

INTRODUCTION

The present report builds upon various studies published by the Center for the Study of Democracy throughout the last decade which have focused on specific aspects of organized crime in Bulgaria (contraband, the drug market, tax fraud, human trafficking, arms proliferation, etc.), the systemic spread of corruption, and the linkages between the two. The report presents the latest trends and manifestations (or "market niches") of syndicate crime and its particularly damaging effects. It goes further to offer a historical review of the facts and available expertise in the area, and to draw conclusions about the origin, characteristics and developmental features of organized criminality in Bulgaria in the context of the transition to democracy.

Organized crime is approached as a complex phenomenon through one basic assumption: rather than being deviant behavior, as it generally is in other societies, crime in post-communist states such as Bulgaria was an **essential attribute of a society in transition** from state to private property, as the post-1989 state's monopoly over the economy began to dissolve, institutional control declined and private businesses proliferated in a largely unregulated environment. The collapse of the totalitarian state, whose immediate result was a burgeoning gray and black economy followed by a precarious combination of legal and shady businesses run by the post-communist elites, rather seamlessly propagated the emergence of organized crime.

Public bodies, particularly the judiciary and law enforcement, in transition states are under-equipped for identifying and tackling complex **organized crime enterprises which run legitimate businesses on a par with criminal deals and commonly resort to corrupt practices**. Thus, law enforcement agencies would rather focus on the unequivocally criminal and direct their efforts against black markets. The lack of capacity of both Bulgarian and EU institutions to tackle organized crime is nowhere more visible than when public figures and politicians speak publicly about contract killings. These notorious mafia-type murders, however, are a clear marker of the existence of complex criminal structures where even the gravest crime has a rational justification and a sound economic motive.

As the EU cannot but seek to apply uniform approaches and regulations across member states, its attempts to offer and require solutions regarding Bulgaria's justice and home affairs failures could only be cursory. **Countering organized crime and high-level corruption** are legitimately defined by the European Commission as the areas where progress to integration is most lacking. The benchmarks set, however, are too **quantitative and formal to be able to capture the changes or lack thereof of such deep-set issues**.

By outlining the types and trends in Bulgarian organized crime as it evolved in the transition years, this report provides a new perspective to these issues in general and in particular – on the **implications and the price to be paid for the penetration of local criminal enterprises** (bearing the characteristics of oligarchic cliques) **into the economic and political elites of Bulgaria**. This approach helps examine some fundamental questions, such as whether there is any legal national capital in Bulgaria and what is the preferred way of its legalization and transfer in the legitimate economy (amnesty, money laundering, etc.), what could be done against an increasingly brazen high-level symbiosis of policy makers and civil servants with gray businesses, and if this symbiosis could be further tolerated now that Bulgaria is a full-fledged EU member.

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This report attempts to present an authentic picture of organized crime in Bulgaria, by identifying its constituent features and major trends. The authors of the report, however, are not claiming to offer the most comprehensive representation, as the topic is constantly and dynamically changing. The research team has used information from all available sources, analyzing it through several, complementary methods. This multifaceted approach has sometimes led to contradictory conclusions about the surveyed gray and black markets. Any such contradictions were intentionally left intact in order to demonstrate the need for a continuing information gathering effort. Collecting empirical data about clandestine and hidden markets is a hard task, which can sometimes put the researchers at risk. However, it cannot be dispensed with, particularly as the so called "objective data" (police and judicial crime statistics) provided by public bodies is often incomplete and sometimes manipulated. The publication enhances expertise exchange through public-private partnership as a main research approach favored by the Center for the Study of Democracy.

The sources of information drawn upon are primary and secondary.

Primary sources comprise a series of quantitative and qualitative surveys that can be placed in two groups:

- National Crime Surveys conducted annually by the Center for the Study of Democracy and Vitosha Research since 2002. These are based on a nationally representative sample of the population over 15 years of age. They follow the UNICRI methodology, which makes their findings internationally comparable.
- Population surveys on drug use and prostitution. These are conducted by either Bulgarian and foreign public bodies, or non-governmental organizations and concern the use of psychoactive substances by various groups of the population (secondary school and university students, intravenous users, the populations of different localities, etc.) or cover prostitutes and human trafficking victims.

Qualitative research comprises over 200 in-depth interviews with law-enforcement and judiciary officials, organized crime participants and consumers of criminal

goods and services, conducted in the course of two years (2005–2007). Information from similar interviews carried out by the Center for the Study of Democracy experts throughout the period 2001–2007 in areas such as drug distribution and drug trafficking, arms transfer, contraband and customs frauds, have also been used. In-depth interviewees were selected from among three target groups:

1. Law-enforcement and judiciary officials. High-ranking and first-line police officers from units dedicated to countering the markets under research, customs officers, prosecutors and judges involved in key investigations and lawsuits against organized crime. Most interviewees have preferred to keep their anonymity. Others expressly required from the team not to disclose their rank or position. For this reason, a list was compiled, where each anonymous source was designated with a particular letter from the Latin alphabet.
2. Organized crime players. Most of them are from the grassroots level – current and former street dealers, petty pimps and car thieves, etc. In addition, some middle-level participants were interviewed, as well as several emblematic underworld figures.
3. Privileged clients of drug distributors, sex workers and car theft networks. As a rule, these people have had long relations with organized criminal groups and have an almost insider view of the situation. They are part of the criminal infrastructure—bartenders, security guards, night club owners, DJs, lawyers, car mechanics, etc.

Secondary sources include official crime statistics, such as police and customs service operational records, judicial statistics, statistical data from foreign police and judicial systems.

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The five parts of the report focus on: first, an overview of organized crime, followed by sections devoted to four of the main criminal markets—car theft, women trafficking and prostitution rings, drug smuggling and the local drug market, and the market of antiquities.

The analysis draws on key international and foreign crime surveys and research papers, as well as police records and statistics from Bulgaria and Western Europe. The key research approaches used are in-depth personalized interviews with experts/officials at relevant public institutions and agencies of the Ministry of Interior, and interviews with people victimized by or involved in organized criminal activities. The publication enhances expertise exchange through public-private partnership as a main research approach.

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