



LATVIAN ORGANIZED CRIME INVESTS IN POLITICS

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Parliamentary elections were held in Latvia on October 2. They took place in a situation when the Parliament and the government have lost authority and trust. At the same time, the powerful political networks are strengthening their position. Experts admit that in the global crisis conditions, the shadow and criminal economy sector (potential and opportunities of control structures over economic sphere decreases), is expanding. An essential part is played by organized criminal groups.

The Current Political Situation in Latvia

Parliamentary elections were held on October 2. In 2010, polls showed that only seven percent of the respondents expressed trust in the Parliament and 14 percent in the Government. Thus, the work of the Saeima, the 100-seat unicameral parliament, and the Government is not highly regarded. Nevertheless, a majority of deputies were elected from political parties and associations that were not popular. The association Vienotība (AV), which unites three political parties, got 33 of the 100 seats. Zaļo zemnieku savienība (ZZS) received 22 mandates, while another association, Visu Latvījai/Latvijas nacionālā neatkarības kustība (VS/LNNK), captured eight mandates. The fact that Saskaņas centrs (SC) got the second largest number of votes (28 seats), meant that it was invited to participate in the government in order to provide increased political stability. However, there was a condition. SC had to agree not to touch “tabu” questions in the government and the Saeima – questions like the status of the state (official) language, citizenship and non-citizen (aliens) rights. SC was of the opinion that talks on the formation of the government had to be started without making preliminary statements. Later, VS/LNNK was not invited to join the new coalition. On November 2, the Parliament approved the new deputies, and the next day the new government, under the previous Prime Minister V. Dombrovskis, was also approved. At present, the political situation is characterized by contradictions and a certain instability. It is possible that there will be new elections within a year.

Specificities of the Elections

It has to be admitted that some special traits of the elections can be discerned which, in fact, might have affected the outcome. For the first time in the history of the elections to the Saeima, 3000 prisoners could participate, under the supervision of the prison administration. The first vote counting revealed that there were about 18,000 voting cards more in the ballot boxes than there were registered voters. Initially, it was said to be a result of election commission members being tired, but later the problem was claimed that it was due to failures in the electronic system program. A criminal process has been initiated by the security police.

On October 2, *Le Monde* published an article according to which the political association Saskaņas centrs had received 2,2 million Euros in the previous elections for the European Parliament as well as to the local governments in 2009. The money is said to have come from Russia. Also, the association Par cilvēktiesībām vienotā Latvijā (PCTVL) was claimed to have received half a million Euros. Experts admit that the financial means, previously mentioned, were not donated legitimately, but in such a way that criminally acquired financial means were used to make it possible for the donor to influence institutions in Latvia and the European Union. Besides, it was acknowledged that such funds in the present elections might have been much greater. Security authorities and law enforcement institutions are currently investigating this information.

After the elections, information spread in the Latvian mass media about the political party Visu Latvījai. It was claimed that it had been financially supported by the



chechen diaspora living in Latvia. One was said to be Beslan Abdulmuslimov, who is now known also as Beslans Krūmiņš. The security police made an investigation and found that the information could not be confirmed. At the same time, the security police has found that Abdulmuslimov has boasted about a valuable purchase he has made – the party Visu Latvijai.

The Domestic Situation

The Parliament and the government have lost authority and trust. At the same time, the powerful political networks are strengthening their position. As the well-known expert in East European issues, Edward Lucas, has mentioned in *the Economist* that it is a magician's trick that V. Dombrovskis can remain Prime Minister.

Last year, with the start of economic crisis, the registered number of criminal offences has decreased. Compared to 2008, crime decreased by 1.3 percent in 2009 and 11.3 percent during the first nine months of this year. At present, one third of the registered crimes are solved. The number of cases of economic crime continues to be on the same level as before. At the same time, the number of unregistered crimes is high. As seen from criminological studies and results of expert polls, law enforcement institutions are recording only 10-15 percent of all crimes.

The Crisis and Organized Crime

Experts admit that in the global crisis conditions, the shadow and criminal economy sector (potential and opportunities of control structures over economic sphere decreases), is expanding. An essential part is played by organized criminal groups. Under crisis conditions and in a desorganized society, it is typical that organized criminal networks are well organized. They are active and have a tendency to expand into new spheres of activity. In the current crisis situation, modified and new, innovative organized criminal activities are developing. Cyber crimes are increasingly sophisticated; fraud is becoming more versatile, including the sphere of insurance; there is an increase in corruption; fictitious and unregistered business activities are expanding; tax avoidance is becoming mass-scale; criminally acquired means are legalized, etc. Analogous to effective and rational business, business has an international character and a tendency to

expand internationally. The transnational connections of organized crime and its sphere of activity are intensifying.

In May 2010 the greatest cocaine cargo (200 kg) in the history of Latvia was intercepted in the port of Riga. The delivery address was Veliky Novgorod in Russia. In October 2010, as a result of efficient operative work of the Latvian police, a modern narcotics laboratory was eliminated. Its equipment had been transported from Western Europe and the ready-made production was targeting the market in EU countries. It should be noted that the organizational, technological and financial provisions are linked to the countries constituting the market for drugs.

In October 2010, a court process is going on about human trafficking, which was organized by a transnational organized criminal group active in Helsinki, Finland. The leader of the group is a 39-year-old man from Latvia, who for several years, has been organizing human trafficking to Finland, receiving, on average 8100 Euros per person.

In the present crisis conditions, the marked reduction of the human potential (the staff of legal institutions, financial resources) of law enforcement institutions creates problems.

Activities of Latvian State Police and Department of Criminal Investigation in the Fight Against Crime

The Department of Criminal Investigation of the Latvian State Police has undertaken a series of reorganizations in order to improve the fight against organized crime. With organized criminal networks expanding into new fields and territories and applying innovative approaches in order to gain profits and increase their influence, a new definition of organized crime is being developed. The Latvian Criminal Law will be supplemented by the new term "criminal organization structure," which implies a union of a group of persons, consisting of at least two organized criminal groups. The criminal organization has a strict hierarchical structure aimed at gaining direct or indirect power, influence in the society, as well as material and financial resources. The activity of the criminal organization could cause increased danger to the public, and will be met by imposing a very serious penalty. The idea of applying preventive detention when receiving the information about the respective organizations and its members might be controversial.



Besides, the work has commenced to introduce a new model for criminal intelligence in Latvian operative services. The model determines a unified methodology, which has to be applied in all EU member countries and agencies (especially Europol), aiming at providing an effective information network between law enforcement institutions dealing with organized crime and cross-border crime prevention. This model will give an effective strategy for the fight against criminal offences, especially against organized crime, which is based on the results obtained during the process of criminal investigations.

Successful counteraction of criminal organizations can be realized at three levels: (a) the transnational level, establishing an international agency for organized crime prevention; (b) the regional level, establishing, for example, a center of the Baltic sea region states for organized crime prevention (proposed by W. Kegö); and (c) the national level, providing bureaus for organized crime prevention.

The Problem in Preventing Illegally Acquired Financial Means

Despite the global economic-financial crisis, the problem in Latvia is still on the agenda. In a report issued by the U.S. Department of State, Latvia is one of sixty states, where money laundering is widely spread. According to the report, the greatest source of money laundering in Latvia is tax avoidance and tax fraud, which are partially guided from abroad. Typical cases of money laundering are financial fraud, smuggling and corruption in the public sector.

The above-mentioned factors result, undoubtedly, in an increased risk for legalization of illegally acquired means. Specialists claim, however, that such activities have decreased, especially those guided from abroad. The number of cases of “dirty” money laundering and the sums involved have decreased. During the first nine months this year, 55

criminal processes focussing on the legalization of illegally acquired means have been initiated. In the area of economic crime, the most commonly used method is so-called “fishing,” where fictitious data of financial institutions are used, by acquiring the identification data of the bank clients. Using data from Latvian citizens, more than 500,000 Euros have been swindled in German banks in recent months alone. At the same time, it has to be admitted that the capacity of law enforcement institutions is insufficient to take intensive and aggressive measures in the fight against illegally acquired means.

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