

Cooperation Between Organized Crime Groups Around The World

Organized crime is by its very nature a transnational phenomenon. As with any of illicit goods and services must have a network of marketing, sales and distribution agents, legitimate business, the criminal organization that wishes to compete in the international market transportation facilities and financial services in selected locations around the world. The specific characteristics of the criminal network for the commodity that is traded are established in terms of source, production, transit and target countries, and areas where profits can be hidden and/or invested. In almost every case, whether the illicit product or service be drugs, arms, counterfeit currency, illegal immigrant smuggling or the laundering of illicit profits, the process involves a cross-frontier operation, and therefore cross-frontier collaboration. In the case of cocaine, a typical chain might be as follows: the coca plant is cultivated in Peru, refined in Colombia (where the necessary precursor chemicals, manufactured elsewhere, would be assembled), sent overland to Venezuela, by sea to Spain and onwards to Italy, where, from a warehouse in Milan, it would be broken down into smaller consignments for subsequent distribution throughout western Europe. Profits would be laundered initially through finance brokerage houses in Milan, then through offshore centres in the Channel Islands or the Caribbean, and finally reinvested or repatriated.

Traditionally, there have been three distinct types of international collaboration: the first and most common is the international criminal network established by groups of a single ethnic background. Two factors have favoured this process - the speed and ease of international travel, and the multiracial diversity of modern industrialized society. The migratory flows of the twentieth century (and earlier) from poor to richer countries created large diasporas of ethnic colonies strategically scattered around the world. Links based on trust and blood relationships with the homeland and on the commercial opportunities offered by economic prosperity in the adopted country are exploited by criminals, who find cover among their predominantly law-abiding emigre compatriots. The ethnic link is particularly evident among Chinese Triad groups who tend to work almost exclusively with their own networks around the world. However there is evidence of collaboration with other groups such as the Colombian cartels for cocaine smuggling and with the Italian Mafia, primarily for the purpose of illegal alien smuggling.

The second form of collaboration consists of ad hoc arrangements between sellers and buyers, where deals are negotiated through recognized intermediaries in the various illicit markets. Typical of these would be the trade of opium gum or morphine base between local producers and traffickers in the Golden Crescent (Afghanistan, Pakistan, Iran) or in the Middle East, or arms deals negotiated by or for organized crime groups in a West African city. In such cases, buyers and sellers meet in neutral territory where the nationality of the intermediaries is unimportant, and where the only criteria for doing business are an agreement on terms between buyer and seller and a climate which permits illicit deals and transportation to be effected with a minimum of disturbance from law enforcement authorities or inquisitive officialdom. With this type of collaboration, buyers and sellers need not be affiliated members of an organized crime group, merely unscrupulous entrepreneurs willing to take the risk of transacting business in a market where the only form of contract enforcement is the threat or use of violence. The bartering of drugs for arms or for money to buy arms is a common feature, not only of collaboration between organized crime groups but also of that between organized crime groups and terrorist organizations, as has been the case in Peru and

Colombia, and between organized crime groups and insurgent nationalist or religious groups, as in Afghanistan, Sri Lanka, Kosovo and Burma.

A third form of international cooperation derives from chance contacts or meetings between individual criminals and organized crime groups which lead on to a more stable relationship. Important supply lines of morphine base and heroin to the Sicilian Mafia, Cosa Nostra, were set up in the late 1970s and early 1980s after Cosa Nostra members Pietro Vernengo and Gaspare Mutolo shared prison cells in Italy with the Turkish trafficker, Yasar AUNOi Mussullulu, and the Singapore-born Chinese, Koh Bak Kin, respectively. Sicilian judges estimate that between 1981 and 1983, Mussullulu alone supplied two Mafia individuals with two metric tons of morphine base for the sum of 55 million US\$, after which he disappeared from circulation and his supply line to Italy ceased. Koh Bak Kin was first arrested at Rome airport in 1976 with more than 20 kilograms of heroin and in 1978 was sentenced to six years in prison. The already lenient sentence was further reduced, and Kin was released from prison in 1980. On his return to Bangkok, he was able to guarantee a steady supply of heroin to Cosa Nostra thanks to his links in northern Thailand with an emissary of the opium 'baron' Khun Sa. He was re-arrested in 1983 at Suez, aboard a Greek ship which was carrying 233 kilos of pure heroin to Sicily.

While all three forms of collaboration - shared ethnicity networks, 'ad hoc' arrangements and 'contingency factor' deals have continued - a significant new type of alliance has been created in the course of the last decade, the 'strategic partnership'. Strategic partnerships break new ground in two important ways: firstly, they show a shift from collaborating networks of a single ethnic group dispersed over different continents towards a collaboration between organized crime groups of different nationalities and ethnic backgrounds; secondly, these alliances are neither contingent nor ad hoc but represent an embryonic form of federalisation - that is, strategic alliances, which are reasonably stable in time and are forged on the basis of congruent goals. Strategic partnerships have the same function as their counterpart agreements in legitimate business - to spread and reduce risk and to gain market access.

The emergence of strategic partnerships is not simply the outcome of criminal minds at work, but owes much to the profound economic and geo-political changes which have taken place over the last decade. Even more efficiently than legal operators, organized crime groups have been quick to take advantage of new opportunities: they have exploited the internationalization of legal, commercial and financial markets, the relaxation of international boundaries, scientific and technological advances - particularly in the field of telecommunications - and new geo-political configurations around the world. Taken together, these elements have encouraged the internationalization and progressive integration of criminal markets in goods and services, which now appear regulated by consent, rather than by violent power struggles, into sectoral and geographical areas of competence. This has occurred at national level in Italy, where instead of competing for the same markets, a kind of 'syndication' of the four major organized crime groups - Cosa Nostra, the Camorra (from the Naples area), the 'Ndrangheta' (Calabria) and the United Holy Crown (Apulia) - has taken place. Where once these groups fought for market shares, nowadays when they operate outside their home regions they divide up territory and activities without undue conflict, while services such as money laundering tend to be centralized in the hands of professional outsiders. The same pattern has developed at international level, as will be seen below.

The first proven case of a strategic partnership took place in 1988, when a formal agreement sealed on the Caribbean island of Aruba between representatives of the Colombian Medellin cartel and several Palermo families of Cosa Nostra led to the shipment of 565

kilograms of cocaine to the western Sicilian port of Castellamare del Golfo in a vessel called 'The Big John'. The pact stipulated that this should be the first of a series of even larger shipments, with Cosa Nostra aiming for the monopoly of cocaine distribution in western Europe. The intention was never realized, partly because full details of the Big John's journey and its cargo subsequently emerged in a criminal investigation, and partly because the Sicilians defaulted on the payment deadline, such that instead of paying the full sum of 12 million US\$ within a 90-day period, payments continued throughout 1989.¹ Nonetheless, it provided an alarming indication of the potential consequences of such collaboration.

In May 1992, just ten days before the Mafia murdered him together with his wife and three bodyguards, judge Giovanni Falcone referred to this case during a conference on drug trafficking, warning of the consequences of 'joint ventures in illicit activity at international level'. In his words, the Colombian-Sicilian deal provided 'the proof of the beginning of direct contacts [which are] extremely dangerous for the possible risk of operational fusion between criminal organizations of considerable economic power and great operational capacity. [...] These links must be a source of concern, most of all because they are indicative of a trend that may lead to an increase in the dangerousness of these organizations through the development of a common strategy'. He concluded, 'It is precisely this common strategy which should be the inspirational goal for all the countermeasures to be taken'.²

The current structure of the strategic partnership has been determined largely by two forms of criminal expansion - the flow of CIS criminals to Western Europe and North America and the counter-wave of West European and South American criminal organizations to the countries of the former Soviet Union, with the mafiya organizations fast emerging as the key players. Just as any operation involving the international movement of cocaine has traditionally involved dealing directly with the Colombian cartels, organized criminals in every continent must now reckon on having to do business with the Russians.

Police and intelligence reports testify to the growth of strategic partnerships between representatives of the principal organized crime groups. The Russian authorities have information concerning a number of formal agreements signed by Colombian narcotics dealers and Russian mafiya groups dating back to 1988.³ Around 1991-92 a series of meetings is thought to have taken place between the Mafias of different countries to coordinate initiatives. Although details of times and dates vary, there seems little doubt that such meetings have taken place. According to Fituni⁴ the first important Italo-Russian contacts - involving Cosa Nostra, the Camorra and the 'Ndrangheta' - took place in March and June 1991 in Warsaw and were continued in Moscow. The Russian press and the anti-organized crime unit of the Police Department in Moscow have confirmed that a meeting took place in the late autumn of 1992 between the Sicilian Cosa Nostra and organized crime groups from the former Soviet Union with the aim of establishing a global network for drug distribution and the sale of nuclear components. Czechoslovak federal police confirmed that, at a meeting in Prague in 1992, one month before Czechoslovakia split into two separate republics, the Italian Mafia had signed a secret deal with some underworld gangs of the CIS countries,

¹ Judge Salvatore Barresi, judge in the 'Big John' trial, in conversation with the author, Palermo 2 June 1993.

² Conference 'Drugs, the New Evil Empire' organized by RISCT (London) and news agency adn kronos (Rome) to launch the publication of, A. Jamieson, Drug Trafficking after 1992, Conflict Studies 250, RISCT May 1992.

³ L. Fituni, Director, Center for Strategic and Global Studies, Russian Academy of Sciences, in conference paper entitled 'CIS': organized Crime and its International Activities, Hanns Seidel Stiftung, Wildbad Kreuth, 22-24 September 1993.

⁴ Ibidem.

whereby special death squads comprised of agents formerly in the employ of the KGB would protect new drug routes through Central and Eastern Europe.

A later report⁵ lends support to this thesis, noting that close collaboration between Russian and Italian Mafias has been on a formal footing since 1991, with meetings in Warsaw (1991), Prague (1992) and Berlin (1993). At the Berlin meeting it is said that the Russians effectively 'franchized' Germany and northern Europe from the Italians.

French intelligence sources report that a high level 'business' meeting took place at a hotel in the French Burgundy town of Beaune in November 1994 between representatives of the powerful Italo-American Gambino family, the Japanese Yakuza and Colombian, Russian and Chinese crime bosses. For the first time, French intelligence was in a position to monitor the entry of top Russian bosses to France. The alleged purpose of the meeting was the subdivision of western Europe for drugs, prostitution, smuggling and extortion rackets through which, according to a senior member of Interpol, cities were split into suburbs and rural areas into type of activity. Police think that groups now liaise to ensure that individual drug routes are not over-utilized, to agree on the amounts of drugs that each organization can bring into different countries and to discuss the sharing of equipment such as boats and arms, and the hiring of specialists in technologically sophisticated areas such as 'cyber crime'. Since the Beaune meeting, senior intelligence sources in Europe and the USA believe that two other top-level crime gatherings have taken place on chartered yachts in the Mediterranean.

Although the details of these discussions are not known, their consequences - the internationalization of organized crime activities - are becoming increasingly evident. While internecine warfare among factions of a single organized crime group never entirely disappear, the incidence of 'international' turf wars is negligible. In 1993, 69 Colombians and 58 Brazilians were arrested on drugs offences in Italy, but never has a South American national been assassinated for 'trespassing' on Italian Mafia territory. A joint Italo-British police and customs operation in December 1993 led to the seizure of 263 kilograms of cocaine at the English port of Felixstowe: the ship had come from Ecuador and was on its way to Sicily. The 13 drug traffickers arrested in the UK and Italy comprised Italian, Colombian and British nationals.

Nearly all the European Union countries reported an increased transnational component of criminality in 1996. More than half of all the suspects involved in organized crime activities in Germany were found to be non-German nationals: the largest percentage (22%) was comprised of Turkish nationals, followed by individuals from the former Yugoslavia (12%), Poland (9%), Italy (9%), Vietnam (6%) and Russia (5%). In one investigation, 15 different nationalities were identified.⁶

Spanish investigators identified 182 criminal groups in the same year, of which almost half (48.86%) were composed of Spanish and foreign nationals; Spanish-only groups accounted for 28.41%, while entirely foreign groups were 22.74% of the total.⁷ Only one third of all the 1561 organized crime suspects in Belgium were Belgian, the most frequently investigated nationalities were Italian, Dutch, Turkish, French, Moroccan, Russian, Yugoslavian, German and Romanian in descending order. An estimated 90% of all heroin imported into Belgium is

⁵ Galeotti, M., 'Mafiya': Organized Crime in Russia, Jane's Intelligence Review, Special Report No 10, UK, June 1996.

⁶ Europol Drugs Unit, 'Situation Report on Organized Crime in the European Union 1996', p 24.

⁷ Ibidem, p 52.

controlled by Turkish networks which have bases in Belgium. The presence of Russian, Colombian and Chinese organized criminal groups was also identified.⁸

Italian organized crime has long-established links with many South American countries such as Bolivia, Argentina, Colombia, Uruguay, Chile, Peru, Venezuela and Brazil, as well as with Central America (Panama, Costa Rica), the Caribbean, and North America. These links are based primarily on ethnic networks which, with the passage of time, have collaborated with, absorbed or merged with indigenous criminality. Members of the Cuntrera and Caruana families emigrated to Canada in 1952 and from there to Venezuela in the 1970s. The investigation into the drug trafficking syndicate established by them involved three continents, eight countries and 52 banks, and revealed that 700 kilos of Thai heroin had been imported to the USA between 1978 and 1985. From the wealth thus accumulated, the brothers Pasquale, Paolo and Gaspare Cuntrera invested in property and tourism in the Caribbean, acquired fertile agricultural land in western Venezuela close to the border with Colombia, and made numerous investments in companies and commercial activities in Caracas. Their status was such that the Venezuelan President, Carlos Andres Perez, was a witness at the wedding of Pasquale Cuntrera's son, an event which was transmitted live on television. Official protection lasted until 1992, when the brothers were extradited to Italy and received long prison sentences. Italian criminal networks in Venezuela had not been eliminated however - in mid 1997, at least 30 requests for the provisional arrest of Italian citizens had been lodged with the Venezuelan authorities; in October of the same year, 21 persons were arrested on charges of laundering money for the Camorra - among them were Uruguayans and Russians.⁹

A member of the Sicilian Madonia clan of Cosa Nostra, Salvatore Ciulla, was arrested in Bolivia in January 1994 where he had been operating a major cocaine trafficking network to Spain and Italy via Buenos Aires and Rio de Janeiro. Clan members in South America were linked to others in Turkey who handled the purchase and refining of morphine base which was sent onwards to Europe and the US.

Camorra boss Umberto Ammaturo is thought to have had a virtual monopoly of cocaine distribution to Italy from Peru, where he also enjoyed the protection and collusion of important personalities.

A Calabrian criminal group based since the 1950s in Toronto, Canada, known as the Siderno Group, (from its town of origin) has moved narcotics over three continents. This group had contacts in Bolivia, Venezuela, Brazil, Chile and Peru, and had permanent representation in Colombia for drugs and in Costa Rica and Panama for money laundering. Roberto Pannunzi - a prominent member of the group and its key man in Colombia - was arrested in Medellin in 1994. Previously, he had been in charge of heroin shipments from Turkey through Italy to the United States. His first action after his arrest was to offer one million US dollars to the policeman who arrested him, and he tried to impress the Italian police officer who visited him in prison by boasting of huge investments in property and precious stones in Canada, Australia, Medellin and Rome. During the year he spent in prison in Colombia before his extradition to Italy he had unrestricted use of a cellular phone, and thus was able to continue running his business.¹⁰

⁸ Ibidem, p 11.

⁹ P. Cusano, P. Innocenti, 'I Grandi Affari delle Mafie Italiane nell' America Centromeridionale', in *I Soldi della Mafia*, (ed) L. Violante, Editori Laterza, Bari, 1998, p 37.

¹⁰ Ibidem, pp 26-27.

Successive waves of southern Italian emigrants to North America have provided cover for Mafia activities. The FBI estimated in 1993 that there were around three thousand members of Italian organized crime groups in the US, spread around the following cities: Albany, Atlanta, Boston, Buffalo, Chicago, Detroit, Galveston, Houston, Jacksonville, Los Angeles, Miami, Newark, New York, Philadelphia, Pittsburgh, Richmond, Rockford, Saint Louis, San Francisco, San Jose, Tampa, Toledo and Washington DC.¹¹ According to the FBI, there were 63 sworn members of the 'Ndrangheta', based prevalently in the North East, but with settlements in Miami, Tampa and Los Angeles. Settlements of 'Ndrangheta', Cosa Nostra and Camorra members have been established in Miami since the 1970s, and are involved in distributing drugs through the US markets and thence to Europe.

All the Italian Mafia groups have taken advantage of new investment possibilities in the former Soviet Union (FSU) and Eastern Europe. As early as 1989, Cosa Nostra affiliates acquired rubles to the value of 28 million US\$ and, in partnership with US Mafia members, purchased the 'International Bank of Southern Russia' in Yekaterinburg for investment and money laundering.¹² The Camorra has inserted operatives as full-time residents in the FSU and has invested considerable resources in illicit activities such as racketeering, arms trafficking and currency counterfeiting, and in the ostensibly licit sectors of commerce and financial services. Groups of criminals based in North Eastern Italy known as the 'Brenta Mafia'¹³ used Polish and Hungarian casinos for money laundering.¹⁴ It is thought that the traditional Italian Mafia organisations offer knowhow and distribution networks in the West; in exchange, East European criminals are thought to indicate investment opportunities and provide protection for drug routes and distribution networks throughout the former Soviet Union, Poland, the Czech Republic, Bulgaria and Romania.

The head of Italian foreign intelligence told the Parliamentary Antimafia Commission in 1992 that there were numerous cases of Italian business and joint ventures being set up in Eastern Europe belonging to Italian mafiosi. There were contacts between a number of commercial companies in Italy and Russian criminal organisations which were suspected of laundering the profits from illicit activities in the Russian Federation.¹⁵

A Czech delegate to a 1993 Interpol conference reported the conspicuous presence in Prague of Neapolitan criminals, who were involved in the production of false documents, drug trafficking and in the running of local prostitution. They were cooperating with local gangsters and with Russian, Arab and other Italian criminals, especially Sicilians.

The Italian Interior Ministry has confirmed the presence of the Camorra Liciardi clan in the Czech Republic, and also states that clan members look after the financial interests of Russian groups in the West, in particular the Chechens.¹⁶ There are also proven contacts between Russian mafia groups and the Camorra for arms traffic.¹⁷

¹¹ X. Raufer, 'Planète Mafieuse', Institut de Criminologie, Université di Paris, June 1994, p 17.

¹² 'Viaggio a Criminopoli', dossier of the association Confcommercio, distributed Rome, 1995, p 20.

¹³ This group has now been almost entirely disbanded due to the arrest and collaboration with the authorities of its principal exponent, Felice Maniero.

¹⁴ Ministero dell'Interno, Rapporto sul Fenomeno della Criminalità Organizzata per l'Anno 1996, Rome, September 1997, pp 418-9.

¹⁵ Ministero dell'Interno, Rapporto sul Fenomeno della Criminalità Organizzata per l'Anno 1992, Rome, May 1993, p 57.

¹⁶ Ministero dell'Interno, Rapporto sul Fenomeno della Criminalità Organizzata per l'Anno 1994, Rome, April 1995, p 487.

¹⁷ Commissione Parlamentare Antimafia, Relazione sulla Camorra, 21 December 1993, p 13.

Four Italians from Como in northern Italy were arrested in Moscow in December 1992 trying to dispose of 1,050,000 worth of counterfeit dollars.

The Apulia-based United Holy Crown exploited the long Adriatic coastline and the state of civil war in the former Yugoslavia to assume an important role in drugs and arms trafficking, in the westwards movement of illegal immigrants and in the eastwards traffic of stolen vehicles. At least 6000 stolen vehicles are sent via Adriatic ports each year to Eastern Europe. Italian mafiosi are suspected of involvement in the fraudulent banking scams that led to the collapse of the Albanian economy and to the government crisis in early 1997, and in money laundering activities there. Furthermore, together with Colombian criminals, Italians are reported to be assisting in the experimental growing of coca bushes in the country's mountainous regions.¹⁸

The 'Ndrangheta' has formed close contacts with East European criminals for arms and drugs trafficking and money laundering. According to the public prosecution office of Locri in Calabria, the 'Ndrangheta' has solid support in St Petersburg, where it is involved in drugs and arms trafficking (missile launchers and light arms) and money laundering. Clans from the Locri and Gioia Tauro areas purchased 34 billion roubles with a view to investment in the FSU, of which two billion US\$ worth of rubles were to be used to purchase a bank, a chemical plant and a steel works near St Petersburg through complex bank transactions in Germany, Luxembourg and Austria. The investigation revealed contacts not only with Russian mafia gangs but also between the Italian criminals and eminent private individuals and public officials within the Russian Defence Ministry. It is thought the clans used this network to acquire and import arms and explosives into Italy. In April 1993 four explosive devices were found together with components of surface-to-air missiles of Russian origin in Calabria.¹⁹

Calabrian criminals, with the support of the United Holy Crown, purchased hundreds of Kalashnikov rifles in the former Yugoslavia which were subsequently bartered for quantities of heroin.²⁰ Calabrians were also found to be working with Romanian criminals to invest in privatisation activities.

Hungary has become a major crossroads for eastern and western Mafias and an important transit country for narcotics (estimates are of 10 metric tons annually in transit). Italians are thought to be involved in this sector using the cover of joint ventures (which are subject to little or no government control) and import/export companies. An investigation culminating in June 1993 led to the arrest of some 140 individuals on charges of murder, Mafia association and drug trafficking and indicated the intention of Calabrian organised crime to create full scale operations in Eastern Europe, in particular in Poland and Hungary.²¹

Italian Mafia groups have been operating in Poland with specialized structures in money laundering, drug trafficking, vehicle theft and smuggling. According to press reports from Poland, Italian criminals are buying land and property in the form of restaurants and pizzerias around the country's best known tourist resort, Zakopane. Money laundering could have been facilitated by the high cash turnover of this type of establishment and by Poland's weak

¹⁸ Ministero dell'Interno, Rapporto sul Fenomeno della Criminalità Organizzata per l'Anno 1996, September 1997, p 435.

¹⁹ Ministero dell'Interno, Rapporto sul Fenomeno della Criminalità Organizzata per l'Anno 1993, Rome, April 1994, p 385.

²⁰ Ministero dell'Interno, May 1993, p 56.

²¹ Commissione Parlamentare Antimafia, Relazione Finale XI Legislatura, Rome, 18 February 1994, p 53.

money laundering legislation. Polish police sources state that Italians are working together with Russian and Polish criminals to organize the contraband of stolen vehicles through the Polish eastern frontier - in Warsaw, one such group was dismantled which was involved in stealing cars and selling them in the FSU. Four Italians were arrested in Poznan for attacking trucks and stealing cargoes. In the city of Rzeszow, southern Poland, ten Polish drug couriers were arrested who were members of an Italian Mafia trafficking group. The United Holy Crown was also operating there.²²

Conflict between the traditional Russian 'thieves within the law', together with economic liberalisation and the new opportunities for travel in the early 1990s, caused many crime bosses to leave Russia and settle in western Europe or North America and facilitated closer contacts with organized crime in these countries. The Russian Interior Ministry estimates that 300 Russian Mafia gangs operate in at least 29 countries abroad, either in cooperation with foreign partners or independently, of which about 100 gangs are permanently based abroad.²³

Organized criminals from the Russian Federation have been identified in most EU countries, most notably in the Netherlands, UK, Belgium, Germany and in Italy, where permission to operate can only have come from the existing organized crime groups. German police estimated in 1992 that 85 per cent of slot machines for gambling were controlled by FSU nationals, who were also heavily involved in prostitution rackets.²⁴ According to the Russian Interior Ministry, six identified criminal clans were "interested in Italy": the Moscow-based Ingush gang, four from the Urals and one from the Central Chernozem belt. Their areas of speciality included violent crimes for profit (theft, robbery and extortion) and economic theft.²⁵ Italy has been used as a transit country for the traffic of stolen icons and other works of art and of radioactive substances from Russia and the Ukraine. Two Italians were arrested near the Belarus -Russian border in June 1993 and charged with trying to smuggle 36 kg of enriched uranium from Russia.²⁶ In September 1993, the Russian and Italian Interior ministers signed an agreement on fighting organized crime, admitting that cooperation between criminals in their respective countries was in a phase of rapid development.

The head of the national association of Italian commercial businesses, Concommercio, estimated in 1995 that Russian and Italian organized crime groups had invested the equivalent of 1.13 billion US\$ in the region of Emilia Romagna in the sectors of tourism, drugs, prostitution and gambling.²⁷ Russian drug traffickers and dealers have been identified in Rome, Milan, and Emilia Romagna and are believed to have introduced large quantities of synthetic drugs for consumption in discotheques on the Adriatic coast. Russian criminals are also responsible for organizing the illegal entry into Italy of young women from CIS countries for prostitution and for maintaining these networks in Northern and Central Italy.

In January 1995 Italian police arrested a group including two Russians, which was producing counterfeit dollars and treasury bills under cover of an import/export company in

²² Spanish news agency EFE, 9 July 1996.

²³ Crime in Russia - A special report. Control Risks Information Services, unpublished paper, London, November 1994.

²⁴ Ministero dell'Interno, May 1993, p 52.

²⁵ Statement by First Deputy Minister of Internal Affairs of Russia, General Yegorov at Hearing of the Permanent Subcommittee on Investigations of the US Senate, Washington DC, 25 May 1994.

²⁶ Fituni, op.cit.

²⁷ Corriere della Sera, Milan, 1 September 1995.

the Tuscan coastal area of Versilia. They were working alongside Italians but had their operational base in Moscow. The prominent mafiya boss Monia Elson, wanted in the US on multiple charges of murder, was arrested in Fano, on the Adriatic coast of Italy, in March 1995. He was suspected of trafficking in heroin from Eastern Europe under the cover of the import/export of furniture. Elson's wife was arrested in September and two other Russians, associates of Elson, were arrested in Rome later in the same year. The group to which they belonged had been operating in Italy since 1993 in the gold trade, and had contacts with 43 Italian companies.

The mafiya began its penetration of the USA by taking control of emigre Russian gangs in New York's Brighton Beach. From there, five major cartels have been built up, comprising more than 200 gangs in 17 cities including New York, Denver, San Francisco, Miami and Chicago.²⁸ The Chicago Crime Commission, an association set up by business leaders in 1919, reported in 1997 that in addition to the indigenous La Cosa Nostra (LCN), at least six ethnic groups were operating crime rings in Chicago, each with at least one criminal speciality. The Commission's report states that Nigerian and other West African syndicates have captured 70 per cent of the Chicago heroin market; Polish gangsters run a car theft ring whereby cars stolen in Chicago are moved to Baltimore and shipped to Poland for resale. Asian groups are believed to provide drugs to LCN in exchange for weapons and capital. Russian mafiya groups have become skilled in cloning mobile telephone numbers and in financial fraud committed by computer. Another mafiya speciality is oil and gasoline fraud in partnership with La Cosa Nostra: in one case, a group of Russians worked with the Gambino crime family of New York in a fuel-tax fraud that cost New York State millions of dollars.²⁹ According to the Federal Organized Crime Strike Force in Brooklyn, by 1992, Russian gangs had acquired ownership of, or the right to supply, one third of all the gas stations in the metropolitan area of New York. Other activities included money laundering, counterfeit banknote manufacture and some drug distribution.³⁰

The Russian mafiya does not only look westwards - collaboration with criminals in Kazakhstan and Tagikistan for the development of opium production and heroin trafficking are opening up new markets and distribution routes. According to the Russian Interior Minister, the value of drug trafficking in the Russian Federation is now seven billion US\$ per annum, 650 times greater than in 1991,³¹ while the rate of increase in drug addiction in Russia is one of the fastest in the developed world.

Russian organized crime is also expanding eastwards into East and South East Asia through the supply of Russian prostitutes, the purchase of real estate and illicit gambling activities. There are also contacts with S.W Asia - according to the OECD's Financial Action Task Force, the Pakistani underground banking system known as hundi - popular with criminals as a means of laundering money without leaving a paper trail - has set up an office in Moscow.³²

The strategic partnership that currently causes most concern is however that between Russian mafiya groups and the Colombian drug cartels. The use of the word 'cartel' to

²⁸ Galeotti, 1996, op.cit., p 19.

²⁹ The Economist, London, 11 October 1997.

³⁰ Ministero dell'Interno, May 1993, p 53.

³¹ The Scotsman, Edinburgh, 14 June 1997.

³² Financial Action Task Force VI Report, 6 February 1995.

describe the Colombian drug trafficking organizations can be misleading, since in legitimate business the function of a cartel is to restrict supply in order to keep prices high, a strategy which the Colombians have never adopted - on the contrary, they have a tendency to flood a market to saturation point.

In February 1993, a single shipment of more than one metric ton of cocaine sent from Colombia was intercepted by customs authorities in the Russian town of Vyborg, having just crossed the border from Finland. The size of the consignment was such that it could not possibly have been intended for the Russian domestic market, and therefore would have been dependent upon a Russian distribution network to forward it, in this case to a destination in the Netherlands. The addressee to whom the cocaine was being sent in Russia was subsequently identified but according to some sources, the enquiry was dropped as the recipient firm represented the interests of an extremely high-ranking Russian official.³³

Intelligence sources believe that Russians and Colombians have begun to collaborate more intensely in recent years. In 1997 alone, some 40 tons of cocaine left Colombian territory bound for the former Soviet Union. In January 1998, Russia's Federal Security Service discovered 265 kilos of Colombian cocaine in an underground vault between the Siberian town of Braskt and the port of Vladivostok. Colombian cultivation of illicit crops went up by 18% in 1997, partly to create and meet an expanding market in Russia, where cocaine is perceived by a sector of the country's new business élite as young, fashionable and sophisticated. Colombia's National Police director, General Rosso Jose Serrano, said in March 1998 that Colombian drug cartels were working with the Russian mafiya to inundate Europe with drugs during the World Cup football championships: with European customs stretched to full capacity to cope with the influx of football fans to France, it was assumed that narcotics consignments would pass more easily. Authorities in both countries have themselves begun to collaborate against this criminal collaboration: in November 1997, the Colombian Foreign Affairs Minister and the Russian Ambassador to Colombia signed a joint agreement to exchange information concerning Russian mafiya connections to the Colombian cartels.³⁴

Russo-Colombian criminal cooperation is not limited to cocaine trafficking. It is thought that 30 Russian Mafiya groups operate between Miami, New York and Portorico, buying up consignments of arms through associates in Russia and Eastern Europe and exchanging these for cocaine in Colombia. Air to air missiles have been removed from Russian military arsenals and sent to Colombia via Bulgaria.³⁵ Discussions over the purchase by the Cali cartel of a Russian submarine complete with captain and 20 crew for the transportation of cocaine were begun, and did not conclude in a sale only because the plans were discovered by intelligence operatives.

Colombian organizations tend to be vertically integrated, but require collaborators in each country in order to overcome institutional or bureaucratic problems and to extend their networks in countries where they have no pre-existing links. When for example Colombian cocaine trafficking organizations wished to re-route cocaine supply lines to North America from the Caribbean to pass through Mexico, it became necessary to open contacts with Mexican criminal groups who knew the territory and, most importantly, knew whom and how to corrupt. Similarly, when the Colombians began a marketing drive in Western Europe in anticipation of the Single European Market they reinforced links with Italian Mafia groups,

³³ Fituni, op.cit.

³⁴ The Financial Times, London, 28-29 March 1998.

³⁵ La Repubblica, Rome, 30 September 1997.

who were better established throughout Europe and who could guarantee distribution. Bridgeheads were consolidated in Spain, the only EU country where Colombians could pass virtually unnoticed.

In addition to Russian mafiya groups, the Colombian cartels have cooperation agreements with La Cosa Nostra in the US and with all four Italian organizations. Furthermore they have penetrated Far Eastern markets, where close alliances have been forged with the Yakuza and with the Chinese Triads.³⁶ Agreements between the Cali cartel and the 'Sumiyoshi' confederation have caused the cocaine market in Japan to expand.³⁷

Examples of the kind of strategic partnership that the Colombian cartels have entered into, in particular with Italian Mafia groups, are best illustrated by a number of successful law enforcement operations:

Operation Green Ice

The money laundering investigation known as Green Ice was a three year undercover operation which dismantled financial structures used to launder profits from cocaine shipments from Ecuador, Venezuela and Colombia to North America, the Netherlands, Spain and Italy and Europe. The cash was laundered by Italians of Cosa Nostra, the 'Ndrangheta' and the Camorra on behalf of the Colombian Cali cartel through front companies in Italy to Switzerland and Austria to others in New York, Brazil and Venezuela. In a single day 152 people were arrested in San Diego, Los Angeles, Chicago, Miami, New York, Canada, Costa Rica, the Cayman Islands, Britain, Spain, Italy and Colombia. Some 44 million US\$ of cartel assets were seized and 12.5 million US\$ in cash. A Colombian-Italian summit in Rome involving the three Italian organised crime groups was broken up and two key cartel representatives, Orlando Cediel Ospina-Vargas and Pedro Villaquiran, were arrested.

Operation Unigold

In the wake of Operation Green Ice, which had dismantled the Cali cartel's key money laundering network, cartel leader Carlos Veracruz Londono decided to franchise out a part of his money laundering activities to Gustavo Delgado Upegui, formerly cashier to Medellin leader Pablo Escobar. Operation Unigold revealed that some of the leading Italian gold dealers in Tuscany and the Veneto regions had been acting as accomplices to the Cali cartel, using a system of false invoicing to sell large quantities of gold ingots through their legal branches in Panama. All the transactions between Colombia and Italy passed through Panama, which rigorously protects bank secrecy.

Between September 1993 and January 1994, 99 million US\$ was laundered for the Cali cartel through three apparently respectable banks in Arezzo, Tuscany, where the companies Universe Gold Enterprise and Aurea International Trading held current accounts. The accounts were in the name of brothers Francesco and Luciano Patàro, who simultaneously had residence in Panama. Delgado was officially buying up to one metric ton of gold per month in Italy until January 1994, when he was arrested together with several Italians of impeccable reputation.

³⁶ Ministero dell'Interno, September 1997, op.cit., p 409.

³⁷ Ibidem, pp 443-4.

Operation Onig

Operation Onig, which culminated in mid September 1994, dismantled an international narcotics smuggling group trading cocaine for heroin, and led to arrest warrants for 136 individuals: 44 in New York, 26 in Catania and 66 in Reggio Calabria. Six of those under investigation by the Catania authorities were simultaneously being investigated by the District Attorney's office in South Manhattan, 13 of the Calabrians were also due to stand trial in the US.³⁸

Operation Dinero

This was an anti-money laundering investigation set up by the Drugs Enforcement Administration in Atlanta, Georgia to trace new drug and money laundering routes from Colombia through North America, Spain and Italy. It involved setting up a bogus bank on the British dependent territory of Anguilla which was not open to the general public but accepted transactions from 'prestige' customers only. Cocaine was being shipped from Cali in Colombia to the Spanish coast and on to Italy and northern Europe; cannabis was being trafficked from North Africa to Europe and arms were being smuggled to Croatia. The operation led to more than 100 arrests in the USA, Spain and Italy, the seizure of 33m US\$ worth of assets, including paintings by Rubens and Picasso; of 9 tons of cocaine, several tons of cannabis and several boxes of automatic weapons. The European kingpin was an Italian businessman from Brescia called Pasquale Locatelli who owned 14 shipping and property companies in Cyprus, Gibraltar and Croatia, a bank in Zagreb and another in Apulia. Neither he nor his right hand man, a lawyer, was formally affiliated to any Mafia group.

Conclusions

The extent of international collaboration between organized crime groups around the world and the tendency towards strategic partnerships that has emerged in recent years can leave no doubt of the urgency of an equally international response, of that 'common strategy which should be the inspirational goal for all the countermeasures to be taken' so strongly urged by judge Giovanni Falcone. In the continent of Europe alone there are some forty nations, each with widely different legislation and judicial systems, law enforcement structures and capabilities. Criminals devote extensive time and resources to exploiting these differences to their own advantage, seeking out the weakest links in institutional and human defences. At global level the opportunities are clearly much greater. Much work has been done - in fora such as the United Nations, the OECD and by regional organizations such as the EU - to draw up international guidelines, conventions and treaties against organized crime, but differing perspectives of the organized crime problem, differing legislative systems and jealously-guarded sovereignty all too often prevent good intentions from being translated into concrete action. Undoubtedly more could be done to impede the free movement of criminals and their criminal activities, especially through the homogenization of legislation at regional level. A positive sign in this direction is the aim of the European Union member states to introduce the crime of 'participation in' or 'organization of' a Mafia-type organization.

Another important countermeasure would be to create, or in some cases to consolidate, data bases for information concerning organized crime, its activities and the known international connections between various groups. Regional data bases of suspicious financial transactions could be of particular value in money laundering investigations.

³⁸ L'Espresso, Rome, 7 October 1994.

Police and other law enforcement authorities should be given high level training to bring their technological and financial capabilities to the level of those they seek to defeat. Action should be taken either to impose financial or other sanctions against offshore centres that do not collaborate with criminal investigators or else to exclude these centres from the global financial clearing system. Every country should introduce legislation on the integrity and transparency of business practice, on political party and election campaign funding; on the accountability and democratic oversight of public office holders; on money laundering, corruption and insider trading.

Means should be introduced to investigate violations of public office and to abolish or suspend parliamentary immunity. Italy has found such laws very effective: the Interior Minister can dissolve municipal councils if there is evidence of Mafia penetration and did so 90 times in the five years from 1991 to 1996. In February 1994, 438 past or present Members of Parliament, including four former prime ministers, were under investigation for criminal activities.

The only way to meet the challenge of organized crime in the next century is to reinforce international legal instruments that unite measures of prevention, that is, regulation through civil law, with those of repression, that is, application of criminal law. In isolation, neither prevention nor repression will be sufficiently effective. Virtually all the necessary legislative tools have been elaborated and exist on paper in the form of draft or signed conventions or agreements, but they require to be ratified by all governments and applied with rigour and political will. To place the accent on international instruments inevitably means a loss of sovereignty. But it could be suggested, firstly, that sovereignty has already been lost, and secondly, that it may be a necessary sacrifice if we wish to save our democracies from the stranglehold of organized crime.

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