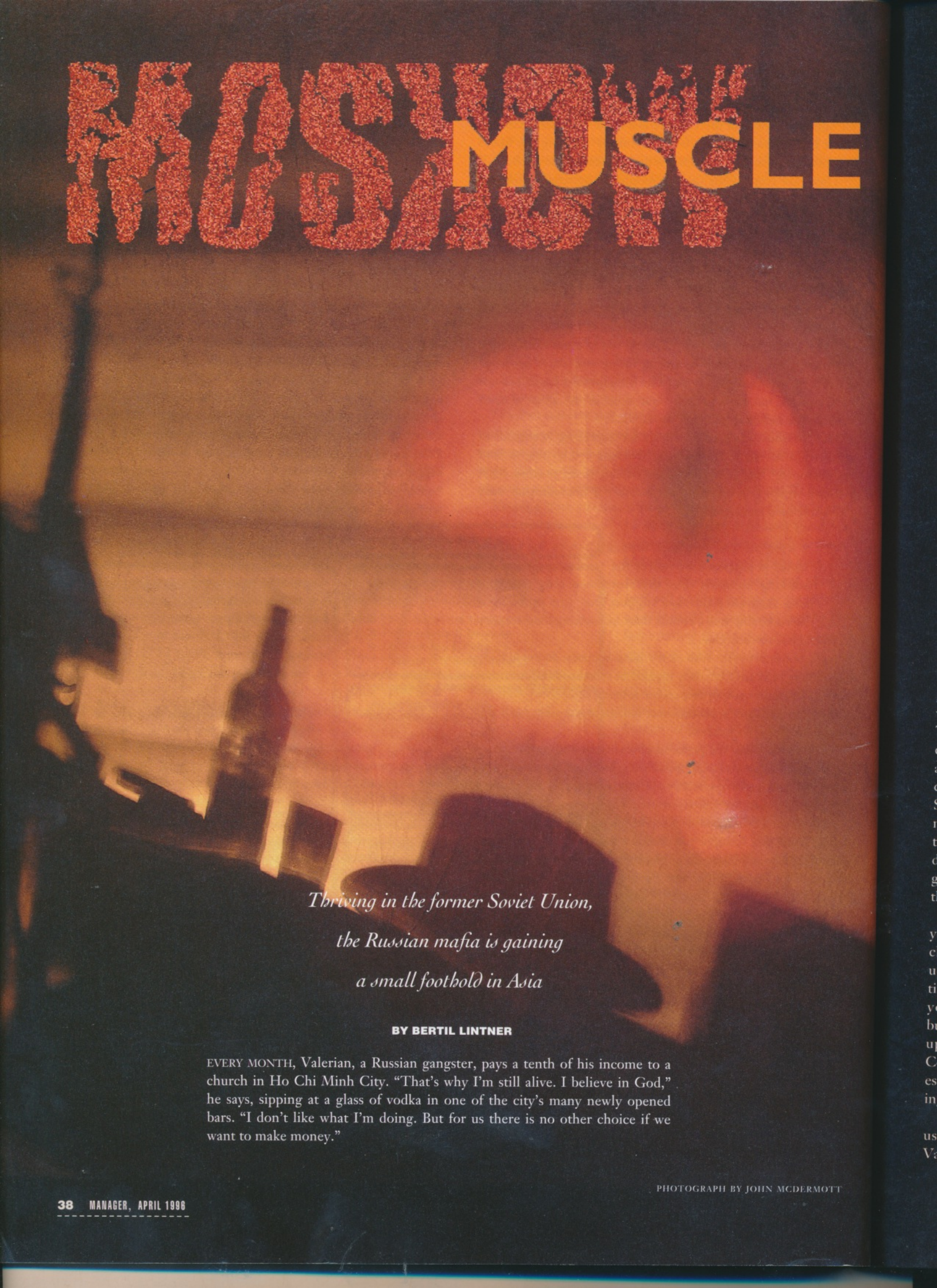


# ROSTOMUSCLE



*Thriving in the former Soviet Union,  
the Russian mafia is gaining  
a small foothold in Asia*

**BY BERTIL LINTNER**

EVERY MONTH, Valerian, a Russian gangster, pays a tenth of his income to a church in Ho Chi Minh City. "That's why I'm still alive. I believe in God," he says, sipping at a glass of vodka in one of the city's many newly opened bars. "I don't like what I'm doing. But for us there is no other choice if we want to make money."

PHOTOGRAPH BY JOHN McDERMOTT

Only a few years ago, Valerian (not his real name) was an academic in Vladivostok on the Sea of Japan in eastern Siberia. Sitting at the bar, we discuss Mayakovsky's poetry and the wars between Peter the Great and Charles XII of Sweden, my own country. But Valerian's speciality is Asia. In fact, he holds a doctorate in East Asian Studies. He also speaks fluent Vietnamese—which is why he was hired by the group he now belongs to, a gang of Russian mobsters who have established themselves in Vietnam. His burly boss sits, drink in hand, in the middle of the crowd at the bar, surrounded by Valerian and other gang members. When the Boss speaks—which he does often and loudly—his underlings remain silent, nodding their heads.

"Do you want to know about a Russian patriot who loved his country? A person who said, 'Fuck you, Russia' and went to Vung Tau to become rich?" the Boss says, clinking his glass of vodka against my mug of beer. "You must be talking about yourself," I say with Valerian as the interpreter. The Boss laughs uproariously at his rather meaningless joke, but his followers laugh politely and nod in agreement.

Valerian and his gang, like all other organized criminals, are engaged in a wide variety of both legal and illegal activities. Their company rents out Russian helicopters in Vung Tau, a Vietnamese port and beach resort where many foreign oil companies exploring in the South China Sea are based. They also import diamonds from mines in Siberia and sell them to the many nouveaux riches in today's Ho Chi Minh City, which has regained the freewheeling lifestyle it had in the pre-war era.

"But why are you so afraid of losing your life?" I ask Valerian. A tenth to the church every month? He fixes his eyes upon me and looks serious for the first time since we met in this racy bar. "Do you want to know how we make big bucks? If Russian businessmen want to set up shop here, we provide protection. Competitors, we can eliminate." He purses his mouth and makes a sudden sweeping movement with his right hand.

Most Russian criminal organizations use former KGB agents as hitmen, and Valerian's gang is no exception. Follow-

ing the collapse of communism in the Soviet Union in 1991, the old KGB was replaced by a new, more professional spy agency divided into several parts, with two main ones: the SVR, the foreign intelligence bureau; and the FSB, its domestic counterpart. The SVR was modeled after its Western equivalents, the CIA and Britain's MI-6: a tightly knit group of analysts attached to embassies abroad. But back home in Russia, this reorganization meant that more than two hundred thousand former informers, street detectives, and gunmen lost their jobs. It is those thugs who the Russian mafia now uses all over the world to carry out "special assignments," as Valerian puts it.

The Russian mafia in Vietnam is reputed to collect millions of dollars every month in protection money from their many countrymen who want to set up business in the only country in booming East Asia where the Russians have had power and influence for years. I ask Valerian where they "eliminate" their targets, in Vietnam or in Russia.

"We don't want to upset our arrangements here. We do things cleanly, we have good connections with the police," he says. "So we wait until they return to Russia. We can even have undesirables expelled by the Vietnamese authorities. In Russia, you can have an ordinary person killed for two hundred, four hundred, or six hundred dollars. A police chief or a bank director? Perhaps as much as twenty thousand dollars. But nothing is impossible. That's why I don't want to go home. I'd be killed immediately by people who have become my enemies. You just can't imagine how dangerous it is in Russia today. No one is safe. At least twenty people get killed in Moscow alone every day."

It soon becomes obvious that contract killings are not the only criminal activity the gang directs from Ho Chi Minh City and Vung Tau. As Valerian and the others talk openly about their business, and the levels in the vodka bottles sink, a couple of Australians join us at the bar. They look rough, like oil workers, with tattoos on their arms. The Boss recognizes them immediately. "Rudy!" he says, slapping the oil worker on the back. But because the Boss's English is fairly limited, Valerian has to intervene. I hear the words "white pussy" and the name of a hotel in

town where the oil workers are told to go and wait. I have already learned from a cyclo driver that there are many Russian prostitutes in Ho Chi Minh City. They stay in small, discreet hotels where they are protected by gangs such as Valerian's.

## RUSSIA'S NEW RULERS

NOBODY KNOWS how many Russian gangsters—or prostitutes—there are in Vietnam today. But since 1991 and the breakup of the Soviet Union into fifteen separate republics, there has been a dramatic rise in the number of Russians in Asia. The exodus has been more massive than after the first Russian Revolution in 1917, when hordes of defeated anti-communist fighters and their families arrived in East Asia. Most sought refuge in the International Settlement in Shanghai, where the Russian population by the mid-1930s numbered twenty-five thousand. As author Lynn Pan puts it, "Dispossessed [and] deprived of citizenship, socially they occupied a grey area between white expatriates and the Chinese." The men became bodyguards and riding instructors; the women hairdressers, cabaret dancers, and prostitutes, selling their services to all buyers, Chinese and Europeans alike.

In the present second wave of migration to East and Southeast Asia, it is not only Vietnam which has received a massive influx of Russians. The number of Russian visitors to Thailand has increased from only a few hundred in the late 1980s to nearly fifty thousand in 1995 (see "Resurgent Russia," January). Some of these "tourists" are small-scale merchants who buy electronics and textiles in Asia and sell them in Russia for a modest profit. The flood of visitors has led many to remain behind to run restaurants serving Russian food or work as entertainers in Bangkok and Pattaya's numerous nightclubs.

The police in Bangkok estimate that there are now at least five thousand Russian prostitutes in Thailand, and the number is likely to increase the wealthier the country becomes. According to a Bangkok-based diplomat: "There's no shortage of local prostitutes in Bangkok. But rich Thai, Chinese, Japanese, and Korean businessmen prefer white girls. It gives them prestige." The prices they charge—US\$200 to US\$400 as opposed

to US\$20 to US\$30 for a Thai girl—contribute to their special value in terms of social status.

The girls are believed to have come to Asia through networks operated by the Russian mafia. But in Asia as well as in North America and in Europe—and even in Moscow and Vladivostok—it is hard to say what the term “mafia” actually means in today’s chaotic Russian context. Stephen Handelman, a journalist who was Moscow bureau chief for *The Toronto Star* from 1987 to 1992 and an expert on Russian organized crime, estimates that total active gang membership today is actually not more than one hundred thousand people. Between three thousand and four thousand gangs operate all over Russia, which means that most of them are fairly small and probably loosely organized, and that their activities—as well as members—often overlap.

Valerian and his colleagues are a typical example of this phenomenon: a small gang which is engaged in a variety of criminal and legal businesses to survive in today’s Russia, a society where the law has little meaning. There has been no new system that overnight could replace the old communist one, which for all its flaws and shortcomings had still provided a functioning administrative superstructure.

The new Russia that emerged was not the democratic state which many had hoped for: Gangsterism reigns, and corruption and abuse of power has followed the breakdown of social and civil order. Mr Handelman argues in his book about the Russian mafia, *Comrade Criminal*, that “the second Russian revolution is not over; it has only been stolen.” The communist system has been overthrown—but the mafia, not the people, became the new rulers.

The Russian criminal underworld is not new: Gangsters of all kinds were running the ubiquitous black market in the former Soviet Union. But, as Mr Handelman points out, “their cohesiveness and wealth enabled them to survive the collapse of the old regime, and to profit from the disarray of the new one.”

Criminal cartels, despite their haphazard structures, are believed to control as much as 40 percent of Russia’s wealth. They run their own banks, they are said to manipulate stock exchanges and the

real estate market, and they have managed to turn crime into the only really profitable growth industry in the post-Soviet era. According to Mr Handelman: “As the hopes engendered by the dismantling of communism turned sour, *demokratiya* practically disappeared from everyday Russian usage. Instead of democracy, the new word sprinkled through conversations was *bespredel* (literally, without limits)—a word which captured Russians’ sense of living in a frontier where all the comforting signposts were missing.”

The new hero in Russia is the gangster, sometimes outlandishly dressed in a striped suit and dark sunglasses, today’s version of the old Russian brigands of the nineteenth century. During the communist regime, it was fashionable for Russian girls to have an artist, a rock singer, or even a journalist as a boyfriend. Now, trendy young females want mafia boys.

The strength of the Russian mafia lies in its undisputed role in its home country, its ability to operate openly and with impunity in a society which has collapsed. Moreover, as Sergei Avdienko, Russian liaison officer at the Interpol European Secretariat, said in a speech in late 1993: “From Siberia in the North to the Afghanistan frontier in the South, from the Far East of Russia to what was East Germany in the West, people have one thing in common—they speak or understand Russian and this facilitates cooperation between criminals.”

Vietnam, a country with thousands of Russian speakers and where the Russians themselves have been present since the Vietnam War, also fits into this pattern of Russian gangsterism abroad. It is hardly surprising that small gangs like Valerian’s have managed to establish good contacts in the shady world of gangsters and police and civil authorities who in a seemingly paradoxical symbiosis often control criminal activities in East Asia.

In Thailand, the Russians have also, despite differences in language and culture, managed to carve out a niche for themselves where they can earn money mainly because they have proved that they can satisfy some of the demands of their host country. But elsewhere in Asia, the rough, badly organized Russian mafia has not managed to challenge the power of the region’s traditionally well-established gangs: the Chinese triads, the Japanese



yakuza, and the Korean equivalents.

“Shanghai, Bangkok, and Hong Kong are not London, Paris, or New York. In the West, the Russians feel at home, they’re familiar with local conditions and know how to operate. In Asia, it’s an entirely different ball game,” says a Western law enforcement official in Bangkok who is watching the arrival of the Russians in East and Southeast Asia.

This subordinate role the Russians are



playing in Asia is evident in their role as prostitutes and, in the case of the men, the cheapest and most willing drug couriers—and the fact that in both cases they often work for Asian gangs. Nowhere is this illustrated more clearly than in the Portuguese enclave of Macau on the South China coast, where Russian gangs until only a few years ago were running prostitution rings but had to give them up to local Chinese triads (see

box, “Russian Roulette,” next page).

Now that China is rediscovering its capitalist past, Russian prostitutes are also back in large numbers in Shanghai. Valerian tells me with bitterness that his ex-wife now dances in a Shanghai nightclub. He does not know which one, since they lost contact more than a year ago. “But she works for some bloody chinks, that’s all I know,” he says, with the racism of the New Russia evident in his remarks.

In a dimly lit nightclub in the old “Paris of the East,” young blonde girls sing love songs from the Russian tundra while the overwhelmingly Chinese audience claps its hands in rhythm with the dancers’ movements. A Russian jazz band plays in the background—and, by the entrance, two Chinese punters, each with a conspicuous bulge under the left armpit, are keeping an eye on the customers.

After nearly half a century of puritan

PHOTOGRAPH BY BERTIL LINTNER

## RUSSIAN ROULETTE

CONSERVATIVELY DRESSED in a pin-stripe pant suit, with earphones connected to a portable CD player in her handbag, Yekaterina looks every bit what she would have been if Russia had not collapsed economically and socially: a young female computer specialist. But she earns much more money now than she would have, had she remained in her native Khabarovsk by the Amur River in eastern Siberia. Yekaterina, which is not her real name, charges HK\$1,000 (US\$130) per short-time session in a room in one of the poshest hotels in the Portuguese enclave of Macau. Her customers are almost exclusively wealthy Chinese, Japanese, and Korean businessmen whom she picks up in the hotel's coffee shop.

When the Soviet Union collapsed in 1991, Yekaterina was nineteen and studying computers at a university in Khabarovsk. But she became pregnant and her boyfriend left her. With a newborn son to support—and with parents whose old state pension still stood at 20,000 rubles a month, about US\$5, despite rampant inflation—she had to take whatever offers came her way. One day she saw a poster on a telephone pole in Khabarovsk: well-paid jobs for women available in the Far East.

A Russian syndicate escorted her and a number of other girls through China to Macau. That was her first trip, which lasted two months, until her visa for Macau ran out. Today, girls like Yekaterina can be found all over Macau; the money is far better than it is in conventional trades in Russia. The

local authorities in Macau are much less rigid when it comes to law enforcement than their Hong Kong counterparts. Apart from gambling—Macau's main source of income—there is also widespread prostitution and all sorts of vice, much of which is controlled by local Chinese triads. In the beginning, they cooperated with the Russian syndicates which brought the girls to Macau. But by a curious twist of events, the Russian mafia has recently been squeezed out of the Portuguese territory.

In July 1994, a couple was found dead in a hotel room in Vladivostok in the Russian Far East. The man had been shot once through the eye and the girl had been tortured and then shot in the head. Such murders are everyday occurrences in today's Russia and mostly pass unnoticed in the world of drive-by shootings, kidnappings, smuggling, and gambling which characterize the port city of Vladivostok even more than other places in the Russian Wild East.

But this case received the attention of even the world media when the identity of the murdered couple became known. The man was Gary Alderdice, a forty-eight-year-old New Zealander, a top Queen's Counsel and one of Hong Kong's leading criminal lawyers as well as a well-known socialite in the British colony. The girl, found tied to a chair in the Vladivostok hotel room, was Natalia Samofalova, a twenty-year-old Russian prostitute whom Alderdice had first met at the Skylight nightclub in the Hotel Presidente in Macau.

The police investigation revealed that Alderdice had had US\$150,000 in cash on him just hours before he and his Russian girlfriend were shot. This led to speculations that he had gone to Vladivostok to buy Natalia free from the syndicate which many suspected had controlled her when she worked as a nightclub dancer in Macau

only weeks before her escape with Alderdice. According to the police investigation, Natalia had entered Macau in August 1993 and first met Alderdice in March 1994. In May, she left her work at the Skylight to live with him.

The front for the syndicate which had sent Natalia, Yekaterina, and other Russian girls to Macau was "the tourism department" of a local "firm" in Siberia called Dialog Naradov ("Dialogue of Nations"). A "chief executive," Sergei Guramovitch Sukhanov, was seen in the area on the night of the murders, which seemed to strengthen that suspicion.

But further investigations have led some to believe that the sole motive for the murder was robbery. Yekaterina agrees. She and Natalia had lived together before Natalia met Alderdice. "It was just robbery, that happens all the time in Russia," Yekaterina says. "That foreigner just made the mistake of revealing that he was carrying lots of money. Life is cheap in Russia today." Many girls are killed as soon as they return to Russia with money which they have saved up in Macau and elsewhere in East Asia.

But the publicity surrounding the case led to a crackdown on Russian prostitution in Macau—in true Macau style. The Russian males from Dialog Naradov were forced to leave along with more than one hundred girls who were rounded up and expelled from the territory. Then local Chinese gangs took over the entire operation. The Russian males have not been allowed to return, but the girls are once again to be found everywhere in Macau, from the Lisboa Hotel coffee shop, a popular meeting place for people who have just won some money in the establishment's casino downstairs, to the glitzy China City nightclub, a massive entertainment complex in

communism, the old Shanghai has been reborn with even more jazz, glitter, and razzmatazz than in the 1930s. This particular night club, I am told, is a joint venture between a Taiwanese gang and officers of the Chinese Public Security Bureau, China's own version of the KGB, the CIA, the FBI, and the traffic police all rolled in one.

## THE NORTH KOREAN CONNECTION

THE INVOLVEMENT of the Russian mafia in the marketing of stolen ex-Soviet Army weapons, which later turned up

in the ethnic conflicts on Russia's southern borders in Central Asia, is well-documented, as is the role of areas such as the rebellious Chechen republic in the Caucasus in the new drug trade from Afghanistan, Pakistan, and Tajikistan to Russia and Europe.

But the role of Russians as couriers in the Southeast Asian drug trade only became known when the Moscow police in November 1992 made its first seizure of Golden Triangle heroin. The incident involved a Russian prostitute who had been working in East Asia, and it was soon fol-

lowed by many similar cases in different parts of the world. In early 1993, the first Russians selling drugs from the Golden Triangle were arrested in New York.

The number of Russians working for Chinese syndicates either as prostitutes, drug couriers, or as minor business partners is likely to increase as the situation in Russia continues to deteriorate. The only two Russia-based gangs which may be able to play a more important role in the overall context of organized crime in East Asia may be—not surprisingly perhaps—gangs involving the large Asian popula-

the same street as Hotel Presidente.

The roster of girls at the famous Tonnochy nightclub actually reads like a real "dialogue of nations." Apart from Russians, there are also Chinese girls from every province on the mainland, Brazilians, Colombians, Koreans, Thais, and Filipinas. The decor, seemingly out of a Chinese kung fu movie—all chrome, glass, and red silk—is in keeping with stereotypes.

With the Russian males gone from Macau, who brings the girls to Macau now, and who protects them once they are here? Without hesitating, Yekaterina says: "We know our way by now. It's not difficult." A new flight from Khabarovsk to Seoul has opened an alternative route to the longer and more awkward one through China. After spending a few days in Seoul, the girls fly on to Hong Kong where they catch the hydrofoil to Macau. "But we're treated like dirt," Yekaterina says. "A Russian passport? You're in for trouble at every immigration checkpoint in the world. It's even easier for the Thais and the Filipinas." And as for protection, she says, "We are well protected, we have good relations here." The fact that her boyfriend is a local policeman probably helps.

The new prostitution scene in Macau demonstrates both the weaknesses of the chaotic, ill-organized Russian mafia—as well as the strength and power of the Chinese triads. Says a Western law enforcement official in Southeast Asia: "The Russians are no match for well-organized local gangs. They have to be content with playing second fiddle if they want to get any share of the cake in this part of the world."

—Bertil Lintner

tion of the former Soviet Union. The first consists of Vietnamese who have stayed behind in Russia and run a large portion of the black market, prostitution, drug smuggling rings, and foreign exchange scams there. The other is made up of ethnic Koreans from eastern Siberia.

Valerian describes Vladivostok as a city "without limits," beyond the control of the authorities and already in the hands of the gangs. "But there are too many gangs there," he says. "All of them ask shopkeepers and others for protection money, there's complete chaos. If

you pay one gang but not another, you may still get shot."

However, the best-organized—as well as the most vicious—gangs in Vladivostok are the Korean gangs. During the Stalin era, Koreans were resettled in Siberia and others were even transferred to the steppes of Kazakhstan in Central Asia. "They kill anybody to protect Korean interests," says Valerian.

More importantly, they have regional links of a kind which other Russian-based gangs often lack. Many recent cases point at connections with North Korea, where many of the Siberian Koreans have relatives and other contacts dating back to the communist era in the former Soviet Union. There is also a significant Korean minority in what was known as Manchuria in northeastern China.

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Local officials in China's Yanbian Autonomous Region claim that the North Koreans—or gangs with North Korean connections—are using northern China as a transshipment point for heroin bound for Japan and the US. In early 1994, an ethnic Korean from China was arrested as he attempted to smuggle through China 300 kilos of heroin from North Korea. Chinese border officials reportedly are very concerned about this cross-border traffic but feel powerless to stem it as most of it occurs across the Yalu and Tumen rivers at night. The origin of the drugs that are being smuggled in this way is unknown, but the raw opium from which the heroin was made is most probably from the Golden Triangle.

Drugs of Southeast Asian origin smuggled through North Korea have also been found in Russia. On 9 June 1994, the Russian authorities across the border from

North Korea arrested two North Korean citizens carrying 8 kilos of heroin. A Moscow newspaper, *Segodnya*, reported on 16 June 1994: "To smuggle such a large amount of narcotics from North Korea without the deliberate connivance of the authorities appears most improbable." The value of the heroin seized from the North Korean citizens was US\$1m at the going rate on the world drugs market, which is all the more impressive against the backdrop of the economic plight of Kim Il-sung's regime.

The two North Koreans were later identified as Kim In-chol and Choe Chong-su. Both are alleged to be North Korean intelligence officers based in Vladivostok. On 3 January 1995, two North Koreans, one of them in possession of a Democratic People's Republic of Korea passport, were arrested in Shanghai attempting to sell 6 kilos of opium. A Macau-based North Korean company that operates as a liaison office for the Korean People's Army has been implicated in the case.

Any evidence of official North Korean involvement in the East Asian drug trade—and links with the ethnic Korean underworld in the Russian Far East—remains circumstantial, although suspicions are strong. With the economic situation in North Korea worsening, Pyongyang's dependence on illicit sources of foreign exchange, such as gun running and most probably also drug trafficking, is likely to increase.

The Russian gangs may play a secondary role in this intricate network of gangsters, governments, and security agencies in Asia. But they are here to stay, and although they may be disorganized compared to other indigenous crime organizations, they are certainly no less brutal. When Valerian and his comrades have finished their drinks and left, I turn to one of the Vietnamese waiters in the bar: "Do you know those guys?"

That they were regulars had been evident from the moment they walked in to order their vodka. But the waiter now cast nervous glances over his shoulders to his colleagues behind the bar. "No. I have never seen them before," he says. As Valerian pointed out, they are well connected and have "good friends" in high places in Ho Chi Minh City. ●