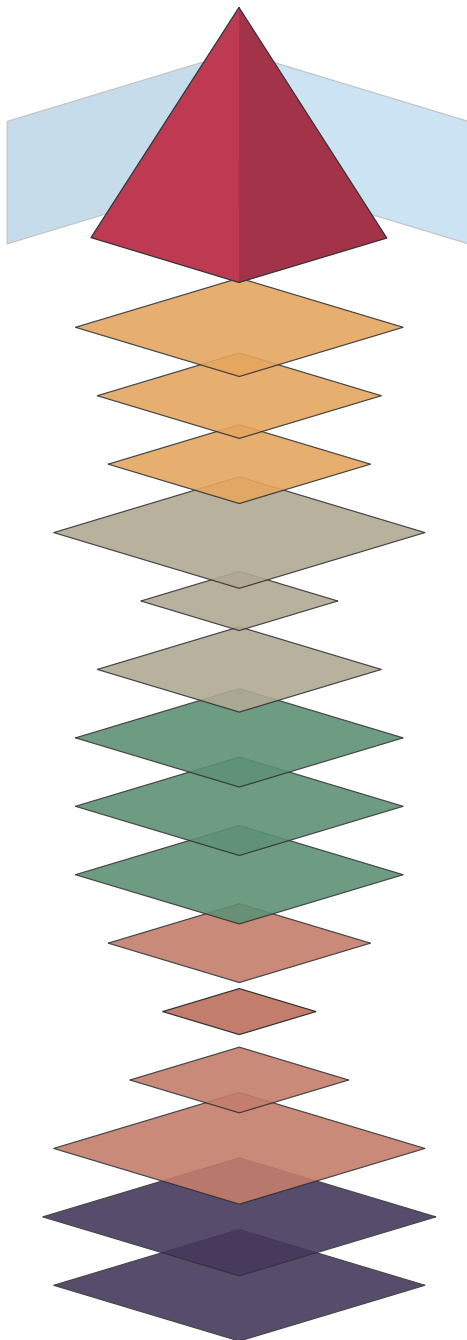


 **RUSSIA**



 **6.87**  
**CRIMINALITY SCORE**

19<sup>th</sup> of 193 countries  
1<sup>st</sup> of 44 European countries  
1<sup>st</sup> of 17 Central & Eastern European countries

 **CRIMINAL MARKETS** **6.83**

HUMAN TRAFFICKING	7.50
HUMAN SMUGGLING	6.50
EXTORTION & PROTECTION RACKETEERING	6.00
ARMS TRAFFICKING	8.50
TRADE IN COUNTERFEIT GOODS	4.50
ILLICIT TRADE IN EXCISABLE GOODS	6.50
FLORA CRIMES	7.50
FAUNA CRIMES	7.50
NON-RENEWABLE RESOURCE CRIMES	7.50
HEROIN TRADE	6.00
COCAINE TRADE	3.50
CANNABIS TRADE	5.00
SYNTHETIC DRUG TRADE	8.50
CYBER-DEPENDENT CRIMES	9.00
FINANCIAL CRIMES	8.50

 **CRIMINAL ACTORS** **6.90**

MAFIA-STYLE GROUPS	6.00
CRIMINAL NETWORKS	7.00
STATE-EMBEDDED ACTORS	8.50
FOREIGN ACTORS	5.00
PRIVATE SECTOR ACTORS	8.00

 **3.79**  
**RESILIENCE SCORE**



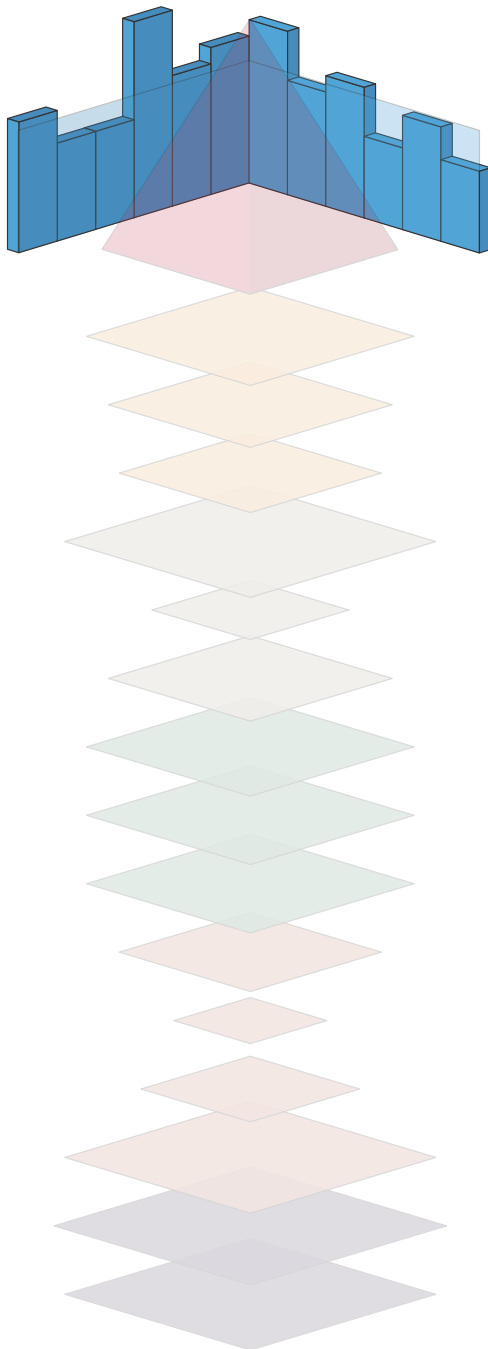
Funding provided by the United States Government.



Funded by the European Union

ENACT is funded by the European Union and implemented by the Institute for Security Studies and INTERPOL, in affiliation with the Global Initiative Against Transnational Organized Crime.

 **RUSSIA**



 **3.79**  
**RESILIENCE SCORE**

**144<sup>th</sup>** of 193 countries  
**43<sup>rd</sup>** of 44 European countries  
**16<sup>th</sup>** of 17 Central & Eastern European countries

<u>POLITICAL LEADERSHIP AND GOVERNANCE</u>	<b>4.00</b>
<u>GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY</u>	<b>3.00</b>
<u>INTERNATIONAL COOPERATION</u>	<b>3.00</b>
<u>NATIONAL POLICIES AND LAWS</u>	<b>6.00</b>
<u>JUDICIAL SYSTEM AND DETENTION</u>	<b>4.00</b>
<u>LAW ENFORCEMENT</u>	<b>4.50</b>
<u>TERRITORIAL INTEGRITY</u>	<b>5.00</b>
<u>ANTI-MONEY LAUNDERING</u>	<b>3.50</b>
<u>ECONOMIC REGULATORY CAPACITY</u>	<b>4.00</b>
<u>VICTIM AND WITNESS SUPPORT</u>	<b>2.50</b>
<u>PREVENTION</u>	<b>3.50</b>
<u>NON-STATE ACTORS</u>	<b>2.50</b>

 **6.87**  
**CRIMINALITY SCORE**

 <b>CRIMINAL MARKETS</b>	<b>6.83</b>
 <b>CRIMINAL ACTORS</b>	<b>6.90</b>



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# CRIMINALITY

## CRIMINAL MARKETS

### PEOPLE

Russia continues to be a significant source, destination, and transit country for human trafficking. The trafficking of Russian women and children for the purposes of sexual exploitation in Europe, Asia, and North America continues to be extremely prevalent. The internal trafficking of victims from Russia and neighbouring countries also takes place, for the purposes of forced labour, sexual exploitation, and forced begging. Criminal organizations as well as private sector actors are involved in human trafficking, and state-embedded actors are also complicit. Criminal actors commonly use deception and debt bondage to trap trafficking victims. The exploitation of vulnerable communities, such as homeless individuals and foreign nationals, continues to occur. Children transferred from occupied areas of Ukraine to Russia are also at risk of human trafficking.

Russia is also a key hub for human smuggling. Irregular migrants are smuggled from Iran through Azerbaijan and Georgia into Russia. Non-regional human smuggling of certain ethnic communities, such as Afghans, Chinese, Koreans, and Vietnamese, also takes place. It is also possible that Russia serves as a source country for irregular migrants being smuggled to the Baltic countries, Belarus, and Ukraine. There is evidence that Russia's invasion of Ukraine prompted thousands of Russians to flee the country in fear of political persecution as well as to avoid being drafted into the military. Many are seeking refuge in the US, facilitated by Russian and Uzbek-speaking smuggling networks operating in Turkey, Central America, and Mexico. Russia also plays a significant role as a transit country. The intensity of crimes associated with the smuggling market varies, but smuggled people are routinely subject to abuse, intimidation, coercion, and physical violence. Russians tend to be the leading regional facilitators of human smuggling into Europe, followed by Belarusians and Ukrainians.

Extortion in Russia is well entrenched and intrinsically connected to the operations of local criminal groups. Extortion and the payment of protection money are also common features of doing business in the country. Racketeering is also prevalent, carried out not only by criminal groups but also by actors operating in the legal economy.

### TRADE

Russia is not only the world's second largest licit arms exporter, supplying major powers such as India and China, it is also host to a rampant and expanding illegal arms market. The armed conflict in Ukraine created new flows of arms trafficking in and out of the country, with a significant percentage of the total number of weapons exported from Russia emanating from black and grey markets. There are also concerns over illegal arms entering mainland Russia through its occupied regions, which has resulted in a substantial increase in crime committed with firearms in recent years. Although a lack of data makes it difficult to assess the situation in Donetsk and Luhansk, it is reported that there is a proliferation of illicit arms in these areas. Following the invasion of Ukraine and the imposition of international sanctions, Russia has been reportedly receiving munitions and military hardware sourced from Iraq with the help of Iranian weapons smuggling networks. In general terms, developments in the war in Ukraine are expected to have huge implications for the direction and volume of international arms trafficking.

The trade in counterfeit goods is widespread in Russia. An estimated 40% of all handbags, clothing, and accessories sold are thought to be counterfeit. Russia is not only a destination but also a source country for counterfeit goods sold worldwide. The control of this trade has become even more challenging with the rise in e-commerce. Moreover, because of the war in Ukraine and the consequent Western sanctions, the Russian state has authorized counterfeit Western goods in retaliation, enabling Russian companies to register trademarks confusingly similar to well-known international brands without legal consequence. The illicit trade in excise goods, the most common being alcohol and tobacco products, is also pervasive in the country, owing to high excise taxes, a lack of prosecution, as well as Western sanctions. The sale of contraband tobacco products and alcoholic beverages smuggled from countries in the Eurasian Economic Union is widespread, causing both health risks and extensive losses in tax revenue.

### ENVIRONMENT

Russia has the largest area of forests and plantations in the world, and much of the country's woodlands continue to be under threat from illegal deforestation and corruption. As a result, Russia is an important source country for the illegal timber trade in both Asia and Europe. Timber illegally logged in Russia is transported to China, from where it is sold to South East Asian countries. Organized crime groups, enabled by alliances with corrupt officials, are heavily involved in these activities, which continue to be highly profitable, as demand from China increased following the COVID-19 pandemic. Motorcycle gangs

armed with axes and chainsaws are also complicit within the wider supply chain.

Russia also continues to be an important source, transit, and destination country in the illegal wildlife trade. While tigers, bears, wolves, and wildlife parts and products are systematically trafficked from Russia to China, other exotic species are also trafficked into Russia to supply a growing domestic demand. Poaching, as well as illegal, unreported and unregulated (IUU) fishing, is rampant across the Kamchatka, Far East, Dagestan, Volgograd, and Astrakhan regions, occurring on an industrial scale. This includes the IUU fishing of sturgeon carried out for the purpose of harvesting caviar. The trade of animals such as snakes and chameleons, illegally bred in nurseries in Russia, is growing, with local demand driving the market. Organized crime groups have established extensive networks and distribution channels for the illegal wildlife market and have forged ties with corrupt elements within environmental and law enforcement agencies. Reports indicate that rural residents, who are often amateur hunters, are also involved in poaching.

Russia's abundant natural sources, including oil, natural gas, valuable metals, and minerals, continue to be exploited, largely by private sector actors owned by corrupt officials and organized crime groups, often acting in cooperation. Oil and gas reserves are largely controlled by state-affiliated corporations, leaving little room for organized crime involvement. However, the illegal trade in minerals and oil has increased significantly since the onset of the Russia-Ukraine conflict. Most of the illicit activity surrounding non-renewable resources in Russia involves corrupt state contracts. The top actors in this criminal market are bound in a complex entanglement of family and friendship connections that can be traced to the highest levels of government. The presence of Russian gold-mining operations and private military companies in West Africa, as well as the country's relations with governments in the region, raises concerns that this sector could be an avenue to raise funds and launder gold to evade sanctions. There are also schemes involving the illegal trade of coal from occupied Ukrainian territories, specifically Donbas, to the self-proclaimed state of Abkhazia.

## DRUGS

Russia has long been a transit hub for heroin destined for the EU, with international criminal networks, in collaboration with European and Turkish traffickers and Central Asian criminal networks, being active in the market. The drug is mainly sourced from Afghanistan and enters Russia through Central Asia or the South Caucasus. This industrial-scale heroin trafficking through Russia or by Russian-based groups in the Middle East and Central Asia generates colossal revenues, which are ploughed into other criminal activities and used to corrupt police as well as judicial and political structures. However, sanctions and the closure of

the passage through Ukraine has had a substantial impact on Russia's role in the trade of heroin in the region.

Cocaine consumption, meanwhile, has increased in Russia, especially among young people. While demand for the drug was traditionally concentrated in a few large cities, such as Moscow, Sochi, Kazan, and Saint Petersburg, its availability across the country has increased in recent years. Cocaine is smuggled out of South America, mainly from Ecuador, and most arrives through the port of Saint Petersburg, after intermediate stops in Europe or Africa. Both Russian-based and foreign criminal networks, such as Ecuadorians, Serbs, and Lithuanians, are involved in the trafficking of cocaine into Russia by air or by land, using mules. The use of conventional dealers seems to be preferred to the use of the dark web in the domestic trafficking of cocaine. However, as for the heroin trade, the current situation has had an impact on the cocaine market, making transportation, also across borders, more difficult.

There is a mature and comprehensive national cannabis market in Russia, developed not only by considerable local demand but also demand among the legal and irregular migrant populations living in the country. While some cannabis is grown domestically – in grow houses as well as in fields in the Caucasus and Far East – most is smuggled in from the Middle East and North Africa, often by sea. The market involves multiple actors, both domestic and foreign. Illicit cannabis trade is increasingly carried out online to protect the anonymity of suppliers and clients.

The demand for synthetic drugs in Russia is steadily increasing, especially among young adults and Russian soldiers in Ukraine, owing to low production and purchase costs, as well as increased access to drugs and drug precursors used in local production. In addition to locally produced substances, synthetic drugs, especially methamphetamine, have also been smuggled into the country from the Czech Republic, Slovakia, the Baltic States, China, Iran, Belarus, and Ukraine. However, because of the impact on supply routes caused by Western sanctions, synthetic drugs smuggled from European countries have largely been replaced by Chinese imports and domestic production. The synthetic drug market is the largest drug market in the country, and its supply chain accommodates both local and foreign criminal actors. Similar to the cannabis trade, most of the distribution continues to be carried out online.

## CYBER-DEPENDENT CRIMES

Cyber-dependent crime is extremely prevalent in Russia. Cybercriminal groups are reportedly permitted to operate in the country with no fear of prosecution or imprisonment, and have been known to support the Russian government in the war against Ukraine. Moreover, it is reported that most of the money obtained through ransomware attacks worldwide is transferred to Russian-linked hacker groups. Although ransomware continues to be a significant threat

to corporations around the world, the focus of these groups and individual Russian-backed hackers is reported to be cyber warfare, increasing denial of service attacks, destructive malware affecting critical infrastructure, and strategic geopolitical attacks such as data wipers. Although cybersecurity authorities in countries such as the US, Canada, and the UK have issued warnings about the potential increase in malicious cyber activity from state-sponsored or Russia-aligned cyber actors and groups, it has also been suggested that the capabilities of such groups are in fact limited to ineffective cyber weapons that cause minimal damage and are comparatively easy to contain and defend against. Following the declaration of war against Ukraine, government departments, aviation services, and online payment services in Russia also became major targets for cyber-attacks, at an unprecedented scale.

## FINANCIAL CRIMES

The most common forms of financial crime in Russia are embezzlement and the misappropriation of public funds, crimes related to corruption and the abuse of power, fraud in the financial sector, and tax evasion. Most of the country's wealth is held by oligarchs who have profited from corruption without facing any consequences. With a decrease in income being one of the socio-economic consequences of the COVID-19 pandemic, Ponzi schemes have become more prevalent in the country. Moreover, the increased popularity of contactless payments and online money transfers has resulted in a rise in phone scams, with criminal groups impersonating police or bank officials to gain access to victims' personal financial information. The criminal groups carrying out these phone scams are reportedly often based outside Russia.

## CRIMINAL ACTORS

A complex and varied ecosystem of criminal actors continues to operate within Russia. State-embedded actors engage in and facilitate criminal markets in the country, with collusion occurring at the political, economic, and business level. Most of the major criminal markets are controlled by mid- to high-level members of the security forces, under the tacit supervision and control of high-level political elites, both at the local and federal level. Additionally, the state deals with large and violent criminal groups by allowing

some crime bosses to operate, both in the black market and legitimate business, on the condition that they do not draw public attention to their operations through violence. Private sector actors, specifically corporations owned by Russian oligarchs known to have close links with the state, are involved in tax evasion, through the use of offshore companies or collusion with tax inspectors, and corruption schemes, in which the government is overcharged in public procurement projects in exchange for kickbacks offered to state officials.

Most criminal networks emerged from mafia-style gangs that expanded by incorporating other groups and adapting to a more decentralized and flexible form of organization. Some of these groups exhibit extremist characteristics, and in addition to being involved in general and hate crimes also take part in organized crime, especially arms trafficking. Many of the leaders of these criminal networks are also now acting as businesspeople under the protection of the Russian state. Most of the mafia-style groups active in Russia continue their operations confined to particular cities or regions. Modern so-called 'thieves in law' are becoming increasingly adept at integrating themselves into non-criminal communities and participating in the licit economy. These criminals also hold considerable sway over illegal markets within prisons. Russian mafia-style groups also carry out various criminal activities in other parts of the world, such as money laundering in Cyprus and the Cayman Islands, financial scams in New York, and car theft rings in Europe.

Several foreign criminal groups continue to operate in the country. Azerbaijani organized crime groups are concentrated in the market squares and hotels of large cities and are often active in extortion and protection racketeering, while Georgian gangs are especially active in extorting from their own diaspora communities. Central Asian gangs operate primarily in labour trafficking, but also in drug trafficking, particularly opiates and marijuana. Chinese organized crime groups are involved in a variety of criminal markets, including human trafficking, the production and trade of counterfeit goods and non-renewable resources, and flora and fauna crimes, especially in Russia's Far East and Central regions. Chinese organized crime groups are also the main suppliers of synthetic drugs and the precursors for their manufacture. The extent of the connections between local gangs and those in Europe has declined markedly, but there is still considerable involvement from elsewhere in Eurasia.

# RESILIENCE

## LEADERSHIP AND GOVERNANCE

Power in Russia's authoritarian political system is concentrated in the hands of President Vladimir Putin. With loyalist security forces, a subservient judiciary, a controlled media environment, and a legislature consisting of the ruling party and pliable opposition factions, the government is able to manipulate elections and suppress genuine dissent, activities which were reportedly observed during the recent elections. Although the government frequently asserts that combating organized crime is a national priority, it rarely demonstrates this through its actions. In fact, it is rampant corruption that facilitates the links between state-embedded actors and organized crime groups. Moreover, ties to criminal entities are also present in the multiple conflicts Russia is currently engaged in, such as the war in Ukraine. The invasion of Ukraine, combined with the Western sanctions imposed on Russia, has created a condition of fragility in the country. Corruption remains a common problem within all areas of the state. Corrupt schemes have also been widespread during the war in Ukraine – for instance, a new regulation waives the obligation to submit income declarations for military personnel and bureaucrats relocated to occupied Ukrainian territories. Even though anti-corruption has been identified as a top priority by the state, transparency and accountability in the day-to-day workings of the government are still limited, with decisions being adopted behind closed doors by small, overly influential groups. It has been reported that Western sanctions have driven the state to end many of the initiatives that were enabling some level of transparency.

The Russian Federation is a signatory to almost every relevant international organized crime treaty. Its cooperation in combating transnational crime covers drug trafficking, arms trafficking, fraud and theft, money laundering, human trafficking, and human smuggling. Nevertheless, the Russian government is also occasionally obstructive when it comes to international cooperation, particularly in corruption cases involving high-ranking state officials and their assets abroad. Moreover, there was a sudden cease in law enforcement cooperation between Russia and Western countries following the aggression against Ukraine. Cooperation between Russia and non-aligned or neutral countries, however, is being maintained. At the national level, Russia has a robust legal framework pertaining to organized crime, which is regularly revised to address specific criminological concerns, to deal with confusions and contradictions, and for political reasons. Despite its comprehensive regulatory framework, the Russian state continues to allow criminal activities that align with its political interests to operate with impunity, indicating preferential treatment in the enforcement of these policies.

## CRIMINAL JUSTICE AND SECURITY

Although Russia's judiciary is constitutionally independent, in practice it remains susceptible to a high level of executive interference, with judges' career advancement being tied to their compliance with the state's preferences. The judiciary is used to suppress political dissent perceived to be a threat to the interests of political leadership and its allies. Corruption within the judiciary remains a problem, especially in business disputes and low-level organized crime prosecutions. Despite numerous prosecutions of corrupt officials and organized crime group members, senior figures in these areas still appear to be untouchable, unless a political decision is made to pursue them. Prisons in Russia remain overcrowded and unsanitary, and inmates lack access to healthcare. There have also been reports of torture and inhumane treatment in detention centres, as well as in the temporarily occupied territories in Ukraine.

Russia has an extensive law-enforcement apparatus, which has considerable resources at its disposal. Although the country's considerable size poses a number of challenges, law enforcement is broadly capable of maintaining control. However, in some areas law enforcement is wielded as a political instrument of the state, which decreases its ability to counter organized crime. Extortion by police officers, especially with regards to unregistered migrants, is commonplace, and actions such as this have fuelled nationwide distrust in the policing system. While the invasion of Ukraine has caused multiple threats to Russia's territorial integrity, the war has not posed any serious challenges to the state's capacity to control its territory. However, the size of the country continues to affect its ability to protect its borders, especially given the fact that the war is forcing the government to concentrate all its efforts in the west, leaving the rest of the territory without adequate protection in some areas.

## ECONOMIC AND FINANCIAL ENVIRONMENT

Russia is still considered to be at high risk for money laundering and terrorist financing. Criminal elements are known to use Russia's financial system to launder money by various means, including virtual currencies, precious metals, and real estate, among others. Although Russia has developed a relatively robust AML/CFT legal framework, serious weaknesses in banking supervision and enforcement persist. These weaknesses, combined with political obstacles in the sharing of intelligence between agencies, mean that Russia continues to be a source, destination, and hub for money laundering activities. Moreover, there are allegations of state-sponsored money-laundering schemes facilitated by Russia's financial intelligence unit, which is under heavy influence of the Russian state.



The Ukraine war has resulted in various sanctions being imposed on Russia and many foreign companies leaving the country, causing problems to do with currency and supplies across different industries. Despite efforts to create a free market – mostly at the expense of legal frameworks such as environmental impact, workers' rights, and common market access – corruption, clientelism, and state support for its own companies, or those owned by allies, undermine and exploit this environment, specifically in strategic sectors such as energy resources, foreign trade, and manufacturing. There have, however, been efforts to formalize the informal sector by strengthening and modernizing the taxation mechanism.

## CIVIL SOCIETY AND SOCIAL PROTECTION

Russia does have laws that provide protection for victims, witnesses, and other participants in criminal proceedings, but witness protection is undermined by corruption within the agencies responsible for its provision, and support for victims is often plagued by a lack of facilities or poor conditions. Moreover, there is no formal system for the identification of victims and their referral to available services. Charities and other NGOs, which attempt to bridge these shortcomings, are inadequate and increasingly hobbled by laws controlling donations from abroad. Having said that, these organizations remain the primary provider of protection services. Additionally, the government has not attempted to raise public awareness or change negative attitudes towards drug users or victims of human trafficking.

Although the country continues to create and operate regional migration centres, with the aim of preventing human trafficking in the region, their effectiveness is unclear. The government provided no funds to NGOs to carry out prevention and awareness campaigns. Moreover, efforts to prevent organized crime have become nominal in recent years owing to the ongoing war against Ukraine.

Civil society organizations have played a significant role in combating organized crime, especially human trafficking and drug use, but increasing persecution by the government has forced many activists and organizations to leave the country to avoid incarceration. In addition, the Russian state continues in its oppressive approach towards civil society organizations that work in the field of human rights, through measures such as 'foreign agent' laws and the revoking of licenses for foreign NGOs such as Human Rights Watch, Amnesty International and Memorial International. The media environment is mostly controlled by the state, with just a handful of independent outlets operating online, amid threats of prosecution, bans, and fines, which result in self-censorship or the replacement of their management by individuals favoured by the state.

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