



**GLOBAL  
INITIATIVE**  
AGAINST TRANSNATIONAL  
ORGANIZED CRIME

# CRIME AND PEACE

THE FUTURE OF ORGANIZED CRIME  
BEYOND THE RUSSO-UKRAINIAN WAR

MAY 2025

## NOTE

This report was drafted by the Eurasia Observatory, a project initiated by the Global Initiative Against Transnational Organized Crime. The observatory provides timely, granular analysis on organized crime, illicit markets and the enabling conditions in the Eurasia region, with a particular focus on shifts driven by the war in Ukraine.

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## SUMMARY

**W**hatever the future trajectory of the Russo-Ukrainian-conflict – ceasefire, unstable peace or decisive victory (for either side) – organized crime will respond fast to capitalize on new opportunities and current vulnerabilities, many of which have been building for years.

The spectrum of risk is vast, including demobilized veterans, returning or fleeing refugees, corruption around reconstruction and arms trafficking. The preparedness of Ukraine and Russia for such eventualities differs starkly: since 2022, Ukraine has been working closely with Western partners to discuss and develop strategies. Responses in isolated Russia appear much less developed, however, particularly in regard to veterans and arms trafficking.

While the first wave of ramifications will be felt in Ukraine and Russia, the second-order impacts will extend further afield, not least if Russia becomes a ‘back door’ through which organized crime and illicit flows and markets can take advantage of weak responses to spread further afield, including into Europe. Western policymakers must therefore adopt a hybrid approach to mitigate such risks, working with Ukraine and monitoring the situation in Russia.

### Key points

- Veterans, internally displaced persons (IDPs), refugees and foreign fighters may become enmeshed in various types of criminality. Ensuring reintegration policies are fit for purpose is paramount.
- The divide between Ukrainian and Russian organized crime may heal after the fighting, unblocking the Eurasia–Europe illicit highway via Ukraine. European law enforcement must be prepared for routes to shift and new criminal partnerships to emerge.
- Over a million soldiers will emerge from the conflict with new skills – technological, operational and lethal; without alternatives, they may find themselves employed by crime. Retooling the economy to harness such skills will bring benefits in Ukraine.
- Understanding the how, when and where of arms trafficking from the war will be essential to stop such flows close to their origin, although Russia remains an out-of-reach and unknown quantity in this regard.
- Corruption around Ukraine’s reconstruction is much discussed, but dirty money may also seek other opportunities in the post-conflict period. Whether Russia will maintain its sanctions-busting shadow economy network is also a pertinent question, with geopolitical implications.



## INTRODUCTION: WHAT NEXT?

**T**he Russo-Ukrainian war is at a decisive moment. Three years since Russia's full-scale invasion, Washington has dramatically reshaped its engagement with Moscow and Kyiv as US President Donald Trump attempts to fulfil an election promise and broker a peace agreement early in his second term. Should some form of ceasefire or peace agreement result, the implications for society in Ukraine and Russia will be significant.

This brief outlines the organized crime risks that may manifest after the end of active fighting in Ukraine. Its thinking is guided by the three years of fieldwork and research conducted by the Eurasia Observatory (formerly called the Observatory of Illicit Markets and the Conflict in Ukraine) on the responses of organized crime to the war and on the criminal ecosystem more generally.

Instead of focusing on specific illicit markets and actors, our risk assessment is thematic, focusing on people, control, expertise, hardware and money:

- **People** are the lifeblood of organized crime. Smugglers, traffickers, drug dealers, extortionists and fraudsters all require people, either as recruits, customers or victims. There are several at-risk populations inside and outside Ukraine – including veterans, IDPs, refugees and foreign fighters – each of whom may become enmeshed in various types of criminality.
- **Control** of the underworld is also a key question: will the division between Ukrainian and Russian organized crime endure, or will it heal – and in the latter case, what might be the implications?
- **Expertise** in various fields has grown immensely in Ukraine and Russia since the outbreak of the war. The use of technologies such as drones and electronic warfare and the upskilling of hundreds of thousands of people in marksmanship and military tactics (including special operations) all have the potential to strengthen the capacities of organized crime in the future.
- **Hardware** left over from the conflict will be abundant – and those looking for weaponry and other equipment will not find it hard to come by.
- **Money** will, in the best-case scenario, begin to flow into Ukraine to aid reconstruction. Much has been written already about reconstruction risks, but there is also the concern that external funding may have strings attached, either criminal or political.

This brief will highlight how these factors may reshape organized crime in the post-conflict period, but caveats are necessary. At the time of writing – April 2025 – the development of the conflict was changing week by week. There was no clarity on the possible forms of a ceasefire or peace agreement, or how it would be enforced. The details of whatever deal is reached will have a profound bearing on the situation in Ukraine and Russia, although it remained possible that a consensus might not be reached and the fighting would continue.

In the event of a successful ceasefire or peace agreement, further events will be triggered that will also have a bearing on the criminogenic situation. These may include the prospect of elections in Ukraine, the role to be played by Western partners in securing and/or monitoring a peace agreement, and the stance of the US towards Ukraine regarding the provision of economic and technical assistance during the reconstruction period. The potential lifting of certain sanctions and moves to reintegrate Russia into the global financial and trading systems may also prove significant. And Ukraine's possible accession to the EU would also have ramifications for organized crime, especially in the sphere of smuggling.

Responses to these challenges will also vary depending on whether Russia or Ukraine is the focus. Western countries have partnered with Ukraine on many security and law enforcement issues over the years, developing strong information-sharing mechanisms and areas of collaboration. Russia, by contrast, is isolated, and will probably remain the EU's chief security concern in the post-conflict period. Cooperation over law enforcement and security issues will be highly challenging.

But all these variables should not prevent us from thinking about the future. Unlike in other conflicts, we have an unprecedented evidence base that policymakers must use to prevent the flourishing of illicit markets in the post-conflict period, as seen in other regions such as the Balkans, Latin America and Africa.

A peace agreement may spell the end of the current phase of fighting in Ukraine, at least for now, but it may be the moment when the full impact of the conflict on organized crime begins to be felt in Europe and beyond.



## PEOPLE

Russia's full-scale invasion of Ukraine changed millions of people's lives. Some fled as refugees to Europe, while others moved within Ukraine as their homes were destroyed or their towns and cities became too dangerous. Hundreds of thousands signed up to fight. To a much lesser extent, Russia has also seen an exodus, as hundreds of thousands of Russian citizens left the country fearing conscription, either to Central Asia and the South Caucasus, or further afield, including Europe.

What happens when the fighting stops? For Ukraine's soldiers, the most likely prospect is a partial demobilization, with a large number kept as a standing force and in reserve. The real risks will manifest around the reintegration of the rest of the fighting force into Ukrainian society, which will be the acid test of Ukraine's veterans strategy.<sup>1</sup> After long delays, the pace of progress in this sphere picked up towards the end of 2024.<sup>2</sup> A new veterans policy, launched by the Ministry of Veteran Affairs in November 2024, outlined a comprehensive and holistic roadmap for veterans, and its goals were made law following amendments adopted in March 2025.<sup>3</sup>

But implementation will undoubtedly be challenging, not least due to the scale of the problem. According to official figures, there will be 4–5 million veterans (although other official estimates put the number at almost 9 million).<sup>4</sup> The private sector has arguably been the most dynamic actor, making active efforts to accommodate veterans to the workplace, but more remains to be done.<sup>5</sup> In an August 2024 survey, only 13% of veterans reported no obstacles in finding employment.<sup>6</sup> Outside employment, society must also prepare itself for the return of veterans, many of whom will be deeply traumatized, wounded and struggling to readjust to civilian life – all factors that will impact the communities and relationships they return to.

If Ukraine cannot meet veteran requirements, then a number of veterans may fall into criminality – either through substance use, disaffection with civilian life, or simply to use their skills and earn an income in a milieu that superficially resembles the brotherhood they experienced in the army. And there may be those who decide, after years of fighting, that they want to start a new life elsewhere, perhaps joining their families or friends in Europe. Foreign fighters will also have to decide whether to remain in Ukraine (and if so, in what capacity and under what legal status), or whether to return home or move elsewhere. Along with their military experience (and trauma), these foreign fighters will also now have extensive contacts across the world.



Veterans of the Russian–Ukrainian war showcase their products at the Veterans' Business Fair in Lviv, 2025.

© Photo: Anadolu/Getty Images

Those who continue to serve may also be vulnerable. As our recently published research shows, drug use among serving personnel is a pervasive phenomenon, and such use may continue for those confined to barracks or deployed along the border with Russia and Belarus.<sup>7</sup>

A similar situation will also play out in Russia, although at a greater scale and with the added complexity that Russia has recruited tens of thousands of soldiers with serious criminal records into its army, many of whom have gone on to violently reoffend after their service. This population of war-hardened criminals rejoining the civilian population with new skills and contacts raises the spectre of the fallout of the Soviet–Afghan war, where veterans joined gangs as hitmen or enforcers, and often fell into substance use. Moreover, the conversation about the reintegration of Russia's veterans is less advanced than in Ukraine, and lacks any international financial or technical support.<sup>8</sup>

Ukrainian civilians – refugees and IDPs – face a stark choice after the fighting ends: remain or return home? Both scenarios carry uncertainty and vulnerability. Many of Ukraine's 6.9 million refugees across the globe have been successful in adapting to their new environments due to the active efforts of NGOs and hosting states to support them in the intervening three years, smoothing the way for social and economic integration.<sup>9</sup> But they depend upon the temporary protection directive for their residency in Europe; should this not be renewed after hostilities cease, Ukrainian refugees may find themselves without legal status in their host countries. Given that less than half of refugees say they intend returning to Ukraine, where jobs are few and comparatively poorly paid, some may choose to 'go underground', working in the shadow or outright illicit economy, raising the risks of exploitation in forced labour or sex trafficking.<sup>10</sup>

Ukraine's 3.7 million IDPs face an equally difficult road, attempting to make headway against a struggling economy, diminishing support and the prospect of rebuilding their lives from scratch, either in their new locations or back at home.<sup>11</sup> Criminal careers will be waiting for those unable to find stable jobs or living situations, particularly in sex trafficking networks, which are already exploiting young women in hardship in Ukraine, according to reports.<sup>12</sup>

Young people in Ukraine face a different type of challenge. Since the full-scale invasion, scam call centres have boomed in Ukraine. On the surface, these offer attractive terms for young people, with salaries much higher than the average. But many find that they are not paid the money they expect and are forced to work long hours under coercive supervision. The situation can be worse for the more effective call-centre workers: while they may be paid well, they also find it difficult to leave, with intimidation and physical violence used to prevent them quitting. The booming illegal drug trade in Ukraine is also a major source of concern. Synthetic drug production is on the rise, while the new anonymous delivery model of Telegram and dead drops has transformed how the industry operates.<sup>13</sup>

Mass emigration from Russia may also transform organized crime in the region and beyond. The effects of this diaspora may range from the relocation of Russian drug-trafficking operations to neighbouring countries (as already seen in Kazakhstan) to the upskilling of local criminal ecosystems as Russians with criminal experience settle in new countries.<sup>14</sup> Some 10 per cent of Russia's IT workforce is reported to have left the country after Moscow banned Western IT companies in March 2022. Many of these workers relocated to Armenia and Georgia, where they have contributed to a surge in those countries' economic growth rates.<sup>15</sup> But given the prevalence of ICT-enabled fraud in Georgia, these workers may also fuel criminal growth as well.



## CONTROL

Since February 2022, Ukraine has been under martial law, which has expanded the power of law enforcement and state security agencies over society. Especially in the early days of the invasion, this had an inhibiting effect on crime: the curfew made night-time business challenging, and frequent official checks within and between cities hampered the illicit movement of goods.<sup>16</sup>

Organized crime networks have developed 'workarounds' since then, but they still operate in a highly unusual context.<sup>17</sup> These constraints, however, may soon end. Should the fighting stop, martial law in Ukraine will presumably be lifted, reducing the resources and powers of the state to police the civilian sphere – and opening up the field for organized crime to operate more freely.

As border controls in Ukraine lose the enforcement power of the military, smuggling operations may flourish. Internally, the abolition of the curfew in Ukraine would lead to a revival of the illicit after-dark economy and to more opportunities for armed robbery and theft.

Another key change may be in the structures of criminal control. One of the most significant developments in the underworld during 2022 was a split between the Ukrainian and Russian organized crime networks, which had been interconnected before the full-scale invasion.<sup>18</sup> This division has persisted since then, but the end of the war may see these networks set aside their national differences and begin to work together again.

A renewed alliance between Russian and Ukrainian organized crime groups could have serious consequences. The first may be the resurgence of illicit flows of goods between Russia and Ukraine across whatever border or buffer zone is established, which before the invasion included drugs (especially heroin), weapons, contraband and fuel. Synthetic drugs, which have boomed in both Ukraine and Russia since the invasion, may be added to these flows.

According to information received by the GI-TOC, a rapprochement may already be taking place, with leading criminal figures brokering a new status quo on neutral ground. The negotiations, it is suggested, are dividing post-war Ukraine into four criminal fiefdoms, each overseen by a named 'thief-in-law', or *vor* (an established criminal authority). According to an informed source, these four *vory* operate under the overall leadership of a prominent Russian *vor*, who himself allegedly has close relations with the Federal Security Service.<sup>19</sup>



A scene from the curfew in Lviv. © Anadolu/Getty Images

Should this situation come to pass, Russia may have an underworld channel through which it can influence peacetime Ukraine. This could include using criminals to commit sabotage in preparation for a future invasion, such as destroying ammunition dumps (which were a common target for sabotage between 2014 and 2022).<sup>20</sup> It is a widely held belief in Ukraine and elsewhere that, in the absence of Western security guarantees, Russia will view a peace deal as simply an opportunity to re-arm before attempting to renew hostilities, and its influence via criminals on the ground may once again be part of its preparatory toolbox, as it was in 2014 and 2022.<sup>21</sup>

State-sanctioned crime may also continue in the Russian-occupied territories of Ukraine, which, despite Moscow's attempts to formalize as regions of Russia, may remain spaces of hybrid governance.<sup>22</sup> Those with criminal pasts still play a significant role in these territories and are closely aligned with Moscow, as was exemplified in the assassination of Armen Sarkisian in February 2025 in an explosion. Sarkisian, also known as Armen Gorlovsky, was a gangster once associated with Ukrainian President Viktor Yanukovich who then set up a pro-Russian militia after the Donbas uprising in 2014.<sup>23</sup> Such actors, who often combine strong local outreach in civic life with their illicit activities, may be useful as Russia looks for political 'influencers'.



## EXPERTISE

**T**he Russo-Ukrainian war has upskilled hundreds of thousands of people in various arts of war, from marksmanship to the operation of drones. This is creating a talent pool that will not only bolster organized crime, but may even transform its operations and methods. Criminal expertise may also become available as a service for hire.

The most obvious conflict technology applicable to crime is drones, which can be used for smuggling, assassination, intelligence gathering and the delivery of illicit goods. Drones have been used by criminal groups in Israel, Mexico and Ireland, among other places, but the expertise and experience of Ukraine and Russia's drone pilots will enable much more sophisticated drone operations for criminal purposes, on land, in the air and at sea.

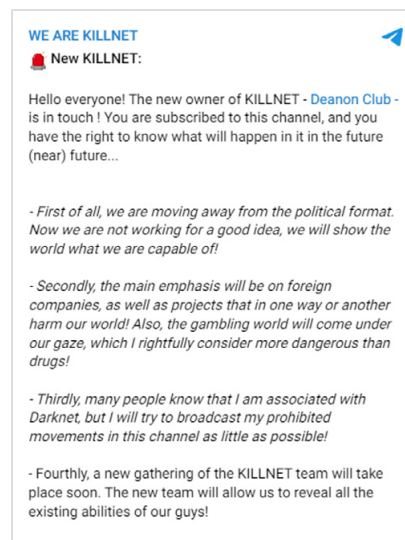
Beyond merely enhancing traditional organized crime operations, it is conceivable that drone pilots, under the right tutelage, could form new, drone-based organized crime groups, in which the human footprint (which is vulnerable to law enforcement) is reduced, and the scale of business greatly expanded.

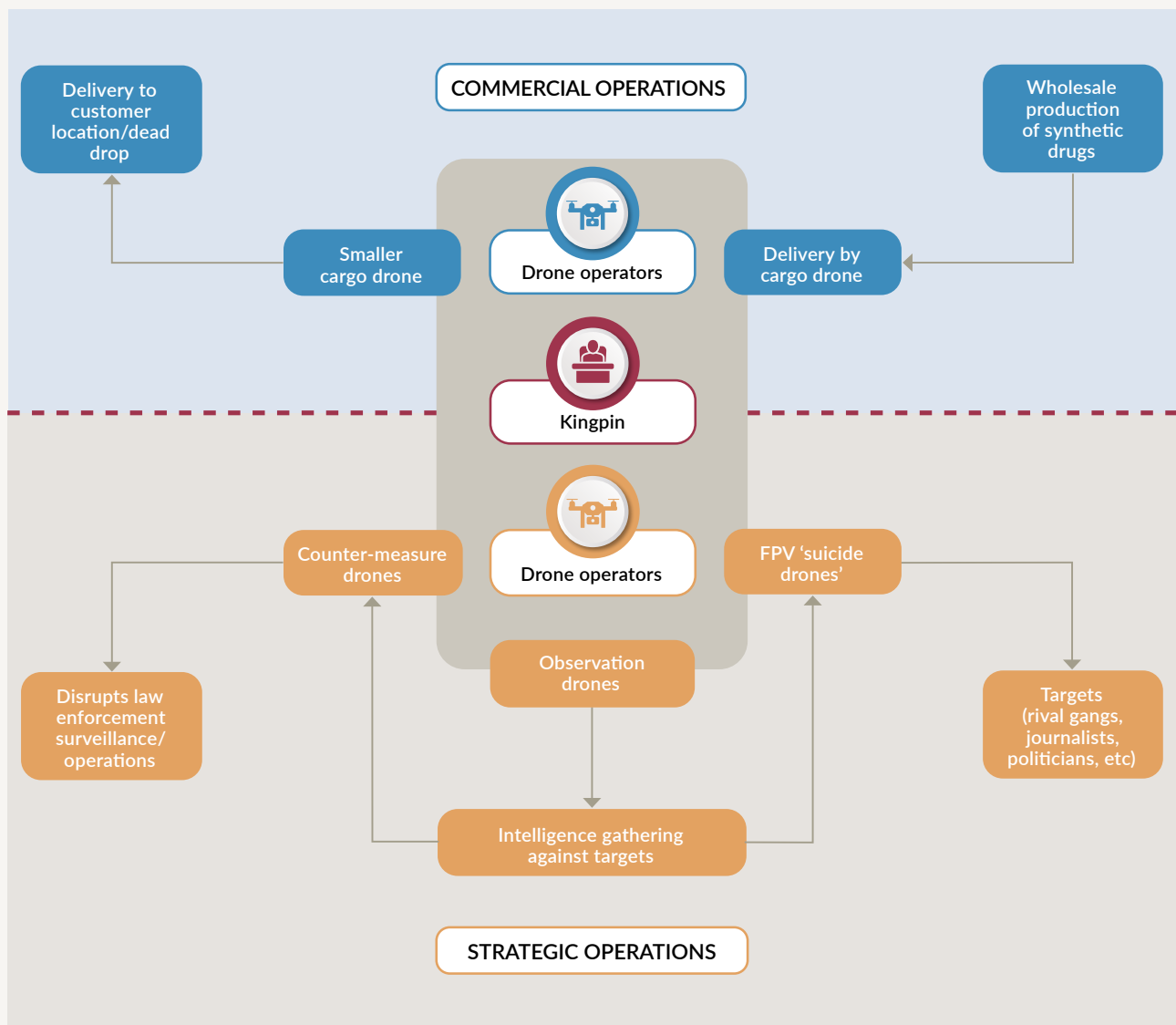
Thinking through the parameters of such an operation, we created a simplified organizational diagram of a 'drug drone gang' to show how an organized crime group could reshape its operations using drones (see Figure 1), although of course such a group would still need personnel on the ground to divide wholesale drug packages into retail doses, to staff Telegram and dark-web channels, and to provide financial expertise.

The cyber sphere has also been highly dynamic during the conflict, with 'hacktivists' on both sides targeting enemy assets online (such as government portals) with distributed denial of service (DDoS) attacks. Once the political target has gone away (in the event of a peace agreement), these 'cyber veterans' may pivot to more purely money-making schemes. This has already been seen in the case of KillNet, a hacktivist group that targeted NATO countries, but which was taken over by Deanon Club, another cyber group known for DDoS attacks and activity in dark web drug markets. KillNet was subsequently reoriented for profit, including by targeting the gambling market.<sup>24</sup>

Telegram post announcing Deanon Club's takeover of Killnet, December 2023.

Photo: Telegram





**FIGURE 1** Possible structure and operations of a drug drone gang.

Shifting to more serious cyber operations will pose no challenge for those with the necessary know-how. Along with their own skills in malware and DDoS attacks, which can effectively cripple or extort companies, such groups could buy ransomware 'off the shelf' from third parties, or even sell their own expertise to others.

One interesting niche that may expand is forgery. Since the full-scale invasion, skilled forgers have supplied military-eligible men with an array of fake documents to help them leave the country. After the fighting ends, these skilled individuals will be in search of new clients, which may include illegal migrants, criminals looking for 'clean' identities, and corrupt officials seeking fake documentation for money-making schemes.

One more troubling area of expertise may be in special operations, where elite groups of fighters with experience of sabotage, infiltration and lethal tactics could give rise to a new class of ruthless criminals. This was seen, albeit in a very different context, in the case of the Mexican criminal group the Zetas. Its members were originally Mexican special forces trained by the US, who left to join the Gulf Cartel before setting up their own operation, bringing heightened organization and lethal violence to the underworld.<sup>25</sup> Many personnel in Ukraine's military and intelligence services – the Security Service of Ukraine, the Armed Forces of Ukraine and the Main Directorate of Intelligence – will have been taught these techniques and experienced such operations. And their new skills will travel well.

On the Russian side, the risk is even more severe. As mentioned above, Russia's wholesale recruitment of organized crime operatives as soldiers, first through Wagner and then the Russian Ministry of Defence proper, will have upskilled thousands of criminals who can now add military expertise to their work. (The various estimates of the number of criminals recruited all exceed a hundred thousand.) Already there have been almost 500 cases of Russian veterans committing brutal crimes – the majority of them committed by criminal recruits who have demobilized after completing their military service, and several of whom re-enlisted after being arrested to avoid punishment.<sup>26</sup>

Some of the more senior criminal figures who have served will also be able to apply lessons learned in the military to create more structured and efficient criminal operations. The army may also serve as a crucible of criminal recruitment, similar to prisons, as soldiers working alongside criminals in battle learn about their methods – the so-called 'Wagnerization' of the army – and make connections with the underworld. Some may join gangs in civilian life, while others may form new gangs of veterans, bonded by the brotherhood of war.

These veterans may be entering a febrile criminal marketplace in Russia. Many criminal leaders have died in the war, creating a vacuum of authority in several spheres of Russian organized crime. In this climate, the will to violence, and more importantly, the ability to use it effectively, will determine who emerges triumphant on the street.<sup>27</sup>



## HARDWARE

**A** huge amount of hardware of all descriptions will remain at the end of the war. At the lowest criminal level, leftover military hardware will create a boom in the grey economy for army surplus, including cars, clothing and dual-use equipment.

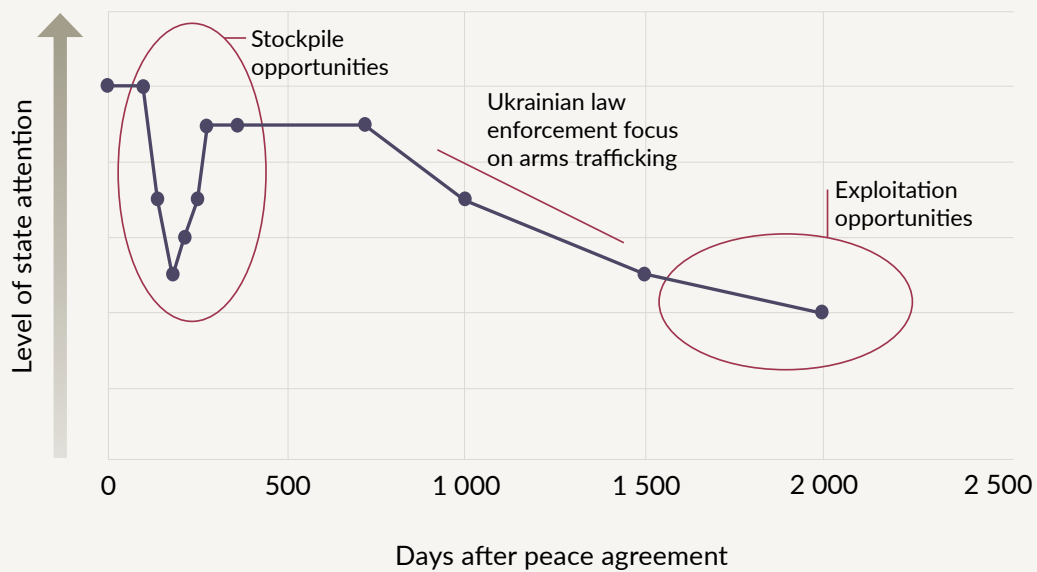
At the upper end, the cessation of the fighting could inaugurate a wave of serious arms trafficking from the conflict zone. This may not manifest immediately: criminals may use the confusion of the transition after martial law to acquire stockpiles, and then wait until market conditions (and law enforcement attention) are optimal before exploiting the commercial opportunities (see Figure 2).<sup>28</sup>

There has already been a tendency in Ukraine towards the amassing of larger stockpiles of weapons, including heavy weaponry, throughout the country.<sup>29</sup> Thus far, organized leakage has not been observed, but as state control declines and new export possibilities arise (such as the resumption of free shipping to and from the ports of Odesa), the situation could change. And Russia has already seen a percolation of weapons from the front line, driving rates of gun violence higher in Russian regions bordering the occupied territories.<sup>30</sup>

It is likely that arms trafficking will take place in two forms: small-scale overland trafficking towards customers in central and western Europe, and larger-scale trafficking using container shipping to Turkey, North Africa, the Middle East and beyond. The latter may involve ex-military acting as brokers by establishing legal entities and using their connections. Both Ukraine and Russia have a history of global arms smuggling, having started with the selling of surplus Soviet arms across the world from the 1990s onwards.

It is also likely that the types of weapons smuggled will be specific to the market. Criminals in western Europe generally prefer handguns, which are discreet, though they also use assault rifles, such as the AK-47, and grenades.<sup>31</sup> More serious weaponry, such as rocket-propelled grenade launchers, MANPADs, heavy machine guns and bulk quantities of assault rifles will likely be destined for fragile contexts or conflict zones in Africa and the Middle East. Organized crime in Latin America, which in many cases uses military weapons, may also be a customer for such kit.<sup>32</sup>

For Europe, the influx of modern, high-powered weaponry into criminal hands could revolutionize the underworld. Gangs in Sweden and France over the past few years have dramatically increased their use of violence, and there are signs that others are taking note. It is not inconceivable that a mass



**FIGURE 2** Levels of state focus on illicit arms trafficking over time.

influx of weaponry from the Russo-Ukrainian war – originating from both sides of the front line – could reinforce the current trends in Europe of more firepower, more violence, younger criminals, weaker organizational structures (at the local level) and weaker codes of behaviour.

At present, European policymakers have been focused on the threat of weapons emanating from Ukraine, working closely with Ukrainian partners to monitor the threat and develop responses. Russia, by contrast, is managing the challenge of arms trafficking largely in isolation, and international policymakers have scant insight into the true scale or dynamics of the problem there. With little in the way of international cooperation between Russia and the West over the issue, there is a real risk that weapons heading east are effectively falling into a knowledge 'black hole', with the only certainty that they will re-emerge before long somewhere else.



## MONEY

Ukraine has been dependent on external financial assistance since the beginning of the full-scale invasion to supplement its budget and help pay for the war. Between 24 January 2022 and 31 December 2024, Ukraine received more than €326 billion in financial assistance from donor countries and EU institutions.<sup>33</sup>

This assistance is likely to continue in the immediate post-conflict phase as Ukraine attempts to revive its economy and reconstruction gets underway – and the numbers involved are vast. The most recent estimate is that Ukraine will require US\$524 billion to repair the damage from the war.<sup>34</sup>

Given Ukraine's past record, concerns have been raised in many quarters over the corruption risks surrounding these funds.<sup>35</sup> Ukraine has already made significant progress in the anti-corruption field since 2014, and after gaining EU candidate status in June 2022, has further stepped up these efforts. There have been numerous high-profile arrests of corrupt officials and continued progress with anti-corruption reforms, supported by international partners.<sup>36</sup> Ukraine has also established specific mechanisms to provide reassurance over reconstruction money, such as the Digital Restoration EcoSystem for Accountable Management.<sup>37</sup>

But as a spate of cases has shown, corruption remains a deeply rooted problem in Ukraine, and the risks around reconstruction remain significant.<sup>38</sup> During fieldwork in Odesa in September 2024, many respondents said that the next great opportunity to make money would be reconstruction.<sup>39</sup> There have already been isolated incidents of local budgets for reconstruction being misappropriated, and it is reasonable to assume that more embezzlement, on a grander scale, will ensue when large reconstruction contracts are decided.<sup>40</sup> There will be opportunities for a wide range of actors, from corrupt officials issuing permits to contractors over-invoicing for materials. On the macro scale, the diversity of donors will also bring risks, given that each will have their own objectives and political motivations for funding reconstruction. Money may have strings attached, complicating efforts to provide transparency and accountability.

But other risks are less obvious. In amongst the licit funds flowing into the country, illicit funds may also be invested, with criminal actors seeing Ukraine as a high-risk, high-return prospect where, in the right quarters, few questions will be asked, especially in the construction and real estate sectors. More broadly, dirty money may give criminals a legitimizing stake in corporations and governing entities across Ukraine. Indeed, as the state looks to continue its privatization programme, including of entities that were nationalized after the invasion, there is an opportunity for a new generation of

oligarchs to come to the fore. As in the 1990s, those who can move quickly and have ready cash will have a competitive advantage.

It remains unclear what role the 'old' oligarchs will play in post-war Ukraine. Many saw their wings trimmed before 2022 by President Volodymyr Zelensky, who required them to divest their media holdings.<sup>41</sup> The outbreak of the invasion also greatly reduced their wealth, especially those with interests in eastern Ukraine.<sup>42</sup> Ihor Kolomoisky, one of the most prominent, has been in jail while charges of embezzlement, money laundering and involvement in murder are investigated.<sup>43</sup> But they still remain a significant force – and have significant assets left to spend. A conflict between new oligarchs and old oligarchs may therefore escalate. A critical consideration here will be to what extent the process of centralization, which has been underway since martial law, can or will be rolled back following a peace agreement and elections. The outcomes of those elections will also be pivotal.

At local levels, money entering the reconstruction economy may also serve as an incentive for low-level racketeering, with extortionists shaking down local businesses, construction sites and foreign workers (whose hiring may be necessary given acute skilled labour shortages in Ukraine).<sup>44</sup> It may also spur labour trafficking: one case in March 2025 saw homeless people offered shelter in a rehabilitation centre, only for the men to be forced into construction for 11 hours a day, while the women worked at the 'rehabilitation centre'. The workers earned no money for their labour, while the bosses reaped approximately US\$100 000 per month.<sup>45</sup>

Reconstruction corruption has also been in evidence in the Russian-occupied territories of Ukraine, particularly Mariupol, although here it appears to be the product of a deliberate state strategy to illegally deprive Ukrainian citizens of their homes and businesses as a form of 'economic occupation'.<sup>46</sup> Reconstruction has also generated ample opportunities for corruption as Russian companies with the right connections to government officials and the military secured lucrative contracts for rebuilding, setting a pattern that will probably continue in the near future.<sup>47</sup>

Russia's potential future reintegration into global financial and trading systems and the unfreezing of Russian assets will also raise risks. While on the one hand, the lifting of sanctions will remove a business opportunity for criminal actors, on the other, it is unlikely that Russia will entirely jettison the networks that have enabled it to secure much-needed goods and funds during the war. This 'shadow network' may enable Russia and its partners in the region to conduct business outside international scrutiny, which may bring cost advantages and generate informal revenues for the state. Of course, this would be at the expense of income generated by regular taxation, but such cash would have the advantage of being off the books and, if directed appropriately, could strengthen patronage networks under President Vladimir Putin, particularly since the licit economy is likely to remain hard-pressed in the post-conflict period.

Other considerations to bear in mind include the potential increase of dirty money from Russia in Western markets and the impact of the whitewashing of Russian government officials and oligarchs. Many Russians, including criminals, may be incentivized to move abroad, and move their assets abroad, in order to avoid the post-conflict reckoning in Russia, when the domestic toll exacted by the war on society and the economy is finally felt.

One final area of lucrative illicit activity may involve a resource that has come to assume a central position in the talks around a peace agreement: Ukrainian minerals and rare earths. The full details of the minerals deal agreed in April 2025 between Ukraine and the US have not yet been revealed, but the potential revenue on offer is substantial.<sup>48</sup> Illicit mineral extraction is already taking place in Ukraine, but the real money may be made through inflated contracts, corruption and other means.<sup>49</sup> The rights to use Ukrainian subsoil are also divided among numerous companies and individuals, many foreign-based, which may add another layer of complexity.<sup>50</sup> Combined with the proximity of many mineral deposits to areas of active fighting, the sector represents the perfect combination of high-risk, high-reward that is most attractive to criminal interests. And given that 40 per cent of mineral deposits are located in the occupied territories, many of the same illicit dynamics may play out on the other side of the front line too.<sup>51</sup>



## CONCLUSION: ROUTES AHEAD

**U**ncertainty remains the dominant mood around the war in Ukraine, though tinged with increasing pessimism on the Ukrainian side since President Trump's second inauguration. The permutations — a peace agreement, a ceasefire, a frozen conflict or a continuing war — have been pored over by analysts around the world, but the unpredictability of the US president's decision-making has made planning a challenging exercise, not least because the strength of US support for Ukraine is now an unknown factor.

As talks and details develop, the geopolitical picture will become clearer, but as this brief has emphasized, the broad brushstrokes of the future direction of organized crime can already be discerned. This is not to paint a definitive picture — organized crime is an agile actor, and its structures will mutate in ways that cannot be foreseen yet as new opportunities and technologies arise. Instead, the brief has indicated the likely major directions that organized crime could follow after the conflict, and the likely outcomes that policymakers and other experts should monitor and plan for. As the situation develops, we will continue to assess how developments in the war affect organized crime in Ukraine, Russia and the broader region.

### Recommendations

Given the challenges in engaging with Russia, these recommendations focus on what Western policymakers can achieve in partnership with Ukraine. However, arguably the largest challenge will involve that of political will and focus. As Europe prepares to rearm in the face of continued Russian aggression and the potential dilution of the US security umbrella, hard security will become the dominant topic of the day. Without sustained and targeted political pressure, organized crime will flourish in the shadows, much as it did in the post-2001 period when, after promising progress was made establishing the UN Convention Against Transnational Organized Crime, global attention switched overwhelmingly to terrorism following the 9/11 attacks by Al-Qaeda. Tackling the legacy of the Russo-Ukrainian war on organized crime will require commitment, resources and, above all, a long-term strategy — all qualities that may be hard to secure in an increasingly crowded threat landscape.

- **People:** A fully realized and implemented veterans policy that is prepped and ready for mass demobilization is among Ukraine's highest priorities in the immediate post-conflict period. International partners should support this with resources and technical expertise, and ensure the political discussion remains alive and progressive in Kyiv and Western capitals. Plans to reintegrate millions of returning refugees must also be drawn up, alongside longer-term plans for how to help IDPs and refugees settle permanently in new locations should their homes remain inaccessible.

- **Control:** The end of martial law will lead to a return of 'normal' operating conditions for organized crime, which will inevitably lead to an increase in crime of various types, including smuggling in border regions. Ukrainian law enforcement is already aware of efforts by Russia-linked organized crime to make a comeback to Ukraine, and is resisting them. However, the return of products such as heroin to Ukraine may be an indication that the schism between the crime factions has healed, and a sign that the illicit highway from Eurasia to Europe via Ukraine is open once again. Illicit flows through the port of Odesa may also resume in earnest. Given that cooperation with Russia will probably be out of the question, European law enforcement partners must continue to cooperate closely with Ukrainian authorities to tackle such flows upstream as best they can, harnessing local intelligence to build a picture of what is happening on the Russian side of the equation. Developing a strategy for post-conflict crime, taking into consideration the challenges facing countries bordering the parties to the conflict and the issues faced by Europe and the wider region as a whole, will provide a vehicle to understand and strategize about the future development of transnational organized crime
- **Expertise:** Harnessing the diverse skill set that is emerging from the conflict is the best way to avoid it falling into criminal hands. Discussions about reconstruction have frequently cited the need to retool Ukraine's economy as part of efforts to 'build back better'. As part of this, skills associated with the military, including cyber skills, drone technology (and piloting), and operational expertise should be built in to the new economy, led by the private sector and national and international economic development programmes. Ukraine is also on the path to legalizing private military companies, which may act as a useful container for veterans who wish to pursue a military-type career outside the army. Where possible, countries should also look for legitimate avenues to engage on similar efforts surrounding Russian veterans, working to ensure that their new skill sets are not captured by organized crime groups and criminal actors acting outside the law and legal economy.
- **Hardware:** Arms trafficking from the Russo-Ukrainian war is high on the agenda of many law enforcement bodies in Europe,<sup>52</sup> but more needs to be done to improve coordination and information-sharing between states. Establishing an early-warning mechanism that can sound the alarm about arms trafficking, particularly coming from Russia, would be beneficial, particularly if it can offer detail about the illicit economy of arms trafficking, including types of weaponry, intended market and customer profile, modes of transport and price.
- **Money:** Ukraine's anti-corruption drive must continue, and be broadened to tackle the enabling environment of corruption in public bodies, ministries and agencies, not just rooting out the 'bad apples'. Similarly, Ukraine must continue to make progress on improving its financial system, as specified by the Financial Action Task Force and in line with the EU *acquis communautaire*.<sup>53</sup> Measures need to be taken to ensure that the sources and purpose of incoming financial assistance are transparent, helping to ensure that the funding is allocated and utilized in an accountable manner that meets needs at the local, regional and national levels. Any steps taken to reintegrate Russia into the global financial and trading systems should be done so in a manner that reduces and eliminates the shadow economy and sanctions-busting schemes that have emerged during the war – both in mechanisms and markets. Measures taken to normalize political and economic ties with Russia should also ensure continued difficulty for Russian dirty money to find new homes around the world, which would reinforce the extensive efforts undertaken on this front in recent years.



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