



## **Ukraine – Researched and compiled by the Refugee Documentation Centre of Ireland on 17 August 2012**

### **Information on the methods used by criminal organisations in Ukraine.**

Information on the modus operandi of Ukrainian criminal organisations was scarce among sources consulted by the Refugee Documentation Centre within time constraints.

A 2004 report published by the *National Criminal Justice Reference System*, in a section titled “Techniques for Criminal Behavior and Economic Crime”, states:

“Fictitious enterprises allow organized criminal groups to embezzle property, evade taxes, illegally receive and use credit, launder money, and illegally transfer money into foreign banks. Organized criminal groups use fictitious contracts and enterprises as intermediaries to conceal extraordinary amounts paid for goods, and then deposit these gains into foreign bank accounts. The groups avoid paying taxes on this money by, for example, withdrawing it for ‘travel expenses,’ then appreciably underestimating the totals or failing to declare expenses at all. According to Ukraine’s Coordinating Committee for the Struggle with Corruption and Organized Crime, approximately 70 percent of the currency acquired through such intermediaries does not come into Ukraine, but instead is placed in foreign accounts. Interviews with law enforcement officials reveal that this is carried out largely with the complicity of bank officials. One recent phenomenon in terms of fictitious enterprises is the creation of currency exchange centers. These are networks of enterprises created by an organized criminal group that have been legally registered - - but are used only for shadowy financial and economic operations, particularly the illegal conversion of hryvnia [Ukrainian currency] into hard currency. It has been estimated that these centers allow hundreds of millions of U.S. dollars to be moved annually through the accounts of such fictitious structures in Ukraine into foreign banks.” (National Criminal Justice Reference System (2004) *Ukrainian Organized Crime Groups: A Behavioral Model*)

*An Australian Government – Refugee Review Tribunal* country advice document states:

“A journalist writing in the *Kyiv Post* in 2009 states that mafia-style gangs ‘run’ the country; ‘Ukraine...is run by a few competing gangs. Smaller gangs stop at nothing to grow bigger and more powerful. They kill. They lie. They forge documents and diplomas. They bribe judges. Then they take over other people’s properties and territories. Some of them even molest children along their way, just because they can.’ The author argues that at times, senior police have controlled criminal gangs and cites the arrest of ‘eight senior police officers in Kharkiv who created a multi-national illegal drug network. The deputy chief of the police’s narcotics unit was allegedly in charge of the criminal ring, while the chief of the city’s department for fighting youth crime allegedly built a distribution network among the young’.” (Australian

Government – Refugee Review Tribunal (29 April 2011) *Ukraine – UKR38527 – Demographics – Political System – Sluzhba Bespeky Ukrayiny – Human Trafficking – Child Prostitution – Organised Crime – Mafia – State Protection – Corruption*, pp.4-5)

A report published by *Transparency International UK* states:

“Due to the present structure of the defence and security establishments in Ukraine, one should expect organised crime groups to continue in their efforts to infiltrate these establishments. Such groups use their existing powers for illicit enrichment in the following areas:

- Theft or misuse of budget funds allocated for defence finance institutions through non-use or infringement of tender procedures for defence procurement (purchasing, housing, construction, etc.)
  - Unlawful appropriation of Ministry of Defence-owned land
  - Abuse of power during the privatisation of Ministry of Defence-owned industries and manufacturing facilities
  - Receiving bribes for granting use of properties and munitions
  - Illegal transactions related to arms exports”
- (Transparency International UK (December 2011) *Types of organised crime in Ukraine*)

This response was prepared after researching publicly accessible information currently available to the Research and Information Unit within time constraints. This response is not and does not purport to be conclusive as to the merit of any particular claim to refugee status or asylum. Please read in full all documents referred to.

#### **References:**

Australian Government – Refugee Review Tribunal (29 April 2011) *Ukraine – UKR38527 – Demographics – Political System – Sluzhba Bespeky Ukrayiny – Human Trafficking – Child Prostitution – Organised Crime – Mafia – State Protection – Corruption*  
<http://www.mrt-rrt.gov.au/ArticleDocuments/139/UKR38527.pdf.aspx>  
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National Criminal Justice Reference System (2004) *Ukrainian Organized Crime Groups: A Behavioral Model*  
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<http://www.ti-defence.org/publications/989-types-of-organised-crime-in-ukraine>  
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#### **Sources Consulted:**

Amnesty International

Electronic Immigration Network  
European Country of Origin Information Network  
Freedom House  
Google  
Lexis Nexis  
National Criminal Justice Reference Service  
Refugee Documentation Centre Query Database  
Refugee Review Tribunal  
Transparency International UK  
UNHCR Refworld  
US Department of State