

# Czech Organized Crime: Structural Development and Activities of Czech Organized Crime

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## **Abstract:**

This article deals with Czech organized crime, thus with a phenomenon that has never been widely examined. This descriptive thesis arises from Finckenauer's definition of organized crime, which is used as a basic framework, but not as a self-standing theory. The primary goal of this article is to introduce Czech structures and activities of Czech organized crime: their history and present state, as well as middle range perspectives on their future development. The data used in this article are based on qualitative research into organized crime undertaken in the years 2008–2010.

*Keywords:* organized crime, Czech Republic, history of organized crime

## **1. Prologue – Contextualization of Czech organized crime after 1989**

The basic prerequisite for understanding the meaning of Czech ethno-organized crime (OC) is its contextualization with an emphasis on its position in relation to organized crime in ethnically non-Czech communities in the Czech Republic. In this paper, the terms “ethnic” or “ethnicity” are not used as tools to explain Czech organized crime, but only to give a clear orientation in the topic.

Czech ethno-territorial OC is not a phenomenon that is highly visible or easily definable. Criminal groups comprising only or mostly of ethnic Czechs have never received as much publicity as well known kinship based criminal entities (for example, Italian *borghatas*, Albanian *fares* connected with the criminal underworld, Russian-speaking *bratvy*, Chechen (criminal) *tejpy*, Chinese *triads* or Japanese *yakuza*). The main reason is the fact that ethnic Czech OC has never built up any significant international reputation in the global underworld. Moreover,

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the ethnic origin of members has not been an important issue for Czech organized criminal groups (OCG). Czech criminal communities did not have a traditional hierarchical structure; organized criminal activities in the Czech lands did not have a strictly group character; nor were such activities rooted in any deeper historical traditions of various criminal subcultures (which is the case, for example, with the southern Italian criminal subcultures, the *maffia*, the *'ndranghetá* and the *camorra*, the Russian (post-Soviet) *vory v zakone*, the Japanese *yakuza*, and the Chinese *triades*). It is also important to note that after the break-up of the Eastern bloc, the Czech space was filled with organized criminal groups coming from other geographic and ethno cultural areas – Albania and Alban-speaking areas in the former Yugoslavia (Kosovo, western Macedonia), Vietnam, Arabic countries, the Russian Federation (including the north Caucasus nations – Chechens, Dagestani ethnic groups and Ingushetians), south Caucasian countries (Armenians, Georgians and in part also Azerbaijanis) and the Ukraine.

The reasons are again various and diverse; one of them is the existence of traditionally weak criminal structures in the Czech environment which were unable to rival foreign criminal groups. Moreover, it is important to mention that in the Czech environment many illegal activities that are usually referred to as *organized crime* are rather *crime that is organized* – especially so-called white-collar crime, which is a phenomenon different from organized crime (see Kupka 2010: 18–59). In this respect, one key question emerges: Is it possible to speak about exclusively Czech ethnic organized crime according to standard definitional concepts? Does this phenomenon exist at all?

Based on wide-ranging research, the authors believe that the phenomenon of ethnically Czech organized crime exists in reality, a hypothesis which they attempt to prove in this paper.

It can even be said that, by its character, Czech OC is ahead of its time, because from the beginning, it was more reminiscent of dense network of contacts and relationships, in which it was difficult to distinguish between legal and illegal activity. Hignett (2004: 71) described this environment as “institutionalised illegality”.

The article builds on research that should align itself with the social scientific qualitative tradition of research into organized crime in western Europe and thus create a form of opposition to the quantitative Czech approach, which has, up to now, been predominant in the Czech Republic and has been trying to measure organized crime by both qualitative and statistical methods. During the 90s, a project focusing on organized crime in the Czech Republic started to be realized by IKSP (1999–2010). However, it is necessary to view the results of this project in terms of the time period in which it was conducted.

With respect to the nature of the issue the authors feel entitled to use diverse sources, including those which could be found inappropriate in other areas of political science (various media reports, unverified information, informal interviews, memoirs, information given “off the record” or under the promise of anonymity, etc.). Nevertheless, the nature of the article remains purely scientific and the authors do not make authoritative conclusions without the support of proper data; the use of speculative or unverified data is clearly marked. Regarding this statement, the article presented here should be perceived as a first step towards further conceptualization.

## 2. Definition of organized crime and the possibilities of applying this definition to the Czech criminal environment

From the wide variety of diverse definitions and typologies of organized crime and organized criminal groups, the most complex one was devised by James Finckenauer. It tries to create one frame by integrating the dimensions and characteristics of organized crime described by a variety of authors. This frame includes these elements:

- 1) ideology (or the absence of ideology)
- 2) structure / organized hierarchy
- 3) continuity
- 4) violence / use of violence or the threat of violence
- 5) limited membership
- 6) illegal business
- 7) infiltration into legal economy
- 8) corruption (Finckenauer 2005).

The strength of this definition – which is not a useful theory on its own – is the possibility of using the definition for researching organized crime in general, as well as for research into organized criminal groups. It is not possible to state, of course, that a given entity or phenomenon must include all given criteria to be considered as organized crime, but there should be at least half of the criteria included in order to be able to talk about organized crime. According to the descriptive character of this article, the authors take the definition as sufficient for framing the proposed problematic. Nevertheless, in future research of Czech organized crime it will be necessary to more thoroughly confront this and other definitions.

At this point it is necessary to mention the concept of “infiltration into legal economy”, which is significant for Czech OC and as such has become the topic of society-wide debate. In the following parts of this work the authors try to indicate the reasons for the close connection between OC and state administration. However, it is important to realize that complex explanation goes far beyond this work and assumes an understanding of specialized knowledge of research into the transition to capitalist economies in post-communist countries (see Staniszki 2006).

Regarding the definition above, differences between the terms criminal enterprise, criminal network and illegal business network should be briefly mentioned.

The structure of a *criminal enterprise* is based on the division of roles between suspected of a crime. Criminal networks structure divides the role of combinations between the suspects in order to specialize in specific activity. Finally, illegal markets are an illegal trade network of criminal enterprises, intermediaries and brokers involved in a specific (series) of transaction/s. The market structure is determined by the number of active suppliers and customers in the market for a specific product or service. In the the most extreme cases it may be a monopoly or oligopoly (Kleerks 2009: 7).

In this contribution, the authors aim to present a descriptive analysis of the structural development and activities of ethnically Czech OC, which is unique not only in its summarizing character, but especially in its scope, which is often forgotten in research into OC. The data arises from qualitative research into Czech organized crime (Kupka 2010); some of the details are based on the work of persons professionally facing OC.

### 3. The era of eighties

Czech OC is not deeply rooted in comparison with other ethno territorial types of OC. Nevertheless, the era of the 80s can be considered as the early years of the new kind of organized criminal activities. The main reason for the rise of such activities was the inability of a centrally-planned economy to fulfill the demands of the population for some types of goods, such as textiles, electronics, cosmetics or Western currency. In this respect, we can find some similarities with the establishment of the caste of shadow businessmen (the so-called *teneviki*) in the U.S.S.R., who reacted in a similar way to the weakness of the Brezhnev economy in the seventies. The *Teneviki*, although they were of course breaking Soviet law, did not display the typical features of OC until they were taken over by traditional Soviet criminal structures, especially the so called *vory v zakone*. In contrast, the shadow businessmen in Czechoslovakia – the so-called *veksláci* (*foreign currency speculators*) – formed the basis of Czech OC. No other truly criminal structure existed at that time (see Kuras 1990; Hignett 2004).

Therefore, the era of the eighties and the *veksláci* can be considered as one of the starting points of the whole later development of Czech OC. However, a somewhat older continuity can be traced as well, especially in the environment of the so-called Prague *galerka*<sup>1</sup>; the same types of people who cooperated with the newly formed *veksláci* elite had also formed the core of the Prague underworld in the interwar period. In this respect, the memoirs of retired or still working waiters and waitresses, taxi drivers, DJs, musicians, then-employees of cultural centers and other institutions in general can be very useful. These people can testify to “under the counter” sales, “bargains” and somewhat more important businesses. Popular mottos of those times (such as “Those who do not steal rob their family”, “Steal potatoes one by one, soon you’ll have a minivan.”) illustrating the character of the period as well as the whole of Czech society are more pertinent than we are sometimes willing to admit (see Vaněk and Urbášek 2005; Houdek 2008; Kmenta 2007 and 2008).

The above outlined situation can be further elaborated in two dimensions – a group and a spatial one. The isolation of the Communist regime on did not allow much space for larger organized groups of black marketers. Therefore, deals were done either on an individual level or – more often – on a small-group level (2–3 persons). On the other hand, the limited space for movement resulted in a good knowledge of the environment of the specific “black marketers” subculture; at the local and regional level, all the people usually knew each other (see Houdek 2008).

The space dimension was not faced with difficulties arising from globalization and telecommunication. Therefore, the Czech Republic was divided into several autonomous markets corresponding to the largest regional cities, where almost anything could be a trade article – clothing, electronics, CDs, audio tapes, antiques, coins, military equipments, etc. (see above) (see Antl 2001). These goods were either of Western origin or of poor-quality Eastern origin; especially frequent were imports from Poland, Bulgaria, Romania, Yugoslavia and Turkey<sup>2</sup>.

In the 80s, new U.S.S.R. criminal brotherhoods grew up and started to disrupt the hegemony of the *vory v zakone* or groups of criminals recruited from young sportsmen practising martial arts or weight-lifting and growing up in rundown suburbs. Simultaneously, in Bulgaria such groups were organized especially around wrestling and weight-lifting clubs and in Yu-

goslavia, in the environment of Serbian and Croatian ethnical “exclaves” in the territory of other ethnic groups, or Albanian clans. In Czechoslovakia, the world of the *veksláci* and other criminals came together especially in nightclubs, where the first generation of a new-style metropolitan *galerka* emerged. Within this group, the *veksláci* held the position of the intellectual elite (an analogy to *vory v zakone*, Dons, bosses). The dirty, violent work was usually done by nightclub bouncers (their role, although they were usually boxers, bodybuilders, wrestlers or martial arts experts, was not as important as in Bulgaria or in some parts of the Soviet underworld), and service and contacts were provided by waiters, hotel receptionists, taxi drivers, managers of greengrocer’s, butchers and Tuzex shops<sup>3</sup>, etc. The most talented *veksláci* already had some contacts to the state and Communist party administration. Corruption in the police (then under the name “Public Security”) was obvious, as well as corruption among border guards, customs officers and other prosecuting and adjudicating bodies. Some *veksláci* were also registered as National Security collaborators (see Kroupa 2006; Spurný 2007).

Apart from the Czech underworld being identified with criminal careers one more specific group can be identified at that time. This group was formed by people who officially worked for the government and agreed with the regime. However, their unofficial activities were more or less in accordance with the above mentioned then popular mottos. These people were usually members or employees of cultural centers, socialist youth organizations, the Association of Restaurants and Cafeterias, coal stores or the Revolutionary Union Movement (ROH). Their social status allowed them to enter the “black market” by other means. Such participation was usually based either on the fragmented clientelism of lower officials or the common fractionalism of higher officials or members of the National Police Force, who provided a full service to anybody who wanted to establish himself in the black market and was willing to pay (c.p. Tomášek 2006, Houdek 2008). As outlined before, the closeness of society to a great extent determined mutual relationships and established contacts of both a positive character (later transformed into mutually profitable cooperation) and a negative character (activities of that era serving as a foundation for later blackmail). Kroupa (2006: 18) summarizes the Communist era as follows: “In comparison with nowadays criminals, the criminals before November 1989 were only blunderers. In the totalitarian regime of our type, it was impossible to establish a true mafia. Therefore, crooks were rather restricted to burgling of weekend houses near the Berounka river and flats in better quarters (such as Vinohrady) in Prague. Alternatively, the ones working for local authorities responsible for distribution of flats accepted bribes pretending to be the most honest civil officials. Others were profiting from petty thefts in domestic and foreign trade or running a black market, so called ‘*veksl*’ with Western currencies or – nowadays almost forgotten – cheques that served as money in shops with foreign goods (Tuzex shop), so called ‘*bon*’. Suddenly, everything changed and skillfully organized crime came even from the country that was to be our model, then frequently depicted on posters and in newspapers.”

His point of view could be a subject of discussion. Large mafia organizations were established in much more repressive regimes, such as the U.S.S.R. or China. One of the main reasons was the fact that professional crime, from which the organized form developed, had a much longer tradition there. Reasons for the non-occurrence of this situation in the Czech Republic are a much more complex issue, which could be better explained with the help of

(ethno) psychology and other social-scientific sub-disciplines. However, the most important reason is certainly the absence of well-established professional (or organized) criminal traditions. One area in which organized crime really benefited from the fall of Communism was the emergence of new undreamed-of opportunities of the free market and the inability or unwillingness of the new Czech political elites to prepare a quality legal framework for economic transformation. In this respect, not only the Czech *veksláři*, but even the Soviet *vory* could be called blunderers. Furthermore, those who adapted to the new conditions and seized the opportunity were indeed the same people Kroupa calls “blunderers” in the era of 80s. However, in general we have to agree with Kroupa that there is only a limited space for organized crime in non-democratic regimes.

The inability of the Czech socialist economy to manage supply and thus fulfill the demands of the population for various types of goods served as the basis of Czech OC. Nevertheless, it had the character of a network (a structure of contact groups), not groups with a strict hierarchy. In this respect, Czech OC differed greatly from clan-organized Albanian and Caucasian groups and paramilitary Yugoslavian, Bulgarian and Soviet (Slavic) groups (von Lampe and Johansen 2004; see also Bruinsma and Bernasco 2004). In this respect, the Czech underworld was ahead of its time: the network structure emerged in the world of Czech OC even before the fall of the bipolar political system, the opening of borders and the growth of economic freedom in regions not belonging to the Western world.

In Czech organized crime it has never been important if the participant is ethnically Czech, Slovak or Roma. It was always more territorially-organized. However, this characteristic was more of a coincidence than the result of deliberate intention. To enter some criminal group or network one did not have to be an inhabitant of a particular city. From this point of view, Czech OC and its groups are typical representatives of the “criminals – acquaintance” type of OC (Šmíd 2009).

#### 4. The era of the first half of the nineties

The complete political and economic transformation of Czech society logically brought about also several key changes in Czech organized crime. Following the fall of Communism, the metropolitan *galerka*, which had displayed some anarchistic features in its beginnings, adapted its behaviour to the new liberal environment and, with varying degrees of success, tried to turn into profit the economic and social capital acquired in the eighties. Several different directions in the development of activities of the so-called *galerka* could be observed:

- 1) a portion of them fully accepted the rules of democratic market economy, established a legal business and stayed within it,
- 2) a portion of them tried to follow the same scenario, but either did not succeed and deliberately returned to the illegal sphere or penetrated the illicit economy with illegal business activities and thus combined both sources.
- 3) a portion of them let themselves be hired by new-comer international criminal groups to function as the Czech element in newly-born international illegal markets<sup>4</sup>,
- 4) some of them remained within the sphere of illegal activities and the only change was adopting the all-encompassing term “businessman” (see Nožina 2003: 33–37).

Among the illegal activities (nowadays called OC) were included mainly the illegal import and export of cigarettes and alcohol, the operation of carrousel (especially by Rome clans), the weapons trade (especially during the time in which the position of the Czech military was uncertain), and the fencing of everything “foreign” (e. g. the phenomenon of Californian earthworms), so-called pyramid-scheme business, as well as probably the biggest fraud of the mid-nineties in the Czech Republic: tax evasion on light fuel oil – the so-called LTO cause (Lorencová 2006). At first glance, it is possible to call these activities “economic crime”. However, it is important to realize that many of the future members of Czech OC (but not only them) participated in it with the sole aim of generating capital for further activities of a different kind. However, organized economic crime was not the only focus of interest of local “businessmen” – at the regional level (e.g. the regions of Ostrava, Karviná, Těšín, Most, Hradec Králové, Příbram, Plzeň, Znojmo, Zlín and other towns and cities) as well as in the capital, Prague, the first organized criminal groups emerged, engaged mainly in burglary, blackmail or racketeering (Kroupa 2006; Štěpíny 2006; Lorencová 2006; Houdek 2008). The “business” model beginning with black-marketeering and later developing into the drugs business was rather common. The process usually went through the following stages: The black-marketeering brought significant earnings to certain persons. This fact attracted the attention of the opposite gender. This attraction was later transformed into the form of organized prostitution, by means of which the *fences* (black marketeers) acquired important contacts. Some of these led to contacts with foreign-language criminal groups operating in the Czech Republic and to the drugs business (Houdek 2008: 30–39).

The organization was not based on strongly hierarchized structures – for the majority of the 90s there were groups in mutual contact but their active cooperation was not possible. These groups were centralized around one or more leaders who had already started their careers in the 80s. The leaders were recruiting and managing persons less able, less charismatic or younger than themselves, for whom we can use the term “confederates”<sup>5</sup>. However, these persons were not designated to all or long-term activities and they frequently fluctuated among gangs (Houdek 2008). An interesting aspect is that cooperation with another criminal group was not always a secret; contacts with rival gangs or direct “recruitment” took place in well-known nightclubs and discotheques. One of the best known was “Discoland Sylvie”, where negotiations between Czech criminal groups frequently took place (e. g. Berdych’s gang). Furthermore, we have to mention that OC flourished partly thanks to the insufficient wording of several laws (e.g. the lengthy development of the Customs Act), low morale among poorly paid police officers, and the inability, or possible reluctance, of some politicians to establish effective anti-crime measures or at least admit political responsibility for the critical development of the situation.

The whole period is characteristic by the fact that the members of the *galerka* and new foreign elements started to co-operate with new era magnates and top class businessmen.

New era magnates were recruited mainly from individuals that had been connected with the political and business sphere also during the Communist regime. They had usually been former employees of state enterprises focusing on foreign business, members of the Association of Restaurants and Cafeterias, members of the intelligence service, Party members or their children, or employees of other state enterprises that had created cash flow even before the fall of the regime.

Basically, when considering the evolution of Czech organized crime, one should not forget that its development took place during a time of complete societal transformation, when old establishment relations were shattered. The organization of the national economy was changing its basis, as was legislation to a certain degree. Even though the Czech Republic became an example of *ruptura pactada* (Linz 2000), it does not mean that the elite did not change in a significant way. During social earthquakes social security and stability is always logically shaken, and such an environment is very fertile for the activities of OC. The bigger and longer the instability, the mightier and more influential OC becomes in society. Moreover, big property shifts lured individuals as well as groups not only sufficiently informed but also sufficiently unscrupulous. It is necessary to realize that even for exponents of the illegal economy of the eighties, the new environment was a huge attraction, because the operations they had performed before were of an incomparably smaller scale (also with respect to the level of illegal profits); indeed, the economic transformation from communism to capitalism gave them an unimaginable boost. Before the situation settled, the image of OC was often excessive. Now state property is more or less redistributed and OC is nowadays oriented towards the legalization of its profits or methods, or towards conflicts among competing groups.

## 5. The era of the second half of the nineties

The second half of the nineties can no longer be described as the pioneering era of Czech OC. We should rather talk about an era during which several important, at that time not very clear, phenomena emerged:

- 1) mutual relations established in the eighties were fulfilled and fully adapted to capitalism at all levels, including the political one;
- 2) capital accumulated in the 80s and in the first half of the 90s was given a unique opportunity to become legal by means of the privatization of public property and the establishment of gambling-houses, casinos and betting offices, fictitious companies and international banking institutions. As a result, the former *veksláři* and *fences* (black marketeers) seemingly became successful businessmen;
- 3) closer ties between Czech organized criminal groups and foreign-language ones were established and the more important role of Czech citizens in international organized crime in general became evident;
- 4) the “capitalization” of education in favour of OC.

The first of the above mentioned phenomena was revealed thanks to the disclosure of information about the suspicious financing of political parties, which should have received illegally earned money from persons connected to both home and international OC. Furthermore, information about the unblocking the Russian debt revealed that the Czech Republic was virtually in the hands of OC during its liberation from socialism (Spurný 2002). Another clear example of such a situation was the Opposition Accord between the two leading political parties – the ČSSD (social democrats) and ODS (conservatives), which, according to some commentators, institutionalized the cover-up of corrupt practices and clientelism. As a part of this trend, one can also consider the infiltration of advisors and lobbyists with

direct contacts to organized crime into high politics.<sup>6</sup> Hignett (2004: 71) calls this process the “criminal-political nexus”.

The second point refers to so-called money laundering, which is not only a business in its own right, but also an irreplaceable mechanism for every other illegal business and, in some respects, also the mirror of the grey economy (Naím 2008: 131). In general, money laundering profited from four global financial reforms – the abandonment of currency control, easier access to local capital markets, the competitive strength of capital, and the information revolution (see Naím 2008: 128–130). In the Czech environment, a sweeping response to any question or suspicion was that the letter of law was not infringed (without, of course, admitting that some activity infringed the spirit of the law).

The third point deals with Czech citizens participating in activities of international OC (besides their activities in the frame of ethnic Czech OC), especially as intermediaries who established fictitious companies, contracted fictitious marriages or took part in all forms of human trafficking. Socially disadvantaged or unsuspecting persons were often exploited as so-called *white horses*. This term became a dominant characteristic of the whole of Czech OC of the 90s<sup>7</sup>. Some well-established Czech organized groups launched co-operation with foreign groups as well, especially in the realm of drug trafficking (Houdek 2008; Antl 2001: 58–68; Nožina 2003: 33–37).

The fourth point refers to another form of criminality which appeared beside traditional organized-crime activities such as blackmailing, kidnapping, racketeering and prostitution. In the second half of the 90s, there emerged a new generation of educated and foreign language speaking criminals accustomed not only to travel but also to building wider and more complex criminal networks (e. g. the so-called tender mafia). This trend has been on the rise since 2000 (see Tesař 2006).

It is not possible to state that the criminal groups based on archaic methods of OC have disappeared. On the contrary, they have always existed and many of them have appeared in the media. The activities of the Berdych gang, uncovered by the investigative journalist Janek Kroupa, are an example. Kroupa pointed out the close connection between the local Prague network of violent blackmailers and burglars and officers of the Central Bohemian police OC unit (OBOZ, no longer in existence). Although the gang was subject to a great deal of media sensationalism, it was no doubt a successful criminal group. According to investigators from the State Organized Crime Unit (ÚOOZ), it was a horizontally organized network in which David Berdych was only one of the leaders. However, he was the one who began to testify under interrogation and, thus, the name “the Berdych gang” began to appear in the media. The Berdych gang focused especially on violent blackmail and burglaries to order. Some experts suspect them of committing several murders, but there has never been enough evidence for a prosecution.

Overall, however, it is difficult to label this kind of activity as organized crime according to the basic definition, as similar activities are likely to belong to the category of *crime that is organized* or so-called white-collar criminality.

## 6. The era after the year 2000

The planned admission of the Czech Republic to the European Union supported stabilization at all political levels (the legislative, executive and judicial). Simultaneously, public interest in underworld activities grew and police operations broke up several important Czech organized criminal groups (Prague, Plzeň, Ostrava), which was a signal to Czech OC to undergo some changes. It can be said that a wide influential network of contacts is still maintained in the Central Bohemia Region. The northern parts of both Bohemia and Moravia have become distinctive by virtue of the entrance of persons connected to the underworld into the realms of regional politics and business (Kupka 2010: 84). This combination of functions has made legal steps against these persons almost impossible. Shortly after 2000, the capital acquired in the nineties was legalized and compromising information about important persons in the Czech political and business sphere was used to get access to lucrative government contracts. This “data business” has not been sufficiently researched yet. Nevertheless, we can assume that it is used to provide compromising material, opening up wide opportunities for blackmail and intimidation. In addition, we can observe two distinct lines of emancipation for the Czech underworld. Firstly, it strengthens its position in some regions, and distributes areas of influence between Czech and foreign OC groups in some regions. Secondly, supranational activities of Czech OC and foreign groups start to fully exploit the possibilities of the European duty-free zone (see Ehl 2006; Kmenta 2007; Slonková and Chaloupská 2008a-h).

Moreover, acquired capital together with compromising data serves as a passport to the world of business and high-profile corruption, which enables the underworld to legalize its profits and improve its public image.

Archaic OC still persists, but in the criminal sphere it is looked upon as something qualitatively weaker. Nevertheless, we cannot exclude the possibility of the emergence of an OC group with the style and scale of the Berdych gang.

To conclude, a degree of continuity between the current era of Czech OC and the early years of OC growth in the Czech Republic can be identified. Nevertheless, it is not the kind of continuity usually seen in classic hierarchically-organized criminal groups with self-identification, reputation and subculture features. We would rather talk about the continuity between contact groups, and their mutual contacts and relations.

## 7. Conclusion – Challenges for further research into Czech OC

The story of Czech OC is an unfinished one so far. If we want to create a medium-term perspective on Czech OC, we cannot ignore the research and identification of current trends. Several changes cannot be expected to happen for several reasons:

- 1) Czech OC is developing in a relatively linear way and is quickly adapting to the social-political environment using legal loopholes as well as a certain moral crookedness. E.g. it doesn't matter where the capital comes from, as long as it exists.
- 2) The current global and regional environment created a comfortable environment guaranteeing the legalization of acquired profits for people connected to OC, and thus penetration into the legal economy.

- 3) Organization of the criminal groups was based on contacts, mutual past ties and random alliances (resulting from, for example, gratitude, debt etc.). In this case we can talk about an enigmatic relationship between independence and authority in the structures of Czech criminal groups.

Czech OC can, in the most general theoretical framework, be divided into archaic and modern, or respectively traditional and managerial; the previous data has shown that traditional forms of OC are present in the Czech Republic at a lower level, while more sophisticated organized crime is committed by the management type. There are few comparable variations in the world. In the Czech environment, compared to the Italian or Caucasian environment, organized clan crime practically does not exist and we do not even record the brutal paramilitary type of crime often seen in post-Soviet Russia. The archaic crime could be compared to banditry in the Soviet bloc of the 80s, since much arose on the basis of sporting activities, mostly of a combat or power character. The Czech managerial type of OC is naturally a very specific phenomenon, which, in many ways, does not fit into existing definitions of OC, and therefore represents a major challenge for further research.

In terms of organizational structure, we can expect continued decentralization and an increase in individualization, as the new generation of criminals is not bound to the past and their contacts are more of a foreign origin. This, on one hand, refers to a certain level of emancipation of Czech OC. On the other hand, the possibility of penetrating foreign legal or semi-illegal markets is strictly dependent upon maintaining relations with foreign language criminal groups controlling the lucrative trade in human beings, drugs, and stolen cars, as well as antiques, intellectual property, and protected animal species.

Thanks to European funds redistributing huge amounts of money, the relationship between the world of OC and local politics has grown in importance. The present generation of criminals started to build their contacts in the 90s at receptions, golf tournaments and other sporting events and parties, where contracts, often associated with public money, were and still are arranged. In this context, the contacts of the 80s are no longer of great importance.

It is not OC in a definitional sense, but rather the corrupt and client negotiations combining suspects, capital and the recent past. However, the impact on national security, the volumes of financial losses for the state, the rate of violations of law, and some appearances of the exposures of these networks are very close to the classical definition of OC.

In this context, we can expect a connection to regional and local administration (bureaucracy), in parallel with a move away from influence at the highest political level.

The mentioned trends could have a working title: the “EUropeanisation” of Czech OC. In other words, the new generation does not want to use archaic methods; instead, a focus on the distribution and use of EU funds and on trade information can be expected, which can be considered as financial exploitation of the period of Opposition Accord.

In addition to attempts to legalize business operations, activities in illegal markets will continue, assisted by entry into the Schengen area. Basically there are two forms: illegal (accumulation of capital?) and legal (legalization of money), but unlike in previous years, these work and will work in parallel.

Several trends of money laundering will continue: money laundering trends through the banking sector especially abroad (offshore): investment in property and chattels (especially gold and diamonds), new investment in intellectual property (copyrights and patents), and

using the complicated financial derivatives of domestic financial and banking institutions. Illegal or at least controversial revenue may also take the form of conditional higher bonuses for staff.

Our analysis, based mostly on primary sources, articles written by investigative journalists focusing on the topic of OC, memoirs of persons involved in OC and members of security units, shows the existence of a certain degree of continuity underlying the development of Czech OC. However, if we made a thorough comparison with other ethno-territorial types of OC, we would probably find that Czech OC is not particularly strong and does not have any “subculture character”.

The structures of Czech OC naturally change in time, which can be explained as the process of the natural evolution of OC in general. Occasionally, some changes in personnel in the Czech OC elite take place as a result of death, penal incarceration, emigration, etc. However, there are some persons still active in Czech OC whose criminal careers started in the eighties and is built upon contacts established during those times.

Nowadays, the conglomeration of ongoing connections and relationships is reaching its peak with the admittance of some criminals into various positions in communal and regional politics, thus allowing them to gain access to the financial resources of the European Union. This situation may, in the medium-term, help to strengthen supranational activities of illegal business and OC in general and become a significant threat to European security.

One question arises from this pilot research: “Is it possible to characterize the analytical category of Czech organized crime?” This question needs to be seen at two levels. The “Collection” of organized crime groups in the Czech Republic includes all crime groups with a sole or dominant Czech element. These groups can be divided into several types according to the degree of sophistication (see Kupka 2010). Also, we can identify Czech elements as parts of foreign organized crime groups. However, the presence of these groups in the Czech Republic does not mean that we can speak of the existence of an exclusive phenomenon (or analytical category) “Czech organized crime”, which has the same meaning and internal content as its ethnic counterparts, “Albanian organized crime”, “Italian organized crime” or “Russian-speaking organized crime”. These terms should be characterized as *nomen omen* in the geographic and ethnic dimensions of organized crime research and, as such, can stand on the same level as the term “organized crime”. In contrast, the term “Czech organized crime” is not able to fulfill the potential of the concept “Czech organized crime”.

On the basis of the described development of this phenomenon we can conclude that Czech organized crime groups are more the result of external and time varying effects than a kind of alien conspiracy behind long-term and sophisticated illegal activity. Therefore, it is necessary to speak more about the representative of certain ethnic or geographic variations of the wider phenomenon of “organized crime” than about a closed category, which has common attributes such as a strict hierarchy, recruiting rules or territorial control. In other words, Czech organized crime cannot be defined as a social system. Conversely, we can consider that Czech organized crime groups are established in the system of corruption networks that provide the space for both legal and illegal business.

## Notes:

1. “Galerka” means above mentioned traffickers, veksláci, taxi drivers, waiters, discotheque bouncers, thieves and their mutual relations
2. A well-known character of the Czech criminal scene and currently a participant in the programme for the protection of witnesses, Miroslav Houdek, nicknamed Kojak, describes the era of the eighties as follows: “Because of the black market activities we did not have time to study. Moreover, I frequently travelled to West Germany, where my sister lived and from where I was bringing everything that was easy to sell here. Indeed, it could be anything as in our socialist country there was almost nothing, which made our business much easier. Our authorities did not have any problem with my departures, because I travelled alone, without parents. I travelled by train and always got back properly. I brought several bags with me, full of various trash, and always some electronics. There were many good hiding places in trains. West Germany was my store and my ‘shop’ was at the Havelské tržiště market in Prague, where I rather regularly organized black market sales early on Sunday mornings.” (Houdek 2008: 10–11)
3. Tuzex shops sold western goods for convertible currency before 1989.
4. These people worked especially for Russian-speaking or Vietnamese criminal groups as drivers, security, intermediaries or traffickers of illegal migrants.
5. These people were sometimes called “soldiers” in the underworld.
6. Due to its relative newsworthiness, this statement can sometimes be denied by scholars who criticize the weak methodological basis for such an assertion. Though there are many examples supporting the opinion that Opposition Accord institutionalized the cover-up of corruption practices and clientelism (Tabery 2006), scholars have to be prudent when working with this type of data.
7. Kroupa (2006: 74) describes this term as follows: “The term ‘white horses’ was established by Roma criminals, who usually found a homeless ‘gadžo’ (i. e. a person of non Roma ethnicity), washed him, brought him to a hair-dresser and bought him a decent suit. Then they took him to the appropriate authorities and helped him to fill in a notification of business and a subject of enterprise. The ‘white horse’ received a small salary. In return he signed invoices for high amounts of money until he got caught by the police. In the end, the Roma criminals tried to get their ‘white horse’ out of the country (in one case as far as South Africa) or killed him so that he could not reveal anything. In some cases, they let him be imprisoned as they hoped that there was no evidence against them. ‘White horses’ were also used at a higher level; they knew exactly whom, and how to serve, but the principle as well as the end of the ‘white horse’ was the same. If the dams were emptied in the Czech Republic, bones on their grounds could tell stories.”

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