

Dispatches

The Transdnistrian Connection: Big Problems from a Small Pseudo-state

Mark Galeotti

Dr Mark Galeotti is Director of the Organised Russian & Eurasian Crime Research Unit at Keele University, UK, and presently Visiting Professor of Security Studies at the School of Criminal Justice, Rutgers – Newark

Along the eastern bank of the Dniestr river is a portion of Moldova in which Communist-era iconography is still proudly displayed and over which the legitimate government in Chisinau has no authority. For all its reliance on Soviet slogans and propaganda, though, the Transdnistrian Moldovan Republic (TDMR; in Russian, *Pridnestrovskaya moldovskaya respublika*, PMR [1]) is more than just an anachronistic slice of Soviet history. This sliver of land along the Dneistr river has no legal status, having declared itself independent of Moldova in 1990, and asserted that independence in a war which flared up most strongly in 1992 and has yet formally to be resolved. It has its own flag, currency and army (and the symbolic protection of a 1,300-strong Russian ‘peacekeeping force’), but it also is unrecognised by the international community, impoverished and dependent upon smuggling and arms trafficking. It has thus aptly been described as ‘a ghost nation—strong enough to resist retaking by Moldova, but too weak to win statehood’ [2].

Characterised by a distinctive and dangerous mix of old-style corruption and an entrepreneurial zeal to embrace the opportunities offered by today’s global underworld, the enclave therefore poses the outside world some serious criminal and security challenges. In the words of Moldovan President Voronin, ‘a mafia, a corrupt and bandit regime led by Smirnov, is now in power in the Dniestr region’ [3] and his view is echoed by many other sources, including the European Commission, whose 2002 *Country Update* noted ‘that the area has become a ground for illegal arms dealing and organised crime’ [4] and a subsequent European Parliament Ad Hoc Delegation to Moldova described it as ‘a “black hole” in Europe in which illegal trade in arms, the trafficking in human beings and the laundering of criminal finance was carried on’ [5]. Likewise, the assessment of a special task force established by the White

House under the auspices of the Director of Central Intelligence's Crime & Narcotics Centre was that 'organised crime has flourished in Moldova over the past decade, especially in the breakaway Transnistria Region' [6].

The TDMR has become little more than the personal fiefdom of President Igor Smirnov and his family as well as their allies, including the notorious head of the Ministry of State Security (MGB – *Ministerstvo gosudarstvennoi bezopasnosti*), Vadim Shevtsov. His real identity is Vladimir Antufeev, former head of Soviet special police in Riga at the time of a massacre of nationalist protesters [7]. To some, Shevtsov in effect runs the TDMR and its criminal rackets: even by 1996, for example, former TDMR Prosecutor Boris Luchik—who had just been sacked on the MGB's insistence—was warning that 'Shevtsov's gang' was 'in full control of the region' [8]. However, this is to underestimate the importance of Smirnov and other key players within the TDMR. Instead, it is best to think of the region as being dominated by a 'clan' of semi-autonomous magnates, whose interests often stretch from politics through legitimate business to organised crime and who, at least at present, find it useful to cooperate and coexist.

Thus, the TDMR's self-proclaimed government, the MGB and organised crime are thoroughly intertwined and often indistinguishable. The authoritative *Observatoire Geopolitique des Drogues* has, for example, noted that although President Smirnov's son Vladimir has been implicated in money-laundering and illegal trafficking, his father nonetheless then made him Customs Minister, at a time when there was growing international concern at the way the enclave was becoming a smuggler's haven [9]. As a recent report funded by the British Department for International Development says, the TDMR 'is a smuggling company masquerading as a state' [10]. However, this is an issue which taints the whole regime, not just one individual or dynastic family. The TDMR has very few legitimate and competitive industries and assets, and instead the profits of organised crime have become central to the regime's survival, to the 'national' economy and also to the interests of many institutional actors within the TDMR, most notably President Smirnov's own *Sherif* firm. This runs everything from petrol stations to shops, and it has somehow built a state-of-the-art sports complex which cost up to \$250 million—twice as much as Moldova's annual state budget [11]. Indeed, the Moldovan authorities believe that *Sherif* may have an annual turnover of \$4 billion, compared with the TDMR's official GDP of \$85 million [12].

Likewise the MGB, for all that it is notionally the lead agency in combating organised crime, has according to many observers simply become one more gang in the TDMR's rich underworld. According to two senior commanders of Russian forces in the TDMR, who each became disenchanted with the local leaderships, General Lebed and Colonel Bergman, such arrests as are made often have little to do with law-enforcement and more to do with protection racketeering. Their assertion was that those arrested were then forced to pay ransoms to be freed, on pain of torture. Indeed, Bergman reportedly accused Shevtsov of having had more than 36 businessmen killed. Likewise, a campaign against moneychangers in spring 2000 was reportedly another racket, which succeeded in extorting a million dollars from them and bringing the

majority of the capital's bureaux de change under its control [13]. MGB agents, for example, have been arrested in Moldova while taking part in organised criminal activity [14], and have even been linked with attempts to smuggle nuclear materials (although all such allegations need to be treated with caution) [15].

Meanwhile, the TDMR has also become a useful asset for Russian and Ukrainian gangs: in the words of former Moldovan First Deputy Defence Minister Anatolo Guboglo, 'this area continues to attract criminals from the entire post-Soviet space' [16]. Many of them maintain representatives in the region, or have brought local gangs into their networks. As a result, they are able to use it to launder money, smuggle goods and safely hide members currently wanted by the authorities elsewhere. Interpol's writ, after all, hardly runs to the TDMR, and there is no reliable information-sharing or extradition with the outside world.

The criminalisation of such a small enclave may seem a depressing but ultimately irrelevant detail in the wider scheme of things, but in fact it is increasingly clear that it poses a range of challenges to the TDMR's neighbours and the outside world. First of all, the criminalisation of the TDMR is having an increasing impact on Moldova, a country already suffering from economic hardship (it is the poorest country in Europe ranked between Algeria and Vietnam on the UN's Human Development Index [17]) and political uncertainty. This has contributed not only to a serious problem with corruption but also a rise in its own organised crime problem, with the country becoming a key source of prostitutes for the European vice trade and also a waystation for counterfeit goods from Russia and Ukraine. It is also experiencing a rapid rise in drug use (up by 35% each year, according to the government in Chisinau) and also a growing through-trade both to Western Europe from Ukraine and eastwards from Romania and thence Turkey [18]. Thus the country is witnessing the rise of its own criminal godfathers, men such as Grigore Caramalac, known as 'Bulgaru,' who is currently the subject of an Interpol 'Red' Wanted Notice [19].

However, this is also in part a result of 'infection' from TDMR-based gangs, for whom Moldova is a useful back door into Europe. There is considerable interaction between TDMR and Moldovan criminals. Travel between Moldova and the TDMR is effectively uncontrolled, meaning that criminals can and do move freely between the two, often committing crimes within Moldova and then returning to havens in the TDMR, just as smuggled goods and people pass from the TDMR through Moldova [20]. Even in times when Chisinau and Moldova are blockading each other—as happened most recently in 2004—this tends to have minimal impact on criminal traffic between the two. As far back as 1997 Louise Shelley, head of the Transnational Crime & Corruption Centre, noted that gangs from the TDMR were beginning to penetrate Moldova itself [21], and now there is a growing body of opinion within Moldova itself which sees little difference between the two. The mayor of Chisinau, Moldova's capital, caused a furore in 2003 when he lumped together both administrations simply as the 'mafia-like clans on both banks of Dniestr River' [22].

This has implications for western European Union, given the close political, ethnic and increasingly economic ties binding Moldova and Romania. Romania regards

Moldova as kin and maintains generous rights of access. However, with the TDMR/Moldovan border so open, and with the TDMR being, in the words of Romanian Foreign Minister Mircea Geoana, ‘a black hole of transborder organised crime, including drug smuggling, human trafficking and arms smuggling’ [23], then there is a difficult decision between retaining that openness and risking appearing equally compromised or opting for security and cutting some of the links with Moldova. It also has an impact on Russia and Ukraine. Precisely by offering a safe haven and service centre, the TDMR represents a useful asset for other gangs. If there are serious efforts made to combat organised crime in either country, then the presence of a safe haven will be a problem for them.

An issue of particular concern has been the apparent disappearance of some of the TDMR’s arsenal of Alazan rockets. The Alazan is an indifferent weapon of war—but a potentially excellent weapon of terror. Originally built as part of a programme to suppress crop-damaging hail by firing rockets into approaching storm clouds, it proved singularly ineffective. However, such was the inertia of the Soviet production system that several thousand were still made and distributed. In the uncivil wars which erupted even before the collapse of the USSR, these rockets proved popular with insurgents lacking access to more effective weapons. The metre-long, tube-launched Alazan could be used as a crude and unsophisticated surface-to-surface rocket. It saw action in the Nagorno-Karabakh and South Ossetian conflicts. There were at least three batteries in the TDMR region, and they soon became of interest to criminals and the regime alike [24]. In 1992, two Moldovan police officers were killed trying to prevent militants from buying Alazans, presumed to be from TDMR [25].

However, the state itself appears to have made use of at least some of its Alazans, turning them into crude radioactive weapons. It has been reported that during the 1990s, at least 38 were converted into ‘dirty weapons’, their warheads packed with radioactive material such that they would contaminate a large area on impact [26]. Their relatively poor accuracy would thus appear to be much less of an issue, as these rockets would essentially be terror weapons, threatening population centres and troop concentrations. The assumption is presumably that they were intended as some kind of final deterrent, in case of imminent reconquest by Moldova. Indeed, the mysterious leaking of documents confirming the existence of these warheads in 2001 may even have been deliberate, intended to warn Moldova that the TDMR had this capability. This is serious enough, but in the light of the corruption of the TDMR regime, the additional concern is that these weapons—whose locations and total numbers remain unknown—could end up in terrorist hands. Although such attempted ‘stings’ may only flush out confidence tricksters or opportunists who cut a deal and only then think how they would fill the order, journalists masquerading as middleman for an Islamic terrorist group have, after all, been offered Alazans for \$200,000 per missile [27]. TDMR deputy minister for state security Oleg Gudymo has rejected the allegations [28] and it is certainly true that the Alazan is hardly an ideal delivery system for nuclear materials—its maximum payload weight is less than a kilo (specifically, 720

grams [29]) and most are in poor repair, inaccurate even if they could be launched in the first place.

Even if the ‘dirty Alazan’ story is a hoax or a journalistic myth, it nonetheless does direct attention to the TDMR’s wider role as a possible proliferator and arsenal for terrorists—“one-stop shopping for weapons and all kinds of other illicit goods” in the words of William Potter of Monterey’s Center for Nonproliferation Studies [30]. It has long been generally accepted by the international community (albeit denied by the TDMR leadership) that not only does it manufacture a range of weapons at a variety of major facilities (especially Bendery Mechanical, Ribnitsa Metallurgy and Elektromash, in Tiraspol), but that it sells them illegally and fairly indiscriminately [31]. Nor have these been solely smallarms: as well as Alazans, locally-made BM-21 multiple rocket launchers appear to have been sold to rebels in Abkhazia, for example.

Furthermore, the TDMR’s status as a virtual ‘free criminal zone’ has made it an attractive turntable for arms traffickers. Exports from the TDMR—both acknowledged and covert—are out of proportion with the enclave’s own manufacturing potential or the running-down of remnant stock from Soviet-era arsenals. Instead, it acts as a ‘weapons laundry’—through much of the 1990s, for example, Ukrainian weapons intended for illegal or politically-sensitive markets were transported to the TDMR either for airlift to their destinations or, more often, to be shipped from the Ukrainian seaport of Odessa, but now under Transdnistrian custom seals [32]. The trade between Tiraspol and Odessa has been estimated as being worth up to \$2 billion annually [33]. The region has thus also been linked with the Russian arms dealer Viktor Bout, who is presently in Moscow, despite being wanted by the British and Belgian authorities on Interpol warrants [34].

The TDMR’s status is for all these reasons a matter of increasingly serious concern. Although the warmth of the relationship has varied over time, the TDMR has benefited from informal recognition from both Russia and Ukraine although, as discussed below, Kiev is increasingly looking for a resolution of the problem. Russian troops were deployed to the TDMR in 1992, notionally as peacekeepers but in practice to guarantee the TDMR’s autonomy, and while they should have been withdrawn by 2002 following the terms of the 1999 Istanbul Summit of the OSCE, in practice they are unlikely to be removed in the near future [35]. Thus it is hard to see how serious moves can be made to bring the TDMR into Moldova, much less reverse its criminalisation.

If anything, the risk is that the TDMR will simply further ‘contaminate’ Moldova. After all, Moldova had managed to avoid the runaway criminal explosion which marred the transitions of so many other post-Soviet states. With the dispute over the TDMR offering a focus for national identity, the Moldovan state showed more initial cohesion than might be expected, but ironically it was primarily its poverty that spared it this particular scourge. Privatisation was limited, disposable incomes were low and a fragmented black economy offered little particular return for the gangs. As a result, while organised crime did exist in Moldova, it was very small scale and primitive. At a time when gangs in Russia and Ukraine were operating internationally, spanning

the whole range of operations from wholesale drug trafficking to financial fraud, Moldovan gangs were still extorting protection money from impoverished market traders and fencing stolen goods. As noted above, though, this is changing, with the rise of domestic gangs which are also in many cases linked with the TDMR and thus, at a further remove, transnational criminal networks based in Russia and Ukraine.

This has specific implications for a number of criminal activities. For example, while Moldova is coming under pressure to curb its role as a source country for human trafficking [36], there are initial signs that some networks are simply choosing to relocate to the TDMR. They continue to prey upon Moldovans, especially women, but their administrative and management resources will then be out of reach of the Moldovan police. The flow is the other way round for counterfeit goods. The TDMR has for some time been an important outlet for counterfeit goods from Ukraine, especially recordings (90% of all CDs and videos in Moldova are counterfeit) and pharmaceuticals. Many of these products are now exported to Europe, the Middle East and Africa, via Moldova.

While there is no reason to doubt the Moldovan commitment to combating organised crime, the danger is that its desire to end the present political stalemate and reincorporate the TDMR may blind it to the very serious challenge the enclave's criminalisation may pose its host state. A proposed political settlement leaked in 2003, for example, offered the TDMR considerable autonomy within a federalised structure, including authority over its own political, economic and even, most significantly, law enforcement affairs. This would critically undermine attempts to dismantle the criminalised state in place in the TDMR because while it would have to abandon its claims to its own army and security apparatus, the region would maintain its own police force. Allowing the TDMR to maintain its own *militia* separate from the Moldovan *politia* is not just an ontological issue as to which language's term is used. Instead, it means that the TDMR's heavily corrupted police force will not only be able to continue to operate as before, it will be able largely to avoid the reforms currently under way to bring the Moldovan police and paramilitary Carabinieri (*trupele de carabinieri*) up to international standards. If union is achieved on these terms, then instead of bringing its own moderate but praiseworthy reforms to the eastern bank of Dniestr, Moldova might find instead that it becomes poisoned by the more deeply entrenched criminality of the TDMR.

However, there are also some faint grounds for optimism. The ousting of the Kuchma regime in Ukraine following widespread protests at ballot-rigging and the subsequent election of Viktor Yushchenko has meant that the corrupt interests in Odessa and elsewhere which gained from the TDMR's criminalisation are under pressure. In April and May 2005, Yushchenko put forward a plan to resolve the conflict: this is just a first step, but nonetheless it is significant both that the initiative came from Kiev and also that the Ukrainians are eager to see US and European Union involvement [37]. It is also striking that at the same time Ukraine is putting practical pressure on the TDMR, opening new customs posts along their common border jointly staffed with Moldovan customs officers, giving Chisinau new leverage [38].

Likewise, the election in Romania of Traian Basescu has reinvigorated Moldova's Voronin and encouraged him to adopt a less conciliatory stance with the regime in Tiraspol. However, with Russia's President Putin seemingly unwilling to abandon the TDMR, not least as part of a wider plan to reassert hegemony over Moldova [39], Smirnov has felt confident enough to assert that the TDMR will remain a separate political entity [40], so for the moment the omens are still unclear.

Notes

- [1] Also variously titled and transliterated as Transnistria, Trans-Dniestr and Trans-Dniester.
- [2] *New York Times*, 5 March 2002.
- [3] *BBC News*, 2 September 2002 on the internet @ http://news.bbc.co.uk/1/low/not_in_website/syndication/monitoring/media_reports/2229639.stm (accessed 15 October 2002).
- [4] European Commission Directorate for External Relations, *The EU's Relations with Moldova: Country Update* (March 2002).
- [5] European Parliament, *Chairman's Report—Ad Hoc Delegation to Moldova, 5–6 June 2002* @ <http://www.europarl.eu.int/meetdocs/committees/afet/20021007/473437EN.pdf> (accessed 15 October 2002).
- [6] US Crime & Narcotics Centre, *International Crime Threat Assessment* (2000).
- [7] *Jamestown Foundation Monitor*, 25 February 1997; *Jamestown Foundation Monitor*, 16 February 1998.
- [8] *Transitions*, 1 November 1996.
- [9] *Geopolitical Drug Newsletter*, no. 7 (April 2002); *Flux* news agency, 7 February 2002 @ <http://www.transparency.md/News/a009.htm> (accessed 15 October 2002).
- [10] Reported on *BBC Radio 4* – see http://news.bbc.co.uk/2/hi/programmes/crossing_continents/3586815.stm (accessed 15 October 2004).
- [11] *International Herald Tribune*, 17 March 2005.
- [12] *Digest of the Russian journal Yadernyi kontrol*, vol. 7, no. 4 (2002) @ <http://www.pircenter.org/data/publications/ykd4-2002.pdf> (accessed 7 February 2005).
- [13] *Transitions*, 1 November 1996.
- [14] *Transitions*, 1 November 1996.
- [15] *PIR Arms Control Letters*, June 2002 @ <http://www.pircenter.org/board/article.php3?artid=1206> (accessed 15 October 2002).
- [16] *National Security & Defence*, 7 (2000) @ http://www.uceps.com.ua/eng/all/journal/2000_7/html/70.shtml (accessed 15 October 2002).
- [17] European Forum for Democracy & Solidarity, *Moldova Update*, 22 March 2005.
- [18] US State Department, *International Narcotics Control Strategy Report 2005*, vol. 1 @ <http://www.state.gov/g/inl/rls/nrcrpt/2005/vol1/html/42368.htm> (accessed 9 July 2005).
- [19] See Interpol's website: http://www.interpol.int/public/Data/Wanted/Notices/Data/1999/69/1999_2969.asp (accessed 14 June 2005).
- [20] *New York Times*, 5 March 2002.
- [21] Louise Shelley, *Organized Crime and Corruption: Security Threats* (1997) @ <http://www.rol.home.by/publications/orcrim.html> (accessed 15 October 2002). See also Mark Galeotti, 'Moldova's criminal timebomb ticks on', *Jane's Intelligence Review*, February 1998.
- [22] *RFE/RL Newslines*, 24 January 2003.
- [23] *Washington Times*, 19 January 2004.
- [24] *Washington Post*, 7 December 2003.
- [25] *Washington Post*, 7 December 2003.

- [26] *Evenimentul Zilei* (Romania), 29 September 2001; *Washington Post*, 7 December 2003.
- [27] *The Sunday Times* (London), 8 May 2005.
- [28] *MosNews*, 11 May 2005.
- [29] See the manufacturer's specifications @ <http://www.rti.chuvashia.com/alazan5.htm> (accessed 14 June 2005).
- [30] *Washington Post*, 7 December 2003.
- [31] Saferworld, *South Eastern Europe Smallarms and Light Weapons Monitor* (Belgrade: SEESAC, 2005) pp. 138–139.
- [32] Taras Kuzio, 'Ukraine's Decade-Long Illegal Trade In Arms', *RFE/RL Crime, Corruption & Terrorism Watch* 10 January 2002.
- [33] Council of Europe Parliamentary Assembly, *Functioning of Democratic Institutions in Moldova, Doc. 9418* (Report of the Committee on the Honouring of Obligations and Commitments by Member States of the Council of Europe, April 2002), para 112.
- [34] Roman Kupchinsky, *US Nonproliferation Policy after Iraq – Hearing before the House International Relations Committee*, June 5, 2003; *New York Times*, 17 August 2003.
- [35] *Jamestown Foundation Monitor*, 23 May 2002.
- [36] The US State Department's *Trafficking in Persons Report* notes that while 'The Government of Moldova does not fully comply with minimum standards for the elimination of trafficking; . . . it is making significant efforts to do so.' US State Department, *Trafficking in Persons Report 2005*, 'Country Narratives: Moldova' @ <http://www.state.gov/g/tip/rls/tiprpt/2005/46614.htm> (accessed 9 July 2005).
- [37] RFE/RL, 'Moldova: Chisinau, Tiraspol Welcome Ukrainian Plan, But Settlement Remains Far Off', 18 May 2005 @ <http://www.rferl.org/featuresarticle/2005/05/76c623ab-1188-4357-bad2-c5ccafe766bb.html> (accessed 9 July 2005).
- [38] *The Economist*, 2–8 July 2005.
- [39] As unlikely as it may seem, give the westward tide visible not least in Ukraine, Putin apparently still believes that it may be possible to bring Moldova back under Moscow's hegemony rather than 'lose' it to the expanding European Union. *Kommersant*, 23 June 2005. See also *Jamestown Foundation Monitor*, 29 November 2004.
- [40] *Interlic news agency*, 28 March 2005.