

# Russian Realities: Nuclear Weapons, Bureaucratic Maneuvers, and Organized Crime

TODD H. NELSON

**T**he Bank of New York money laundering scandal and the congressional hearings it has triggered have thrown new light on the scale and scope of crime and corruption in the former Soviet Union, specifically in Russia. Russia is on the cusp of becoming a criminal-syndicalist state, with corrupt officials, crooked businessmen, and organized criminal groups sharing control. What makes this particularly disturbing to U.S. policymakers and law enforcement officials is the fact that Russia is a nuclear power. The possibility of the diversion or theft of fissionable, chemical, or biological materials presents the United States with a serious threat of potential terrorism.

The pervasiveness of crime and corruption in Russian government and society would be cause for great concern even if an organized and determined system of material protection, control, and accounting (MPC&A) of nuclear, biological, and chemical weapons stockpiles existed in the Russian Federation. This is far from being the case, however. The problem of corruption is particularly disturbing in the Russian military, which was often acutely short of funds for its personnel even before the collapse of the Soviet Union. The collapse of the Russian economy on 17 August 1998 left the military in a virtually chronic state of emergency. The head of the Center for Nonproliferation Studies in Monterey, California, William Potter, warned recently that “[t]he economic crisis in Russia is the world’s number one proliferation problem.”<sup>1</sup> The crisis has caused significant problems within the Russian Defense Ministry’s various agencies responsible for the safety of nuclear weapons and materials, because these agencies depend on the use of military personnel to staff security facilities.<sup>2</sup>

The financial woes of the armed services continue to be dire. In 1996, Russian Northern Fleet spokesman Vladimir Kondriyenko lamented the fact that his fleet hoped to receive its salaries for the month of October as a “gift” from the gov-

---

Todd H. Nelson is a Russian affairs specialist with the Global Organized Crime Project at the Center for Strategic and International Studies. He is the co-editor of an upcoming CSIS report on Russian organized crime since the August 1998 financial crisis in Russia.

ernment in celebration of the 300th anniversary of the Russian Navy, and Pacific Fleet spokesman Viktor Ryzhkov claimed that Moscow owed the sailors stationed in Vladivostok "about 1.9 trillion rubles."<sup>3</sup> Further, the military has suffered a tremendous loss of prestige as a result of its financial status in the years since the end of the cold war. In former times, as journalist Stephen Handelman notes in his work on Russian organized crime,

Soviet professional soldiers ranked alongside the senior nomenklatura in their privileged access to the best food stores, housing, and equipment. When they retired they could look forward to a comfortably pensioned old age in any one of a dozen special communities. But [today] inflation has made their military pensions virtually worthless.<sup>4</sup>

Since the crisis, the number of alarming incidents occurring throughout the Russian military, reflecting poor conditions, is steadily increasing. Among the more notable are several instances of soldiers going berserk and killing some of their comrades before either committing suicide or being taken down by their own forces. One such incident occurred aboard a ballistic missile submarine.<sup>5</sup>

The horrible conditions in the Russian military have led to extensive corruption within the armed forces, as a means of survival. However, Russian officials did not acknowledge the problem until it became obvious in 1993 that corruption was affecting the security of Russia's military installations.<sup>6</sup> That same year, Russian Defense Minister Pavel Grachev announced that up to fifty senior Russian military personnel were under investigation for corruption—a charge that was eventually leveled at Grachev himself.<sup>7</sup> As recently as 1997, according to a report by the Washington think tank, the Center for Strategic and International Studies (CSIS):

Frustration over ongoing corruption in Russia's military led to President Yeltsin's dismissal of Minister of Defense Igor Rodionov and Chief of the General Staff Viktor Samsonov. Yeltsin also fired one of his most loyal supporters, General Konstantine Kobets, who was subsequently charged with corruption.<sup>8</sup>

Additionally, a number of Russian generals and "hundreds of officers" are currently under investigation for corruption, according to Jessica Stern, former chairperson of the National Security Council's White House Nuclear Smuggling Group.<sup>9</sup> Corruption in the military is especially alarming when one considers the spectrum of weaponry to which it has access, including not only conventional, but nuclear, biological, and chemical arms. There have been confirmed instances of prominent military figures' financing all manner of private endeavors with capital from illicit sales of arms and technology. Among these was a conspiracy, prosecuted in Moscow in late 1997, involving hundreds of millions of dollars in arms sales to Armenia, as well as a general's involvement in the sale of binary nerve gas technology to Syria.<sup>10</sup> The majority of such reports, however, are difficult to verify. Examples include repeated claims that Russian arms were being provided to warring factions on opposite sides of ethnic and nationalist conflicts within former Soviet republics such as Abkhazia and Nagorno-Karabakh.<sup>11</sup>

Another of the obvious concerns about the dismal state of the Russian military is that it has allowed, and continues to allow, Russian organized crime groups to recruit from it. The widespread use of AK-74s, rocket launchers, and hand grenades in assassinations carried out by Russian organized criminals demonstrates unusual access to military weaponry.<sup>12</sup> Military personnel are also well suited to fill positions as security specialists and bodyguards. According to the CSIS, "former *spetznaz* (special forces) are in particular demand."<sup>13</sup>

The vast system of nuclear facilities that exists across the Commonwealth of Independent States (CIS) has also fared poorly in the years since the end of the cold war. Workers in these facilities have had to contend with a lack of funds for safety and repairs, which leaves them with dilapidated facilities and security measures far below standards adhered to in the West.<sup>14</sup> They have also had to deal with nonpayment of wages by the government, often for months at a time, which has led to protests, strikes, and generally low workplace morale. The particular threat posed by the dismal state of affairs at Russian nuclear facilities lies in the fact that, according to senior U.S. State Department official Robert Gallucci, "Russian mobsters would find a ready market for any stolen radioactive materials in Iraq, Iran and Libya, all of which are shopping for nuclear weapon components and [which] maintain ties to terrorist groups."<sup>15</sup>

Virtually every theft of fissionable materials has been from facilities deleteriously affected by a shortage of funds and resources. The materials stolen vary greatly in quality, from less enriched uranium (less than 90 percent) to highly enriched uranium, to plutonium-239. While there appear to be fewer thefts of high-grade fissionable materials, Global Advisory Services president Rensselaer Lee notes that

there are important exceptions. For example, an administrator at the "Luch" nuclear research institute in Podolsk (near Moscow) stole and secreted 1.5 kilograms of 95 percent uranium-235 over a period of several months in 1992. Multi-kilogram quantities of highly enriched uranium were stolen in 1993-1994 from the Elektrostal nuclear fuel complex in the Moscow Oblast [region], and from a submarine fueling depot in Murmansk.<sup>16</sup>

The German state intelligence service, the *Bundesnachrichtendienst* (BND), and federal police authority, the *Bundeskriminalamt* (BKA) have also reported that 350 grams of plutonium seized in 1994 appeared to have come from some kind of Soviet-era nuclear installation.<sup>17</sup>

Although a CSIS task force that studied the issue of nuclear smuggling stated that it currently has no evidence that nuclear materials have been successfully stolen and smuggled out of Russian weapons facilities, it is quick to caution parenthetically that "this absence of information ought not to be interpreted as categorical. Criminals cleverer than those caught in Russia or Europe may have eluded intelligence and law-enforcement authorities and escaped with such materials."<sup>18</sup>

Additionally, there have been several attempts to procure fissile materials from such sources. An example of this is the now-famous incident at the Arzamas-16 nuclear weapons research facility, in which a group calling itself "Islamic Jihad" attempted to purchase a completed nuclear device. The request was even made in

writing.<sup>19</sup> More recently, Turkish customs officials arrested eight men caught smuggling 5.4 kilograms of Uranium-235 and 7.1 grams of plutonium powder out of the CIS. They were asking \$1 million for the materials.<sup>20</sup>

A final consideration in the status of Russian nuclear facilities is that the former Soviet Union continues to supply Central European countries with fissionable materials for use in nuclear power plants. A Russian nuclear expert was quoted as admitting, "I can give no guarantees that uranium or plutonium we supply to the Czechs, for instance, won't be sold to a third party."<sup>21</sup> This complicates an accurate determination of proliferation avenues.

Another, perhaps more fundamental, issue in the assessment of Russian MPC&A effectiveness is that American, indeed Western, intelligence agencies do not appear to have a clear picture of exactly what is contained in the arsenal of the Russian Federation, particularly with respect to numbers of stockpiled fissionable materials, which are at best "estimates."<sup>22</sup> Worse, the Russians themselves use such outdated and unreliable accounting methods as hand-counting and ledgers in their cataloguing of stockpiled warheads that prudence demands skepticism about their numbers' accuracy.<sup>23</sup> According to the testimony of former CIA director John Deutsch before Congress in 1996,

a knowledgeable Russian has told us that, in his opinion, accounting procedures are so inadequate that an officer with access could remove a warhead, replace it with a readily available training dummy, and authorities might not discover the switch for as long as six months.<sup>24</sup>

Accountability for Russian weapons of mass destruction has recently been pushed to the forefront of U.S. concerns, after former Security Minister Alexander Lebed claimed on American television that more than 80 of the 148 one-kiloton special atomic demolition munitions (SADM)s in the Russian arsenal are "no longer under the control of the Russian armed forces."<sup>25</sup> These so-called "suitcase bombs" are easily transportable, capable of being armed in less than thirty minutes, and require only one person to activate. Needless to say, such devices have immediate appeal for terrorist groups, and the prospect that they could be missing has given new urgency to the need for effective MPC&A in Russia and to concern about nuclear terrorism in the West.<sup>26</sup>

### **Assessing the Threat: Denial-as-Policy**

The extent to which Russian organized crime is engaged in nuclear smuggling, if it is at all, has been the center of heated debate on both sides of the Atlantic. Various intelligence organizations within the United States have had differing opinions of the situation, as demonstrated by the testimonies of FBI director Louis Freeh and then-CIA director John Deutsch in 1996. In a hearing before the House Committee on International Relations, Deutsch reported:

As I have testified before, we have no data indicating that a nuclear weapon or a significant quantity of fissile material has ever been stolen from Russia. We have no evidence that organized crime has planned or participated in the theft or diversion of fissile materials and we remain alert to this possibility.<sup>27</sup>

Freeh, testifying moments later, appeared to directly contradict this statement of his colleague, citing among his own reasons for concern about nuclear smuggling

the apparent vulnerability of radioactive materials to theft and diversion in several areas of eastern Europe and Eurasia. The seizure of *significant amounts* of cesium in Lithuania and the seizure of uranium in the Czech Republic are examples of the concerns in the international community regarding the threat of nuclear proliferation [emphasis added].<sup>28</sup>

Whether these contradictions are a result of long-standing rivalry between the CIA and the FBI, or the result of the CIA's preferred tight-lipped approach to the conduct of its affairs is a matter of speculation. The evidence, however, seems to point to the latter. There have been key seizures of nuclear materials both in the former Soviet Union and in Western countries, notably Germany, since 1991.<sup>29</sup>

---

***“FBI and CIA directors have indicated great concern about Russian organized crime and nuclear smuggling.”***

Perhaps more puzzling was Freeh's 1998 declaration that the Russian mafia does not exist. He further downplayed the very threat of nuclear smuggling by Russian criminals that he had so explicitly outlined only weeks before. Although there has been speculation that Freeh's statements were political and designed to bolster the flagging confidence of Russian law enforcement in its ability to deal with the vast organized crime problem, they have been roundly criticized and dismissed by several experts as “nonsense.”<sup>30</sup>

### **The German Cases and Difficulties with the Russian Government**

Germany has repeatedly reported the dangers of nuclear smuggling to other authorities in the West, only to have the reports disregarded or downplayed as isolated incidents that were not demonstrative of an organized attempt to obtain and smuggle fissile materials out of Russia.<sup>31</sup> Russian officials also denied the German claims and have in fact never admitted that nuclear materials have been taken out of Russia, despite scientific evidence to the contrary.<sup>32</sup>

After the seizure of approximately 350 grams of plutonium-239 in Munich in 1994, however, the BND was even more forceful in its insistence that its claims had merit. Author Stephen Handelman describes the impact of this incident:

Not only was it the largest single amount of black-market plutonium intercepted since the collapse of the Soviet Union, but it was the third such seizure in four months in Germany. The Germans, who had documented more than 123 similar cases since 1992 ( and another 118 cases of fraudulent offers to sell nuclear material), felt that this was enough to justify their long-standing charge that a “nuclear mafia” operating between Germany and the former Soviet Union was a conduit for underground shipments of bomb-grade material to the Third World.<sup>33</sup>

Russian authorities have explained such incidents as causing the very smuggling they are trying to eliminate. They say that such stories are creating a market for nuclear materials by implying a European demand where none in fact exists.<sup>34</sup> The Germans, however, insist that a market *does* exist and that the frequency and sophistication of smuggling attempts are rising.<sup>35</sup> A CSIS Task Force report recently suggested that

the many incidents in western Europe may also reflect the fact that Europe's media and the law enforcement and intelligence services are effective. This suggests a frightening corollary—that smugglers using southern or eastern routes have succeeded in transporting nuclear weapons or materials across poorly protected borders into the Middle East and Asia where interested buyers might be located and law enforcement and intelligence services are less effective.<sup>36</sup>

Such reports are indeed disturbing, particularly given the stated desire of countries such as Iran, Iraq, and Syria to develop nuclear weapons capabilities. It is even more alarming given the recent disclosure by former UN Special Commission on Iraq chairman Rolf Ekeus that more than 100 high-technology Russian missile guidance systems had been obtained by Saddam Hussein. The systems were dumped into the Tigris River after the 1991 Persian Gulf War in an attempt to hide them from UN weapons inspection teams, and Moscow has denied involvement.<sup>37</sup>

Journalist Seymour Hersh may shed some light on U.S. reticence to openly acknowledge nuclear smuggling and Russian organized crime as a threat to national security. During an interview with high-level Clinton administration officials in 1994, Hersh was told by one official that “worry isn’t a policy” and by another, “Unless you can come up with a credible story that a warhead has made it out of Russia, it’s not particularly important.”<sup>38</sup> Hersh was also discouraged from publishing his findings on the link between Russian organized crime and nuclear smuggling because of the officials’ fears that they would unnecessarily alarm or even panic large portions of the population. One official voiced concern about publishing such findings because “the very last thing we should do is provide free advertising to people who are thinking about [nuclear theft or terrorism].”<sup>39</sup>

To be sure, there are aspects of current U.S. policy that will be more effective (and secure) if they are not exposed to the glare of the media spotlight. U.S. intelligence and law enforcement operations abroad are conspicuous examples. Statements by FBI and CIA directors have indicated great concern about Russian organized crime and nuclear smuggling, and the two agencies appear to be engaged in cooperative efforts to address the problem.<sup>40</sup>

Primary among the key recommendations of the CSIS task force on Russian organized crime, however, is that it “should receive public recognition from the President of the United States as a national security threat.”<sup>41</sup> Recognition alone, of course, will not be of much assistance unless the United States is willing to move onto the front lines in the struggle to contain stolen fissionable materials within Russia. The involvement of the United States is becoming increasingly essential, due to the fact that the German BND and Russia’s foreign intelligence service, the *Sluzhba Vneshnei Razvedki* (SVR), which had been cooperating in

joint efforts against organized crime, have recently been having severe difficulties, stemming primarily from the German belief that the SVR personnel with whom they work are themselves aligned with organized crime. In the words of a recent BND report, "The influence of organized crime on certain individuals or groups in the special services has become in part so strong that one should talk of a kind of mutual infiltration: The mafia and secret agents exploit their symbiotic ties to their mutual advantage."<sup>42</sup> Furthermore, the German magazine *Focus* ran a story in February 1997 in which it quoted a CIA report, allegedly made to the BND, that the main suspect in the above-mentioned Munich smuggling case, Justiniano Torres, was an agent of the SVR who had been recruited during the period of his studies in the Soviet Union (Torres is a Colombia citizen).<sup>43</sup> Whether true or not, such stories are indicative of the distrustful state of affairs between the BND and the SVR.

### **What Is to Be Done? Bureaucratic Machinations and Future Implications**

The problems of Russian organized crime in general, and nuclear smuggling by organized criminal groups specifically, are multifaceted and will require a substantial investment of time, effort, and resources to combat. Legislation on the issue has been in effect since 1992, however, when the Nunn-Lugar Initiative (also known as Cooperative Threat Reduction) was approved by Congress. Initially, Nunn-Lugar was designed to assist Boris Yeltsin with the massive task of dismantling a huge portion of the Soviet nuclear arsenal in accordance with the provisions of the intermediate-range nuclear forces (INF) and strategic arms reduction talks (START I) treaties. It was to provide technical expertise in the actual dismantling process, assist in the conversion of defense industries to commercial enterprises, facilitate the safe transfer and containment of nuclear and biological materials, and develop enhanced nonproliferation measures.<sup>44</sup>

Nunn-Lugar began as a Department of Defense endeavor, although since its inception the Departments of State and Energy determined that they might have a significant stake in the eventual outcome of Nunn-Lugar policies and signed on, each contributing to the overall expenditures involved in the program.<sup>45</sup> In 1993, the program was expanded considerably with the Defense Authorization Act, which was intended to expand the Russian demilitarization process by revamping defense conversion initiatives. It was also to assist in the transport of hazardous nuclear wastes, expand military-to-military contacts, and facilitate the clean-up of some of the more dangerous specimens in the Russian Navy's aging nuclear submarine fleet.<sup>46</sup> More recently, domestic defense programs aimed at countering nuclear terrorism have been introduced under the 1997 Defense Authorization Act or Nunn-Lugar II.<sup>47</sup>

In terms of the breakdown of the various agencies' responsibilities, "Defense has maintained responsibility over programs aimed at dismantling nuclear weapons and destroying their delivery systems, the Department of Energy has taken control of securing research facilities in the [former Soviet Union]. The Department of State is responsible for those programs designed to find productive and peaceful uses for Soviet weapons design expertise. Other departments

and agencies, including Commerce and the Federal Emergency Management Agency, are responsible for domestic preparations against new nuclear threats."<sup>48</sup> Nunn-Lugar and Nunn-Lugar II have indeed come a long way in securing and dismantling Russia's nuclear, biological, and chemical arsenal. However, these programs have not been implemented without considerable criticism from members of Congress and others throughout the lifetimes of the initiatives.

The major congressional criticism has been that the United States essentially is providing funding for Russia to honor its treaty provisions, while allowing its military to spend money on such projects as the recent upgrade of its navy and the prosecution of the war in Chechnya.<sup>49</sup> Recently, there has been renewed concern about the Russian use of the funds provided by Nunn-Lugar, as reports have come in about the possible modernization of Russian strategic nuclear forces—the exact opposite of what Nunn-Lugar was intended to do.<sup>50</sup> Other criticisms resulted when Nunn-Lugar began to expand its mandate. One particular program, which involved providing housing for former Soviet officers, “served as a lightning rod for criticism and drew attacks on the general effort.”<sup>51</sup>

Furthermore, certain portions of Nunn-Lugar have been less effective—and have taken far longer to implement—than was originally hoped. Specifically, the defense conversion component of Nunn-Lugar, implemented under the authority of the U.S. Defense Special Weapons Agency (DSWA),<sup>52</sup> has been unsuccessful.<sup>53</sup> The Soviet military-industrial machine has thus far been unable to manufacture civilian goods that anyone wants. Stephen Handelman recounts his personal experience with Russian conversion efforts:

I visited a MIG-29 assembly plant in Moscow that was lauded as a model for the new era. Part of the plant was still dedicated to building airplanes, but a substantial portion had been reallocated to civilian production—in a manner of speaking. Directors proudly showed me a new line of food mixers three times as large and cumbersome as any sold in the West. Nearby, employees sitting at long benches painstakingly sewed piece-work clothing at machines that had been used to make parachutes. If this was the archetype for conversion, I could imagine the state of plants elsewhere in the country.<sup>54</sup>

Additionally, MPC&A efforts have run into difficulties in that they provide training and equipment to Russian personnel charged with guarding nuclear materials, while failing to address the larger issue of corruption among those personnel. Most of the stolen nuclear materials that authorities have intercepted indicate that security personnel were involved in the theft. Retired Lieutenant General William Odom argues that

[w]hile dismantling the Russian nuclear arsenal may be desirable, it is wholly impractical in the near future. Letting Russia's arsenal decay in its silos may prove a better approach. Moscow is too weak and its military and nuclear production bureaucracies too corrupt to spend the money provided by [Nunn-Lugar]. American dollars cannot substitute for Russian oversight.<sup>55</sup>

Polemics aside, Nunn-Lugar is here to stay, at least for the foreseeable future, with its continuation and expansion in FY 1998. It is apparent, however, that the goals of Nunn-Lugar might be better achieved by supplemental approaches such



as addressing the larger issues of corruption and organized crime in concert with U.S. and Russian law enforcement agencies. The FBI is currently in the process of doing that, with the establishment of a field office in the U.S. embassy in Moscow in 1993. Additionally, the Department of Justice has two prosecutors in Moscow as part of a cooperative American Bar Association—Central and Eastern European Law Initiative (DOJ/ABA-CEELI), which provides “democracy training programs for Russian democratic activists and government officials.”<sup>56</sup>

The primary role of FBI agents in Russia is instructional: They have no powers of arrest within the boundaries of the CIS, nor may they carry firearms.<sup>57</sup> Tangible evidence of FBI training is the fact that Moscow’s Regional Agency for Combating Organized Crime

(RAOC) is essentially a Russian model of the FBI, “as far as its organization and structure are concerned.”<sup>58</sup> ROAC was created specifically to deal with corruption, extortion by force, and kidnapping committed by organized crime groups. The latter two offenses are considered “new” types of crime within the CIS, and provided

---

***“Political will rather than the criminal code is needed to break the stranglehold of crime and corruption.”***

justification for the RAOC’s creation. Such justification was apparently necessary because there already exist police organizations in Russia that have special sections assigned to organized crime, notably the MVD and the Federal Security Service, or *Federalnaya Sluzhba Bezopasnosti* (FSB).

The FBI appears to be taking a more active role in the fight against organized crime in Russia, and FBI director Louis Freeh has been increasingly vocal about the dangers posed by organized criminal activity and the possible proliferation of nuclear materials. In early June 1996, officials from the State Department, FBI, and CIA met to discuss cooperative operations against Russian organized crime.

Considerable problems exist, however, with possible joint FBI-CIA endeavors. The most obvious is the fact that the two agencies have different mandates with respect to Russia. The CIA is less than happy with the intrusion of the FBI into what it perceives as its territory, and more to the point, the CIA does not have experience with law enforcement *per se*.<sup>59</sup> (Although the CIA’s counter-narcotics division has had considerable success with its effort to combat the drug cartels, Russian organized crime is an entirely different kettle of fish.) The CIA’s Directorate of Operations (DO), does not want to be exposed to possibly unsuccessful or embarrassing operations, in part owing to the lingering morale problems caused by the Aldrich Ames affair.<sup>60</sup> Further, the CIA is hesitant to expose its agents to the very real dangers involved in taking on the Russia mafia. However, CIA involvement could be of substantial benefit by gathering intelligence for use by FBI field personnel and other law enforcement agencies in the West. The CSIS task force report recommends that “the US intelligence must be directed to fill

immense intelligence gaps on ROC [Russian organized crime]. Their elements should use well-tested operational know-how to recruit informants inside ROC or induce defections from the various ranks of people who can provide hard, inside knowledge of how the various ROC elements operate, do not operate, cooperate, and do not cooperate.”<sup>61</sup>

FBI training of RAO and MVD personnel, even with intelligence gathering by the CIA, may not be enough to seriously impair the operations of ROC, particularly the threat of nuclear smuggling. Specialized equipment will also be necessary, especially given Russia’s acute lack of sophisticated crime-fighting technology. Rensselaer Lee agrees:

U.S. material and technical support can greatly contribute to improved [interdiction] effectiveness . . . [but] Russia also will require infusions of specialized nuclear crime-fighting technology—such as radiation detection devices (especially important at checkpoints) and laboratory instruments that measure uranium and plutonium enrichment.<sup>62</sup>

Perhaps the most important tool that could be employed against organized crime is computer technology and the establishment of what Lee calls “a joint Western-Russian data bank on Eurasian organized crime.”<sup>63</sup> Such a database would allow Russian and American police agencies to identify criminals and the specific activities in which they are engaged, and to track their movements. The latter would greatly assist the U.S. Department of State and the Diplomatic Security Agency, for example, in decisions about issuing U.S. entry visas.

More fundamentally, democratization enhancement programs such as the DOJ/ABA-CEELI mentioned earlier may provide an increasingly positive environment in the CIS for law enforcement efforts if they help bring about public rejection of organized crime as the status quo of Russian society. As Grigory Yavlinsky, leader of the pro-reform Yabloko Party said recently, “political will rather than the criminal code is needed to break the stranglehold of crime and corruption.”<sup>64</sup> Louise Shelley voiced a similar opinion. When asked whether the criminal establishment would eventually usurp the state in Russia, she responded,

Well, then there’s the other side of that. You can have the rise of a civil society, and a citizenry willing to take on the problem and demand standards out of the government. There are people who are concerned about doing something on the problem.<sup>65</sup>

There have been renewed efforts by the U.S. Congress to legislate the conduct of U.S. businesses in the CIS, in an attempt to reduce the extent to which corruption is viewed as a normal business practice there. The Foreign Corrupt Practices Act (FCPA), passed by Congress in 1977, was designed to keep U.S. businesses from paying bribes in foreign countries.<sup>66</sup> The FCPA was amended in 1988, after complaints about its vague wording.<sup>67</sup> The FCPA, however, is a unilateral policy: The United States is the only industrialized nation that prohibits the bribery of foreign officials by its private citizens. Needless to say, this does not substantially affect the extent of corruption in foreign countries, where criminals can turn to the businessmen of other countries willing to engage in such practices.

Recently, however, a policy similar to FCPA was approved by the international Organization for Economic Cooperation and Development (OECD), "aimed at stamping out corruption and bribery of government officials in international commercial agreements."<sup>68</sup> The effectiveness of this policy remains to be seen. FCPA enforcement has been hampered by bureaucratic infighting between the Department of Justice and the Securities and Exchange Commission, which are jointly charged with enforcement.<sup>69</sup> Their rivalry impairs the effectiveness of the legislation.<sup>70</sup>

In sum, there are various programs in place aimed at preventing the theft and smuggling of nuclear materials, as well as ones designed to stem the influence of Russian organized crime in general. Nunn-Lugar and Nunn-Lugar II are of long-term and perhaps fundamental importance, although they have shortcomings that need to be addressed immediately if they are to be truly effective. The impact of FBI and CIA programs is not readily assessable, although the policies assisting Russian law enforcement agencies and gathering intelligence seem fundamentally sound. The provision of sophisticated crime-fighting equipment, especially computers, would significantly enhance the effectiveness of the Russian police, and might decrease their reliance on U.S. and other Western agencies in the future.

U.S. efforts at improving the climate for democracy, via programs such as the DOJ/ABA-CEELI may help lay the foundation for development of the rule of law in Russia society. Such efforts will also assist strong law-and-order politicians such as Alexander Lebed and reformers such as Grigory Yavlinsky in their efforts to fight organized crime.

### Conclusion

The problem of Russian organized crime will continue to exist for some time. That organized crime has so completely inserted itself into the fabric of Russian society will make it extremely difficult to dislodge. Louise Shelley notes:

The transition from a centrally planned communist economy to a free market capitalist economy requires a fundamental reorganization of the structure of society. As organized crime groups infiltrate the economy at this crucial phase of transition, then, as in Sicily, it may be impossible to disassociate the economic development of the successor states from the development of organized crime.<sup>71</sup>

The situation is likely to become worse if the political will of the Russian government is lacking and if Western countries do not act more aggressively to counter it. Most disturbing is the threat of nuclear proliferation by Russian organized crime. The relatively small amounts of fissionable materials necessary for the construction of a nuclear device make the need for their security even more drastic. Unfortunately, the prognosis is not good: a CSIS report recently concluded,

Barring an unlikely economic turnaround in the former Soviet Union, struggling nuclear workers there will continue to be tempted to steal materials. Disarray in the Russian military is apt to worsen in the near term, threatening security at nuclear weapons storage sites. The current trafficking situation shows disturbing upward trends, substantial quantities of materials are likely to remain at large, and the potential for an accident or use of smuggled nuclear materials is probably increasing.<sup>72</sup>

The United States must put forth a sustained and aggressive effort, in cooperation with the Russian government, both to improve the security of nuclear materials and facilities within the CIS and to improve the infrastructure of the Russian economy generally. The latter of these is particularly important since the 1998 financial crisis. Interagency rivalries that have hampered the effectiveness of existing U.S. foreign policy need to be overcome. The consequences of even one nuclear device being deployed against the United States would be devastating, and the fact that Russian organized criminals are most capable of carrying out that threat makes it imperative that organized criminal activity in Russia be publicly recognized as a serious threat to U.S. national security interests.

At present, there is little cause for optimism. The Russians themselves have acknowledged the problem of organized crime in their society and the profound danger it poses. A recent *Washington Post* article, reporting on Russia's first post-Soviet national security blueprint, warned: "Russia's legal system is weakening in the face of an onslaught from criminals and . . . criminal groups are 'merging' with official government organizations and have penetrated banking, industry, trade and consumer goods."<sup>73</sup>

But as Louise Shelley has noted, the Russians are becoming more acutely aware of the need to deal with organized crime in their society and are prepared to take action to stem the tide. With the assistance of the United States and other Western nations, as Shelley comments, the situation is "not completely hopeless."<sup>74</sup> Some Russians are moving from dire concern to resigned defeatism on the issue, as demonstrated by Russian criminologist Yakov Giliinsky in a 1998 interview :

I . . . believe that the Mafia is everlasting. Once it is organized with its own intelligence, counterintelligence, experts, lawyers, economists, technical experts, and a huge and modern technical foundation, it is impossible to defeat it purely by using police methods. . . . Amid total corruption and social crisis, the political will does not exist in Russia for the successful fight against the mafia and for taking economic, political, and police measures at the same time.<sup>75</sup>

One journalist, noting the extent to which the Russian state has already become criminalized, despaired, "What are we talking about [the corruption of] deputies for, if on 12 June 1994, next to President Yeltsin even, one noticed the thrice-convicted crime boss Vladimir Podatev?"<sup>76</sup> He may well be right; it may already be too late. But the Russian people are nothing if not resilient. If the will to rid their country of the "octopus" of organized crime is strong enough, and if they are given the tools with which to fight it, certainly anything is possible.

One of the small signs of optimism is the Russian presidential election scheduled for June 2000. The United States, by way of recent congressional hearings, has been made aware of policy shortcomings that have contributed to the economic quagmire that is Russian society. If Russia can get on its feet economically, the chances of successfully addressing the problems of insecure nuclear facilities in Russia—as well as combating the larger problems of organized crime and corruption—are not so grim.

## NOTES

1. Quoted in Steve Goldman, "Leaky Borders Threaten World Security," *Toronto Star*, 23 January 1999.
2. Sarah Mullen and Linnea P. Raine, eds., *The Nuclear Black Market* (Washington, D.C.: Center for Strategic and International Studies, 1997), 19.
3. Yevgenia Borisova, "Nuclear Cruiser is Old on its Maiden Voyage," *St. Petersburg Times*, 22 October 1996, 5.
4. Stephen Handelman, *Comrade Criminal: The New Russian Mafiya* (New Haven: Yale University Press, 1995), 230.
5. "Crime Undermining Armed Forces Readiness," *Nezavisimaya Gazeta*, 25 September 1998, reported in the BBC Summary of World Broadcasts, 28 September 1998.
6. Rensselaer Lee, "The Organized Crime Morass in the Former Soviet Union," *Demokratizatsiya* 2, no. 3 (Summer 1994): 400. See also Handelman, *Comrade Criminal*, 227–29.
7. Grachev was later exonerated of the charges, although they would come back to haunt him when, in 1995, a scathing editorial appeared in the newspaper *Moskovsky Komsomolets* charging that Grachev was thoroughly corrupt, and that he was using his military and political connections for his own profit. The article specifically accused Grachev of diverting military equipment destined for troops in Chechnya, although it used previous accusations as evidence of Grachev's shady character. Grachev sued *Moskovsky Komsomolets* for libel and lost.
8. Frank J. Cilluffo and Gerard Burke, eds., *Russian Organized Crime* (Washington, D.C.: Center for Strategic and International Studies, 1997), 33.
9. "60 Minutes" producer Leslie Cockburn, "The Perfect Terrorist Weapon," CBS, WUSA, Washington, D.C., 7 September 1997.
10. *Ibid.*
11. Lena Johnson and Clive Archer, eds., *Peacekeeping and the Role of Russia in Central Eurasia* (Boulder: Westview Press, 1996), 126.
12. Kit Vladimirov, "Daylight Gun Battle Tied to Tambovskaya Mafia War," *St. Petersburg Press*, 2 October 1995, 5.
13. Cilluffo and Burke, *Russian Organized Crime*, 33.
14. Mullen and Raine, *The Nuclear Black Market*, 11–12.
15. Quoted by Mark Johnson, "Nukes and the Russian Mob," *Journal of Commerce*, 13 March 1998, 6.
16. Lee, "The Organized Crime Morass," 397.
17. "Schock am Flughafen" (Shock at the Airport), *Der Spiegel*, 15 August 1994, 18–20.
18. Mullen and Raine, *The Nuclear Black Market*, 12.
19. Kirill Belyaninov, "Utechka" (Leak), *Literaturnaya Gazeta*, 20 June 1993, 12.
20. Steve Goldman, "Leaky Borders Threaten World Security," *Toronto Star*, 23 January 1999.
21. Handelman, *Comrade Criminal*, 227.
22. Mullen and Raine, *The Nuclear Black Market*, 11.
23. Cockburn, "Perfect Terrorist Weapon."
24. John Deutsch, quoted in Mullen and Raine, *The Nuclear Black Market*, 1.
25. Cockburn, "The Perfect Terrorist Weapon." See also Linnea P. Raine and Frank J. Cilluffo, eds., *Global Organized Crime: New Empire of Evil* (Washington, D.C.: Center for Strategic and International Studies, 1994), 89.
26. Jim Clark, narr., "Nuclear Threat," ABC, WJLA-TV, Washington, D.C., 4 November 1997.
27. John Deutsch, appendix of testimony before the House Committee on International Relations, "The Threat from Russian Organized Crime" One Hundred Fourth Congress, 30 April 1996 (Washington, D.C.: U.S. Government Printing Office, 1996), 51.
28. Louis Freeh in *ibid.*, 57.

29. Aleksandr Tarasov, "Ubiitsa po imeni Tsezii" (A Killer by the Name of Cesium), *Ogonyok* 50 (December 1995): 38–39.
30. Johnson, "Nukes and the Russian Mob," 6.
31. Kanzleramtminister Bohl: Das in Deutschland gefundene Plutonium stammt aus Russland" (Chancellor Minister Bohl: The Plutonium Found in Germany Originated in Russia), *Frankfurter Allgemeine*, 24 August 1994, 1.
32. Mullen and Raine, *The Nuclear Black Market*.
33. Handelman, *Comrade Criminal*, 225.
34. Mullen and Raine, *The Nuclear Black Market*, 11. See also Igor Korolkov, "Atomnii Reket" (The Atomic Racket), *Izvestiya*, 28 March 1995, 10.
35. Mullen and Raine, *The Nuclear Black Market*, 11.
36. Ibid.
37. Cockburn, "The Perfect Terrorist Weapon."
38. Seymour Hersh, "The Wild East," *Atlantic Monthly* 273, no. 6 (June 1994): 68.
39. Ibid., 69.
40. Melinda Liu and Gregory Vistica, "Clinton's October Surprise: Searching for a Covert Victory Over the Mob," *Newsweek*, 17 June 1996, 47.
41. Cilluffo and Burke, *Russian Organized Crime*, 12.
42. Yuri Shpakov, "Intelligence Service Cozies Up to Mafia?" *Moskovskiy Novosti*, 12–19 October 1997, 10 [FBIS Daily Reports].
43. J. Hufelschulte and J. Marks, "Help from Uncle Sam," Munich *Focus*, 3 February 1997, 28–29 [FBIS Daily Reports].
44. Zachery Seldon, "Nunn-Lugar: New Solutions for Today's Nuclear Threats," *Business Executives for National Security Special Report*, Washington, D.C., September 1997, 8.
45. Jason Ellis, "Nunn-Lugar's Mid-Life Crisis," *Survival* 39, no. 2 (Spring 1997): 86.
46. Seldon, "Nunn-Lugar," 8–9.
47. Ibid., 9.
48. Ibid., 6.
49. Ibid., 6. Also Yevgenia Borisova, "Nuclear Cruiser is Old on its Maiden Voyage," *St. Petersburg Times*, 22 October 1996, 5.
50. Bill Gertz, "Russia Preparing Blast in Arctic, Satellite Shows," *Washington Times*, 24 September 1998, 1.
51. Seldon, "Nunn-Lugar," 52. Recently folded into the Defense Threat Reduction Agency (DTRA).
53. Ibid., 20–21. See also Handelman, *Comrade Criminal*, 233.
54. Handelman, *Comrade Criminal*, 233.
55. William E. Odom, "Transforming the Military," *Foreign Affairs* 76, no. 4. (July/August 1997): 56.
56. Scott P. Boylan, "Organized Crime and Corruption in Russia: Implications for US and International Law," *Fordham International Law Journal* 19 (1996): 10, 20.
57. FBI agents stationed at the U.S. embassy in Moscow liase primarily with Russian law enforcement officials. They do not function as active law enforcement officials and hence, do not have the above-mentioned rights.
58. General Vladimir Rushailo (RAOC head), in an interview with Alexander Zhilin, "Russian FBI: Three Years in Operation," *Moscow News*, 2–15 May 1996, 17.
59. Melinda Liu and Gregory Vistica, "Clinton's October Surprise: Searching for a Covert Victory Over the Mob," *Newsweek*, 17 June 1996, 47.
60. Ibid.
61. Cilluffo and Burke, *Russian Organized Crime*, 13.
62. Lee, "The Organized Crime Morass," 400.
63. Ibid.
64. Summary of testimony before the House Committee on International Relations. *Center for Strategic and International Studies Special Projects* (Washington, D.C. 1 October 1997), 1.

65. Interview with Louise Shelley, 17 February 1997.

66. Scott P. Boylan, "Organized Crime and Corruption in Russia," 6.

67. Ibid.

68. Ibid., 6-7.

69. Ibid., 7.

70. Representatives of the Justice Department and the Securities and Exchange Commission to whom I spoke denied that there was conflict between the two agencies. However, one SEC official, who wished to remain anonymous, said that a fundamental problem of "jurisdiction" with respect to the FCPA existed.

71. Louise Shelley, "Post-Soviet Organized Crime and the Soviet Successor States," *Annales Internationales de Criminologie* 33-1/2 (1995):174.

72. Mullen and Raine, *The Nuclear Black Market*, 45.

73. David Hoffman, "Russia Draws Bleak Picture of its Security," *Washington Post*, 25 December 1997, 1.

74. Interview with Louise Shelley.

75. Jenő Krautz interview with criminology professor Yakov Gilinskiy: "The Mafia Found Its Way to the Party Leadership as Early as the Brezhnev Era," *Budapesti Heti Világazdaság*, 1 August 1998, 41-42. [FBIS Daily Reports]

76. Andrei Konstantinov, "State Duma Deputy Took on 'Crime Boss' Folk as Aides," *Komsomolskaya Pravda*, 23 May 1995, 1-2 [FBIS Daily Reports].