

**Ágnes Hankiss' Speech at the Hearing on Totalitarian Regimes  
European Parliament  
29 March 2011**

Sándor Márai, one of the greatest Hungarian writers of the 20th century, made a highly perceptive remark in his diary in the second half of the 1980's while staying in the USA as an émigré. He stated that the communists are just as dangerous when not protecting the ideology anymore, but their prey. Sándor Márai painted the true portrait of post-communism with prophetic insight: the sector where the afterlife of the communist secret services has been flourishing – besides the media and politics – was the corporate and bank sector. This is the field where international *organised crime, generally corruption* and the former communist state security services are to some extent interconnected. I would like to share some thoughts with you on this particular subject, namely the Russian and Russian-speaking organized crime.

As we know the communist state security cooperated closely with KGB – thus the Hungarian secret service functioned under the control of Soviet advisors. The secret services of allied satellite countries were sort of subsidiaries of KGB: each of them had specific roles. The division of tasks can be observed for instance in the communist management of international terrorism: this is among the sins of communist regimes usually swept under the carpet. While Hungary was known for its logistical support (Carlos and his team dwelled in Budapest for years and left for their homicidal missions if not with the eagerness of Hungarian communist leaders but nonetheless with their knowledge...), Czechoslovakia excelled at the creation of explosives and devices, the Bulgars and the Stasi played a key role on each and every operation areas.

Interestingly the cooperation between the Russian and Hungarian (and supposingly the other) communist secret services was far from being interrupted after the fall of communism. Now outside institutional frameworks, namely in business circles the ex-officers of secret services could well capitalize on the gained information and skills and mostly on the network capital including the colleagues leaving the services behind and those still on duty as well as those employed in politics, media, diplomatic bodies and business having some kind of connection to the communist elite, the party or state security. Secret networks were formed which would sooner or later establish links with international organized crime creating new forms of that.

Russian and Russian speaking organized crime established close links with the communist elite and state security symbolized by for example Semion Mogilevich, a former KGB general who became a notorious godfather and whose team involved among others the person leading the department of culture in Hungarian Socialist Workers' Party (MSZMP) in the socialist era. Instead of defending the ideology there was an advantageous shift towards prostitution, arms trafficking, illegal property business, gas and oil trade. These interconnections could be recovered in most of the significant corruption cases in recent years. The process was basically the same in all transition countries. Hungary is a Good example to illustrate the distinctive periods of this process.

After the fall and dissolution of the Soviet regime, all those had served in Hungary on many fields of military and security (as soldiers of the Russian army staying in Hungary or advisers ordered to Hungarian secret services etc.), now resting without the previous institutional frame in the changed situation, began looking for their private interests and so begun to sell weapons, shells and technics they could obtain in the last confused months. They founded private firms and as a consequence of this activity their partnership with Hungarian criminal circles and networks grew stronger and stronger. At that time radiological materials appeared on the market. That was the first time they succeeded in creating the so-called dirty bomb with uranium, but without the plutonium which would trigger an explosion. The process of obtaining and transporting these instruments and materials lead to the formation of stable networks of sellers and buyers. The **first circle of Russian and Russian-speaking organized crime** finished by legitimizing the immense profit by money-laundering. Unfortunately Hungary was at the top of this criminal activity among post-communist countries in which ex-officers of the communist secret services played a leading role.

The **second circle** began with the “spontaneous” privatization of state property where communist leaders and officers of secret services were main beneficiaries. Firstly, the arm factories were bought by Russians and Ukrainians who moved to Hungary to become residents, founded firms, very frequently married Hungarian women (similarly to Hungarian ex-officers having Russian wives while being trained in the USSR...). The main goal of these businessmen was on the one hand to infiltrate the Hungarian political elite, and later, on the other hand, to obtain positions in the EU the main tools of which were corruption necessarily combined with blackmailing. A turning point occurred in '95/ '96, when in Prague there was a big shooting in a bar and this event relocated many Russian criminals from the Czech Republic. They arrived in Hungary and began building up their networks of prostitution, drug-dealing and oil-manufacturing, the profit of which was later transferred to Swiss bank accounts. However, at the beginning of 2000 the Hungarian secret service managed to make their stay in Hungary impossible. The second circle was completed with a drastic change concerning their interests: their business focus was shifted to the energy sector and with that classical crime was replaced by the so-called intellectual crime, which is the main trait of modern organised crime.

**The third circle** of the formation of Russian and Russian-speaking organised crime targeted the EU. The main task for them at that time was to infiltrate the institutional, social and political systems of future EU member states, the European Union institutions and the NATO. These countries would be used by them as springboards to Europe. Realizing this goal in mind they founded associations, NGOs, frequently under the cover of strengthening the ways and chances of dialogue between East and West. For instance the Hungarian state security in the last months prior to the fall of the regime in 1989 created a foundation and some lobby-companies attached to it with the mission of building a bridge of dialogue, but in reality this was a cover of gaining access to and obtaining positions in the EU. Perhaps it is not a coincidence that a man whose name I found in those documents as a leader of one of the above mentioned companies founded by the Hungarian and Russian communist services, is a well-known socialist politician nowadays harshly agitating against the Hungarian

presidency and attacking the Hungarian government with the pretext of the media law and some other ways.

The Russian and Russian-speaking crime does not concern only East-European countries or ex-communist regions, but among others some banks in the USA or Switzerland and enterprises in Germany or for instance some real estate business in Austria. If I stated that even today it would be an important question how the EU can handle this threat and what measures can be taken against it, it may well seem anachronistic in 2011. Yet I think it is not. I think that - not denying the importance of dialogue and partnership - it would be important and useful to uncover to what extent the EU institutions are infiltrated by these hidden comrades' networks connected to organized crime, but honestly I am very sceptical about the EU's willingness, determination and capabilities to do this.