

# **Transnational organised crime connecting Eastern and Western Europe: Three case studies**

*Klaus von Lampe*<sup>1</sup>

## **Introduction: the concept of ‘transnational organised crime’**

The concept of ‘transnational organised crime’ (TOC), perhaps even more so than the concept of ‘organised crime’, has been criticised for being shaped by the political and institutional interests of governments and law enforcement agencies rather than by social reality. Undoubtedly, it has become a key issue on the criminal policy agenda since the fall of the Iron Curtain. On national and international levels, including the European Union and the Council of Europe, transnational organised crime has come to be regarded a major security threat, in part replacing the threat of military conflict (Edwards and Gill, 2002; Felsen and Kalaitzidis, 2005; Fijnaut and Paoli, 2004; Mitsilegas, 2003). At the same time the focus of the traditional debate on organised crime has shifted from a local and national to an international frame of reference (von Lampe, 2001).

The concept of ‘transnational organised crime’, broadly speaking, refers to crime that somehow transcends national borders. It is framed in the context of globalisation and EU enlargement where national borders have supposedly become less of an obstacle for offenders and “criminogenic asymmetries” (Passas, 1998) between rich and poor countries have become more virulent. Against this backdrop different images and perceptions of transnational organised crime have emerged in public and academic discourse.

---

<sup>1</sup> Assistant professor at John Jay College of Criminal Justice, Department of Law, Police Science and Criminal Justice Administration, New York. The author would like to thank Petrus C. van Duyne, Jackie Harvey and Almir Maljevic for their insightful comments on earlier drafts of this paper.

Some rhetoric lets transnational organised crime appear as if it was something that existed in a quasi-metaphysical sphere with no roots in any particular location and touching ground only in the moments when crimes are committed. A more concrete notion is that mobile, rationally acting offenders operate on an international scale, searching for the most lucrative markets for illegal goods and services and the most suitable targets for predatory crime, and taking advantage of cross-border mobility to evade prosecution (Mittelman and Johnston, 1999). Another widely held view associates transnational organised crime with the discrepancies between East and West and North and South. Developing countries and countries in transition with a weak or corrupt law enforcement system are believed to serve as safe home bases for internationally operating offenders (Shelley, 1999; Wagley, 2006; Williams, 1999). From the Western European perspective, this view constructs transnational organised crime as an external threat, epitomised by the metaphor of an octopus which has its tentacles extended throughout the Western world (Freemantle, 1995).

Yet another image of transnational organised crime is that of locally based offenders establishing transnational links to other offenders (Hobbs and Dunningham, 1998; Hobbs, 1998). In this view, networking and cooperation between criminals across borders is the main feature of transnational organised crime (see also Adamoli *et al.*, 1998; Castells, quoted in Sheptycki, 2003).

This latter notion, irrespective of the empirical evidence, at first glance appears more plausible than the imagery of highly mobile offenders given the legal, cultural and practical constraints that hinder and impede even legitimate businesses on an international level.

## Aim and purpose

Taking the large scale smuggling of contraband cigarettes in Europe as an example, this paper examines how illegal entrepreneurs manage to extend their areas of operation into another country despite existing cultural and language barriers. On the basis of a more extensive analysis of pertinent German criminal files (n=104) three case studies are presented which shed light on the ways in which Eastern European cigarette smugglers have opened up new trafficking routes and markets in Western Europe.

All of the three cases fall within the time period between 1995 and 2001, a highly dynamic phase in the development of cigarette smuggling in Europe (see Joossens and Raw, 2008). Each case involves attempts by offenders based in one country to establish smuggling routes to another country they themselves were not familiar with. While these three case studies can neither be taken as representative of transnational (organised) crime in general, nor of cigarette smuggling in particular, they do show variations in the strategies adopted by illegal entrepreneurs and the contingencies involved. As such they can serve as instructive illustrations. The three selected cases appear particularly noteworthy because they suggest that 'organised criminals' do not only expand their areas of operation across national borders in an opportunistic fashion, but that such expansion can be based upon strategic planning.

## Data base

The sample of 104 investigations from which the three case studies are drawn form the core data base for a study of the cigarette black market in Germany, with a special focus on Berlin as the country's largest regional market for contraband cigarettes. 102 of the 104 investigations were handled by the Berlin branch of the Customs service. They have been selected in an effort to examine cases that represent the highest market levels and the potentially most complex detected offender networks in order to gain insights into the operation of those actors that may be regarded as being among the key players in the black market (see also von Lampe, 2003; 2005). Selection criteria included amounts of cigarettes and number of suspects. On the basis of these criteria a selection was made from the Customs service database INZOLL and the set of investigations of the Berlin branch office (1990 until 1999). These involved respectively, the highest numbers of cigarettes and at least three suspects. Eventually, 98 complete case files and four case file fragments, containing only parts of the original file, were made available for analysis by the Berlin prosecutor's office.

In addition to the Berlin investigations, the voluminous files of two complex investigations into cigarette smuggling were obtained from other prosecutor's offices to gain a better understanding specifically of the 'Northern Trade Belt' (Van Duyne, 2003), the smuggling route connecting the Baltic

states, Poland, Germany, the Benelux countries and the British Isles. These two cases and one investigation from the Berlin sample are the only ones of use for the present analysis because they are the only ones containing information directly relating to the decision making of large-scale cigarette smugglers and the processes leading up to the expansion of areas of operation into another country across language and cultural barriers.

## Large-scale cigarette smuggling: an overview

Before examining the focal point of this paper, the transnational mobility of illegal enterprises in the case of large-scale cigarette smugglers, it is helpful to first clarify the nature of the underlying business activity of cigarette smuggling. Cigarette smuggling means the illegal importation of cigarettes that circumvent excise and customs duties so that the cigarettes can profitably be sold to consumers for a price below the legal retail price. In the time span under consideration, between 1995 and 2001, two main schemes existed by which cigarettes were supplied to black markets in Western Europe, including Germany: bootlegging and large-scale smuggling.

Bootlegging “involves the purchase of cigarettes and other tobacco products in low-tax jurisdictions in amounts that exceed the limits set by customs regulations for resale in high-tax jurisdictions” (Joossens *et al.*, 2000: 397). The amounts of cigarettes that are being smuggled are sufficiently small to allow the transport under the guise of private cross-border traffic, for example in cars or in the luggage of train passengers, or across the “green” border by boat or on foot.

Large-scale smuggling, as the term implies, involves large amounts of cigarettes to which smugglers have access because they are close to the source, the tobacco manufacturers. Large-scale smuggling linked to cigarettes manufactured in the West “generally takes advantage of the ‘in transit’ system that has been developed to facilitate international trade. This system allows for the temporary suspension of customs duties, excise taxes, and VAT payable on goods originating from and/or destined for a third country, while in transit across the territory of a defined customs area” (Joossens *et al.*, 2000: 398). These untaxed cigarettes have either never left the EU or, far more typical for the years between 1995 and 2001, the cigarettes have been properly exported, but only to be illegally re-imported. Several trade routes have

been identified for this time span of which those involving the Baltic states and other Eastern European countries seem to have been the most important ones (Council of Europe, 2004: 29; Van Duyne, 2003; Regional Intelligence Liaison Office, 2001).

The actual smuggling of bulk loads of contraband cigarettes is typically integrated into legal commercial cross-border traffic. This means that the shipments pass through customs’ inspections. They are accompanied by customs forms which are either forgeries or false declarations (Council of the European Union, 2003: 6). Large-scale smuggling in Western Europe around the second half of the 1990s was characterised by concealed shipments of between one and eight million cigarettes which were hidden inside or behind legal freight, including furniture, food, and timber (House of Commons, 2005: Ev. 80; Regional Intelligence Liaison Office, 2001: 12).

Large-scale smuggling may involve the reloading and reconfiguration of shipments within the EU in an effort to disguise the origins and trafficking routes of contraband cigarettes. In these cases, transport vehicles are switched and provided with new transport documents which give the appearance of a legitimate business transaction between a business in the transit country and a business in the country of destination. When cigarettes are smuggled inside or behind legal freight, the storage and disposal of these goods is also part of the overall smuggling operation (von Lampe, 2005).

## The need for multi-national operations in large-scale smuggling

The main security strategy of large-scale smuggling operations is criminal mimicry by blending into the legal economy (Van Duyne, 2006; von Lampe, 2007). The illegal nature of the activity is concealed, but not the fact that goods are commercially moved across borders and commercially distributed. Accordingly, interaction with legitimate third parties occurs on a continuous or at least recurring basis within the context, and following the logic of, international business. This, in turn, necessitates the setting up of front companies, the leasing of warehouses and the renting of trailer trucks on behalf of these front companies, the use of haulage firms for cross-border transport and of dispatch forwarding agents for the clearing of cover loads with customs. In consequence, large-scale smuggling requires the presence of operatives in both the sending and the receiving country and in any country

which serves as a transit channel. These operatives, it appears, need to meet three basic criteria. (1) They have to be present in a given country on a regular, if not continuous basis. (2) They must have the knowledge and know-how necessary to convincingly and effectively function in the environment of legal cross-border commerce. (3) They must be able to implement this knowledge and know-how which requires certain language skills, and to a certain extent also certain cultural skills, in the country of operation. These requirements, it seems fair to assume, set high hurdles for those wishing to implement a large-scale smuggling scheme in the first place, as well as to establishing new trafficking routes. It was exactly this challenge that the main offenders in the three cases analysed here faced. How they addressed this challenge is the subject of the subsequent analysis.

With the different conceptions of 'transnational organised crime' in mind one can envision different scenarios to be played out. Thinking of 'transnational organised crime' in terms of highly *mobile* criminal groups, whether or not based in a safe haven country, would suggest that new areas of operation are being established by a group of offenders by relocating to that area in part or in total. The skills and resources necessary for the successful completion of such a move would be identified and purposefully acquired by members of the group.

In contrast, viewing 'transnational organised crime' in terms of *cross-nationally connected locally based* groups and individuals would make it appear more likely that expansion into new areas of operation occurs in the form that a criminal group in one country seeks out, and establishes cooperative links with a suitable criminal group based in the other country. As will be seen, however, these two scenarios do not resemble the patterns found in the three case studies.

## The three case studies

### Case file analysis

The following analysis draws on criminal files as the exclusive data source. In Germany, criminal files contain all documentation produced in the course of an investigation up to the final court decision. They are passed from the investigative agency (in the case of cigarette smuggling the Customs Service)

to the prosecutor's office and the trial court only to be later returned to the prosecutor's office after the conclusion of the trial.<sup>2</sup> Depending on the resources invested in an investigation, the range of investigative tools applied together with the luck of the investigators, criminal files contain more or less detailed and dense information about offenders and offences. Apart from variations in the amount of information contained in a criminal file, there are limitations for criminological research which have to be taken into consideration. Generally speaking, data collection in the course of criminal investigations and proceedings is selective and primarily geared towards the generation of evidence rather than towards the illumination of the complexities of social phenomena (Pütter, 1998). At the same time agencies do not apply uniform criteria in collecting information so that the possibilities for comparison between different cases are limited (Besozzi, 1997; Steffen, 1977). Still, criminal files have been found to be useful in organised crime research, especially when a fairly large number of cases are included in one study (see e.g. Van Duyne, 1996; Herz, 2005; Kinzig, 2004), and, as argued here, complex files generated in large-scale investigations may also provide sufficiently rich information for individual case studies.

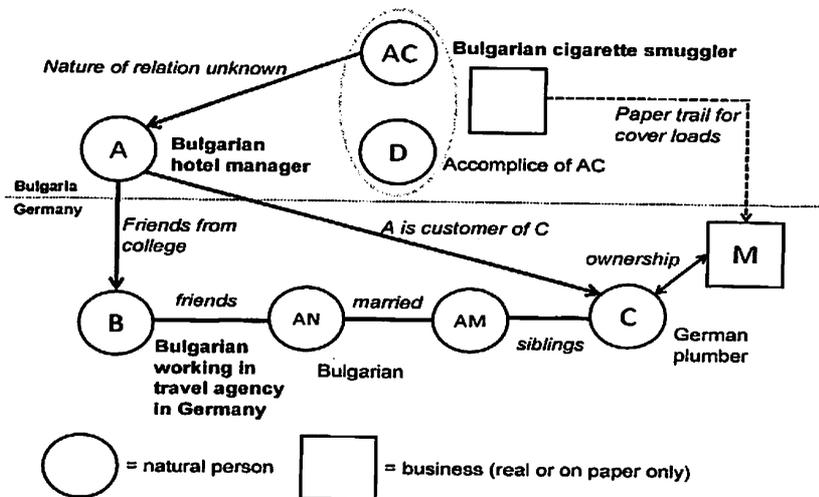
Each of the three cases analysed for the purpose of this paper contain extensive statements by key participants in the respective criminal operations, supplemented and supported by other evidence. In one case, this included extensive electronic surveillance ranging from the tapping of mobile phone communication to audio surveillance and GPS monitoring of one key suspect's vehicle. While many details remain vague or completely in the dark, the voluminous case files, comprising several hundred to several thousand pages, give a fairly good understanding of a number of aspects of the illegal cigarette business, including why and how offenders have tried to expand their areas of operation into other countries across cultural and language barriers. In fact, the files contain information to such an extent that in order to preserve the anonymity of the individuals involved some details have to be omitted or altered.

<sup>2</sup> I would like to thank the prosecutor's offices in Berlin, Hanau and Stendal for providing access to the case files analysed for the purpose of this paper and a larger research project conducted at Freie Universität Berlin, Department of Criminology. I would also like to thank my research assistant Tom Herberger for his help in extracting the raw data from one of the analysed criminal files.

### Case 1: From Bulgaria to Germany

The first case (fig. 1) involves a cigarette smuggling operation based in Bulgaria which successfully sent four shipments with a total of 11 million contraband cigarettes to Germany over a period of several months during the year 1995. According to the information contained in the case file, this group of smugglers was already supplying cigarettes to Italy when they heard about the profitability of the cigarette black market in Germany. They made a tentative decision to expand their operations and to set up a smuggling route between Bulgaria and Germany. However, it appears that no one in the group had the necessary links to Germany. For that reason they recruited 01A, a hotel manager from the Bulgarian Black Sea coast. It is not clear how the group of smugglers knew about 01A, what previous relationship had existed, and why they thought 01A could help them set up a smuggling route to Germany. Although 01A had connections to two individuals in Germany, he himself was not familiar with Germany and he did not speak German. Still, for a split of the profits he agreed to set up the German end of the planned smuggling scheme, mainly by arranging for a business that would function as the receiver of the cover loads that would comprise produce from Bulgaria.

Figure 1: Context of the recruitment of 01A and 01B



One of the two individuals in Germany known to 01A was 01B, a Bulgarian who had moved to Germany in the late 1980s and who, in 1995, was working at a travel agency. 01A and 01B were friends from school. Both knew 01C, a German plumber who had come into contact with Bulgarian circles through his sister (01AM) who had married a man from Bulgaria (01AN). When 01A had built a house in Bulgaria a few years earlier, it was 01C who had provided some of the plumbing. One might speculate that the smuggling group had been aware of these contacts when they approached 01A with the proposal to get involved in cigarette smuggling.

01A took 01B, who was in financial difficulties at the time, into his confidence and secured his support as an interpreter. He also obtained permission to stay at 01B's apartment while he was in Germany. Eventually 01B took on a much more active role. His first contribution to the smuggling enterprise was to ask 01C, the plumber, for assistance to help with the first shipment, a test run. It was due to arrive in a truck containing jars filled with vegetables. The plumber agreed to clear the shipment with customs for a small fee. His firm also appeared on the invoice accompanying the shipment, but later he claimed that he had been unaware of that fact. At the end of the investigation the case agents concluded that the plumber had remained ignorant of the true nature of the business throughout his involvement. The second shipment, this time containing 2,2 million cigarettes hidden under a cover load of vegetables, was also cleared with customs by the plumber and once again his firm (01M) appeared as the buyer of the cover load on the accompanying invoice. It was only for the third shipment, the second one containing cigarettes, this time close to 3 million, that 01B, the Bulgarian in Germany, became directly involved with the importation formalities. The day the truck was due to arrive in Germany the plumber was unavailable because of urgent business. As a result, 01B was forced to report to the customs service himself on behalf of the buyer of the cover load, 01C's firm. However, this was made easy by the fact that the plumber, as in the previous instances, had hired a forwarding agency that took care of the customs proceedings. The following two shipments, containing 3,4 million and 3 million contraband cigarettes respectively, were cleared through customs by a haulage firm which 01A and 01B had originally approached for storing the cover loads of vegetables from the previous shipments which proved to be non-marketable. Like 01C, this haulage firm operated under the assumption that 01A and 01B were legitimately trying to start an import business for Bulgarian produce.

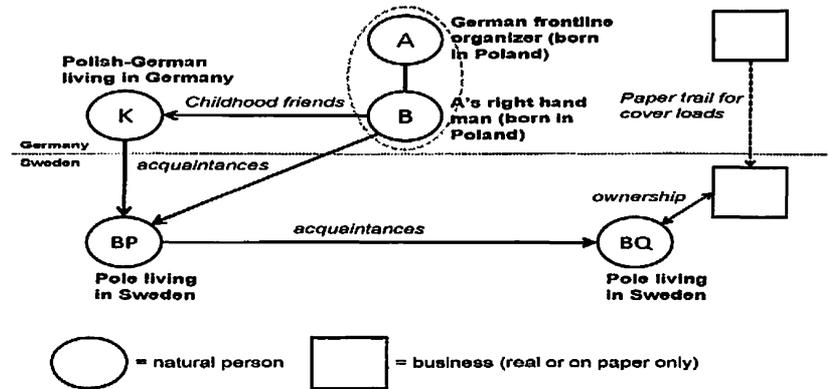
Under the arrangement 01A had with the Bulgarian smuggling group the cigarettes were sent to him on credit. 01A was responsible for selling the cigarettes for a sufficiently high price and for returning the proceeds minus his share of the profits within one month. Interestingly, however, the first customers were provided by the Bulgarian smugglers themselves who had also assigned a group member, 01D, to monitor 01A's activities. This means that while the smugglers needed someone to arrange for the outwardly legitimate components of the smuggling scheme, they had been able to find buyers for the contraband cigarettes without either 01A's or 01B's help. It was only later that 01A found an additional customer on his own initiative, which did not last long before he and 01B were arrested.

### Case 2: From Eastern Europe via Sweden to the UK

The second case (fig. 2) represents just one facet of a much more complex smuggling operation spanning Eastern Europe, Central Europe and the United Kingdom, with Germany serving as an important transit region. From several Eastern European countries smuggled shipments had been sent by truck to Germany for distribution on the German black market or for further transport to the United Kingdom.

The German part of the smuggling operation was run by 02A and 02B. Both had grown up in Poland and had moved to Germany in the 1970s and 1980s, respectively. They reported to 02E who ran the organisation from his place of residence in Poland.

Figure 2: Context of the recruitment of 02BP and 02BQ



In an apparent effort to circumvent the profiling of particular trafficking routes and to reduce the disruptive effect of law enforcement interventions, the group constantly sought to set up new front companies. In 2001 this became more urgent after a number of smuggling shipments had been detected and subsequently a number of front companies had been broken by the German customs service. One of their plans involved setting up a new trafficking route via Sweden to England. Similar to case number 1, a strategic decision was made without having the necessary personnel and infrastructure available in the intended country of operation.

02A and 02B set out to implement the plan by mobilising their social networks which, it seems, were embedded in the Polish diaspora in Western Europe.

The first person they approached was a car mechanic, 02AU, who had previously undertaken repair and maintenance work on 02B's car. The mechanic, like 02A and 02B, was born in Poland and had emigrated to Germany years earlier. The mechanic arranged a meeting between 02A and a Polish businessman, 02BO, who owned several businesses in Sweden. The mechanic apparently had personal ties to businessman 02BO because he was able to obtain 02BO's cell phone number from 02BO's wife. Prior to the meeting, the mechanic, upon 02A's request, had already informed 02BO that he would be asked to set up a front company to redirect shipments with cigarettes from Eastern Europe to the United Kingdom. 02A and the businessman discussed the smuggling scheme and the latter asked for time to consider the deal. Eventually, nothing came of it. The businessman 02BO did not contact 02A again after the meeting and the latter decided not to

pursue the matter further because he mistrusted the businessman, believing that he might keep part or even the entire shipment and sell the cigarettes on his own account.

A second attempt to recruit an accomplice in Sweden was undertaken shortly thereafter. This time 02B tried to locate an old friend from Poland who had later emigrated to Sweden. Through 02K, a mutual acquaintance and childhood friend, 02B obtained a phone number and set up a meeting in Sweden. However, when 02A and 02B arrived to discuss the smuggling venture it turned out that it was not the person 02B originally had in mind but another mutual acquaintance of 02B and 02K from Poland, 02BP. Because 02B also knew 02BP, the confusion did not matter, as was later disclosed in an interrogation by the Customs Service. 02A and 02B asked 02BP to open up a business in Sweden to receive cigarettes and to send them on to the UK. At the time, 02BP was waiting to obtain Swedish citizenship and he chose to remain in the background. In his place, therefore, he brought a relative into the operation, 02BQ, who then bought a Swedish company and rented a warehouse with funds supplied by 02E, the head of the smuggling organisation residing in Poland. 02BQ, in turn, put the company in the name of another individual whose identity is not revealed in the German criminal files. Under the arrangement made between the smuggling organisation and 02BP and 02BQ, it was determined that the latter would receive a fixed amount of money for each successful smuggling shipment sent on from Sweden to the UK.

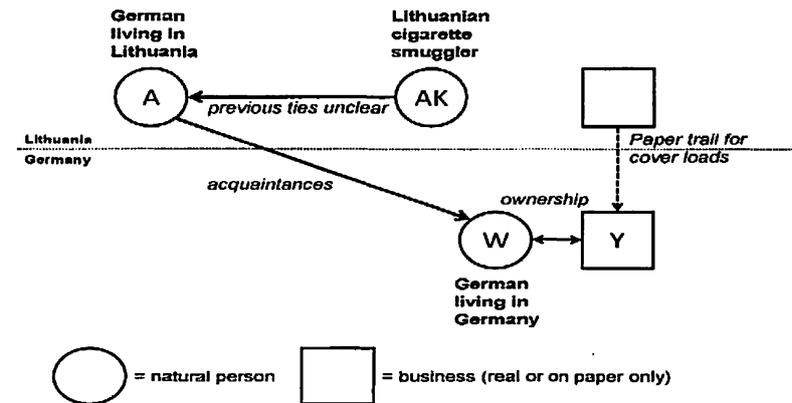
Although the recruitment attempt in Sweden was eventually successful, the smuggling operation itself was not. The first shipment sent to the company 02BQ had set up was detected by Swedish customs. 02E and the Eastern European suppliers of the cigarettes were suspicious of 02BQ and demanded proof that the cigarettes had actually been seized. The issue lingered on for several months and had not been resolved to everyone's satisfaction by the time 02A and 02B were arrested later that year. Because of the lack of trust in 02BQ no other shipments were sent to Sweden. Neither was an attempt made to recruit another person to set up a Swedish front company.

### Case 3: From Lithuania via Germany to the UK

The third case (fig. 3) differs from the previous two in that it was not about the original expansion of a smuggling operation to a new country. Instead the investigation brought to light the establishing of a trafficking route, in

replacement of one that had previously been disrupted by the authorities, and running parallel to others already in existence. In this case, a smuggling group based in Lithuania and active at least in the years 2000 and 2001 used Germany as a transit country for contraband cigarettes ultimately destined for the black market in the United Kingdom.

Figure 3: Context of the recruitment of 03A and 03W



The central person in case number 3 was a German businessman involved in the lumber trade who had relocated to Lithuania in the 1990s (03A). In the year 2000, 03A suffered a substantial loss of income due to the drop in lumber prices in Germany. In the same year, 03A later claimed, he was aggressively approached by a Lithuanian, 03AK, who coerced him into taking a leading role in the German component of a large-scale smuggling operation. Broadly similar to the role played by 02BQ in the Swedish case described above, the tasks assigned to 03A included clearing shipments with customs under the guise of legal cross-border commerce and reloading the cargo for further transport to the UK.

The case files contain contradictory information about 03A's previous involvement in cigarette smuggling. According to one interpretation he had been part of the Lithuania-based component of the same smuggling enterprise while the on-site management of the German component had rested in the hands of another German businessman with personal and business ties to Lithuania, 03AL. One of the activities ascribed to 03A included supplying 03AL with details about the transport vehicles and intended receivers of incoming shipments. In any case, in the summer of 2000 a shipment 03AL

had processed was intercepted by German customs agents, and a few days later 03A was allegedly told by 03AK to set up a “new line”, presumably to replace 03AL’s operation. 03A was to establish a business in Germany and in return for every successful shipment sent on to the UK he was to receive a small lump-sum in addition to funds to cover the costs of travelling between Lithuania and Germany.

In order to set up a business in Germany 03A turned to 03W who lived in Germany but who had family contacts to Lithuania where the two had met several years earlier. Two weeks after the shipment to 03AL had been intercepted by German customs officers 03W registered a company (03Y) for the import and export of lumber and building material. It was agreed that the 03A would run the firm (03Y) and that 03W would receive a share of the profits. Apparently, 03W was not aware that the company (03Y) would be used in a cigarette smuggling scheme.

In the following months, 03A, acting on behalf of the company 03Y, arranged for a number of lumber shipments to be cleared with German customs by a freight forwarding agency and delivered to the premises of a sawmill in Germany, company 03X. From there the shipments would be picked up by a hauling company contracted by 03A on behalf of 03Y after a day or two and brought to the UK by truck. The former had previously secured the consent of 03AF, the manager of the saw mill 03X, to use his premises for temporary storage and reloading of lumber shipments from Lithuania. It seems that the sawmill manager, like 03W, was unaware of the true nature of the shipments.

Whenever 03A’s presence in Germany was required he took the trip from Lithuania on 03AK’s expense. In addition, each of the some 10 shipments handled by 03A over a period of about seven months was accompanied by a person who monitored 03A’s activities from the outside, presumably on 03AK’s behalf.

After three shipments were impounded by customs, containing between 2,3 and 6,2 million cigarettes, 03W discontinued his collaboration with the businessman and deregistered the import and export company. Transports were then managed by 03A in the name of other businesses, the details of which are not relevant here.

## General patterns

The three case studies show a broadly similar pattern. New trafficking routes for contraband cigarettes were set up based on a strategic decision, respectively, of an existing smuggling group. Only the motive underlying the strategic decision varied. In *case 1* the perceived profitability of the German cigarette black market prompted a group of Bulgarian smugglers to expand their operations into Germany. *Case 2* deals with a smuggling group which for practical and security reasons sought to diversify its trafficking routes. In *case 3*, finally, the disruption of a trafficking route appears to have led to the decision to set up a ‘new line’.

All three smuggling groups chose to implement the plan to establish new smuggling routes with the help of individuals recruited for this purpose: 01A, 02BP and 03A. These individuals in turn recruited other individuals and businesses who performed different tasks in the movement, storage and reloading of shipments containing contraband cigarettes.

This means that the members of the original smuggling groups tended not to cross borders in order to implement their strategic plans. The only exception had been the travelling undertaken by 02A and 02B to meet with 02BO in Poland and with 02BP and 02BQ in Sweden. However, neither 02A nor 02B planned to relocate to Sweden or to be present in Sweden for actually setting up and managing the smuggling route which would have included the registering or purchasing of front companies, the renting of warehouse space and the communication with hauling companies and forwarding agencies. These tasks were performed by 02BP and 02BQ and not by 02A and 02B or any other core members of the original smuggling group.

In *case 3* it seems that 03A, the individual directed to set up a ‘new line’ from Lithuania through Germany to the UK, was not previously part of the core smuggling group. While some evidence ascribes him a functional role within the smuggling operation, the often contradictory information contained in the criminal file gives the impression that his position was marginal and he had no insights into the inner workings of the smuggling enterprise.

The only indication of regular cross-border movement by members of the original smuggling group, possibly even the relocation to the country of operation, is found where monitoring activities are described in the criminal files. In *case 1*, it was 01D who observed the activities of 01A and 01B and also provided customers for the smuggled cigarettes. In *case 3*, 03A reported

that all shipments were accompanied by either Russians or Lithuanians who kept “things under control” from the outside. In *case 2* the smuggling group did not put a similar security system in place and instead went through lengthy investigations to establish whether or not the initial shipment going to Sweden had been confiscated.

The fact that the smuggling groups saw themselves faced with a control problem in one form or the other, suggests that the initially recruited individuals (*01A*, *02BP* and *03A*) were in all likelihood not selected based on trust but based on opportunity and convenience, and the skills and knowledge needed for the purpose of setting up a new trafficking route. There is no indication that strong bonds connected the smuggling groups with the respective individuals they recruited. The relatively strongest bond appears to have existed between *02B* and *02BP* who knew each other from growing up in the same town in Poland. Stronger ties existed only further down the chain of recruitments, namely between *01A* and *01B* who were connected through a long lasting bond of friendship, and between *02BP* and *02BQ* who reportedly were relatives of some sort.

There is another factor which contributes to the overall weakness of the bonds linking the original smuggling groups with the newly created smuggling infrastructures. In all three cases it appears that down the chain of participants there was a decreasing level of awareness of the illegal nature of the underlying activities. In two cases (*1* and *3*) legal businesses were used as official receivers of shipments where the business owners (*01C* and *03W*) convincingly claimed ignorance of the contraband cigarettes hidden in the cargo. The same seems to apply to the forwarding agencies and hauling companies variously employed, respectively, in all cases.

## Discussion

It is not easy to fit the findings from the three case studies into the broader context of research on transnational organised crime. There is, in fact, very little detailed, systematic research on criminal groups expanding their areas of operation across cultural and language barriers. Most of the pertinent academic literature is abstract and theoretical in nature. The only empirical studies specifically concerned with the transnational mobility, or the lack thereof, of criminal groups appear to be the ones conducted by Federico

Varese. However, he is concerned with “mafia transplantation”, i.e. “the ability of a mafia group to offer criminal protection over a sustained period of time outside its region of origin and routine operation” (Varese, 2006: 414; see also Varese, 2004). This means his focus is on “power syndicates” rather than “enterprise syndicates”, to use Alan Block’s (1983) terminology, and therefore he is dealing with criminal groups where group identity, group cohesion, group structure and group reputation play a substantially different role than in the case of illegal enterprises (see also Reuter, 1983; 1994).

Most research on transnational criminal enterprises, it seems, does not capture the expansion of areas of operation into ‘unknown’ territory. The establishing of network ties is typically described as a matter of individual events occurring within organically growing and changing transnational crime markets, primarily for drugs (Decker and Chapman, 2008; Desroches, 2005; Zaitch, 2002), but also for other illicit goods and services (Bruinsma and Bernasco, 2004). Unlike the cigarette smuggling groups presented in the three case studies, offenders in previous studies primarily appear to exploit opportunities instead of purposefully creating networks in the implementation of strategic business decisions (Morselli, 2001). In this respect the present analysis seems to contradict the empirical findings while lending support to the more conventional view expressed in journalistic and more general scholarly accounts of transnational organised crime as involving criminal groups strategically expanding their areas of operation.

An example for the journalistic treatment of the issue of the transnational mobility of illegal enterprises is provided by Ron Chepesiuk in his book on the Cali cartel. He presents a picture of the Cali cartel as a strategically operating international drug distribution business which in its time had systematically opened up new markets. In the following quote, Chepesiuk describes how the Cali cartel expanded its area of operation into Spain:

“The Cali cartel saw that the European drug market was ripe for penetration. When Gilberto Rodriguez and Jorge Ochoa moved to Spain in 1984, they bought a large ranch in Badajoz, near the border with Portugal, to serve as a base of operations from which they could analyze the potential for trafficking cocaine in Europe.

The Cali cartel reached out to tobacco smugglers from Galicia in Spain, who had a good knowledge of the region’s coastline and storage facilities that could be used to smuggle drugs. The cartel began to use boats to pick up the drugs from ocean-going vessels and bring them ashore”. (Chepesiuk, 2005: 109–110)

This account is in line with two key assertions found in Williams and Godson's comprehensive theoretical discussion of transnational organised crime; first that criminal organisations constantly seek new geographic markets and go where the rewards are greatest (Williams and Godson, 2002: 325), and second that criminal organisations, in order to overcome various obstacles associated with breaking into a new market, will seek the cooperation of a 'local partner' (Williams and Godson, 2002: 327) such as the Galician tobacco smugglers mentioned by Chepesiuk along with others groups, including the 'Italian Mafia' (2005: 111).

Only the first assertion, however, finds some support in the three cases of large-scale cigarette smuggling, namely in the case of the Bulgarian group which sought to exploit the perceived profitability of the German cigarette black market. There is no indication that any of the three groups considered searching for a "local partner" in the form of an existing criminal group. On the contrary, two of the three originally recruited individuals, *01A* and *03A*, were not locally based in the target country to begin with. In addition, neither of these individuals, nor any of the subsequently recruited individuals had a criminal record, let alone was a member of a criminal group, as far as can be learned from the criminal files. Moreover, as indicated, the respective networks also comprised a number of legitimate actors who were drawn into the smuggling schemes without knowledge of the nature of the scheme.

A further discrepancy exists between the three case studies on the one hand and widely held views in the academic and journalistic literature on the other regarding the importance of ethnic ties. Transnational ethnic ties are often seen as entry gates into a foreign country (see e.g. Desroches, 2005: 41; Williams & Godson, 2002: 331, 334). Ethnic ties were indeed underlying the network creation in two of the three cases. In *case 1* ethnic ties connected the Bulgarian smuggling group with *01A* as well as with *01B*, and in *case 2* all participants were part of the Polish diaspora, although the network that developed included both Poles and ethnic Germans born in Poland. However, ethnic homogeneity seems to have played only a superficial role in the network formation, while in essence recruitment occurred through the mobilisation of active or dormant social ties such as friendship, family, common childhood or mere acquaintance. The respective recruiters seem to have had few alternatives to choose from. In fact, the information contained in the criminal files gives the impression that every link bringing the smuggling groups closer to the intended countries of operation was pursued. Nothing

in the criminal files suggests that ethnicity provided the only underlying link, or that ethnicity added to the strength of network ties. In *case 2* mistrust characterised the relations within the Polish diaspora network, leading to the discontinuation of negotiations with *02BO* and to lengthy investigations into the honesty of *02BP* and *02BQ*. In *cases 1* and *3* essentially the same control mechanisms were put in place by the smuggling groups irrespective of the fact that in *case 1* an ethnically homogeneous (Bulgarian) network had formed while in *case 3* a Lithuanian (and possibly Russian) group of smugglers had recruited a German (*03A*) who in turn recruited another German, *03W*. In light of these control mechanisms, as noted above, it seems also fair to say that the three originally recruited individuals were not primarily selected based on trust but based on the possession of the skills and knowledge needed for the purpose of setting up a new trafficking route.

Although these cases of large-scale cigarette smuggling cannot be taken as representative for transnational organised crime in general, they provide further grounds for questioning the importance often indiscriminately ascribed to trust (von Lampe & Johansen, 2004). Kleemans, for example, based on an examination of numerous cases of "transit crime" in the Netherlands, argued that because of the need for trust in illegal activities and the basis of trust in strong social bonds, structural holes exist between countries and ethnic groups providing highly profitable opportunities for those able to bridge them (Kleemans, 2006: 179). The three case studies, in contrast, provide examples for the relative ease with which barriers between countries and ethnic groups can be overcome despite a lack of trust in criminal relations. Four factors seem to have been at play; first, the realistic expectation that offers to get involved in illegal activities can be made without fear of being reported to the authorities; second, the willingness to respond to such offers in light of economic hardship as in the case of *01B*; third, the effectiveness of explicit and implicit threats of violence, as reported, for example, by *03A*; and, fourth, the possibility to involve unwitting accomplices in a smuggling scheme to the extent that major elements of a smuggling operation can be outsourced to legitimate businesses (see also von Lampe, 2007).

## Conclusion

Taking three case studies of large-scale cigarette smuggling enterprises as an example, this paper provides evidence that illicit enterprises are capable of implementing strategic decisions to expand their areas of operation, rather than solely acting opportunistically. While this finding is in line with conventional journalistic and academic accounts of transnational organised crime, namely the notion of strategically acting crime groups, it is argued that contrary to conventional views the profitability of markets is not the only motive for such strategic decisions, that cultural and language barriers are not necessarily bridged by forming alliances with “local partners”, and that ethnic links and strong bonds of trust do not seem to be crucial in expanding operations. Perhaps most importantly, the three criminal groups as such displayed little transnational mobility. The expansion into new areas of operation occurred through the direct and indirect recruitment of individuals and the outsourcing of tasks to legitimate businesses.

Future systematic research on the transnational mobility of illegal enterprises across a variety of areas of crime will have to show to what extent these are peculiarities of large-scale cigarette smuggling. It should be emphasised that, for example, the involvement of individuals without prior criminal record is a repeatedly reported characteristic of the cigarette black market, at least in central Europe (Vander Beken *et al.*, 2008; Van Duyne, 2003; von Lampe, 2005), though it is not entirely unknown in other illegal markets (see Desroches, 2005; Kleemans and Van de Poot, 2008). Likewise, the creation of criminal ties in the absence of underlying bonds based on trust has been observed most clearly, it seems, in the case of cigarette smuggling and in the largely similar case of alcohol smuggling (see von Lampe and Johansen, 2004).

Still, the data presented here appear sufficiently solid to undermine the certainty with which advocates and critiques approach the concept of ‘transnational organised crime’. There is an obvious need for a more in-depth examination of the phenomena. At the same time this means that current policies to combat ‘transnational organised crime’, perhaps more so than those aiming at ‘organised crime’ in general, lack a sound empirical and theoretical underpinning.

## References

- Adamoli, S., A. Di Nicola, E.U. Savona and P. Zoffi, Organised crime around the world, Helsinki: HEUNI, 1998
- Besozzi, C., Organisierte Kriminalität und empirische Forschung, Chur, Switzerland: Rüegger, 1997
- Block, A., East Side, West Side: Organizing crime in New York 1930–1950, New Brunswick, NJ: Transaction Publishers, 1983
- Bruinsma, G.; W. Bernasco, Criminal groups and transnational illegal markets: A more detailed examination on the basis of Social Network Theory, *Crime, Law and Social Change*, 2004, 41(1), 79–94
- Chepesiuk, R., Drug lords: *The rise and fall of the Cali Cartel, the world's richest crime syndicate*, Wrea Green, UK: Milo Books, 2005
- Council of Europe, *Organised crime situation report 2004*, Strasbourg: Council of Europe, 2004
- Council of the European Union, *The smuggling of manufactured tobacco products in the European Union and its links with organised crime*, CRIMORG 90, 4 December 2003, 15618/03
- Decker, S.H., *Townsend Chapman, Margaret, Drug smugglers on drug smuggling: Lessons from the inside*. Philadelphia, PA: Temple University Press, 2008
- Desroches, F.J., *The crime that pays: Drug trafficking and organised crime in Canada*. Toronto: Canadian Scholars' Press, 2005
- Duyne, P.C. van, The phantom and threat of organised crime. *Crime, Law and Social Change*, 1996, 24(4), 341–377
- Duyne, P.C. van, Organising cigarette smuggling and policy making, ending up in smoke. *Crime, Law and Social Change*, 2003, 39(3), 285–317
- Duyne, P.C. van, The organisation of business crime. In: P.C. van Duyne, A. Maljevic, M. van Dijck, K. von Lampe, J.L. Newell (eds.), *The Organisation of Crime for Profit*. Nijmegen, NETH: Wolf Legal Publishers, 2006, 177–205
- Edwards, A. and P. Gill, The politics of ‘transnational organised crime’: discourse, reflexivity and the narration of ‘threat’. *British Journal of Politics and International Relations*, 2002, 4(2), 245–270
- Felsen, D. and A. Kalaitzidis, A historical overview of transnational crime. In: P. Reichel (ed.), *Handbook of transnational crime & justice*. Thousand Oaks, CA: Sage, 2005, 3–19

- Fijnaut, C. and L. Paoli, The initiatives of the European Union and the Council of Europe. In: C. Fijnaut and L. Paoli (eds.), *Organised crime in Europe*, Dordrecht, NL: Springer, 2004, 625-640
- Freemantle, B., *The Octopus: Europe in the grip of organised crime*. London: Orion, 1995
- Herz, A.L., *Menschenhandel: Eine empirische Untersuchung zur Strafverfolgungspraxis*. Berlin: Duncker & Humblot, 2005
- Hobbs, D., Going down the glocal: The local context of organised crime. *The Howard Journal*, 1998, 37(4), 407-422
- Hobbs, D. and C. Dunnighan, Glocal organised crime: Context and pretext. In: V. Ruggiero, N. South, and I. Taylor (eds.), *The new European criminology: Crime and social order in Europe*. London: Routledge, 1998, 289-303
- House of Commons, *Treasury Committee, Excise Duty Fraud: Fourth Report of Session 2004-05*, London: The Stationery Office, 2005
- Joossens, L., F.J. Chaloupka, D. Merriman, A. Yurekli, Issues in the smuggling of tobacco products. In: P. Iha and F. Chaloupka (eds.), *Tobacco control in developing countries*. Oxford: Oxford University Press, 2000, 393-406
- Joossens, L., Raw, M., Progress in combating cigarette smuggling: controlling the supply chain, *Tobacco Control* 2008, 17(6), 399-404
- Kinzig, J., *Die rechtliche Bewältigung von Erscheinungsformen organisierter Kriminalität*. Berlin: Duncker & Humblot, 2004
- Kleemans, E.R., Organised crime, transit crime, and racketeering in the Netherlands. In: M. Tonry, C. Bijleveld (ed.), *Crime and Justice in the Netherlands*. Chicago: University of Chicago Press, 2007, 163-215
- Kleemans, E.R., Poot, C.J. van de, Criminal Careers in Organized Crime and Social Opportunity Structure, *European Journal of Criminology*, 2008, 5(1), 69-98
- Lampe, K. von, Not a process of enlightenment: The conceptual history of organised crime in Germany and the United States of America. *Forum on Crime and Society*, 2001, 1(2), 99-116
- Lampe, K. von, Organising the nicotine racket: Patterns of cooperation in the cigarette black market in Germany. In P. C. van Duyne, M. Jager, K. von Lampe, J. Newell (eds.), *Criminal finances and organising crime in Europe*, Nijmegen, Wolf Legal Publishers, 2003, 41-65
- Lampe, K. von., Explaining the emergence of the cigarette black market in Germany. In: P.C. van Duyne, K. von Lampe, M. van Dijck, and J.L.

- Newell (eds.), *The organised crime economy: Managing crime markets in Europe*. Nijmegen: Wolf Legal Publishers, 2005, 209-229
- Lampe, K. von, Criminals are not alone: Some observations on the social microcosm of illegal entrepreneurs. In: P.C. van Duyne, A. Maljevic, M. van Dijck, K. von Lampe, J. Harvey (eds.), *Crime business and crime money in Europe: The dirty linen of illicit enterprise*. Nijmegen, NETH: Wolf Legal Publishers, 2007, 131-155
- Lampe, K. von, P.O. Johansen, Organised crime and trust: On the conceptualisation and empirical relevance of trust in the context of criminal networks. *Global Crime*, 2004, 6(2), 159-184
- Mitsilegas, V., From national to global, from empirical to legal: The ambivalent concept of transnational organised crime. In: M. E. Beare (ed.), *Critical reflections on transnational organised crime, money laundering, and corruption*. Toronto: University of Toronto Press, 2003, 55-87
- Mittelman, J.H., and R. Johnston, The globalisation of organised crime, the courtesan state, and the corruption of civil society. *Global Governance*, 5(1), 103-126
- Morselli, C., Structuring Mr. Nice: Entrepreneurial opportunities and brokerage positioning in the cannabis trade. *Crime, Law and Social Change*, 2001, 35(3), 203-244
- Passas, N., Globalisation and transnational crime: Effects of criminogenic asymmetries. *Transnational Organised Crime*, 1998, 4(3&4), 22-56
- Pütter, N., *Der OK-Komplex: Organisierte Kriminalität und ihre Folgen für die Polizei in Deutschland*. Münster, GER: Westfälisches Dampfboot, 1998
- Regional Intelligence Liaison Office for Western Europe (RILO), *LASSO 2000: Review on cigarette smuggling in Europe*. Cologne: RILO, 2001
- Reuter, P., *Disorganised crime: the economics of the visible hand*. Cambridge, MA: MIT Press, 1983
- Reuter, P., Research on American organised crime. In: R.J. Kelly, Ko-Lin Chin, R. Schatzberg (eds.), *Handbook of organised crime in the United States*, Westport, CT: Greenwood, 1994, 91-120
- Shelley, L., Transnational organised crime: The new authoritarianism. In: H. R. Friman and P. Andreas (eds.), *The illicit global economy and state power*. Lanham, MD: Rowman & Littlefield, 1999, 25-51
- Sheptycki, J., *Against transnational organised crime*. In: M.E. Beare (ed.), *Critical reflections on transnational organised crime, money laundering, and corruption*. Toronto: University of Toronto Press, 2003, 120-144

- Steffen, W., Grenzen und Möglichkeiten der Verwendung von Straftaten als Grundlage kriminologischer Forschung, in: Die Analyse prozessproduzierter Daten, hrsg. von Paul J. Müller, Stuttgart: Klett-Cotta, 1977
- Vander Beken, T., Janssens, J., Verpoest, K., Balcaen, A., Vander Laenen, F., Crossing geographical, legal and moral boundaries: the Belgian cigarette black market. *Tobacco Control*, 2008, 17(1), 60-65
- Varese, F., Mafia transplantation, In: J. Kornai, B. Rothstein, S. Rose-Ackerman (eds.), *Creating social trust in post-socialist transition*, New York: Palgrave Macmillan, 2004, 148-166
- Varese, F., How mafias migrate: The case of the 'Ndrangheta in Northern Italy. *Law & Society Review*, 2006, 40(2), 411-444
- Wagley, J.R., *Transnational Organized Crime: Principal Threats and U.S. Responses*, Washington, DC: Congressional Research Service, CRS Report for Congress, RL33335, 2006
- Williams, Ph., Getting rich and getting even: Transnational threats in the twenty-first century. In: S. Einstein and M. Amir (eds.), *Organised crime: Uncertainties and dilemmas*. Chicago: Office of International Criminal Justice, 1999, 19-61
- Williams, Ph., R. Godson, Anticipating organised and transnational crime. *Crime, Law and Social Change*, 2002, 37(4), 311-355
- Zaich, D., *Trafficking cocaine: Colombian drug entrepreneurs in the Netherlands*. The Hague: Kluwer Law International, Studies of Organised Crime No. 1, 2002

## Out of step? Mobility of 'itinerant crime groups'

Stijn Van Daele and Tom Vander Beken<sup>1</sup>

### Introduction

Criminologists have studied crime and mobility from two different theoretical angles. Firstly, empirical analysis was undertaken to discover patterns in crime mobility. One of the findings of this type of analysis was that the majority of the offences are committed near the residence of the offender. This is called the distance decay pattern and has been observed on both an aggregate and an individual level (Besson, 2004: 188-192; Canter and Hammond, 2006; Kent, Leitner, and Curtis, 2006; Rattner and Portnov, 2007; Rengert, Piquero, and Jones, 1999; Rhodes and Conly, 1981; Rossmo, 1995; Van Koppen and De Keijser, 1997), although individual variations exist (Smith, Bond, and Townsley, 2009). The second type of criminological research focuses on the explanations of crime patterns and mobility like target features (Bernasco and Nieuwebeerta, 2005; Patricia Brantingham and Brantingham, 1995; Cornish and Clarke, 1986; Lattimore and Witte, 1986; Palmer, Holmes, and Hollin, 2002), offender characteristics (Alison, Smith, and Morgan, 2003; Canter and Alison, 2000; Gabor and Gottheil, 1984) and knowledge about the area (Patricia Brantingham and Brantingham, 1981: 57-60; Rengert and Wasilchick, 1985).

This paper addresses crime and mobility from these two angles related to the so-called 'itinerant crime groups' in Belgium. Law enforcement authorities in Belgium take special interest in such groups which they describe as criminal gangs, mainly from Eastern European origin, specialised in systematically committing all sorts of property crimes, ranging from burglaries and robberies to ram raids and metal thefts. These groups have been given the name 'itinerant' because of their high degree of criminal mobility – i.e. mobility to, from and during criminal activity. 'Itinerant crime groups' is the term used, but there is more than just mobility ascribed to these groups,

<sup>1</sup> The authors are respectively researcher and director of the Institute for International Research on Criminal Policy, Ghent University

## CRIME, MONEY AND CRIMINAL MOBILITY IN EUROPE

*Petrus C. van Duyne, Stefano Donati, Jackie Harvey, Almir Maljević and Klaus von Lampe (Eds.) Wolf Legal Publishers (WLP), 2009.*

ISBN: 978-90-5850-477-7

This volume is based on the presentations of the authors at the tenth Cross-border Crime Colloquium, hosted 27-29 November 2008 by the OSCE Mission to Serbia in Belgrade.

This project was supported by:  
Tilburg University (the Netherlands)  
OSCE Mission to Serbia  
Heuni (Finland)

The Cross-Border Crime Colloquium is an annual event since 1999. It brings together experts on international organised (economic) crime to discuss the latest developments in empirical research, legislation and law enforcement, with a special geographical focus on Western, Central, and Eastern Europe. The Colloquia aim at building bridges in three respects: between East and West Europe, between scholars and practitioners, and between old and young. The Cross-border Crime Colloquium, so far, has been organised ten times:

2008 Belgrade, Serbia  
2007 Prague, Czech Republic  
2006 Tallinn, Estonia  
2005 Sarajevo, Bosnia and Herzegovina  
2004 Berlin, Germany  
2003 Airing, Germany  
2002 Ljubljana, Slovenia  
2001 Bratislava, Slovakia  
2000 Budapest, Hungary  
1999 Prague, Czech Republic

Copies can be ordered at

Wolf Legal Publishers (WLP)  
P.O. Box 31051  
6503 CB Nijmegen  
The Netherlands  
Tel: +31 24 355 19 04  
Fax: + 31 24 355 48 27  
E-Mail: [info@wolfpublishers.nl](mailto:info@wolfpublishers.nl)  
[www.wolfpublishers.nl](http://www.wolfpublishers.nl)

## Table of contents

<i>Petrus C. van Duyne</i>	
Old and new in criminally mobile Europe	1
<i>Klaus von Lampe</i>	
Transnational crime connecting Eastern and Western Europe: Three case studies	19
<i>Tom Vander Beken and Stijn van Daele</i>	
Out of step? Mobility of 'itinerant crime groups'	43
<i>Philip Gounev, Tihomir Bezlov and Georgi Petrunov</i>	
Market regulation and criminal structures in the Bulgarian commercial sex market	71
<i>Dina Siegel</i>	
The 'romantics' of the desert. Women smuggling to the Middle East	97
<i>Vesna Nikolić</i>	
Trafficking in humans and illegal economy in war and post-war society	117
<i>Georgios A. Antonopoulos and Georgios Papanicolaou</i>	
'Gone in 50 Seconds' The Social organisation of the stolen car market in Greece	141
<i>Jackie Harvey</i>	
Policing criminal money flows: the role of law enforcement – paragons or pariahs?	175
<i>Antoinette Verhage</i>	
The beauty of grey? AML as a risk factor for compliance Officers	205
<i>Petrus C. van Duyne, Melvin Soudijn and Tessy Kint</i>	
Bricks don't talk. Searching for crime-money in real estate	243