



## Russia's Global Crime Cartel

"Absent justice," wrote Augustine nearly 16 centuries ago, "what are kingdoms but vast robberies?" History provides no better example of the "robbers' state" than the Soviet Union, and this remains tragically true of "post-Soviet" Russia under the rule of Boris Yeltsin.

During his recent visit to Moscow, President Clinton renewed his commitment to a "strategic partnership" with Russia to protect Yeltsin's "reforms" and contain the threat posed by international terrorism and organized crime. These themes had been examined at length in an April 1st speech to the U.S.-Russian Business Council in Washington, DC by National Security Adviser Anthony Lake, who urged continued support for foreign aid to Russia. "A stable, democratic-oriented, market-oriented Russia will be far less likely to threaten America's security and far more likely to work with us to solve global problems" such as "the growth of international crime," Lake declared.

Lake boasted that "today, with America's strong support, more than 20,000 large enterprises and 100,000 small ones have been transferred to private hands. Now the private sector produces more than 60 percent of Russia's GDP." What neither the Clinton Administration nor the Yeltsin regime will admit, however, is that nearly all of the "privatized" enterprises remain securely in the control of the Communist Party and the KGB, and that joint U.S.-Russian efforts to fight "organized crime" have had the effect of preserving the communist oligarchy's control over Russian society.

### Crime Fighters Converge

On July 4, 1994, FBI Director Louis Freeh and then-Russian Interior Minister Viktor Yerin signed a protocol providing for joint law enforcement efforts. After opening an FBI attache office in Moscow and a tour which included a visit to the KGB's notorious Lubyanka Square headquarters, Freeh exulted, "We can honestly say that our two nations have more in common than ever before...." Sergei Stepashin, who heads the Federal Security Service (FSB, successor to the KGB), celebrated the pact by declaring, "Together, we're invincible."

Just as U.S.-Russian military cooperation is to be the foundation of UN-mandated "peacekeeping" missions in the new world order, the FBI's alliance with the FSB and the Russian Interior Ministry (MVD) is intended to be the basis for a new global order in law enforcement. Writing in the spring 1995 issue of *International Affairs*, the journal of the Russian Foreign Ministry, Viktor Yerin explained: "Russia fully supports the concrete and substantive steps [taken by the UN] to promote interaction between its members in fighting crime." Yerin recommended that the UN conduct "a codified review of national legislation and practice in this field [in order] to harmonize as far as possible the approach of countries to the fight against organized crime and ensure on this basis the inevitable punishment of persons involved in this activity irrespective of the place and country where they may have committed their crimes."

The Russian regime and the Clinton Administration are already acting in complete harmony in this regard. In testimony before the Senate Judiciary Committee on April 27, 1995, Ronald Noble, the Clinton Administration's Undersecretary of the Treasury for Enforcement, declared:

With the dissolution of the Soviet Union, and the end of its centralized control over nuclear materials and associated technologies, we anticipate increased terrorist problems. Weapons procurement networks are becoming more advanced and clandestine. To combat these problems, Treasury, through the U.S. Customs Service, is increasing its liaison with the U.S. intelligence



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community and foreign customs and other law enforcement agencies, *particularly in eastern Europe and the former Soviet Union.* [Emphasis added.]

President Clinton touched upon the same developments in a speech to the United Nations General Assembly last October, calling for “an effective police partnership” at the global level to combat “the increasingly interconnected groups that traffic in terror, organized crime, drug smuggling, and the spread of weapons of mass destruction.” In February, CIA and FBI agents stationed in Europe conducted a closed-door meeting at the U.S. embassy in Rome to continue work on the proposed global police partnership. According to the *Washington Post*, the Rome meeting was held to coordinate efforts to deal with the “post-Cold War threats” of “global organized crime, terrorism and international narcotics trafficking.” The *Post* described the Rome meeting as part of a continuing effort “to iron out new, post-Cold War relationships to fight crime rather than communism.”

One remarkable result of the “post-Cold War” struggle against international organized crime is the essential re-establishment of the Soviet Union’s Cold War boundaries. On April 12th, a summit of representatives from the Commonwealth of Independent States (CIS), which includes all of the “ex”-Soviet Republics except for the Baltic states, approved a “Plan for Integrated Development of the Commonwealth” which envisions the essential restoration of the Soviet Union. The document calls for the re-establishment of a shared defense policy, common currency, and political integration. According to Reuters, this Soviet restoration is inspired, in large measure, by the need “to form a common front against organized crime.”

“Organized crime,” according to Senator John Kerry (D-MA), “is the new communism, the new monolithic threat.” Actually, to a significant extent, organized crime in Russia and the former Soviet empire is the *old* communism, and its influence is being used to advance the traditional strategic objectives pursued by Soviet communism: Subversion of the West, enrichment of the party and the Russian military-industrial complex through Western foreign aid, and eventual convergence with the U.S. on terms favorable to world socialism.

### **“Mafiya” Threat**

Since the “collapse” of the Soviet Union in 1991, oceans of ink have been poured into press coverage of the Russian *Mafiya*, and the subject has become a staple of Hollywood action fare. In his book *Comrade Criminal: Russia’s New Mafiya*, foreign correspondent Stephen Handleman describes the penetration of the Russian mob into western Europe and even the United States in recent years. “A sinister new figure [has] suddenly appeared on the police blotters of Western countries,” Handleman warns, “the post-Communist gangster.”

However, there is nothing novel about the activities or ambitions of the Russian mob. In an April 1994 interview published in the *International Herald Tribune*, Georgian mafia leader Otari Kvantrishvili boasted: “They write that I am the mafia’s godfather. It was Vladimir Lenin who was the real organizer of the mafia and who set up the criminal state.” In 1995, former Lithuanian Vice President Algirdas Katkus stated that although “Westerners believe that the mafia is the product of post-Communism ... in reality it is organized, staffed, and controlled by the KGB.”

These observations are confirmed by Yuri Maltsev, a former senior adviser to Mikhail Gorbachev, who told *The New American* that “Russia has become the criminal capital of the world. In Russia today, the organized mafia and the government are one and the same thing. They’re two hands of the same ruling elite.” This state of affairs began with the founding of the Soviet state. “The Soviet state security



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apparatus was essentially staffed by criminals collected from Russian prisons," Maltsev recalls. "In short, you had a criminal state using criminals to enforce what it called the law."

One irony noted by Maltsev is that the Soviet state, like any totalitarian enterprise, "essentially prohibited any form of social or economic activity that didn't advance the interest of the state. In short, they criminalized everything." The "collapse" of the Soviet Union in 1991 brought "little, if any, change in the organization of the criminal justice system in Russia," Maltsev wrote in the December 1995 issue of *The Freeman*. "Russia's prisons, probably the worst in the world, are still filled with over 100,000 entrepreneurs, most of whom were convicted for commercial and business practices absolutely legal in civilized countries. Private production and exchange - the most natural of human activities - are still criminalized through a confiscatory tax system and monstrous regulatory mechanism."

With 111 different federal and local taxes, a tax code even more inscrutable than our own, and top rates which run as high as 140 percent of income, it should come as no surprise that there are more than 600,000 tax convictions each year in Russia. Furthermore, Maltsev points out that "ex-communists" still occupy more than 60 percent of local government and bureaucratic positions and 90 percent of all positions in the central government.

Accordingly, Russians still suffer beneath the basic conditions of totalitarianism: Complete insecurity of person and property, fear of summary arrest for ill-defined or undefined offenses, and an omnipresent sense of incipient violence. Lenin defined the governing philosophy of his state as "power without limit, resting directly upon force, restrained by no laws, absolutely unrestrained by rules." This remains the governing philosophy of "post-Soviet" Russia.

### **Whom Are We Helping?**

Soviet analyst J. Michael Waller of the American Foreign Policy Council informed *The New American* that "U.S. aid and trade policies with Russia have had the net effect of entrenching the nomenklatura and the KGB oligarchy at the expense of Russians sympathetic to the West." Joint U.S.-Russian law enforcement initiatives are used by the "ex"-communist elite to preserve this hegemony: "We're collaborating with the very people who created the problem of organized crime in the former Soviet Union. In part, this is because American policymakers tend to 'mirror-image' everything in our relationship with Russia. They look at Russian organized crime through the lens of our own experiences, and the Russians are only too happy to play along."

Frank Cilluffo, an adviser to a Senate task force on global organized crime, told *The New American*, "Most of the FBI's cooperative initiatives are conducted with the MVD, which is more or less their analogue in Russia." Although Cilluffo maintains that the MVD does not have significant connections to the Russian mafia, he acknowledges that "we can't exonerate any of the [Russian] services" because of Russia's "endemic corruption." As a result, "It's almost impossible to know when we're helping the criminals."

Writing in the December 1995 issue of the *Journal of Contemporary Criminal Justice*, Michael Waller and fellow Soviet analyst Victor J. Yasmann observed: "When analyzing the Russian government's approach to fighting organized crime ... it becomes apparent that the country's political, economic, security, and law enforcement elites fundamentally are part of the problem." This is not merely a result of runaway corruption, but rather a product of long-term strategic planning:

[W]hat is often seen as a "spontaneous" development of Russian organized crime ... in many instances is a process unleashed by the communist/state security oligarchy, and in many important



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aspects is guided by them.... KGB guidance virtually transformed the Russian Mafiya, which only a decade ago looked underdeveloped and provincial at best. KGB officers provided the criminal chiefs with the institutional and organizational experience, professional intelligence, and tradecraft, and later shared their contacts, first domestically and later internationally.

### **Looting and Pillaging**

In addition to its efforts to strengthen the mob, the KGB also laid the groundwork for almost all post-Soviet joint economic ventures with the West. According to Waller and Yasmann, a KGB training and operations manual published in 1989 stated that in the era of perestroika, “‘active reserve’ or ‘operational reserve’ officers no longer needed to mask their identities when approaching foreigners; indeed, it was becoming an asset to announce one’s ‘former’ career in the KGB because foreign businesses thought it attractive — chekists [secret policemen] could provide security and get things done like no one else.” By 1992, an estimated 80 percent of all joint ventures in the Russian Federation had been infiltrated, or were controlled outright, by the KGB.

Similar measures were undertaken by the Communist Party of the Soviet Union (CPSU) to provide for its continued ascendancy even after it formally surrendered its legally mandated political monopoly in Russia. On August 23, 1990, CPSU Administrative Director Nikolai Kruchin issued a document entitled “Emergency Measures to Organize Commercial and Foreign Economic Activity for the Party,” which outlined the fashion in which the Soviet nomenklatura would supervise “privatization” efforts. According to Kruchin, “confidentiality will be required and in some cases anonymous firms will have to be used disguising the direct ties to the CPSU. Obviously the final goal will be to systematically create structures of an ‘invisible’ party economy....”

Within the “invisible party economy,” party members are subject to discipline and conspiratorial control as complete as any which prevailed during the Soviet era. Dissident Russian author Lev Timofeyev writes that every “ex”-communist in charge of a “private” venture is “bound hand and foot to his social class — the apparat, the military-industrial complex, and the KGB. He is dependent on that trinity in everything he does, because he obtains his property rights from them for a price: a silent oath of loyalty. If he breaks that oath, he will not remain a property owner for long.”

Nor are genuine entrepreneurs spared the rigors of party loyalty. Russian businessman Konstantin Borovoi has described the shakedown tactics jointly employed by the KGB and the Russian mob: “First [comes] the racket, strong pressure, then a KGB proposal to ‘help.’” The “help” comes in the form of “penetration of KGB officers into the top leadership of the company, or the leadership of the company [must establish] close contact with the KGB, and the company [must cease] to exist as an independent commercial organization.”

### **Thieves’ World**

Were the impact of the KGB-organized Russian mob confined to U.S.-Russian joint economic ventures, the case for disengagement would be compelling enough. However, given that the KGB’s Russian mob continues to pursue traditional Soviet strategic objectives through its increasingly powerful connections in the global underworld, disengagement becomes an imperative.

Russian authors Georgy Podlesskikh and Andrei Tereshonok have documented that the KGB took the leading role in “advancing and consolidating the ‘horrible mutant,’ the modern professional underworld,” on a global basis. This has provided a new strategic avenue for Marxist ambitions: “[I]n contrast to the ‘world proletariat,’ about whom the Kremlin’s adventurists dreamed, the criminal clans



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of all countries are indeed moving to the quickest unification.”

Frank Cilluffo points out that “because the Russian mob has been controlled by elements of the Communist Party and the KGB, there’s no question that they [the mob] have the tradecraft, techniques, contacts, and resources to pursue both personal enrichment and political designs in the post-Soviet era. The KGB’s still got their active networks all over the world, including their sleeper networks. Nobody knows the extent to which those networks are involved in mob activity, or are carrying out strategic designs on behalf of the Russian state – and these objectives overlap, of course.”

The case of Filipp Bobkov, the former First Deputy Chairman of the KGB, exemplifies the role of the mobbed-up KGB networks. Bobkov was “cashiered” from the KGB for his role in the bloody KGB-Spetnaz crackdown on the Lithuanian capital of Vilnius in 1991. As a “private” citizen, Bobkov pursued the KGB-ordained strategy of marketing his services to Western investors, and quickly assumed control of a banking group in Moscow. Bobkov swiftly assembled a collection of KGB veterans who had been stationed in Burma, Cambodia, Laos, and Korea. This was the nucleus of what has become known as the “Moscow Narco-Group,” which coordinates drug-running operations in Romania, Colombia, Peru, and Cuba. Its main base of operations is the Russian naval base at Cam Ranh Bay in Vietnam – a communist regime which is next in the queue for “joint ventures” and American foreign aid.

The “Moscow Narco-Group” is just one identifiable example of the role carried out by the KGB mob’s global network. In her book *Thieves’ World: The Threat of the New Global Network of Organized Crime*, the late Claire Sterling observed: “As the old geopolitical frontiers fell away, the big crime syndicates drew together, put an end to wars over turf, and declared a *pax mafiosa*. The world has never seen a planetwide consortium like the one that came into being with the end of the communist era.” By 1993, wrote Sterling, “The big syndicates of East and West were pooling services and personnel, rapidly colonizing Western Europe and the United States, running the drug traffic up to half a trillion dollars a year, laundering and reinvesting an estimated quarter of a trillion dollars a year in legitimate enterprise.”

Perhaps the most shocking aspect of the KGB-created mob network’s activities is the impunity with which it conducts its affairs. A remarkable account published in the January 22nd issue of *New York* magazine describes how over the past two years the Russian mob has received at least \$40 billion — all of it in uncirculated \$100 bills still in their Federal Reserve wrappers — via Delta Flight 30, which flies from New York City to Moscow five times a week.

The Russian mob, reports *New York*, “has been using an unimpeded supply of freshly minted Federal Reserve notes to finance a vast and growing international crime syndicate.... The Russian mob’s monstrous growth has been aided considerably by its ability to quickly and easily launder its dirty criminal proceeds into clean — and now supposedly counterfeit-proof — U.S. hundreds. Russian banks have been eager to assist, which is not surprising given that a good number are owned outright by Russian mobsters.” An official at the federal Comptroller of the Currency office told *New York* that the laundered currency “is used to support organized crime; it’s used to support black market operations.... Yet it appears that at least part of the federal government sees nothing wrong with it.”

### **Reverting to Type**

In some ways, the global organized crime network represents the consummation of age-old revolutionary designs. In his study *Terrorism*, Walter Laqueur observes, “In some of the [19th-century] secret societies of Central Europe, such as the ‘League of the Just’ (which later became the Communist



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League), the doctrine of terror was first discussed”; a key element of the “doctrine of terror” was the mobilization of street criminals. Wilhelm Weitling, a leader of the League, discussed various means of “founding the kingdom of heaven by unleashing the furies of hell,” one of which would be “to turn loose the ‘thieving proletariat’ on society. Weitling thought he could mobilize some 20,000 ‘smart and courageous’ murderers and thieves.”

According to Laqueur, “The idea of the alliance between the revolutionary avant-garde and the criminal underworld was to reappear from time to time in the history of nineteenth-century terrorist movements....” It was not until the advent of the Bolshevik state in Soviet Russia, however, that this alliance was fully realized.

Stephen Handleman observes that the *Vorovskoi Mir* (Thieves’ World), a thriving Russian underground which has existed since the 1600s, has always exhibited “a complex paramilitary structure whose exclusive rituals and codes of honor were often copied by the early Bolshevik conspirators.... The nomenklatura’s principal attributes — a paramilitary hierarchy, hostility toward outsiders, and a propensity for illegal behavior — established its similarity with the criminal societies of the old Russian underworld. The similarity was no coincidence. The organizational model that the Bolsheviks found so attractive in the Russian criminal bands ... was internalized in the modern Communist Party structure.”

It was a common theme in Soviet propaganda that organized crime was an affliction to which socialist societies are immune. This illusion was disposed of in the era of perestroika in part to provide the KGB security organs with a new rationale: They were to defend “reforms” against the new “criminal element,” a role that was defined in an order issued in October 1991 by then-KGB chief Vladimir Kryuchkov.

Many Russians, understandably terrified by the KGB-abetted rise of organized crime, support authoritarian measures to preserve some semblance of order and domestic tranquility. One Russian who understands the larger picture is author Yevgenia Albats. In her book *The State Within a State: The KGB and Its Hold on Russia — Past, Present, and Future*, Albats recalls:

At the height of Perestroika, in the winter of 1990-91, the KGB announced that it was going after the Mafia’s economic stranglehold, whereupon Gorbachev issued a decree granting agents the right ... to “unimpeded entrance to the premises of businesses, offices, organizations” ... and production spaces used by citizens for enterprises of individual labor.

“The true aim of this campaign has been achieved,” Albats records. “Our citizens have been reminded that whatever they do, whatever work they take up, the Chekists will be watching them.” This is a particularly bitter realization for Albats. On the evening of August 21, 1991, Albats recalls, she and a few close friends held a quiet celebration as a crane removed the statue of KGB founder Felix Dzerzhinsky from its former place of prominence outside the organization’s Lubyanka Square headquarters. “And yet,” Albats ruefully records, “as God is my witness, on that night, we left worse Chekists in place.”

### **Global Implications**

The KGB-controlled Russian mob is thus used by the security organs to preserve the communist oligarchy’s control. Further, the threat of the global mob network is being used as a rationale for the consolidation of police authority in the United Nations. As British Sovietologist Christopher Story observes:

[T]he “problem” of transnational crime and global terrorism is being “addressed” ever more



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intensively, as Governments respond to the perceived “need” for international cooperation in this area and even as the “former” Soviet Bloc states with which the West is seeking to cooperate ever more anxiously, intensify their global criminal operations. In all probability, many high-profile “international” terrorist incidents, culminating in a “nuclear accident,” are planned. Urged on by agents of influence in the West and the United Nations, Western Governments are being “softened up” for “global solutions” to this “international crime” epidemic.

The Clinton Administration is eagerly advancing the most corrupt and dangerous of those “global solutions” - intimate cooperation between the FBI and the worst surviving elements of the Soviet security state coupled with relentless subsidy of KGB-controlled joint ventures. In this fashion the “strategic partnership” between the U.S. and Russia is used to construct a global “robbers’ state.”



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