

Organization Attributes Sheet – Mogilevich Group

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A. When the organization was formed + brief history

- Early details are murky, but authorities first learned of **Semion Mogilevich** and his criminal activities in the 1970s, when he was a member of the Liubertskaia crime group that operated in the Moscow suburb of the same name. At this time, he was involved in petty thefts and counterfeiting.¹
- Mogilevich's first millions came from scamming fellow Russian Jews: "In the mid 1980s, when tens of thousands of Jewish refugees were hurriedly immigrating [*sic*] to Israel and America, Mogilevich made deals to buy their assets--rubles, furniture, and art--cheaply, promising to exchange the goods for fair market value and send refugees the proceeds in "hard" currency. Instead, he sold their valuables and pocketed the considerable profits."²
- In the 1980s, he established a petroleum import-export company, Arbat International; one of his partners--with a quarter share of the company--was the late Vyacheslav Ivankov,³ a prominent Russian organized crime figure, with particular influence in the United States.
- In early 1990, as criminal turf wars in Moscow were raging, Mogilevich left Russia for Israel, receiving Israeli citizenship and operating for a time in that country.
- He soon became associated with one of Moscow's most powerful criminal groups: the Solntsevskaya Bratva. In early 1993, he reached an agreement with this group to invest huge sums of money in a joint venture, acquiring a jewelry business in Moscow and Budapest.⁴
- In 2003, Mogilevich was indicted by the U.S. Federal Bureau of Investigation (FBI) for several crimes related to the massive defrauding of millions of investors in a stock manipulation scheme associated with shell company YBM Magnex. In 2009, he was placed on the FBI's "Ten Most Wanted" list.

B. Types of illegal activities engaged in,

a. In general

- Drug trafficking, human trafficking, prostitution,⁵ arms trafficking, contract killing, extortion,⁶ art and antiquities smuggling,⁷ fraud and money laundering,⁸ and **possible RN material smuggling**⁹
- Fraud and money laundering: Mogilevich has owned and/or utilized companies in the United States and the Caribbean to engage in fraud and money laundering.¹⁰

b. Specific detail: types of illicit trafficking activities engaged in

- **Human trafficking:** In the 1990s, Mogilevich bought a string of nightclubs in Prague, Riga, and Kiev called the "Black and White Clubs," which became centers of prostitution.¹¹ The Bilateral Safety Corridor Coalition (BSCC) has noted that criminal gangs from Russia have been discovered attempting to traffic victims across the U.S.-Mexico border.¹² They have succeeded in some cases: Using Mexico as a transit point, Russian groups have moved East European/Russian victims to New York.¹³
- **Arms trafficking:** Mogilevich reportedly is a part of legitimate arms industries in Europe, particularly the Hungarian armaments sector. In 1994, he purchased a license enabling him to buy and sell weapons. Around this same time, Mogilevich reportedly bought 95 percent of Army Co-op, a mortar and anti-aircraft gun factory, through a Channel Island holding company, Arigon, Limited.¹⁴ While it could be that these armaments companies engage only in legitimate transactions, it also could be that these provide Mogilevich with an ideal cloak to traffic arms.
- **Art and antiquities smuggling:** Mogilevich appears to have a keen interest in the

Information derived from several sources and searchable databases.

All research conducted according to the project manual.

smuggling of these items. Most of Mogilevich's smuggling of arts and antiques appear to be in conjunction/cooperation with Solntsevskaya Bratva. The business he set up with Solntsevskaya, according to classified FBI documents, "was to serve as a front for the acquisition of jewelry, antiques, and art, which the Solntsevskaya mob had stolen from churches and museums in Russia, including the Hermitage in St. Petersburg. The gangsters also robbed the homes of art collectors and even broke into synagogues in Germany and Eastern Europe to steal rare religious books and Torahs. Mogilevich's operation, again in collusion with the Solntsevskaya mob, also purchased a large jewelry factory in Budapest. Russian antiques, such as Faberge eggs, are sent to Budapest for 'restoration' Mogilevich's men ship the genuine Faberge eggs to an unwitting Sotheby's auction house in London for sale, then send fake Faberge eggs as well as other "restored" objects back to Moscow."¹⁵

- **Possible RN smuggling:** Mogilevich's group had allegedly been negotiating the purchase of uranium with a prominent FARC member as late as January 2008.¹⁶ Moreover, there have been allegations that Mogilevich has reportedly had communications and possibly dealings with al-Qaeda and the late Osama bin Laden regarding the sale of nuclear material and accessories.¹⁷
- **Drug Trafficking:** According to Balkan sources, powerful Russian groups, such as that behind Mogilevich, might be the actual "masterminds" or organizers of cocaine smuggling from Latin America, dealing with Balkan and other external criminal groups wishing to smuggle cocaine from the region.¹⁸

C. Scope and Size

a. Estimated size of network and membership

- Although exact numbers are unknown to open source information, the group's myriad activities and areas of operation would indicate that size is significant, or capabilities and capacity are otherwise excellent. An FBI estimate indicates that Mogilevich, in the late 1990s, may have had approximately 250 people in his organization.¹⁹

b. Countries / regions group is known to have operated in. (i.e. the group's operating area)

- **Much of the developed world:** Russian Federation, Eastern and Western Europe, Central Asia, Israel, the United States
- Mogilevich's money laundering network alone reportedly involves 27 nations.²⁰

D. Leader Characteristics

a. Who is/are the leader(s)

- **Semion Mogilevich** (AKA: Semyon/Semon/Simeon Mogilevich, AKA: Seva Moguilevich, Semon Yudkovich Palagnyuk, Semen Yukovich Telesh, Simeon Mogilevitch, Semjon Mogilevcs, Shimon Makelwitsh, Shimon Makhelwitsch, Sergei Yurevich Schnaider, and/or "Seva")²¹

b. Leadership timeline

- Mogilevich was arrested in Russia in 2008 by the Ministry of Internal Affairs (MVD) for large-scale tax evasion related to perfume store chain Arbat Prestige.²² He was released in 2009, and the case was officially closed in April 2011 for "lack of evidence of a crime."²³ He has remained the leader of his organization since he formed it.

c. Leadership style (autocratic, diffuse, etc.)

- **Diffuse** – While many decisions are made by Mogilevich, and other core members of leadership, in general, it is likely that decisions tend to be spread among various levels of authority and various cells and nodes of the network.²⁴

E. Organizational Structure

a. Topology (cellular, hierarchical, etc.)

Information derived from several sources and searchable databases.

All research conducted according to the project manual.

- **Structured, but flexible, cellular network** – There is a degree of hierarchy in that some decisions are made by Mogilevich and other key authorities within the group, but Mogilevich’s criminal organization as a whole functions generally as a flexible network, with members/components allocated to diffuse areas and tasks that will make the group both more effective in its endeavors, but also safer from law enforcement. Moreover, the group’s structure also includes cells, especially with regard to contingents operating farther from the former Soviet Union. These cells, while loosely affiliated with the core, generally make their own decisions and operate autonomously.²⁵

b. Membership – is there formal or informal membership in the organization or network? What role do informal or nonmembers play in trafficking and other criminal activities?

- One report suggests that Mogilevich’s relatives may play a significant role in his organization.²⁶

c. Command and Control (decentralized or centralized)

- **Diffuse** – While some decisions are made by Mogilevich at the “core” of the group, given the adaptability, flexibility, and adroitness of the group (which makes it more difficult to penetrate, counter, and/or mitigate), decisions are likely spread among various levels of authority and various cells and nodes of the network.

F. Resources

a. Financial

- **Significant financial resources.** Mogilevich has at his own personal disposal and that of his criminal group a massive amount of financial resources. Mogilevich was able to defraud international investors out of over \$600 million (\$150 million from U.S. investors) from a single stock manipulation scheme alone (YBM Magnex).²⁷ In 1995, British authorities estimated his worth at \$100 million.²⁸
- Mogilevich has long been alleged to be a central figure in the lucrative natural gas business between Ukraine, Russia, and Turkmenistan,²⁹ a fact which if true, gives him considerable legitimate financial revenue in addition to revenue from all illicit ventures.

b. Human

- **Significant human resources.** Mogilevich’s organization is a large and elite group involved in numerous illicit activities. The group, therefore, undoubtedly has members with various specializations that increase success in its ventures. In fact, Mogilevich is known to employ “talented and highly educated associates.”³⁰

c. Logistical

i. Forgery, safe-houses, etc.

- No specific information found, but Mogilevich was involved in counterfeiting during his time with the Liubertsky criminal group.³¹ And given his numerous aliases and status as a “wanted” figure, he undoubtedly makes extensive use of forged documents and other counterfeit items.

ii. Key routes

- Information not found.

d. Transportation

i. Land

- No specific information, but is believed to be used.

ii. Sea

- No specific information, but is believed to be used.

iii. Air

Information derived from several sources and searchable databases.

All research conducted according to the project manual.

- No specific information, but is believed to be used.

iv. Intermodal container

- Information not found.

G. Trafficking Methods and Modalities

a. Corruption

- It is unknown from available open sources to what degree Mogilevich's group utilizes corruption in Central America and the Caribbean. However, it is known that Mogilevich engages in extensive corruption with aspects of host countries' financial and political sectors. For instance, according to an FBI report, the "corruption of police and public officials has been part of the Semion Mogilevich Organization's modus operandi" in Europe, Russia,³² and the United States (see "Market/Transaction Links" in "Activities in the United States," below).

b. Concealment

- Information not found.

c. Deception

- Use of numerous aliases (see "Leader Characteristics," above).

d. Circumvention (avoiding border entry points)

- Information not found.

H. Prior / Existing Relationships

a. Other criminal organizations (cooperative and conflictual)

- **Revolutionary Armed Forces of Colombia (FARC)** – Mogilevich's group had allegedly been negotiating the purchase of uranium with prominent FARC member Paul Reyes before his death in 2008.³³
- **Solntsevskaya Bratva** (Solntsevo Brotherhood) – Mogilevich is reported to have been a member/associate of Solntsevskaya Bratva during the 1990s. However, it is likely this relationship has been severed or, at the least, has cooled after a 1995 meeting-turned-law enforcement raid between the two groups in a Prague restaurant owned by Mogilevich. This meeting was reported to have been a setup for the Solntsevskaya Bratva to kill Mogilevich, who never showed.³⁴ Regardless, **Mogilevich has historically been strongly tied to Solntsevskaya, which is highly active in Central America and the Caribbean.**³⁵
- **Russian criminal organizations and others from the former Soviet Union** – varying degrees of cooperation relating to Mogilevich's illicit activities
- **Camorra (Italy)** – Mogilevich has reportedly fostered a relationship with the Camorra

b. Corrupt politicians, law enforcement, political parties and other state entities, etc.

- **Russian political and security structures (at all levels)** – One of the most significant sources of power for Russian organized crime is connections within the government. In fact, criminal organizations and their leadership, Mogilevich and his group included, often have direct ties to oligarchs and others in positions of power.³⁶ This allegedly includes a long-standing relationship with Prime Minister Vladimir Putin,³⁷ although the extent of the relationship, and whether it is cooperative or conflictual, remains unknown to open sources. Despite being wanted by the United States and Interpol, Mogilevich continues to reside safely inside Russia.
- **Ukrainian political and security structures** – Mogilevich, by birth a Ukrainian, also appears to have high-level connections with the Ukrainian state apparatus, particularly the **Ukrainian Security Service (SBU) and former Ukrainian Prime Minister Yulia Tymoshenko.**³⁸ Sometime prior to September 2005, SBU files on Mogilevich and his criminal organization were allegedly destroyed.³⁹ This was information derived from several sources and searchable databases.

All research conducted according to the project manual.

reportedly ordered by former SBU head Oleksandr Turchynov and affected 13 volumes of documents dating back to 1993, including about 400 pages of correspondence with the FBI.⁴⁰

c. *Specific detail: Any alliances / past dealings with terrorist groups.*

- Mogilevich has reportedly had past dealings with known terrorist groups, including al-Qaeda.⁴¹

I. Ideological / Ethnic / Familial Orientation (if any)

- Information not found.

J. Technical Sophistication

- **Assessed as technically sophisticated.** Mogilevich himself is business- and tech-savvy. This is perhaps best reflected in his YBM Magnex stock manipulation scheme (see “Activities in the United States,” below), but also in the breadth of licit and illicit business ventures in which he is engaged.

K. Penchant for Innovation

- **Assessed as highly innovative.** Mogilevich is well-educated, with an economics degree, and has shown an acute business acumen, for instance in the YBM Magnex stock manipulation scheme (see “Activities in the United States,” below). Moreover, his innovation is reflected in general in the myriad illicit and licit activities in which he is engaged.

L. Activities in United States

a. Includes both criminal and non-criminal activities

- **Mogilevich is one of the U.S. Federal Bureau of Investigation’s (FBI) “Ten Most Wanted Fugitives”** for the following crimes committed on U.S. soil: “Fraud by Wire; RICO Conspiracy; Mail Fraud; Money Laundering Conspiracy; Money Laundering; Aiding and Abetting; Securities Fraud; Filing False Registration With the SEC; False Filings With the SEC; Falsification of Books and Records.”⁴²
- Other illicit activity might include human trafficking: The Bilateral Safety Corridor Coalition (BSCC) has noted that criminal gangs from Russia have been discovered attempting to traffic victims across the U.S.-Mexico border.⁴³ They have succeeded in some cases: Using Mexico as a transit point, Russian groups have moved East European/Russian victims to New York.⁴⁴

b. *Specific detail: trafficking activities ; logistical activities*

- Information not found.

c. Linkages with US groups

i. Market/transaction links

- According to the U.S. FBI, as a result of one of Mogilevich’s fraud schemes, company YBM Magnex International saw its stock price rise some 2,000 percent due to, among other things, “bribes to accountants and lies told to Securities and Exchange Commission officials.”⁴⁵ Mogilevich also used a company to launder money through the Bank of New York, as part of one of the largest money laundering cases in U.S. history.⁴⁶

ii. Stable supplier

- Information not found.

iii. Franchise arrangement

- Information not found.

iv. HQ and Branch office

- Information not found.

M. Evaluations

a. Strengths

- **Massive financial resources** – Extensive financial resources, generated from numerous illicit and legitimate sources, bring Mogilevich and his group enormous financial power.
- **International criminal and political connections** – A presence in numerous countries and ties to many criminal organizations across the world, give Mogilevich a degree of global power and capabilities. Connections to federal and local Russian and Ukrainian government officials and institutions also give his group vast additional resources as well as protection.
- **Business acumen and technical sophistication** – Mogilevich’s high intellect and penchant for innovation make him and his group particularly threatening when coupled with the other strengths listed in this section.
- **Highly educated associates/organization members** – Mogilevich, himself highly intelligent and innovative, also employs “talented and highly educated associates.”⁴⁷
- **Operational security (OPSEC) and denial, deception, and evasion measures** – Mogilevich’s group has, for the most part, been exceptional at evading detection by hostile and inquisitive entities, likely through a combination of good operational security and measures taken to deny information to, deceive, and evade such authorities.

b. Weaknesses and vulnerabilities

- **Physical health** – Mogilevich, in his sixties, may be seeing his health begin to deteriorate. He is reported to have diabetes and has allegedly had several heart attacks.⁴⁸
- **“Most Wanted” Listing** - Mogilevich’s listing as one of the U.S. FBI’s “Ten Most Wanted” places on him even more notoriety and severely hinders the criminal figure’s ability to move around the globe. As long as the highest Russian authorities desire, Mogilevich is safe within the Russian Federation, which has no extradition treaty with the United States and where his connections give him a high degree of protection. This is not to say he does consequently travel – he does under one of his myriad of assumed identities – but that it does make it more difficult and risky for him; his travel to a country which does or can temporarily cooperate with U.S. or other law enforcement officials could prove to be an immensely exploitable occurrence.

c. Additional insights

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Other Notes

- Mogilevich is known to utilize a Russian passport, but may also possess Israeli, Ukrainian, Greek,⁴⁹ Croatian,⁵⁰ and Hungarian⁵¹ passports

¹ Friedman, Robert I. “The Most Dangerous Mobster in the World,” *The Village Voice*, May 26, 1998.

<http://www.villagevoice.com/1998-05-26/news/the-most-dangerous-mobster-in-the-world>.

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ “Colombian Daily: FARC’s Raul Reyes Traveled to Romania to Obtain Uranium,” Bogota *El Espectador*, March 8, 2008, OSC: LAP20080308068003.

⁶ United States, Federal Bureau of Investigation. “Top Ten Fugitives: Global Con Artist and Ruthless Criminal,” *FBI.gov*, October 21, 2009. http://www.fbi.gov/news/stories/2009/october/mogilevich_102109.

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⁷ Harding, Luke. "International: Russians arrest alleged mafia boss by accident: Man on tax charge turns out to be 'The Brainy Don': Mogilevich said to have amassed \$100m fortune," *The Guardian* (London), January 26, 2008.; and Friedman.

⁸ United States District Court for the Eastern District of Pennsylvania. *United States of America v. Semion Mogilevich*, Wall Street Journal, 2007. <http://online.wsj.com/public/resources/documents/ruslobby-mogilevich-04172007.pdf>.

⁹ Ibid.

¹⁰ United States District Court for the Eastern District of Pennsylvania. *United States of America v. Semion Mogilevich*.

¹¹ Friedman.

¹² Seelke, Clare Ribando. "Trafficking in Persons in Latin America and the Caribbean," *Congressional Research Service*, December 9, 2010.

¹³ Lin Goh, Janice Phaik. "Deterritorialized Women in the Global City: An Analysis of Sex Trafficking in Dubai, Tokyo and New York," *Intersections*, Spring 2009.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ "Slain Colombian FARC rebel travelled to Romania to obtain uranium – daily," BBC Worldwide Monitoring, *LexisNexis Academic*, March 9, 2008.

¹⁷ "Colombian Daily: FARC's Raul Reyes Traveled to Romania to Obtain Uranium," OSC: LAP20080308068003

¹⁸ "Crime Expert Nicovic Claims Russian Mafia Runs Drug Smuggling from South America," Podgorica *Analitika*, November 18, 2010, OSC: EUP20101129023003.; and "Drug Boss Saric's Associate Jokovic Discloses Information on Cocaine Smuggling," Podgorica *Revija D Online*, February 16-23, 2011, OSC: EUP20110225023001..

¹⁹ United States, Federal Bureau of Investigation. "Semion Mogilevich Organization: Eurasian Organized Crime," *FBI Intelligence Section, Organizational Intelligence Unit*, August 1998.

²⁰ United States, Federal Bureau of Investigation. "Top Ten Fugitives: Global Con Artist and Ruthless Criminal."

²¹ United States, Federal Bureau of Investigation. "FBI Ten Most Wanted Fugitive," *FBI.gov*, October 2009. <http://www.fbi.gov/wanted/topten/semion-mogilevich>.

²² "Analysis: Media See Implications in Moscow Arrest of Crime Boss Mogilevich," OSC Feature - Russia, Ukraine, February 1, 2008, OSC: FEA20080201519108.

²³ "Programme summary Russian NTV Mir "Segodnya" news 1500 gmt 18 Apr 11," BBC Worldwide Monitoring, *LexisNexis Academic*, April 18, 2011.; and Harding, Luke. "The US embassy cables Russia: FBI's most wanted: Fugitive profits from EU gas deal," *The Guardian* (London), December 2, 2010.

²⁴ Burton, Fred and Dan Burges. "Russian Organized Crime," *Stratfor*, November 14, 2007.

²⁵ Ibid.

²⁶ Friedman.

²⁷ United States, Federal Bureau of Investigation. "Top Ten Fugitives: Global Con Artist and Ruthless Criminal."; and MaCleod, Ian. "Bounty put on suspected Russian crime boss; Allegedly defrauded investors in Canadian company of \$650 million," *The Gazette* (Montreal), October 22, 2009.

²⁸ Harding. "International: Russians arrest alleged mafia boss by accident: Man on tax charge turns out to be 'The Brainy Don': Mogilevich said to have amassed \$100m fortune."

²⁹ "OSC Analysis 14 Apr: Media Charge Crime Boss Mogilevich Has Protectors in Russia, Ukraine," *Russia, Ukraine -- OSC Analysis*, April 14, 2006, OSC: CEF20060414317001.

³⁰ Friedman.

³¹ Friedman.

³² Ibid.

³³ "Terrorists, arms dealers use Romania as meeting point – press," BBC Worldwide Monitoring, *LexisNexis Academic*, March 18, 2008.

³⁴ United States, Federal Bureau of Investigation. "Semion Mogilevich Organization: Eurasian Organized Crime."

³⁵ Burton and Burges.; and Calderon, Horacio. "Organized Crime and Terrorism in the TBA and adjacent regions," *Buenos Aires Impulso*, August 10, 2007. <http://www.impulsobaires.com.ar/nota.php?id=28292>.

³⁶ Burton and Burges.

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- ³⁷ “OSC Analysis 14 Apr: Media Charge Crime Boss Mogilevich Has Protectors in Russia, Ukraine,” OSC: CEF20060414317001.; and Kupchinsky, Roman. “The Strange Ties between Semion Mogilevich and Vladimir Putin,” *Eurasia Daily Monitor*, March 25, 2009.
- ³⁸ “Highlights: Russian, CIS Crime Issues 19-25 Mar 06,” *International -- OSC Report*, April 4, 2006, OSC: CEP20060404002001.
- ³⁹ “Ukrainian Security Service Said To Destroy Files on Crime Boss Mogilevich,” *Moscow Interfax*, March 23, 2006, OSC: CEP20060323027145.; and “Highlights: Russian, CIS Crime Issues 19-25 Mar 06,” OSC: CEP20060404002001.
- ⁴⁰ “Highlights: Russian, CIS Crime Issues 19-25 Mar 06,” OSC: CEP20060404002001.
- ⁴¹ “Slain Colombian FARC rebel travelled to Romania to obtain uranium – daily,” BBC Worldwide Monitoring.
- ⁴² United States, Federal Bureau of Investigation. “FBI Ten Most Wanted Fugitive.”
- ⁴³ Seelke, Clare Ribando. “Trafficking in Persons in Latin America and the Caribbean,” *Congressional Research Service*, December 9, 2010.
- ⁴⁴ Lin Goh.
- ⁴⁵ United States, Federal Bureau of Investigation. “Top Ten Fugitives: Global Con Artist and Ruthless Criminal.”
- ⁴⁶ Kramer, Andrew. “‘Man with 7 faces’ arrested in Moscow; He reputedly pioneered a sophisticated form of money laundering,” *The International Herald Tribune*, January 26, 2008.
- ⁴⁷ Friedman.
- ⁴⁸ “Defense requests bail for reputed mafia boss over ill health,” *RIA Novosti*, June 4, 2008.
- ⁴⁹ United States, Federal Bureau of Investigation. “FBI Ten Most Wanted Fugitive.”
- ⁵⁰ “Croatian Passports Popular Among Balkan War Criminals, Mafia Bosses,” *Zagreb Jutarnji.hr*, July 28, 2008, OSC: EUP20080728061005.
- ⁵¹ United States, Federal Bureau of Investigation. “Semion Mogilevich Organization: Eurasian Organized Crime.”