

CHAPTER 10

CROSSROADS OF CRIME: THE CZECH REPUBLIC CASEⁱ

Miroslav Nozina

Since the fall of the Iron Curtain, the Czech Republic has had to deal with the growing problem of international organized crime. Taking advantage of the political and social disorganization of the new democracy, international criminal groups dramatically entered the post-Communist Czech world using the region as a new link to the lucrative European Union (EU) territory and as an operational space. At this time the Czech Republic experienced, by local standards, a dramatic increase in crime. During the Communist regime the crime rates were far below the levels of crime in Western countries. According to criminal statistics, the total number of crimes in the Czech Republic is actually not higher than in other countries, such as Germany or Sweden, even when considering the "crime wave" that struck after the Velvet Revolution. More dangerous is the emergence of organized crime networks, which reached alarming proportions by the end of the 1990s. Central Europe has become an important crossroad of international organized crime that has penetrated the administrative and economic structures of the state. These groups are engaged in a vast spectrum of criminal activities, such as car thefts, robberies, racketeering, burglaries, illegal gambling, contract killing, white-collar crime, organized prostitution, and the peddling of drugs, weapons, and nuclear materials, among other crimes.

The Development of Organized Crime in the 1990s

During the Communist era, the Czech Republic was virtually a police state. Petty crime, such as pick pocketing, fraud by cashiers, and theft of building material from state stock, was by far the most common of occurrences. Some

criminological studies suggest that organized crime did not exist at all in the Czech Republic before the 1989 revolution. This is far from true because "socialist-style" organized crime existed. The activities of organized crime groups were highly restricted because of strong police and social control. However, some criminal groups with various levels of organization successfully developed their activities. Their members were engaged in a wide spectrum of economic criminal activities, including imports of consumer goods, illegal money exchange, illegal exports of artifacts, and so forth. This type of crime could not be performed without contacts, as well as the support of some police and state administrative workers. Corruption networks, willing to work for anybody who possessed a sufficient amount of money, were established. These same people have been cooperating after the Velvet Revolution and are often willing to cross legal lines.

The "socialist-style" organized crime groups were not engaged in the trafficking of drugs before 1989 because of the hermetically closed borders that efficiently blocked large shipments of drugs. Imported drugs began to appear in Czechoslovakia only sporadically in the late 1980s. Criminal offenders who were investigated at the time were mostly couriers in transit to the West, or they were testing the potential interest in addictive materials by domestic consumers. Nevertheless, dangerous "hard" drugs were available in Czechoslovakia; they were produced from various medicines, and their effects were commensurate with then hard-to-obtain heroin and cocaine. The two drugs of choice were Pervitin and codeine, an opium derivative colloquially known as *braun*. Pervitin is a cheap amphetamine with cocaine-like effects, derived from cooking ephedrine, found in many cough syrups, with iodine and phosphorus. Other medicines were widely abused as well. A situation gradually developed in which the domestic drug scene became totally independent of imports, or the smuggling of toxic and psychotropic substances from abroad. Because of this domestic manufacturing there was no classic black market for drugs. The availability of drugs was limited because they were peddled mainly in closed circles where everyone knew each other. Producers tended to be consumers. In most cases, the drugs were not sold, just distributed among friends. The keeping and using of drugs was not punished according to the penal code, and the relations between policemen and drug addicts were generally very familiar.

The 1989 revolution dramatically changed the status quo of the Czech drug scene. The fall of border restrictions, the transition from a centralized economy to a free-market economy, and the process of profound political and social changes, accompanied by the fall of the existing value system, provided new opportunities for crime. In the early 1990s the Czech Republic had permissive laws, unprotected frontiers, an advantageous geographical position, a

police force inexperienced in the investigation of transnational organized crime, and a domestic subculture eager to test new experiences and drugs. There was virtually no competition among criminal groups, and it was easy to find people eager to make money. Transnational organized crime attacked the Czech Republic with full force. Instability in the entire region of Central and Eastern Europe exacerbated the problem. Due to the ongoing war in the former Yugoslavia, effective border controls in the Balkans disappeared, which, in turn, fuelled the Balkan drug route. Political instability in the post-Soviet republics increased the amount of illegal activities coming from the east. In the Czech Republic, criminal groups from the former Soviet Union, the Balkans, Israel, Italy, Latin America, the Arab countries, Sub-Saharan Africa, and East Asia appeared very early, and drug trafficking increased considerably. The Czech Republic became a crossroads of crime, where drug traffickers stockpiled drugs before moving them, in smaller quantities, toward the EU. More than 70 percent of the heroin destined from the Middle East to Western Europe passed through the Czech Republic and other Central European countries (<http://www.mapinc.org/drugnews/v98.n579.a04.html>). All types of modern drugs are now accessible on the Czech drug market. The price of heroin is four to five times lower in Prague than in Berlin, Germany, or Zurich, Switzerland. Transnational criminal groups suppress the classic domestic drug underworld. Drug dealing has become more sophisticated and organized and in many ways similar to drug dealing in Western Europe and the United States. Central Europe is a facing clash of criminal cultures, and the newcomers are easily the winners.

International Drug Networks

Kosovar organized crime groups quickly have succeeded in the creation of efficient and relatively stable drug networks in and across the Czech Republic. The most frequent destinations of their drug transits are Germany, Switzerland, Spain, Great Britain, and Scandinavia (via Poland). They operate by transporting smaller amounts of drugs (5 to 10 kilograms) across various border crossings or transporting higher amounts of drugs (80 to 100 kilograms) to the Czech Republic, which is considered to be a "lower risk" territory. The drugs are divided into smaller "packages" and further transported to the West. In the Czech Republic, the Kosovars control or participate in the heroin trade in all large cities. They achieved their dominant position by simple and efficient means: brutality, corruption, and the deft exploitation of gaps in the Czech legal and administrative system.

Among other Balkan groups, the Bulgarians, Serbs, and Macedonians are now entering the drug business very dynamically, and their activities are quickly growing. Their strategy of exploiting Central Europe as a target territory of drug distribution is considered to be very dangerous by local police experts. The Turkish and Kurdish organized crime groups are generally not interested in the Czech drug market, although they frequently use the Czech Republic for drug transits to the West and as a reloading territory. The situation is similar in the case of Latin American groups. The cocaine route from Latin America through Central Europe toward Western Europe is growing in importance. Airports in Poland, Hungary, the Czech Republic, and Slovakia are emerging as key points in cocaine distribution. These groups send the drugs by air to Central European cities, from where it is then shipped by train or car to Germany, Austria, Switzerland, and other points in the West. Similarly cocaine is transported from South America by container ships to Hamburg, Germany, or Gdansk, Poland, and by road or rail through Poland or the Czech Republic to the countries of secondary distribution. In 1993, the German police seized more than 1 ton of cocaine delivered by the Colombian Cali cartel. Large amounts of cocaine concealed in transport containers were smuggled through naval ports in Bremen, Germany, Hamburg, Germany, and Rostock, Germany, to reloading centers in the Netherlands, Poland, and the Czech Republic. After distribution into smaller packages, the deliveries were smuggled into the hands of local drug dealers back in Germany and the other Western European countries. This explains why the amounts of cocaine deliveries seized in these countries ranged from 5 to 20 kilograms (<http://www.zollkriminalamt.de/gb/organisation/index2.htm?gb-drogen.htm>).

Nigerian organized crime groups made an appearance after the collapse of communism but were soon broken up. Since 1994 they have come back on the scene and are using more sophisticated strategies. The Nigerians stay in the background and recruit couriers from various Central European countries. For example, Czechs working for Nigerians have been arrested in places ranging from Thailand, India, France, the Netherlands, Uruguay, Brazil, and Finland. The Czech mules are paid from \$2000 to \$5000 per trip (http://www.ogd.org/rapport/gb/RP07_2_TCHEQUE.html). They are inexpensive compared to Western couriers.

In July 1995, a far-ranging international operation against Nigerian criminal organizations was launched by the security services of six countries. It culminated in the arrest of a drug distribution ring in Chicago. The Czech police followed a trail to Thailand, and three arrests were made in Prague, Czech Republic, before leaks by municipal police caused the entire operation to be aborted.

The Czech Republic has been used as a transit territory for big consignments of drugs organized by the Nigerian Mafia. In March 1996, Czech customs seized more than 7 tons of marijuana at the reloading train station Praha-Vršovice. The drugs were hidden in containers declared as cotton linen. The consignment traveled by boat from Nigeria to Varna, Bulgaria, and then to Prague, where the final destination was suddenly changed to Belgium. The sudden change attracted the attention of the Custom Service leading to its seizure (<http://www.ce-review.org/01/7/petros7.html>). Another consignment of 4.5 tons of marijuana from Nigeria was seized at the Czech/German crossing point Vojtanov. The Czech truck had been loaded in Odessa, Ukraine, with the final destination of Holland. The case was connected with several seizures of marijuana, 70 tons in total in Hamburg, Germany, Antwerp, Belgium, and Malta, according to the Czech police.

Paradoxically, the former Communist regime created the biggest source of African "Czech drug specialists" in the framework of international development assistance programs. The programs allowed many of the present perpetrators to study on scholarships at Czech universities. Many traffickers in drugs are former students of chemistry, and, curiously, of the Police Academy. The Czech Republic was a study center for the future policemen of many African countries. Now, they are using their police education on the opposite side of the law.

Because of the former Communist regime's good relationships with Arab countries, there has been an Arab community in the Czech Republic for many years. A few members of the Arab community who were Czech citizens created cells of organized crime groups. These groups have been active since the 1990s and are engaged in the smuggling of marijuana and hashish from Northern Africa and the Near East and, in the last three to four years, the heroin trade. They are also participating in the weapons trade, illegal migration, and in financial fraud.

Asian immigration to the Czech Republic started after 1975 when the Vietnamese government, in an effort to pay its war debts and fill gaps in export-import relations, started to export Vietnamese labor to the Czech Republic. After 1989, many of the Vietnamese workers and students decided to stay in the Czech Republic or emigrate to the West. They created a base for a new wave of immigration from Vietnam and China and for the Asian organized crime groups. Initially, Vietnamese drug dealers began to buy smaller amounts of drugs (mostly marijuana, hashish, and Pervitin) from the Czech, Balkan, and Arab street dealers, distributing them among members of the Asian community (direct street dealing is not typical for Vietnamese dealers). Gradually, the Vietnamese have entered the higher levels of the drug business acting as middlemen in the course of drug operations. An exclusively Vietnamese drug

trafficking network that imports and distributes drugs has not appeared thus far. However, Vietnamese middlemen are buying drugs from Balkan importers and selling them to Arab dealers for their network of Czech street distributors. The majority of Vietnamese seems to be working in the lower and middle levels of the drug trade hierarchy.

The position of Vietnamese middlemen was further stabilized after the entrance of Chinese organized crime on the Czech scene. Several branches of the Triads from Beijing, Shanghai, Wenzhou, Qitang, and Fujian are already present in the Czech Republic. The activity of Japanese Yakuza was first registered in 1997. Various violent Asian gangs, such as the branch of Flying Dragons, formerly operating in New York's Chinatown, immigrated to the Czech Republic as well.

It is typical for the Triads to deliver small amounts of drugs (10 to 15 kilograms of heroin, etc.) more often (weekly, sometimes daily) mostly in containers of declared goods. This style of drug trade requires a permanent connection with lower level distributors. The Chinese have started to use Vietnamese as their middlemen and "liaison officers" in contacts with established drug distribution networks and groups specializing in smuggling drugs farther west.

The Chinese-Vietnamese drug activities are still suppressed by competition of other, mainly Balkan and Arab, traffickers in drugs. They are responsible for only a small amount of the total drug imports to the Czech Republic. Their activities are accelerating in connection with the recent introduction of "White China" (Heroin #4) on the Czech illicit drug market. This was accompanied by a wave of accidental overdoses and deaths.

Drug Joint Ventures

Vietnamese-Chinese or Vietnamese-Arab cooperation in the drug trade is not rare. There is a frequent "division of labor" among international drug organizations, including the Czech networks. After the initial competition was accompanied by a wave of assassinations in the first half of the 1990s, the Czech drug market's situation stabilized. The Kosovo-Albanians and some other gangs from the Balkans have removed themselves from the direct participation in the street dealing of drugs. This dangerous activity is left to the Czechs, Arabs, Vietnamese, and so forth.

In August 1997, the Czech police detained one of the biggest drug traffickers in Prague. The 28-year-old Serb delivered heroin to twenty Arab drug dealers operating around Wenceslas Square in the center of the city. The Arab dealers

employed approximately one hundred Czech street drug dealers. The gang, to which the Serb belonged, supplied 2000 doses of the drug to the distribution network daily. Another Albanian-Arab-Czech-German heroin and methamphetamine network operating in Prague and several German cities was destroyed a few months earlier, proving that the joint illicit drug trafficking networks are also expanding outside of the Czech Republic and into Germany and other EU countries (<http://www.doh.gov.uk/drugs/pdfs/drugreport2001.pdf>).

In May 1998, the police operation "Channel," undertaken jointly by the Czech police and their British and Norwegian partners, brought to a conclusion seven years of investigations. In the course of the operation, 470 kilograms of heroin had been seized; it also provided a wealth of information about the "division of labor" along the Balkan route. Heroin was taken from Turkey and driven to the United Kingdom. It was discovered that Czech gangs controlled the last stretch and had reached a long-term agreement with the Turkish Mafia for this function. In the United Kingdom, the drug was delivered to Turkish networks, confirming the lessons learned during "Operation Original" in 1997, when the Czech police uncovered a gang made up of Czechs specializing in the transportation of heroin from the Czech Republic to Germany and Switzerland (http://www.boogieonline.com/revolution/multi/czech_smuggling.html). The "mixed-nationality networks" are also very active in the eastern portion of Central Europe, operating out of Poland and Hungary.

The best known incident in the relationship between the Czech Republic and Switzerland in terms of their "drug relations" is the illegal delivery of 50 tons of ephedrine to Mexico and the United States. In 1994, two Swiss companies ordered the ephedrine from a factory in Roztoky, Czech Republic, near Prague. The factory is the third-largest producer of ephedrine in the world. However, the ephedrine never reached Switzerland. It was transferred to illegal laboratories in Mexico and used in the production of drugs distributed on the black market in the United States (<http://www.iir.cz/uk/ukukoly/ukuk23.htm>).

Domesticated Crime

The creation of a stable base is common to all international drug trafficking organizations operating in the Czech Republic. This stability is accomplished by the penetration of the economic and administrative structures of the state. Several big "bosses" of the Kosovo-Albanian drug organizations are coordinating their drug network's activities across all of Europe from the

Czech Republic. Thanks to their good connections with the Czech underworld and corrupt circles of the state administrative apparatus, the Kosovars feel relatively safe in the country. If there are legal problems, they use the services of several Czech lawyers, who profit from the special work they do for the Kosovars. It is common for Kosovo-Albanian traders in the Czech Republic to have a weapon's license, even though the official tests for receiving a license are among the most difficult in all of Europe and require a good knowledge of the Czech language. The situation is similar in regard to driver's licenses issued in the Czech Republic. Evidently, for Kosovars it is not difficult to obtain the official documents necessary for the organization of their "business."

Many Kosovars are officially owners of trade companies, restaurants, night-clubs, jewelry shops, and so forth. As serious businessmen, they develop contacts with members of the Czech economic and political elite. Some of them have "retired" to the Czech Republic. The police actually have registered five former Kosovo-Albanian drug bosses, who have stopped their illegal activities and are now exclusively active in the legal sphere, leaving the drug business to the "youngsters."

Political Consequences

Organized crime not only threatens the security and stability of the state in the obvious manner, it can also lead to residual secondary effects. These arise from the relationship between international organized crime groups and terrorists or extremist political groups.

In December 1994, the Czech police seized 3 kilograms of enriched nuclear fuel in a car occupied by a Russian, a Belarussian, and a Czech nuclear engineer. The investigation revealed that the fuel was to have been sent to Nigeria via Germany, where the local mafia would have paid for it with drugs before again exporting it to a third country that has not been identified. The drugs were to have been sold on Western European markets, and the profits sent to the Russian Mafia (http://www.ogd.org/rapport/gb/RP07_2_TCHEQUE.html).

When a group of Kosovo Liberation Army emissaries appeared in Prague, Czech Republic, to collect money for the financing of an insurgency in Kosovo, the drug bosses were among the most generous contributors. With this money, it is thought that the weapons for the insurgency were bought somewhere in Switzerland.

In 1997, a cell of the terrorist Japanese Red Army transferred to the Czech Republic. In an effort to collect money, the group started to perform "dirty

work" for the Chinese Triads. This included several killings in the town of Most, Czech Republic. The members of this group are extremely dangerous and pose the risk of further escalation in organized crime-related violence (http://www.bis.cz/eng/a_ismy.html).

Conclusion

The local conditions of the country in the process of fundamental social, political, and economic transformation created an attractive space for the penetration by transnational organized crime across the Czech Republic. Mutual cooperation between various organized groups achieved broader dimensions than were present at any time previously. Criminal organizations try to strengthen and expand their power. They continue in their efforts to influence state structures, to maximize their legal activities (mainly through purchasing as much real estate and land as possible), to penetrate into legal companies and commercial structures, and to employ special (financial and law) advisers. They have at their disposal large financial resources that are invested into the organizational infrastructure of criminal groups and into their "business" operations.

Domestic and transnational organized crime is gradually accelerating its activities in the Czech Republic and represents a serious threat to the country. To date, the Czech Republic has joined all of the important international agreements against organized crime. A preaccession pact on organized crime between the member states of the EU and the applicant countries of Central and Eastern Europe was signed in Brussels, Belgium, on May 19, 1998. A series of new laws on money-laundering (1996) and illicit drug trafficking and drug abuse (1998) are facilitating the fight against organized crime. In the sphere of home affairs and justice, the legislative system of the Czech Republic became compatible with EU norms in 2000. The Czech Republic is a member of INTERPOL and has formal contacts with the European security structures, such as EUROPOL.

On the other hand, the Czech police and security forces still lack the experience and sufficient equipment for a substantial suppression of organized crime activities, especially coming from abroad. An effective law enforcement cooperation and judicial cooperation across national borders is developing very slowly because of many legislative and technical obstacles. It is a sad fact that progress in East-West security cooperation is still a question for the future, although organized crime is flexible, developing activities across national borders and political, ethnic, and ideological lines.

Author's Notes

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