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## **Ukrainian Organized Crime Groups: A Behavioral Model**

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### **Theoretical and Empirical Basis of the Research**

This research is the first comprehensive attempt to establish a behavioral model for Ukrainian organized criminal groups. It takes a sociological approach by applying theories of social organization and small group behavior, along with the concept of a “criminal triangle,” - - that is professional crime and criminals, organized crime, and prison social groups operate symbiotically and are mutually dependant on one another for success.

Our primary research hypothesis is that there are some common social rules that guide the behavior of organized criminal groups. According to Talcott Parsons’s theory of social organization, human behavior is determined equally by four elements, or subsystems which include: the organism, personality system, social system and culture.<sup>1</sup> Thus, we propose that there are similar rules in the world of organized crime. These can be divided into three heterogeneous sets. First, there is an ideological infrastructure that embodies the tradition and mythology of organized crime as a worldview and a way of life. Next, there are intra-group rules that are the common rules and traditions of individuals involved in organized crime. These result from specific group dynamics, but are common to all organized groups. They include leadership, group control, structure, the determination of roles, and external and internal controls. Third, there are

the standards and techniques for specific criminal behavior, the criminal “know-how” needed to carry out the commission of crimes.

### *Methodology*

We used several methods for aggregating both quantitative and qualitative data. These included a statistical analysis of Ukrainian Ministry of Internal Affairs crime data from 1992 through 2000; analysis of data on individuals involved in criminal groups from 1994 through 2000; and, crime statistics on organized criminal groups from the quarterly records of the Kharkov UBOP (the State Department for Fighting Organized Crime) from 1997 to 2000. In addition, a case study approach was used with an organized criminal group whose members were serving their sentences in prison. We examined case documents, interviewed convicts, and interviewed UIN (United Information Network) workers at the facility where the convicts were serving their sentences. A focus group was convened with nine UBOP investigators and administrators, and law enforcement officials from various parts of Ukraine. In all, 232 people were surveyed on the institutions, traditions and group dynamics of the criminal world and organized crime: 25 were employees of the Kharkov UBOP, 20 were UBOP investigators for various regions of Ukraine, and 180 were convicts who were serving sentences, including 84 who had been convicted of being participants in organized criminal groups. In addition, 150 criminal cases were analyzed using

primary source case materials from internal affairs agencies, the Ukrainian Security Service, and the prosecutor's office.

### **Ideology and Institutions of the Criminal World**

The ideological foundation and historical roots of organized crime in Ukraine can be expressed in two ways. First, the ideology of the criminal world, in particular the so-called “thieves’ idea” and the “thieves’ world”<sup>2</sup> had their origins in Russian prisons and labor colonies (work camps) where convicted Ukrainians were also imprisoned. But in addition, it is also likely that the Russian “peasant commune mentality” also influenced the development of the thieves’ world. To understand this development, it is necessary to understand Russian peasants in the context of their social status, as embodying a certain spirit and philosophy that is indicative of the lower classes in Russia. For example, in Russian peasant villages, there was no such thing as the concept of private property. Questions of collective life were decided at village gatherings, where as the family head, each adult male had an equal voice. It is also important to emphasize the isolation of the peasant communes and their non-acceptance of official institutions and structures. The unwritten informal laws and systems that developed as part of communal life forbade the involvement of any official authorities. The peasants viewed the outside world (especially the State) as hostile, oppressive and inimical to their way of life. Peasants had to depend upon themselves to resolve conflicts, and they came to glorify prominent robbers, insurgents and revolutionaries,

with whom they identified their version of fairness and equality. Thus, collectivism, insularity, self-organization, solidarity, striving for a certain truth and uneasy feelings about the Russian communist system were the soul of the peasant commune.

By the second half of the 19th century, the thieves' idea had given rise to "thieves' gangs," whose organization was naturally characterized and influenced both by the totalitarian tendencies of Russia and the traditions from the peasant commune. Since the departure from official society presented great difficulty and risks, internal secrets were strictly protected. The gang viewed its members as a family of devotees, betrayal of whom was not allowed.

At first glance, this "thieves' idea" may seem to be a badly structured ideology, as it is a difficult concept to articulate. In the criminal world, however, it resonates quite readily. It is taken to be the idea for a thieves' brotherhood, as a proclamation of fairness "for oneself," and as an expression of one's "truth." Upon a more detailed analysis, one can indeed begin to see that the "thieves' idea" is both consistent and systematic.

This idea embraces principles of individuality, the idea of brotherhood, and a belief in their own superiority in relation to the rest of mankind. There is no belief in the right to private property, but there is the belief in their own right to live at the expense of others and to confiscate the property of those at the lower levels of the social hierarchy. There is also a kind of primitive religion, a creation myth, and taboos. It is clear that many of these ideological traditions remain with Ukrainian organized crime groups

today.

A “thieves’ code of honor” is dictated by standards and rules of correct behavior and is made up of both prohibitions and rules of behavior that are based on law, duty and function. Some examples of the prohibitions include the following:

- not betraying others in the group by concealing money or disclosing group secrets;
- not working outside of the criminal organization;
- not participating in outside institutions or affiliations; not contacting agents of law enforcement;
- having no contact with those previously banished from the group or with members of other criminal groups;
- and, not having a legitimate wife, as the criminal should be an eternal vagabond, ready for any fate, including prison.

Some examples of the guiding rules include to selflessly support crime, and to always help “brothers” with money or blood when they need it. When and if imprisoned, one must enter the criminal family, understand and use criminal jargon, uncover and punish traitors and defectors, and recruit and train new young criminals. The member of this thieves’ world has the right to have an “unofficial” wife or mistress, to take what he wants from non-members in prison, and to enjoy the highest social status in prison. He has the obligation to support “brothers” who are serving a sentence and to care for their families, to help a brother who is on the run from the law, to not

lose one's faculties from consuming alcohol or drugs, and when necessary to assume the blame for a fellow thief or criminal.

Violations of this code can result in a broad range of punishments from a minor reprimand to the death penalty. In prison groups, various types of shame tactics are used, including banishment to a lower class of convicts. These sanctions are similar to those used by the lynch mobs of the peasant communes.

In the 1990s, the thieves' code of honor was replaced by a similar but less strict concept of "notions." Notions currently guide the relationships among criminal groups and professional criminals, including businessmen who operate in the shadow economy. Within the notions, the spirit of the thieves' code is preserved in that criminals occupy a special position in this society.

#### *"Initiation" and the "Made Man"*

The "made man" is a high-ranking and respected professional criminal who has formally accepted the thieves' code. Ukrainian organized criminal groups share the idea that the made man is a highly principled criminal - -similar to the positions of honor within the Italian Mafia. Initiation of the made man occurs only after a long period of information gathering about the candidate and an oath that endures for life is taken. While initiation is thought to be a rare event in Ukraine by those surveyed, a study of one organized crime group revealed that made men play a central role in the organization of the network of criminal groups in Ukraine and in criminal activity abroad.

Made men occupy the highest rank of the criminal pyramid, and appoint polozensty and “watchers” to play the role of the “authorities” within the criminal sphere. According to our interviews, the prison social system is divided into three categories of convicts. The upper layers consist of professional criminals or *murichiki*, who try to control all convicts and ensure that the “code of the prison” is followed. Then the middle and most numerous convict class is made up of *muzhiki*. The *muzhiki* attempt to be loyal to both the administration and the *murichiki*. The third and lowest level of convicts basically serves the others.

The *obshchak* is a general and shared fund used for supporting imprisoned criminals and their families. It is the oldest traditional institution for organized crime in Ukraine, and again has its roots in Russian folkways. It is indicative of the organizational strength of a criminal group. In prison, the *obshchak* is a cash box of illegally acquired money, used for “grev” or bribery in the prison.

The thieves’ meeting has its historical roots in the rural assembly and demonstrates the democratic and aristocratic origins of the thieves’ movement. Originally, only the made men gathered at these meetings to discuss the ideological and economic problems of their group - -decisions emerging from these meetings were then disseminated to other group members.

Professional criminals use distinctive means, such as aliases, nicknames and tattoos, to classify and brand themselves. Our survey results indicate that the use of these signs is well known in Ukrainian society, but that they are no longer used in the



world of professional crime, or at least are not an obligatory element of status but are rather of a more symbolic nature. In fact, tattooing and jargon have more recently become the prerogative not of the elite criminals, but of the lower criminal classes.

### **Internal Regulation and Behavior of Organized Criminal Groups**

Organized criminal groups essentially act as social organizations, and therefore have certain basic features such as goals, interaction, social structure, and management. The goals of criminal organizations are set by their leaders and are tailored according to the needs and interests of the groups' members. These goals serve both to influence the organizational structure of the group and to regulate the behavior of the group members. Further, continuous interaction among the members serves to reinforce the structure and functions.

Organized criminal groups exist in relation to both internal and external structures. The relevant external structures include such obvious ones as law enforcement agencies, e.g., the Ministry of Internal Affairs, the Procuracy, and the Ukrainian State Security Service, as well as other external entities such as business enterprises, banks, etc. Other external structures can also include other criminal groups that have encroached upon the territory of the group. Internal structures, on the other hand, include the actual organization of the criminal group itself.

Like any other organized social group, the success of a criminal group largely depends upon the quality and style of management. Survey results indicate that organizers or leaders of

groups prefer a firm, authoritarian management style, but that the rank and file members are more partial to democratic and charismatic management styles. In addition, rank and file members exhibit dissatisfaction when management favoritism is shown to certain members. Respondents also indicated that there is a high level of distrust among group members, and organizers expressed the need to have better planning procedures, more verified information on accomplices, and better control over the rank and file.

### *Dynamics of Organized Criminal Groups*

According to the interviews and surveys conducted regarding internal group dynamics, members of organized criminal groups indicated six categories of members, based upon the positions they held in their group. These positions include organizers, rank and file (the actual “doers”), bodyguards, weapons procurers, helpers, and advisors (consultants). When asked how an organizer emerges from a group, just over 60 percent of the respondents indicated that the organizer himself assembled the group. The remaining respondents indicated that the members chose the organizer or leader from among themselves. This finding is consistent with other research on the subject that indicates that it is mostly the organizers themselves who create criminal groups. Further, 53 percent of the respondents indicated that the organizers themselves, generally create the organized criminal groups, issue commands, and may control the group’s financial issues.<sup>3</sup>

From the survey data, it appears that the presence of internal conflicts is the

norm for organized criminal groups. Further, respondents suggested that relationships between organizers and group members were less favorable than those among group members. Only 19 percent of the group members surveyed noted an absence of conflicts in organized criminal groups.

Organized criminal groups instill a degree of cynicism so that criminal members do not feel they are to blame for their criminal behavior. Instead, they often resort to blaming the victim. In interactions with law enforcement, respondents indicated that organized crime members lie, threaten and scorn officials, as well as use flattery.

### **Techniques for Criminal Behavior and Economic Crime**

Fictitious enterprises allow organized criminal groups to embezzle property, evade taxes, illegally receive and use credit, launder money, and illegally transfer money into foreign banks. Organized criminal groups use fictitious contracts and enterprises as intermediaries to conceal extraordinary amounts paid for goods, and then deposit these gains into foreign bank accounts. The groups avoid paying taxes on this money by, for example, withdrawing it for “travel expenses,” then appreciably underestimating the totals or failing to declare expenses at all. According to Ukraine’s Coordinating Committee for the Struggle with Corruption and Organized Crime, approximately 70 percent of the currency acquired through such intermediaries does not come into Ukraine, but instead is placed in foreign accounts. Interviews with law enforcement officials reveal that this is carried out largely with the complicity of bank officials.

One recent phenomenon in terms of fictitious enterprises is the creation of currency exchange centers. These are networks of enterprises created by an organized criminal group that have been legally registered - -but are used only for shadowy financial and economic operations, particularly the illegal conversion of hryvnia [Ukrainian currency] into hard currency. It has been estimated that these centers allow hundreds of millions of U.S. dollars to be moved annually through the accounts of such fictitious structures in Ukraine into foreign banks.

Unfortunately, the efforts of law enforcement focus on the guilt of the representatives of the fictitious enterprises. Meanwhile, the clients or actual beneficiaries of the illegal profits remain hidden. Often the fictitious enterprises do not have their own stocks of materials, capital, equipment, or even employees who can be held accountable for the economic crime they serve to foster.

As a rule, figureheads or front men are used as the founders of fictitious enterprises. The “packaging” of documents necessary for the registration of these enterprises is often handled by legal experts, but the founders and managers exist only on paper. Often fictitious structures are assigned to unqualified, previously tried, mentally ill, materially dependent, or psychologically weak persons in exchange for rather large incomes, while the actual organizers maintain control of funds, stocks of materials, and capital equipment.

In order to successfully combat this activity, law enforcement must be able to establish the guilt of organizers by demonstrating that they bargained about the

conclusion of contracts, that a clerical worker of the fictitious enterprise created various documents at the criminal organizer's instruction, that organizers kept seals and stamps of fictitious enterprises, and that clerical workers were paid salaries from fictitious enterprises.

These latter crimes show how the face of organized crime in Ukraine is changing. It is just now a blend of the old thieves' world of 19th century Russia and the new entrepreneurs of a 21st century global economy. As this evolution of crime continues, the capabilities and resources of law enforcement - both in Ukraine and internationally - will likewise have to evolve to meet the new challenges.

## Notes

1. Talcott Parsons, *The Social System*, Glencoe, IL: The Free Press, 1951.
2. In his discussion of the ideological and historical foundations of organized crime in Ukraine, Alexander Yarmysh makes particular reference to thieves, or “thieves-in-law” when describing members of organized crime groups. His reference to “thieves-in-law” refers to a special type of professional criminal who emerged in Russia even before the Soviet era. In his discussion of the Russian criminal tradition, Finckenuer (1998) indicated that there were two major criminal archetypes that predominated - - the thieves-in-law or *vory v zakone*, and a more general white-collar crime type known as the Soviet Mafia. The thieves-in-law originated in Russian prisons, but were derivatives of a more general heritage from the Russian peasant class. In both instances, there was a fierce rejection of official institutions, and this included most especially the Soviet State.
3. Not all survey questions were answered by respondents.