

**RESEARCH PAPER**

**Geopolitics and Combating Transnational Organized Crime: A Case Study of Russia and Cyprus**

Leo S.F. Lin <sup>1</sup>

<sup>1</sup> *Affiliated lecturer, School of Social and Political Sciences, University of Glasgow, UK*

*\*Corresponding Author* [Leo.Lin@glasgow.ac.uk](mailto:Leo.Lin@glasgow.ac.uk)

---

**ABSTRACT**

This study investigates the relationship between Russia and Cyprus, focusing on the interplay of geopolitics and the challenge of combating transnational organized crime (TOC). The research explores the multifaceted connections between the two nations, including tourism, religion, and historical ties, and delves into the presence of transnational organized crime and money laundering activities. Emphasizing the impact of political tensions on formal and informal institutions, this analysis employs Robert Putnam's two-level game thesis to understand the geopolitical dynamics in addressing TOC through treaty-signing measures. The paper also provides a preliminary examination of government responses, revealing the complexities of international cooperation and the challenges arising from the nexus of geopolitics and criminal activities in a globalized world. The prevalence of money laundering and organized crime activities underscores the significance of effective government responses. A bilateral agreement between Russia and Cyprus signals their official commitment to combatting various transnational crimes, including drug trafficking, human trafficking, illegal migration, and firearm possession. Despite persisting challenges, the formal agreement and ratification signify noteworthy progress in addressing transnational crimes, highlighting the importance of international cooperation in confronting the evolving landscape of organized crime.

**Keywords:** Geopolitics, Transnational organized crime, Russia, Cyprus, money laundering, globalization, international cooperation, treaty-signing measures.

© 2024 The Authors, Published by (**TJLSS**). This is an Open Access Article under the Creative Common Attribution Non-Commercial 4.0

---

**INTRODUCTION**

In the era of globalization, criminal activities are beyond distinct jurisdictions and national borders. Crime organizations are not only becoming transnational in scope but also exhibiting a degree of flexibility and adaptability in methods and modes that pose substantial challenges for law enforcement, intelligence agencies, and society at large. (Godson & Williams, 1998). One of the most critical challenges of the twenty-first century is opening international borders with the worldwide flow of communication and advanced technology, which creates rich opportunities for enhanced political and economic cooperation between countries. The phenomenon of organized

crime, however, reveals its darker side when considering its political, economic, social, or cultural aspects. Organized crime is often linked to corruption, violence, and criminal activities. It can have a devastating effect on local communities and can even have a negative impact on the global economy. Although globalization is an age-old process with which every state has always had to deal, the scope of the activities pursued by organized criminal groups has become alarming in recent decades (Kegö & Molcean, 2011).

This paper aims to investigate the role of geopolitics and how it relates to the nexus of criminal activities and governments' responses, focusing on the relations between island states and major powers. This paper examines transnational organized crime and money laundering between the Russian Federation and the Republic of Cyprus. First, there is a strong connection between the two countries, including tourism and religion. Secondly, organized crime activities in both cases exhibit a nexus between the two countries. Russian organized crime groups have been in connection with Cyprus for decades.

This paper addresses the research question: “*How do political dynamics between Russia and Cyprus affect their efforts to combat transnational organized crime?*” It also provides a preliminary analysis and attempts to analyze the government's responses to the above issues. Putting the research scope under a political science perspective, this paper uses Robert Putnam's two-level game thesis to analyze the geopolitics between the two countries in combating transnational organized crime (TOC) by treaty-signing measures. Political tensions between Russia and Cyprus impact formal and informal institutions. This paper will provide an account of the dynamics of geopolitics between the two countries and how the dynamics affect their efforts in combating TOC issues.

This article contributes to the existing literature by giving an overview of the political dynamics between Russia and Cyprus, examining the impact political tensions have on combating transnational organized crime, and using Putnam's two-level game theory to examine challenges and opportunities for cooperation between the two countries. The article also provides a preliminary analysis of the government's responses to transnational organized crime. This preliminary analysis serves as a steppingstone to further research and policy formulation in this crucial area of concern.

## ***Historical Background***

### **Cyprus as the Focal Point**

Cyprus, Located in the Mediterranean Sea, was ruled by two big empires: the Ottoman and the British. The conclusion of British rule prompted a pivotal question regarding the governance of the island. The Greek government advocated for the reunification of Cyprus with Greece, while Turkey initially sought the complete integration of Cyprus with Turkey. However, this stance evolved, and Turkey later endorsed the partition of the island between Greece and Turkey. These divergent positions reflected the complex negotiations and geopolitical considerations surrounding the fate of Cyprus following the end of British colonial rule. (Kasım & Eren Kasım, 2017). The simmering tensions between the Greek Cypriot majority and the Turkish Cypriot minority reached a critical point in December 1963, erupting into violence in the capital, Nicosia. The situation

escalated in 1974 when a coup, backed by the Greek government, sought to overthrow the elected president of Cyprus. In response, Turkey intervened militarily, gaining control of over a third of the island. Subsequently, in 1983, the Turkish Cypriot-administered region proclaimed itself the Turkish Republic of Northern Cyprus (TRNC), a declaration recognized solely by Turkey. This historical sequence of events reflects the complex and enduring issues that have shaped the divided status of Cyprus (CIA). In the end, a federation named the Cyprus Republic was formed by the Turks and Greeks. Unfortunately, this arrangement proved unsuccessful, leading to Turkey's intervention to safeguard the rights of Turks residing on the island. The European Union (EU) became involved in the dispute, admitting the Greek side of the island as a member without resolving the underlying problem. Presently, Cyprus is home to two distinct ethnic, religious, and cultural communities that coexist separately (Kasım & Eren Kasım, 2017).

The Cyprus question remains one of the world's enduring disputes, persisting across shifts in both structure and framework over an extended period (Kasım & Eren Kasım, 2017). Since 1974, due to historical confrontations, Cyprus has been bifurcated into two distinct parts—Greek in the south and Turkish in the north. The United Nations (UN) has been tasked with patrolling the border, known as the Green Zone, in an effort to maintain stability. Despite numerous negotiation attempts aimed at reunification, all have proven futile, primarily due to the unwillingness of either side to make concessions. Consequently, the island remains divided, characterized by a persistent low-level conflict, rendering it an intractable problem that has eluded resolution through diplomatic negotiations (Kaufman, 2013). The island's inhabitants primarily identify themselves as either Turks or Greeks. The lack of a substantial number of people identifying as Cypriots makes it challenging to establish Cyprus as a state seamlessly comprised of two ethnic groups. The Turkish and Greek descent individuals in Cyprus maintain robust connections to their respective mother countries, further complicating efforts to foster a unified Cypriot identity (Yılmaz, 2010).

### Russia and Geopolitics

The dissolution of the Soviet Union in 1991 marked a pivotal moment in Russian history, triggering a profound reevaluation of the country's geopolitical positioning on the global stage. The loss of the Soviet empire's vast territory and influence left Russia with a diminished status on the global stage, and the country's leaders were forced to grapple with the question of how to define Russia's new place in the world. This period of self-reflection was marked by a turbulent oscillation between overestimating Russia's significance and grappling with inferiority complexes. On the one hand, there was a tendency to view the collapse of the Soviet Union as a geopolitical disaster and to argue that Russia's size and strategic location made it a naturally great power. On the other hand, there was a growing sense of insecurity about Russia's future and a fear that the country was being marginalized by the West (Ištók & Plavčanová, 2013).

The bilateral relations between Moscow and Cyprus have been of special significance since the mid-1950s. Both countries have aligned their mutual interests with international legal and ethical principles through these relations, which have been characterized by a high degree of pragmatism. Moscow's pragmatism is evident in its support for the Greek Cypriot majority and its opposition to Turkey's hegemonic ambitions. This has enabled the two countries to find areas of common interest and cooperation, such as in the energy and tourism sectors. It has also allowed

the two sides to manage their differences and disputes effectively. Furthermore, the pragmatic approach has enabled the two countries to build trust and understanding. Melakopides' work examines the robust diplomatic and political ties between Russia and Cyprus, spanning diverse domains such as trade, banking, energy, tourism, culture, and defense. The research also delves into the origins of Russia's historical and religious connections with Hellenism and Cyprus, revealing the underlying sentiments that shape this enduring relationship (Costas Melakopides, 2016).

## LITERATURE REVIEW

### *Russian Organized Crime and its influence*

Russia faces the challenge of an environment conducive to the flourishing of organized crime. This issue has deep historical roots, tracing back 400 years and finding particular shaping during the seven decades of Soviet rule that concluded in 1991. The intricate administrative bureaucracy of Russia has played a significant role in fostering organized crime. This historical backdrop sheds light on the enduring prevalence of organized crime in contemporary Russia and its intricate integration with the political system. Organized crime has become an institutionalized element within the country's political and economic landscape (Finckenauer & Voronin, 2001).

Since the 1990s, the absence of robust legislation and the pervasive corruption within law enforcement and the justice system in Russia have compelled society to address the legal vacuum through alternative means. In response, the methods of thieves' arbitrations and extrajudicial decision implementation have become increasingly prevalent as a way for individuals to navigate a system perceived as deficient and corrupt. This phenomenon reflects a broader societal response to the shortcomings in the legal and judicial infrastructure as individuals seek alternative mechanisms for dispute resolution and justice implementation (Cheloukhine, 2008). The surge in organized crime can be attributed to the weakening of state structures, an unavoidable consequence of the transition process. In the Russian context, the collapse of the Soviet state, with its established mechanisms for social and political control, and the shift towards democratic structures altered the power dynamics between officials and criminals. The absence of a robust enforcement apparatus to maintain control over criminal activities within established boundaries allowed organized crime to expand its scope in unprecedented ways. The changing political landscape and the inadequacy of mechanisms to curb criminal influence contributed to the proliferation of organized crime during this transitional period (Godson & Williams, 1998).

The swift ascent of Russian organized crime on the global stage prompted the head of Italy's Parliamentary Anti-Mafia Commission to declare in 1993 that *"the world capital of organized crime is in Russia."* This recognition underscored Russian criminal networks' international reach and influence during that period, highlighting their impact beyond national borders (Sterling, 1994). Russia faces a heightened vulnerability to the proliferation of criminal activity, primarily attributable to the weakened state of its government. Law enforcement bodies encounter significant challenges, including insufficient funding, inadequate equipment, limited training, and a less-than-robust legal foundation for pursuing criminals or engaging in effective cooperation with foreign officials. These systemic deficiencies contribute to an environment that

fosters the growth and persistence of criminal enterprises within the country (Sterling, 1994). In present-day Russia, the flourishing of organized criminal groups and their engagement in illegal economic activities is attributed, in part, to a pervasive corruption network and the misappropriation of financial resources. The intertwining of illicit practices with corrupt elements within the system contributes to an environment where organized crime can thrive, undermining both the economic landscape and the integrity of public institutions. The misuse of financial resources further exacerbates these issues, perpetuating a cycle that sustains the influence and operations of organized criminal entities in contemporary Russia (Cheloukhine, 2008).

### *Linkage of Criminal Activities between Russia and Cyprus*

Various historical, geographical, and economic factors contribute to the involvement of Russian criminal activities in Cyprus. The country's strategic geographical location, proximity to Israel, Egypt, and Greece, its significance as a hub for business contacts, pleasant climate, and notably, its banking system, collectively attract Russian criminal groups to Cyprus. In the early 1990s, a community of Russian businessmen and their families established a presence on the island. However, the relationship has not been without issues. In 1994, twelve Russians were deported from Cyprus on suspicion of extorting money from fellow Russian businessmen. The following year, bomb explosions in Limassol occurred during confrontations between Russian gangs. The tarnished reputation of certain Russian companies has led local authorities to reject cooperation with the Russian Central Bank in granting licenses to specific Russian entities, underscoring the challenges posed by these criminal associations in Cyprus (Siegel, Bunt, & Zaitch, 2003).

Money laundering stands out as one of the most prevalent forms of criminal activity, and Cyprus has a significant historical association as a "*laundromat*" for illicit funds from Russia. As of 1996, an estimated \$1.3 billion was believed to flow into Cyprus from Russia each month. This lucrative practice has proven advantageous for Cyprus, leading the country to decline a request from the Russian Central Bank to seek consultation before granting licenses to Russian companies. With approximately 2,000 Russian companies in Cyprus, many small entities established primarily for safeguarding hard currency in offshore bank accounts, the motive often revolves around protecting funds from inflation, low interest rates, and the volatile Russian ruble (Williams, 2014). The recent Panama Papers investigation brought significant attention to Cyprus, with the country referenced a notable 530,937 times in the leaked documents. In particular, the Bank of Cyprus, the largest bank in the country, was mentioned 4,657 times in connection with various financial activities and transactions disclosed in the Panama Papers. This substantial number of references underscores the involvement of Cyprus, and its major financial institution in the complex web of offshore financial dealings and structures revealed by the Panama Papers (May, 2017).

Organized crime in Cyprus is characterized as being less developed compared to some other regions. Crime groups operate locally, with structures primarily based on kinship and shared interests, particularly in pursuing profit. The predominant nationalities involved in these activities are Greek-Georgian and Greek-Russian groups, primarily engaged in the distribution of narcotics, burglaries, thefts from cars, extortion, and robberies. Cyprus has emerged as a destination for illegal immigrants who use the country as a steppingstone for reaching other European countries.

Notably, organized criminal groups operating in Cyprus are often from abroad, predominantly originating from neighboring countries (Europol, 2004). Since the early 2000s, there has been a notable surge in Russian tourism to Cyprus, establishing the island as one of the preferred travel destinations for Russian citizens in the Mediterranean (along with Turkey, Israel, and Egypt). This increase in tourism reflects the growing appeal of Cyprus to Russian visitors, drawn to the island's attractions, climate, and cultural offerings. The strengthened ties between Russia and Cyprus in the tourism sector have contributed to the island's popularity among Russian travelers over the years (Delanoe, 2013). Moreover, the dynamic economy of Cyprus has proven attractive to various Russian criminal organizations. More than twelve Russian banks and thousands of offshore companies have been registered in Cyprus, signifying the island's significance for Russians, particularly in the post-socialist period. This era saw a proliferation of new businesses and commercial structures, highlighting the role of Cyprus as a strategic hub for Russian economic activities and financial endeavors (Siegel et al., 2003).

## RESEARCH METHODOLOGY

This study used a qualitative research approach to examine the relationship between Russia and Cyprus and how the political dynamics shape government policies in dealing with organized crime activities. The data was collected by reviewing the literature, government documents, and media reports. This research employs the two-level game approach to analyze the government responses of Cyprus and Russia. Putnam's two-level game theory involves a nuanced interaction between players, recognizing the complexity where moves deemed rational at one stage may prove unwise at the other. To simplify this game, it is divided into two levels: Level I, the international level, entails bargaining between negotiators, leading to a tentative agreement. The 'chief negotiator,' whether an individual, a group, or an organization, serves as the primary negotiating force at this stage. Level II represents the domestic audience, where supporters of the 'chief negotiator' engage in separate discussions about whether to ratify the agreement. This can manifest as a parliamentary or ratification vote. The critical interplay between the two levels lies in Level II's necessity to ratify any Level I agreement. Modification at Level II functions as a rejection at Level I, necessitating the reopening of negotiations at that stage. Ultimately, final ratification hinges on a 'vote'—either up or down—by Level II constituents (Putnam, 1988; Wilson, 2010).

Given the circumstances, Putnam introduces the concept of a 'win-set' for a specific Level II constituency. The 'win-set' encompasses all potential Level I agreements that would secure a "win"—in other words, those agreements that would attain the necessary majority when voted up or down by the constituents. As the win-set delineates the range of acceptable outcomes for individuals or groups on a particular issue, a larger win-set implies a greater likelihood of overlap among constituents. Consequently, negotiations at level I are more prone to success when larger win-sets are present at Level II because a broader array of outcomes is deemed acceptable, increasing the chances of finding a mutually agreeable solution. Conversely, a smaller win-set heightens the risk of negotiations faltering, as fewer outcomes are considered acceptable to the involved parties (Putnam, 1988; Wilson, 2010).

Whether engaged in multilateral negotiations or bilateral meetings, government leaders regularly participate in *"two-level games,"* concurrently navigating domestic and international spheres. Adopting the two-level games perspective, executives function as "chief negotiators" in international discussions, aware that ultimate success hinges on securing domestic approval during the ratification stage. This crucial link between the international and domestic levels may be formal, relying on voting requirements, or more informal, gauged through public approval ratings. Centering on government leaders as *"gatekeepers"* and central figures in international negotiations, the two-level games perspective offers a distinctive approach to foreign policy analysis, reintegrating the subfields of comparative politics and international relations. While sharing similarities with a liberal perspective, two-level games emphasize the autonomy of executives in decision-making, which cannot be solely derived from their constituencies (da Conceição-Heldt & Mello, 2017).

Based on the above description, this paper borrows the framework that Sebenius (2013) developed to examine policy responses toward organized crime between Russia and Cyprus. According to Sebenius, the two-level game concept involves the intricate task of effectively aligning *"internal"* negotiations with *"external"* negotiations, with a particular emphasis on managing internal opposition to agreements negotiated "at the table." This perspective implicitly assumes that each side's leadership is most adept at handling internal conflicts by advocating for deal terms that can address internal objections and skillfully promoting the agreement to key constituencies. However, Sebenius delves into how each side can assist the other in overcoming "behind-the-table" barriers to a successful agreement. He contends that negotiators should be mindful of Level II negotiations and take proactive measures to aid the other side in addressing their domestic obstacles to agreement. This assistance might involve tailoring the agreement's content to alleviate internal objections, coordinating external pressure on the other side's internal factions, and even engaging in direct negotiations with counterparts at Level I to devise measures that counteract their Level II opponents (Tovar, M., & Lin, 2022).

Applying Sebenius's Two-Level Game framework to the policy of transnational organized crime involves a comprehensive approach considering both international negotiations and domestic ratification processes within each participating country. At the international level (Level I), key stakeholders negotiate to address organized crime, crafting agreements like extradition treaties and joint law enforcement strategies. The framework emphasizes understanding the interests of all parties to reach globally acceptable solutions. Moving to the domestic level (Level II), negotiators recognize that international agreements must be ratified and implemented domestically, necessitating a nuanced understanding of each country's internal dynamics, legal structures, and public sentiments. Tailoring agreements to address domestic concerns, Level II negotiations involve garnering support from legislative bodies, law enforcement, and civil society. Additionally, the framework highlights the importance of assisting countries in overcoming domestic barriers to implementation, promoting legislative changes, and coordinating efforts to combat transnational criminal networks. By incorporating both levels, policymakers and negotiators can navigate the complexities of transnational organized crime, ensuring that agreements are reached internationally and effectively implemented at the domestic level.

## ANALYSIS AND DISCUSSION

### *Analysis*

The political dynamics between Cyprus and Russia are shaped by deep-rooted historical ties, economic collaboration, and intermittent military cooperation. These connections were established long before the creation of the Republic of Cyprus in 1960. Moscow's involvement in defending the rights of the Greek Cypriot majority is evident in its support for Greece's endeavors to secure the self-determination of Cyprus, particularly in the early 1950s when facing opposition from London and Washington. A notable instance of Soviet/Russian support for Cypriot rights occurred with Moscow's critical protection of the Republic of Cyprus through Security Council Resolution 186 in March 1964, solidifying the unchallenged legitimacy of the Nicosia administration. This historical context underscores the enduring nature of the political relationship between Cyprus and Russia (C Melakopides, 2017). During the Cold War, Moscow's relationship with Cyprus was marked by ambiguity. The Kremlin provided support to the Cypriot far-left wing party Akel. After the division of the island in 1974, Moscow backed the Greek Cypriot stance against Turkey. Concurrently, the Soviet Union sought to maintain cordial ties with Ankara, driven by Moscow's strategic interests in the region, particularly the Turkish straits. This nuanced approach reflected the complex geopolitical dynamics of the Cold War era, where Moscow navigated alliances and diplomatic considerations in the Eastern Mediterranean (Siotis, 1969). Recent developments in the Russian-Cypriot relationship have predominantly centered on financial aspects, but it's crucial to note that these ties also rest on a foundation of political agreements and cultural roots. Since the 2000s, Russia has forged robust connections with Nicosia, effectively transforming the island into a strategic foothold in the Mediterranean within the European Union and a key outpost for Russian influence in the Middle East. The evolving nature of this partnership has sparked questions and considerations about the motivations and dynamics driving the bilateral relationship between Russia and Cyprus (Delanoë, 2013).

The economic and cultural ties between Moscow and Greek Cypriots have been enduring and substantial, with Russian investment, particularly in real estate and banking, playing a significant role. Cyprus has become an attractive destination for Russian businesses and individuals, partly due to its favorable tax regime. The island has been a leading recipient of direct investment from Russia and a favored destination for Russian tourists. Both Russia and Cyprus share Orthodox Christianity as the predominant religion. However, despite these long-standing relationships, the Cypriot government maintains a degree of wariness toward Russia. Historical incidents, such as Moscow's interference in the 2004 referendum on a UN-driven deal for reunification, where Russia vetoed a UN Security Council resolution, have fueled concerns. The fear, particularly on the Greek and Cypriot side, is that Moscow may leverage social and mass media, along with connections to fringe nationalist political parties and the Greek Orthodox Church, to undermine ongoing settlement talks in the region.

In characterizing the relations between Russia and Cyprus, Melakopides (2017) adopts a "*practical idealist*" perspective. According to this perspective, Melakopides suggests that certain ideas and notions serve as binding elements between states and peoples. In the case of Russia and Cyprus, historical ties and shared principles may contribute to the practical idealism that underpins



their relationship. This approach implies a recognition of both the pragmatic aspects and the aspirational, idealistic elements that shape the dynamics between these two entities (C Melakopides, 2017; Vamvakas, 2017). The foundation of the Russian-Cypriot partnership lies primarily in cultural ties, with nearly ten percent of Russian speakers constituting permanent residents on the island. Cyprus has, in essence, evolved into a miniature Russia in the Mediterranean, fostering a sense of cultural affinity. While economic relations exist, there is a call for greater balance, particularly as most of the trade depends on Russia's gas exports to Cyprus. From a political perspective, the Kremlin's longstanding support for Nicosia, particularly regarding the island's division, has been a driving force behind the bilateral understanding that has persisted for decades (Delanoe, 2013).

A critical component of organized crime in Europe is identified as Russian-speaking crime. As per Europol's analysis, the expansion of the Russian-speaking criminal organizations (RBOC) gained momentum following the collapse of communism. Factors contributing to this growth included open borders, a readiness to use violence, insufficient preparedness of EU police forces, the utilization of the Russian diaspora as a conducive environment, and notably, the high level of professionalism exhibited by Russian-speaking networks (Chlebowicz, 2021). Cyprus has been favored by Russian organized crime groups for several reasons, including its historically low corporate tax rates, banking secrecy laws, and streamlined business setup procedures. The country's EU membership provides access to broader economic networks, and the Golden Visa program attracts foreign investors, including Russians, seeking residency in the European Union. The well-established and internationally connected banking sector and historical ties between Cyprus and Russia contribute to the island's appeal. While these factors have made Cyprus an attractive destination, concerns about money laundering and illicit financial activities have arisen, prompting regulatory improvements in recent years. Despite efforts to enhance transparency, the island's past reputation and ongoing complexities underscore its appeal to certain individuals and businesses, including those associated with organized crime.

Both Cyprus and Russia have recognized the importance of international cooperation in combating organized crime. As a member of the European Union, Cyprus is also part of broader regional and international efforts to combat organized crime through mechanisms like Europol and Interpol. Russia, too, participates in various international organizations and agreements aimed at countering organized crime. On April 5, 2016, the two countries signed a bilateral cooperation agreement for combating organized crime. According to an official press release, the agreement was signed during a working visit that Cyprus Foreign Ministry Permanent Secretary Alexandros Zenon paid to Moscow. On Russia's part, the Deputy Minister of Foreign Affairs, Alexei Meshko, signed the agreement. This agreement establishes a comprehensive framework for cooperation between the two countries in their joint efforts to maintain security and public order, primarily focusing on preventing, detecting, and suppressing serious crimes. The agreement encompasses a range of offenses, including the trafficking of drugs, psychotropic substances, and precursors; human trafficking; sexual exploitation and child pornography; offenses related to illegal migration; illegal production, trafficking, and possession of firearms, explosives, and other potential weapons of mass destruction; illicit trafficking of cultural and historical treasures; cyber-crime; offenses against property in the realm of economic activity; corruption; and the production and sale of

forged money, documents, and securities. The agreement facilitates various forms of cooperation between the contracting states, including the exchange of operational and scientific information, sharing experiences related to crime prevention and detection, assistance in implementing operational search activities, collaboration in the search for persons, and identification of individuals unable to identify themselves due to health or age, as well as unidentified deceased persons. This agreement has been ratified into law (N.3(III)/2017). Russia and Cyprus reached an agreement on international negotiations, level I. The chief negotiators are foreign ministry-level officials. After signing the agreement, the Cyprus parliament ratified it in 2017 without many objections. As for Russia, there is no big issue in ratifying the agreement because the central government makes the ultimate decision.

### ***Discussion***

Even though criminal activities have not stopped in the Russia-Cyprus case, a formal agreement between the two countries has been signed and ratified. Over the past years, the interaction between the law enforcement authorities of Russia and Cyprus in fighting transactional crimes has been broadening. This demonstrates that both countries are committed to enforcing their laws and preventing criminal activities. This is an important step in ensuring the safety and security of both countries. In both countries, many issues relating to crime need to be addressed. For example, money laundering is a serious issue. Cyprus is one of the countries with a significant presence of Russian money in their financial sectors, which is why that country needs to take this issue even more seriously than it has been. Cooperation between the two countries is necessary in order to tackle this problem. Inter-agency collaboration and intelligence sharing should be prioritized. Establishing effective mechanisms for information exchange and joint investigations should also be considered. Indeed, Cyprus has already acquired a reputation for being the favored money-laundering hub for Russian-based organized crime (Galeotti, 2017).

For instance, the Federal Bureau of Investigation (FBI) is actively investigating a Russian-linked Cyprus bank that stands accused of money laundering. The FBI has formally requested financial information from Cypriot officials regarding a now-defunct bank that was utilized by affluent Russians with political ties and is under U.S. government scrutiny for money laundering allegations. While the bank refutes any wrongdoing, Cyprus fully cooperates with the investigation and has implemented measures to adhere to international standards on money laundering. U.S. authorities are specifically aiming to trace the origin and destination of funds transferred through the bank, probing any potential connections to criminal activities. The FBI has sought documents related to transactions and accounts from the bank, and Cyprus is expected to furnish the requested information in the coming weeks. Formerly known as the Federal Bank of the Middle East (FBME), the institution was based in Tanzania, but the majority of its banking activities, approximately 90 percent, were conducted in Cyprus. The bank asserts that it has satisfied all financial requirements outlined by the Central Bank of Cyprus and is taking additional steps to ensure full compliance with relevant money laundering regulations.

A report by the US Treasury Department raised allegations that FBME was being used for terrorist financing and other criminal activities. The Central Bank of Cyprus has since revoked FBME's banking license and has frozen its assets. The bank is now under the supervision of a

court-appointed administrator. The administrator is tasked with winding up the bank operations and returning the funds to customers. The US Treasury Department is continuing its investigation into FBME's activities. The future of the bank remains uncertain, especially considering that in 2014, the U.S. Treasury's Financial Crimes Enforcement Network (FinCEN) labeled this bank as an institution of "*primary money laundering concern*." An internal report from the Central Bank of Cyprus in 2014, obtained by The Guardian, highlighted FBME's banking relationships with several Russian nationals deemed politically sensitive clients. Approximately half of the bank's clients were reported to be Russians, including individuals like Vladimir Smirnov, with close ties to Vladimir Putin, and Aleksandr Shishkin, a member of Putin's political party. These revelations have contributed to heightened scrutiny and uncertainty surrounding the bank's operations and reputation, both domestically and internationally.

Despite ongoing criminal activities, the signed and ratified formal agreement between Russia and Cyprus reflects a resolute commitment to combat transnational crimes. Challenges persist, notably in addressing the pervasive issue of money laundering, with Cyprus is a significant hub for Russian funds. The recent FBI investigation into a Russian-linked Cyprus bank accused of money laundering adds complexity to the situation, emphasizing the need for continued international cooperation. Despite uncertainties surrounding the bank's operations and reputation, the agreement signifies a shared determination to confront the complexities of organized crime, underlining the ongoing relevance of collaborative efforts in ensuring the safety and security of both nations.

## CONCLUSION

This paper has delved into the intricate relationship between Russia and Cyprus in the context of combating transnational organized crime, providing a comprehensive examination of the multifaceted connections between the two nations. The exploration extended beyond traditional geopolitical considerations, encompassing historical, political, and economic dimensions, shedding light on the challenges and opportunities presented by the era of globalization. The vulnerabilities of Russia to organized crime, deeply embedded in its historical framework, have been contextualized, emphasizing the aftermath of the Soviet Union's collapse. Weak governance, corruption, and financial misuse have created fertile ground for criminal activities, and the paper highlighted how Cyprus, with its favorable geographical position and banking system, has become an attractive destination for Russian criminal groups. The bilateral agreement between Russia and Cyprus, despite challenges posed by historical tensions and geopolitical shifts like the annexation of Crimea in 2014, stands as a testament to their strategic partnership and commitment to combating transnational crime. As we turn our gaze toward the future, several promising directions for research emerge, building on the foundations laid by this study. One noteworthy avenue is the adoption of a quantitative research approach to gather more extensive and empirical data. Such targeted investigations could delve into specific dimensions, such as the nuanced role of organized crime in shaping interactions between Russia and Cyprus or the measurable impact of political tensions on the effectiveness of transnational crime reduction measures, leveraging frameworks like the two-level game theory.

Furthermore, future research could explore the evolving nature of transnational organized crime in the era of globalization and its broader implications. This might involve an in-depth examination of emerging trends, such as criminal networks' use of advanced technology or their adaptation strategies to exploit global financial systems. Understanding the effectiveness of international legal frameworks and institutions in addressing these evolving challenges would also be paramount. Additionally, researchers might explore the role of other regional actors in shaping transnational organized crime dynamics. Analyzing the influence of neighboring states, regional organizations, or non-state entities could provide a more holistic understanding of the patterns and trends observed in the Russian-Cypriot context. Investigating the collaborative efforts and information-sharing mechanisms between countries and international organizations in combating organized crime could further enrich our understanding of effective strategies and potential areas for improvement.

In conclusion, this paper paves the way for future research endeavors, advocating for a more nuanced and comprehensive exploration of the complexities surrounding transnational organized crime, geopolitics, and international cooperation. By embracing rigorous quantitative methodologies and examining evolving trends, researchers can contribute to a deeper understanding of the challenges posed by organized crime in our increasingly interconnected world. The bilateral agreement between Russia and Cyprus reflects their commitment to collaborative efforts and serves as a call to action for further research to inform more effective global responses to transnational organized crime.

## REFERENCES

- Cheloukhine, S. (2008). The roots of Russian organized crime: from old-fashioned professionals to the organized criminal groups of today. *Crime, Law and Social Change*, 50(4-5), 353-374.
- Chlebowicz, P. (2021). Organised Crime as a Political Influence Tool of the Russian Federation. *Internal Security*, 13(2), 175-186.
- da Conceição-Heldt, E., & Mello, P. A. (2017). Two-level games in foreign policy analysis.
- Delanoe, I. (2013). Cyprus, A Russian Foothold In The Changing Eastern Mediterranean. *MERIA Journal*, 17(2).
- Europol. (2004). *2004 European Union Organised Crime Report*: Office for Official Publications of the European Communities.
- Finckenauer, J. O., & Voronin, Y. A. (2001). *The threat of Russian organized crime* (Vol. 2): US Department of Justice, Office of Justice Programs, National Institute of Justice Washington, DC.
- Galeotti, M. (2017). *Crimintern: How the Kremlin Uses Russia's Criminal Networks in Europe*: European Council on Foreign Relations.
- Godson, R., & Williams, P. (1998). Strengthening cooperation against transnational crime. *Survival*, 40(3), 66-88.
- Ištók, R., & Plavčanová, D. (2013). Russian geopolitics and geopolitics of Russia: phenomenon of space. *European Journal of Geopolitics*, 1, 61-94.
- Kasım, K., & Eren Kasım, E. (2017). *Taiwan-Cyprus-Kosovo Cases: Differences And Similarities*.
- Kaufman, J. P. (2013). *Introduction to international relations: Theory and practice*: Rowman & Littlefield Publishers.

- Kegö, W., & Molcean, A. (2011). *Russian speaking organized crime groups in the EU*: Institute for Security and Development Policy Stockholm.
- May, R. (2017). Cyprus is at the center of a circle of corruption surrounding Trump. *Dallas News*. Retrieved from <https://www.dallasnews.com/opinion/commentary/2017/12/15/cyprus-center-circle-corruption-surrounding-trump>
- Melakopides, C. (2016). *Russia-Cyprus Relations: A Pragmatic Idealist Perspective*: Springer.
- Melakopides, C. (2017). On the “Special” Nature of the Russia–Cyprus Relationship. *Russian International Affairs Council*.
- Putnam, R. D. (1988). Diplomacy and domestic politics: the logic of two-level games. *International organization*, 42(3), 427-460.
- Siegel, D., Bunt, H., & Zaitch, D. (2003). *Global organized crime: trends and developments* (Vol. 3): Springer Science & Business Media.
- Siotis, J. (1969). Chypre et les grandes puissances 1955-1968. *Revue française de science politique*, 19(6), 1238-1246.
- Sterling, C. (1994). Thieves' World. *The Threat of the New Global Network of Organized Crime*, New York, Simon Schuster.
- Tovar, M., & Lin, L. S. (2022). The Politics of Sexual Violence and Subhuman Conditions: The Case of Bosnia and Rwanda. *Traditional Journal of Law And Social Sciences*, 1(02), 17-27.
- Vamvakas, P. (2017). Russia-Cyprus Relations: A Pragmatic Idealist Perspective by Costas Melakopides. *Mediterranean Quarterly*, 28(2), 146-148.
- Williams, P. (2014). *Russian organized crime*: Routledge.
- Wilson, A. (2010). Putnam’s Two-Level Game: Case Studies of Serbian and Russian Reactions to the Kosovar and Chechen Independence Movements. *ABD: The Ohio State University, Graduate Program Slavic and East European Studies*.
- Yılmaz, M. E. (2010). Ethnic Identity and Ethnic Conflicts. *Akademik Bakış Dergisi*, 21, 1-22.