

Countering Narcotics Smuggling in Europe's Eastern Neighborhood

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Introduction

Today, organized transnational criminality is more professional than ever before, and follows the trail of globalization. Much like other business activities, illegal activities are based on good mutual relations on both national and international levels and rely on organized financial and informational supplies.

The impact of globalization on growing transnational criminality means that an increasing number of countries and people are linked in a chain and affected by its consequences. The borders of nation-states constitute rather insignificant impediments to criminal networks, as the production, transit, and consumption of drugs are increasingly integrated in multifarious networks, characterized by economic gain, violence, and corruption.

Since Europe is one of the world's most profitable markets for narcotics, criminal networks have expanded and positioned themselves in the region. Moreover, legal economic activities are also being tainted through the use of Western banks in money laundering operations by investing in real estate and stocks. The concurrent development of transnational organized crime has not gone unnoticed. Both law enforcement agencies and the media have addressed some of the problems caused by the growth of transnational crime and trafficking of narcotics.

The expansion of the area covered by the Schengen Treaty resulted in that the eastern frontier of the European Union came closer to regions and areas that are both quite unstable and have borders that are insufficiently monitored and controlled. Hence, it should therefore be worth a closer scrutiny regarding criminal trends and activities. This goes particularly for the nations east of the EU's eastern border.

The Institute for Security and Development Policy aims to continue surveying and analyzing organized crime, above all the international trade of narcotics, with its serious consequences for countries situated between the

Baltic Sea and Afghanistan. During the period from 2004 to 2007, the situation in the Baltic region was analyzed and a series of workshops and conferences on the subject matter were arranged. The aim was to bring together scholars, people attached to anti-crime units, public officials and decision-makers, in order to create a conducive environment for the exchange of knowledge and information as well as to generate analyses and support a set of common strategies within the region. These meetings have been received with great interest and enthusiasm by both the participants and authorities in the participating countries, namely, Finland, Estonia, Lithuania, Latvia, and Sweden.

Reports from meetings and workshops have highlighted difficulties in transnational cooperation between law enforcement agencies as one important obstacle to efficiently countering narcotics and organized crime. Another important issue concerning cooperation is trust among law enforcement personnel when it comes to information sharing. Trust takes time to build up and in order to overcome doubts and inefficiency, a framework providing formalized structures and rules for cooperation will be needed.

Planned activities in the future will extend the focus to the states of Belarus, Ukraine, Moldova, and Georgia. This project, which also has been economically supported by the Swedish Government, will contribute to developing cooperation between those EU member states situated around and east of the Baltic Sea as well as the non EU countries east of the European Union borders. The basis for this project is the notion that all the countries within the region around the Baltic Sea and beyond – as far as the Black Sea region – are seriously affected by transnational crime. In order to efficiently combat organized crime, especially the trade of narcotics, it is of the highest importance to increase political awareness, achieve cooperation between the states concerned, and also to acquire advanced knowledge about the shapes, forms and actions of organized crime. In addition to this, there is also a need for gaining knowledge of each nation's legal framework as well as establishing the prerequisites for extended collaboration among the countries.

Accordingly, participants from Estonia, Lithuania, Latvia, Poland, Ukraine, Moldova, Belarus, Georgia, and Sweden were invited to attend a seminar and workshops co-organized by ISDP together with the Ukrainian Ministry of

Interior Affairs. The seminar was held in Kiev, Ukraine on November 27-28, 2008. The aim of the seminar was to develop an understanding of criminal trends and activities in the entire region, but also to inquire into what possibilities there are to enhance collaboration in crime prevention in general, and fighting organized trade in narcotics in particular. In addition to our aim of developing and extending a fruitful cooperation along the so called "Baltic – Black Sea Axis," the ambition is also to take advantage of learning from the experiences of the Baltic countries in combating organized crime.

Law enforcement agencies in all countries included in this report recognize the need for international cooperation. The mutual need for enhanced cooperation between agencies in the European Union and agencies in Europe's eastern neighborhood stems from the characteristics of the drugs flow through the region. For operational cooperation between the European Union and its eastern neighbors to be improved, a great number of difficulties will, however, need to be overcome.

This report compiles the findings from the seminar and workshops in Kiev and fact-finding missions conducted in Belarus, Ukraine, Georgia, and Moldova within the project "Countering Narcotics Smuggling in Europe's Eastern Neighborhood."

The Evolution of Organized Crime

The evolution of organized crime in Belarus, Ukraine, Georgia, and Moldova shares many similarities, which are derived from their common history as republics of the former Soviet Union. The peculiarities of Soviet society shaped the structure and profile of organized crime. Criminal entrepreneurs in the Soviet Union were forced to operate under a repressive state and in symbiosis with the command economy and the corrupt controlling political elite.¹ The collapse of the Soviet Union dramatically transformed the circumstances under which organized crime operated. In addition, the states in many of the former Soviet republics were severely weakened and initially unable to enforce a sufficient degree of law and order. Internal Soviet borders remained largely uncontrolled while the strict enforcement of external border control was relaxed. In addition, the shift from command economy to market economy provided plenty of openings for criminal entrepreneurs. Many of the criminal elite active under the old regime were well-placed to take advantage of criminal opportunities provided by the privatization process.²

The fall of communism also provided for a new set of crimes, which up until then had been largely unknown on the territory of the former Soviet Union. The imposing of property rights, and the states' limited ability to enforce these rights, provided for opportunities of large-scale extortion, which in many countries developed into a prime source of funding for organized criminals. Another source of income for organized criminals, which was also connected to the weak enforcement of property rights, was cross-border smuggling. Former property of the state, preferably commodities yielding

¹ Louise Shelley, "Post-Soviet Organized Crime: Problem and Response," *European Journal on Criminal Policy and Research*, Vol. 3, No. 4, 1995

² Maria Los, "Crime in Transition: The post-communist state, markets and crime," *Crime, Law and Social Change*, Vol. 40, No. 2-3, 2003, pp. 145-69

high prices on the world market such as non-ferrous metals, weapons etc., were, legally or illegally, exported out of the former Soviet Union republics.³

Criminal entrepreneurs who survived the collapse of communism in Belarus, Moldova, Ukraine, and Georgia ended up in different political environments. In some cases the state was too weak to be able to fight organized criminal groups and their leaders effectively. In other cases a dynamic between organized crime and the political elite allowed for the continued survival of known criminal groups and their leaders. As some states grew stronger and the political momentum allowed for assertive action from law enforcement agencies, many criminal leaders found it increasingly difficult to pursue their criminal careers. During the 1990s Moldovan law enforcement agencies had identified eight criminal leaders and their networks which resided in the country. In 2000 a campaign to root them out from Moldova was launched. The result of the subsequent campaign launched by Moldovan law enforcement agencies was in many ways impressive. Two criminal leaders were sentenced to life imprisonment, two were given long-term prison sentences, one died while waiting to receive his sentence, while the other three managed to escape to Western Europe.⁴ Georgia, which had been known as the home of many of the leaders of the Soviet criminal world, experienced a similar development after the Rose Revolution in 2003. A rather aggressive campaign was launched in which several of the known criminal leaders were either forced out of the country or imprisoned. In addition, many of their illegally gained assets were confiscated.⁵

As a result of these campaigns, the character of organized crime in both Moldova and Georgia changed. Law enforcement agencies in Moldova claim that since the successful targeting of organized crime, certain types of crime,

³ Sterling Claire, *Thieves' World: The Threat of the New Global Network of Organized Crime* (New York: Simon and Schuster, 1994)

⁴ Interview with representatives of the Moldovan Security and Intelligence Service (SIS), Chisinau, Moldova, May 13, 2008, and interview with representatives of the Operative Service Department, Moldovan Ministry of Internal Affairs, Chisinau, Moldova, May 13, 2008.

⁵ Interview with Alexandre Rondeli, Georgian Foundation for Strategic and International Studies, Tbilisi, Georgia, 2008-04-16

such as organized vehicle theft and extortion, have been drastically reduced.⁶ On the other hand, criminal leaders now living in exile have continued their criminal operations, often providing a link between their new and native countries. Criminal leaders managing to escape Moldova fled to Western Europe where they, in some cases, continued to control organized crime within Moldova. One example is the Moldovan criminal leader now residing in Italy who has been the target of attention from both Italian and Moldovan law enforcement agencies.⁷ Many of the targets of the anti-crime campaign in Georgia fled to Ukraine forcing Georgian law enforcement agencies to establish cooperation with their Ukrainian counterparts.⁸

Despite its potential profitability, narcotics trafficking has not been as important to the evolution of organized crime in the region as other illegal activities. The existence of alternative sources of funds involving less risk and higher profits is one important factor explaining this. The energy sector in Ukraine, where rents extorted through organized crime and corruption, according to some experts, amounted to some US\$4 billion up until 2000.⁹ The large-scale smuggling and distribution of various contraband consumer goods has been another source of funding for organized crime in the post-soviet countries. One reason for the comparatively low levels of drug trafficking conducted by local organized crime groups has been the Soviet Union republics' initial lack of exposure to international drug trafficking. Even though trafficking and consumption of narcotics was not an unknown phenomenon in Soviet society, the opportunities to stage large-scale narcotics smuggling was limited to a small group of well-connected criminals. Hence, would-be smugglers initially had few contacts in narcotics consuming regions and no access to large-scale production of narcotics within the Soviet

⁶ Interview with representatives of the Moldovan Security and Intelligence Service (SIS), Chisinau, Moldova, May 13, 2008, and interview with representatives of the Operative Service Department, Moldovan Ministry of Internal Affairs, Chisinau, Moldova, May 13, 2008.

⁷ Interview with representatives of the Operative Service Department, Moldovan Ministry of Internal Affairs, Chisinau, Moldova, May 13, 2008.

⁸ Interview with representatives of the Analytical Department, Ministry of Interior, Tbilisi, Georgia, April 16, 2008.

⁹ Taras Kuzio, "Ukraine Steps Up the Struggle Against Organized Crime and Corruption?" *RFE/RL Organized Crime and Terrorism Watch*, Vol. 3, No. 10, March 27, 2003.

Union.¹⁰ However, organized crime has adapted to the transformation of the post-Soviet world, and activities have begun to resemble those in other parts of the world. Since opportunities to extort rents from the licit economy are diminishing, and chances to profit from an increase in consumption of narcotics grow, the importance of the narcotics trade as a source of profit is likely to expand.¹¹

¹⁰ Observatoire Geopolitique des Drogues, *The World Geopolitics of Drugs 1998/1999* (Paris: Observatoire Geopolitique des Drogues, 2000), pp. 115-18

¹¹ See Louise Shelley, "The Drug Trade in Contemporary Russia," *China and Eurasia Forum Quarterly*, Vol. 4, No. 1, 2006

Narcotics Smuggling in Europe's Eastern Neighborhood

Despite being different in many aspects, in those the countries east of the European Union, most notably Belarus, Moldova, Ukraine, and Georgia, narcotics consumption and smuggling also share many features. As they are located between one of the major drug producing regions in the world, Afghanistan, and consumer markets in Western Europe, they are attractive as potential transit countries. Several major drug smuggling routes exist across the region, with the Silk Road and the so called northern Balkan route being perhaps the two most significant.¹² In terms of domestic narcotics consumption there are some striking similarities as well. All have consumer markets which have grown rapidly since the fall of the Soviet Union and some can now be considered large in terms of the number of users.¹³ The general income level is, however, still relatively low and the majority of drugs consumed are generally grown domestically, cheap, and of poor quality. The region is therefore not the end market for narcotics, with Western Europe yielding higher prices. Rising income levels will more than likely result in a growing demand in more expensive drugs.¹⁴

¹² Interview with representative of the European Union Border Assistance Mission to Ukraine and Moldova (EUBAM), Odessa, Ukraine, May 15, 2008, and with representatives of the Security Service of Ukraine (SBU), Kiev, Ukraine, March 6, 2008.

¹³ Interview with representatives of the SBU, Kiev, Ukraine, March 6, 2008; with representative of the Caucasus Office of the Transnational Crime & Corruption Center (TraCCC), Tbilisi, Georgia, April 18, 2008.

¹⁴ Interview with representatives of the SBU, Kiev, Ukraine, March 6, 2008; and with representative of the TraCCC Caucasus Office, Tbilisi, Georgia, April 18, 2008; Irina Zhygalko, Project Manager, Program of Assistance for the Prevention of Drug Abuse and Drug trafficking in Belarus, Ukraine and Moldova (BUMAD), Minsk, Belarus, March 13, 2008; and with representative of the Moldovan Ministry of Justice, Chisinau, Moldova, May 13, 2008.

Belarus

Belarus' role as a consumer and producer country in the international narcotics market is negligible. As a transit country, however, Belarus is strategically situated bordering Latvia, Lithuania, and Poland to the west and northwest, Ukraine to the south, and Russia, to which the borders are open, to the east and northeast. Smuggling of narcotics to, through, and from Belarus could be roughly divided into two categories. One is the smuggling to Belarus of drugs for domestic consumption; the other is smuggling of narcotics by international smuggling networks using Belarus as a transit country. The two categories are differentiated by means of smuggling, type of perpetrators, *modus operandi*, size of consignments, and to a certain extent the type of drug.¹⁵

The domestic drug market is characterized by a comparatively low demand for narcotics. The high level of alcohol consumption is generally seen as a much graver problem by the authorities. Two important factors explaining the low demand are the generally low levels of income and the high level of control exerted by the Belarusian state apparatus over society. According to different official estimates, Belarus has between 10,000 to 14,000 narcotics users.¹⁶ Five years ago locally grown cannabis was the most widely used drug in Belarus. Since then authorities have witnessed an estimated tenfold increase in consumption of synthetic drugs. The consumption of drugs such as ecstasy and amphetamine is strongly connected to the youth club culture which is on the rise in Belarus.¹⁷ A limited group of users, often more socioeconomically worse off than the rest of the population, use heroin and opium derivatives. Good quality heroin has, however, been increasingly hard to get hold of. Instead the use of poppy seeds, poppy straw, and other low-grade poppy products has been widespread.¹⁸ Belarusian authorities have worked hard to stem the availability of domestically produced opium derivatives over

¹⁵ Interview with representatives of the Belarus State Security Committee, Minsk, Belarus, March 13, 2008.

¹⁶ Interview with Irina Zhygalko, BUMAD, Minsk, Belarus, March 13, 2008, and interview with representatives of the Belarus State Security Committee, Minsk, Belarus, March 13, 2008.

¹⁷ Interview with representatives of the Ministry of Internal Affairs, Minsk, Belarus, March 13, 2008.

¹⁸ Information sheet provided by the Belarusian State Security Committee, 2008.

the last couple of years. A ban on the selling of poppy seeds has been implemented and the State Border Committee has destroyed more than 8 tons of poppy straw growing in the border areas.¹⁹

The smuggling of narcotics for domestic consumption is predominantly undertaken by Belarusians travelling abroad and returning home with small volumes of narcotics. They rarely act as street dealers and instead the drugs are distributed among a close group of friends. This type of smuggling is the case for all types of drugs, although the character of the trade is slightly different according to which type of narcotics are smuggled. Heroin for domestic consumption is especially common in the Central Asian immigrant communities. Larger consignments of drugs are smuggled to the big city regions of Russia such as St. Petersburg or Moscow where Central Asian communities reside. These consignments are later divided and distributed throughout the region via these Central Asian communities who act as a distribution network.²⁰ The volume of domestically consumed heroin is, however, diminishing. Yet the reason is not a decrease in the number of drug users, but rather an increase in price which has caused opiate users to switch to cheaper substitutes such as methadone and low-grade poppy products.²¹ The relatively small domestic market for cocaine is also served through the same way of smuggling as heroin. Amphetamine Type Stimulants (ATS) consumed in Belarus are mainly produced in Poland and Lithuania and smuggled across the border to Belarus. Couriers cross the border illegally with small consignments of between 300 grams and 1 kg, after which they return immediately. This fairly straightforward *modus operandi* demands no special skills or preparations. Couriers are often uneducated and unemployed and the smuggling of narcotics is sometimes the major source of income in the poor border areas.²² Another type of drug which is consumed in Belarus and to some extent imported from abroad is cannabis. The domestically grown cannabis is often of poor quality but products of higher quality are imported from Ukraine and Moldova. Belarusian customs have noted a sharp increase in the amount of marijuana smuggled from Ukraine during the Fall

¹⁹ Interview with representatives of the Belarus State Border Committee, Minsk, Belarus, March 13, 2008.

²⁰ *Ibid.*

²¹ *Ibid.*

²² *Ibid.*

when the cannabis is harvested. The couriers entering Belarus from Ukraine are most often of Moldovan origin but Belarusian customs have little information on cannabis production in Moldova.²³

Belarus's role as a transit country located between consumer and producer regions is growing. Different types of narcotics are transited through Belarus in both directions, from Russia westwards and from Western Europe eastwards. The perpetrators are mostly of Russian nationality although Latvian, Lithuanian, and Polish citizens are involved to a lesser degree. Cocaine is transited from South America via the Baltic countries to the growing consumer market in Russia. According to representatives of the State Security Committee (KGB), the cocaine traffickers use ports in Lithuania and Latvia as entry points where the cocaine is reloaded on to trucks after which they are transported to Belarus. Belarusian territory is also used for storage where cocaine is repacked and readdressed without entering the Belarusian market. In this context Belarus is also used for money laundering, as profits from the cocaine trade enter the international financial system. However, no seizures of cocaine have been made so far, except one minor seizure five years ago on another transit route.²⁴

Another type of drug which enters Belarus from the west is ATS. Apart from the small-scale smuggling of ATS aimed at the domestic market, ATS is also transited in larger consignments to Russia. The larger consignments very rarely end up on the domestic market except in a few cases where smugglers have been forced to dump shipments in Belarus. A common way of smuggling is by hiding ATS in shipments of used cars exported from the west to Russia and some of the Central Asian countries.²⁵ One such case was where ATS was smuggled into Kazakhstan, with heroin having been discovered in the returning load. Large quantities of precursors are going through Belarus in the opposite direction. In 2006 as much as 75 tons of chemicals were seized by Belarusian customs while crossing the borders from Russia reportedly on the way to Poland and Lithuania. The majority of it

²³ Interview with representatives of the State Customs Committee, Minsk, Belarus, March 14, 2008.

²⁴ Interview with representatives of the Belarus State Security Committee, Minsk, Belarus, March 13, 2008.

²⁵ *Ibid.*

constituted unregistered chemicals, however, which could have been used in legal industrial production. In 2007 the corresponding figure was only 7 tons.²⁶

Less is known about the heroin transited from Russia via Belarus to the Western European market. Heroin is smuggled in vehicles which rarely stop on Belarusian territory. A seizure of 17 kg occurred in 2006 but this was, according to Belarusian KGB representatives, a smaller consignment than the estimated 50 kilogram consignments which are usually transited through Belarus.²⁷

Law enforcement agencies in Belarus do not expect the heroin problem to decrease as long as the production in Afghanistan continues to increase. The demand for ATS in Russia is expected to grow and the Belarusian KGB have indications that Russian organized crime groups have, via Belarusian criminal networks, tried to establish contacts with ATS producers in Western Europe. According to these sources it is just a matter of time before illegal laboratories will be created in Belarus. However, the establishment of larger industrial laboratories would demand resources from European producers and the precursors will have to be imported from Russia.²⁸

Ukraine

Owing to sheer size and geographical location, Ukraine holds a key position in the region in terms of narcotics trafficking to the European Union. The internal narcotics market is filled by domestically grown opium and marijuana, heroin smuggled on the Silk Road route, ATS from Eastern and Central Europe, and increasingly by domestically produced pharmaceutical drugs. At the same time, Ukraine is exposed to international smuggling networks using Ukraine as an entry point and transit country for both heroin and cocaine destined for the European Union market. Seizures of the latter kind have increased significantly since 2006, which indicates the increasing

²⁶ Interview with representatives of the Belarus State Customs Committee, Minsk, Belarus, March 14, 2008.

²⁷ Interview with representatives of the Belarus State Security Committee, Minsk, Belarus, March 13, 2008.

²⁸ Ibid.

volumes of smuggled narcotics as well as the greater efficiency of law enforcement agencies.

Judging from the characteristics of the internal drug market, insignificant amounts of heroin and cocaine believed to be transited through Ukraine are consumed within the country. In October 2008 177,336 drug users were registered by the authorities in Ukraine.²⁹ However, the total number of registered and unregistered drug users may be as high as 500,000 according to expert estimates. Apart from a widespread use of marijuana among the Ukrainian youth, opiate users dominate the consumption scene. Out of the estimated 500,000 drug users some 60 per cent are opiate injection users. The most commonly used opiate is, however, not heroin but acetylated opium, so called "shyrka," made of domestically produced poppy straw. 98 per cent of all injection drug users use "shyrka," which costs around US\$1-4/gram compared to the heroin available to domestic drug users which costs around US\$80 -100/gram.³⁰

The heroin available on the domestic market is imported via the so called Silk Road smuggling route and enters Ukraine from Russia. During the end of the 1990s Nigerian couriers frequented Ukrainian airports but their activities were easy to track and soon ended. The dominant group at the end of the 1990s and the early 2000s were of Tajik origin. Ukrainian law enforcement was, however, able to detect their activities and force them out of the market, which contributed to a hike in the domestic heroin price from US\$20/gram to today's price of around US\$80/gram.³¹

There is a small but growing market for ATS, which is served by both small-scale kitchen labs as well as imports from Poland, the Baltic States, the Netherlands, and the Balkans. Seizures of ATS indicate that Poland (some 60 per cent of total ATS seizures) is the predominant country of origin followed by the Balkans (some 20 per cent of total ATS seizures). A growing part of the internal drug market is filled by pharmaceutical drugs produced in Ukraine. The two most common are Methadone and Tramadol. In 2007 the

²⁹ The figure given by the Ukrainian Ministry of Internal Affairs for the number of registered drug users.

³⁰ Information sheet provided by the SBU.

³¹ Interview with representatives of the SBU, Kiev, Ukraine, March 6, 2008.

total production of Tramadol in Ukraine amounted to 176 million doses while the legal yearly demand has been estimated to be between 8 and 10 million doses. Law enforcement seize 750,000 doses of Tramadol each year.³²

At the beginning of February 2007, as a result of international operation between the Security Service of Ukraine (SBU), Bundeskriminalamt (BKA) of Germany, Drug Enforcement Administration (DEA) of the U.S., and the National Police of Turkey, a heroin-laboratory in the Kherson region of Ukraine was shut down. The organizers of the laboratory – of Turkish nationality – were producing for countries in Western Europe. This case was the first heroin-laboratory of its type found in Ukraine and the volume of heroin seized amounted to 125 kg. Furthermore, in April 2008, the SBU conducted a special operation, resulting in the closing down of a laboratory run by a criminal organization, which was producing Methadone as well as distributing the drugs in the region (Ukraine, Russia, and Georgia). In a similar operation by the SBU in September 2008, the activities of an illegal and technologically advanced laboratory for the production of Methadone in Kiev was brought to an end. As a result of this special operation, around 11.5 kg of Methadone, as well as precursors, chemical equipment for the synthesis of drugs, money, and weapons, was seized.³³

According to Ukrainian law enforcement agencies, heroin trafficking routes through Ukraine are increasingly being used as an alternative to the traditional Balkan route. Both Moldova and Ukraine have been known as an alternative detour on the so-called northern Balkan route which runs from Turkey via Bulgaria and Romania to Western Europe. Starting from 2006, law enforcement agencies in the region started to seize consignments entering Ukraine via the Black Sea ports both directly from Turkey but also from Georgia. The total volume seized per year has increased dramatically: 0.47 kg in 2005; 46.97 kg in 2006; and 414.5 kg in 2007. Seizures in 2007

³² Interview with representatives of the Anti-drug Department, Ministry of Internal Affairs, Kiev, Ukraine, March 5, 2008.

³³ Information presented by the Anti-drug Department, Ministry of Internal Affairs, Kiev, Ukraine, November 27, 2008.

included three major seizures of between 114 kg and 162.5 kg. In the majority of these cases, the organizers were believed to have been Turkish citizens.³⁴

Today the three main routes for heroin trafficking through Ukraine are identified as:

1. Iran – Turkey – Bulgaria – Romania – Moldova – Ukraine – Poland
2. Turkey – Sea-Lane to Ukraine – Poland
3. Iran – Sea-Lane to Russian Federation – Ukraine – countries of Western Europe (including Romania, Hungary, Poland).³⁵

Georgia

Located in close proximity to the world's most travelled heroin route, going from Afghanistan via Turkey to Europe, Georgia has been increasingly exposed to drug trafficking. Like in both Belarus and Moldova, heroin shipments transited by international smuggling networks through the country rarely end up on the domestic market. The problem of heroin transited through the country is overshadowed by a sharp increase in the domestic demand for other drugs; particularly the consumption of Subutex, which has increased to the point where it has become a real threat to Georgian society. Law enforcement estimates that approximately 60 per cent of the narcotics entering Georgian territory are consumed within the country. An insignificant amount of narcotics is produced within the country and consumed domestically.³⁶

The most common drugs consumed on the domestic market are Subutex, heroin, and marijuana, followed by a variety of synthetic drugs. Exact figures of the total number of drug users are hard to come by, but official estimates

³⁴ Interview with representatives of the SBU, 2008-03-06, and with representative of tEUBAM, May 15, 2008, Odessa, Ukraine.

³⁵ Presentation by the Anti-drug Department, Ministry of Internal Affairs, Kiev, Ukraine, November 27, 2008.

³⁶ Interview with representative of the Analytical Department, Ministry of Interior, Tbilisi, Georgia, April 16, 2008, and with representatives of the Criminal Police Department, Ministry of Internal Affairs, Tbilisi, Georgia, April 17, 2008.

range from between 60,000 to 350,000.³⁷ The use of Subutex, a drug initially developed for heroin withdrawal therapy, is a localized Georgian problem which started in around 2000 and reached its peak around 2004.³⁸ Once introduced to the Georgian market, consumption quickly grew to epidemic proportions attracting both hardened opiate addicts, and more worryingly, a vast number of beginner users among Georgia's youth. The source of Subutex is believed to have originated in France and/or Belgium where it was once available prescription free. Georgian law enforcement representatives also believe an organized crime group has access to the produce of a legal Subutex production facility in France. The smuggling of Subutex is conducted in a less organized manner by individuals and groups of individuals returning from travels to Europe with smaller consignments. A common way of concealing Subutex is in used cars exported from Western Europe to Georgia.³⁹ Significant profits can be made from the smuggling of Subutex, as one pill is bought for around US\$1 and sold in Georgia for about US\$100.⁴⁰

Heroin for the domestic market enters Georgia chiefly from Azerbaijan. The smuggling, which is concentrated in the southeastern border areas, involves locals living near the border, often ethnic Azeris. Smaller consignments of heroin, usually of up to 100 grams, are concealed in local products and carried over the borders on foot.⁴¹ Once in Georgia the heroin is often buried in the ground, and after returning to Azerbaijan and payment having been wired, the receiver gets a description of where the narcotics are buried.⁴² As the local economy is built up on cross-border trading, and to some extent also

³⁷ Interview with representative of the TraCCC Caucasus Office, Tbilisi, Georgia, April 18, 2008.

³⁸ Interview with representatives of the Criminal Police Department, Ministry of Internal Affairs, Tbilisi, Georgia, April 17, 2008.

³⁹ Interview with representative of the Analytical Department, Ministry of Interior, Tbilisi, Georgia, April 16, 2008.

⁴⁰ Ibid.; and interview with representatives of the Criminal Police Department, Ministry of Internal Affairs, Tbilisi, Georgia, April 17, 2008.

⁴¹ Interview with representatives of the Special Operatives Department (SOD), Ministry of Internal Affairs, Tbilisi, Georgia, April 17, 2008.

⁴² Interview with representative of the TraCCC Caucasus Office, Tbilisi, Georgia, April 18, 2008.

smuggling – with many people crossing the border daily – it is hard to put a stop to this type of smuggling.⁴³

The transiting of heroin through the territory of Georgia is a hotly debated subject. No large seizure of heroin has been made so far. During the 1990s when Russia still had access to military airports in Georgia, experts claimed that Georgia was used for the transiting and storage of heroin arriving with military freight traffic from Central Asia.⁴⁴ Today, the predominant means of transport when transiting heroin through Georgia is by International Road Transport (TIR trucks). Georgian law enforcement lack resources to detect concealed shipments through random searches, and since containers are sealed and never opened on Georgian territory, they often go unnoticed.⁴⁵ Georgian law enforcement agencies are therefore dependent on intelligence and international cooperation which so far have yielded meager results. No seizures in connection to this type of trafficking have been unearthed so far, but seizures made in Ukraine indicate that Georgia is used as a transit country.⁴⁶

The border crossings to Azerbaijan are the most common point of entry to Georgia, with the Black Sea ports in western Georgia acting as the predominant exit point. The two border crossings to Turkey which would seem the most natural point of entry *used* to constitute the outer borders of the Soviet Union and hence are under rigorous surveillance and control. The border control infrastructure has been well maintained and the border is therefore a less likely target than the Georgian border with Azerbaijan which is less well controlled. The Georgian-Azeri border was permeable when it

⁴³ Interview with representatives of the SOD, Ministry of Internal Affairs, Tbilisi, Georgia, April 17, 2008, and with representatives of the Criminal Police Department, Ministry of Internal Affairs, Tbilisi, Georgia, April 17, 2008.

⁴⁴ Interview with Alexandre Rondeli, Georgian Foundation for Strategic and International Studies, April 16, 2008, Tbilisi, Georgia

⁴⁵ Interview with representative of the TraCCC Caucasus Office, Tbilisi, Georgia, April 18, 2008, and with representative of the Analytical Department, Ministry of Interior, Tbilisi, Georgia, April 16, 2008.

⁴⁶ Interview with representatives of the SOD, Ministry of Internal Affairs, Tbilisi, Georgia, April 17, 2008.

was an internal border in the Soviet Union, and still border crossings remain numerous and harder to control.⁴⁷

Moldova

Squeezed in between Ukraine and Romania, the latter a member of the European Union, Moldova's geographic position makes it a natural transit country along a variety of routes via the Balkan smuggling route. The supply side of the narcotics problem in Moldova can be divided into two categories. The domestic production of opium and marijuana mainly consumed domestically constitutes one side of the problem. The other is the transiting, export, and, to a lesser extent, import of other types of narcotics such as heroin, cocaine, and ATS. Consumption levels are generally low and stable but a small increase has been noticed by Moldovan authorities, particularly among the youth population.

The two domestically most used drugs, home-grown opium products and marijuana, account for around three quarters of the total drug consumption in Moldova.⁴⁸ The marijuana grown in Moldova is mainly aimed at the domestic market. However, a share of the locally produced marijuana is exported to other countries in the CIS region. Law enforcement agencies are aware of small-scale smuggling to the big city regions of Russia via Ukraine.⁴⁹ One of the routes known to Moldovan law enforcement is the train to Moscow on which couriers bring small consignments of up to 3 kg. Although small scale, the number of couriers and the frequency of their travels make the total amount of marijuana trafficked on this route considerable.⁵⁰ The opium grown in Moldova is mainly consumed domestically in different forms of low-grade opium derivatives such as poppy straw and poppy seeds. These types of drugs are popular because of their low price and high availability. Although cheap, prices have doubled during the last few years. Since the rise in price and the stiffening of punishments,

⁴⁷ Interview with representatives of the European Union Special Representative Border Assistance Mission, Tbilisi, Georgia, April 15, 2008, and with representatives of the SOD, Ministry of Internal Affairs, Tbilisi, Georgia, April 17, 2008.

⁴⁸ Interview with representatives of the Operative Services Department, Moldovan Ministry of Internal Affairs, May 13, 2008, Chisinau, Moldova.

⁴⁹ Interview with representatives of the SIS, May 13, 2008, Chisinau, Moldova.

⁵⁰ Interview with representative of the EUBAM, May 15, 2008, Odessa, Ukraine.

opium consumption in Moldova has stabilized.⁵¹ While the consumption of opium products has stabilized, law enforcement agencies have noticed an increase in the consumption of ATS. Ecstasy is imported from the Netherlands and Moldovan law enforcement agencies have worked hard to establish cooperation with their Dutch counterparts, but so far with few results. However, a seizure of 30,000 ecstasy pills was made in 2007.⁵²

The other side of the narcotics business in Moldova is the transiting of narcotics, cocaine, and heroin, destined for markets in the European Union. The evolution of cocaine trade in Moldova took the authorities by surprise as Moldova has a negligible internal market and is not positioned on a traditional cocaine smuggling route. However, a handful of seizures and successful operations do show that Moldova is part of a region which has become a target for cocaine traffickers seeking access to the European market.⁵³ The cocaine, which is carefully concealed in legal products, and sometimes soluted in liquids, originates from Latin America. The Black Sea ports of Ukraine are believed to be the main entry points in Europe for the cocaine transported via Moldova. Moldovan territory, particularly territory not under control of the Moldovan government, is used for transit and storage where larger shipments are divided up into smaller consignments which are later smuggled into the European Union.⁵⁴

The trafficking of heroin through both Ukraine and Georgia also implicates Moldova to a certain extent. Moldova used to be part of the so-called northern Balkan route going through Turkey, Bulgaria, and Romania on its way to Europe. According to law enforcement agencies, Moldova's role as a transshipment point on the Balkan route is beginning to change since Romania became an EU member. Intelligence and seizures in both Ukraine and Moldova, including a recent seizure of 200 kg of heroin near Chisinau, indicate that the majority of heroin shipments now enter Moldova from

⁵¹ Interview with representatives of the SIS, May 13, 2008, Chisinau, Moldova.

⁵² Interview with representatives of the Operative Services Department, Moldovan Ministry of Internal Affairs, 2008-05-13, Chisinau, Moldova.

⁵³ "Romania smashes drug smuggling gang," DPA, July 7, 2008, available at <http://www.topnews.in/romania-smashes-drug-smuggling-gang-251454>

⁵⁴ Interview with representatives of the Operative Services Department, Moldovan Ministry of Internal Affairs, May 13, 2008, Chisinau, Moldova.

Ukraine.⁵⁵ According to law enforcement agencies in Moldova, the smuggling is controlled by international criminal networks and the main organizers are of Kurdish and Turkish origin.⁵⁶

⁵⁵Interview with representatives of the Operative Services Department, Moldovan Ministry of Internal Affairs, May 13, 2008, Chisinau, Moldova, with representatives of the SIS, May 13, 2008, Chisinau, Moldova, and with representative of the EUBAM, May 15, 2008, Odessa, Ukraine. For more info on the recent seizure, made in March 2008 and its aftermath, see “Heroin Officers’ restored in their positions,” *Moldova Azi*, May 14, 2008. Available at <http://www.azi.md/news?ID=49274>, and <http://www.azi.md/news?ID=48636>

⁵⁶ Interview with representatives of the Operative Services Department, Moldovan Ministry of Internal Affairs, May 13, 2008, Chisinau, Moldova and representatives of the SIS, May 13, 2008, Chisinau, Moldova.

The Need for Enhanced Law Enforcement Cooperation

Law enforcement agencies in all countries included in this report recognize the need for international law enforcement cooperation and are engaged in a number of different cooperation frameworks. The mutual need for enhanced cooperation between agencies in the European Union and agencies in Europe's eastern neighborhood stems from the characteristics of the drug flows through the region. Current cooperation initiatives are few and much of the operational cooperation is either bilateral between the countries in the region or in the multilateral framework of the CIS. For operational cooperation between the European Union and its eastern neighbors to be enhanced, a number of difficulties will, however, need to be overcome.

All analysis of efforts to counter narcotics smuggling in the region have to take into account the regional structure of narcotics and narcotics consumption. A distinction between two separate flows of drugs in and through the region needs to be made. One is the large-scale transiting of drugs dominated by international drug smuggling networks with some local participation. These drugs are destined for larger consumption markets in the European Union and in urban areas of Russia and to some extent other urban areas in Eastern Europe. Narcotics trafficked through the region destined for European Union markets rarely end up on the local market. The drugs transited are generally high-valued drugs such as heroin, cocaine, and to some extent synthetic drugs. The other type is the smuggling of drugs, mostly heroin, opium derivatives, and marijuana, destined for the internal and regional market. The majority of these drugs are produced within the region and the smuggling is often small-scale, less organized, and controlled by domestic criminal groups. A small but increasing part of the narcotics consumed in the region, such as ATS and, in the case of Georgia, Subutex, is smuggled from Western Europe.

Despite efforts to stem the consumption of narcotics and its adverse effects on social and economic developments, narcotics consumption is increasing in all four countries included in this report. The increase in narcotics abuse in

the region has not been caused by the large-scale smuggling of cocaine and heroin through the region as these shipments rarely end up on the domestic market. Instead, the drug of choice, owing to its low price and availability, is still opium derivatives and marijuana produced in the region. However, economic progress and increased income levels will likely shift consumption from cheap locally produced narcotics towards more expensive types of narcotics available on the international drug markets. To some extent this process has already started. Law enforcement agencies in all countries have noticed an increased demand for imported synthetic drugs, particularly among the youth population.⁵⁷ While EU countries fight the narcotics problem, partially fueled by the supply of narcotics smuggled through the EU's eastern neighborhood, law enforcement agencies in the same region fight drug abuse fueled by the reversed trafficking of drugs from the European Union. Hence, strong mutual incentives for increased cooperation exist.

Despite that many multilateral cooperation frameworks and support programs are being financed and initiated by the European Union or its individual member states, operational cooperation with agencies in other former Eastern Bloc countries is more frequent. This cooperation is perceived by many to be easier to achieve and more rewarding in terms of swift and successful results. The lack of swift and effective cooperation with agencies in Western Europe sometimes causes annoyance and frustration on the part of law enforcement officials in the region. This is especially the case since increasing drug abuse in the region is in part fueled by the smuggling of narcotics from Western Europe. Subutex acquired in France and/or Belgium has been the drug of choice for new users among the Georgian youth. No efficient cooperation was, however, established between Georgian and French law enforcement until a few years ago.⁵⁸ In Moldova law enforcement claimed to have experienced a similar frustration when trying to fight the supply of ATS smuggled from the Netherlands. Despite several attempts no cooperation has so far been established.⁵⁹ Due to its political isolation,

⁵⁷ Interview with representative of the EUBAM, May 15, 2008, Odessa, Ukraine.

⁵⁸ Interview with representative of the TraCCC Caucasus Office, Tbilisi, Georgia, April 18, 2008.

⁵⁹ Interview with representatives of the Operative Service Department, Moldovan Ministry of Internal Affairs, Chisinau, Moldova, May 13, 2008.

Belarus differs somewhat from the other three countries in this report. Although politically isolated, Belarus is involved in operational cooperation with a number of states, but due to the frequency of cases, cooperation with its neighboring states is most common. However, tense political relations with neighboring Poland have affected Belarusian law enforcement's ability to engage in meaningful operational cooperation to counter narcotics smuggling. Despite good working relations "in the field," the lack of official endorsement through the mutual signing of cooperation memorandums sometimes creates difficulties and frustrations. Especially since much of the increased consumption of ATS among the youth population in Belarus is fueled by the small-scale but frequent smuggling across the Polish-Belarusian border.⁶⁰

Law enforcement cooperation and supply-reduction efforts in general are severely hampered by corruption. Information sharing among law enforcement in the region is crucial in this context, as few states have the resources to discover concealed shipments of drugs through random controls. Aside from its obvious negative direct effect of corruption it also undermines the trust needed when trying to establish efficient cooperation. One example is the so far unfruitful attempts of trying to stop the small-scale but frequent smuggling of heroin from Azerbaijan to Georgia. While Georgian law enforcement point to the high corruption levels among local law enforcement officials on the Azeri side of the border, rumors indicate Georgian law enforcement struggle with the same problem. Despite this, Georgian law enforcement work hard and, on some occasions, successfully to track the receivers and local dealers of heroin entering from Azerbaijan.⁶¹ To put a stop to the supply of heroin will, however, require the coordination of efforts and establishment of effective cooperation among the two national law enforcement agencies. Corruption also hampers the attempts at stopping the smuggling of heroin transited through the region destined for the European market. The operations conducted by regional law enforcement agencies

⁶⁰ Interview with representatives of the Belarus State Security Committee, Minsk, Belarus, March 13, 2008, and with representatives of the Ministry of Internal Affairs, Minsk, Belarus, March 13, 2008.

⁶¹ Interview with representatives of the Analytical Department, Ministry of Interior, Tbilisi, Georgia, April 16, 2008.

against this trade are often the result of tailored information from external parties such as the DEA or the British Serious Organized Crime Agency (SOCA).⁶² There is, however, a lack of trust between agencies both within the region and with their counterparts outside of the region. One example is a recent operation against a drug smuggling ring smuggling heroin from Turkey via Azerbaijan, Georgia, and Ukraine, where neither Georgian nor Azeri agencies were informed of the operation beforehand.⁶³ If the necessary trust had been in existence and Georgian agencies had been informed, possible facilitators in Georgia could have been detected.

The need for enhanced law enforcement cooperation between EU countries and its eastern neighbors is not likely to diminish in the short to medium term. As this report shows, the region is exposed to narcotics trafficking on the east-west route and is being used as an entry-point for drugs from outside of Europe. At the same time domestic markets are developing. Taken together these trends all point towards the merits as well as a growing need for enhanced law enforcement cooperation between the EU's member states and its eastern neighborhood region.

⁶² Interview with representative of the EUBAM, May 15, 2008, Odessa, Ukraine, and with representative of the EUBAM, Chisinau, Moldova, March 7, 2008.

⁶³ Interview with representatives of the SOD, Ministry of Internal Affairs, Tbilisi, Georgia, April 17, 2008.

Policy Recommendations

Law Enforcement Policy Recommendations

Identified during the project were three main areas, which are crucial in order to enhance efficiency in the cooperation between countries in the Baltic Sea region and the Black Sea region. The three main areas could be conceptualized as: Trust, Integration, and Knowledge. Trust building between the cooperating partners is of importance since it facilitates cooperation between law enforcement agencies in different countries. It is also crucial for the integration of activities between different law enforcement agencies. Knowledge sharing between agencies was identified as a base for trust and integration. Methods suggested for improvement in the areas were:

- Promotion of horizontal international meetings and workshops in order to share best practices, intelligence, and legal requirements between law enforcement agencies in the region.
- Establishing guidelines (manual) regarding national methodology and legislation in participating countries for the exchange of knowledge about the legal procedures as well as contact points for cooperation.
- Development of cooperation on an organizational level through the creation of bilateral projects for joint investigation purposes.
- Creation of exchange programs for law enforcement officers in order to develop cooperation on an organizational level as well as increase trust and knowledge.

Research and Development Policy Recommendations

A number of knowledge-based implementation and recommendations have been suggested with the aim of facilitating development of national agencies' capacity to counter narcotics as well as their capability to cooperate with law enforcement agencies from neighboring countries. Furthermore, some recommendations were made regarding the development of strategy, research, and intelligence.

- Apart from the movement of narcotics from east to west it was acknowledged that there existed a west-east movement as well, which should be addressed in an effort to fully combat narcotics trading in Europe and its eastern neighbors.
- With the aim of more efficiently combating narcotics, increased attention should be paid to the financial side of drug-related investigations.
- Increase the sharing of knowledge regarding investigative methods, techniques as well as the latest information and developments within non EU-countries east of the EU's borders.
- National drug regulations in the region should be harmonized to convey closer cooperation.
- To increase efficiency in combating narcotics the training for drug-police should be more specialized.
- Develop and implement programs for training the trainers as well as harmonizing research and investigation methods for drug prevention.
- The creation of a periodical publication with research foci on drugs and organized crime, published in both Russian and English.
- Development of a unified method for measuring police efficiency.