

OBSERVATORY OF ILLICIT ECONOMIES IN SOUTH EASTERN EUROPE

ISSUE **17** DECEMBER 2023

Summary highlights



Security threat: How criminals exploit Kosovo's political challenges.

Despite three attempts to become a member, Kosovo is not part of INTERPOL due to its strained relations with Serbia. Kosovo has been criticized for insufficient efforts to combat transnational organized crime, but is partly hampered by a lack of access to information and joint operations facilitated by such international and regional law enforcement bodies. As criminal organizations often seek safe havens in countries with weak law enforcement, strengthening the country's capacity to enforce the law and act quickly to deal with cross-border crime could help curb criminality in the region.



Have any lessons been learned to cope with a new wave of migration through the Western Balkans?

The number of refugees and migrants travelling through the Western Balkans is the highest since 2015. Compared to seven years ago, new patterns are emerging in the smuggling of migrants through the Balkan route: networks appear to have become more fluid and decentralized, partly through the use of technology, and the profile of

smugglers appears to have changed, with the market becoming more international. Efforts to stem migration from concerned Western Balkan and EU countries, together with international partners, should focus on mitigating the push factors that lead migrants to risk their lives in search of better opportunities.



Montenegro's bid for crypto kudos heralds risks.

Montenegro has tried to position itself as a crypto haven. Developing the country into a crypto hub could create opportunities, but without sufficient regulation, there are serious and multifaceted risks. Nothing highlights this more than the ongoing political fallout from the arrest of crypto entrepreneur Do Kwon, wanted by the US and South Korea for fraud, at Podgorica airport in March this year. If Montenegro is to embrace cryptocurrency, it will need to develop a strong and tailored regulatory framework, as well as sufficient expertise in financial intelligence, cross-border cooperation and money laundering risk assessments.





Risks in prisons may disrupt crime-fighting in the Western Balkans.

The Western Balkans have relatively high prison population rates compared to other parts of Europe. In theory, prisons should be correctional facilities and the last stop on the escalator of crime. In reality, they are too often finishing schools for recruiting petty criminals into serious organized crime, nodes for networking and even backrooms for running criminal operations. Without reform, there is a risk of prisons in the Western Balkans worsening rather than helping to correct the problem of serious organized crime in the region.



A big bird in a small flock: Crime at Belgrade airport.

Nikola Tesla in Belgrade is one of the busiest airports in the Western Balkans. However, Belgrade's location on key trafficking routes makes it vulnerable to trafficking, smuggling and irregular migration. This article assesses the current situation and risks of illicit activity through

this key hub. More vigilance is needed to prevent smuggling by passengers and cargo, as well as corruption among airport staff. Inadequate staff training and insider corruption have often proved to be the weakest link in airport security.



What does the assassination of a Bulgarian mobster in Cape Town tell us about Balkan criminals in South Africa?

In May 2023, Krasimir Kamenov, a notorious Bulgarian mobster, was killed along with his wife at their home in Cape Town, South Africa. His violent death is just the latest in a string of murders and arrests of Bulgarian and Serbian citizens engaged in illicit activity in South Africa. The country is seen as a lucrative environment for criminal activity, with offenders counting on a relatively high level of impunity. The presence of criminal actors from South Eastern Europe in South Africa underscores the need for a comprehensive and collaborative approach to addressing the security threats they pose.

ABOUT THIS ISSUE

On 24 September 2023, a group of armed men including Milan Radoičić, then vice president of the Serb List party, carried out a deadly attack near the village of Banjska in northern Kosovo. Radoičić was later arrested in Serbia, but the authorities there refused to extradite him as Serbia does not recognize Kosovo. This is just the latest in a series of cases highlighting the obstacles to tackling organized crime resulting from poor law enforcement cooperation between Kosovo and some of its neighbours. In this issue of the Risk Bulletin of Illicit Economies in South Eastern Europe, we look at the history and consequences of this problem.

Another current issue in the news is the large numbers of desperate refugees and migrants attempting to move through the Mediterranean region, particularly from the Middle East, North Africa and Afghanistan. While much of the focus has been on Lampedusa, there is also a growing challenge in the Western Balkans. The scenes are reminiscent of the large influx of people on the move in 2015, but some of the modalities and profiles of the smugglers have changed and the business appears to be becoming more violent.

The conviction of the founder of cryptocurrency company FTX, Sam Bankman-Fried, in November 2023

has shone a spotlight on the lack of integrity of cryptocurrencies, but it has not stopped some countries, such as Montenegro, from profiling themselves as possible crypto havens. Indeed, the country appears to be a magnet for some of the bigger names in the industry. In 2022, the Montenegrin government granted citizenship to Vitalik Buterin, the co-founder of the Ethereum blockchain. In July 2023, the Central Bank of Montenegro held talks with US crypto firm Ripple about developing a central bank digital currency or national stablecoin. In March this year, disgraced crypto entrepreneur Do Kwon, a man wanted by the US and South Korea for fraud, was arrested at Montenegro's airport.

According to the latest iteration of the Global Organized Crime Index, published in September 2023, three of the six countries in the Western Balkans rank among the worst 10 in Europe for criminality. Four of the six countries in the region have incarceration rates that are above the European median. However, there is a risk that some prisons are incubators for the recruitment of petty criminals into organized criminal groups, and there are problems of corruption.

In May 2023, the Global Initiative Against Transnational Organized Crime published the report 'Catch me if you

can: Illicit flows through Balkan airports'. To give readers a taste of some of the report's findings, in this issue we explore the risks of trafficking through one of the largest and busiest airports in the region, the Nikola Tesla airport in Belgrade.

We also continue to monitor the activities of criminal groups from South Eastern Europe outside the region. In this issue, we analyze what the assassination of a notorious Bulgarian mobster reveals about the activities of Bulgarian and Serbian criminal actors in South Africa.

We welcome your feedback and suggestions for new stories. If you would like to get in touch or if you have an idea for a story, please contact Vanja.Petrovic@globalinitiative.net.

Security threat: How criminals exploit Kosovo’s political challenges.

In November, INTERPOL’s general assembly officially and slightly belatedly celebrated the global police agency’s 100th anniversary in Vienna, where it was founded in September 1923. But Kosovo did not take part. Several attempts to become a member of the world’s leading crime-fighting body have been blocked by nations that do not recognize Kosovo’s independence. The country has also been prevented from joining several other regional and European law enforcement bodies, although in some cases it has managed to establish working agreements.

Of the nine key law enforcement, border and judicial agencies that the other Western Balkan nations can either join or collaborate with, Kosovo is a member state of just two (see Figure 1). The paradoxical result is that Kosovo is criticized for insufficient efforts to combat transnational organized crime yet is handicapped in part by a lack of access to information and joint operations facilitated by such organizations.

The Kosovo Police is a relatively new law enforcement agency established in September 1999 with the support of the international community, notably the Organization for Security and Co-operation in Europe. It operated under the auspices of the United Nations Interim Administration Mission in Kosovo (UNMIK) until Kosovo’s declaration of independence in February 2008, and has built significant capacity since then.¹

However, Kosovo’s ability to tackle transnational organized crime is hampered because Serbia, Bosnia and Herzegovina and five EU members – Spain, Greece, Slovakia, Romania and Cyprus – do not recognize its claim to nationhood. Indeed, Kosovo has failed three times in trying to win the support of the two-thirds of INTERPOL’s general assembly required to join the organization.² After the most recent attempt in November 2018, Serbian President Aleksander Vučić hailed this failure as a ‘victory’ for his country, after a campaign against Kosovo’s application. However, the United States pointed out that Kosovan membership of INTERPOL ‘was never about recognition of Kosovo’s independence, but about strengthening global law enforcement cooperation and closing a critical security gap in the Balkans’.³

Since 2002, Kosovo has communicated indirectly with INTERPOL through a dedicated UNMIK liaison office,⁴ which initially worked with the justice ministry and from late 2016 the country’s police force. In effect, this liaison office has taken on the role of a ‘national central bureau’.⁵

This indirect communication – alongside restrictions on the UN liaison office’s remit vis-à-vis the role of a national central bureau – results in slow and limited co-operation with INTERPOL (see Figure 2). While it takes a member state between two hours and two days to flag a red notice in the INTERPOL database,⁶ in Kosovo it generally

ORGANIZATION	KOSOVO	OTHER WESTERN BALKAN COUNTRIES
INTERPOL	<ul style="list-style-type: none"> Not a member state 	<ul style="list-style-type: none"> Member states
Europol	<ul style="list-style-type: none"> Working arrangement 	<ul style="list-style-type: none"> Strategic and operational agreements
Eurojust	<ul style="list-style-type: none"> No agreement 	<ul style="list-style-type: none"> Cooperation agreements
Frontex	<ul style="list-style-type: none"> Working arrangement 	<ul style="list-style-type: none"> Working arrangements
Southeast European Law Enforcement Center	<ul style="list-style-type: none"> Not a member state 	<ul style="list-style-type: none"> Member states
International Law Enforcement Coordination Unit	<ul style="list-style-type: none"> Member state 	<ul style="list-style-type: none"> Member states
Southeast Europe Police Chiefs Association	<ul style="list-style-type: none"> Not a member state 	<ul style="list-style-type: none"> Member states
Police Cooperation Convention for Southeast Europe	<ul style="list-style-type: none"> Not a member state 	<ul style="list-style-type: none"> Member states
Migration, Asylum, Refugees Regional Initiative	<ul style="list-style-type: none"> Member state 	<ul style="list-style-type: none"> Member states

FIGURE 1 Kosovo’s relationship with nine law and border enforcement organizations vis-à-vis Western Balkan peers.
Source: Official websites of cited organizations

takes between nine and 12 months, and sometimes up to two years. Delays are also caused by staff shortages at the liaison office and bureaucratic intra-UN processes, according to a Kosovan police source.⁷

Meanwhile, it also takes Kosovo between nine months and up to two years to issue 'diffusions'; yet for member states, these notices are circulated directly and immediately (to all or some member states).⁸ All this gives a person wanted by Kosovan authorities several months to cross multiple borders and escape justice.

The slow exchange of time-sensitive information is compounded by the lack of direct access to INTERPOL's 19 databases. These contain anything from alerts for fugitives and suspected criminals, to fingerprints, DNA and details of stolen and lost travel documents. There is also a database dedicated solely to organized crime.⁹ The lack of direct access to data on wanted persons – and likewise on stolen documents¹⁰ – enables criminals, terrorists and fugitives to enter Kosovo without being detected by border authorities.¹¹

Some of the shortcomings of limited cooperation with INTERPOL have been overcome by closer cooperation with Europol, the European Union's law enforcement agency. This is facilitated by a working arrangement on strategic cooperation signed by Kosovo and Europol in 2020, allowing Kosovo access to the Secure Information Exchange Network Application (SIENA). The arrangement also enables Kosovo to deploy a liaison officer to Europol as well as to exchange classified information safely.¹² This direct exchange of information has been operational since April 2022.¹³

However, there is no cooperation agreement in place with the EU's judicial cooperation agency Eurojust, due to the opposition of the five EU countries that do not recognize Kosovo's claim to nationhood.¹⁴ The level and form of police cooperation with those states varies country by country. For example, the exchange of police information with Serbia is conducted through the European Union Rule of Law Mission in Kosovo and the EU's special representative, while for other countries it takes place through the UNMIK liaison office.¹⁵

FUNCTION	UNMIK INTERPOL LIAISON OFFICE	MEMBER STATE OF INTERPOL
National Central Bureau	<ul style="list-style-type: none"> Works Monday-Friday from 08:00-16:00 Structured in UNMIK, detached from Kosovo police At national level cooperates with only Kosovo police (facilitates exchange of information with INTERPOL) No access to national data bases 	<ul style="list-style-type: none"> Works 24/7. Usually structured in police forces At national level cooperates with other law enforcement agencies Direct access to national data bases
Communication	<ul style="list-style-type: none"> Direct and secure communication system with INTERPOL but communication with Kosovo Police conducted through email 	<ul style="list-style-type: none"> Direct and secure communication system with INTERPOL
Criminal databases	<ul style="list-style-type: none"> Kosovo Police cannot search databases in real time; only through requests to UNMIK 	<ul style="list-style-type: none"> National police can search the 19 databases of INTERPOL in real time as part of their investigations
Border controls	<ul style="list-style-type: none"> No interlinking of Kosovo Police border database with UNMIK INTERPOL Liaison Office and INTERPOL, inability to detect fugitives, suspected criminals and counterfeit or forged documents at borders 	<ul style="list-style-type: none"> National border authorities are directly linked with INTERPOL databases and can detect at borders fugitives, suspected criminals and counterfeit or forged documents
Inclusion of Red Notices	<ul style="list-style-type: none"> Usually takes from nine months up to two years 	<ul style="list-style-type: none"> From two hours up to two days
Diffusions	<ul style="list-style-type: none"> Same procedure as red notices (nine months up to two years) 	<ul style="list-style-type: none"> Circulated directly by a member country's national central bureau to all or some other member countries in real time

FIGURE 2 Communication protocols with INTERPOL by Kosovo (left) and by INTERPOL member states (right).

Source: INTERPOL, interview with a police officer

Country	Serbia		Spain		Bosnia and Herzegovina		Slovakia		Greece		Romania		Cyprus	
	Incoming	Outgoing	Incoming	Outgoing	Incoming	Outgoing	Incoming	Outgoing	Incoming	Outgoing	Incoming	Outgoing	Incoming	Outgoing
Crimes against person	33	27	2	4	2	2	7	6	3	2	4	1		
Property crime	15	6	3	2	3		8	4	6	5	1			
Drug trafficking	15	4	1		1	1			3	1				
Vehicle crime	51	41	6	7	6	1	1	1			1			
Forgery	36	22	5	4	2	4	2		2	4	5			
Economic crime	4	4	3	3		1			4	4				
Financial crime	12	2	3		14	5	1		1		5	4	2	2
Firearms	19	5	10	1			1					1		
Trafficking in persons	7	5			2	1	4	2			2			
Sexual integrity crimes	2	1												
Terrorism	1	1							1					
Missing person	27	5							1		4			
Computer crime	2	2	3	5	5	2	1		4	3				
Border crime	11	10					7	6	3		1			
Other	7	11			3	1	3	1	3		2	2		

FIGURE 3 Number and field of exchange of police information with 'non-recognition' countries (1 January 2021 to 20 July 2023).

Source: Kosovo Police

Police cooperation with Bosnia and Herzegovina, Greece and Slovakia is strong, characterized in part by successful extraditions; good cooperation also exists with Romania.¹⁶ There is poor cooperation between Spain and Kosovo, especially with regard to the arrest of wanted persons and extradition.¹⁷ Cooperation with Serbia depends on the political climate. Although nobody has ever been extradited between Kosovo and Serbia, there has at times

been good informal police cooperation between the two countries on a case-by-case basis. 'A Kosovan wanted for armed robbery was located in Serbia,' noted a Kosovan police official, citing one such positive example. 'Through informal police cooperation and with the support of Montenegrin authorities, the suspect was arrested by Serbian police, transferred to Montenegrin Police and then to Kosovo Police.'¹⁸

CRIMINALS AND FUGITIVES EXPLOIT POLITICAL TENSIONS

The lack of police and judicial cooperation with Serbia and Spain have made these countries safe havens for Kosovan fugitives, especially those linked with serious and organized crime, such as drug trafficking and murders.¹⁹ Police in Kosovo have credible information that several such fugitives live in Spain and Serbia, leading normal (if discreet) lives together with their families.²⁰

Despite requests sent to Spanish authorities through UNMIK INTERPOL, action has generally not been taken.²¹ However, this may be starting to change; in 2022, Spanish authorities sent the first request to Kosovan authorities for collection of evidence for a drug trafficking case.²²

Milan Radoičić, the key suspect in the 2018 assassination of Kosovan-Serb politician Oliver Ivanović, exploited poor police cooperation and fled to Serbia.²³ The problem works both ways. It is thought that Serbian fugitives have used Kosovo as a safe haven. Several Serbian citizens wanted for murder, drug trafficking and organized crime arrested in Kosovo have been released in the absence of extradition requests from Serbia.²⁴

More recently, Radoičić, then vice president of the Serb List, the most powerful Kosovan-Serb political faction, was among around 30 heavily armed Serbs involved in what the European Parliament²⁵ has described as a 'terrorist attack' near the village of Banjska in northern Kosovo on 24 September, in what amounts to the most serious case in which perpetrators have fled justice. Radoičić is under US sanctions for alleged involvement in organized crime. He was detained in Serbia on 3 October and has acknowledged that his group killed a Kosovan police officer, but he was released the next day by a court in Belgrade.²⁶ According to Kosovo's interior minister, more than 80 people are implicated in this case,²⁷ and a large quantity of heavy weapons were confiscated.²⁸ President Vučić acknowledged that Radoičić was once a close ally and said that he cannot extradite him as Serbia does not recognize Kosovo.²⁹ Radoičić has resigned from the Serb List, but it remains to be seen how Serbian authorities will investigate the case domestically and to what extent they will cooperate with Kosovan authorities.

Criminal organizations and criminals often seek out countries with weak law enforcement or political issues to establish safe havens. The degree and quality of diplomatic and bilateral relationships between countries should not interfere with police cooperation, especially in investigating organized crime that is increasingly transnational. Police cooperation, irrespective of political relations, is essential for overcoming jurisdictional

barriers, sharing information, preventing the establishment of these safe havens and disrupting criminal operations. If countries are concerned about organized crime in Kosovo or criminals coming from there, it would make sense to enhance the ability of that jurisdiction to enforce the law and to act at speed to deal with a problem that transcends borders.

Notes

- 1 Radio Evropa e Lire, *Sheremet Ahmeti - Drejtor i policisë së Kosovës*, 10 December 2008, <https://www.evropaelire.org/a/1358320.html>.
- 2 Taiwan's request for membership has also been blocked, while Palestine became a member in 2017.
- 3 Radio Free Europe/Radio Liberty (RFE/RL), Kosovo fails for third time to win INTERPOL membership, 20 November 2018, <https://www.rferl.org/a/kosovo-fails-for-third-time-to-win-interpol-membership/29610709.html>.
- 4 INTERPOL, Memorandum of Understanding, <https://www.interpol.int/content/download/10980/file/INTERPOL-UNMIK.pdf>.
- 5 The national central bureau is a member state's focal point for all INTERPOL activities.
- 6 Interview with representative of Albanian State Police, phone, 25 July 2023.
- 7 Interview with representative of Kosovo Police, Pristina, 20 July 2023.
- 8 INTERPOL, About notices, <https://www.interpol.int/en/How-we-work/Notices/About-Notices>.
- 9 See INTERPOL, Our 19 databases, <https://www.interpol.int/en/How-we-work/Databases/Our-19-databases>.
- 10 See INTERPOL, SLTD database (travel and identity documents), <https://www.interpol.int/en/How-we-work/Databases/SLTD-database-travel-and-identity-documents>.
- 11 Interview with representative of Kosovo Police, Pristina, 24 May 2023.
- 12 European Commission, Kosovo 2022 report, 12 October 2022, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Kosovo%20Report%202022.pdf>.
- 13 Previously, the information was exchanged through the Eulex-run Europol-SIENA Swedish Desk; Eulex, Fighting criminality together: The importance of international police cooperation, 17 November 2021, <https://www.eulex-kosovo.eu/?page=2,11,2483>.
- 14 European Commission, Kosovo 2022 report, 12 October 2022, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Kosovo%20Report%202022.pdf>.
- 15 Interview with representative of Kosovo Police, Pristina, 20 July 2023.
- 16 Interview with justice ministry official, Pristina, 20 July 2023.
- 17 Ibid.
- 18 Interview with Kosovo Police official, Pristina, 9 August 2023.
- 19 Interview with Kosovo Police official, Pristina, 24 May 2023.
- 20 Ibid.
- 21 Ibid.
- 22 Interview with justice ministry official, Pristina, 20 July 2023.
- 23 Saša Đorđević, *Zločin bez kazne: ubistvo Olivera Ivanovića, Peskanic*, 29 December 2018, <https://peskanik.net/zlocin-bez-kazne-ubistvo-olivera-ivanovica/>; Ardita Zeqiri, *Udhëheqës të Listës Serbe marrin pjesë në shfaqjen e ushtrisë së Serbisë në Batajnica*, Kallxo, 22 April 2023, <https://kallxo.com/lajm/udheheqes-te-listes-serbe-marrin-pjese-ne-shfaqjen-e-ushtrise-se-serbise-ne-batajnica/>.
- 24 Faith Bailey, Kreshnik Gashi, Jelena Cosic and Serbeze Haxhijaj, Serbia-Kosovo stalemate allows fugitives to stay free, *Belgrade Insight*, 31 May 2018, <https://balkaninsight.com/wp-content/uploads/2019/01/belgradeinsightno252.pdf>.
- 25 European Parliament, Resolution on the recent developments in the Serbia-Kosovo dialogue, 19 October 2023, https://www.europarl.europa.eu/doceo/document/TA-9-2023-0372_EN.html.
- 26 Sasa Dragojlo and Xhorxhina Bami, Belgrade court rejects detention for Kosovo Serb kingpin Radoicic, *Balkan Insight*, 4 October 2023, <https://balkaninsight.com/2023/10/04/belgrade-court-rejects-detention-for-kosovo-serb-kingpin-radoicic/>.
- 27 Valona Tela, *Sveçla: Do të kërkojmë ekstradimin e Radoičiqit dhe jo vetëm*, RFE/RL, 29 September 2023, <https://www.evropaelire.org/a/svecla-ekstradim-millan-radoicic-/32616330.html>.
- 28 Sasa Dragojlo and Xhorxhina Bami, In Kosovo clash, new bullets and freshly repaired mortars from Serbia, *Balkan Insight*, 9 October 2023, <https://balkaninsight.com/2023/10/09/in-kosovo-clash-new-bullets-and-freshly-repaired-mortars-from-serbia>.
- 29 N1, Vucic for Sky News: Radoicic was my close ally, I cannot extradite him to Pristina, 7 October 2023, <https://n1info.rs/english/news/vucic-for-sky-news-radoicic-was-my-close-ally-i-cannot-extradite-him-to-pristina/>.

Have any lessons been learned to cope with a new wave of migration through the Western Balkans?

In 2022, the number of refugees and migrants on the move through the Western Balkans was at its highest level since 2015. This route has remained the second most active into Europe so far in 2023. This is raising concerns in the Western Balkans, but also in the EU and the United Kingdom, where there are fears of a resurgence of the types of challenges that were faced by some countries in 2015 and 2016 when trying to cope with millions of people on the move. Since then, several countries have built physical barriers, sought to improve relations with third countries and endeavoured to improve multilateral cooperation, not least through the EU. As witnessed on the Italian island of Lampedusa, that system is now facing a stress test.

According to preliminary data from Frontex, the EU border agency, 330 000 irregular migrants entered the

bloc in 2022, the biggest irregular inflow since 2016.¹ Of these, 145 600 migrants (45%) used the Western Balkan route. In the Western Balkans, the number of irregular migrants increased by 136% compared to 2021.² Most of those on the move came from or via the Middle East and North Africa (MENA).

Between January and August 2023, the Western Balkans remained the second most active route, albeit with a 19% decline compared to the same period of last year, in part due to Serbia ending a visa exemption for Burundi, Tunisia, India and Guinea-Bissau.³ This policy change by Serbia came after pressure from the EU, which expressed concern that the system was being exploited by migrants who were using the country as an illicit springboard to the bloc.



Migrants seen next to abandoned train carriages near Thessaloniki, Greece, on their way to follow the Western Balkan route towards North Macedonia, October 2022.

Photo: Nicolas Economou/NurPhoto via Getty Images

The top three nationalities travelling through the Western Balkan route are Syria, Afghanistan and Turkey.⁴ The numbers are expected to remain high as a result of the upsurge in conflict between Israel and Hamas, continued repression in Afghanistan, war and instability in Libya and Sudan as well as economic hardships in several African countries. Frontex had in August anticipated a moderate decrease for 2023 as a whole,⁵ but that was before Hamas's attack on Israel, which has now launched a ground invasion of Gaza. There are also risks of substantial repercussions beyond this immediate conflict theatre.

At the same time, Russia's aggression against Ukraine has triggered the largest refugee crisis within Europe since World War II. While the largest proportion of refugees have moved to neighbouring countries and Western Europe, tens of thousands of Ukrainians and Russians have found refuge in the Western Balkans. Unlike the migrants from the MENA region, who predominantly rely on people smuggling networks to arrange illegal border crossings, the Ukrainian refugees in the Balkan countries during 2022 generally gained legal entry.

Although the war in Ukraine has little to do with the significant increase in irregular migration, there is an indirect connection in so far as law enforcement and humanitarian resources – for example in Hungary, Bulgaria and Romania – were overwhelmingly concentrated on dealing with the outflow of refugees from Ukraine in early 2022. This made it easier for migrants to cross borders illegally in places that were less well guarded as a result of the shift in law enforcement personnel, for example on the border between Romania and Hungary, the border between Serbia and Hungary, and the border between Bulgaria and Turkey.⁶ Furthermore, the war has created a pool of vulnerable Ukrainians who are being recruited by criminal networks to carry out low level tasks such as driving migrants.⁷ There are also allegations that Ukrainian criminal networks have been involved in smuggling men of conscription age prevented from leaving Ukraine under the restrictions on movement.⁸

More diverse and violent criminal actors

Compared to seven years ago, new patterns are emerging in relation to the smuggling of migrants through the Western Balkans. Networks appear to have become more fluid and decentralized. The use of technology – particularly encrypted chat groups, mobile

internet apps and GPS systems – has democratized the market and reduced the need for centralized and well-coordinated operations.⁹ It has also cut down the need for guides and made it easier to recruit and advertise migrant smuggling operations.¹⁰ Online money transfer apps are also being used to pay for smuggling services.¹¹ Furthermore, the use of encryption has made it harder for police to track and investigate smuggling networks, unlike in 2015 and 2016 when such groups could be intercepted by information from mobile phones.¹²

Migrants tend to move point-to-point with a 'pay as you go' type of system rather than the end-to-end package deals prevalent between 2015 and 2017. Smugglers tend to rely on trusted contacts – often compatriots – in neighbouring nations to facilitate illegal border crossings.¹³ What remains the same is that corruption can help open gates or cause border guards to look the other way.¹⁴

The profile of smugglers seems to have changed. Whereas in 2015 and 2016 smugglers were predominantly nationals of the country where they operated, the market seems to have become more fluid and international. It is not unusual for citizens of one South East European country to be involved, for example as a driver, in smuggling migrants in another country of the region. Drivers are even recruited via social media.¹⁵ In the past few years, there has been a noticeable increase in drivers in Bulgaria from Ukraine, Georgia and Moldova.¹⁶ Migrants or former migrants, particularly from Afghanistan, Pakistan, North Africa or Kurdish regions, are also active in the smuggling business including as recruiters in asylum centres, transporters, landlords for accommodating migrants and organizers of logistics. They are particularly present at key hubs where migrants seek to cross borders illegally.¹⁷ All too often, in many countries of the region, vehicle chases or reckless driving result in road accidents that lead to the death of migrants, the driver and/or other motorists.¹⁸

Since the cost and level of sophistication needed to enter the smuggling market seems to be quite low, but the rewards potentially high, there appears to be considerable competition around key hubs. This competition is often violent. In the past year, there have been several violent incidents on the border between Serbia and Hungary, including the firing of automatic weapons.¹⁹ In some cases, violence is directed against the police and border guards. In Hungary, 12 police

officers and 29 national guard officers were reportedly wounded in 2022,²⁰ while in Bulgaria four police officers were killed in 2022 and many others hurt in violent clashes with migrant smugglers.²¹ Elsewhere, there have reportedly been violent clashes between rival smuggling groups, for example incidents reported in Serbia, Kosovo and North Macedonia of clashes between Kurdish and North African (Moroccan and Algerian) groups.²² In other cases, the violence is carried out by smugglers against the migrants, for example when they attempt to cross a fence (such as the one separating Serbia and Hungary) without paying for the service. Notably, most violence is carried out at key exit points, as is the case in Serbia, and near informal migrants' camps.²³

Only multilateral responses can address this transborder problem

Since the massive wave of refugees and migrants in 2015, there has been a tendency for countries in South Eastern Europe to build walls and fences.

For its part, the EU has tried to strengthen its outer perimeter, particularly through the deployment of Frontex. This has also included the signing of new agreements on operational cooperation in border management with Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Serbia, which among others, allows for deployment of Frontex Standing Corps officers.²⁴ Furthermore, rather than just 'closing the Balkan route' and leaving these countries to fend for themselves – which was very much the case in 2016 – there is a greater sense of solidarity, not to mention self-interest, for EU countries to work more closely with their neighbours in the Western Balkans to manage and reduce the flow of refugees and migrants.

Building on its New Pact on Migration and Asylum, which was proposed in September 2020, the European Union adopted an Action Plan for Migration on the Western Balkans in December 2022. It includes 20 operational measures clustered under five key areas:

strengthening border management along trafficking routes; ensuring swift asylum procedures and reception capacity; fighting migrant smuggling; enhancing readmission cooperation and returns; and achieving the alignment of visa policy.²⁵ Adoption of these measures should not only help the EU and the six Western Balkan nations to address migration more effectively, but it could also speed up the EU accession process in the area of migration and border management.

The challenge will be to seek mutual benefits, for example through more effective sharing of information, rather than playing a blame game (as has been witnessed between Austria and Romania, or in relation to Hungary's controversial decision to release more than 700 foreign people smugglers from prison in June 2023) or putting pressure on South East European countries to carry out returns without the necessary infrastructure. Practical measures could include joint operations, standardization of methodology for collecting and sharing information on irregular migration and enhancing procedures to identify and register migrants at borders. It would also make sense for Western Balkan nations to join Eurodac (the European system for the comparison of fingerprints of asylum applicants).

Ultimately, the push factors that cause so many desperate migrants to risk their lives to seek refuge and brighter opportunities requires an international rather than a purely European response. Countries in the EU, the European Free Trade Association, the United Kingdom and the Western Balkans should jointly push for a more coordinated global response to the largescale flows of people on the move, including through implementation of the Global Compact for Safe, Orderly and Regular Migration. Otherwise, there will continue to be disproportionate pressures on certain countries – such as Greece and Italy – a lack of solidarity and cooperation, and a rise in populism caused in part by disillusionment with the inability of governments to cope with migration.

Notes

- 1 Frontex, EU's external borders in 2022: Number of irregular border crossings highest since 2016, 13 January 2023, <https://frontex.europa.eu/media-centre/news/news-release/eu-s-external-borders-in-2022-number-of-irregular-border-crossings-highest-since-2016-YsAZ29>.
- 2 Ibid.
- 3 Frontex, Central Mediterranean accounts for half of irregular border crossings in 2023, 14 September 2023, <https://www.frontex.europa.eu/media-centre/news/news->

release/central-mediterranean-accounts-for-half-of-irregular-border-crossings-in-2023-G6q5pF; Sasa Dragojlo, Serbia ends visa-free regimes with Tunisia and Burundi, Balkan Insight, 25 October 2022, <https://balkaninsight.com/2022/10/25/serbia-ends-visa-free-regimes-with-tunisia-and-burundi/>.

- 4 Frontex, Central Mediterranean accounts for half of irregular border crossings in 2023, 14 September 2023, <https://www.frontex.europa.eu/media-centre/news/news->

- release/central-mediterranean-accounts-for-half-of-irregular-border-crossings-in-2023-G6q5pF.
- 5 Frontex, Risk Analysis for 2023/2024, August 2023, https://www.frontex.europa.eu/assets/Publications/General/ARA_2023.pdf.
 - 6 Tihomir Bezlov, Atanas Rusev and Dardan Kocani, Borderline: Impact of Ukraine war on migrant smuggling in South Eastern Europe, Global Initiative Against Transnational Organized Crime (GI-TOC), September 2023, <https://globalinitiative.net/analysis/ukraine-war-impact-migrant-smuggling-south-eastern-europe/>.
 - 7 Ibid.
 - 8 GI-TOC, New front lines: Organized criminal economies in Ukraine in 2022, February 2023, <https://globalinitiative.net/analysis/organized-criminal-economies-ukraine-2022>.
 - 9 Europol, Criminal networks in migrant smuggling, June 2023, <https://www.europol.europa.eu/cms/sites/default/files/documents/Europol%20Spotlight%20Report%20-%20Criminal%20networks%20in%20migrant%20smuggling.pdf>.
 - 10 Ibid.
 - 11 Ibid.; Tihomir Bezlov, Atanas Rusev and Dardan Kocani, Borderline: Impact of Ukraine war on migrant smuggling in South Eastern Europe, GI-TOC, September 2023, <https://globalinitiative.net/analysis/ukraine-war-impact-migrant-smuggling-south-eastern-europe/>.
 - 12 Ibid.
 - 13 Ibid.
 - 14 Europol, Criminal networks in migrant smuggling, June 2023, <https://www.europol.europa.eu/cms/sites/default/files/documents/Europol%20Spotlight%20Report%20-%20Criminal%20networks%20in%20migrant%20smuggling.pdf>; Tihomir Bezlov, Atanas Rusev and Dardan Kocani, Borderline: Impact of Ukraine war on migrant smuggling in South Eastern Europe, GI-TOC, September 2023, <https://globalinitiative.net/analysis/ukraine-war-impact-migrant-smuggling-south-eastern-europe/>.
 - 15 Tihomir Bezlov, Atanas Rusev and Dardan Kocani, Borderline: Impact of Ukraine war on migrant smuggling in South Eastern Europe, GI-TOC, September 2023, <https://globalinitiative.net/analysis/ukraine-war-impact-migrant-smuggling-south-eastern-europe/>.
 - 16 Ibid.
 - 17 Europol, Criminal networks in migrant smuggling, June 2023, <https://www.europol.europa.eu/cms/sites/default/files/documents/Europol%20Spotlight%20Report%20-%20Criminal%20networks%20in%20migrant%20smuggling.pdf>; Tihomir Bezlov, Atanas Rusev and Dardan Kocani, Borderline: Impact of Ukraine war on migrant smuggling in South Eastern Europe, GI-TOC, September 2023, <https://globalinitiative.net/analysis/ukraine-war-impact-migrant-smuggling-south-eastern-europe/>.
 - 18 Ibid.
 - 19 MTI-Hungary Today, Armed incidents involving migrants on the rise at Hungarian border, 11 November 2022, <https://hungarytoday.hu/armed-incidents-involving-migrants-on-the-rise-at-hungarian-border/>; AP News, Serb police: Man shot in border town clash between migrants, 25 November 2022, <https://apnews.com/article/europe-shootings-hungary-migration-western-269fab3f41a42df0d053e8ed865b49dc>.
 - 20 Schengen News, Hungarian border police detected nearly 270,000 illegal migrants last year, 6 January 2023, <https://www.schengenvisainfo.com/news/hungarian-border-police-detected-nearly-270000-illegal-migrants-last-year>.
 - 21 Dunavmost, Четирима полицаи загинаха за последните 12 месеца заради мигрантския натиск, 17 February 2023, <https://www.dunavmost.com/novini/chetirima-politsai-zaginaha-za-poslednite-12-mesetsa-zaradi-migrantskiya-natisk>.
 - 22 Observatory of Illicit Economies in South Eastern Europe, Increasing migratory pressures in Serbia have led to conflict between people smuggling groups and crackdowns on migration, Risk Bulletin Issue 16, GI-TOC, August 2023, <https://riskbulletins.globalinitiative.net/see-obs-016/01-increasing-migratory-pressures-in-serbia-have-led-to-conflict.html>; Interview with Kosovo border police officer, Pristina, 8 November 2023.
 - 23 Ibid.
 - 24 European Commission, EU Action Plan on the Western Balkans, 5 December 2022, https://home-affairs.ec.europa.eu/system/files/2022-12/Western%20Balkans_en.pdf.
 - 25 Ibid.

Montenegro's bid for crypto kudos heralds risks.

Montenegro has been trying to position itself as a crypto haven. In 2022, the government granted citizenship to Vitalik Buterin, co-founder of the Ethereum blockchain,¹ while the country's then finance minister, Miloško Spajić, predicted that the cryptocurrency industry could grow to account for a third of national economic output by 2025. Following elections this year, Spajić emerged as prime minister in October 2023. Montenegro also this year hosted a two-month-long crypto conference at Lustica Bay, attended by Buterin – a guru in crypto circles – and hundreds of executives, many of whom combined entrepreneurial brainstorming sessions with cold plunges in the Adriatic.

Developing Montenegro into a crypto hub could create opportunities, but without sufficient regulation serious and multi-faceted risks arise. Nothing brings this into sharper focus than ongoing fallout from the arrest² at Podgorica airport in March this year of crypto entrepreneur Do Kwon, a man wanted by the US and South Korea for fraud. The collapse of his stablecoin³ Terra and its sister coin Luna last year was the trigger for an industry rout that wiped an approximate US\$2 trillion in crypto market value.⁴ Undeterred, in July 2023 the Central Bank of Montenegro held talks with US crypto firm Ripple on developing a central bank digital currency or national stablecoin,⁵ although the former finance minister was more hesitant.

WHAT IS A CRYPTO HAVEN?

A crypto haven is a country that offers advantageous tax regulations for cryptocurrency investments, enabling investors to reduce or completely avoid tax obligations. For instance, the Cayman Islands and Maldives do not levy taxes on cryptocurrency transactions.⁶ Portugal, Germany and Switzerland have relatively low taxes.⁷

This disparity in tax treatment has made these countries attractive destinations for cryptocurrency investors. In some cases, especially in the case of offshore exchanges, tax laxity is accompanied by laxity on 'know your customer' and money laundering controls.

Safe or risky?

Cryptocurrency is not illegal; many of its supporters tout it as the future of finance because transactions are instantaneous, cost little and are recorded on a blockchain, an innovation that they also point out ensures an indelible record of every transaction. However, critics counter that the industry's largely unregulated growth has spawned a digital Wild West in which chancers exploit naïve retail investors and enable money launderers to disperse enormous volumes of ill-gotten gains through the digital money-web by hiding behind pseudonyms.

Novak Svrkota, a financial advisor and a former associate at the finance ministry's cryptocurrency directorate, favours Montenegro developing into a crypto haven. He pointed out that blockchain makes it 'easier to follow the cryptocurrency's path than in traditional money, which is often hidden behind various offshore destinations'.⁸ The idea of establishing a crypto arbitration court has also been mooted. This would 'oversee the placement of

smart contracts on the blockchain,' said Svrkota. 'Whatever is written on that blockchain, if it has the court's confirmation, for example, confirmation regarding real estate, then it becomes enforceable,' he noted, adding that Montenegro would be the first country in the world to implement such an initiative.

The former minister of finance, Aleksandar Damjanović, was more cautious.⁹ He shelved two pieces of legislation that sought to solidify Montenegro's cryptocurrency aspirations.¹⁰ He also underlined the need for tough legal regulation that, in his view, the central bank does not have the knowledge or capacity to oversee.¹¹ Without such controls there would be 'opportunities for money laundering, or numerous illegal transactions, where profits from these activities are laundered through cryptocurrencies,' he told the Global Initiative Against Transnational Organized Crime (GI-TOC). He also cited Montenegro's bad experience with offshore banking in the 2000s as another reason why a solid legal framework is necessary.¹² In 2002, Montenegro had a pressing need to

clamp down on its clandestine offshore banking sector due to suspicions that it could be exploited by terrorist organizations for money laundering purposes.¹³

Miloš Katić, a forensic financial investigator and a member of the GI-TOC Network of Experts, noted that Montenegro's poor track record on combating criminal activity (including cigarette and drug smuggling as well as corruption) makes close monitoring of cryptocurrency transactions essential. 'While trading virtual currencies isn't inherently negative, it must be conducted within well-defined boundaries,' he cautioned.¹⁴

MONEY LAUNDERING THROUGH CRYPTO

There are various ways in which crypto can be exploited to launder money. One method involves a crypto trader arranging a transaction with a miner. The crypto miner then creates an inflated invoice, which the trader pays using Bitcoin, enabling the miner to cash out with corroborating paperwork.¹⁷ Other methods include using mixers, also known as tumblers, whereby an initial crypto holding derived from criminal activity is converted into multiple other cryptocurrencies in a chain of transactions through multiple wallets (accounts).¹⁸

Busted in Podgorica

The arrest of Do Kwon on charges of travelling on a fake Costa Rican passport as he sought to board a private jet to the United Arab Emirates in March 2023¹⁹ initially burnished Montenegro's crime fighting credentials with the EU and the US. The South Korean – who has reportedly registered legal entities in Serbia²⁰ – was sentenced to four months in prison in late June, although the US continues to seek his extradition.

However, the political fallout in Montenegro itself has been substantial. In the run-up to Montenegro's June 2023 elections, Do Kwon sent a letter to authorities claiming that he had a 'very successful investment relationship' with Spajić, the ex-finance minister and the leader of the Europe Now movement.²¹ Do Kwon also alleged that other unnamed crypto entrepreneurs had funded Europe Now's campaign on the expectation that they would benefit from 'crypto friendly policies'.²² Spajić and his lawyers denied the allegations,²³ but the fallout is widely seen as having dented his party's performance at the polls. An investigation by Montenegrin authorities remains ongoing, although

The risks of unregulated crypto have already become apparent in Montenegro. In June 2023, an illegal cryptomat was discovered in a prestigious area along Montenegro's coastline. This cryptocurrency ATM enabled users to convert digital currencies into cash or other cryptocurrencies. The machine was linked to George Cottrell, a British individual with a criminal record who is reportedly under investigation by US authorities.¹⁵ According to the finance minister, this was not the only illegal cryptomat in Montenegro. 'A similar machine was installed in Podgorica. It was removed as soon as the story about the first cryptomat emerged,' he explained.¹⁶

This is often done on an exchange that is regulated by a jurisdiction with a weak record of enforcing 'know your customer' and wider anti-money laundering standards, or even on an exchange that has no declared domicile.

Alongside money laundering, potential risks include market manipulation and the unpermitted use of customer funds for trading, the latter demonstrated by the collapse of the FTX exchange in late 2022.

Spajić, whose party still won the most parliamentary seats, formed the government.²⁴

Weeks after Do Kwon's arrest, the Central Bank of Montenegro announced in April 2023 a collaboration with the US company Ripple to develop a national digital currency. In July 2023, Ripple officials arrived in Montenegro for talks with representatives from the financial sector, state institutions and the IT industry.²⁵ Meanwhile, this institution is actively preparing digital currency legislation.

In short, while cryptocurrencies open exciting new possibilities, there are also inherent risks. Montenegro's track record as a hub for cigarette and drug smuggling as well as high-level corruption make it crucial to demonstrate sufficient regulatory capacity. If Montenegro is to embrace cryptocurrency, it will need to develop a strong and bespoke regulatory framework, alongside sufficient expertise in financial intelligence, cross-border cooperation and risk assessments concerning money laundering.



South Korean cryptocurrency entrepreneur Do Kwon is taken to court after being arrested in Podgorica, March 2023.

Photo: Stringer/AFP via Getty Images

Notes

- 1 Lubomir Tassev, Vitalik Buterin becomes citizen of crypto-friendly Montenegro, Bitcoin, 14 April 2022, <https://news.bitcoin.com/vitalik-buterin-becomes-citizen-of-crypto-friendly-montenegro/>.
- 2 Annabelle Liang, Guy Delauney and Nadeem Shad, Do Kwon: Fugitive 'crypto-crash' boss arrested in Montenegro, BBC, 24 March 2023, <https://www.bbc.com/news/technology-65058533>.
- 3 A stablecoin is a cryptocurrency tied to the value of a national currency or a basket of currencies, often the US dollar or the euro and at 1:1; hence the moniker 'stable'. However, financial regulators around the world have repeatedly warned that private stablecoins are inherently vulnerable to runs, especially since they are not insured by national or international compensation schemes.
- 4 Andrew Higgins, How a crypto fugitive upended the politics of a troubled Balkan nation, *The New York Times*, 24 June 2023, <https://www.nytimes.com/2023/06/24/world/europe/montenegro-do-kwon-crypto.html>.
- 5 Central Bank of Montenegro, Central Bank of Montenegro signs agreement with Ripple to develop a digital currency strategy and pilot, 11 April 2023, <https://www.cbmg.me/en/public-relations/news/press-releases/central-bank-of-montenegro-signs-agreement-with-ripple-to-develop-a-digital-currency-strategy-and-pilot?id=2243>.
- 6 Global Citizen Solutions, Ten crypto tax haven countries: A guide for savvy investors, 8 September 2023, <https://www.globalcitizensolutions.com/crypto-tax-haven/>.
- 7 Ibid.
- 8 Interview with Novak Svrkota, financial advisor, Podgorica, Montenegro, July 2023.
- 9 Interview with Aleksandar Damjanović, minister of finance, Podgorica, Montenegro, July 2023.
- 10 Ibid.
- 11 Ibid.
- 12 Ibid.
- 13 Boris Darmanovic, Montenegro: 'US pressure' led to offshore bank blow, Institute for War and Peace Reporting, 18 July 2002, <https://iwpr.net/global-voices/montenegro-us-pressure-led-offshore-bank-blow>.
- 14 Interview with Miloš Katić, certified financial forensics investigator, Belgrade, Serbia, July 2023.
- 15 Aneta Durović, *Nelegalni kriptomat u Crnoj Gori povezuje se sa osuđivanim Britancem*, Radio Free Europe/Radio Liberty (RFE/RL), 9 June 2023, <https://www.slobodnaevropa.org/a/kripto-valutecrna-gora/32450680.html>.
- 16 Interview with Aleksandar Damjanović, minister of finance, July 2023.
- 17 Sandro Vrbanus, *Znanstvenici opisali novu metodu pranja novca putem bitcoina*, Bug, 11 September 2020, <https://www.bug.hr/kriptovalute/znanstvenici-opisali-novu-metodu-pranja-novca-putem-bitcoina-16507>.
- 18 Elliptic, Bitcoin money laundering: how criminals use crypto, 18 September 2019, <https://www.elliptic.co/blog/bitcoin-money-laundering>.
- 19 Jelena Jovanović, *Hapšenje 'kralja kriptovaluta' u Crnoj Gori: Kwon aterirao prije Dubajja*, Vijesti, 24 March 2023,

- <https://www.vijesti.me/vijesti/crna-hronika/649123/hapsenje-kralja-kriptovaluta-u-crnoj-gori-kvon-aterirao-prije-dubajja>.
- 20 Ana Curic and Isabel Hunter, Do Kwon created new company in Serbia while on the run from Interpol and these are the lawyers who helped him, DL News, 27 March 2023, <https://www.dlnews.com/articles/regulation/do-kwon-formed-company-serbia-after-interpol-red-notice/>.
- 21 Andrew Higgins, How a crypto fugitive upended the politics of a troubled Balkan nation, *The New York Times*, 24 June 2023, <https://www.nytimes.com/2023/06/24/world/europe/montenegro-do-kwon-crypto.html>.
- 22 Ibid.
- 23 Lela Šćepanović, *Slučaj Do Kwon dio predizborne borbe u Crnoj Gori*, RFE/RL, 6 June 2023, <https://www.slobodnaevropa.org/a/do-kvon-crna-gora-izbori-kripto-valute/32447253.html>.
- 24 Radio Slobodna Evropa, *Nakon cjelonoćnog zasjedanja izabrana nova Vlada Crne Gore*, 31 October 2023, <https://www.slobodnaevropa.org/a/crna-gora-dobila-novu-vladu/32660274.html>.
- 25 Central Bank of Montenegro, Continuation of activities on the implementation of the national stablecoin pilot project, 26 July 2023, <https://www.cbcg.me/en/public-relations/news/press-releases/continuation-of-activities-on-the-implementation-of-the-national-stablecoin-pilot-project?id=2300>.

Risks in prisons may disrupt crime-fighting in the Western Balkans.

According to the latest Global Organized Crime Index, published in September 2023, three out of six countries in the Western Balkans rank among the worst 10 in Europe for criminality (see Figure 1).¹ It is not surprising that the European Commission has emphasized the need for countries in the region to showcase substantial advances in crime-fighting.² It is also perhaps not surprising that four of the six countries in the region have incarceration rates that are above the European median (see Figure 2).

For example, in 2022, there were 10 557 inmates in Serbian prisons and 5 357 in Albanian ones.³ In these two countries, more than one-quarter of all inmates are

serving sentences for drug-related offences.⁴ However, not all serve sentences for drug production and distribution; most are in jail for possession rather than organized criminal activity. Indeed, of the roughly 23 000 individuals in prisons in the six Western Balkan countries in 2022,⁵ only a few hundred were convicted of offences related to organized crime, including 75 in Albania,⁶ 134 in Bosnia and Herzegovina,⁷ 11 in Kosovo,⁸ 48 in North Macedonia,⁹ 17 in Montenegro¹⁰ and 144 in Serbia.¹¹ While these numbers are relatively small, prisons in the region have inherent risks that could fuel rather than diminish organized crime.

Criminality	2023		2021	
	Europe	World	Europe	World
Serbia	3	40	2	33
Montenegro	5	54	4	45
Bosnia and Herzegovina	8	57	5	49
Albania	15	87	9	61
North Macedonia	18	93	11	74

FIGURE 1 Ranking of Western Balkan countries in relation to 44 European countries and 193 worldwide (1 = worst-ranking). Source: Global Organized Crime Index, <https://ocindex.net/>

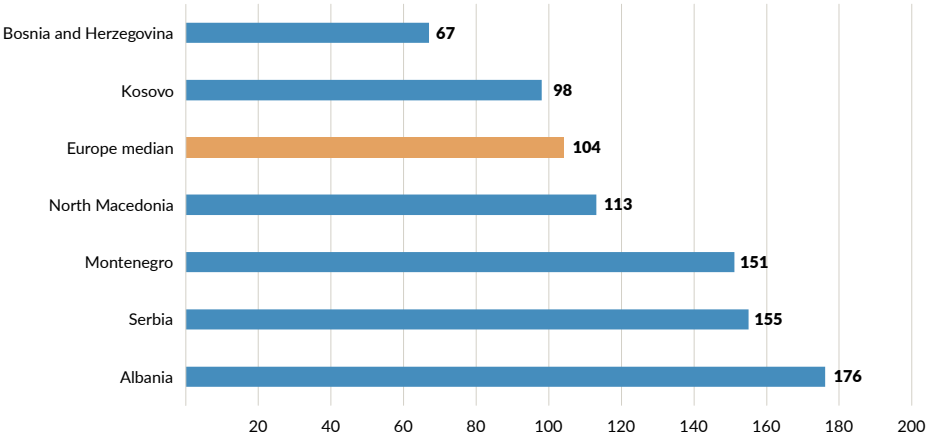


FIGURE 2 Prison population rates (inmates per 100 000 inhabitants) in 2022. Sources: Council of Europe Annual Penal Statistics, World Prison Brief Data, data obtained from institutions upon request and Večernji list

Illegal communication from prisons

In some cases, prison does not seem to be an impediment to running criminal operations. Between 2014 and 2021, Darko Šarić, a convicted drug lord, resided in cell 117 at the Special Court's detention centre in Belgrade, Serbia.¹² Prosecutors found that Šarić maintained constant communication, issued orders including assassinations and managed finances using encrypted Sky ECC devices over the period October 2020 to December 2021.¹³ Šarić conducted these operations from a supposedly highly secure facility where phone use is strictly prohibited.¹⁴

Serbia is not the only country in the region grappling with illegal communications from within prisons. In September 2023, a stash of hidden phones and chargers was found in Spuž Prison, Montenegro.¹⁵ In July 2023, six mobile phones were hidden inside an air conditioner unit.¹⁶ In January 2023, a drone equipped with two mobile phones was detected flying over the prison.¹⁷ In November 2022, a cooking pot with multiple hidden phones and a note reading 'Brother loves you' was uncovered.¹⁸

Recruitment from prisons into organized crime

In many countries around the world, prisons are fertile environments for recruiting petty criminals into criminal gangs or groups. Offenders serving terms for minor offences such as possession of drugs mix with hardened criminals. For example, in Serbia, older inmates with criminal backgrounds and links to football hooligan groups befriend and mentor younger prisoners who have not previously been involved in organized crime. After release, these younger individuals often join criminal groups. When the mentor is released, they sometimes go into business together, usually involving drug trafficking.¹⁹

For almost a decade, Montenegro has been bedeviled by deadly clashes between two violent criminal groups that compete for control of the cocaine market. Correctional institutions in Montenegro, such as the prison in Spuž that houses leaders and high-ranking members of organized criminal groups, are pivotal recruitment hubs for new members.²⁰ This is achieved by the seasoned convicts offering protection, access to expensive legal counsel, other forms of financial support and numerous other incentives.²¹



A drone equipped with two mobile phones detected in Spuž Prison, Montenegro.

Photo: UIKS

A related problem is insufficient post-penal support. When people who have served time are released from prison, they often lack licit support networks, employment opportunities or even basic documents, and they are stigmatized within their communities. As a result, some seek and find support in the organized criminal networks they began to associate with in prison. Lack of rehabilitation increases the risks of recidivism.

Corruption on the inside

Security in prisons is often undermined by corruption. The Western Balkans is no exception. As explained by a prison director in North Macedonia, corruption among correctional officers has enabled the illegal smuggling of weapons, telephones and drugs into jails.²² According to

a former director of one of the country's prisons, North Macedonia leads Europe in the number of jailbreaks and 'this demonstrates the extent of criminality within the prison system'.²³

This has been highlighted in other reports.²⁴ In Montenegro, there are widespread allegations of collaboration between prison staff and organized criminal factions.²⁵ In Albania, an example came to light in April 2022 when the acting director of Shkoder prison was arrested for allegedly abusing his authority.²⁶ His predecessor had been suspended just three months earlier due to allegations of document forgery.²⁷ The need to address such risks is given added weight by a growing push to repatriate prisoners abroad back to the region.

PRISONER TRANSFERS TO ALBANIA AND KOSOVO

While some Western Balkan countries have relatively large prison populations, a considerable number of nationals from the region are held in foreign prisons. For example, there are 1 475 Albanian citizens imprisoned in the UK, equating to 14% of all foreign prisoners in that nation.²⁸

Albania and the UK in May 2023 agreed a prisoner transfer arrangement. The deal builds on a document²⁹ that came into force in May 2022.³⁰ Under this arrangement, the UK supports the modernization of Albania's prison infrastructure. In return, Albania has committed to repatriating a maximum of 200 Albanian nationals currently serving sentences of four years or more in UK prisons.³¹ UK officials have highlighted that this initiative will not only result in cost savings for British taxpayers but also alleviate prison overcrowding in the UK.³² However, there has been criticism in Albania that the agreement was characterized by 'little political and public debate regarding specifics and little civil society involvement'.³³

Albania's justice minister, Ulsi Manja, says that the agreement promotes convict reintegration without using national taxpayers' money and contributes to improving the Albanian prison system. On the other hand, several judges and lawyers have voiced concerns about the impact of accommodating 200 more prisoners on Albania's overcrowded prison system.³⁴

Meanwhile, one Western Balkan country has agreed to host an EU nation's prisoners. In December 2021, Kosovo agreed to accommodate 300 Danish inmates, with Denmark paying an annual fee of €15 million for renting facilities in Gjilan prison.³⁵ According to Kosovo's justice minister, the arrangement will earn the country €210 million, much of which will go to renewable energy initiatives and training for prison personnel.³⁶ Some experts in Kosovo were against the agreement,³⁷ but in June 2023 the government submitted a draft law to parliament for review and adoption.³⁸

Although some Western Balkan countries have improved their correctional systems, as acknowledged by the European Commission in its 2022 progress reports, several systemic challenges persist. Prison overcrowding is a common problem in the region, Kosovo aside. In North Macedonia, the European Commission urges that 'systemic solutions to improve detention conditions be implemented with the utmost urgency', while in Albania, prison conditions remain 'an ongoing concern'.³⁹ In Bosnia and Herzegovina, there have been 'no efforts to enhance detention conditions', indicating a troubling lack

of progress.⁴⁰ On a more positive note, Kosovo, Montenegro and Serbia have made strides in aligning themselves with international standards.⁴¹

To bolster prison security, it is essential to harness cutting-edge technology and conduct regular cell checks. Concurrently, the upgrade of judicial and correctional infrastructure is paramount, ensuring facilities meet modern standards. A holistic approach to improving the correctional environment is crucial, with a primary focus on enhancing working conditions for staff,

shielding them from undue political and criminal pressures and fostering a culture of accountability to replace any prevailing complacency. Additionally, the

implementation of in-prison rehabilitation programmes, facilitated in collaboration with civil society, holds promise in effectively reducing recidivism rates.

Notes

- 1 See the Europe overview in GI-TOC, Global Organized Crime Index 2023: A fractured world, September 2023, <https://ocindex.net/report/2023/04-continental-overview.html#europe>.
- 2 European Commission, 2022 Communication on EU Enlargement Policy, 12 October 2022, 8–9, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/2022%20Communication%20on%20EU%20Enlargement%20Policy-v3.pdf>.
- 3 Marcelo F Aebi, Edoardo Cocco and Lorena Molnar, Prisons and prisoners in Europe 2022: Key findings of the SPACE I survey, Council of Europe and University of Lausanne, updated on 26/06/2023, https://wp.unil.ch/space/files/2023/06/230626_Key-Findings-SPACE-I-Prisons-and-Prisoners-in-Europe-2022.pdf.
- 4 Hamdi Firat Buyuk, Council of Europe: Turkey's Prison Population Rises Beyond 300,000, Balkan Insight, 27 June 2023, <https://balkaninsight.com/2023/06/27/council-of-europe-turkeys-prison-population-rises-beyond-300000/>.
- 5 The data presented here represents the author's calculations, derived from various sources, including the Council of Europe Annual Penal Statistics, World Prison Brief Data, official budget expenditure reports and data obtained from institutions upon request.
- 6 European Commission, Albania 2022 Report, 12 October 2022, 40, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Albania%20Report%202022.pdf>.
- 7 European Commission, Bosnia and Herzegovina 2022 Report, 12 October 2022, 39, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Bosnia%20and%20Herzegovina%20Report%202022.pdf>.
- 8 European Commission, Kosovo 2022 Report, 12 October 2022, 46, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Kosovo%20Report%202022.pdf>.
- 9 European Commission, North Macedonia 2022 Report, 12 October 2022, 21, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/North%20Macedonia%20Report%202022.pdf>.
- 10 European Commission, Montenegro 2022 Report, 12 October 2022, 49, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Montenegro%20Report%202022.pdf>.
- 11 European Commission, Serbia 2022 Report, 12 October 2022, 52, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Serbia%20Report%202022.pdf>.
- 12 Lepasava Bogić, *Advokat i četiri klana*, Vreme, 5 May 2022, <https://www.vreme.com/vreme/advokat-i-cetiri-klana/>.
- 13 Insajder, *Insajder otkriva detalje optužnice: Istraga i opstrukcija istrage protiv Šarića*, 29 January 2023, <https://insajder.net/teme/insajder-otkriva-detalje-optuznice-istraga-i-opstruiranje-istrage-protiv-sarica>.
- 14 Ibid.
- 15 Jelena Jovanović, *Oduzeli četiri mobilna telefona u Zatvoru za duge kazne*, Vijesti, 11 September 2023, <https://www.vijesti.me/vijesti/crna-hronika/673117/oduzeli-cetiri-mobilna-telefona-u-zatvoru-za-duge-kazne>.
- 16 Jelena Jovanović, *Pronađeno šest mobilnih telefona i dva USB kabla u klima uređaju dostavljenom za zatvorenika u Spužu*, Vijesti, 4 July 2023, <https://www.vijesti.me/vijesti/crna-hronika/663887/pronadjeno-sest-mobilnih-telefona-i-dva-usb-kabla-u-klima-uredjaju-dostavljenom-za-zatvorenika-u-spuzu>.
- 17 *Vijesti*, *Zaplijenjen dron, nadlijetao iznad spuskog zatvora sa dva telefona*, 20 January 2023, <https://www.vijesti.me/vijesti/crna-hronika/639659/zaplijenjen-dron-nadlijetao-iznad-spuskog-zatvora-sa-dva-telefona>.
- 18 Jelena Jovanović, *'Voli vas brat': Mobilni telefoni pronađeni u specijalnom dnu šerpe koju je posjetilac krenuo da unese u zatvor*, Vijesti, 20 November 2020, <https://www.vijesti.me/vijesti/crna-hronika/631422/voli-vas-brat-mobilni-telefoni-pronadjeni-u-specijalnom-dnu-serpe-koju-je-posjetilac-krenuo-da-unese-u-zatvor>.
- 19 Interview with a civil society activist who runs an organization that provides post-penal support in Serbia, September 2023.
- 20 Vlada Crne Gore, *Biro za operativnu koordinaciju*, SOCTA 2021: Procjena opasnosti od teškog i organizovanog kriminala u Crnoj Gori, March 2022, 18, <https://www.gov.me/dokumenta/cf105122-2c9b-4816-b152-8487b5f59063>.
- 21 Ibid.
- 22 Interview with the director of a prison institution in North Macedonia, September 2023.
- 23 Ibid.
- 24 US Department of State, 2022 Country Reports on Human Rights Practices: North Macedonia, February 2023, 3, https://www.state.gov/wp-content/uploads/2023/02/415610_NORTH-MACEDONIA-2022-HUMAN-RIGHTS-REPORT.pdf.
- 25 US Department of State, 2022 Country Reports on Human Rights Practices: Montenegro, February 2023, 5, https://www.state.gov/wp-content/uploads/2023/02/415610_MONTENEGRO-2022-HUMAN-RIGHTS-REPORT.pdf.
- 26 VOX News, *The director of the Reç-Shkodër prison is arrested*, 25 April 2022, <https://www.voxnews.al/english/aktualitet/arrestohet-drejtori-i-burgut-rec-shkoder-i6997>.
- 27 Albanian Daily News, *Shkodra prison's warden suspended after report's forgery*, 12 January 2022, <https://albaniandailynews.com/news/shkodra-prison-s-warden-suspended-after-report-s-forgery>.
- 28 Georgina Sturge, *UK Prison Population Statistics*, House of Commons, 8 September 2023, 14, <https://researchbriefings.files.parliament.uk/documents/SN04334/SN04334.pdf>.
- 29 International treaty UK/Albania: *Agreement on the Transfer of Sentenced Persons* [CS Albania No.3/2021], 19 October 2021, <https://www.gov.uk/government/publications/ukalbania-agreement-on-the-transfer-of-sentenced-persons-cs-albania-no32021>.
- 30 Ministry of Justice, *Government strikes deal to remove more Albanian prisoners*, 26 July 2021, <https://www.gov.uk/government/news/government-strikes-deal-to-remove-more-albanian-prisoners>.
- 31 Ministry of Justice, *HM Prison and Probation Service and Alex Chalk KC MP, UK and Albania agree groundbreaking new arrangement on prisoner transfers*, 24 May 2023,

- <https://www.gov.uk/government/news/uk-and-albania-agree-groundbreaking-new-arrangement-on-prisoner-transfers>.
- 32 They Work For You, Prisoners' Transfers: Albania, Ministry of Justice written question – answered on 4 September 2023, <https://www.theyworkforyou.com/wrans/?id=2023-07-20.195373.h>.
 - 33 Interview with Ervin Karamuç, professor of criminology at the law faculty of the University of Tirana, Tirana, September 2023.
 - 34 Panorama, 'Britania përdor shqiptarët për të fituar kredo politike'- Juristi Ramaj tregon në 'Panorama TV': Marrëveshja për të burgosurit, propagandë në bashkëpunim me qeverinë tone, 25 May 2023, <http://www.panorama.com.al/britania-perdor-shqiptaret-per-te-fituar-kredo-politike-juristi-ramaj-tregon-ne-panorama-tv-marreveshja-per-te-burgosurit-propagande-ne-bashkepunim-me-qeverine-t/>; MCN TV, *Transferimi i të dënuarve nga Britania, Petraj: Burgjet shqiptare nuk kanë kapacitete! Kodi penal nuk parashikon të njëjtën vuajtje dënimi*, 24 March 2023, <http://www.mcntv.al/2023/03/24/transferimi-i-t-d-nuarve-nga-britania-petraj-burgjet-shqiptare-nuk-kan-kapacitete-kodi>.
 - 35 See treaty at <https://www.justitsministeriet.dk/wp-content/uploads/2022/04/Final-treaty-Denmark-Kosovo.pdf>.
 - 36 N1 Belgrade, Kosovo Justice Minister says millions from prison rental, 23 December 2021, <https://n1info.rs/english/news/kosovo-justice-minister-says-millions-from-prison-rental/>.
 - 37 Charles Szumski, Kosovo experts oppose Denmark prison outsourcing, Euractiv, 22 December 2021, https://www.euractiv.com/section/politics/short_news/kosovo-experts-oppose-denmark-prison-outsourcing/.
 - 38 Koha, The government takes the treaty with Denmark on prisons to the parliament, 7 June 2023, <https://www.koha.net/en/arboretum/380701/the-government-puts-in-the-parliament-the-treaty-with-Denmark-for-prisons/>.
 - 39 European Commission, North Macedonia 2022 Report, 12 October 2022, 16, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/North%20Macedonia%20Report%202022.pdf>; European Commission, Albania 2022 Report, 12 October 2022, 28, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Albania%20Report%202022.pdf>.
 - 40 European Commission, Bosnia and Herzegovina 2022 Report, 12 October 2022, 29, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Bosnia%20and%20Herzegovina%20Report%202022.pdf>.
 - 41 European Commission, Kosovo 2022 Report, 12 October 2022, 31, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Kosovo%20Report%202022.pdf>; European Commission, Montenegro 2022 Report, 12 October 2022, 35, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Montenegro%20Report%202022.pdf>; European Commission, Serbia 2022 Report, 12 October 2022, 36, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Serbia%20Report%202022.pdf>.

A big bird in a small flock: Crime at Belgrade airport.

Belgrade's Nikola Tesla airport is one of the busiest airports in South Eastern Europe.¹ It served 5.6 million passengers in 2022, 71% more than in 2021, albeit below a high watermark set in 2019, the last full year before the coronavirus pandemic.² Almost 30 airlines fly regular routes from Belgrade airport to over 90 destinations in 38 countries on four continents.

Belgrade's location on key trafficking routes makes the airport vulnerable to smuggling of luxury goods, drugs, cigarettes, cash and people. A recent report by the Global Initiative Against Transnational Organized Crime's (GI-TOC) South Eastern Europe Observatory sheds light on the extent and modalities of trafficking.³ Unlike smuggling through ports in South Eastern Europe that has led to major seizures of illicit commodities, authorities at airports in the region seize mostly small shipments.

As shown in Figure 1, between 2018 and 2022, Serbian police discovered more than 80 drug-related criminal offences at Belgrade airport.⁴ This included the

discovery of more than 10 000 doses of psychoactive controlled drugs,⁵ such as diazepam, bromazepam, lorazepam, alprazolam and zolpidem.⁶ Furthermore, they seized more than 21 kilograms of cocaine,⁷ mostly coming from the Dominican Republic, Ecuador, Bolivia and Peru. The police have also arrested drug mules – often women who are not carrying any luggage at the time of their arrest and cannot tell authorities where they will stay or spend the night.⁸

In addition to cigars, there is also a brisk trade in small-time smuggling of tobacco products, usually between Belgrade and Luton airport in the UK. Individuals buy cigarettes at the airport in Belgrade, where a carton costs about €20, and sell them in the UK for approximately €90 – a net profit of around €500 per 10 cartons. The smuggling method is simple; cigarettes are carried in hand luggage or hidden in specially sewn apparel.⁹

Serbian customs regularly seize various types of flora and fauna from around the world, which authorities



Belgrade's Nikola Tesla airport, March 2022.

Photo: Oliver Bunic/Bloomberg via Getty Images

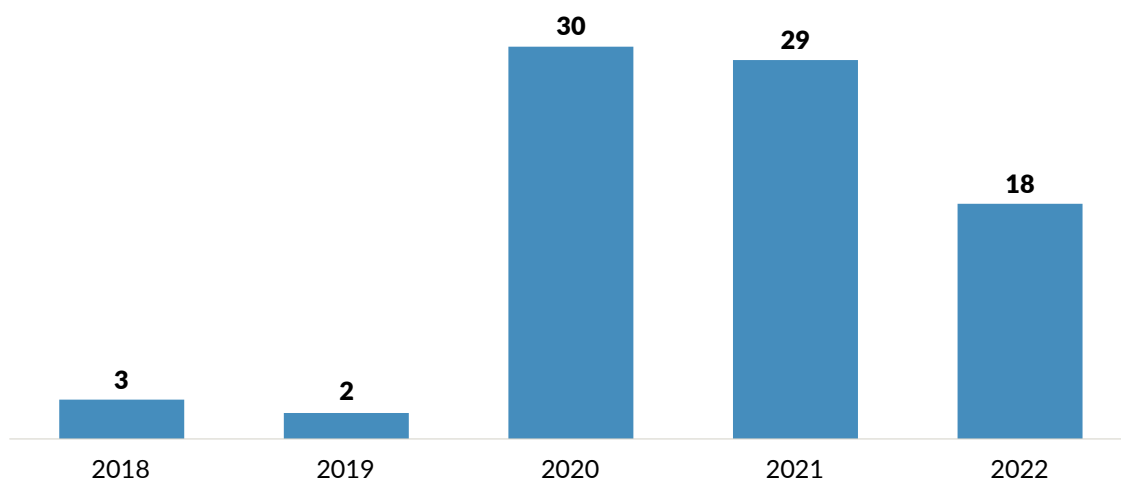


FIGURE 1 Drug-related criminal offences detected at Belgrade airport, 2018–2022.

Source: Serbian Ministry of Interior

either store or destroy at warehouses just outside the airport.¹⁰ Plants that lack accompanying documentation arrive mainly from China for recipients who are usually located in Serbia. Animals mostly come from Africa, while corals arrive from South America and Asia. Ivory items, teeth and hunting trophies are at times found transiting Belgrade; in most cases, they are accompanied by forged documents.¹¹

Seizures at Belgrade airport often centre on small but valuable luxury goods. In February 2023, customs officers discovered in the luggage of a passenger from Switzerland undeclared branded watches, jewellery and accessories by Cartier, Rolex, Fred and Hermes worth €55 000.¹² In January 2023, customs found almost 2 000 high-quality cigars in the belongings of a Cuban traveller.¹³ Works of art have also been seized; for example, paintings of the famous Serbian artist Paja Jovanović were found in July 2021.¹⁴ Customs have also seized cash, mostly from passengers travelling to South America.¹⁵

Important gateway

Although Belgrade has been a hub for irregular migration since the migrant crisis peaked in 2015,¹⁶ the airport has not been significantly exposed to migratory pressures.¹⁷ However, since 2020 it has become a key transit point for people from Burundi, Cuba, India,

Tunisia and Turkey who make use of Serbia's friendly visa policies. They fly directly or via Istanbul to Belgrade and then travel from Serbia to the EU irregularly.¹⁸ The use of Belgrade airport as a gateway for onward migration was of sufficient concern to the EU that it pressured the Serbian government to change its visa policy.¹⁹ Nevertheless, the number of foreigners refused entry at Belgrade airport has recently increased, as shown in Figure 2.

Belgrade is one of the few airports in Europe that still operates direct flights to Russia. Most of this travel is legal, but it does add to the potential vulnerability of the airport as a hub for illicit activity, given various sanctions imposed on Russia in the wake of its 2022 invasion of Ukraine.

Illegal border crossings at Belgrade airport are often facilitated by forged travel documents. Forged passports from Croatia, Germany and Belgium are the most common documents detected by border police. Although introducing biometric documents has reduced the use of fake travel documents, border police stamps and immigration visas are still being falsified.²⁰ Indeed, between 2018 and 2022, police detected more than 1 000 people travelling on forged documents at Belgrade airport (see Figure 3).

Unlike large transportation infrastructure such as ports, where law enforcement has often identified transnational organized crime,²¹ Belgrade airport is a relatively secure space. Although there is room for better detection of smuggling,²² in May 2022, the International Civil Aviation Organization determined that the aviation security system in Serbia complies with almost 95% of standards.²³ Overall, airport security has improved, especially since 2016, following the imposition of security requirements for direct flights from Serbia to the US.²⁴

Although the quantities of goods moving illicitly through Belgrade airport are small, the high number of individual cases indicate the need for a closer look. This is especially important since the quality of passenger and luggage controls declined when a private security company took over this task from the police and airport security service.²⁵

Belgrade airport is managed by a French company, VINCI Airports, which in March 2018 signed a 25-year concession contract for the airport with the Government of Serbia.²⁶ The contract was not made public and was

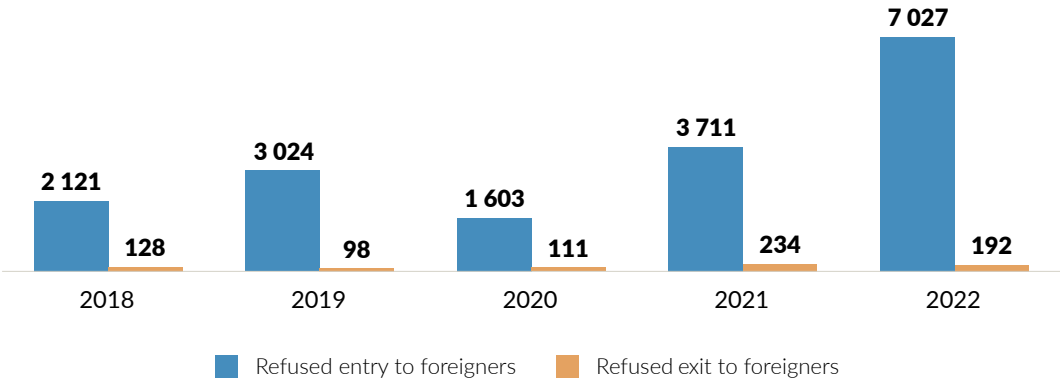


FIGURE 2 Refused entries and exits for foreigners at Belgrade airport, 2018–2022.

Source: Serbian Ministry of Interior

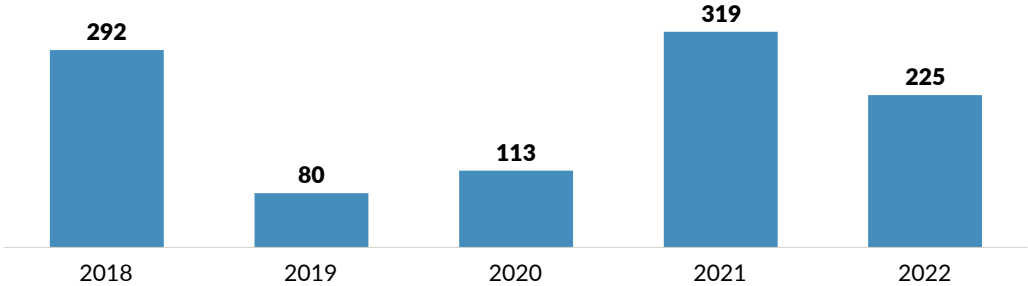


FIGURE 3 Cases of forged documents at Belgrade airport, 2018–2022.

Source: Serbian Ministry of Interior

granted at the suspiciously convenient price of one euro more than the next bidder, implying that information about the price was leaked.²⁷ In addition, investigative journalists discovered that a businessperson who had been prosecuted for organized cigarette smuggling in 2011 would earn at least €28 million from selling land for the airport's expansion.²⁸

A key hub

Air Serbia is one of Europe's fastest-growing airlines, meaning that Belgrade could become a key transport hub. This brings opportunities for trade and tourism, but

also increased risks of illicit activity. Airport security is considered relatively good,²⁹ although vigilance is necessary to prevent smuggling by passengers and through cargo shipments, as well as corruption among airport staff. Given that passenger and baggage control at the airport is carried out by a private company, oversight measures should be in place to ensure that the company's staff are appropriately trained, especially to prevent smuggling.³⁰ Insufficient training of staff and corruption by insiders has often proved to be the weakest link when it comes to airport security.³¹

This article draws on research from the GI-TOC report 'Catch me if you can', by Ruggero Scaturro, which provides an analytical overview of security at airports, factors of vulnerability in aviation transiting the Western Balkans, and how these vulnerabilities are exploited for criminal purposes.



Notes

- 1 EX-YU Aviation News, Airports in former Yugoslavia among Europe's busiest, 30 April 2022, <https://www.exyuaviation.com/2022/04/former-yugoslav-airports-among-europes.html>; Walter Kemp, Kristina Amerhauser and Ruggero Scaturro, Spot prices: Analyzing flows of people, drugs and money in the Western Balkans, GI-TOC, May 2021, <https://globalinitiative.net/analysis/western-balkans-crime-hotspots-3/>.
- 2 EX-YU Aviation News, Belgrade Airport handles 5.6 million passengers in 2022, 13 January 2023, <https://www.exyuaviation.com/2023/01/belgrade-airport-handles-56-million.html>.
- 3 Ruggero Scaturro, Catch me if you can: Illicit flows through Balkan airports, GI-TOC, May 2023, <https://globalinitiative.net/analysis/illicit-flows-balkan-airports/>.
- 4 These offences centre on the unlawful production and circulation of narcotics and unauthorized possession of narcotics.
- 5 Republic of Serbia Legal Information System, *Pravilnik o utvrđivanju Spiska psihoaktivnih kontrolisanih supstanci*, 14 July 2022, <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/ministarstva/pravilnik/2022/73/1>.
- 6 Interior Ministry's response of 22 March 2023 to GI-TOC freedom of information requests of 7 November and 16 December 2022.
- 7 Ibid.
- 8 Mondo, *Kako Carinici 'Provale' Švercere: Kokain u gitari, Rolex u tosteru*, 22 July 2021, <https://youtu.be/B88sGmwk6Hs>; interview with Milan Pekić, Director of the Office for Combating Drugs, Belgrade, December 2022.
- 9 Interview with a retired border police officer, Belgrade, December 2022.
- 10 Interviews with a border phytosanitary inspection representative and a border veterinary inspection representative, Belgrade, December 2022.
- 11 Ruggero Scaturro, Catch me if you can: Illicit flows through Balkan airports, GI-TOC, May 2023, <https://globalinitiative.net/analysis/illicit-flows-balkan-airports/>.
- 12 Republic of Serbia Customs Administration, *Zadržani luksuzni satovi i vredan nakit*, 6 February 2023, <https://www.carina.rs/sr/pres/vesti/246283/zadržani-luksuzni-satovi-i-vredan-nakit.html>.

- 13 Politika, *U prtljagu putnika 2.000 kubanskih tomposa*, 9 January 2023, <https://www.politika.rs/sr/clanak/531835/aerodrom-carina-zaplana-cigare>.
- 14 Ruggero Scaturro, *Catch me if you can: Illicit flows through Balkan airports*, GI-TOC, May 2023, <https://globalinitiative.net/analysis/illicit-flows-balkan-airports/>.
- 15 Interviews with a retired border police officer and an investigative journalist, Belgrade, December 2022.
- 16 Walter Kemp, Kristina Amerhauser and Ruggero Scaturro, *Spot prices: Analyzing flows of people, drugs and money in the Western Balkans*, GI-TOC, May 2021, <https://globalinitiative.net/analysis/western-balkans-crime-hotspots-3/>.
- 17 Ruggero Scaturro, *Catch me if you can: Illicit flows through Balkan airports*, GI-TOC, May 2023, <https://globalinitiative.net/analysis/illicit-flows-balkan-airports/>.
- 18 Aviatika, *Iranci osvajaju Beograd*, 31 May 2018, <https://www.aviatica.rs/iranci-osvajaju-beograd/>; Deutsche Welle, *Više migracije na Balkanskoj ruti: prvo u Srbiju, onda u EU*; 29 September 2022, <https://www.dw.com/sr/vi%C5%A1e-migracije-na-balkanskoj-ruti-prvo-u-srbiju-onda-u-eu/a-63274946>.
- 19 European Commission, *Fifth report under the visa suspension mechanisms*, 6 December 2022, [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022DC0715R\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022DC0715R(01)&from=EN).
- 20 Interview with Ivan Marković, deputy prosecutor, Belgrade, December 2022.
- 21 Ruggero Scaturro and Walter Kemp, *Portholes: Exploring the maritime Balkan routes*, GI-TOC, July 2022, <https://globalinitiative.net/analysis/balkans-maritime-routes-ports-crime/>.
- 22 Interviews with a retired border police officer, an investigative journalist, an airport security manager and Petar Vojinović, editor of the Tango Six aviation portal, Belgrade, December 2022.
- 23 Directorate of Civil Aviation (Slovenia), *Veliki uspeh za civilno vazduhoplovstvo RS - usaglašenost Srbije u oblasti sistema obezbeđivanja (security) u vazduhoplovstvu na najvišem nivou*, 15 July 2022, <https://cad.gov.rs/lat/vest/20991/veliki-uspeh-za-civilno-vazduhoplovstvo-rs-usaglasenost-srbije-u-oblasti-sistema-obezbedivanja-security-u-vazduhoplovstvu-na-najvisem-nivou>.
- 24 Interview with an airport security manager, Belgrade, December 2022.
- 25 Interviews with a retired border police officer, an investigative journalist, a multinational company security manager and a border veterinary inspection representative, Belgrade, December 2022.
- 26 Belgrade airport website, *About the Concession*, https://beg.aero/eng/corporate/about_the_concession.
- 27 Robin Cartwright and Kristina Amerhauser, *Illicit financial flows in Bosnia and Herzegovina, Montenegro and Serbia*, GI-TOC, January 2022, <https://globalinitiative.net/analysis/iffs-western-balkans-2/>.
- 28 Dragana Pećo, *Subotić će zaraditi najmanje 28 miliona evra od koncesije aerodroma*, KRIK, 18 October 2018, <https://www.krik.rs/subotic-ce-zaraditi-najmanje-28-miliona-evra-od-koncesije-aerodroma/>.
- 29 Ruggero Scaturro and Walter Kemp, *Portholes: Exploring the maritime Balkan routes*, GI-TOC, July 2022, <https://globalinitiative.net/analysis/balkans-maritime-routes-ports-crime/>.
- 30 Interviews with a retired border police officer, an investigative journalist, a multinational company security manager, and a border veterinary inspection representative, Belgrade, December 2022.
- 31 Ruggero Scaturro, *Catch me if you can: Illicit flows through Balkan airports*, GI-TOC, May 2023, <https://globalinitiative.net/analysis/illicit-flows-balkan-airports/>.

What does the assassination of a Bulgarian mobster in Cape Town tell us about Balkan criminals in South Africa?

In May 2023, Krasimir Kamenov, a notorious Bulgarian mobster, was killed along with his wife at their home in Cape Town, South Africa. Alongside them, two unidentified individuals also lost their lives. While the motive behind the murders is still under investigation, it is worth noting that in the recent past, Kamenov, also known as Kuro, had attracted international attention. He was wanted by INTERPOL on a red notice and stood accused of murdering a Bulgarian police officer.

He was also accused by Bulgaria's prosecutor general of involvement in a plot aimed at discrediting senior magistrates.¹ His violent death is just the latest in a string of murders and arrests of Bulgarian and Serbian citizens engaged in illicit activity in South Africa. It brings into sharp focus the activities of illicit entrepreneurs from the Balkans as well as vulnerabilities in South Africa's criminal justice system.

According to Radio Free Europe, Kamenov gained infamy as one of Bulgaria's most prominent mafia leaders. Rising through the ranks during the turbulent 1990s, he

amassed a vast empire of businesses, ranging from legitimate ventures such as fruit markets and parking lots to illicit activities.²

When journalists working for South African media outlet the Daily Maverick questioned whether the South African police were made aware of Kamenov's presence in the country before his murder, the Bulgarian embassy stated that the relevant authorities were notified of an INTERPOL red notice against him on 6 April 2023.³

Kamenov is not the first Bulgarian to face a violent end in South Africa. In 2018, Angelo Dimov, a Bulgarian who had been arrested in 2008 and 2013 for cloning numerous bank cards to withdraw money fraudulently, was found murdered along with his wife.⁴ Dimov had been apprehended alongside a Serbian accomplice in 2008 and was long suspected of having ties to an international syndicate involved in bank card fraud. The syndicate was believed to operate from the southern suburbs of Cape Town, and Dimov was facing trial at the time of his murder.



The crime scene in Constantia, a suburb of Cape Town, where Bulgarian mobster Krasimir Kamenov was murdered in his home along with three others.

Photo: Gallo Images/Brenton Geach

Additionally, following a massive seizure of cocaine from a container ship arriving at Saldanha Harbour (105 kilometres north-west of Cape Town) from Latin America in 2021, four Bulgarian nationals were arrested alongside six Burmese crew members.⁵

Assassinations and arrests for fraud and international cocaine trafficking are an indicator of the degree to which organized Bulgarian criminals operate within South Africa. As for the seizure of cocaine, it is worth noting that the Bulgarians were able to move freely in the country thanks to fake documents. They also partnered with other foreign criminal actors and had access to significant amounts of cash. It seems that they were able to rely on local and international networks to move cocaine to and through South Africa in a relatively low-risk manner.

Bulgarians are not the only criminals from South Eastern Europe to operate in South Africa. For example, between 2018 and 2020, the Johannesburg area witnessed a minimum of nine homicides and two attempted ones involving individuals with Serbian affiliations in the realms of organized crime or paramilitary associations.⁶ In 2018 alone, a series of interconnected shootings resulted in the murders of four Serbian nationals.⁷ Speculation arose in the media suggesting that these killings might have been motivated by revenge for the assassination in 2000 of Željko Ražnatović – alias Arkan – a paramilitary leader during wartime in Yugoslavia.

His alleged murderer, Dobrosav Gavrić, fled Serbia in 2006 and travelled with a Bosnian passport before settling in South Africa under the false name Sasa Kovacevic.⁸ In 2011 he was wounded in a shooting in Cape Town in which another Serbian, a nightclub kingpin, was assassinated. Cocaine was found in their vehicle, so South African police took Kovacevic's fingerprints, revealing his real identity. Gavrić remains behind bars in South Africa, awaiting a final decision on whether he will be sent back to Serbia to serve a 30-year-long prison sentence.⁹

The cases of Kamenov, Gavrić and others from the Balkans show that South Africa is an attractive location for criminals from South Eastern Europe, including for those engaged in cocaine trafficking. It highlights vulnerabilities in the criminal justice system in South Africa that allow such characters to enter the country and enable them to operate freely; moreover, there is

scant evidence that the murders cited in this article have been substantively probed.¹⁰ The assassinations in South Africa of key crime figures from the Balkans also shows the market for hitmen in that country.¹¹

Criminals from the Balkans are not the only ones attracted to South Africa. In recent years, the country has become a magnet for criminal actors from Nigeria, China, Pakistan, Russia, Italy, Israel and elsewhere. These players are concentrated in major cities, though according to the Global Organized Crime Index, none have complete control over specific markets.¹² In particular, South African ports are attractive for criminals. They are key hubs for both licit and illicit supply chains, which use similar routes and modalities. The country has witnessed an increase in flows of cocaine from Latin America, especially from Brazil, where Balkan networks have been present for quite some time,¹³ as well as precursors from India and China. South Africa's banks are vulnerable to money laundering.¹⁴ South Africa is therefore considered a lucrative environment for criminal activity, facilitated both by an active underworld as well as collaborators in the upperworld.¹⁵

Offenders carrying out crimes in South Africa can count on relatively high levels of impunity, even for serious crimes. A recent Global Initiative Against Transnational Organized Crime study has shown that, in 2022 alone, 141 targeted killings took place in South Africa.¹⁶ The number of cases recorded in 2022 did not reach pre-COVID levels, which saw 168 cases in 2017, 211 in 2018 and 168 in 2019, but remains alarmingly high.¹⁷ This creates a permissive environment for criminals,¹⁸ although it also suggests that they should watch their backs: the cost of hiring hitmen is relatively cheap.¹⁹

The presence of criminal actors from South Eastern Europe in South Africa underscores the need for a comprehensive and collaborative approach to address the threats they pose to security. The recommendations below can help South African authorities better identify where risks arise.

First, enhanced collaboration and information sharing is key. Law enforcement agencies in South Africa should strengthen their collaboration with international counterparts, particularly those in criminal actors' countries of origin. Sharing information, intelligence and criminal databases is crucial to tracking and apprehending individuals engaged in transnational crime.

In addition, Bulgarian criminals would not decide to operate in South Africa by chance. Under the assumption that stricter penalties and comprehensive investigations can deter criminal activity, priority should be given to thoroughly investigating and prosecuting high-profile cases involving criminal networks from other regions, and particularly from the Balkans.

Third, given the relative ease with which Bulgarian and Serbian criminals have entered the country, South

African authorities should enhance border security measures and improve the verification of travellers' identities and documents. Identifying and detaining individuals wanted by international law enforcement agencies, notably through INTERPOL red notices, is essential to preventing further criminal impunity. It is also relatively straightforward to undertake this work, given that South Africa, Bulgaria and Serbia are all members of INTERPOL.

Notes

- 1 Tony Wesolowsky, Did the Bulgarian mobster gunned down in South Africa know too much?, Radio Free Europe/Radio Liberty, 4 June 2023, <https://www.rferl.org/a/bulgaria-mafia-killings-corruption-state/32444094.html>.
- 2 Ibid.
- 3 Caryn Dolley, Constantia killings – Bulgaria's forewarning to SA and a global billion-dollar crypto scam, Daily Maverick, 30 May 2023, <https://www.dailymaverick.co.za/article/2023-05-30-constantia-killings-bulgarias-forewarning-to-sa-and-a-global-billion-dollar-crypto-scam/>.
- 4 Aron Hyman, Victim of Cape Town execution 'cloned hundreds of bank cards', Times Live, 20 February 2018, <https://www.timeslive.co.za/news/south-africa/2018-02-20-victim-of-cape-town-execution-cloned-hundreds-of-bank-cards/>.
- 5 Vincent Cruywagen, Massive cocaine haul in Saldanha Bay Harbour was not the main stash, say ex-gangsters, Daily Maverick, 2 March 2021, <https://www.dailymaverick.co.za/article/2021-03-02-massive-cocaine-haul-in-saldanha-bay-harbour-was-not-the-main-stash-say-ex-gangsters/>.
- 6 Walter Kemp, Transnational tentacles: Global hotspots of Balkan organized crime, Global Initiative Against Transnational Organized Crime (GI-TOC), July 2020, <https://globalinitiative.net/analysis/transnational-tentacles-wb6/>.
- 7 Ibid.
- 8 Caryn Dolley, A jailed Serbian assassin's 10-year battle against extradition from SA – and his failed bids for freedom, Daily Maverick, 10 February 2021, <https://www.dailymaverick.co.za/article/2021-02-10-a-jailed-serbian-assassins-10-year-battle-against-extradition-from-sa-and-his-failed-bids-for-freedom/>.
- 9 Ibid.
- 10 Walter Kemp, Transnational tentacles: Global hotspots of Balkan organized crime, GI-TOC, July 2020, <https://globalinitiative.net/analysis/transnational-tentacles-wb6/>.
- 11 Mark Shaw, *Hitmen for Hire: Exposing South Africa's Underworld*, Cape Town and Johannesburg: Jonathan Ball Publishers, 2017.
- 12 For more information, please visit the GI-TOC's Organized Crime Index profile for South Africa: https://ocindex.net/country/south_africa.
- 13 Chrispin Mwakideu, Edith Kimani Malindi and Elizabeth Shoo, Illicit drugs: Africa's growing silent crisis, Deutsche Welle, 20 July 2022, <https://www.dw.com/en/illicit-drugs-africas-growing-silent-crisis/a-62523326>.
- 14 Mwangi Githahu, SA's biggest banks face high risk of money laundering and terror funding, *Cape Argus*, 29 July 2022, <https://www.iol.co.za/capeargus/news/sas-biggest-banks-face-high-risk-of-money-laundering-and-terror-funding-f1acd69a-2d30-4e6b-ae58-1f1f36b6c0c8>.
- 15 Nicole McCain, What the murders of 2 Bulgarian men, 5 years apart, tell us about organised crime in South Africa, News24, 3 June 2023, <https://www.news24.com/news24/southafrica/news/what-the-murders-of-2-bulgarian-men-5-years-apart-tell-us-about-organised-crime-in-south-africa-20230603>.
- 16 Rumbi Matamba, The business of killing: Assassinations in South Africa, GI-TOC, 12 April 2023, <https://globalinitiative.net/analysis/assassinations-targeted-killings-south-africa/>.
- 17 Ibid.
- 18 Ibid.
- 19 Claire Doyen, Contract killings come cheap in South Africa, *Mail & Guardian*, 27 February 2023, <https://mg.co.za/news/2023-02-27-contract-killings-come-cheap-in-south-africa/>.

Acknowledgements

This Risk Bulletin is an output of the Global Initiative Against Transnational Organized Crime's Observatory of Illicit Economies in South Eastern Europe. We would like to thank Mila Radulovic and Sofia Marcelli for their valuable contributions.

Risk Bulletins are regular outputs of our regional observatories, which draw on civil society networks to provide new data and contextualize trends related to organized-crime networks, illicit trade and state responses to them. If you would like to subscribe to future editions of the Risk Bulletin, please sign up here or email Vanja.Petrovic@globalinitiative.net.

ABOUT THE GLOBAL INITIATIVE

The Global Initiative Against Transnational Organized Crime is a global network with 600 Network Experts around the world. The Global Initiative provides a platform to promote greater debate and innovative approaches as the building blocks to an inclusive global strategy against organized crime.

www.globalinitiative.net

This publication was produced with the financial support of the United Kingdom's Conflict, Stability and Security Fund. Its contents are the sole responsibility of the GI-TOC and do not necessarily reflect the views of the United Kingdom.



**GLOBAL
INITIATIVE**
AGAINST TRANSNATIONAL
ORGANIZED CRIME