

INSIDE TraCCC

TERRORISM, TRANSNATIONAL CRIME AND CORRUPTION CENTER

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The Terrorism, Transnational Crime and Corruption Center (TraCCC) is the first center in the United States devoted to understanding the links between terrorism, transnational crime and corruption, and to teaching, researching, training and helping to formulate policy on these critical issues. TraCCC is a research center within the School of Public Policy at George Mason University.

RESEARCH ON ORGANIZED CRIME AND CORRUPTION IN UKRAINE

In September 2013 a team of scholars led by Dr. Louise Shelley was commissioned by the *Organized Crime Observatory* (OCO) in Geneva to write an interim report on organized crime and corruption in Ukraine. The team, which included Judith Deane, Karen Saunders, and Dr. Alexander Kupatadze, wrote a 30 page report that was used by OCO in its recent interim report *"Ukraine and the EU: Overcoming Criminal Exploitation Toward a Modern Democracy?"*

The report by Dr. Shelley's team, entitled *"Ukraine: Oligarchs, Organized Crime and the Political-Criminal Nexus."* presents a somewhat different picture of corruption and organized crime in Ukraine from OCO's report, because it traces the corruption from the Soviet period through the present day. The report makes clear that corruption continues to pervade all levels of Ukraine's political system, and provides a detailed discussion of reports of corruption associated with Ukraine's current President, his family and other close associates.

The report concludes that "The alliance between the oligarchs and the state has become entrenched at the highest levels of government, while at the local level, judges, police, local government officials and politicians have organized themselves into a corrupt network of mutual enrichment at the public expense. Where does organized crime end and organized corruption begin? Ukraine offers evidence that it is not really possible to draw a distinction."

Untangling the web of organized crime and corruption in Ukraine is difficult because of the variety of techniques, both legal and illicit, that are used to conceal ownership of assets. These include not only the development of layers of shell companies, beneficial owners, offshore accounts, etc. but also threats, intimidation, violence and lawsuits against individuals who investigate these links. A more complete understanding of the issue will require a partnership between investigative journalists and NGOs in Ukraine, outside experts in banking, corruption and organized crime, and scholars. If OCO is willing to undertake this kind of serious study, we would be happy to continue to collaborate.

We will provide more extended excerpts from the report in future editions of INSIDE TraCCC.

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SUBGROUP TO COMBAT HUMAN TRAFFICKING AT WORLD ECONOMIC FORUM

At the recent meeting of the Global Agenda Councils of the World Economic Forum, in Abu Dhabi in mid-November a new Human Trafficking subgroup of the ITOC and Inter-council task force was launched. Co-chaired by Christina Bain of Babson and Louise Shelley of TraCCC, the Council seeks to address human trafficking by actively engaging different sectors of the business community. More than 30 people attended the initial launch in Abu Dhabi, representing different industries, civil society, and multi-national organizations.

This new group is supported at the highest levels of the World Economic Forum because of the growing realization of the costs of human trafficking and the important role that businesses can play in combating it. In 2013-2104 the group plans to galvanize a group of corporate leaders to promote better business conduct, by collecting and analyzing existing codes of conduct for businesses to combat or prevent human trafficking, to assess their broader or sector suitability and make them available to a larger community.

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HUMAN TRAFFICKING RESOURCES IN NORTHERN VIRGINIA

An Interview with GMU Instructor Kathy Prudden

Kathy Prudden is an instructor in the Department of Social work at George Mason University. A licensed clinical social worker, Kathy is an expert on sexual trauma, served as a consultant with the White House and Department of Justice, and works with police, advocates and prosecutors. She specializes in training law enforcement officers to deal effectively with traumatized victims. She won the 2012 Master Teacher Award from the College of Health and Human Services.

What's your association with GMU?

I joined Mason in 2004 as adjunct faculty in the Department of Social Work, and became a full time instructor in 2013.

How did you get interested in human trafficking?

I did my undergraduate degree at the University of Maine in Social Work. Much of my work has been devoted to working with survivors of sexual assault. I have worked with advocates, victim support organizations, prosecutors, and forensic nurses, and have encountered these issues from a variety of perspectives. Many of my students at Mason are also very interested in human trafficking.

How does human trafficking fit into your curriculum?

In 2012, as part of Social Work 417 (a required class for seniors), I encouraged my students to pursue a major project on human trafficking in Northern Virginia, in which they had the opportunity to interact with practitioners in various fields, and to have a genuine impact. The project arose from the realization that law enforcement and service providers in the region lacked knowledge of the resources available on human trafficking, and so I set them the task of providing a resource manual for practitioners in the field.

How did they compile the data?

Students used questions from several national surveys, and added their own, to create a questionnaire for service providers in Northern Virginia.

Each group of students interviewed at least three agencies that might potentially provide services to victims/survivors. The groups used survey-monkey.com and in-person interviews in order to collect detailed information about the types of service provided, the clients they serve, the volume of clients, and the background of trafficking victims they encounter. Based on the data collected, the students produced a 25-page manual on Northern Virginia Human Trafficking Resources, which they have provided to various local agencies. It is my understanding that the Northern Virginia Human Trafficking Task Force will update the manual as needed, so that it can grow as a resource for the community.

The project provided other opportunities for the students, too. I got to introduce them to prosecutors and defense lawyers during a relevant trial at the federal court house in Alexandria, to local law enforcement working in this area, and, in April 2012, we held a half-day conference, run by the students, on dealing with victims/survivors of human trafficking. We invited Mr. Delawala (Assistant United States Attorney), Jennifer Garner (a victim specialist with the FBI – Washington Field Office),

Fay Phillips-LeSane (from Youth for Tomorrow), Bill Woolf (a gang detective with the Fairfax County Police Department), and Alden Pinkham from the Polaris Project, as guest speakers.

The students organized the conference, handled registration, introduced the speakers and led both specialized and interdisciplinary discussion groups following the presentations. I was incredibly proud of their achievements!

Besides continuing your work with GMU's students, what are your plans for the future?

I plan to continue my work with law enforcement and NGOs on their sensitivity to survivors of sexual trauma. I have also been pursuing several projects on the use of expressive arts with victims/survivors of sexual trauma. We recently had an exhibition created by survivors who made masks of their own faces as part of their therapy. I think there is a lot of potential for involvement in other departments at Mason.

I would love to explore interactions between Social Work and TraCCC. Some of my students want to work in the field of human trafficking, and their career preparation would really benefit from taking TraCCC classes. I think there is a lot of potential for crossover between our programs, particular regarding victims of trafficking.

What do you like most about GMU?

What I like most about GMU is how diverse the student body is. It provides a richness of perspectives and experiences in the social work classes that is invaluable. I would like GMU to continue to foster interdepartmental collaboration. For example, in the College of Health and Human Services, work with older adults is being done through several departments. I'd like to see GMU continue to grow in this respect.



Therapy masks created by survivors

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SLAVERY'S IMPACT ON U.S. POLITICAL DEVELOPMENT

An Interview with GMU Professor David Ericson

David F. Ericson is an Associate Professor at George Mason University's Department of Public and International Affairs. He holds a Ph.D. from the University of Chicago. He has previously taught at Wichita State University, and University at Albany (SUNY). He has held research fellowships from both the University of Chicago and Princeton University, and has published extensively on slavery and political development in America.

How did you become interested in slavery?

A number of years ago, I took Professor J. David Greenstone's course at the University of Chicago on liberalism and American politics in the antebellum period, and I became very interested in the dramatic impact that slavery had on the development of the American state.

How long have you been at GMU?

I came here four years ago from SUNY Albany.

Has your experience been a positive one?

I enjoy working at Mason. I find the students are very engaged, even though they are often overcommitted. Some of them are working and pursuing one or more internships in addition to

their studies. We have a diverse, intelligent and inquisitive student body here, many of whom are very interested in the topic of slavery.

As with most institutions, interdisciplinary work is sometimes a challenge, as it is not incentivized by budget structures or tenure review practices, but Mason is a young institution with plenty of energy, and one with an emphasis on vision and innovation, which helps.

What have you been teaching?

I've just finished teaching two classes. The first was a course on American political development that I teach from a comparative perspective. Among the works we read was Anthony W. Marx's *Making Race and Nation: A Comparison of South*

Africa, the United States, and Brazil, which looks at the role of slavery and racial identity in the development of those three states.

The second class was an interdisciplinary seminar on slavery. I like to bring together perspectives from sociology, American history, political science and other fields. The class also draws students from diverse backgrounds, which makes it very interesting. The students are often particularly engaged by the section that deals with human trafficking, for which I use Louise Shelley's book *Human Trafficking: A Global Perspective*. Contemporary slavery is an emotive issue, and definitely draws students in.

What is your most recent research project on slavery?

I recently published a book called *Slavery in the American Republic: Developing the Federal Government, 1791-1861*. In it I discuss how slavery affected the development of the federal government. There are some surprising discoveries to be made on that topic. One interesting issue is that the federal government removed Native Ameri-

“Something I try to convey in my teaching is that the federal government was not neutral on the issue of slavery.”

can nations from Southern states and territories partially in response to the demands of slaveholders whose slaves were escaping to their lands. This was just one of a number of measures taken by the federal government to protect and facilitate the selling and owning of slaves. The enforcement of fugitive slave laws would be another measure. Something I try to convey in my teaching is that the federal government was not neutral on the issue of slavery.

A natural next step in this research would be to examine the impact of these issues on the comparative development of United States territories and states in terms of political institutionalization, population growth, immigration, industrialization, and urbanization. I

want, in particular, to explore the differences between free and slave territories and how those differences carried over when they became states. That, however, is going to be a massive project.

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LOCAL NGO FIGHTS HUMAN TRAFFICKING

How *Boat People S.O.S* Addresses the Consequences and Causes of Human Trafficking

On October, 15th, Dr. Nguyen Dinh Thang visited TraCCC to give a guest presentation on human trafficking to Dr. Louise Shelley's graduate students.

Dr. Thang holds a Ph.D. from Virginia Tech, and was working full-time as an engineer for the Naval Surface Warfare Center when he first became involved with refugees, helping to repatriate 20,000 Vietnamese boat people. Since 1991, Dr. Thang has served as the Executive Director of Boat People S.O.S., an NGO that has assisted thousands of refugees and trafficking victims.

He was involved in the first human trafficking case ever to be prosecuted under US law, in which some 250 victims from Vietnam and China were trafficked to American Samoa. In the course of his involvement with Boat People S.O.S., the organization has saved approximately 5,500 victims, but he says that this feels like a drop in the ocean compared to the number of trafficking victims worldwide – less conservative estimates range up to 27 million. The ambitious goal of Boat People

S.O.S. and similar NGOs is to abolish modern slavery.

One area of focus for Dr. Thang is the trafficking of Vietnamese to Russia on tourist visas. Victims are offered work, and then deceived. This crime is quite easy for Russia border officials to detect, as it is extremely implausible that 10,000 Vietnamese women from impoverished areas could afford to visit Russia recreationally. However, Russia has not made a great effort to clamp down on abuses in the visa system. Boat People S.O.S. has sought to sidestep governments and pursue programs to educate potential trafficking victims in Vietnam about the dangers of accepting work abroad and the use of tourist visas to ensnare victims.

Their approach is victim-centered and transnational, and they put considerable effort into collecting detailed information about victims in order to gather intelligence on trafficking syndicates. Lawyers interview victims about recruitment in the source country, and use this information to develop programs that educate potential victims. Boat People S.O.S. has worked extensively with the

Catholic church in Vietnam, and other charitable organizations, in order to gain support for NGOs working in the source country. They have also recently brought in a case manager from Cambodia to help victims of human trafficking working as domestic servants, and are striving to build capacities among NGOs in destination countries.

The last step in their process is to enlist the help of governments, who are the least responsive actors in most cases. Governments, says Dr. Thang, must be coerced using ratings that "name and shame" them, and result in international pressure and potential sanctions. It is this pressure that has encouraged Taiwan to improve its policies to the point that it is an example to other nations in the fight against human trafficking.

An improvement in one country's policies gives NGOs like Boat People S.O.S. additional leverage to pressure other governments to emulate them.

These techniques contributed to Vietnam's passing its first law against human trafficking in 2000. In 2012, Vietnam finally signed the UN Protocol under pressure, although they have yet to act on it. Dr. Thang's plan for 2013-14 includes bringing pressure from Russia to bear on Vietnam.

The Coalition to Abolish Modern-day Slavery in Asia (CAMSA) has offices in several countries which raise money for victims. Students interested in activism are encouraged to become involved as sponsors, advocates or "champions". Dr. Thang offered an example in which Vietnamese trafficking victims were exploited in order to produce uniforms and apparel for U.S. schools and colleges. Boat People S.O.S. helped to mobilize students at Georgetown, The University of Florida, George Washington and other schools to protest and ad-

vocate boycotts of products. He also noted that Vietnam is the second largest exporter of cashews, and that the U.S. is the largest importer of cashews. A grasp of supply chains, he says, is crucial in understanding the problem, and in applying pressure in ways that can improve the situation. CAMSA estimates that it has rescued more than 5,000 victims this way.

Dr. Thang then spoke of victims from Vietnam, Korea, Syria, Bangladesh, and Mongolia who are all trafficked to Russia for exploitation. This highlights the need to train immigration officers, fight corruption, allow NGOs to operate in Russia, and to create a Federal Police Service independent of the local syndicates who own local police officers.

Russia is now a tier 3 country for human trafficking, and the time to act is now.

Despite detailing the difficult operating environment and lack of participation from governments, Dr. Thang remains optimistic. Boat People S.O.S. and CAMSA have seen great successes in many of their endeavors, and he emphasized the role of ordinary

citizens in helping to abolish slavery, including making donations, volunteering, raising awareness, creating a culture that does not tolerate slavery, and remaining vigilant for human rights abuses.

More Information:

Boat People SOS:
CAMSA:

www.bpsos.org/mainsite/en/
www.camsa-coalition.org/en/

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STUDENT RESEARCH: HOW THE H2 VISA PROGRAM LEADS TO LABOR ABUSES

Katherine Harris

In 1986 Congress passed the Immigration Reform and Contract Act (IRCA), which revised the H2 program into two categories: H-2A for agriculture and H2B for non-agriculture. Both programs have conditions that employers must apply to the Department of Labor (DoL) and ensure that there is not a qualified domestic

worker available and that the employment of a foreign worker will not adversely impact the wages and working conditions of the U.S. worker. Temporary labor programs have had a long history in the United States of providing workers to assist with the economy, and many efforts to reform the current H2 system focus more on increasing the

number of available visas, rather than curbing possible human trafficking.

The current H2A program is available to employers seeking foreign workers to fulfill temporary agricultural needs, typically for labor of 10 months or less. In principle, the program offers recipients at least three-quarters of the total hours promised in the contract, free housing for the period of the contract, workers' compensation, travel reimbursement costs, rate of pay at the adverse effect wage rate, and access to federally-funded legal services. The H2A program is not subject to limits and has grown significantly, from 6,445 visas issued in FY 1992 to 139,406 in FY 2010. Ninety-three percent of the temporary agricultural workers were from Latin America.

"...efforts to reform the current H2 system focus more on increasing the number of available visas, rather than curbing possible human trafficking."

The H2B program allows employers to seek foreign laborers for non-agricultural temporary positions (less than 10 months), except in the case of a one-time occurrence which may last up to 3 years. Industries included in the H2B program include: hospitality, forestry, amusement parks, landscaping, snow removal, and fishing. With few exceptions for positions in fish roe work, the H2B program has a cap at 66,000 visa recipients, of which 86% are Latin Americans. Until recently, H2B recipients did not have the same rights as H2A visa holders, such as prevailing wage rates determined by DoL and workers' compensation. Employers often try to classify a position as H2B (nonagriculture) to avoid having to provide additional benefits of the H2A visa.

The process for filing an application in the H2 program is the same for both agricultural and nonagricultural categories, and is a tripartite process involving three federal agencies: DoS, DoL, and the Department of Homeland Security (DHS). The employer must first submit an application to the DoL's Office of Foreign Labor Certification, which, if approved, allows the employer to file a petition with DHS. Once the DHS petition is approved, the employer sends the approved petition to the

"Recruiters often illegally charge workers job-finding fees, travel, and visa costs, so that workers arriving in the US may have debts ranging from \$500 to \$27,000 at a high interest rate."

appropriate consulate. The worker would then file a visa application with the United States, and the consular official in DoS will interview the prospective employee and adjudicate the visa application. DHS can deny entry at the border at its discretion regardless of the consular official's approval.

Temporary workers under the H2 visa program are protected under the labor laws of the United States, including the Fair Labor Standards Act (FLSA) requiring employees to receive minimum wage and time and a half for overtime hours worked. The workplace for H2A and H2B workers should also comply with all OSHA laws and regulations for its specific industry. Additionally, the Migrant Seasonal Agricultural Worker Protection Act (MSPA) of 1983 protects most H2A workers in their interactions with farm labor contractors, agricultural employers, agricultural associations, and providers of migrant housing. One of the most important provisions MSPA grants to workers is the right to file a complaint with the DoL's Wage and Hour division, file a private lawsuit, or testify or cooperate with an investigation or lawsuit.

Worker exploitation often begins during the recruitment phase and continues through employment, due to the lure of economic opportunities in the US not available in their home countries. US employers frequently rely on labor recruiters to locate temporary workers. Recruiters often illegally charge workers job-finding fees, travel, and visa costs, so that workers arriving in the US may have debts ranging from \$500 to \$27,000 at a high interest rate. With over 44% of the Mexican population living in poverty, workers will take on debt in order to take advantage of the economic opportunity the H2 program provides. Many industries have relied on temporary labor to maintain a profit, as they are easy to dispose of if not productive.

The H2 visa is employer-specific, a decision influenced by industry lobbyists who wanted to

ensure that once workers were in the US, they could not leave their place of employment. Employers frequently confiscate workers' passports for "safe-keeping," a policy that can create a culture of fear through the threat of deportation. Workers are hesitant to report workplace abuses against the employer who has sole control over their ability to live and work in the United States.

The most frequent abuses are those affecting wages and hours. Employers are required to pay prevailing wage rate (H2B) or Adverse Effect wage rate (H2A), which is at minimum the minimum wage rate, but commonly pay piece rates (seedlings planted, bushels/pounds picked) instead of hourly wages. If not able to meet quota, workers are sent home. Under the program guidelines, workers are guaranteed three-quarters of the hours in their contracts, but a lack of hours is generally not the problem in the H2A program, as workers work more hours than compensated for or work more than forty hours a week without overtime pay. Wage and hour abuses often go unreported. Workers are required to be presented with a contract outlining wage and hours, but since this contract is usually in English, not in the worker's native language, the worker may be unaware of what the contract entails. The DoL's Wage and Hour Division is required to investigate any infractions involving MSPA and FLSA, but they only investigate when a complaint has been made. The division does not proactively enforce H2 employer contract compliance. Workers can also be subject to questionable deductions from their paychecks, such as rent for housing or workplace equipment charges. The deductions may or may not be outlined in the English-language contract.

Workplace conditions have historically been dangerous since the inception of the temporary labor program, as workers spend long hours in a field or shelling crabs with sharp knives. Workers are not always aware of their right to medical treatment for on-the-job injuries, and those paid by piece often do not want to stop working for treatment. H2A workers are guaranteed housing in their employment contracts, which must comply with federal, state, and local safety codes and be inspected by federal authorities. These requirements are not always met, as the example of Thai H2A workers placed 6 to a room with no electricity or working bathroom attests. H2B workers are not given free housing, but the employer often provides housing at a cost, though the lack of regulations for rental fees charged to

H2B workers invites abuse. H2 workers are often isolated from the community in their employer-provided housing, and generally do not have access to public transportation, public telephones, or general supplies. Employers often charge fees for transportation to grocery stores or other destinations. The result is that the employer has almost total control over the employee.

Labor brokers, or farm labor contractors, are used throughout the H2 visa program and may be involved in all aspects, from (1) recruitment and (2) contract arrangement to (3) work management services.

Once in the US, the labor broker oversees all worker-employer interaction. Frequently, the labor broker is the employer of the temporary visa holder and acts as a subcontractor of a larger establishment. Workers are thus vulnerable to forced labor, as the worker arrives indebted to the broker. The use of labor brokers creates a complex enforcement issue in the application of temporary labor regulations and workers' legal recourse. The labor broker does not generally have H2 employment opportunities available, but petitions on behalf of another, larger, company. This subcontracting of labor muddies the water for the labor certification. The use of labor brokers also insulates large agribusinesses or other employers from lawsuits by their temporary workers, as all liability can be shifted onto the subcontractor.

Historically, the United States has not been able to prosecute many H2 visa abuses, due, in part, to workers not coming forward and the use of labor brokers. The U.S. Criminal Code, 18 U.S.C. 1589, criminalizes forced labor, but in the case of H2 visa holders, the fact that some infractions occur abroad make prosecutions difficult, as does the complication of the employer/employee relationship through the use of labor brokers. In an effort to counteract this complication, the United States has increased its use of RICO statutes to prosecute all parties who financially benefit from forced labor. Three recent and ongoing cases of labor trafficking and H2 abuses are exemplified by the lawsuits against Pro Tree Forestry, Global Horizons, and Signal.

The federal government has implemented national campaigns to raise awareness of human trafficking and labor violations. A 12-page pamphlet, outlining visa holder's rights under his or her particular visa program, has been developed for all individuals coming to temporarily work or study in the United States. The pamphlet includes prevention tips and contact information to report violations. The DoL implemented new regulations

in 2010 to strengthen worker protections, which included granting the DoL's Office of Foreign Labor Certification the authority to debar employers and their agents for up to 3 years. In 2012 the DoL implemented new regulations for the H2B program, to include: job contracts in a language the employee understands no later than when the employee applies for a visa, prohibition of recruitment fees, the three-quarters guarantee, and reimbursement for visa and both inbound and outbound travel fees. Employers will be required to provide the DoL with labor recruiter agreements.

Nonprofits are also engaged in advocacy efforts, such as working with temporary workers in Mexico to raise awareness of their basic human and labor rights. Other groups advocate for policy changes.

Policy Recommendations:

(1) The H2 visa should not be tied to a specific employer; but issued for a specific time period and the worker free to choose from a pool of eligible employers with the ability to move freely within this pool. Under the current system, leaving the employer for any reason can result in a 5-year bar from participation in the H2 program.

“The H2 visa should not be tied to a specific employer; but issued for a specific time period and the worker free to choose from a pool of eligible employers...”

(2) Give H2B workers the same access to free, federally-funded legal services and the right to remain in the US to pursue legal action against an employer, as is already granted to H2A workers.

(3) Hold employers liable for the actions of recruiters and farm labor contractors.

(4) Improve DoL investigations through the allocation of additional resources to the Division of Wages and Hours as well as the elimination of the 2-year statute of limitations on claim investigations.

(5) Replace the Three-Quarters Rule with 100 percent contract fulfillment, as labor recruiters frequently recruit potential temporary workers based on 100% of the hours promised, upon which information the potential worker makes significant financial and debt decisions. This rule would also force employers to stop overstating labor needs and recruit based upon their actual needs.

(6) The United States should sign the International Labor Organization's (ILO) Forced Labor Convention to demonstrate both domestically and globally its commitment to the prevention and elimination of forced labor.

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TRACKING ILLICIT NETWORKS WITH THE FBI

An Interview with Special Agent Bijan Hunter

What got you interested in this career path?

I grew up in New York City, in neighborhoods where everyone assumed that by age 25, young men would either be dead or in jail. I didn't want to be a part of that statistic, so I tried to do the right things in life. I decided to go into law enforcement because I wanted to make a difference in communities similar to the one I was raised in. My goal is to provide a different pathway in life for the kids coming out of these neighborhoods. No longer do I want people to look at the kids and assume that they are all criminals, like they did with my friends and me. Working in law enforcement is not just my job, it is my voca-

“The FBI aims for the top and tries to disrupt and dismantle the networks.”

tion. We are all products of our environment, and I want to be a positive reflection of my community.

I studied sociology and criminology in college, because I was interested in how things relate. Over the course of 18 years I have worked my way up from security guard, to correctional officer, to police officer, to Special Agent with ICE and now Special Agent with the FBI. It has been a great journey,

because I have acquired such a variety of experiences, knowledge and perspectives along the way. But I tell everyone that my past is my intangible career asset. It made it possible for me to excel and gives me a passion for my work.

Tell me about some of the challenges you faced, getting started in this career.

In my first job as a correctional officer in South Carolina, I worked in a jail that was transitioning from a “reactive” facility to a “proactive” facility. Within a reactive facility, the inmates were behind bars all the time, separated from the correctional officers. But in a proactive facility the inmates and the correctional officers are together all the time in an open area just like in a school cafeteria. This meant we had to talk to inmates and interact with them, rather than just locking them up. I was only 22 years old when I started work there. I was in charge of a dorm of 60 inmates, and some of them had spent more time in jail than I had been alive. They didn’t want to follow the new rules, especially from a young guy getting started in his career. So I did two things: I stuck to the policy of the facility and I tried to assist the inmates to better themselves mentally and spiritually. Most of my 8 to 16 hour days were spent talking to inmates about everything in life.

What did you do after your stint as a corrections officer?

I worked as a police officer in Atlanta. During my time in Atlanta (1997—2004), we were transitioning to a new form of policing, called “intelligence-led policing.” I joined the crime analysis unit. One of our big cases concerned a serial bank robber who was known as the perimeter bandit. He had robbed banks located all around the city. We used mathematical algorithms to predict when and where his next heist would be and as a result, we arrested him. The case was then shown on NBC Nightly News.

After Atlanta you became a special agent at Immigration and Customs Enforcement (ICE) and then at the FBI. How does that differ from working in the crime analysis unit of a local police force?

When you work in a police force – even in the crime analysis unit –it is difficult to do long-term investigations because you are always under pressure to produce immediate results. So you arrest someone and then move on to the next crime. You rarely move up the ladder high enough to arrest the kingpins who are in charge of the networks. These guys are smart and they keep things compartmentalized, so when the lower level guys get caught, the networks don’t get dismantled.

The network is what is valuable and the commodity can always be replaced.

The FBI aims for the top and tries to disrupt and dismantle the networks. The FBI has the apparatus, so we can reach the higher levels of the criminal enterprise. We can arrest them on conspiracy charges (Title 18). So even if they pay lower level people to do the dirty work, we can charge them as part of a conspiracy.

Tell me about some of the crime networks you have investigated.

When I was working at the FBI’s Tampa Field Office we initiated a case called “Operation Dual Identity” which involved a massive car-cloning network with cells throughout the U.S. and Mexico. They were a very sophisticated network of car thieves, who stole new high-end cars and boats, and then gave them false identities by counterfeiting VIN titles and plates from legitimate vehicles. The cars would then be sold through underground networks throughout the U.S., especially in Chicago and Texas. They had been operating for nearly

“They commingled legitimate business with their illicit activities, and like modern corporations, they were interested in diversification.”

20 years and stole more than a thousand vehicles in Florida. The ring was started by some individuals of Cuban descent who immigrated to Florida. More recently they had moved some of their operations to Mexico trying to get out of the reach of the U.S. law enforcement; however due to this investigation the FBI was able to apprehend, extradite, and

then prosecute them.

This group was characteristic of many of today’s crime networks in that they were involved in lots of different crimes: human smuggling, identity theft, marijuana grow houses, drug trafficking, home invasions, even murder. They commingled legitimate business with their illicit activities, and like modern corporations, they were interested in diversification. Members of the network had their own roles and specialization, but they were able to use their connections over a wide variety of criminal activities. Taking down this organization took a lot of work, and cooperation by lots of different agencies. The investigation was initiated in December 2006 and we executed the arrest warrants in March 2009.

When did you meet Dr. Shelley and how have you collaborated?

We met at a Symposium on Human Trafficking in Oklahoma City. I was impressed with her ability to combine the research she had conducted with the information she gleaned from practitioners. We see eye-to-eye on the importance of networks in criminal activity. She asked me to give a lecture at her course on illicit trade and I was honored to do so.

What kind of research would you, as a practitioner, find most useful from a research institution like TraCCC?

One thing that I have learned in working on transnational crime cases is that the commodities are interchangeable. It's the networks that matter, because sustaining those networks allows the criminals to make their money. We need to collaborate to better understand the impact of transnational crime networks on our society. Law enforcement works to stop immediate threats. But then we have to move on to the next investigation. Academics and researchers can follow up with studies to better understand the workings of these networks and the effectiveness of actions to combat them. In particular, academics can help in measuring the impact of economic crimes, since law enforcement focuses more on crime

against persons. Academic research can play an important role in making policy recommendations and helping to direct scarce resources in the right places. We need to collaborate closely and make law enforcement data available to researchers to do this kind of work.

What advice would you give to young people, who are looking for a career in law enforcement or intelligence?

The hiring trends tend to change every few years, but it is always good to speak several languages and have advanced knowledge of cybersecurity. But for any successful career the most important thing is to have a plan and write it down. Outline all the requirements you need to accomplish your goal. Search the internet, identify all the training and education you need, and make a list of every step along the road. If you write every little step down, and cross it off when you have accomplished it, it will help psychologically, and keep you going on those days when you get discouraged and fear that your goal is very far away.

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CORRUPTION IN THE PHILIPPINES

An Interview with GMU Ph.D. Candidate Andy Guth

What got you interested in corruption?

Really, I fell into working on the issue. My undergraduate degree is in biology, so I was in the Philippines as a Peace Corps Volunteer working on the coral reef. After just a couple of weeks of being there I noticed young girls being recruited into prostitution by traffickers. I called my regional manager and mentioned that while I think the environment is very important, that I could not in good conscience turn my back on these girls being trafficked. After some convincing, we agreed that I could manage a project on human trafficking as long as I continued my work on the coral reef as well.

The program began by strengthening three departments of the municipality: the Public Employment Service Office (PESO), the Philippine National Police (PNP), and the Department of Social Welfare and Development (DSWD). These de-

partments are critical in preventing trafficking, enforcing trafficking laws, and reintegrating trafficked persons. I worked closely with them to ensure they understood their roles and responsibilities in human trafficking. I also summarized numerous pages of recruitment and human trafficking laws

“I could not in good conscience turn my back on these girls being trafficked...”

in four pages for easy reference, and obtained copies of all licenses and photographs of those who are allowed to recruit in the region for use by the PESO and PNP. I then designed flowcharts for the PNP and DSWD regarding proper protocol for the apprehension

of traffickers and reintegration of trafficked persons and provided the DSWD with a list of warning signs and questions to be used when working with potential victims.

In addition to strengthening these departments, I compiled an educational curriculum for the Philippines on human trafficking. I contacted an

NGO based in Albania for the curriculum and was granted permission to use, modify, incorporate new true stories, and disseminate the curriculum in any manner I felt fit. Collecting the true stories took almost a year of integration into the community and earning the trust and respect of the local residents.

Once the curriculum was completed, I trained 44 women who in turn conducted workshops in their own villages using the curriculum. The first round of human trafficking workshops educated over 1,000 people in the municipality, and the workshops are expected to continue at the rate of one workshop per village per year. In the first year that the project was up and running, two girls were rescued from Manila and brought back to their families and six other potential trafficking incidents were averted within the municipality.

I documented the project and created the Anti-Trafficking in Persons Program for the LGU manual that enabled the project to be replicated in other municipalities throughout the nation. Upon completion of the manual, members of Visayan Forum and other NGOs, Peace Corps Volunteers (PCVs), and the United Nations Children's Fund (UNICEF) requested a copy. UNICEF requested permission to use parts of manual into their Life Skill's Manual which went nationwide including most of Mindanao, a large region of the Philippines, where trafficking is prevalent but where PCVs are forbidden to work or travel due to safety concerns.

Over the two years of working on the project, I noticed the important role of corruption in permitting young girls to flow freely between sea and airports (and other border crossings) and also how it contributed to the push and pull factors making individuals vulnerable and willing to pursue greener pastures. Upon arriving at GMU and studying more about all kinds of transnational crime issues (e.g. drug trafficking, weapons trafficking, money laundering) and how corruption interacts with these issues, I knew I had found my life's work in studying corruption and anticorruption methods.

How many years have you been associated with GMU?

After my experience in the Philippines, I specifically came to GMU to study with Prof. Shelley and TraCCC. I began my Master in Public Policy degree at GMU in August 2008, completed it in May 2010, and began my PhD at GMU in August 2010. I plan to graduate in December 2014 with my dissertation focusing on clientelism and vote buying in the Philippines.

What classes do you teach?

I am a graduate teaching assistant of Professor Shelley and assist in the development, implementation, and teaching of the graduate classes of *Transnational Crime and Corruption*; *Illicit Trade*; and *Human Trafficking*. The classes include Master and PhD students and are typically composed of a very diverse international population which normally has 25 students with approximately 10-15 different languages being spoken from all regions of the world.

You recently presented a paper at an international conference on corruption. Could you talk about your experience?

I presented at the 2013 Philippine Society for Public Administration (PSPA) International Conference in Manila, Philippines this past October. The presented paper was *Corruption in the Philippines: A Private-Sector Battle* and examines why corruption is so prevalent in the Philippines. The theme of the conference was "Public Sector Reform & Government in Transition: Values, Institutions, Leadership, Citizen Engagement, & Human Rights" and consisted of approximately 350-400 people, representing 14 nations, 38 international institutions, and over 100 local institutions.

What I most enjoyed about the conference was the openness in which individuals discussed the issue of corruption. For so long it has been frowned upon to discuss corruption openly. I hope that the culture is finally changing, because we have to fully acknowledge the problem before we can begin to correct it.



Picture of Mr. Guth (front row, second from the left) and many of the other international presenters along with the Vice President of the Philippines (front row middle, white shirt).

What directions are you considering for future research?

My dissertation deals with clientelism in the Philippines. The goal of the study is to contribute to the theoretical debate on vote buying and how political machines target electorates in developing countries. It will examine the electoral process of the Philippines in order to better understand how the citizenry's voice is being oppressed by political machines. Understanding this process in the Philippines should allow for a better understanding of how the process occurs in other countries as well.

After my dissertation, I really hope to work on the practitioner side of the issue for a while at the international level. I think it is important to ap-

proach the issue in such a manner that individual countries feel empowered to better their country as opposed to discouraged because another nation is telling them they are doing it wrong. But I would love this practitioner work to include research on diverse corruption issues, for example vote buying, campaign finance, financial and legal institutions, etc... I would really enjoy working for an organization that is passionate about curbing the issue of corruption and helping societies improve in any way we can.

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THE SOUTH CAUCASUS – 10 YEARS LATER

The :Perspectives of Three U.S. Ambassadors

On Friday November 15, George Mason's School of Public Policy hosted a panel entitled "Pay Attention to the South Caucasus." It consisted of three retired U.S. Ambassadors to South Caucasus countries: Richard Kauzlarich (Azerbaijan 1994-97); Ken Yalowitz (Georgia 1998-2001); and John Evans (Armenia 2004-6), two of whom have been associated with TraCCC. The panel commemorated an article, co-written 10 years ago by Yalowitz, Kauzlarich, and Amb. Ret. Harry Gilmore, and considered the developments of the intervening 10 years. Were the Ambassadors' policy prescriptions right? Or did the passage of time prove otherwise?

The original article, published a few months after 9/11, advocated (1) expanding the U.S. dialog with Russia to security issues in the South Caucasus, (2) pushing for a re-opening of borders between Turkey, Azerbaijan and Armenia, (3) ensuring that revenues from new energy pipelines in the region are used for the public good and not the corrupt few, and (4) increasing U.S. assistance programs to all three countries with an emphasis on tackling corruption and promoting democratic political reform.

Asked about how the situation had changed in the intervening decade, Ambassador Yalowitz responded that the article was written at a highpoint of U.S. interest in the region, when all three countries had offered support to the U.S. in the Global War on Terrorism. Then came the Rose Revolution in Georgia, which raised U.S. hopes that real democracy could develop in the region, and that U.S. assistance could play a crucial role. But over

time these hopes have been dampened, because little progress was made on democracy, "frozen" conflicts were not solved, and instead Russia, in its 2008 war with Georgia, showed an interest in re-opening border questions from the old USSR.

Ambassador Evans countered that Western countries bore some responsibility for the breakdown of trust with Russia, and that Georgian President Saakashvili bore a heavy share of responsibility for the 2008 war. Evans said that the Russians believed that in the immediate post-cold-war era Washington had promised that NATO would not expand eastward. Yet NATO did expand, first offering membership to former-Warsaw Pact countries, then to the Baltic states, and now continues to discuss the possible membership of former Soviet states like Georgia. Evans, who interacted regularly with Vladimir Putin when he was Consul General in St Petersburg in the mid-1990s, also argued that Putin has been unnecessarily demonized. In his interpretation, the Russians are simply demonstrating that they have a long-term interest in the South Caucasus region; 2008 showed that they retain the capacity to project power there.

Ambassador Kauzlarich, acting as moderator, asked whether U.S. aid to the region had any impact. He said that for Azerbaijan, the existence of Section 907 of the Freedom Support Act, (which prohibited U.S. assistance to Azerbaijan as long as the war over Nagorno-Karabakh remained unresolved) had been an "albatross around my neck" in trying to improve U.S.-Azeri relations. Every conversation he had with Azeris at all levels of society

began with a complaint about 907 and the Azeris' perception that the U.S. sided with Armenia in the conflict over Nagorno-Karabakh.

Evans characterized the impact of U.S. government aid to Armenia as somewhat better than marginal. He said that whereas the housing voucher program for earthquake victims and the U.S. Department of Agriculture's programs for developing the rural economy had provided some concrete benefits, an independent evaluation of U.S. assistance programs to aid the development of independent political parties in Armenia had found that they had little impact.

Yalowitz was more sanguine, arguing that US assistance had helped to ensure the survival and political independence of the South Caucasus states. He agreed that some parts of the money had been better spent than other parts and cited, in particular, the value of exchanges and education programs. He pointed to members of the audience, as well as Georgia's leadership, and said that western-educated Georgians had succeeded in building a vibrant civil society in Georgia, and bringing western values, knowledge, and ways of operating into Georgia's government, society, and politics.

The ambassadors also discussed the role of neighboring countries – Iran, Turkey and Russia. On Iran, there was general agreement that recent internal developments in Iran make it more likely that the country could play a positive role in the region. Evans commented that Iran has long historical ties with the region, but under the ayatollahs, Iran's focus has been largely inward. Tehran has had warmer relations with Christian Armenia than with Shiite Azerbaijan, perhaps in part out of fear of outside manipulation of the large Azeri minority in Iran, given that nationality often trumps religion. Yalowitz said that Turkey has played a much more active role as an ally of the new states in the South Caucasus and Central Asia. Kauzlarich added that in Azerbaijan's case it has been the tail (Azerbaijan) wagging the dog (Turkey) and that this fact has led to the continuing stalemate on Nagorno-Karabakh.

Turning to Russia, there was some disagreement, with Yalowitz decrying Russian pressure on the three states to "choose Eurasia" instead of joining with Europe and the West. Evans argued that in Armenia's case, though pressure may have been brought to bear, and the decision by President Sargsyan came as a surprise to some, Armenia is facing something of an existential challenge.

The Armenians see Russia as their only friend, their source of arms and military support, 88% of their remittances, low cost natural gas, and the only realistic source of a replacement for the aging Metzamor nuclear reactor. As a result, they were resigned to signing on to the Eurasian Customs Union as well as a military agreement which gave Russia access to a base in Gyumri until 2044. Kauzlarich commented that because of its oil wealth, Azerbaijan has not felt the need to choose between Russia and the West.

On the final question concerning U.S. democracy promotion around the world, there was general agreement on the need to "lead by example" (a George Kennan quote) and be more humble when pushing for changes in the political systems of other countries. Kauzlarich said that the Azeris and others have gotten much better at the "technical" aspects of elections, so that they look clean on Election Day, but are not truly democratic in any real sense.

The talk was followed by a lively Q&A session with the audience of 50+ students, diplomats, scholars and practitioners, lasting 30 minutes past the scheduled end of the session. Questions concerned Armenia's position on the Customs Union and the EU, possible scenarios for Georgia, USAID, the role of NATO, criminal networks and organized crime in the 3 states, OSCE election monitoring, the role of exchanges, the impact of 907, the Armenian genocide, and rumors of Ambassador Evans running for public office (which he denied; perhaps a confusion with Jack Evans running for D.C. mayor?)



Left to Right: Kenneth Yalowitz, John Evans and Richard Kauzlarich

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ETHNIC CHINESE CRIME GROUPS IN EASTERN SIBERIA 1991-2011

By Anna Repetskaya

This is a short summary of research conducted by TraCCC Consultant Anna L. Repetskaya, former director of the TraCCC Research Center in Irkutsk, Russia. Dr. Repetskaya is the Chair of the Criminal Law and Criminology Department of Baikal State University of Economics and Law. In 2012, she conducted a research project on 'Specifics of Activities of Ethnic Chinese Crime Groups in Eastern Siberia covering 1991-2011' analyzing the characteristics, scope, and scale of activities of ethnic Chinese crime groups in the region

Chinese Diaspora communities or Chinatowns in Russia make the illicit activities of ethnic Chinese crime groups possible. Criminals use the diaspora community (1) as a cover to shield themselves from Russian law enforcement, (2) as a source of income/tax, and (3) a source of manpower. Russia lacks accurate data on the number of Chinese migrants in the country. The government agencies' rough estimate of Chinese migrants ranges from 400 thousand to 2-3 million, of which the majority live in Eastern Siberia and the Russian Far East.

The existence of Chinese organized crime groups known as "Triads" dates back centuries, but they have expanded since the 1970s, when economic reform began in China. **Chinese Triads are involved in a variety of illicit activities in Eastern Siberia.** They deliver illegal migrants and control the labor supply in the illicit market by arranging manpower based on the demand in the shadow economy. Their criminal activities include counterfeiting, document forgery, money laundering, usury, racketeering, prostitution, gambling, human trafficking, smuggling, arms and drug trafficking, contract killings, etc. **However, Chinese Triads are not the dominant ethnic criminal group in the region and they pay others for protection.** More than 50 ethnic criminal groups operate in the Irkutsk region alone. Chinese Triads obey the local rules of "Thieves in Law" and pay taxes to criminal groups controlling the region, such as the "Criminal Brotherhood Community" and the "Ingush Criminal Group."

Repetskaya stresses that **social changes after the dissolution of the Soviet Union established an environment favorable to Chinese illicit activities in Russia.** By 1993, areas where Chinese people sold counterfeit goods transformed into a *unified social organism* with strict hierarchical structure

equipped with a support network of corrupt Russian officials, police, and racketeers. Then, Chinese traders became an easy target for Russian and Chinese criminals. Traders were constantly robbed or even killed. The Russian press reported such cases as though the Chinese mafia had arrived in Russia, but **experts assert that Chinese illegal operations took the form of organized crime only in 1996.**

When victimized, Chinese migrants rarely sought assistance from Russian law enforcement agencies for several reasons: most were illegal migrants; and their commercial activity was illegal. Many Chinese believed that Russian police could not protect their interests. Their problems were handled strictly within their ethnic Diaspora communities. Those who involved *outsiders in the resolution of their problems* were subjected to harsh punishments by their compatriots.

Experts say that **Chinese Triads started operating in Eastern Siberia in 1996.** The Chinese migrants who arrived in Russia the earliest usually became leaders of criminal groups. Most of them already had criminal records in China and quickly established contacts with Russian criminals. These Triads were involved in violent confrontations amongst themselves to secure areas of influence. In 1997, Russian law enforcements arrested and deported leaders of two large Chinese Triads in Russia (Shenyanskaya and Nyantszinskaya) which led to their collapse. Consequently, after 1997, Triads changed to non-violent methods to avoid attracting attention from the Russian law enforcement. This was made possible by a meeting between Chinese leaders of criminal groups operating in border provinces where they divided their spheres of influence.

The author stresses that **in the early post-Soviet period (1991-97), Chinese Triads in Russia were**

"The Chinese migrants who arrived in Russia the earliest usually became leaders of criminal groups. Most of them already had criminal records in China and quickly established contacts with Russian criminals."

mostly involved in illegal commercial activities. In Eastern Siberia, Triads were involved in forgery of documents, illegal export of wood and scrap metal, organization of illegal migration, and cultivation of fruits and vegetables using banned pesticides and agrochemicals. In 1995, Russian law enforcements discovered the involvement of Russian customs agents in the operation of an illegal Chinese bank in the Irkutsk region. In 1996, Russian law enforcement detained Chinese smugglers attempting to transport more than US\$1.5 million from Russia to China. Repetskaya emphasizes that only 4.8 percent of all registered criminal cases related to Chinese migrants are successfully prosecuted in Russian courts. She stresses that this is not due to a failure in Russian law enforcement. It is largely related to the difficulty in penetrating the Chinese criminal syndicates by foreign law enforcement. This problem was repeatedly raised by law enforcement agencies from different countries at the 1995 International Conference on Economic Security in Munich.

The Financial Crisis of 1998 affected Russia and criminal authorities within it. As a result, Chinese Triads either transformed their activities into the legal economy or focused on extortion of their compatriots, mostly major Chinese businessmen. In the Irkutsk and Chita regions, (Zabaykalsky Krai), Vladivostok, (Primorsky Kra) Khabarovsk and Republic of Buryatia, the extortion of prominent Chinese businessmen by organized criminal groups became a frequent phenomenon. Chinese Triads in Russia kept small portions of their proceeds and sent large portions of it to replenish their 'Triad Common Fund 'in China. They transferred their proceeds in the form of cash (mostly US dollars) or goods demanded in the headquarters (recently, non-ferrous metals and wood).

The author highlights that **the convergence of Russian and Chinese organized crime groups is a new tendency in Russia.** Russian experts point out that "From simple contacts among themselves, they established new closer cooperation which can pose serious threats to our country's national interests". Conglomerates of Russian, Caucasian, and Chinese criminal groups are engaged in different criminal activities including the export of wood and scrap metal to China. In this scheme, Russian and Caucasian criminal groups are responsible for obtaining such goods locally and Chinese criminals for exporting them to China. Along with ecological crimes, Chinese Triads commit other criminal offenses. In Eastern Siberia, theft is a common offense committed against Chinese migrants. In recent years, extortion of Chinese businessmen has been replaced by kidnapping them. Chinese Triads organize kidnappings and the Russian criminals carry them out. There are cases where Chinese Triads were involved in trafficking arms stolen from the military units in nearby bordering regions as well.

The major areas of illicit activities of Chinese Triads in Eastern Siberia today include: illegal migration, which includes both labor trafficking to Russia and using Eastern Siberia as a transit point to other European countries; illegal logging; trade in illicit metals and scrap metals; illegal sale of nephrite (a kind of jade) and trade in other wildlife products, include musk deer parts, furs, bear parts, etc.

A more detailed summary of Dr. Repetskaya's paper in English can be found [here](#), and the full Russian language version can be downloaded [here](#).

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ILLEGAL PESTICIDE AND AGROCHEMICAL USE IN EASTERN SIBERIA

By Yulia Karpysheva

This is a short summary of a research project conducted by Yulia Olegovna Karpysheva in 2012 on the illegal use of banned pesticides and agrochemicals in the cultivation of agricultural goods in Eastern Siberia. Karpysheva earned a Candidate Degree in Law in 2010 from Baikal State University and is currently an Instructor at the Irkutsk Law Institute. In this article she analyzes the illegal use of harmful pesticides and agrochemicals in Eastern Siberia. Her sources include the mass media, a review of legislation, documentation on farm inspections, expert interviews, and a survey involving 87 Chinese citizens working on 32 farms in Eastern Siberia.

Karpysheva finds that organized crime groups are only beginning to get involved in agricultural business, since agriculture, unlike drugs, does not generate excess profits. However, this problem is likely to grow, and contribute to criminality in the region in a number of different ways. **Illegal agriculture provides resources for organized crime groups** by paying taxes to them for their agricultural activity in the region; **and is correlated with other serious crimes like human smuggling and illegal migration.** Moreover, the illegal agricultural business poses numerous threats to public health and food safety, encourages corruption, expands illicit market activities and damages the environment.

The author emphasizes that the use of illegal pesticides and agrochemicals leads to market distortions and the rise of illegal farming. Per Karpysheva, the agricultural season in Siberia is short, and due to the harsh climate, the harvest is relatively small, just about enough to meet the local demand. **The banned pesticides and agrochemicals make it possible to grow more produce with shorter maturation periods than under normal circumstances.** These in turn, generate higher profits and crowd legal production out of the market. For example, potatoes cultivated with banned chemicals generate 300 percent higher profits and cucumber generates 200 percent higher profits than those cultivated by using safe pesticides. This creates unfair competition and forces legally operating farms out of the market, eventually leaving the field open to illegal farming.

According to Karpysheva, **these potentially dangerous fruits and vegetables are widely sold by legal and illegal supply chains.** This is particularly evident during the summer when there are numerous unauthorized street vendors selling produce. These are run mostly by retired Russians who claim that they cultivated these products themselves when in fact they bought them cheaply from Chinese farms using dangerous pesticides and agrochemicals. The customers are the victims, because they cannot differentiate

“...the companies inviting foreign workers are often “One-Day Firms” (odnodnevnik) established on a short-term basis just to compile the invitation documents.”

“...inspections have found that half of the supermarkets and farmers’ markets sell unsafe produce.”

between safe and unsafe produce. The author reports that inspections have found that half of the supermarkets and farmers’ markets sell unsafe produce. Karpysheva further asserts that **use of these banned chemicals is not only a threat to public health. It permanently damages local ecosystems by contaminating water and soil, and harms flora and fauna that local people and wild animals depend on.**

Karpysheva says that the 1990s’ reform in the agrarian sector destroyed the effective operation of collective and state farms. This caused more farms to operate illegally. Illegal farms did not pay taxes, did not pay for the land, and paid a very low wage to illegal migrants, as a result of which they made higher profits than legal farms. An inspection of one of these illegal farms in 2011 revealed that the use of “protsimidon” was double the level that is allowed in cultivating tomatoes. According to the experts interviewed, this pesticide is extremely harmful to humans and can lead to serious illnesses, such as cancer.

Karpysheva emphasizes that illegal agricultural activity in Siberia is intimately connected to the illegal migration of Chinese workers to the Russian Federation(RF). She finds that it is predominantly illegal Chinese immigrants or Russian citizens of Chinese origin who use banned pesticides in Eastern Siberia. In 137 cases (2009-2011) of violations involving the use of pesticides and agrochemicals, 88 percent (120 of 137) of violators were Chinese immigrants (both legal and illegal) and 12 percent were citizens of the RF or former-Soviet states. Due to the close proximity of China, foreign migrants in Eastern Siberia are primarily Chinese, who usually have a low-income and little education, and no knowledge of Russian language and law. The author notes that their illegal status forces them to rely on illicit markets, and their exclusion from social protection makes them vulnerable to criminal exploitation of their labor. Karpysheva notes that, recently, Chinese people with speaking or hearing impairments were widely used in illegal agriculture because, if

detained by the police, they could not provide information to the authorities.

The author asserts that the integration of Chinese migrants in the economy of Siberia and the Russian Far East has increased dramatically. According to her interviews with experts, 10-15 percent of all foreigners crossing Russia's borders overstay their visa and become illegal immigrants or illegal workers. **Karpysheva underscores the involvement of organized crime in supplying labor for the illicit agricultural market and notes that the Chinese Triads are widely involved in this activity.** Their flexible network structure facilitates different types of criminal activity, including illegal migration. Of the Chinese migrants involved in the research, 85 percent (74 of 87) said they came to the RF specifically to work in the agricultural sector. Their arrival in the RF and job placement was processed by Russian citizens of Chinese origin living in the RF and Chinese citizens residing in the PRC.

Karpysheva finds that the inadequacy of Russian laws hurts both lawful firms and migrant workers, and that organized crime groups specializing in illegal migration are primarily responsible for bringing Chinese migrants to work in the agricultural sector in Eastern Siberia. According to Russian law, firms inviting foreign workers are responsible for compiling all necessary documentation. Based on expert interviews, the companies inviting foreign workers are often "One-Day Firms" (odnodnevnik) established on a short-

term basis just to compile the invitation documents. After submitting the invitation documents, they close down, making them difficult to trace. Consequently, both fraudulent and lawful firms are issued permission to invite foreign workers. The Chinese migrants who arrive in Russia through invitations from fraudulent companies overstay their visas and become illegal immigrants.

The research reveals the inability of state authorities to deal with the problem. The author emphasizes that illegal migration breeds corruption within the civil service. **90 percent (78 of 87) of Chinese illegal migrants involved in Karpysheva's survey said that they escaped deportation from RF by bribing government officials,** especially in the federal migration agencies. The research shows that 23 percent of banned pesticides and agrochemicals arrive in Russia under the guise of other goods, 58 percent are brought together with fertilizers which are approved for use, 19 percent cross the border with passengers, and are not inspected due to lack of expertise on the part of customs agents.

A more detailed summary of Karpysheva's article and policy recommendations (In English) can be found [here](#), and the full article in Russian can be found [here](#).

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YOUTH ORGANIZED CRIME IN RUSSIA

By Aaron Beitman

Like many dimensions of the criminal world, youth criminal groups have often been given romantic treatment in popular media depictions. American movies such as "The Outsiders," "The Warriors," and "Rebel Without a Cause" exemplify this romanticism. Of course, Stanley Kubrick's masterpiece, "A Clockwork Orange," does exactly the opposite, showing scenes of grotesque, random violence committed by teenagers.

Recent research on youth criminal gangs in Russia has shed light on a serious, yet understudied problem. According to a study by the World Health Organization (WHO), Russia has the highest rate of youth crime in Europe. A recent report by Nikita Gordeev, an advanced student at the Saratov State Academy of Law and a TraCCC grantee, explores the issue of youth organized crime groups in Russia.

The youth gang problem began to enter Soviet popular consciousness at the end of the 1980s and early 1990s. For many, the point of departure can be traced to what is referred to as the "Kazan phenomenon" by journalists and academics. Starting in the early 1970s, the Soviet city of Kazan, located in the Muslim majority republic of Tatarstan, had acquired a particularly bad reputation for juvenile delinquency. While the Soviet government was modestly successful in suppressing the gangs, by 1988 youth criminal gangs had appeared in what seemed to be every city in the country. Disturbingly, a number of members in youth criminal gangs were found to be former participants in the Young Pioneer Organization of the Soviet Union, a group somewhat analogous to the Boy Scouts and Girl Scouts in the U.S.

In Gordeev's view, young people join criminal groups first and foremost for psychological reasons. Perhaps out of a sense of feeling marginalized, young people join criminal groups for social relationships that give them a sense of identity and/or purpose. For some, membership in a criminal group provides a way of solving social adjustment problems. Of course, socio-economic factors cannot be overlooked either. Being a member of a gang can provide significant material benefits otherwise unobtainable in global crisis conditions of high unemployment and relatively low salaries. Finally, Gordeev notes that a decline in societal morals also plays a role in youth gang formation. To this last point, political writer Svetlana Babayeva, among others, suggests that Russia's social system is experiencing a severe crisis. In particular, Babayeva argues that the overt use of brute force, lavish money, and clout cannot uphold the social system forever. In the absence of moral guidelines from the top, where Russian society has traditionally taken its behavioral cues, Russian youth may continue to be adversely affected.

As compared to youth gangs in the U.S. and Europe, it is postulated that Russian youth gangs engage in a higher level of criminal activity in a particularly defined territory. While initially drawn from the nomenklatura, youth gangs in Russia today are not explicitly divided by class origin. Territorial gang fights largely wiped out substantial class divisions, which remain very complicated in post-communist Russia. Moreover, Gordeev indicates that youth gangs in Russia have a strong culture rooted in prison norms and values. According to Russian ethnographers (and former TraCCC grantees) Alexander Salagaev and Alexander Shashkin, gang culture includes such aspects as pragmatic individualism, intolerance of others, disrespect for formal social institutions, as well as mutual trust and support inside the criminal networks. The influence of criminal culture has also embedded a strict hierarchy in youth gangs, with leaders at the top working through subordinates down to the street level in order to ensure appropriate and timely payments into a communal criminal fund, known as the obshchak. Unsurprisingly, Gordeev points out that concrete relationships exist between youth organized crime groups and the wider criminal world. Without the support of more "senior"

"Rising ethno-nationalism and anti-immigrant prejudice may be also noted as contributing factors to the growth of youth organized crime."

criminal leaders, youth gangs would likely face serious barriers to development.

Gordeev relates a number of interesting examples of youth gangs in Russia. One of these is Simbirsk White Power, an affiliate of the virulently xenophobic Russian National Unity. In early 2008, then twenty four-year old Dmitry Nikitin founded Simbirsk White Power in the central Russian city of Ulyanovsk. Following a quiet recruiting period, Nikitin managed to enlist eight local youths, with whom he carried out attacks on non-Russians, committed robberies, and disseminated racist, anti-immigrant materials. In one particularly brutal instance, the group viciously beat a Cameroonian immigrant and then recorded the attack for dissemination on the Internet. Aided by materials that the group itself uploaded to various social networking sites, law enforcement officials successfully brought the group's members to justice in 2010 and 2013.

Rising ethno-nationalism and anti-immigrant prejudice may be also noted as contributing factors to the growth of youth organized crime. As intolerance continues to grow among the wider Russian population, the ground will become increasingly fertile for ideologically extreme youth organized crime groups. The SOVA Center for Information and Analysis, a Moscow-based think tank, suggests that the ongoing violent radicalization of Russian youth has yet to receive the attention it deserves.

Moreover, that nationalist groups continue to violently attack immigrants, non-ethnic Russians, and others with relative impunity only worsens an already disturbing situation regarding youth crime.

In Gordeev's view, the problem of youth gangs in Russia will not only take coordinated action among law enforcement agencies, but also improvements in legislation and relevant social programming. Specifically, Gordeev argues for additionally anti-crime programming for school children as well as increased government outlays for after-school activities and other social services for youth. Hopefully, improved economic conditions and needed attention from the Russian government will aid in resolving this significant issue.

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THE CAUSES OF CRIME IN RUSSIA TODAY

By Aaron Beitman

In a recent [article](#), Vitaly Nomokonov, a valued TraCCC partner and head of the Vladivostok Center for Research on Organized Crime, examines the question of why crime is so pervasive in contemporary Russia. Broadly speaking, Nomokonov argues that high levels of criminality in Russia are closely tied to what may be referred to as a series of fundamental “devolutions” of Russian society. There are four components to this view: severe societal fluctuations, weak social cohesion, the development of the shadow economy and attendant income inequality, as well as the lingering psychological effects of Soviet totalitarianism.

Extreme changes and the emergence of the shadow economy

For Nomokonov, fluctuations refer to the external changes that have engendered outrageous opportunities, both financial and political, for a few citizens, but have resulted in barriers to growth or significant status reductions for others. Indeed, Russia’s official “National Security Concept” from the year 2000, recognized this problem and appropriately notes the need to balance the interests of individuals, society, and the state. For a number of Russian criminologists, contemporary imbalances are in part a product of Russian citizens needing to largely fend for themselves in the market economy. These analysts suggest, then, that the growth of crime is “payment” for the “freedoms” obtained under Russia’s transition from communism.

One of the major shortcomings of the Soviet economic system, especially in light of Russia’s transition to a market economy, was the destruction of property rights and restrictions on economic freedom. As is known, the command economy and its foreign trade constraints gradually led to economic stagnation and fostered the emergence of the shadow economy. The level of the shadow economy, though, grew tremendously in the post-Soviet period and has played a significant role in growth of crime. A [recent estimate](#) by top Russian officials suggests that the shadow economy represents about 20% of GDP. Weak governance, a lack of political will, and citizen concerns about the future capacity of Russia’s welfare state are major contributing factors to the durability of the shadow economy.

“...post-Soviet Russia has produced more billionaires than all of Europe.”

Weak social cohesion

The strength of a given society can be traced to its ability to achieve the best possible balance of social interests, where economic efforts are rewarded, crimes are punished, and service to society is rewarded. Social solidarity and cohesion contribute greatly to this balance, while societal injustice destroys social ties and rewards crime. As is well-known, Soviet society was distinguished by a relatively high level of social cohesion. Of course, this came at the price of a heavy-handed state and limited individual freedom. While Russian society has survived massive human rights violations by the totalitarian Soviet regime, today the country has arguably performed a 180 degree turn. Put simply, a small group of people has so succeeded in protecting their property rights from state expropriation that they have captured the government for themselves. The establishment of a criminal-oligarch regime, justified under the banner of economic liberalism, is also tied to the degradation of political authority in the late Soviet period. After 1991, the significant criminogenic potential of

society was assisted by over-bureaucratization, a lack of transparency, poor control of state agencies, the subversion of democratic institutions, and the nearly wholesale absence of civil society. Taken together, the above factors contributed

to a decline in interpersonal trust, as well as a progressive alienation of citizens from the state, which has been exacerbated by rampant corruption at all levels of state. Moreover, the absence of trust between the state and society, the iconic Russian problem, has been impossible to solve.

Growing income inequality

The seeds of social conflict in Russia had developed already in the Soviet years with the emergence of that rarified stratum of the population: the nomenklatura. This group can be characterized as the ruling, privileged, and by definition, exploitative class. Russian sociologist N.F. Kuznetsova suggests that the growth of crime in modern Russia can be traced in part to class antagonism between the “new rich” (many of whom acquired their wealth nefariously) and the “new poor.” Unsurprisingly, a number of analysts have argued that class and social divisions have a significant impact on crime. Following a [Marxist approach](#), it

can be seen how consistent exploitation of lower classes by a small group at the top helps to facilitate the growth of crime in a society. The exacerbation of class antagonisms can be traced to the privatization process in early post-Soviet Russia: more than 70% of formerly state companies with market value of at least 400 million dollars were sold at 20% of their actual value. According to Russian scholar M. I. Piskotin, the country's privatization process was "the biggest crime in history perpetrated by a state against the interests of its country and people." It comes as no surprise, then that post-Soviet Russia has produced more billionaires than all of Europe. In terms of millionaires cross-nationally, Russia ranks near the top, while according to the Human Development Index, Russia ranks at 55, just ahead of Romania, Bulgaria, Saudi Arabia, and Cuba. The divide between the haves and the have nots is unlikely to ease without significant structural changes.

The lingering Homo Sovieticus

In a number of analyses, including that of the Economist, it is argued that the legacy of the Homo Sovieticus, an artificial construct of double-think, paternalism, suspicion, and isolationism, has persisted significantly longer than expected. The difference, now, is that the Communist ideology has been replaced by the guiding values of free market capitalism, which has rewarded few and

harmed many in Russia. Psychological collectivism and solidarity, which partially characterized the Soviet mentality, are transforming into greater individualism and alienation. This alienation has manifested itself in a serious divide between official and "shadow" societies. In addition to the shadow economy, there is shadow legal system, shadow social powers, and shadow ideologies.

What is to be done?

In Nomokonov's view, the tasks of creating optimal legal policies and the decriminalization of society can be achieved only by way of a careful systematic approach. Instead of a top-down solution, Nomokonov argues that these issues must be addressed by all healthy societal forces, on the basis of movement toward democratization. The final goal, in this analysis, is to guarantee a high level and quality of life for citizens, sustained and balanced socio-economic development, and greater social cohesion. The structural changes Nomokonov has in mind will undoubtedly be challenging to achieve, if not necessary for Russia's decriminalization and long-term development. Cultural shifts, in particular, will be difficult to realize. Nevertheless, these are worthy considerations for addressing persistently negative features of post-Soviet Russian society.

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TraCCC IN THE NEWS

Recent appearances of TraCCC staff and researchers in print and video publications

19 November, 2013: TraCCC staff and students attended a one-day symposium celebrating Mason's commitment to the UNGC, a strategic policy initiative for businesses and other organizations committed to aligning their operations and strategies with 10 widely accepted principles in the areas of human rights, labor, environment, and anti-corruption. Graduate students Andy Guth and Enkhchimeg Sengee delivered presentations on their work in these areas, and Ms. Sengee also gave a poster presentation for the midday session of the symposium. A report on Mason's UNGC-related activities during the 2012-13 academic year is available for download [here](#).

8 November, 2013: TraCCC hosted a guest lecture and book launch event to celebrate the publication of **Environmental Crime and Corruption in Russia: Federal and Regional Perspectives**

with Routledge. Editors Sally Stoecker and Ramziya Shakirova discussed this new collection of TraCCC-sponsored research, which deals with such issues as radioactive pollutants, illegal logging, wildlife poaching and toxic waste, as well as the roles of organized crime groups and the Russian government in environmental devastation. (For more details, see [event flyer](#))

7 November, 2013: TraCCC Senior Policy Fellow and Diplomat in Residence Ambassador (ret.) Kenneth Yalowitz gave a talk at the Kennan Institute entitled The 2013 Georgian Presidential Election: An Assessment. Having served as an election monitor under the auspices of the National Democratic Institute, Amb. Yalowitz offered an evaluation of the election based on his observations.

31 October, 2013: Dr. Louise Shelley was quoted in *International Educator* (vol. 22, no. 5, September-October 2013) on the links between organized crime, corruption and human trafficking. A copy of the article on human trafficking can be downloaded [here](#).

October 28, 2013: TraCCC Senior Advisor and Diplomat in Residence Amb. (ref.) Kenneth Yalowitz co-wrote a piece in *The National Interest* entitled **How to Handle Russia**. The authors argue that Europe and America, working together, can engage Russia more effectively to address troubling issues, mobilize energies, and solve problems.

3 October 3, 2013: TraCCC researcher Dmitry Poletaev presented the findings of his recent research project in a press conference at the Independent Press Center. It was held in conjunction with the Department of Interregional Cooperation, National Policy and Relations with Religious Organizations in Moscow. Dr. Poletaev discussed the plight of migrant workers' children in Moscow. The audience included experts from the mass media, the regional Department of Education and administrators from the City of Moscow.

September 22, 2013: **Human Security, Transnational Crime and Human Trafficking: Asian and Western Perspectives** (edited by Shiro Okubo and Louise Shelley) is now available in paperback. The volume examines the global problems of human trafficking and organized crime, compares the experience and perception of these problems in Asia and the West, and discusses the policy responses of key states and international institutions.

September 2-6, 2013: Dr. Louise Shelley was a keynote speaker at an event celebrating the 15th anniversary of Transparency International's activities in Colombia. During her visit to Bogota, she was interviewed for Colombian television (Canal Capital's *Su Madre Naturaleza*) in connection with the event. Watch the entire broadcast (in Spanish) [here](#). She also gave an interview for *Semana* in Colombia, in which she discussed successes and challenges in the fight against crime and corruption, both in Colombia and worldwide. For the full written article (in Spanish), click [here](#).

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