Kyva, Avakov and the "Catch the Dealer" Campaign Have to do with It'.

Case study: The Party of Regions, and Donetsk & Lukhansk

It was during Ukraine's early privatisation years that Victor Yanukovich emerged as a powerful political player with ties to Ukraine's criminal underworld.[112] Prior to his election as President of Ukraine, he headed the Party of Regions, associated with what is known as the "Dontesk Clan" – a Donetsk based criminal grouping – and which is now an outlawed pro-Russian party. Yanokovich's party was the largest party in Ukraine prior to 2014 and, according to former National Security and Defence Secretary Volodymir Horbulin, it was "notable for its inclusion of criminal and anti-democracy figures" led by the "Dontesk Clan godfather, Rinat Akhmetov" – who used to be the richest man in Ukraine.[113] 80% of the violently acquired property

in Ukraine's early independence years ended up under the control of Akhmetov.[114] The use of criminals by the Donetsk Clan to remove competition was seen in the Euromaidan protests leading up to the 2014 invasion. Non-state actors known as "titushki", often with criminal backgrounds, were employed to act alongside the police to provoke and carry out violence against protestors.[115]

The self-proclaimed republics in the Donbass region used criminality to sustain themselves financially. And as shown by the case study below, they even collaborated with other separatist republics, such as those from Georgia.

Case study: Coal Smuggling in Donetsk and Lukhansk

Once the separatist regions of Donetsk and Luhansk were established, the role of criminality shifted away from politics and became mainly economic.[116] Due to the lack of international recognition and the trade restrictions imposed by the central government in Kyiv, the republics could hardly sustain themselves. And while Moscow provided much financial assistance – through direct subsidies and aid deliveries – it only covered the basic and essential expenditures needed for the functioning of the state and its war-waging activities. To cover for the rest – be it sustaining elites, state structures, and fighting forces, or supporting those dispossessed and unemployed – criminal groups filled the gap. One way they did so was through their extensive involvement in "industrial-scale smuggling of everything from coal to narcotics".[117]

In the Donbas, the smuggled coal – sold by separatist leaders and local businesses to Russian intermediaries – helped bypass trade restrictions and provided significant earnings for the separatist republics and their elites.[118] The contracts would be drawn up and signed by a company based in Cyprus, after which the

coal was moved to Russia by railway, mixed with Russian coal, and recertified as mined locally for exports. Still today, there are reports of coal imports from Russian annexed territories by states like Turkey, with buyers ranging from the Virgin Islands to the United Arab Emirates and Belize. [119] The mixture and recertification of the coal was done with the help of a Swiss firm linked to the Russian mining industry. The Swiss-based companies Kaproben Handels and MAKO-holding, the former being accused of smuggling coal out of the Donbass and the latter being owned by Yanukovich, are frequently named in relation to such practices.[120] The transit of the coal to Russia would be done under the purview of Sergei Kruchenko's GazAlliance. The mixed and recertified coal would then find its way back into Ukraine, the EU, and Turkey with the help of another Swiss coal trader. In 2018, Russia's coal sales increased by 97,900% , despite the sanctions it was facing. The profits were funnelled through a Russian intermediary in Georgia's breakaway republic of South Ossetia, and were then sent back to the separatist republics to continue financing the occupation.

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112   Taras Kuzio, 'Crime and Politics in Crimea', *openDemocracy*, 14 March 2014, https://www.opendemocracy.net/en/odr/crime-and-politics-in-crimea-aksyonov-goblin-wikileaks-cables/.

113   Kuzio; Kupatadze, *Organised Crime, Political Transitions and State Formation in Post-Soviet Eurasia.*, 101.

114   Kupatadze, *Organised Crime, Political Transitions and State Formation in Post-Soviet Eurasia.*, 102.

115   Press Release: Numerous rights abuses during Ukraine's Maidan protests (European Court of Human Rights 21 January 2021).

116   Galeotti and Arutunyan, 'Rebellion as Racket: Crime and the Donbas Conflict, 2014-2022', 13.

117   Galeotti and Arutunyan, 1.

118   Galeotti and Arutunyan, 14–15.

119   Filipp Lebedev and Gleb Stolyarov, 'Coal from Russian-Annexed Ukraine Sold in NATO Member Turkey', *Reuters*, 19 September 2023, sec. Commodities, https://www.reuters.com/markets/commodities/coal-russian-annexed-ukraine-sold-nato-member-turkey-data-sources-2023-09-19/.

120   "Ukraine's Illegal Coal Mines: Dirty, Dangerous, Deadly," OCCRP, June 23, 2020, https://www.occrp.org/en/investigation/ukraines-illegal-coal-mines-dirty-dangerous-deadly; Kenneth Rapoza, "Who Profits From the Broken Russia-Ukraine Peace Deal?," *Forbes*, May 22, 2018, https://www.forbes.com/sites/kenrapoza/2018/01/26/who-profits-from-the-broken-russia-ukraine-peace-deal/.

Concluding remarks

The case studies shed light on the complexities of organised crime networks in Georgia, Moldova, and Ukraine. They reveal how historical ties between crime and the state, entrenched corruption, strategic geographical positioning, ongoing conflicts, and persistent separatist sentiments have influenced the evolution and dynamics of organised crime in the region. The presence of organised crime has created economic incentives for its continuation, depleted state resources, and ultimately eroded public trust in society and state institutions. Since their independence, Moldova, Georgia, and Ukraine have managed to address existing governance gaps and implement legal frameworks that have stifled the proliferation of organised crime and corruption to varying degrees. However, Russia's invasion of Ukraine has once again forced regional crime networks to adapt and posed novel challenges towards governments as a result.

Russia's invasion of Ukraine has once again forced regional crime networks to adapt and posed novel challenges towards governments as a result.

The impact of Russia's invasion: shifts in criminal networks post-February 2022

The war in Ukraine is a striking example of how instability can amplify the reach and impact of criminal organisations by enlarging the hinterland in which they can operate, resulting in the expansion of their operations.

The invasion of Ukraine in February 2022 created a cascade of regional instability leading to the displacement of millions of people, severe market disrupted, and heightened political repression in Russia specifically. All of these factors have created fertile ground for criminal activities to flourish, especially for weapons trafficking, human trafficking, and the general expansion of illicit markets. This poses the following question that is central in this section – to what extent does armed conflict facilitate these processes? Pre-existing organised crime networks have quickly adapted to this changing environment by leveraging their fluid organisational structures to exploit new opportunities created by war which disrupts licit markets and their governance systems. While the presence of armed conflict has not only impacted their way of doing business and with whom the business is done but also caused changes in regard to the trafficked goods. Just as war can be seen as the pursuit of politics by other means, organised crime, on the other hand, is about pursuing economics by other means. The weakening of institutions and restrictions on markets inevitably create openings for organised crime groups, as their ability to circumvent these restrictions allow them to capitalize on the chaos and economic voids left by the war. The war in Ukraine is a striking example of how instability can amplify the reach and impact of criminal organisations by enlarging the hinterland in which they can operate, resulting in the expansion of their operations.

With the full-scale invasion in February 2022, organised crime networks operating trafficking and smuggling routes across Ukraine have found their operations in the midst of another type of frontline than the one they were used to. As Russian and Ukrainian organised crime operated what was known as a 'transnational superhighway' of smuggling and trafficking routes connecting Russia to the rest of Western Europe.[121] This highway carried everything from precious metals to humans, drugs, weapons, and tobacco, making Ukraine a key transit country and the 'gateway to Europe' for decades. As explained in the previous sections, these operations were made possible in part due to Ukraine and Russia's strong oligarchic class and network of corrupt officials. These lines between Russian and Ukrainian linchpins have now largely been severed, either out of patriotism or pressure from the intelligence services and

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[121] Global Initiative on Transnational Organised Crime "New Front Lines: Organized Criminal Economies in Ukraine in 2022 | Global Initiative." Global Initiative, April 18, 2023. https://globalinitiative.net/analysis/organized-criminal-economies-ukraine-2022/.

law enforcement.[122] Whereas crime was 'apolitical' before, since the invasion everyone had to pick a side. Many oligarchs and crime bosses have also simply left Ukraine, as martial law and curfews made their work notably more difficult, creating worrisome trends in 'migration' amongst previously Ukraine-based organised crime networks. For instance, there has already been an increase in crime linked to Georgian crime groups that left Odesa due to the war in Moldova and Romania.[123] Given that this is one of the first conflicts in modern history, after the Afghan-Soviet war, featuring a powerful transnational organised crime ecosystem, these shifts and fractures risk creating a power vacuum in the region, with potential spill-over effects to criminal networks on a global scale – fundamentally changing the criminal ecosystem as we know it today.

This section delineates five case studies that each look at a different form of illicit trade to illustrate how the invasion has impacted criminal networks. It will examine arms trafficking, human trafficking, cigarette smuggling, and illicit markets, particularly of drugs and sanctioned goods. In doing so, the section takes the disruptions caused by the war as a starting point to illustrate how these disruptions lead to changes in organised crime patterns in the broader region of Eastern Europe and what that means for the rest of Europe. Most of these are framed in terms of vulnerabilities and risks, as the landscape is characteristically dynamic and volatile, and long-lasting effects are yet to be determined. The purpose of these case studies is to aid in the future identification of possible causal relations determining how armed conflict facilitates these practices.

These shifts and fractures risk creating a power vacuum in the region.

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122 Mark Galeotti, "Time of Troubles: The Russian Underworld Since the Ukraine Invasion | Global Initiative." *Global Initiative*, December 2023. https://globalinitiative.net/analysis/the-russian-underworld-since-the-ukraine-invasion/.

123 Global Initiative on Transnational Organised Crime. "Port in a Storm: Organized Crime in Odesa Since the Russian Invasion | Global Initiative." *Global Initiative,* September 6, 2023. https://globalinitiative.net/analysis/odesa-bessarabia-organized-crime/.

Case study: Disruption at the port of Odesa – vulnerabilities at the tri-border region and the question of weapons trafficking

Smuggling routes from the 'the Jewel on the Black Sea' along the Danube and the role of the 'Black hole of Europe'

The port of Odesa, known as a linchpin for both licit and illicit trade, faced significant war-induced disruptions tracing back to the invasion of Crimea in 2014 which significantly intensified since the full-scale invasion of Ukraine in 2022. Organised crime groups exploited blockades and porous borders to establish new trafficking routes both out of necessity and opportunism. Just like licit trade could no longer go through the port of Odesa and migrated to the nearby ports of Constanta and Izmail on the Danube river, so too did illicit trade. The ongoing attacks, as well as the curfews and naval blockades, heavily impacted the criminal activity in the so-called 'Jewel of the Black Sea'.

The internal workings of organised crime in Odesa became exemplary of how the once unified crime ecosystem of Russian and Ukrainian crime syndicates fell apart into separate Pro-Russian and pro-Ukrainian groups. The isolation of Odesa fuelled the strategic importance of the Danube, and potentially the breakaway region of Transnistria, as critical nodes for smuggling routes into Western Europe. This tri-border region of Ukraine, Moldova, and Romania, all tied together by the Danube, offers a direct route into Western Europe, which highlights the common vulnerability between these countries. This vulnerability is exploited by the increasingly presence of organised crime groups along the river, who make use of weaknesses in law enforcement due to lack of intelligence, cooperation, and the needed technical means to search vessels.[124] One such example is a case dating back to mid-2024, when a

124   Kalmar, Adam. "A Case Study on the Investigation of Serious Organised Crime on the Danube". Internal Security 15, 2 (2023): 83-96. https://doi.org/10.5604/01.3001.0054.4579.

criminal network was apprehended by Romanian border control in an attempting to smuggle migrants along the Danube.[125]

The same impact was expected in the breakaway region of Transnistria, yet – despite being known as the 'Black Hole of Europe' – early accounts said that the region experienced difficulty in sustaining their criminal enterprises, particularly in smuggling contraband, due to increased border controls by Ukraine. [126] On the surface, the breakaway region seemed to be building up a resilience against criminal activity. For instance, several factories that were found to be exporting dual-use goods to Russia were subsequently banned from doing so. These included the Moldavizolit and Electromas plants, which produced key components to make printed circuit boards and were both located on the left bank of the Dniester river, connecting them to the Black Sea.[127] This seeming increase in the resilience of Transnistria constituted a positive note for an area that is watched closely due to being both a potential physical, and already symbolic, battlefield between Brussels and Moscow. Key to its strategic significance is the presence of Russian troops but also its position as a stronghold for pro-Russian influence in the region.[128] Due to increased international attention at, and offered assistance to, Moldova resilience seems to be increasing. However, the tri-border region with Moldova, Romania, and Ukraine remains porous and fragile, and smuggling operations designed to stay under the radar continue to be difficult to track. As such, the tri-border region remains poorly controlled, and corruption remains high in port cities like Constanta,[129] presenting a vulnerability that thanks to the Danube extends all the way to Western Europe.

The port of Odesa and the region of Transnistria have long been known for all kinds of smuggling, so much so that Odesa even has a museum dedicated to contraband that has passed through the port since the 18th century.[130] However, one kind of smuggling in particular has caught international attention and shares a long history with the region. Given the invasion in February 2022 and Ukraine's particular criminal ecosystem, the risk of arms trafficking had been flagged as a major risk early on by both Europol and local authorities.[131] Specific parts of the river in Romania and Moldova appeared to be at greater risk for possible arms trafficking due to organised crime groups being able to easily expand their smuggling operations there. This, in combination with the already established Western-Balkan arms trafficking ecosystem, constitutes cause for concern. Particularly regarding bulk transports along the Danube, which according to Danube law enforcement poses a higher smuggling risk than passenger transports.[132]

The question of arms trafficking however, is a highly politicized one due to narratives being fed and exploited by Russian state-controlled media. For instance, in 2022 *Russia Today* published an article that later got significant traction on Telegram, which claimed that weapons provided

> ## However, the tri-border region with Moldova, Romania, and Ukraine remains porous.

125   Europol. "42 Arrested for Smuggling Migrants Across the Danube | Europol," n.d. https://www.europol.europa.eu/media-press/newsroom/news/42-arrested-for-smuggling-migrants-across-danube.

126   Global Initiative on Transnational Organised Crime "New Front Lines: Organized Criminal Economies in Ukraine in 2022 | Global Initiative." Global Initiative, April 18, 2023. https://globalinitiative.net/analysis/organized-criminal-economies-ukraine-2022/.

127   Moldova, Europa Liberă. "Ce Exporta În Rusia Uzina Transnistreană Moldavizolit, Dar Nu Mai Are Voie." Radio Europa Liberă, April 29, 2024. https://moldova.europalibera.org/a/ce-exporta-in-rusia-uzina-transnistreana-moldavizolit-dar-nu-mai-are-voie/32917664.html.

128   Hockenos, Paul. "Ukraine's War Could Break Apart Moldova and Transnistria for Good." Foreign Policy, July 12, 2024. https://foreignpolicy.com/2024/03/21/moldova-transnistria-ukraine-russia-war-odesa/.

129   Romaniainsider. "Former Mayor of Constanta Gets 118-month Jail Sentence." Romania Insider, May 6, 2019. https://www.romania-insider.com/radu-mazare-118-month-sentence.

130   The Economist. "How The War Split the Mafia." The Economist, April 24, 2023. https://www.economist.com/international/2023/04/24/how-the-war-split-the-mafia.

131   (Gi-TOC), "Ukraine's Criminal Ecosystem and the War: Ukrainian Organized Crime in 2022," ed. Bálint Madlovics and Bálint Magyar, *Ukraine's Patronal Democracy and the Russian Invasion*, The Russia-Ukraine War, Volume One, 2023, 263–94, https://doi.org/10.7829/jj.3985461.13.

132   Kalmar, A. (2023). A Case Study on the Investigation of Serious Organised Crime on the Danube. Internal Security, 15(2), 83-96. https://doi.org/10.5604/01.3001.0054.4579.

by the West were made available for sale on the darkweb.[133] Another such case is the Finland incident. In October 2022, detective superintendent Ahlgren of the Finish National Bureau of Investigation claimed that organised crime groups had been smuggling Western weapons intended for Ukraine into Finland, Sweden, and the Netherlands.[134] His claim was quickly refuted by the deputy director of the Finish National Bureau of Investigation, who stated that the bureau had no evidence that Ukraine-bound weapons had been smuggled into Finland. But where did Ahlgren's claims come from? Wars are often sponges for arms and weapons, as besides the armed forces, civilians, paramilitary combatants, and criminal groups take the opportunity to 'stock up' on both registered and unregistered arms. In Russia, illicit flows of weapons tracing back to the conflict zones of Donetsk and Luhansk already posed a problem well before the full-scale invasion.[135] Porous borders combined with the increased movement of people creates fertile ground for weapons to migrate after conflicts end. In other words, when the guns fall silent, one should pay particular attention to their movement. Historical precedent from the Yugoslav wars lends credence to concerns about the way wars can fuel arms trafficking. Legacy weapons from the Yugoslav wars still continue to feed violent crime in the Western Balkans. Jürgen Stock, Interpol's secretary-general, warned of a potential surge in the trafficking of small arms in particular.[136] While there are yet to be reports of weapons from the frontline winding up in Western Europe, these situations are better left well monitored. War-induced vulnerabilities, like the ones described above, are easily exploited by organised crime groups who operate in an opportunistic manner driven by money, power, and violence.

> When the guns fall silent, one should pay particular attention to their movement.

Recent reports flagged that it is mostly internal Ukrainian movement of weapons that should be monitored. In August 2024, an arms trafficking ring was broken up in Lviv.[137] Just a month later, also in Lviv, Ukrainian law enforcement seized 132 rounds of ammunition for grenade launchers, among other weapons and ammunition.[138] According to Police reports, active military personnel were amongst the suspects.[139] This highlights a greater concern, that of internal Ukrainian and Russian dynamics. Due to a large number of readily available weapons combined with a traumatized military and civilian population with the ability to use them, the impact on both the Ukrainian and Russian societies can be immense. The risk is especially great in Russia where the history of the Afghan War looms large, but also with reports of weapons originating from Luhansk and Donetsk winding up in the Russian Federation tracing back to as early as 2014.[140] In the aftermath of the Afghan/Soviet war, many disillusioned and traumatized Russian soldiers fell into substance abuse and subsequently organised crime networks. These *afgantsy*, a term used to describe Russian veterans that fought in the Afghanistan war,[141] are exemplary for the next case study.

[133] Goodman, Maria Korenyuk Lucy Swinnen and Jack. "Undercover With Russia's Fake Arms Dealers." BBC News, September 23, 2022. https://www.bbc.com/news/world-62983444.amp.

[134] (Gi-TOC), "Ukraine's Criminal Ecosystem and the War: Ukrainian Organized Crime in 2022," ed. Bálint Madlovics and Bálint Magyar, *Ukraine's Patronal Democracy and the Russian Invasion*, The Russia-Ukraine War, Volume One, 2023, 263–94, https://doi.org/10.7829/jj.3985461.13.

[135] Mark Galeotti and Anna Arutunyan. "Peace and Proliferation: The Russo-Ukrainian War and the Illegal Arms Trade | Global Initiative." *Global Initiative*, March 22, 2023. https://globalinitiative.net/analysis/russia-ukraine-war-illegal-arms-trade/.

[136] The Economist. "How The War Split the Mafia." The Economist, April 24, 2023. https://www.economist.com/international/2023/04/24/how-the-war-split-the-mafia.

[137] "Конкурент, Новини Волині Та Луцька - Іа. "Автомати, Пістолети, Гранати Та Під 50 Тисяч Набоїв: На Львівщині Затримали Торговців Зброєю (Фото, Відео)." Конкурент, August 23, 2024. https://konkurent.ua/publication/142044/avtomati-pistoleti-granati-ta-pid-50-tisyach-naboivna-lvivschini-zatrimali-torgovtsiv-zbroeu-foto-video/.

[138] поліція Києва. "Поліцейські Києва Перекрили Канал Збуту Зброї Й Вибухівки Та Вилучили «Товару» На Майже 1,7 Млн Грн," September 17, 2024. https://www.youtube.com/watch?v=UQHb9YifZ7c.

[139] Global Initiative Against Transnational Organized Crime. "A New Phase of Arms Trafficking in Ukraine | Global Initiative." Global Initiative, September 25, 2024. https://globalinitiative.net/analysis/a-new-phase-of-arms-trafficking-in-ukraine/.

[140] Mark Galeotti, "Peace and Proliferation: The Russo-Ukrainian War and the Illegal Arms Trade | Global Initiative," *Global Initiative*, September 6, 2023, https://globalinitiative.net/analysis/russia-ukraine-war-illegal-arms-trade/.

[141] Norton-Taylor, Richard. "Afgantsy: The Russians in Afghanistan 1979-89 by Rodric Braithwaite - Review." The Guardian, February 22, 2018. https://www.theguardian.com/books/2011/mar/26/afgantsy-rodric-braithwaite-review.

Case study: Return of Foreign Fighters and the risk for Organised Crime in the Western Balkan 6
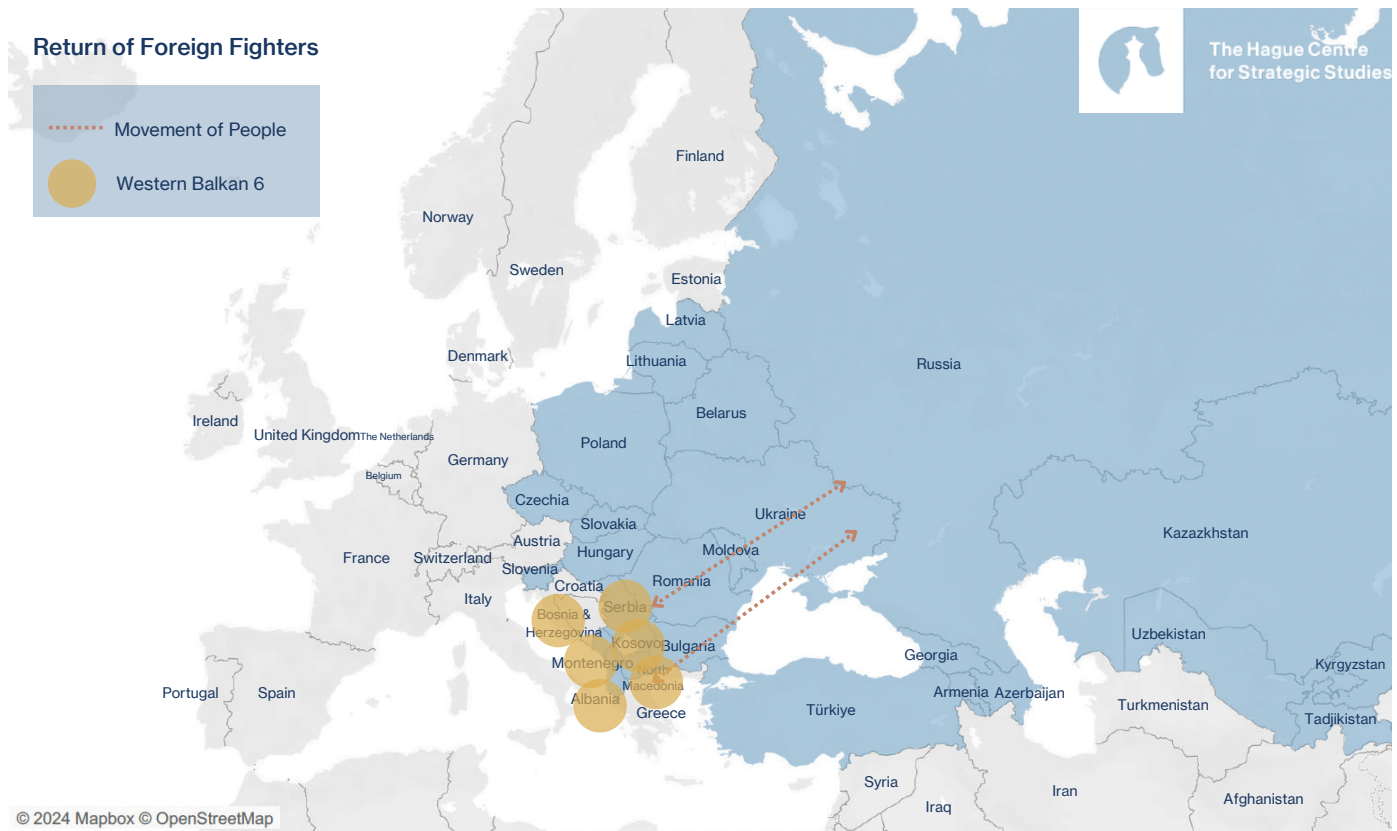
In early 2023, there were accounts of ex-military personnel forming a heavily armed 'gang' in Dnipro with the intent to take over territory of crime groups that fled Ukraine.[142] Aside from Ukrainian veterans being at risk of joining aforementioned organised crime groups, the return of foreign fighters presents a unique challenge for the rest of Europe.

Young men originating from South-East Europe have gone to fight on the frontlines both for and against Ukraine since the annexation of Crimea in 2014.[143] These men, experienced with weapons and combat logistics, are transnationally connected through wartime networks, making them high value assets for any organised crime group. Organised crime groups based in the Western Balkans have shown interest in recruiting these types of individuals amongst their ranks.[144] The reintegration of these fighters into society can be made more complicated due to weak social support, and a lack of international and interagency cooperation.

142 Global Initiative Against Transnational Organized Crime. "Smoke on the Horizon: Trends in Arms Trafficking From the Conflict in Ukraine | Global Initiative." Global Initiative, June 24, 2024. https://globalinitiative.net/analysis/trends-arms-trafficking-conflict-ukraine-russia-monitor/.

143 Manojlović, Mila. "Dobrovoljci Iz Srbije U Ukrajini: Politička I Vojna Smetnja." Radio Slobodna Evropa, February 25, 2022. https://www.slobodnaevropa.org/a/srbija-ukrajina-borci/31718923.html.

144 Walter Kemp, "Transnational Tentacles – Global Hotspots of Western Balkan Organized Crime | Global Initiative," Global Initiative, July 24, 2020, https://globalinitiative.net/analysis/transnational-tentacles-wb6/.

These men, experienced with weapons and combat logistics, are transnationally connected through wartime networks, making them high value assets for any organised crime group.

South-Eastern Europe, and in particular the Western Balkan 6 (Albania, Bosnia and Herzegovina, Kosovo, North Macedonia, Montenegro and Serbia),[145] have had issues with Foreign Fighters, particularly Foreign Terrorist Fighters (FTFs), in the past. The WB6 have been both a destination for FTFs during the wars in Kosovo and Bosnia Herzegovina, and a source of FTFs going to fight in Chechnya, Syria, and Iraq.[146] They have also been observed close to the current Ukrainian frontline, setting a precedent for current developments. Since the invasion of Crimea in 2014 there have been accounts of Serbian paramilitaries joining the pro-Russian forces.[147] Notably, Serbs constitute the highest number of representatives of a foreign nationality in pro-Russian separatist forces,[148] including Serbs from Serbia as well as from Bosnia Herzegovina and Croatia.[149] In the early stages of the invasion, Russia's Secretary of the Security Council Patrushev was due to visit Serbia to discuss alleged reports of foreign fighters from Kosovo, Albania, and Bosnia Herzegovina joining the Ukrainian forces.[150] According to Serbian law, all forms of foreign fighting has been criminalized since 2015.[151]

With the creation of the Foreign Legion, announced by president Zelensky shortly after the outbreak of the war, foreign volunteers have been called to come and fight alongside Ukrainian military forces. Numbers fluctuate dramatically, but the Ukrainian government claims that around 20.000 volunteers from 52 countries applied to join their armed forces.[152] The same happened on the Russian side, where foreigners from Chechnya and the Middle East reportedly joined forces with the Russian military and private military companies (PMCs) such as the Wagner Group.[153] Countries from which foreign fighters on both sides originate range from Croatia,[154] Italy,[155] and Poland,[156] to France, Sweden, and most notably the Balkans.[157] For Western Balkan fighters, pre-established links dating back to the Yugoslav wars between the Cossack Army and Chetnik movement, as well as previous battle experience, played a role in recruitment processes in 2014 and 2015.[158]

[145]   "EU Neighbourhood Initiative in the Western Balkans | European Cluster Collaboration Platform," n.d. https://www.clustercollaboration.eu/international-cooperation/western-balkans.

[146]   Risk Bulletin #14 – February 2023. "Balkans Fighters Are Taking up Arms in Ukraine, With Risks for Organized Crime.," n.d. https://riskbulletins.globalinitiative.net/see-obs-014/04-balkans-fighters-are-taking-up-arms-in-ukraine.html.

[147]   Aleksandar Vasovic, "Serbian paramilitaries join pro-Russian forces in Crimea", *Reuters*, 14 March 2014, https://www.reuters.com/article/us-crimea-volunteers-idUSBREA2D0C020140314.

[148]   Vuk Velebit and Vuk Velebit, "Serb Fighters in Ukraine Continue to Worry the West," *European Western Balkans* (blog), December 29, 2017, https://europeanwesternbalkans.com/2017/12/29/serb-fighters-ukraine-continue-worry-west/.

[149]   Nermina Kuloglija and Azra Husaric Omerovic, "Serb Volunteers Answer Call to Fight in Ukraine", *BalkanInsight*, 8 March 2022, https://balkaninsight.com/2022/03/08/serb-volunteers-answer-call-to-fight-in-ukraine.

[150]   Margareta Assenova, "Russia's War on Ukraine Exposes Western Balkan Divisions and Dangers - Jamestown," *Jamestown*, March 2, 2022, https://jamestown.org/program/russias-war-on-ukraine-exposes-western-balkan-divisions-and-dangers/.

[151]   Maksim Samorukov, 'What's Behind the Posturing of Russian Mercenaries in the Balkans?', Carnegie Endowment for International Peace, 6 April 2023, https://carnegieendowment.org/russia-eurasia/politika/2023/04/whats-behind-the-posturing-of-russian-mercenaries-in-the-balkans?lang=en.

[152]   Michael Lipin, "Foreigners Fighting for Ukraine Elicit Scorn, Ambivalence, Support From Governments," *Voice of America*, March 25, 2022, https://www.voanews.com/a/foreigners-fighting-for-ukraine-elicit-scorn-ambivalence-support-from-governments-/6496319.html.

[153]   Falk, Thomas O. "Ukraine War: Why Is Russia Encouraging Foreign Fighters to Join?" Al Jazeera, March 23, 2022. https://www.aljazeera.com/news/2022/3/23/russias-foreign-fighters.

[154]   Matea Grgurinovic, 'Croatian Volunteer Fighters Head for Ukrainian Frontline', *Balkan Insight* (blog), 28 February 2022, https://balkaninsight.com/2022/02/28/croatian-volunteer-fighters-head-for-ukrainian-frontline/.

[155]   Guerra, Nicola. "Foreign fighters from the far right and extreme left in the Russia–Ukraine conflict." *Dynamics of Asymmetric Conflict* 17, no. 1 (2024): 44-70.

[156]   Lisa Abend / Vilnius, "Meet the Foreign Volunteers Risking Their Lives to Defend Ukraine—and Europe," *TIME*, March 7, 2022, https://time.com/6155670/foreign-fighters-ukraine-europe/.

[157]   Kacper Rękawek, 'Foreign Fighters in Ukraine: The Brown–Red Cocktail', Routledge & CRC Press, 2022, https://www.routledge.com/Foreign-Fighters-in-Ukraine-The-Brown-Red-Cocktail/Rekawek/p/book/9781032043982.

[158]   Beslin, Jelena, and Marija Ignjatijevic. *Balkan foreign fighters: from Syria to Ukraine.* European Union Institute for Security Studies (EUISS), 2022.

The terms combatant, foreign fighter, foreign volunteer, foreign terrorist fighter, and mercenary are often used interchangeably, but there are important distinctions between them. Combatants are defined as being part of the armed forces of one of the parties in conflict.[159] Foreigners that join separatist or non-government armed forces are classified as either (foreign) fighters or (foreign) volunteers.[160] Should they join the Ukrainian or Russian armed forces they become combatants. Foreign Terrorist Fighters or FTFs are less well-defined because of the grey zone between armed conflict and terrorism, but generally the term refers to individuals engaging with non-state armed groups in a terroristic manner.[161] Lastly, there are mercenaries who need to fulfil six criteria to be considered as such by International Humanitarian Law, primarily focusing on the existence of private gain and a lack of association with the armed forces or parties of the conflict.[162] The distinction between foreign fighters and mercenaries is slim, and their presence in armed conflict around the world is increasing.[163]

As mentioned, the WB6 have had experience with foreign fighters returning home after engaging in combat, but thus far the direct link between foreign fighters and organised crime groups in the Balkans appears to be surface level. However, individuals, in particular those that are young men, pose a great risk of contributing to paramilitary forces, organised crime groups, and domestic violence related to ethnic tensions upon their return home.[164] Which the WB6 region has witnessed in the aftermath of the Yugoslav wars. The lack of a return policy for foreign fighters and volunteers, and the absence of a legal framework distinguishing fighters from volunteers from mercenaries, proves to pose a challenge to local authorities of home nations. Especially when situated against a legal background that was primarily established with the legacy of FTFs coming back from fighting for ISIS.

This case study has thus far addressed the risks associated with foreign fighters returning to the Western Balkans. However, veterans returning home to Ukraine and to Russia pose similar risks but in a wildly different environment. Ukrainian home comers have been analysed in detail by a Global Initiative on Transnational Organised Crime (GI-TOC) report titled *The Hard Return: Mitigating organised crime risks among veterans in Ukraine*.[165] The report divides Ukrainian veterans into four different groups on the basis of their risk of engaging in organised crime tendencies and highlights five prominent risks factors: (1) The absence of a comprehensive veteran policy risks complicating their reintegration and exposing veterans to organised crime. (2) Drug use among veterans may lead to addiction, petty crime, and severe health and social consequences. (3) Legacy weapons may fuel organised crime arsenals, arms trafficking, and social instability. (4) Veterans could sell their military skills to organised crime or private security firms. (5) Private security firms heighten risks to societal stability.[166]

159   ICRC, 'Definition of Combatants', 1977, https://ihl-databases.icrc.org/en/customary-ihl/v1/rule3.

160   Tanya Mehra Senior Research Fellow and Programme Lead, "Foreign Fighters, Foreign Volunteers and Mercenaries in the Ukrainian Armed Conflict," International Centre for Counter-Terrorism - ICCT, n.d., https://icct.nl/publication/foreign-fighters-foreign-volunteers-and-mercenaries-ukrainian-armed-conflict.

161   Tanya Mehra Senior Research Fellow and Programme Lead, "Foreign Fighters, Foreign Volunteers and Mercenaries in the Ukrainian Armed Conflict," I

162   ibid.

163   UN Working Group on the use of mercenaries, 'Statement by the UN Working Group on the Use of Mercenaries Warns about the Dangers of the Growing Use of Mercenaries around the Globe', OHCHR, 14 March 2022, https://www.ohchr.org/en/statements/2022/03/statement-un-working-group-use-mercenaries-warns-about-dangers-growing-use.

164   Zhilla, Fabian. "Foreign Fighter Returns and Organized Crime in Southeast Europe Post-Ukraine Conflict." *Journal of Illicit Economies and Development* 6, no. 1 (2024).

165   Global Initiative Against Transnational Organized Crime, "Mitigating Organized Crime Risks Among Veterans in Ukraine | Global Initiative," Global Initiative, September 12, 2024, https://globalinitiative.net/analysis/mitigating-organized-crime-risks-among-veterans-in-ukraine/.

166   Global Initiative Against Transnational Organized Crime, "The Hard Return. Mitigating Organized Crime Risks Among Veterans in Ukraine | Global Initiative," p.3-4

Within Russia, the risks associated with returning veterans poses a different type of threat, as the economic sanctions and the focus on mobilisation over internal security, destabilise Russian society at large. It is notably more difficult to assess the situation in Russian-held territories, and the Russian Federation itself, due to the lack of independent accounts and access to direct sources. While the situation is at risk of becoming a 'black box', it nevertheless remains important to assess the likely impacts, as problems in the Russian-held territories are likely to come knocking on Europe's door eventually. Within Russia, crime rates surged within the first few months of the invasion, with percentage increases as high as 540% in Kursk and 365% in Moscow.[167] Murder rates in particular have surged by 900% in 2023 compared to the previous year, according to a British military intelligence update.[168] These numbers are likely caused by the returning soldiers and the weapons they carry with them.[169] The risk of this generation of veterans and paramilitaries being caught up in another *vorovskoy mir* like their *afgantsy* ancestors before them is substantial, with potentially devastating consequences.

The risk of this generation of veterans and paramilitaries being caught up in another *vorovskoy mir* like their *afgantsy* ancestors before them is substantial.

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[167] Новая Газета Европа, "Russian Interior Ministry Forecasts Largest Spike in Violent Crime in 15 Years," *Novaya Gazeta Europe*, May 8, 2024, https://novayagazeta.eu/articles/2024/05/08/russian-interior-ministry-forecasts-largest-spike-in-violent-crime-in-15-years-en-news.

[168] Ministry of Defence 🇬🇧 [@DefenceHQ], 'Latest Defence Intelligence Update on the Situation in Ukraine – 27 April 2024. Find out More about Defence Intelligence's Use of Language: Https://Ow.Ly/CN5850RpV2a #StandWithUkraine 🇺🇦 Https://T.Co/ZJHgf0C9wS', Tweet, *Twitter*, 27 April 2024, https://x.com/DefenceHQ/status/1784175981390946400.

[169] Импортное насилие, Novaya Gazeta, 16 January 2023, https://novayagazeta.eu/articles/2023/01/16/importnoe-nasilie.

Case study: Smuggling of cigarettes with the use of balloons and drones around Belarusian borders

The use of balloons and drones to smuggle cigarettes

- ••• Cigarettes
- ● Case Study Belarus

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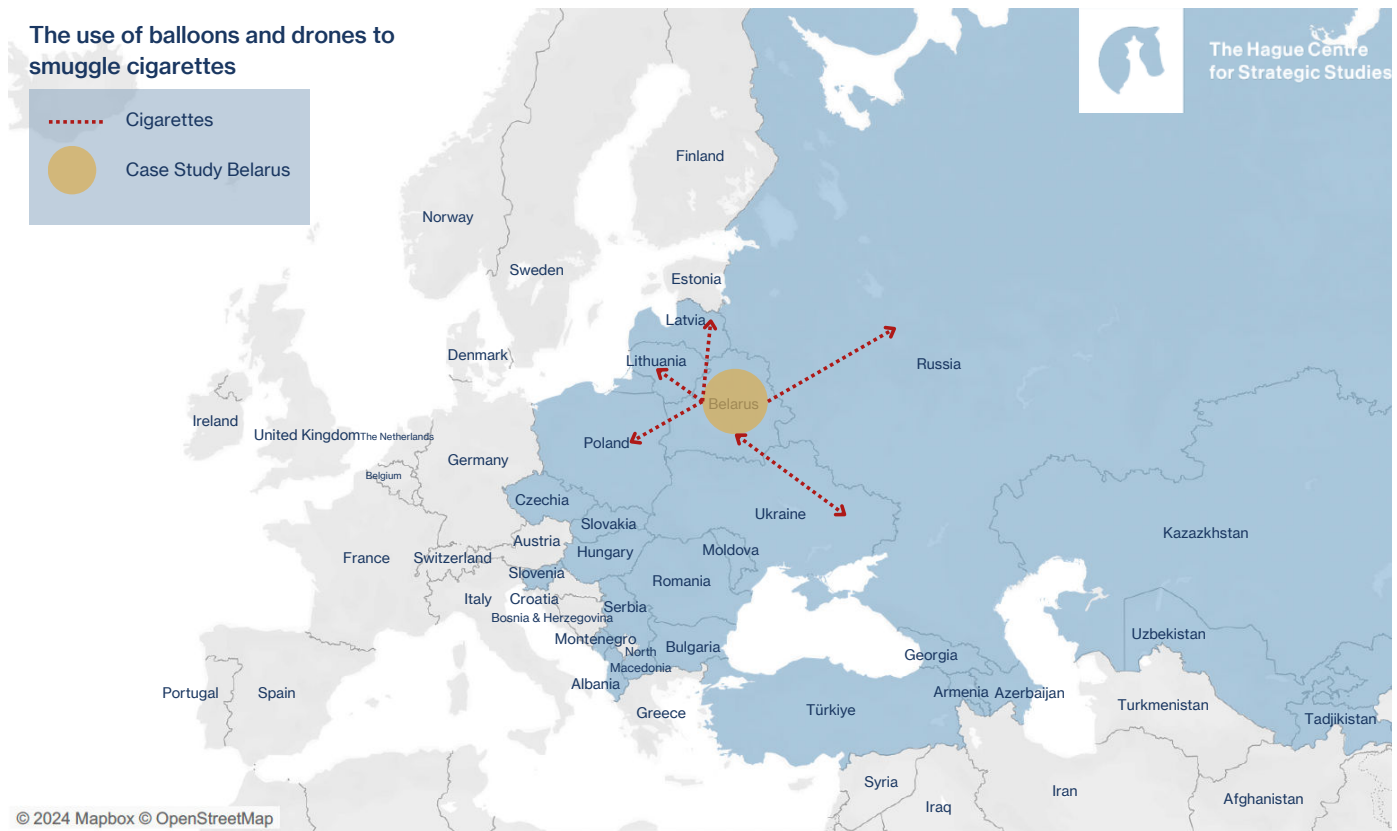
Cigarette and tobacco smuggling has long been a lucrative entrepreneurial activity in Eastern Europe. Due to its cash intensive nature and profitable entry into licit markets, it is a preferred vehicle for money laundering. The enterprise of cigarette and tobacco has not only seen impacts due to the war but also due to technological innovations in an effort to evade traditional border controls.

More specifically, Latvia and Lithuania have seen rather inventive ways to pass borders, namely through using balloons and drones[170] as modes of transportation alongside the classic methods such as wagons, trains, and cars with produce.[171] Drones have been a growing concern, not only in relation to criminal networks and smuggling, but also in relation to sabotage and espionage efforts targeting the private sector.[172] In the case of balloons, which are used more regularly than drones, weather dependency is a prominent issue as balloons fly higher above ground. As such, smugglers equip them with GPS equipment and night vision, so they are easily retrievable when they drift off into designated dropping zones.[173]

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170   Tony Kingham, 'Border Guards Took over a Drone from Belarus Which Was Smuggling Cigarettes', Border Security Report, 8 February 2022, https://www.border-security-report.com/border-guards-took-over-a-drone-from-belarus-which-was-smuggling-cigarettes/.

171   'Contraband Cigarettes Seized on Belarus Border', accessed 14 January 2025, https://eng.lsm.lv/article/society/crime/23.01.2024-contraband-cigarettes-seized-on-belarus-border.a539987/.

172   Deutsche Welle, "Germany Investigates Drone Flights Over Industrial Park," *Dw.Com*, August 23, 2024, https://www.dw.com/en/germany-investigates-drone-flights-over-industrial-park/a-70021895.

173   'Cigarette Smuggling from Belarus Continues', accessed 14 January 2025, https://eng.lsm.lv/article/society/crime/10.12.2024-cigarette-smuggling-from-belarus-to-latvia-continues.a579612/.

The use of drones, and robotic & autonomous systems (RAS) in general, by organised crime groups is a vivid example of the 'democratisation' of such technologies.[174] There are examples worldwide of organised crime groups making use of RAS technologies for activities ranging from attacks on authorities and surveillance, to the trafficking of illicit goods.[175] While most examples come from Latin American countries such as Mexico[176] and Colombia,[177] the presence of the war in Ukraine has caused a normalisation of the widespread use of drones on the outskirts of Europe. Among the most vulnerable borders are those of Finland-Russia (1,340km), Lithuania-Belarus (651km), Poland-Ukraine (535km), Romania-Ukraine (649km), Romania-Serbia (546km), and Romania-Moldova (681 km).[178]

> **The presence of the war in Ukraine has caused a normalisation of the widespread use of drones on the outskirts of Europe.**

Lithuanian border control has seen a quadruple increase in trafficked tobacco in the first 4 months of 2022,[179] with the bulk of the shipments originating from Belarus. Given that Ukraine is the second largest illicit market for cigarettes and tobacco after Belarus, the closure and hostility on their shared border since the invasion in February 2022 have made large-scale smuggling unviable,[180] causing other border areas to become more attractive. It's not only Lithuania, but also Latvia and Poland that have seen influxes of cigarette and tobacco coming from their neighbour. The tri-border area of Latvia, Lithuania, and Belarus, with Belarus as the source of spillover, remains a focal point for both the trafficking of cigarettes as well as their production in so-called "shadow" factories. Belarus is able to produce tobacco products for a much lower price, creating a lucrative Illicit Whites "grey market" for Europe, as well as for Russia, due to excise duties. For reference, in 2023 the Belarusian tobacco industry was worth around 73 million euros.[181] This has sparked similar activities in neighbouring countries due to their proximity and access to low-cost material. For example, after a large shipment of counterfeit cigarettes was intercepted in Lithuania, while being transported by a Russian driver, authorities uncovered an illegal tobacco factory in Latvia.[182]

Types of contraband cigarettes[183]

Counterfeit	Cigarettes that are manufactured without authorisation. They often imitate packs of branded cigarettes without the permission of their legitimate trademark owner.
Illicit Whites	Cigarettes that are manufactured legally in one country and are illegally smuggled across the border to another to be sold without the payment of tax.

174   Gerben Bakker, et al, "Geweld Aan De Horizon: Trends Omtrent Geweld En Maatschappelijke Stabiliteit - HCSS," HCSS, November 25, 2024, https://hcss.nl/report/geweld-aan-de-horizon-trends-omtrent-geweld-en-maatschappelijke-stabiliteit/.

175   Giulio Damiani, "Looming & Lethal: Assessing the Operational Implications of Drone Use by Mexican Organised Crime Groups", HCSS, October 2024

176   BBC, *Mexicaans kartel gebruikte explosieve drones om politie aan te vallen, 2021; AP News, Een drugskartel heeft een afgelegen Mexicaanse gemeenschap aangevallen met drones en schutters, zegt mensenrechtenorganisatie*, 2024.

177   AFP Bogotá, 'Drones: New Terror Tool for Colombian Guerrillas', RFI, 21 June 2024, https://www.rfi.fr/en/international-news/20240621-drones-new-terror-tool-for-colombian-guerrillas.

178   Great Britain: Parliament: House of Lords: European Union Committee, FRONTEX: The EU External Borders Agency, 9th Report of Session 2007-08, Report with Evidence (The Stationery Office, 2008).

179   The Economist, "How The War Split the Mafia," *The Economist*, April 24, 2023, https://www.economist.com/international/2023/04/24/how-the-war-split-the-mafia.

180   World Customs Organisation, " Illicit Trade Report 2023", 2024.

181   Melissa Dean, "At The Turning Point – Tobacco Reporter," December 2, 2024, https://tobaccoreporter.com/2024/12/02/at-the-turning-point/.

182   Bns and Ž. Gedvila / Bns Ž. Gedvila / Bns, "Illegal Tobacco Factory Uncovered in Latvia After Cigarette Seizure in Lithuania," *Lrt.Lt*, December 20, 2024, https://www.lrt.lt/en/news-in-english/19/2443709/illegal-tobacco-factory-uncovered-in-latvia-after-cigarette-seizure-in-lithuania.

183   "Illicit Cigarette Consumption in the EU, UK, Norway and Switzerland" (KPMG, 2021), https://www.pmi.com/resources/docs/default-source/itp/kpmg-eu-illicit-cigarette-consumption-report-2021-results.pdf?sfvrsn=5fe773b6_6.

Due to ramped up border controls and the closing of border checkpoints with Belarus in Latvia, Lithuania, and Poland starting in around 2022, the number of seizures has declined over the past three years.[184] However, the position of Belarus as a supplier throughout this decline has already been taken over by Turkey and Algeria.[185] This has placed Belarus in a tough spot, as not only the European market, but also the Russian market, has become largely inaccessible to it. In a move to tighten control over tobacco and cigarette smuggling, and especially recapture the lost tax revenue, the Russian Federal Customs Service declared tobacco related products as goods of strategic importance in April 2024.[186]

The increase of border controls that thus translated into a loss of revenue for Belarusian tobacco and cigarette smugglers has caused an extra push for inventiveness in passing border areas, hence why border authorities have seen an increase in the experimental use of drones and weather balloons as modes of transportation. The problem for Europe thus extends beyond the mere influx of illicit tobacco products due to financial disparities, but rather the forced evolution of smuggling methods that comes with changing situations at its borders. The use of RAS and more creative solutions such as balloons puts pressure on border infrastructure and surveillance systems.
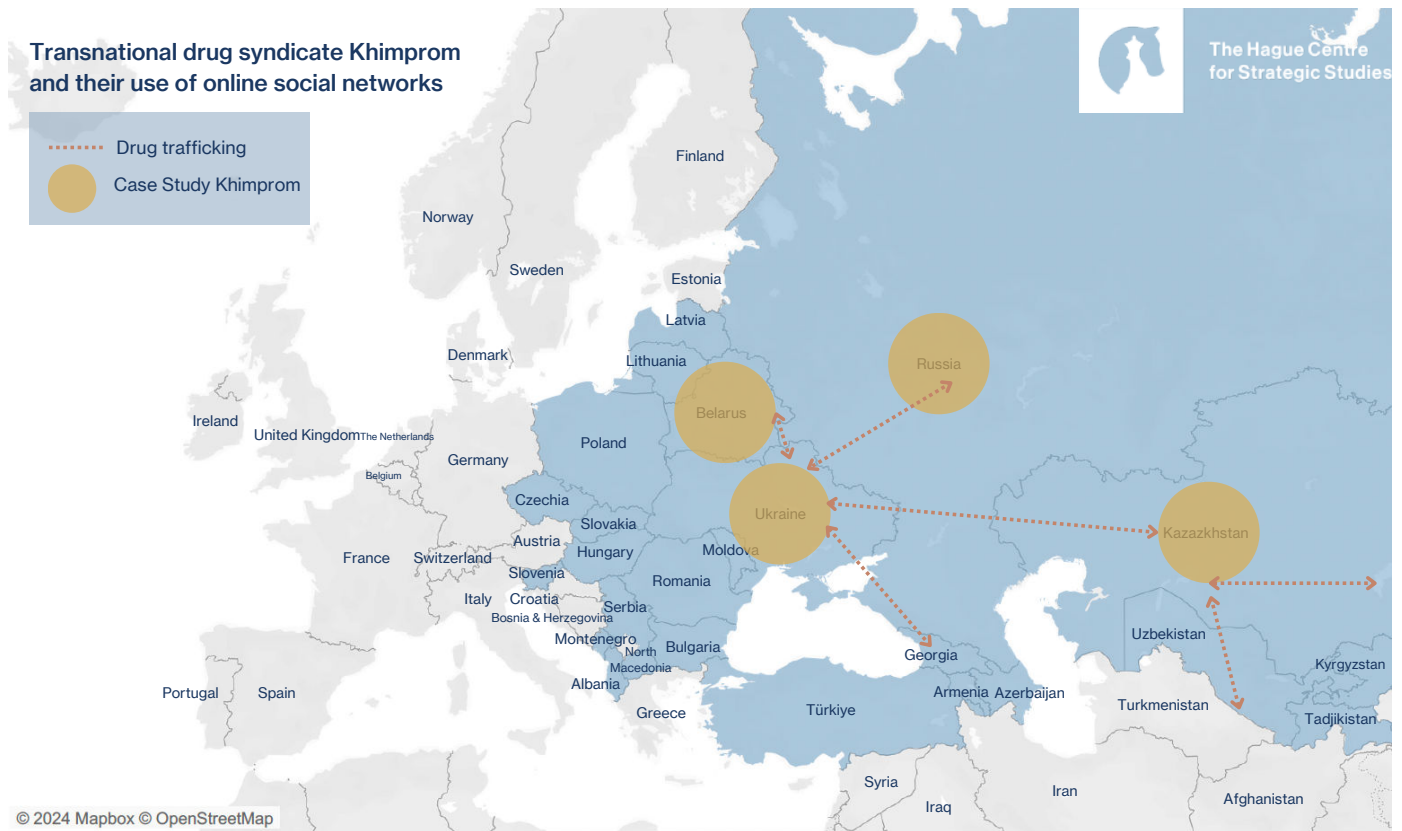
Forced evolution of smuggling methods.

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[184]   KPMG, "Illicit Cigarette Consumption in Europe", Phillip Morris International, 09 September 2024

[185]   Melissa Dean, "At The Turning Point – Tobacco Reporter,"

[186]   https://mari-el.gov.ru/municipality/paranga/news/20240502_12/

Case study: Drug trafficking using online networks, the evolution of Khimprom

Transnational drug syndicate Khimprom and their use of online social networks

····· Drug trafficking

⬤ Case Study Khimprom

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Another example of war-induced innovation is the use of online platforms for drug trafficking. The use of social media platforms and encrypted messaging services such as Telegram and Whatsapp and web-shops to facilitate sales and distribution allows traffickers to evade traditional, mostly physical, delivery and payment channels.[187] These platforms can operate in a decentralized and anonymous manner, making it hard to track their origins. Four countries: Ukraine, Russia, Kazakhstan and Belarus, all come together around one criminal network named Khimprom. The origins of Khimprom were laid out in the previous section as their origin dates back to before February 2022, more precisely to the annexation of Crimea in 2014.[188] Khimprom, the crime syndicate, should not be mistaken for the Russian chemical producing company Khimprom Novochebokarsk.

Ukraine has always functioned as both an origin and transit country due to its lucrative position in between Central Asia along the Northern Route and its proximity to the market of Europe. Routes for cocaine, heroin as well as synthetic drugs ran across the country with critical hubs along the port of Odessa and the Donbas region.[189] With only a brief interruption

187 'Оперативники Нацполіції викрили дилерів, які налагодили постачання прекурсорів організаторам нарколабораторій', accessed 6 February 2025, https://mvs.gov.ua/uk/news/operativniki-nacpoliciyi-vikri-li-dileriv-iaki-nalagodili-postacannia-prekursoriv-organizatoram-narkolaboratorii.

188 Sanctions Against the Leaders of the Khimprom Drug Cartel. Who the "Russians with Ukrainian Passports" are, and What Kyva, Avakov and the "Catch the Dealer" Campaign Have to do with It',

189 Gi-TOC, "New Dynamics, New Opportunities: Trends in Organised Crime in Ukraine After Russia's Invasion" 3, no. 1 (September 8, 2023): 11, https://doi.org/10.31389/lseppr.94.

of these supply chains, at the start of the full-scale invasion of February 2022, the presence of Khimprom has expanded by finding a new market amongst the conflict zones. The drug alpha-PVP also known as 'flakka' or the 'zombie drug' has been finding its way to the Ukrainian front lines through Khimprom distribution alongside other kinds. The drug is known to spark feelings of euphoria and stimulation, but also hallucinations, depression and lethal outcomes. Khimprom has taken up the position of bringing supply closer to demand on both the Ukrainian and Russian front lines,[190] finding new customers amongst soldiers and civilians thereby re-integrating the Ukrainian and Russian underworlds. As well as the upperworld, as Khimprom's influence extends to official authorities and law enforcement in Ukraine.[191]

Apart from Ukraine, Kazakhstan has taken an increasingly more important position within the Khimprom network. Historically the country situated on the Northern Route in Central Asia in between the markets of Russia and Europe, has taken up a more central role as transit country in the drug industry.[192] Not the least due to its proximity to important source countries such as Afghanistan for opiates. Which even despite the Taliban putting a ban on opium cultivation, still appears to be a strong supplier.[193] Since February 2022 an exponential influx of Russian emigrants was noted in Kazakhstan.[194] With that emigration came another, namely the relocation of drug manufacturers from Russia to Kazakhstan, causing an increase in the production of synthetic drugs on Kazakh territory which is mirrored in increased seizures of synthetic drugs by Kazakh authorities.[195]

The supply chains of drugs seem not only robust but also highly adaptive to the new wartime situation. The initial loss of markets in Europe due to difficulty of smuggling across highly fortified border areas, was taken up by a new market on their own territory. As well as by expanding the Khimprom business model which is run through their own online marketplace called RuTor and wildly used in Ukraine but also accessible from inside Europe. Apart from specialized online marketplaces such as RuTor, the general use of online messaging services and darknet web-shops to facilitate sales and distribution also by other drug syndicates, is known as 'dead drops' and originated in Russia.[196] The name 'dead drops' refers to the packages of sold drugs being 'dropped' where the buyer can then collect it, avoiding face-to-face contact between buyer and seller. As mentioned apart from Ukraine, Belarus and Kazakhstan, this method of selling and buying drugs has also been observed in Georgia, Kyrgyzstan, Uzbekistan, Azerbaijan, and Armenia.[197] And closer to Europe in Moldova, Serbia, Greece, Sweden and the UK.[198]

> Khimprom has taken up the position of bringing supply closer to demand on both the Ukrainian and Russian front lines.

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190 "Crossroads"

191 Ruggero Scaturro, "An altered state Evolving drug trends in wartime Ukraine", *Global Initiative on Transnational Organised Crime*

192 "Crossroads."

193 Diana Paz García and Vanda Felbab-Brown, "Russia, Ukraine, and Organized Crime and Illicit Economies in 2024," *Brookings*, February 6, 2024, https://www.brookings.edu/articles/russia-ukraine-and-organized-crime-and-illicit-economies-in-2024/.

194 See Сотни тысяч россиян бежали от мобилизации в Казахстан. Но теперь в стране запрещают «визаран», благодаря которому они могли жить без ВНЖ, Meduza, 26 January 2023, https://meduza.io/feature/2023/01/26/mnogie-rossiyane-bezhali-otmobilizatsii-v-kazahstan-no-teper-v-strane-zapreschayutvizaran-blagodarya-kotoromu-oni-mogli-zhit-bez-vnzh

195 Об утверждении Концепции обеспечения общественной безопасности в партнерстве с обществом на 2024-2028 годы, 12 May 2023; National Security Committee press release, quoted in Kursiv Media, 19 July 2023, https://kz.kursiv.media/2023-07-19/lnsh-knb-sintetika/.

196 Mark Daly and Patrick Shortis, "Breaking Klad: Russia's Dead Drop Drug Revolution," *Global Initiative*, November 13, 2024, https://globalinitiative.net/analysis/russia-drug-trade-organized-crime/.

197 Ibid.

198 Ibid.

This trend, which has been observed in various geographic locations proves to offer a rapid growth model amidst an unstable war environment. Due to limited transaction and upscaling costs it proves to be fast-growing and rewarding in terms of profit. This automated, contact-less model and the increased reliance on online platforms, and decentralized marketplaces such as RuTor has revolutionized drug distribution. It allows traffickers to bypass both traditional barriers as those prevalent in a conflict environment, which makes strengthening border controls alone insufficient as it also requires a strong stance on digital infrastructure.

Bypass both traditional barriers as those prevalent in a conflict environment.

Case study: Impact of economic sanctions on the trafficking of dual-use goods

Increase in dual-use exports to Russia amidst market restrictions

.... Dual use flows

⬤ Case Study Dual-use

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Where one market closes another one opens. The supply chain disruption by market restrictions and economic sanctions imposed by the West have unintentionally fuelled illicit markets as OCGs have stepped in to fill the gaps left by restricted trade and strained goods movement. Sanctions on Russia encompass a vast array of goods, triggering ripple effects across both legal and illicit markets. This case study focuses particularly on goods critical to Russia's war effort—semiconductors, integrated circuits, and chemicals—highlighting the role of intermediary countries in sanction evasion. Three countries stand out in this case, namely Kazakhstan, Kyrgyzstan and Georgia. Their involvement highlights the important role of third countries in relation to sanction evasion. Third countries are countries that are neither the target nor the enforcer of the sanctions. Neither are they legally bound by them. They do, however, serve a key role in the overall effectiveness of the sanction regimes.

Unlike traditional organized crime groups that thrive in black markets, the trafficking of dual-use goods operates within a fluid and complex grey zone, often involving parallel market channels facilitated by businesses rather than criminal syndicates alone. For instance, in the beginning of 2024 multiple Moldovan companies still acted as intermediaries for the movement of airplane parts.[199] The Moldovan intermediaries contacted various companies that have active sanctions against Russia in countries such as Belgium, France and Germany, to order said airplane parts. Which were then shipped to Russia and actually never physically

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[199]   Europa Liberă Moldova, "Companii Moldovene Au Livrat Piese De Avion În Rusia, În Ciuda Sancțiunilor Occidentale," *Radio Europa Liberă*, March 4, 2024, https://moldova.europalibera.org/a/companii-moldovene-au-livrat-piese-de-avion-in-rusia-in-ciuda-sanctiunilor-occidentale-/32799642.html.

passed through Moldova while in the border documents Moldova was listed as 'country of trade' according to documents of the Russian Federation Customs Service. [200] A similar story goes for Kazakhstan and Kyrgyzstan, as companies have been found to supply Western dual use technologies to Russia.[201] Russian imports of dual-use goods from Kazakhstan, Kyrgyzstan and Georgia have significantly increased since the start of 2022.

Since early 2022, Russian imports of such goods from these nations have surged, a trend reflected in trade data from institutions like the Stockholm International Peace Research Institute (SIPRI).[202] Key products such as electronic integrated circuits and electrical transformers have increasingly been rerouted through Central Asian trade networks. Similar trends have been found in relation to Russian imports from China.[203] Apart from clean cut military and dual-use technologies, the trade of regular modern home appliances is also on the rise. For instance, Armenia imported more washing machines from the EU in the first eight months of 2022 than in the previous two years, while imports of refrigerators to Kazakhstan have drastically increased as have those of German-made cars.[204] These modern consumer goods carry microchips of importance to Russia's war machine. Notably, Armenia, Belarus, Kazakhstan, and Kyrgyzstan—all key players in these trade networks—are members of the Eurasian Economic Union, an economic bloc chaired by Russia, further facilitating these transactions.

The intersection between organized crime and state-facilitated sanction evasion is twofold. First, there is strong evidence suggesting that the Russian government not only tolerates but actively encourages and facilitates the smuggling and trafficking of dual-use products.[205] This reinforces the state-crime nexus outlined earlier in this report. Second, is that regular commodities that are not inherently illegal, such as consumer electronics and industrial equipment, are traded outside of authorized channels and are thus placed in legal grey zones. Thereby making the distinction between illicit and licit markets less clear cut. The trading of these goods is not necessary illegal, but it is not authorised by the original manufacturer or seller, making it a grey zone. This goes beyond dual-use goods and also includes luxury items that are no longer available in Russia.

Beyond the legal ambiguities of grey markets, sanction evasion fosters a broader ecosystem of illicit activity. This ranges from VAT fraud, the falsification of documents, the establishment of shell companies, to bribing of border control and customs officials. Additionally, the procurement of such dual-use goods is not always above board as a recent 'crime wave' in the

> Apart from clean cut military and dual-use technologies, the trade of regular modern home appliances is also on the rise.

200 Ibid.

201 Carl Schreck et al., "Kyrgyz, Kazakh Companies Send Western Tech To Firms Linked To Kremlin War Machine," *Radio Free Europe/Radio Liberty*, 13:09:35Z, sec. Russia, https://www.rferl.org/a/kyrgyz-kazakh-firms-investigation-western-tech-russia-war-ukraine/32467795.html.

202 Stockholm International Peace Research Institute, "SIPRI Arms Transfers Database," Data set (SIPRI, March 11, 2024), https://doi.org/10.55163/SAFC1241.

203 Clarence Leong and Liza Lin, "Russia's Backdoor for Battlefield Goods From China: Central Asia," *The Wall Street Journal*, March 4, 2024, https://www.wsj.com/world/russias-backdoor-for-battlefield-goods-from-china-central-asia-bd88b546.

204 Oliver Moody, "Russia Suspected of Smuggling EU Fridges to Strip for Weapon Parts," *The Times*, November 7, 2022, https://www.thetimes.com/article/russia-suspected-of-buying-eu-fridges-to-strip-for-weapon-parts-p73sdtngc.

205 Mark Galeotti, "Time of Troubles. The Russian underworld since the Ukraine invasion," *GI TOC* (Global Initiative on Transnational Organised Crime, December 2023), https://globalinitiative.net/analysis/the-russian-underworld-since-the-ukraine-invasion/.

UK in relation to farming machinery has highlighted.[206] Another example includes the theft of roadside speedcameras in Sweden.[207]

Russia's approach to evading economic sanctions is far from a recent development but rather a continuation of longstanding practices dating back to the Soviet Union, the Cold War, and more recently sanctions following the annexation of Ukraine. They range from large, state-orchestrated use of ghost ships to move grain,[208] to the acquisition of dual-use or luxury goods. The question, therefore, is not whether Russia can learn from other sanctioned nations such as Iran, but rather how they have been able to uphold their sanction evasion practices dating back to the 90s and reinvent it time and again based on their needs. Organized crime plays a critical role in this ongoing process, serving as a key facilitator in Russia's ability to circumvent economic pressure, adapt to new restrictions, and exploit loopholes in global trade networks.

Organized crime as a key facilitator in Russia's ability to circumvent economic pressure, adapt to new restrictions, and exploit loopholes in global trade networks.

206 Sebastian Whale, "Police Believe Ukraine War Has Triggered a Crime Wave ... in Rural England," *POLITICO*, June 5, 2023, https://www.politico.eu/article/farm-machinery-gps-theft-uk-rural-crime-ukraine-russia-war-sanctions/.

207 Christina Anderson, "Who Is Stealing Speed Cameras From Swedish Roads?," *The New York Times*, October 21, 2022, https://www.nytimes.com/2022/10/21/world/europe/sweden-speed-camera-theft.html.

208 Ollie Ballinger, "Grain Trail: Tracking Russia's Ghost Ships With Satellite Imagery - Bellingcat," Bellingcat, May 23, 2023, https://www.bellingcat.com/news/2023/05/11/grain-trail-tracking-russias-ghost-ships-with-satellite-imagery/.

Conclusion

The evolution of organised criminal networks in Eastern Europe have had a profound impact on security in the region, reinforcing patterns of state capture, eroding governance and fuelling both internal instability and external aggression. Since 2022, states in the EU's Eastern Partnership area have been faced with a deepening entrenchment of the crime-state nexus. Countries such as Georgia and Moldova have experienced heightened domestic volatility, while others such as Azerbaijan and Serbia have leveraged these networks and their domestic instability to assert more regional dominance. The intersection between kleptocracy and organised crime does not only pose a risk for flourishing illicit economies but also for using them as strategic instruments in foreign policy, whether they align with Moscow or not.

The findings of this study illustrate how the war in Ukraine has reshaped the landscape of organized crime reinforcing existing networks while driving their adaptation to new geopolitical and economic realities. These dynamics constitute important non-military or non-conventional effects of the war, that are nevertheless far-reaching with spillovers that extend well beyond Ukraine and Russia's borders in tern affecting the regional stability of the Eastern Partnership states, the Western Balkan region and by extension Western Europe. Based on the evidence collected in this study, it is easy to make the argument that entrenchment of kleptocratic regimes across the Eastern Partnership states and the Western Balkans is worsening and fuelling further regional instability. As these governments fluctuate between Brussels and Moscow, organised crime exploits geopolitical competition and disrupted economic conditions to expand their reach. They do this by leveraging both state protection and shadows cast by wartime disruptions to diversify their criminal activities to new areas both in terms of geography as merchandise. As such the analysis presented here would benefit from an extension to the cases of Syria and Afghanistan. Two countries that have a crucial role in organised crime corridors, both with a long history of conflict and geopolitical important roles. Syria and Afghanistan have seen very recent changes in regard to their government and state structures which provide fertile grounds for spill-over effects into the realm of organised crime. Some of which we can already see today, with for example the ban on harvesting opium in Afghanistan. Heightened regional instability in and of itself provides further opportunities for organised crime to thrive, creating a cycle of criminal entrenchment that is difficult to disrupt.

The war in Ukraine and broader geopolitical competition, presents a new level of state involvement vis-à-vis criminal activities, making the intersection between organised crime and political power more important than ever. States can leverage this intersection together with existing domestic instability to assert more regional dominance. Thereby inherently creating opportunities for organised crime groups due to subnational violence and instability, causing a self-feeding mechanism of exploitation. The war in Ukraine has thus far highlighted how a certain level of state complicity in illicit activities blurs the lines between what we can call licit and illicit markets. In some cases, states and their businesses have directly or indirectly facilitated criminal enterprises to mitigate economic sanctions, secure alternative trade routes, and maintain access to critical resources. The blurred boundaries between licit and illicit markets are particularly evident in the role of third countries—especially those within the Eurasian Economic Union—that have played a crucial part in facilitating sanction evasion. Apart from the clear-cut links between organised crime, government and regional stability, the war has highlighted a trend of forced evolution in illicit markets due to restrictions to

> Leveraging both state protection and shadows cast by wartime disruptions to diversify their criminal activities to new areas both in terms of geography as merchandise.

distribution channels. Examples were put forward highlighting the impact of emerging technologies which exemplify how OGCs are rapidly adapting to changing environments and are able to thrive in conditions of scarcity.

To effectively counter these developments and their challenges, multi-agency, long term change is needed. Thereby we highlight the following three corner stones for policy that extend from the analysis: (1) bridging the policing – (military) intelligence gap, (2) connecting the dots and disrupting the nodes, (3) leveraging scarcity as a countermeasure instead of a facilitator. Due to the intersection of domains in this research – organised crime networks, state stability and partnerships, conflict and war– the traditional first observation is intelligence sharing and strengthened cooperation between law enforcements and intelligence agencies, particularly military intelligence. Because this 'wicked problem' touches upon different domains that are all separate links in once chain, for counter measures to be effective all parties bring a different piece to the puzzle. Thereby they might carry the same objective – for instance, disrupting organised crime network and minimising effect on societal instability – they will approach the problem with different tools and most importantly with different jurisdictions. This is where the other party – organised crime but also kleptocracies – have a comparative advantage in leveraging their tools in a fluid way. This connects to the second point of connecting dots and disrupting nodes. As organised crime is inherently transnational, this study also highlighted the importance of connecting dots across borders and understanding which nodes are breaking points. As connecting the dots and understanding nodes that function as either hubs or hotspots, allow law enforcement but also intelligence agencies and government bodies to effectively disrupt vital processes, at their source, that allow organised crime networks and kleptocracies to continue their operations. These actors are master in adapting and exploiting changes in their operational environment, as was highlighted in previous sections. Therefore, it is vital to identify which dots and nodes are critical to the survival of their vital processes in order to be able to use scarcity as a countermeasure instead of a facilitator. As discussed, when one market closes another one opens, scarcity is thus weaponized by OCGs but equally as much by kleptocratic regimes. Up until the point where instead of scarcity being weaponized by organised crime, it is used as both a disruptor and a deterrent against them.