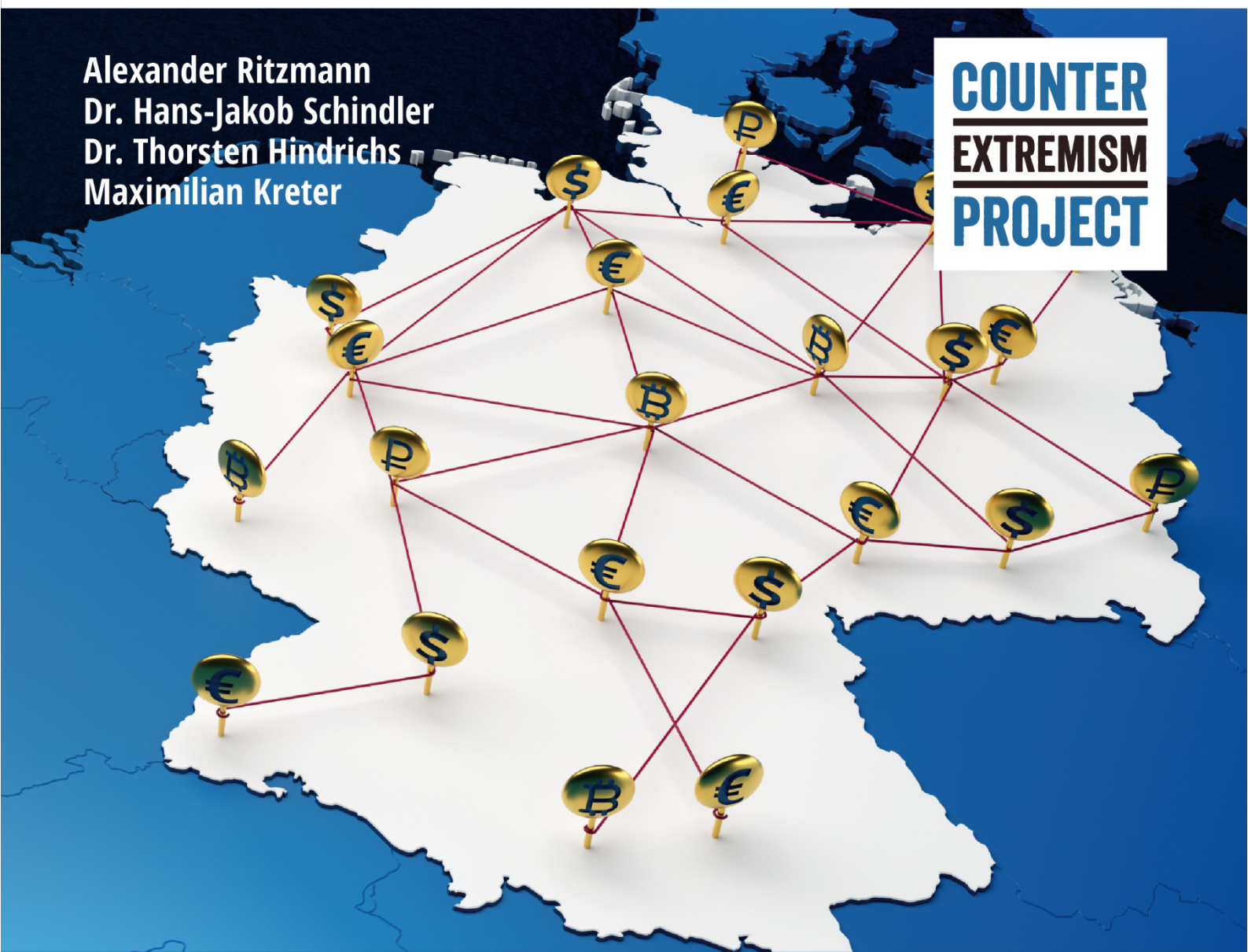


# Financing patterns and networks of violence-oriented right-wing extremist actors in Germany

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## **About CEP**

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The **Counter Extremism Project (CEP)** is a non-profit and non-partisan international policy organisation that was founded to tackle the growing threat presented by extremist ideologies. CEP campaigns for a more moderate and safe society by providing information to the public and to political decision-makers, the private sector and key players in civil society about the threats that we face from extremism. CEP also develops strategies aimed at disrupting the financial networks, recruitment networks and material support networks of extremist groups and their leaders. For further information on our activities please visit our website: [counterextremism.com](https://counterextremism.com).

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## EXECUTIVE SUMMARY

The financial structures of violent right-wing extremist organisations and actors in Germany are broad and multifaceted. Currently, there is a lack of up-to-date and in-depth analyses of the various financial strategies employed by these groups and individuals as well as their different sources of income. It seems like the “*follow the money*” approach, which has been successfully deployed against organised crime and in the prevention and fight against Islamist extremism and terrorism, has not been adopted with regard to violent right-wing extremism.

A part of the violent right-wing extremist milieu, in particular those actors that are closely integrated into wider transnational networks, seem to have professionalised their financial strategies. Interestingly, a superficial analysis of publicly available data concerning the business models and legal formats chosen by violent right-wing extremist entrepreneurs may give the impression that a discernible strategy is absent. However, it is important to note that large segments of the violent right-wing extremist milieu, especially those that are transnationally linked, are highly networked with discernible structures connecting the various nodes.

Deploying the “*Administrative Approach*”, developed by the European Union to fight organised crime, could be an effective tool in the fight against right-wing extremist organised crime. This methodology targets the interface between illegal and supposedly legal activities and income of criminal actors and networks. For example, local authorities could carry out coordinated tax audits as well as controls concerning the adherence with building codes and fire protection regulations targeting companies and businesses of right-wing extremist entrepreneurs that are directly linked to convicted felons who are part of the same ideological network.

The study identified 38 relevant business entities in Germany that are involved in the production and dissemination of violent right-wing extremist music. Interestingly, although the overall music market in Germany is characterised by high levels of competition, this sub-segment does not seem to display economic or ideological conflicts and functions in a cooperative manner, with various stakeholders linked to each other.

Right-wing rock concerts are both lifestyle events as well as marketplaces and function as central networking hubs of the overall movement. Therefore, a clear distinction between the social networks of the right-wing rock music scene and those of the violent right-wing extremist scene can only be made in a very abstract sense. Due to the intricate and opaque business relationships on both the national and transnational levels of the (legal) German right-wing rock music market, it is of utmost importance to further investigate the key stakeholders within this milieu. These actors should be conceptualised not as individual economic entities or individual perpetrators but as representatives of the right-wing terrorist networks that operate in the background.

Extremist right-wing rock music can be a profitable business in Germany due to the increasing professionalisation of production, dissemination and event management. These financial structures will continue to thrive so long as they are led by professional entrepreneurs who are not effectively confronted by government authorities.

## RECOMMENDATIONS FOR ACTION

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## **Overview and assessment of right-wing extremist financial strategies in Germany**

*Alexander Ritzmann*

### **1. Overview of right-wing extremist financial strategies**

The financing of violent right-wing extremist organisations and actors in Germany is diverse and multifaceted. However, broadly speaking, there is a lack of up-to-date and well-founded analysis of the financial strategies employed by these groups and individuals and of their sources of income. There does not yet seem to be a “*follow the money*” approach to the uncovering of network structures in the area of violent right-wing extremism, as has become established in many cases in the prevention and fight against Islamist extremism and terrorism, for example<sup>1</sup>. Up until a few years ago, it was stressed by state authorities, in Germany too, that right-wing extremists tended to be self-financing,<sup>2</sup> namely through their own savings or inheritances, or through blood donations. The focus was also on financing political parties, in this case in particular the National Democratic Party of Germany (NPD).<sup>3</sup>

However, some sections of the right-wing extremist milieu, in particular those that are closely integrated into transnational networks,<sup>4</sup> seem to have agreed some years ago to adopt a more professional approach to their financial strategies. “The only way to create structures is through commercial success,”<sup>5</sup> as a leading right-wing extremist stated in public at a major “right-wing rock festival” in 2017. In his contribution to this report, Thorsten Hindrichs provides a detailed overview of the relevance and structures of the right-wing extremist music scene.

The spectrum of financial strategies used ranges from those with minimal income from blood donations through to online trading platforms and international music festivals, where revenues amounting to millions of euros can apparently be generated in some cases, with profits of several hundred thousands of euros.<sup>6</sup> Detailed explanations and calculations on the potential level of revenues and profits achieved at right-wing extremist music events and by a large store or online business can be found in the contribution supplied by Maximilian Kreter.

Following a report published by CEP at the beginning of November 2020 on the transnational connectivity of right-wing extremists, which also examined the financial activities of right-wing

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<sup>1</sup> Ritzmann, Alexander: Kein Bier für Nazis (No beer for Nazis), ZEIT ONLINE, <https://www.zeit.de/gesellschaft/2021-02/transnationaler-rechtsextremismus-eu-bewegung-gewalt-judenfeindlichkeit-fluechtlingspolitik-osteuropa-alexander-ritzmann>

<sup>2</sup> Conference transcript of the Office for the Protection of the Constitution of the states of Brandenburg and Saxony, Enemies of the Constitution and the Capital – financial flows in right-wing extremism, 2012

<sup>3</sup> Senate administration for Internal Affairs and Sport, Department: Protection of the Constitution, sources of finance in right-wing extremist circles, 2007

<sup>4</sup> : Rekawek, Kacper; Ritzmann, Alexander; Schindler, Hans-Jakob: Violent Right-Wing Extremism and Terrorism – Transnational Connectivity, Definitions, Occurrences, Structures and Countermeasures, Counter Extremism Project 2020 [https://www.counterextremism.com/sites/default/files/CEP-Studie\\_Gewaltorientierter%20Rechtsextremismus%20und%20Terrorismus\\_Nov%202020.pdf](https://www.counterextremism.com/sites/default/files/CEP-Studie_Gewaltorientierter%20Rechtsextremismus%20und%20Terrorismus_Nov%202020.pdf)

<sup>5</sup> Ibid. Axel Schlimper starting at 20:43 mins. (A. Schlimper: [https://blog.zeit.de/stoerungsmelder/2018/06/15/das-moerderische-netz-der-holocaustleugner\\_26533](https://blog.zeit.de/stoerungsmelder/2018/06/15/das-moerderische-netz-der-holocaustleugner_26533))

<sup>6</sup> “Right-wing rock in Germany – the network of the neo-Nazis,” ZDF (Mainz, 2019), 20:43 - 20:50 mins., <https://www.zdf.de/dokumentation/zdfinfo-doku/rechtsrock-in-deutschland-das-netzwerk-der-neo-nazis-102.html> (Interview Stefan Kramer, LfV Thuringia)

extremist groups,<sup>7</sup> the German Conference of the Minister for the Interior resolved to *"further improve efforts to uncover the structures and interconnections of nationally and transnationally networked right-wing extremism, with a focus on sources of income and in particular on the further flows of finance and financial transactions."*<sup>8</sup>

A working group was set up for this purpose with the task of producing a report in time for the 2021 autumn conference. In his contribution to this report, Hans-Jakob Schindler has already made a number of assessments on the basis of indications for potential illegal business practices of right-wing extremist entrepreneurs.

In international terms too, there is in the meantime increased focus on the financial strategies of right-wing extremists, for example in meetings of experts organised by the United Nations or by the German Federal Foreign Office in cooperation with other nation states<sup>9</sup>. In particular the most recent report issued by the Financial Action Task Force (FATF) in June 2021 looks at the diversity of relevant financial strategies.<sup>10</sup>

To follow, we present six relevant strategies for raising finance that are used by right-wing extremist actors, as identified in the CEP Report of November 2020<sup>11</sup>. They can also be found in the latest FATF Report.

#### **Strategy One: self-financing/donations/cryptocurrencies**

Right-wing extremists often use their own money to pay for propaganda campaigns or trips to supra-regional meetings. Right-wing extremists with limited financial means finance their activities through blood donations.<sup>12</sup> In this context, the Federal Office for the Protection of the Constitution refers to "a wealth of ideas". It is also known that third parties sometimes make financial donations to violent right-wing extremist actors, as in the case of the "NSU".<sup>13</sup>

<sup>7</sup> Rekawek, Kacper; Ritzmann, Alexander; Schindler, Hans-Jakob: Violent Right-Wing Extremism and Terrorism - Transnational Connectivity, Definitions, Occurrences, Structures and Countermeasures, Counter Extremism Project 2020 [https://www.counterextremism.com/sites/default/files/CEP-Studie\\_Gewaltorientierter%20Rechtsextremismus%20und%20Terrorismus\\_Nov%202020.pdf](https://www.counterextremism.com/sites/default/files/CEP-Studie_Gewaltorientierter%20Rechtsextremismus%20und%20Terrorismus_Nov%202020.pdf)

<sup>8</sup> Standing Conference of the Minister for the Interior and Senators for the Interior of the Federal States, collection of the resolutions released for publication on 10 December 2020, [https://www.innenministerkonferenz.de/IMK/DE/termine/to-beschluesse/20201209-11/beschluesse.pdf?\\_\\_blob=publicationFile&v=3](https://www.innenministerkonferenz.de/IMK/DE/termine/to-beschluesse/20201209-11/beschluesse.pdf?__blob=publicationFile&v=3) (Top 3)

<sup>9</sup> Counter Extremism Project (CEP): The Financing of Right-wing and Ethnically or Racially Motivated Terrorism, December 2020, <https://www.counterextremism.com/sites/default/files/CEP%20Virtual%20Side%20Event%2007.12.20%20AFTER%20ACTION%20REPORT%20FINAL.pdf>

<sup>10</sup> Financial Action Task Force (FATF), Ethnically or Racially Motivated Terrorism Financing, FATF Report, June 2021, page 26, <https://www.fatf-gafi.org/media/fatf/documents/reports/Ethnically-or-rationally-motivated-terrorism-financing.pdf>

<sup>11</sup> Ritzmann, Alexander: Germany. In: Rekawek, Kacper; Ritzmann, Alexander; Schindler, Hans-Jakob: Violent Right-Wing Extremism and Terrorism - Transnational Connectivity, Definitions, Occurrences, Structures and Countermeasures, Counter Extremism Project 2020, page 103,

<sup>12</sup> Georg-Steffan Russew, "Right-wing extremism – a business worth millions," Zeit Online, 23 August 2012, <https://www.zeit.de/gesellschaft/zeitgeschehen/2012-08/rechtsextremismus-finanzierung-musiklabel>.

<sup>13</sup> Christian Unger, "The secret donations of the NSU," Welt, 23 August 2013, [https://www.welt.de/print/welt\\_kompakt/article119301917/Die-geheimen-Spenden-des-NSU.html](https://www.welt.de/print/welt_kompakt/article119301917/Die-geheimen-Spenden-des-NSU.html)

According to his own statement, the assassin in Halle (2019) received funding via Bitcoin to the value of approx. EUR 1,000 from a person who he had told on a weapons manufacturing platform on the dark web that he "wanted to shoot Muslims".<sup>14</sup>

Cryptocurrencies, in particular Bitcoin, have also played a role in attempts at extortion in the violent right-wing extremist milieu. According to press reports,<sup>15</sup> threatening emails from the "National Socialist Offensive" (NSO) contained demands for payments in Bitcoin and Monero.<sup>16</sup> There have also been reports in the media<sup>17</sup> that threatening emails from NSU 2.0 apparently contained demands for payments in Bitcoin.<sup>18</sup>

### Strategy two: concerts and music festivals

Organising commercial concerts and festivals seems to be one of the main sources of income of the right-wing extremist scene. The foundation for this is formed by around 150 right-wing extremist bands and around 60 singer-songwriters and solo vocalists.<sup>19</sup> Concerts also provide financial support for "comrades", helping them to cover the costs of legal processes and lawyers.<sup>20</sup>

It is estimated that, nationwide, the revenues earned from these festivals in the year 2018 were around 1.5 to 2 million euros. This calculation is based on an estimated 35,000 visitors to the larger music events with assumed sales of € 50 per person (entrance or "donation"/food and drink/T-shirts/CDs).<sup>21</sup>

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Zeit Online, dpa, AP and Aro, "Former domestic intelligence agent donated a part of his pay to the NSU," Zeit Online, 19 February 2018, <https://www.zeit.de/gesellschaft/zeitgeschehen/2018-02/nsu-ausschuss-stuttgart-verfassungsschutz-finanzierung-rechtsterrorismus>.

<sup>14</sup> "2nd day of negotiations. Minutes of process. 17-page minutes of the second day of negotiations," democ. Zentrum Demokratischer Widerspruch e. V. (Centre for Democratic Dissent), <https://democ.de/2-prozesstag-protokoll/>; Sven Röbel, "Halle assassin received financial support from an unknown person," Der Spiegel, 11 October 2019, <https://www.spiegel.de/panorama/justiz/halle-saale-attentaeter-wurde-von-unbekanntem-finanziell-unterstuetzt-a-1291171.html>

<sup>15</sup> Litschko, Konrad (2020), Rechtsextreme Terrorbriefe. The Radicalised, TAZ, 21.04.2020, <https://taz.de/Rechtsextreme-Terrorbriefe/!5680194/>

<sup>16</sup> Press release dated 14.12.2020, <https://www.berlin.de/gerichte/presse/pressemitteilungen-der-ordentlichen-gerichtsbarkeit/2020/pressemitteilung.1030065.php>

<sup>17</sup> Jansen, Frank, Technically skilled, right-wing extremist and full of hate. Who is behind "NSU 2.0"?, Tagesspiegel, 02.08.2020, <https://www.tagesspiegel.de/politik/technisch-versiert-rechtsextrem-und-voller-hass-wer-steckt-hinter-nsu-2-0/26058180.html>

<sup>18</sup> Maegerle, Anton Maegerle; Stark, Holger, Who is the man behind NSU 2.0?, Zeit Online, 21.05.2021, [https://www.zeit.de/politik/2021-05/nsu-2-0-drohbriefe-verfasser-npd-darknet?utm\\_referrer=https%3A%2F%2Fwww.google.com](https://www.zeit.de/politik/2021-05/nsu-2-0-drohbriefe-verfasser-npd-darknet?utm_referrer=https%3A%2F%2Fwww.google.com)

<sup>19</sup> Deutscher Bundestag, minor interpellation from members of the Bundestag Benjamin Strasser and Stephan Thomae, ... and the FDP parliamentary group. Connection between the far-right music scene and acts of violence, printed paper 19/17457, 2 March 2020, <https://dipbt.bundestag.de/doc/btd/19/174/1917457.pdf>

<sup>20</sup> Florian Flade and Marcel Pauly, "How the neo-Nazi scene is financing itself without any problems," Welt, 30 October 2016, <https://www.welt.de/politik/deutschland/article159101345/Wiesich-die-Neonazi-Szene-ungestoert-selbstfinanziert.html>.

<sup>21</sup> "Right-wing rock in Germany – the network of the neo-Nazis," ZDF (Mainz, 2019), 26:26 - 27:00 mins., <https://www.zdf.de/dokumentation/zdfinfo-doku/rechtsrock-in-deutschland-das-netzwerk-der-neo-nazis-102.html> (model calculation by Thorsten Hindrichs); Florian Flade and Marcel Pauly, "These are the musical places of pilgrimage for the neo-Nazis," Welt, 18 February 2016, <https://www.welt.de/politik/deutschland/article152370442/Das-sind-die-Musik-Pilgerstaetten-der-Neonazis.htm>



It is apparent that there are four core components of many of these concerts and festivals that can potentially contribute towards a significant reduction in costs and to much higher profit margins than is the case with conventional events management.

- The events take place on private land, owned by right-wing extremists or supporters.
- They are registered as (political) gatherings.
- Entrance fees are categorised as tax-free because they are declared as donations.<sup>22</sup>
- On site security personnel and other service providers have close links to the scene,<sup>23</sup> making it easier to find ways of tax avoidance and facilitating money laundering.

### Strategy three: stores/online stores

In Germany there is a network of right-wing extremist music labels and online traders; in Saxony and Thuringia alone, there were a total of 27 of these in 2018.<sup>24</sup> The revenues earned through the sales of right-wing extremist music and merchandise (clothing/ accessories) in Saxony was estimated to be around EUR 3.5 million in the year 2012.<sup>25</sup> Some individual music labels are “held in high regard by the right-wing extremist scene, both in Germany and in other countries”<sup>26</sup> with sales of several hundred thousands of euros per year (see also the contribution supplied by Maximilian Kreter). With the profits earned, properties are purchased or rented, and financial support is given to activities on the right-wing extremist scene.<sup>27</sup>

### Strategy four: combat sports events

The relevance of combat sports events organised by right-wing extremist groups is steadily increasing, especially those with a transnational focus. For example, in 2018 the "Kampf der Nibelungen" was held in Saxony, with around 850 persons attending.<sup>28</sup> With the revenues earned from major events of this kind, estimated at around 50 euros per

<sup>22</sup> <https://www.spiegel.de/politik/deutschland/themar-die-strippenzieher-der-rechtsrock-konzerte-a-1159646.html>

<sup>23</sup> German Bundestag, response of the federal government to the minor interpellation from members of the Bundestag Martina Renner, Dr André Hahn, Gökay Akbulut, further members of the Bundestag and the parliamentary group of DIE LINKE. Findings of the police and the Federal Office for the Protection of the Constitution with regard to right-wing rock concerts in Themar, printed paper 18/13661, <https://dserver.bundestag.de/btd/18/136/1813661.pdf>

<sup>24</sup>Thuringia Landtag, minor interpellation from member of the Landtag König-Preuss (DIE LINKE) and response from the Thuringia Ministry for the Interior and Municipal Issues, printed paper 7/822, 15 May 2020, [http://www.parldok.thueringen.de/ParlDok/dokument/75735/neonazistische\\_musikkultur\\_thueringens\\_2018\\_und\\_2019.pdf](http://www.parldok.thueringen.de/ParlDok/dokument/75735/neonazistische_musikkultur_thueringens_2018_und_2019.pdf)

<sup>25</sup> Georg-Steffan Russew, “Right-wing extremism – a business worth millions,” Zeit Online, 23 August 2012, <https://www.zeit.de/gesellschaft/zeitgeschehen/2012-08/rechtsextremismus-finanzierung-musiklabel>

<sup>26</sup> “Right-wing extremist sales scene”, State Office for the Protection of the Constitution for Saxony, <https://www.verfassungsschutz.sachsen.de/vertrieb-rechtsextremistischer-produkte-5084.html>

<sup>27</sup> State Ministry for the Interior for Saxony, report of the Office for the Protection of the Constitution for Saxony, 2018, Dresden, 2019, page 106,

[https://www.verfassungsschutz.sachsen.de/download/Verfassungsschutzbericht\\_2018\\_Web.pdf](https://www.verfassungsschutz.sachsen.de/download/Verfassungsschutzbericht_2018_Web.pdf)

<sup>28</sup> Ibid., page 733

participant, it was possible to generate a total of approx. EUR 42,000 for this event alone. Online trading of merchandise, functional clothing and sports accessories also plays a significant role in this context.

#### **Strategy five: real estate**

According to the German federal government, there are at least 17 properties that are being used as venues for the activities of right-wing extremists or that are in their ownership.<sup>29</sup> This also includes some restaurants.<sup>30</sup> It is to be assumed, however, that this number only represents a fraction of the actual figure. The Saxony Cultural Office identified at least 81 properties used by right-wing extremists in Saxony alone,<sup>31</sup> yet only 23 properties are listed by the Office for the Protection of the Constitution for Saxony.<sup>32</sup>

Properties that are legally and physically “secure” enable “sustained value creation”<sup>33</sup> and make it easier to organise events. Internally, they are described as “fortresses in enemy territory”.

#### **Strategy six: organised crime**

The FATF's latest report repeatedly points to criminal activities as a means of raising finance for the violent right-wing extremist scene in Germany.<sup>34</sup>

For example:

In February 2021, the Thuringia state criminal investigation office (TLKA) and the Gera public prosecutor's office carried out searches of 27 residential and commercial properties, based on suspicions that drug rings dealing in narcotics were operating, as well as on suspicion of money laundering. The properties in question were associated with the right-wing extremist organisation the "Brotherhood of Thuringia" (Turonen/Garde 20). Eight arrests were made and almost 1 kg of narcotics was seized, along with around EUR 120,000 in cash and a number of weapons.<sup>35</sup> A lawyer was also arrested in

<sup>29</sup> German Bundestag, response of the federal government to the minor interpellation from members of the Bundestag Martina Renner, Dr André Hahn, Gökay Akbulut, further members of the Bundestag and the parliamentary group of DIE LINKE. Immobilien der extrem rechten Szene in Deutschland 19/29012, 9 May 2019, <https://dserver.bundestag.de/btd/19/290/1929012.pdf>

<sup>30</sup> Office for the Protection of the Constitution for Thuringia, report of the Office for the Protection of the Constitution of the free state of Thuringia 2018, Erfurt, 2019), page 25; “Increase in the purchase of properties by right-wing extremists”, 2 July 2020, <https://www.zdf.de/nachrichten/politik/rechtsextremisten-immobilien-100.html>

<sup>31</sup> Saxony Cultural Office: “Sachsen rechts unten 2021” (Saxony on the right at the bottom 2021), <https://kulturbuero-sachsen.de/sachsen-rechts-unten-2021/>

<sup>32</sup> RedaktionsNetzwerk Deutschland (RND): Saxony: Right-wing extremists primarily seek out properties in rural areas, 30.07.2020, <https://www.rnd.de/politik/sachsen-rechtsextreme-suchen-immobilien-vorrangig-im-landlichen-raum-OU5MXVP45766TISIGWNT5EAKNY.html>

<sup>33</sup> Office for the Protection of the Constitution for Thuringia, report of the Office for the Protection of the Constitution of the free state of Thuringia 2018, Erfurt, 2019), page 25; “Increase in the purchase of properties by right-wing extremists”, ZDF, 2 July 2020, <https://www.zdf.de/nachrichten/politik/rechtsextremisten-immobilien-100.html>

<sup>34</sup> Financial Action Task Force (FATF), Ethnically or Racially Motivated Terrorism Financing, FATF Report, June 2021, page 17 and page 19, <https://www.fatf-gafi.org/media/fatf/documents/reports/Ethnically-or-racially-motivated-terrorism-financing.pdf>

<sup>35</sup> MDR Thuringia: Following a police raid in the neo-Nazi scene – Who are the “Turonen”?, 06 March 2021, <https://www.mdr.de/nachrichten/deutschland/politik/neonazis-turonen-organisierte-kriminalitaet-100.html>

connection with the case. According to media reports, he had assisted the group with money laundering activities.<sup>36</sup>

According to media reports, there were arrests in December 2020 in both Germany and Austria of persons belonging to a violent right-wing extremist network that was involved in both the illegal weapons trade and drug dealing.<sup>37</sup>

A right-wing extremist drug-dealing ring was uncovered in Aachen in 2017.<sup>38</sup>

In 2014, the police in Leipzig found drugs on a member of the violent neo-Nazi scene with a market value of EUR 150,000.<sup>39</sup>

"Interfaces between the right-wing scene and criminal organisations" are to be investigated to a greater degree in the future, according to the Federal Criminal Police Office.<sup>40</sup>

## **2. An attempt to classify right-wing extremist financial strategies**

Consideration of the publicly available data on the business models and legal formats chosen by violent right-wing extremist entrepreneurs may give the impression that there is no clear or discernible strategy. Whilst a few of the main actors choose the popular legal form of a private limited company (in German "GmbH"), there are many others who choose to remain as entrepreneurial companies ("UG"), partnerships under civil law ("GbR") or sole traders for many years. GbRs and sole traders do indeed have less to deal with in terms of administrative requirements and reporting obligations; however, the financial liability and the risk remains entirely with the entrepreneur themselves. Even some of the companies with the largest turnovers in the violent right-wing extremist milieu are run in this way. According to the Office for the Protection of the Constitution for Thuringia, the right-wing extremist scene earned revenues of one million euros in 2018 in Thuringia alone.<sup>41</sup>

This rather unclear picture has contributed towards a situation in which this very relevant aspect of right-wing extremism – the financing of the key actors and of the scene itself – has up until now been perceived by the state authorities as being rather amateurish.<sup>42</sup>

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<sup>36</sup> MDR Thuringia, criminal investigations into a drug-dealing ring in Gotha. A lawyer was allegedly involved in illegal dealings with a group of neo-Nazi rockers. 19.05.2021, <https://www.mdr.de/nachrichten/thueringen/west-thueringen/gotha/drogenhandel-neonazi-rechtsextrem-rechtsanwalt-ermittlungen-100.html>

<sup>37</sup> Möseneder, Michael; Schmidt, Colette M.: Five arrests and a spectacular haul of weapons in the right-wing extremist scene, Der Standard, 13.12.2020, <https://www.derstandard.de/story/2000122445163/fuenf-festnahmen-und-spektakulaerer-waffenfund-in-rechtsextremer-szene>

<sup>38</sup> Michael Klarmann, "Special Task Force deployed in Aachen: neo-Nazis arrested as drug dealers", Zeit Online, 2 June 2017, [https://blog.zeit.de/stoerungsmelder/2017/06/02/sek-einsatz-in-aachen-neonazis-als-drogendealer-verhaftet\\_23863](https://blog.zeit.de/stoerungsmelder/2017/06/02/sek-einsatz-in-aachen-neonazis-als-drogendealer-verhaftet_23863)

<sup>39</sup> Jennifer Stange: MDR Exakt: Drug dealing to finance right-wing extremism?, 2014, <https://www.torial.com/en/jennifer.stange/portfolio/48081>

<sup>40</sup> Münch, Holger: Exclusion, hate and violence. Challenges for the constitutional state and the security authorities, Federal Criminal Police Office (BKA) Autumn Conference 2019, <https://www.bka.de/SharedDocs/Downloads/DE/Publikationen/Herbsttagungen/2019/herbsttagung2019MuenchLangfassung.html?nn=113686>

<sup>41</sup> Schmidt-Lunau, Christoph: A source of funds for neo-Nazis, TAZ.DE, 01.11.2019, <https://taz.de/ZDF-Doku-ueber-Rechtsrock/!5637864/>

<sup>42</sup> Conference transcript of the Office for the Protection of the Constitution of the states of Brandenburg and Saxony, Enemies of the constitution and the capital – financial flows in right-wing extremism, 2012

However, there could also be an alternative interpretation. There are large segments of the right-wing extremist scene, especially those groups that are violence-oriented, that are highly networked with one another. These network structures are visible in various different ways. First of all, the violence-oriented scene is characterised by a high degree of readiness on the part of groups within the scene to cooperate with one another. Good examples of this are seen in the close structural networks of Blood & Honour, the Hammerskins and the "Turonen/Garde20" (see also Thorsten Hindrichs' contribution). Added to this, there are also sectional networks which tend to be focused on a particular theme, such as the "Kampf der Nibelungen"<sup>43</sup> and "TIWAZ"<sup>44</sup>, or music festivals such as "Schild und Schwert" (shield and sword) or "Rock gegen Überfremdung" (Rock against foreign infiltration), which, in terms of personnel, are closely linked with the structural networks cited above, or are in fact managed by them.<sup>45</sup> The right-wing extremist music and merchandise market is also characterised by a pronounced and unusually high degree of cooperation,<sup>46</sup> there seems to be very little competition.

Furthermore, the violence-oriented scene also pro-actively offers legal advice from the scene's own lawyers on various Telegram channels<sup>47</sup>, for example advice on how to behave if your home is searched or if you are approached by the security authorities. Comprehensive and detailed advice on IT security is available via specialised websites. Content of various kinds is regularly shared between various apparently independent Telegram channels. A strikingly large number of the main actors in the violence-oriented right-wing extremist scene also use the same e-commerce providers for their online trading platforms, even though there is a wide selection of alternative providers available.

To sum up, it can be clearly observed that cooperation and internal consultation would seem to be the rule in the violence-oriented right-wing extremist milieu. In this context, it seems highly unlikely that, of all things, such an essential foundation for the scene, namely the financing of their activities and groups, would be left to chance and to the individual preferences of the key players. We therefore need to ask ourselves to what extent strategies and methods of tax avoidance and money laundering have been used and are being used that have as yet not been uncovered.

*This report version does not contain all content in this section intentionally. If you are interested in the full version, please contact: [berlin@counterextremism.com](mailto:berlin@counterextremism.com)*

and Senate Administration for the Interior and Sport, Department: Protection of the Constitution, sources of finance in right-wing extremist circles, 2007

<sup>43</sup> Christian Spiller: Kampf der Nibelungen "They are training for political upheaval", ZEIT ONLINE, 22. Oktober 2020, [https://www.zeit.de/sport/2020-10/kampf-der-nibelungen-kampfsport-neonazis-robert-claus?utm\\_referrer=https%3A%2F%2Fduckduckgo.com%2F](https://www.zeit.de/sport/2020-10/kampf-der-nibelungen-kampfsport-neonazis-robert-claus?utm_referrer=https%3A%2F%2Fduckduckgo.com%2F)

<sup>44</sup> "Runter von der Matte!" (Get off the mat!): the extreme right-wing combat sport tournament "Tiwaz – Fight of the Free Men", 24.06.2018, <https://runtervondermatte.noblogs.org/das-extrem-rechte-kampfsportturnier-tiwaz-kampf-der-freien-maenner/>

<sup>45</sup> Minor interpellation from member of the Landtag König-Preuss (DIE LINKE): "Brotherhood of Thuringia", "Garde 20" and "Turonen", 07.05.2019, Thuringia Landtag, [https://parldok.thueringer-landtag.de/ParlDok/dokument/71076/bruderschaft\\_thueringen\\_garde\\_20\\_und\\_turonen.pdf](https://parldok.thueringer-landtag.de/ParlDok/dokument/71076/bruderschaft_thueringen_garde_20_und_turonen.pdf), Büchner, Timo: "ERSCHIESSUNGSKOMMANDO" & CO, Belltower.News, 25.05.2020 <https://www.belltower.news/rechtsrock-rechtsterror-teil-6-erschuessungskommando-co-107783/> "EXIF – Research & Analysis", "COMBAT 18" REUNION, 16.07.2018, <https://exif-recherche.org/?p=4399>

<sup>46</sup> See contribution from Th. Hindrichs

<sup>47</sup> Author's own observation.

## **Financing Patterns of the Violence-Oriented Right-Wing Extremist Milieu in Germany – Risk of Tax Avoidance?**

*Dr Hans-Jakob Schindler*

### **1. Peculiarities of the business models**

Publicly available data on companies collected in the course of this study, as well as the business models and practices described by Hindrichs and Kreter, reveal a number of peculiarities that make further investigation of the respective revenue and expenditure streams, as well as a review of business practices, seem worthwhile. The management personnel of the companies selected and analysed for this study are part of the violence-oriented right-wing extremist milieu in Germany. Violence has been emanating from this milieu to an increasing extent for several years.<sup>48</sup> Since it must be assumed that any profits are used not only for individual living expenses but also to finance the activities of the milieu, conspicuous features of the business structures and business practices of these companies must be evaluated and analysed in greater detail than would be the case for economic activities unrelated to violence-oriented extremism.

Overall, there are four specific features that are important for further consideration:

#### **a) Legal structure of the business entities**

Publicly available data collected for this report, as well as the contribution by Hindrichs, show that a conspicuously large proportion of companies either operate as sole proprietors or have registered a partnership under civil law (Gesellschaft bürgerlichen Rechts, GbR). Only in exceptional cases was a business corporation (Unternehmensgesellschaft, UG) or limited liability company (Gesellschaft mit beschränkter Haftung, GmbH) registered. This was also the case for those companies that have been operating successfully for several years and where there are no indications that the company management can rely on additional sources for their livelihood.

It should be noted here that in sole proprietorships and GbRs, the business owners are fully liable with their entire private assets.<sup>49</sup> In the long run and depending on the type and scope of the business, this represents a considerable financial risk for the respective business owner. Importantly, although a GbR must be registered with the Trade Licensing Office, there is no obligation for sole proprietors and GbRs to publish any data beyond basic registration data and the company address. For example, they are not required to publish their respective annual

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<sup>48</sup> Ritzmann, Alexander: Germany. In: Rekawek, Kacper; Ritzmann, Alexander; Schindler, Hans-Jakob: Violent Right-Wing Extremism and Terrorism – Transnational Connectivity, Definitions, Incidents, Structures and Countermeasures, Counter Extremism Project 2020, p. 103, [https://www.counterextremism.com/sites/default/files/CEP%20Study\\_Violent%20Right-Wing%20Extremism%20and%20Terrorism\\_Nov%202020.pdf](https://www.counterextremism.com/sites/default/files/CEP%20Study_Violent%20Right-Wing%20Extremism%20and%20Terrorism_Nov%202020.pdf)

<sup>49</sup> Bundesministerium für Wirtschaft und Energie: Gesellschaft bürgerlichen Rechts (GbR), 2021, <https://www.existenzgruender.de/DE/Gruendung-vorbereiten/Rechtsformen/Gesellschaft-buergerlichen-Rechts-GbR/inhalt.html>



financial statements.<sup>50</sup> This is only generally required for the legal forms UG and GmbH.<sup>51</sup> However, micro-entities as defined in Section 267a of the German Commercial Code (HGB)<sup>52</sup> may decide, to merely file the data with the Federal Gazette and not publish it.<sup>53</sup>

Due to these reasons, data on the investigated companies that is available from public sources is very limited and, as a result, the respective corporate structures are not transparent. In June 2021, the Financial Action Task Force (FATF) published its first on the financing of violence-oriented far-right networks. This report also highlights using one concrete example that the violence-oriented right-wing extremist scene in Germany attempts to conceal financial flows.<sup>54</sup>

#### **b) Information on turnover**

Due to the chosen legal forms and declared turnover amounts, public information on turnover and profit of the respective company is rarely available, except for individual cases. As a rule, such information has not been published. Where turnover information is available, it shows only very limited amounts. After deduction of potential production costs and tax levies, these turnover numbers would allow only minimal profits. Therefore, it seems unusual that no information regarding further sources of income of the respective entrepreneurs is available. In rare cases, the respective companies have been registered as limited liability company (Gesellschaft mit beschränkter Haftung, GmbH). For these some data is available. However, in these cases the data concerning sales does not seem to stand in a logical relationship to the range of goods on offer and the sales volumes that can be reasonably be achieved.

#### **c) Indications of cooperative business conduct**

Hindrichs points out the conspicuous cooperative commercial behaviour between bands, labels, and distributors. They seem to cooperate rather than compete. Bands change labels and distribution structures from album to album. Furthermore, the various online stores identified in this study not only refer to the same events and labels as partners, but also seem to offer very similar product ranges, according to Hindrichs. Normally it would be reasonable to expect that these clearly competing commercial structures would also visibly demonstrate competitive rather than cooperative behaviour. That this is apparently not the case seems rather atypical for the generally highly competitive music industry.<sup>55</sup> This cooperative behaviour could indeed be an explanation for the limited sales figures of some of the investigated companies. However, limiting the sales of each individual company through cooperation would also be a way to limit public attention generated towards the relevant companies while “optimizing” the tax burden incurred by all parties.

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<sup>50</sup> Deutscher Bundestag Wissenschaftliche Dienste, Veröffentlichungspflichten von Gesellschaften wie GbR, GmbH und AG und deren Auskunftspflichten gegenüber ihren Gesellschaftern, 15.12.2006, p. 4, <https://www.bundestag.de/resource/blob/408120/77cc78304b7e6515f628a72f794c4b9e/WD-7-280-06-pdf-data.pdf>

<sup>51</sup> Ibid, p. 6

<sup>52</sup> This describes companies that fall below two of following three criteria: 1) 350 000 Euro balance sheet total; 2) 700 000 Euro turnover revenue in the 12 months before the balance sheet date; 3) an average of 10 employees for the year, [http://www.gesetze-im-internet.de/hgb/\\_267a.html](http://www.gesetze-im-internet.de/hgb/_267a.html)

<sup>53</sup> Bundesamt für Justiz, Disclosure duties, 2021, [https://www.bundesjustizamt.de/DE/Themen/Ordnungs\\_Bussgeld\\_Vollstreckung/Jahresabschluesse/Offenlegung/Offenlegungspflichten/Offenlegungspflichten\\_node.html#doc7805722bodyText5](https://www.bundesjustizamt.de/DE/Themen/Ordnungs_Bussgeld_Vollstreckung/Jahresabschluesse/Offenlegung/Offenlegungspflichten/Offenlegungspflichten_node.html#doc7805722bodyText5)

<sup>54</sup> Here in relation to income from events in Germany, see: Financial Action Task Force (FATF), Ethnically or Racially Motivated Terrorism Financing, FATF Report, June 2021, p. 26, <https://www.fatf-gafi.org/media/fatf/documents/reports/Ethnically-or-racially-motivated-terrorism-financing.pdf>

<sup>55</sup> Price Waterhouse Cooper, Musikmarkt - German Entertainment & Media Outlook 2018-2022, 25.10.2018, <https://www.pwc.de/de/technologie-medien-und-telekommunikation/german-entertainment-and-media-outlook-2018-2022/musikmarkt.html>

#### **d) Connections between companies and events**

While on the one hand it does not seem striking that there are direct links between the relevant music and retail companies and relevant major events, such as " Kampf der Nibelungen". it is interesting to note, however, that the major events that have been held regularly for years have apparently not yet resulted in the establishment of separate event organizing companies. At least, no such event companies have been found within the publicly available data. Such separate commercial structures could cushion possible financial risks in the event of unexpected drops in revenue, such as a significant drop in visitors and restrictions for events.<sup>56</sup> The fact that such commercial structures for organising these large-scale events do not exist poses significant commercial risks for the organizers and their associated companies. However, such a direct link between production and distribution companies and major events also gives actors direct access to high cash flows, as well as complex revenue and expenditure structures, which could be used for concealment purposes.

### **2. Attempted explanations**

The examination of publicly available data, as well as the model calculations of this study, found no clear evidence of legal misconduct on the part of the actors under investigation. Due to the very opaque corporate structures (see above), resulting in very limited publicly available data this was also not expected. Therefore, it could be argued that, overall, the relevant entrepreneurial activities do not generate any relevant revenues that significantly exceed subsistence. However, the real estate acquisitions of the relevant stakeholders within the violent right-wing extremist milieu in Germany mentioned by Hindrichs and also documented elsewhere seem difficult to reconcile with this attempted explanation.<sup>57</sup>

If the four above-mentioned peculiarities are considered as an overall picture, tax avoidance models also appear to be within the realm of possibility as an explanation for these activities. Fundamental to this would be, on the one hand, limited sales volumes achieved through internal redistribution of revenue through close cooperation within a company and within the value chain of production, marketing, and distribution. Furthermore, a direct link to major events with high cash turnover and complex revenue and expenditure flows would open up the possibility of incorporating further revenues in general business activities of these events and thus making them no longer recognizable as actual sales income of the commercial structures. Such a revenue distribution mechanism among several commercial structures could further reduce the tax burden incurred by each of the actual business within the structure. A potential pattern, based on discussions with a number of compliance and finance experts in Germany, is shown in **FIG. 2**, here using the example of a potential music or clothing label. The financial flows shown in this model artificially minimize the turnover of the different parts of the company, as payments and transfers of a business relationship are made and forwarded to a number of accounts in parallel. This allows the reduction of the turnover of the respective part of the company and thus also a reduction of the tax burden calculated by the respective tax office for the respective affected part of the company network.

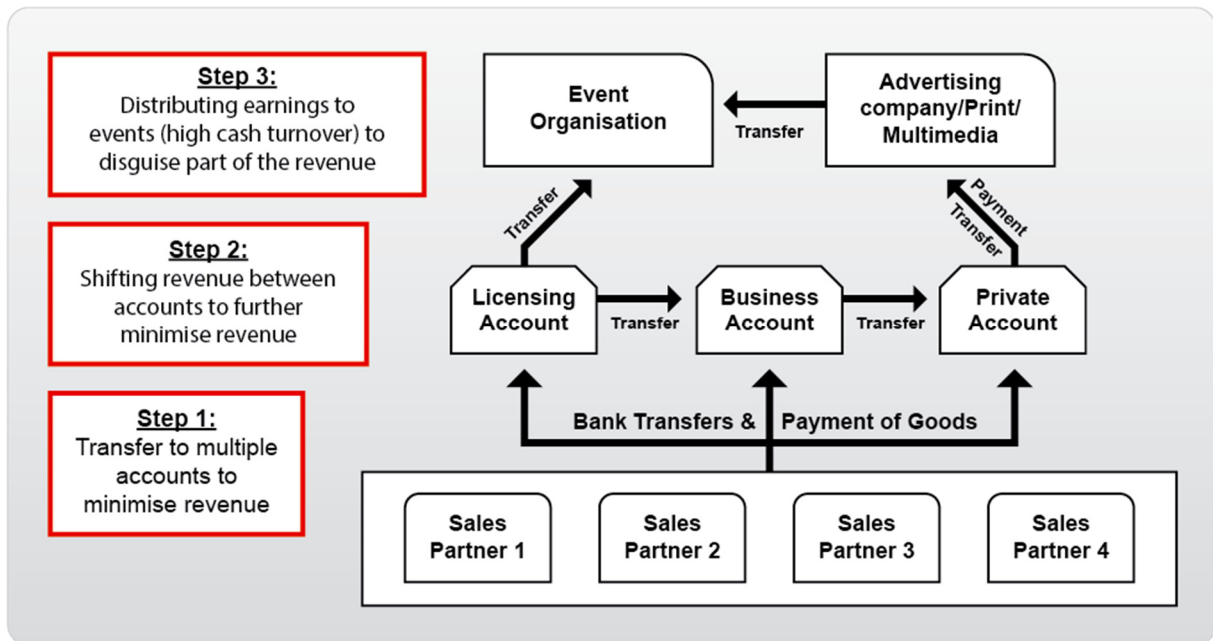
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<sup>56</sup> Cf. e.g.: Deutsche Presseagentur (DPA), Right-wing rock concert in Ostritz: No beer for Nazis: How right-wing music triggers violence, Schweriner Volkszeitung, June 22, 2019, <https://www.svz.de/deutschland-welt/panorama/Rechtsrock-Konzert-in-Ostritz-Polizei-beschlagnahmt-Bier-von-Neonazis-id24389642.html>

<sup>57</sup> Cf. also, e.g.: Budler, Kai, Immobilien 6. Fretterode - Hanstein Manor. In: Mobit, Nach den rechten Häusern sehen. Immobilien der rechten Szene in Thüringen, 2017, [https://mobit.org/Material/MOBIT\\_Nach%20den%20rechten%20Häusern%20sehen\\_2018.pdf](https://mobit.org/Material/MOBIT_Nach%20den%20rechten%20Häusern%20sehen_2018.pdf)

According to media reports, there were indications and investigations in this area among actors in the milieu in the past.<sup>58</sup> According to media reports, the German investigative authorities have been focusing more on this topic since 2019.<sup>59</sup> Therefore, a further analysis of the business structures based on the data available to the respective tax offices appears important and could provide greater clarity with regard to the aforementioned structural peculiarities and the partly unusual economic behaviour of the respective companies.

**FIG. 2: Potential tax minimization model**



<sup>58</sup> Cf. e.g.: Fabian, Klaus, Zwei führende Thüringer Neonazis bekommen juristische Probleme, Thüringer Allgemeine, 26.04.2018, <https://www.thueringer-allgemeine.de/leben/recht-justiz/zwei-fuehrende-thueringer-neonazis-bekommen-juristische-probleme-id224095845.html>

Neue Presse, Länderspiegel. Steuer-Razzia bei Rechtsrock-Anmeldern von Themar, 25.04.2018, <https://www.np-coburg.de/inhalt.laenderspiegel-steuer-razzia-bei-rechtsrock-anmeldern-von-themar.4692b3f4-3d0c-409b-a8dd-79a7e6592bd1.html>

Süddeutsche Zeitung, Razzien gegen Cottbuser Hooligan-Netzwerk, 10.04.2019, <https://www.sueddeutsche.de/panorama/razzia-cottbus-hooligans-1.4403986>

Fröhlich, Alexander, Razzia bei Rechtsextremen. So gefährlich ist das braune Netz von Cottbus, Der Tagesspiegel, 11.04.2019, <https://www.tagesspiegel.de/berlin/razzia-bei-rechtsextremen-so-gefaehrlich-ist-das-braune-netz-von-cottbus/24201834.html>

<sup>59</sup> Geuther, Gundula, Strategien gegen Rechtsextremismus. Zwei Behörden an einem Strang, Deutschlandfunk, 15.10.2019, [https://www.deutschlandfunk.de/strategien-gegen-rechtsextremismus-zwei-behoerden-an-einem.1773.de.html?dram:article\\_id=460990](https://www.deutschlandfunk.de/strategien-gegen-rechtsextremismus-zwei-behoerden-an-einem.1773.de.html?dram:article_id=460990)

## "The only means we have to build structures is commercial success" – Some remarks on the German right-wing rock market

*Dr Thorsten Hindrichs*

Neo-Nazi activist and part-time songwriter Axel Schlimper said the following (not only to his extreme right-wing comrades but also to the present press) during his speech at the right-wing rock festival "Rock gegen Überfremdung II" on July 29, 2017, in Themar, Thuringia: "The only means we have to build structures is commercial success. [...] [T]herefore we have to be commercially successful with everything we do. Because only through our commercial success are we in a position to build structures that function sustainably,"<sup>60</sup> The openness of this explanation can certainly be understood as a sign of a self-confidence of the extreme right that has grown in recent years.

Schlimper's initially rather vague formulation "building structures" conceals not only the social functions of right-wing rock, but especially development and "sustainably functioning" maintenance of a correspondingly necessary infrastructure through the acquisition ('ideally' purchase) of real estate by the extreme right. With regard to right-wing rock, direct access to houses, farmsteads, and grounds of the extreme right, which is protected by Article 13 of the Basic Law - in particular from regulatory and security policy interventions - enables them to use these as venues for right-wing rock concerts (e.g. Staupitz) and/or to provide rehearsal rooms for right-wing rock bands (e.g. Sonneberg) and/or to set up complete housing projects with right-wing rock musicians and recording studios (e.g. Ballstädt).

As can be seen from the federal government's reply to a 'small inquiry' by the parliamentary group Die Linke (printed matter 19/29012) dated April 26, 2021, "a total of 174 properties nationwide (as of January 19, 2021) are to be classified as properties used by right-wing extremists".<sup>61</sup> In 69 properties, extreme right-wingers are the owners, in 60 other properties there is a rental or lease relationships with extreme right-wingers, and for the remaining 45 properties, access by extreme right-wingers is either "not to be determined in more detail" or is based, rather vaguely, on a "relationship of identification or trust with the person responsible for the property," according to the federal government.<sup>62</sup> The federal government has "openly usable information" on 92 of the 174 known objects, although "details of ownership/ownership [...] cannot be given for reasons of data protection".<sup>63</sup> However, based on the location information provided, at least twenty of these 92 disclosed properties can be identified as established venues for right-wing rock concerts, and at least ten others are likely to be relevant retail outlets of extreme right-wing music companies.

Not least because of the internal logic of police forces and offices for the protection of the constitution, the conclusions is almost inevitable that the real number of properties to which extreme right-wingers have access in one form or another is probably much higher than that stated by the federal government, but due to the extremely clandestine organizational

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<sup>60</sup> Jüdisches Forum für Demokratie und gegen Antisemitismus, "1000 Neonazis auf RechtsRock-Konzert in Thüringen", <https://youtu.be/vnaKLIJCah8?t=47> (last accessed: 24.5.2021).

<sup>61</sup> Bundestag Printed Matter 19/29012 dated 26.4.201, p. 3; <https://dip21.bundestag.de/dip21/btd/19/290/1929012.pdf> (last accessed: 24.5.2021).

<sup>62</sup> Ibid., p. 3

<sup>63</sup> Ibid., p. 3-5.

structures of the German right-wing rock scene, it has always been almost impossible to obtain solid and above all valid figures regarding the extreme right-wing music market.

Nevertheless, it is possible to make at least a few cautious estimates and considerations about the current right-wing rock music market.

In the 1990s, the number of recorded music releases rose steadily to a peak of 140 in 1998<sup>64</sup> and has since levelled off at an average of 100 releases per year.<sup>65</sup>

Right-wing rock recordings are produced, marketed, and sold by either one of the currently around 38 relevant German labels and / or online stores or (rarely) as "independent releases" of the respective right-wing rock band. However, although the number of recording releases by German right-wing rock labels increased steadily during the 1990s, this sector largely functioned according to the DIY principle; at that time, it was hardly about profit, but much more about self-realization of the scene members. The few professional labels, such as Rock-O-Rama, on the other hand, were not scene members and shared neither the ideology of the extreme right nor its world.

However, by the 2000s at the latest, a professional right-wing rock music market had established itself in Germany, which in many areas functioned analogously to other 'usual' music markets, but in some cases showed clear differences to them.

For the years around 2000, Dornbusch and Raabe estimated the number of copies per record release to be in the lower four-digit range of 3,000 to 5,000.<sup>66</sup>

However, the number of copies of each release has declined significantly in recent years, averaging between 300 and 500 copies per recording release. The reaction of the right-wing rock music market to the slump in sales of physical recordings due to (a) illegal download portals and (b) changing music usage behaviour among younger generations is the most striking analogy to the 'general' music market.<sup>67</sup> Young people in particular are buying fewer and fewer physical recording media, instead streaming their music and resorting to a few major platforms to do so. Even if right-wing rock bands try to be present here and regularly announce that their new releases can also be heard (and thus bought) via the mainstream platforms, in some cases (Deezer for instance) this access is withdrawn from them again after a very short time or, as in the case of Spotify, they hardly yield any financial returns worth mentioning. Accordingly, right-wing rock labels pursue market strategies that are very similar to those of the 'normal' popular music market: For several years now, each new record has been offered in several versions with different covers, some numbered consecutively, in different vinyl colours, as a special edition with bonus songs, with additional merchandise, in wooden or metal boxes, etc., and, most importantly, in very small print runs at all, mostly in the range of 100 to 300, and now and then 500 copies. This scarcity is intended to suggest that this is something special and to trigger a corresponding impulse to buy. In addition, in recent years there are significantly more re-issues of old right-wing rock productions from the 1980s and

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<sup>64</sup> Christian Dornbusch, Jan Raabe: "20 Jahre RechtsRock – Vom Skinhead-Rock zur Alltagskultur", in: *RechtsRock – Bestandsaufnahme und Gegenstrategien*, edited by same, Münster: unrast 2002, pp. 19-50, here: p. 36.

<sup>65</sup> Christoph Schulze: *Etikettenschwindel – Die Autonomen Nationalisten zwischen Pop und Antimoderne* (= kommunikation & kultur 11), Freiburg: Tectum 2017, p. 208.

<sup>66</sup> Christian Dornbusch, Jan Raabe: "20 Jahre RechtsRock – Vom Skinhead-Rock zur Alltagskultur", in: *RechtsRock – Bestandsaufnahme und Gegenstrategien*, edited by same, Münster: unrast 2002, pp. 19-50, here: p. 36.

<sup>67</sup> Cf., among other things, the "JIM-Studien" published annually since 1998 by the Medienpädagogischer Forschungsverbund Südwest: <https://www.mpfs.de/studien/?tab=tab-18-1> (last accessed: 24.5.2021).



90s, some of which are out of print, some of which have been banned and are now being re-released on the market, especially on vinyl.

Currently, there are 38 companies on the market in Germany that can be considered relevant and are active in the production and / or shipping of sound carriers. 29 of them are involved in production *and* shipping, while the remaining nine are limited to shipping only, or in some cases include this branch of business in addition to their actual business (merchandise, fanzines, textiles, sports equipment).

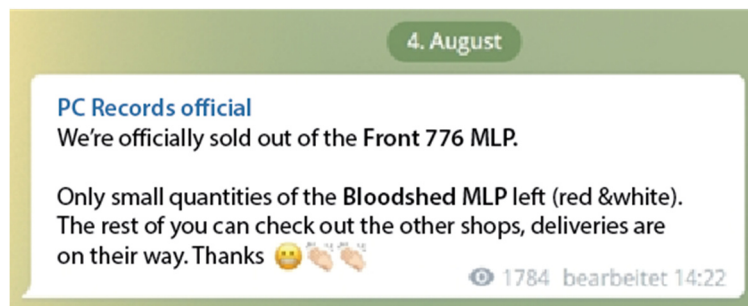
In terms of production, there are 15 'main players' and three 'band-owned' labels. Six companies operate as a partnership (UG, KG), so that it should be assumed that their annual turnover exceeds the tax limit of a 'small business'. For all the other companies, however, only a simple tax number can be determined (superficially), whereby it remains to be seen whether this actually corresponds to the economic realities of these 'small companies' - particularly peculiar are those companies whose company address is clearly different from the private address of the owner, if only because of the geographical distance. But regardless of whether it is a small or a large company, it is striking that quite a few players in the extreme right-wing music market often run several companies, usually two, but sometimes three or more, and sometimes with different company addresses.

In the case of some, the parallel companies cannot be explained by any differences in product range, whereas others use one label (primarily) for the release of seemingly 'apolitical' recordings, while the other brings the more 'critical' publications to the market. Three right-wing rock entrepreneurs operate parallel businesses in more 'non-music' business areas such as gastronomy (two cases) and care services (one case).

In one case, the business history has become increasingly opaque over the years. Not only have there been regular changes in management, but the company names have also been repeatedly changed. The assumption is that the respective managing directors more likely serve in the function of a "straw man," especially since the original business owner likely still has programmatic (and ideological?) control due to his social status within the scene.

However, neither the six 'big' nor the allegedly smaller companies could reasonably be called 'major' labels, as they are found in the mainstream, because firstly, they serve the right-wing rock market according to different musical and / or (ostensibly) political-ideological segments, secondly, apart from a few exceptions, no company has a specific band 'under contract'; rather, quite a few bands 'hop' back and forth between different labels from release to release. It can be assumed that this could be related not least to fiscal considerations, i.e.: Label xyz 'may' simply not generate any further sales with an economically potentially successful band release in the current fiscal year in order to prevent tax complications. Instead of economic or even ideological-political competition (which one would have to assume exists in the right-wing rock market if it functioned like a regular music market) at first glance we see a somewhat (!) cooperative rather than competitive music market.

This picture of a rather cooperative music market seems to become even clearer when looking at the mail order business; in this area, the above-mentioned companies are joined by two other 'large' companies that concentrate on the production and distribution of merchandise and (fan) textiles in the music sector, but only distribute sound carriers themselves. In addition, an overview of all 38 relevant companies in terms of distribution shows that - apart from the three band-owned labels - all productions are available from all distributors, across all different ideological-political extreme right-wing networks.



One label, however, occupies a special position, because it specializes in the release of black metal and, in addition to clear NSBM bands (NSBM = National Socialist Black Metal), also releases bands that have no discernible extreme right-wing orientation and/or scene involvement. With over 500 record releases since 1998, it is also the most productive right-wing rock label, and although not all releases can be attributed to the extreme right, the operator is undoubtedly a central player in the extreme right, so that the extreme right even makes money from "non-extreme right" recordings.

Like any popular music, two different 'fields of action' are equally relevant for right-wing rock and the right-wing rock music market: music products (in the very broadest sense) *and* concerts. Recordings and all kinds of merchandise enable extreme right-wing music fans to transfer the 'world of right-wing rock' into their individual private lives at home and thus to feel that they belong to a larger community. This integration of right-wing rock into individual everyday life necessarily fulfils a function that stabilizes the scene just as much as attending concerts, which is not an everyday occurrence but rather one that is removed from everyday life.

Not only can the bands (presumably admired by the entire audience) be experienced on stage, concerts also serve as a marketplace where not only the latest items, but also band, concert, or tour shirts as well as other merchandise of all kinds can be bought at a varying number of sales stands. Although merchandise items can also be purchased from home via mail order, only 'real' fans may own concert or tour shirts and then tie the event back to their individual everyday lives by wearing them if they have actually attended the corresponding concert on the corresponding tour, if they don't want to be considered mere 'posers'. Furthermore, at right-wing rock concerts there is at least potentially the possibility to meet (and network) not only with like-minded comrades, but also with the right-wing rock bands - right-wing rock concerts even feature proper autograph sessions every now and then.

For right-wing rock companies, on the other hand, concerts also offer a number of opportunities for direct 'customer contact', where the clientele can not only be talked into buying one or two additional CDs, a second T-shirt, a third keychain, etc., but also illegal recordings can be sold 'under the counter' - and, in the case of clandestinely organised concerts, with considerably less risk. Right-wing rock concerts are thus places of experience and marketplace at the same time - and they are central network nodes of the extreme right.

With regard to the aspect of such network hubs, however, their transnational links must also be considered. In both 'fields of action', music production and distribution *and* the concert business, the extreme right is ultimately shown to be globally networked, with right-wing rock concerts taking on a special significance here. From the perspective of the extreme right in Germany, its transnational network initially proves to be strategically advantageous, especially from a legal point of view: Organizing right-wing rock concerts in foreign countries close to the border, but for a predominantly German audience, makes state prosecution and repression measures considerably more difficult. In addition, criminal offenses in Germany such as

"incitement of the people" (§ 130 StGB) or "use of anti-constitutional symbols" (§ 86a StGB) are either not regulated at all or at least much more leniently in the legislation of other, geographically more distant countries such as Italy, Hungary, or Ukraine, making it much easier for German right-wing rock companies to sell recordings and merchandise that are banned in Germany.

At the same time, however, the different legal frameworks in other countries also increase the attractiveness of the right-wing rock "world", because bands and audiences are allowed to sing lyrics that are banned in Germany and/or because the common "Abhitlern" and "Sieg Heil" chants that are extremely popular in the extreme right-wing music world are hardly punishable, if at all. On the European level, transnational right-wing rock concerts can also be understood as a 'living expression' of the ideological-political strategy of a 'White Europe', according to which all extreme right-wingers first of all want to defend themselves against the 'great exchange' they assume.

In contrast to the right-wing rock business areas of production and distribution, however, in the area of concert events for Germany, it is initially (and at first glance) much harder to demonstrate any corresponding companies in the sense of concert agencies with names and addresses, neither for rather small and clandestinely organised concerts, nor for the large festivals of recent years. The knowledge of who was the main organizer behind the various 'Schild und Schwert' festivals in Ostritz, Saxony, is the great exception; in Themar and Apolda (or Magdala), right-wing rock entrepreneurs appeared as organizers, but it can be assumed that they merely acted as 'public faces' for - for instance - the extreme right-wing 'brotherhood' of the Turonen / Garde 20 as the actual organizer.

The social network of right-wing rock, however, can only be separated from that of the extreme right as a whole on a decidedly abstract level. This is all the more applicable in the business field of right-wing rock concert events; when organizing right-wing rock concerts, regardless of whether they are small and clandestine or large and public, the extreme right always falls back on those structures that have the necessary local and regional contacts, both socially and in terms of infrastructure. Worldwide, but especially in Germany, it is generally the two large extreme right-wing (and right-wing terrorist) networks Blood & Honour (B&H) and HammerSkinNation (HSN), respectively, with their respective support structures Combat 18 (C18; belongs to B&H) and Crew 38 (C38; belongs to HSN) that provide precisely this social and infrastructural network.

Traditionally, since the founding of HSN (1986) and B&H (1987), initially there was hardly any contact or even joint activities between the two networks; instead, their relationship was characterized by rivalries and sometimes open competition.<sup>68</sup> In Germany, however, at the beginning of the 2000s, actors from the German HSN chapters filled the organisational gap left by B&H's ban in 2000 and took over a large part of the German right-wing rock business. During the 2000s, there was only sporadic cooperation between HSN and B&H, and even that only on a transnational, but not on a national level. It was not until 2012 that a cautious rapprochement between B&H and HSN could be observed in the run-up to the founding of a German offshoot of the B&H support structure C18 in Germany; since then, more continuous cooperation between the two networks can be documented at the transnational level in the organisation of larger concert events, at least in some cases.

At the national level, however, cooperation between B&H and HSN is not immediately apparent; this changes, however, when the view is broadened beyond the pure right-wing rock music market and the extreme right-wing martial arts scene is also considered. Here, in particular the so-called Kampf der Nibelungen (KdN) [Battle of the Nibelungs] has developed

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<sup>68</sup> An exception is Australia, where Ian Stuart Memorial concerts have been regularly organized jointly by B&H and HSN since at least 2002.

from a purely HSN event (2013) to a cross-organisational event in which both HSN and B&H or C18 actors are involved, which then naturally also has an effect back on the extreme right music scene via the integration of the KdN at the "Schild und Schwert" [Shield and Sword] festival in Ostritz (fall 2018).

Although the networks of HSN and B&H operating in the background are extremely difficult to understand, it goes without saying that social networks are not abstract entities, but are always constituted by the joint actions of individual actors. Accordingly, it is not surprising that the business area of concert events cannot be linked with the names and addresses of corresponding companies at first glance; however, a second look at right-wing rock concert life reveals (more or less) astonishing similarities in personnel with the rest of the right-wing rock music market. Quite a few right-wing rock entrepreneurs from the field of recording media production and/or distribution at the same time lead cadres of HSN or B&H and thus occupy key positions both in right-wing rock music and in the extreme right as a whole, both at the national and transnational level.

However, it would be short-sighted to reduce the right-wing rock music market, including the concert business, exclusively to the networks of B&H and HSN, since there are sufficient examples of 'independent' right-wing rock entrepreneurs, i.e. those who initially operate independently of B&H and HSN, who play for extreme right-wing networks from Ukraine ('Asgardsrei' festival / 'Regiment Asow') to Italy (Hot Shower festival / Veneto Fronte Skinheads) to Scandinavia and the USA in several respects.

Despite, or rather because of, the sometimes extremely intricate and non-transparent business relations of the German right-wing rock music market, both on a national and transnational level, it is urgently necessary to take a closer look at its individual actors, not as 'individual perpetrators', but as individual representatives of the right-wing terrorist networks that are always working in the background; this applies in particular to the obviously massively underestimated HSN, whose essential ideological point of reference is the so-called "Turner Diaries", which, as is well known, encourage 'leaderless resistance'.<sup>69</sup>

If the state security and regulatory authorities do not succeed in disrupting the "commercial success" invoked by Axel Schlimper, the extreme right will continue to work not only on "developing" structures, but expanding and consolidating them, especially with and through music. In view of the numerous documented right-wing terrorist attacks of the past and knowing that right-wing rock and the extreme right as a whole are inseparable, intervention and repression are urgently needed, especially with regard to the right-wing rock music market in all its ramifications if the slogan "One day you will wish we'd only played music," so popular among the extreme right, is not to come true over and over again in a terrible way.

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<sup>69</sup> The obvious reluctance of German security authorities to answer questions about the threat assessment of the German HSN is more than disconcerting. The HSN has not appeared in the federal constitutional protection reports since 2017, which is all the more irritating given that in the federal government's answer to Small Inquiry 19/5329 of October 29, 2018 (Bundestag Printed Matter 19/5329, October 29, 2018; <http://dip21.bundestag.de/dip21/btd/19/057/1905796.pdf>; last accessed: May 24, 2021) states that the federal government (i.e., probably the BMI) "has no firm indications [that] the HS as a group are geared towards committing crimes." (p. 7). This testifies either to complete ignorance or to deliberate distraction.

## White Power Music as business: event management & publishing and distribution as a source of finance for the extreme right movement

*Maximilian Kreter*

White Power Music<sup>70</sup> as business? Before explaining White Power Music as business (see also the article by Thorsten Hindrichs), the functions and mechanisms of music in social and political movements should be explained. It can be summarized as social, cultural, and political communalization in an extreme right lifeworld. This division serves to distinguish between the means and goals at the different levels so that they can be clearly separated in the analysis and reconstruction.

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<sup>70</sup> The terms used for music with extreme right lyrics vary across time, region and language. Terms like Skinhead-Music or Nazi-Rock are still used, but the term White Power Music is the most common term in the Anglosphere, while in the Germanosphere the term "Rechtsrock" is the most common one. Ryan Shaffer, "From Outcast to Martyr (2014): The Memory of Rudolf Hess in Skinhead Culture," *Journal Exit-Deutschland. Zeitschrift für Deradikalisierung und demokratische Kultur* 7 (3) p.115.

<sup>70</sup> Kirsten Dyck (2017): *Rechtsrock. The International Web of White-Power and Neo-Nazi Hate Music*. New Brunswick, NJ: Rutgers University Press, pp. 2–3; Robert Futrell/Pete Simi/Simon Gottschalk (2006): "Understanding Music in Movements. The White Power Music Scene," *The Sociological Quarterly* 47 (2), pp. 275–277 In the case of White Power Music as a predominantly cultural medium, it is not an "independent musical style from a musicological perspective [...]. Rather, the right-wing political messages are presented through a wide variety of styles of rock or popular music, whether to the sounds of hard or southern rock, punk, street punk, dark wave, heavy metal, death metal, black metal, ballads, hard or hatecore, hip-hop, tekkno, EBM, industrial, avant-garde, folk music or folklore. The music only becomes RechtsRock through the politically extreme right-wing message." Christian Dornbusch/Jan Raabe (2002): *Einleitung*. In: Christian Dornbusch and Jan Raabe (eds.): *Rechtsrock. Bestandsaufnahme und Gegenstrategien*. Hamburg: Unrast, pp. 9-15, here 9. Right-wing rock as a predominantly political medium is captured as follows:

"This refers to any form of pop-culturally situated music that places itself at the service of the political movement of the extreme right, or at least makes a recognizably positive reference to it. [...] The concrete musical style is not decisive for the classification as right-wing rock. [...] Right-wing rock is an expression of extreme right-wing culture; it can be a mouthpiece for political right-wing extremism or be used as a means of advertising. [...] In this respect, it has a similar function as the SA songs during the 'fighting time' of the National Socialist movement or the marching music and Wehrmacht songs at events of the Socialist Reich Party in the 1950s or the German People's Union in the 1970s and 1980s." Gideon Botsch, Jan Raabe and Christoph Schulze (2019): *Einleitung*. In: Gideon Botsch, Jan Raabe und Christoph Schulze (eds.): *Rechtsrock. Aufstieg und Wandel neonazistischer Jugendkultur am Beispiel Brandenburgs*. Berlin: Bebra Verlag, pp. 7–18, here p. 9.



<b>Functions of music in right-wing extremism (White Power Music → REX movement)<sup>71</sup></b>			
	Social-emotional	Political-ideological	Economic
Individual	Musical-aesthetic experience Personal mood management Community experience	Ideological appropriation and affirmation	part- or main-livelihood (“movement entrepreneur”)
Group-related	Leisure activities / structuring life Group cohesion and identity formation Public attention	Low-threshold entry offer Ideological affirmation and agitation	Acquisition of financial resources for political work

The functions are divided into the overarching categories of individual and group functions. These categories are divided into social-emotional, political-ideological, and economic functions. The individual functions are formed by the musical-aesthetic experience, personal mood management, community experience (non-political affirmation), ideological appropriation and affirmation (political affirmation), and (partial) earning of a living through movement entrepreneur. The group-related functions, on the one hand, consist of leisure activities, social interaction, resulting group cohesion and identity formation, and generation of public attention. They also include low-threshold entry, ideological affirmation and agitation, symbolic representation, and the acquisition of financial resources for political work.<sup>72</sup> In the following, we will focus only on economic functions, because after the discontinuation of state party funding for the NPD since 2016 - following its departure from all state parliaments - White Power Music, along with the reimbursement of election campaign costs for all small and micro extreme right parties, represents the most important source of income for the extreme right

<sup>71</sup> Illustration according to: Ron Eyerman/Andrew Jamison (1998): *Music and Social Movements. Mobilizing Traditions in the Twentieth Century*. Cambridge: Cambridge University Press; Corte, Ugo; Edwards, Bob (2008): *White Power music and the mobilization of racist social movements*. In: *Music and Arts in Action* 1 (1), pp. 4–20.

<sup>72</sup> Cf. Martin Clayton (2016): *The Social and Personal Functions of Music in Cross-Cultural Perspective*. In: Susan Hallam, Ian Cross, Michael Thaut, and Martin Clayton (eds.): *The Oxford Handbook of Music Psychology*: Oxford University Press, pp. 47–59; Ugo Corte/Bob Edwards (2008): *White Power music and the mobilization of racist social movements*. In: *Music and Arts in Action* 1 (1), pp. 4–20, here pp. 10-17; William F. Danaher (2010): *Music and Social Movements*. In: *Sociology Compass* 4 (9), pp. 811–823; Michaela Glaser/Tabea Schlimbach (2009): ‘Wer in dieser Clique drin ist, der hört einfach diese Musik’. *Rechtsextreme Musik, ihre Bedeutung und ihre Funktionen aus der Perspektive jugendlicher rechtsextremer Szeneangehöriger*. In: Gabi Elverich, Michaela Glaser, and Tabea Schlimbach (eds.): *Rechtsextreme Musik. Ihre Funktionen für jugendliche Hörer/innen und Antworten der pädagogischen Praxis*. With contributions by Anna Schnitzer. Halle: Deutsches Jugendinstitut e. V., pp. 13–79, here pp. 30-60; Thorsten Hindrichs (2018): *Funktionen von Musik für die extreme Rechte*. In: Mobit e.V. (eds.): *Hass und Kommerz. Rechtsrock in Thüringen*. Erfurt, pp. 9–12; Paul Riggerbach (2000): *Funktionen von Musik in der modernen Industriegesellschaft. Eine Untersuchung zwischen Empirie und Theorie*. Marburg: Tectum, pp. 19-71.

movement, according to the assessment of the constitutional protection authorities<sup>73</sup> as well as civil society expertise<sup>74</sup>.

Normally, political work costs money, which means that if an interest group wants to promote its goals or a party wants to run election campaigns for parliamentary candidates, then the persons and groups in question have to acquire and/or contribute the corresponding funds.<sup>75</sup> With White Power Music, a music influenced by youth and subculture was (party)politically instrumentalized and commodified. Over two generations, a commodity was successively created to help an extreme right political agenda be disseminated and whose production, distribution, performance - marketing - can at the same time bring in money that can finance not only the political work but also the livelihood of certain activists. These are called movement entrepreneurs and are "mostly recruited from long-time members of the movement [...], [who] have a large network of contacts and have developed a charismatic image over time. Through these contacts, their (organisational) knowledge, and their recognized leadership function, they are able to give the movement orientation and new impetus. These movement entrepreneurs are strongly integrated into the movement, often by investing a lot of time and money, and live for and sometimes from the scene, as in the case of right-wing extremist music producers and distributors."<sup>76</sup>

These movement entrepreneurs are mostly multifunctional, i.e., not only label operators and mail order companies, but often also concert and festival organizers who own venues for holding events and/or have access to such venues or grounds through their network in the movement. It is not uncommon for movement entrepreneurs to have ties to small and micro parties from the extreme right, such as the NPD, Der Dritte Weg, or Die Rechte, as is the case with Thorsten Heise, Tommy Frenck, Sebastian Schmidtke, Patrick Schröder, Matthias Fischer, or Alexander Deptolla. In addition, these actors are often involved in international organisations such as "Blood & Honour," "Combat18," "Hammerskins," or local, comradely and rocker-like associations such as the "Turons" from Thuringia or "Brigade 8" from Saxony.<sup>77</sup> These networks enable transnational cooperation via the minimal ideological connection "White Power", the social/practice-relevant connections through concerts, as well as the

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<sup>73</sup> Cf. Landesamt für Verfassungsschutz Freistaat Sachsen/Ministerium des Innern des Landes Brandenburg (2008): *Gemeinsames Lagebild der Verfassungsschutzbehörden Brandenburg und Sachsen zu aktuellen Entwicklungen im Rechtsextremismus 2008*. Dresden; Ministerium des Innern des Landes Brandenburg/Ministerium des Innern (2008): *Gemeinsames Lagebild der Verfassungsschutzbehörden Brandenburg und Sachsen-Anhalt zu aktuellen Entwicklungen im Rechtsextremismus 2009*.

<sup>74</sup> Cf. Florian Pascal Bülow (2014): "Bis an die Zähne bewaffnet mit Schlagzeug und E-Gitarren ..." - Der Wandel rechter Musik in der Bundesrepublik Deutschland. In: *Journal Exit-Deutschland. Zeitschrift für Deradikalisierung und demokratische Kultur* 2, pp. 179–328, here pp. 270-275; Andrea Röpke/Jan Raabe (2018): *Rechtsrock, Ideologie und Gewalt. Wie Mega-Konzerte Identität stiften, radikalieren, und vernetzen*. In: Andrea Röpke (eds.): *2018. Jahrbuch rechte Gewalt. Hintergründe, Analyse und die Ereignisse 2017. Chronik des Hasses*. München: Knauer, pp. 288–309, here pp. 306.

<sup>75</sup> Cf. Martin Suckow/Kim Otto, "Ohne Geld kein Mandat? Die teure Mitgift der Bundestagskandidaten", May 18, 2017, <https://www1.wdr.de/daserste/monitor/sendungen/bundestagskandidaten-100.html>; Thomas Zittel/Thomas Gschwend (2007): *Individualisierte Wahlkämpfe im Wahlkreis. Eine Analyse am Beispiel des Bundestagswahlkampfes von 2005*. In: *Politische Vierteljahresschrift* 48 (2), pp.293–321, here pp. 303-304)

<sup>76</sup> Thomas Grumke (2008): *Die rechtsextremistische Bewegung*. In: Roland Roth und Dieter Rucht (eds.): *Die sozialen Bewegungen in Deutschland seit 1945. Ein Handbuch*. Frankfurt am Main: Campus, pp. 475–491, here p. 482

<sup>77</sup> Cf. Maximilian Kreter, Maximilian (2019b): *Die deutsche Rechtsrockszene. Integraler Bestandteil der rechtsextremen Bewegung oder isolierte, subkulturelle Szene?* In: *Jahrbuch Extremismus & Demokratie* 31, pp. 159–173.

publishing and distribution business. On the production side, this is reflected in the fact that, by working together under different organisational umbrellas, the actors gain extensive access to a broad event, production, and distribution infrastructure based primarily on the use of different legal situations and complementary resources. On the consumer side, this networking takes the form of the availability of fall-back options for concerts banned in certain countries or ordering options for indexed or banned recordings and merchandise.<sup>78</sup>

In the following, we first provide a brief overview of the significance and the associated underestimation and overestimation of the economic functions of White Power Music (1.). Subsequently, we present the possibilities and limits of financing the extreme right movement with the White Power Music scene through the concert event business (2.) and the publication and distribution business (3.) based on model and sample calculations.

### **1. White Power Music as business: political business or (self-)exploitation?**

In order to carry out its political activities and develop structures, in addition to willing grassroots activists who donate their time and skills, the extreme right movement needs money, which essentially comes from four sources: party funding, organised crime, donations, and proceeds from the music and martial arts business,<sup>79</sup> although the latter is not the subject here. The business of White Power Music is divided into two major areas: First, the area of concerts or events, where revenue is generated primarily from admission fees, and secondly, the sale of recordings, but in particular merchandise either at these events or through mail order.<sup>80</sup>

From this point on, assessments of the financial scope and significance for the extreme right movement diverge widely. Some assessments are characterized by massive overestimation: "[I]t is obvious that the above-average profits that can be earned in the field of White Power Music are de facto only attainable with drug and arms dealing."<sup>81</sup> Alternatively, White Power Music is also referred to as "the right-wing extremist million-dollar business"<sup>82</sup> - without differentiating between sales and profits - or presented as a largely self-sustaining economic construct.<sup>83</sup> Differentiated, deliberative assessments that use specific examples to approach

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<sup>78</sup> Cf. Jan Raabe, "Die neonazistische Musik-Szene: Transnational wie nie", August 8, 2017, Bundeszentrale für politische Bildung, <https://www.bpb.de/politik/extremismus/rechtsextremismus/253972/die-neonazistische-musik-szene-transnational-wie-nie>.

<sup>79</sup> Cf. article by Alexander Ritzmann above

<sup>80</sup> Cf. Martin Döring (2012): Geld verdienen mit Hass – rechtsextremistische Musik im Freistaat Sachsen zwischen Ideologie und Kommerz. In: Ministerium des Innern des Landes Brandenburg (eds.): Verfassungsfeinde und das Kapital. Finanzströme im Rechtsextremismus, Potsdam, pp. 9-14; Jan Raabe, Jan (2019): Rechtsrock in Deutschland. Funktionen, Entwicklung, zentrale Akteure - Umriss eines wachsenden Problems. In: Gideon Botsch, Jan Raabe und Christoph Schulze (eds.): Rechtsrock. Aufstieg und Wandel neonazistischer Jugendkultur am Beispiel Brandenburgs. Berlin: Bebra Verlag, pp. 19-44, here p. 39-41.

<sup>81</sup> Sven Pötsch, Sven (2002): Rechtsextreme Musik. In: Thomas Grumke and Bernd Wagner (eds.): Handbuch Rechtsradikalismus. Personen - Organisationen - Netzwerke vom Neonazismus bis in die Mitte der Gesellschaft. Opladen: Westdeutscher Verlag, pp. 117–127, here p. 127.

<sup>82</sup> Georg-Stefan Russew, "Das rechtsextreme Millionengeschäft", August 23, 2012, Die Zeit, <https://www.zeit.de/gesellschaft/zeitgeschehen/2012-08/rechtsextremismus-finanzierung-musiklabel>.

<sup>83</sup> Cf. Florian Flade/Marcel Pauly, "Wie sich die Neonazi-Szene ungestört selbst finanziert," Welt, October 30, 2016, <https://www.welt.de/politik/deutschland/article159101345/Wie-sich-die-Neonazi-Szeneungestoert-selbst-finanziert.html>.

the financial volumes and the resulting significance of the respective areas from a journalistic,<sup>84</sup> civic,<sup>85</sup> or security policy perspective,<sup>86</sup> without claiming the interpretive sovereignty often claimed above, are less likely to find their way into the public debate.

It is assumed that, similar to other social movements or political parties, in each case only a small circle of people can benefit financially and (partly) live from movement-related activities, both politically and financially. These groups of people have previously invested material, time, and ideological resources to achieve this status and, in most cases, also in the development of organisational structures, such as "Blood & Honour" or the "Hammerskins". The grassroots activists, supporters, and followers usually have to earn their living with non-scene or movement-related activities. The business of White Power Music thus moves between the two poles of a professionalized, political business operation and ideological and socially motivated commitment, which can extend to (self-)exploitation.<sup>87</sup> How these functional mechanisms of an ideology-driven, social movement interact with the economic logics and practices of the music business will be calculated and classified accordingly in the following based on four event formats of different sizes and a leading music publisher with an affiliated mail-order business.

## 2. Financial Flows in White Power Music: Concerts and Festivals

First, the four event formats are outlined in terms of their financial possibilities and limitations with regard to financing the extreme right movement based on three model calculations and an empirical reconstruction. The three concert types were inductively formed from the quarterly "Small Inquiries" of the parliamentary group "Die Linke" in the German Bundestag concerning "music events of the extreme right"<sup>88</sup> of the last 5 years and validated with analyses of civic organisations (among others Mobit, Exif Recherche, Recherche Nord, Rechercheportal Jena-SHK). In addition, the Small Inquiries on the "Real Estate of the Extreme Right Scene in Germany"<sup>89</sup> as well as "Small Inquiries" from the state parliaments on the topic of White Power

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<sup>84</sup> Cf. Maik Baumgärtner, "Millionen mit Hass", November 13, 2014, Bundeszentrale für politische Bildung, <https://www.bpb.de/politik/extremismus/rechtsextremismus/185061/rechtsrock-millionen-mit-hass>.

<sup>85</sup> Cf. Interview with Jan Raabe in: Schmidbauer, Hannah (2020): Musik im Zentrum des Rechtsextremismus. Die Bedeutung von Musik und Musikwirtschaft für die Entstehung rechtsradikaler Strukturen und Netzwerke. Stuttgart: Popakademie Baden-Württemberg, pp. LII-LXX.

<sup>86</sup> Cf. Martin Döring (2012): Geld verdienen mit Hass – rechtsextremistische Musik im Freistaat Sachsen zwischen Ideologie und Kommerz. In: Ministerium des Innern des Landes Brandenburg (eds.): Verfassungsfeinde und das Kapital. Finanzströme im Rechtsextremismus, Potsdam, pp. 9–14

<sup>87</sup> Cf. Henning Flad (2006): Zur Ökonomie der rechtsextremen Szene - Die Bedeutung des Handels mit Musik. In: Andreas Klärner und Michael Kohlstruck (eds.): Moderner Rechtsextremismus in Deutschland. Bonn: Bundeszentrale für Politische Bildung, p. 102–115; Thomas Grumke (2008): Die rechtsextremistische Bewegung. In: Roland Roth und Dieter Rucht (eds.): Die sozialen Bewegungen in Deutschland seit 1945. Ein Handbuch. Frankfurt am Main: Campus, p. 475–491; Tobias Hoff/Jan Raabe, Jan (2020): Music is the key. Die Mechanismen und Netzwerke des RechtsRock. In: Robert Claus (eds.): Ihr Kampf. Wie Europas extreme Rechte für den Umsturz trainiert. Bielefeld: Verlag Die Werkstatt, p. 89–102.

<sup>88</sup> Here are examples of the inquiries for 2019: German Bundestag (2020): Printed Matter 19/18206, Berlin; German Bundestag (2019): Printed Matter 19/15318, Berlin; German Bundestag (2019): Printed Matter 19/12351, Berlin; German Bundestag (2019c): Printed Matter 19/10326, Berlin. All other inquiries can be found here:

[https://kleineanfragen.de/search?q=%22Musikveranstaltungen+der+extremen+Rechten%22+doctype%3Aminor&sort=published\\_at%3Adesc](https://kleineanfragen.de/search?q=%22Musikveranstaltungen+der+extremen+Rechten%22+doctype%3Aminor&sort=published_at%3Adesc)

<sup>89</sup> Deutscher Bundestag (2021): Printed Matter 19/29012, Berlin; Sächsischer Landtag (2018): Printed Matter 6/15461, Dresden.

Music were used.<sup>90</sup> This has resulted in three types of concerts that are named as examples of recurring formats in practice - partly due to continuity in real estate:

1. Singer/songwriter concerts with an average of 50 visitors (closed society, partly conspiratorial, partly public)
2. Small concerts with 120 to 150 visitors (closed society, mainly conspiratorial, partly public)
3. Medium concerts with 200 to 250 visitors (closed society, partly publicly advertised, partly conspiratorial)
4. Large events with 1000 to 6000 visitors: exemplary "Rock gegen Überfremdung II" on 15.7.2017 in Themar.

Before entering into the model calculations and reconstruction, it is important to point out certain unknown or highly variable factors in the following explanations, which can influence the respective calculations accordingly. In addition, there are further model- and type-dependent factors, whose influence on the limits and possibilities of financing are directly explained on the model. In all model calculations and reconstructions, it is important to consider that

- 1) there are standard market price ranges (which have been approximately averaged here)
- 2) special agreements, combination and ancillary agreements with certain contractual partners ("friendly deals"), and
- 3) permanent or temporary, but above all gratuitous, transfers can come into play, which cannot be reliably calculated, directly or indirectly
- 4) as a further factor, the individual consumption behaviour of the visitors depending on many contextual factors<sup>91</sup> must be included in the calculation and
- 5) the cost structure of "solidarity concerts" become particularly opaque since points two to four are even less calculable than for "normal" events.

The consumption patterns of guests at events and gatherings were conservatively estimated and calculated accordingly. On the organizer side, the model calculations of the concerts assume that rent must be paid for venues: In this case, 100 % of the bar income remains with the operator of the venue, while in return the income from ticket sales flows completely to the organizer, which is a common - but by no means universal - model in the event industry.<sup>92</sup> Furthermore, it is assumed that all helpers provide their services free of charge or for free admission and basic catering, which is also a quite common model in these dimensions - this does not include security and bar staff. All variable and known factors must always be taken into account for corresponding individual case calculations, which make use of these model calculations, in order to obtain a picture of the respective event that is as accurate as possible.

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<sup>90</sup> Thüringer Landtag (2018): Printed Matter 6/6298, Erfurt; Thüringer Landtag (2018): Printed Matter 6/5345, Erfurt; Thüringer Landtag (2018): Printed Matter 6/5304, Erfurt; Thüringer Landtag (2017): Printed Matter 6/4606, Erfurt. Thüringer Landtag (2017): Printed Matter 6/4617, Erfurt. Thüringer Landtag (2017): Printed Matter 6/3378, Erfurt.

<sup>91</sup> For example: When including alcohol as a total, as well as additional non-alcoholic beverages and food in glass containers, during travel to events or gatherings, the consumption of goods available on the premises will be correspondingly higher, while at the same time it is highly likely that spending on recordings, merchandising, or other goods will decrease due to the available budget.

<sup>92</sup> Depending on the ownership and identification, this money can certainly flow into the scene and movement, but this can be determined with some certainty at most for locations rented out by movement members or activists, for all other formats this flow of money remains unclear.



*Model 1: Singer/songwriter concerts (50 visitors)*

The first model calculation refers to song evenings with an average of 50 visitors and one or two performing artists, which take place either openly as a gathering - often with accompanying speeches - or as a closed event on private property of movement members - sometimes accompanied by "testimonial evenings". The income ranges from 250 to 500 euros with an average of 50 visitors and an entrance fee (mostly in the form of a "voluntary" donation of five to ten euros). The expenditures are to be calculated with euros 150-to-300-euros travel costs and/or fee per singer / songwriter, just as optionally in each case 50 euros for the overnight accommodation and food supply if this cannot be covered by the organizer by own possibilities at the cost price.

This results in a maximum possible profit of 250 euros per evening with an entrance fee of 10 euros, if only one artist appears who receives 150 euros and uses food supply as well as overnight accommodation. Conversely, the loss in this model can add up to 550 euros if two songwriters each receive 300 euros in travel costs and fees, and take advantage of board and lodging, and the admission price is only five euros. On the income side, this calculation does not contain beverage or merchandise sales on the part of the organizer (in this format generally not usual) and likewise no possible taxes or GEMA fees, which can become due depending upon kind of the meeting and organisation of the programme. An example of a venue where such song evenings have taken place, and will in all likelihood take place in the future, is the restaurant "Goldener Löwe" in Kloster Veßra, operated by Tommy Frenck.<sup>93</sup>

*Model 2: Small concerts (120-150 visitors)*

The second model calculation refers to small concerts with 120 to 150 visitors, which mainly take place in a conspiratorial manner, are only publicly advertised in certain cases and are therefore usually not registered as a concert event or gathering or - especially since the late 1990s - are not registered at all or with a cover event such as a birthday party. In addition, the concert is often preceded by a "scavenger hunt," i.e., an arrival via one or more checkpoints. The income from such a concert amounts to between 1,800 and 3,000 euros, based on the estimated number of visitors and an admission price<sup>94</sup> of 15 to 20 euros.

Expenses are made up of four major items in total. The venue rent is estimated at 250 to 1,000 euros, as this is highly dependent on the operator and especially its relationship to the right-wing extremist movement. The past has shown that, although the basic acceptance of such an event in one's own premises is a prerequisite, rental fees prices can vary from merely covering costs to profit-making, depending on the degree of agreement with the political goals of the organizer and the relationship with the organizer.

The second item is also the most difficult cost factor to calculate, namely the travel reimbursements or fees for the bands, which are essentially measured by the status of the band within the movement, the distance travelled, and the relationship to the organizer. For this concert format, three bands, usually domestic (or from nearby, neighbouring countries) with varying status, have been factored in. The headliner of the evening is budgeted at 500 to 750 euros, the second band at 300 to 500 euros, and the opening act at 150 to 200 euros,

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<sup>93</sup> Bundesverband mobile Beratung, "Keine harmlosen Heimatmelodien: Kontinuierliche Zunahme von rechten Liederabenden in Thüringen", April 25, 2020, <https://www.bundesverband-mobile-beratung.de/2020/04/25/keine-harmlosen-heimatmelodien-kontinuierliche-zunahme-von-rechten-liederabenden-in-thueringen/>.

<sup>94</sup> Due to the often conspiratorial nature of the event, the declaration as admission or donation is not of great importance here. If the concert is publicly advertised, it is likely that the entrance fee will be collected in the form of a "voluntary" donation.

whereby an obligation to provide equipment (apart from the instruments and, if applicable, personal accessories) for the other bands is often a condition for the opportunity to perform.

In part, such equipment is available at the concert organizers or venue providers. The third item covers catering for the bands with a total of 10 to 15 members as well as possible drivers and on-site crew, for which approximately 150 to 300 euros must be calculated. The fourth item covers the accommodation costs of the 10-15 band members, if no cost-neutral, i.e. private accommodations are available. For this, 50 euros per person were calculated.

Publicly announced concerts would also have to account for GEMA fees and taxes, based on the available figures. Merchandising sales were only considered for the bands, but not for the organizer, since there is usually no event merchandise to purchase at such small events. This calculation arrives at a maximum possible profit of 1,150 euros and a maximum possible loss of 1,700 euros. It is always necessary in individual cases to keep an eye on the items not considered. Such concerts took place in the "Kammwegklause" in Erfurt-Herrenberg or in the "Zuchthaus" in Hamm (Westphalia).<sup>95</sup>

### *Model 3: Medium-sized concerts (200-250 visitors)*

The third model refers to medium-sized concerts with 200 to 250 visitors, some of which are publicly advertised, and others organised in a conspiratorial manner, but always with highly regulated access, similar to a closed society. The registration format varies between a disguised event (see model 2), a public event (for profit), or a gathering. The income from such a concert amounts to 4,000 to 6,250 euros, based on the estimated number of visitors and an admission price of 20 to 25 euros.

The expenditures consist of five larger items. The venue rent for an appropriate location to implement such a concert is set at 500 to 1000 euros, where, similarly to model 2, the price range depends on the landlord of the venue and his relationship to the organizer. The second item comprises the travel cost reimbursements or fees for five bands, whereby their calculation is essentially based on the status of the band within the movement, the travel expenses, and their relationship with the organizer.

For this concert format, two larger bands, for example, one (very) well-known foreign band (possibly from overseas), one domestic band with cult status, and three domestic bands or bands from very close abroad were included in the calculation. For the first band 1,000 to 1,500 euros are calculated, for the second band 500 to 1,000 euros, for the two following bands 250 to 500 euros each, and for the opening band, as in model 2, 150 to 200 euros, together with the above-mentioned obligations regarding the provision of equipment.

The third item includes the catering for 15 to 20 band members as well as the possible driver and crew on site. For this, 250 to 500 euros are calculated. The fourth item covers the costs for GEMA fees. These were included in this case since, in this concert format, listed pieces will in all likelihood be performed publicly. In accordance with the current fee models, we estimate 450 to 550 euros here, depending on the size of the space and the entrance fee charged - to be account for accordingly in the case of donations.

The fifth item covers the costs for the accommodation of the 15 to 20 band members, if no suitable and cost-neutral solution is available on the part of the organizer. For this, 50 euros per person were calculated. As with the previous event formats, merchandising sales on the part of the organizer were not included in the calculation, as they are not offered regularly and

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<sup>95</sup> Cf. MDR Sachsen, "Erfurt: Einstiger Neonazi-Treff am Herrenberg wird umgestaltet", September 7, 2020, MDR Sachsen, <https://www.mdr.de/nachrichten/thueringen/mitte-thueringen/erfurt/herrenberg-neonazi-treff-jugendclub-streetworker-100.html> ; Torben Heine, "Nutzung untersagt", February 12, 2020, Lotta Magazin, <http://www.lotta-magazin.de/ausgabe/78/nutzung-untersagt>.

would therefore distort the calculation of the model calculation. The money turned over at sales booths is also not included in this format, as it would otherwise be included twice in a possible overall calculation, which would also include the sales of right-wing extremist publishing and distribution. Likewise, payable taxes must be considered too vague to quantify here, although in the case of sales tax, between 280 and 440 euros could be included in the calculation as expenses that are not available to the right-wing extremist movement as financial resources.

Thus, this calculation shows that under optimal conditions a maximum profit 2,900 euros can be expected, while under the most adverse circumstances a loss of 2,750 euros could be expected, always considering the variation of individual items. Concerts of this format take place, for example, in a former inn in Staupitz (Torgau) or, until recently, also in the "Erlebnis-Scheune" in the event center Erfurter Kreuz in Kirchheim.<sup>96</sup>

### *Interim summary of model calculations for concerts*

In the previous section, three models for typical concert formats of the White Power Music scene were calculated based on the main cost items. It must be emphasised that these are model calculations that must be supplemented and adjusted depending on the circumstances in order to be able to determine even approximately the sums that the right-wing extremist movement generates with this type of event. The models show that it is possible to achieve quite relevant profits with careful planning, an extensive network of contacts in the international White Power Music scene, a tight organisation with reliable landlords, a cost-neutral accommodation infrastructure, and staff who work free of charge.

However, even just one or two factors no longer entering into this equation as planned result in a lack of profits or even losses. In addition to these organisational factors, the state is also a decisive actor that could, among other things, make this business unprofitable by consistently levying taxes, provided it becomes aware of the events.<sup>97</sup> This is not a problem with the last type of event, large events or festivals, which are registered as gatherings.

However, there are other problems with the state's handling of such events: For example, the processing and possible imposition of levies depends on how well the local authorities are prepared for registering such an event and whether the employees are suitably qualified and trained. In addition, the possible additional workload arising from requirements, possible court proceedings, and on-site control must also be considered. Furthermore, it is unclear whether and to what extent the court will consider and weight certain aspects of the registration (including commercial vs. non-commercial purposes; broad, expanded, and narrow concept of assembly) in its decision.<sup>98</sup>

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<sup>96</sup> Cf. Thüringer Landtag (2018): Printed Matter 6/6481, Erfurt; Max Holscher/Marcel Pauly, "An diesen Orten trifft sich die Rechtsrock-Szene", March 2, 2018, Der Spiegel, <https://www.spiegel.de/politik/deutschland/rechtsrock-bundesweit-starke-zunahme-von-neonazi-konzerten-daten-a-1195798.html>.

<sup>97</sup> This is due to the fact that concerts disguised as private events, for instance, are not only checked for correctness under regulatory law, but also under tax law. This also applies to larger events that have been registered as assemblies. The NPD, for example, had to subsequently pay back taxes for a festival that had been registered as a gathering. Cf. FG Thüringen, 23.04.2015 - 1 K 743/12.

<sup>98</sup> Cf. also: FG Thüringen, 23.04.2015 - 1 K 743/12; VG Meiningen, Beschluss vom 03.07.2017 - 2 E 221/17 Me. For discussion: Klaus Hinkel (2021): Versammlungsfreiheit auch für die Feinde der Demokratie? Zur neueren Rechtsprechung insbesondere der Thüringer Verwaltungsgericht im Versammlungsrecht (Part 2). In: Thüringer Verwaltungsblätter. Zeitschrift für öffentliches Recht und öffentliche Verwaltung 30 (1), pp. 7-16; Christian K. Petersen (2019): Wie viel Kommerz verträgt der "enge" Versammlungsbegriff? Überlegungen und Anmerkungen anlässlich der Entscheidung des VG Meiningen vom 3. Juli 2017 (2 E 221/17 Me). In: Die Öffentliche Verwaltung 72 (4), S.131-140; VG Meiningen, Beschluss vom 03.07.2017 - 2 E 221/17 Me.

*Reconstruction: The major event*

In the following, a reconstruction of the financial balance of the event "Rock gegen Überfremdung II", which took place on July 15, 2017, in Themar, Thuringia, with almost 6000 visitors, is intended to explain how and why these recently increased event formats, based on music festivals as they are known from the music industry in the summer. In the aftermath of the event, for example, the Prime Minister of Thuringia, Bodo Ramelow, and the President of the Office for the Protection of the Constitution of Thuringia, Stephan J. Kramer, made the following statements regarding the motives:

*"The concert was registered as an assembly; at the same time, however, the organizers collected admission, thus making an estimated 300,000 to 400,000 euros in revenue while evading any obligations of a concert organizer." (Bodo Ramelow)<sup>99</sup>*

*"So that for some of the major concerts in the past, we had to assume that in some cases these events make a quarter of a million, 300,000 euros." (Stephan J. Kramer)<sup>100</sup>*

It is clear that the financial motives are the main focus of public attention, although the social aspects are also mentioned. Calls for reform of the right of assembly were also quickly voiced,<sup>101</sup> although the recommendations of the lawyers involved in the matter are clearly different and a reflection on the existing legal regulations in consistent application is described as sufficient.<sup>102</sup> The following part presents the framework conditions on which this calculation is based.

In contrast to the event models before, it is clear and proven for this event that it was registered as an assembly according to the Assembly Act. This registration had to be defended in court against the district office in order to be able to maintain it in the form desired by the registrant,<sup>103</sup> in particular in order to be able to enjoy the privileges that are (have to be) granted legally to a gathering in contrast to a commercial event, such as coordinated travel (parking spaces, free access to the site through barriers, security checks) and medical care (ambulances and paramedics) for the participants or the largely dispensable tax burden resulting from the registration as a gathering, among other things for the entrance donations ("contribution to expenses").

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<sup>99</sup> Bodo Ramelow as quoted in: Kölner Stadt-Anzeiger, "Bodo Ramelow. Präzisierung des Versammlungsrechts gefordert – keine Verschärfung", July 18, 2017, Kölner Stadt-Anzeiger, <https://www.ksta.de/politik/bodo-ramelow-praezisierung-des-versammlungsrechts-gefordert---keine-verschaerfung-27990156>.

<sup>100</sup> Stephan J. Kramer as quoted in: Johanna Hemkentokrax/Axel Hemmerling (2018): Rechtsrockland. Leipzig: MDR, 16:49-16:59min.

<sup>101</sup> Cf. Kölner Stadt-Anzeiger, "Bodo Ramelow. Präzisierung des Versammlungsrechts gefordert – keine Verschärfung", July 18, 2017, Kölner Stadt-Anzeiger, <https://www.ksta.de/politik/bodo-ramelow-praezisierung-des-versammlungsrechts-gefordert---keine-verschaerfung-27990156>.

<sup>102</sup> Cf.: Günter Frankenberg (2017): Vereinbarkeit von Rechtsrockkonzerten mit dem Grundgesetz und dem Versammlungsrecht", Expert Opinion ordered by n Bündnis 90/Die Grünen Landtagsfraktion Thüringen, Erfurt; Klaus Hinkel (2021): Versammlungsfreiheit auch für die Feinde der Demokratie? Zur neueren Rechtsprechung insbesondere der Thüringer Verwaltungsgericht im Versammlungsrecht (Part 2). In: Thüringer Verwaltungsblätter. Zeitschrift für öffentliches Recht und öffentliche Verwaltung 30 (1), pp. 7-16; Christian K. Petersen (2019): Wie viel Kommerz verträgt der "enge" Versammlungsbegriff? Überlegungen und Anmerkungen anlässlich der Entscheidung des VG Meiningen vom 3. Juli 2017 (2 E 221/17 Me). In: Die Öffentliche Verwaltung 72 (4), S.131-140; VG Meiningen, Beschluss vom 03.07.2017 - 2 E 221/17 Me.

<sup>103</sup> Ibid.

Essentially, the same presumptions apply to this event as to the concerts, merely supplemented by the additions that here the sale of food and drinks is also organised by the organizer and that it is to be assumed that the entire crew - i.e. including the security and bar staff - worked free of charge. In return, direct donations to the participants or their organisations such as the "Turonen/Garde 20" or "Barnimer Freundschaft 25" are very likely expected or, in addition to the usual return flow of funds to certain projects of the extreme right-wing movement, an increased investment in such projects or political work. The reconstruction below is based on the evaluation of court rulings, "Small Inquiries" in parliaments, and reporting on the event.

The calculation<sup>104</sup> starts with the revenues: The events registered 5960 visitors, from which the bands, crew, and guest lists are to be deducted, so that a total of 5,500 people paid 35 euros each admission as a "voluntary" donation. The 192,500 euros is the largest income item, to which four other large items are added. The smallest item in the reconstruction is the stand rent of four sales stands, estimated at 250 euros each. Information and mixed stands were not considered in this calculation, since it is unclear who has to pay this stand rent apart from clearly communicated commercial interests.

The next smallest single item is event merchandise, which is essentially limited to the "Storm on Themar" event shirt at 20 euros each.<sup>105</sup> It is assumed that, on occasion of such an event as well as the photos on site and at the following festivals, about 20 % of the visitors have purchased such a shirt, so that we can assume 1000 shirts, generating 20,000 euros in revenue based on the price. The next item is food sales, which consists of the sale of bratwurst and pea stew with bockwurst, each with a roll.

It is assumed that 9,000 bratwursts were sold at three euros each and 2,000 portions of pea stew with bockwursts at four euros each, generating 27,000 euros and 8,000 euros in revenue respectively. The last item is beverage sales, which correspond to the sale of 16,000 0.5l beers at three euros each and a mixed calculation of non-alcoholic beverages corresponding to one-third of the amount of beer sold, which tend to be consumed by companions (drivers, women, children). Thus, 1,800 units each of 0.5l water, lemonade, and non-alcoholic beer were sold for a total value of 16,000 euros.<sup>106</sup> The total revenue thus amounts to 312,500 euros.<sup>107</sup>

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<sup>104</sup> The information for the calculation comes - unless indicated otherwise - from the "Small Inquiries" of the Thuringian state parliament and the German Bundestag as well as an aerial view of the festival area by the Thuringian police: Thuringian state parliament (2017): Printed Matter 6/4598, 6/4606, 6/4617; Thuringian state parliament (2018): Printed Matter 6/6034; German Bundestag (2017): Printed Matter 18/13661; Thuringian police, "We currently count 5955 participants," July 15, 2017, Twitter, [https://twitter.com/Polizei\\_Thuer/status/886287951898046464](https://twitter.com/Polizei_Thuer/status/886287951898046464). The calculated prices must consider the five influencing factors that cannot be fully determined (See page 36).

<sup>105</sup> Druck 18 Shop, "T-Hemd - Sturm auf Themar", <https://www.druck18.de/de/Bekleidung/Fuer-Maenner/T-Shirts/Alltags-Spess-Motive/T-Hemd-Sturm-auf-Themar::5816.html>.

<sup>106</sup> Cf. VG Meiningen, Beschluss vom 03.07.2017 - 2 E 221/17 Me, Rn. 3, 5, 12.

<sup>107</sup> Based on estimates by the Saxon Office for the Protection of the Constitution, each visitor spends an average of 50 to 55 euros per concert visit. Thus, after the entrance fee and the average consumption (calculated from the quantities sold), each visitor would still have 5 to 10 euros available for merchandise (5,500\*5-10=27,500-55,000 euros, minus the 20,000 euros for festival merchandise), so that the merchants could have made 7500 to 35000 euros in sales, which would still be taxable. Thus, the right-wing rock consumers are in the upper average in comparison with the average consumer of music and on a level with fans of "normal rock music". Cf. Maik Baumgärtner, "Millionen mit Hass", November 13, 2014, Bundeszentrale für politische Bildung, <https://www.bpb.de/politik/extremismus/rechtsextremismus/185061/rechtsrock-millionen-mit-hass>; Martin Döring (2012): Geld verdienen mit Hass – rechtsextremistische Musik im Freistaat Sachsen zwischen Ideologie und Kommerz. In: Ministerium des Innern des Landes Brandenburg (eds.): Verfassungsfeinde und das Kapital. Finanzströme im Rechtsextremismus, Potsdam, pp. 9-14; Kati



The expenses comprise a total of 17 or 19 items, depending on whether taxes and GEMA fees are considered. The first item is ticket printing and dispatch, which was based on a mixed calculation of box office tickets and individual and collective orders as well as domestic and international dispatch, so that 3,000 euros must be estimated for this. The travel costs and fees for the seven bands were calculated on the basis of their respective status in the White Power Music scene and the right-wing extremist movement, their familiarity with the organizer, and their travel costs, since the members of some bands do not all live in the same town or region and sometimes had to travel long distances.

In addition, the special factor "large event" had to be taken into account, as is also common for music festivals, since it is rare for the right-wing extremist movement in particular to generate so much revenue otherwise. For the bands "Stahlgewitter", "Die Lunikoff Verschwörung" and "Sleipnir", 2,500 euros each were allocated as fees and travel expenses. The band "Uwoocaust" was calculated with 1.000 euros because of their status, while "TreueOrden" "Blutzeugen", and "Flak" were calculated with 500 euros each.

Besides ticketing and the bands, the largest expense items in the calculation are cost of materials, purchase of goods, and rental and usage fees. The next item is the usage fee of 5,000 euros to the landlord of the property, the former AfD politician and mayor of the neighbouring municipality, Bodo Dressel, whose offer helped make the event possible in this context. This is accompanied by an item that is very difficult to calculate, the energy and water supply for such a large event, which depends on the type of supply, i. e. whether there are fixed water and electricity connections or whether everything has to be operated by means of generators. Here, the costs for the overall operation, set-up, and dismantling were calculated at 10,000 euros.

The next items are allotted to tent rentals, in particular the large concert tent with the dimensions 60x20m, as well as a smaller festival tent with the dimensions 5x15m and three small tents with 10x5m, whose costs amount to estimated 18,000 euros in middle quality with delivery and without structure and dismantling from Thursday to Monday. The pertinent beer tent sets are to be calculated as a separate item with 2,000. For the other basic equipment items, the same quality standards, assembly and disassembly, and delivery modalities and rental periods have been estimated. It follows that the stage (120-150 sqm) with floor and trusses will cost 6,000 euros in rental fees, while adequate, powerful PA and lighting equipment should cost another 12,500 euros.

For the other stage equipment, it is assumed that the organizer has a certain basic stock of equipment and only needs to partially supplement his equipment, so that the musicians only need to bring their instruments and, if necessary, personal equipment if they wish. This item is included in the calculation at 3,000 euros. Another significant factor is the accommodation of the musicians and the (core) crew, with overnight stays likely to be incurred mainly from July 15 to 16, as well as on the days of set-up around the weekend. A total of 400 overnight stays at 50 euros each (20,000 euros) were included in the calculation.

On the other hand, the organizer's liability insurance is a fairly small item at 500 euros. For smooth operations, building fences (300m) and sanitary facilities must be set up. The evaluation of the aerial photographs<sup>108</sup> has shown that a total of 85 individual cabins and sanitary facilities for crew and bands were provided, the costs of which (including delivery, installation, professional disposal, and collection) likely come to 14,500 euros, while the construction fences are priced at 1,500 euros. A further position concerns garbage disposal, to which the organizer is obligated and which it will accomplish in its interest of the renewed

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Korn (2010): Musik Merchandising aus Konsumentenperspektive. Ein Ansatz zur Erklärung des Konsumentenverhaltens bei Fan-Artikeln von Musikacts, Wiesbaden: Gabler Verlag, pp. 161-194.

<sup>108</sup> [https://twitter.com/Polizei\\_Thuer/status/886287951898046464](https://twitter.com/Polizei_Thuer/status/886287951898046464).

use of the area. Here we assume 15,000 euros for the disposal of garbage. Crew and helpers were likely responsible for picking it up.

The next larger item includes the purchase of goods, which is necessary to generate revenue with the above items. The purchased goods for the food stands consist of 10,000 bratwursts at 60 cents each, 12,000 rolls at 25 cents each, 2,000 bockwursts at 70 cents each, vegetables for stew for 2,000 portions at 50 cents each and totals 11,400 euros. The purchased goods for the beverage stands consist of 200 50-liter barrels of beer at 110 euros each, 23 50-liter barrels of non-alcoholic beer at 110 euros each, 100 crates of lemonade at 15 euros each and 150 crates of water at 4 euros each, thus totalling 26,630 euros.<sup>109</sup> These stocks have to be supplemented by separate catering for bands and crew, which cannot be fully provided by the food and beverage stands. Therefore, at least another 2,500 euros must be budgeted for breakfast materials, snacks, coffee, and ingredients for a midday and evening meal.

A similar item is the consumables, which is made up of many sub-items over the entire festival and includes, for example, gaffer tape, signage, trash bags, pens, box cutters, screws, nails, and bandages. For this, another 2,500 euros must be calculated for an event of this size. The last fixed item includes the purchase of the festival merchandise and crew clothing, which, however, is acquired at cost due to the business "Druck18" belonging to the organizer Frenck. For 1,000 high-quality cotton shirts printed on both sides in four colours, 7.50 euros per shirt, i.e. 7,500 euros in total, must be budgeted; for 100 crew shirts, this is 750 euros.

The last two items are GEMA fees and the sales tax. If the event is registered, GEMA fees amount to 13,860 euros according to the current fee models for such an event.<sup>110</sup> If there is no registration and a subsequent registration is necessary, GEMA will charge double the amount, since their regulations and thus contracts have been violated. The sales tax would amount to 7% of the ticket revenue, as is possible and usual for concerts, which in this case would be 21,875 euros.<sup>111</sup> To the author's knowledge, however, these two items have not (yet) been claimed by the relevant authorities, nor have the business and corporate tax, although after detailed examination this is legally permissible,<sup>112</sup> even after the fact, and possible, as a raid on Tommy Frenck in this regard suggests.<sup>113</sup> In total, the expenses amount to 208,015 euros and 172,280 euros respectively (excluding taxes and GEMA).

The bottom line of this reconstruction of the financial balance sheet of the event in Themar is therefore that the 312,500 euros in revenues are offset by 208,015 and 172,280 euros in expenses, respectively, resulting in 104,485 and 140,220 euros in possible profit that flows to the organizer, minus the possible lump-sum payments to the helpers and reinvestment in the cultural and political activities of the right-wing extremist movement.

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<sup>109</sup> Cf. VG Meiningen, Beschluss vom 03.07.2017 - 2 E 221/17 Me, Rn. 3, 5, 12. The purchasing already includes consumption by the crew as well as dispensing and cutting losses.

<sup>110</sup> Cf. GEMA, "Unterhaltungskonzert", January 1, 2021, GEMA, [https://www.gema.de/fileadmin/user\\_upload/Musiknutzer/Tarife/Tarife\\_AD/tarif\\_u\\_k.pdf](https://www.gema.de/fileadmin/user_upload/Musiknutzer/Tarife/Tarife_AD/tarif_u_k.pdf)

<sup>111</sup> Umsatzsteuergesetz § 12 Para. 2, [https://www.gesetze-im-internet.de/ustg\\_1980/\\_12.html](https://www.gesetze-im-internet.de/ustg_1980/_12.html).

<sup>112</sup> Cf. FG Thüringen, Beschluss vom 23.04.2015 – 1 K 743/12.

<sup>113</sup> Cf. Thüringer Allgemeine, "Razzia bei rechtsextremem Thüringer Konzertveranstalter", April 25, 2018, Thüringer Allgemeine, <https://www.thueringer-allgemeine.de/leben/blaulicht/razzia-bei-rechtsextremem-thueringer-konzertveranstalter-id224094633.html>

### **3. Financial Flows in White Power Music II: The Publishing and Distribution Business**

The publishing and distribution system in White Power Music scene has developed very dynamically since the early 1980s, when in Germany two mono- or oligopolists far removed from the movement initially dominated the business until the mid/late 1990s: Herbert Egoldt ("Rock-O-Rama-Records") and Torsten Lemmer ("Funny Sounds Records"). The remaining distribution was handled by tape trading, short-lived German mini labels like "Skull Records", or larger foreign labels like "Rebelles Européens" from France.

From the end of the 1990s, the first larger labels were founded by movement activists from the innermost circle of the right-wing extremist movement of the so-called "Hoyerswerda Generation."<sup>114</sup> This period gave rise to, for instance, Thorsten Heise's "WB-Versand," "Movement Records" by the close NSU supporter Jan Botho Werner, and "PC-Records" by Yves Rahmel, whose store in Chemnitz was closely linked to Hendrik Lasch's "Backstreet Noise" store.

The number of stationary retailers such as "H8Store" in Wismar or smaller mail-order retailers with labels such as "Germania Versand" grew steadily - the market fanned out. After three more large players, "Rebel Records", "Oldschool Records", and "OPOS-Records", entered the market in the mid-2000s, market concentration increased sharply from around 2010. As a result, smaller mail order companies and especially brick-and-mortar retailers withdrew from the business and the market was divided among a few large publishing and distribution houses.

These dealers, for example the official organizer of the "Rock gegen Überfremdung II", Tommy Frenck with his company "Druck 18", increasingly entered the merchandising business, also with their own clothing brands, in order to reduce their dependence on recordings and, as in the case of Tommy Frenck, Patrick Schröder, and Thorsten Heise, to build up another economic and political pillar.<sup>115</sup> Thus, the publishing and distribution business in White Power Music - especially for the big players - is considered more profitable than the concert and festival market, since it can be better organised and controlled and, above all, it can be planned for the longer term.

In the following, using the example of "PC Records" from Chemnitz (now managed by Steve Geburtig), a current turnover calculation for the years 2018 to 2020 will be estimated by means of an available reconstruction of the turnovers for the years 2008 to 2010 as well as the comparison of the extent and the quality of the assortment.<sup>116</sup> In each case three years are taken as a basis, since in this way sales peaks (Christmas business) and special effects

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<sup>114</sup> Heike Kleffner/Anna Spangenberg (eds.) (2016): Generation Hoyerswerda. Das Netzwerk militanter Neonazis in Brandenburg. be.bra verlag. Berlin: Bebra Verlag. The authors use of the "Hoyerswerda Generation" describes a cohort of extreme right youth who more or less actively experienced or even shaped xenophobic acts of violence, the rise of White Power Music to a perceptible (youth) subculture, and the transformation of individual right-wing extremist scenes into a right-wing extremist movement. Cf. Heike Kleffner/Anna Spangenberg (2016): Preface of the publishers. In: Heike Kleffner und Anna Spangenberg (publ.): Generation Hoyerswerda. Das Netzwerk militanter Neonazis in Brandenburg. Berlin: Bebra Verlag, pp. 9-17, here p. 11-12.

<sup>115</sup> Cf. Timo Büchner (2021): Rechtsrock. Business, Ideologie & militante Netzwerke. Münster: Unrast Verlag, p. 63-66; Maximilian Kreter (2019): Politische Agitation, juvenile Rebellion oder rechtsextreme Erlebniswelt? 40 Jahre Rechtsrock in Deutschland. In: Eckhard Jesse, Tom Mannewitz und Isabelle-Christine Panreck (publ.): Populismus und Demokratie. Interdisziplinäre Perspektiven. Baden-Baden: Nomos, pp. 139-164.

<sup>116</sup> To be understood here in the sense of economic power, i. e., how attractive the label and mail order assortment is for the potential clientele.

(releases of scene greats at PC Records) can be better estimated and taken into account for the monthly sales.

Before entering into the reconstruction and calculation, however, it is necessary to explain some aspects regarding the performance and informative value of such a calculation. It must be considered that

- 1) there is little to no information about contracts with the bands, goods manufacturers (volume discounts), and other publishing and distribution houses (wholesales/trades) from the White Power Music scene, so that the expenses cannot be calculated reliably
- 2) the income from stationary sales and at major events can only be included in the calculation to a limited extent,
- 3) the sales figures of individual articles can only be quantified in more detail in the case of highlighted individual articles, while otherwise calculations have to be based on average values, which can certainly lead to distortions
- 4) the trade in prohibited goods (typically due to violations of §§86a, 130 StGB), which is not uncommon in the right-wing extremist movement even among otherwise legally operating dealers, as the past has shown, cannot be considered.<sup>117</sup>

The goal is to approximate the dimensions of the sales that can be achieved with White Power Music at such a company size in order to be able to make cautious estimates about the possible profit and how much money flows back into the extreme right movement as concrete benefits ("solidarity actions"). In addition, it should not be forgotten that even with small profits or even interim losses, full-time political work is made possible and financed with the salaries of the employees and the distribution to the operator.

#### *PC records 2008 to 2010 and 2018 to 2020*

According to official, accessible figures, the label self-published 72 releases<sup>118</sup> in the period from 2008 to 2010 (2008: 20; 2009: 24; 2010: 28) and according to its own information in May 2011, "the online store [...] has at least 2,000 items from buttons & stickers to CDs and sweatshirts."<sup>119</sup> Due to the smaller share of clothing and other merchandising items, it can be estimated on the basis of the current ratios<sup>120</sup> of recording media and other items that in the period from 2008 to 2010 approximately 1,100 to 1,400 different recording media were offered at "PC Records," which means that the share of self-releases was between 5.1 and 6.5 %, which is a relatively high share in contrast to comparable retailers.<sup>121</sup>

And especially when very popular and thus very well-selling albums such as "Braun ist Trumpf" by "Gigi & Die Braunen Stadtmusikanten" or "Generation die sich wehrt" by "Hassgesang" are released by a label, this is a factor that cannot be neglected due to the margins and the possibility of re-releasing the recording medium<sup>122</sup> - even in the case of indexing (Schedule A)

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<sup>117</sup> The indexed but not banned goods are distributed through a separate application for "Hits vom Index" (<https://hvi.pc-records.com/>).

<sup>118</sup> In contrast, the evaluation of the State Office for the Protection of the Constitution lists only 69 releases (2008: 22; 2009: 23; 2010: 24). Cf. Landesamt für Verfassungsschutz Sachsen (publ.), *Auswertung der Geschäftsunterlagen von PC-Records, Nordsachsenversand, DS-Verlag, Dresden 2011*, pp. 49-55.

<sup>119</sup> Fanzine *Freies Chemnitz* cited in: Landesamt für Verfassungsschutz Sachsen (publ.), *Auswertung der Geschäftsunterlagen von PC-Records, Nordsachsenversand, DS-Verlag, Dresden 2011*, p. 8.

<sup>119</sup> See next section PC Records 2018 to 2020.

<sup>120</sup> See next section PC Records 2018 to 2020.

<sup>121</sup> This circumstance is of great importance, as in-house productions have a larger margin than third-party productions that come from wholesales or purchases.

<sup>122</sup> The recording media - both CDs and LPs - are most likely produced in the Czech Republic, probably to avoid complications under criminal law and, despite converging prices, for cost reasons.

without a general ban on distribution (Schedule B)<sup>123</sup> - which can increase sales considerably.<sup>124</sup> In addition, there is the share of self-published clothing collections and self-published band merchandising, which must be taken into account in the mixed calculation of in-house and third-party productions.

Figures for the fiscal years 2008 to 2010<sup>125</sup> show that "PC-Records" had average monthly sales of 18,141 euros in 2008, 22,680 euros in 2009, and 20,501 euros in 2010 with its entire product range. From this it follows (despite some missing data and possible error sources) that an annual turnover of at least 217,692 euros was achieved in 2008, 272,160 euros in 2009, and 246,012 euros in 2010.

Based on the known error sources and the consideration and estimation of the missing data, the actual sales were estimated conservatively. This resulted in annual sales of 297,719 euros (2008), 372,208 euros (2009), and 298,773 euros (2010). i.e. 968,700 euros in total for the years 2008 to 2010 and average annual sales of 322,900 euros for the three years.

With an average of 4895 orders per year, this results in a value of 65.96 euros per order<sup>126</sup>, which is in the top 15% of "normal" customers and fans who spend money on music and merchandising.<sup>127</sup> It should be borne in mind here that these figures do not take into account sales from retail store and at events, but only mail order sales. If the missing data and the very conservative estimate are considered, it can be assumed that "PC-Records" made an average annual turnover of 400,000 to 450,000 euros in all business areas in the period from 2008 to 2010.

Rough calculations for the years 2018 to 2020 are based on the known annual sales for the years 2008 to 2010 and the available parameters (number of publications, change in the assortment, market concentration, inflation rate, value of goods per shipment, number of shipments). According to official, accessible figures, the label has released 57 different recordings (2018: 19; 2009: 16; 2010: 22), and according to the openly accessible store page<sup>128</sup>, the assortment has continued to grow to circa 2500 to 3000 items<sup>129</sup> - circa 1500 of which are recordings.

The share of self-releases in the total range of sound recordings has thus fallen from up to 6.5 % to 3.8 %, compared to the same period last year, not only in absolute terms but also in

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Cf. Landesamt für Verfassungsschutz Sachsen (publ.), Auswertung der Geschäftsunterlagen von PC-Records, Nordsachsenversand, DS-Verlag, Dresden 2011, p. 44.

<sup>123</sup> "The Federal Review Board for Media Harmful to Young Persons lists all indexed carrier media in **Part A**, insofar as these do not have any content relevant to criminal law in their estimation. This means that these media may neither be advertised nor made accessible to children and young people. However, indexing does not result in a general ban on a medium. **Part B** contains all recording media that are both harmful to minors and have content that may be relevant to criminal law. The indexing from Schedule Parts A and B is published in the Federal Gazette." Bavarian State Parliament (2014): Printed Matter 17/1531, p. 3.

<sup>124</sup> Cf. Landesamt für Verfassungsschutz Sachsen (eds.), Auswertung der Geschäftsunterlagen von PC-Records, Nordsachsenversand, DS-Verlag, Dresden 2011, p. 20-21.

<sup>125</sup> Source: Landesamt für Verfassungsschutz Sachsen (eds.), Auswertung der Geschäftsunterlagen von PC-Records, Nordsachsenversand, DS-Verlag, Dresden 2011.

<sup>126</sup> Cf. Landesamt für Verfassungsschutz Sachsen (publ.), Auswertung der Geschäftsunterlagen von PC-Records, Nordsachsenversand, DS-Verlag, Dresden 2011, pp. 20-23, 106-107.

<sup>127</sup> Cf. Kati Korn (2010): Musik Merchandising aus Konsumentenperspektive. Ein Ansatz zur Erklärung des Konsumentenverhaltens bei Fan-Artikeln von Musikacts, Wiesbaden: Gabler Verlag, pp. 164.

<sup>128</sup> Cf. <https://www.pcrecords.net/>. The survey days were March 13, 2019, and December 19, 2020. The store (<https://hvi.pc-records.com/>) that is not open to the public, could not be viewed at the time.

<sup>129</sup> On this case, the calculations for clothing depend on the counting method, i. e., whether different sizes or individually adaptable goods are counted one time or multiple times.



relative terms. This is a consequence of the change in product range, in that "PC Records", like other larger suppliers, is increasingly focusing on merchandising items from the bands and on typical scene, third-party, and its own clothing brands, instead of treating recorded music as the main business and merchandising items as a secondary business, as was previously the case.

The reasons for the change in assortment lie in the decline of stationary dealers and smaller mail-order companies (market concentration) as well as in the economic necessity of making the company viable and profitable for the future, which to a certain extent also secures the right-wing extremist movement's ability to act politically.

In the mixed calculation of outside and own productions across the product range, the influence on the margin can be increased in this manner. The enlargement and adaptation of the product range should lead to a significant increase in sales, since the range was extended and the final customer cannot find the offered articles somewhere else for free, as is the case with music.

Another factor that must be included in the calculation, in addition to market concentration, is the business environment, which should be at least similar to that in the comparison period. This is only partly the case, since the author believes that the general conditions for "PC records" have improved:<sup>130</sup>

While in 2018 and 2019 there were several concerts and especially major events where the operators were on site with booths, which represented additional business to the mail order business and retail store, the freed-up funds due to the lapse of costly concerts and major events with the onset of the corona pandemic in Europe in February/March 2020, can be invested in orders.<sup>131</sup>

This leads to the following formula for estimating the average annual sales for "PC-Records" in the years 2018 to 2020, taking into account the sales figures from 2008 to 2010: The average value of goods of an order (65.96 euros) is multiplied by the number of orders from 2008-2010 (4895), taking into account cumulative inflation from 2010 to 2020 (14.21%), according to the assumed increased market share, measured by the size of the product range of "PC-Records" (+25/50%) resulting from the market concentration.<sup>132</sup>

According to this conservative estimate, "PC-Records" had an average annual turnover of 460,868 to 553,072 euros in the mail order business in 2018 to 2020, which corresponds to a monthly turnover of 38,405 to 46,089 euros. If the missing data on sales in retail stores and concerts are included in the same proportion as for the years 2008 to 2010, then the range of possible average annual sales for the above period is 570,911 to 770,772 euros.

Finally, it is important to emphasise that these are estimates that were made with the help of existing parameters and should be treated as such and by no means fixed figures. Furthermore, these are sales figures from which one still has to deduct purchased goods,

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<sup>130</sup> Of course, it is also possible to argue differently at this point or to base the following calculation on other, contrary assumptions. This will be made transparent in the following.

<sup>131</sup> While the music industry as a whole, especially event agencies, has been affected by sharp declines in sales, as album release dates and associated concert and promotional tours have had to be postponed, the White Power Music scene is largely decoupled from these market mechanisms due to the organisational forms of the live shows and the distribution channels of the sound carriers. In addition, mail-order companies have seen high sales growth across many industry boundaries. Cf. Christian Lehner, "Corona und Musiklabels", April 30, 2020, Radio FM4/ORF <https://fm4.orf.at/stories/3002084/>; Tagesschau, "Einzelhandel macht sattes Umsatzplus", January 5, 2021, Tagesschau.de, <https://www.tagesschau.de/wirtschaft/corona-einzelhandel-umsatz-101.html>.

<sup>132</sup> This assumes growth in orders in line with the size of the product range, on the premise that this has occurred as a result of market concentration. Based on the above figures, the growth of the product range was assumed to be between 25 and 50%.

salaries for employees, rents for warehouses and stores, and taxes, so that the amounts mentioned do not flow directly into the financing of the activities of the right-wing extremist movement.



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