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Trendy vývoje organizovaného zločinu a jeho vybraných forem
Trends in the Development of Organised Crime and its Selected Forms

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Summary

The research project "Organised Crime in the Czech Republic - Development, Possible Criminogenic Factors, Selected Activities and Legal Sanctions" conducted in 2016-2017, followed on previous research activity carried out by the Institute of Criminology and Social Prevention in this field since the beginning of the 1990s.

The current project continued the identification of possible societal influences, risks and criminogenic factors that could have an impact on the genesis, development and effects of different forms of organised criminal activities, together with the long-term expert monitoring of developments in the structure of organised crime and associated activities in the Czech Republic. In view of the current problem and phenomenon emerging in not just Europe, the project also focused on the issue of migration and in particular, an analysis of available sources on organised crime related to illegal migration. The study examined the impact of illegal migration on society, especially public opinion and the fear of crime.

As part of the project, a study of the current state and forms of organised crime in Ukraine was carried out, chiefly in relation to some of the consequences Ukrainian organised crime has on the Czech Republic. Given its extreme seriousness, research also focused on the methanol affair, in which a large criminal group was responsible for the production and distribution of alcohol contaminated with methanol. The study was carried out using network analysis as a relatively new approach to the study of organised criminal activities.

To monitor the **basic characteristics of organised crime**, an annual expert inquiry has been conducted since 1993, in which the employees of specialised departments of the Police Force of the Czech Republic are interviewed as experts, including employees from the General Directorate of Customs and Customs Office in Prague since 2012. Researchers interviewed 39 experts in 2016 and 34 in 2017. The inquiry focused on the degree to which criminal groups in the Czech Republic have developed and the participation of external associates, women and foreign nationals in these groups. In addition, the study monitored the prevalence of illegal activities by organised groups in individual years, which groups had disappeared and which

were newly created. The activities of foreign nationals have been regularly monitored according to their nationality since 2000. The study presents the results for 2015 and 2016 with a comparison of longer-term trends.

One of the features of organised crime is a hierarchical structure, with the leadership/bosses at highest level as supreme authority in decision-making, personnel and finances matters with maximum security; the second level consists of independently operating units and the lowest level are ordinary members. Such fully developed groups never prevailed in the Czech Republic (with the exception of 2007 when 54% were fully developed and 57% in 2009). In contrast, 37% of groups had a fully developed structure in 2015 and 36% in 2016. Therefore, groups with a lower-level management structure predominated.

External associates form approximately half the members of organised criminal groups long-term; in 2016, this dropped to one-third. External associates are hired to perform certain tasks or services, they know nothing about who they are working for or why they are doing something, so they can't reveal any details. External associates are used in various areas. Some are hired for simple services such transporting people or goods, accommodation services, renting property, buildings and space, selling goods, hiding stolen goods, more complex services, providing facilities, obtaining items required to commit organised criminal activities, participation in extortion or threats. External associates also provide information, consulting, legal services, economic and tax consultancy, misappropriate European funds, participate in the creation of fictitious companies, open accounts, establish contacts, deal with institutions or have contacts abroad.

Organised criminal groups in the Czech Republic also include women. The proportion of women has been estimated at between 11-20% since 2000. In recent years, their participation has been lower: 14% in 2015 and 12% in 2016. Their focus has also changed significantly. While in the first decade after 2000, their main domain was procurement and human trafficking for the purpose of sexual exploitation, handling illegal migration, and to a large extent providing facilities, management and trafficking narcotic and psychotropic substances; in the following decade, women increasingly handled financial, legal, notary and customs services, established fraudulent and fictitious companies and organised internet criminality. In some cases, women act as the "heads" of organised crime groups, manage all trade in narcotic and psychotropic substances, handling their sale and distribution, controlling subordinate distributors, or acting as an intermediary in, for example, hiring other employees, etc.

The ratio of Czechs and foreign nationals in organised crime, despite minor fluctuations, has remained virtually unchanged. After 2000, the Vietnamese, Ukrainians, Russians and

Albanians were represented most heavily. In 2016, the second group included Serbs (an increase compared to 2015), Slovaks (an increase compared to the 1990s), Bulgarians (a decrease compared to the 1990s) and Romanians (an increase compared to the 1990s). The Poles and the Chinese fell into the third group (a decrease compared to the 1990s), which also included the Nigerians.

Once again, the most widespread activity in 2015 and 2016 was the production, smuggling and distribution of drugs. Activities relating to economic crime such as money laundering, corruption, tax, credit, insurance and currency fraud were similarly heavily represented. Widespread activities also included the illegal production and smuggling of alcohol and cigarettes and credit card fraud. Despite a certain decline, car theft, the organisation of prostitution and trafficking in women remained at the forefront. The top ten activities also included misappropriation of EU funds. The establishment of fraudulent and fictitious companies, which was among the most widespread activities in 2015, fell into the second group in 2016. This included the misuse of computers for crime, crime against information and communication technologies, forgery of documents, customs fraud, and increased gambling compared to 2015.

Less significant were: strong-arm debt collection, bank fraud, trafficking in stolen goods, counterfeiting cheques, money and coins. The organisation of illegal migration also continued to decline. Burglaries, the international arms trade, the steadily declining theft of art objects, luring money with the promise of high returns, human trafficking for forced labour, and murder were relatively insignificant. Activities that virtually disappeared included the illegal import and export of hazardous waste, bank robbery, counterfeiting CDs and similar media.

Experts participating in the research pointed out certain new activities, which could become significant in the years to come. These include fictitious marriages for the legalisation of residency in the Czech Republic, illegal trade in protected animals and wild plants, illegal production and trade in goods infringing trademark rights and illegal trade in medicines and pharmaceuticals. Extremist crimes associated with the migration crisis also pose a risk.

As part of the study, we regularly ascertain what activities are carried out by individual ethnic groups in the Czech Republic. Drug crime is represented in nearly twenty ethnic groups. This was most often the province of the Vietnamese, Serbs, Nigerians, Turks, Bulgarians over the last two years, and Slovaks in the last year. Money laundering was the domain of the Russians, Vietnamese, Poles, Slovaks, Ukrainians and Albanians. Corruption was typical for the Vietnamese, Russians, Turks and Slovaks. Tax frauds were run by the Vietnamese, Russians, Poles, Slovaks, Bulgarians, Romanians and credit fraud by the Russians. The

production and smuggling of cigarettes and alcohol mainly concerned the Vietnamese, Ukrainians, Poles, and Slovaks. Car thefts were mainly run by Ukrainians, Poles, Slovaks, Serbs and Bulgarians. Prostitution, procurement, trafficking in women was the typical activity of Albanians, Ukrainians and Russians. Customs fraud was typical for the Vietnamese, Chinese, Turks and Ukrainians, while Russians were the main founders of fictitious companies. The misuse of payment/credit cards was the domain of the Romanians, Bulgarians and Albanians, while the Nigerians and Russians focused on internet/cybercrime. Gambling was run by the Vietnamese. Illegal migration related to the Ukrainians, Albanians and Vietnamese. The Russians, Albanians, Ukrainians and Armenians were largely responsible for extortion and protection rackets, the Russians and Ukrainians for violent crime, and the Ukrainians, Russians, Armenians, Albanians, Slovaks and Chechens in trading arms. Human trafficking concerned the Vietnamese, while the Ukrainians handled the illegal employment of their fellow compatriots.

As part of the study in 2016 and 2017, **risk criminogenic factors** in the structure of society's living conditions were identified as possible sources that could be exploited by organised crime to either commit crime or obtain information, establish contacts, secure impunity and influence decision-making processes, as well as to acquire accomplices or to create demand for illegal goods and services. We focused on the risks posed to the Czech Republic by international developments and the risks associated with internal social development in the fields of politics, economics, law, state and local administration, social structure and the media.

A number of specific criminogenic factors were identified in all these areas. These factors are of varying nature and scope, so they cannot be hierarchised according to their degree of danger. They are factors of both a general nature and those that touch on very specific issues. We assessed the risk factors that could have a negative impact on conditions in the Czech Republic in terms of the developing situation in the world. In this context, experts chiefly mentioned sources of tension and instability, the problems of globalisation, free movement of persons, services, goods and capital within the EU, economic problems, the social and economic standard of Czech and EU citizens, insufficient control of international financial and banking institutions, corruption and tax systems. In terms of the migration crisis, the EU's liberal and open migration policy, the lack of a uniform approach to tackling the migration crisis, the misuse of Schengen, the EU's ineffective external borders, flawed control of the movement of persons, and level of asylum procedures were presented as risks. The general problem was a lack of international police and legal cooperation, inconsistent legislation in

many areas, such as the area of money laundering, the slow and selective provision of information within the framework of international police cooperation, inefficient cooperation with Russia, poor information flow between national institutions, Europol and international databases. In terms of the international situation, a risk was also the dependence on computer systems, energy sources and the unregulated internet environment.

In politics, one of the most serious criminogenic factors was that organised crime seeks to make contacts or infiltrate public life, including politics. Its goal, in addition to gathering information, is to, above all, influence policy decisions. The risk factors are: a non-conceptual administrative approach addressing only the current situation with no ability to address longer-term consequences; the inadequate, lengthy and non-complex approval of legislative amendments; a lack of political will to fight crime; unfair practices and conduct in the public arena; a link between political and economic powers. In 2016, the Czech Republic's migration and asylum policy was often cited as a risk factor with many details, whereas it was only mentioned in general terms in 2017.

Attention in the economy should be given to establishing conditions for controlling the establishment and existence of companies, demonstrating the source of assets and financial resources by owners, the establishment of companies by individuals who have previously owned companies that have gone bankrupt or become insolvent, etc. The risk is a corrupt environment and suspected clientelism.

In terms of law, the risk is the slow response of legislation to new trends in crime and criminality, unclear legislation, constant amendments, bureaucracy and formalism in criminal and administrative proceedings, a lack of legal protection for witnesses, the absence of legal mechanisms to encourage witness testimonies, a lengthy judicial system, inadequate sanctions resulting in recidivism, poor enforcement of the law, and a lack of public cooperation linked to a fear of possible consequences. Another risk is the negative perception of law enforcement authorities, where legitimate initiatives to prevent or combat criminal activity are perceived as a restriction of democratic principles, obstacles to business or a disproportionate burden on business subjects by the bureaucratic state apparatus. It is recommended that police be given extended powers in terms of the use of operational investigative resources and their subsequent use in criminal proceedings (wiretapping, recording telecommunication traffic, surveillance of persons and property), with regard to the security threats associated with terrorism and illegal migration.

In state administration, the risk is the over-subordination of state and public administration to the will of political parties, as too many officials are currently nominated by political parties.

Further risks may also be the inadequate professional qualifications of employees, low professionalism, a lack of accountability, abuse of powers, misuse of sensitive information and repeated reorganisations. Recommendations include the improvement of state employees' training, working with experts, strengthening IT security and the interconnection of information systems. The negative perception of state administration authorities as supervisors of compliance with legal regulations and standards may also pose a risk.

As with state administration, the danger of infiltration by organised crime is also a risk for the Police Force of the Czech Republic, which may come from former police officers. A major risk factor is also the interference of politicians in the work of the Czech Police. Constant changes in the leadership of the Police Force of the Czech Republic and the distribution or lack of funds, especially on new technologies and wages are further drawbacks. An adverse factor is sometimes the lack of professional qualifications and professionalism on given issues. It is recommended that the number of specialists in national units be increased, to improve the work of the Alien and Border Police in the control and registration of illegal foreign nationals, to increase police salaries, improve police equipment, eliminate the possibility of misusing sensitive information and prevent corruption. It is also recommended that the Czech Police have access to the system of bank transfers and to strengthen security forces, especially the secret service, which should monitor and document the activity of persons of interest, so that this information can be used in criminal proceedings.

For citizens/the public, a risk factor could be a drop in living standards and unemployment. The demanding consumer way of life, a failure in social values, and pathological phenomena such as alcoholism and toxicomania can also be risk factors. Similarly, there is the risk of inadequate public awareness and tolerance of crime. A higher level of public education about the threats and types of crime is recommended.

In the area of information technology, there is the risk of individuals using the internet to commit crimes. A more effective way to request information from internet service providers and providers of internet connectivity is recommended.

The media poses a risk because they use crime to increase their audience numbers due to its attractiveness; they put emphasis on not only the depiction of aggression and violence, but also on the presentation of a dubious lifestyle. A criminogenic risk arises when the media presents inaccurate and misleading information in the news, vilify authorities, manipulate public opinion in favour of various interest groups and sometimes wrongly judge the activities of the Police Force of the Czech Republic. In this respect, it is recommended that where such

criticism is unfounded, senior members of the Czech Police should respond through the media.

The **wave of migration** to Europe, which has taken place in recent years, may seem to be an extraordinary phenomenon, though it is only part of massive migratory movements in today's world, which are far from confined to Europe.

In terms of criminology, the consequences of unmanaged migration and integration risks can be reflected in:

- a) an increase in crime by foreign nationals;
- b) the emergence and rise of conflicts between the majority and minorities;
- c) an increase in hate crimes, i.e. crimes motivated by antipathy to certain religions, cultures or nationalities.

The significance of these risks explains the interest of criminologists in crimes linked to migration or that could be a consequence thereof.

The study, undertaken as part of the research project on organised crime, focuses on the current situation in the Czech Republic in terms of migration or transit movements affecting us, crimes associated with foreign nationals and the public response. It also deals with the involvement of organised crime in migration movements, especially in terms of its manifestations and forms in the Czech Republic.

The aim was to describe and characterise the operation of groups and organised crime networks in aiding illegal migration. The involvement of organised crime in illegal migration was monitored with a focus on the Czech Republic, especially in the current period. In describing the impact of organised crime in this area, attention was focused on typical conduct, international crossover, the characteristics of criminal networks, and estimated profits with an attempt at possible historical and international comparisons using available sources. The aim was also to evaluate how the issue of illegal migration has been reflected in public opinion.

The following methods and techniques were used to address the task: expert inquiry, which mainly included members of the Police Force of the Czech Republic, Ministry of Interior and Security Information Service employees and the staff of non-governmental organisations. An expert inquiry was conducted in the form of managed interviews in 2016 and 2017.

A secondary analysis of sources was carried out using national and international literature and UN, EU, Council of Europe, Europol and Interpol documents. The statistics of the Police Force of the Czech Republic, especially the Alien and Border Police and data from the Czech Statistical Office were used. Reports on the Activities of the Public Prosecutor's Office,

Reports on Internal Security and Public Order in the Czech Republic and Status Reports on Migration and the Integration of Foreigners in the Czech Republic for the respective years were also used. The results of an inquiry conducted by the Public Opinion Research Centre attached to the Institute of Sociology of the Academy of Sciences were used as a specific source of public opinion. An analysis of court files included files on legitimately terminated cases, usually based on the provisions of Section 340 of the Criminal Code (organising and facilitating unauthorised crossing of the state border). Selected case studies were prepared in this context.

The study noted that illegal migration affected the Czech Republic to a very limited extent during the reference period of the main migratory wave in 2014-2016 compared to other European countries. Unlike the 1990s, the Czech Republic was not on the main migration routes.

With regard to the involvement of organised crime, the presence of large international smuggling networks in the Czech Republic was not proven. Although cases of migrants being smuggled through our country were detected, these were organised outside the Czech Republic. Experts confirmed that the organisers of these smuggling operations were not based in the Czech Republic, but "along the route", especially in Turkey, Greece and the home countries of migrants and refugees. Special Czech groups covering part of the route through the Czech Republic were not established unlike the situation in the 1990s. Organisers and their accomplices were usually the compatriots of the migrants; there is a strong supportive role of family ties here and migrants often relied on the help of relatives who were already settled in the target countries.

According to the findings of Europol and this research study, the organisation of smuggling networks in the studied wave of migration was considerably looser and more flexible. Relatively stabilised groups were not established. Communication between the organisers consisted more of sharing contacts and passing these onto migrants. Instead of personally accompanying migrants along the relevant section of the route, migrants were provided with these contacts. However, this manner of organisation was only made possible by the current level of communication devices (mobile phones, internet, social networks).

This modern form of organisation appears to confirm the gradual transformation of organised crime or at least its part from more rigid and stabilised structures to looser and more flexible networks based on contacts between participants (organisers and migrants). These more flexible networks are more adaptable and can respond more flexibly to situations and opportunities (or threats). Migratory waves are a very profitable business for the organisers, as

migrants usually pay for each part of the route separately and the total is estimated at tens of thousands of EUR.

Although a significant proportion of committed crimes is attributed to foreign nationals and migrants, it is clear from trends in recorded crime (aside from the overall decrease in recorded and solved crimes that is evident in the Czech Republic in recent years) that the share of crimes committed by foreign nationals to the total number of crimes committed and solved was relatively stable over the reference period at approx. 5.7% - 5.9%. Looking at the share of crimes committed by foreigners from third countries (i.e. excluding citizens of EU Member States) in more detail, it is obvious that their share is basically minimal in the three years in question at about 2.2 - 2.3%.

A characteristic feature of public views on migrants and immigrants manifests here – with negative views essentially directed towards migrants from the Islamic world. Yet substantially stronger migration actually comes from Ukraine and Vietnam, which is not accompanied by such strong negative feelings from the public. Overall, concerns about migration by the Czech public do not reflect the real state of migration or the real impact of foreign nationals on committed crimes. The response is based more on the generally perceived threat of migration and its potential risks. Thus, the hypothesis can be posed (see McDonald, 2002) that the fear of migrant criminality, like the fear of crime in general, should be interpreted as a general feeling of uncertainty and concern, rather than a barometer of specific attitudes and experience relating to migrants.

In a study on the **development of crime in Ukraine** and its impact on the Czech Republic, the author relies on direct longer-term experience from Ukraine, supplemented by consultations with experts, which took place as part of, among others, the CEPOL Exchange Programme at the University of the Ministry of the Interior of Ukraine in Odessa. However, the research itself has been underway throughout Ukraine since 2014.

The material focuses on a variety of criminal activities. It is not a detailed analysis, but an overall summary and placement of the overall development of criminal activities into context. Some of these have a direct impact on the Czech Republic, while others have an indirect impact.

As a result of the events following the Revolution of Dignity, there was a fundamental transformation of Ukrainian society. This was also strongly reflected in the political life of the country. However, it would be naive to assume that Ukrainian organised crime disappeared as a result of the revolution, although its relationship with the political leadership of the country has changed. The long path to building a democratically functioning country is therefore just

beginning. A strong positive role, according to the author, should be played by an active civil society, which influences Ukrainian policy to an unprecedented level.

The author notes that from a criminological perspective, Ukraine must be seen in several interconnected contexts. It is already a notoriously known fact that Ukrainian organised crime groups are active in the Czech Republic and engaged in a wide range of criminal activities here. These were mostly under the control of so-called brigades in the 1990s and early 21st century. There were several operating in the Czech Republic, such as the Lvovskaia brigade, Mukatchevskaia brigade, Irshavskaia brigade, etc., but also groups from other parts of the country, Luhanskaia, Krymskaia, Krivirovskaia, etc.

Most Ukrainian groups, however, gradually modernised and infiltrated into legal business. The brigades were replaced by corporations, and during V. Yanukovich's term of office, organised crime took control of the entire Ukrainian state. The mafia thus had the opportunity to use official state cover to carry out its activities both in Ukraine and abroad. This centralisation was disrupted again after 2014, and many Ukrainian groups began operating independently once again.

The most profitable activities for organised crime today in relation to the Czech Republic and the EU are illegal migration, human trafficking and people smuggling. Ukrainian smuggling groups also import a variety of undeclared and illegal material to the EU and directly to the Czech Republic.

One of the biggest problems of Ukrainian society is the huge differences between a small group of extremely wealthy individuals and the rest of society, which, under various schemes, has become a permanent victim of often well-legalised and latent criminal structures. The criminal activity of these syndicates is no longer the greatest threat of their existence. Far more dangerous is their power potential, which allows them to influence the economy and state policy.

In Ukrainian society, it's not just about organised crime and its perpetrators. The problem is also victimisation, with large groups of people willing to take risks in seeking work abroad. Whole groups are thus being victimised within Ukraine and Ukrainian communities abroad. The root of this process is the hopeless social situation of specific individuals and often the extreme complications associated with acquiring all the permits required to work abroad. However, even Ukrainians addressing their difficult economic situation within Ukraine are subject to the process of criminalisation or victimisation. This is because a large part of the business activities in Ukraine have moved into the unofficial grey economy as a result of the situation outlined above.

The criminal-agency networks which are the subject of this part of the study, should be the primary focus of security forces. This particularly concerns those aspects where organised crime threatens the very existence of the state, and where criminal activities are no longer merely continued trade by other means, but where organised criminal structures are used in the framework of the political struggle and wider military strategy. In this respect, criminological research can be a vital asset to state security and criminological analysis an appropriate indicator of potential threats to state security.

The final part of the study focuses on the **methanol affair in the Czech Republic** and the possibilities of applying the network analysis method; it therefore has a broader methodological context. The author examines the nature and possibilities of using this method in criminology, which he presents through its specific application to a network of players involved in the alcohol or methanol affair, whose consequences scarred the Czech Republic in the second half of 2012.

The text first presents the relevant theoretical basis for the analysis of criminal networks, particularly in relation to the key players, their characteristics, the structure of criminal networks and role of previous ties. The mechanisms behind the creation or operation of all these aspects are also listed. Subsequently, the author describes the context of the methanol affair, the data collection process and methods of its analysis, with a focus on descriptive techniques and special network models.

The author deals with the identification of the key players involved in criminal networks and characteristics of these players. He points out that the essential element of the entire network perspective is the ability to look at the structure of the network as a whole. It is evident that the higher the centralisation of the network, the easier it is to coordinate, as the player around whom these ties are concentrated can directly manage and interact with others. On the other hand, however, the network becomes vulnerable, because the removal or elimination of such a player can destroy the entire network.

Previous ties, i.e. ties established before criminal activity, often as legal or legitimate ties (e.g. kinship, friendship, shared employment, shared social background, etc.), are considered to be the basis of interpersonal trust among offenders, which is crucial in the criminal environment, as distrust can have fatal consequences in such an environment. The second reason is that they represent one of the defining features of organised crime - its connection to the world of legal business and legitimate social relations.

In relation to the methanol affair, the author notes that two branches can be distinguished in this case. The first was centred around Zlín and included a long-established criminal group.

This group had an organised division of labour; legal business provided a cover for illegal activity and, above all, senior members of the group often used intimidation, extortion or physical confrontation to protect their illegal profits. These profits largely stemmed from tax evasion through the production and distribution of untaxed alcohol. The second branch was based in Ostrava and surrounding area, and dominated the distribution of a lethal mix of alcohol and methanol.

The source of data was a total of 19 court files. When encoding this data, a content analysis was used that proved suitable for encoding textual data on criminal networks, as it allows the systematic processing of material that may be subjective or prone to error.

In this case, exponential random graph models were used to model the network structure from its microsocial mechanisms. The existence of previous ties had a significant impact on the structure of the network. Criminal cooperation between the players in this network took place on the grounds of earlier cooperation and relations, which supports the conclusions of previous research.

An analysis of the network of 32 players who actively participated in the methanol or alcohol affair showed that this was a network with a special structure in the form of two components connected by a single link. No other immediately visible structural features were evident - it was neither extensive nor highly centralised, closed or fragmented. There were central players, one of whom was strategically placed and two others in close positions. None of these players, however, was found to be a leading figure or to have special know-how.

In terms of potential socio-technical recommendations, the study offers several concrete and empirically grounded proposals on how to proceed against criminal networks with the aim of their disruption, a topic that logically draws particular attention in the study of criminal networks. By simply visualising relationships and interactions between the offenders, it was possible to uncover the Achilles' heel of the entire network - a link bridging two otherwise separate subgroups. Although a simulation of the impact of different types of interventions on the network structure was not the subject of this analysis, it is clear that removing the bridging link or at least one of its creators would have resulted in the disintegration of the network into two parts, between which the mixture of alcohol and methanol could no longer flow. Other suitable targets in terms of monitoring and the eventual disruption of the network were players who held (virtually) strategic positions.

Translated by: Presto