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**FINAL REPORT:  
SOVIET ÉMIGRÉ ORGANIZED  
CRIMINAL NETWORKS IN THE  
UNITED STATES**

**By**

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## EXECUTIVE SUMMARY

### Context for the Project

Questions and concerns about whether there is Soviet émigré organized crime in the United States are of relatively recent origin. They have become especially prevalent since the collapse of the Soviet Union in 1991. Reliable and valid knowledge to answer these questions has, however, been severely limited. The mystery, romanticism, and sensationalistic reporting surrounding exotic gangsters from the former "evil empire" have compounded this ignorance. The symbiotic relationship between law enforcement and the media with respect to exchanging information about a "Russian Mafia" has also, at times, made it difficult to assess just what is known. This research project was designed to overcome these limitations through the systematic collection, evaluation and analysis of information on Soviet émigré crime networks in the United States.

The goal of the study was to assess the nature and scope of Soviet émigré crime in the United States, with special focus on the question of whether and how well this crime is organized. To accomplish this goal, we decided to look particularly at the character, operations, and structure, and at the criminal ventures and enterprises of Soviet émigré crime networks in the New York, New Jersey and Pennsylvania region. We were also interested in any international criminal connections of these networks -- and in particular connections with the former USSR.

In order to gain access to the kinds of data and information necessary to pursue our goal, the co-principal investigators agreed to a collaborative effort with the Tri-State Joint Project on Soviet Émigré Organized Crime. This collaboration called for the Rutgers research team to develop and manage a computerized database compiled from the Tri-State Project investigation. The co-

principal investigators assumed responsibility for preparing reports, and in general provided advice and consultation to the investigators and intelligence analysts. In return, we were given total access to the activities and personnel involved in the Project and to all information and investigative materials obtained over the four years that their investigation was underway.

In the belief that there might be a potential problem in their jurisdictions, the Tri-State Joint Project on Soviet Émigré Organized Crime was created in 1992 to mount a joint intelligence, investigative, and prosecutorial effort. It had three goals: identification of the participants, description of their criminal activities, and analysis of the markets in which the criminal activity occurs. The Project was initially composed of the New York Organized Crime Task Force, the New York State Commission of Investigation, the New Jersey State Commission of Investigation, and the Pennsylvania Crime Commission. When the Pennsylvania Commission was subsequently abolished in 1994, it dropped out.

The theoretical literature on organized crime is rather weak, and thus does not provide a firm conceptual foundation for empirical research of the kind we proposed to undertake.<sup>1</sup> As a result, we turned to the developing field of criminal network theory.<sup>2</sup> A criminal network is a structure through which individuals and organizations can commit crimes in concert. Networks can take a variety of forms ranging from rather diffuse structures, to some that are more tight-knit, and to some that are hierarchical, long term structures resembling formal organizations. The network conceptualization led us to ask how Soviet émigré criminals are organized into networks, and whether these networks meet the descriptive criteria commonly used to define organized crime.<sup>3</sup> Those criteria include (1) some degree of hierarchical structure; (2) continuity of that structure over time; (3) use of corruption and violence to facilitate and protect criminal activities; (4) internal

discipline within the network structure; (5) involvement in multiple criminal enterprises that are carried out with a degree of criminal sophistication; (6) involvement in legitimate businesses; and (7) bonding among participants based upon shared ethnicity.

### **Research Methods, Data, and Data Analysis**

Our research design employed a combination of field research, archival research, and survey research. Because of the uniquely insular nature of organized crime – especially that associated with definable ethnic groups that are closed by language and custom to outsiders – the primary (although not exclusive) source of information for organized crime research has traditionally been law enforcement agencies. Given this reality, it was determined that this research too needed to link the academic researchers with the investigative and intelligence gathering capacity of law enforcement. This was the rationale for the collaborative arrangement between the Rutgers University School of Criminal Justice and the Tri-State Joint Soviet-émigré Organized Crime Project.

We did not, however, want to be totally dependent upon only the data produced by that Project. First, as with any research that depends upon secondary data sources, there are potential problems with the reliability and validity of the information. This is especially true when the data come from raw intelligence files. Second, we could take advantage of not being law enforcement agents to tap sources (e.g., local residents) that were not available in the same way to the Project investigators. We therefore simultaneously pursued several parallel data collection efforts.

The Tri-State Project employed, at least until the end of participation by the Pennsylvania Crime Commission, six to eight investigators from the four organizations. Attorneys, investigative accountants, and tactical analysts backed them up. The field investigators included an undercover

agent on loan from the Belarus Ministry of Internal Affairs who worked with the Tri-State Project for more than two years. His major tasks were to develop informants; to penetrate the Soviet émigré community in Brighton Beach, NY (the largest such community in the United States); and to act as liaison with law enforcement agencies in the former USSR.

From 1992 through 1995, every investigative report or other document produced by the Project was entered into a computer file that is the database for the network analysis. These documents include undercover observation and surveillance reports, informant interviews, telephone records, intelligence files from other law enforcement agencies, indictments, and various materials from the former Soviet Union. Every individual, organization and other entity mentioned in a document was given a code number and entered into the database. These entries totaled 4,798. The network analysis then examined the structure of the relationships among them. These relationships may be two-way (symmetrical) or one-way (asymmetrical), and include (for individuals) such connections as committing a crime together, calling one another on the telephone, giving money to one another, or having a family relationship. A total of 34,484 ties between pairs of entities were recorded.

As indicated, in addition to this principal effort we also conducted several other research initiatives using survey research. These included a mailed questionnaire survey of more than 750 law enforcement agencies and individuals nationwide. The questionnaire was developed in collaboration with the Tri-State Project. Second, we conducted in-depth interviews with a variety of individuals in the following categories: (1) writers and journalists who have studied and written about Russian organized crime; (2) key community figures in the large émigré communities in Brighton Beach and Philadelphia; and (3) law enforcement professionals (both in the U.S. and the

former U.S.S.R). Finally, we conducted interviews with residents and businesspersons in Brighton Beach, which is alleged to be the center of Soviet émigré criminal activities in the United States. The latter research used a small snowball sample to examine community concerns, experiences, and perceptions regarding organized crime.

In addition to these more systematic parts of the research, the study (including both researchers and investigators) also collected a large quantity of written materials. These include newspaper and magazine articles, books, pamphlets, government reports, unpublished papers, and scholarly publications. The results summarized below and discussed in more detail in the attached report are based upon five years of research, and are derived from all sources.

### **Findings and Conclusions**

Our findings and conclusions will be presented in three categories: (1) an overview of Soviet émigré crime networks; (2) the specific results of the network analysis; and (3) the views obtained from the interviews of Brighton Beach residents. It should be noted that there is a degree of overlap in the data sources for the first and second categories. The overview draws upon all sources of information. On the other hand, only individuals and organizations identified in investigative reports and intelligence materials were entered into the computerized database used for the network analysis.

#### Overview

Based upon all the information available, it is apparent that across a wide variety of offenses, the criminal schemes carried out by Soviet émigrés require extensive coordination among the actors. The organization of these offenses is, however, very much responsive to the specific nature of the particular criminal opportunity. When such opportunity presents itself, groups of

individuals are organized to take advantage of it. This is all done in a rather ad hoc manner. Who is involved, how large their organization is, how it is arranged, how it operates, and how long it operates are very much dictated by the nature of the specific criminal venture. This flexible, opportunity-oriented kind of structure best enables Soviet émigrés to carry out their particular crimes. Its use seems to be the product of two forces: continuation of a pattern and practice institutionalized in the former Soviet Union; and its particular suitability for the predominant types of crimes in which these criminals are involved -- namely crimes of deception.

This structural form is rather different from that associated with more traditional organized crime, e.g., La Cosa Nostra. The criminal organizations of groups such as the latter are more structure-oriented. They have both continuity and hierarchy. Members of an LCN crime family, for example, use criminal activities to support the family structure. Soviet émigré criminals, in contrast, are venture-oriented. They use structure to support their criminal activity. There are large networks of Soviet émigrés involved in or suspected of criminal activities who are directly or indirectly connected to each other, but there is no evidence of the existence of one or more complex hierarchies.

Of the harms attributed to criminal organizations -- monopoly, violence, and corruption -- violence is the only one that is readily apparent among the Soviet émigrés. Its use, however, is more in the form of personal vendettas than it is to gain and maintain monopoly control of a criminal market. There is also no evidence of monopolization of criminal markets, nor of the systematic use of corruption.

## Soviet Émigré Crime Networks

The network analysis produces a picture of the organization of Soviet émigré crime that supports that drawn from the qualitative analysis. This analysis too shows that Soviet émigré crime networks do not look like what is commonly understood to be the traditional structure of organized crime or of the "mafia." With very few exceptions, we do not see small groups of criminals acting independently of each other. Instead, there is broad connectivity among a large number of actors. When there is a criminal opportunity, any member of these large networks can access partners who are either generalists or specialists, and who can raise capital or needed resources. Thus, the structure is very functional. The networks are not highly centralized, nor are they dominated by a small number of individuals. They also do not have continuing structures that extend over time and over crimes.

The network analysis presents a picture of persons -- in this case persons from the former Soviet Union -- who are especially opportunistic. These persons seem to lack the kind of trust normally associated with the ethnic cohesion that has been associated with other criminal organizations. This absence may also be an element in defining their particular structural form.

One caveat with respect to the database used for our network analysis is that it is the product of an investigative effort shaped by the discretion and priorities of the investigators. It does not include information of which they were unaware or which they chose not to pursue. At the same time, although this is a research caveat, it represents the real world of investigating and prosecuting organized crime.

As we indicated, the way to overcome a research dependence upon law enforcement sources is to use supplemental sources of information. One such alternative for us is the views of ordinary persons who have emigrated from the former Soviet Union.

### Soviet Emigres on Soviet Émigré Crime

Believing the views of fellow emigres are important to understanding the Soviet émigré crime networks, we interviewed a snowball sample of 25 members of the Brighton Beach (Brooklyn), New York émigré community. Although limited by its size and non-randomization, we believe the results of the interviews with this sample reflect the broad pattern of opinions in Brighton Beach. Our respondents included 16 men and nine women, aged 18 to 72. All self-identified as Jews, most came from Ukraine and Belarus. They had lived in the United States from between one and 25 years. A Russian émigré university student questioned them at length about their immigration experiences, their perception of life in Brighton Beach, and their views of crime and organized crime.

The picture of Soviet émigré crime that emerges from these interviews reinforces that drawn from other sources. The respondents see this crime as relatively unstructured, but think extortion and money laundering are more organized. Restaurants and nightclubs are seen to be centers of criminal conspiracy, and the major players are well-known criminals from the USSR. Violence is believed to be common, but they do not think ordinary citizens have much to fear. Although they believe crime is widespread, they do not think that most emigres are involved in this crime – either as perpetrators or victims. The media has mostly influenced their views of the so-called “Russian mafia”, and their understanding of organized crime and mafia has been largely shaped by the Godfather movies.

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Our conclusion is that there are indeed individual crimes of a highly organized and complex kind that are being committed by emigres from the former Soviet Union. There is, however, no Russian organized crime as such in the United States. There is also no "Russian Mafia." The Soviet émigré criminal networks we observed are neither predominately Russian, nor do they possess the defining characteristics for being a mafia. The popular notion of a "Russian Mafia" in America is a symbolic creation of the media and law enforcement that has little basis in fact.

## Part 1: An Overview of Soviet Émigré Crime in the United States

Since the beginning of the Gorbachev regime in the USSR in 1986, but with increasing intensity since the collapse of the Soviet Union in 1991, magazines, newspapers and law enforcement officials have warned of an increasing threat from so-called Russian organized crime and the arrival of a "Russian Mafia" in the United States.<sup>4</sup> It was clear in the early 1990s that the *idea* of Soviet émigré organized crime as a threat to the United States had emerged and seemingly been accepted by large segments of the media and by some law enforcement agencies. For others in law enforcement and for some researchers, however, the Russian Mafia remained a potential problem to be investigated. Although the terms Russian and Soviet are used interchangeably when referring to the persons of interest here, we will generally refer to them as Soviet émigrés. We do that for two reasons: (1) many left the country when it was still the Soviet Union, and indeed all grew up there as Soviet citizens no matter when they left; and (2) many of the ex-Soviets involved in crime here are not ethnic Russians.

The Tri-State Joint Project on Soviet Émigré Organized Crime (formed by the New York Organized Crime Task Force, the New York and New Jersey State Commissions of Investigation, and the Pennsylvania Crime Commission) was one of the organizations viewing the Soviet émigré crime issue as a potential problem to be studied. Created in 1992, its goal was "to identify the nature and extent of Soviet émigré crime within the tri-state region ... in order to assist law enforcement in its ongoing effort to set out to combat the threat of organized crime." In furtherance of this goal, the Project set out to gather and analyze intelligence information about Soviet-émigré crime within the area through research, investigative effort and the creation of an informational database.

Our research, funded by the National Institute of Justice and done with the cooperation of the Tri-State Project, was designed to “enhance our understanding of organized criminal networks, including their structure, operations, and enterprises.”<sup>5</sup> Our goal was to develop a more systematic and general understanding than was available to law enforcement, criminologists and the general public. We sought to move beyond the few high profile cases that were defining Russian organized crime in the United States. We also wanted to go beyond the simplistic application of the “mafia” or La Cosa Nostra model to a new immigrant group and to a society vastly different from the America in which that model had developed. To do this, we examined the broad range of criminal activities in which Soviet émigrés had been involved, deliberately not focusing on the most notorious or violent incidents. We also sought information from a wide range of law enforcement officials—most importantly prosecutors and organized crime intelligence specialists—whether or not they had identified themselves as Soviet émigré crime experts or had been so identified by the media. In this we greatly benefited from the investigative approach of the Tri-State Project. Although the TSP did seek to help its member agencies in the development of cases, it generally took a broader view. Its stated goals were to

1. Determine the extent to which Russian émigré crime is organized;
2. Ascertain whether any type of structure exists within the Russian- émigré criminal community;
3. Identify the methods and techniques Russian émigrés use to carry out their criminal activities; and
4. Define the relationships maintained with other criminal groups operating in the United States and abroad.<sup>6</sup>

These aims made the cooperation of the Tri-State Project particularly useful for achieving our goal of taking a sober look at Soviet émigré crime in the United States.

### **Patterns of Soviet Émigré Crime in the United States**

In this part of the report we examine the nature of the criminal activities in which Soviet émigrés have been involved and how those crimes are organized. We will then assess whether what we find can be accurately referred to as organized crime. That is, we need to determine whether there are criminal organizations--made up of Soviet émigrés--that have the structure, the self-identification of the membership, the sophistication and planning of their offenses, and the reputation that allows them to get what they want through the threat rather than the actual use of violence. We will also examine whether these organizations, should they exist, establish monopolies in certain markets, use violence, or engage in corruption.

#### **A National View**

To get a general view of Soviet émigré crime we also collected information through interviews with law enforcement officials, journalists and other experts on Soviet crime, Soviet émigrés and organized crime. We also carried out a national survey of prosecutors and law enforcement specialists in organized crime. The results of these investigations indicate to us that there seems to be widespread recognition of a "Soviet émigré crime problem" and that the problem is frequently understood to be organized crime.

For the national survey, respondents were chosen from four different mailing lists from organizations involved in law enforcement, including those identified as particularly interested in organized crime. (The sample is discussed in detail in appendix A). Respondents were simply asked: "To your knowledge, has your agency investigated, prosecuted or otherwise had contact

with any criminals or suspected criminals who are from the former Soviet Union within the last five years?" Of course, an affirmative response could be because an agency had one or a thousand contacts, and it could be for any crime type, but this question was nonetheless a useful way to identify those agencies from which more information was desired. Overall, about one-third of the respondents reported some contact with criminals from the former Soviet Union. The distribution of contact with Soviet émigré crime can be illustrated by indicating that a given state has reported contact, regardless of how many surveys were sent to that state or how many responded to the survey (even if only one response out of 50 reported contact, that entire state is said to have had contact). This gives one idea of the distribution of Soviet crime, but it is important to keep in mind that one response can "speak" for a whole state.

[Figure 1]

What is evident from this map is the extensive geographic spread of reported crime by people from the former Soviet Union. There is a concentration in coastal states, with a few inland exceptions. A possible explanation for this is that these locations have more immigrants because they offer entry to the country. Existing immigrant populations in these states facilitate the transition for newly arrived immigrants. It makes sense, therefore, that crimes committed by émigrés are more likely to be reported in states that have higher émigré populations. The coastal concentration should not, however, overshadow the reports of Soviet contact in many non-coastal states (e.g. Utah, Wyoming, Montana, Colorado, Nebraska, and Illinois).

Those who reported contact were asked further questions about the extent and nature of their contact with Soviet émigré criminals, including whether their offenses were considered organized crime and whether Soviet émigré crime constituted a serious law enforcement problem. The definitions of these terms were left up to the person responding to the survey. About 37 percent of respondents reported that the crime was defined as organized crime and 60 percent said Soviet émigré crime was a law enforcement problem. Respondents reporting contact with Soviet émigré criminals were asked what type of crimes were involved. By far the most common was fraud, reported by more than half of the respondents, followed by money laundering, drugs, and violent crime, each of which was reported by about 30 percent of the respondents. The importance of these types of crimes corresponds to what past research on Russian émigrés has found and what is known about the importance of these types of crimes in the former Soviet Union.

Much of the media attention that has been paid to crime by émigrés from the former Soviet Union has focused on the so-called "Russian Mafia" and organized crime and the extent to which this crime poses serious challenges for law enforcement agencies.<sup>7</sup> We suspected that in addition to the actual extent and organization of Soviet émigré crime in an area, other factors might play a role in whether an agency or individual would report contact with Soviet émigré offenders, and, given such contact, whether the respondents would define the offenses involved in this contact as organized crime or as a serious law enforcement problem.<sup>8</sup> Therefore, we examined the relationship between characteristics of the agencies, their locations, and the crimes reported and the likelihood of reporting contact with Soviet émigré criminals and, for those

agencies which reported such contact, whether it was viewed as either organized crime or a serious law enforcement problem.

Federal agencies were most likely to report contact with criminals from the former Soviet Union, followed by state, city, and county agencies. This reflects, in part, the different kinds of crimes that each type of agency deals with most often. Federal agencies are often concerned with issues such as tax fraud, customs violations, and the smuggling of nuclear substances, activities in which some Soviet émigré criminals have been known to be involved. Local jurisdictions, on the other hand, concern themselves with the more mundane street and property crimes.<sup>9</sup> The location of an agency in New York, New Jersey or Pennsylvania increased its chance of reporting contact with Soviet émigré offenders. This may indicate that there is a concentration of Soviet émigré crime in this region, but it could also reflect the existence of the Tri-State Project and the bringing of several major cases involving Soviet émigrés in the region. The size of a state's population had no effect on reporting Soviet émigré crime, but the larger the Soviet immigrant population within a state, the more likely agencies within the state were to report having had contact with Soviet émigré offenders. This is to be expected, because even if there were no differences in the rate at which people from different ethnic groups were involved in criminal activities, the larger the group is, the more likely it would be that some members of it would have come to the attention of law enforcement agencies. The size of a state's criminal justice system had no significant effect on the likelihood of reporting contact with Soviet émigré offenders.

The definitions of Soviet émigré crime as either a serious law enforcement problem, as organized crime, or as both, are related, but distinct. These characterizations can offer two very

different views of Soviet crime. Although not perceived as organized crime, Soviet émigré crime might still be considered a law enforcement problem; conversely, the presence of Soviet organized crime does not necessarily make it a law enforcement problem, if the agencies are able to deal with it effectively.

Federal agencies were most likely to report both organized crime and law enforcement problems, followed in order by state agencies, city agencies, and county agencies. Soviet émigré population, state population, and size of the criminal justice system were not important factors in predicting these responses, nor were those located in the Tri-State region more prone to report Soviet crime as being either organized crime or a law enforcement problem. The presence within an agency of specialists dealing with Soviet émigré crimes did increase the chances of characterizing Soviet émigré crime as organized crime, but not of labeling it a serious law enforcement problem. This could mean that agencies equipped with specialists are more likely to seek out (and to see) Soviet émigré organized crime, or they are determining that Soviet émigré crime is organized crime simply because they have structural incentives to do so. If the latter is true, it would, of course, have important implications because it could lead to mafia stereotyping. On the other hand, presence of a specialist may, itself, reflect the existence of a problem. Indeed, specialists of any type may emerge in law enforcement agencies simply because they have handled a number of cases involving a particular group or crime type. The presence of a Russian speaker in a law enforcement agency had no effect on reporting of organized crime or law enforcement problems.

Those agencies that reported that Soviet émigrés had been involved in fraud, extortion and racketeering were more likely to report organized crime than were other agencies. With the

exception of extortion, the same crimes were significant when it came to reporting law enforcement problems. Extortion and racketeering have, in particular, been associated with organized crime in the United States and elsewhere. Their presence may lead law enforcement officials to conclude that the label of organized crime is appropriate, independent of knowledge about the nature of the structure of the organized crime groups and their other activities.

### **Soviet Émigré Crime in the Tri-State Region**

We examined the records collected by the Tri-State Project to determine what types of crime Soviet émigrés in the region were known, or thought by law enforcement, to be involved in. Of course, there may be other crimes, of very different types, that never came to the attention of the Tri State Project. This could be because they were not reported, or if reported the Project was not told of them. In this sense, as in any attempt to characterize the behavior of a group of offenders, we must be cautious in drawing overly broad conclusions. Despite these limitations, we found the information in these records both broad and extremely useful. The survey was supplemented by interviews with law enforcement officials and with the information contained in the growing academic and journalistic literature on Soviet émigré crime. Of course, some Soviet émigrés, like people from all ethnic backgrounds, are involved in various forms of crime. These range from shoplifting, sometimes of an organized kind, to automobile theft to drug selling to murder. Our examination of the materials created or collected by the Tri State Project investigators, however, indicates that most of the offending by Soviet émigrés is concentrated in the kinds of offenses that bureaucracy and the service economy most encourage: frauds, smuggling, money laundering and similar activities. This supports our belief that Soviet émigrés who become involved in crime may have a higher propensity than criminals from other groups to

choose crimes that involve swindles or huckstering. There is also violent offending of the most extreme kinds among Soviet émigrés, including numerous murders that remain unsolved.

*The Bootleg Gas Schemes: The Emergence of Soviet Organized Crime in the United States?*

Fuel tax evasion cases are the largest and best-known cases of crime involving Soviet émigrés. These frauds take advantage of the ways in which taxes on motor fuel are collected by various states and by the federal government. The three most important forms of fuel tax evasion are substitution, sale of adulterated fuel, and daisy chaining. In order to understand how these frauds operated, it is necessary to know something about the fuel business and how it is taxed. There are many different types of fuel oil, but those that are used for motor vehicles are the subject of special taxes, often designed to support highway construction and maintenance. These taxes are imposed at both the state and federal levels, and they generate substantial revenues. The collection of these taxes is complicated by a number of factors. First, diesel motor oil, which is taxed, is in every way identical to home heating oil, which is not subject to taxes. Second, there is little opportunity for consumers or anyone else to test the purity of the fuel sold at the pump. Third, there are many steps that fuel passes through on its way from a refinery to a pump at a service station. Each of these steps provides opportunities for fraud, many of which have been taken advantage of by Soviet émigrés and others.

Some fuel tax evasion schemes are relatively simple. In a substitution scheme, a wholesaler will indicate on its official records that it is selling home heating oil and thus is not required to pay tax, but then turns around and sells the fuel to service stations. In such schemes

the official records of the company will indicate that only heating oil has been sold. In one instance, described at a public hearing in New Jersey, an investigator posing as a potential customer called a fuel distributor and was told that it did not deal in diesel fuel, but only sold home heating oil. Later, a truck which had been filled at that company's facilities was stopped and the driver had invoices indicating that it would deliver diesel and gas to a truck stop. The driver indicated that he had also made deliveries in other states.<sup>10</sup> A variation on this approach is to sell fuel that has been mixed with other substances in order to increase the profit margin on sales. A number of companies were accused of selling adulterated fuel.

Daisy chain schemes are more complex than those involving substitution or adulteration of fuel are. These schemes are designed to take advantage of how taxes are collected, and some were in operation long before Soviet émigrés became involved in them. According to investigators, four of the five traditional New York organized crime families were involved in the daisy chain schemes at various times. The best known figure from the daisy chain prosecutions is Michael Franzese, a reputed member of the Colombo crime family. Daisy chain schemes take advantage of the fact that in some states, including New York, New Jersey and Pennsylvania, the tax on motor fuel is supposed to be paid by the wholesaler at the time the fuel is sold to a retailer. This means that transfers between wholesalers are untaxed. The schemes use these untaxed transfers to provide cover for the non-payment of the taxes. A licensed wholesaler sells fuel to another wholesaler, generally a fictitious company controlled by the licensed wholesaler. This second wholesaler is called a "burn" company, and invoices for fuel leaving its possession indicate that tax has been paid. Another wholesaler-to-wholesaler transfer may be

made to further complicate the paper trail. Finally, the fuel is sold to a retailer, often controlled by related individuals, for a bargain price that is supposed to include tax.

The many transfers--which occur only on paper--from one company to another are the daisy chain to which the name of these schemes occurs. Investigators describe the chain as having three separate strands representing the fuel, the paper trail and the payments. Figure 2, based on an exhibit at the New Jersey public hearings, illustrates one such scheme. According to Raymond Jermyn, Chief of the Rackets Bureau for the Suffolk County, New York District Attorney, the conspirators would also close one fictitious company and open a new one at the end of each tax quarter.<sup>11</sup> There were many such schemes, and they defrauded the state and federal governments of millions of dollars.

[Figure 2]

Soviet émigrés were involved in a number of the daisy chain schemes in different jurisdictions, including New York, New Jersey, Pennsylvania and California. The earliest Soviet émigré to get involved in the daisy chain scheme seems to have been David Bogatin who, along with Michael Markowitz, an émigré from Romania, and Philip Moskowitz, who had a long history of involvement in illegal activities and some connections with organized crime. They went into the fuel business in 1982. The following year, Lev Persits became involved in their companies. Persits was already involved in other criminal activities in Brighton Beach.<sup>12</sup> Using the services of lawyers, accountants and bankers, the schemers were able to set up a large scheme that covered its trail well.

Marat Balagula, who we described earlier, operated another fuel syndicate. In 1977, a year after arriving in the United States, Balagula owned fourteen gas stations. By 1983 he had formed two fuel dealerships. He bought fuel from a corporation owned by Boris and Benjamin Nayfeld, both of whom had been involved in a variety of criminal activities.

In the tri-state region, there were ultimately several simultaneous schemes. For example, in New Jersey, Vladimir Zilber, Monya Elson, Arkady Siefer and Edward Dougherty operated one scheme, with Dougherty acting as the link between it and the Italian organized crime families. David Shuster and Joseph Reisch operated another scheme.

Although the motor fuel schemes are often thought of as pure frauds, it is important to keep in mind that they also generated violence. For example, Ilya Zeltzer was killed in 1986 during a shootout inside a gas distribution office, allegedly in a dispute involving some aspect of the scheme. Lev Persits was paralyzed after being shot in the back. Philip Moskowitz, also allegedly involved in bootleg gas, was tortured and murdered in 1987. Michael Markowitz, a major figure in the schemes and a friend of Moskowitz, was shot to death in 1989, allegedly to prevent his cooperation with the authorities. David Shuster was shot but not killed in 1991. Emil Pyztretsky, allegedly a "mob enforcer" who was involved in the gas schemes, was killed a few months later in 1991. Vladimir Zilverstein was shot, but not killed in 1992, reportedly as a result of a dispute with Italian organized criminals involved in the gas scam.

The fuel tax evasion schemes were complex conspiracies and caused a great deal of harm both in terms of the money stolen and the amount of violence involved. Economic harm to the fuel market occurred because unfairly low pricing undercut the legitimate retail fuel businesses. The collaboration of Soviet émigrés with traditional organized crime families was one reason for

the growing fear that their crimes would ultimately be similar in nature and effect to existing organized crime structures. What is interesting about this collaboration is that the Russians operated under the umbrella of La Cosa Nostra families. In effect, through their cooperative arrangements, the Russians had the benefit of a sophisticated criminal organization without actually being one. To succeed the scams needed the reputation for intimidation and violence that the La Cosa Nostra families could provide.

The possibility that Soviets could succeed other ethnic groups just as those ethnic groups succeeded those which had come before them seems a reasonable one on its face.<sup>13</sup> However, despite these possibilities, there is not strong evidence that these conspiracies represent a new example of organized crime. Despite their importance in the market place, the Soviets involved did not establish an effective monopoly over the distribution of low cost fuel oil; given the presence of the Italian organized crime, it is doubtful that they could have done so. Rather, a number of such schemes involving members of a variety of ethnic groups developed over time. There was also no evidence that there was any sense of self-identification or membership in a group felt by those Soviets involved.

#### *Other frauds*

Beyond the fuel tax evasion schemes, fraud was the most common type of crime found in the Tri State Project's records. Many of these frauds are similar to those found in other locations and committed by members of many ethnic groups. Such frauds exploit some legitimate sector of the economy, taking advantage of gaps in the bureaucratic operations or corrupting the bureaucracy itself. A common characteristic of these frauds is that the schemes involve the appearance of a legitimate operation, often taking the form of a formal organization, for example

in the creation of the burn companies in the fuel tax evasion schemes. This does not, however, mean that the offense itself is formally organized. Rather, they are usually flexibly structured, allowing the charade to be better maintained.

In other instances, formal organizations that have legal operations may be used to carry out the offense, often with the active or passive assistance of some of their employees or owners. A number of such incidents involve Medicaid fraud. In these cases, bills for non-existent or non-medical services are submitted. The services not provided range from medical examinations to the purchase of medical equipment. In one scheme, several Soviet émigrés established relationships with medical receptionists at a company providing ambulette services. In exchange for a kickback, the receptionists gave clearances for trips for "ghost" patients. Billed at \$47 per trip, they would then be paid by Medicaid. In another instance, a home attendant service was actually used as a front for the operation of a prostitution ring. This arrangement allowed the services offered by the prostitutes to be billed as medical expenses.

Soviet émigrés in Pennsylvania operated an automobile insurance ring that staged accidents in order to receive insurance payments. Starting simple, it grew to involve attorneys, medical personnel, durable medical equipment companies (which supply items such as wheelchairs) and even a used car dealer who supplied the vehicles used in the staged accidents. The ring submitted over \$1 million in phony claims in the early 1990s. Here again, the involvement of actors in the legitimate economy, and companies also involved in legitimate business, were an essential part of the organization of the crimes. The organization of this scheme, however, is not fundamentally any different from that used by other accident insurance scam teams operating elsewhere or carried out by people from other ethnic groups.<sup>14</sup>

Other, what might be deemed lower level forms of fraud also appear to be common, and the range of types is quite broad.<sup>15</sup> Many are thefts that involve elements of deception, and, in those cases, the victims are generally members of the Soviet émigré community. For example, there have been several incidents of jewelry switching in which an inexpensive piece is substituted for the real one, while the offender pretends to inspect the piece. In another instance, a company offered the service of shipping packages to the former Soviet Union, but after collecting payments for the shipments actually shipped them to their confederates.

Counterfeiting, like fraud, is an area of non-violent criminal activity in which some Soviet émigrés have been active. The production of fraudulent credit cards and counterfeiting of checks, Immigration and Naturalization Service documents and passports and other documents is another area of activity involving a number of separate individuals who organize the market and supply others with their products. A confidential informant reported that he knew someone who sold working visas and social security cards for \$3000 and green cards, required for non-citizens to be legally employed in the United States, for \$6000. This informant also described a money laundering scheme in which counterfeit dollars were produced in the U.S. and taken to Russia and exchanged for rubles, which in turn were exchanged for real dollars. Alexander Yegemenov and Mikhail Syroejine were indicted for organizing a large scheme involving the production and sale of counterfeit Immigration and Naturalization Service documents.

There are numerous incidents involving the production of counterfeit credit cards, and there appears to be a well-established market for such cards that are then used to make purchases to be sold on the stolen goods market. In one instance two Soviets were arrested as they attempted to purchase a \$12,000 photocopier with a counterfeit card. The card number was

apparently obtained from a business where the card had been legitimately used in the past. One émigré was arrested for a scheme that involved the removal and replacement of the magnetic strips on stolen credit cards. Many of the fraudulent cards from this particular operation were carelessly done however, with such obvious errors as misspellings in the names of the banks. The operation of this on-going market indicates that this type of offense requires a degree of organization, although individuals who purchase the cards may operate on their own.

Soviet émigré involvement in a variety of money laundering schemes was also reported. At times these followed well-known patterns such as laundering through casinos, the purchase of money orders which were quickly used to buy other merchandise, and large cash mortgage payments. A number of Soviets were associated with David Sanders (Sendorovich) who authorities consider to be a known money launderer with ties to La Cosa Nostra. In other schemes, émigré's ties to locations in the former Soviet Union were used. For example, some funds were laundered through a nonexistent textile factory construction project. Large amounts of money were transferred for the project, but no construction ever took place. There were also a number of cases of apparent money laundering involving large cash transactions just below the \$10,000 that would require the filing of a Currency Transaction Report by the bank receiving the deposit. Law enforcement authorities monitor these reports in order to detect the movement of large amounts of cash that may be generated by illegal activity.

Soviet émigrés have also been active in the drug and drug paraphernalia markets. These cases generally involve established networks of individuals and include both the importation and street level sales of drugs. Sixteen individuals, including David Podlog, Alexander Moysif and seven other Soviets, were indicted for the distribution and possession of controlled substances,

including heroin and cocaine in New York. Moysif pleaded guilty and testified against Podlog and others. The conspirators, in this instance dealing with an undercover law enforcement agent, took orders, prepared, and delivered the drugs using a route through Poland.

Boris Nayfeld (previously mentioned in the description of the fuel tax schemes), Shalva Ukleba, Alexander Mikhailov, Simon Elishakov and Valery Krutiy, were indicted in New York for smuggling, distribution and sale of heroin during the period 1990-1993. The drugs they moved originated in Southeast Asia, were smuggled into Poland, passed through Belgium, and then were brought to New York. In one case, Mikhailov traveled from Thailand to Denmark with heroin secreted in a television picture tube. Not indicted in this case, but mentioned several times as a customer of the group, was the same David Podlog. There is evidence that areas within the former Soviet Union are being used as transshipment points for drug importation to the United States, especially for those drugs grown in the eastern Asian areas that were once part of the Soviet Union or its areas of influence.<sup>16</sup> Therefore, it is not surprising that individuals from those areas are involved in the sale and distribution of illegal drugs.

Two other groups of Soviet émigrés were indicted for the operation of factories producing crack vials in New Jersey and Pennsylvania. The vials would be stamped "made in Taiwan" and had a variety of brand names on their labels. When one of the participants in this crime was arrested the car he was driving contained 1,520,000 vials and 1,480,000 vial caps. The vials were distributed to drug dealers and retail stores, often owned by Soviet émigrés, from New York to Atlanta.

### **Smuggling**

Besides drugs, smuggling incidents involving Soviet émigrés range from aluminum to weapons to currency. In one instance a resident alien was arrested when she was discovered by customs agents to have \$78,400 strapped to her body as she came off a plane from Moscow. She claimed that the money came from the sale of a house in Russia, but the documentation for this was found to be forged. In other instances, schemes to smuggle diamonds and weapons were reported. In one case, Soviet émigrés reportedly sought to purchase weapons that would then be smuggled to the Serbs fighting in the former Yugoslavia.

Drug marketing, smuggling and money laundering are all activities frequently associated with traditional organized crime in the United States. These are areas in which crime networks composed of individuals from the former Soviet Union are providing illegal goods and services through an organized market. It does not seem to be the case, however, that the Soviet émigrés have established monopoly control over any of these activities, even within particular geographic areas. Instead, they cooperate with older organized crime networks, specifically La Cosa Nostra. The Soviets, thus far, seem to pose little threat to the existing control of drug markets, but rather are willing to provide services to those already involved.

### **Violence**

We earlier identified the use or threat of violence as a crucial element in the capacity for harm of criminal organizations. This is a major way in which criminal organizations establish their reputations. In particular, the use of violence in the course of extortion is strongly tied to organized crime. Soviet émigrés have shown both a willingness and a capacity to use violence, including murder, extortion, and assaults. Enforcers work in the extortion of businesses in Brighton Beach, Brooklyn, but they work for whoever pays them. There is little evidence of

monopoly control of extortion by any clearly defined group.<sup>17</sup> There are sometimes fights over extortion victims, and those victims who refuse to pay are beaten.

There have been at least 65 murders and attempted murders involving Soviets and Soviet émigrés since 1981 that, according to investigators, have indications of organized crime involvement.<sup>18</sup> Although this may seem to be a small number for a 16-year period, considering the number of Soviet émigrés who are involved in criminal activities, it is actually quite large. It is also the case that if the killings involving La Cosa Nostra were isolated over some fixed period of time, and contrasted with the total number of murders in the same period, it also would appear to be quite small.

A number of the Soviet killings occurred in the tri-state area, and many remain either unsolved or unprosecuted. That witnesses are seldom willing to cooperate with the investigation may be a sign of intimidation, either through direct threats or through a reputation for violence. The murders and attempts that have occurred so far seem however, to be neither systematic nor designed to protect a criminal enterprise as is generally the case with traditional organized crime. Instead, they appear to have been motivated mainly by greed or personal vendetta. In some instances, one homicide seemed to trigger a long series of murders and attempted murders. In most cases, the offender apparently was paying the victim back for some offense. Soviet émigré violence is not random; care seems to be exercised in the choice of victims, avoiding harm to innocent bystanders. The threat of violence is clearly used to intimidate others in the émigré community. It explains why witnesses have refused to come forward or to cooperate with the police.

As has been true in U.S. drug markets involving other criminal groups, Soviet émigré violence is also believed to be an aspect of the unregulated competition that exists in their criminal ventures. An example of this is the history of Monya Elson as recorded in the records of the Tri State Project. Elson has been involved in extortion and homicide since the early 1980s. His extortion initially was centered in the Diamond District of Manhattan, but he later expanded to other areas. He was arrested overseas for drug smuggling and served six years before returning to the United States. Once back here, he put together a crew to carry out a new wave of crime. Among their activities was providing protection for participants in fuel tax scams.

Elson has been connected to a number of murders, some for hire and others for revenge.

- In 1991, he contracted with an Azerbaijani to place a bomb in a car belonging to another Soviet émigré. This victim was an associate of a reputed *vor v zakone* or thief in law. The latter are sophisticated professional criminals. The bomb in this case failed.
- Vyacheslav and Vadim Lyubarsky, a father and son, were murdered outside their apartment in 1992. Officials believe this was probably at the direction of Elson, because the father supposedly was responsible for having Elson shot in 1991. Elson and others were charged in a federal indictment with these murders. Elson was also implicated in the earlier attempted murder of the same Vyacheslav Lyubarsky in 1991.
- Elson himself was shot and wounded in Los Angeles in 1992. Another émigré, Leonyard Kanterkantetes, took him to the hospital. A third individual was injured two days later while trying to put a bomb under that Kanterkantetes's car.

- Said Amin Moussostov, a reputed Chechen enforcer was murdered in New Jersey in May 1992 by two individuals. He had earlier attended a meeting with Elson on behalf of his boss, at which Elson attempted to extort money. Two men with similar descriptions as the murderers attended the same meeting. Moussostov would not succumb to Elson's demands; thus, investigators suspect that Elson was involved in his murder. It should be noted that Moussostov is reputed to have been involved in the murder of Fima Laskin, a leading Soviet crime figure in Germany in 1992.
- An Armenian who was an associate of Elson's was found dead in Nassau County in early 1993, possibly killed as revenge for the shooting of another émigré who was involved in the fuel tax scams.
- Elbrous Evdoev, a Soviet émigré, was found murdered in a New Jersey salvage yard in March 1993. He had been shot and wounded twice in 1992 and had told authorities after the second attempt that Elson was behind it.
- In July 1993, Elson, his wife and a bodyguard were shot and wounded in front of Elson's residence. One of the perpetrators, who had been a bodyguard for Elson in the past, was shot in the course of the incident. The attackers were enforcers for a reputed *vor v zakone* who had a falling out with Elson. The wounded perpetrator was murdered a few weeks later; investigators assume that this was at the direction of Elson. The wounded bodyguard was shot and killed outside his home two months later.

- A bodyguard for Elson was implicated in the 1994 murder of a Soviet organized crime figure. The same bodyguard also wounded another émigré by shooting him several times in the head after having a falling-out over financial dealings.

Elson has had several associates who at times served as his bodyguards. These associates have also been involved in their own extortion, fuel tax evasion and credit card fraud activities. When Alexander Levichitz, also known as Sasha Pinya, a major Soviet crime figure reputed to be a *vor v zakone*, arrived in the U.S., Elson threw a party for him at a Brighton Beach restaurant. Elson also reportedly turned over his partial ownership of a restaurant to Levichitz.

Other forms of violence or threatened violence have also been common. Kidnapping is one example. Extortion of businesses in exchange for protection is widely practiced by Soviet émigré criminals. The latter may represent the importation of the kind of extortion that operates in the former Soviet Union, in which both legal and illegal businesses are only allowed to operate without disruption by either the state or criminals if they purchase "insurance" against such disruption. One form of protection in Russia involved the "kryshas" or roofs. They offer protection and security to businessmen and their associates. In return, the *krysha* demand a share of the business profits. This term is also used by Soviet émigrés in this country. It is not yet known, however, whether the term is being used to describe the U.S. extension of Soviet-based criminal organizations, or whether it has simply been appropriated to distinguish a hierarchy among Soviet émigré crime groups here. Several substantial cases of extortion have been prosecuted in the tri-state region, including the case against Vyacheslav (Yaponchik) Ivankov, who was convicted the attempted extortion of two Soviet émigré businessmen.

## **Criminal enterprises**

Most of the offenses we have described so far involve a focus on one or another specific type of criminal activity. In the case of some of the major offenders, however, there has been evidence of broad criminal enterprises in a number of separate areas, and these offenses more clearly resemble organized crime and have the trappings of a more sophisticated criminal organization. In particular, the case of the "Goldberg Crime Group" provides an example of this type of criminal enterprise. Boris Goldberg was indicted under the RICO statute in the United States District Court, Eastern District of New York, for heading a criminal enterprise. The general charges were as follows: trafficking in cocaine, attempting to commit murder, committing armed robbery and extortion, extortionate collection of credit, commission of acts of fraud, use of weapons and explosives in the commission of unlawful activities and preserving and enhancing the power and profits of the group by committing acts of violence.

Specifically, Goldberg and his confederates were charged with the following criminal activities:

- As a result of meetings in April 1982, Boris Goldberg and others conspired to murder one Robert Ferrante. Ferrante was shot on April 12, 1982 in Redondo Beach, California.
- Members of the Goldberg Crime Group traveled across state lines in order to carry on out an extortion of the owners of the Baja Seafood Company.
- The Goldberg Crime Group conducted a form of interstate commerce in distributing drugs, particularly cocaine, between 1982 and 1984.

- During 1983 the Goldberg Crime Group planned an attempt on Soviet crime kingpin Evsei Agron's life. On January 24, 1984, Agron was shot and seriously wounded.
- In December 1983 Boris Goldberg used extortionate means to collect extensions of credit from one Arkady Khimovich.
- Boris Goldberg and others conspired to take property by force from Ira Hershey, an employee of the Zale Corporation. The property was a quantity of jewels and precious metals, and the force used was violence and the fear of physical injury.
- Boris Goldberg and others committed mail fraud between 1983 and 1988 when they defrauded insurance companies by making false claims by mail.

Although it is clear that this network was involved in a variety of offenses and continued over a long period of time, its structure appears to be more that of a gang or team centered around the leadership of a single individual, rather than an ongoing organized crime structure that could continue without the presence of its main organizer.

### **Conclusion**

Across a wide variety of types of offenses, the schemes carried out by Soviet émigrés require extensive coordination between actors and infiltration of legitimate areas of the economy. The organization of these offenses, however, is responsive to the specific nature of the criminal opportunity-- for example, the need to mimic the operation of legitimate businesses-- rather than simply following the structure of any existing criminal organization as is usually the case with traditional organized crime. Criminal entrepreneurs in response to specific opportunities form the crime networks described by the Tri-State Project materials. They do not look like existing

organized crime structures maintaining operations or branching into new areas. Of the types of harm that are associated with organized crime--violence, monopoly, and corruption--the one most clearly evident in these data is violence. The violence is used mainly to intimidate the public, potential competitors, and those who might be seen as disloyal. In this respect, the crime networks described here do resemble traditional organized crime. There is, however, no indication that Soviet émigrés have established any criminal monopolies. Instead, the offenses take place in a variety of areas and do not represent the total domination of any markets. Further, at this stage, Soviet émigré criminals in the tri-state area do not appear to be using systematic corruption in order to protect their enterprises in the United States. The Goldberg Group, one of the clearest examples of a wider criminal enterprise, was centered on one individual rather than being an ongoing criminal organization having the continuity to be able to survive the loss of its leader.

Soviet émigré criminals operating in the U.S. have been described by some law enforcement authorities and by some in the media as being structured much like La Cosa Nostra. When Yaponchik was arrested in June 1995, he was labeled the "capo di tutti capos" of Soviet émigré crime in the United States.<sup>19</sup> His arrest was taken as proof of a centralized Soviet émigré criminal organization, along the lines of La Cosa Nostra, a view that was strengthened by his known association with the *Solntsevskaya* gang, the largest gang in the former Soviet Union.<sup>20</sup> An opposing view is that Soviet émigré crime networks have no defined organizational structures or hierarchies that look anything like La Cosa Nostra.<sup>21</sup> Instead of the hierarchical structure associated with continuing criminal enterprises, Russians, according to this view, operate mostly as individual specialists. As such, they have very fluid groups that occasionally

come together to commit a crime. This theory suggests that the Russians are not rigidly authoritarian, and the people involved do not answer to anybody in particular. When organized, they operate in a market-like manner, choosing others to work with strictly on the basis of the anticipated return of such cooperation.

It is our assessment that neither of these opposing positions is accurate. Our analyses of the Tri-State Project information indicate that there are large, ongoing networks of individuals identified by law enforcement as involved or suspected of criminal activities who are directly or indirectly connected to each other. There is no evidence, however, of a complex hierarchy or set of hierarchies. Instead, ad hoc teams of specialists are mustered for specific criminal ventures in an opportunistic manner. They may move across ventures, and sometimes work on the basis of referrals, vouching for each other. They often create flexible project-oriented structures to enable them to carry out particular crimes. In this they do not differ greatly from current trends in licit organizations, where there are indications of a decrease in the amount and degree of hierarchy, increasing reliance on strategic partnerships and task groups, and growing reliance on third party service providers.<sup>22</sup> At times, particularly active and effective individuals may work with ongoing teams, but even these often shift.

The predominant structure is one in which individuals who knew each other in the former Soviet Union, or who know people who know each other, get together around some particular criminal opportunity. The backgrounds of these individuals vary, but overall, the professional--but non-*vory v zakone*--criminals and the opportunists who currently dominate Soviet émigré crime here typically mistrust each other. There are few references to loyalty based on shared ethnicity or culture, despite the fact that some of the players knew each other prior to emigration.

With the exception of the gas tax scheme and rare other exceptions, however, Soviet émigré criminals seem to associate mainly with each other, both criminally and socially.

The use of this type of flexible structure by Soviet émigré criminals in the United States is a product of a number of forces. Perhaps most important, it represents a continuation of the patterns and practices that were institutionalized in the former Soviet Union. In particular, it reflects the dominance of professional criminals and the young entrepreneurial offenders, rather than the *vory v zakone* or the comrade criminals (*avtoritety*). Second, it is well suited to the types of offending in which these criminals are involved. This most often requires teamwork, flexibility, and the ability to mimic the operation of a legitimate actor or organization. Fraud and confidence schemes, and also certain violent crimes are particularly suited to this type of structure, while control of the gambling in a given area or other similar activities seem not to be. In the next section we will examine these structures more systematically.

## **Part 2: The Structure of Soviet Émigré Crime**

Detailed qualitative information from a variety of sources led us to believe that Soviet émigré crime in the United States is neither tightly organized nor does it fit conventional definitions of a mafia. Here we will use a quantitative technique known as network analysis to develop a more detailed and systematic understanding of the nature of the organization of this crime. Based on the results of these analyses we conclude, as we did when we examined the descriptive material in Part 1, that Soviet émigré crime is neither organized crime nor a mafia. We also reject the idea that it is only isolated small groups and individuals operating on their own. Although such groups and individuals clearly exist, they include a relatively small portion of Soviet emigres involved in criminal activities. Much more important are extended networks of actors who know each other directly or through other people. Some actors are clearly more important than others, but there are none who totally dominate or control the entire network, although they may dominate parts of it. In this sense the organization of Soviet émigré crime is not very different from the organization of a variety of economic activities. In many sectors of the legal economy, entrepreneurial models in which short-term teams of what are essentially freelance operators come together to carry out short or medium term projects, but then break up when the project is completed.

In order to understand the structure of criminal networks and whether or not they fit the definition of organized crime, it is necessary to examine more than just the crimes that come to the attention of the authorities and result in an arrest or conviction. Such officially recorded information, with a few exceptions, focuses on specific events rather than ongoing organization.

It ignores the existence of non-criminal relationships between those involved, and, by taking a snap shot of what may be one part of a criminal network, gives the impression that the network in question exists separately from other criminal networks. Although in some instances the picture obtained in this way may be fairly accurate, in many other instances it is incomplete and inaccurate. This may be even more true in organized crime cases than in cases that involve other types of crime. Because prosecutors need to present cases in a way that tells a complete story to grand juries, judges, trial juries and the media, this tendency to reduce and simplify may be even stronger in those high profile, often complex, organized crime cases that come to trial.

Unlike prosecutors who seek to create a coherent story, investigators seek to collect large amounts of information about the people and organizations in which they are interested. This is especially true of those involved in the collection of criminal intelligence and those who develop cases through ongoing investigations rather than following a specific crime incident reported by a victim as is usually the case. Intelligence information comes from existing documents, ranging from articles in newspapers and magazines, to corporate filings with the state, to interviews with victims or experts, to surveillance. This information, it is believed, may eventually prove useful in understanding what alliances or divisions are developing, solving particular crimes or allowing a prosecutor to bring a conspiracy case. In its raw form, however, it is simply information waiting to be put to use. For the purpose of developing a more complete understanding of the nature of criminal networks this raw information is much more useful than the processed information given in some sources. There is also a critical distinction between a prosecutor needing to follow the rules of evidence while presenting a coherent story, and

investigators and intelligence analysts who can use whatever information they have, regardless of the source, to flesh out their theories and test their hypotheses. The latter process is more akin to social science, in which evidence is evaluated in terms of reliability and validity but does not have to meet legal evidentiary standards.

We were fortunate to have the cooperation of member organizations of the Tri-State Project on Soviet Émigré Crime that allowed us to have access to virtually all of their raw information on Soviet émigré crimes. This allows us to paint a much more complete picture of Soviet émigré crime than would be possible if we relied on court cases alone.<sup>23</sup>

The information from the Tri-State Project came in seven basic forms, each one of which has strengths and weaknesses as a source of information.

**Indictments:** These were actual indictments in which individuals and organizations were charged with crimes by grand juries. Participants in the TSP shared indictments concerning cases in which they were directly involved and, occasionally, obtained others, including several from federal courts and jurisdictions outside of their region. The indictments include some of the best known cases involving Soviet emigres, such as some of the motor fuel tax fraud indictments, as well as less well-known ones.

**Newspaper and magazine articles:** Participants in the project collected and exchanged clippings from various publications. At times these had to do with their cases directly, but often were about any type of crime involving Soviet emigres. Two Russian-speaking investigators also followed the Russian language newspapers from New York City and elsewhere. When articles

thought to be relevant to an investigation appeared, they provided translations. Advertisements and announcements were of particular interest to investigators. The advertisements were usually those, which may have involved fraudulent activities, for example those for medical services and equipment, especially when they promised to provide services at no cost to the patients. The announcements were usually memorials placed in honor of murdered figures who were known to be involved in criminal activity. These announcements, along with the corresponding deaths, allowed investigators to examine alliances and splits among Soviet emigres active in crime.

**Phones:** The Organized Crime Task Force collected phone records of individuals who were targets of their investigations. These records provided information on the toll calls made from the targeted telephone number. In a few cases, involving major figures, other phone records were also available, including records on incoming calls. These types of phone records are problematic in that we cannot be sure who is actually speaking on the phone (or even that a call involves two people speaking and not the operation of a fax machine). Certainly, many phone calls did not involve any criminal activity. Yet, with all of these limitations, these records provide useful information about connections between actors, and the names of organizations that might be involved in illegal activities.

**General Surveillance:** These documents summarize the results of general surveillance of targeted individuals or locations. They are based on direct observation by investigators, although they may add other information, such as the fact that an observed person is the child of someone being investigated. Investigators would often watch a person of interest, or his or her house or car on a regular basis over several weeks or months, in order to build their understandings of

such information as with whom that person had contact, at what locations he or she spent time, and what his or her routines were.

**Social Surveillance:** Reports from the surveillance of social events, such as weddings, were analyzed separately from general surveillance reports because they are targeted at events rather than at individuals or organizations. Because this form of surveillance casts a wide net, the reports often included the names of individuals whose only connection to the targeted person was that they happened to attend the same social event. This is an example of the broad approach to information gathering taken by investigators. If, at some later point in the investigation, the same person appears again, the investigators may conclude that he or she should be incorporated in the understanding of the criminal network they are creating. In contrast, the information that a person attended a social event would seldom be crucial to a prosecutor's case. The surveillance methods included, for example, recording the license plate numbers of all cars in the parking lot without knowing which ones belonged to targeted actors. In analyzing these data we took two approaches to the identified cars: treating them as separate entities and treating them as proxies for their owners.

**Confidential Informant Reports:** These contained information from confidential informants who worked with investigators. Informants are individuals who have some knowledge about criminal activities, and often have themselves engaged in such activities. Informants usually receive some type of benefit--such as immunity for their own crimes--in exchange for the information they supply. The possibility that informants may fabricate or exaggerate information in order to obtain such benefits makes dependence on the information they provide controversial.

**Reports:** This category included a variety of other reports produced in the course of investigation. Investigative reports involved continuing investigations, describing new information or summarizing investigative activities. Intelligence reports provided background information on a number of topics. Interview reports summarized interviews of people in custody, prospective confidential informants, interested citizens, and others. Arrest reports described the circumstances, charges, personnel, and subjects of arrests. Incident reports described crimes and other activities. Search reports summarized the results of searches of facilities conducted by law enforcement personnel. Meeting reports summarized meetings with specific individuals. So-called routine reports described the service of a subpoena or similar actions. Company reports described a company of interest to the investigators. They often included a listing of the officers and managers and used information available from public corporate records or from commercial firms providing such information. More complex company reports provided detailed descriptions of corporate structures and the interrelationships between a number of companies.

Each of these seven sources of information has deficiencies. Together, however, the sources complement one another, and, when used in combination, they provide information that has more reliability and validity than any one source alone. For example, while the information about phone calls is accurately recorded twenty-four hours a day, seven days a week and includes a large number of individuals, families, and businesses, we can never be certain of who exactly is speaking to whom or what they said. The information obtained through direct surveillance is accurate about who is with whom, but, because it is very expensive, it is very rare for

surveillance to take place full time over a prolonged period. It is, therefore, only a hit and miss sample. Reports from confidential informants often provide detailed information about individuals of interest, but the suppliers of this information are often far from disinterested observers, and cannot be considered completely trustworthy. If, however, two individuals can be connected through phone records, direct observation, and a report from a confidential informant, we can more confidently conclude that a link between them exists. So, just as prosecutors sort through and selectively use the information collected by investigators to build successful cases, we will sort through our information from the TSP to develop a picture of the organization of Soviet émigré crime in the tri-state region. This picture includes the nature and extent of criminal activities in which Soviet émigrés are engaged, whether as members of criminal organizations, partners in networks, or individuals.

Networks are defined by the relationships among individual actors rather than, for example, by the names of the particular positions or roles--such as treasurer or assistant-- that individuals occupy. Networks consist of the actual (although perhaps subjective) relationships among individuals, rather than the relationships that are formally supposed to exist. This emphasis is particularly useful for the study of crimes involving formal organizations or involving the legitimate economy because the nominal roles that people occupy--such as president of a fuel oil company--often have little to do with their actual positions. In one daisy chain scheme, for example, a janitor was designated the head of a burn company. Because of their emphasis on the relationships among actors, networks are distinct from other forms of social organization.<sup>24</sup> Markets, for example, are characterized by individualized behavior based on competition, and

actors who have transactions with each other are adversaries. Formal organizations, on the other hand, coordinate goal-directed activities through adoption of explicit procedures and have official boundaries.<sup>25</sup> Often, formal organizations incorporate elements of hierarchy, featuring well-defined authority of some over others and centralized administration.<sup>26</sup>

That crime is not usually organized through either formal organization or markets may seem obvious, based simply on the fact that the activities are illegal.<sup>27</sup> Clearly, people do not set up formal organizations with the publicly expressed goal of carrying out criminal activities. Further, even setting up a formal organization with non-criminal public goals and secret criminal goals may involve increased risk of exposure for all those involved in the organization, if its criminal nature is discovered by the authorities. Similarly, an individual, network or organization providing illegal goods will not follow true market practices and make public the necessary information that would bring in the largest potential number of customers.<sup>28</sup> Even if such market activities could be invisible to all but active criminals, the risk of detection by the authorities may remain high (if, for example, informing has low costs and high benefits for those participants who do the informing). Both legal prohibitions and surveillance limit the ways in which crime may be organized. Under these conditions, non-market, non-formal organizational structures may be preferred.<sup>29</sup>

Some crimes require particular types of knowledge or skills. Bootleg gas schemes may require someone who knows how to make invoices and other records that appear to be legitimate, and Medicaid fraud may require someone knowledgeable about medical goods. Even money laundering and murder-for-hire require a degree of expertise. The need for knowledge

may lead to the creation of a relationship with those who possess it, but this relationship may be short-lived. Because of the special access or know-how necessary for many kinds of crimes, those who possess it are seldom subject to market-like competition, and they may be unwilling to take subordinate positions in a hierarchy.<sup>30</sup> Thus, a network relationship based on personal ties between two individuals may emerge. Because they can be both started and ended quickly, network forms are often adopted in environments that reward flexibility and that require adaptability to change.<sup>31</sup> The environments for criminal activities may change because of changes in crime prevention strategies, because of differences between potential victims, because of the incarceration of co-offenders, or for other reasons. Specific criminal acts are often short-term,<sup>32</sup> and even in the case of the longer-term criminal activities, such as complex frauds, participants often aim to have the ability to end the schemes quickly in the event that the victims become suspicious.<sup>33</sup>

Finally, network--rather than competitive or coercive--forms may most often appear in legitimate contexts when trust exists among actors. Co-offending generally requires some degree of trust among participants.<sup>34</sup> Powell argues that "networks should be most common in work settings in which participants have some kind of common background--be it ethnic, geographic, ideological or professional. The more homogeneous the group, the greater the trust, hence the easier to sustain network-like arrangements."<sup>35</sup> This selection of individuals like oneself as partners in criminal activity has been found in various studies of offenses involving co-offending and may provide a basis of trust.<sup>36</sup> Independent of homophily, however, co-offenders must have some degree of trust in each other in order to cooperate in an offense.<sup>37</sup> Powell suggests that network forms of organization, rather than markets or hierarchies, are most likely to be adopted

to organize legitimate economic activity when there is the need for specific kinds of knowledge or abilities, speed, and trust between actors.<sup>38</sup> Because these requirements are often present when actors come together to commit crime, at the same time that environmental constraints limit the use of other forms of organization, networks may emerge as the most common form of criminal organization. This does not mean that there are never elements of other forms of social organization present when offenders cooperate. Even when an offense operates through a formal organization, however, the personal relationships between individuals are at least as important as the organizational structure. Thus, within organized crime personal ties and loyalties between offenders have great importance, even though there may be a hierarchical structure and a separation of role from actor.<sup>39</sup> More than 4798 individuals, organizations, places and other entities were identified in the Tri-State project files and other documents. The greatest number of these (1851) came from the phone information, followed by general reports (1738) and general surveillance (667). Newspapers and magazines had the smallest number of entities (137). The other sources of information (social surveillance, confidential informant reports, indictments) had between 250 and 400 entities. In order to examine the organization of these entities into a network, we recorded all information in the documents that linked any one of these entities to any other. A total of 34,484 ties between pairs of entities were recorded. The challenge then was to make this vast quantity of information intelligible and interpretable; to do this, we used a set of techniques known as network analysis. Network analysis uses a set of mathematical techniques to analyze and interpret relational data. Although the term network is widely used by both law enforcement officials and scholars who deal with organized crime, the use of the formal techniques of network analysis is relatively rare.<sup>40</sup> Because of this, we will

briefly explain some of the techniques that we used and how we approached the data analysis task.

As pointed out earlier, each of the seven types of data that the Tri-State Project collected has its own strengths and weaknesses. We examined the sources separately and together, and we also explored different approaches to the same information. So for example, when we have information that cars belonging to two individuals were seen parked in the same parking lot, we had to decide whether to treat that information as though it indicated that those two individuals were actually together. This is further complicated by the fact that the cars that people drive may not actually be registered in their names. For example, investigators pointed out to us that many of their targets drove cars that were registered in the names of their spouses or children. A similar situation exists with the phone data. We do not know who actually spoke during a particular phone call, just that a call was made between two phone numbers. This problem was partially addressed by systematically coding all information on connections between individuals, including that between family members. Therefore, if two cars were parked together, one owned by the child of its driver and the other owned by the spouse of its driver, the two drivers would be connected indirectly in our network through their family members even if they were never seen together in person. This is illustrated in figure 3.

Insert Figure 3

At times, specific individuals were observed in specific cars, and the individuals did not include the registered owners of the cars. Many cars were registered to car leasing companies. To address this, we did some analyses in which the cars were treated as entities separate from their owners, and other analyses in which they were treated as proxies for their owners. For the

phone information, it was assumed that the person to whom the phone was listed was the person speaking on the phone. Here too, the coding of the relationships between the listed name and other people, including family, amorous and business relationships, ensured that indirect connections between entities were identified.

Because the information sources were so diverse, we analyzed them in two ways. First, we combined all of the sources of information into one large network. We then looked at each source separately. Not surprisingly, the results were very different on a number of dimensions. The separate analyses each reflected, in part, the nature of the information included and the process through which that information was collected. The analyses using the combined information are quite different from the separate results. Although one could criticize this strategy, which seems to combine the apples of information on phone calls with the oranges of newspaper reports, this pooling is quite similar to the process through which investigators develop their models of what a criminal network looks like.

### **Network Analysis**

In order to understand how we used the information, it is necessary to step back and explain some of the basic ideas and vocabulary of network analysis. Consider, for example, four of the many possible ways that eight offenders can be connected to each other. In Figure 4(a), all eight know each other and they exist in a state of maximum connection. This illustrates what is known as a "complete" network, because all possible ties are present. In this network it is not possible to distinguish between a central player and a marginal one. If any one actor is removed the structure remains essentially unaltered.

In Figure 4(b), one of the eight offenders occupies a central position connected to each of the other members of the network, and none of the others is connected to anyone but the center. In this example, it is clear that the person at the center occupies the central role while those beyond the center are marginal. Remove the central person and the whole structure falls apart. Remove someone at the margin and it stays basically the same, although some might be harder to replace than others.

In Figure 4(c), the individuals are organized in a chain, in which each individual is linked to only adjacent persons, except those at either end. Removal of any individual could destroy the chain, but the impact of removal depends upon that person's position. Removal of the link between some pairs of individuals might serve to create two identically structured groups of a smaller size. In Figure 4(d), two of the members of a three-person clique are connected to other less central individuals, who may in turn be connected to others. Here again we see that the removal of some key individuals might lead to the collapse of the network, while the removal of others would not.

Of course, in the real world, few networks are as simple as the four illustrated. Crime networks can take a variety of forms and can be made up in a variety of ways. In some, roles are well defined and highly segmented, while in others the structure is more egalitarian. In some networks, not all members have knowledge of all aspects of the crime, while in others they do. In some, the members double-cross each other during the crime or in dealing with the authorities, while in others members have strong loyalties to one another. In some crime networks, the relationships among co-offenders are ongoing, either criminally or personally, while in others strangers come together for a single crime incident. The representation of organized crime as a

set of three hierarchically organized "families," each with a single leader who comes together with the leaders of the other families would be organized as in Figure 5.

The first step in the transformation of network data into a form that can be analyzed is the creation of a matrix representation of the data. If the population of  $n$  individuals<sup>41</sup> makes up the database, then an  $n \times n$  matrix is created. Thus the four eight-actor sociograms illustrated in Figure 4 can be transformed into four eight-by-eight matrices (Figure 6). A row and a column represent each actor's set of relationships. The presence of a tie (link) between two actors is represented by a 1 and the absence by a 0. An affirmative answer to the question "Is person C tied to person A?" is represented by placing a 1 at the intersection of row A and column C and a second 1 in row C and column A.<sup>42</sup>

#### **Describing the structure as a whole**

There are a number of different approaches to the description of a network. One important characteristic of a set of relational data is whether or not it is connected, that is, whether it is possible to get from each member to each other member using the paths or links between network members. A specific pair of actors is called reachable if there is a path between them, regardless of how long the path is. It may well turn out that there is not a single connected network, but rather several non-overlapping subgroups or lone individuals within the data.<sup>43</sup> In network analysis, all actors who are directly or indirectly linked to each other are said to form a component. Everyone in a component is directly or indirectly connected. No one in a component is directly or indirectly connected to anyone in a different component. In our investigation of Soviet émigré crime we were particularly interested to discover the extent to which actors are directly or indirectly connected to each other. We wished to know if their organization consisted

mainly of small groups or teams acting independently, or if there was some larger, overarching organization--sometimes labeled the *Organizatsiya*--as has been argued by some analysts. There are a number of ways in which the overall characteristics of a given network can be characterized and compared with other networks. Some of these may be used in any contexts and others can be used only within a component. To summarize the overall network, a measure called density is used. Density is, essentially, the proportion of all possible ties that are actually present. Figure 4(a) shows a network with density of 1; all of the 21 possible ties between actors are present.<sup>44</sup> A density of 0 would mean that none of the actors are tied to each other. The organized crime hierarchical structure has a density of .09. The star figure (Figure 4(b)) and the chain figure (Figure 4(c)) each have the same number of ties and the same number of actors, so their densities are both .333, because 7 of the 21 possible ties are present. Obviously, density alone is not enough to describe a network because it does not capture the important differences between these two networks.

A second approach measures how tightly tied together the network members are. The shortest route between any two members of a network is called a geodesic. To characterize a network, we can look at the longest, shortest and average geodesic between members of the network. The length of the longest path between any two actors in a network is called the diameter of the network. In Figure 4(b) (the star) diameter is two. In Figure 4(c) (the chain), it is seven. In the hierarchical organized crime structure (Figure 5) it is 7. In the study of organized crime, we are particularly interested in understanding the extent to which the structure is hierarchically organized and who is at the center of the network. The measures of centralization provided by network analysis allow us to assess the extent of centralization. If we take Figure 5

as a model of organized crime that is highly centralized, we can compare other criminal networks to it. Because of the nature of the data we collected, and the large number of actors in the networks, we will rely primarily on measures based on the number of ties and the lengths of geodesics to assess the overall structure of the networks and to identify the central actors.<sup>45</sup>

### **Identifying central actors**

Perhaps the most basic of the methods of identifying central actors rely simply on counting the number of ties that are present in the network. For example, important actors in a network may be those who have many ties. The central actor in the star graph has the most ties, for example. The limits of this approach become apparent, however, when the other figures are examined. It is possible that the most important actors in a network—for example, the three family heads in figure 5—may not have any more ties than the less important actors.

Another way to identify the central members of a network is to find those actors whose geodesics are small; they are relatively close to everyone else in the network. If we look at each actor and find its longest geodesic—the distance between that actor and the actor from which it is furthest—and then select those actors for whom this longest distance is as small as possible, that set of actors is called the Jordan center of the graph. In the star network the central actor has a maximum geodesic of 1 while all of the others have a maximum of 2. Therefore the central actor alone makes up the Jordan center. In the chain network, the two actors in the middle of the chain have a maximum geodesic of 4 and they make up the Jordan center. In the three-family structure, the three central actors have maximum geodesics of 4 and together make up the Jordan center. We found that the Jordan center was useful for identifying important sets of actors.

In our analyses, we looked at overall density and then the connectedness of the overall network. None of the analyses found a single connected network. Instead, they found one large component (or connected network) and many smaller ones. In the subsequent analyses we concentrated on the largest components. Within it we concentrate on measures of density, on measures of centralization and centrality based on the number of ties actors had, and on the path distances (geodesics) between actors.

### **Describing the Structure of Relationships with Network Data**

A different approach is to describe the structure of the relationships among members of the network. This approach is the most closely related to the theoretical view of networks as the basic form of social organization. There are a number of approaches to the interpretation of the structure of the relationships present in network data and the description of networks. These techniques allow us to summarize data and make it possible to compare two or more groups.<sup>46</sup> They also often serve broader purposes because they allow the analyst to "uncover" structures within a set of relational data that may not be apparent to the naked eye. An analysis of a network's structure divides the matrix of network data into groups. The structural equivalence approach groups together individuals who share similar patterns of relationships with third persons. Two actors are structurally equivalent if they send ties to the same other actors and receive the same ties from the same other actors. To carry out this analysis we used a statistical technique known as cluster analysis to divide the network matrix into groups of similarly situated actors. In doing this analysis we concentrated on the largest component of actors.<sup>47</sup>

## **What Does the Structure Look Like?**

The primary goals of our research project were to develop a broad picture of Soviet émigré crime in the tri-state area, to systematically describe how it is structured, and to determine if it is organized crime. Using the techniques described above, which are drawn from the larger set of approaches known as network analysis, the objective of our analysis was to describe the structure in terms of its overall characteristics, the locations of specific actors, and the number and characteristics of subgroups.

### **Overlap Analysis**

A first step in comparing the information obtained from different sources is to assess the degree to which the same actors are identified in several sources and what, if any, patterns there are to this. It might be hypothesized that key network members—or at least ones who are thought by the investigators to be key-- would appear in more than one source. This involves a two step analysis. First, we identified actors appearing in multiple sources of information. Then, we examined their ties to each other in order to understand whether and how they are arranged.

Of the 4798 individuals, organizations and other entities that appear at least once in the Tri - State Project files, just 37 were represented in four or more sources of information. Almost three times as many, 104, appeared in three or more sources, and 331 appeared in two sources. (Of course, many actors appear two or more times WITHIN the same source, for example, the one person may have phoned 5 or 6 other people). Overall, then, there is very little overlap, in absolute terms, across the sources of information.

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investigation. This analysis does not provide a picture of Soviet émigré crime that appears particularly hierarchical or centered on just three or four individuals.

The analysis of the information on those who are found in many different data sources also provides a map of how investigators viewed the organization of Soviet émigré crime. Because investigators did the collection of information and the preparation of the narratives of the reports from which we drew our data, these documents served both to reflect and to create their understandings of the structure of the crime networks. The actors represented are often those who the investigators sought to prosecute. Investigators sought to prosecute these actors because they had received a great deal of information indicating that these actors were important. Those who appear in many sources most often were mentioned in reports. Phone information, general surveillance and confidential informants' reports were the next most important sources. Just nine of those individuals mentioned in four or more sources were mentioned in newspaper or magazine reports. Only eight were actually indicted during the time we gathered our data.

#### **Analysis of all of the sources together**

The next phase of our analysis was to put together all of the information from all of the sources into one analysis. Because of the inclusiveness of this analysis it should be considerably less filtered than the analysis of overlapping individuals. We analyzed this information in a number of ways. For example, we treated cars as proxies for their owners in some analyses, but as though they were completely independent entities in others. This distinction had no substantive impact on the results of the analysis. We also performed separate analyses using information on actual individuals only, and then using information on people, organizations, locations, and other types of entities. The latter included such general concepts as "the Gambino

Crime Family” which while not physical entities, appeared important in the understandings of the organization of Soviet émigré crime held by investigators, prosecutors, journalists, and others. Many of the results were consistent from one analysis to another.

Each way that we analyzed the data, we found that there were more than 130 connected components. It is clear, however, that one very large component dominates. This component includes between 75 percent and 85 percent of the individuals and entities in the network, whether we look at individuals alone, all entities and individuals together, or some other configuration. The overall densities of both the network and the largest component are low, but this is not surprising given their sizes. The many smaller components--which often contained just two or three individuals or entities--were, of course, more densely connected. There were a small number of people with very high degrees (as many as 311 in the case of confidential informant 45, when all types of entities are counted), and many more people with relatively small degrees. Some of the other people with very high degrees were also confidential informants, and this reflected the fact that they claimed to have direct knowledge of a large number of people. A substantial number of people were also tied to only one other actor in the network. The major actors identified in the overlap analysis tended to have a moderate, rather than very large, number of ties. Despite the size of the network in terms of numbers of members, the diameters are small. For example, with all entities treated separately, the diameter of the network is 12. When people only are used, the diameter is 13.

Because the networks were so clearly dominated by one large component, we focused on that group as the most likely to contain information that would indicate the existence of a centralized or hierarchical structure. Because it still contained thousands of actors, it remained impossible to examine the structure visually. Therefore, we carried out two types of analysis. First, we examined the Jordan center of the component in order to identify the most central actors and entities. Then, we used cluster analysis to describe the overall structure of the component.

The Jordan centers of the large components included nodes with maximum geodesics of 6 or 7, and they identify relatively small groups of actors. In the case of the analysis including people only there were four actors in the Jordan center (see Figure 8), while all of the data combined yielded a Jordan center of 61 individuals and other entities (see Figure 9). The Jordan centers, as with the overlap analysis, identified people who were relatively important in the view of investigators. Although they did not contain the same individuals, all of the individuals who were part of the Jordan centers of the networks were among the most important in terms of degree, mean geodesic and maximum geodesic distances in all of the data sets. That is, the overall centers of the networks were consistent.

Examination of Figure 9 reveals that it contains some of the same actors as we saw in the overlap analysis. These include confidential informant 45, Elson, Bendersky, Zilber, Balagula and Boris Nayfeld. Also included in both were some of the same organizations such as the Metropole restaurant and Blond Management. On the other hand, well-known actors such as Podlog (a convicted drug dealer) and Korotaev (a boxer and enforcer who was murdered outside

a restaurant in Brighton Beach) who were not prominent in the overlap analysis are included in the Jordan center. Interestingly, Ivankov (Yaponchik) and Agron, who have been at the center of many of the most important newspaper and magazine stories about Soviet émigré crime, do not occupy central positions in the network. It is important to remember, however, that there are ways to be important in a network without being at the center of it. It could be, for example, that unlike the organized crime structure shown earlier in Figure 5, intermediaries connect the key actors rather than directly. This is why it is essential to examine the overall structure of the network in addition to examining individual-level characteristics such as the number of ties or whether an actor is in the Jordan center.

In order to describe the overall structure of the network we use a technique known as cluster analysis. It looks at each individual's and entity's connections and lack of connections to others in the network, which in this case was the largest component. The analysis then divides the network into clusters that contain individuals or entities with similar patterns of connections (and lack of connections). Thus, individuals in the same cluster do not necessarily have to be connected to each other although they often are. Rather, they should be connected to the same other people or entities. The analysis is carried out on a matrix like those shown in figure 6.<sup>48</sup> The analysis may find that there are no clearly defined clusters, and such a finding for our research would mean that there was little or no organization of Soviet émigré criminals in the United States.

The cluster analyses identified clear clusters, and these clusters were generally consistent for the analyses using only people and all entities, and treating cars as cars or as their owners. All of the cluster analyses found one large cluster that contained a broad spectrum of people and, when they were included, other entities which appeared a small number of times in the data and whose connections were to other entities or actors that were similarly marginal. In a few instances some seemingly important actors are included in this cluster, even though they often appeared just a few times in the data. The cluster analyses—regardless of how the data set was treated-- tended to place some actors into clusters by themselves, and other actors into small, consistent clusters. For example in the 24 cluster solution for all entities and the 20 cluster solution for people only, Yegemenov, Schteinberg, Elson, Grinbeyn, Komarov and Boris Nayfeld were all placed in clusters by themselves.<sup>49</sup> This befits their distinctive patterns of relationships with other actors. In some analyses, Ivankov, Bendersky and certain key organizations such as the Center for Russian Immigrants were also placed in their own clusters. David Podlog was consistently placed in a cluster in which other people involved in his drug smuggling conspiracy were also located. The cluster analyses that included all entities also consistently yielded clusters that connected a single restaurant --such as the Rasputin, the White Palace and the Metropole-- to a set of cars. A consistent cluster containing Evdoev Elbrous, Josef Aybinder and Svetlana Fliornet emerged in virtually every solution.

In general, the cluster analysis was successful in identifying key actors. It also yielded important information about the overall organization. The key actors were each placed in clusters by themselves, and this indicates that they had distinctive patterns of relationships. That

is, they were tied and not tied to different members of the network. They were also not generally tied directly to each other. At the same time, there were not just one or two individuals who had distinctive positions; there were six or more. This indicates that a simple hierarchical structure is not present. It may be that, as was the case for the Goldberg group described previously, what ongoing structures exist are more personal, centered around individuals who through physical force, force of personality or some combination of the two, bring together a number of other actors to engage in a variety of criminal enterprises.

### **Analysis of the Separate Sources of Data**

Research on organized crime has traditionally relied on a small number of data sources. For example, much use has been made of public hearings, court documents, newspaper reports and interviews with investigators. Other research has relied mainly on interviews with participants in the organized crime network being studied. Because we had a diverse set of sources available, we were able to compare what the structure of Soviet émigré crime looked like using each of these sources separately. The results of the separate analyses are in many instances quite different from those we got from our simultaneous analysis of all of the sources of information combined. The image of the structure drawn from each of the separate sources reflects the distinctive characteristics of the data source and may, in itself, explain some of the discrepancies between various commentators over the extent to which Soviet émigré crime is hierarchically organized.

Because the numbers of individuals and other entities included in each of the sources varied widely--from 1851 for phones to 137 for newspapers--we will take somewhat different approaches to presenting the results of each separate analysis. We should note, however, that this big difference in numbers itself reflects the nature of the data sources. Newspapers and magazines will almost inevitably focus on a smaller number of actors who are part of the most interesting or dramatic cases. Phone information, on the other hand, includes both important communications between key actors and mundane calls to a child's school or a catalog company. Thus, in the case of newspaper and magazine articles we can present an image of all of the information in a single figure (Figure 10), whereas for other sources of information this is not possible.

As was true in the combined analysis, one large component contained over half of the network members in each of the sources (except newspapers, for which the largest component still contained 41 percent of those mentioned). In the case of phones 98% of all of the actors and entities were contained in the largest component, while in the case of surveillance 56% were. The number of separate components in each data source ranged from eighteen or fewer for indictments (5), confidential informant reports (6), phones (9), social surveillance (12) and newspapers (18), up to 55 for general surveillance and 132 for reports

The division of each data source into components reflects the nature of that source. Indictments are clearly meant to identify a set of actors involved in particular acts. They are not wide reaching, nor do they include information about unrelated acts. On the other hand, they are fairly dense within each component because all of the people indicted together were accused of related criminal activities (Figure 11). The four small components represent the Podlog drug

conspiracy, the Yegemenov and Syroejine false documents scheme, the Goldberg group, and the two crack vial manufacturing conspiracies. Each of these structures is well defined. The Goldberg group clearly centers on him, while the Podlog group contains a set of actors who all work directly with one another. The false document conspiracy centers on the two main actors and the organizations that they used in carrying out their schemes, including the banks in which they deposited the proceeds. The crack vial conspiracy at first seems more complex, but this turns out to be because there are actually two dense conspiracies with three actors linking them. The companies at the edge of that diagram were involved in the retail distribution of the crack vials.

The largest indictment component, representing a series of cases involving the motor fuel tax evasion schemes, is itself too complex to present in a simple diagram. Using a network analysis technique known as block modeling, however, we were able to determine that the component actually consisted of seven very dense conspiracies, which were then connected to each other through a much smaller number of individuals and companies. One reason these networks were so dense was the nature of the fuel tax scheme; there were a large number of companies named in each indictment, however many of these companies existed only on paper. Examples of two of these networks are given in figures 12 and 13.

In contrast to the indictments, newspaper reports tend to be of two types: the coverage of a specific incident or trial and general coverage of the "problem" of Soviet organized crime. The latter provide less information about the actual ties between individuals and more general structural characteristics as reported by experts (whether law enforcement officials or criminologists) while the former provides links between actors but not across incidents.

Therefore, it is not surprising that considering the small number of members of the network, a relatively large number of separate components of moderate size are identified. It is also not surprising that an entity such as the Gambino crime family plays an important role in this network, occupying the Jordan center of the largest component because it serves as a link between several separate schemes. Such a link is important because it builds a connection to existing stories on other criminal organizations. Indeed the reporters covering the "Soviet organized crime" story are often the same ones who cover other organized crime stories.

Other data sources are also distinctive. Social surveillance focuses on well-defined events, and therefore identifies clumps of people attending the same events. At times events overlap, but at other times they do not and each event identifies a new component. (Figure 14) Other types of surveillance and reports often involve investigators following links between actors wherever they go. This leads to chaining of actors, and to broad components. Information from confidential informants tends to focus on actors of whom the informant has direct or close indirect knowledge. Further, the informants often know or give information on each other. Finally, informants are, of course, being asked questions about relationships between actors by the investigators. As a result, their components tend to be, on average, relatively dense. The phone information is, for the individuals who are investigated, the least biased of any data. That is, all toll calls were entered without any further judgment being made about the importance of the actors calling or being called. These data yield one extremely dominant component and eight very small ones. In this they reflect, in part, investigative chaining (i.e. places that received calls

from a monitored phone may themselves be investigated), but also the characteristics of the network. As one investigator put it to us, "They all have each others' phone numbers"

That nearly all of the investigative data sources produce a very large component, itself provides important information about the nature of the Soviet émigré crime networks. It is incorrect to say that Soviet émigré crime consists mainly of totally distinct individuals or small groups of actors engaged in completely separate offenses. Rather, it indicates that, at a minimum, there are actually large networks of actors who have, through their networks, access to a variety of network resources. In the remaining analyses in this paper we focus primarily on the large components in the investigative sources.<sup>50</sup> This is indicated by the diameter of each of the components.

In the indictments, all actor(s) are no more than 7 steps away from the furthest person in their component. In the largest phone component, with 1816 actors, none is more than 10 from any other, and some are no more than 6 from any other. This indicates that despite the low density of the network, it is still relatively tight, especially considering that 774 actors within the phone component have ties to only one other actor. General surveillance, reports and newspapers have relatively spread out structures with diameters of 15, 17, and 10, respectively. As would be expected by the nature of confidential informant data, the diameter of the largest component was just 3.

In some instances, the Jordan center of a largest component contained only 1 actor. For reports, this was Zemnovitch, who was the owner of the Paradise restaurant. In the case of confidential informant reports, Levchitz (Sasha Pinya) was the Jordan center, while for general

surveillance the center is Eugene Bendersky. Figures 15 and 16 (which include not only the Jordan centers for confidential informants and reports, but also the network members whose maximum geodesics were 1 greater than theirs) indicate that their positions in the network, while important, are not dominant. Figure 17 contains all of the members of the largest component of the general surveillance network who appear more than once. Bendersky clearly plays a key role in linking together a set of separate observations, yet others in the same component, for example Yegemenov, and individuals associated with the Verrazano social club, appear to be important in other respects. The fact that Levchitz, Bendersky and Zemnovitch also appeared in the overlap analysis indicates that they are of great interest to investigators and play possible coordinating and connecting roles. Of the three, however, only Bendersky is in the overall Jordan center.

The examination of each of the data sources separately clarifies the nature of the structure of Soviet émigré crime networks, but it also illustrates the problematic nature of drawing conclusions based on just one or two types of information. Some sources of information, such as indictments, show structures that are dense, separate, and not very centralized. Other sources, such as newspaper coverage, produce centralized networks of key actors, often emphasizing the importance of connections to other organized crime structures. Reports from confidential informants produce structures that are somewhat limited in their reach and centered around the informants themselves. If, however, several informants cover overlapping material the understanding developed can be more general. We suspect that what is true for these data will also be true in almost all data on criminal organizations. In this sense, issues around the use of these data by both investigators and researchers are similar to those that researchers face in all

settings. It is clearly preferable to have information about any subject that is collected in several different ways, each of which can make up for the weaknesses of the other. Reliance on a small number of informants or a single source of information is likely to produce results which are biased. It is useful however, to examine each of the sources separately in addition to examining the sources together as we did earlier in the chapter. Indeed, it is essential to understand the nature of each of the data sources in order to be able to interpret the combined network appropriately.

### **The Organization of Soviet Émigré Crime**

The qualitative analyses in Part 1 and the network analysis here present similar pictures of the organization of Soviet émigré crime. On the one hand, this structure does not look like either what is commonly understood to be the structure of organized crime or "the mafia" in the conventional sense of those terms. The networks are not highly centralized nor dominated by a small number of individuals. Those individuals who do have particular influence seem to occupy their positions on the basis of their personal characteristics, and we have seen little to indicate that there are organizational structures that will outlive the involvement of their central actors. This means that the networks lack the continuing structures associated with, for example, La Cosa Nostra.

On the other hand, it is clear that there are not simply small groups of criminals essentially acting independently of one another. Although such groups do seem to exist, they represent a tiny portion of the actors identified in the course of the Tri-State Project. Instead, there is broad connectivity among most of the actors. They may not be directly connected to a large number of

others, but they are indirectly connected to many. This allows the networks a great deal of flexibility in the organization of their offenses, which means they can be responsive to the opportunities for illegal undertakings that develop. Given such an opportunity, a member of these large networks can access partners who are either generalists or specialists, can raise capital, and can access other needed resources. In this sense the structure is very functional. The fluid nature of the structure may also explain the high level of internal violence that the network seems to experience. The lack of a more hierarchical structure means that there is no one who can effectively control the use of violence or mediate disputes. In addition, the lack of more formal subgroupings makes loyalty to past partners difficult to create. So, for example, many of the murders seem to involve disputes between individuals who once worked together.

This suggests that those persons from the former Soviet Union who have become involved in crime have been especially opportunistic. At the same time they lack the trust associated with ethnic identity that is associated with other criminal organizations. Our findings also seem to support the observation of a Russian criminal who testified at a United States Senate hearing:

“Some [of the criminals who have come to the United States] are thugs who worked as enforcers or muscle in criminal groups based in Russia. These men are responsible for much of the violence that has taken place in Brighton Beach and other communities where Russians are concentrated in this country. These men are also disorganized and looking for a leader to devise a profitable criminal venture; someone like Ivankov. These are dangerous men, but would be far more so behind a clever leader.”<sup>51</sup>

Although both the analysis of separate data sources and the combined data sources provide useful information about the nature of Soviet émigré crime networks, and, perhaps most

importantly, provide systematic approaches to the use of relatively unfiltered data that would not be possible if only descriptive methods were used, it is important that the limitations of these approaches be kept in mind. Both the descriptive and the network analytic approaches that we have used rely on information that is collected by the investigators, albeit investigators from a variety of agencies. These analyses do not incorporate information on other activities that may be taking place or on structures that exist, but of which investigators are unaware. Therefore, in the end, these analyses must always be viewed with the caveat that they represent not "the" structure of Soviet émigré crime networks, but the structure of Soviet émigré crime networks as shaped by the investigators of the Tri-state Project. Although this is a research caveat, this situation also represents the real world of investigating and prosecuting organized crime. The investigators themselves do not necessarily view the networks in the same way that the network analysis leads us to see them. There is simply too much information from too many sources for any one individual to process, and even if it was possible, he or she might take a different approach and reach a different set of conclusions. Therefore, it is useful to explore the views of others who have observed the activities of Soviet emigres. To that end, we will next examine the perceptions of the ordinary Soviet emigres--those not involved in crime-- who live and work in the same communities as the criminals in whom we are interested.

### Part 3: How Soviet Emigres View Soviet Émigré Crime

Brighton Beach, Brooklyn is perhaps the largest Soviet émigré community in the world. In a few miles along the Atlantic Ocean, is a world of people and stores in which Russian is the most frequently heard language. Foods and other products reflect Russian, Ukrainian and other cultures of the former Soviet Union. According to the 1990 census, some 23,656 of the 59,917 people in Brighton Beach and the surrounding area claimed Russian, Ukrainian or Lithuanian ancestry. That population continued to grow in the years following the collapse of the Soviet Union.<sup>52</sup> Feature articles in the press regularly describe the neighborhood's food shops, restaurants and streets as exotic destinations for the adventurous to visit.<sup>53</sup> The neighborhood is sometimes referred to as "Little Odessa" or "Little Russia." In the press, especially in New York City, it is frequently cited as the action center for Soviet émigré organized crime.<sup>54</sup> Many of the same restaurants and clubs--such as the Odessa, the Rasputin and the National, mentioned earlier --are regularly featured in both types of articles.

Although Brighton Beach has long been home to Jewish immigrants from Russia and elsewhere, most of the Soviet emigres living there today are relatively recent arrivals.<sup>55</sup> Of the foreign born population of the Brighton Beach area included in the 1990 census, two-thirds had arrived since 1975. The Soviet émigré population consisted mainly of those who had arrived in the late 1970s as part of the movement of Jews out of the Soviet Union (19 percent arrived between 1975 and 1979) and another wave that arrived after leaving the USSR became easier in 1985. Following the 1991 collapse of the Soviet Union (and the 1990 census), yet a third wave of migrants began to arrive, making immigrants from the states of the former Soviet Union one of the largest groups of new arrivals in the United States in the early 1990s.<sup>56</sup>

Because of its importance for the Soviet émigré population both nationally and in the tri-state region, a closer look at who lives in the Brighton Beach area and how they view the criminal activities of their fellow emigres is useful for the understanding of Soviet émigré crime. To this end, we carried out a set of interviews with "ordinary" Soviet emigres. These individuals do not represent a scientific, random sample of Soviet emigres living in the United States, New York or even Brighton Beach itself. Because we wished to ask potentially sensitive questions about crime and organized crime, obtaining such a sample would have been extremely difficult. Many in the émigré community were hesitant to be interviewed on any subject, and were especially wary of questions about organized crime. We also wished to ask the subjects "open-ended" questions about themselves and their experiences. This meant longer, face-to-face interviews during which the interviewer could ask follow up questions to clarify answers. We preferred this approach to a mail or telephone survey in which the subjects would have been given a large number of narrow questions with a fixed set of answers from which they could choose.

Instead of taking a random sample of emigres, we found subjects through a process known as snowball sampling. This meant that the interviewer started with a small number of subjects who were willing to be interviewed, and then asked those subjects for suggestions of other people who would also be willing to be interviewed. This means that we cannot generalize from our results to any broader population in any statistical sense. We do believe, however, that the results of the survey reflect broad patterns within the Brighton Beach community. A university student who had herself emigrated from Moscow conducted all of the interviews in Russian. She also translated them into English.

As part of the snowball sampling process the interviewer sought to get people with a variety of perspectives. Sixteen of the interview subjects were men and nine were women, ranging in age from 18 to 72. The respondents included students, teachers, a sales person and a taxi driver. Most were originally from Ukraine and Belarus, especially the cities of Kiev and Minsk. All were self-identified Jews. The earliest had arrived in the United States in 1979, and the most recent in 1994. Slightly more than half lived in Brighton Beach itself while the rest lived in the immediately surrounding areas. We had no reason to suspect that any had been involved in criminal activity.<sup>57</sup> In order to understand their perspective on crime in Brighton Beach and among their fellow emigres, it is important to understand more about their experiences in the Soviet Union and the United States.

#### **Why Emigres Came to the United States**

The Soviet emigres we interviewed gave several types of reasons for having moved to the United States. These reflected the conditions in the Soviet Union--most importantly the anti-Semitism faced by Jews-- at the time they left, their family situations, and other concerns such as their future prospects and the health of their families. By far the most common reason--given alone or in combination with others--involved anti-Semitism. This took several different forms. For some the anti-Semitism meant the inability to advance in one's career, or a belief that discrimination against Jews was common place. A waiter in his twenties said, "I left Russia because I had no future there. No matter how hard I tried or strived for success, I would not reach my goal. Jews were discriminated against for many years. My father did not get promotion that he deserves. I did not want the same thing to happen to me." A businessman said, "I felt there was a lot of prejudice in Russia. I did not like the way people talked about the Jews. I did

not feel I did something to upset those people. I thought it was very unfair to me. Not only was I denied the basic opportunity to practice my religion, I was also denied a chance to advance in [my] career.”

Other emigres feared physical violence. A woman in her 50s commented “I wanted to take my children away from that country. I remember the fear when the anti-Semitism was developing. Finally, I realized that I would not be able to live and know that my grandchildren were safe unless I took them away from this country.” Many of these respondents had left after the collapse of the Soviet Union and argued that the situation had grown worse since then. A schoolteacher in her late 50s said:

“We came here because there was a great deal of anti-Semitism in Russia. During the last years when the democracy was associated with our life, it became very scary. They could insult you on the street or in the store; they could say nasty things virtually anywhere. Several times we came across cases when we had to run to avoid scandal and fighting. I was retired by that time. When I went to work, I never felt anything like that. My husband and I were teachers. (He taught music and I taught literature). It is possible that some people didn't like us, but we worked hard and they were satisfied with our work. So, when we retired it became very scary. We were afraid for our children and grandchildren. We were afraid that the situation was going to develop into God knows what. There were many representatives of “Pamyat” [a right-wing nationalist movement with strong anti-Semitic ideology] in Minsk. They used to arrange meetings. We were even warned that if there was a sign of coming pogrom we had to call a certain number.”

Others focused more specifically on their inability to practice their religion. A computer programmer said, "I was not allowed to practice my religion. I come from a very religious family." Another said, "Religion has always been very important to me. I was not allowed to have any information concerning Jewish religion."

The second theme that emerged in discussions of why they had left the Soviet Union focused on economic opportunity. Of course, some of those who reported anti-Semitism also spoke of how this discrimination limited their chances in their occupations. But a smaller group of emigres were attracted strictly by the opportunities in the United States. A 19-year old student who had arrived in 1992 said "I came here because I wanted a better life for myself. Don't get me wrong. My parents were pretty well off in Russia. I lived well, but I hoped that I would live even better in the United States. There are no other reasons, neither political nor religious for me to be here." Another man, in his 40s, said simply "I wanted to live better." Each of these very same themes would also have been expressed by the millions of immigrants of all nationalities coming here since the founding of European settlements in North America.

The third theme that emerged involved family ties. Often the younger respondents reported that they had no role in the decision to emigrate; their parents made the decision for them. Many of the people we interviewed said that they came because their families were coming or because other members of their families had already migrated. This was, of course, especially so for those who had migrated as children. Some of these younger respondents said that they would have chosen to stay with their friends in Russia. Similar reasons were also given by some of the older respondents, including one who was 72 years of age. As one person put it, "The sole reason was

that my whole family lives here. I, personally, would prefer to stay in Russia. There is more money there and you don't have to work as hard."

Two other explanations were also given. Two respondents mentioned that the contamination caused by the Chernobyl nuclear disaster near Kiev made continuing to reside in Ukraine impossible for them. As one put it, "Chernobyl was there. We were trying to save our children and grandchildren. The level of radiation was very high." Whatever its role in the thinking of others, only one person explicitly mentioned wanting "to live in a free country." "Freedom," said this émigré, "was something I was never going to enjoy in Russia no matter what party was in power. Russian Jews were not welcome in Russia. Even native Russians did not enjoy full freedom. America was a perfect place, that gave me the opportunity to be free."

#### **Brighton Beach as a Destination for Emigres**

Most of the respondents had heard of Brighton Beach before emigrating. They knew that it was an area where many Russians lived and where Russian was spoken. As one put it, "I heard it was a little Odessa. Most of the population was Ukrainian Jews. It was a Jewish reservation consisting of new immigrants from Russia." Their information came from various sources, including letters from relatives or friends living in the United States, and radio, newspaper, and television in the Soviet Union. One mentioned that Brighton Beach came up in jokes told by comedians. As a student put it "I can not narrow it down to one person or one paper that I read it in. It was a well-known fact among Russians. Some of the information came from the people who live in America, but most of it came from casual conversations that I had in Russia." Many mentioned that they felt comfortable being in a community where Russian was spoken and "the signs on the street were written in Russian."

The language issue was central for many of those who chose to live in Brighton Beach. Language problems were the biggest barrier that they faced in the United States. One said "When you first come to a new country and you don't know the language, it is always better to go somewhere where you can communicate the best. You have to be able to tell the salesperson what you want to buy. The only place offering these kinds of opportunities is Brighton Beach. The fact that most of the Russian population lives there, allows me to lead the same life style that I am used to leading in the former Soviet Union." The desire for familiar cultural surroundings can last far beyond the initial move to a new country. As a 26-year-old paralegal put it "Well, actually we used to live in Buffalo, but it was too boring there because we were the only Russians living there. The thing is that we are Russians after all. We need some communication and we couldn't get it there. We wanted to go somewhere where there is 'action.' Brighton Beach is a perfect place for it. It is filled with life." Several said that they were surprised that Americans "would allow" people to speak only Russian. Seeing images of Brighton Beach while still in the Soviet Union, a schoolteacher remembered "Brighton Beach for us was like the American legend. We didn't hear anything negative about Brighton Beach."

Others had heard negative things about Brighton Beach, especially about crime there. One mentioned "I also heard that a lot of people, who used to make money through extortion, come to Brighton Beach to continue doing the same. Being in the Soviet Union, I heard that Brighton Beach was not the best place to live in." Others had heard about conflicts between the Russian immigrants and African-Americans. One recalled "There were a lot of rumors about Brighton Beach, some true, some false. I found out a lot from the letters from my son. He told me a lot about the war that took place between the Ukrainians and the Blacks who were living in Brighton

Beach at that time. I have heard a lot about the crime in Brighton Beach.” Others mentioned a general fear of crime in America. For example, “We heard that America was a very horrible place to live in. We heard that people were often robbed and killed there. So the only area, where one could feel safe, was Brighton Beach.” Others had negative impressions of Brighton Beach for other reasons. For example, a student in his thirties said, “I heard that mostly old people lived there. It didn't sound like a place for successful people. I also heard something about the crime problem here, but I did not pay too much attention to it. Besides, I didn't know how bad it was.”

Many emigres also had friends or relatives already living in Brighton Beach or nearby areas, and this lead them to settle there. For example, a student in his twenties remembered “It just so happened that our relatives lived in Brighton Beach. They were the ones who helped us settle here. So, they just rented us an apartment that was close to where they lived. They didn't exactly ask me where I wanted to live. I think that if our relatives lived somewhere else we would end up living somewhere else.” Others found it simply convenient at the time of migration. For example, a computer programmer said, “I didn't really decide to live anywhere. When I first came here, I had no money, no transportation. We were sort of dumped here. I had friends who told me they rented an apartment for my family in Brighton Beach. There were three families of our relatives that came at the same time. We had to communicate somehow and see each other. Without transportation it would have been hard to do. It was hard to find three apartments together. We were able to do it in Brighton Beach.”

Some respondents did not want to live in Brighton Beach. A 19-year-old female bank teller who used to live in Brighton Beach commented “I don't like this place. It is too loud and too

dirty. And it is not just the dirt and the Russian cursing everywhere. Brighton Beach is becoming a very dangerous area. It is scary to hear about all the crimes that are being committed there.”

The student who claimed to come only for economic reasons declared, “I did not come to this country to be the same kind of Russian and live with the same Russians in America. Brighton Beach is an exact copy of Russia: same stores, same people, same food, same lines in the grocery shops. It may be a little better than the Soviet Union, but I would not like to live there.” A 22 year old college student who had been in the U.S. for 3 years said, “I don't like to live among Russians. I don't know why, but it is annoying for me to come to America and live among Russians. Don't get me wrong, I have a lot of Russian friends, but I wouldn't want to live in that environment all my life. If you came to America, you are better off starting out among Americans.” Others became disillusioned with the neighborhood. A 49-year-old cook who had lived in Brighton Beach for a year moved out. She commented, “I don't like Brighton Beach because it is too loud, too dirty, and there are too many people there. I want to live in a place that is quieter, somewhere, where you can relax after work. I have lived in Brighton Beach about a year after I came here. I didn't like it at all.”

### **Problems Emigres Felt They Faced in the United States**

The people we interviewed--like all immigrants--faced various problems and challenges when they came to the United States. These problems may, themselves, serve to strengthen the Brighton Beach community as a center of Russian émigré life. Discussion of these problems required some prompting. Often when asked simply if they had had any problems they would reply “not really” or with some similar phrase. When asked what specific problems they faced, however, many could name some. Some mentioned cultural problems, having to do with the

differences between living in the United States and living in the Soviet Union. One woman commented on the strangeness of many situations here. "We had to get used to the order of things over here, we had to find out about America and learn how to live here. We even had problems with shopping. The variety is so great that you don't know what is more profitable to buy." A woman now in her mid-twenties who had arrived as a child in 1979 remembered "[W]e were sticking out because we couldn't dress like everybody else. At that time conditioners cost less than shampoos, so we washed hair with it because we thought it was the same thing. That was very rough for people who just left everything in pursuit for better future." Simply learning the ways of American culture, even when living in a largely Russian community, was difficult.

Not surprisingly, the most frequently mentioned difficulties centered around language and the difficulties that not being able to speak fluent, or even unaccented, English created for adjustment to the United States. This made it especially difficult to obtain a job. A 56-year-old librarian commented "The main problem was a language problem. We felt very helpless, and therefore depressed. Our children lived far away from us and we were unable to communicate so that we were understood by Americans. It was very depressing. Now, with time, we got used to the country, its laws and traditions, its language. We can explain what we want using basic signs. That's all we need." A taxi driver told us that when he had first arrived "I could hardly speak, but I did not understand a word of what those people were saying. I had to drive to earn money, and it was really stressful not to be able to understand where they wanted me to go." Another remembered feeling embarrassed when customers complained to his manager that they could not understand him because of his accent. Others felt that language problems meant that getting a job outside of Brighton Beach would be very difficult. A 47-year-old businessman said, "When

people heard a heavy Russian accent, they were not willing to give us a job.” At times this made the emigres feel very frustrated. One commented “People did not understand us and, quite honestly did not want to.”

Many of the emigres reported that they felt discriminated against, in part because of their accented English, and this was seen as part of an ongoing cycle that limited their ability to improve their English. One woman in her thirties commented “It was hard for me to get a job anywhere outside Brighton Beach. Even after so many years, I still cannot find a job in Manhattan. I do not have any proof, but I feel that I am discriminated against. My English has improved over the years. It would improve even more if I could get a decent job in Manhattan. Due to the nature and location of the [company] I work in, I mostly speak Russian. My [company] does not make a lot of money. I think I am denied certain opportunities because of my Russian accent and national belonging.” Another expressed frustration at what he perceived as the attitudes of Americans towards the emigres, and also at his own difficulties. “In the Soviet Union the Jews were not welcome. When I came here, I became Russian and have the same problems. I feel as though I am not welcome here. Americans don't want any Russian immigrants living with them in the same country. Although I knew the language when I came here, I am still embarrassed to speak it in front of other people. I realize that I will never get rid of the accent, but I don't think this should bother people who were born here as much as it does.”

Beyond the work place many felt they were subject to stereotypes as either criminals or people living on public assistance. A student in his thirties commented:

“In every society there are certain people who love creating stereotypes and attaching stigmas to people. They think that all Russian immigrants are the same, they don't want to

work. According to those people, Russians just sit at home and collect public assistance. Another stereotype that bothers me a lot is the one that is particularly popular in Brooklyn: most of Russians belong to the mafia. Lots of American students at my school come and ask me these stupid questions. This bothers me a lot. What can I tell them? Of course there are some people like that, but the majority of Russians want to work, get a good education and pay taxes like everyone else. Why is it so hard to comprehend?"

Another said that his younger brother, a middle school student, had been beaten up in school because he was Russian.

Several respondents mentioned their feelings that the police were biased against people from Brighton Beach and Russian immigrants in general. They felt that police officers were rude and unnecessarily rough--complaints heard from many communities in New York City. Several respondents referred to an incident in which the police were called to a restaurant when a fight was going on. "When the police arrived, they arrested the whole family and beat up a guy, who was drunk. I remember reading about a strike after that incident. People were protesting against the cruelty with which the American police officers treat people in Brighton Beach." Although none seemed to have direct knowledge of the incident, and they did not all agree on its details, they all felt that the police had overreacted and that this was due to their negative feelings about Russians. Strained relations between the emigres and the police, which are exacerbated by language difficulties, have at times been severe enough to lead to mainstream press coverage and the organization of "sensitivity sessions" at the local precinct.<sup>58</sup>

For some, there was a racial dimension to many of their feelings of discrimination. Four respondents volunteered that they felt that the people who work in social welfare offices

discriminated against Russians. "I felt strong discrimination in offices of public assistance. I am not sure if it is discrimination against Russians or against whites in general, but Blacks who sit there, do not show any respect to new Russian immigrants who need that money only for a couple of months to survive before they get a job." Another said that the welfare workers assumed that they would be "like the Blacks" in terms of their dependency on welfare. They could not understand how welfare workers could not be more sympathetic to their individual plights. More specifically, several of these respondents insisted that welfare benefits for "Blacks" were better than those available to Russians. "I have no definite information about how the welfare system works in the United States, but I am pretty sure that Russians are discriminated against in welfare offices. We get less public assistance than anyone in the State." A student said that his parents told him that they received less welfare than Blacks.

For Russians--coming from a state that provided social support in the form of subsidized housing, food, medical care and employment--the well-known hostility of welfare workers to applicants and the stigma attached to welfare dependence may have been particularly surprising. Further, as the 1997 reforms to the welfare laws indicate, it is clear that there is broad hostility to the very idea that immigrants should be entitled to transfer payments of any kind. The fact that they identified this as a racial issue may be a result of their location in Brooklyn, where African-Americans make up more than one third of the population and non-black Hispanics account for an additional 20 percent of the population.<sup>59</sup> It would not be surprising if most non-Russians who they came into contact with on a daily basis, in school, in public areas and in government offices, were also African American. Another important factor may also be the use of the term

“black” in Russian areas as a description for Chechens and others from the Caucasus region of the former Soviet Union, who are also treated with hostility and stereotyped as criminals.

Not everyone described these sorts of problems. As one seventy-two year old put it “We received financial assistance right after we came here. As far as the emotional part goes, we had no problems. Of course, it is hard to live without knowing the language, but that has nothing to do with us being Russian immigrants.” Another person described the support she received from neighbors and agencies after having a fire in her family’s apartment.

### **Perceptions of Crime in Brighton Beach**

Those interviewed were evenly divided on the question of whether there is a general crime problem in Brighton Beach. Those who believed that there was not a problem generally argued that the crime that goes on in Brighton Beach is no worse than that in other parts of New York. As one man put it “Crime is everywhere, whether it is Brighton Beach or Beverly Hills ... Brighton Beach is far from leading the charts.” Several blamed the media for creating the impression that Brighton Beach was crime-ridden. A waiter said, “I think the media blows the whole thing out of proportion. The statistics would show that reporters greatly exaggerate the level of crime in Brighton Beach to make a sensation.” A few contrasted life in Brighton Beach as they know it with the image that they believed that the media created. A cook said, “My friend and her family live very peacefully. Their children play outside day and night. They don't seem to have any problems with Brighton Beach. My friend's father sits on the boardwalk and plays chess all day. He never had any problems either.”

Others felt that there was a crime problem, but many of them focused on street crime as a major issue. In this, their comments were probably not very different from those you would hear

from residents of many neighborhoods in New York City. Many blamed the crime problem on residents of nearby, non-Russian neighborhoods. One said, "It has become worse with time. When we first came here, it wasn't that bad. We are very close to Coney Island. The crime rate is pretty high there. That's why it bothers me. I feel a little better in the summer. There are lots more police in Brighton Beach in the summer. I think we should have more police officers in winter too." Another said, "We don't come across anything serious. Of course, you should not walk alone at night because someone else from the other neighborhood can come in at night and you will get yourself in trouble... Our own people don't give us problems." For these people the discussions of crime were part of larger discussions, often incorporating racial and ethnic themes, about the difficulties of living in New York. It is not surprising that those who reported having problems when they came to the United States were more likely to report that Brighton Beach had a crime problem.

A third group said there was a crime problem, but explicitly connected the problem with organized crime or the "Russian mafia." A 19-year-old bank teller said, "Brighton Beach is a very dangerous area to live in. I don't know whether it is due to the fact that the Russians and Puerto Ricans and Italians live there and they fight for the territory, or because there are so many immigrants there, who used to belong to the Russian mafia in the former Soviet Union." One said, "All the murders and fights scare me. When we first came here, a couple was killed. Nothing was taken away from them. I am sure it was not just an accidental death. The mafia knew who they were aiming at." Some of those in this group expressed views that reflected a number of separate themes. For example, one said, referring to the crime problem, "This does not only include crimes that are publicized by the media and attributed to the Russian mafia, but

also regular crimes, victims of which we often become. Besides, in the last couple of years, there were quite a few mafia conflicts that were resolved through murder. I think this indicates a problem.”

For a small number of respondents, usually somewhat older than the others we interviewed, their perceptions of crime had a serious impact on their lives. The 72-year-old woman reported “we are scared to walk out on the street. It is not a good feeling to be scared. Sometimes we don't get a chance to go for a walk for seven to ten days. We really want to, but we are afraid someone is going to hurt us.” Another said “I have to walk my grandchildren home from school because I am afraid they will get kidnapped.” A 59-year-old teacher reflected the atmosphere of fear that some felt when she said:

We constantly hear about crime ... basically, we never had anything to do with the Mafia, thank God, because we are too insignificant for them, but we constantly hear about it and the sense of fear is in the air. It is constantly there. It puts an extra strain on us. It seems to me that if there were no crimes in America it would be an ideal place to live. We also hear on TV and on the radio that even police officers say that 100% of juveniles are armed. They also have their own gangs, debts, fights, etc... We constantly hear about that... Even in the Jewish centers that we attend there are handouts that warn us against entering our own house without first ringing the bell a couple of times to avoid a tragic situation if the burglars are still in the house. They teach us how to act when someone knocks on your door, how to act when you feel that someone is about to attack you. In other words the danger is so clear that the Jewish center and even the media warn us about it.

She was able to give an extensive list of crimes that she had heard about.

Asked who was committing crime in Brighton Beach, the respondents were evenly divided between putting most of the blame on Russians and on people from other ethnic groups. A number argued, as did one businessman, "If we are talking about the Russian organized crime, I would say that most of the people are Russian. If we are talking about the street crimes like pocket picking and prostitution, I believe that Latinos and non-Russian immigrants are responsible for it. It is at least 60 percent non-Russian." Another said, "Blacks commit most of the street crimes. Russians are involved in higher, more profitable types of crime." Similarly, a 21-year-old student commented, "I believe that others are responsible for crimes in Brighton Beach. Russians would be involved in more universal crimes, crimes that are more serious. Stealing, vandalizing cars is not something that a Russian criminal would do, in my opinion."

A number, however, focused on Russians as the main group involved in crime in Brighton Beach. They often stressed, however, that the Russians involved in crime were either not real immigrants--"they don't live here permanently"-- or were of different ethnic backgrounds than they were. Some said that the Russians involved traveled back and forth between New York and the former Soviet Union. A student in his thirties argued:

"The people who are responsible for most of the crime are Russian tourists who have temporary visas. They live in Russia and just come here to finalize the deal or to get rid of someone. Most of the business visas that they have are fake, but no one cares. So, these people keep commuting back and forth. They are the ones committing most of the crime. They work for the Russian mafia over in Russia, not in Brighton Beach. They just

need connections here. They need banks to hide money, they need to invest that money here, so that no one could take that away from them.”

As one 26-year old woman put it, “As far as organized crime goes, most of the members of the mafia are Russian and live in Brighton Beach. Some of them are here illegally, but most of them are not Jewish; they are Christians and they are not like us. They are more cruel.” Another argued that those Russians involved in crime were criminals in the Soviet Union “who come to America to escape the punishment. They continue committing crime as they used to do. On the other hand, engineers, teachers, doctors do not come here to kill people.”

When asked what types of crime Russians were involved in, murder for hire was the most frequently volunteered offense. There was a particular stress on the hiring of people from the Soviet Union to come and commit murder and then leave. This may reflect a series of stories in the media about such incidents. A gym teacher gave a more detailed description than most:

I think the most popular type of crime is murder for hire. That is what Russians do the best. They have been trained to do so in Afghanistan and in World War II. Russians are ready to do anything for money, especially when you do not have the brain to make it any other legal way. Murder for hire is the simplest kind of crime for Russian criminals because of their Russian background in a lawless country....

Russian murderers are being ordered and brought from Russia to complete a specific task of killing someone. The mafia shows them who to kill and that is the end of it. It is planned and organized pretty well. However, I don't think that Russians occupy any of the higher positions in the criminal structure.

Many people, including one student who said that "There are a lot of kids even in my school who sell and do drugs" mentioned drugs. Others talked about the easy availability of drugs on the boardwalk and the opportunities drug selling provided to young people.

Several respondents mentioned that Russian criminals were involved in a wide variety of scams and financial crimes, ranging from false lotteries in which the supposed winners ended up losing their money, to the use of fraudulent credit cards to gas scams. In the case of the gas scams, several mentioned that the gasoline sold might contain water or other additives, which makes these stories different from the major gas scams reported by law enforcement. Others described the extortion of businesses in Brighton Beach. Money laundering, especially at the large restaurants, was also mentioned repeatedly. Other types of crimes mentioned were rape, pick pocketing, car theft, prostitution, robbery and burglary. The respondents did not, however, usually base responses to this question on direct, personal experiences. Rather, they seemed strongly influenced by the media and stories heard from others. The mention of rape by several of the emigres may be a reflection of this. In the period prior to the interviews there had been a highly publicized rape of a Russian woman under the nearby Coney Island boardwalk.<sup>60</sup> The assailants arrested by the police were not, however, Russian.

Every respondent reported having heard of organized crime in Brighton Beach either in the media or from other people, but only six reported that they had been the victim of any type of crime in Brighton Beach. The same number reported that they knew a victim of a crime. In most cases, these crimes were not attributed to organized crime, but were viewed more as ordinary street crimes and may or may not have been committed by other emigres. For example, one woman reported that she had had her wallet stolen; and a student recalled that he had been

robbed of \$20 at knifepoint while delivering pizzas. A third person had his car broken into. One woman reported that "a psychotic Puerto Rican woman, who got mad because the landlord kicked her out ... showed up and burned her apartment. My family and I were right above it." She was not certain, however, that she should classify herself as a victim of a crime, since her family's apartment was not damaged deliberately by the arsonist.

Only two people spoke of themselves as direct victims of organized crime. The owner of a small business said he was required to change the fire extinguishers every two years. He said, "Once, I oversaw that the people were simply changing the labels and charging about \$250 for each time. So, I told them I was not going to pay them anything. If they ever came back, I would call the police. Most of the people were Russian." He apparently suffered no consequences for this defiance. Another described an incident in which he bought a ticket to Russia for his grandmother through a Russian travel agency, but never received the ticket. A detective told him that it was a fraudulent agency that had disappeared and that there were quite a few people who got victimized as a result of this scam. Although in these crimes groups of individuals were acting together, there is no indication that either was a part of any overarching organization.

One woman in her twenties spoke about a boyfriend who was "in the mafia." She reported, however, that "He kept me strictly out of it. He never talked about business at home." She did recount several incidents in which he was able to intimidate people who were causing trouble for her or others, although she was not sure what form this intimidation actually took. One incident was described as follows:

About seven years ago I was at a party and I had a conflict with a girl who I previously knew. I knew she was using drugs. I was also aware that she was using them

for a long time. She was out of control. In the middle of the night her boyfriend found a moment when I was alone and he told me in a very threatening tone of voice that I was not going to come out of this restaurant alive. He put a knife to my throat and pulled me by my hair. I managed to get away from him and ran to the bathroom. Thank God I had a cellular phone that I used to call my boyfriend. In three minutes my boyfriend and three big guys entered the restaurant and forced the guy, who put a knife to my throat, into a limo. He took him to the boardwalk and I never saw the guy since then.

In another incident the boyfriend stabbed a man who was bothering her at a restaurant.

Crimes experienced by people known to the respondents were similar to those they had experienced themselves. Most involved theft or robbery, and one involved vandalism of a car. A friend of one was burglarized three times in the last two and a half years. Another woman had a friend who was pistol whipped during a robbery in the fur store in which she worked. One of the three robbers was Russian; the other two were Latinos. Another had a friend who was struck on the head in the elevator of her building and had her food stamps taken. One reported that a friend was a victim of a common form of pick pocketing in which "a guy, passing by, spilled something on him. Right away a woman came up to him and started helping him and cleaning his coat. After she left, he realized that both the food stamps and the money were gone." Respondents who knew crime victims were, on the whole, older than others in the sample, and had lived in the United States longer.

Three people reported crimes that have, in their opinions, involved at least elements of organized crime. One told of a friend who started a small business. "As soon as he started making some money, a couple of guys came up to him asking him for money. They said that he

has to pay if he wants to have his business and family to be safe. Since then, he pays them promptly every month on a certain day. He never reported anything to the police. If he ever did tell the police or refuse to pay the money, there would not be business at all. There's a good chance he would be killed or at least crippled so that he would remember that and never mess with those guys. He started paying about a year ago and he does not intend to report anything to the police." Another person reported that the father of a friend owned a business and people asked him for protection money. Another person spoke of a neighbor who was a prosperous businessman who was involved in business in Russia. He was murdered, and the respondent attributed this to the mafia.

Twenty-four of the twenty-five people we interviewed reported getting information about Russian organized crime from the mass media, including both English and Russian-language newspapers and television. The importance of these sources of information for ordinary Russian immigrants illustrates the degree to which any direct experience with organized crime is atypical. The knowledge of the Russian mafia that residents of Brighton Beach have is therefore not very different from that available to either the general public or law enforcement officials who rely on the media for leads. The exception is that the Soviet emigres have easy access to the Russian-language media, which many law enforcement agencies do not have – or at least not readily. As a businessman put it "I have no inside information. My friends have the same information as I do. I get all the information from the media." A forty-year-old man reported that his aunt reads all the Russian newspapers that are printed in Brighton Beach and keeps him up to date on crime in Brighton Beach. As with many others, these articles informed him about activity at the Rasputin restaurant and the gas tax evasion schemes. Some also reported that their information

came from television reports they saw before leaving the Soviet Union. They also hear about murder for hire from news reports.

Many of the immigrants believe that the media exaggerate in their descriptions of crime in Brighton Beach, and they say that the stories in the media do not match their experiences. As one man put it:

They always have an article in a Russian paper about the cruelty of the Russian mafia. There are too many of them and they are often stating quite opposite facts. They say that the Russian mafia terrorizes the Brighton Beach. They say that the Russian mafia suffocates the businesses by making them pay large sum of money.

I believe that reporters blow the whole deal with the Russian organized crime way out of proportion. That is why they are reporters; they get a small fact and create many small details so that the reader would have more to read in the morning. Some of it may be true, but a lot is just in the imagination of the people writing those articles.

Of course, due to my profession [gym teacher], I do not deal with it too often, but as far as I understand it, no one is terrorized and I am not even sure if all stores are paying the extortion money.

In reality, most of the information that these residents of Brighton Beach had about crime in general, and organized crime in particular, came from a combination of personal observation, media reports, conversations with people they knew, and other indirect sources. As a student put it, "Every time I go to a Russian supermarket or restaurant, I hear people talking about the mafia." It was often difficult for them to identify where a particular piece of information or an impression had come from. Since even information from people they know may have originated

with a media report, this is hardly surprising. When a story--such as those about the Rasputin and other restaurants or a murder for hire--is particularly dramatic, it takes on a life of its own with information and interpretation coming from a variety of sources. A good example, involving non-Russian crime, is this report from a 19-year-old student:

I know that one Russian guy had a bodyshop where he repaired windshields. One of the people overheard the conversation that took place between the member of the Italian mafia and the Russian guy. The member of the Italian mafia told him not to repair windshields on cars any more. When the guy didn't take his "advice", a garbage truck ran into his shop tearing everything... I actually saw the bodyshop after it was torn apart. It sure didn't look like an accident to me. I am sure it was intentional.

Several others whom we interviewed also mentioned having seen the aftermath of a crime, such as a crowd gathering outside the "Winter Garden" restaurant and surrounding a gun. The respondent was told that someone was trying to shoot the owner. Another mentioned that the previous occupant of his apartment had been murdered. A 23-year-old student recounted this series of events:

Five months ago, a guy got killed right before my other friend's eyes. Well, it happens. Of course it had something to do with the organized crimes. I don't think he was killed by accident. The guy was beaten by five guys right in front of the restaurant. They beat him till he fell unconscious. He died a couple of hours after that. Last summer another guy was shot across this building at six o'clock at night. Broad daylight. He survived although he was shot three times. I, personally, thought that it was somebody having a loud party. This is obviously an organized crime... the organized crime is a problem. This guy was

shot three times right next to where I live. This does not exactly make you feel too good about where you live.

Several people mentioned that they had heard of various scams, including falsifying documents for insurance. They believed that these usually did not involve organized crime *per se*, but rather small groups of criminals acting together.

More than two-thirds of the respondents mentioned that they had heard that Russian-owned businesses in Brighton Beach had to pay a mafia "tax" or similar protection money. The woman with the boyfriend in the Russian mafia said that she was told that "the mafia makes sure that the businesses are safe. The store and restaurant owners pay them a fee so that they protect them from other mafia or single criminals. It is called 'giving roof to somebody.'" Many others gave similar descriptions, including the use of the word roof, which has its origins in the practices of organized crime in the former Soviet Union. Keeping in mind the media influence on the views being expressed, if we accept their opinions that the *krysha* system is being practiced in Brighton Beach, it indicates the importation of the same type of protection racket that operates in the former Soviet Union.

A number of the interviewees expressed opinions similar to this businessman: "I think that the Russian mafia has some sort of relationship with every business in Brighton Beach. All business owners have to pay a portion of their income to the mafia. If you pay it, you don't have any problems. Mafia needs businesses. It is in both the owner's and the mafia's interest if the business prospers. If the business makes more money, they can milk it some more." Others said that the mafia focused its attention on restaurants, nightclubs, and stores with expensive merchandise and grocery stores. Some people said that they had heard that members of the

mafia owned certain businesses, most often restaurants such as the Rasputin, the Winter Garden or the Odessa, outright. These places have all been mentioned in media coverage of Russian organized crime.

Three people we interviewed--all between the ages of 19 and 37 and arriving in 1992--said that the presence of the Russian mafia in Brighton Beach actually served positive purposes because it made it safe for businesses to operate. One said, "I don't think that the businesses that pay the money to the mafia can be called victims. By paying the money, the owner protects himself against all the other criminals." Another said that it helps all business in Brighton Beach to prosper by providing protection from other criminals.

### **Soviet Émigré Crime as Mafia**

When we asked our respondents about crime in Brighton Beach, many of them voluntarily used the terminology "Russian mafia" that is also often used in both the English and Russian-language media. We asked our respondents what they knew about the mafia and whether they thought Russian crime resembled the mafia. All but one of the respondents said they knew what the mafia was. As a businessman in his 40s put it, "Everyone watched "Godfather" some time in their life." Those who went into more detail clearly identified the term mafia with Italian organized crime. As the librarian put it, "We heard a lot about it while being in the Soviet Union. We thought that it was the only mafia existing in the world. Only after coming to America we learned from the media that there is Russian mafia too." Clearly, the idea of mafia--regardless of its factual basis-- is widespread and provides people with an image of a criminal organization with which they can make comparisons. The use of the term Russian mafia, however, may create a self-fulfilling prophecy in which people--whether Russian emigres,

members of the general public, law enforcement officials or journalists--map their images of mafia onto the crimes that occur in Brighton Beach and elsewhere. Here we use the term mafia in the same way as our respondents used it, as kind of a generic label for organized crime.

Asking people to make comparisons to a common structure can be a useful way to have them think about the complexity of an issue. Most of the people we interviewed could think of ways in which Soviet émigré crime--which they sometimes referred to as the Russian mafia--was both like what they thought the Italian mafia was like and unlike it. Nonetheless, the people we interviewed disagreed about the extent to which Soviet émigré crime resembled their images of the mafia.

Some felt that Soviet émigré crime and the mafia were very similar. One young man had worked for the owner of an Italian restaurant who, he claimed, was a member of an organized crime family. He said, "I recognize the conversations that occurred among the members of the Italian Mafia. These are the same conversations that occurred between the Russians. They are all doing the same thing." One person argued that they were similar in that both are "very invisible and its members are very hard to catch." Another argued that both use military-style structures and punishments for those who did not do what they were told.

A number of the emigres noted that both Soviet emigres and what they called the mafia committed similar crimes, including extortion, murder, drugs and money laundering. Others observed that criminals from both ethnic groups were simply involved in crime to get money in any way that they could. As a student put it "As far as the crimes go, it seems that human imagination has been exhausted. There is no new crime that the mafia can get itself into. All

crimes committed by both the Russian and the Italian mafia are the same. I am sure they would be typical of any mafia. As long as it brings profit to the boss, the mafia is involved in it."

Others believed the Russian crime is less well organized than Italian organized crime on a number of different dimensions. A young waiter said, "I think that the Russian mafia reflects the first stage of development of the Italian mafia. The Russian mafia is way behind. That is why there is less organization among different groups. You can't even call it a mafia yet. There is no core that would plan and be responsible for carrying out crimes." Several others argued that the Italian mafia had influence over a much larger geographical area and had political connections that "are keys to the success of the operation." They argued that the Italian mafia was able to organize much more complex crimes that required greater skills and organization than the Russian mafia had. One argued that the explanation for the better organization of the Italian mafia had to do with the environment in which it existed: "It is like everything in America. Your professional and trade unions are stronger and more organized than the Russian ones."

A third, and in some ways dominant, theme emphasized the ways in which Soviet criminals were worse than the mafia. As one émigré put it, "The Italian mafia is just more civilized." The word *cruel* was used repeatedly by the respondents. As a computer programmer in his 40s put it "I think that the Russian mafia is more cruel and more reckless. People who are in the Russian mafia feel free to take people's lives. They do not have any standards, restrictions." A number commented that the Italian mafia was held together by family or other ties while the Russian mafia had little in the way of internal loyalty or ties to each other. One said, "In terms of structure, the Russian mafia is only bonded by the will to break the law to get the money. There

is no respect to the boss as it is in the Italian mafia.” These respondents argued that this explained the high level of violence within the Russian mafia.

Others attributed violence in the Russian mafia to the experiences of the Soviet era. One man commented “Italians have different religious views. Russians are all atheists. They are not afraid of anything. They were always taught that there was no God. They do not respect anyone. Their crimes are more vicious and cruel in nature. Seventy years of poverty made Russians very aggravated. They will do anything for money. There is an old saying that the hungry man is more rude than the one who ate.” Another commented “People, who are part of the Russian mafia in Brighton Beach, come from a very vicious country having faulty criminal justice system. They are not afraid of anything.” Another mentioned the history of violence and war: “Italians don't get themselves involved in a murder unless it is really necessary. Russians, on the other hand, have no problems with that. Because they have been fighting all their lives: World War II, Afghanistan, internal war, it has made them insensitive to human pain and sufferings.”

Many of the respondents mentioned several of these themes as they reflected on the comparison. The comments of a taxi driver illustrate this: “The Italian mafia is an ideal, an example of what a mafia should be like. Russians can only look and learn from them. The Russian mafia cannot commit certain complicated crimes. They lack both the education and the experience. In Russia people were used to the fact that there were no laws and the ones that existed had millions of loopholes in them. In America they cannot compete with Italians. They do not have enough information and experience to play with the law and be able to turn it in their favor. They compensate for it by displaying unusual cruelty that is not characteristic of the Italian mafia.”

## Conclusion

The picture of Soviet émigré crime that emerges from the interviews with Soviet emigres is similar to that given in the previous parts. That is to say, they believe that there is crime among émigrés, and it is fairly widespread, although the overwhelming majority of émigrés are not involved. The crime is not highly structured, but there are instances in which some more ongoing and possibly hierarchical relationships are apparent -- most notably those involving extortion and money laundering. Restaurants and nightclubs are seen as important foci of these more ongoing relationships, and the actors at the center of them are often well known criminals from the former Soviet Union. The level of violence may be high, but it mainly involves those who are already associated with organized crime, and does not directly effect ordinary immigrants unless they happen to be witnesses. Mostly they only hear about it from the media or others in the community. For ordinary community residents, the crimes of greatest concern involve robberies, thefts and swindles. In this sense they are not very different from many other New Yorkers.

## ENDNOTES

<sup>1</sup> James O. Finckenauer, "Russian Organized Crime in America," in Handbook of Organized Crime in the United States, ed. Robert J. Kelly, Ko-lin Chin and Rufus Schatzberg (Westport, CT: Greenwood Press, 1994); Peter Reuter, "Methodological Problems of Organized Crime Research." Major Issues in Organized Crime Control, Symposium Proceedings (Washington DC: National Institute of Justice, Department of Justice, 1987); Peter Reuter, "Research on American Organized Crime," in Handbook of Organized Crime in the United States, ed. Robert J. Kelly, Ko-lin Chin and Rufus Schatzberg (Westport, CT: Greenwood Press, 1994).

<sup>2</sup> Walter Powell, "Neither Hierarchies nor Markets," in Research in Organizational Behavior, ed. Barry Shaw and L.L. Cummings (Greenwich, CT: JAI Press, 1990); Elin Waring, "Co-offending and White Collar Crime," Unpublished Ph.D. Dissertation (New Haven CT: Yale University, Department of Sociology, 1993).

<sup>3</sup> Frank E. Hagan, "The Organized Crime Continuum: A Further Specification of a New Conceptual Model," Criminal Justice Review 8 (1983); Michael D. Maltz, "Toward Defining Organized Crime," in The Politics and Economics of Organized Crime, ed. Herbert E. Alexander and Gerald Caiden (Lexington, MA: D.C. Heath, 1985); Maltz, Measuring the Effectiveness of Organized Crime Control Effects, UIC Office of International Criminal Justice Monograph, no. 9 (Chicago: University of Illinois at Chicago, 1990); Maltz, "Defining Organized Crime," in Handbook of Organized Crime in the United States; and President's Commission on Organized Crime, The Impact: Organized Crime Today (Washington, DC: Government Printing Office, 1986).

<sup>4</sup> Robert I. Friedman, "The organizatsiya" *New York*. 27(44):50-58, 1994 Nov 7; Friedman, "Brighton Beach Goodfellas." *Vanity Fair*. 56(1):26-41, 1993 Jan; Scott Anderson, "Looking for Mr. Yaponchik." *Harper's*. 291(1747):40-51, 1995 Dec; Ronald K. Noble, "Russian organized crime--A worldwide problem." *The Police Chief*. 62(6):18-21, 1995 June; Selwyn Raab, "Influx of Russian gangsters troubles F.B.I. in Brooklyn." *New York Times* (NY). Section A, page 1, col 5, 1994 Aug 23.

<sup>5</sup> James O. Finckenauer and Elin Waring "A Research Proposal to Study Soviet Émigré Organized Criminal Networks in the United States," Submitted to the National Institute of Justice, June, 1993.

<sup>6</sup> New York State Organized Crime Task Force, New York State Commission of Investigation, and New Jersey State Commission of Investigation, "Analysis of Russian Émigré Crime in the Tri-State Region," *Transnational Organized Crime* 2(2/3) (Summer/Autumn 1996).

<sup>7</sup> See for example, Friedman, "Brighton Beach Goodfellas"; Anderson, "Looking for Mr. Yaponchik"; Friedman, "The Organizatsiya"; Raab, "Influx of Russian Gangsters"; and Jennifer Gould, "The Russian Mob's Submarine Scheme: Cosa Nostra's Rival is Savagely Smart," *The Village Voice*, 1997 March 4.

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<sup>8</sup> To do this we use multivariate statistical techniques the details of which are discussed in Appendix B. These techniques allow us to evaluate the impact of many possible factors simultaneously.

<sup>9</sup> The fact that some federal agencies, such as the FBI, had initiated projects on Soviet organized crime may also have influenced federal agencies to be particularly cognizant of this issue.

<sup>10</sup> New Jersey State Commission of Investigation, "Motor Fuel Tax Evasion," February 1992, p. 23.

<sup>11</sup> *Ibid.*, 15.

<sup>12</sup> Alan A. Block, "Racketeering in Fuels: Tax Scamming by Organized Crime," in Alan A. Block (ed.) *Space, Time, and Organized Crime* (2<sup>nd</sup> ed.) (New Brunswick, NJ: Transaction Books, 1994), 162-164.

<sup>13</sup> Francis A. J. Ianni, *Black Mafia*, New York: Simon and Schuster, 1974; William Klienknecht, *The New Ethnic Mobs*, New York: The Free Press, 1996.

<sup>14</sup> Ashley Craddock and Mordecai Lawrence, "Swoop-and-squats." *Mother Jones*. 18(5):16-20. 1993 Sept.

<sup>15</sup> Alan A. Block, 'Racketeering in Fuels: Tax Scamming by Organized Crime' in Alan A. Block (ed.) *Space, Time, and Organized Crime* (2nd ed.) (New Brunswick, NJ: Transaction Books, 1994); Richter H. Moore, Jr., 'Motor Fuel Tax Fraud and Organized Crime: The Soviet and the Italian-American Mafia', in Jay Albanese (ed.) *Contemporary Issues in Organized Crime*, (Monsey, NY: Criminal Justice Press, 1995) 189-200.

<sup>16</sup> Louis Freeh, Testimony before the Senate Permanent Subcommittee on Investigation. 25 May 1994, 100 Russell Senate Office Building, Washington, DC.

<sup>17</sup> The Tri-State Joint Soviet-Émigré Organized Crime Project, op. cit., p.33.

<sup>18</sup> *Ibid.*

<sup>19</sup> *The Times* [Trenton, NJ], "New Comrades of Crime," 14 August 1995, A1.

<sup>20</sup> Guy Dunn "Major Mafia Gangs in Russia" in *Russian Organized Crime: The New Threat?* Phil Williams, ed., 1996, pp. 65-67.

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<sup>21</sup> Lydia S. Rosner 'The Sexy Russian Mafia,' *Criminal Organizations* Vol.10, No. 1 (1995); Roy Surrent, 'Remarks', First International Law Enforcement Sharing Conference on Russian Organized Crime, 19-23 September 1994.

<sup>22</sup> Walter W. Powell and Laurel Smith-Doerr, 'Networks and Economic Life' in Neil Smelser and Richard Swedborg, (ed.), *The Handbook of Economic Sociology*, (Princeton: Princeton University Press, 1994).

<sup>23</sup> Elin Waring, James Finckenauer and Emmanuel Barthe, "The Impact of Data Sources on the Study of White Collar Crime: An Examination of the Biases in a Study of Russian Emigre Crime," (Paper presented at the Forty-Eight Annual Meeting of the American Society of Criminology, Chicago, November 1996), 3.

<sup>24</sup> Walter W. Powell, "Neither Market nor Hierarchy: Network Forms of Organization," in *Research in Organizational Behavior*, vol. 2, ed. Barry M. Shaw and L.L. Cummings (Greenwich, CT: JAI Press, 1990).

<sup>25</sup> Peter M. Blau, *The American Occupational Structure* (New York: Wiley, 1967); Howard Aldrich, *Organizations and Environments* (Englewood Cliffs, NJ: Prentice Hall, 1979), Oliver E. Williamson, *Markets and Hierarchies, Analysis and Antitrust Implications: A Study in the Economics of Internal Organization* (New York: Free Press, 1975).

<sup>26</sup> Williamson, *Markets and Hierarchies*.

<sup>27</sup> Of course, in the case of some offenses, especially those committed by organized crime, formal organization may be present. Yet this organization often acts more as a disguise meant to create the appearance of legitimacy, rather than being a true hierarchical structure. Often these offenses take place in market settings, but the crime involves undermining the legitimate operation of the market (See Powell, "Neither Market nor Hierarchy").

<sup>28</sup> Richard Sparks, Alexander Greer and Sally Manning, "Theoretical Studies: Final Report, Chapter 3, Crimes as Work an Illustrative Example" (Center for the Study of the Causes of Crime for Gain, School of Criminal Justice, Rutgers University, undated), 9, explores the similarities and differences between the search for an employee in the legitimate marketplace and the search for a crime partner.

<sup>29</sup> See, e.g. Cressey, *Criminal Organization*, 51-52; Mark Granovetter, "Economic Activity and Social Structure: The Problem of Embeddedness," *American Journal of Sociology* 91(1985):491-493. Another alternative might be a group structure. A true group structure, defined by small size, fixed relationships, and well-defined boundaries, is rarely found in natural settings. Williamson, *Markets and Hierarchies*, 42-45, introduces the concept of peer groups, but these are seemingly anachronistic structures which appear as an intermediate form during the process of a market relationship being replaced by a firm.

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<sup>30</sup> Powell, "Neither Market nor Hierarchy," 324.

<sup>31</sup> Ibid., 325.

<sup>32</sup> Derek B. Cornish and Ronald V. Clarke, *The Reasoning Criminal: Rational Choice Perspectives on Offending* (New York: Springer-Verlag, 1986); Michael Gottfredson and Travis Hirschi, *A General Theory of Crime* (Stanford, CA: Stanford University Press, 1990).

<sup>33</sup> Although this goal may exist, it may often not be achieved.

<sup>34</sup> Powell, "Neither Market nor Hierarchy," 326; Granovetter, "Economic Activity and Social Structure"; Stuart Macaulay, "Non-Contractual Relations in Business: A Preliminary Study," *American Sociological Review*, 28(1963): 55-67.

<sup>35</sup> Powell, "Neither Markets nor Hierarchies," 326.

<sup>36</sup> E.g. Ianni, *Family Business*; Ianni, *Black Mafia*; Albert J. Reiss, Jr. and David P. Farrington, "Advancing Knowledge about Co-Offending: Results from a Prospective Longitudinal Survey of London Males," *Journal of Criminal Law and Criminology* 82(2) (1991). Of course, actors selecting individuals similar to themselves may be a result of limited conventional or criminal contact with people who are different.

<sup>37</sup> See Granovetter "Economic Activity and Social Structure." p.12. This trust may, of course, be misplaced. Offenders may hedge their trust in various ways, for example by skimming money from the take or developing an informant relationship with the authorities.

<sup>38</sup> Powell, "Neither Market nor Hierarchy," 324-327.

<sup>39</sup> See Donald R. Cressey, *Theft of a Nation: The Structure and Operations of Organized Crime* (New York: Harper & Row, 1969).

<sup>40</sup> For exceptions see J. Jackson, et al., "Examining Criminal Organizations: Some Possible Methodologies," *Transnational Organized Crime* 2(4) (Winter 1996); and R.H. Davis, "Social Network Analysis - An Aid in Conspiracy Investigations," *FBI Law Enforcement Bulletin* 50(12) (1981).

<sup>41</sup> Other units of analysis, such as organizations, can also be used and are used in this study. All of the descriptions that follow can also be applied to other units of analysis.

<sup>42</sup> Including both 1s in the matrix means that we are creating a symmetrical network. It is not required that both 1s be included, and in some situations it is more appropriate not to do so. However, the type of data that we had available made treating the relationships between actors as being symmetrical, appropriate.

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<sup>43</sup> The discovery that there are "isolates" who are not connected to any other members of the population of study is often one of the most intriguing results of a network analysis (David Knoke and James H. Kuklinski, *Network Analysis* (Beverly Hills, CA: Sage Publications, 1982), 39). If a network is not connected, then raising the network matrix to the power of  $n-1$  will still produce a matrix with 0 cells.

<sup>44</sup> There are  $n^2-n$  potential nondiagonal ties in a size  $n$  network; the number of ties present is equal to the number of 1s in the matrix representation. The elements of the formula are  $n$ =number of observations,  $i$ =row number, and  $j$ =column number.

<sup>45</sup> Other approaches to the overall description of a structure are available (Stanley Wasserman and Katherine Faust, *Social Network Analysis: Methods and Applications* (Cambridge: Cambridge University Press, 1994), 169-219; Knoke and Kuklinski, *Network Analysis*, 50-53). Because of the size of our networks and the nature of the information coded, particularly the lack of directional information, these approaches were not used.

<sup>46</sup> Unlike these conventional descriptive statistics, there are in most instances no generally accepted tests of statistical significance that would allow inferences to be made.

<sup>47</sup> There are many different mathematical approaches to cluster analysis. We used the one known as k-means. To carry out the analyses we used the PROC FASTCLUS procedure from the SAS/STAT software package (SAS INSTITUTE, *SAS/STAT Software: Syntax: Version 6, 4th Ed.* (SAS Institute: Cary, NC, 1990), 823-850).

<sup>48</sup> A brief explanation of the reasons for choosing the k-means approach can be found in Wasserman and Faust, *Social Network Analysis*, 797-708.

<sup>49</sup> The number of clusters was determined using the CCC and the pseudo F statistic (See SAS Institute, *SAS/STAT Software*, 97-99). The solutions we regarded as viable were indicated by both of these. We examined possible solutions of up to 35 clusters. It is possible that with more clusters some of the "important" individuals in the large cluster would be separated out. For each of the approaches there were also viable solutions with smaller numbers of clusters. These indicated a similar structure to those in the solutions we describe.

<sup>50</sup> While the other components were smaller in size, this did not detract from their potential importance and relevance for other analyses.

<sup>51</sup> U.S. Congress. Hearing on Russian Organized Crime, 50.

<sup>52</sup> These statistics are based on the 11235 zip code. United State Bureau of the Census, "1990 US Census Data", Database STF3B "Kings County (pt.): 11235: Ancestry," web document: <http://venus.census.gov/cdrom/lookup/885095675>.

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<sup>53</sup> Some examples of this coverage are Chris Hedges, "Where Soviet Emigres Finally Let Loose," *New York Times*, 11 August 1990, p.A27, col.3; Eleanor Randolph, "In Brighton Beach, Savoring the Pleasures of Russia, without Pain," *Washington Post*, 16 April 1995, p.E1, col.4; Nancy Reckler, "Gone Knishin': When So Many Russian Jews Settle in a Small Seaside Corner of Brooklyn, Something Is Cooking," *Washington Post*, 15 March 1995, p.B9, col.1; Abby Goodnough, "The Furs of Brighton Beach," *New York Times*, 19 February 1995, sec.CY, p.3, col.1.

<sup>54</sup> Cal McCrystal, "Under the Gun," *The Independent Magazine*, 30 May 1992, 36-43; Roger Rosenblatt, "From Russia, with Hope and Fear," *New York Times Magazine*, 20 November 1994, 70-78; Pierre Briancon, "Russian Mob Scene," *World Press Review* 42(10) (October 1995): 28-29, originally published in *Liberation*, Paris, 13 April 1995; "Russia's New Export: The Mob," *Washington Post*, 24 June 1990, sec.C, p.1, col.4; Bruce Frankel, "Extortion Now the Least of Its Illegal Activities," *USA Today*, 1 September 1995, sec.A, p.1, col.3.

<sup>55</sup> Before its current notoriety, Brighton Beach may have been best known outside New York for Neil Simon's series of plays based on his life, including *Brighton Beach Memoirs*.

<sup>56</sup> For example, in Fiscal Year 1992 the Soviet Union was the fourth largest country of birth for immigration (following Mexico, Vietnam and the Philippines) and Russia was the seventh largest country of last residence. Immigration and Naturalization Service "Immigration Fact Sheet" web document <http://www.ins.usdoj.gov/public/299.html>. In fiscal year 1996 Ukraine was the eighth largest country of birth of immigrants and Russia was the ninth. Immigration and Naturalization Service "Immigration to the United States in Fiscal Year 1996, Table 5: Immigrants Admitted by Region and Selected Country of Birth: Fiscal Years 1994-96" web document <http://www.ins.usdoj.gov/public/stats/1005.html>.

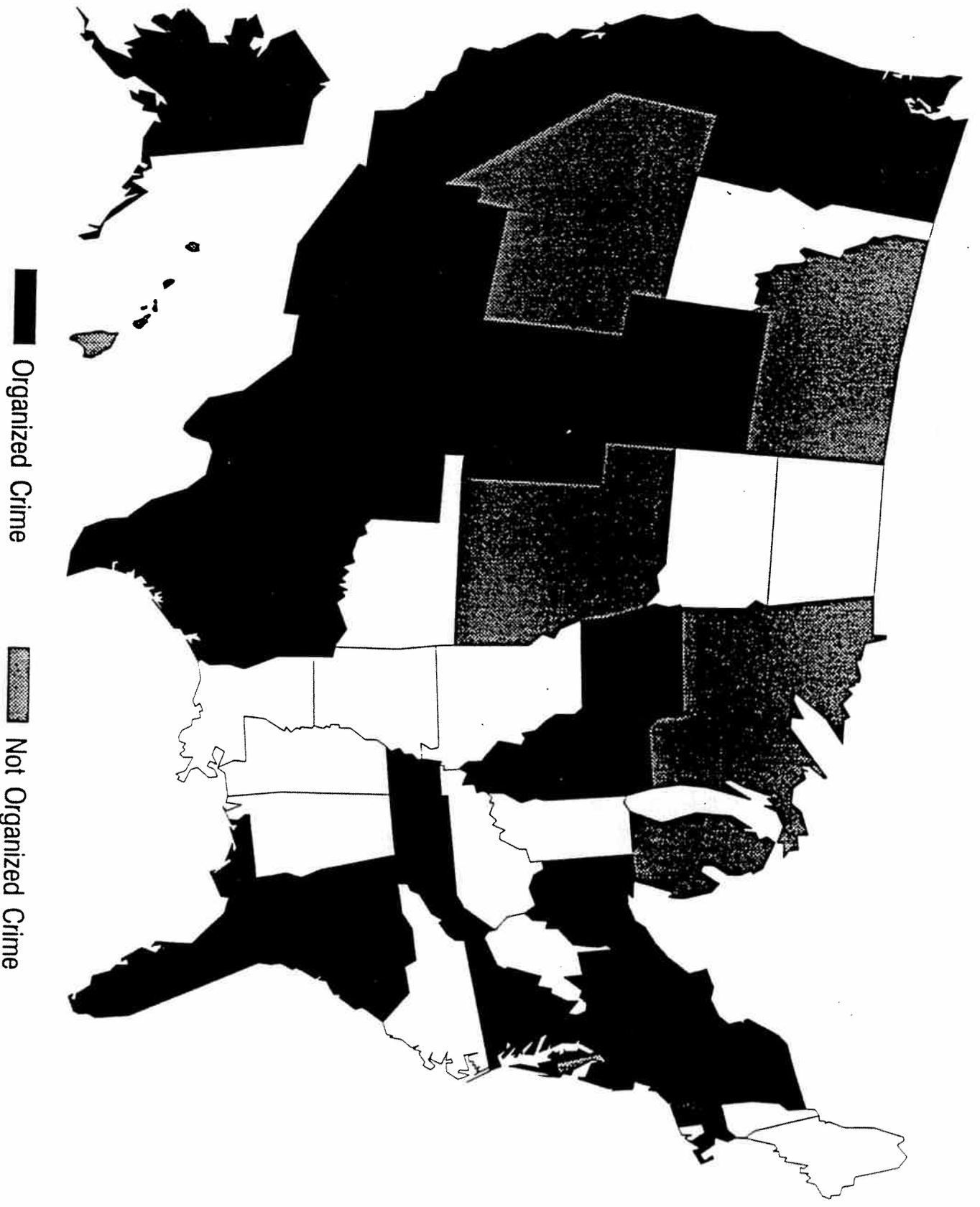
<sup>57</sup> We reassured them of this by reading them this statement: "Now I want to ask you some questions about crime and especially about organized crime. We are not asking you these questions because we suspect that you are involved in any way in this crime. Rather we are simply seeking the views and concerns of people in the community--such as yourself--about whether they think organized crime is or is not a problem in Brighton Beach."

<sup>58</sup> Joe Sexton, "The Cold War in Brighton Beach: Police and Russian Émigrés Share an Uneasy Relationship," *New York Times*, 17 January 1995, p. B1.

<sup>59</sup> U.S. Bureau of the Census. "1990 US Census Data" Database C90STF1A "Brooklyn County, Tables: Persons, Detailed Race, Hispanic Origin by Race," web document <http://venus.census.gov/cdrom/lookup/870799276>.

<sup>60</sup> Craig Wolff, "5 youths arrested in rape of Coney Island jogger," *New York Times*, Section B, page 1, col 2. 1994 Apr 14. Craig Wolff, "Rape sounds alarm on gangs on Coney Island's boardwalk," *New York Times*, B3, col 1, 1994 Apr 11.

Figure 1. States Reporting Russian Emigre Crime and Whether It is Described as Organized Crime



White States Did Not Report Any Contact With Russian Emigre Criminals

Figure 2: Conceptual Diagram Of the No Brand Petroleum Daisy Chain Scheme  
 After Exhibit 31 of the New Jersey State Commission of Investigation Public Hearings on Motor Fuel  
 Tax Evasion

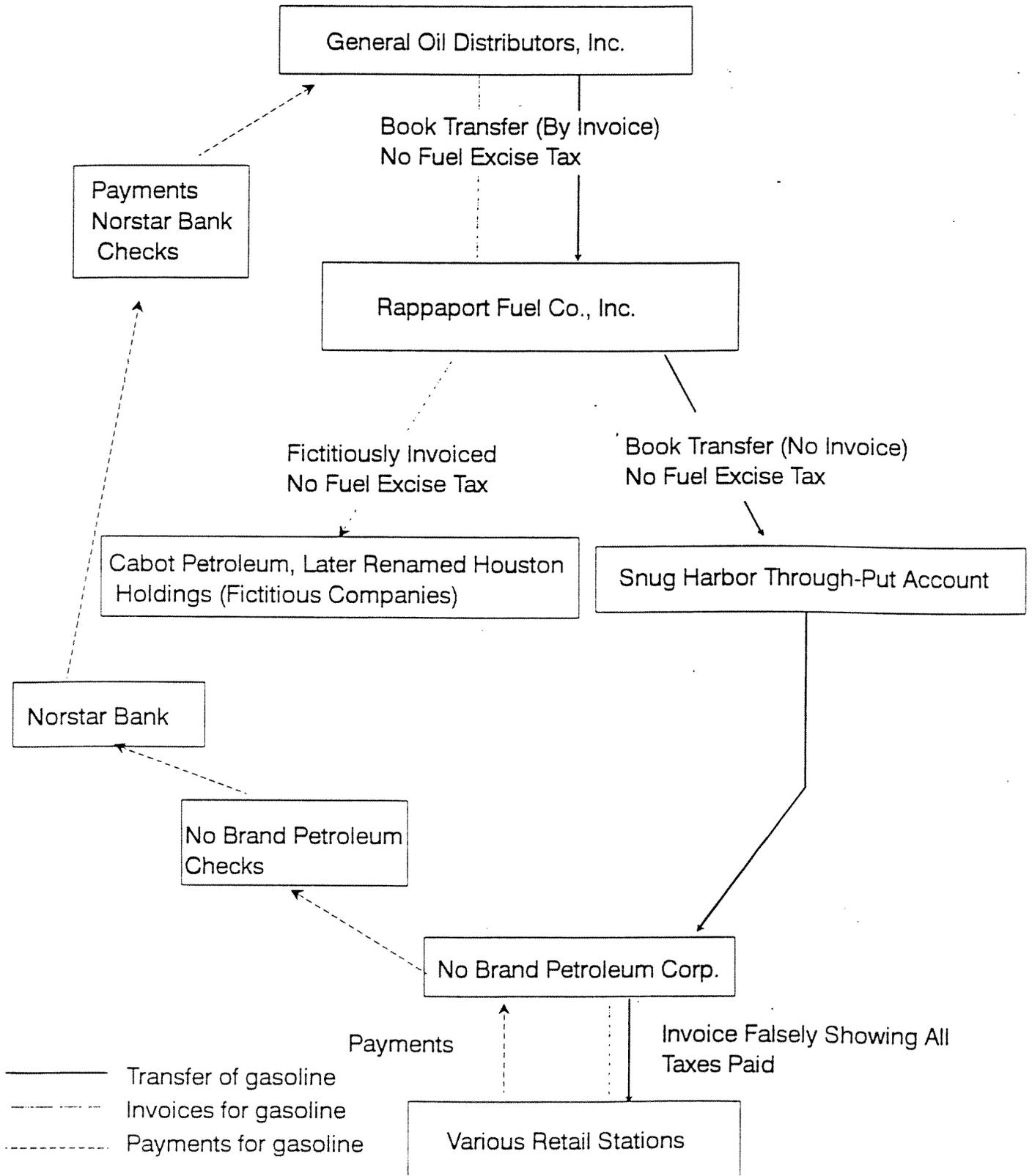


Figure 3: An Indirect Relationship Between Person A and Person B

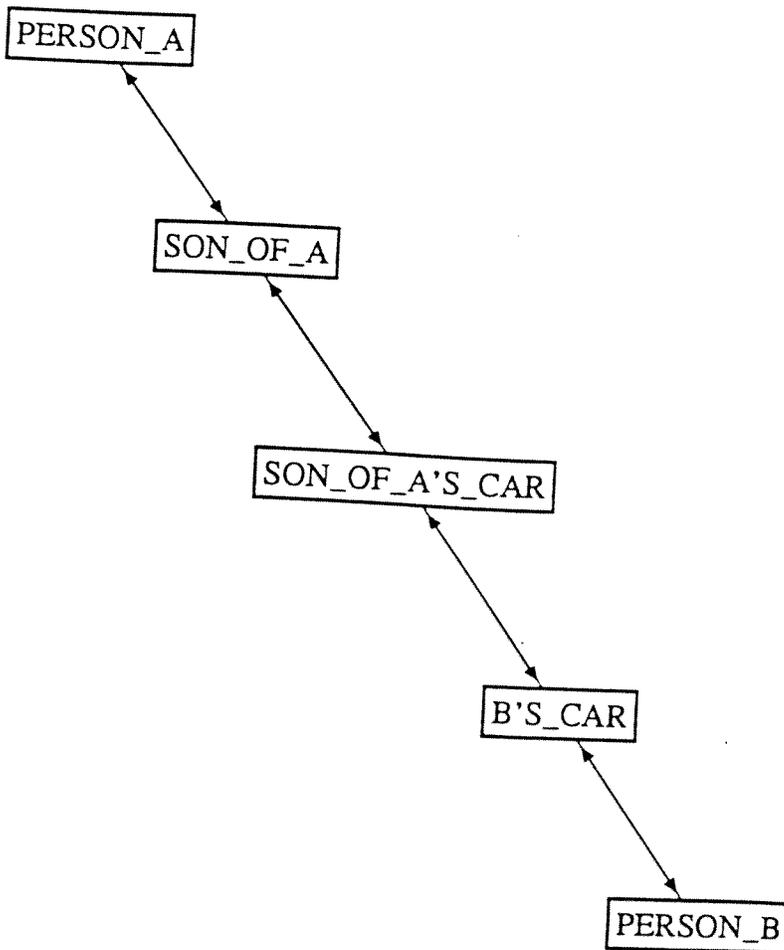


Figure 4 : Four Ways to Arrange Eight Actors in a Network

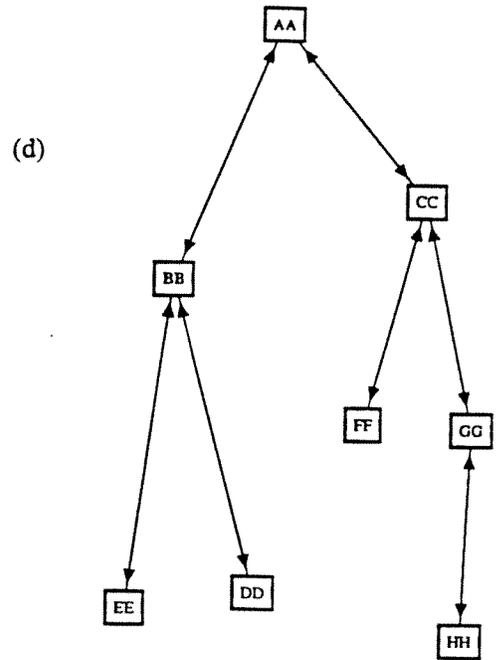
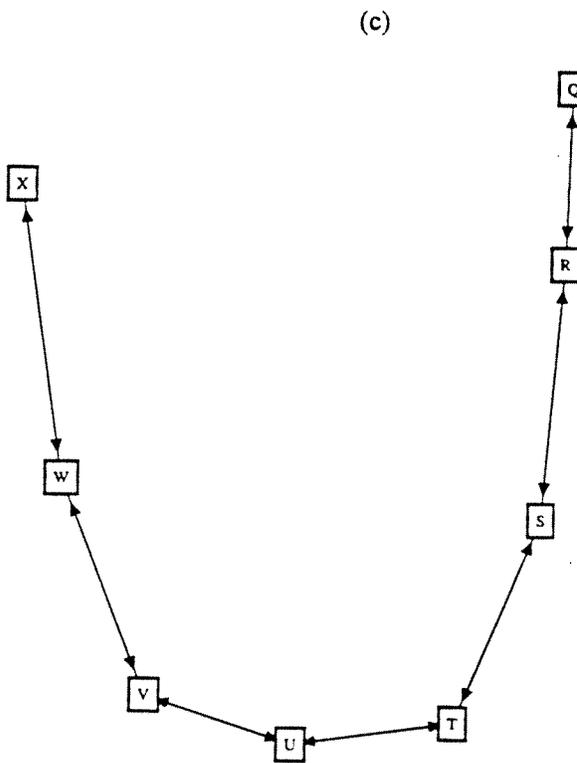
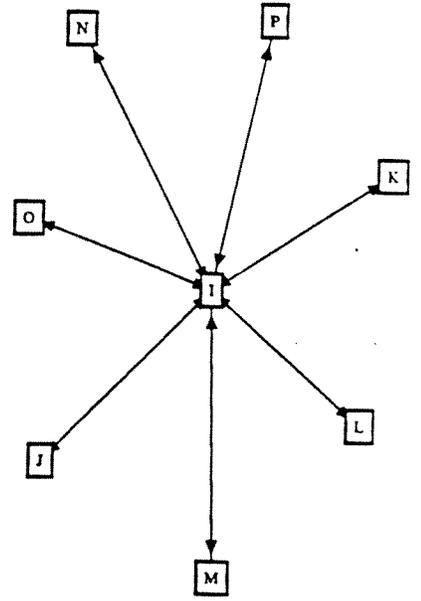
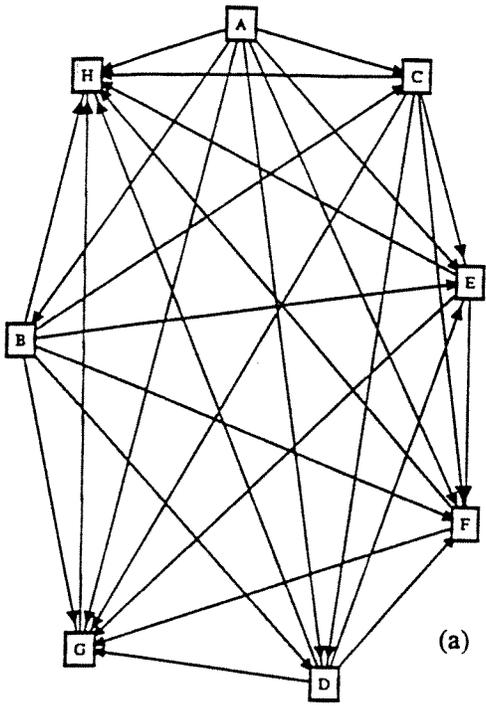


Figure 5: Center of the Network Implied by Three Organized Crime "Families"

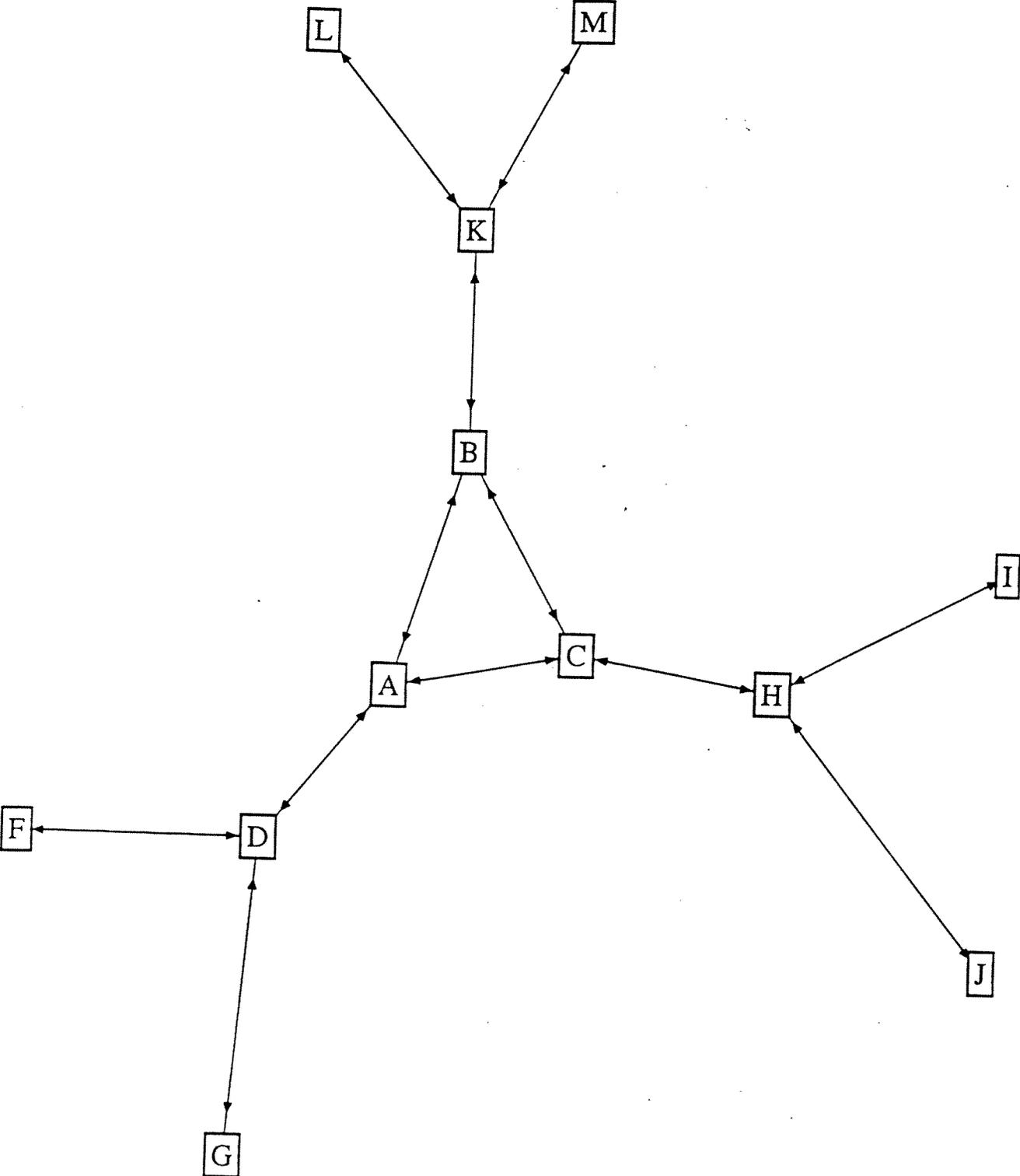


Figure 6

Matrix Representation of The Networks in Figure 4

(a)

	1	2	3	4	5	6	7	8
1	-	1	1	1	1	1	1	1
2	1	-	1	1	1	1	1	1
3	1	1	-	1	1	1	1	1
4	1	1	1	-	1	1	1	1
5	1	1	1	1	-	1	1	1
6	1	1	1	1	1	-	1	1
7	1	1	1	1	1	1	-	1
8	1	1	1	1	1	1	1	-

(b)

	1	2	3	4	5	6	7	8
1	-	0	0	0	0	0	0	1
2	0	-	0	0	0	0	0	1
3	0	0	-	0	0	0	0	1
4	0	0	0	-	0	0	0	1
5	0	0	0	0	-	0	0	1
6	0	0	0	0	0	-	0	1
7	0	0	0	0	0	0	-	1
8	1	1	1	1	1	1	1	-

(c)

	1	2	3	4	5	6	7	8
1	-	1	0	0	0	0	0	0
2	1	-	1	0	0	0	0	0
3	0	1	-	1	0	0	0	0
4	0	0	1	-	1	0	0	0
5	0	0	0	1	-	1	0	0
6	0	0	0	0	1	-	1	0
7	0	0	0	0	0	1	-	1
8	0	0	0	0	0	0	1	-

(d)

	1	2	3	4	5	6	7	8
1	-	1	1	0	0	0	0	0
2	1	-	1	1	0	0	0	0
3	1	1	-	0	1	1	0	0
4	0	1	0	-	0	0	1	1
5	0	0	1	0	-	0	0	0
6	0	0	1	0	0	-	0	0
7	0	0	0	1	0	0	-	0
8	0	0	0	1	0	0	0	-

Figure 7: Ties Between Actors Appearing in 4 or More Data Sources

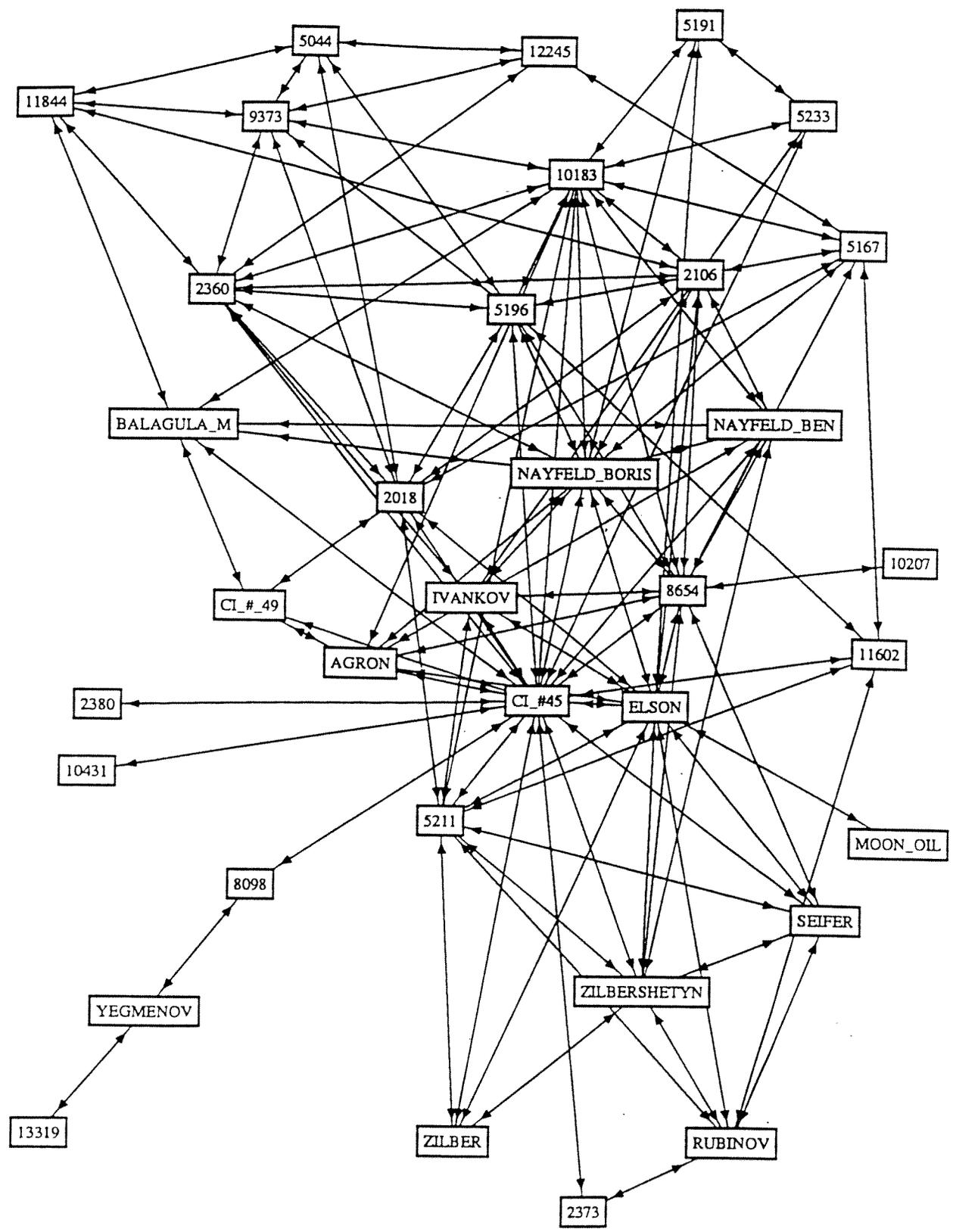


Figure 8: Jordan Center of Combined Sources for People Only

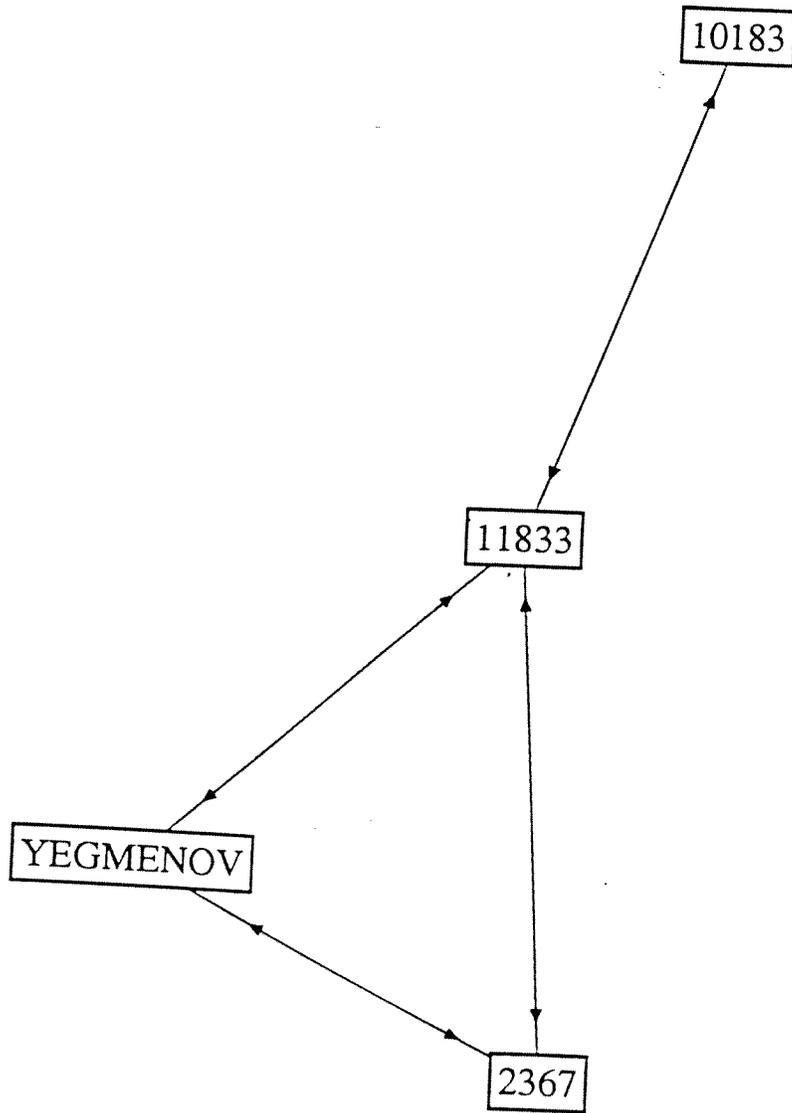


Figure 9: Jordan Center of Combined Sources, for All People, Organizations and Other Entities

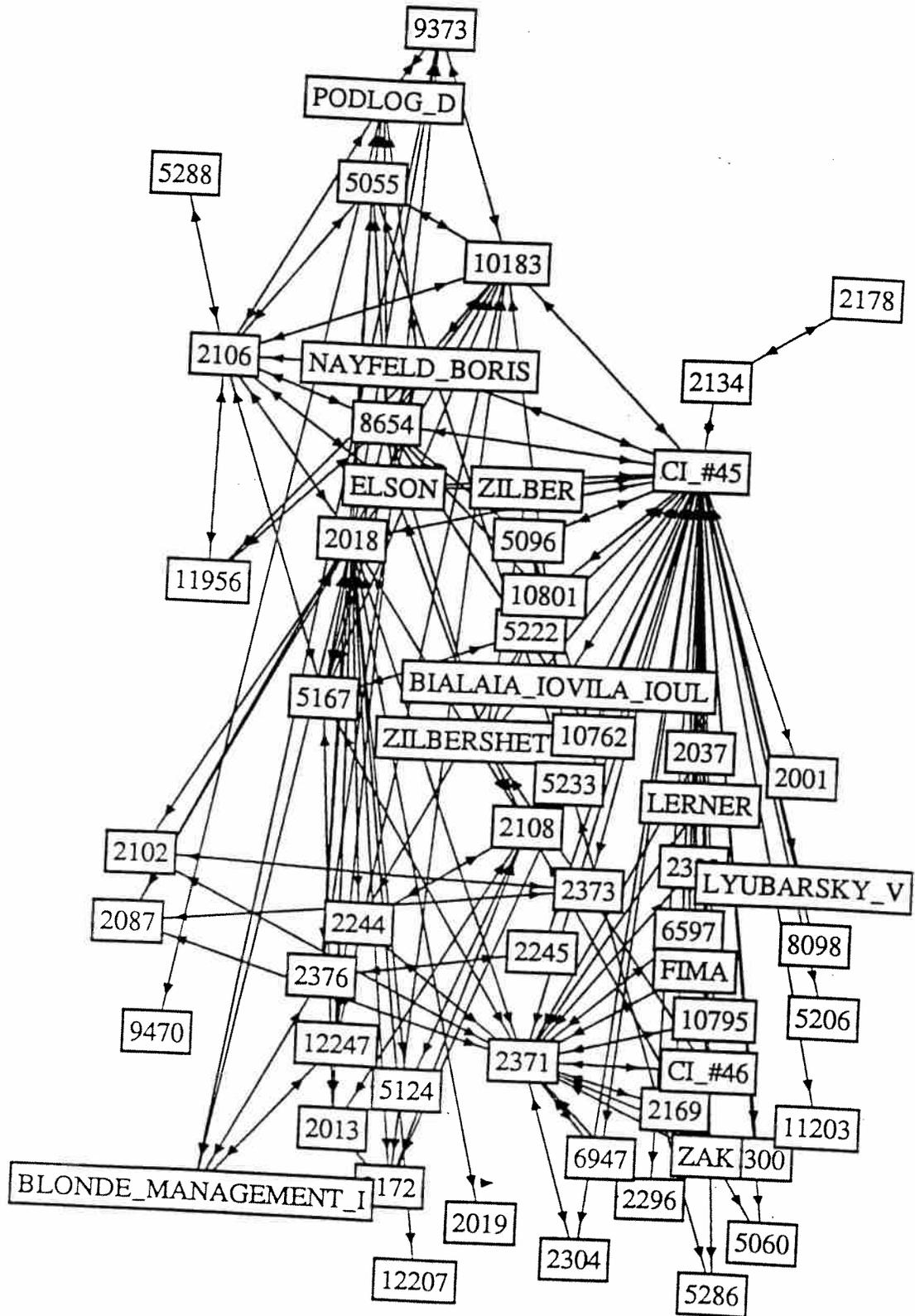




Figure 11: Four Smaller Components From the Indictment Data

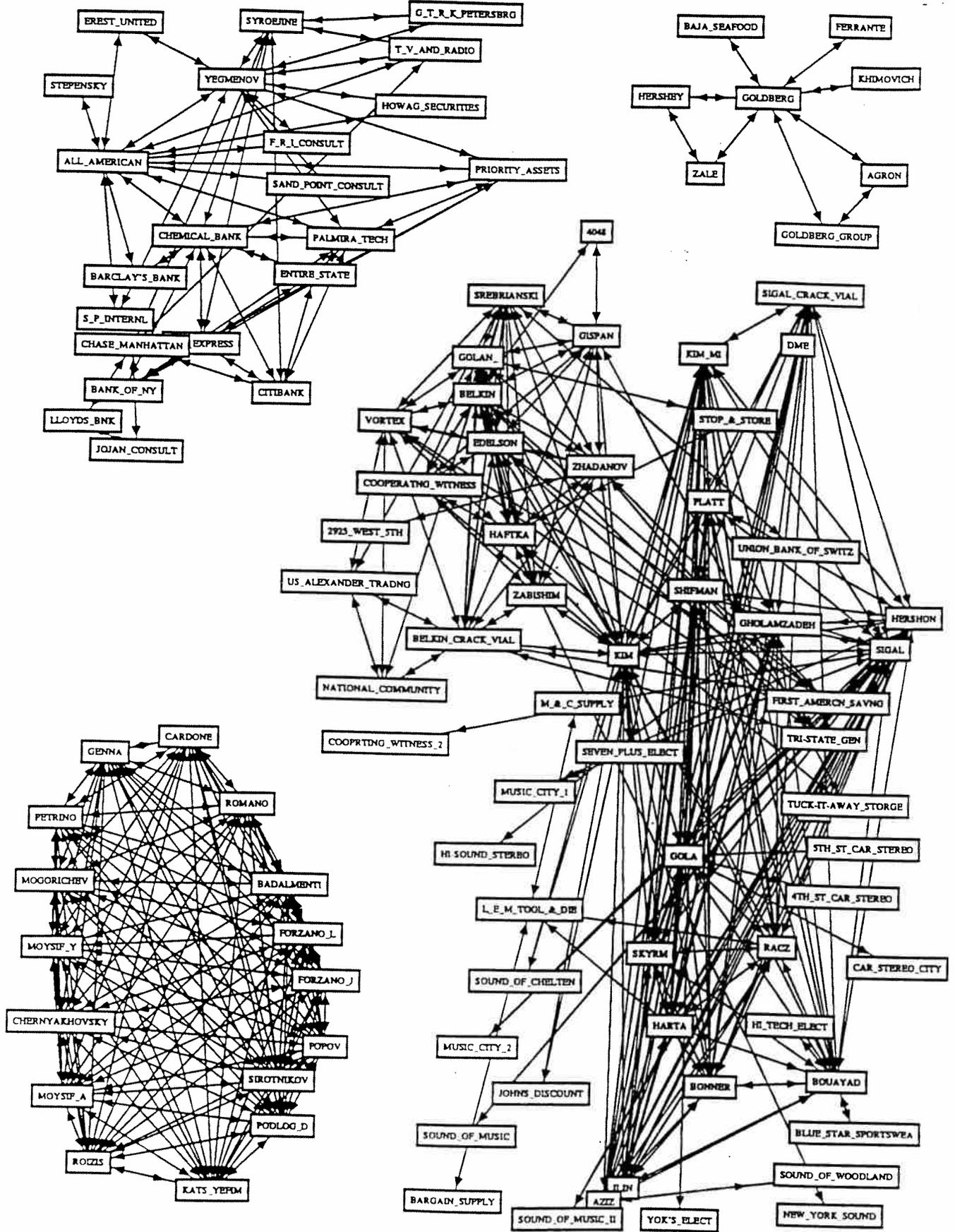


Figure 12: One Block From the Fuel Tax Evasion Indictment Component

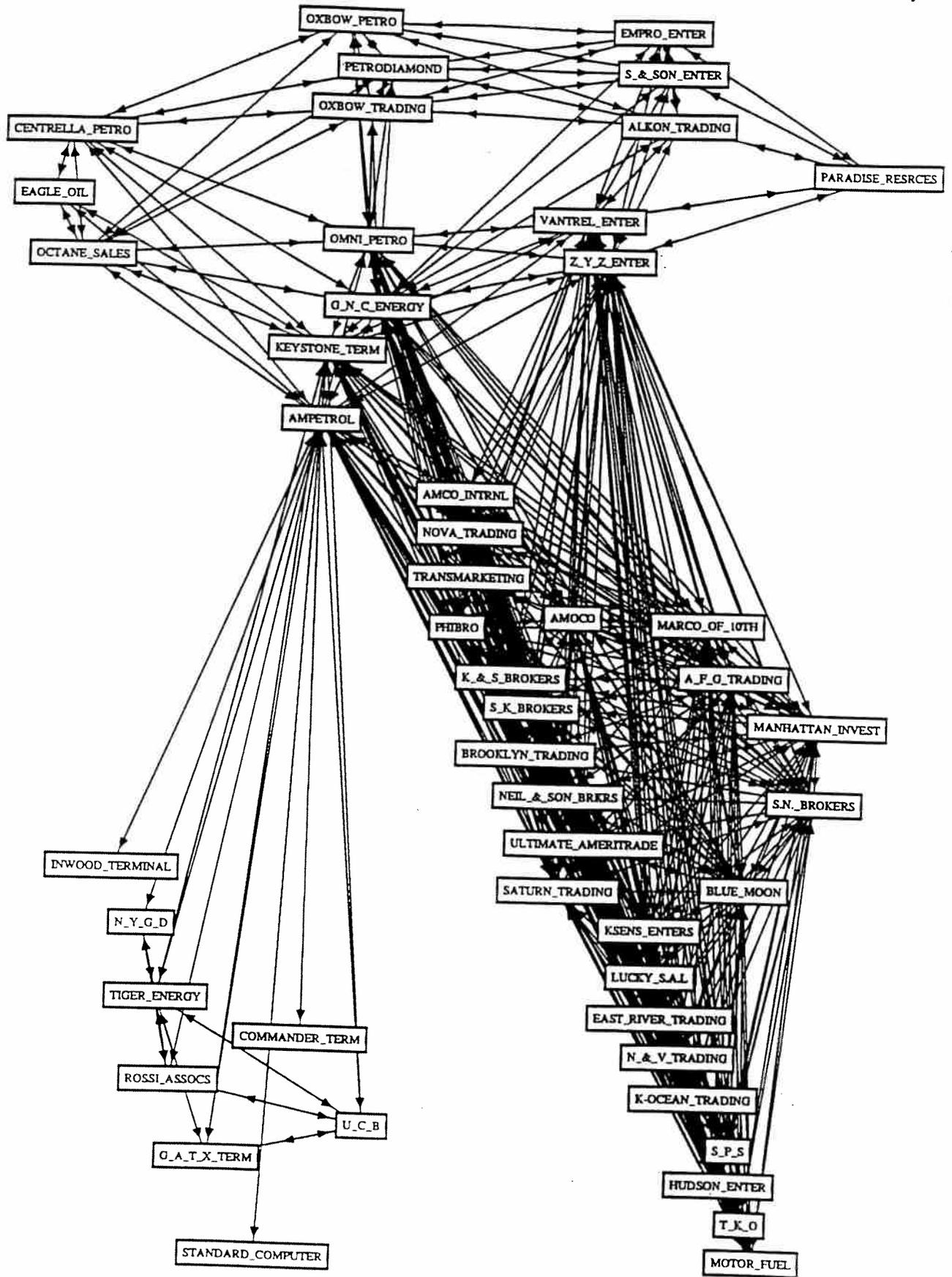


Figure 13: A Second Block From the Fuel Tax Evasion Indictment Component

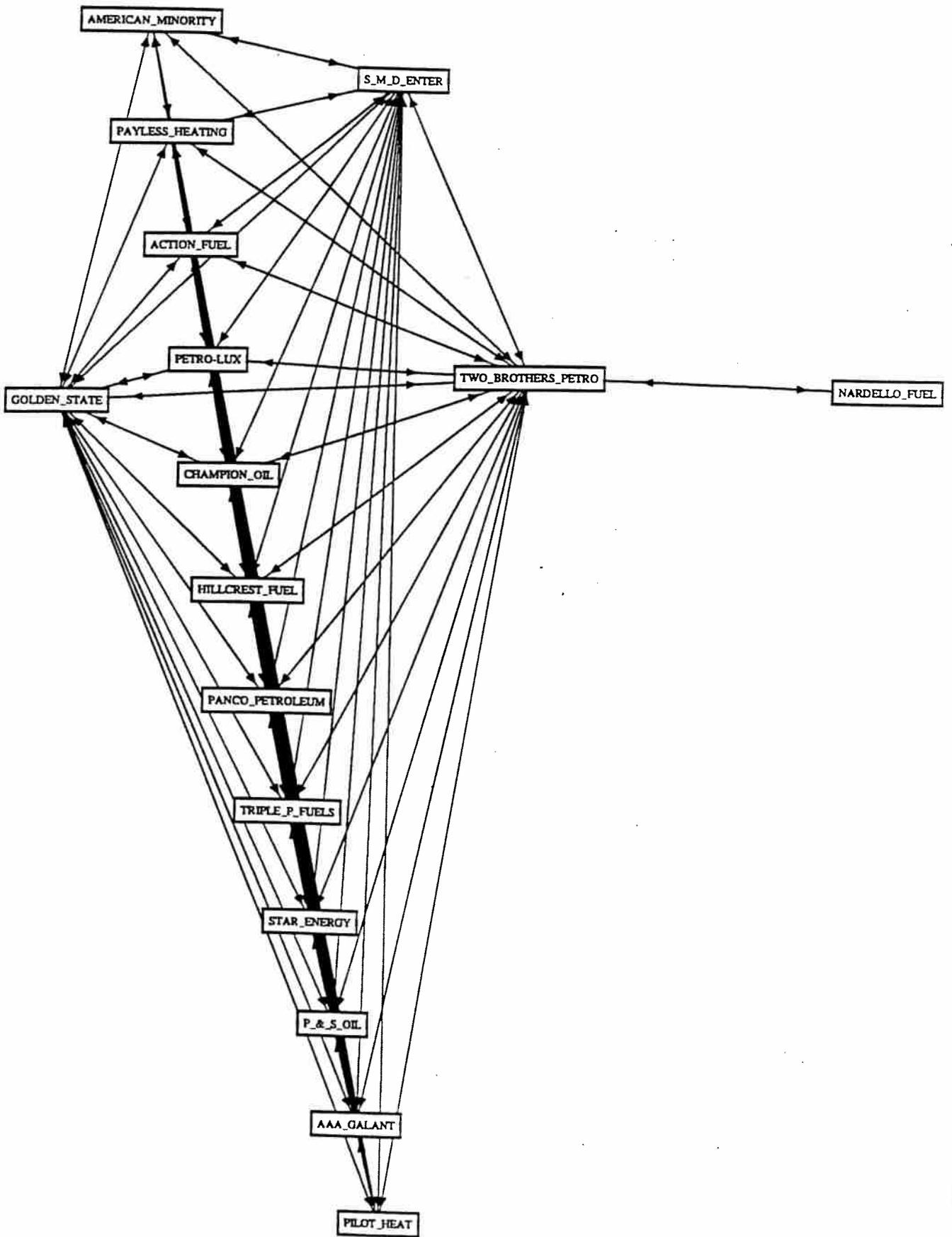


Figure 14: Social Surveillance Jordan Center

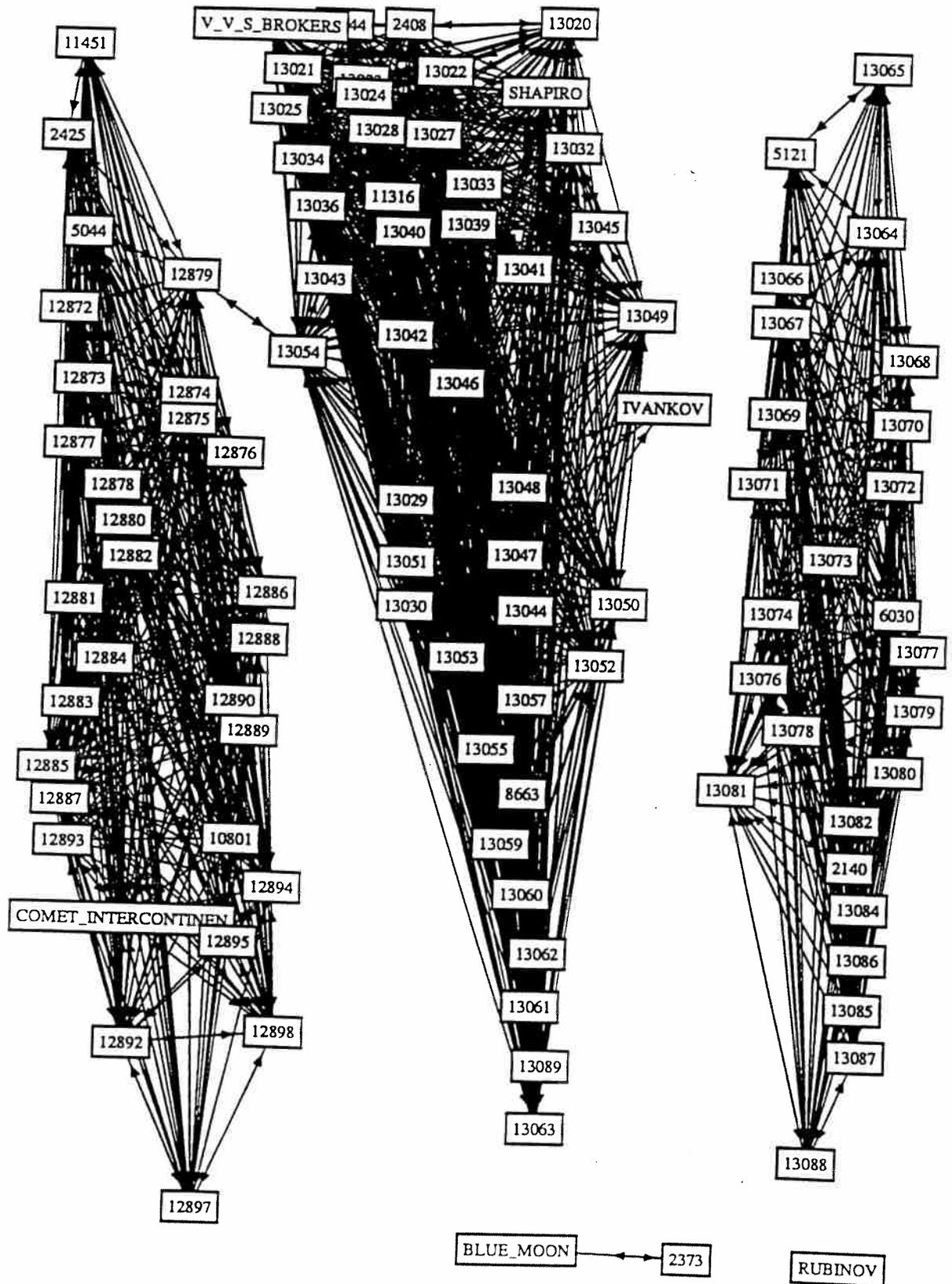
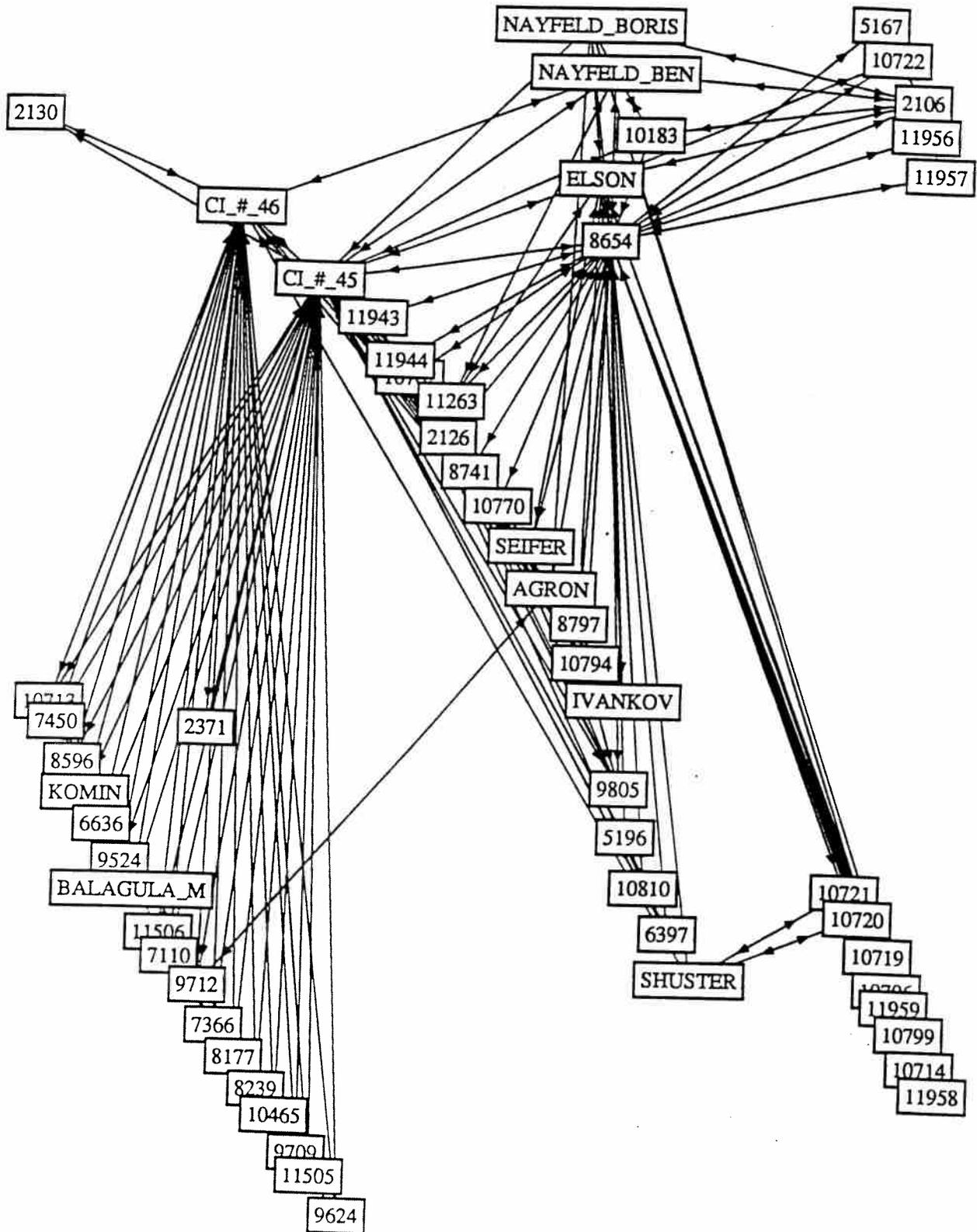


Figure 15: Confidential Informant Reports Jordan Center



## ***Appendix B: Multivariate Analysis of Survey Responses***

The multivariate analysis of the responses to the survey used a statistical technique called logistic regression. This technique allows us to examine the unique effects of independent variables while controlling for other independent variables. The results of the logistic regression analyses are given in table B.1

**Table B1 : Variable Descriptions**

<b>Variable</b>	<b>Definition</b>
<b>Tri-State Region</b>	Dummy variable indicating if a state is part of the Tri-State area comprised of New York, New Jersey, and Pennsylvania.
<b>Organizational Level</b>	Set of dummy variables classifying the type of law enforcement agency by jurisdictional level.
<b>Criminal Justice System Employees</b>	The total number of people employed by the criminal justice system for each state for 1990 (in 100,000's).
<b>Routine Handling</b>	Dummy variable indicating if agencies have personnel who handle most of the cases involving people from the former Soviet Union.
<b>Participation</b>	Dummy variable indicating if agencies showed an interest in participating in an information exchange program.
<b>Obtain Information</b>	Dummy variable indicating if agencies have tried to obtain information from agencies in the former Soviet Union.
<b>Russian Speaker</b>	Dummy variable indicating if agencies have a Russian speaking staff member.
<b>Law Enforcement Problem</b>	Dummy variable indicating if agencies consider crimes involving persons from the former Soviet Union to be a major law enforcement problem.
<b>Number of Contacts</b>	Dummy variable classifying agencies by contacts with criminals or suspected criminals who are from the former Soviet Union.
<b>Russian Population</b>	The population of Russian immigrants in 1992 (in 1000's).
<b>State Population</b>	The state population for 1994 (in 100,000's).
The following "crime type" dummy variables indicate the nature of the Russian criminal activity reported by agencies: Violent crimes, drug related crimes, fraud and confidence schemes, money laundering, forgery, prostitution, racketeering, and extortion.	

**Table B3 : Logistic Regression Models of Whether Agencies Reporting Contact with Soviet Émigré Criminals Described Their Crimes as Organized Crime Model and Whether Their Crimes Were Termed a Law Enforcement Problem**

	Organized Crime Model		Law Enforcement Problem Model	
	Coefficient	P value	Coefficient	P value
Intercept	6.185	(.0022) **	3.132	(.0238) **
<u>Organizational Level</u> **				
City	-.716	(.3493)	-1.759	(.0454) **
County	-1.363	(.0649)	-3.022	(.0117) **
State	-.484	(.4720)	-.346	(.6339)
(Federal)				
Tri-State Region	.794	(.1806)	-.260	(.7181)
Russian Population	.043	(.7143)	.026	(.8811)
State Population	-.003	(.7147)	-.005	(.5354)
Criminal Justice System Employees	.667	(.6834)	1.291	(.5391)
<u>Number of Contacts</u>				
5 or fewer	-.122	(.8435)	-1.297	(.1080)
6 to 20	.004	(.9942)	-.623	(.2729)
(Over 20)				
Routine Handling	1.052	(.0272) **	.828	(.1241)
Russian Speaker	.422	(.3643)	.041	(.9536)
<u>Crime Types:</u>				
Violent	.393	(.4729)	1.169	(.2394)
Drugs	.076	(.8720)	.217	(.9199)
Fraud	1.446	(.0070) **	.981	(.0507) **
Extortion	1.173	(.0854) *	.468	(.7189)
Prostitution	.648	(.4946)	1.734	(.2294)
Money laundering	.466	(.3625)	.1876	(.7197)
Racketeering	2.005	(.0632) *	1.612	(.0608) *
Forgery	.313	(.5910)	1.365	(.1153)
Log likelihood test	147	(.0000) **	166	(.0000) **

\*\* Significant at .05 level

\* Significant at .10 level