

## **CHAPTER 16**

# **ORGANIZED CRIME IN AUSTRIA – VIENNA THE GATEWAY TO THE EAST**

by

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### **1. Introduction**

With its 84,000 km, Austria is a relatively small country situated in the core of Europe. Out of 5 million inhabitants, 750,000 are foreigners, the rest of them are native Austrians. Austria's capital Vienna, which is situated in the Eastern part of the country, has a population of nearly 2 million, out of which 350,000 are of foreign origin.

Austria is a Democratic Republic. Our citizens can choose among several parties to vote for - at present our National Assembly consists of five bigger parties. Austria was liberated in 1945 after it had been occupied by Nazi Germany between 1938 to 1945. In 1955 we succeeded in signing a treaty with former occupying powers, France, Great Britain, Soviet Union and the United States of America. Since then Austria has become the tenth wealthiest country in the world and achieved a high economic growth which accordingly also places us among the best in Europe. What's more, the rate of unemployment is relatively low and the majority of Austrians is materialistically well off. For example see the unemployment rate in Austria since 1985 to 1995:

These dates are sampled by the Volkswirtschaftlichen Büros of the Austrian Federal Bank and is based on the year 1983. The amounts are count in billions of Austrian Schilling<sup>2</sup>.

**UNEMPLOYMENT RATE IN AUSTRIA<sup>1</sup>**

YEAR	NUMBER OF ALL	MEN	WOMEN	QUOTATION
1985	139,447	84,155	55,292	4.8%
1986	151,972	88,856	63,116	5.2%
1987	164,468	95,015	69,453	5.6%
1988	158,631	89,829	68,802	5.3%
1989	149,177	81,001	68,176	5.0%
1990	165,795	89,032	76,762	5.4%
1991	185,029	98,984	86,044	5.8%
1992	193,098	107,202	85,896	5.9%
1993	222,265	126,681	95,584	6.8%
1994	214,941	120,567	94,374	6.5%
1995	215,716	120,004	95,712	6.6%

**DATA OF BRUTTO - NATIONAL PRODUCT**

BIP	1991	1992	1993	1994
nominal	1926,53	2047,25	2124,07	2262,92
real	1486,36	1516,69	1522,22	1568,60

**2. Austria's Role in the New European Economic Area**

In the past few years Europe has seen far reaching political, social and economical changes. The collapse of the communist dictatorships in the East bloc countries and the revolutionary transformations in the former Soviet Union have created a completely new situation since 1989.

The situation in the countries of the former East bloc is characterized by mass unemployment - there is an average of 16 to 18% in Poland, Hungary, Slovakia, former Eastern Germany, Russia, Rumania, Bulgaria a.s.o.<sup>3</sup> - compared to Western Europe with an average of 7 to 9% of unemployment rate, collapsing companies, a feeling of declining achievement and prosperity as compared with the Western countries, by decay and loss of values as well as by adaptation problems in adopting European standards of the maintenance of the economical growth, a well-balanced employment policy, a well-balanced housing policy, a dense social net against problems of illness, accidents and old age, sufficient supply, a socially just educational program in order to enable all those willing to attend schools and universities to do so without being discriminated in any way and a high standard of law and human rights<sup>4</sup>. The supply of consumer products has given rise to new demands which cannot be entirely satisfied.

Over the next few years Western Europe will have to take up between 300,000 and 600,000 immigrants every year, including 250,000 from the former East bloc. Between 1980 to 1992 about 15 million foreigners have settled in Western Europe, 45% of them come from Africa, Asia, Latin America and Turkey. A questionnaire, done by the United Nations in February 1993 shows, that about 20 Million of Eastern Europe want to immigrate to Western Europe<sup>5</sup>. For the population from the East the target countries in Western Europe are Germany and also Austria.

Since 1989 the biggest migration since 1945 has been taking place. According to Russian estimates, 1.5 to 2 million citizens are ready to emigrate for economic reasons. Additional 5 to 6 millions are "considering" emigration. These are the large demographic challenges which also have an impact on organized crime. About 850,000 foreigners live in Austria legally. The rate of illegal foreigners in Austria is estimated to amount to approx. 150,000<sup>6</sup>.

#### **A. Main Reasons for the Ever Increasing Migration Movement<sup>7</sup>**

No noticeable improvement of the economic situation, The wish for better social living conditions, Political instability and fear of the future, More crimes of violence (cold-blooded criminals commit murders, robberies, blackmail without regard to the victims in order to satisfy their greed for money), The increasing destruction of the environment and the resulting restriction of living spaces, Political tensions, e.g. civil wars, Violations of human rights by totalitarian and dictatorial regimes, The population explosion in the developing countries:

In the year 2000 approx. 1.36 billion people will live in developed areas as opposed to approx. 5.03 billion people in underdeveloped areas.

#### **B. Foreigners Administration, Migration and Integration<sup>8</sup>**

Foreigner Administration, Migration and Integration are main topics of the Federal Ministry of the Interior. Basically the year 1994 was characterized by stressing measures in the struggle against illegal immigration and illegal dragging. In this connection success was possible in several spectacular cases, for instance in the effective fighting against the arrangement of fictions marriages, against organized illegal dragging in great style and against organized procurement of illicit work. In 1994 about 130,000 rejections were issued in almost 14,000 cases deportations respectively immediate sendbacks were executed.

In connection with the border control preparations for the protection of the future EC-exterior frontier were started and a conception for the technical equipment of the frontier crossing points were developed. The European Standards for the control of exterior frontiers, which are to be expected in the near future to be adopted and transformed into Austrian Law. According to the speed of realization of the new conception for a unified border-service the necessary conversion-steps will be taken speedily after an Austrian accession to the Contracts of Schengen.

The action started in 1992 for the care and integration of Bosnian war-expellees was continued. Altogether 80,000 expellees were sheltered within this project and in most cases cared for during a longer period in the action financed in corporation by both, the Federal Government and the Local Governments. A great share of these people could be integrated in Austria; by the end of 1994 about 50,000 Bosnian citizens already disposed of residence permits.

Following changes can be seen since the fall of the "Iron Curtain"<sup>9</sup>:

High proportion of imported crime due to great mobility of the criminals, Higher proportion of foreigners among criminals, Types of organized crime are increasing like: trafficking in human being, drug trafficking, stolen car trafficking, Violence is increasingly involved in crimes for example murder cases, extortion of protection fees, robbery, black mailing.

Austria's future importance in a newly shaped economic area<sup>10</sup>: Since January 1995 Austria has been a member of the European Union. The newly created economic area grants the four freedoms: Freedom to provide service, freedom of trade, freedom of capital and freedom of establishment. These freedoms are expected to create strong economic impulses. However, crime experts expect that these freedoms will not only have positive results but will also be abused by the members of organized crime.

### **3. The Situation of Crime Development in Austria**

It is generally known that crime development in Austria is on the rise partly, as it is in Europe. In 1990 about 457,623 crimes were committed in Austria as compared with 486,433 crimes in 1995. See the following crime statistics:

#### **From Quantity to Quality of Crime**

In the last twenty years crime has doubled. In the year 1975 about 245,000 offenses, in 1995 about 490,000 offenses, were committed. However, it is not only the quantity of crime that causes concern but rather the

**A. Crime Statistics of Austria by the Ministry of  
Interior Austria - Known Cases<sup>11</sup>**

Punishable Acts	Year 1991	Year 1992	Year 1993	Year 1994	Year 1995
All punishable Acts prosecuted by Courts	468,832	502,440	493,786	504,568	486,433
Criminal Offenses	104,019	119,214	114,794	107,868	101,545
Misdemeanors	364,813	383,226	378,992	396,700	384,888
Murders § 75 StGB	182	191	180	185	168
Physical Injuries §§ 83, 84 StGB	30,812	33,645	32,421	33,478	33,287
Car Theft	2,584	3,314	2,988	2,538	2,224
Fraud §§ 146 to 148 StGB	20,095	23,837	24,389	34,970	33,287
Arson § 169 StGB	735	886	812	741	713
Fire by Negligence § 170 StGB	769	956	892	820	799
Drug Traffic §§ 12, 14 SGG	2,190	3,226	6,143	2,396	2,058
Drug Consume §§ 15, 16 SGG	3,632	5,224	7,382	9,567	9,577
Robbery §§ 142, 143 StGB	1,938	2,328	2,054	2,063	1,776
in Banks/Postoffices	99	87	85	81	93
Business Premises	139	129	151	153	137
on Individuals (except the category below)	1,003	1,276	1,169	1,172	913
on drunken Guests after Restaurant or Bar Visit	86	100	86	105	87
Burglaries combined with thefts § 129 StGB	90,139	102,297	94,005	90,162	85,715

Residential burglaries	12,127	12,231	10,372	9,138	9,154
Non residential burglaries	4,592	4,753	4,842	5,022	4,567
Burglaries in businesses	13,833	14,133	13,424	12,707	14,062
Burglaries in cars	26,885	31,370	27,429	24,618	23,486
Homicide caused by Negligence §§ 80, 81 StGB	660	655	614	587	588
Negligence bodily Injury § 88 StGB	40,441	40,542	38,190	38,828	38,817
Endangerment of physical Safety § 89 StGB	1,735	1,857	1,740	1,906	1,886
Abandoning of injured Persons § 94 StGB	488	532	533	553	583
Total of all punishable Acts in Connection with Road Traffic	43,461	43,785	41,175	41,977	41,978

**B. Crime Statistics of Vienna by the Ministry of  
Interior Vienna - Known Cases<sup>12</sup>**

Punishable Acts	Year 1991	Year 1992	Year 1993	Year 1994	Year 1995
All punishable Acts prosecuted by courts	166,705	178,723	176,284	171,682	166,422
Criminal Offenses	55,172	58,185	54,210	48,318	46,062
Misdemeanors	116,533	120,538	122,074	123,364	120,360
Murders § 75 StGB	61	66	69	71	69
Physical Injuries §§ 83, 84 StGB	8,728	9,487	9,000	9,873	9,630
Car Theft	1,301	1,813	1,633	1,215	1,005
Fraud §§ 146 to 148 StGB	4,941	5,529	6,510	10,023	5,888
Arson § 169 StGB	159	233	239	198	208
Fire by Negligence § 170 StGB	58	83	90	100	73
Drug Traffic §§ 12, 14 SGG	688	1,617	1,775	964	854
Drug Consume §§ 15, 16 SGG	11287	1,833	2,995	3,096	3,466
Robbery §§ 142, 143 StGB	1,349	1,622	11396	1,484	1,178
in Banks/Postoffices	35	28	38	27	46
Business Premises	101	84	94	107	93
on Individuals (except the category below)	772	1,001	884	955	689
on drunken Guests after Restaurants or Bar Visit	46	38	39	53	51
Burglaries combined with thefts § 129 StGB	45,682	51,381	46,578	41,216	39,826

Residential burglaries	6,816	6,702	5,946	4,453	4,842
Non residential burglaries	1,586	1,543	1,427	1,638	1,444
Burglaries in businesses	5,913	6,195	6,092	5,361	6,407
Burglaries in cars	18,766	22,437	19,580	15,906	13,596
Homicide caused by Negligence §§ 80, 81 StGB	14	23	28	24	19
Negligence bodily Injury § 88 StGB	8,779	9,012	8,181	8,215	8,556
Endangerment of physical Safety § 89 StGB	217	253	260	276	360
Abandoning of injured Persons § 94 StGB	14	23	28	24	19
Total of all punishable Acts in Connection with Road Traffic	9,187	9,481	8,643	8,692	9,088

quality of crime that is to be considered dangerous. According to the Director General of Public Security, Mag. Michael Sika, the proportion of organized crime is approx. 20% to 25% of the overall crime rate. The opening of the borders to the East has created favorable conditions for the import and the Spreading of organized crime. At present, the Russian Mafia are intensifying their efforts to gain a foothold and establish structures in Austria.

### **Crime Statistic Overview**

1975 245,374, 1995 377,517, 1995 490,539

Clearance Rate

1975 47%, 1985 45%, 1995 42%

Crime Committed by Foreigners

1975 8%, 1985 12%, 1995 20%

Organized Crime

1994 20%, 1995 25%

### **C. Fields of Crimes**

#### **a Crimes of Violence**

In 1995 there were 168 attempted and completed killings in Austria, including 69 in Vienna. In 1994 only one murder in Vienna was related to organized crime. In 1995 and 1996 three murder cases were related in the whole to organized crime. In July 1996 it happened the first time, that a so called "Mafia Boss" of the Georgian Mafia, one of the ten "Authorities" in the world, was killed in Vienna. That may show that the organized crime groups have established in Austria and the struggles in between are starting. In all three cases the victims were executed for "failing to comply with terms of payments". Three murder cases could be solved partly. In two cases the hired killers however, were able to escape. In the summer of 1995 the torso of an "executed" person was found in the New Danube. It could be only established that this man was of Eastern origin, probably from Romania or Bulgaria. This crime could not be solved. In spite of that organized crime cannot clearly be said to be rampant as regards killings.

#### **b Robbery**

In general, the same applies to bank robberies, but here the proportion of organized crime is already considerable higher. From about 100 bank robberies happening in Austria every year, about 10% can be attributed to organized crime. Criminals from Italy and the East carry out robberies of Austrian Banks for the purpose of procuring money. Actually, this type of money procurement is not new, since also "Red Army Faction terrorists" performed bank robberies in Austria. Recently, part of a gang of Italians and Germans organized and operating on an international level, who committed nine bank robberies in Austria and mainly in Vienna between 1990 and 1995, could be found out in Austria (Statistics about bank robbery, see: Crime statistics<sup>13</sup>).

#### **c Extortion of Protection Fees**

Extortion of protection fees from "Yugoslavian" and Turkish bars and restaurants is "quite common". For example in Vienna there exist about 1800 restaurants, bars and nightclubs. Of this number approx. 500 belong to former Yugoslavians, approx. 300 belong to Chinese people and approx. 220 brothels and "bars" belong partly to organized gangs.

It is believed that protection fees are extorted by the "Yugoslavian Mafia", the "Chinese Mafia" and different gangs, like PKK, the Kurdish

political right wing party. Because of the large number of unreported crimes in this field, police are able to score only here and there. In this connection a case shall be mentioned where it could be proved that a group of criminals had extorted protection fees in fifteen cases. At the trial only one victim appeared but did not testify in court.

The existing legal instruments are not adequate to provide appropriate protection to the victims. The victim has to take into account that the criminals will serve only a short term in prison and after being released will again put pressure on the victim or his/her family. In this field the proportion of foreign criminals is very high. Before setting up their organization in Vienna these criminal groups try to procure the required capital by extorting protection fees from their compatriots in Vienna who have already established themselves. In this field the criminals are independent of pre-defined conditions, e.g. cooperation with Austrian criminals, interim storage places for the spoils and basic logistic requirements<sup>14</sup>.

#### **d Property Offenses**

In 1995 approx. 13,700 burglaries of apartments and houses, approx. 14,000 burglaries of shops, approx. 23,500 burglaries of cars, about 2,224 thefts of cars were committed in Austria. In Vienna, too, the figures speak for themselves: In 1995, approx. 6,200 burglaries of apartments and houses, approx. 6,400 burglaries of shops, approx. 13,600 burglaries of cars and about 1,000 thefts of cars were committed<sup>15</sup>.

The clear-up rate for burglaries of apartments and houses is below 10%. More than 80% of the burglaries are probably committed by foreign criminal groups. For example, 95 out of 130 burglars arrested by the Major Crime Bureau come from former Yugoslavia. They are not guest workers but criminals who operate an international level. The most common methods of breaking in are to force open doors by means of lever tools and to twist off cylinders. From the neighboring countries in the East the method of "wall breaking" - it is specialty of eastern criminals to do burglaries by breaking through the wall from the cellar to the shop - is gaining importance.

In the field of handling stolen goods it was established that the stolen property is sold "underhand" - on the "black market" - throughout Europe.

#### **e Trick Theft and Pickpocketing**

Criminals from South America, especially from Chile, Peru, Uruguay,

and East are involved to a relatively great extent in trick thefts and pickpocketing. The criminals from South America come to our country in "waves". If the police deal a decisive blow to these groups, the South American criminals will stay away for few months; however, they reappear at regular intervals. Such thefts are often types of procurement crimes for subsequent frauds involving checks and credit cards. These criminals mainly aim at the procurement of check media, check cards, credit cards and IDs.

#### **f International Stolen Cars Trafficking**

In 1995 approx. one million cars were stolen in Europe, including about 500,000 in United Kingdom, about 300,000 in France, about 400,000 in Italy and about 140,000 in Germany. Compared with these figures, the figures for Austria are low. As already mentioned, exactly 2,224 cars were stolen in 1995. About 50% of the stolen cars are brought to eastern countries like Russia or Ukraine. Due to technical countermeasures and an intensive search at the Austrian borders the number of cars sold underhand could be reduced.

The "rent" method is still popular. For decades car theft has been closely linked with insurance fraud<sup>16</sup>. Between 30% and 50% of the cars reported stolen are assumed to be taken out of the country with the help of the owner. The fact that the thefts increasingly occur abroad serves as an indication for that. More and more often Austrian cars are reported stolen in neighboring countries. This phenomena is not only associated with intensified business relations and increased mobility of the Austrians but also due to criminal motives. Regardless of that, international car theft is firmly controlled by criminal groups from Poland, Hungary, Bulgaria, Russia and former Yugoslavia.

#### **g Art Theft**

Especially since the borders to the East opened, Vienna has to be considered as hub for handling stolen art objects. For instance, the art treasures, stolen in the most spectacular burglary of the Jewish Museum in Budapest in the end of 1994, were offered for sale in Vienna in 1995. Those pulling the strings in this criminal case were Romanian criminals. In cooperation with German and Hungarian special agents the case could be solved. However, castles and monasteries in our neighboring countries in the East still contain undreamed of art treasures. The demand for these values on the international art market is very high so that a separate "industry" in the field

of organized crime has been established to procure such values.

### **h International Financial Fraud**

According to the Austrian crime statistic, frauds are booming. Between 1992 and 1994 the crime figures have risen from 23,837 offenses to 34,970 offenses, although here too a large number of unreported cases is assumed. Banks and insurances are often not as eager to report frauds as the police would like them to<sup>17</sup>. International financial fraud comprises economic crime, e.g. bankruptcy offenses interference with legal execution, insider trading, insurance fraud, fraudulent opening of accounts, fraud involving false or stolen securities, fraud involving cheque cards and credit cards, forgery of money, photocopied money, forgery of documents and Ids and, last but not least, money laundering.

In the field of economic crime criminal Russian organizations have already succeeded in establishing isolated structures in Austria. Members of these criminal organizations set up companies uncontrollably with the assistance of lawyers, notaries and tax consultants. Tax consultants e.g. provide their own addresses to be used as company or registration addresses of the company founders.

The founded companies usually do not have business licenses. Considerable amounts of money, mostly US-Dollars or Deutsche Marks, are handled via the company accounts. The people in charge of the company acquire property either directly or via front men. For instance, limited liability companies are founded. As trustee an Austrian citizen is used as a front man. Thus, the company is considered an Austrian company. Such companies are allowed to acquire property. Subsequently, company shares will be sold (in Austria there are already several hundred companies with Russian participations)<sup>18</sup>.

### **i Example Money Laundering**

The provisions of the Banking Act (art. 40 ff Banking Act) and the panel provisions on money laundering and criminal organizations (art. 166 and 278 Criminal Code) have been in effect in Austria since 1993 and 1994. In 1994 there were 38 and in 1995 there were 40 legal proceedings instituted by the government prosecutor on suspicion of money laundering. So far only three cases were dosed with final and binding effect, ending with acquittals. Two further actions are still pending. There has been no final conviction for suspicious transactions of money laundering in Austria since

art. 165 Criminal Code took effect.

Mag. Josef Dick, head of the Austrian Criminal Investigation Department at the Federal Ministry of the Interior, called group D, said in an interview with the daily newspaper "Der Standard" on March 4/5th, 1995, that five groups from the former Soviet union were active in Austria. Approx. 160 Mafia billions were supposed to be laundered in Austria. In 1994 the banks reported 346 cases of suspicious money transactions totaling ATS 159.5 billions. In 1995 the banks reported 370 cases of suspicious transactions with about the same amount. Although the largest part of the financial operations was thwarted after intervention by the authorities, according to Dick; ATS 2.6 billion from questionable transactions were transferred to Austria all the same. Only a small part, i.e. ATS 300 million, could be "frozen"; with regard to the remaining amount the suspicion could not be proved<sup>19</sup>.

In the field of money laundering approx. 40% of the reported suspicious transactions refer to the states of the former East bloc. About 30% of this amount are directly linked to the former Soviet union. Nationals from the former Soviet Union enter Austria in order to open bank accounts. At the same time large money amounts, mostly US-Dollars, 10 million or more, are transferred. Despite such large amounts and the associated investment opportunities with the Austrian banks, this group of persons does not care for profitable investment. These opened accounts largely represent offsetting items. These people carry out so-called transit transactions with different countries, where only the money is transferred to Austrian accounts, while a flow of goods, if any, mostly cannot be traced. Moreover, police investigations are considerably complicated by the fact that these groups of persons mainly do business with "off-shore" companies. off-shore companies are represented by boards of directors, and no conclusion can be drawn from the documentation in the register of companies about who is actually behind the company. Therefore, the actual origins of the transferred money amounts cannot be traced<sup>20</sup>.

#### **j Example Check and Credit-Card Frauds**

The annual turnover in Austria involving this type of organized crime is about ATS 200 million. Breaking in cars, trick thefts and pickpocketing, for instance, are forms of procurement of check and credit-card media. Because of tourism 2.5 million checks are written in Austria annually. The Italian Mafia employs "cheap labor" from South America, primarily from

Chile, to procure and tamper with these media<sup>21</sup>.

### **k Crimes Involving Narcotic Drugs**

In 1995 in Austria exactly 2,058 persons were reported to the police for dealing with drugs and 9,577 persons were reported for abusing drugs. Dr. Stefan Rudas, head of the Psychosocial Service, estimates that approx. 100,000 people in Austria are drug addicts. More than 350,000 people in Austria are addicted to alcohol<sup>22</sup>.

The criminal experts of the Major Crime Bureau estimate that in Vienna almost 7,000 people are addicted to heroin; this means that in Vienna nearly 2.5 tons of heroin are consumed annually. The data available on heroin addicts is quite reliable, since the addicts are socially more conspicuous than cocaine addicts or synthetic-drug addicts. About 50% of the Austrian drug scene is located in Vienna. Thus, the Austrian market has been strong for decades and Austria is no longer considered only a transit country as in former times. However, due to the geographical position many illegal drug shipments still pass through Austria. The fall of the Iron Curtain in particular has created ideal conditions for drug trade.

Organized drug trade in Austria is controlled by criminal organizations from Turkey, Iran and the former Yugoslavia. Since the opening of the borders to the East illegal drug deposits have been set up mainly in Bratislava to supply chiefly the Eastern part of Austria. In 1993 the "Kuratorium Sicheres Öistrreich" attempted in Maria Alm, Salzburg, to determine the damage to the economy, and the overall economic damage caused by drug trafficking in Austria alone was then estimated to be about ATS 5 billion<sup>23</sup>.

### **l Prostitution and Gambling**

Here, too the market has changed since the borders to the East were opened. Vienna alone has about 130 brothels and 100 bars where mainly girls from the Eastern neighboring countries work. Organizations dealing with the smuggling of people often bring these women to Austria and Germany on the pretext of offering them legal employment. Already during the trip these women are grossly abused and made irrevocable dependent so that it is very difficult for the police to create enough confidence during their patrols to convince these victims to testify against their procurers and against the smugglers. The turnover in this market is estimated to exceed ATS 10 billion<sup>24</sup>.

Internationally operating groups imported older slot machines legally and illegally from Austria and Germany to Hungary. The resulting obsession with gambling has posed serious problems for Hungary so that an international conference was convened in 1994 for the purpose of working out counterstrategies. As everyone knows, prostitution and gambling are the traditional pillars of organized crime. These examples of crime development show clearly that an international network of crime has gained a foothold in Austria. To some extent Austrian criminals cooperate closely with foreign criminal groups. There is evidence of so-called "joint ventures" in the criminal field. Austrian criminal organizations export know-how and import girls for brothels and bars at low cost. With the currently existing legal instruments it is getting more and more difficult for the Austrian police to develop and employ counterstrategies and countermeasures to combat organized crime<sup>25</sup>.

#### **D. Criminal Groups**

Austrian criminals still play an essential role in Austria. Officially, the share of convicted foreigners is slightly above 20%, i.e. nearly 80% of the criminal offenses cleared up have been committed by Austrians. The clear-up rate in Austria is generally a bit higher than 42%. However, there are large differences among the various fields of crime. The clear-up rate for killings is higher than 90%. As regards bodily injuries and robberies, the situation is worse; only 30% - 40% of the crimes are cleared up. The number of cleared-up cases is even lower with thefts and burglaries, with a rate below 10%.

##### **a Austrians**

They are still strongly represented in the classical domains organized crime like procuring and gambling. Additional fields of activity are bank robbery, burglary, handling stolen goods, fraud and forgery. In addition, there are so-called "joint ventures" with the Eastern neighboring countries.

##### **b Former Yugoslavians, Serbs, Croats, Bosnians, Kosovo-Albanians**

For more than thirty years these nationals have been active in Austria. Organized burglary, car thefts, drug and arms dealing are among the fields of activity of these criminal groups.

##### **c Turks and Iranians**

Drug trafficking on a larger scale is traditionally dominated by the Turks. Due to its geographical position Turkey has always been leading in heroin trade in Europe. This situation has not changed much. Since the war between Iran and Iraq Iranians have been increasingly dealing with drugs and now rank second in Central Europe behind the Turks.

#### **d Italians, Russians and Bulgarians**

Wherever there is a question of organized crime, the Italians are involved. Austria primarily serves as “rest zone” and “investment country”. Now and then, however, also criminal operations are performed in our country. From time to time, activities of internationally operating Italian bank robbers and mobsters belonging to the Mafia or Camorra are found out.

The situation is similar with the Russians. Since the borders to the East opened, Russian structures have been set up in our country. Four of five large organizations from Moscow, Russia, are said to have established their headquarters in Austria and in particular in Vienna. This development is supported by the fact that more than 5,000 Russian exiles have been living in the neighborhood of the Mexikoplatz for decades. However, there is rarely evidence of the extent of their criminal offenses. Three murder cases occurring in Vienna since 1994 could be proved to have been committed by such criminal groups. The Bulgarians are mainly active in underhand selling of cars and in smuggling of people. The Bulgarian truck fleets have always served for smuggling trips across Europe.

#### **e “Chinese Mafia”**

Police in Austria don't know very much about the “Chinese Mafia”, but it was learned that trafficking in human being, extortion of protection fees, and suspected but not proved, money laundering and drug dealing, are activities of three different main groups in Austria. In 1993, activities of the so-called “Chinese Mafia” were recognized the first time by the Police in Vienna. The investigation did not produce any significant results, since it is part of Asian mentality to keep silent, according to the Motto: “In life never go to police, in death never go to hell”, but several cases of extortion of protection fees and robberies could be solved. This tendency also continued in 1994 to 1996.

In Austria representatives of three main groups are established. The first group comes from Hong-Kong; as Hong-Kong will be “closed” in 1997, a number of refugees are settling down in Austria. The second group are

people from the island of Taiwan and the third group are people coming from a small area near Peking. The Austrian police is convinced, that trafficking in human beings is a main activity of these groups. Officially approx. 40,000 Chinese are living in Austria, half of them in Vienna. The number of Chinese will be much higher, who live illegally in Austria.

#### **4. Counterstrategies to Combat Organized Crime**

Prior to developing counterstrategies it should be examined what is understood by organized crime from today's point of view, how organized crime can be recognized by means of indicators and what can be done against it. Current Austrian law recognizes the term "organized crime" only in the Security Police Act<sup>26</sup>:

In the third part, art. 16 sec. 1 subpar 2 of the Security Police Act the term "general danger" is described;

"General danger exists

1. in the event of a dangerous attack (sec. 2 and 3) or
2. as soon as three or more persons get together with the intention of repeatedly committing criminal acts punishable by the court (gang or organized crime)".

The Code of Criminal Procedure and the Criminal Code do not use the term "organized crime" at all. In art. 278 Criminal Code - formation of gangs<sup>27</sup> the term "organized crime" is used. Since the problem involved in combating organized crime are largely the same in German and in Austria, crime experts have been relying on the definition used in Germany:

Definition of "organized crime" according to the working group "Judicature/Police":

Organized crime is the profit and power-oriented systematic commission of crimes which are of considerable importance individually or collectively if more than two persons involved cooperate for a longer or an indefinite period; by using business or business-like structures, by using violence or other means suitable for intimidation, by exerting influence on politics, media, public administration, judicature or economy.

Even this definition does not cover all areas. In practice, the crimes committed by highly active criminals very often overlap and therefore fit this definition of organized crime only in part<sup>28</sup>.

What is relevant for organized crime? It is important to define the crime that can be attributed to the field of organized crime. This can be done only by means of indicators suggesting organized crime.

### **A. Such Indicators of Organized Crime are:**

- a Planning/Preparation of the Crime**  
Accurate planning, Hired labor, Large investments
- b Utilization of the Spoils**  
Highly profit-oriented, Backflow into legal economic cycle, Money laundering measures
- c Connections of the Crime - Relation of the Criminals**  
Supraregional, National, International
- d Conspiratorial Criminal Behavior**  
Counterobservation, Complete withdrawal, Code names
- e Group Structure**  
Hierarchical set-up, Dependent and authoritative relationship between several suspects of a crime, International sanction system
- f Help for Gang Members by**  
Escape aid, Provision of lawyers, Threats to intimidation of persons involved in trials, Untraceability of witnesses, Silence of the persons involved, Testimonies of witnesses for the defense, Matched testimonies of persons from the scene, Taking care of prisoners, Looking after the relatives, Readmission into the scene after release from prison
- g Corruption**  
Inducing dependence (e.g. by sex, gambling), Bribery, Corruption
- h Efforts to Create Monopolies**  
Control of certain sections of night life, Offering "protection" against payment
- i Public Relations**  
Controlled, tendentious or other press reports of a trial, which distract from a specific suspicion of a criminal act

These indicators show that structures relevant to organized crime exist in Austria. The Italian Mafia and the Camorra as well as Russian groups have already gained a foothold in Austria. Although Austria is now mainly serving as "rest zone", nobody knows how this is going to develop in the future. A deterioration of the economic situation might lead to an activation of these known structures of organized crime.

### **B. Counterstrategies to Combat Organized Crime<sup>29</sup>**

#### **a Long-Term Counterstrategies:**

Analysis of the social, economical and political development of our European economic area, Analysis of the migration movements, Develop-

ment aid for the poverty regions of the world, Cooperation with the international organizations in planning and developing aid programs

**b Medium-Term Counterstrategies:**

Preparation of research, teaching and study projects by universities, state institutions and people with practical experience, Sensitization of the population - organized crime is a matter that concerns all - in the long term, the state is endangered, as it can be seen in Italy, Intensified preventive work, Intensified national and international cooperation (Interpol, Europol etc.), Set-up of a computer network with data relevant to organized crime

**c Short-Term Counterstrategies:**

Implementation of selective measures to combat organized crime, such as stolen car trafficking, smuggling of people, arms and drug trafficking, money laundering, Extension of the legal instruments for the police force by the legislator, Modernization of education and training of the police force (national and international)

**d Middle European Police Academy and Middle European Police President Conferences<sup>30</sup>**

The Austrian police e.g. have initiated activities in two areas against organized crime which have met with approval throughout Europe and also show practical success. On the one hand, the Vienna Chief of Police invited the Chiefs of Police from neighboring capitals to pursue joint activities; on the other hand, the Central European Police Academy was founded, where top officers from eight European countries are trained in a three month training course.

The Chiefs of Police from Vienna, Bern, Bratislava, Budapest Prague, Munich and Berlin meet regularly to discuss topical problems and develop counterstrategies. Every year at the end of January the courses of an international training scheme Central European Police Academy - starts in Vienna, where between twenty and twenty-two top officers from Austria, Czech Republic, Germany, Hungary, Poland, Slovakia, Slovene and Switzerland receive training in all countries according to the rotation principle. In the beginning of May the final exams will be held in Budapest, where every participant has to present a paper on a specific topic.

These two approaches have been put into practice since 1990 and have already produced positive results in Practical application. The biggest post

robbery in Austrian criminal history, e.g. could be cleared up due to the cooperation between Slovakia and Austria. Two other important Successes concerned the murder of an Austrian film producer and the murder of an Georgian Mafia Boss, which could be solved with the assistance of the Hungarian colleagues via the Central European Police Academy in connection with the Interpol.

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