



U.S. Department of Justice
Office of Information Policy
Suite 11050
1425 New York Avenue, NW
Washington, DC 20530-0001

Telephone: (202) 514-3642

December 19, 2018

Mr. William F. Marshall
Judicial Watch
Suite 800
425 Third Street, SW
Washington, DC 20024
bmarshall@judicialwatch.org

Re: DOJ-2018-001653 (DAG)
DOJ-2018-001549 (DAG)
18-cv-00490 (D.D.C.)
18-cv-01854 (D.D.C.)
VRB:TAZ:BPF

Dear Mr. Marshall:

This is a fifth interim response to your Freedom of Information Act (FOIA) request dated and received in this Office on December 12, 2017, in which you requested: (1) communications between former Associate Deputy Attorney General Bruce Ohr and named individuals and entities, (2) travel documents pertaining to Mr. Ohr, and (3) all calendar entries of Mr. Ohr, dating since January 1, 2015. This will also serve as a first interim response to your FOIA request dated and received in this Office on May 29, 2018, in which you requested: records from the Office of the Deputy Attorney General (ODAG) relating to Fusion GPS, Nellie Ohr, and/or Christopher Steele, dating since January 2016. This response is made on behalf of ODAG. In the course of processing the latter request, the Organized Crime Drug Enforcement Task Force (OCDETF) also referred material to this Office for processing and direct response to you. This response includes material referred by OCDETF.

On August 24, 2018, October 1, 2018, November 1, 2018, and December 14, 2018, we provided you with interim responses to your request. We have now completed processing 344 additional pages containing records responsive to your request. I have determined that 337 pages containing records responsive to your request are appropriate for release with excisions made pursuant to Exemptions 6, 7(A), 7(C), 7(D), and 7(E) of the FOIA, 5 U.S.C. § 552(b)(6), (b)(7)(A), (b)(7)(C), (b)(7)(D), and (b)(7)(E), and copies are enclosed. Additionally, I have determined that seven pages should be withheld in full pursuant to Exemptions 6, 7(A), 7(C), 7(D), and 7(E). Some of the excisions in these records are made on behalf of other entities, including the Federal Bureau of Investigation (FBI) and the Department's Criminal Division. Please be advised that duplicative records were not processed, and are marked accordingly.

Exemption 6 pertains to information the release of which would constitute a clearly unwarranted invasion of the personal privacy of third parties. Exemption 7(A) pertains to records or information compiled for law enforcement purposes, the release of which could reasonably be expected to interfere with enforcement proceedings. Exemption 7(C) pertains to records or information compiled for law enforcement purposes, the release of which could reasonably be expected to constitute an unwarranted invasion of the personal privacy of third parties. Exemption 7(D) pertains to records or information compiled for law enforcement

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purposes, the release of which would disclose the (identity of a confidential source). Exemption 7(E) pertains to records or information compiled for law enforcement purposes, the release of which would disclose certain techniques or procedures for law enforcement investigations or prosecutions.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. See 5 U.S.C. § 552(c) (2012 & Supp. V 2017). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.

If you have any questions regarding this response, please contact Michael Gerardi of the Department's Civil Division, Federal Programs Branch, at 202-616-0680.

Sincerely,



Vanessa R. Brinkmann
Senior Counsel

Enclosures

Ohr, Bruce (ODAG)

From: Ohr, Bruce (ODAG)
Sent: (b) (7)(A), (b) (7)(D), (b) (7)(E), - per FBI
To: Chris Steele
Subject: RE: Greetings!

Hi Chris –

Happy New Year to you and your family as well! It is good to hear from you and I'm glad to hear you enjoyed (b) (6). The pollution is definitely a deterrent to spending too much time there, but it is a fascinating place.

(b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E), - per FBI

– Bruce

From: Chris Steele (b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E), - per FBI
Sent: (b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E), - per FBI
To: Ohr, Bruce (ODAG)
Subject: Greetings!

Dear Bruce,

A Happy New Year to you and yours. I am back from (b) (6) very impressed with the place other than the pollution of course (b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E), - per FBI

Best, Chris

Chris Steele

From: Chris Steele
Sent: (b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E) - per FBI
To: Ohr, Bruce (ODAG)
Subject: (b) (7)(A), (b) (7)(D), (b) (7)(E), - per FBI

(b) (7)(A), (b) (7)(D), (b) (7)(E) - per FBI

Best, Chris

From: Bruce Ohr <Bruce.G.Ohr@usdoj.gov>
Date: (b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E) - per FBI
To: Chris Steele (b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E) - per FBI
Subject: (b) (7)(A), (b) (7)(D), (b) (7)(E) - per FBI

Dear Chris –

Many thanks for your email and the updates. I am glad to hear that (b) (6)

(b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E), - per FBI

Give my best to your family and hope all continues to be well with you.

-- Bruce

From: Chris Steele (b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E) - per FBI
Sent: (b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E) - per FBI
To: Ohr, Bruce (ODAG)
Subject: (b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E) - per FBI

Dear Bruce,

I hope you are well and have had a good start to the year. We had a great Christmas and New Year break (b) (6)

(b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E) - per FBI

It would be good to catch up properly, either in London or possibly elsewhere in western Europe if you are visiting. Please let me know if you do.

Thanks and Best, Chris

Ohr, Bruce (ODAG)

From: Ohr, Bruce (ODAG)
Sent: (b) (7)(A), (b) (7)(D), (b) (7)(E), - per FBI
To: Chris Steele
Subject: (b) (7)(A), (b) (7)(D), (b) (7)(E), - per FBI

Thanks Chris!

(b) (7)(A), (b) (7)(D), (b) (7)(E), - per FBI

Bruce

> (b) (7)(A), (b) (7)(D), (b) (7)(E), (b) (6), (b) (7)(C), - per FBI Chris Steele (b) (7)(A), (b) (7)(D), (b) (7)(E), (b) (6), (b) (7)(C), - per FBI wrote:

>
> Dear Bruce,
>

> I hope you are well. (b) (7)(A), (b) (7)(D), (b) (7)(E), (b) (6), (b) (7)(C), - per FBI

[Redacted]

>
> (b) (7)(A), (b) (7)(D), (b) (7)(E), - per FBI
[Redacted]

>
> Best, Chris

Ohr, Bruce (ODAG)

From: Ohr, Bruce (ODAG)
Sent: Thursday, March 17, 2016 5:43 PM
To: Chris Steele
Subject: RE: CDS- Possible Meeting In Europe

Hi Chris –

I'm afraid nothing has crystallized yet. Would you like to set up a call?

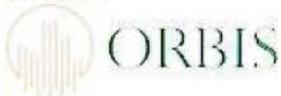
- Bruce

From: Chris Steele (b) (6)
Sent: Thursday, March 17, 2016 1:29 PM
To: Ohr, Bruce (ODAG)
Subject: CDS- Possible Meeting In Europe

Dear Bruce,

I hope you are well. Do you have any further news on a possible visit to Europe in the near term where we could meet up? Thanks, Chris

Chris Steele
Director



9-11 Grosvenor Gardens,
London SW1W 0BD

Tel: (b) (6)

Mob: (b) (6)

Email: (b) (6)

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Ohr, Bruce (ODAG)

From: Ohr, Bruce (ODAG)
Sent: (b) (7)(A), (b) (7)(D), (b) (7)(E), - per FBI
To: Chris Steele
Subject: Re: Availability for Skypecon With CDS?

Chris -

I wish you and your family a great weekend as well. Talk with you next week!

Bruce

(b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E), - per FBI Chris Steele (b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E), - per FBI wrote:

Thanks Bruce, that should work well for me. Have a good weekend.

Best, Chris

Sent from my BlackBerry 10 smartphone.

From: Ohr, Bruce (ODAG)
Sent: (b) (7)(A), (b) (7)(D), (b) (7)(E), - per FBI
To: Chris Steele
Subject: RE: Availability for Skypecon With CDS?

Hi Chris -

It's always good to hear from you. (b) (7)(A), (b) (7)(D), (b) (7)(E), - per FBI

(b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E), - per FBI

- Bruce

From: Chris Steele (b) (7)(A), (b) (7)(D), (b) (7)(E), - per FBI
Sent: (b) (7)(A), (b) (7)(D), (b) (7)(E), - per FBI
To: Ohr, Bruce (ODAG)
Subject: Availability for Skypecon With CDS?

Dear Bruce,

I hope all's well with you. (b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E), - per FBI

(b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(D), (b) (7)(E), - per FBI

Many thanks and

Best, Chris

Chris Steele
Director
<image001.png>
9-11 Grosvenor Gardens,
London SW1W 0BD
Tel: (b) (6), (b) (7)(C), - per FBI
Fax: (b) (6), (b) (7)(C), - per FBI

11/00/ (b) (6), (b) (7)(C), - per FBI

Email: (b) (6), (b) (7)(C), - per FBI

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Chris Steele

From: Chris Steele
Sent: Saturday, July 30, 2016 9:36 PM
To: Ohr, Bruce (ODAG)
Subject: Re: CDS In DC

Great to see you and Nellie this morning Bruce. Let's keep in touch on the substantive issues/s. Glenn is happy to speak to you on this if it would help.

Best, Chris

Sent from my BlackBerry 10 smartphone.
Original Message
From: Ohr, Bruce (ODAG)
Sent: Friday, 29 July 2016 22:32
To: Chris Steele
Subject: Re: CDS In DC

Very good. See you at 900.

> On Jul 29, 2016, at 10:00 PM, Chris Steele (b) (6) wrote:

>
> Let's do 0900 then. See you in the lobby. Chris

>
> Sent from my BlackBerry 10 smartphone.
> Original Message
> From: Ohr, Bruce (ODAG)
> Sent: Friday, 29 July 2016 17:16
> To: Chris Steele
> Subject: Re: CDS In DC

>
> Sounds good, but we won't let you pay for breakfast! I'll wait for your confirmation on the time.

> Bruce

> On Jul 29, 2016, at 4:24 PM, Chris Steele (b) (6) wrote:

>
> Thanks Bruce. On me at the Mayflower Hotel, Conn Ave NW at 0900 should work but I'll confirm the time for definite this eve if I may. Looking forward to seeing you. Chris

>
> Sent from my BlackBerry 10 smartphone.
> From: Ohr, Bruce (ODAG)
> Sent: Friday, 29 July 2016 08:44
> To: Chris Steele
> Subject: RE: CDS In DC

> Dear Chris –

> Nice to hear from you! Nellie and I would be up for breakfast tomorrow and can come into town. What would be a good time for you?

> - Bruce

>
> From: Chris Steele (b) (6)
> Sent: Friday, July 29, 2016 5:37 AM
> To: Ohr, Bruce (ODAG)
> Subject: CDS In DC
>
> Dear Bruce,
>
> Just to let you know I shall be in DC at short notice on business from this PM till Saturday eve, staying at the Mayflower Hotel. If you are in town it would be good to meet up, perhaps for breakfast tomorrow morn? Happy to see Nellie too if she's up for it. Please let me know. Best, Chris
>
> Sent from my BlackBerry 10 smartphone.
>

Glenn Simpson

From: Glenn Simpson
Sent: Monday, August 22, 2016 10:27 AM
To: Ohr, Bruce (ODAG)
Subject: Can u ring

(b) (6)

Sent from my iPhone

Ohr, Bruce (ODAG)

From: Ohr, Bruce (ODAG)
Sent: Wednesday, September 21, 2016 8:30 PM
To: Chris Steele
Subject: Re: CDS US Visit

Chris -

Perfect. I'll see you Friday at your hotel at 8 am.

Bruce

> On Sep 21, 2016, at 8:22 PM, Chris Steele (b) (6) wrote:

>

> Thanks Bruce. 0800 on Friday would still be better for me, at the hotel. More useful too all round I think, after my scheduled meetings tomorrow.

>

> Thanks, Chris

>

> Sent from my BlackBerry 10 smartphone.

> Original Message

> From: Ohr, Bruce (ODAG)

> Sent: Wednesday, 21 September 2016 18:09

> To: Chris Steele

> Subject: Re: CDS US Visit

>

>

> Hi Chris

>

> Would tomorrow for breakfast still work for you? My calendar is pretty good tomorrow morning, not so good on Friday. An early breakfast on Friday, say 8 am?, would work too. Should I come to your hotel?

>

> Bruce

>

> On Sep 21, 2016, at 3:12 PM, Chris Steele (b) (6) wrote:

>

> Dear Bruce,

>

> I have now arrived in DC and am staying at the Capital Hilton, 1001 16th Street NW. I don't know my client-related programme yet but am keen to meet up with you. Might we provisionally say breakfast on Friday morn or even tomorrow morn if necessary? Look forward to hearing back from you.

>

> Best, Chris

>

> Sent from my BlackBerry 10 smartphone.

> From: Ohr, Bruce (ODAG)

> Sent: Friday, 16 September 2016 10:52

> To: Chris Steele

> Subject: RE: CDS US Visit

>

>

> Hi Chris -

>

> It would be great to see you in DC. I'll be out of town Sept 19-21 but should be here the rest of the time. My numbers are office: 202 307 2510 and cell: (b) (6). Let me know what works best for you.

>

>

>

> - Bruce

>

> From: Chris Steele (b) (6)

> Sent: Friday, September 16, 2016 10:42 AM

> To: Ohr, Bruce (ODAG)

> Subject: CDS US Visit

>

> Dear Bruce,

>

> I hope you are well. I am probably going to visit Washington again in the next couple of weeks on business of mutual interest. I would like to see you again in person and therefore to coordinate diaries. So when are you planning to be in town please?

>

> Thanks and Best, Chris

>

> P.S. I don't think I have up to date cell or landline phone numbers for you. Grateful if you could send me them.

>

>

>

> Sent from my BlackBerry 10 smartphone.

>

>

Chris Steele

From: Chris Steele

Sent: (b) (7)(D), (b) (7)(E), - per FBI

To: Ohr, Bruce (ODAG)

Subject: Re: Orbis BI

Thanks Bruce. 2 mins. Chris

Sent from my BlackBerry 10 smartphone.

Original Message

From: Ohr, Bruce (ODAG)

Sent: (b) (7)(D), (b) (7)(E), - per FBI

To: Chris Steele

Subject: Re: Orbis BI

Chris -

Do you have a moment now? I can log onto Skype.

Bruce

(b) (6), (b) (7)(C), (b) (7)(D), (b) (7)(E), - per FBI Chris Steele (b) (6), (b) (7)(C), (b) (7)(D), (b) (7)(E), - per FBI

(b) wrote:

Dear Bruce,

I hope you are well. (b) (7)(D), (b) (7)(E), - per FBI

Please let me know.

Thanks, Chris

Sent from my BlackBerry 10 smartphone.

Chris Steele

From: Chris Steele
Sent: (b) (7)(D), (b) (7)(E) - per FBI
To: Ohr, Bruce (ODAG)
Subject: (b) (7)(D), (b) (7)(E) - per FBI

OK, trying to Skype you now.

Sent from my BlackBerry 10 smartphone.

From: Ohr, Bruce (ODAG)
Sent: (b) (7)(D), (b) (7)(E) - per FBI
To: Chris Steele
Subject: (b) (7)(D), (b) (7)(E) - per FBI

Chris –

Now would be good if you have time. Thanks!

- Bruce

From: Chris Steele (b) (6), (b) (7)(C), (b) (7)(D), (b) (7)(E) - per FBI
Sent: (b) (6), (b) (7)(C), (b) (7)(D), (b) (7)(E) - per FBI
To: Ohr, Bruce (ODAG)
Subject: (b) (6), (b) (7)(C), (b) (7)(D), (b) (7)(E) - per FBI

Thanks Bruce. I could speak to you by Skype anytime over the next 90 minutes. Just let me know. Best,
Chris

Sent from my BlackBerry 10 smartphone.

From: Ohr, Bruce (ODAG)
Sent: (b) (7)(D), (b) (7)(E) - per FBI
To: Chris Steele
Subject: (b) (7)(D), (b) (7)(E) - per FBI

Chris –

Thanks! Let me know if you have a couple of minutes for a Skype call today.

- Bruce

From: Chris Steele (b) (6), (b) (7)(C), (b) (7)(D), (b) (7)(E) - per FBI
Sent: (b) (6), (b) (7)(C), (b) (7)(D), (b) (7)(E) - per FBI
To: Ohr, Bruce (ODAG)
Subject: (b) (6), (b) (7)(C), (b) (7)(D), (b) (7)(E) - per FBI

Dear Bruce,

(b) (6), (b) (7)(C), (b) (7)(D), (b) (7)(E) - per FBI

(b) (7)(D), (b) (7)(E) - per FBI

Best, Chris

Chris Steele
Director



9-11 Grosvenor Gardens,
London SW1W 0BD

Tel: (b) (6), (b) (7)(C) - per FBI

Mob: (b) (6), (b) (7)(C) - per FBI

Email: (b) (6), (b) (7)(C) - per FBI

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Nellie Ohr

From: Nellie Ohr
Sent: Monday, December 12, 2016 10:11 AM
To: Ohr, Bruce (ODAG)
Subject: Fwd: fyi

I assume Glenn means you not me

-----Original Message-----

From: Glenn Simpson (b) (6)
To: Bruce Ohr (b) (6)
Sent: Mon, Dec 12, 2016 10:05 am
Subject: Re: fyi

Please ring if you can

From: Nellie Ohr (b) (6)
Date: Sunday, December 11, 2016 at 1:08 PM
To: Glenn Simpson (b) (6)
Subject: Re: fyi

Thank you!

Sent from my iPhone

On Dec 11, 2016, at 12:20 PM, Glenn Simpson (b) (6) wrote:

Torshin-nra article

<https://thinkprogress.org/nra-and-russian-cousin-18f607d40240#.go3lkk2hf>

Ohr, Bruce (ODAG)

From: Ohr, Bruce (ODAG)
Sent: Monday, December 26, 2016 9:20 PM
To: CHRIS STEELE
Subject: Re: Happy Christmas!

Chris -

A belated Merry Christmas and Happy New Year to you and your family as well! I wish you the best in 2017.

Bruce

On Dec 24, 2016, at 1:49 PM, CHRIS STEELE (b) (6) wrote:

Dear Bruce,

Just a quick message to wish you, Nellie and all the family Merry Christmas and a Happy, Healthy and Successful New Year from us. Take care and good luck with everything.

Best Regards, Chris

Rob Patterson LEFT MESSAGE

Tom K Left message

No FEAR act DONE

(b) (5) [REDACTED]

[REDACTED]

Phone Log for Tuesday, December 13, 2016

1. Called for Bill Busis
2. Glenn Simpson. Some more news. Yestreday 9:27 a.m. Spoke with him.

Rod Rosenstein 5:48 pm (b) (6) DONE CALL JIM CROWELL

(b) (5)

Rob Patterson LEFT MESSAGE, SENT EMAIL

(b) (5)

Call FBI DONE

(b) (5)

(b) (5)



Thu, Feb 23, 2017 6:15 pm

Bruce Ohr (b) (6) Hide

To **Glenn Simpson** (b) (6)

Thank you!

- Bruce

Sent from my iPhone

On Feb 23, 2017, at 10:05 AM, Glenn Simpson (b) (6) wrote:

<http://www.thedailybeast.com/articles/2017/02/23/the-kremlin-and-gop-share-a-new-friend-and-boy-does-she-love-guns.html>

Fri, Jan 20, 2017 3:13 pm

Glenn Simpson (b) (6) Hide

To **Bruce Ohr** (b) (6)

Can you call me please?

Sun, Dec 11, 2016 1:08 pm

Bruce Ohr (b) (6) Hide

To **Glenn Simpson** (b) (6)

Thank you!

Sent from my iPhone

On Dec 11, 2016, at 12:20 PM, Glenn Simpson (b) (6) wrote:

Torshin-nra article

<https://thinkprogress.org/nra-and-russian-cousin-18f607d40240#.go3lkk2hf>

[1/25/17, 8:50:04 AM] (b) (6): Messages to this chat and calls are now secured with end-to-end encryption.

[1/25/17, 8:50:48 AM] Bruce: This is Bruce.

[1/25/17, 9:16:10 AM] (b) (6): Thanks. Got it. I'll call you later if I may. What time would be convenient please? Best

[1/25/17, 9:38:06 AM] Bruce: I have meetings from 1030 - 1230 my time but am otherwise free up until 1600.

[1/25/17, 12:57:13 PM] (b) (6): Missed Voice Call

[1/25/17, 12:58:06 PM] Bruce: Sorry, I just missed your call. I'm available now.

[1/25/17, 6:23:59 PM] Bruce: On Thursday I should be available most of the morning until 1200 DC time, and then again from 1330 to 1500.

[1/25/17, 6:24:57 PM] (b) (6): Noted, thanks.

[1/27/17, 9:44:23 AM] (b) (6): Hi B! Our guy's OK for the time being but I would like to keep our channel open on him and his situation if that's all right? Many thanks for your support and Best Wishes

[1/27/17, 10:38:37 AM] Bruce: Understood. We will be available if needed. Just or me know.

[1/31/17, 10:52:44 AM] (b) (6): B, doubtless a sad and crazy day for you re-SY. Just wanted to check you are OK, still in situ and able to help locally as discussed, along with your Bureau colleagues, with our guy if the need arises? Many Thanks and Best as Always, C

[1/31/17, 10:55:31 AM] Bruce: Yes, a crazy day. I'm still here and able to help as discussed. I'll let you know if that changes.

Thanks!

[1/31/17, 11:12:09 AM] (b) (6): Thanks. You have my sympathy and support. If you end up out though, I really need another (Bureau?) contact point/number who is briefed. We can't allow our guy to be forced to go back home. It would be disastrous all round, though his position right now looks stable. A million thanks. C

[1/31/17, 5:48:09 PM] Bruce: Understood. I can certainly give you an FBI contact if it becomes necessary.

[2/10/17, 10:16:29 AM] (b) (6): B, Hi. Nothing dramatically new to report from here but I just wanted to check you were OK, still in place and able to stay in touch? Perhaps we could have a word on FaceTime over the weekend? Many thanks and Best as Always, C

[2/10/17, 11:07:40 AM] Bruce: Good to hear from you. I'm still here and available to chat. Happy to talk this weekend. When is a good time for you?

[2/10/17, 11:09:20 AM] (b) (6): Maybe 1000 Saturday morning your time? Or thereafter. C

[2/10/17, 11:10:40 AM] Bruce: That time is good for me. Thanks!

[3/7/17, 4:53:26 AM] (b) (6): Would it be possible to speak later today please? We're very concerned by the Grassley letter and it's possible implications for us, our operations and our sources. We need some reassurance. Many thanks

[3/7/17, 6:57:09 AM] Bruce: Sure. Would 130 today, DC time, work?

[3/7/17, 6:59:19 AM] (b) (6): Yes thanks it would. Sorry to bother you so early but I know you'll appreciate why we are concerned.

[3/7/17, 6:59:50 AM] Bruce: Of course.

[3/7/17, 1:27:39 PM] Bruce: My Skype app is acting up. Can we use the Whatapp voice call?

[3/7/17, 1:30:01 PM] Bruce: I think my skype is working now if you want to call me.

[3/7/17, 1:47:31 PM] (b) (6): Thanks for that, old friend. Please do fight our cause and keep in touch. Really fundamental issues at stake here. Very Best

[3/8/17, 8:26:41 AM] Bruce: Likewise, hang in there!

[3/9/17, 4:01:39 PM] (b) (6): Missed Voice Call

[3/9/17, 7:21:53 AM] (b) (6): Any news yet? Thanks

[3/11/17, 4:19:53 PM] (b) (6): Please call me when you can. Thanks

[3/12/17, 6:47:31 AM] Bruce: Sorry, I was out of town with no cell service for a few days. Let me know when you can talk.

[3/12/17, 7:03:43 AM] (b) (6): I can talk now though I know it's early for you.

[3/15/17, 8:20:41 AM] (b) (6): It would be useful to have a Whatsapp call later today if possible. I have some points to raise and would appreciate an update from your end. Just let me know when would suit. Many thanks as always

[3/15/17, 8:58:46 AM] Bruce: Would 1 pm DC time work for you? Only 4 hours time difference, is that right?

[3/15/17, 9:03:28 AM] (b) (6): Yes, thanks, that works and I believe we are only plus 4 hours at the mo. Best

[3/16/17, 7:52:21 PM] (b) (6): Hi! Apparently (b) (6) is the DoJ official responsible for overseeing the FCPA/DPA applied to Bilfinger, our non-paying German engineering company client. Best

[3/17/17, 1:00:41 PM] Bruce: Thanks. Have a good weekend.

[3/18/17, 1:34:45 PM] (b) (6): Hi! Just wondering if you had any news? Obviously we're a bit apprehensive given Comey's scheduled appearance at Congress on Monday. Hoping that important firewalls will hold. Many thanks,

[3/18/17, 5:32:50 PM] Bruce: Sorry, no new news. I believe my earlier information is still accurate. I will let you know immediately if there is any change.

[3/24/17, 7:15:12 AM] (b) (6): Hi Bruce, a surreal week for me. Inter alia, I was in Westminster Underground station when the terrorist attack happened! Otherwise we understand an approach from the Senate Intelligence Committee to us is imminent. I would like to discuss this and our response with you in the next couple of days if possible. Please let me know when might suit? Many thanks and Best, Chris

[3/24/17, 5:34:16 PM] Bruce: Wow, that's nuts. Hope you are okay. We can chat this weekend if you are available. Would sometime on Sunday work for you? I'm pretty open.

[3/24/17, 6:08:02 PM] (b) (6): Thanks Bruce. Let's speak on Sunday eve UK time, maybe 1400 or 1500 EST if that works for you? Best

[3/24/17, 6:40:17 PM] Bruce: 1400 east coast time on Sunday will work. Thanks and talk with you then.

[3/30/17, 9:07:46 AM] (b) (6): Hi Bruce, any news? The Senate Intel Committee is leaking like a sieve (b) (7)(A), - per FBI
(b) (6). (b) (6) Hopefully speak soon. Best, Chris

[3/30/17, 9:15:24 AM] Bruce: Chris, no news on this end, aside from what I'm reading in the papers. Just amazing. (b) (6)

(b) (6)
Let me know if you would like to talk.

[5/2/17, 10:19:00 AM] (b) (6): Dear Bruce, I would be grateful for a word over the next couple of days. Could we fix a time for a Whatsapp call please. Many thanks, Chris

[5/2/17, 10:56:11 AM] Bruce: Chris, of course. Would tomorrow at 1 pm London time work for you? Bruce

[5/2/17, 11:43:01 AM] (b) (6): Yes thanks, that's good for me. Let's speak then.

[5/2/17, 2:40:12 PM] Bruce: Excellent. Talk with you soon.

[5/9/17, 7:15:04 PM] (b) (6): B, obviously it's chaotic with you over there right now but we should probably talk again over the next couple of days if you can. Do let me know what might work. Best

[5/9/17, 11:15:03 PM] Bruce: Sure. Would Wednesday at 7 pm London time work for you?

[5/10/17, 4:07:47 AM] (b) (6): Yes, thanks, that's fine for me.

[5/10/17, 4:08:05 AM] (b) (6): Good luck with everything today!

[5/12/17, 4:22:56 PM] Bruce: Thanks again for your time on Wednesday. Do you have time for a short follow up call sometime this weekend?

[5/12/17, 5:11:09 PM] (b) (6): Yes, of course. Perhaps sometime tomorrow. When might suit?

[5/12/17, 7:37:15 PM] Bruce: Would 3 pm your time work? I'm pretty open so just let me know. Thanks!

[5/13/17, 7:54:46 AM] (b) (6): Fine, or possibly even at 2 pm our time if that works for you? Best

[5/13/17, 8:21:22 AM] Bruce: 2 pm your time is good. It will be quick. Thanks!

[5/15/17, 9:45:09 AM] (b) (6): B, (b) (7)(A), - per FBI

(b) (6). Best C

[5/15/17, 1:31:06 PM] Bruce: Thanks! I will let them know and we will follow up.

[5/15/17, 2:42:22 PM] Bruce: Thanks again. I chatted with my colleagues and can give you an update when you have a minute.

[6/22/17, 2:21:29 PM] (b) (6): Hi Bruce, (b) (7)(A), - per FBI

(b) (7)(A), - per FBI Anything we could do to help from this end? Grateful for an update. Thanks and Best, Chris

[6/22/17, 11:19:47 PM] Bruce: (b) (7)(A), - per FBI

[6/24/17, 6:45:42 AM] Bruce: Still in process. (b) (7)(A), - per FBI

(b) (7)(A), - per FBI

[7/16/17, 5:47:26 PM] (b) (6): Hi Bruce, hope you're enjoying the summer. (b) (7)(A), - per FBI

(b) (7)(A), - per FBI

Please pass this on as appropriate. Crazy week over there just past!
Best, Chris

[7/16/17, 5:49:41 PM] Bruce: Hi Chris, it's good to hear from you.
Hope all is well. I will pass this along to my colleagues. Thanks!

[8/6/17, 12:28:04 PM] (b) (6): Hi Bruce, hope you're well and
getting some holiday with the family. Whenever convenient I would like
a chat, there's a lot going on and we are frustrated with (b) (7)(A), - per

(b) (7)(A), - per FBI

(b) (7)(A), - per FBI

Best to All, Chris

[8/6/17, 1:45:56 PM] Bruce: Chris, good to hear from you. Would
tomorrow morning at 9 am D.C. time work for you? Thanks!

[8/6/17, 7:43:27 PM] (b) (6): Thanks. Let's try for that
though (b) (6)

Best, Chris

[8/6/17, 7:48:53 PM] Bruce: No worries. Would Tuesday be better?

[8/7/17, 8:17:39 AM] (b) (6): Probably. What are your time
windows tomorrow? Thanks

[8/7/17, 8:40:19 AM] Bruce: Anytime in the morning before 11, DC time.
Will that work?

[8/7/17, 9:06:29 AM] (b) (6): Yes, should do. Probably around
1000 Eastern time.

[8/7/17, 9:27:39 AM] Bruce: Perfect. I'll call you then.

[9/7/17, 5:11:55 AM] (b) (6): Hi Bruce, I appreciate this
might be tricky but I would appreciate a brief chat about latest
developments. Over to you and Best

[9/7/17, 7:50:01 AM] Bruce: Sure. Would tomorrow morning at 8 am D.C.
time work for you?

[9/7/17, 11:45:02 AM] (b) (6): Thanks but (b) (6)

(b) (6) So maybe late this eve, UK time, or
Saturday? Best

[9/7/17, 2:50:34 PM] Bruce: It's getting pretty late over there.
Shall we say Saturday? What time is best for you?

[9/7/17, 2:52:07 PM] (b) (6): 1300 or 1400 UK time depending
on whether you need a lie-in?!

[9/7/17, 2:56:41 PM] Bruce: 1300 U.K. time on Saturday will work.
Thanks!

[9/9/17, 6:13:52 AM] (b) (6): (b) (6)

(b) (6) I'll call you when we finish,
probably around 1330 UK time. Thanks

[9/9/17, 6:15:30 AM] (b) (6): (b) (6)

[9/9/17, 7:34:37 AM] Bruce: Sounds like fun! No rush, I'll be here
whenever.

[9/9/17, 8:13:40 AM] (b) (6): Missed Voice Call

[10/26/17, 7:08:53 PM] (b) (6): Missed Voice Call

[10/26/17, 7:09:48 PM] (b) (6): Missed Voice Call

[10/26/17, 7:12:47 PM] (b) (6): Hi Bruce. Can we have a word tomorrow please? Just seen a story in the media about the Bureau handing over docs to Congress about my work and relationship with them. Very concerned about this. Peoples lives may be engangered. (b) (7)(A), - FBI

Thanks, Chris

[10/27/17, 7:27:06 PM] Bruce: Chris - my apologies, just saw your message. I am available for a call tomorrow am.

[10/27/17, 7:33:20 PM] (b) (6): Thanks Bruce, just off to bed here now! Shall we speak around 0900 your time? Best Chris

[10/27/17, 7:57:03 PM] Bruce: That sounds good. Talk with you tomorrow.

[10/30/17, 4:07:46 PM] (b) (6): Bruce, having spoken with Glenn in London today, I now understand and appreciate what you were talking about on Saturday. Love and Best Wishes to you, Nellie and all the family.

[11/1/17, 4:02:43 AM] (b) (6): Bruce, was there any feedback on my question of the other day? Thanks, Chris

[11/8/17, 11:32:22 AM] (b) (6): Missed Voice Call

[11/8/17, 2:02:32 PM] (b) (6): Hi Bruce. If you are able, I would welcome a quick word. Many thanks

[11/8/17, 2:32:10 PM] Bruce: Chris - of course. Are you available now? If not, when is a good time?

[11/8/17, 4:31:38 PM] (b) (6): Missed Voice Call

[11/11/17, 10:36:40 AM] (b) (6): Hi Bruce, sorry to bother you on a Saturday but we were wondering if there was any response to the questions I raised last week? I'm at home this weekend. Thanks and Best, Chris

[11/11/17, 10:57:43 AM] Bruce: Chris, (b) (7)(A), - per FBI

(b) (7)(A), - per FBI

(b) (7)(A), - per FBI Thanks. - Bruce

[11/11/17, 10:58:36 AM] (b) (6): Many thanks. Much appreciated. Chris

[11/18/17, 4:22:14 PM] (b) (6): Dear Bruce, I hope you and the family are well. It's been another tough week here under the media spotlight and with legal pressures bearing down on us. I am presuming

(b) (7)(A), - per FBI

(b) (7)(A), - per FBI

Also, we remain in the dark as to what has been briefed to congress about us, our assets and previous work. I know you understand the importance of all this and have done your very best to support us, but we would be grateful if you could continue to

(b) (7)(A), - per FBI

Sincere thanks for everything you are doing and I hope to speak to you again soon.

Best, Chris

[11/18/17, 5:22:42 PM] Bruce: Chris, thanks for reaching out. I understand the difficulties and uncertainty you are experiencing. I

(b) (7)(A), - per FBI

(b) (7)(A), - per FBI Let's plan to talk early in the week.

- Bruce

[11/27/17, 10:02:01 AM] (b) (6): Hi Bruce, is there any chance we could have a catch-up Whatsapp call this eve GMT, maybe around 1500 with you? Otherwise tomorrow eve GMT? Many thanks, Chris

[11/27/17, 10:48:18 AM] Bruce: Chris - I have a meeting ending at 1500 today that might spill over a few minutes. Would 1515 work for you?

[11/27/17, 10:51:51 AM] (b) (6): Yes, of course. C

[11/27/17, 11:45:20 AM] Bruce: I will call you then.

Chris

(b) (6), (b) (7)(C), (b) (7)(E), - per FBI

(b) (6), (b) (7)(A), (b) (7)(C), - per FBI

sent over a [redacted]

(b) (6), (b) (7)(A), (b) (7)(C), - per FBI

- les. by
Gym dope

(b) (6), (b) (7)(C), - per FBI

(b) (6), (b) (7)(C), - per FBI

has 2
Glen has a 9

Glenn

(b) (6)



Alfa

(b) (6)



RA Ch de
Lynn

in the USA
RA

(b) (6)



(b) (6),
(b) (7)(C),
- per FBI

(b) (6)



Alfa

(b) (6)

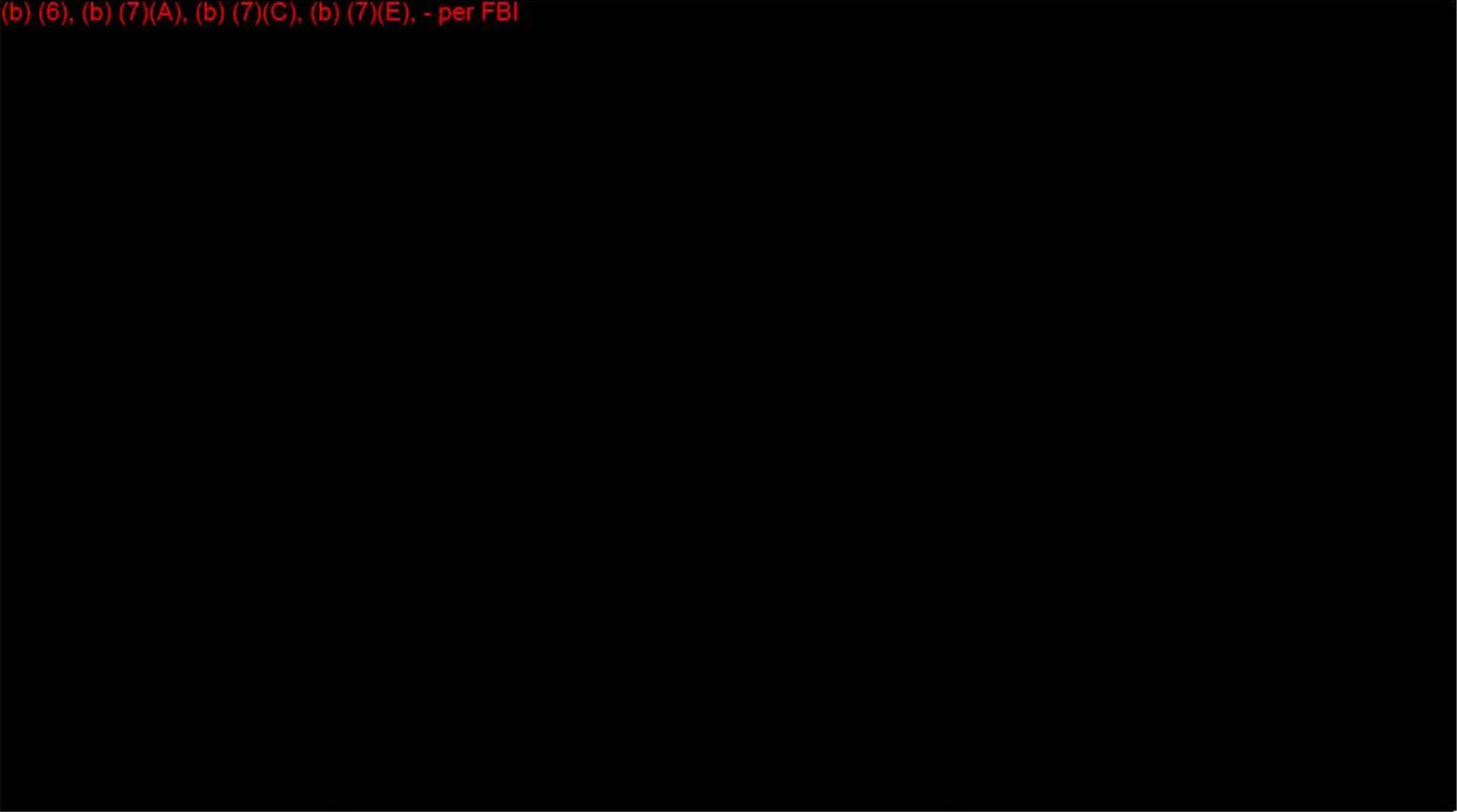


Global Energy Capital

Glenn

Possible intermediaries:

(b) (6), (b) (7)(A), (b) (7)(C), (b) (7)(E), - per FBI



- Person likely to be ~~id'd~~ by other side
so will need protection
- They can't reach him, Glen doesn't know
name.
- Articles will make it clear to KIS who
this is.
- Cheri has ~~info~~ that can get us to him.

Glen

Jan 20

Chris
Jan 21

Restab. Energy

Exit this next week
Avoided media

10:30
PM 5853

Serious potential issue
said person alive & well
Postal Tax Code

Don't have his clearance to speak on
it gets into a real pickle.

It's default is to keep his head down.

Will be scared if we just showed up

issue of existence in public areas

(b) (6), (b) (7)(C), (b) (7)(A), - per FBI

(b) (6), (b) (7)(C), (b) (7)(A), - per FBI

(b) (6), (b) (7)(C), (b) (7)(A), - per FBI

He may need help quickly

Gen. Brance
Another guy who he trusts & has reached out
to him.

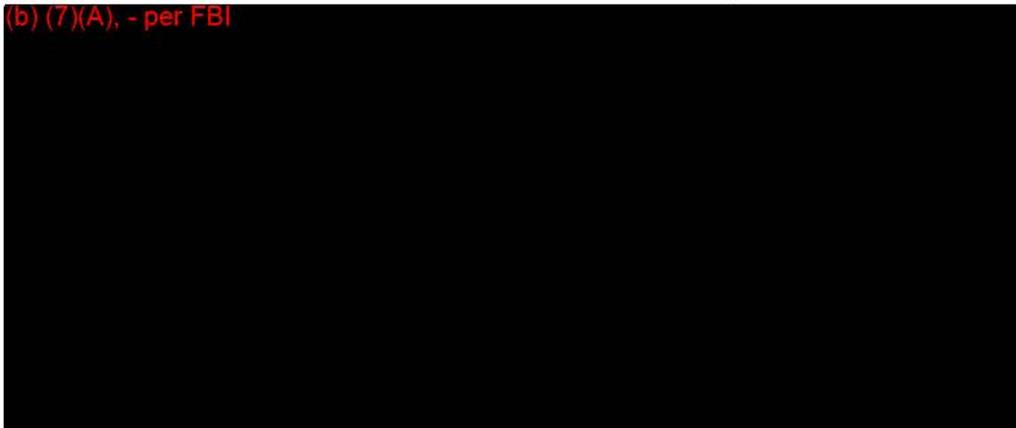
(b) (6)

(b) (6)

Chris
1/25/17

- Mary tough
- Update:
 - He went to go.
 - Primarily b/c journalists asking Qs. He lay low.
- New semi. emerged.

(b) (7)(A), - per FBI



- They will reach out to ~~Wendy~~ tomorrow to see where he is.
- Absolute game

Chris - 2/14/17

- Bill Finger

(b) (6), (b) (7)(A), (b) (7)(C)

- Guy doing bus
now.
d

Snare Deer
report

my course
next 2 weeks
5

copy

3/12

G letter

invite

guy

3/15

asked, wld say:

- Reported what they saw to US auth at the time.

- Must protect sources.

(b) (6)

wants to help
STRONG approach from him,
apparently

- Wld want to know what
is happening.

- Written responses, possibly
wld be limited

- Worried about Cassidy
requests. Any into time
PBE?

- Special prosecutor
right to question in UK?

- NP Agreement on Germany
@ that owes \$
Wahlhauung
Bilfinger
- Control Risk
- KPMG

3/26/71

1) Expecting letter from
Sen Inell Brown
asking for answers,

2) Expecting letter from
Grossley. Glen got
one asking for sources

3) (b) (6) talking to Almer
they will probably have to
meet w. him. Can
accept another Q -
will need to run by
people

4) Tell story during no speaker
w. Sen Inell Brown.

5) They want to be sure
~~we~~ my colleagues
know their plan

6) Expect letters during
week. Grossley will
probably make his letters
public.

Whoever trying to be
cooperative, if seems -

7) Grossley letter if answered
will put sources at risk.
They will be very circumspect
in all answers.

(b) (6)

Call w/ Chris

5/10/17

Very concerned abt Comey's
being asked they will be
exposed

Got letter from Senate Intel
Comm. Asked them 3 Q:

1) what info did you ~~send~~ the
US govt?

2) What was the scope of your
investig.?

3) Do you have any other info

Please ^{think} let FBI ^{would} assist in our ^{investig.} ^{to} ^{get} ^{the} ^{truth}?

Also (b) (6) still on the ^{protection}
his own channels

Call w Chris:

AIR FORCE INNS

5/3/17



Doing better. Business good.

Court case - ~~to be~~ they
are trying to force into out

Grassley - open session
w Comey today.

Happy w how we responded
to Mouse. But Grassley
is trying to make them out
as cowboys.

Source is stable.

AIR FORCE INNS

(b) (6)

He is involved in this in below

(b) (6)

working at Ft. George

Kasson interview

He has talked in current FBI
trying to help directly.

Provide laws in UK manner
from US. completed lawsuit.

Just be aware. He to Glen
going to see Chris

AIR FORCE INNS



They will bring a letter

(b) (6)

bringing over a

letter separately.

They are trying to keep a low profile as much as possible.

(b) (6)

(b) (6)

They have all worked
secret U.S. Iran, CWI's

(b) (6)

5/13

9:01

Will be inclined to do that
Need to check w colleagues
& former employees
But will like to do that

(b) (6)



minimalist

response for now

ADJ's material - Fr & elsewhere in Eur, but
US angles

LoPia/Putin

Will check & get back to me

2

3/15

Told him FBI will

(b) (7)(E), - per FBI

(b) (7)(E), - per FBI

[Redacted]

He is fine with

that, appreciates going by the book

(b) (6)

[Redacted]

8/8/17

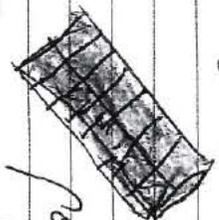
Cheryl

(b) (6)

(b) (7) (A), - per FBI

Build up

Pressure in Congress. As result assumed pressure no problem.



Somebody from part prepared up & away by

Q over to debriefing.

Still some obstacles, risks, call like some support on the ground to secure it.

Ed of another follow up from last year.

Both risky. Will want support.

(b) (7)(D), (b) (7)(E), - per FBI

[Redacted area]

Long remember he's like - 50 ~~by~~
want to help, but abstain
by just.

Stearns's middle to Lewis want
to help but don't want to
see it all played out in the
press for political points.

Will be away end of this week
beginning of this week

(b) (7)(A) - per FBI

(b) (6)

SEP 2013 work -

DP on between 10 -

US law firm at investor

Co does from 5/11/11.

How firm may be helping

(b) (6)

is in charge

is over

They may see in Germany

of

Review of Form

of A/Ka L who is signed to

file out (FBI) a corporate

document a lot & had still with

A/K

9/9/17

- Glen was out this week
- Sub got the file, should be worried

(b) (7)(A), - per FBI



Heard

from their es.

- Dossier - tl hold up.

1/18/17

Not heavy back for contacts
in office

1) - Two direct to long
still concerned.

2) opportunity plus week -
no response. In UK.
to follow up -

(b) (6), (b) (7)(A), (b) (7)(C), - per FBI



to add 7 statement from

(b) (6)

Master in R/sand,
relationship.

Ohr, Bruce (ODAG)

From: Ohr, Bruce (ODAG)
Sent: Wednesday, March 23, 2016 2:47 PM
To: Nellie Ohr
Subject: Re: question for Nellie (b) (7)(E), - per Crim

Cool!

On Mar 23, 2016, at 2:06 PM, Nellie Ohr (b) (6) wrote:

Sure!

-----Original Message-----

From: Ohr, Bruce (ODAG) (ODAG) <Bruce.G.Ohr@usdoj.gov>
To: Nellie Ohr (b) (6)
Sent: Wed, Mar 23, 2016 1:58 pm
Subject: Fwd: question for Nellie (b) (7)(E), - per Crim

Hi honey!

I trust you are okay with this?

Love, B

Begin forwarded message:

From: "Holtyn, Lisa (OCDETF)" (b) (6) >
Date: March 23, 2016 at 12:43:28 PM EDT
To: "Ohr, Bruce (ODAG)" <brohr@jmd.usdoj.gov<mailto:brohr@jmd.usdoj.gov>>
Subject: question for Nellie (b) (7)(E), - per Crim

Hi Bruce,

Hope you guys are having a great vacation. I just met with Ivana Nizich (she told me both she and her husband used to work for you, Bruce – small world!) She and Joe Wheatley are working on one of the (b) (7)(E), - per Crim and trying to get some general background info that may be helpful to them. I told her that Nellie might be a great resource, but I didn't want to reach out to her directly without asking you first so as not to put her on the spot. Do you think she would be comfortable with talking to them, and would it present any conflict of interest issues for her or for you?

Thanks!
Lisa

Nellie Ohr

From: Nellie Ohr
Sent: Wednesday, April 13, 2016 8:57 AM
To: Ohr, Bruce (ODAG)
Subject: Re: Bahrain News Agency | Regional workshop on counterterrorism held

Cool!

-----Original Message-----

From: Ohr, Bruce (ODAG) (ODAG) <Bruce.G.Ohr@usdoj.gov>
To: Nellie Ohr (b) (6)
Sent: Wed, Apr 13, 2016 3:47 am
Subject: Fwd: Bahrain News Agency | Regional workshop on counterterrorism held

Hi honey,

We made the news!

Love, B

Begin forwarded message:

From: (b) (6), (b) (7)(C), (b) (7)(E), - per FBI >
Date: April 13, 2016 at 7:48:47 AM GMT+1
To: "Ohr, Bruce (ODAG)" <brohr@imd.usdoj.gov<mailto:brohr@imd.usdoj.gov>>, (b) (6) (NSD)"
(b) (6) (b) (6), (b) (7)(C), (b) (7)(E), - per FBI >>, "Jacobson, Michael N"
<JacobsonMN@state.gov<mailto:JacobsonMN@state.gov>>
Subject: Bahrain News Agency | Regional workshop on counterterrorism held

<http://www.bna.bh/portal/en/news/721659>

FYSA

(b) (6), (b) (7)(C), (b) (7)(E), - per FBI

Nellie Ohr

From: Nellie Ohr
Sent: Monday, December 12, 2016 10:11 AM
To: Ohr, Bruce (ODAG)
Subject: Fwd: fyi

I assume Glenn means you not me

-----Original Message-----

From: Glenn Simpson [REDACTED]
To: Bruce Ohr (b) (6) [REDACTED]
Sent: Mon, Dec 12, 2016 10:05 am
Subject: Re: fyi

Please ring if you can

From: Nellie Ohr (b) (6) [REDACTED]
Date: Sunday, December 11, 2016 at 1:08 PM
To: Glenn Simpson [REDACTED]
Subject: Re: fyi

Thank you!

Sent from my iPhone

On Dec 11, 2016, at 12:20 PM, Glenn Simpson [REDACTED] wrote:

Torshin-nra article

<https://thinkprogress.org/nra-and-russian-cousin-18f607d40240#.go3lkk2hf>

Nellie Ohr

From: Nellie Ohr
Sent: Monday, September 05, 2016 7:29 PM
To: Holtyn, Lisa (OCDETF); Ohr, Bruce (ODAG)
Subject: Fwd: Korzhakov speaks AND crime news

I'm pasting in this article about the buying and selling of official positions. Turns out a US citizen was involved. Plus other crime news below.

Conveniently in English <http://en.crimerrussia.ru/corruption/positions-for-sale-how-much-to-become-a-governmental-official/?lang=ru>

Positions for sale: How much to become a governmental official?

4 Sept 2016

There is a special category of corruption crimes that almost always remain unpunished. They are committed by so-called 'kingmakers' or 'fixers' selling positions in governmental institutions, enforcement structures, and large companies. Bitter struggle is raging in quiet ministerial and departmental offices for sinecures and 'grave trains' allowing to receive good bribes. Upon purchasing the desired position, the civil servant starts using various corruption schemes to compensate the incurred costs. Obviously, the public and state interests are the last thing he is concerned about.

Everything is bought and sold

Such machinations are rarely detected by law enforcement authorities because all parties to the deal are happy: the seller gets good money, while the buyer – powers that can be used at his own discretion. No one is willing to show off such a deal.

In the recent years, brokage became a common practice in many governmental structures. Wherever duties of officials can generate illegal profits, fat jobs are sold out like hot cakes – be it a chair in a district administration or a high post in a federal ministry. Demand always creates supply.

There are plenty of semi-criminal businessmen in Russia willing to invest considerable money into a chair in a governmental structure – that not only allows to make illegal profits, but also brings numerous privileges available only to officials. Very often an oligarch – the main beneficiary – remains in the shadow, while the important chair is occupied by his henchman – a trusted aide who does not make any decisions and only creates an illusion of work. Of course, all the financial flows stay under control of the real master.

Media normally learn about such type of swindling when positions are sold by adventurous persons who, in fact, have no relation to staff appointment mechanisms in governmental structures. The defrauded purchasers address law enforcement authorities in a hope to return millions of rubles paid to the scammers. The number of such machinations grows every year because people are willing to pay really big money for prestigious positions. The fake fixers exploit the firm belief of businessmen that money can resolve any issue with state bureaucrats. The unscrupulous scammers take advantage of the secrecy surrounding administrative structures and inability of perspective buyers to verify whether the promised appointment is real or not. The fraudsters meet with their victims in expensive restaurants, show fake service ID's and other attributes of power. They arrive on luxury cars with governmental license plates, pretend to take phone calls from influential officials, complain on work load... Businessmen, who understand very well that staffing issues in many governmental agencies are resolved by money, lose their cautiousness and take the bait.

Post in district administration for mullion rubles

The real kingmakers rarely attract attention of law enforcement authorities. Normally, police and special services catch not true fixers, but fraudsters pretending to be them. Files of arrested law enforcement officers often have a note: "Had no real possibility to affect the matter".

For example, recently a 40-year-old man tried to sell a cushy job in the Administration of the Moscow District of St.

Petersburg for 1 million rubles.

According to the St. Petersburg [police press service](#), the investigation of this criminal case is completed, and the materials have been submitted to court for examination of the merits of the case. Investigators of the Administration for the Central District of the General Administration for St. Petersburg and the Leningrad Region of the Ministry of Internal Affairs (MIA) of the Russian Federation have charged the detained suspect under part 3 of Article 30 and part 3 of Article 159 of the Criminal Code of the Russian Federation (Attempted Swindling on a large scale).

According to the law enforcement authorities, a person have addressed police because he suspected that a 40-year-old St. Petersburg resident, who had offered him to buy a prestigious position in the district administration, had no relation to the human resources management in this municipal authority. The suspect was arrested on April 27, 2016 in a restaurant located on Ligovsky avenue in St. Petersburg during a meeting with the potential buyer. Currently the fraudster is waiting for the trial.

A sentence has been already [announced](#) in another high-profile brokage case. The Tverskoy District Court of Moscow has found that Gennady Astsurov, 69 years old, and Mikhail Kharsiev, 23 years old, were selling the post of an Aide to the Deputy of the State Duma of the Russian Federation for \$155 thousand.

According to the [official statement](#) of the Prosecutor General's Office of the Russian Federation, the convicted criminals have defrauded a person familiar to them claiming that they can assist with this appointment. If fact, they never intended to keep that promise. Interestingly, Astsurov and Kharsiev themselves were Aides to a Deputy of the State Duma – they used this fact to make their scam more convincing.

The fraudsters were arrested by the Federal Security Service of the Russian Federation (FSB) in a Moscow café immediately after receiving a partial payment from the victim. The Tverskoy District Court of Moscow has found them guilty under part 3 of Article 30 and part 4 of Article 159 of the Criminal Code of the Russian Federation (Attempted Swindling committed by an organized group on an especially large scale). Mikhail Kharsiev was sentenced to 3 years in a general regime penal colony; Gennady Astsurov was sentenced to the same term conditionally – the court has taken into consideration his senior age.

US citizen selling position in Russian Federal Fishing Agency

However, not all sellers of posts are fraudsters – even if they are accused of fraud. Top-level officials often deny any connections with the intermediaries in such deals. Law enforcement authorities, being unable to prove the fact of brokage, have to charge the intermediaries under Article 159 of the Criminal Code of the Russian Federation – while the high-ranked masterminds escape the liability.

For example, members of an organized crime group involving George Hager, an American citizen, told the FSB the name of an influential official in the Federal Fishing Agency of the Russian Federation who had promised to assist in appointing a certain person to a senior position in this agency for a fee of \$7 million payable to the intermediaries. It was [Yuri Khokhlov](#), the Counselor of the Head of the Federal Fishing Agency, who has immediately denied all corruption accusation and soon retired from his post. Despite the public uproar, he was never prosecuted in the framework of this case.

The criminal group involved George Hager, an American with Belorussian roots, Fanil Sabirianov, ex-official from the Republic of Bashkortostan, and Minkail Umaev, a businessman operating in Ingushetia and Chechnya.

According to the investigation, these three people told the potential purchaser that they have good connections in the Administration of the President of the Russian Federation and in the Russian Government. The suspects offered the buyer, whose name was not disclosed, a senior position in the Federal Fishing Agency. Hager, Umaev, and Sabirianov explained that most of the requested \$7 million fee will be spent on bribing high-ranked officials in the federal agency responsible for management and protection of the national fish resources.

The potential buyer of this cushy job did not believe the intermediaries and addressed the FSB – so all further negotiations were conducted under surveillance of the operatives. In the end of May 2016 George Hager was arrested in Roberto restaurant on Rozhdestvensky boulevard in Moscow immediately after receiving \$300 thousand as the first installment. The American quickly agreed to collaborate with the investigation and brought the money to his accomplices on Nikitsky boulevard – where FSB officers have arrested Fanil Sabirianov and Minkail Umaev. Questionings started. The members of the criminal group told the operatives that their intention was to arrange the appointment of the client to the superior position through Yuri Khokhlov, the Counselor of the Head of the Federal Fishing Agency. During the special operation, Hager, Umaev, and Sabirianov attempted to give a paper replica of \$3 million to the federal official – but Khokhlov refused to take the money. He said that this is a provocation. Therefore, his involvement into the corruption scheme could not be proven. Still, the scandal has resulted in his resignation from the Federal Fishing Agency of the Russian Federation.

George Hager, Minkail Umaev, and Fanil Sabirianov are currently waiting for the trial. All of them have been charged under part 4 of Article 159 of the Criminal Code of the Russian Federation (Swindling on an especially large scale committed by an organized group by previous concert).

“You must know whom to pay and how much”

A Human Resources Department officer in a federal agency agreed to talk with the CrimeRussia journalist on condition of anonymity.

“If I tell you how appointments are being made in our organization, I will be held liable. They will set the dogs on

me," – Mikhail Alekseev (fictitious name) expressed his concerns.

An experienced human resources specialist, he found his first job through good connections back in the 1980s. Upon graduation, he did not want to go through the job placement system – which could send him to a distant Rassvet (Sunrise) village as a teacher of history. His aunt was familiar with an influential female official who helped the young graduate. Monetary bribes were not paid for employment assistance at that time, but his family had to be friends with the patroness: give her expensive presents on holidays, invite to family events, run small errands, etc. "My father had to drive that lady to her cottage on week-ends, help her with renovations, move furniture. My mother helped her in the kitchen when the patroness was making banquettes for important people. My parents considered this a normal situation because the management was favorable to their son," – Mikhail Alekseev told.

But now a position in the institution where he works costs much more than simple presents and favors. Everything has its price. For instance, the current Head of this organization has paid 25 million rubles to his Moscow patrons for the chair. His Deputy's chair costs some 15 million rubles. To become an entry-level employee, one has to pay only 100 thousand rubles – but right connections are still required. You must know whom to pay and how much – otherwise you might be defrauded by a scammer.

Similar staffing policies are used in other governmental institutions as well. Of course, each organization has its own specific nuances. The more profitable – from the bribe-taking point of view – is a position, the more you have to pay for it. The most expensive are positions in control and watchdog authorities – where you can first put pressure on somebody and then offer him a solution for a good reward.

"Officials make good money on oil and gas companies, construction businesses, industrial enterprises, and trade and service companies. Therefore, governmental positions overseeing these sectors of economy are worth millions of rubles at the regional level and millions of dollars – at the federal level. And each oligarch wants to seat his own henchman in such a chair," – the human resources specialist said.

"Official is not a surgeon: he won't cut away from you too much"

According to Mikhail Alekseev, not only monies are required to be appointed to a good position, but right connections as well. You can't just bring a case of cash and become an official – you must demonstrate that you belong to that circle. The only way to gain trust of corrupt civil servants is to find a guarantor well-known for his loyalty to the superiors.

According to the human resources specialist, law enforcement authorities never express interest towards governmental appointments and don't ask whether it was for a bribe or not. Of course, the colleagues know this precisely, but keep silence. No one needs issues and reputation of a truth-seeker that can destroy an official's career.

"I had never taken bribes for referring somebody to my boss. The money flow directly to the pockets of the management, I get nothing. But I can tell about available vacancies or provide intermediary contact information to an interested person. I can also help to revise the resume. Sometimes I participate in negotiations – but only in relation to entry-level staff. Everything else is above my level," – Mikhail admitted.

He believes that there is nothing wrong with helping people to find a job. After all, an official is not a surgeon: he won't cut away from you too much.

-----Original Message-----

From: Nellie Ohr (b) (6)

To: (b) (6) Nellie Email ; (b) (6) Allensworth ; (b) (6)

Sent: Mon, Sep 5, 2016 5:03 pm

Subject: Re: Korzhakov speaks

[This is a followup on a story that a man who had criticized Kadyrov had gone missing.

Пропавший критик Кадырова нашелся на дне рождения у друга

[beware, this was originally published in life.ru] <http://crimerussia.ru/gover/propavshiy-kritik-kadyrova-nashelsya-na-dne-rozhdeniya-u-druga/>

— Сообщения о моей смерти сильно преувеличены, — заявил Лайфу вечером 3 сентября сам Мартагов по телефону. Он подтвердил, что жив и невредим и едет домой. [his phone battery ran out so he couldn't tell his family]

p.s. Korzhakov's story about "truckloads of money for Shuvalov" is being followed up on by Navalny

[16:35 Навальный обратится в ФСБ и СК с требованием проверить сообщение в СМИ о «грузовиках денег» для Шувалова](#)

[\(http://crimerussia.ru/gover/navalnyy-obratitsya-v-fsb-i-sk-s-trebovaniem-proverit-soobshchenie-v-smi-o-gruzovikakh-deneg-dlya-sh/\)](http://crimerussia.ru/gover/navalnyy-obratitsya-v-fsb-i-sk-s-trebovaniem-proverit-soobshchenie-v-smi-o-gruzovikakh-deneg-dlya-sh/)

Following up on Yashin's report of criminals in United Russia, here is a report focusing on one of them, conveniently translated into English

<http://en.crimerussia.ru/gromkie-dela/election-campaign-of-irina-guseva-challenge-for-criminal-world/?lang=ru>

-----Original Message-----

From: Nellie Ohr (b) (6)

To: (b) (6) Allensworth; (b) (6)

Sent: Mon, Sep 5, 2016 4:45 pm

Subject: Korzhakov speaks

I haven't heard of Korzhakov speaking publicly in ages but he just came forward with an interview.

<http://crimerussia.ru/gover/znayu-ikh-vsekh-govorit-aleksandr-korzhakov/>

Haven't read it through carefully, but it looks as if he doesn't think much of Murov and he talks about being part of the "Rokhlin conspiracy"

P.s. While I'm looking at headlines from crime periodicals, I see that Rovshan Dzhaniyev (Rovshan Lenkoranskiy) was killed in Istanbul on 18 August. He was one suspect in the Usoyan murder.

[\(http://www.primecrime.ru/news/2016-08-23_6209/\)](http://www.primecrime.ru/news/2016-08-23_6209/)

Also, there is a fight between Dzhangveladze (another Usoyan murder suspect) and Lasha Shushanashvili to be the patriarch of Russian criminals while Kalashov/Shakro Molodoy is in prison.

[\(http://www.primecrime.ru/news/2016-09-05_6223\)](http://www.primecrime.ru/news/2016-09-05_6223/)

Nellie Ohr

From: Nellie Ohr
Sent: Monday, August 29, 2016 12:30 PM
To: Ohr, Bruce (ODAG)
Subject: Fwd: 2016-#159-Johnson's Russia List

-----Original Message-----

From: David Johnson <davidjohnson@starpower.net>
To: (b) (6) Nellie Email
Sent: Mon, Aug 29, 2016 11:51 am
Subject: 2016-#159-Johnson's Russia List

Having trouble viewing this email? [Click here](#).

Johnson's Russia List

2016-#159

29 August 2016

davidjohnson@starpower.net

A project sponsored through the Institute for European, Russian, and Eurasian Studies (IERES) at The George Washington University's Elliott School of International Affairs*

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Washington Post editorial (July 30, 2014): "The West also should not shrink from the destabilization of Mr. Putin's regime."

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27. Intelinews.com: Garham Stack, Sergei Kuznetsov, and Ben Aris, LONG READ: Poroshenko's empire - the business of being Ukraine's president.

28. Government.ru: August 2008: Russian Prime Minister Vladimir Putin interviewed by the German ARD TV channel. "We are not going to play by some special rules of our own. We want everyone to follow the same rules that are also referred to as international law."

#1

Newsweek.com

August 27, 2016

THE WEST MUST DO FAR MORE TO KEEP PUTIN AT BAY

BY WILLIAM COURTNEY AND DAVID SHLAPAK

William Courtney is an adjunct senior fellow at the nonprofit, nonpartisan Rand Corp. and was U.S. ambassador to Kazakhstan, Georgia and a U.S.-Soviet nuclear testing commission. David Shlapak is a senior defense researcher at RAND.

Last month in Warsaw, Poland, NATO leaders vowed to make the alliance "stronger in defense and deterrence." While progress was made, there is reason to doubt its adequacy.

America continues to decline to provide Ukraine and Georgia with advanced defensive weapons or to challenge Russia's airpower supporting the Syrian regime's siege of Aleppo.

Is the West doing enough to dissuade and deter Russian misbehavior?

In a series of war games, the RAND Corp. examined the shape and probable outcome of a possible Russian invasion of the Baltic States. RAND found that "as currently postured, NATO cannot successfully defend" them. Russian forces would reach the edge of Riga, Latvia, and Tallinn, Estonia, in 60 hours or less.

Gaming also showed that a NATO force of about seven land force brigades (three armored), backed by airpower and other enablers, could avert a rapid overrun and force Moscow to weigh the risks of a prolonged and serious fight.

How is NATO addressing this risk? In Warsaw, NATO leaders opted for a tripwire response short of what RAND's analysis would recommend. Yet, as President Barack Obama correctly noted, it will be NATO's "most significant reinforcement" since the Cold War.

In support of its mission of collective defense, the alliance will deploy four rotating battalion-sized units to Estonia, Latvia, Lithuania and Poland, buttressing their forces. (A brigade has two to five battalions.)

Reinforcing them at a remove, America will add the equivalent of an armored Army brigade to two existing Army brigades in Europe. In addition, equipment for a U.S. Army division will be stored there. These steps send an important signal of commitment but are insufficient to present an adequate conventional deterrent to aggression.

Georgia and Ukraine, not being NATO members, receive less support. America has provided over \$600 million in security assistance to Ukraine since Russia's invasion in 2014. Among its purposes are battalion-level training and the provision of critical non-lethal equipment, such as counter-artillery radars, secure communications and tactical drones.

At a more modest level, Washington is beginning to train Georgian forces in territorial

defense. Both countries seek advanced lethal defensive arms, such as the U.S. Javelin anti-armor missile. To date, Washington declines to supply it.

Some who oppose arming Ukraine say that doing so would only cause Russia to inject more military force. However, there appear to be limits to Moscow's willingness to raise the stakes.

In the summer of 2014, Russia's insertion of conventional forces to shore up rebel allies prevented their defeat, but Moscow eschewed escalating further. President Vladimir Putin stopped talking about "Novorossiia," all of eastern and southern Ukraine.

In recent weeks, however, Russia has again built up forces in and near Ukraine and conducted exercises that it could use as a cover for surprise attack. This again raises the issue of the West's providing additional aid to Kiev to help it deter and defend against aggression.

U.S. aversion to a military role in Syria except against ISIS has kept the West on the sidelines as Russia's airpower helps Assad's forces lay siege to Aleppo. America's restraint also imperils the partial cessation of hostilities in Syria agreed to last February by Russia and America, and robs the West of leverage to promote negotiated outcomes.

By committing only to a light special forces footprint in Syria, the West has far less clout than Russia. U.S. pledges that "attacks on Syria's civilian population are never to be tolerated" have lost meaning.

Perhaps Moscow is already deterred from expanding aggression in Europe and supporting Assad's brutality. Perhaps the Kremlin is heightening military pressure only to strengthen its diplomatic hand. Perhaps Russia will exercise restraint because of its weak economy, isolation from the West and armed forces that are far smaller than NATO's.

Nonetheless, renewed military pressure on Ukraine and stepped up bombing in Syria-also now staged from Iran-suggest that the West may be doing less than it should to dissuade Russia from undermining Western interests.

A key reason is that Russia is more willing to use military power even though it has less of it. Despite the decisions in Warsaw, the West ought to take another look at whether its efforts to deter Russian military interference are sufficient.

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#2
Twitter
Anne Applebaum @anneapplebaum

finally-finally! - Russia's extraordinary disinformation campaign is creeping towards the front pages

A Powerful Russian Weapon: The Spread of False Stories
Using both conventional media and covert channels, the Kremlin relies on disinformation to create doubt, fear and discord in Europe and the Unite...
nytimes.com

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#3

New York Times
August 29, 2016
A Powerful Russian Weapon: The Spread of False Stories
By NEIL MacFARQUHAR

Dark Arts: Russia's Stealth Conflict

This article is the second in a series on how Russia covertly projects power.

STOCKHOLM - With a vigorous national debate underway on whether Sweden should enter a military partnership with NATO, officials in Stockholm suddenly encountered an unsettling problem: a flood of distorted and outright false information on social media, confusing public perceptions of the issue.

The claims were alarming: If Sweden, a non-NATO member, signed the deal, the alliance would stockpile secret nuclear weapons on Swedish soil; NATO could attack Russia from Sweden without government approval; NATO soldiers, immune from prosecution, could rape Swedish women without fear of criminal charges.

They were all false, but the disinformation had begun spilling into the traditional news media, and as the defense minister, Peter Hultqvist, traveled the country to promote the pact in speeches and town hall meetings, he was repeatedly grilled about the bogus stories.

"People were not used to it, and they got scared, asking what can be believed, what should be believed?" said Marinette Nyh Radebo, Mr. Hultqvist's spokeswoman.

As often happens in such cases, Swedish officials were never able to pin down the source of the false reports. But they, numerous analysts and experts in American and European intelligence point to Russia as the prime suspect, noting that preventing NATO expansion is a centerpiece of the foreign policy of President Vladimir V. Putin, who invaded Georgia in 2008 largely to forestall that possibility.

In Crimea, eastern Ukraine and now Syria, Mr. Putin has flaunted a modernized and more muscular military. But he lacks the economic strength and overall might to openly confront NATO, the European Union or the United States. Instead, he has invested heavily in a program of "weaponized" information, using a variety of means to sow doubt and division. The goal is to weaken cohesion among member states, stir discord in their domestic politics and blunt opposition to Russia.

"Moscow views world affairs as a system of special operations, and very sincerely believes that it itself is an object of Western special operations," said Gleb Pavlovsky, who helped establish the Kremlin's information machine before 2008. "I am sure that there are a lot of centers, some linked to the state, that are involved in inventing these kinds of fake stories."

The planting of false stories is nothing new; the Soviet Union devoted considerable resources to that during the ideological battles of the Cold War. Now, though, disinformation is regarded as an important aspect of Russian military doctrine, and it is being directed at political debates in target countries with far greater sophistication and volume than in the past.

The flow of misleading and inaccurate stories is so strong that both NATO and the European Union have established special offices to identify and refute disinformation, particularly claims emanating from Russia.

The Kremlin's clandestine methods have surfaced in the United States, too, American officials say, identifying Russian intelligence as the likely source of leaked Democratic

officials say, identifying Russian intelligence as the likely source of leaked Democratic National Committee emails that embarrassed Hillary Clinton's presidential campaign.

The Kremlin uses both conventional media - Sputnik, a news agency, and RT, a television outlet - and covert channels, as in Sweden, that are almost always untraceable.

Russia exploits both approaches in a comprehensive assault, Wilhelm Unge, a spokesman for the Swedish Security Service, said this year when presenting the agency's annual report. "We mean everything from internet trolls to propaganda and misinformation spread by media companies like RT and Sputnik," he said.

The fundamental purpose of dezinformatsiya, or Russian disinformation, experts said, is to undermine the official version of events - even the very idea that there is a true version of events - and foster a kind of policy paralysis.

Disinformation most famously succeeded in early 2014 with the initial obfuscation about deploying Russian forces to seize Crimea. That summer, Russia pumped out a dizzying array of theories about the destruction of Malaysia Airlines Flight 17 over Ukraine, blaming the C.I.A. and, most outlandishly, Ukrainian fighter pilots who had mistaken the airliner for the Russian presidential aircraft.

The cloud of stories helped veil the simple truth that poorly trained insurgents had accidentally downed the plane with a missile supplied by Russia.

Moscow adamantly denies using disinformation to influence Western public opinion and tends to label accusations of either overt or covert threats as "Russophobia."

"There is an impression that, like in a good orchestra, many Western countries every day accuse Russia of threatening someone," Maria Zakharova, the Russian Foreign Ministry spokeswoman, said at a recent ministry briefing.

Tracing individual strands of disinformation is difficult, but in Sweden and elsewhere, experts have detected a characteristic pattern that they tie to Kremlin-generated disinformation campaigns.

"The dynamic is always the same: It originates somewhere in Russia, on Russia state media sites, or different websites or somewhere in that kind of context," said Anders Lindberg, a Swedish journalist and lawyer.

"Then the fake document becomes the source of a news story distributed on far-left or far-right-wing websites," he said. "Those who rely on those sites for news link to the story, and it spreads. Nobody can say where they come from, but they end up as key issues in a security policy decision."

Although the topics may vary, the goal is the same, Mr. Lindberg and others suggested. "What the Russians are doing is building narratives; they are not building facts," he said. "The underlying narrative is, 'Don't trust anyone.'"

The weaponization of information is not some project devised by a Kremlin policy expert but is an integral part of Russian military doctrine - what some senior military figures call a "decisive" battlefield.

"The role of nonmilitary means of achieving political and strategic goals has grown, and, in many cases, they have exceeded the power of force of weapons in their effectiveness," Gen. Valery V. Gerasimov, the chief of the general staff of the Russian Armed Forces, wrote in 2013.

A prime Kremlin target is Europe, where the rise of the populist right and declining support for the European Union create an ever more receptive audience for Russia's conservative, nationalistic and authoritarian approach under Mr. Putin. Last year, the European Parliament accused Russia of "financing radical and extremist parties" in its member states, and in 2014 the Kremlin extended an \$11.7 million loan to the National Front, the extreme-right party in France.

"The Russians are very good at courting everyone who has a grudge with liberal democracy, and that goes from extreme right to extreme left," said Patrik Oksanen, an editorial writer for the Swedish newspaper group MittMedia. The central idea, he said, is that "liberal democracy is corrupt, inefficient, chaotic and, ultimately, not democratic."

Another message, largely unstated, is that European governments lack the competence to deal with the crises they face, particularly immigration and terrorism, and that their officials are all American puppets.

In Germany, concerns over immigrant violence grew after a 13-year-old Russian-German girl said she had been raped by migrants. A report on Russian state television furthered the story. Even after the police debunked the claim, Russia's foreign minister, Sergey V. Lavrov, continued to chastise Germany.

In Britain, analysts said, the Kremlin's English-language news outlets heavily favored the campaign for the country to leave the European Union, despite their claims of objectivity.

In the Czech Republic, alarming, sensational stories portraying the United States, the European Union and immigrants as villains appear daily across a cluster of about 40 pro-Russia websites.

During NATO military exercises in early June, articles on the websites suggested that Washington controlled Europe through the alliance, with Germany as its local sheriff. Echoing the disinformation that appeared in Sweden, the reports said NATO planned to store nuclear weapons in Eastern Europe and would attack Russia from there without seeking approval from local capitals.

A poll this summer by European Values, a think tank in Prague, found that 51 percent of Czechs viewed the United States' role in Europe negatively, that only 32 percent viewed the European Union positively and that at least a quarter believed some elements of the disinformation.

"The data show how public opinion is changing thanks to the disinformation on those outlets," said Jakub Janda, the think tank's deputy director for public and political affairs. "They try to look like a regular media outlet even if they have a hidden agenda."

Not all Russian disinformation efforts succeed. Sputnik news websites in various Scandinavian languages failed to attract enough readers and were closed after less than a year.

Both RT and Sputnik portray themselves as independent, alternative voices. Sputnik claims that it "tells the untold," even if its daily report relies heavily on articles abridged from other sources. RT trumpets the slogan "Question More."

Both depict the West as grim, divided, brutal, decadent, overrun with violent immigrants and unstable. "They want to give a picture of Europe as some sort of continent that is collapsing," Mr. Hultqvist, the Swedish defense minister, said in an interview.

RT often seems obsessed with the United States, portraying life there as hellish. Its coverage of the Democratic National Convention, for example, skipped the speeches and

coverage of the Democratic National Convention, for example, skipped the speeches and focused instead on scattered demonstrations. It defends the Republican presidential nominee, Donald J. Trump, as an underdog maligned by the established news media.

Margarita Simonyan, RT's editor in chief, said the channel was being singled out as a threat because it offered a different narrative from "the Anglo-American media-political establishment." RT, she said, wants to provide "a perspective otherwise missing from the mainstream media echo chamber."

Moscow's targeting of the West with disinformation dates to a Cold War program the Soviets called "active measures." The effort involved leaking or even writing stories for sympathetic newspapers in India and hoping that they would be picked up in the West, said Professor Mark N. Kramer, a Cold War expert at Harvard.

The story that AIDS was a C.I.A. project run amok spread that way, and it poisons the discussion of the disease decades later. At the time, before the Soviet Union's 1991 collapse, the Kremlin was selling communism as an ideological alternative. Now, experts said, the ideological component has evaporated, but the goal of weakening adversaries remains.

In Sweden recently, that has meant a series of bizarre forged letters and news articles about NATO and linked to Russia.

One forgery, on Defense Ministry letterhead over Mr. Hultqvist's signature, encouraged a major Swedish firm to sell artillery to Ukraine, a move that would be illegal in Sweden. Ms. Nyh Radebo, his spokeswoman, put an end to that story in Sweden, but at international conferences, Mr. Hultqvist still faced questions about the nonexistent sales.

Russia also made at least one overt attempt to influence the debate. During a seminar in the spring, Vladimir Kozin, a senior adviser to the Russian Institute for Strategic Studies, a think tank linked to the Kremlin and Russian foreign intelligence, argued against any change in Sweden's neutral status.

"Do they really need to lose their neutral status?" he said of the Swedes. "To permit fielding new U.S. military bases on their territory and to send their national troops to take part in dubious regional conflicts?"

Whatever the method or message, Russia clearly wants to win any information war, as Dmitry Kiselyev, Russia's most famous television anchor and the director of the organization that runs Sputnik, made clear recently.

Speaking this summer on the 75th anniversary of the Soviet Information Bureau, Mr. Kiselyev said the age of neutral journalism was over. "If we do propaganda, then you do propaganda, too," he said, directing his message to Western journalists.

"Today, it is much more costly to kill one enemy soldier than during World War II, World War I or in the Middle Ages," he said in an interview on the state-run Rossiya 24 network. While the business of "persuasion" is more expensive now, too, he said, "if you can persuade a person, you don't need to kill him."

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#4
New York Times
August 29, 2016
Editorial

Russia Blames Others for Its Doping Woes

The recent obituary of Nina Ponomareva, a discus thrower who in 1952 became the first Soviet athlete to win an Olympic gold medal, recounts how she later made a foolish mistake. On a trip to London, she was caught shoplifting some hats. To the authorities in Moscow, however, the mistake was not hers. It was all a British "dirty provocation."

That became the standard prism through which the Soviets viewed any punitive action against them: politically motivated, always a provocation, never justified. And even though the Cold War is long over, President Vladimir Putin remains stuck in the same, snarling defensive crouch in his responses to any accusations of Russian foul play, from the seizure of Crimea to the widespread state-sponsored doping of Russian athletes.

Yet Russia's reaction to being banned from the Paralympic Games seems particularly outrageous. The Russian team was banned because Mr. Putin's greed for medals, in the illusion that they cover his authoritarian rule with glory, has led to the systematic doping of athletes, including those for whom competition represents a triumph over physical disabilities.

Announcing the ban earlier this month, Sir Philip Craven, president of the International Paralympic Committee and himself a former wheelchair basketball player, was scathing: Russia's "medals over morals mentality disgusts me."

Far from taking such rebukes to heart, Mr. Putin's government has begun a loud campaign to depict itself as the aggrieved party, feeding a furious anti-American and anti-Western frenzy in the Russian media and public. Turning the accusations on their head, Mr. Putin on Thursday declared it was "just cynical to take it out on people for whom sport has become the meaning of life."

It is hard to say how much of this Mr. Putin believes. But the degree to which the narrative of victimization has taken hold in Russia is worrying. For instance, Dr. Grigory Rodchenkov, the former director of Russia's antidoping laboratory who provided evidence of the doping and is now in the United States, is reviled in the Russian media as a traitorous liar, and some Russian officials have gone so far as to assert that it was the World Anti-Doping Agency that ordered him to tamper with athletes' urine samples.

Having brought Russia's doping practices to light, the International Olympic Committee, the International Paralympic Committee and the World Anti-Doping Agency should counter Mr. Putin's lies by making as clear as they can that Russia's athletes, and especially its disabled athletes, have been betrayed by their government, and their government alone.

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#5

Consortiumnews.com

August 27, 2016

The Dumbed-Down New York Times

By Robert Parry

Exclusive: A New York Times columnist writes Americans are so "dumbed-down" that they don't know that Russia "invaded" Ukraine two years ago, but that "invasion" was mostly in the minds of Times editors and other propagandists, says Robert Parry.

In a column mocking the political ignorance of the "dumbed-down" American people and lamenting the death of "objective fact," New York Times columnist Timothy Egan shows why so many Americans have lost faith in the supposedly just-the-facts-ma'am

mainstream media.

Egan states as flat fact, "If more than 16 percent of Americans could locate Ukraine on a map, it would have been a Really Big Deal when Trump said that Russia was not going to invade it - two years after they had, in fact, invaded it."

But it is not a "fact" that Russia "invaded" Ukraine - and it's especially not the case if you also don't state as flat fact that the United States has invaded Syria, Libya and many other countries where the U.S. government has launched bombing raids or dispatched "special forces." Yet, the Times doesn't describe those military operations as "invasions."

Nor does the newspaper of record condemn the U.S. government for violating international law, although in every instance in which U.S. forces cross into another country's sovereign territory without permission from that government or the United Nations Security Council, that is technically an act of illegal aggression.

In other words, the Times applies a conscious double standard when reporting on the actions of the United States or one of its allies (note how Turkey's recent invasion of Syria was just an "intervention") as compared to how the Times deals with actions by U.S. adversaries, such as Russia.

Biased on Ukraine

The Times' reporting on Ukraine has been particularly dishonest and hypocritical. The Times ignores the substantial evidence that the U.S. government encouraged and supported a violent coup that overthrew elected President Viktor Yanukovich on Feb. 22, 2014, including a pre-coup intercepted phone call between Assistant Secretary of State Victoria Nuland and U.S. Ambassador to Ukraine Geoffrey Pyatt discussing who should lead the new government and how to "midwife this thing."

The Times also played down the key role of neo-Nazis and extreme nationalists in killing police before the coup, seizing government building during the coup, and then spearheading the slaughter of ethnic Russian Ukrainians after the coup. If you wanted to detect the role of these SS-wannabes from the Times' coverage, you'd have to scour the last few paragraphs of a few stories that dealt with other aspects of the Ukraine crisis. While leaving out the context, the Times has repeatedly claimed that Russia "invaded" Crimea, although curiously without showing any photographs of an amphibious landing on Crimea's coast or Russian tanks crashing across Ukraine's border en route to Crimea or troops parachuting from the sky to seize strategic Crimean targets.

The reason such evidence of an "invasion" was lacking is that Russian troops were already stationed in Crimea as part of a basing agreement for the port of Sevastopol. So, it was a very curious "invasion" indeed, since the Russian troops were on scene before the "invasion" and their involvement after the coup was peaceful in protecting the Crimean population from the depredations of the new regime's neo-Nazis. The presence of a small number of Russian troops also allowed the Crimeans to vote on whether to secede from Ukraine and rejoin Russia, which they did with a 96 percent majority.

In the eastern provinces, which represented Yanukovich's political base and where many Ukrainians opposed the coup, you can fault, if you wish, the Russian decision to provide some military equipment and possibly some special forces so ethnic Russian and other anti-coup Ukrainians could defend themselves from the assaults by the neo-Nazi Azov brigade and from the tanks and artillery of the coup-controlled Ukrainian army.

But an honest newspaper and honest columnists would insist on including this context. They also would resist pejorative phrases such as "invasion" and "aggression" - unless, of course, they applied the same terminology objectively to actions by the U.S. government

course, they applied the same terminology objectively to actions by the U.S. government and its "allies."

That sort of nuance and balance is not what you get from The New York Times and its "group thinking" writers, people like Timothy Egan. When it comes to reporting on Russia, it's Cold War-style propaganda, day in and day out.

And this has not been a one-off problem. The unrelenting bias of the Times and, indeed, the rest of the mainstream U.S. news media on the Ukraine crisis represents a lack of professionalism that was also apparent in the pro-war coverage of the Iraq crisis in 2002-03 and other catastrophic U.S. foreign policy decisions.

A growing public recognition of that mainstream bias explains why so much of the American population has tuned out supposedly "objective" news (because it is anything but objective).

Indeed, those Americans who are more sophisticated about Russia and Ukraine than Timothy Egan know that they're not getting the straight story from the Times and other MSM outlets. Those not-dumbed-down Americans can spot U.S. government propaganda when they see it.

[For more on this topic, see Consortiumnews.com's "NYT Still Pretends No Coup in Ukraine"; "NYT Is Lost in its Ukraine Propaganda"; "NYT Whites Out Ukraine's Brown Shirts"; and "NYT Enforces Ukraine 'Group Think'"]

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#6

Newsweek.com

August 29, 2016

How Vladimir Putin Is Using Donald Trump to Advance Russia's Goals

BY OWEN MATTHEWS

Not since the beginning of the Cold War has a U.S. politician been as fervently pro-Russian as Republican presidential candidate Donald Trump. Just four years after his predecessor Mitt Romney declared Russia to be Washington's greatest geopolitical threat, Trump has praised President Vladimir Putin as a real leader, "unlike what we have in this country." Trump has also dismissed reports that Putin has murdered political enemies ("Our country does plenty of killing also," he told MSNBC), suggested that he would "look into" recognizing Russia's annexation of the Crimean peninsula and questioned whether the United States should defend NATO allies who don't pay their way. When Russian hackers stole a cache of emails in July from the Democratic National Committee's servers, as security analysts have shown, Trump called on "Russia, if you're listening," to hack some more.

"Trump is breaking with Republican foreign doctrine and almost every Republican foreign thinker I know," says Michael McFaul, U.S. ambassador to Russia from 2012 to 2014. "He is departing radically from Ronald Reagan, something never done by any Republican Party presidential candidate."

It's easy to see why Putin views Trump's ascendancy as a godsend-and why he mobilized his cyberspies and media assets to his aid, according to security analysts. "Trump advocates isolationist policies and an abdication of U.S. leadership in the world. He cares little about promoting democracy and human rights," continues McFaul. "A U.S. retreat from global affairs fits precisely with Putin's international interests." Putin has been relatively reserved in his public support for Trump-calling him "colorful and talented," which in Russian comes across as faint praise-but Kremlin-sponsored propaganda outlets like

in Russian comes across as faint praise—but Kremlin-sponsored propaganda outlets like Sputnik and RT (formerly Russia Today) have lavishly praised Trump, tweeted #CrookedHillary memes and supported Trump's assertion that Barack Obama "founded ISIS," and Russia's world-class army of state-sponsored hackers has targeted Hillary Clinton and the Democratic Party.

What's more, it's increasingly clear that after the DNC hack the Kremlin is relishing, even quietly flaunting, its newfound role as a meddler in U.S. politics. After years of U.S. influence over Russian affairs, especially in the chaotic 1990s, it is sweet revenge for the Kremlin to be cast once again as global puppet master. And most fundamentally, the Kremlin's support for Trump is part of a longstanding strategy to sow disruption and discord in the West. Whether it's by backing French ultra-nationalists, Catalan separatists or the Brexit campaign, or boosting Donald Trump's chances by blackening the Democrats, the Kremlin believes Russia benefits every time the Western establishment is embarrassed.

Russia's brazen cyberattack on the DNC servers was "a cyber psy-op," according to Brian Whitmore of Radio Free Europe/Radio Liberty. "At least one of Moscow's goals is apparently to force the United States to treat it as an equal superpower," Whitmore wrote in the influential Power Vertical blog. "Suddenly, for the first time since the Cold War, Russia occupies center stage in a U.S. election. Suddenly, there are global headlines about the threat of Russian hackers."

The forensics of the DNC hack point to two things—first, that two well-known Russian hacker groups with connections to that country's intelligence services were responsible for the break-in, and second, that when the material was released through WikiLeaks, the Russians made little effort to disguise their hand in the heist. A detailed report in July by the hacker-watcher collective CrowdStrike stated that one group, Fancy Bear (or APT 28), gained access to the DNC database in April. The other, Cozy Bear (or APT 29), broke in as early as June 2015. According to Alexander Klimburg, a cybersecurity expert at the Hague Center for Strategic Studies and author of the forthcoming book *Dark Web*, APT 28 is associated with Russia's GRU military intelligence and APT 29 with its Federal Security Service, or FSB. "Our team considers them some of the best adversaries out of all the numerous nation-state, criminal and hacktivist/terrorist groups we encounter on a daily basis," blogged CrowdStrike's chief technology officer, Dmitri Alperovitch. "Their tradecraft is superb, operational security second to none."

Last year, APT 28 hacked the State Department, the White House and the civilian email of the Joint Chiefs of Staff. It was also involved in hacks of French TV and the 2014 meltdown of a German steel foundry after malware infected its systems, an attack known in cyberwar circles by the chilling clinical term "cyber-to-physical effect." The DNC hack, then, was just one of several "very forward-leaning attempts to signal to the West Russia's cyber capabilities," says Klimburg. "They often don't care about being discovered. Indicating that you are behind something is part of the operation."

When CrowdStrike first fingered the Russians, an internet user calling himself Guccifer 2.0 claimed that he, not the Russian government, was the culprit. Guccifer attempted to signal his non-Russianness by using an ordinary French Hotmail account—the cyber equivalent of disguising yourself in a Groucho Marx false nose—but the metadata on the documents he provided were found to contain Russian signatures, including "Felix Edmundovich," the first names of Soviet secret police founder Felix Dzerzhinsky.

Foreign intelligence agencies have been found snooping on American political campaigns before. In 2014, Chinese hackers broke into Romney's servers, for instance. But the DNC hack has elevated such interference in politics to a frightening extent. "I just want to underscore how unprecedented this is—using espionage to influence an American presidential election crossed a new level of intervention," says McFaul.

Don't Bad-Mouth the Boss

What's in Project Trump for Putin is clear. But the more puzzling question is how Trump became Putin's man in Washington. Former CIA Director Mike Morell wrote in The New York Times that Putin "recruited Mr. Trump as an unwitting agent of the Russian Federation" with flattery. But the truth is more nuanced. Trump's pro-Putinism goes back to at least 2007, when he told CNN that the Russian strongman was doing "a great job" rebuilding Russia. Trump was pushing real estate deals in Moscow at the time and, according to one Moscow-based American businessman who negotiated with him, Trump's admiration for Putin was rooted in "pure self-interest.... He was looking to make friends and business partners" among Russia's politically connected elite. "Oligarchs aren't going to do business with anyone who bad-mouths the boss," explains the real estate developer, who requested anonymity because of his ongoing Russian investments.

Trump's affinity for the Kremlin deepened after he launched his political career in 2014. Trump has surrounded himself with advisers with deep connections to the Putin regime. Trump's chief foreign policy adviser, Carter Page, once ran the Moscow office of Merrill Lynch and advised the Russian energy giant Gazprom (in which he still owns shares, Page said in March). **Page's company, Global Energy Capital, continues to work with Russian investments-and Sergey Yatsenko, Gazprom's former deputy chief financial officer, works for GEC as an adviser.** Since both companies have suffered grievously from the sanctions the U.S. and EU imposed against Russia over its annexation of Crimea, Page is a passionate advocate of lifting them-something Trump has said he will consider.

On July 7, Page took time off from the Trump campaign to give a speech at Moscow's New Economic School, where he slammed America's "often hypocritical focus on democratization" and praised Russia's policy of "noninterference" and "respect" for its neighbors. "Page toed the [Kremlin] party line," says one senior Moscow expatriate professional who attended Page's talk. "He's a believer.... It's common among Western businesspeople in Russia to be pro-Putin. But it's rare to hear it from someone at the top of Republican politics."

Lieutenant General Michael Flynn, a Trump adviser and former head of the Defense Intelligence Agency, is a regular guest on RT, the Kremlin's conspiracy-theory-minded English-language propaganda channel. He has refused to say if he's on RT's payroll, but last year Flynn flew to Moscow to attend the station's 10th anniversary gala, where he sat two chairs away from Putin. Michael Caputo, a public relations adviser who helped run Trump's New York primary campaign, lived in Russia in the 1990s, and Gazprom's media arm contracted him to improve Putin's image in the United States. Richard Burt, a former U.S. ambassador to Germany during the 1980s who is known for his strong skepticism of the U.S.'s commitment to its NATO allies (Burt appeared in a panel discussion in April on the topic "Does America Need Allies?"), reportedly helped draft at least one Trump speech where the candidate blasted NATO's "free rider problem," according to Politico.

Burt is chairman of the advisory council of The National Interest, a publication of the Center for the National Interest, a strongly pro-Russian think tank based in Washington. The CNI has long partnered with the Kremlin-backed Institute for Democracy and Cooperation, a think tank in New York devoted to promoting Moscow's interests. In May 2014, the two institutions held a joint press conference defending Russia's position in Ukraine. In April, Trump chose the CNI as the venue for his first major foreign policy speech, and the audience included Russian Ambassador to the U.S. Sergey Kislyak.

Trump's former campaign manager Paul Manafort has longstanding ties to Ukraine's Kremlin-backed former President Viktor Yanukovich, advising on campaigning for his

Party of Regions in the 2006 parliamentary elections and paving the way for Yanukovich's ascent to prime minister and then the presidency, from which he was ousted in 2014 amid massive pro-EU protests. Ukrainian parliamentarian Serhiy Leshchenko wrote in *The Guardian* that he had seen "so-called 'shadow accounting' documents" that show "a total of \$12.7m of payments made to Manafort" by the Party of the Regions, at least \$2.2 million of which, according to the AP, was channeled to two prominent Washington lobbying firms in 2012. Manafort denies any wrongdoing, though the very public discussion of his Ukrainian business connections certainly played a part in his being sidelined as Trump's campaign manager in mid-August.

During his time at the helm of the Trump campaign, Manafort played a crucial role in hauling the Republican Party's official position away from its traditionally anti-Russian stance. According to *The Washington Post*, Trump campaign staffers gutted a proposed amendment to the Republican Party platform that called for the U.S. to provide "lethal defensive weapons" for Ukraine to defend itself against Russian aggression, defying a strong GOP consensus on the issue.

Trump has business ties in Russia that go back to 1987, when he and his then-wife, Ivana, visited Moscow to scope out a luxury hotel joint venture with the USSR's state tourism agency Intourist, according to his memoir *The Art of the Deal*. That deal came to nothing, but Trump returned in 1996 to negotiate a high-end condominium project with U.S. tobacco giant Liggett-Ducat. Trump "talked a big game," recalls the American real estate developer, who has direct knowledge of the negotiations. "But what was needed was not New York real estate connections but Moscow political connections.... Trump didn't have those." In 2005, Trump took another crack at a now-booming Russia, hoping to build a Trump Tower on the site of a former pencil factory. He partnered with Bayrock Group, a New York-based developer that had co-developed the Trump SoHo and Trump International Hotel and Tower in Fort Lauderdale, Florida, to pull together financing. Bayrock's CEO was Tefvik Arif, a Kazakhstan-born former deputy head of the Soviet Ministry of Commerce's hotel department, who had made money running high-end tourist hotels in Turkey. The deal failed-in part because of Arif's choice of Soviet-born Felix Sater (later Satter) to run Bayrock's Moscow operation. Sater had served prison time for slashing a man's face in a 1991 Manhattan brawl-"He got into trouble because he got into a barroom fight which a lot of people do," Trump once said in a court deposition-and in 1998 was convicted for fraud over associations with White Rock Partners, a Mafia-connected New York stock brokerage. (Arif was detained in Turkey in October 2010 on suspicion of organizing sex parties for wealthy businessmen and Eastern European models aboard a \$60 million yacht once used by the nation's founder, Mustafa Kemal Atatürk, according to charges filed by prosecutor Yusuf Hakki Dogan. Arif was cleared of all charges the following year.)

After the Bayrock debacle, Trump had better luck selling high-end real estate to wealthy Russians in the West. "Russians make up a pretty disproportionate cross-section of a lot of our assets," Donald Trump Jr. told a real estate conference in 2008. "We see a lot of money pouring in from Russia." Among those deals was the sale of a mansion in Palm Beach, Florida, to Russian fertilizer billionaire Dmitry Rybolovlev for \$95 million in 2008, according to Florida property records. In the wake of several bankruptcies, Trump found it hard to raise money in the West, so he gathered money from Russian and Kazakh investors for his Trump SoHo and three other Bayrock projects. Salvatore Lauria, a partner of Sater's in White Rock Partners, helped gather \$50 million in investments for Trump SoHo that included, according to a lawsuit against Bayrock, "unexplained infusions of cash from accounts in Kazakhstan and Russia."

Trump's latest set of Russian partners are the most high-rolling-Aras Agalarov and Emin Agalarov, real estate developers born in Baku, Azerbaijan, who paid Trump to organize the 2013 Miss Universe competition in Moscow. They also signed a deal to build a Trump Tower in the Russian capital, though the building has not yet got off the ground. The Agalarovs have received several contracts for state-funded construction projects, and

Putin personally awarded Aras Agalarov the Order of Honor of the Russian Federation soon after the Miss Universe pageant. Trump told a National Press Club lunch in Washington in 2014 that during his trip to Moscow the previous year he had spoken "indirectly and directly" with Putin, "who could not have been nicer." In fact, Putin never showed up at the gala, and the two have never met.

But even the Agalarovs are far from Russia's big leagues of power and money. "It's bizarre that people are talking about Trump's Russian business interests, because he never made it in Russia," says the Moscow-based American real estate developer. "He tried to become a player, but he didn't know the right people."

Despite Trump's lack of significant business success in Russia, his political career has made him an important part of Putin's wider strategy to weaken the West and court conservatives around the world into a grand anti-liberal alliance headed by Russia. In August, Moscow hosted a gathering of nationalist and separatist activists from all over Europe and the U.S.-part of an ongoing effort to encourage anti-EU and anti-NATO political groups, including Greece's Golden Dawn, Bulgaria's Ataka and Hungary's Jobbik. As Vice President Joe Biden warned in a speech in Washington last year, "Putin sees such political forces as useful tools to be manipulated, to create cracks in the European body politic which he can then exploit."

To Putin's mind, the campaign is a way of pushing back against what he sees as meddling by Washington and Brussels in his backyard, from allegedly encouraging anti-Putin protests in Moscow in 2011 to fomenting the pro-European Maidan uprising in Kiev in 2013 that led to the ousting of President Yanukovich (and put Paul Manafort temporarily out of a job). Putin "honestly believes that the U.S. is trying to overthrow him," says Kremlin-connected political technologist Gleb Pavlovsky, who advised Putin until 2011.

"In the eyes of Russian elites, Western aggression must be met with a response," argues Eugene Rumer, director of the Carnegie Endowment for International Peace's Russia and Eurasia Program and a former national intelligence officer for Russia and Eurasia at the U.S. National Intelligence Council. "Hacking into DNC computers...is simply payback for Western media reports about elite corruption in Russia. It helps boost the Russian narrative that money and politics go hand in hand everywhere, and that Russia is no different from the United States or other Western countries whose governments are critical of Russia."

The Billionaire Stooge

Temperamentally, Putin and Trump don't have much in common. Putin is a steely, shy, highly controlled career KGB man who has spent his life in disciplined institutions and got his break not through public politics but by being a perfect courtier to Boris Yeltsin. The other is a freewheeling dealmaker with a taste for the trappings of wealth, beautiful women, publicity of any sort and a deep need for the acclaim of crowds. But both are brilliant opportunist tacticians with a cynical attitude about the truth, willing to cherry-pick facts to build narratives that suit their purpose. Trump more closely resembles Russian or Ukrainian oligarchs-though he is much poorer than most of them-insofar as he has hijacked a political movement to fuel his personal ambition and boost his business interests.

The Kremlin's support of Trump-offered in the form of backing from propaganda channels like RT and Sputnik-is electorally insignificant. Even the covert revelations of the DNC hack didn't make much of a dent in Clinton's ratings (though WikiLeaks founder and RT contributor Julian Assange promises devastating new findings in October). What's truly disturbing is the cyberwar methods used by the Kremlin to disrupt the election-and the wider and more sinister political program that the Kremlin is pursuing.

"The target of the hacks wasn't just Clinton," Eerik-Niiles Kross, the former head of Estonian intelligence, wrote in a recent essay in Politico. "Nor is Moscow much interested in supporting Trump (willing useful idiot though he may be). What the Russians have in their sights is nothing less than the democratic fabric of American society and the integrity of the system of Western liberal values.... The political warfare of the Cold War is back-in updated form, with meaner, more modern tools, including a vast state media empire in Western languages, hackers, spies, agents, useful idiots, compatriot groups, and hordes of internet trolls."

In other words, Trump is merely a useful stooge in the Kremlin's grand design to encourage NATO disunity, U.S. isolationism and the breakup of Europe. In practice, all the effort of Russian-sponsored hackers, think tankers and propaganda channels is unlikely to have much real effect and on balance have probably harmed Trump's chances of getting into the White House. But the effort is real. As Kross put it, "Russia is effectively using our democracies and our systems of rule of law against us.... America, welcome to the war."

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#7

Washington Babylon

<http://washingtonbabylon.com>

August 24, 2016

Donald Trump ? Vladimir Putin: How the DNC and media created a bogus narrative while ignoring Hillary's deep ties to Russia and Ukraine

By Ken Silverstein

[Text with links here <http://washingtonbabylon.com/donald-trump-%F0%9F%92%98-vladimir-putin-how-the-dnc-and-media-created-a-bogus-narrative-while-ignoring-hillarys-deep-ties-to-russia-and-ukraine/>]

Part 1: Did Russia really hack the DNC? Meet Cyberclown James Lewis

One of the leading stories of the presidential campaign is that Donald Trump is in bed with Vladimir Putin and that if elected president he and Russia's leader will effectively be partners in international crime. Trump has said things about Putin that have fueled this narrative, but it's rather curious, given that he and Putin are allegedly thick as thieves, that Trump has been so unsuccessful at getting approval for any of his fervently pursued business ventures in Russia.

One of the key subplots of the media narrative is that "Russia hacked the DNC," a story line for which there is no definitive evidence and which has been furiously promoted by Hillary's campaign. That has been hugely useful for Hillary because it not only has convinced many voters that Trump and Putin are joined at the hip, but it's obscured the most important thing we have learned from the hack: Whoever did it, the documents reveal that the Democratic Party is controlled by a corrupt cabal of amoral insiders who will do anything and say anything to win the election for Hillary.

One of the key people pushing the Russia hack angle is Superhack James Lewis of the Center for Strategic and International Studies, whose think tank is funded by a lot of companies with interests in the blossoming "cyberterrorism" industry and who has been vigorously pushing that "THREAT" for a long time. David Sanger of the New York Times has been an especially useful idiot when it comes to pushing out Lewis's ideas.

In a recent post, CSIS Cyberclown Lewis (formal title: Senior Vice President and Director, Strategic Technologies Program) refers to a number of U.S. "opponents in cyberspace," citing the Russkies as well as alleged Iranian breaches of major U.S. banks and "intrusion into critical infrastructure networks" as well as "Chinese cyber commercial espionage." He

into critical infrastructure networks as well as Chinese cyber commercial espionage. He says that more must be done - translate: funnel additional cash to Lewis's beloved cyberterror contractors - to protect the United States from this terrifying menace.

In any of this storyline true? Possibly, but it's hard to know because Lewis relentlessly promotes his ideas while offering little hard evidence, beyond official sources, to prove it. He suggests that the alleged Russian hack of the DNC more or less shows that America will soon be a vassal state of Russia, writing, that the hacks "do not threaten the United States' territorial integrity, but they do threaten its political independence. They are part of a larger Russian effort to shape politics in the West to advance Russian foreign policy goals and damage the United States."

(It goes without saying, in the official narrative, that the U.S. government never, ever spies on foreign governments or seeks to protect its national interests. We just seek to spread democracy and try to alleviate global poverty and conflict, and we do it because we're unlike every other empire in history. We're benevolent good guys motivated strictly by altruism. Oops, I forgot, we're not an empire, we're just the world's leading force of all things nice and sweet.)

In the latest twist in the Russian cyberterror narrative, as James Bamford recently wrote at Reuters, the "hacking tools themselves, likely stolen from the National Security Agency, are on the digital auction block. Once again, the usual suspects [in the media] start with Russia." But Bamford, who is the country's leading expert on the Agency, said the evidence in fact "points to another Snowden at the NSA."

He wrote: "If Russia had stolen the hacking tools, it would be senseless to publicize the theft, let alone put them up for sale. It would be like a safecracker stealing the combination to a bank vault and putting it on Facebook. Once revealed, companies and governments would patch their firewalls, just as the bank would change its combination.

A more logical explanation could also be insider theft. If that's the case, it's one more reason to question the usefulness of an agency that secretly collects private information on millions of Americans but can't keep its most valuable data from being stolen, or as it appears in this case, being used against us."

Check out Bamford's column and make sure to note his reference to Lewis. And thanks to William Blunden for bringing much of this to my attention.

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#8

Antiwar.com

August 29, 2016

Clinton's Crazy Conspiracy Theory

Is Vladimir Putin behind the #NeverHillary movement?

By Justin Raimondo

Justin Raimondo is the editorial director of Antiwar.com, and a senior fellow at the Randolph Bourne Institute. He is a contributing editor at The American Conservative, and writes a monthly column for Chronicles

Hillary Clinton's recent "alt right" speech marks a new and dangerous low in what has become race to the bottom - and, should she be elected, it has ominous foreign policy implications as well.

Alarmed that Trump is reaching out to the African-American community, Mrs. Clinton tried to make the case that the GOP candidate is a apologist for such groups as the Ku Klux Klan (do they still exist?) and an obscure amalgam she dubbed the "alt right." As she

named this latter group, there was a significant silence, a pause in the cheering: perhaps her audience thought she was having a senior moment of the intestinal variety.

In any case, none of this is anything new: it's a variation on the "Vast Right-Wing Conspiracy" theme that she has been dragging out ever since the 1990s. There is, however, a new dimension to this tired boilerplate, now that she's running for President: the Vast Right-wing Conspiracy is being portrayed as an international cabal with its headquarters in the Kremlin.

As her peroration on the "racist" sins of Trump reached a climax, she hauled out Nigel Farage, the former leader of the United Kingdom Independence Party (UKIP), who was instrumental in leading the Brexit campaign to victory. Farage - who is, in her view, a "racist," a "sexist," and god knows what other unsavory "ists" - "has appeared regularly on Russian propaganda programs," she yelled "Now he's standing on the same stage as the Republican nominee."

What is she talking about?

Apparently, Farage has allowed himself to be interviewed by "Russia Today," the Kremlin's answer to Radio Free Europe/Radio Liberty. If this is proof of his perfect perfidy, then what is one to make of Larry King - who has endorsed Mrs. Clinton? Mr. King has a regular program on "Russia Today." So does Ed Schultz, a partisan Democrat and former MSNBC commentator and host who has defended Mrs. Clinton.

Undeterred by facts, her voice rising to a veritable shriek, Hillary tied her conspiracy theory together by pointing to the sinister figure at the center of this vast worldwide web of subversion:

"The godfather of this global brand of extreme nationalism is Russian President Vladimir Putin. In fact, Farage has appeared regularly on Russian propaganda programs. Now he's standing on the same stage as the Republican nominee.

"Trump himself heaps praise on Putin and embrace[s] pro-Russian policies. He talks casually of abandoning our NATO allies, recognizing Russia's annexation of Crimea, and of giving the Kremlin a free hand in Eastern Europe more generally.

"American presidents from Truman to Reagan have rejected the kind of approach Trump is taking on Russia. We should, too.

"All of this adds up to something we've never seen before. Of course there's always been a paranoid fringe in our politics, steeped in racial resentment. But it's never had the nominee of a major party stoking it, encouraging it, and giving it a national megaphone. Until now."

All of this adds up to something we have seen before: from the anti-German hysteria of World War I when the teaching of the German language was forbidden and German composers banned from the concert halls, to the lunacy that saw Japanese-Americans trundled into internment camps during World War II, right up until the cold war era when anyone who opposed the Vietnam war and our foreign policy of supporting right-wing dictators was smeared as a "Kremlin agent." It's a tiresomely recurrent theme in the history of American politics, the tried and true method of the demagogues who want to end all debate by smearing their political opponents as agents of a foreign power.

Let's be clear about what the Clinton campaign is saying here: they are accusing the Trump campaign of collaborating with the Kremlin in acts of espionage. Averring that it was the Russians who hacked both the Democratic National Committee and the Clinton Foundation - assertions offered without evidence - they have explicitly accused the Kremlin

Foundation - assertions offered without evidence - they have explicitly accused the Kremlin of trying to put Trump in the White House as part of a sinister scheme to conquer eastern Europe. As Clinton campaign manager Robby Mook put it:

"Real questions [are] being raised about whether Donald Trump himself is just a puppet for the Kremlin in this race' Mook added, pointing to Trump's criticisms of NATO. 'We now need Donald Trump to explain to us the extent to which the hand of the Kremlin is at the core of his own campaign.'"

If Mrs. Clinton truly believes that Putin is "the godfather" of the Trump movement, and those who oppose her election, then what can we expect from her administration if and when she occupies the Oval Office?

If all these people are Kremlin pawns, if the tentacles of this pro-Russian underground really do reach into the GOP and the Vast Right-wing Conspiracy, then it's reasonable to expect that President Hillary Clinton will do all in her power to quash this sinister cabal, which surely represents a threat to our national security. It is illegal for US citizens to act as unregistered agents of a foreign power: presumably this conspiracy will be investigated by the FBI, and its leaders brought to trial. Perhaps we'll see the revival of the House Committee on Un-American Activities, the banning of "subversive" "pro-Russian" organizations and media outlets, and a wholesale purge of this foreign conspiracy from American political life.

I might add that the same sort of smear campaign was launched by the Bush administration and its neoconservative allies in the run up to - and during - the Iraq war. "You're either with us," declared then President Bush, "or you're with the terrorists." Neocon enforcer David Frum declared that conservative and libertarian opponents of the war - including this writer - had "turned their backs on their country," and were acting as agents of Saddam Hussein. That Frum is now echoing Mrs. Clinton - along with a growing contingent of his fellow neocons, who openly support her - comes as no surprise.

While the implications of Hillary's smear campaign do not bode well for our civil liberties here on the home front, the international consequences promise to be even worse.

The borderline between domestic policy and international policy is nebulous to nonexistent. As I've explained at length in defining my theory of what I call "libertarian realism," the latter is largely determined by the former. Political elites pursue a foreign policy that justifies the preservation and extension of their own privileges, perks, and power. If Hillary Clinton has to start Cold War II in order to win this election, then there is no doubt she is willing to do that. What this portends for her foreign policy should strike fear in us all.

For if she is positing a Vast Right-wing Pro-Russian Conspiracy as her enemy here at home, what measures is she likely to take against the Russians abroad? One could reasonably aver that her political rhetoric won't necessarily translate into World War III, but surely she will have to follow up to some degree in order to maintain her credibility. And if she really believes her own hopped-up rhetoric, then can we really be sure her actions vis-à-vis the Russians won't result in another Cuban missile crisis - one that will turn out quite differently than the last one?

We here at Antiwar.com saw all this coming as early as 2004, and we have been warning about it ever since. That's why you read this site: because you can read tomorrow's headlines today.

But being prescient isn't enough: it doesn't pay the bills. Debunking the war propaganda generated by the "mainstream" media is more than a full-time job: I am writing this at 6:30 on Sunday morning, having started work at 3 a.m. That's because I have the rest of the day scheduled for writing yet another fundraising letter as well as reviewing the latest

bunch of documents generated by our lawsuit against the FBI.

We are facing the biggest threat to peace since the build up to the Iraq war - a determined chorus, arising from the political class, to confront the Russians on every front. Your children may soon be reenacting the old "duck and cover" routine at school, and backyard bomb shelters may be soon due to come back into style. The new cold war is upon us, and - once again - we face the very real possibility of a nuclear conflict with the Russians.
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#9

Sputnik

August 29, 2016

Real Propaganda: NY Times Says Kremlin Uses Sputnik, RT as Disinformation Weapon
By Bill Moran

On Sunday the New York Times published the latest in the Western media's assault on Russian funded news outlets predicated solely on the source rather than the substance of the underlying reporting titled: A Powerful Russian Weapon: The Spread of False Stories. The 2,000 word article, if it deserves to be called that, claimed that outlets like Sputnik and RT are providing intentionally inaccurate or distorted reports to our viewers but failed to provide any evidence to substantiate the claim.

"The Kremlin uses both conventional media - Sputnik, a news agency, and RT, a television outlet," claims Neil MacFarquhar without considering the gravity of his statement. This statement accuses, in no uncertain terms, American writers and television personalities of participating in a treasonous plot to subvert American democracy - that's quite a charge, but is there anything to back it up?

First of all, no evidence was provided that we are somehow controlled by the Kremlin and there never will be any evidence because it does not exist. It may surprise the New York Times to learn that our US writers do not speak with Vladimir Putin or Dmitry Peskov over our morning coffee prior to our shift.

Second, no evidence was provided to challenge the accuracy of any specific report. Instead, on the domestic scene, the author claims that "RT often seems obsessed with the United States, portraying life there as hellish. It's coverage of the Democratic National Convention, for example, skipped the speeches and focused instead on scattered demonstrations."

Not really. It is true that we covered the fallout and implications of the WikiLeaks document leak that showed leading figures in the US media, including Nevada's dean of the political press corps Jon Ralston, regurgitating intentionally false narratives about Bernie Sanders spun by the DNC "without attribution" - we did cover that subversion of the US democracy, but we did not create it.

If the only news outlets that existed in the United States were Sputnik and RT, or if our viewers observed no news content from additional sources and did not possess Twitter accounts of their own then perhaps the coverage balance would be off. However, we do not exist in a vacuum and it is equally important to point out that the mainstream media did not cover protests at all and heavily downplayed the controversy surrounding the DNC - Wolf Blitzer even opened up some champagne to celebrate Hillary's speech.

Other news outlets celebrated Hillary's speech and tried to navigate the discourse back towards beating Trump. That is not our opinion. The LA Times wrote an article titled "To Fight Trump, Journalists Have Dispensed With Objectivity," the New York Times published an article titled "Trump is Testing the Norms of Objectivity in Journalism," Univision's Jorge

Ramos called on journalists saying "Neutrality is not an Option," and Glenn Greenwald said the US media is 100 percent against Donald Trump.

Compared to that type of reporting, our mere blasting of Donald Trump receiving endorsements from various white supremacist groups, saying controversial things, or the coming divestment in his candidacy by the RNC may appear to be somewhat fawning coverage since we are also covering Hillary's assault on opposition media deeming what opinions do or do not have a "right to exist" in addition to scandals associated with the WikiLeaks dump, the private email server, or the Clinton Foundation may seem untoward to a journalistic establishment that decided to take the year off from covering news.

The New York Times also claims in their story that Sputnik is part of the "Kremlin propaganda machine" that is "spreading false stories," but then it attacks our reporting for "relying heavily on articles abridged from other sources." How, precisely, can both of these things be true at the same time? It is factually impossible - it has to be one or the other.

Finally, the article cites the Swedish Defense Minister Peter Hultqvist as saying that both RT and Sputnik "depict the West as grim, divided, brutal, decadent, overrun with violent immigrants and unstable." Was this before or after our coverage of the plight of Syrian refugees and the consequences of the Turkish-EU refugee deal that leaves displaced people without protections - that's a far step from vilifying immigrants as a violent and unsympathetic population.

Maybe Hultqvist is referring to our coverage of pro-immigration rallies or inspiring social movements against police brutality. And if not that, maybe he is referring to RT being the first outlet to allow Jill Stein to speak to the American public of her vision that can literally be defined as "peace and love" or progressive Bernie Sanders who spoke with RT's Ed Schultz.

Then there is the argument that RT and Sputnik provided too much coverage of the pro-Brexit side. It could be argued that the BBC, the Guardian, etc. provided too little coverage to the Leave campaign - notably because those outlets have probably over 50 times the market share of Sputnik or RT in the UK, but they covered exclusively the side that lost. Pollsters agree with that assessment finding that the Election Day results were so surprising because people were shamed into lying when polled because the UK media made clear that it was socially unacceptable to favor Brexit.

Then again, the article itself is quite literally a fallacy - "Ad hominem is a logical fallacy in which an argument is rebutted by attacking the character, motive, or other attribute of the person making the argument, or persons associated with the argument, rather than attacking the substance of the argument itself." I ask the New York Times to kindly provide evidence before falsely accusing my colleagues and I of what amounts to a most serious crime.

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#10

www.rt.com

August 28, 2016

From bad to worse: Clinton laying foundation for increasingly hostile relations with Russia
By Danielle Ryan

Danielle Ryan is an Irish freelance journalist and media analyst. She has lived in the US and Germany and is currently based in Moscow. She previously worked as a digital desk reporter for the Sunday Business Post in Dublin. She studied political reporting at the Washington Center for Politics & Journalism in Washington, DC and also has a degree in business and German. She focuses on US foreign policy, US-Russia relations and media

business and German. She focuses on US foreign policy, US-Russia relations and media bias.

Let's be honest: Hillary Clinton and Vladimir Putin aren't exactly the best of friends. But Clinton appears to be intent on making a bad situation worse - and all to score a few political points.

The relationship with Russia is one Clinton should be taking very seriously. If she wins the presidency in November, relations between Washington and Moscow will continue to be a major foreign policy priority. They have already hit a 25-year low. It should go without saying then, that when it comes to Russia, Clinton should not mince her words.

As a woman who spent four years as her country's chief diplomat, Clinton should know better than to publicly insult the leader of a country with whom she will have to work closely. Yet it appears that this has entirely escaped her awareness. Instead, she has opted to ramp up anti-Moscow paranoia to the point that it wouldn't be overly surprising if her campaign announced they were releasing an updated version of Red Channels - a 1950s pamphlet that named and shamed public figures suspected of being Kremlin sympathizers.

Grand godfather of white supremacist nationalism?

Clinton's most memorable insult directed at Putin was back in 2014 - before she was running for president - when she compared him to Adolf Hitler. In a country that celebrates their victory over Nazism every May 9, you can imagine that didn't exactly go down well. Since then, there's been a steady stream of comments from Clinton about 'the Russians' and how to deal with them. At one point, she mocked Putin's movements and voice during an interview with *Christiane Amanpour*. Hardly 'chief diplomat' kind of behavior.

But things took a bizarre turn this past week, when in a speech about the xenophobia of Donald Trump, Clinton called Putin the "grand godfather" of a global, nationalist white supremacist movement. Confused? Here's the reasoning: Trump said some nice things about Putin. Trump wants to improve relations with Moscow. There are extreme right-wing nationalists in Russia. Trump therefore is part of a global cohort of white supremacists led by Putin. Simple.

The mental gymnastics Clinton expects her supporters to engage in to make this claim stack up to anything meaningful are quite something. Ironically, in stoking fears of the Russians out to get the world, Clinton is engaging in the kind of fear-mongering that she claims to abhor in Trump. Of course, it may not be as bad as calling Mexicans immigrants rapists, as Trump did, but the root of it - appealing to fears and prejudices to manipulate and distract voters - is the same.

Putin, to be fair, has on occasion made less than flattering comments about Clinton. In response to the Hitler incident for instance, he said Clinton is not known for being "graceful in her statements" and it's "better not to argue with women" - an undeniably sexist comment to Western ears. He added that when people "push boundaries too far", it's a sign of weakness, not strength. The key difference to note here, however, is that these comments, however you feel about them, have usually been made in response or retaliation, not out of the blue.

Neither has Putin stooped to the level of American political leaders in insulting the American people. In fact, he has at times been complimentary, admiring the American creativity, openness and open-mindedness, which has led to "such amazing results" in the development of their country.

On the other hand, you get Barack Obama saying things like "Russia doesn't make

anything" and no one is "rushing to Moscow" for opportunity. Then you have John McCain, a former presidential candidate, who says things like Russia is a "gas station masquerading as a country". In the American handbook on diplomacy, under the term 'respect' it must say: You will respect and revere us, but don't expect reciprocation.

All roads lead to Moscow

But back to Clinton. In her mind, it seems everything now comes back to the Russians. DNC email leaks that expose party corruption? Russians. Her opponent? Russian agent. WikiLeaks? Russian front. Global right wing white supremacist movement? Led by Russia. What's next? I'm sorry for Clinton Foundation/State Department corruption, the Russians made me do it?

Clinton's campaign is now built on two things, neither of them having anything to do with her own credentials: 1. Convincing voters that her opponent is worse than she is, and 2. Blaming any and all embarrassing revelations on Russia. That has been the core of her campaign strategy in recent weeks. Why? Because her campaign has been so dogged by scandal, that it simply makes sense to spend less time addressing those real issues and more time pointing at distractions.

When November 8 rolls round and Clinton wins - which is likely if polls are to be believed - how will she pick up the phone to Moscow and expect that her months-long campaign built on Russophobia won't have further damaged a relationship that is so desperately in need of repair? Instead of taking out a band-aid, Clinton is reaching for a hatchet. It's stupid, short-sighted and dangerous. Imagine during the dickest moments of the Cold War, the occupant of the White House had entirely dismissed Soviet leaders and acted like diplomacy with those deplorable Russians wasn't really worth their time. Imagine if they had chosen to disengage and publicly mock them. The Cold War may have ended on a decidedly different note.

It's unlikely that the American people want any kind of serious confrontation with nuclear-armed Russia - but the cheap political points that Clinton can score today by playing the Russia card could come at a much higher price down the road.

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#11

www.rt.com

August 28, 2016

'Divorced from reality: IPC disables Russian Paralympic athletes from excelling in sport'

Imposing a blanket ban on Russian Paralympians from Olympic competition may create a chaotic situation in international sports as we had in the early 80s, Ron Katz, contributor to Forbes magazine, Distinguished Career Institute Fellow at Stanford University, told RT.

The Court of Arbitration for Sport upheld the disqualification of Russia's Paralympic team from the Rio Games with all 267 athletes suspended for state-sponsored cheating.

The International Paralympic Committee welcomed the decision.

The Russian Paralympic Committee (RPC) is set to learn on Monday the results of its appeal against the decision by the International Paralympic Committee (IPC) to ban all Russian athletes from the Rio 2016 Paralympics. The appeal process will be reviewed at the Federal Supreme Court of Switzerland on August 29.

RT: What do you think about the ban placed on the Russian Paralympic team?

Ron Katz: I think it is immoral, unethical and indecent.

RT: Is the Paralympic case in anyway different from the Olympic case? Shouldn't all athletes be treated equally?

RK: The IOC had a slightly better policy although it was somewhat of a confused policy. But they did not do a total ban as the IPC has done.

RT: The Court of Arbitration for Sport said the ban was 'proportionate'. Surely that verdict must be respected. Is collective punishment ever appropriate?

RK: They said it was proportionate, but I don't know how they could say that, for several reasons. One is that there is no proof that each and every one of these athletes did something bad, so if you didn't do anything bad, there could be no proportionate punishment. They also did not cite any precedents and that makes sense because there are no precedents. And I think that these people, private people, are really sort of divorced from reality. If you look at their headquarters, it looks like the Palace of Versailles. They are so sort of issuing these dictates that affect people who had been working every day before an important goal. They don't really have any credibility, legitimacy or authority in my opinion.

RT: Why do you think a blanket ban was imposed?

RK: I don't know. You would have to ask the IPC. It makes no sense whatsoever in my opinion. Of course, there are allegations of state-sponsored doping. But in my opinion, individual doping is worse than state-sponsored doping. Because with individual doping people have free will; with the alleged state-sponsored doping we don't know whether people had free will or not. But it doesn't matter, doping is doping and there is a system to detect who dopes. And they should just use that system. They should use a testing system and if someone fails a test, then they should be punished. And if they don't fail the test, they should be rewarded or permitted to compete.

RT: So how should Russia have been punished for its state-sponsored doping program?

RK: That is something that has to be worked out between Russia as a sovereign country and with the other sporting organizations. But I think the appropriate thing to do would be to conduct an investigation, for the Russian authorities themselves to conduct an investigation and to find out who, if anyone, committed a wrong. And if they find people who have committed wrong, then they should issue an appropriate punishment. The only way to figure out whether the system is better or not is just through testing. And what has happened in this situation, what makes it so bad, is that these athletes are not even going to be tested to see if they passed the test. That's the real unfairness that they just never really had a chance.

RT: Other countries have had their cheats exposed without receiving blanket bans. Is the fact that the cheating was state-sponsored not enough to justify ban in Russia's case?

RK: As I said individual doping is worse than state-sponsored doping. All doping is bad. But the fact that it is state-sponsored or not, I don't think it is really relevant. Either someone passes the test, or they don't pass the test. There is a very stringent protocol for testing these athletes and that should be the final word. You don't punish somebody who may not have done anything wrong and of course Russian athletes are born in Russia, that's not their fault, that's just an accident of birth, just like the US athletes are born in the US and Mongolian athletes are born in Mongolia. That has nothing to do with whether they should be allowed to compete or not. The mission statement of the IPC [International Paralympic Committee] is to enable Paralympic athletes to excel in sport. And they are not doing that

They are doing the opposite - they are disabling Paralympic athletes from excelling in sport.

RT: How successful do you think the blanket ban will be in deterring future cheats/state-level corruption?

RK: I don't think it will be successful at all. I think it will cause chaos because Russia is a sovereign country. And if it feels that it has been treated unfairly, then it may take actions. And then we will have a chaotic situation in international sports as we did in the early 80s and that will serve nobody.

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#12

www.rt.com

August 24, 2016

Editorial

American defense contractors think you have been brainwashed

[Text with graphics here <https://www.rt.com/op-edge/356995-cepa-us-defense-contractors-media-russia/>]

According to the Center for European Policy Analysis (CEPA), a Warsaw-based lobby group funded by defense contractors and the US government, the act of reading this article may mean you're unable to think for yourself.

A century ago, Edward Bernays, described as the "father of public relations" by The New York Times, helped sell the US intervention in the First World War by conjuring a campaign which insisted that America was "bringing democracy to all of Europe." The aftermath of the war didn't live up to the promise, but the success of the slogan changed approaches to foreign policy forever.

Because contemporary American media had described German messaging as "propaganda" through the war, Bernays preferred the softer term - "PR." As it happens, almost 100 years on, the situation remains the same in the US: the bad guys use "propaganda," "disinformation" and "agitprop," meanwhile, Uncle Sam uses "soft power," "promotion" and "the truth."

Their British allies go further with the myopia. You see, London employs a social media brigade known as "Facebook warriors." These guys allegedly battle opponents who are known as "Russian Trolls."

According to two Guardian reports, the British team consists of 1,000 well-paid professional soldiers and the ostensible Russian group is made up of a few dozen moderately-salaried temps. Yet, the supposed Russian variant is painted as a menace to the Free World and the British one as a bunch of jolly good folk.

The Absurdity of Mendacity

A couple of years ago, the activist Peter Pomerantsev produced a report on Russian media with its own catchy jingle - "The Menace of Unreality" - for Mikhail Khodorkovsky's American special interest group. As it landed during the peak of the Ukraine crisis, it gained quite a bit of traction.

Thus, when we learned that Pomerantsev had moved on to work for the American defense industry, we wondered what his next publication would contain. It dropped earlier this

month, co-authored with the anti-Russia diehard Edward Lucas, as "Winning the Information War."

After a single read, the only question that springs to mind is whether the sponsors have asked for their money back, because what is professed to be a freshly baked opus is pretty much a rehash of Pomerantsev's 2014 assault on common sense, festooned with added silliness.

Essentially, the dynamic duo's advice to Western governments goes like this: "muzzle our enemies' messaging and make our own better." This is some groundbreaking strategy, indeed.

Some bits are cruder than others. Lucas and Pomerantsev write about the attempts to de-radicalize Islamic extremists in the US and Britain. They then propose that "similar initiatives should be undertaken with radicalized, pro-Kremlin supporters, those on the far left and the far right, and Russian speakers."

So, in other words, this pair of lobbyists is comparing Russian speakers (over 300 million at the last count), particularly Russian citizens, 80 percent of whom support the country's president, and people who dare to understand Russia's point-of-view, to Islamic State. As the Canadian professor Paul Robinson wrote, "Are they suggesting anti-brainwashing programs for people who watch RT?"

To fit this agenda, a nation, that's given the world much of its high culture and scientific innovation is being equated to barbaric terrorists who have slaughtered thousands of innocents and eradicated signs of civilization where they have conquered. The irony of course is that, Russia largely wants to be left alone (that is, without foreign geopolitical meddling).

Of course, this wouldn't be the first time...

We Decide the Truth

Another big proposal is to re-write history. As we know, the Soviet Union won World War Two, and Russia was the largest constituent republic of that country. This greatly upsets our 'infowarriors', who believe the memory of the victory stifles Western attempts to reduce Russian influence in other ex-USSR states. As a result, they propose "a working group on historical trauma" to address this inconvenient historical fact. "A working group of psychologists, historians, sociologists and media specialists should create an "ideas factory" to develop ways of approaching historical and psychological trauma and highlighting other narratives," the report states. This is totally not at all like something out of an Orwell novel. Nope.

Things get more bizarre when Pomerantsev repeats a message from his 2014 spiel about the need for censorship of Russian media. "A strong case exists to create an international commission under the auspices of the Council of Europe that would evaluate channels for hate speech, disinformation and other faults."

Two years ago with Michael Weiss (now a lobbyist at NATO's Atlantic Council appendage and then an editor of American state broadcaster RFE/RL) he suggested the "possibility of a ratings system for disinformation...to create a benchmark for behavior," without suggesting who would regulate it or decide which information was admissible and which was "propaganda." Let's say this started with suppression of the Russian press. Where would it lead to next? Would any organization that didn't agree with NATO's perspective get shut down?

The Reality of the Message

The Reality of the Menace

While the merits of this CEPA presentation are dubious, the work does represent some dangers in its own way, because policy makers, unaware of its origin, may actually be duped by it. Dressed up in think tank clothing, it attempts to lend an academic sheen to what is ultimately a drive for censorship in Europe.

To that end, we see the lobbyists involved have given themselves fancy titles. Pomerantsev is labeled as the "project chair for CEPA's information warfare initiative" and a "Legatum Institute Senior Fellow." At the same time, Lucas is described as a "Senior Vice President" at CEPA. All this sounds very posh and intellectual.

The reality is far murkier. There is no mention of Legatum's questionable funding and role, which outlined in this Pando investigation. CEPA is not some neutral entity providing a home for noble scholars, but an organization that is largely funded by defense manufacturers, including Bell Helicopters, Boeing, FireEye, Lockheed Martin, Raytheon and Sikorsky. And, very interestingly, the US Department of Defense is also ponying up some cash.

And are they getting bang for their buck? Well, Lucas himself has made sure to promote Raytheon on his Twitter account in the past both directly and by retweeting others who support their products. He also appeared on FireEye "webinars."

At this point you might be asking: why are arms manufacturers so interested in bankrolling a faux-academic lobby firm in Poland?

To answer that, we might want to think back to 1998, and a particular New York Times article, which revealed that "American arms manufacturers, who stand to gain billions of dollars in sales of weapons, communication systems and other military equipment if the Senate approves NATO expansion, have made enormous investments in lobbyists and campaign contributions to promote their cause in Washington."

Because, "the end of the cold war has (had) shrunk the arms industry and forced it to diversify. But expansion of the North Atlantic Treaty Organization - first to Poland, Hungary and the Czech Republic, then possibly to more than a dozen other countries - would (and did) offer arms makers a new and hugely lucrative market." CEPA is a logical progression here in that it extends its activities into Eastern Europe itself, where it can be used to whip up hysteria about how dangerous Russia is, thus inspiring policy makers to increase military spending.

In February this year, after extensive lobbying by groups like CEPA, the Pentagon proposed quadrupling (through NATO) its budget for European defense. Obviously the biggest winners from such largesse would be defense contractors and the US Department of Defense, the very people who fund CEPA. The circle is complete.

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#13

Russia Beyond the Headlines/Kommersant

www.rbth.ru

August 29, 2016

Losing the good fight: IKEA's struggle to remain honest in Russia

The Swedish furniture retailer IKEA is landed with hundreds of lawsuits in Russia every year. It insists that these lawsuits are retaliation for its honesty and determination to do clean business in a country where corruption is part of the system. Yet if investigators are to be believed, even IKEA has been unable to buy land, build its stores on it and connect them to the power grid by purely honest means.

ILYA DASHKOVSKY, KOMMERSANT

In early August, searches were conducted in Swedish furniture giant IKEA's Russian head office in Khimki (a town in the suburbs of Moscow where IKEA also has a shopping mall) in connection with an old land dispute. Two weeks later, a former IKEA manager, Joakim Virtanen, turned himself in to investigators, this time in connection with another controversy, related to the lease of electricity equipment. IKEA has been in litigation regarding these two disputes for over 10 years.

IKEA is an absolute champion in terms of the number of court cases it has had in Russia. The register of arbitration cases contains over 200 lawsuits against the Swedish concern, while the total number of court cases involving it has exceeded 560. All the other major retailers in Russia taken together would not have a tenth of this number of court cases between them.

The company itself is convinced that this is the result of its ambition to conduct honest business in the country and that other firms avoid such complications by paying bribes.

In 2010, Lennart Dahlgren, the former CEO of IKEA Russia, released a book called *Despite Absurdity: How I Conquered Russia While It Conquered Me*, in which he told the tale of what it costs to be true to one's principles while surrounded by rampant corruption. The book named many people who obstructed its business, from the mayor of Khimki to the governor of the Moscow Region, and became a hit.

Market players, however, say that it is hard to be a saint while doing business in Russia and gladly cite examples of IKEA's blunders.

Lawyer for special meatballs

To begin with, there are questions about the lawyer whom IKEA has chosen to represent its interests. The Lawyers and Business firm has represented the company in many lawsuits for several years already. In 2015, its owner, Sergei Kovbasyuk, defended IKEA in a class action lawsuit over a case of poisoning in the IKEA café, famous for its meatballs. Market sources maintain that the lawyer's functions go far beyond that.

Kovbasyuk's name became well-known in connection with a number of controversial cases. There were also media reports that Kovbasyuk used to work for the FSB (Russian Federal Security Service), hence his connections and astronomical fees. The lawyer himself has refused to talk to the press. Sources are convinced that his law firm renders services in so-called "special situations." This euphemism usually implies corruption and corporate raiding as well as resolving "sensitive issues" with the authorities or other market players.

"When foreign companies do not understand the rules of the game in Russia, they hire intermediaries - legal and consulting groups or GR experts," said Ilya Shumanov, deputy head of Transparency International - Russia. "These positions are highly corruptogenic and people who fill them are entrusted with resolving the most sensitive issues,"

Not furniture alone

Almost all the lawsuits are filed against the IKEA subsidiary that builds the company's stores. In all countries, IKEA builds its shopping malls itself instead of renting premises. However, in Russia IKEA has come up against more problems than in other countries - primarily because it is hard to build things. (In the dealing with construction permits section of the Doing Business ranking, Russia is in 119th position out of 189.) This creates many opportunities for corruption.

The plots that IKEA was given for construction are mainly located on former collective farm land. "These plots have a tangled privatization history, with most cases being so old that it is often impossible to find all the related documents," says the head of practice at the Infralex law firm, Sergei Shumilov.

For example, in Khimki the land was leased by the company, after which it was bought out, when suddenly in 2012 the former owner, while conducting inspections, discovered that it no longer had the land.

"Does this mean that no inventory was carried out for many years? And nobody knew or saw that this land is now the site of a major construction project that officials and the media are talking about. I personally find it strange, to say the least," says Maxim Gladkikh-Rodionov, managing director of the Confidence audit firm.

It's hard to be honest in Russia

In 2010, there was a corruption scandal in St. Petersburg involving Per Kaufmann, IKEA director for Central and Eastern Europe, and Stefan Gross, IKEA director for real estate in Russia. Both were sacked practically immediately. IKEA even decided to conduct an internal investigation to find out if any more of its employees were engaged in bribery directly or indirectly.

It turned out that a bribe had been offered by a Russian contractor and the top managers were guilty of knowing it but not preventing the crime. In exchange for the bribe, officials agreed to sign a fake acceptance certificate for electricity equipment in an IKEA shopping mall. Furthermore, the project had not even been approved.

One way or another, all these stories prompt lawyers to suspect that the company may be being targeted by some influential corporate raiders. "One gets the impression that the company is simply being strongly encouraged to 'be like everybody else'," says Gladkikh-Rodionov.

Given that the Russian market is of great significance for IKEA (the 11-percent rise in the company's sales in 2015 was largely due to Russia and China), it would be justified to predict that the company will continue to have to resort widely to legal assistance.

First published in Russian in Kommersant

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#14

The Unz Report

www.unz.com

August 27, 2016

Is Putin the Godfather of Extreme Nationalism?

By Anatoly Karlin

Putin Derangement Syndrome and Trump Derangement Syndrome continue moving towards an ever more perfect union.

Josh Rogin ? @joshrogin

Hillary Clinton just said Vladimir Putin leads a world wide white supremacist movement.

Wow.

3:37 PM - 25 Aug 2016

Problem is: Putin is not actually a proponent of extreme nationalism, let alone its godfather

Problems. Putin is not actually a proponent of extreme nationalism, let alone its goalmaster. At least, not according to the people who would presumably know best: The vast majority of, like, actual Russian nationalists.

They tend to consider Putin as a representative of sovok "multinationality," who sends "real" Russian nationalists off to jail under the infamous Article 282 (one of them, Alexander Potkin/Belov, was jailed for 7.5 years on the same day as Hillary Clinton's announcement) while allowing mass immigration and the transfer of the Russian economy to minorities and ethnic clans. 20% of Russia's billionaires are Jews according to a study by Lenta a couple of years ago, and a recently released report by Forbes Russia revealed that only one of the ten richest "clans" in Russia are ethnically Russian, or russkie. (Incidentally, that is a term that, tellingly, Putin himself hardly ever uses, preferring the ethnically neutral term "rossiyane" that refers to all Russian citizens. A quick way of estimating how "based" a Russian commentator is Ctrl-F'ing and tallying the russkie/rossiyane ratio in his texts).

Of course the irony is that the Clinton Clique tends to like those kinds of anti-Putin nationalists and their Ukrainian counterparts.

nuland-meeting-parubiy

Clinton protege Victoria Nuland meeting with Parubiy, Chairman of the Rada and founder of the Social National Party of Ukraine.

As for Putin's actual nationalist/non nationalist status, what both Pozocracy hacks and the more "svidomy" elements of the Western Alt Right fail to realize is that in between:

(1) Being an open borders "keep them at arm's length" cuck; and

never-said-this(2) Living up to the overly "optimistic"/false image that the "Russophile" wing of the Alt Right (summarized in the widely shared but 100% fake meme/quote to the right) - and the Putin Derangement Syndrome-suffering SJWs and (((neocons))) - have of Putin;

... there is a pretty big middle ground around which Putin actually falls.

Yes, many Russian nationalists are sitting under Article 282 (some of them deservedly, but yes, many of them regrettably not; it is an unjust law that should ideally go the way of the rest of Europe's "hate laws," i.e. into the dustbin of history). But, at least, Russia also imprisons many Islamic extremists and even anti-ethnic Russians under that same law (a partial lack of double standards that the Council of Europe is very unhappy about). And moderate Russian (anti-immigration) nationalists like Egor Kholmogorov - I have translated a couple of his pieces here and here - are hardly social or legal pariahs; they get to write op-eds in the nation's highest circulation newspaper, Komsomolskaya Pravda.

And there are even outright nationalists in positions of power, such as Dmitry Rogozin, who was an outright (anti-immigration) nationalist. He currently curates the military-industrial prospect and is not an altogether impossible (if highly unlikely) Presidential successor. Although with power, he has also of course strongly toned down his prior ethnonationalist rhetoric.

To reiterate, there is a very wide spectrum between a self-hating cuckold like Wolfgang Schaeuble and /pol/'s image of Ben Garrison, and on that spectrum, Putin is far closer to the likes of Trump, Le Pen, and Orban than he is to the Western political elites aka the Pozocracy (on this, at least, the Western MSM has it correct). Reasonable figures in the Alt Right recognize such as Richard Spencer recognize that they can't have their way all of the time, and as such urge people to support these sorts of "middle ground" politicians, despite their occasional concessions to cuckoldry (even though Spencer himself got arrested in and banned from in Hungary for holding an identitarian conference so he has

personal reasons to be skeptical of Orban).

However, this still does not make Putin a nationalist. In reality, like most serious politicians, Putin is a complex figure who continuously carries out an ideological balancing act (remember Angela Merkel's "multiculturalism is a failure" speech, a long time ago in a galaxy far away?). Yes, nationalism is necessarily a part of that, and yes, to a greater extent than a decade ago, but it still needs to be balanced out against liberal, conservative, and socialist countercurrents. The dominant strand within Russia's current ideological matrix is liberal-conservatism, a set of political and social ideas developed under late Tsarism and later amongst the White emigration that were perpendicular to both Marxism and Westernophile cargo cultism. The philosopher that Putin cites most frequently is Ivan Ilyin, an uncompromising anti-Stalinist emigre with views that are decidedly unorthodox (one daresays, cuckservative) for a Russian "extreme nationalist."

Here are a couple of notes I made while reading Ilyin's Our Tasks recently:

* Frankly he is much more of an anti-Communist ideologue than a Russian nationalist. He condemns in no uncertain terms those members of the White movement who were drawn towards the late Stalinist USSR by its adoption of quasi-nationalist rhetoric and is generally sanguine about Western (though not German) intentions towards Russia, casually discussing even the prospect of the atomic bombing of his country. That is decidedly strange for a nationalist, even a highly anti-Communist one.

* He even condemns the "oppression" of ethnic minorities in the USSR, whereas a staple of traditional Russian nationalist narratives on the USSR is the disproportional influence of ethnic minorities (especially the Jews) for its "anti-Russian" nature. So far he has been rather vague on the "who to blame" question as regards the Bolshevik Revolution, not going much further than "spiritual sickness." Again, that is very milquetoast stuff, for a purported nationalist.

Putin's nationalism, to the extent that it exists, boils down to a practical and materialist sort of patriotism or at most, a Human Biodiversity-naive civic nationalism:

"We do not have and cannot have any unifying idea other than patriotism. ... You said that public servants and business and all citizens in general work to make the country stronger. Because if that is the case, then each of us, each citizen will live better, and have higher incomes and be more comfortable, and so on. And that is the national idea. It isn't ideological, it isn't connected with any party or any stratum of society. It is connected to a general, unifying principle. If we want to live better, then the country must become more attractive for all citizens, more effective, and the public service and state apparatus and business must all become more effective. As you said, we work for the country, not understanding it in an amorphous way, like in Soviet times... when the country came first and then there was who knows what. The country is people, that's what working 'for the country' means."

Of course even this might be rather too much for someone who blames whitey when blacks shoot up policemen and rewards the families of Islamic terrorists with front row seats at her conventions. (Though given HRC's own "racist" skeletons - associations with KKK figures, the comments on superpredators, punitive anti-Black sentencing laws, etc. - it's quite clear that her BLM and feminist pandering rhetoric is completely cynical and mercenary).

Now to be sure, Hillary Clinton can easily get away with such comments about Putin because of the strong ignorance of Russian political realities in the West and the Russophobic tilt of the Western media. But such comments elicit more skepticism when applied to anti-elite politicians in Western countries, because by definition Westerners are more familiar with them and they are pretty clearly not true (for instance, the "nationalist"

more familiar with them and they are pretty clearly not true (for instance, the nationalist Marine Le Pen is basically the conservative mainstream of yesteryear, being infinitely closer to Charles De Gaulle than, say, Marshal Pétain). And they should elicit much more skepticism when used to smear Donald Trump, given that basically everything "racist" he has ever said was taken out of context.

Will such ceaseless lying and prevarication, of which this is but one example, eventually rebound against Hillary Clinton and the mainstream media?

And eventually, perhaps, even on American perceptions of Russia?

After all if you can't trust your media and self-proclaimed experts to tell you the truth about your own country, why should you defer to them on the Far Abroad?

Let us hope for the best but prepare for the worst.

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#15

<http://theduran.com>

August 27, 2016

Masha Gessen's unpredictable spelling tea leaves

How name games became Masha Gessen's new way of undertaking Russian political analysis.

By Dmitry Babich

Masha Gessen, the ultimate nemesis of Russian authoritarianism, the time-tested Valkyrie of anti-Putin struggle, has just tested a new verbal weapon. The impact of that weapon's use on the Russia-writing community may be as unpredictable as Putin is in Masha's imagination.

In her article for the once intellectual magazine The New Yorker, Masha tried to analyze the appointment of Putin's new head of administration, Anton Vayno.

Having toyed with the idea that Vayno's appointment could mean a crackdown on Russian opposition before the Duma election (Masha had predicted dozens of such never-happening crackdowns during her twenty years in Russia) or an "all-out war with Ukraine" (for anyone knowing Masha this is actually a very optimistic forecast on her part) - so, having toyed with all of these standard "crackdowns" and "invasions", Masha decided to turn to linguistic tea leaves. Her discovery was explosive.

Here is what she wrote, at the top of her inspiration:

"A final fact about Vayno is that the letters of his last name can spell voyna, the Russian word for war. Is this the message that Putin is sending?"

Indeed, is this THE message? Having embarked on the slippery road of guessing the elite's intentions by the names of its chosen authors (Masha is analysing Vayno's book in her article), we can make astounding revelations.

Let's take the name of The Washington Post's longtime opinion editor, Fred Hiatt. The letters of his name can spell "Fear and Hate." Is this the message which The Washington Post is sending to Russia? Judging by the WaPo's jingoist editorials on Russian themes ("Mr. Putin Means War," "Stop Russia's Dangerous Moves") this is precisely THE message. And Mr. Hiatt's appointment becomes not just one more promotion of a Russophobic liar with a penchant for reporting on his own colleagues (remember Mr. Hiatt's publicly exposing his colleague Fareed Zakaria for some mistakes in Zakaria's

writings). Add some of Masha's word magic to Hiatt's militarism and bigotry - and we have a deeply symbolic move on the part of The Washington Post's editors.

Some of the Russia-bashing authors like to write in pairs, like Owen Mathews and Anna Nemtsova, Clifford Gaddy and Fiona Hill. Finding out what combinations of their names could spell out for Russia's relations with the West - that can be a fascinating game, worthy of Masha Gessen's wit and profound knowledge of Russian realities.

This game can be not a bit less serious, than, say, Fiona Hill's interviews to Le Figaro, where she suspects Putin of "not stopping with the conquest of Ukraine." If Le Figaro can publish such "analysis" from Fiona Hill, why can't we play with some of the names of the Western writers on Russian topics?

What if we combine Edward Lucas (a British author who recently "discovered" Donald Trump's huge Russian funds) and Richard Pipes (a historian, whom even his Harvard colleagues call "a Russophobe"). Edward Lucas + Richard Pipes = Mad Ed Likes War Rides. Why not? If Putin's Vayno can, in Masha's view, mean "voyna" (war), then Ed and Dick do not just MEAN war, they actually MAKE it by their writings on Russia.

And what if we combine Fareed Zakaria and Owen Mathews? Zakaria, who used his position of the invited moderator at the St. Petersburg Economic Forum in order to look for the much coveted "proof" of Putin's "admiration" for Trump (Zakaria failed with that task for the lack of the aforementioned admiration) - Fareed Zakaria certainly deserves a prominent position in Masha's spelling research. Owen Mathews, who wrote that Putin was to blame for the terrorist acts that took place in Moscow in the 2000s, is also an indispensable figure here, just like Americans are an indispensable nation in Obama's view. So, Fareed Zakaria + Owen Mathews = Read Zach's Own Self-Made News.

Timothy Snyder, who wrote that Europeans should learn democracy from the new fascist regime in Kiev, could make a nice triple with Svante Cornell (incredible lies on Russia's "aggression" against Georgia) and Andrew Kuchins (who once wrote a fictitious article on "Putin's coup"). So, Timothy Snyder + Svante Cornell and Andrew Kuchins = Mothy Science and Team Lies. Pretty much sums up these guys' activities!

But what about Masha's initial supposition that Anton Vayno's second name could spell as "voyna"? In fact, together with his first name, Anton, the whole thing could read as "No to Voyna!" (No to War!). Did you give it a thought Masha? Oh, you better don't. This is NOT the message that the modern The New Yorker and the once glorious The Washington Post would like to carry. Not only to Russia, but also to Iraq, Libya, Syria and many other countries.

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#16

RFE/RL

August 29, 2016

Playing The Kremlin's Game

By Brian Whitmore

After more than two years of war in eastern Ukraine, we continue to pretend; we continue to play make believe.

We continue to pretend that what is happening in the Donbas is a civil war, when in fact it is the result of a Russian invasion.

We continue to pretend that Russia is a mediator in the conflict when it is in fact the

aggressor.

And we continue to pretend that it is the responsibility of both sides to de-escalate the fighting, when only one side is escalating.

We continue to pretend that the Minsk ceasefire deal -- which Ukraine signed practically with a gun to its head -- is anything but dead in the water.

The pretending was on full display this past weekend when German Foreign Minister Frank-Walter Steinmeier called on Russia and Ukraine to observe the Minsk agreement.

And the pretending will be on display next week in China when Vladimir Putin meets with German Chancellor Angela Merkel and French President Francois Hollande -- but without Ukrainian President Petro Poroshenko -- to discuss the conflict.

Now the problem here isn't that everybody is delusional.

In fact, everybody knows exactly what is happening here.

But the problem is one of geopolitical blackmail.

Russia is clearly intent on keeping this conflict simmering until it gets what it wants -- a pliant and obedient Ukraine that is essentially Moscow's client state.

And it uses periodic threats of escalation to get the West to play along.

And so everybody pretends. And in pretending, everybody plays the Kremlin's game.

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#17

The Unz Review

www.unz.com

August 15, 2016

Michael Weiss, the Neocon's Neocon

By Anatoly Karlin

[Complete text here <http://www.unz.com/akarlin/michael-weiss-the-neocons-neocon/>]

In terms of content, the Weisses of this world are a dime a dozen. So why "expose" yet another neocon propagandist?

Because he is also very nasty, and very dangerous - as Richard Silverstein's comprehensive profile of Michael D. Weiss, just published at The Unz Review, convincingly argues.

So far as (functional) psychopathy goes, he really is one of a kind in the world of journalism.

And if pushing kompromat up the Google rankings makes at least a few people think twice before associating with him too closely, then the effort will be worth it....

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#18

The Unz Review

www.unz.com

August 15, 2016

Michael Weiss and the Iran-U.S. Hardline Nexus That Led Iranian-American to Evin Prison
By Richard Silverstein

[Complete text here <http://www.unz.com/article/michael-weiss-and-the-iran-u-s-hardline-nexus-that-led-iranian-american-to-evin-prison/>]

Wooden zoolith structure in Portmouth, Dartmouth, New Hampshire, Russia and the intersection of the lives of Michael D. Weiss (the Dartmouth student) and Siamak Namazi (a jailed Iranian-American). It was Weiss who helped put him there.

Weiss, age 36, has been an itinerant freelance journalist and military interventionist gun-for-hire, plying his trade from Washington DC, to London, to the outlying lands of former Russian empire, to the ruins of Syria.

With his role as CNN commentator and senior editor at the Daily Beast, he is a leading light among a new young generation of neoconservative intellectuals. These positions offer him the opportunity to shape American political discourse in much the same way Bill Kristol's Project for the New American Century, shaped U.S. militarist-interventionist foreign policy for a decade or more after its famous 1998 letter to Bill Clinton....

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#19

BBC Monitoring

August 26, 2016

Russian election debate: War on corruption

The Russian State Duma election debate on official state channel Rossiya 1 on 26 August (1450 gmt) focused on corruption among "untouchable" top officials. "Almost a thousand Russian officials previously considered untouchable have become the subject of criminal investigations for corruption," the presenter said, noting that the number was still growing.

The debate followed the previous format, with a 30-second introduction by each candidate, then a main four-minute pitch, followed by a final 30-second "last word" message.

Appearing in the debate were the following candidates for the State Duma election: Gennady Semigin, Patriots of Russia; Rifat Shaikhutdinov, Civil Platform; Oleg Mitvol, Green Party; Dmitry Marinichev, the Party of Growth; Maxim Suraikin, the Communists of Russia; Igor Korotchenko, Motherland.

Patriots of Russia - crack down on nepotism

Semigin of Patriots of Russia said corruption should be regarded on a level with treason. Corruption starts with nepotism, so there should be more stringent checks on those working in state offices, he said. Officials should bear responsibility for the actions of their subordinates, he said. He also called for stiffer penalties for those found guilty of corruption and confiscation of their assets. He listed a number of state funded projects where large-scale corruption had gone on. He also called for a shake-up of state monopolies and a "new system for fighting state corruption".

Civil Platform - fight the untouchables

Civil Platform's Rifat Shaikhutdinov said the problem stemmed from creation of a class in the 1990's who were above the law and able to bribe who they like and ignore the law. They are able to fund parties and buy off officials and deputies, he said. The struggle against these people is the key issue, he said. Shaikhutdinov said his party supports President Putin's move in 2015 to de-offshore the economy and crack down on corrupt

officials holding property abroad. He called for transparency in the system, and criticised what he called the "clan system". Russia has to put a stop to "liberalism", he said.

Green Party - need anti-corruption agency

Green Party's Oleg Mitvol mentioned President Putin's drive to crack down on corruption, and called for an intensification of that effort. He called for a dedicated "vertical agency" to deal with the problem, because sometimes competing law enforcement agencies are interfering with each other. State Duma deputies should also be accountable in corruption probes, he said, accusing some of those present by name of impropriety in their business dealings (Shaikhutdinov butted in here to reject his claims).

Party of Growth - a technological breakthrough

Party of Growth's Dmitry Marinichev, who said he had started his own business eighteen years ago as an engineer, replied to Mitvol's accusations about his business dealings (interrupted immediately by Mitvol). Marinichev said Mitvol was citing accusations made by anti-corruption campaigner Alexei Navalny, who was a sane person who might apologise later for what he had said in the press. Russia is too focused on its natural resources, and needs a technological breakthrough, he said. "Money doesn't come out of thin air," he said.

Communists of Russia - Stalinist methods will work

Maxim Suraikin from Communists of Russia - "a Stalinist party" he said with apparent pride - stood for a crackdown on corruption which he said originated with capitalism's return to Russia in the early 1990's. The solution is mass nationalisation of all the industry and business stolen at that time, he said. That will provide all the wealth necessary for a decent minimum wage, and therefore eliminate corruption. "Only with Stalinist methods can we wipe out corruption," he said, noting that China executed 50,000 people a year for such offences.

Motherland - capital punishment will sort them out

Motherland's Igor Korotchenko said corruption was the biggest threat to Russia's security. He also mentioned Putin's anti-corruption campaign, in which the FSB had arrested top officials and sent them to Lefortovo remand prison. He called for support for Putin's anti-corruption campaign, and a China-style anti-corruption drive going all the way to the top. Capital punishment is the answer, he said. "We don't need ministers with property in the West," he said. He praised Defence Minister Sergei Shoigu for making Russia's armed forces the "best in the world" in the last two years.

Last word

In their final words, in a brief 30-second appeal, each candidate appealed to voters to vote for their party on 18 September.

During the debate programme, advertisements were shown for the following parties: LDPR, Parnas, Yabloko; Communist Party (CPRF); A Just Russia; the Party of Pensioners; United Russia.

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#20

www.rt.com

August 29, 2016

Senator warns of foreign provocation targeting upcoming Russian polls

The chairman of Russia's Upper House Committee for International Relations has said he expects certain hostile foreign nations to launch another campaign aimed at blackening Russia's reputation in the period around September's parliamentary elections.

"Elections are due in three weeks and I have absolutely no doubt that ill-wishers across our borders will use the election campaign and the elections themselves as yet another excuse to discredit our country and present it as an outcast nation," senator Konsantin Kosachev said at the 'In Unity with Russia' international forum, currently taking place in Moscow.

Kosachev also said he was certain that the State Duma elections scheduled for September 18 will be honest and free, and called the criticism levelled at the Russian political system by some in the West "inadequate and having nothing in common with the real situation in the country."

"We see that the course aimed at the so-called international isolation of Russia declared by the West has totally failed. This course is currently supported by a group of strong but not very numerous nations, and at the level of common people we definitely will not find any confrontation even in the Western countries," he said.

In February this year, State Duma speaker Sergey Naryshkin told the press that Russia would not invite representatives of the Parliamentary Assembly of the Council of Europe (PACE) to monitor the upcoming elections because of the body's continuing discrimination against the Russian delegation and the bias of the assembly's representatives. During his announcement, Naryshkin also explained that Russia believed many processes in PACE were managed from the United States, especially those concerning the group's relations with Russia, adding that Moscow had no intention to tolerate this.

However, in May this year the Russian Foreign Ministry announced that it had plans to invite representatives from four international political blocs and organizations to this year's parliamentary elections instead of PACE monitors. These groups are the Commonwealth of Independent States (CIS), the Shanghai Cooperation Organization (SCO), the Collective Security Treaty Organization (CSTO), and the OSCE's Office for Democratic Institutions and Human Rights (ODIHR).

The head of Russia's Central Elections Commission, Ella Pamfilova, told reporters that her agency planned to invite monitors from international associations of elections bodies, such as the Association of World Election Bodies as well as European, Asian and American associations of election organizers.

A member of the commission, Vasily Likhachev, revealed that Russia has already signed bilateral agreements with 27 nations, allowing their representatives to conduct monitoring at the State Duma elections. He also said that personal invitations will be sent to US monitors, adding that if and when these invitations are accepted, the potential monitors must reply so that the Central Elections Commission can clear the personnel and allow them to gain accreditation.

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#21

Vedomosti

August 24, 2016

Russian paper mulls chances of early presidential election

Maria Zheleznova, Early talk. Why the discussion of a shift of the presidential election

persists

The eve of the State Duma elections combined with the multi-figure personnel reshuffles in the system of executive power has galvanized the guesswork about the coming presidential election. The subject of an early presidential election (in 2017, for example) has become very popular.

The perpetual liberal hope of a president of all Russians is sensed in the discussion of its benefit or disadvantage to the Kremlin - the first to speak about early elections, in fact, were Alexei Kudrin and Yevgeny Gontmakher. A year ago Kudrin said plainly that if Vladimir Putin deemed it necessary for the pressing, and hence inevitable, but painful, reforms to obtain a mandate for a new term (as President of Kazakhstan Nursultan Nazarbayev did), he should be given the opportunity to obtain a new mandate sooner, even if it is a question of a shift of the presidential election, which, it is planned, is to be held only in the spring of 2018. The new president would simultaneously be rid also of the old government, a new one could be put together on the basis now of reform terms of reference. The intensifying crisis testifies, as it were, that extraordinary action is needed in the economy, and a special presidential election would afford the leader of the country carte blanche for unpopular economic reforms.

Both Putin himself and the protective circles could certainly be in need of a new mandate and new legitimacy. Putin is accustomed to running for the authorized term, but if he waits for the authorized term, the voter will by that time have accumulated for candidate Putin too many unpleasant questions, which it would be hard to brush aside with the standard glowing reports and promises, political analyst Alexei Makarkin reasons.

Putin would obviously win elections on a negative agenda also but this would not be an unreservedly triumphal victory. Hypothetical 2017 elections - before the budget has been drained conclusively - would reset the situation to zero for Putin personally, but they do not provide an answer to the question of how precisely he would avail himself of this mandate: for structural reforms, about the need for which Kudrin and Gontmakher are speaking, or, on the other hand, simply freeze the situation for a new six-year term.

True, Putin formally may not run for office again at an early election. Pursuant to the constitution, it is called only in three instances: the voluntary resignation of the head of state, impeachment, or an incapacity for exercising authority on impaired-health grounds. The two latter scenarios are unsuitable image-wise, the first, on the other hand, entails the impossibility of a retiree participating in proximate elections - a direct prohibition is contained in the Presidential Election Act. True, it extends only to the election called on account of the resignation, but not to subsequent ones - that is, in the scenario of Putin's retention of power such an arrangement would require only revisions to the act or the election, albeit for a short term, of a filler-president between Putin 3 and Putin 4 (yes, the election of another president in place of Putin may be contemplated. The subject of a real successor also warms the heart of the supporters of reforms; people with backroom hopes could simultaneously attempt to play at this, they would be picked up by counter-players).

Not early elections but conventional elections, but ahead of time, could be held, the polling date having been moved by analogy with postponed State Duma elections. Revision of the Presidential Election Act would be needed for this also. But this scenario is simpler since the Constitutional Court has already given a response on the legal purity of such a postponement, deeming that a three-month abridgment of the deputies' term on the scale of five years of work is insubstantial (it is not obvious, though, that this could be said about a year's abridgment of the presidential term). But these issues are technical: if the political decision is made, it is hardly likely that some provision of some law could block it.

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#22

Rethinking Russia

<http://rethinkingrussia.ru>

August 28, 2016

Russia is trying to reestablish its status of global power and the West does not want to let this happen and is trying to retain its dominance

Interview with Vadim Trukhachev, Senior Lecturer, Department of International Relations and Foreign Area Studies, Russian State University for the Humanities.

Rethinking Russia: What are some of the reasons you would give for the political tensions between Russia and Western Europe and the USA?

Vadim Trukhachev: There are enough reasons for these tensions. The main reason is that Russia is trying to reestablish its status of global power and the West does not want to let this happen and is trying to retain its dominance. The West is unlikely to take into account its partner's interests because Russia is perceived as a losing side of the Cold War, which should be regarded only to a limited extent.

One more reason is that politicians both in Russia and in the West have a vague notion of each other. Many politicians and experts do not have enough knowledge of the mentality, culture, traditions, values and even everyday habits of the opposite side. Speaking about this, they have both similarities and differences, and all of them should be taken into account while entering into a dialogue.

Often Russia itself is not able to find its place on the global stage, understand whether it is a part of the Western civilization or an independent civilization. This hinders the country in implementing coherent policy. Besides, this annoys the West, which is wary of the reappearance of Russia's imperial ambitions and tries to stay one step ahead of Russia at the same time weakening it just to be on the safe side. This annoys Russian authorities, so the dialogue is not launched.

RR: What groups of state and non-state actors would you say benefit from tense relations between Russia and the West, cultivated both in the political elite and the population? Why do they benefit?

VT: Mostly military-industrial circles benefit from tense relations. This concerns the USA and NATO to a greater extent and Russia - to a lesser extent, but it still does concern Russia too. Presence of a big potential adversary increases the number of military contracts and, as a consequence, profits of companies, enterprises, laboratories and research centers working in military-industrial sphere.

Besides, both in Russia and in the West there are some circles that perceive each other exclusively as permanent enemies. And they take advantage of all tensions and misunderstandings to turn the society and elites to their views. Unfortunately, these circles are quite influential both in the West and in Russia. These elite groups need tensions to increase their political heft.

As for ordinary people, I do not see any groups that would benefit from tense relations between Russia and the West. It is difficult to imagine people either in Russia or in the West who would like to go to war or to be killed.

RR: Does Russian population mistrust the West? Why?

VT: The majority of Russian citizens mistrust the West and are suspicious of the West. In contrast to the Czech Republic and Poland, Russia suffered from the reforms of 1990s,

which resulted in the impoverishment of its population. People lived low. As these reforms were implemented under the slogan of "the rapprochement with the West", in the eyes of Russian people Europe and the USA, which supported the reforms, became responsible for the deterioration of the situation.

This mistrust is also connected with NATO expansion to the East and numerous anti-Russian statements of the leading European politicians, which quickly spread in Russia. The bombings of Serbia of 1999 took a heavy toll on Russia's relations with the West, while Serbia is perceived as a fraternal country in Russia. The War in South Ossetia of 2008 also had a negative effect.

The Ukrainian crisis played the major role in the growth of anti-Western sentiments. Millions of Russians were born in Ukraine, one in three have relatives or origins there. That is why, the possible rift with Ukraine is so sensitive to Russia. It is almost like the Berlin Wall dividing, in fact, one nation. And Russians are sure that mainly the West is responsible for what happened in Ukraine in 2013-2016.

RR: What are the origins of this mistrust?

VT: Russian citizens mistrust the West because they have little knowledge of Europe and North America. About 70% of Russian population have never been abroad. And many of those who traveled abroad have never gone to Europe. The reason for this is the harsh visa regime between Russia and EU and especially between Russia and the USA and Russia and Canada. It is a big obstacle that does not allow Russians to stop being afraid of the West.

I would also mention Western media. They pay much attention to Russia, but almost 80% of their materials are strongly negative towards Russia. There are many planted or highly provocative articles, where Russia is precariously charged with either sending refugees to Europe or cooperating with terrorists. And there is no information about Russia without politics. As a result, people in Russia think that their country is deliberately demonized in the West.

RR: Do you think this wariness renders peoples' choice of the media they read/watch selective?

VT: No, there is no direct links. The matter is that near a half of Russian population does not use Internet, people in villages and small towns often have access only to 2-3 federal TV-channels and the can not afford buying a satellite dish. The problem is that not only those who watch federal channels, but also those who surf the net, read Western media and travel abroad mistrust the West.

I would say, pro-Western minority of the Russian population avoids state media. And vice versa: anti-Western part of the population rejects Western and pro-Western Russian media. But once again it is not a majority.

RR: Do you think a negative opinion of the West amongst Russian people has an impact on the state's decision making?

VT: Unfortunately, it is true. For the last 20 years, mistrust and suspicion towards the West have been spreading amongst Russian people. If tomorrow somebody says that the policies of the EU and the US are right (especially of the US), people will not even understand this. So, the majority of the decisions are made by the authorities in accordance with public sentiment.

For its part, the West has not made efforts to overcome these sentiments. Criticizing Vladimir Putin and Russia is not a way out. And the refusal under the doubtful pretext to lift

...and Russia is not a way out. And the refusal under the doubtful pretext to lift or at least to ease sanctions provokes even more annoyance with the fact that Europe and North America are closing from Russia, not from its authorities, but from its population. This annoys people and only range them around the country's authorities.

RR: How has the perception of the West by the politicians in Russia changed since 1991? What about popular opinion? What are the reasons?

VT: In the early 1990s Russian elite was oriented towards the West and was ready to cooperate in all possible spheres. Russian authorities even tried to make a copy of Europe out of Russia and saw themselves as a part of the Western elite. But Europe and the USA perceived this openness of Russia as weakness and decided that Russia may not be taken into account. And nobody was going to make Russian elite a part of the Western one.

NATO expansion, bombings of Serbia and a number of color revolutions in the post-Soviet area provoked wariness of Russian political elite. It still wanted to become a part of the Western elite, but these steps made it seek for an alternative to the cooperation with the West. Russia needed a plan B in case that their attempts to establish relations with the West fail. And the Ukrainian crisis only stirred up this search.

As for the population, it was first of all concerned with open borders, which they did not get. The authorities' attempts to fit in the Western elite caused wariness among people for the same reasons that the authorities began to mistrust the West. In this case there are no great differences between the elite and the population.

RR: Do you think cooperation between Russia and the West is desirable? Is it viable? What forms should this cooperation take?

VT: The only alternative to cooperation is confrontation or even war. At least from this perspective, cooperation between Russia and the West is highly desirable. There are some evident areas of common interest. Russia cannot do without western technologies, Europe (and to some extent the USA) - without Russian raw materials. Many Russians immigrating to Europe or the US work for the leading laboratories, so there is need not only for our raw materials, but also for our brains.

Despite all obstacles, cultural cooperation is developed. Russia and the West cannot do without each other in the sphere of space exploration. They should cooperate to combat international terrorism. Cooperation in the sphere of tourism would be quite promising, but here comes the problem of visa regimes, that I have already mentioned.

Whichever sphere of cooperation we talk about, it should be a two-way road. The West should not demand one-way concessions from Russia. Russia, in its turn, should not call the West "a different, hostile civilization". The rules of the game should be set out by the states together.

RR: What groups of state and non-state actors would you say benefit from the cooperation of the West and Russia?

VT: Almost all actors involved will benefit from the cooperation except for military-industrial sector, "professional Russophobes" in the West and "professional anti-Westerners" in Russia.

Interview by Nora Kalinskij

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Wall Street Journal

August 27, 2016

Latvia's Wariness Over Russia Raises Civil Rights Concerns at Home

Petition questioning country's independence results in six-month prison sentence

By JURIS KAZA and DAVID GAUTHIER-VILLARS

RIGA, Latvia—In this former Soviet republic, two ostensibly tongue-in-cheek challenges to the nation's independence are causing trouble for the authors—and raising concerns about civil rights.

Days after Deniss Barteckis posted an online petition calling for Latvia to join the U.S. last spring, police raided his apartment in Riga, seizing all electronic devices including his 7-year-old daughter's tablet.

That followed the Feb. 26 conviction of Maksim Koptelov, a 31-year-old film student, for violating a criminal law against incitement to destroy Latvia's independence with a similar petition proposing union with Russia.

Each maintains their action wasn't serious. But the Baltic country's tough response has focused attention on how far authorities can go to prosecute alleged enemies of the state without breaching basic principles they agreed to adhere to upon joining the European Union, such as freedom of speech.

Such questions are being raised across much of Eastern Europe, where governments in Warsaw, Budapest and elsewhere have adopted a more authoritarian tone.

Latvia's Security Police said a probe into Mr. Barteckis's petition was under way on suspicion it posed a threat to Latvia's sovereignty.

Latvian government officials said they couldn't comment on the police investigation or on court matters.

Since parting ways with the Soviet Union shortly before its 1991 demise, Latvia has been looking west: It joined the EU and the North Atlantic Treaty Organization in 2004 and adopted the euro as its currency in 2014.

Despite this steady geopolitical shift, Latvian authorities have been worried that the country's Russian minority—about a quarter of the total population of 2 million—was looking east.

Those concerns swelled two years ago when a newly assertive Russia annexed Ukraine's Crimean peninsula—which is largely ethnic Russian—prompting some Latvian nationalists to describe ethnic Russians in the Baltics as a potential menace.

Latvia recently adopted a law to toughen the penalties for incitement against the country's independence. Prime Minister Maris Kucinskis has said Latvia needed to defend itself against what he described as Russian campaigns of propaganda and disinformation. "Russia has unfortunately started a hybrid war," Mr. Kucinskis said at a news conference with German Chancellor Angela Merkel in April.

Russia has said it had no plan to attack Baltic countries but has pledged to defend the rights of ethnic Russians abroad.

Under Soviet rule, it was calling for Latvia's independence that carried risk.

Latvia was occupied by the Red Army in spring 1940. A new parliament was elected and

its first order of business was to petition for Latvia's admission to the U.S.S.R.-which Moscow immediately accepted.

Karlis Skenderskis was a 22-year old medical student in Riga in 1984 when he was summoned by the KGB and interrogated for having allegedly spread secessionist ideas, according to a recent study of the former Soviet secret police.

"I suppose someone ratted on me," Mr. Skenderskis, now 54, said in an interview. He said he denied all accusations and was let go, but added the encounter with the KGB led him to be cautious about expressing opinions.

Mr. Koptelov, who is free pending appeal of his conviction and six-month sentence, says he thought he had no reason to hide his ideas in modern-day Latvia.

In March 2014, days after Russia moved into Crimea, he wrote in Russian on Avaaz, an online platform, that Latvia's entry into the Russian Federation would open "vast prospects for development."

In a post-script, he wrote: "In fact, this document doesn't bear any significance and happens to be a joke."

Acting on public complaints, Security Police identified Mr. Koptelov as the author of the petition, which he signed with his first name only, according to court documents.

During a monthslong trial, Mr. Koptelov said his petition was inspired by bitterness that his late father had lived out his last years with a derisory pension.

He told the court that he had sought to "joke about the Latvian state the way it had joked with his father," according to the court documents.

A legal expert called by the Security Police, Lauris Liepa, testified the petition could be seen as an attack on the "core value" of the Latvian constitution.

Yelena Kvjatkovska, a human-rights lawyer based in Riga, said she had found no precedent to the Koptelov case in post-Soviet Latvia's jurisprudence.

She called it "a clear case" for the European Court for Human Rights. "It raises serious issues regarding the freedom of expression," she said.

Mr. Koptelov's attorney, Ilona Bulgakova, said she would take the case there if they lose their appeal in local courts. The trial court had "brought shame to Latvia," she said.

Mr. Barteckis, a freelance reporter, said in an interview that his petition to join the U.S. "was just a reaction against a disproportionate punishment on Mr. Koptelov."

Mr. Koptelov's petition is still online; As of Aug. 22, it had garnered 7,540 signatures. Mr. Barteckis's had 130.

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#24

The American Conservative

www.theamericanconservative.com

August 18, 2016

White Russia Makes Progress

A visit to Minsk reveals a peaceful transition to economic freedom.

By ION BASILUTLEY

By JON BASIL UTLEY

Jon Basil Utley is publisher of The American Conservative.

Belarus is an interesting, attractive country, certainly off the beaten track. A beautiful, rebuilt capital city of Minsk (mostly destroyed along with 30 percent of the country's population during World War II), with wide boulevards and parks and superbly clean, belies its old reputation as the last dictatorship in Europe. Its economy is heavily statist, but 30 percent is private enterprise, and its information-technology sector is world class (see below). Its rating in the World Bank's Doing Business, which compares all the world's nations, is surprisingly high and improving.

The nation borders Russia, Ukraine, Poland, Latvia, and Lithuania. It has its own language, similar to but distinct from Russian, and its own long history. It was once an integral part of the Lithuanian empire, which stretched down to the Black Sea. It then was subordinated to the growing power of Czarist Russia and later became an integral part of the Soviet Union. Belarus also became an industrial/technological center where many of the Soviet Union's heavy and sophisticated industries were located. It has a very skilled and educated workforce.

I was invited there to speak at a conference on "Understanding Belarus Security." It was co-organized by Washington's Jamestown Foundation, Germany's Konrad Adenauer Institute, and the Liberal Institute of Belarus under the auspices of the Minsk Dialogue. It continues the tradition of Belarus serving as a neutral regional hub for inter-European diplomacy following the Russian-Ukrainian ceasefire agreement. Our delegation also met with top foreign-ministry officials on improving understanding and relations with America.

Belarus has become more independent of Russia since the Ukrainian conflict, rejected Moscow's plans to establish a new airbase on its territory, and refused to join Russia's trade war with Ukraine. Repression is mild, and the government retains a degree of popularity for providing stability and substantial economic growth. Witness the chaos in neighboring Ukraine, and how "privatization" of Russian state industries just ended in impoverishment and handing them over to billionaires. People are not so anxious for possibly chaotic, unjust "democracy," as long as their government delivers safety, order, and economic growth. Grigory Joffe, Jamestown's Belarus expert, writes in "The Declining Fortunes of the Belarusian Opposition,"

Specifically, the government led by President Alyaksandr Lukashenka, since 1994, was instrumental in propping up Belarusians' civic identity, ensuring the country's stability and security (Belta.by), building up its infrastructure, pursuing economic development, boosting the quality of governance, and even improving living standards-by several measures exceeding those in Belarus's culturally close Eastern Slavic neighbors.

Many formerly communist East European nations are today, surprisingly, more dynamic economically than many debt-ridden West European nations weighed down by years of socialist baggage. After the conference I also spoke to students at the Liberal Institute in a hall called the "John Galt Club," named after the famous character in Atlas Shrugged. The institute's director is a very dynamic Belarusian student, Yauheni Preiherman, now studying for his Ph.D. in England. It was also he who helped organize the main conference. He introduced me to many of the students and I was very impressed by them.

Belarus' Surprising Economic Ratings

More than 50 percent of goods produced in the country are delivered for export. The list of export products is sophisticated and varied. Among the major export commodities of Belarus are refined oil products, semi-conductors, potash and nitrogen fertilizers, metal products, busses, heavy trucks, tractors, chemical fibers, yarns, tires, dairy and meat products, and sugar. The private sector is led by exports from its brilliant information-

technology services (IT) based at the Minsk High Tech Park free zone. The export of IT services grew from \$50 million in 2005 to \$800 million in 2015.

Belarus imports are mainly composed of energy resources (oil and natural gas), raw materials and components, metal products, raw materials for chemical industry, machine parts, and manufacturing equipment. Belarus has trade relations with more than 180 countries. The nation offers low costs and is attractive for tourism. It has eleven impressive war museums, one in downtown Minsk, another in the countryside at the old Stalin Line.

Doing Business measures the ease or problems of starting and running a business in nearly all nations. It was discussed at the conference and has become a very effective means to press Third World and former communist governments to facilitate and encourage economic growth.

Belarus rates surprisingly high on several measures. The nation ranks 12th in the world for "starting a business," compared to Austria at 106th, France at 32nd, and Spain at 82nd. For "registering a property," Belarus is number 7, Germany 62, and Ireland, known for its pro-business environment, 39. Rated for "ease of doing business," Belarus is 44, compared to Ireland at 17, France at 27, and Spain at 33. For "enforcing contracts," Belarus is number 29, Belgium is 53, Chile is 56, Poland is 55, England is at 33. See the Doing Business link above for exact details. Still, the regime is pressed to privatize its heavy industries, still mostly government owned. There is little street crime, which also makes the nation attractive for foreign investors. Economic freedom pales when street crime, kidnapping, and armed robbery are rampant, as in some Latin American countries.

Shakedowns and bribes to the police and government inspectors are a very common aspect of post-communist regimes. From what I learned, Belarus limits such small time, yet cumulatively devastating corruption, unlike Russia for example.

In conclusion, Belarus is progressing in ways favorable to economic progress and is much freer than its reputation as a surviving "Marxist" state. The British Guardian, in a positive article, asks "Is it accurate to call Belarus a dictatorship?" Although political opponents are sometimes jailed (a dozen in 2013), they are then shortly released. The dynamic, free market, and the rising living standards of neighboring Lithuania, Latvia, Estonia, and Poland, are vibrant examples for them. Often American policymakers don't appreciate that "in much of the non-Western world, people desire order more than democracy," writes Jamestown's Grigory Joffe (see "Understanding Belarus"). He writes of "a legitimate fear of evil, destructive ... behavior by their fellow countrymen that only a strong government can restrain. ... Democracy cannot be exported, much less imposed, by an outside force. Simply put, one cannot build democracy other than on the homegrown foundation of civility and trust." Having lived in lawless countries I concur totally with Joffe's comments. Opposition movements in such nations demanding "democracy" are often supported by Washington, but many or most are not Jeffersonians in waiting.

Effective groups such as Students For Liberty and the Atlas Network, which I have long supported, help local think tanks and such groups to spread Western concepts of individual freedom, limited government, property rights, low taxes, and economic progress. Only a nation's own people can really bring it progress. Washington is too ham-fisted and all too eager to threaten or even start wars as a "solution" to promote freedom. Then we wonder at the chaos our military interventions create.

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#25

The Unz Review

www.unz.com

August 25, 2016

Assessing the Russian Military as an Instrument of Power

By The Saker

[Text with links and graphics here <http://www.unz.com/tsaker/assessing-the-russian-military-as-an-instrument-of-power/>]

It has been a quarter of a century now since the fall of the Soviet Union and yet the memory of the Soviet Armed Forces is still vivid in the minds of many of those who lived through the Cold War or even remember WWII. The NATO-sponsored elites of Eastern Europe still continue to scare their citizens by warning of a danger of "Russian tanks" rolling down their streets as if the Soviet tanks were about to advance on Germany again. For a while, the accepted image of a Russian soldier in the West was a semi-literate drinking and raping Ivan who would attack in immense hordes with little tactical skills and an officer corps selected for political loyalty and lack of imagination. Then the propaganda narrative changed and now the new Russian bogeyman is a "little green man" who will suddenly show up to annex some part of the Baltics to Russia. Putatively pro-Russian "experts" add to the confusion by publicly hallucinating of a Russian deployment in Syria and the Mediterranean which could wrestle the entire region away from Uncle Sam and fight the entire NATO/CENCOM air forces and navies with confidence. This is all nonsense, of course, and what I propose to do here is to provide a few very basic pointers about what the modern Russian military can and cannot do in 2016. This will not be a highly technical discussion but rather a list of a few simple, basic, reminders.

Russia is not the Soviet Union

The first and most important thing to keep in mind is that the Russian military is truly focused on the defense of Russian territory. Let me immediately say that contrary to much of the Cold War propaganda, the Soviet military was also defensive in essence, even if it did include a number of offensive elements:

- 1) The military control of all of Eastern Europe as a "buffer zone" to keep the US/NATO away from the Soviet Union's borders.
- 2) An official ideology, Communism, which was messianic and global in its stated goals (more or less, depending on who was in power)
- 3) A practice of global opposition to the US Empire anywhere on the planet with technical, political, financial, scientific and, of course, military means

Russia has exactly zero interest in any of these. Not only did the nature of modern warfare dramatically reduce the benefits of being forward deployed, the messianic aspects of Communism have even been abandoned by the Communist Party of Russia which is now focused on the internal socio-economic problems of Russia and which has no interest whatsoever in liberating the Polish or Austrian proletariat from Capitalist exploitation. As for a global military presence, Russia has neither the means nor the desire to waste her very limited resources on faraway territories which do not contribute to her defense.

But the single most important factor here is this: the overwhelming majority of Russians are tired and fed up with being an empire. From Peter I to Gorbachev, the Russian people have paid a horrific price in sweat, tears, blood and Rubles to maintain an empire which did absolutely nothing for the Russian people except impoverish them and make them hated in much of the world. More than anything else, the Russians want their country to be a "normal" country. Yes, safe, powerful, wealthy and respected, but still a normal country and not a global superpower. Many Russians still remember that the Soviet Politburo justified the occupation and subsequent war in Afghanistan as the completion of an "internationalist duty" and if somebody today tried that kind of language the reply would

be "to hell with that". Finally, there is the sad reality that almost all the countries which were liberated by Russia, not only from Nazi Germany, but also from the Turkish yoke show exactly zero gratitude for the role Russia played in their liberation. To see how our so-called "Orthodox brothers" in Bulgaria, Romania or Georgia are eager to deploy NATO weapons against Russia is nothing short of sickening. The next time around, let these guys liberate themselves, everybody will be happier that way.

It is a basic rule of military analysis that you do not look at the intentions but primarily at capabilities, so let us now look at Russian capabilities.

The Russian armed forces are relatively small

First, the Russian armed forces are fairly small, especially for the defense of the biggest country on the planet (Russia is almost twice the size of the USA, she has a about half the population and land border length of 20,241km). The total size of the Russian Armed Forces is estimated at about 800,000 soldiers. That puts the Russian Armed Forces in 5th position worldwide, somewhere between the DPRK (1,190,000) and Pakistan (643,800). Truly, this kind of "bean counting" makes absolutely no sense, but this comparison is useful to show something crucial: the Russian Armed Forces are relatively small.

SakerRussia This conclusion is further bolstered if we consider the fact that it is hard to imagine a scenario in which every Russian soldier from Kalinigrad to the Kamchatka will be engaged at the same time against one enemy. This is why the Russian territory has been broken up into five separate (and, de facto, autonomous) military districts (or "strategic directions): East, Central, Northern, Western and Southern.

While there are a number of units which are subordinated directly to the high command in Moscow, most Russian units have been distributed between the commands of these strategic directions.

[Sidebar: it is also interesting to know that when Putin came to power the Western military district was almost demilitarized as nobody in Russia believed that there was a threat coming from the West. The aggressive US/NATO policies have now changed that and there now is an major program underway to strengthen it, including the reactivation of the First Guards Tank Army.]

There is no US equivalent to the Russian military districts. Or, if there is, it is very different in nature and scope. I am talking about the US Unified Combatant Commands which have broken up our entire planet into "Areas of Responsibility":

Notice that all of Russia is in the area of "responsibility" of only one of these commands, USEUCOM. In reality, however, in the case of full scale war between Russia and the United States USCENTCOM and USPACOM would, obviously, play a crucial role.

The Russians are *not* coming

The size and capabilities of the Russian Military Districts are completely dwarfed by the immense power and resources of the US Commands: in every one of these commands the USA already has deployed forces, pre-positioned equipment and built the infrastructure needed to receive major reinforcements. Furthermore, since the USA currently has about 700 military bases worldwide, the host countries have been turned into a modern version of a colony, a protectorate, which has no option than to fully collaborate with the USA and which has to offer all its resources in manpower, equipment, infrastructure, etc. to the USA in case of war. To put it simply: all of Europe is owned by the USA which can use it as they want (mainly as canon fodder against Russia, of course).

It is important to keep this immense difference in size and capabilities in mind when, for example, we look at the Russian operation in Syria.

When the first rumors of an impending Russian intervention began flooding the blogosphere many were tempted to say that the Russians were about to liberate Syria, challenge NATO and defeat Daesh. Some had visions of Russian Airborne Forces deployed into Damascus, MiG-31s criss-crossing the Syrian skies and even Russian SLBMs cruising off the Syrian coast (though they never explained this one). At the time I tried to explain that no, the "Russians are not coming" (see [here](#), [here](#), [here](#), [here](#) and [here](#)), but my cautionary remarks were not greeted with enthusiasm, to put it mildly. A Russian task force did eventually materialize in Syria, but it was a very far cry from what was expected. In fact, compared to the expected intervention force, it was tiny: 50 aircraft and support personnel. What this small force achieved, however, was much more than anybody expected, including myself. So what happened here, did the Russians really do everything they can, or did they get cold feet or were they somehow pressured into a much less ambitious mission than they had originally envisioned?

To explain this, we now need to look at the actual capabilities of the Russian Armed Forces.

The true "reach" of the Russian armed forces

First, Russia does have very long range weapon systems: her missiles can reach any point on the planet, her bombers can fly many thousands of miles and her transport aircraft have a range of several thousand miles. However, and this is crucial, none of that amounts to a real power projection capability.

There are two main ways to project power: to take control over a territory or, failing that to deny it to your enemy. The first one absolutely requires the famous "boots on the ground" while the second one requires air supremacy. So how far away from home can the Russian soldiers and pilots really fight? How far from home can the Russian Aerospace forces establish a no-fly zone?

Let's begin by dispelling a myth: that Russian Airborne Forces are more or less similar to the US 82nd or 101st Airborne. They are not. The 82nd and 101st are light infantry divisions which are typically engaged in what I would call "colonial enforcement" missions. In comparison to the US airborne forces, the Russian Airborne Forces are much heavier, fully mechanized and their main mission is to fight in the operational level support of the front to a maximum depth of 100km to 300km (if I remember correctly, the Russian Aerospace Forces don't even have sufficient aircraft to airlift an entire Airborne Division although they will acquire that capability in 2017). Once landed, the Russian Airborne Division is a much more formidable force than its US counterpart: not only are the Russians fully mechanized and they have their own artillery. Most importantly, they are far more tactically mobile than the Americans.

But what the Russians gain in tactical mobility, they lose in strategic mobility: the US can easily send the 82nd pretty much to any location on the planet, whereas the Russians most definitely cannot do that with their Airborne Forces.

Furthermore, even a Russian Airborne Division is relatively weak and fragile, especially when compared to regular armed forces, so they are critically dependent on the support of the Russian Aerospace forces. That, again, dramatically reduces the "reach" of these forces. All this is to say that no, the Russian VDV never had the means to send an airborne division/Brigade/Regiment to Damascus any more than they had the means to support the Russian VDV company in Pristina. This is not a weakness of the Russian Airborne Forces, it is simply the logical consequence of the fact that the entire Russian military posture is purely defensive in nature. at least strategically.

Like any other modern military force, the Russians are capable of offensive military operations, but those would be executed primarily as a part of a defensive plan or as a part of a counter-attack. And while the Russian Ground Forces (aka "Army") have excellent terrain crossing capabilities, they are all designed for missions of less than a couple of hundred kilometers in depth.

This is why in the past I have written that the Russian Armed Forces are designed to fight on their national territory and up to a maximum of 1000km from the Russian border. Now, please do not take this "1000km" literally. In reality, 200km-400km would be much more realistic, and I would say that the capabilities of the Russian military diminish in a manner roughly inversely proportional to the square of the distance from the Russian borders. Here is what this maximal 1000km looks like on a map showing the western and southern borders of Russia:

SakerRussia-3

Keep in mind that the real distance the Russian armed forces can "reach" is not primarily determined by distance, but much more by terrain and the possible defenses encountered in this zone. Flying over Estonia to reach the Baltic Sea would be much easier than to fly over Turkey to reach Syria. It is much easier to cross the Ukrainian plains that it would be to cross the snow covered forests of Finland. Again, the conceptual 1000km distance would often be much shorter in the real world.

If we now take a closer look at the Middle-East, here is what we see:

SakerRussia-4

Notice that Khmeimin is just at the edge of this 1000km distance, but only 50km from the Turkish border and that in order to resupply it the Russians would need to either cross Turkish airspace or fly around Turkey via Iran and Iraq. In other words, Khmeimim and Damascus are way too far for the Russian armed forces to insert anything but a relatively small force and give it a relatively limited mission. And while the Russians were extremely successful in Syria, I would argue that Putin took a huge risk, even if he, and the Russian General Staff, calculated the odds correctly and achieved a truly remarkable success.

Has the recent Iranian offer to use the Hamedan airbase made a difference in Russian capabilities?

Yes and no. Yes because it will now make it possible for the Russians to use their Tu-22M3 in a much more effective way and no because this improvement does not fundamentally change the regional balance of power or allow the Russian to project their forces into Syria. To put it simply: the Russians are years away from being capable of executing something similar to what the USA did during "Desert Shield". In fact, such operations are not even part of the Russian military doctrine and the Russians have no desire to develop any such capability. There is a reason why the AngloZionist Empire is broke: maintaining a global empire is prohibitively expensive, the Russians painfully learned that lesson in the past and they have no desire to emulate the USA today. Doing so would not only require a dramatic change in the Russian military posture, but also to imitate the US political and economic model, something Russia neither desires nor is capable of.

There are, however, also big advantages to the Russian force posture, the main one being that Russians will only fight on "their turf" not only in terms of location, but also in terms of capabilities. The very same inverse square "law" which so severely limits the Russian military power projection capabilities also acts in Russia's favor when dealing with an enemy approaching the Russian border: the closer this enemy gets, the more dangerous

his environment becomes. In practical terms, this means that the three Baltic states, the Baltic Sea, the Gulf of Finland, most of the Ukraine, the Black Sea and the Caspian are all, for all practical purposes, "Russkie-land". The fact that NATO pretends otherwise makes no difference here: the kind of firepower, capabilities which Russia can bring to bear simply dwarfs what the US and NATO can commit. This is not an issue of number of tanks, or helicopters or combat aircraft, it is the fact that over and near the Russian territory the Russian armed forces would act as an integrated whole, exactly what they cannot do as far as, say, in Syria. So even if NATO can in theory bring more aircraft to the battle, Russian aircraft would be supported by the multi-layered and fully integrated Russian air defense network, a large number of sophisticated electronic warfare systems which, together with highly capable and long range interceptors: land based like the S-400 or airborne like the MiG-31BM would make it extremely dangerous for US/NATO aircraft to get anywhere near Russian airspace, especially for the AWACs the US air doctrine completely depends on.

The real meaning of A2AD

SakerRussia-5 The US and NATO are, of course, very much aware of this. And as is typically the case, they concealed this reality behind an obscure acronym: A2AD, which stands for anti-access area denial. According to US strategists, Russia, China and even Iran are plotting to use A2AD strategies against the USA. What this means in plain English is simple, of course: some countries out there actually can fight back and defend themselves (hence the burning aircraft carrier on the cover of this book). The arrogance of it all is simply amazing: it is not like the USA is concerned about Iranian A2AD in Paraguay, Russia A2AD in Africa or even Chinese A2AD in the Gulf of Mexico. No, the USA is concerned about these countries defending their own borders. Indeed, how dare they?!

Fortunately for the world, Uncle Sam only gets to whine here, but cannot do much about it except conceal these realities from the general public in the West and obfuscate the dangers of messing with the wrong countries under bizarre acronyms like A2AD. And that brings me to the Ukraine.

A quick look at 1000km map will immediately show that the Ukraine is also well within the conceptual "Russkie-land" zone (again, don't take 1000km literally, and remember that this is a maximum, a couple of hundred kilometers are much more realistic). This does not at all mean that Russia would want, or should, attack or invade the Ukraine (the the Baltic states and Poland, for that matter), but it does mean that such an operation is well within the Russian capabilities (at least if we forget about public opinion in Russia) and that to try to counter that would take a truly immense effort, something nobody in the West has the means to undertake.

In truth, those kinds of scenarios only exist in the demented minds of western propagandists and in the artificial world of US think tanks which make providing the politicians with frightening fairy tales their daily bread (for an example of the latter, see here). To be sure, the fact that both sides have long-range standoff weapons, including nuclear ones, makes such a scenario even less likely unless we assume that the Russians have gone insane and are trying to force the US to resort to nuclear weapons. The opposite scenario - the US taking the risk of forcing Russia to use her nukes - is, alas, not quite as unlikely, especially if the Neocons take full control of the White House. The difference? The Russians know that they are neither invulnerable nor invincible, the Americans don't. This is why the latter are far more likely to trigger and conflict than the former.

A full-scale war between the USA and Russia would be far different from anything described here: it would last a week, maybe two, it would involve conventional and nuclear strikes on both the USA and Russia, and it would be fought primarily with standoff weapons: "boots on the ground" or armored warfare would matter very little in such a

scenario.

The Ukraine is located well inside Russkie-land

So if in Syria the "Russians are not coming", then in the Ukraine they are already there. I am not referring to the sending of equipment (the voentorg) or volunteers (the "northern wind") but to the fact that the Ukraine and, especially, the Donbass are so close to the Russian border as being basically undeniable to the Russians should they decide to take it. Again, I am not suggesting that they will, or even that this should happen, but only that all the hot air from the regime in Kiev about "defending Europe against the Russian hordes" or "teaching NATO on how to fight the Russians" is absolute nonsense. Ditto for the talk about supplying "lethal weapons" to the Ukronazis. Why? Because the situation in the Donbass is extremely simple: it is highly unlikely that the Ukronazis would succeed in taking over the Donbass but if, by some miracle, they did, they would be destroyed by the Russian armed forces. Putin has made it abundantly clear that while he will not intervene militarily in the Ukraine, he will not allow a genocide to take place in Novorussia. Just the Russian artillery deployed along the border has the means to destroy any Ukrainian force invading Novorussia. In fact, that is exactly what happened in July of 2014 when in a single cross-border 2 minutes long fire strike by Russian multiple rocket launchers and long range artillery guns completely destroyed two Ukrainian mechanized battalions (a first in the history of warfare).

As I wrote many times, all parties to the conflict know that, and the only real goal of the Ukronazis is to trigger a Russian intervention in the Donbass, while the Russians are trying to avoid it by covertly supporting the Novorussians. That's it. It is that simple. But the notion of the Ukronazis ever getting their hands on the Donbass or, even less so, Crimea is absolutely ridiculous as even the combined power of the US and NATO could not make that happen.

Conclusion: Russia ain't the Soviet Union and it ain't the USA

It is absolutely amazing how hard it is for so many people to understand the seemingly simple fact that Russia is not a USSR v2 nor an anti-USA. It is therefore absolutely essential to repeat over and over again that the Russia of 2016 has no aspirations to become an empire and no means to become a global challenger to the AngloZionist hegemony over our planet. So what does Russia want? It is simple: Russia simply wants to be a sovereign and free country. That's it. But in a world ruled by the AngloZionist Empire this is also a lot. In fact, I would say that for the international plutocracy ruling the Empire, this Russian aspiration is completely and categorically unacceptable as it sees this Russian desire as an existential threat to the USA and the entire New World Order the Empire is trying to impose upon all of us. They are absolutely correct, by the way.

If Russia is allowed to break free from the Empire, then this means the end for the Empire's global domination project as other countries will inevitably follow suit. Not only that, but this would deprive the Empire from the immense Russian resources in energy, potable water, strategic metals, etc. If Russia is allowed to break free and succeed, then Europe will inevitably gravitate towards Russia due to objective economic and political factors. Losing Europe would mean the end of the AngloZionist Empire. Everybody understands that and this is why the ruling 1%ers have unleashed to most hysterical full-spectrum russophobic propaganda campaign in western history. So yes, Russia and the Empire are already at war, a war for survival from which only one side will walk away while the other will be eliminated, at least in its current political form. This war is a new type of war, however, one which is roughly 80% informational, 15% economic and 5% military. This is why the ban on the Russian paralympic team is every bit as important as the delivery of US and British counter-battery radars to the Nazi junta in Kiev.

If militarily and economically Russia is dramatically weaker than the US led block of all the countries forming the Empire, on the informational front Russia is doing much better. It is enough to see all the hysterics of western politicians about RT to see that they are most definitely feeling threatened in an area which they used to completely dominate: information operations (aka propaganda).

The goals of Russia are quite simple:

- a) military: to survive (defensive military doctrine)
- b) economic: to become truly sovereign (to remove the 5th columnists from power)
- c) informational: to discredit and de-legitimize the Empire political and economic basis

That's it. Unlike the grandiose hopes of those who wish to see the Russian military intervene everywhere, these 3 goals are commensurate with the actual capabilities/means of Russia.

One cannot win a war by engaging in the kind of warfare the enemy excels at. You have to impose upon him the kind of warfare you excel at. If Russia tried to "out-USA the USA" she would inevitably lose, she therefore chose to be different in order to prevail.

There are still many out there who are nostalgic for the "good old days" of the Cold War when any anti-US movement, party, regime or insurgency would automatically get the support of the USSR. These are the folks who deeply regret that Russia did not liberate the Ukraine from the Nazi junta, who fault Russia for not standing up to the USA in Syria and who are baffled, if not disgusted, by the apparently cozy relationship between Moscow and Tel Aviv. I understand these people, at least to some degree, but I also see what they plainly fail to realize: Russia is still much weaker than the AngloZionist Empire and because of that Russia will always prefer a bad peace to a good war. Besides, it is not like there was a long line of countries waiting to defend Russia when her interests were affected. Does anybody know which countries, besides Russia, have recognized Abkhazia and South Ossetia? Answer: Nicaragua, Venezuela and Nauru! Yep, not even Kazakhstan or Syria... Isn't friendship and partnership a two-way street?

The truth is that Russia does not owe anything to anybody. But even more importantly, Russia does simply not have the means to engage in a planetary zero-sum game against the AngloZionist Empire. Since Vladimir Putin came to power he achieved a quasi-miracle: he made Russia into a semi-sovereign state. Yes, I wrote semi-sovereign because while Russia is militarily safe she remains economically subservient to the AngloZionist Empire. Compared to the Empire, her economy is tiny and her armed forces only capable of defending the Russian homeland. And yet, just as the tiny Russian contingent in Khmeimim achieved results way superior to anything which could have been expected from it, Russia is still the only power on the planet who dares to openly say "niet" to the AngloZionist Hegemon and but to even openly challenge and even ridicule its legitimacy and so-called 'values'.

The war between the Empire and Russia will be a long one, and its outcome will remain uncertain for many years but, as the Russian saying goes, "Russia does not start wars, she ends them". The Papacy fought against Russia for 1000 years. The Crusaders for roughly a century. The Swedish Empire for 21 years. Napoleon for just a few months. Queen Victoria, Napoleon III and Abdülmejid I (what I call the "Ecumenical Coalition against Russia) for about 3 years. The Kaiser Wilhelm II also for 3 years. The Trotskysts for a decade. Hitler for 4 years. The Jewish mobsters (aka "oligarchs") for 9 years. And yes, they all eventually were defeated, even after a temporary victory, but each time Russia paid a huge price in blood and suffering. This time around, the Russian leaders have chosen a different strategy: they try as hard as possible not to give the West a pretext for a

chosen a different strategy, they try as hard as possible not to give the West a pretext for a full-scale military confrontation. So far, this strategy has been successful and besides a two terrorist attacks (in Egypt and Syria) and a two-year long recession (apparently ending soon), Russia did not have pay the horrendous price countries at war with the West typically have had to pay. It would be delusional to expect the Russians to change course at this time, especially since time is now clearly on the Russian side. Just look at all the problems all the enemies of Russia have to which she does not have to contribute at all: the US and EU are both in a deep and potentially devastating political crisis, the US is sitting on an economic time-bomb while the EU is quite literally imploding. The Ukraine has turned into a textbook example of a failed state and is likely to break apart, while Turkey is undergoing the worst crisis since its foundation. And each passing day just makes things worse and worse for the Empire. This reminds me of the monologue of Captain Willard in the movie "Apocalypse Now": "I'm here a week now... waiting for a mission... getting softer. Every minute I stay in this room, I get weaker, and every minute Charlie squats in the bush, he gets stronger. Each time I looked around the walls moved in a little tighter". Replace Charlie with Ivan and the jungle with the taiga, and you get a pretty good picture of the dynamic taking place: every days the walls of the Empire are moving in a little tighter while the AngloZionists are completely clueless as to what to do to stop this.

Conclusion

In international affairs, as in many other areas, it is better to never say never. So I will only say that to see the Russian armed forces going into an offensive operation remains exceedingly unlikely. Nor will Russia defend even an important partner at "any cost". The primarily mission and military posture of the Russian armed forces will remain fundamentally defensive and while Russia might use her armed forces in support of a political goal or to help an ally, she will do that with extreme caution not to allow that engagement to escalate into a regional war or, even less so, a direct war against the Empire.

Unlike the West where a possible war with Russia is almost never discussed (and, when it is, it is done in an absolutely ridiculous manner), the prospects of war with the West are discussed in the Russian media on an almost daily basis, including on the main, state-funded, TV stations. As for the Russian armed forces, they are engaged in huge rearmament and force-training program which, so far, has been roughly 50% completed. These are all clear signs that Russia is preparing, very intensively, for war. Should the Neocon "crazies in the basement" trigger a war they will find Russia ready, militarily and psychologically, to fight and to win, no matter what the costs. But Russia will never again volunteer for the role of global anti-US agent or engage her armed forces if there is a viable alternative to such an engagement. So no, most definitely not, the Russians are not coming.

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#26

Moskovsky Komsomolets

August 25, 2016

Russia tapes ex-MP scoffs at Ukrainian prosecutor charges

Konstantin Zatulin, director of Institute of CIS Countries: "I was then with my people, where my people, unfortunately, were". Konstantin Zatulin on the Ukrainian authorities' new attempts to lay the blame on someone else"

Ukrainian Prosecutor-General Yuriy Lutsenko was gifted by his American friends a two-year-old wiretap of phone conversations of Sergei Glazyev, adviser to the president of Russia. This new American humanitarian assistance so impressed him that at yesterday's [24 August] news conference he declared to be on the wanted list together with Glazyev a whole group of Russian generals and admirals. And me at the same time.

First I shall offer my condolences to two fraternal peoples - Ukrainian and American. I understand that one good turn deserves another, and the President Obama administration, having, thanks to its younger brothers from Kiev, won a historic victory over Paul Manafort of the hated Trump team, had to somehow share with the Cossacks the fruits of its electronics. But is this all that the comrades in arms are capable of? I feel sorry for the taxpayers.

The mountain has given birth to a mouse. But even it would not have been born if it had not resorted to the cutting, pasting, and juggling of the wiretapped material. The entire spirit of this labour consists of the conclusion formulated on its basis concerning the involvement of a group of suspects in the killing of over 2,000, and the wounding of over 8,000, Ukrainian servicemen. I would like, as a warm-up, to ask: what do these deaths and injuries have at all to do with the wiretapped words of Glazyev or his activity? Did he arm, wound, and kill or, perhaps, demand these actions of his communicants?

Next question: why have the charges against the Russian military been pinned on my or someone else's conversations with Glazyev? What part of the released material contains references or at least mentions of generals of the Russian army or, at the very least, the Black Sea Fleet?

I have absolutely no intention of justifying myself before Lutsenko, Poroshenko, and Co for being, following the coup in Kiev, in Sevastopol and Crimea. And from there - as from Moscow also, for that matter - attempting to render support for people in Ukraine, Russians and Russian speakers opposed to this coup and the subsequent horrifying acts, including the immediate cancellation of the modest guarantees for Russian in Ukraine's regions. In the wake of Akhmatova, "I was then with my people, where my people, unfortunately, were." Had I been alive in 1936, I would have been in Spain.

Sergei Glazyev and many other of my fellow-thinkers and myself formed the We Are All Berkut social fund, which rendered assistance for people who had suffered as result of the events on the Maydan and the subsequent reprisals on the part of the usurpers. In Kharkiv, Odessa, Lviv, and throughout Ukraine. I tried to do my bit in support of the right of the citizenry of Crimea to free expression - a right of which they had been deprived and which they had sought for all 23 years of Crimea being part of independent Ukraine. But you'd have to be a very cheap propagandist or prosecutor-general - which, in my view, under Ukraine's conditions are one and the same thing - to have attempted to represent the referendum in Crimea and the civil war which Kiev began in Donbass as the consequence of some directive of Glazyev or Zatulin.

The Office of the Prosecutor-General of Ukraine is endeavouring to prove that Russian power - executive and legislative - is to blame for the lamentable results of Ukrainian policy. To this end I am called with touching doggedness a member of the State Duma, although by 2014 I had not for two years been such. I was at that time and remain now director of the Institute of CIS Countries - a nongovernmental Russian organization, which, of course, reports to the tax authorities, but never to the adviser of the president of Russia.

About the adviser, Sergei Glazyev, incidentally. Our friendship will soon be 25 years old. I know well that Glazyev, a native of Zaporizhzhya, took and continues to take the events on the Maydan and the subsequent coup and rift between Russia and Ukraine as a personal tragedy. For too long he and I attempted to warn both the leaders of Ukraine of various years and the Ukrainian audience itself at large of the disastrous consequences of the abandonment of democratization, federative reforms, and Russian and of the promotion to the forefront of primitive nationalism. Yuriy Lutsenko, son of the secretary of the Communist Party of Ukraine's Rivne Region Committee, who learned in the years of the "orange revolution" Bandera songs, considers fascism the internal business of independent Ukraine. Glazyev and myself do not

independent Ukraine, Glazyev and myself do not.

The Office of the Prosecutor-General of Ukraine is waiting for Glazyev, Zatulín, and all Russian generals to turn themselves in in Kiev. It won't be any time soon. It should in the meantime be undertaking major renovation or moving to better premises. Anything for a quiet life.

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#27

Intellinews.com

August 29, 2016

LONG READ: Poroshenko's empire - the business of being Ukraine's president

By Graham Stack in Berlin, Sergei Kuznetsov in Kyiv, Ben Aris in Berlin

[Text with graphics here <http://www.intellinews.com/long-read-poroshenko-s-empire-the-business-of-being-ukraine-s-president-103790/?source=ukraine>]

When Ukraine's president, Petro Poroshenko, was swept into power following the Euromaidan protests two years ago, he promised to sell most of his business interests to avoid any conflicts of interest. "We are going to embed new traditions. I will make a point of selling my assets immediately after occupying the post," Poroshenko promised in the run-up to the presidential election that he won in 2014.

Yet two years later and he has sold nothing. Quite the opposite in fact; according to the Organized Crime and Corruption Reporting Project (OCCRP), in 2015 not only did President Poroshenko's personal fortune rise to \$858mn, he was the only one of Ukraine's wealthy businessmen to see his net worth actually increase that year.

Poroshenko, it seems, has continued building an empire centred on a holding company registered in Kyiv, called Prime Assets Capital, of which he is beneficial owner, according to the Ukrainian corporate register. Poroshenko holds 60% in International Investment Bank (not to be confused with the Moscow-based multilateral development bank of the same name) via Prime Assets Capital and directly, according to National Bank of Ukraine data. The bank acts as the financial node of a tangled web of companies and investments that is as active today as it ever was.

And Poroshenko is not acting alone. His two longstanding business associates, who hold stakes in many of his businesses, have followed him into politics, but remain key players in the Poroshenko financial-industrial group, a bne IntelliNews investigation can reveal.

Poroshenko has thus blurred the line between business and politics, deflected the anti-corruption efforts at every turn, and the businesses and politicians associated with him are flourishing at a time when Ukraine's economy is mired in its worst crisis since the country's independence in 1991.

Chocolate wars

The most valuable assets in Poroshenko's empire are his Roshen Confectionery Corporation, a chocolate maker that has attracted most of the media attention, along with his TV5 broadcaster, which Poroshenko said from the start was not going to be sold. For a sitting president to own a TV station is unorthodox to say the least, but in the political chaos following the ousting of former president Viktor Yanukovich in February 2014, the Ukrainian public and the country's international partners were prepared to overlook it.

Poroshenko did make some attempt to sell Roshen, which he valued at \$3bn, promising to "wipe the slate clean" in an interview with the German tabloid Bild: "I will and want to only focus on the wellbeing of the nation " But he has failed to follow through on that pledge

Roshen was founded in 1996 after Poroshenko merged half a dozen chocolate, cookie and cake producers that he controlled, taking the name from the middle letters of his family name. The company became Ukraine's biggest confectioner, a major player in the region and also includes factories in Russia's Lipetsk, Lithuania's Klaipeda and Budapest through the Bonbanetti Choco company. It earned \$750mn in 2014, but that fell to \$500mn in 2015 during the recent political unrest and clash with Russia in the east of the country.

But with both the country and Poroshenko's business empire under attack from Russia, it proved impossible to do a deal. "There's absolutely no way the company will sell for that much at this time," Roshen's CEO, Vyacheslav Moskalevsky, who is also a minority shareholder, said in 2015. "Nobody can sell anything here now."

Instead, Poroshenko attempted to warehouse the company by transferring ownership from Prime Assets Capital to a "blind trust" managed by Rothschild Trust (Schweiz) AG on January 14, 2016. "What does this trust foresee? First of all, during my tenure as president, neither I nor someone else can terminate this trust. Secondly, under the contract, neither my signature nor my orders have legal force," Poroshenko told reporters at a press conference in January this year.

But the blind trust story quickly began to unravel when Poroshenko got caught up in the "Panama Papers" scandal. As late as April this year, Poroshenko was still claiming that he was no longer involved in the company when the leaked documents showed he registered offshore holding companies in the British Virgin Islands (BVI) indicating he was still very much involved in the running of Roshen.

"Actions by his financial advisers and Poroshenko himself, who is worth an estimated \$858mn, make it appear that the candy magnate was more concerned about his own welfare than his country's - going so far as to arguably violate the law twice, misrepresent information and deprive his country of badly needed tax dollars during a time of war," Anna Babinets and Vlad Lavrov wrote in the OCCRP expose of Poroshenko's offshore holdings.

Poroshenko registered the offshore company Prime Asset Partners Ltd on August 21, 2014 in the BVI. The name echoes that of his Ukrainian holding company Prime Assets Capital. This lends some credence to his subsequent claims that the offshore was intended as a new ownership vehicle for the holding in the run-up to a sale to an international investor. Such a sale would have seen Poroshenko's cash from the deal stay offshore, in time-honoured Ukrainian fashion. But in the event, Ukraine's economic collapse means there were simply no buyers even for such 'tasty' assets as Roshen.

Two other firms also appearing in the Panama Papers - Linqvist Services and VIP-jet linked Intraco Management, both set up in the BVI in 2005, and Chartomena Ltd registered in Cyprus in December 2012 - also feature prominently in Poroshenko's empire, although in contrast to Prime Asset Partners Ltd his name does not feature in the paperwork. Intraco Management is owned by Serhyi Zaitsev, a top manager at Roshen, according to the Panama Papers. There is no data on the beneficial owners of Linqvist and Chartomena.

Records in Cyprus list Poroshenko as the only shareholder in Prime Asset Partners. OCCRP, which made many of the documents public, even has a scanned copy of Poroshenko's passport that was attached to the application. They give his official address in Ukraine's capital, "Kiev - apartment 39, Hrushevskoho Street". More damagingly, Prime Asset Partners was founded after Poroshenko was already president, but he failed to report the company on his income disclosure statements, which is illegal.

Mossack Fonseca records specify that Prime Asset Partners would serve as the holding

company for the Ukrainian and Cyprus companies of Roshen confectionary corporation and that Poroshenko is the sole beneficiary owner, with "proceeds from the business trade" of the corporation being its source of funds. Oleksii Khmara, executive director of Transparency International Ukraine, told OCCRP that, "this is a violation of the law, no matter what the conditions (under which it's registered) or the jurisdiction used".

Three other firms registered earlier by Poroshenko, but also appearing in the Panama Papers - Linquist Services set up in the BVI in 2005 together with his airline holding Intraco, and Chartomena Ltd registered in Cyprus in December 2012 - also feature prominently in Poroshenko's empire. Poroshenko later claimed that these offshore vehicles were part of the setting up of the blind trust, but the process has not been completed yet. But these excuses were given years after the first offshore was founded and the blind trust is clearly still not in place.

Financial spider at the centre of the web

Delving deeper into Poroshenko's empire and you quickly run across his International Investment Bank (IIB), which is the financial glue that holds the financial-industrial group together.

Poroshenko holds 60% of the bank, while his business partners, now political lieutenants, own the rest: Ihor Kononenko, deputy head of the parliamentary group of Bloc Petro Poroshenko, owns 14.9%; Oleg Gladkovsky, first deputy head of the Security Council, holds 9.9%; while Konstantin Vorushilin, head of the state Deposit Guarantee Fund, owns 5.5% via relations, according to banking open-source information compiled by the central bank. Oleh Zimin, owner of leading Ukrainian carmaker Bogdan Corporation, which Poroshenko claims to have exited, also owns 9.9%.

IIB has been a smashing, and surprising, success. Its assets rose by 85% year on year in 2015, the fourth best result among Ukraine's banks, despite the rest of the sector in a deep crisis as the economy collapsed. IIB was the 31st largest of Ukraine's 120 banks, with total assets of UAH6.1bn (\$244mn) as of April 1 - up by over a third from UAH4.7bn just six months earlier. For 2015, IIB booked UAH32.6mn (\$1.3mn) in pre-tax profit. Again, like many of the businesses linked to Poroshenko, it was one of the few in the sector to actually remain in the black during this turbulent period. In April, IIB announced the profits would go toward boosting capital by 18.6%.

Ukrainian media have branded IIB shareholder Vorushylin "the president's personal banker" - and for good reason: the 46-year-old has been part of Poroshenko's financial and business interests for half of his life and in addition to owning a stake in IIB, he was appointed head of the state agency in June that is responsible for deposits repayment when any bank in the country goes bankrupt.

Clan of Poro

Unlike the Russian financial-industrial groups, which were owned and controlled by a single man, Poroshenko's organisation actually looks more like a clan. Top of the tree are his longtime business associates Kononenko and Gladkovsky. But Poroshenko loyalists can be found scattered throughout the government, according to local investigative reporters.

Kononenko epitomizes the overlap between business and politics in today's Ukraine. He was named Poroshenko's eminence grise and the reason why the Lithuanian-born economy minister Aivaras Abromavicius quit at the start of this year after Poroshenko tried to insert Kononenko into the workings of his ministry, which is in charge of appointing management to many state enterprises. "Neither me nor my team have any desire to serve as cover for covert corruption, or become puppets for those who very much like

serve as cover for even corruption, or become puppets for those who, very much like the 'old' government, are trying to exercise control over the flow of public funds... These people have names. Particularly, I would like to name one today: the name is Igor Kononenko," Abromavicius said in his resignation speech.

Serhiy Leshchenko, Ukrainska Pravda's star investigative reporter and now a member of Ukraine's parliament, elected in October 2014 as a deputy in Bloc Petro Poroshenko, recently released a Phillipic against his own party and president, accusing them of widespread corruption. "Instead of fighting against the oligarchs, the government forces them to make concessions and to share. As a result, the system is not being cleansed. The flows of money are simply being redistributed in the interests of the presidential clan," Leshchenko wrote.

Leshchenko went on to name names in ministries, state-owned companies and the regional administration that he claims are working for the president and not for the Ukrainian people. And like Abromavicius, he named Kononenko as the kingpin of the new system. "For instance, this is the case with the company Centerenergo where a lawmaker from Poroshenko's Bloc, Serhiy Trehubenko, being close to the top, is responsible for the coal supply schemes. For the second year in a row, the privatization of the company has been disrupted in spite of the interest shown by the large French company, Gaz de France," Leshchenko wrote, before reeling off a litany of other abuses.

The bottom line, Leshchenko concludes, is that corruption in Ukraine is deep rooted and endemic. But rather than attempting to root it out, Poroshenko is deeply invested into such a system and is simply trying to turn it to his and his clan's advantage.

Cold fusion

Poroshenko, the 50-year-old Kononenko and 50-year-old Gladkovsky are joined at the financial hip. All three men are connected by their links to an asset management company called Fusion Capital Partners, as it manages the main part of all three of their businesses, a bne IntelliNews investigation can reveal.

On paper, Prime Assets Capital, a Ukrainian-registered version of the Poroshenko holding company, is run by the nominally independent Kyiv-based Fusion Capital Partners. However, publicly available information raises flags over its true ownership. Two little-known individuals control almost 19% of Fusion Capital Partners, while another 10% is owned by the little-known Ocean Invest Company, registered in Kyiv.

A 72% stake of Fusion Capital Partners "is owned by the company itself", according to the asset management firm's 2015 audit report, seen by bne IntelliNews. However, the document states that the company "should sell this stake to other shareholders or third parties within one year [by the end of 2016]".

Kononenko was one of Poroshenko's first business partners in the 1990s, and in 2014 he was made first deputy head of the Poroshenko Bloc parliamentary faction after Poroshenko took office, answering to directly to the president. Kononenko conducts most of the inter-parliamentary faction negotiations acting on Poroshenko's behalf.

Gladkovsky studied together with Kononenko in the Kyiv-based Auto-Transport Institute, and currently occupies the post of deputy secretary of Ukraine's National Defence Council.

Fusion Capital Partners also manages Kononenko's asset fund VIK and a similar structure owned by Gladkovsky, SOVA. However, both funds have refused to disclose their portfolios, as is the case with Poroshenko.

Fusion Capital Partners, Poroshenko's Prime Assets Capital and the funds of his two allies

are all registered at the same address in Kyiv, on Elektrykiv Street, leading some to speculate that all these companies are merely fronts for the three men who are the ultimate beneficiary owners of all the firms' assets.

Jet propelled

According to a source with knowledge of IIB's business, the lion's share of the bank's clients are from Poroshenko's Roshen Confectionary Corporation, associated offshore firms and industrial companies that were formerly part of his Ukrprominvest industrial holding company, founded by Poroshenko and his crew.

Apart from Roshen, amongst the bank's 15 biggest depositors are those two Poroshenko-linked offshore companies, whose names came up in connection with the Panama Papers leak: the BVI firm Linquist Services and Cyprus firm Chartomena.

According to Austrian investigative journalists, in 2010-11 Raiffeisen Bank issued \$115mn in loans to the Roshen concern secured by a guarantee from Linquist. Likewise, a \$12.7mn loan made to major Ukrainian newspaper concern UMH, at the time owned by Boris Lozhkin, now Poroshenko's head of administration, was also collateralised by Linquist. According to experts quoted in the investigation, such loans resemble the back-to-back loans that are frequently used to disguise transactions typical in money-laundering operations.

IIB is also intimately involved with Roshen's Russian factory based in Lipetsk. Among the top-10 IIB depositors is Cyprus firm Chartomena. Since 2014, Chartomena has also owned the Russian producer Krakhmaloprodukty based in Russia's Lipetsk, where Roshen's Russian subsidiary is also based. Chartomena was set up in 2012 and is owned by UK firm Morewig Ltd, a structure of the Ergofinance company that is basically a shell company factory used to create the multitude of offshore holdings used by the Poroshenko's empire to organise its offshore life.

Roshen and affiliates make up the largest part of IIB's deposits, but unusually they barely feature on its loan book, which suggests strongly that the funding for this gigantic enterprise is coming via offshore structures that was partly revealed in the Panama Papers leak.

Another BVI firm established simultaneously with Linquist was Poroshenko's Intraco Management, also set up in 2005, and is the offshore vehicle associated with his private Ukrainian jet business called Business Airline that is used to collect the payments. Ironically, this airline provided private jets to fly some of the Yanukovich cronies into exile after the massacre of protestors on Kyiv's streets in February 2014, which forced the ex-president out of office. Business Airlines, set up in Ukraine in 2002, is in turn the largest borrower on IIB's books, but Intraco itself does not feature as a client of the bank. Intraco is owned on paper by a top Poroshenko lieutenant, deputy CEO of Roshen Serhii Zaitsev, according to files found by journalists among the Panama Papers.

IIB declined to comment on any of these details uncovered in the bne IntelliNews investigations, referring to banking confidentiality. "My question is about the legality of the information got by you and its source of origin," Ihor Kononenko told bne IntelliNews when presented with the findings of our investigation.

Buses to tanks

The classic feature of Russian oligarchs' financial-industrial groups in the 1990s was their ability to tap into state money and put public funds to work on their own behalf. There is no indication that any of the firms associated with Poroshenko have access to public money, but many of the same firms have recently started winning an awful lot of state tenders

but many of the same firms have recently started winning an awful lot of state tenders.

The remnants of his once mighty Ukrprominvest industrial empire now mostly depends on state orders, not least in supplying Ukraine's war effort against the Russian-backed separatists and Russian troops in the Donbas region.

The Bogdan car plant at Cherkassk is Ukraine's biggest carmaker, which was also run by Poroshenko ally Gladkovsky between 2012 and 2015. Poroshenko used to have a stake in Bogdan, but in May 2013 he said in an interview with Forbes Ukraine that he had exchanged his stake for Gladkovsky's shares in Roshen. However, the claim cannot be independently verified, as the identity of the corporation's final beneficial owner is missing from the state register of legal entities, run by Ukraine's Justice Ministry, which is a violation of law.

And Poroshenko has never actually ever outed himself as owner of Bogdan; when bne IntelliNews interviewed Gladkovsky in 2010, the official line was only that Poroshenko "takes an active interest in the business".

The plant opened in 2008 and was designed to turn out up to 150,000 cars per year, but now has entirely ceased car production after domestic demand collapsed. The company booked net losses of UAH811mn (\$32.6mn) in 2015, according to the company's financials. But recently, the company's fortunes have begun to look up again after it switched its focus to making military vehicles. Now it produces army trucks on a licence from Belarus producer MAZ and various armoured patrol vehicles for the war effort, according to press releases. While the firm was still loss-making in 2015, its losses were already 25% less than the year before.

Sister company Bogdan Industriya, also an IIB client, won UAH81mn (\$1.55mn) in orders this year to supply vehicles to Ukraine's National Guard and also to state oil pipeline operator Ukrtransnafta, according to the database of the anti-corruption website monitoring state tenders, Anti-Corruption Monitor (ACM).

Bogdan's Lutsk plant produces buses and trolleybuses for mostly state-owned public transport services. Bogdan Motors won a tender worth UAH535mn (\$21.4mn) to supply buses to municipalities and government institutions in 2015-16, also according to ACM.

Bogdan-linked Ukrzapchastina, one of the biggest borrowers on the IIB books, a supplier of vehicle parts, won over 300 state tenders in 2015-16 with a total value of over UAH300mn (\$12mn). Another IIB client, aviation company Kii Avia, in which Poroshenko formerly held a stake, supplied just under UAH50mn (\$2mn) in services to the military, the foreign ministry and other state institutions in 2015-16.

None of these deals is especially huge and the ticket size will not propel anyone into oligarch status. Moreover they could be justified, as all these companies are serious players in their various markets. But the owner of the Kremenchuk Automobile Plant, Kostyantyn Zhevago, is angry - his automotive parts business sells in more than 80 countries around the world, but he has been unable to obtain permission to sell on the domestic market. He complained in a recent interview with bne IntelliNews: "The orders instead are made to the Cherkasy plant, Bogdan, which produces primitive screwdrivers used to assemble the Belarusian MAZ."

Milk, bread and sugar

Poroshenko's agricultural holdings are also doing very nicely from state orders. In June, Ukraine's Ministry of Agrarian Policy published its quotas for sugar production and supplies to the domestic market for local enterprises in the marketing years 2016-17.

Two plants located in the Vinnytsia region - Zorya Podillya and Podillya - came out at the top of the list with significantly larger quotas than their rivals (102,400 and 113,400 tonnes respectively, which is 13% of the total amount for all Ukrainian companies). Both companies are owned by Poroshenko.

The man responsible for allocating the quotas is the newly appointed agriculture minister, Taras Kutovy, who was handpicked to serve in the new government in April by Poroshenko as part of the presidential party's quota for choosing ministers in the new cabinet.

Adding to the rank smell of the quota allocation decision is the fact that Poroshenko's son was returned as a lawmaker for a seat in the region of Vinnytsia in 2014. He was on the board of Podillya as deputy general director for foreign relations, according to Ukrainian parliament's official information.

Zorya Podillya and Podillya are the core enterprises of Poroshenko's Ukrprominvest-Agro conglomerate, which is also owned by Prime Assets Capital. It produces beef, sugar and grain, as well as controlling various processing plants. The butter-milk plant Bershadmoloko in this group also supplies Roshen's plants with dairy raw materials to make chocolate and is also part of the business.

In 2015 the conglomerate was ranked as Ukraine's fourth largest agricultural concern, as well as one of the country's top-five largest flour exporters.

The situation with Poroshenko's shipyard companies is very similar. Prime Assets Capital controls a 82.5% stake in Kyiv-based shipyard Leninska Kuznya and Kononenko's VIK fund owns another 11.5% stake, according to the Stock Market Infrastructure Development Agency.

Also an IIB client, Leninska Kuznya has recently switched production to small armed coastal-patrol boats intended as the core of a new navy. According to ACM, it won tenders totalling nearly UAH50mn (\$2mn) in 2015 and 2016 for four boats, in addition to two boats already delivered in 2014.

And like the car business, Leninska Kuznya is in financial difficulties, with net losses of UAH5.54mn (\$200,000) in 2015. But again, like the car business, this loss was much reduced from the previous year - 83% less - after the shipyard switched to producing military craft and won a number of fat state contracts. "Any country can be independent as long as there is ship construction and military modernisation," Gladkovsky told workers at the yard shortly after the state contract was awarded to Leninska Kuznya.

According to the Ukrainian cabinet, up to 20 additional military vessels should be constructed by 2020, which could provide extra business opportunities for the shipyard and its owners.

Poroshenko had a second shipyard in Sevastopol, but he lost that when the Russians annexed the Crimean peninsular in March 2015. The company has since been taken over by Russia's state-owned shipbuilding company Zvezdochka and is supposed to be modernized. The Ukrainian president has never commented on the fate of the shipyard.

IIB clients doing well

All said and done, the tens of millions of dollars in tenders that have been won by these companies is not going to make anyone super rich. And while many of these deals are slightly iffy thanks to Poroshenko's ownership of the group, are all justifiable in theory.

A lot more worrying is the raft of deals by a slew of IIB clients with no previously known affiliation to the president, but which have come out of nowhere to do very well for

animation to the president, but which have come out of nowhere to do very well for themselves thanks to public tenders since Poroshenko came to power.

One of the bank's top-30 largest depositors is a company called TOV Biznespostavka, which literally means "business supplies". The problem with this firm is that it barely seems to exist. The company was only founded in October 2014 by an obscure Donetsk businessmen, according to public records. It does not answer its telephone number. It lacks a website. And there are no offices at its present registered address. And yet it has hit the state tenders jackpot: in 2015-16 it won 232 tenders worth a total UAH225mn (\$9mn), predominantly for Ukrtransgaz, which operates Ukraine's massive and politically sensitive international gas pipelines - traditionally the most corrupt part of the Ukrainian economy. In its first year of operation, Biznespostavka was the ninth largest supplier to Ukrtransgaz, while also supplying equipment to Ukraine's state-owned railways.

Adding to the intrigue, according to details of a criminal investigation contained in Ukraine's online litigation database, Biznespostavka was part of an alleged chain of sham firms used to defraud the authorities of VAT by engaging in fictitious contracts with real firms.

Numerous other IIB clients with no visible ownership link to Poroshenko are also significant suppliers to the state sector. There is TOV Artek-Soyuz, a major supplier of rations to the army, which won just under UAH900mn (\$36mn) in tenders to supply rations to the army in 2015-16, according to ACM. One of Artek-Soyuz's competitors in tenders, PP Balansovoe Kharchovane, is also a client of IIB.

Another significant supplier to Ukraine's defence and health ministries is also present on the books of IIB - pharmaceuticals company Farmplaneta, which won over 300 tenders in 2015-16 totalling over UAH200mn (\$8mn).

TOV Akku-Energo, another IIB client, supplied around UAH125mn (\$5mn) of accumulator cells from foreign manufacturers to Ukrtransgaz and power generation companies in 2015-16.

A further cluster of IIB clients account between them for up to UAH100mn (\$4mn) in supplies to the state in 2015-16: Ukrainskii Avtobus, Dozor Avto, Ukrsplyv, Evroterm Technology, Naftogaz-Allyans, Kompaniya Interlogos, BNKh Ukraina, and more besides.

Other IIB clients have longstanding business relations with state companies dating back over a decade. The president's bank also holds deposits for state publishing company Pressa Ukrainy, which is owned directly by the presidential property department and is one of the country's main printing houses. The billing department of Kyivvodokanal, the Kyiv water utility, also holds funds at IIB. According to statements made by Kyivvodokanal, the company has deposits across many banks, and IIB has the advantage that it can provide sophisticated automatic mass clearance of payments.

IIB emerges as a pivot in a sprawling empire of firms that are owned by, or tied to, President Poroshenko directly. A second circle of clients of the bank have no ties to Poroshenko or his clan, but sport distinctly dodgy reputations. It seems that IIB has not been very careful when doing its "know-your-customer" due diligence. Given the bank's owner, that reflects back on the president.

A number of IIB clients are currently under criminal investigation, according to public sources. These include TOV ESU, at the time the local subsidiary of Viennese investment company EPIC. ESU acquired Ukraine's national fixed-line provider Ukrtelekom at a controversial privatisation auction in February 2011 for \$1.3bn, before selling the company on to oligarch Rinat Akhmetov in 2013 for an undisclosed sum. EPIC claimed to be acting independently during the privatisation, although many critics of the deal alleged that it was actually a vehicle for the Yanukovich administration.

Prosecutors have now opened an investigation into TOV ESU on account of the company's failure to implement one of the main terms of privatisation: to spin off and return to state ownership the militarily strategic communications network.

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#28

Government.ru

August 29, 2008

Russian Prime Minister Vladimir Putin interviewed by the German ARD TV channel "We are not going to play by some special rules of our own. We want everyone to follow the same rules that are also referred to as international law."

Thomas Roth: Mr Prime Minister,

After the escalation of tensions in Georgia, the Western public and politicians, as well as the press and other people, believe that you have set Russia against the whole world.

Vladimir Putin: Who do you think started the war?

Roth: The final trigger was Georgia's attack on Tskhinvali.

Putin: Thank you for this answer. It is true. This is exactly what happened. We will talk about this in more detail later, but for now I just want to point out that it wasn't us who created this situation.

And now about Russia's reputation. I firmly believe that the reputation of any country which is capable of defending the life and dignity of its citizens, and can conduct independent foreign policy will only improve in mid- and long-term perspective.

To the contrary, the reputation of those countries which cater to the foreign policy interests of other states at the expense of their own national interests will go down regardless of how they explain their actions.

Roth: You did not say why you decided to put you country at isolation.

Putin: I thought I had replied to this question. But if you want me to explain this in more detail, I'll do this.

I believe that a country, Russia in this case, which can defend the honour and dignity of its citizens, protect their lives, and fulfill its international legal commitments under the peacekeeping mandate, will not find itself in isolation, no matter what our partners in Europe or the United States may think, expressing their bloc mentality. Europe and the United States are not the whole world, for that matter.

And vice versa, I want to emphasize that if some countries believe that they can ignore their own national interests to cater to the foreign policy interests of other states, their prestige in the world will gradually go down no matter how they may explain their position.

In this context, if European countries want to cater to U.S. foreign policy interests, I don't think that they stand to gain anything.

Now let's take our international legal commitments. Under the international agreements, the Russian peacekeepers are committed to protect the population of South Ossetia.

And now let's recall Bosnia in 1995. As we know well, the European peacekeeping contingent, represented by the Dutch troops, did not want to get involved with one of the attacking sides, and allowed it to destroy a whole village. Hundreds of people were killed or injured. The tragedy in Srebrenica is well known in Europe.

Would you have wanted us to do the same? To leave and allow the Georgian troops to kill people in Tskhinvali?

Roth: Your critics say that Russia's goal was not to protect the civilians of Tskhinvali but to remove President Saakashvili from power, and further destabilise Georgia, and thus to prevent it from joining NATO. Is that true?

Putin: No, that is not true. That is just twisting the facts. It is a lie.

If this had been our goal we would probably have started this conflict ourselves. But as you said yourself, this conflict was started by Georgia.

Now I'd like to recall some facts from recent history. After the unlawful decision to recognize Kosovo, everyone expected Russia to respond by recognizing the independence and sovereignty of South Ossetia and Abkhazia. This is true, this is how it was. Everyone was waiting for Russia's decision. And we had the moral right to make it but we did not. We were more than restrained. I don't even want to comment on it. In truth, we "swallowed" it.

And what did we get in return? An escalation of the conflict, an attack on our peacekeepers, and an attack and killings of civilians in South Ossetia. You know what happened there, all these facts have already been published.

The French Foreign Minister visited North Ossetia and met with the refugees. Eye-witnesses say that Georgian army units ran over women and children with their tanks, drove people into houses and burned them alive. When Georgian troops captured Tskhinvali, they in passing threw grenades into the basements where women and children took shelter. What was it if not genocide?

Now a few words about the Georgian leadership. The people who have brought their country to the brink of a catastrophe - and with their actions the Georgian leaders have undermined Georgia's territorial integrity and statehood - I believe that these people have no right to govern any country, big or small. If they had any decency, they would have resigned immediately.

Roth: This is not your decision; it is Georgia's decision.

Putin: Absolutely, although we also know about other precedents.

Let's recall how U.S. troops entered Iraq and what they did to Saddam Hussein for destroying several Shiite villages. And here, in the first hours of hostilities ten Ossetian villages were completely destroyed, wiped off the face of the Earth.

Roth: Mr Prime Minister, do you think this gives you the right to invade a sovereign country, not to remain in the conflict zone but to bomb its territory? I sit here next to you only by sheer luck because a bomb from your aircraft exploded in Gori's residential area just a hundred meters away from me. Doesn't your de facto occupation of a small country violate international law? What gives you this right?

Putin: Of course, we have the right to do this...

Roth: Let me specify once again - the bomb was dropped on a residential building.

Putin: Of course, we acted in line with international law. For us, the attacks on our peacekeeping posts, and the murder of our peacekeepers and our citizens were tantamount to an attack on Russia.

Georgian troops killed several dozen of our peacekeepers in the first hours of hostilities. Their tanks surrounded our base Yuzhny (we had Yuzhny and Severny peacekeepers' bases) and opened direct fire at it.

When our peacekeepers tried to get equipment out of a shed, a Grad rocket hit them. Ten people in the shed were instantly killed. They burned alive.

I haven't finished yet. Then Georgian aviation bombed several targets in South Ossetia, not in Tskhinvali but in the centre of South Ossetia. We were forced to start suppressing fire control positions beyond the zone of hostilities and beyond the security belt. But it was from these positions that the troops were receiving their orders, and strikes were being dealt at the Russian troops and peacekeepers.

Roth: I've already said that residential areas were bombed. Perhaps, you don't know all the facts?

Putin: Perhaps, I don't know everything. Mistakes can occur during hostilities.

For instance, just now the U.S. aviation killed almost a hundred civilians by striking ostensibly at the Taliban. This is one possibility, but another is more likely. The Georgian side sometimes deployed fire and aviation control points and radars in residential areas to limit our use of aircraft. They were using civilians, including you, as hostages.

Roth: Bernard Kouchner, the Foreign Minister of France, which now presides over the EU, recently expressed concern that a new conflict may break out in Ukraine, notably the Crimea and Sevastopol, a Russian naval base. Are the Crimea and Sevastopol the next target for Russia?

Putin: You said, "the next target". We did not have a target in this conflict, so I think it is simply inappropriate to speak about some "next target". This is my first point.

Roth: So you rule this out?

Putin: If you let me finish, you will be satisfied with my answer.

The Crimea is not a disputed territory. Unlike the case of Georgia and South Ossetia, there has been no ethnic conflict there.

Russia has long recognized the borders of today's Ukraine. By and large, we have completed our talks on the border. Now we have to deal with the demarcation, but this is a technical issue.

I think that asking a question about Russia's targets of this kind reeks of provocation.

There are complicated processes going on in society in the Crimea. There are problems of the Crimean Tatars, the Ukrainian population, the Russian population, the Slavic population in general, but this is Ukraine's domestic political problem.

We have an agreement with Ukraine on stationing our fleet there until 2017, and we will be guided by it.

Roth: Another Foreign Secretary, Mr Miliband of the UK, has recently voiced his concerns over the start of the new Cold War and a new arms race. What do you think about this situation? Are we on the threshold of a new Ice Age, a new Cold War and a new arms race? What do you think?

Putin: There's this joke: Whoever is the first to cry "Stop the thief" is the one who is guilty.

Roth: The British Foreign Secretary.

Putin: These are your words, not mine. Excellent. It's a pleasure talking with you. But these were your words.

Speaking seriously, Russia does not want to aggravate relations with anyone. We don't want any tensions. We want a good, friendly partnership with everyone.

If you let me, I'll tell you what I think on this score. There used to be the Soviet Union and the Warsaw Pact. There used to be Soviet troops in the GDR. And we must honestly admit that they were occupation troops, which remained in Germany after WWII under the guise of allied troops. Now these occupation troops are gone, the Soviet Union has collapsed, and the Warsaw Pact is no more. There is no Soviet threat, but NATO and U.S. troops are still in Europe. What for?

A foreign threat is useful to put things in order in one's own camp, to make one's allies follow the bloc discipline. Iran does not fit this role too well, and it is very tempting to revive Russia's image of the enemy. But nobody in Europe is afraid anymore.

Roth: A meeting of the EU Council opens in Brussels on Monday. They will talk about Russia, about sanctions against it. In any event, these issues will be discussed. What do you think about all that? You don't care? You still believe that the European Union speaks in very many languages?

Putin: It would be a lie to say that we don't care. Of course, we do care.

Of course, we will closely follow what is taking place there. We are simply hoping that common sense will prevail. We are hoping for an objective rather than politicised assessment of events in South Ossetia and Abkhazia.

We are hoping that the actions of the Russian peacekeepers will be supported and that the criminal actions of the Georgian side will be denounced.

Roth: In this context, I'd like to ask you how you are going to resolve the following dilemma. On the one hand, Russia is interested in further cooperation with the EU. Otherwise, it cannot reach its economic goals. On the other hand, Russia wants to play by its own, Russian rules. So, on the one hand, there is commitment to European common goals, but on the other, a resolve to play by the Russian rules. But you can't do both at the same time.

Putin: You know, we are not going to play by some special rules of our own. We want everyone to follow the same rules that are also referred to as international law. But we do not want anyone to manipulate with these notions.

We'll use one set of rules in one region, and another in another region, as long as it promotes our national interests.

We want to have standard rules which will take into account the interests of all participants in international relations.

Roth: Are you saying that in different parts of the world the EU plays by different rules

Roth: Are you saying that in different parts of the world the EU plays by different rules, which do not correspond to international law?

Putin: Absolutely. How was Kosovo recognized? They forgot about the territorial integrity of a state, as well as UN Security Council Resolution 1244, which they had themselves adopted and supported. Why could it have been done there, but not in Abkhazia and South Ossetia? Why not?

Roth: In other words, Russia is the only arbiter of international law. Everyone else is being manipulated, and they are not aware of this. They either have different interests, or they do not care. Have I understood you correctly?

Putin: No, you have not. Have you accepted Kosovo's independence? Yes or no?

Roth: I personally... I'm a journalist.

Putin: I meant the Western countries.

Roth: Yes.

Putin: They have recognized it for the most part.

But you have recognized it there, then also recognize the independence of Abkhazia and South Ossetia. There is no difference, no difference at all in these positions. Any difference would be far-fetched.

They had an ethnic conflict there, and they also had it here. Crimes were committed by both sides there, and we could also find them here.

If we make a real effort, we can probably find them.

There it was decided that these nations cannot live in one and the same state, and here they do not want to live in the same state.

There is no difference whatsoever, and everyone understands this. This is all idle talk to cover up illegal decisions. This is the law of strength, or fist law. Russia will never accept that.

Mr Roth, you have lived in Russia for a long time. You speak wonderful Russian, almost without an accent. It is no surprise that you have understood me. I'm very happy about that. But I would also like your and my European colleagues to understand me when they meet on September 1 to think over this conflict.

Did they adopt Resolution 1244? Yes, they did. It provided for Serbia's territorial integrity. Now it has been thrown out and forgotten. They have made attempts to twist and turn it but this is not possible. Have they forgotten all about it? Why? The White House issued an order and it was carried out.

If European countries continue to behave like this, we will have to discuss European affairs with Washington.

Roth: I understand what you are saying. Can we talk without an interpreter?

Putin: Sure.

Roth: Thank you. I would like to ask you about Russian-German relations regardless of the existing assessments. But given our special relations, can Germany play the role of a

mediator?

Putin: We have very good relations with Germany, very trustworthy, both in politics and in the economy.

When we talked with Mr Sarkozy during his visit to Moscow, we told him directly that we are not going to annex any part of the Georgian territory, and that we will leave the positions which we are now occupying. But we will remain in the security zone which was envisaged by existing international agreements. We are not going to be there forever. We believe that this is Georgian territory. Our only goal is to guarantee security in this region, not to allow another secret concentration of troops and equipment, as it happened this time, and to prevent another armed conflict.

In this context I can say that we will only welcome the participation of international observers, observers from the Organisation for Security and Co-operation in Europe (OSCE), including those from Germany. All we have to do is agree on the principles of joint work.

Roth: Does this mean that you will withdraw the troops in any event?

Putin: Absolutely. For us the main aim is to guarantee security in this area. At the next stage, we have to help South Ossetia to secure its borders. And then we will have no grounds to stay in this security zone. In the course of this work we will also welcome cooperation with the European agencies, and the OSCE.

Roth: What can you do to resolve the current crisis of relations (with the United States and Europe)?

Putin: First, I have already spoken about this with your colleagues from CNN. I think that this crisis has been largely provoked, in particular, by our American friends during the election campaign. This is certainly the use of the administrative resource, in its most deplorable form, for giving an advantage to one of the nominees, in this case, to the nominee of the ruling party.

Roth: Do you have facts to prove this?

Putin: We have analysed the situation. We know that there were many American advisors there. Equipping one side of an ethnic conflict and then prodding it to resolve its ethnic problems by force of arms is a very bad policy. At first glance it seems to be a much easier solution than to conduct talks for many years and to search for a compromise. But this policy is very dangerous, as the development of events showed.

Instructors or "teachers" in the broad sense of this word, all this personnel which trains soldiers to work with the supplied equipment, where should they be? They should be at testing grounds and at training centres. But where were they? They were in the combat area.

This alone goes to show that the U.S. leadership were aware of the planned military action, and, moreover, probably took part in it because U.S. citizens have no right to be in a combat without permission of their leadership. Only local residents, OSCE observers and peacekeepers had the right to be there whereas we found traces of U.S. citizens, who did not fit into any of these three categories. This poses a question: Why did U.S. top leadership allow its citizens to be in the area, where they had no right to be? If they allowed this, I suspect this was done for a purpose - to organise a small victorious war. And if the attempt failed, Russia could be portrayed as the enemy, and the voters could be rallied round one of the presidential nominees. I mean, of course, the candidate from the ruling party, because only a ruling party can have such a resource.

party, because only a ruling party can have such a resource.

This is my line of thought and my assumptions. It is up to you whether to accept them or not. But they have a right to exist because we have discovered traces of U.S. citizens in the combat area.

Roth: Here is my last question, which is of great interest to me. Don't you think that you are personally trapped by your authoritarian state? In the existing system, you receive information from your secret services, you get information from different sources, including top economic ones. But even the media are sometimes afraid to say something different from what you may wish to hear.

Isn't the system created by you now preventing you from taking a broad view at the current

Putin: Mr Roth, you have described our political system as authoritarian. In the course of our discussion today, you have mentioned common values several times. Where are these values?

There are some fundamental principles, for instance the right to live. The United States, for instance, has capital punishment and we don't. You don't have it in Europe, either. European and American values do not fully coincide. Will this motivate you to quit NATO?

Or take the conflict that we are discussing now. Aren't you aware of what has been happening in Georgia in these past few years? Prime Minister Zhvania's mysterious death; the crackdown on the opposition; violent dispersal of opposition rallies; the conduct of national elections in what was almost an emergency situation. Finally, this criminal action in Ossetia, involving many human losses. And this is, certainly, a democratic country with which others should maintain dialogue, and which should be accepted into NATO, and possibly even the EU.

But if another country protects its interests, simply its citizens' right to live when they have been attacked... We had 80 deaths immediately. All in all, 2,000 civilians died. And we have no right to protect them there? Or, if we protect our lives, we will be deprived of sausage? What is our choice? Between sausage and life? We choose life, Mr Roth.

Now about one more value - the freedom of the press. Look at how these events are covered by the U.S. press, this torch of democracy, and also in the European press for that matter.

I was in Beijing when these events started. The city of Tskhinvali was subjected to massive shelling, Georgian troops started ground operations, there were numerous losses but nobody said a word. Your channel said nothing, the American media said nothing. There was total silence, as if nothing was happening. But when the aggressor was hit in the face, when he got his teeth knocked out, when he abandoned all his American weapons and fled as fast as he could, everyone suddenly remembered international law and the evil Russia.

Everybody instantly started wailing.

Now let me say a few words about sausage, about the economy. We want normal economic relations with all of our partners. We are a very reliable partner. We have never let anyone down.

When we were building a pipeline system to the Federal Republic of Germany in the early 1960s, our overseas partners also advised the Germans against this project. I'm sure you're aware of that. But then the German leaders made the right decision, and the system was built in cooperation with the Soviet Union. Now it is one of the reliable sources of

hydrocarbons for the German economy. Germany receives 40 billion cubic meters of gas every year. It received it last year, and it will receive it this year. We guarantee this.

Now let's take a broader view at the matter. What is the structure of our exports to European countries and North America? More than 80% of these resources are raw materials: oil, gas, petrochemicals, timber, different metals, and chemical fertilizer. This is what the economy in Europe and the rest of the world badly needs. These products are very much in demand in the world markets.

We also have opportunities in the high-tech field but for the time being they are very limited. Moreover, despite our existing agreements with the EU, for instance, on nuclear fuel supplies, we are being kept away from the European market for no reason. Incidentally, this is because of the position of our French partners. But they know about this, we have had many debates with them on this score.

But if someone wants to disrupt these contacts, there is nothing we can do about it. We don't want this to happen.

We are hoping very much that our partners will fulfill their commitments as we have been and intend to do in the future.

These were our exports. As for your exports, that is, our imports, Russia is a very reliable and big market. I don't remember the figure but, for example, the German machine-building industry has been increasing its supplies to Russia every year. These supplies are huge. Does someone want to discontinue these supplies? We'll buy from somebody else. But I don't understand who needs this?

We are urging an unbiased analysis of the current situation. We are hoping that common sense and justice will prevail.

We are a victim of aggression, and we count on the support of our European partners.

Roth: Please accept my sincere gratitude for this interview, Mr Prime Minister.

Putin: Many thanks.

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Nellie Ohr

From: Nellie Ohr
Sent: Wednesday, August 03, 2016 8:28 AM
To: Holtyn, Lisa (OCDETF); Ohr, Bruce (ODAG)
Subject: Putin and the precarious balance of forces

Today's Allensworth notes had an amazing pair of analyses of the current upheavals in the siloviki

Both accent the tenuousness of the equilibrium.

Putin must feel like Stirlitz in the scene in the Gestapo cellar, arranging matchsticks and trying to think what to tell each side so he does not fall and get torn apart

-----Original Message-----

From: Wayne Allensworth (b) (6)
To: Wayne and Stacy Allensworth (b) (6)
Sent: Tue, Aug 2, 2016 6:36 pm
Subject: Internet Notes 2 August 2016

Internet Notes 2 August 2016

Shulman on the Siloviky War (Balance and no clear winner mean no coup)

More from Stanovaya on the siloviky war (Dangerous for society—and Putin)

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<https://slon.ru/posts/71471>

Yekaterina Shulman says she will try and explain what's happening in a general way, without all the details of who works/worked where, etc. What we are witnessing is not a coordinated campaign, not a battle against corruption, and it's not a purge. The basic explanation for what we are witnessing is that a power struggle is taking place against a background of dwindling resources. There are additional reasons: among them are a natural change of generations—Putin's fellow travelers have aged, while younger officers have risen to be generals and have the ambitions of generals.

An anti-corruption campaign differs from a purge only in terminology, but organizationally they are quite similar. Judging from campaigns around the world, you might expect to see a special commission, or specific legislation being passed. For a campaign, an ideological base is also needed, one that is declared ahead of the campaign, not post-factum media reports. In our case, a not-so-successful executor in a campaign can become a target, as the GUEBiPK's Sugrobov did.

In this new war, the value of "personal loyalty to the president" is lowered—all are equally loyal in the sense that they mouth the same words. There has been no difference of opinion on significant issues for a long time. All are patriots and statist. For a long time it has been clear that there are no "directives from the Kremlin" in any formal sense. There is no unified "Kremlin," either, but a collection of bureaucratic clans of various degrees of closeness to the center, all of them trying to guess what, exactly, is on the boss's mind, and acting accordingly.

The struggle is over administrative and financial resources and the "clans" are interest groups. The boundaries of these groups do not correspond to institutional boundaries, so it is not entirely correct to speak about a clash between the FSO and the FSB or the FSB and MVD. That is a myth, like the myth of the "liberal" and "hawkish" "Kremlin towers."

In every power department are internal security units that usually include personnel from the FSB, and within the FSB, that Internal Security Directorate (USB) is in conflict with others. We have situations in which deputies of the heads of departments represent different groups than their bosses—so far from all of them are creatures of their superiors. The boundaries and people in the groups can change—no matter how much we like to compare the Russian system of power with the mafia, they are not made up of units beholden to a patron unto death, but are, rather, collections of opportunists, opportunists with growing appetites. They are not unified by ideology, by plans to reform Russia, or love for the boss, but by a hope to get a piece of the pie. The seemingly stable party of "old friends of Putin" or those who served with him in the GDR is eroding. The Ozero cooperative is being replaced with the village "Yashcherovo" (**Comment: The village near Putin's Valdai residence. See the 13 July notes**).

Since we are not talking about an anti-corruption campaign, and not a purge in the Soviet sense, we need to look for some features that define what we are witnessing. First, there is no lead agency doing the "cleansing," no campaign HQ. Right now, the FSB looks like the leading executor and "sword" of the campaign, but within the FSB, a reformation of the Economic Security unit (SEB) is going on against a background of the USB strengthening. The weakening of the Investigative Committee could mean that the Prosecutor's office is getting stronger. The struggle over controlling customs, a source of large financial flows, will be fierce—within the service as well as without. Second, there will be no final winner. In order for the system to maintain itself in its present form, it's necessary to sustain an unstable balance between key actors—no one can be allowed to defeat all the others.

We can see how the system of equilibrium worked in the formation of the National Guard. The Natsguard has 400,000 in personnel, armed and close to the president. The Internal Troops were taken from the MVD to form the base of the Natsguard, but the MVD was compensated with the FSKN and the FMS. By law, the Natsguard does not have investigative functions, and its leader has become a member of the "large" Security Council, but not the standing one (**Comment: Though Zolotov was set to become a standing member, then Putin changed the order—but his official designation on the SovBez didn't change for a while after that. There must have been some fierce "under the carpet" fighting regarding the appointment and Zolotov's growing too strong**). At the same time that the Natsguard was created, a reform and strengthening of the FSB SEB began. And several people from the Presidential Security Service (the FSO SBP) were made governors.

Another feature is that the criminal cases are not expanding below or very deeply, as with a purge, in an effort to cleanse the apparatus of alien elements, or in a large scale anti-corruption campaign. In each case, individual suspects bring in concentric circles of their co-workers and acquaintances, or in extreme cases their relatives, neighbors, anyone whose name can come out in an interrogation.

...The attacks of the siloviki on each other have a certain precision about them—not so many suffer and the aim is not to sentence the targets to jail so much as to get them in a pre-trial detention center (to gather evidence on more influential people) or simply to remove them from their posts.

This is the process of the system's evolution—the absence of any design or scenario, as strange as it seems, can lead to some public good. The absence of any mass imprisonment and the prominent cases that gradually crumble

before they get to court will not satisfy the sense of justice of the masses. But we have to acknowledge that the vegetarian temperament of our elites does prevent the kind of scenario we see in Turkey after the failed coup.

A situation where the siloviki are coping with a deficit of “feed” and live in constant fear of each other is a parody of a system of checks and public control that exists in a democracy. But it’s better than having all-powerful siloviki who fear nothing.

In the kind of war we are observing, the participants are forced to show a minimum result. All the sides in the battle use the press. We are used to calling those “leaks,” and consider them shameful for honest journalists and for publications. But in reality, these “leaks” make even the most political of actors dependent on public opinion. If there is even a chance that your box of valuables and pictures will turn up in the press, you might want to live at least outwardly more modestly, at least while you hold an official post.

But these positive consequences will be apparent only if there is no clear winner—if, say, a new MGB is not formed (See the 6 July notes for talk of a “New MGB”), one that would purge all the rest. Fortunately, the interests of the system’s security demand maintaining equilibrium, which is achieved only through competition. It is the appearance of a clear winner, not a war of all against all, that could lead to an elite split and plans for a coup. A conspiracy would only make sense under conditions where the risks are lower than a loss in an elite battle. In other words, if there is one absolute winner, the rest are losers, and the losers would conspire among themselves, thinking that things could not be worse. If nobody is the clear cut winner, and this latest round is not the last, and all the players still have something to lose, then planning to seize power by force doesn’t make sense. So uncertainty about the outcome of the struggle will have the support of all forces in the game.

Comment: An excellent piece that is similar to my recent comments on the possibility of a “Palace coup,” the “horizontal” and “vertical” axes of the “clan” system, and the siloviki clash we have been observing. See, for example, the 15 and 18 July notes. One correction—in the 18 July notes I wrote [And there is also the lack of trust to consider—the circle of real trust is pretty narrow, among what I’ve called the “vertical axis” of clan relations (one’s closest friends and relatives; a circle that is narrowing for Putin—see, for example, the 15 July notes). Nobody wants to be the first to make a move, only to be left alone, turning out to have walked out onto a gang plank]. That should read “horizontal axis”—the “vertical axis” is what I have called the “just business” axis of clan relations, where “situational alliances” are formed, then the players may later be at odds with one another as the situation changes.

In this milieu, one can be seen as a member of more than “clan” simultaneously—Putin has had ties to a number of the chief “clans,” standing at the center of a web of relationships. But in a crunch, the “horizontal axis” is where one turns for support. I’ve written many times about how “campaigns” are not really orchestrated—they unfold, with players reading the “signals” as best they can and opportunistically using the situation to go after rivals and settle scores—so not every arrest or every case is directly related to the initial signal given, which can complicate analysis. Sometimes, signals are misread. Putin is not in control of everything that goes on. And each institution (the FSB, the FSO, the MVD, the Defense Ministry, what have you) is a hive of “clan” groups. Personal ties matter more than ideology or institutional links.

More from Stanovaya on the siloviki war (Dangerous for society—and Putin)

<http://intersectionproject.eu/ru/article/security/voyny-silovikov-v-rossii-dlya-chaynikov>

Stanovaya says we are witnessing the “Second World War” among siloviki—the first taking place in 2005-2007, pitting the FSO and the FSKN against the FSB. The FSO/FSKN (Murov and company together with Cherkesov) forces saw it that the Tri Kita contraband case was revived and used it against the FSB (Sechin-Patrushev and their allies). The FSB retaliated by arresting Cherkesov ally General Aleksandr Bulbov. Putin made a Solomon-like decision to end the conflict by weakening both sides. In 2006, FSB ally Vladimir Ustinov was relieved of his post as Prosecutor General. Investigations were taken away from the Prosecutor’s office and the Investigative Committee (SK) was created under Putin classmate Bastrykin. Certain FSB generals were relieved of their positions (though it appears that some of those decisions were reconsidered; **Comment: Putin ousted some FSB people, but they still showed up for work after reportedly being fired. Kupryazhkin, who has appeared once again in the notes [See the 10 June edition], was such a case as I recall.**

The siloviki clashes quieted down for a time, but have taken off recently—the siloviki gained a lot of clout during the Ukraine crisis as Putin moved closer to them. So it's natural that the competition among them flared up again. When Zolotov left the Presidential Security Service (SBP) of the FSO in 2013 and moved to the MVD, a steady stream of FSO people took important posts—and simultaneously, FSO chief Yevgeniy Murov's position weakened. The FSB came up with kompromat on Murov and his son Andrey, particularly ties to St. Petersburg businessman Mikhailchenko. Mikhailchenko was arrested in April and Murov retired (**Comment: My take was that Mikhailchenko's arrest signaled that Murov had been weakened**). Murov was replaced by Dmitriy Kochnev, who had headed the SBP—Putin was thinking of leaving him there. Murov's heir was supposed to have been Oleg Klimentev, who had formerly headed the SBP. We don't know why Putin changed his mind, but it is worth noting that a "heavyweight" did not get the job, but, rather, a dependable executive officer. One versiya has it that Putin feared the FSOers gaining too much influence. His bench of possible replacements was short—there wasn't anyone personally beholden to him. Whatever the case, the diminished unofficial status of the FSO was partly made up for with the creation of the Natsguard.

The FSB watched all that with contradictory feelings. On the one hand, there had been a conditional victory over the FSO. Murov was out and the Mikhailchenko case implicated Belyaninov. The expansion of the FSB meant cases against governors, the SK, the Culture Ministry—everyone became afraid. On the other hand, Zolotov grew stronger, he maintained his ties with the FSO and, and this was the main point, with the president. Putin now had his very own "power" resource.

But instead of an FSB-Natsguard battle, a struggle within the FSB erupted between the USB and the SEB. The SEB accused the USB of exceeding its authority in arresting Nikita Belykh (**Comment: I repeated the story yesterday about Putin not being informed about the Belykh arrest ahead of time and the USB supposedly being seen as going too far—which reportedly held up some FSB appointments, especially that of Tkachev, who handled the Belykh case as head of USB**). But Sergey Korolev, formerly head of the USB, became head of the SEB.

The new SEB leadership went after SK people—and Bastrykin remained silent, probably recalling the fate of Cherkesov, who lost his post in the first siloviki "World War" ... This looks like an endless soap opera, but there are some tendencies we can take note of... The FSB and the Natsguard are gaining political weight... The MVD has lost influence, as has the FSO... The SK is under attack in spite of Bastrykin's close relationship with Putin... The FSKN and the FMS are history, as is Viktor Ivanov...

These tendencies are dangerous, not only for society, which is suffering from "power" initiatives, but for Putin as well. There are too many siloviki, and they have power and kompromat. If you come to power with a group of dozens of the devoted, everything in your team seems under control.

But when those dozens become an army of thousands and part of the "elders" (Cherkesov, Murov, Patrushev's team) exit for nowhere or almost nowhere, then you are left with a mass of hungry, out of control, unprincipled, and—and this is the main point—in no way obligated to you young "wolves" who understand very well that Putin is with us today, but perhaps not tomorrow. The siloviki as a separate, privileged caste have a monopoly on force, and they will start to live their own lives. And then Putin will find it much more complicated to rely on them...

Solovey looks ahead (Medvedev will stay)

https://new.vk.com/id244477574?w=wall244477574_19684%2Fall

Putin is satisfied with the government and is inclined to keep Medvedev as premier after the next elections. The Presidential Administration will be headed by an especially trusted person—Anton Vayno. Sergey Ivanov will be a vice premier overseeing the siloviki and military industry with prospects for further growth. Volodin will chair the next Duma.

Nikandrov wants Bastrykin to investigate his case

<http://www.rbc.ru/politics/01/08/2016/579f91e99a79476aacbff809?from=main>

First Deputy Head of the Moscow SK Investigative Directorate Denis Nikandrov has requested (by letter to the SK) that Bastrykin and the SK take over his case from the FSB (**Comment: There had been some question about jurisdiction—normally, the SK would be investigating one of its own, but the Prosecutor's office**

about jurisdiction—normally, the SK would be investigating one of its own, but the prosecutor's office sent the case to the FSB, supposedly to avoid conflicts of interest. See, for instance, the 25 July notes. On Nikandrov, see the 19, 24, 26, 27, and 28 July notes as well). Nikandrov claims that his arrest is the result of a conflict between Directorate "M" of the FSB SEB (Economic Security) and FSB Internal Security (USB). An investigation by the FSB will not be objective.

Resignations at the SK

<http://www.novayagazeta.ru/news/1705658.html>

Aleksey Kramarenko, a directorate head in the Moscow Central Administrative Okrug SK, has resigned. So has his deputy, Aleksandr Khursilava, and Investigator of Especially Important Cases, Andrey Bychkov. The resignations followed the FSB opening criminal cases (Exceeding official authority) against them... They are said to have been involved in the release from detention of gangsters Kalashov ("Young Shakro") and Andrey Kochuiykov ("The Italian")... On 19 July, Nikandrov, Maksimenko, and Lamonov were detained in the "Shakro"/"Italian" affair...

Arrests of mayors

<https://themoscowtimes.com/articles/urlashov-54832>

This week, Evgeny Urlashov, the former mayor of Yaroslavl, sits in prison and awaits his sentence. An anticorruption activist, Urlashov was arrested in 2013 on bribery charges. He was a popular figure in the city of 600,000 people, winning a landslide victory against a Kremlin candidate in elections a year earlier.

Authorities are accused of leading a political trial against Urlashov: he was, after all, getting too popular, and at a time when the Kremlin was fighting the biggest street protests in its post-Soviet history. The story of his success and downfall casts a spotlight on an ever more vulnerable job in Putin's Russia: being mayor in a regional city.

In Putin's third term, the Kremlin has been unceremoniously putting city mayors behind bars. From Yaroslavl to Makhachkala to Vladivostok, city authorities are feeling the heat. Since Putin came back to the Kremlin in 2012, Russia has arrested, detained or interrogated the mayors of more than 25 cities. Only a tiny minority of them were from opposition parties, and most were charged with bribery cases.

Barely a few weeks go by without Moscow parading the arrest of yet another mayor. The last well-known victim of the purge was Vladivostok mayor Igor Pushkarev. On the night of the 1st of June, FSB arrested Pushkarev and brought him to Moscow, raiding his office and family home in the process. Pushkarev stands accused of selling state contracts to businesses owned by his relatives.

"It's much easier to catch mayors taking bribes," says political analyst Evgeny Minchenko. Mayors are responsible for municipal budgets, which are often severely under-funded and thus more susceptible to corruption.

Governors, on the other hand, have more protection more Moscow and less visible contacts with budgets. "They are assumed to be political figures," says political scientist Abbas Gallyamov, "Going after a governor requires Moscow's permission." Firing and arresting mayors is also one way for governors to show they are doing their job.

At the same time, Russia's opposition has been able to have some considerable successes in mayoral offices. Anti-corruption campaigner Yevgeny Roizman has managed to hold on to his position as mayor of Yekaterinburg. Until last year, Karelia's Petrozavodsk was home to female opposition mayor Galina Shirhina. And, famously, Urlashov was mayor of Yaroslavl, however briefly.

"It was the only political position left for the opposition," says Aleksandr Kynev, a political scientist at Moscow's Higher School of Economics. In 2005, Russia scrapped regional elections of governors, meaning the Kremlin could appoint anyone it wants instead. City mayors were the one electable position, and candidates like Roizman were able to run successful, largely non-political campaigns — in Roizman's case on an anti-drug platform.

The mayoral purge is not exclusively centred on the opposition, however. Even loyal candidates have been targeted. In 2012, the Putin loyalist mayor of Astakhan Mikhail Stolyarov stood accused of election fraud. His rival, Just Russia candidate Oleg Shein, claimed he won the election and went on hunger strike. The fight for re-election lasted for a few months, even luring opposition leader Aleksey Navalny from Moscow to Astrakhan. Eventually, the opposition lost and Shein ended his hunger strike and Stolyarov became mayor of one of Russia's biggest cities. The following year, however, Stolyarov was arrested and charged with accepting a bribe of 10 million rubles.

With September's parliamentary elections around the corner, the purge of regional mayors is, if anything, likely to intensify. For Russian officials, the message is clear: one step out of line, and corruption charges could be just around the corner.

Nikandrov discovers the meaning of life

<https://themoscowtimes.com/articles/arrested-russian-investigator-finds-meaning-of-life-thanks-to-yogi-cellmate-54812>

One of Russia's most-publicized arrests in recent years is making headlines again, as the Moskovsky Komsomolets newspaper reported Sunday that Denis Nikandrov — the detained deputy head of Moscow's Investigative Committee — is going through a "miraculous transformation" in his cell.

A rising star in Russian law enforcement, Nikandrov was jailed on bribery charges on July 19. He is suspected of receiving a bribe of up to \$1 million for helping notorious thief-in-law Zakhary Kalashov, known as Shakro Molodoi, to get out of prison. The case is considered by many to be a remarkable episode in the internal war raging inside Russia's

security forces.

The Moskovsky Komsomolets newspaper reported that the investigator's life changed after meeting his new cellmate, who was purposely put into the same cell.

Nikandrov, who reportedly fell into a deep depression during his first days in the infamous Lefortovo prison, is currently in a state of euphoria and claims that he has found the meaning of life.

The man responsible for these changes is 30-year old Yevgeny, the cellmate who claims to be an experienced yoga practitioner and says he is in prison on charges of smuggling cannabis to Russia from India.

Nikandrov is practicing various breathing techniques and yoga positions, his prison cell is full of yoga literature and he has switched to a healthy diet, the newspaper said.

"I have learned how to live. I have started to understand my true nature," Nikandrov said. He also wrote about the changes in a letter to the head of Russia's Investigative Committee, according to the newspaper.

The yoga practitioner was put in Nikandrov's prison cell by the prison administration on purpose, as a result of an agreement with the Federal Security Service (FSB), the newspaper reported, citing an unidentified source in law enforcement.

"Nikandrov was in such bad condition that he could have committed suicide. And that would cause a scandal," the source said.

As [The Moscow Times previously reported](#), Nikandrov was unleashed on one high-profile case after another over his short career and was rapidly promoted. He was involved in highly politicized cases such as gathering evidence against jailed tycoon Mikhail Khodorkovsky.

Nikandrov's arrest is part of an ongoing "cleansing of the ranks," Kremlin spokesman Dmitry Peskov said after his arrest.

Zolotov is awarded Chechnya's highest honor

See yesterday's notes for my remarks on the Zolotov-Kadyrov relationship.

<https://themoscowtimes.com/news/chechnyas-kadyrov-gives-rosgvardiya-head-highest-award-54827>The head of Russia's newly formed National Guard has been presented with Chechnya's highest award by republic chief Ramzan Kadyrov, the local news agency Chechenskaya Respublika Segodnya reported Tuesday.

Viktor Zolotov was presented the Order of Akhmat Kadyrov for "outstanding services to the Chechen Republic." The award was established in 2004, in memory of the first Chechen president, Ramzan Kadyrov's father. Akhmat Kadyrowas killed in a suicide attack on May 9, 2004 in the Chechen capital of Grozny.

Kadyrov also awarded Zolotov with a certificate to mark his completion of a course at Chechnya's International Center for Special Forces Training.

The creation of the National Guard was announced by Russian President Vladimir Putin in April. The new force will take on a number of roles previously carried out by Interior Ministry troops, and will have more than 340,000 members in total. Viktor Zolotov was the former chief of Interior Ministry's troops, and headed the president's security service between 2000 and 2013.

The embargo and food prices

<https://themoscowtimes.com/news/russian-counter-sanctions-raised-food-prices-31-54829>

Russia's embargo on Western food imports has caused prices to soar by 31 percent in the last two years. Russia's Ministry for Economic Development announced Tuesday.

Russia boycotted food imports from a number of Western countries in August 2014 in retaliation for sanctions on Moscow for its annexation of Crimea and ongoing role in the Ukraine conflict.

"Food prices rose by 31.6 percent in two years, one and a half times above the level of inflation," a ministry spokesman said, claiming that the negative effects of the embargo had already begun to ease by the second half of 2015.

Food price rises contributed 52 percent to national inflation in February 2015, but fell to 31 percent in June 2016.

"The Russian market has managed to adapt to the new conditions. New suppliers were found in the first six months [of the embargo] and orders were made at lower prices", he said.

The European Union extended economic sanctions against Russia until the end of 2017 in July, prompting Russian president Vladimir Putin to sign a decree extending Russia's food embargo for the same period.

Inflation/rising prices seen as biggest problems

<https://themoscowtimes.com/news/russians-consider-poverty-rising-prices-most-acute-problems-54831>

The majority of Russians (70 percent) consider inflation and rising prices to be their most acute problems, the Interfax news agency reported Tuesday, citing a poll by the ROMIR research group.

Some 66 percent of respondents said they are worried about poverty and low wages and 41 percent named unemployment as a major problem, ROMIR revealed.

More Russians are also concerned about the problem of corruption (36 percent), compared to 30 percent in 2014.

The Russian economy plunged into a deep crisis in 2014 following Western sanctions imposed on the country over its role in the Ukraine crisis and falling global prices for crude oil.

Russians saw their real wages fall sharply amid skyrocketing inflation and several million people were pushed below the poverty line last year.

In the first quarter of 2016, the poverty rate in Russia reached 15.7 percent, according to official statistics. A recent poll by Moscow's Higher School of Economics (HSE) revealed that more than 40 percent of Russian households struggle to buy food or clothes.

The ROMIR poll was conducted among 1,500 people in all Russian federal districts, Interfax reported.

The secret of the St. Princess Olga (Sechin and wife)

Rosneft is suing Dozhd TV and Novaya Gazeta for reporting on this story: <https://slon.ru/posts/71593>

<https://www.occrp.org/en/investigations/5523-the-secret-of-the-st-princess-olga>

In 2013, Oceanco, one of the top yacht builders in the Netherlands, launched a top-of-the-line creation, an 85.6 meter super-yacht with the designation Y708.



The yacht's lavish interior was designed by the firm of Alberto Pinto and its exterior by Russian designer Igor Lobanov.

It boasts every conceivable amenity: Y708 can accommodate up to 14 guests in seven suites, one VIP cabin and three double cabins.

The interior of the yacht is equipped with a gym, spa and elevator. A swimming pool on the aft deck transforms, as needed, into a helicopter pad. The upper deck has a jacuzzi surrounded by plush white sofas where guests can take a relaxing sprawl. After Y708 was delivered to its new owner, whose identity was shrouded in mystery, the boat's name was changed to St. Princess Olga.

Today, St. Princess Olga ranks 72nd on the list of the world's largest yachts, according to the [Superyachts website](#).

The owner's name remained secret for several years. But reporters for Organized Crime and Corruption Reporting Project (OCCRP) and Novaya Gazeta, by tracing the yacht's travels and matching them to posts on social media sites, believe they have identified a possible owner of the vessel.

Igor Sechin, 55, is considered one of the most powerful men in Russia, after his long-time friend and boss, Russian Federation President Vladimir Putin. Due to his tough character and close ties to secret services, Sechin is sometimes referred to as Darth Vader by Russian and international media.

Sechin has been working with Putin since the early 1990s. When Putin became the head of the Committee for Foreign Affairs in the St. Petersburg Mayor's Office in 1991, Sechin was appointed his chief of staff. The two became close.

"When I moved to Moscow, [Sechin] asked [me] to take him with me. And I took him," Putin wrote in his autobiography, "First Person".

It was the first of a series of coordinated career moves, with Sechin always following his boss. From 2004 till 2008, Sechin worked as deputy chief of Putin's administration. When Putin headed the government in 2008, Sechin was appointed deputy prime minister.

Since 2012, Sechin has been the chief executive officer of Rosneft, Russia's state-owned energy giant.

Princess Olga may not be just a random name.

When Sechin divorced his first wife, Marina, the name of his new wife was kept a closely guarded secret. But in June 2016, the Russian news agency life.ru--which is considered to be close to the Kremlin--published a video from a private party held after the St. Petersburg International Economic Forum (SPIEF). At that party, Sechin was accompanied by a young, attractive blonde woman.

By comparing the woman's face in the video with accounts in social networks, OCCRP found profiles of Olga Rozhkova on Facebook and Instagram. Novaya Gazeta later obtained documents which prove that in 2011, Rozhkova changed her surname to Sechina.

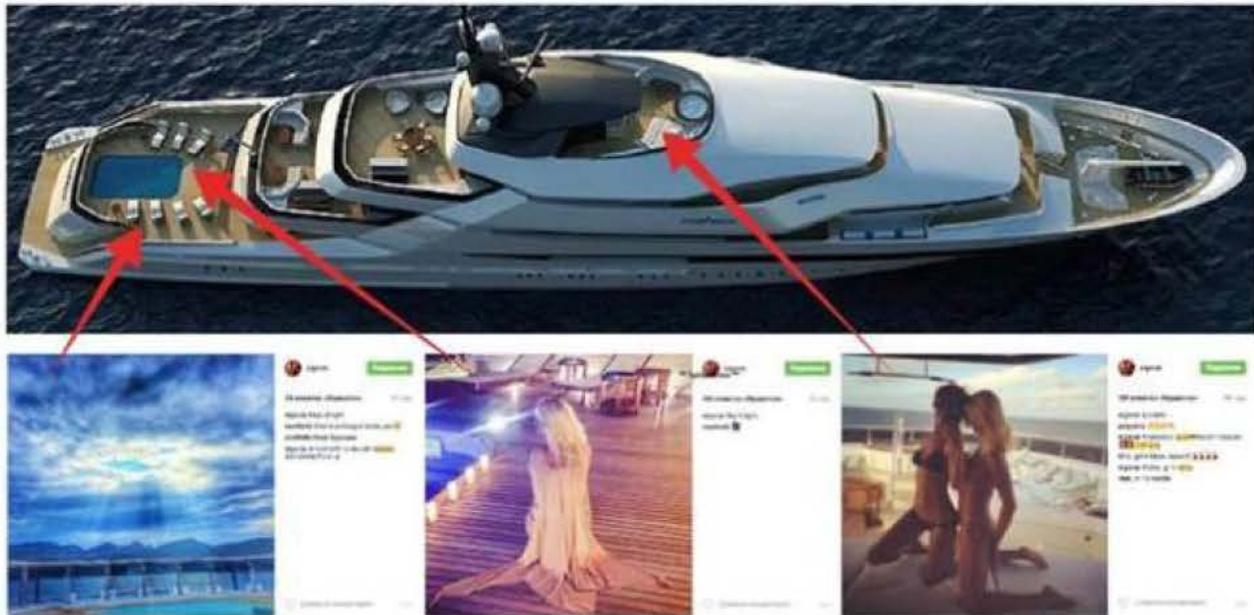
According to the photos from the social networks, Olga Sechina spends most of her time abroad. Since the beginning of 2016 she has visited the Maldives, Italy, Vietnam, India, Germany and France. But it looks like her favorite countries are Italy and France, especially the luxurious resorts on Sardinia and Corsica.

In many of those photos, Sechina is on a yacht. For example, on Aug. 27, 2014, Sechina published a photo on her Instagram account from a yacht, where she is seen sitting with her friend on plush white sofas near a round jacuzzi.

On July 5, 2015, Sechina published another photo on her Instagram that show her sitting on a deck near a swimming pool.

On Aug. 1, 2015, she published a photo from the same deck near the same swimming pool.

Details seen in all three photos — the deck, the swimming pool, the jacuzzi, sofas and sun loungers — correspond to those seen on the yacht St. Princess Olga.



Posts from Olga Sechina's Instagram account that display features of a yacht that share striking similarities to the "St. Princess Olga".

Other photos posted on Sechina's social networks indicate that the yacht she uses is registered in the Cayman Islands, based on the flag.

The yacht St. Princess Olga also belongs to a company from the Cayman Islands, Serlio Shipping Ltd. Similarity in structural details and fittings are not the only evidence that the St. Princess Olga is used almost exclusively by Sechin's wife. By matching the routes of the yacht with photos from the accounts of Sechina and other users, OCCRP and Novaya Gazeta (Here's the link to the Novaya article on this: <http://www.novayagazeta.ru/inquests/74021.html>) found many correlations.

For instance, on July 13, 2016, Sechina published a photo of herself aboard a vessel in Ibiza, Spain. Three days earlier, on July 10, the company Superior Design published on its Facebook page a photo of the St. Princess Olga in Port Adriano, in the Balearic Islands near Ibiza.

On July 14, Instagram user @carolfeith published a video of the same yacht near the Balearic Islands. Just about a year earlier, on July 19, 2015, Sechina published a photo on her Instagram account from Venice, Italy. The vessel tracking systems show that on the same date, the St. Princess Olga was in Venice.

The examples stretch back several years. On May 4, 2015, Sechina published a photo on her Instagram from Capri, Italy. And once again, the St. Princess Olga was tracked near the island of Capri on that same day. The same was true in Corsica on June 14, 2014.

Reporters for OCCRP and Novaya Gazeta found six exact matches between 2014 and 2016 when the routes of the yacht corresponded with Sechina's documented travels. The sheer number of yacht photos visible on Sechina's social networks during the time period indicates she was using St. Princess Olga constantly.

The exact price of the St. Princess Olga could not be determined. The price of a truly luxurious yacht depends on many things such as how the vessel's exterior is crafted or how its interior is designed and furnished. But vessels of

similar length and design are being sold at US\$ 190 million.

Operating a superyacht is expensive making it a luxury for only the world's wealthiest people. According to Tower Gate Insurance, some of the average costs for a yacht include crew salaries, maintenance, insurance, and dockage fees.

Fuel costs run about 500 liters per hour or almost US\$ 2000/hr. Tower Gate's survey said owners can expect to pay up to 10 percent of the initial cost of the yacht in operational costs for a year. By that estimate, the Princess Olga would cost as much as US\$ 19 million per year to operate.

Sechina's husband Igor is one of the best-paid managers of the state-owned companies in Russia. Last year [BBC reported](#) that the board of directors of Rosneft approved a salary for Sechin that could be worth up to US\$ 11.8 million (including bonuses). He has not reported his income and his net worth is not known.

It is impossible to fully determine whether Sechin would have the earnings to buy and operate the St. Princess Olga but it would be unlikely based solely on his BBC reported salary.

It's theoretically possible to regularly rent such a yacht, although rents for similar-sized super-yachts equipped like the St. Princess Olga start at [US\\$ 1 million per week](#).

In a letter to Novaya Gazeta, a Rosneft representative said the company "doesn't believe it is possible to answer questions related to the private life and property of its employees".

The representative also warned that those who were involved in the "illegal gathering and usage of unverified information might be held legally responsible."

OCCRP and Novaya Gazeta collected the information from publicly available social media profiles which were deleted after reporters asked about their content.

The representative also said, in their opinion, that Novaya Gazeta and OCCRP were part of a smear campaign against the company but did not elaborate by whom or why.

Nellie Ohr

From: Nellie Ohr
Sent: Sunday, July 31, 2016 4:35 PM
To: Ohr, Bruce (ODAG)
Subject: Scroll down to his posting from about 3:30 pm Sunday 7/31

The graphic from Hromadske
<https://twitter.com/cjcmichel/status/759750993206804480>

Nellie Ohr

From: Nellie Ohr
Sent: Tuesday, July 26, 2016 9:07 AM
To: Holtyn, Lisa (OCDETF); Ohr, Bruce (ODAG); Wheatley, Joe; Nizich, Ivana
Subject: Shakro, the Presidential Administration, and the Donbass separatists

This whole issue of Wayne Allensworth's notes (24 July 2016) is interesting, but especially the following item, which mentions Shakro's ties to the Presidential Administration and financing the separatists in the Donbass.

Also, if you haven't seen a blow-by-blow of the cafe shootout in English, there is one in this issue (summary of Moskovskiy komsomolets article)

-Nellie

"This Novaya Gazeta piece, among other interesting things, says that Bastrykin found out about the searches/arrests only minutes before the operation began: <http://www.novayagazeta.ru/inquests/73918.html>

"The case related to the Elements cafe incident mentioned above was at first processed by FSB Counter-intelligence, then passed on to Directorate M. The investigation turned up ties between the gangsters and SK personnel—but not only them: "Shakro" carried out direct negotiations with members of the MVD GUUR (in charge of criminal investigations) and people in the Presidential Administration. Shakro had even discussed helping finance the Donbass... SK Investigator Andrey Bochkov was the chief figure who allowed the digging up of evidence against the SK officials Nikandrov, Maksimenko, and Lamonov—and Bochkov's boss is Aleksey Kramarenko, who is, according to an SK source, the FSB USB 6th Service's man (**Comment: Interesting—see the Orlova piece above**). The 6th Service has helped FSB investigators and Directorate M in the case against Nikandrov and company (as well as others).

-----Original Message-----

From: Nellie Ohr (b) (6)
To: (b) (6) Nellie Email
Sent: Tue, Jul 26, 2016 9:00 am
Subject: (b) (6) | Internet Notes 24 July 2016

Internet Notes 24 July 2016

The siloviky shakeups and related material (Strelkov on a radical reform of the siloviky block: A grand failure in the works?; Kashin wonders whether a military coup is possible in Russia [No, but maybe a faked coup that strengthens Putin's control is possible]; Zolotov and the shakeup at FSB; FSB vs SK [Arrests at SK; Is it really Zolotov vs. Bastrykin or was Bastrykin himself behind the arrests?]). 1

FSB arrests deputy head of Moscow Investigative Committee (The Kalashov case). 4

Belkovskiy on the SK arrests (Bastrykin won't go; Bastrykin authorized the arrests—but did he initiate them?; Novaya Gazeta says Bastrykin found out about the operation against his subordinates only minutes before it took place; The 6th Service of FSB USB and the SK; Is it Bortnikov, not Bastrykin, who is in danger?). 8

The siloviky shakeups and related material (Strelkov on a radical reform of the siloviky block: A grand failure in the works?; Kashin wonders whether a military coup is possible in Russia [No, but maybe a faked coup that strengthens Putin's control is possible]; Zolotov and the shakeup at FSB; FSB vs SK [Arrests at SK; Is it really Zolotov vs. Bastrykin or was Bastrykin himself behind the arrests?])

Strelkov: <http://novorossia.pro/25yanvarya/2188-igor-strelkov-reformy-kak-marazm-sistemy.html>

The details remain unclear, but a full scale, radical reform of the power block is being planned. It will follow the American model, with a division between the federal level and the regional/municipal level. At the federal level, a new power agency will be formed with part of the FSB and the Investigative Committee (SK) subunits. The criminal police will be at the regional and municipal levels and will be financed at that level. The Natsguard will be above all this, with all of the “power resource” at its disposal—naturally, it will remain strictly under federal level control. The FSB will remain as a strictly counter-intelligence agency, without any anti-terrorist functions or that of protecting the constitutional order.

This will be the most radical reform since the 1920’s. And no good will come of it. This radical reform will come at the peak of a systemic crisis, including an economic and financial crisis, when the country is involved in two endless and unpredictable military conflicts. The reform process will be underway at a time of inadequate financing, general uncertainty about the future, and the demoralization of the bureaucracy at all levels. The system is concerned only with its internal affairs. There won’t be time for the bureaucracy and police to carry out their basic obligations.

One hundred years ago, the Tsar was constantly changing the government, which had a negative impact on the domestic political situation while the country was at war—and the present plans will repeat that course. It’s like trying to re-roof a house during a deluge.

Even Medvedev understands that Russia is not the US. And that it’s not desirable to carry out radical reforms in departments that are sorely needed at this time—even an idiot understands that. Nevertheless, the reforms are being worked out and coordinated... Mutko heads Russian sport—the analogy is clear: we can expect not only defeat, but a grand failure...

Comment: We have read all kinds of rumors about changes underway in the “power structures,” including one claiming that a “new MGB” would be formed (6 July).

Kashin on the possibility of a military coup in Russia: <https://slon.ru/posts/70908>

Comment: Kashin is saying some things here we have read before—mainly, that the army in Russia is not an independent political force.

The main political event of this year (thus far) was the failed military coup in Turkey—an authoritarian regime is always interested in such efforts, successful and unsuccessful, to overturn another authoritarian regime. During Putin’s time in power, revolutions and coups have influenced the Kremlin’s behavior domestically. The “Rose Revolution” in Georgia and the first “Maiden” in Ukraine shaped the Surkov-inspired moves of the mid-2000s, including the creation of pro-Kremlin youth organizations, reforming media, and making corrections to the electoral system. We can’t say whether there was actually a threat of a “color revolution” in Russia at the time, but the struggle against such a potential threat was serious—if not for Saakashvili and Yushchenko, maybe things would have been different in Russia.

The “Arab spring” in 2011 may have forced Putin to re-think a possible second term for Medvedev.

The “Bolotnaya case” and “spiritual bonds” were the result of a bunt on Arab squares far from Moscow. And the Moscow protests were seen by the Kremlin as evidence that not “tightening the screws” could lead to a repeat of events in Cairo and Tripoli... As far as Maidan II—no second Maidan, no annexation of Crimea, no war in the Donbass...

So—is there a chance of an anti-Putin coup by the army, with a repeat of Erdogan’s (in this case, Putin’s) using FaceTime to gather popular support? That’s an obvious question—and it has an obvious answer: No. **The risk of a military mutiny in Russia is minimal.** In Latin America, in Turkey, in the Mid-East, the army is an independent force, a state institution, the significance of which goes beyond the limits of the political system and in many ways determines political stability. Think Chile in 1973.

But Russia’s army, in spite of what the propaganda says, does not have a centuries-old tradition. The army’s one hundred year anniversary will take place in 2018. Lenin and Trotsky created the army for one purpose—to strengthen the results of the Bolshevik takeover. The army was created as the armed wing of the Party, and the very notion of its taking an independent step was ruled out—as it is today. For all its history, the chances of a coup led by the army were zero. Any potential leader—and you can count them on the fingers of one hand (Tukhachevskiy, Zhukov, Rokhlin)—had no real chance of making even a first half step in that direction. The Party and State Security were always stronger.

In 1918, as the Reds mobilized the first army, the families of the troops were taken hostage—and that sense of the army as a group of armed hostages remains to this day. **The popular hero Shoygu is most of all a political commissar, like the Red commissars who oversaw the first Soviet army. He is not the leader**

of an officer corps that has its own interests and values. If Shoygu suddenly gets it in his head to make any moves against Putin, he'll have to have a very tough conversation with Viktor Zolotov at least. The system of defenses from unexpected political moves the Kremlin has is itself an example of the art of defense. The main irony of the Turkish coup attempt is that in projecting it onto the Russian experience, the thinking was not about anti-Putin tank divisions. In the aftermath of the coup attempt, the mainstream version of what happened there that was making the rounds in Russian media was that Erdogan had helped stage the event himself in order to strengthen his own grip on power and change the state system under the guise of going after the coup plotters. Whether that's true or not doesn't matter—what matters is that we believe that this was not a plot against Erdogan, but a plot *by* Erdogan. What's most interesting to consider is whether Putin believes that. It would be very effective: stage a coup that is meant to fail and then see through all the plans for political control that have been floated but not seen through—like blocking foreign travel and the Internet. No, the Russian army won't try something like the Turkish army did. But *there is nothing stopping the Kremlin from staging the faked coup like the one our conspiracy theorists have said took place...* **Comment:** I've been wondering in these notes whether a Putin in his "man of destiny" mode might consider doing something unexpected, dropping his usual caution. That would depend, I think, on whether Putin believes he's being pushed into a corner and is being challenged personally. He's already made some steps that seem out of the ordinary—elevating Zolotov, creating the National Guard, ousting Yakunin. His tendency has been to revert back to caution after some big move. One very important question is whether, as Katrina Orlova has claimed, Zolotov is the power behind FSB Internal Security (FSB USB), a directorate that has played such a prominent role in recent high-profile cases and is apparently moving to take over the FSB Economic Security Service (FSB SEB). That would mean Putin is allowing some serious further moves to weaken Bortnikov (the Kremlin is said to be unhappy with him), and not focusing on re-establishing balance among the siloviki after the creation of the Natsguard.

This slon.ru

piece by Pavel Chikov also claims that Zolotov is behind the shakeups at FSB SEB: <https://slon.ru/posts/70908><https://slon.ru/posts/71106>

Many experts say that the Natsguard headed by Zolotov was created to provide for a balance and equilibrium among the power departments—the purge going on in the FSB, especially in its economic block, is connected by observers (**Comment: Which other observers apart from Orlova?**) with Zolotov's taking over at the Natsguard.

Comment: The piece goes on to say that the FSB has struck at the FSO—that's in regard to the story on the Mikhailchenko arrest and his connections to ex-FSO chief Murov (See the 15 July notes; FSB SEB "K" reportedly arrested Mikhailchenko). My own view has been that the arrest demonstrated that Murov had been weakened. We have also seen claims that Zolotov wasn't terribly unhappy that his old boss was retiring—and the replacement for Murov, Kochnev, came from the unit Zolotov had headed for many years, the FSO's Presidential Security Service (See the 2 June notes. It gets even more complicated, since one source claimed that Zolotov and Kochnev weren't all that close). As far as the shakeup at FSB SEB, I've offered a possible alternative explanation for that—the two cooperated against MVD Economic Security (GUEBiPK) in a battle for controlling money laundering channels, then fell out as they both wanted to seize the channels for themselves. See, for instance, the 12 July notes.

More on the FSB making arrests at the Investigative Committee... First, from the 19 July notes:

[FSB arrests deputy head of Moscow Investigative Committee (The Kalashov case)

<http://www.themoscowtimes.com/news/fsb-detain-deputy-head-of-russian-investigative-committee-54644>

Russia's Federal Security Service (FSB) have detained several employees of the Moscow department of the Russian Investigative Committee, including deputy head [Denis Nikandrov](#), news agency Interfax reported, citing a message from the agency.

The FSB began a search of the committee's Moscow offices in connection with the case against notorious crime boss [Zhakary Kalashov](#), or Shakro Molodoi.

"The FSB have carried out investigative actions against a number of staff members on the basis of exceeding their official powers, as well as receiving bribes from the criminal community," an FSB statement said, the Slon news website reported.

Shakro Molodoi was arrested on June 11 on charges of extorting money from the owner of the Elements restaurant in Moscow, after a violent shootout in December 2015 left two dead. See the 15 July notes.

A lead investigator on the second case against the Yukos gas giant, Nikandrov was reportedly detained on Tuesday while receiving a bribe worth \$1 million for Shakro's release, RBC reported.

It was reported in 2013 that the Prosecutor General's Office begun a preliminary investigation into Nikandrov for abuse of power and coercion of witnesses to testify.

In addition to the arrests, the FSB is searching the Investigative Committee's office in Moscow's center.

Here's more:

<http://www.mk.ru/social/2016/07/19/prichinoy-zaderzhaniya-trekh-rukovoditeley-skr-stala-versiya-o-pokrovitelstve-banditam.html>

Moskovskiy Komsomolets says that no other corruption scandal causes the kind of shock that this one does. Apart from Nikandrov, FSB officers arrested the SK's head of Internal Security, Mikhail Maksimenko, and another top officer in Internal Security, Aleksandr Lamonov... The entire case says a lot about contemporary Russia—it's all about money and people disregard the law...

At this point, the MK piece goes into a replay of the shootout at the Elements café—from the 15 July notes:

[When it opened in July 2015, the Elements Korean restaurant in central Moscow got good reviews — both for food and design. But that's not what the restaurant is famous for.

Two women — the restaurant owner and a designer she hired to renovate and furnish it — disagreed over payment after the designer failed to meet the agreed deadline. As was reported at that time, the restaurant owner Zhanna Kim refused to pay the designer the 2 million rubles (\$30,000) she was owed for designing the restaurant.

What started as a usual financial disagreement led to one of the most notorious armed fights in central Moscow since the 1990s and to the arrest of one of Russia's most notorious criminals — thief-in-law Zakhary Kalashov — better known by the pseudonym Shakro Molodoi.

On Dec. 15, 2015, around 20 armed men occupied the beautiful rooms in the Elements restaurant. "Everyone shut up, no one leaves the building until we make a deal," Zhanna Kim, a trendsetter, a socialite and the restaurant owner, later recalled in various interviews.

"It was a shakedown," she said. As was reported later, Fatima Misikova, the designer, had reassigned the debt that Kim still owed her to mobster Andrei Kochuikov, known as The Italian and a high-ranking member of Shakro's gang.

What happened later received extensive press coverage. The Italian showed up with a simple message: if the debt is not paid, he would take over the restaurant. Zhanna Kim refused to pay him.

She called the police and her lawyer — retired Interior Ministry Colonel Eduard Budantsev, reportedly connected to law enforcement as well as the Taganskaya crime group and now a lawyer engaged in debt collection

~~INVOLVEMENT AS WELL AS THE PUGANSKAYA CRIME GROUP WITH HOW A LAWYER ENGAGED IN DEPT CONVICTION.~~

Always armed with a Beretta that was personally awarded to him by the interior minister, he arrived quickly with his supporters and demanded that the “unwanted guests” leave at once.

According to the Kommersant newspaper, The Italian told Budantsev, that he was sanctioned to “milk this cow” by Shakro. He then asked if Budantsev had any respect for the law of thieves and, after hearing an emotional “No,” The Italian ordered his subordinates “to pack the bald one [Budantsev] into the car.”

In the fight that followed outside the restaurant two men were shot dead and several were wounded. According to some reports, Shakro also was at the scene, but his name later disappeared from interior ministry documents.

Half a year later, a Federal Security Service (FSB) squad raided Shakro’s mansion in an upmarket area near Moscow. A video released by the Interior Ministry shows his guards on the ground with their arms on their heads. The video shows Shakro on a chair in what looks like the kitchen.

“I will not talk in front of the camera, are you kidding me? Don’t make a show out of it. Turn off the camera and we’ll talk,” he says.

“It’s not a show, we need it,” the officer’s voice is heard answering.

The criminal mastermind was later brought to the Moscow Central Investigation Department where he was questioned, the ministry reported.

Shakro will be accused of organizing extortion from the Elements restaurant owner, who had already filed a complaint, according to the Interfax news agency.

Shakro, a well-known Russian mob boss, re-emerged on Russia’s criminal scene in 2014 after serving an 8-year prison term in Spain where he was convicted of money-laundering and masterminding criminal organizations.

He was also sentenced in absentia to 18 years in prison for murder in Georgia, and Georgia has repeatedly requested that Shakro be extradited, Gazeta.ru reported. After another famous mobster Aslan Usoyan was killed by a sniper in the center of Moscow in 2013, Shakro has been regarded as a new leader of Russia’s crime world.

“It is personal for Shakro,” his accomplice was quoted as saying by an unnamed source within law enforcement. “He intervened in the conflict between two ladies at his friend’s request. Nobody knew there would be problems, but in such cases something can always go wrong,” the source told the Moskovsky Komsomolets newspaper.

“Do you consider yourself a thief-in-law?” Shakro is asked in the video. He refuses to answer in front of the camera. But he once answered the same question during a conversation with law enforcement when he came back to Russia in 2014. “They call me that,” he answered, smiling.

A Rosbalt report has the FSB SEB’s Directorate M making the arrest: <http://www.rosbalt.ru/moscow/2016/07/12/1531031.html>

] MK reports that when the period of detention was up for The Italian, the SK surprisingly didn’t try to extend it, and the gangster was released. The FSB learned of a plan to get him out of jail for \$1 million. On 19 July, there were searches at the offices of the SK’s investigative staff in Moscow, as well as the office of its deputy head, Nikandrov, and the offices of two SK officials. Lamonov and Maksimenko. MK adds an interesting tidbit—Maksimenko’s wife officially earned R14.6 million

last year, a new SK record...Nikandrov began his career in Volgograd, then in Moscow conducted a case against his former boss, ex-head of SK Investigations, Dmitry Dovgiy. He was part of the Yukos case and an investigator in the case against the Moscow Oblast Prosecutor's office (which was acting as a krysha for illegal gambling in the region)....The arrests are likely related to the Kalashov case—the blow against the SK signals a new and serious split among the siloviki.

Comment: I wrote quite a bit about Dovgiy and the Moscow Oblast casino scandal. The first was part of the “siloviki war” of the time, while the second pitted FSB people and the SK against the Prosecutor's office and MVD officers in a struggle over controlling illegal gambling.]

Comment: So, is Bastrykin the target in a new front of the latest “siloviki war”?

Orlova on the FSB's “attack” on the SK—Directorate “M,” which made the arrest, is part of FSB SEB:

<http://www.the-american-interest.com/2016/07/20/who-is-behind-the-fsbs-attack-on-russias-investigative-committee/>

The FSB struck a massive blow at another powerful branch of the *siloviki* in Russia: the Investigative Committee. On Tuesday, the Russian Federal Security Service, armed with search warrants, busted into the Moscow offices of the Investigative Committee. The offices of the department's head, Aleksandr Drymanov, his first deputy, Denis Nikandrov, the Interior Security directorate head, Mikhail Maksimenko, and his deputy, Aleksandr Lamonov, were all searched. The last three were arrested and are being held until trial. Drymanov has allegedly resigned, according to several unconfirmed media reports.

The FSB claimed that the high-profile Investigative Committee officers were engaging in various illegal activities with a professional criminal (in Russian, a *vor v zakone*, or thief in law) known as Young Shakro, who had been arrested the week before. Young Shakro is the successor of the notorious Russian mafia boss Grandpa Hassan, who was shot to death in Moscow in 2013.

While the lurid details of cooperation between Russian mafia bosses and law enforcement agencies are captivating, what is really worth paying attention to is which FSB department busted into the Investigative Committee's Moscow offices: as RBC reports, it was Directorate M of the Economic Security Service (SEB) of the FSB. Regular readers will know that the SEB has recently been the focus of attacks by another FSB department: the 6th Service of the the Interior Security Department (USB), the most secretive service of the entire FSB (cursed as “the Gestapo” by some within the agency).

As we have previously written

for the past several months, the 6th Service has been attacking the SEB in a bid to get control over the most profitable slice of business in Russia: the banking and financial sector. The 6th Service registered a victory when the head the SEB, as well as the head of the SEB's Directorate K (which directly oversees the sector in question) both resigned. Vladimir Putin issued an executive order less than two weeks ago, reassigning the head of the USB, Sergey Korolev, to head up the freshly decapitated SEB (See the 14 June and 15 July notes). Apart from the resignations, the FSB's internal fight has resulted in much collateral damage: at least three governors have been arrested, and many businessmen have lost their enterprises, with Russian tycoon Mikhail Prokhorov being the most visible recent victim.

The 6th Service's recent successes can be attributed to the department reportedly being under the protection and unofficial supervision of General Viktor Zolotov. Zolotov, who is Putin's long-time head of security and who was recently appointed to lead the newly-formed, powerful National Guard, has become the Russian President's most trusted military man. It's fair to interpret what happened yesterday as an attack by Zolotov on the Investigative Committee's head, Aleksandr Bastrykin, with whom he has been tussling for influence for some time already

(Comment: The article linked to has Bastrykin concerned that the Natsguard will weaken his SK, and Zolotov and Bastrykin are competing to demonstrate loyalty to Putin) Zolotov's message is clear: the new centers of power are the SEB, the 6th Service of the USB, and the National Guard.

This attack very much resembles an episode in 2014, when the 6th Service brought down General Denis Sugrobov, the head of the Economical Security and Anticorruption Department of the Interior Ministry, as well as his deputy General Boris Kolesnikov, in 2014. Sugrobov is still in jail awaiting trial, while Kolesnikov fell out of a window of the Investigative Committee headquarters in Moscow while under interrogation. The head of the 6th Service, Ivan Tkachev, who reportedly was behind the fight with Sugrobov and Kolesnikov, may soon head up Directorate K of the SEB, according to RBC (**Comment: She is referring back to the GUEBiPK scandal; We have read that Tkachev's taking over at “K” is not a done deal—and that he may wind up only as a deputy head. See the 15 July notes).**

The current fight against Aleksandr Bastrykin looks like it might end as decisively as the fight with Sugrobov. The Investigative Committee's spokesman, Vladimir Markin, commenting on the arrests, sounded like a defeated man. “What happened with our so-called colleagues is a bitter shame. And this affair, of course, throws a shadow over the entire Investigative Committee. But the self-purification work will go on.”

Apparently, the Investigative Committee received Zolotov's message—about who is the boss—loud and

clear.

But—this next item has Bastrykin himself behind the arrests, claiming that he had been planning a purge:

<http://www.kommersant.ru/doc/3043255>

Kommersant says Bastrykin opened the case—the case went to the Prosecutor’s office and Chayka deputy Viktor Grin decided that the SK should not be investigating itself, so he sent the case to the FSB... SK spokesman Vladimir Markin confirmed that the SK initiated the case and that the self-cleansing of the SK would move forward...

Belkovskiy on the SK arrests (Bastrykin won’t go; Bastrykin authorized the arrests—but did he initiate them?; Novaya Gazeta says Bastrykin found out about the operation against his

subordinates only minutes before it took place; The 6th Service of FSB USB and the SK; Is it Bortnikov, not Bastrykin, who is in danger?)

<http://echo.msk.ru/programs/beseda/1805126-echo/>

Belkovskiy backs up to the arrests of Nikandrov and the others and says that though Nikandrov is young (37) he is already a very trusted Bastrykin subordinate. Belkovskiy thinks there is a “systemic conflict” underway between the FSB and the SK. There is no unity among the siloviki—this war among them will continue and grow as the base for “feeding” in the regime declines under Western sanctions. But the present FSB vs SK struggle will not necessarily end with Bastrykin’s departure, as Putin likes to maintain a system of “checks and balances” —Bastrykin’s departure would mean the collapse of the SK in its current form. It’s one thing to put some highly placed official on the spot by arresting his subordinates, quite another to allow that official’s complete apparatus destruction. Putin doesn’t like to let those kinds of things happen—and Bastrykin has never demonstrated any disloyalty to Putin.

RBC comments: <http://www.rbc.ru/newspaper/2016/07/20/578e349e9a79471881b0ed76>

FSB sources say that the arrests were coordinated with Bastrykin—only he, as head of the SK, or one of his deputies, can authorize the arrest of heads of regional SKs or people holding equivalent ranks in the organization. An FSB press release says that Putin knew about the arrests—without his authorization, the arrest of the head of SK Internal Security could not have been made.

Politilog Yevgeniy Minchenko says that the arrests have to be viewed within the framework of the restructuring going on at the power departments. A special services source says that there is an FSB-SK clash underway, while a source described as close to the Kremlin says that a battle among factions in both organizations is taking place. The constellations of forces within the siloviki departments is changing—thus, the high profile criminal cases.

The upcoming Duma elections come into play as well, says an FSB source. The special services have carte blanche to act decisively to clean up the siloviki and the bureaucracy. One source says that the arrest of Nikandrov and Maksimenko weaken Bastrykin—they have been part of Bastrykin’s closest circle.

The Center for Political Technologies has rated Bortnikov ahead of Bastrykin on its list of influential political figures—Bastrykin’s in 13th place, Bortnikov in 9th place. Meanwhile, Peskov told reporters last Friday that they shouldn’t be speculating about the impact of the arrest on Bastrykin’s career.

Comment: Bastrykin may have authorized the arrests because he felt he had no choice—authorizing them is not the same as initiating them. RBC has Nikandrov (and Maksimenko) as close to Bastrykin, while Belkovskiy has the former as one of those trusted by Bastrykin. If Bastrykin was pressured into going along with the arrests, maybe Markin’s comments about a self-cleansing going on were meant to counter the inevitable rumors that Bastrykin was being weakened.

This Novaya Gazeta piece, among other interesting things, says that Bastrykin found out about the searches/arrests only minutes before the operation began: <http://www.novayagazeta.ru/inquests/73918.html>

The case related to the Elements cafe incident mentioned above was at first processed by FSB Counter-intelligence, then passed on to Directorate M. The investigation turned up ties between the gangsters and SK personnel—but not only them: “Shakro” carried out direct negotiations with members of the MVD GUUR (in charge of criminal investigations) and people in the Presidential Administration. Shakro had even discussed helping finance the Donbass... SK Investigator Andrey Bochkov was the chief figure who allowed the digging up of evidence against the SK officials Nikandrov, Maksimenko, and Lamonov—and Bochkov’s boss is

Aleksey Kramarenko, who is, according to an SK source, the FSB USB 6th Service's man (**Comment: Interesting—see the Orlova piece above**). The 6th Service has helped FSB investigators and Directorate M in the case against Nikandrov and company (as well as others).

What Peskov has described as the cleanup of the law enforcement organs is not over—other highly placed siloviki will also be targeted. (Here's a link to the newsru report on Peskov's comments on the situation: <http://www.newsru.com/russia/20jul2016/pusk.html>)

Bastrykin knew about the high level searches/arrests only minutes before the operation took place—and Mikhail Maksimenko, formerly of the FSB, is a one of Bastrykin's most trusted subordinates. There is no self-cleansing underway, as Markin would have us believe. One more thing—in contrast to the arrest of Belykh, Putin knew what was coming...

A Meduza story looks at some "versions" of what's up: <https://meduza.io/feature/2016/07/20/arestovany-vysokopostavlennye-chinovniki-sk-chto-dalshe>

And one of them is that Bastrykin is in no danger—but Bortnikov might be. There's a struggle going on for his post and that explains the activities of his subordinates.

The piece is drawing from a [znak.ru](http://www.znak.ru)

article that Meduza linked to: https://www.znak.com/2016-07-19/pochemu_ne_udivlyayut_podozreniya_v_svyazi_vysokopostavlennykh_oficerov_sk_s_vorom_v_zakone

The article by Yekaterina Vinokurova says that the activity of the FSB recently and its "obvious strengthening" could indicate that the service might change leaders. Bastrykin is in no danger.

Nellie Ohr

From: Nellie Ohr
Sent: Wednesday, July 06, 2016 1:46 PM
To: Ohr, Bruce (ODAG)
Subject: JRL item

Hi Honey!

If you ever get a moment, you might find the penultimate article interesting--especially the summary in the final paragraph.

Hope u r OK.

--N

-----Original Message-----

From: David Johnson <davidjohnson@starpower.net>

To: (b) (6) Nellie Email

Sent: Wed, Jul 6, 2016 12:15 pm

Subject: 2016-#125-Johnson's Russia List

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Johnson's Russia List

2016-#125

6 July 2016

davidjohnson@starpower.net

A project sponsored through the Institute for European, Russian, and Eurasian Studies (IERES) at The George Washington University's Elliott School of International Affairs*

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"We don't see things as they are, but as we are"

"Don't believe everything you think"

You see what you expect to see

"The biggest communication problem is we do not listen to understand. We listen to reply."

DJ: Some JKL attitude in a bit of an overstatement. Modern Russian studies may be better characterized as anti-Putin studies. The vision is circumscribed. For some that is enough. And morally required. But its just NOT enough. Most of this issue is devoted to the latest. Rather than repetitively directing fire at the usual suspects and the usual themes perhaps more attention should be devoted to the views of substantive people of a different frame of mind. I'm thinking of Lukyanov, Simes, Sakwa, Trenin, Petro, Graham, Saradzhyan, Robinson, Matlock, Braithwaite, Saunders, Dejevsky, Katchanovski, Mokrushyna, Arbatov, Adomanis, Aris, etc. (Sorry if I left you out. Or included you.) Take a look at the Valdai Discussion Club and Russia Direct web sites, a world of diversity and important ideas. Not your delicious comic world of RT, eccentric Russian politicians, and weaponized information. Or the beloved Russian Trolls. There are many solid dissidents although you won't find them easily at the Washington Post, New York Times or The New Yorker. You can find many balanced experts from Russia who are not easily pigeonholed or have regular appearances in Western media. These are the targets that matter, the analysis that matters, and if you don't deal with their points you're really wasting time from a substantive point of view. Of course, JRL gives you constant exposure to these experts and others. It's ALL there. Ignored but at our peril.

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#1

The Nation

July 5, 2016

The Media's Incessant Barrage of Evidence-Free Accusations Against Russia

In one month, its government has been accused of hacking the DNC, orchestrating the Brexit, tacitly supporting Trump, and more.

By James Carden

James W. Carden is a contributing writer at The Nation and the executive editor for the American Committee for East-West Accord's EastWestAccord.com.

If there is one country in the world that garners media coverage bereft of even the most basic journalistic standards, it is Russia. Over the past month, the Russian government has been accused of hacking the DNC, orchestrating the Brexit, tacitly supporting the candidacy of Donald J. Trump, and much else.

On June 14, The Washington Post's Ellen Nakashima published what, at first sight, looked to be a blockbuster scoop, a Watergate scandal for the cyber age. The report alleged that the Democratic National Committee's computer network was compromised by Russian hackers who stole caches of DNC opposition research on Trump. According to Nakashima, the Russian hackers were so thorough that they were able to access the DNC's e-mail and chat traffic. Yet the firm that supposedly spotted the hack, CrowdStrike, admitted it was "not sure how the hackers got in." They were definitely sure, however, that it was the Russians.

The American media, needless to say, jumped all over the story. The New York Times swiftly followed up with a story which proclaimed: "D.N.C. Says Russian Hackers Penetrated Its Files, Including Dossier on Donald Trump." The dogged media critic Adam Johnson of FAIR (Fairness and Accuracy in Reporting) compiled a list of headlines that appeared in major media outlets within 24 hours of Nakashima's scoop,

* Russian Government Hackers Broke Into DNC Servers, Stole Trump Oppo (Politico, 6/14/16)

- * Russia Hacked DNC Network, Accessed Trump Research (MSNBC, 6/14/16)
- * Russians Steal Research on Trump in Hack of US Democratic Party (Reuters, 6/14/16)
- * Russian Government-Affiliated Hackers Breach DNC, Take Research on Donald Trump (Fox, 6/14/16)
- * Russia Hacks Democratic National Committee, Trump Info Compromised (USA Today, 6/14/16)
- * Russian government hackers steal DNC files on Donald Trump (The Guardian, 6/14/16)
- * Russians Hacked DNC Computers to Steal Opposition Research on Trump (Talking Points Memo, 6/14/16)
- * Russian Spies Hacked Into the DNC's Donald Trump Files (Slate, 6/14/16)
- * What Russia's DNC Hack Tells Us About Hillary Clinton's Private Email Server (Forbes, 6/15/16)

And there was more to come. A self-described "former spook" took to the pages of The New York Observer on June 18 to declare that not only do "Kremlin hacking efforts extend far beyond the DNC" but that the Islamic State's hacking operation, the so-called Cyber Caliphate, is actually, you guessed it, the work of the Russians: "[T]he Cyber Caliphate" said the Observer, "is a Russian false-flag operation."

Nor is that all. MSNBC's Rachel Maddow got in on that act and went on what can only be described as a rant in which she accused the Russian president himself of being behind the DNC hack. "These hackers," Maddow proclaimed, "were dispatched by the Russian government, by Vladimir Putin," even though Nakashima's report said no such thing. The report merely said that one of the hacking operations is "believed to work for the GRU, or Russia's military intelligence service while CrowdStrike is less sure of whom" the other hacking operation "works for but thinks it might be the Federal Security Service, or FSB" [emphasis added].

The problem, of course, is that there is no hard evidence linking the Russian government, much less Vladimir Putin personally, to the DNC hack.

Indeed, Nakashima followed up her original report on June 15 by noting that a hacker who goes by the moniker Guccifer 2.0 had claimed credit for the DNC hack. In an interview with Vice Motherboard, Guccifer 2.0 claimed to be Romanian, not Russian:

And where are you from?

From Romania.

Do you work with Russia or the Russian government?

No because I don't like Russians and their foreign policy. I hate being attributed to Russia.

Why?

I've already told! Also I made a big deal, why you glorify them?

Yet on June 20 the Post published another report by Nakashima headlined "Cyber researchers confirm Russian government hack of Democratic National Committee" in which Nakashima dismissed Guccifer's claim of Romanian nationality, writing that "Analysts suspect but don't have hard evidence that Guccifer 2.0 is, in fact, part of one of the Russian groups who hacked the DNC" [emphasis added].

By the very end of Nakashima's June 20th dispatch, readers were informed that it is also possible "that someone else besides the Russians were inside the DNC's network and had access to the same documents."

None of the foregoing can come as a surprise, given that unproven allegations against both the Russian government and the Russian president have been a flourishing American media industry for several years. And if there can be said to be an industry leader, it is The Washington Post. In addition to its coverage, such as it was, of the DNC hack, the Post has published one story after another regarding Donald Trump's alleged affinity for, and

has published one story after another regarding Donald Trump's alleged affinity for, and ties to, the Russian Federation.

On June 17, the Post published a piece that purported to explore "Trump's financial ties to Russia and his unusual flattery of Vladimir Putin." The report alleged that Trump's "relationship with Putin and his warm views toward Russia" are "one of the more curious aspects of his presidential campaign," because "the overwhelming consensus among American political and national security leaders has held that Putin is a pariah." How the reporters square this with Secretary of State Kerry's regular meetings with Russia's foreign minister or President Obama's periodic phone conversations with the "pariah" himself was left to the reader's imagination.

Nevertheless, the report in guilt-by-association style warned readers that "Since the 1980s, Trump and his family members have made numerous trips to Moscow in search of business opportunities," thereby implying that Trump may be, after all, the Manchurian Candidate of the Post's fevered imagination. For all his many faults as a businessman, is Trump so different from other major American and Western business leaders in trying to pursue business opportunities in Russia? Who could imagine the Post holding, say William Browder's past business experiences in Russia against him?

Still more alarming, according to the Post, is that "The Russian ambassador to the United States, breaking from a tradition in which diplomats steer clear of domestic politics, attended Trump's April foreign policy speech" in Washington. The tradition they are referring to remains unclear, but if it exists, it is one that American ambassadors frequently break. For example, the US Ambassador to Ukraine, Geoffrey Pyatt, attended anti-government protests in Kiev alongside US Assistant Secretary of State Victoria Nuland in December 2013, while there are numerous reports of then-US Ambassador to Syria Robert S. Ford making appearances at anti-government rallies throughout Syria in 2011.

A day later, June 18, the Post published a piece by Ishaan Tharoor, who cited the previous day's Post report on the alleged affinity between Trump and Putin and noted that the "former reality TV star would perhaps also tacitly approve of some of Putin's other comments." Perhaps. Also. Tacitly. In the words of George W. Bush's CIA director, George Tenet, that's a "slam dunk."

Yet the Post is hardly alone in publishing undocumented and sensationalist pieces on Russia. The silliest example comes courtesy of the British newspaper The Telegraph, which, on June 21, wondered: "Is Vladimir Putin orchestrating Russian football hooligans to push Britain out of the EU?" The report, which was widely echoed in the United States, claimed that "Kremlin-orchestrated hooliganism isolates England and could lead to the national team's expulsion from the championship, adding symbolic fuel to the Brexit campaign." The authors provided zero evidence that the Kremlin "orchestrated" the football hooliganism (which was, at any rate, overwhelmingly of the English variety) that occurred in Lille during the European Football Championship.

Even before the results of the Brexit vote were known, journalists were making much of Russia's supposed involvement in the matter. Neocon scholar Max Boot took to the pages of-where else?-The Washington Post on June 19 to warn readers that "Nigel Farage, leader of the UK Independence Party and a leading pro-Brexit voice, has harsh words for Brussels but nothing but kind words for Moscow."

And following the Brexit vote, the media went into overdrive in trying to tie the result to the actions of the "operative in the Kremlin." A representative piece comes courtesy of the ever-jejune BuzzFeed, which declared "The Big Winner Of Brexit Is Vladimir Putin." Former US ambassador to Russia turned Washington Post columnist and Hillary Clinton foreign-policy adviser Michael McFaul told BuzzFeed that "Brexit's greatest winner is Putin." According to McFaul, "For years now, he has sought ways to divide Europe,

including both the EU and NATO, hoping for a collapse of unity in Europe just as the USSR and the Warsaw Pact did a quarter century ago."

Meanwhile, the UK's Guardian claimed Russia and, for good measure, Iran, were "delighted" by the Brexit result. But far from being "delighted," the Russian president repeatedly stated Russia's neutrality during the week preceding the vote and is quoted in the Guardian report as merely saying that the Brexit may have "positive and negative consequences" for Russia.

Meanwhile, in addition to its coverage of Kremlin-inspired football hooligans, The Telegraph published an article that enters into the realm of science fiction, claiming that "Russia aims to develop 'teleportation' in 20 years." Well, beam me up, Scotty. Yet the text of the Telegraph report says no such thing, only that a "strategic development program" has been "drawn up for Vladimir Putin" that "would seek to develop teleportation by 2035." Nowhere is it said that the Russian government is actually pursuing such a thing.

All of this would, of course, be amusing, if the geopolitical ramifications weren't so dire. The incessant barrage of factually challenged, evidence-free accusations that paint Russia and its president in the worst possible light have helped give rise to the perilous state of affairs in which we find ourselves.

And while Russia continues to support the separatist fighters in eastern Ukraine, NATO and American troops have been massing in western Ukraine on yet another "training exercise." Meanwhile, the forthcoming NATO summit in Warsaw is less than a week away. And though responsible voices like German Foreign Minister Frank-Walter Steinmeier have decried NATO's penchant for "warmongering," it seems the closer we get to the upcoming summit, the further divorced from reality the media's coverage of Russia becomes.

Misinformation from our media has eroded the possibility of any détente between the United States and Russia and has put the two nuclear superpowers on a collision course on the ground in eastern Europe, in the skies over Syria, and on the Baltic and Black Seas.

In times like these the public would be better served by less sensationalist, more fact-based coverage of Russia and its government.

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#2

Russia Direct

www.russia-direct.org

July 5, 2016

Russian experts discuss Brexit and Putin's visit to China

Monthly review of Russian think tanks: In June, top analysts focused on the Brexit referendum in Great Britain, the future prospects for Russian-Chinese relations and the changing nature of Russia-West relations.

By Anastasia Borik

Anastasia Borik is a Ph.D. student at the Moscow State Institute of International Relations (MGIMO-University). She has both journalist and diplomatic experience having worked as a Xinhua News Agency reporter (Moscow Bureau) and as a personal assistant of the Ambassador of the Russian Federation to the Republic of Colombia.

For Russian experts, the most discussed topic of June was the Brexit referendum in Great Britain. Almost no one predicted this result, with many Russian analysts experiencing great surprise that the British voted to leave the EU.

Experts also turned their attention to China and the high-profile meeting between Russian President Vladimir Putin and his Chinese counterpart Xi Jinping in Beijing, viewing this

official visit as a barometer of the current state of Russian-Chinese relations.

The shifting status of Russia's relations with the West also preoccupied the attention of Russia's top experts, who attempted to analyze whether Russia and the West were any closer to a compromise on key geopolitical issues.

The implications of Brexit for Russia

In connection with Brexit, Russian think tanks discussed the following questions: What will happen with the EU now? What are the implications for Great Britain itself? How does Moscow view the events occurring in London?

The EU and the UK have fallen victim to uncontrolled and thoughtless expansion, as well as an unprecedented migration crisis, according to professor Natalia Kapitonova of the Moscow State Institute for International Relations (MGIMO University). The British are tired of the endless stream of migrants coming from poorer EU countries and the influx of refugees from the Middle East, both of which they perceive as a threat.

The role of the British leadership, which went too far in its attempts to blackmail Brussels, also played an important role. The British did not anticipate such serious consequences of their actions. Kapitonova believes that Britain's exit from the EU could have a domino effect on Europe - even if it does not directly encourage other countries to leave, then, at the very least, it will have an impact on the development plans of the Union, and will substantially slow down the integration processes.

Nikolay Kaveshnikov, an expert at the Russian International Affairs Council (RIAC) and associate professor at MGIMO University, on the contrary, believes that the exit of the UK is unlikely to cause a domino effect, because in the EU, there are almost no other Eurosceptic countries that have the resources and political weight, outside of the integrated group, that can be compared with the UK.

The expert considered several possible Brexit consequences for the EU. Among them - the collapse of the ideology of integration, strengthening of intergovernmental relations to the detriment of supranational institutional relations, creation in the EU of a kind of "core" of the most important countries, and the formation of peripheral provincial parts of the EU, in which the least successful member states will find themselves.

Alexander Baunov of the Carnegie Moscow Center tried to explain why Brexit was so positively perceived in Russia. Russian officials were very careful when it came to talking about Britain's leaving the European Union, but no one doubts that the British vote was perceived positively in Russia.

For Moscow - which has never been able to engage in a productive dialogue with the Brussels bureaucracy that simultaneously tries to express the opinion of all and none - the idea of building bilateral relations with a sovereign state is much more preferable. This does not mean that Russia is hostile to the European integration project. Yet a fragmented Europe is conceptually clearer, because it corresponds to the Kremlin's goal of pursuing multi-polarity in modern international relations.

Fyodor Lukyanov, head of the Council on Foreign and Defense Policy (CFDP), believes that the exit of Great Britain from the EU threatens the existence of a "greater Europe." The expert also noted that, obviously in the EU, no one expected such an outcome, because the reactions coming from the major capitals were languid and ambiguous.

This only adds to the feeling that a turbulent period is coming to the European space, says Lukyanov. Likely awaiting Europe and the whole world is a new phase of a quest of national identity or "re-nationalization" because Brexit has proven that national interests can be

identity of re-nationalization, because Brexit has proven that national interests can be stronger and more important than ideological projects, even when they promise benefits for all.

Russian-Chinese relations and Russia's pivot to the East

In light of Russian President Vladimir Putin's visit to China on June 25-26, Russian experts actively discussed current relations between Moscow and Beijing, in particular the problem of equality in the partnership, as well as prospects for the formation of an alliance between the two countries.

Vasily Kashin, an expert on Asian affairs at RIAC, emphasized that Putin's recent visit was the most intense, in terms of both the practical content of the signed agreements and in terms of formation of the ideological content of the Russian-Chinese partnership. This ideological component is no less important than the numerous agreements signed in the economic and energy spheres.

China and Russia are increasingly on the same page when it comes to a vision of the modern world order, especially in matters of security and strategic stability, which both Moscow and Beijing regard as a broader concept than does Washington. A common position on issues of nuclear and information security is a big step forward, not only in bilateral relations, but also in the formation of a more harmonious system of international relations.

Alexander Gabuev, an expert with the CFDP and the Carnegie Moscow Center, analyzed the results of the first two years of Russia's "turn to the East." Gabuev stresses that many in Russia have become disillusioned with Moscow's new friend. As it turns out, to deal with the East is no easier, and sometimes even harder, than with the West. This disappointment, says the expert, is the result of initially too high expectations. In reality, a turn is being made to the East, but it is just going very slowly.

The main obstacle on this path is the coincidence of a number of adverse factors occurring simultaneously, including the slowdown in the Chinese economy, the worsening economic situation in Russia, and Western sanctions that restrict the opportunities of foreign capital coming into Russia. Gabuev also noted that Russia's endless attempts to define itself as a "younger brother" or an "older sister" of China must finally end, because these do not have any practical value, but only waste time and the intellectual resources needed for the development of cooperation.

Alexander Lukin, director of the Research Center for East Asian and SCO at MGIMO University, positively evaluated the results of Putin's visit to China, explaining that the trip has once again proven the viability of Russian foreign policy in the East. Lukin says that, despite the great skepticism that exists among Russian analysts when it comes to prospects of a Moscow-Beijing alliance, it is too early to judge the outcome of this "turn to the East." Serious efforts are still needed to further strengthen relations.

"Russia needs to work consistently in the Chinese direction, because in our partners in Beijing, we see a great desire for bilateral cooperation," said Lukin.

Russia-West relations and the new world order

Russian experts also discussed relations between the West and Russia within the context of problems of the new world order and international security. These experts firmly believe that further escalation of tensions is possible, and now is the time when countries need to take a breather and find new channels for dialogue.

Lukyanov believes that the main reason for the current amplification of tensions in relations between Russia and the West has a historical basis. The Cold War was not a real war,

and it did not end with a real peace settlement, in which the positions of the winners and losers would have been defined. The West considered Russia as a defeated and weak country and refused to consider its interests when it came to the construction of the new world order.

Russia, after failing in an attempt to obtain equal status, began to act aggressively "to the verge of brinkmanship," which determined the confrontational nature of the current relationship.

Lukyanov calls this a "fatal chain," which may well lead to a real escalation, despite the fact that the real systemic reasons for this do not exist. In such circumstances, the most important thing is to develop a procedure for enhanced dialogue, and Washington should seriously think about this, and no longer act according to the zero-sum logic of "winner vs. loser."

Leonid Gusev, an expert at MGIMO University, said that recently there has been a serious increase in the aggressiveness of the rhetoric coming from the U.S. towards Russia. Part of this rhetoric, in its spirit, even resembles the worst times of the Cold War. The analyst believes that this is directly related to the current presidential election campaign in the United States. Often, individual candidates use increasingly aggressive rhetoric to gain extra points in opinion polls, and Russia fits the bill perfectly here, says Gusev.

However, rationality and awareness of the need for cooperation are always more important than campaign speeches, when it comes to real politics.

"The rhetoric will likely soften, and the cooperation will continue. Still, no one really wants to return to the situation as it existed during the Cold War after 1946," sums up the analyst.

Alexey Arbatov of the Carnegie Moscow Center, in an extensive interview about the purpose and spirit of modern Russian foreign policy, noted that relations with the West, and in particular, with the United States, continue to be confrontational.

Officially, Russia has declared that the main enemy is international terrorism, but in Moscow, they do not forget about using anti-American rhetoric, accusing Washington of not only being responsible for the world's problems, but in making efforts to undermine the internal structure of Russia.

In this context, the expansion of confrontation is quite possible, and very dangerous, as it could lead to a large-scale armed conflict between Russia and NATO. Arbatov believes that the most important task for Moscow and Washington now is to avoid such a scenario at all costs, and this is what the political leadership of both countries should be working on.

The program director of RIAC, Ivan Timofeev, talked about the emerging new world order, which has already given birth to numerous conflicts and dilemmas - one of the main being the confrontation between Russia and the West. In Russia, this confrontation is seen as being systemic; as such, it requires an appropriate response.

However, there is a possibility that such an assessment is wrong, and in fact, the struggle in the spirit of "Realpolitik" will not determine the future of the new world order. Rather, a new image of the world will emerge from the solutions developed for individual regional "dilemmas," among which are included China's dilemma, India's dilemma, and the European Union's dilemma. Each of these problems will determine the vectors of development of the world, and Russia must be involved in this process, otherwise it is destined to play a marginal role in the new world order.

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#3

Russia Beyond the Headlines

www.rbth.ru

July 6, 2016

A gaffe too far: Russia's controversial children's rights ombudsman resigns

Pavel Astakhov, whose tactless and cynical comments made him deeply unpopular with many Russians and who came to international prominence for supporting the law banning foreigners from adopting Russian children, is to leave his post.

OLEG YEGOROV, RBTH

Pavel Astakhov, who has gained notoriety abroad for his active support of the law banning foreigners from adopting Russian children, is to step down. As children's rights ombudsman, Astakhov will be remembered for his frequent gaffes, the latest of which outraged hundreds of thousands of Russians.

The faux pas, which became the last straw and caused widespread outrage, occurred during Astakhov's meeting with survivors of a deadly boating accident on Lake Syamozero in Karelia, north of St. Petersburg, in which 14 children were killed.

Having come to visit the survivors in hospital, he greeted the children, who had been through a terrible ordeal, with a smile and a question: "Well then, how was your swim?"

This mixture of callousness and cynicism coming from a person whose job it is not only to understand children's problems but also to be able to find a common language with them and protect their interests disqualifies Astakhov from the post, his critics insist.

Was he pushed?

A petition asking Russian President Vladimir Putin to dismiss Astakhov appeared on the Change.org website on June 24 and collected over 150,000 signatures in a week. A source close to the Kremlin told the Vedomosti newspaper that it was strongly suggested to Astakhov that he should resign and this is what he did.

The news of the children's rights ombudsman's imminent departure has been confirmed by presidential press secretary Dmitry Peskov, who said that the president will sign a decree relieving Astakhov of his post when the latter returns from leave.

According to Valery Solovei, a political analyst and professor at Moscow State Institute of International Relations, Astakhov's embarrassing statements have made him "a major irritant for public opinion in Russia."

"In the run-up to the elections, when the [ruling] United Russia party has a very low rating, it is not in the authorities' interest, so they will be getting rid of everyone who is dragging them down, and Astakhov is an ideal candidate," said Solovei.

There is no-one, he continues, who would speak up for Astakhov: "He does not have extensive connections in the Kremlin. His is a figure that does not, in fact, have much influence, though he does receive a lot of publicity."

Shriveled women and Darwin Awards

In his time as children's rights ombudsman, Astakhov has more than once scandalized the public with his cynical remarks, widely at odds with the nature of his job. Below are some of the more striking examples:

In 2015, commenting on a wedding between a 17-year-old girl and a 47-year-old district

In 2010, commenting on a wedding between a 17-year-old girl and a 47-year-old district police chief in Chechnya, Astakhov said that it was normal because women in the Caucasus age faster: "There are places where women are already shriveled by the age of 27, and look about 50 to us," he said.

In April 2016, he made a callous comment in response to the news that a 13-year-old girl in Barnaul had been mauled by a tiger (according to Astakhov, the girl had been teasing the tiger): "Stupidity and hooliganism! The Darwin Awards [a tongue-in-cheek honor "presented" every year to those who contribute to the improvement of the human gene pool by being killed in the most stupid and reckless fashion] are weeping!"

In 2014, speaking about the prospects of introducing sex education classes for schoolchildren, Astakhov, known for his conservative views, said: "I am asked when we [in Russia] will introduce sex education. I reply: never."

In Astakhov's opinion, children should learn all they need to know about sex from Russian literature.

Astakhov has not been particularly receptive to criticism. In 2013, he explained that it was pedophiles who were seeking his resignation. Having learnt about the petition for his dismissal on Change.org, he said that it had been signed exclusively by bots and Ukrainians (the administration of the website denied this).

Advocate of the 'scoundrels' law'

Astakhov was one of the staunchest supporters of the so-called "Dima Yakovlev Law" passed by the State Duma in December 2012, banning U.S. citizens from adopting Russian children. The law was named after a Russian toddler who died in the U.S. through the negligence of his adoptive father.

The Russian opposition was extremely critical of the Dima Yakovlev Law, dubbing it the "scoundrels' law." Its critics pointed out that the bill affected children from orphanages who were deprived of an opportunity to find a family, albeit abroad.

Astakhov, however, supported the law, saying that he was opposed to foreign adoptions in principle: "It is humiliating for our country and puts it on a par with third-world countries," the ombudsman said, adding that the law should have been adopted earlier.

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#4

Intellinews.com

July 6, 2016

Poroshenko cultivates 'crony democracy' in post-revolution Ukraine

By Sergei Kuznetsov in Kyiv

"The fact that some lawmakers and parliamentary groups voted in favour does not provide them with any exemption from criminal investigations," Ukrainian President Petro Poroshenko told journalists in exasperation on June 3, a day after the parliament had adopted constitutional amendments on judicial reform.

Poroshenko had reason to be irritated. Immediately after the motion had been adopted, some lawmakers and experts voiced suspicions that the president had been forced to make backroom deals with oligarchs and former allies of ousted ex-president Viktor Yanukovich in order to secure the result.

Indeed, the motion was backed by 335 lawmakers, above the minimum 300 votes needed,

and the amendments were approved thanks to the pro-Russian Opposition Bloc, controlled by top-tier oligarchs Dmitry Firtash and Rinat Akhmetov, as well as former associates of Yanukovich from smaller parliamentary groups.

The Opposition Bloc faction, headed by Yuri Boyko, a controversial Yanukovich-era deputy prime minister, provided 38 votes in favour of the amendments. "Now it is clear why [Ukrainian prosecutor general Yuriy] Lutsenko is avoiding filing [to the parliament] an appeal to arrest Boyko," Serhiy Leshchenko, a lawmaker from Poroshenko's faction, noted in reaction to the motion.

Leshchenko stated that investigators from the Prosecutor General's Office had prepared such an appeal about a year ago, suspecting Boyko of participating in a criminal organisation that ran fraudulent schemes involving the liquefied natural gas projects of notorious Ukrainian gas oligarch Serhiy Kurchenko. However, the controversial former head of the prosecutor's office, Viktor Shokin, allegedly refused to sign the appeal and file it with parliament, Leshchenko claimed.

"Quid pro quo is the nature of Ukrainian politics: a favour for a favour," Andrei Marusov, chairman of Transparency International in Ukraine, tells bne IntelliNews. "This is confirmed by the fate of former members of [Yanukovich's] Party of Regions, against which there are criminal proceedings, and who are under reasonable suspicion over their involvement in corruption. But, for instance, Boyko has no worries."

Marusov believes that the administration of Poroshenko secured an unofficial agreement with the Opposition Bloc over its support for the important judicial reforms. Similar deals were apparently agreed with two other parliamentary groups: Vidrozhennia (Revival), which includes former associates of Yanukovich, and Volia Narodu (The People's Will), which was created mainly by representatives of local elites and businessmen tied to the gas industry.

"What will these lawmakers obtain in exchange? The law enforcement agencies are apparently turning a blind eye to investigations against them," Marusov accuses.

The Opposition Bloc is controlled by two very influential Ukrainian oligarchs - Akhmetov and Firtash - and any such agreements with Poroshenko and his team could only contribute to the improvement of their positions, which have been badly hit by the financial crisis, Russia's annexation of Crimea and a separatist uprising in the eastern regions of the country.

Firtash has two key figures in the Opposition Bloc: Boyko and Serhiy Lyovochkin, a businessman and former chief of staff under Yanukovich. Akhmetov relies on another senior figure in the party, businessman Borys Kolesnikov, who heads the party's shadow government, as well as Vadim Novinskiy, a co-owner of Akhmetov's mining and metallurgical holding Metinvest.

However, Leshchenko believes that the situation with Boyko's 'immunity' is more complicated. "Boyko is a part of the Viennese package [agreed] by Firtash, Poroshenko and [Kyiv mayor Vitaliy] Klitschko," the lawmaker said in parliament on June 13, pointing to one of the most controversial and secret aspects of Ukrainian politics in the past two years.

In April 2015, a court in Vienna refused to extradite Firtash to the US, where he was wanted for allegedly bribing Indian officials to gain mining licences. The Austrian court accepted the argument of Firtash and his lawyers that the US case was politically motivated, and aimed at removing the businessman from active participation in Ukrainian politics.

During the hearing, the businessman revealed that he had had a meeting with Poroshenko and Klitschko in Vienna, where he was under house arrest, on the eve of the 2014

and Klitschko in Vienna, where he was under house arrest, on the eve of the 2014 presidential election. The result of the meeting was that Klitschko, who was riding high in the polls, would withdraw his candidacy and instead support Poroshenko's bid to be president.

"We secured what we wanted: Poroshenko became president, Klitschko the Kyiv mayor," Firtash said in court, refusing to provide any details and citing a confidentiality agreement between the parties. The billionaire added that his main goal had been to prevent Yulia Tymoshenko, a former Ukrainian prime minister and bitter rival, from winning the election.

To this day it is unclear what actually transpired during the meeting in Vienna, in which Firtash's associate Lyovochkin also took part. However, both billionaires - Poroshenko and Firtash - apparently shared a rival in the form of Tymoshenko and this could be one of the reasons for their collaboration.

Poroshenko's antipathy toward Tymoshenko goes way back. According to a classified cable sent by the US ambassador in Ukraine, John Herbst, to Washington in 2006, Poroshenko "is clearly sparing no effort to pay her back for publicly tarring him as corrupt during the September 2005 struggle that led to Tymoshenko's ouster as prime minister and Poroshenko's resignation as NSDC [National Security and Defence council] secretary".

According to the same document, published by WikiLeaks, Ukraine's interior minister at the time told Herbst that he had been ordered by the prosecutor general, then a close ally of Poroshenko, to arrest Oleksandr Turchynov and Andriy Kozhemyakin, senior politicians in the Tymoshenko Bloc, for "illegally destroying the SBU security service files on the January [2006] gas deal with Russia and on organised crime figure Semion Mogilevich", who is on the list of the FBI's 10 most wanted.

Firtash and Boyko are not the only ones who have found a "common language" with Poroshenko and his administration. Akhmetov, the country's richest businessman, has recently secured badly needed preferences for his power and coal mining conglomerate DTEK.

Two months ago, Ukraine's utility sector regulator started to use a new methodology for calculating the tariffs for electricity supplied by Ukrainian coal-fired thermal power plants (TPPs). According to the methodology, the price of electricity sold by TPPs will cover in full the coal costs, calculated according to the API2 coal index (the CIF price of coal in Amsterdam-Rotterdam-Antwerp), plus the costs of coal delivery from Rotterdam to Ukrainian TPPs. This is extremely positive for DTEK, as the price has increased from UAH1,100-1,200 (\$44-48) per tonne to UAH1,400-1,500.

Perhaps not coincidentally, the National Utilities Regulatory Commission (NERC) is headed by Poroshenko's close associate Dmytro Vovk, the former manager of the president's Roshen confectionery corporation. "In contrast to his public statements, Poroshenko knows the Ukrainian political system perfectly well, and his actions are oriented at unofficial, non-public agreements under a quid pro quo principle," Marusov explains.

David Sakvarelidze, a former Ukrainian deputy prosecutor general, believes that the country's politics are ruled by "clan interests". "It's not a secret that the parliament and politics in Ukraine were always a business, or a status that provides an opportunity to reach business success," Sakvarelidze tells bne IntelliNews.

He adds that thanks to the Orange Revolution in 2004-05 and Euromaidan protests in 2013-14, people in Ukraine might have been able to change the authorities, but "were not able to change the bureaucracy - the names [of officials and politicians] are almost the same".

"And that is the main tragedy of the country," Sakvarelidze says.

How to pay for votes

The support of the controversial parliamentary groups Vidrozhennia and Volia Narodu has also been crucially important to the authorities at other times this year. Thanks to the four dozen votes provided by these groups, the parliament was able to approve Volodymyr Groysman as the new prime minister in April and Yuriy Lutsenko as the new prosecutor general in May.

Volodymyr Fesenko, head of the Kyiv-based think tank Penta Political Centre, describes Vidrozhennia as "some sort of political federation" that includes local elites and former politicians from ousted president Yanukovich's notorious Party of Regions.

According to the expert, the group's members are "allies" of Ukrainian oligarch Ihor Kolomoisky. However, Fesenko underlines that they are quite independent from Kolomoisky, pointing out that the group's head, businessman Vitaliy Khomutynnik, is a business partner of the oligarch, but not his "puppet".

In early May, Hennadiy Moskal, the governor of Transcarpathia region, accused Kyiv of "political bargaining" with Khomutynnik, as a result of which the authorities allegedly provided "control over [the region's] customs" to the lawmaker.

"This was a kind of payment for supporting Groysman's candidature for the post of prime minister, as well as further votes in favour of government-backed bills," Fesenko suggests.

Moreover, according to Moskal, Khomutynnik allegedly secured an agreement with the authorities for Roman Nasirov, head of the State Fiscal Service and a close associate of the lawmaker, to keep his current post.

"Indeed, there are rumours Vidrozhennia agreed that after the change of the Ukrainian government, Nasirov would not be dismissed," Fesenko says.

Moskal announced his resignation from the post of governor at the same time as making his explosive claim about Kyiv's dealmaking. However, a week later, after a series of high-level meetings in the capital, including with Poroshenko, the governor changed his mind and withdrew his previous accusations against Khomutynnik, citing a flawed source of information. The lawmaker's spokesperson refused to comment to bne IntelliNews.

"It is possible that agreements were reached [during recent parliamentary rounds] with some people over appointments, and with others over business issues," Fesenko says. "These agreements apparently differ in each particular case."

According to the expert, "strong business interests" are part and parcel of Ukrainian politics. "That is the nature of our young democracy - a significant proportion of political forces are connected to business," Fesenko underlines, adding that he doesn't expect this to change any time soon.

Trench warfare

The situation over the parliamentary group Volia Narodu, which has also contributed votes for recent high-profile appointments, looks more complicated.

Until recently, Leshchenko of the Poroshenko Bloc was convinced that some lawmakers from the group had strong ties to business schemes linked to the state-owned gas

company Ukrgezvydobuvannia, and that the government's support of these schemes would be some kind of reward for their votes.

In June, however, the country's law enforcement agencies accused the group's lawmaker Oleksandr Onyshchenko of creating a criminal organisation that was allegedly involved in the embezzlement of state-owned natural gas, produced with the participation of Ukrgezvydobuvannia.

The authorities suspect that the lawmaker siphoned off UAH1.6bn (\$64mn) from the state-run gas producer, and that he failed to pay UAH1.3bn (\$52mn) in royalties to the state budget. Onyshchenko denies any wrongdoing, but now faces 7-12 years in prison after parliament on July 5 sanctioned criminal proceedings against him.

Fesenko describes Onyshchenko as "a second-tier oligarch" and quite a remarkable figure in Ukrainian politics. "He was loyal to the president... However, Onyshchenko acted on the gas market using not very clear methods, quite rudely," the expert tells bne IntelliNews.

On June 29, the National Anti-Corruption Bureau of Ukraine (NABU) announced that they had detained an 11th suspected associate of the lawmaker allegedly involved in the embezzlement of state-owned natural gas. "What is the main issue that Onyshchenko failed to consider? NABU needs to demonstrate some results [of its work]. Everybody is awaiting high-profile arrests from the institution," Fesenko comments.

But for much of the old set-up of big business, it's business almost as usual. As an example, Marusov cites suspicions surrounding Akhmetov's continued monopoly of the Ukrainian energy market. "There are strong statements being made, but there are no real actions aimed at breaking this monopoly," he says.

Overall, current relations between Ukraine's authorities and the oligarchs are like "trench warfare", Marusov says: "This looks like the First World War: they are shelling each other, but the frontline remains unaltered."

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#5

Wall Street Journal

July 6, 2016

Putin's Press Propagandists

The point of Russian TV coverage of the Ukraine war, Arkady Ostrovsky points out, is not to report fighting but to ignite it.

By KAREN DAWISHA

Ms. Dawisha, the director of the Havighurst Center at Miami University in Ohio, is the author of "Putin's Kleptocracy: Who Owns Russia?"

THE INVENTION OF RUSSIA

By Arkady Ostrovsky

Viking, 374 pages, \$30

Russia today is ruled by the worst and least talented group of villains Russia has seen since before World War II. How did these men come to power? And how did the phenomenon of Putinisma come to pervade the psyche of the nation? In his bold new book, "The Invention of Russia," Arkady Ostrovsky blames not just systemic pressures from above, but also the cumulative effects of generations of genetic depletion-the survival of the least fit.

Homo soveticus, Mr. Ostrovsky observes, was "a negative selection process that first physically eliminated the best and the brightest and then nurtured doublethink suspicion

physically eliminated the best and the brightest and then nurtured doubt, suspicion, isolationism, and dependence and discouraged independence of thought and action." These days anyone who indulges in independent thinking leaves the country (like economist Sergei Guriev and hundreds of thousands of other professionals), ends up in prison (like Mikhail Khodorkovsky and countless other business owners whose firms are raided) or winds up dead (like opposition leader Boris Nemtsov or journalist Anna Politkovskaya). Those who remain in Russia are increasingly obliged to support the regime publicly, particularly in the film and TV industries where they now shoot (footage) to order.

The perspective of Mr. Ostrovsky is unique. A former Moscow correspondent for the Financial Times and currently of the Economist, he is no foreign correspondent but Russian by birth, the son of Soviet intelligentsia. His sparkling prose and deep analysis provide not only a sweeping tour d'horizon of Russia's malaise, but also a description of the process by which anti-modern ideas combine with postmodern actions to buttress the country's authoritarian and kleptocratic system.

Mr. Ostrovsky's main culprit in "The Invention of Russia" is the country's obedient media. Greatness, which the average Russian yearns for and is willing to sacrifice for, is fashioned out of whole cloth by television executives. The Sochi Opening Ceremony, for example, was not about the Olympics, but an opportunity for creator Konstantin Ernst to construct fairy-tale appeals to tradition, orthodoxy and strength.

Perhaps the most egregious example of TV's hallucinogenic effect on the Russian population was the entirely fabricated 2014 story of a 3-year old boy being crucified by Ukrainian forces in Slavyansk—an event Mr. Ostrovsky likens to "the same time-tested mechanism of arousing hatred . . . used in Jewish pogroms in prerevolutionary Russia." The point of Russian TV coverage of the Ukraine war, Mr. Ostrovsky rightly points out, is not to report fighting but to ignite it.

For Kremlin PR managers who control the media, writes Mr. Ostrovsky, "words and images no longer signaled reality; rather, reality was constructed to validate what had been seen" on television. In the process, in order to create the trope of the mighty Russian fortress, Russia's enemies needed to be endowed with unimaginable capability and perfidy. So after the Russian annexation of Crimea in 2014, Ukraine ceased being the broken country it was and became a neo-fascist bastion of NATO aspirations. The Euromaidan toppling of the Yanukovich regime could not be portrayed as actions by the Ukrainian population itself, but had to be constructed as an evil plot conducted by that angel of darkness, State Department Assistant Secretary of State Victoria Nuland. Above all, it was necessary to deny that the Ukrainian uprising had arisen organically, given that the same process was being so rigorously suppressed in Russia.

The smallest missteps reveal the fragility of the house of cards the Putin machine has constructed. In late May of this year, Prime Minister Dmitry Medvedev apologized on live TV to a pensioner badgering him about reduced pensions, explaining that "the government has no money." This created a media sensation, not least because this pathetic display took place at the same time that the Panama Papers revealed that a Vladimir Putin crony, cellist Sergei Roldugin, had set up offshore accounts that received \$2 billion in unsecured loans from a state bank. When the financial newspaper RBC devoted coverage to these revelations, the editors were forced to resign, even as Mr. Putin covered for Roldugin by claiming his friend was "interested only in musical instruments." No one believed it, but everyone united in their cynicism to await, in a derivation of the Soviet practice, what the official li(n)e would be.

It is clear that Mr. Ostrovsky's blistering indictment of this phony reality can have several outcomes. Putinisma can morph into one long parody, in which jokes about Kremlin bureaucrats and corrupt boyars ultimately affect Mr. Putin's standing. In early June, Twitter shamefully took down all the Kremlin parody accounts, some say after pressure from

Kremlin trolls, including one directed at Mr. Putin himself: @DarthPutinKGB. Social media exploded, protesting Twitter censorship. By the time the accounts were reinstated, thousands more had started following them, showing that on the battlefield of falsehood, the Kremlin might lose against the mighty foe of memes.

But the simulacrum that Mr. Ostrovsky so brilliantly punctures can also morph into its own hyperreality. The more the West treats Russia as threatening, the more the Kremlin can use the West's own actions to bolster its fraudulent version of reality. When TV show host Dmitry Kisilev devotes week after week to programs full of bluster about how many hours and days it would take for Russian forces to reach the Baltic states, Kiev, Warsaw and Berlin, his rants would be regarded as ridiculous, were it not for the small problems of nuclear weapons and Russian actions in Georgia, Ukraine and Syria.

Had Russia not launched a war in Ukraine, all this might be dismissed as mere magical realism. But Mr. Ostrovsky was in Crimea when Russia took over the peninsula and recounts how many locals attested that they had seen the Ukrainian neo-fascists on TV and so they must exist. The West would do well to remember Churchill's warning that tomorrow's empires are today's ideas-or at least their TV programs.

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#6

Moscow Times

July 5, 2016

Russia's Slow and Hesitant 'Purges' Mask Policy Void

By Mark Galeotti

Mark Galeotti is professor of global affairs at New York University and expert in Russian security services.

There have been arrests and releases, petty prosecutions and sensible legal revisions. The overall trend in Russia may be toward a tougher line on potential dissent, but the path is a faltering, unclear one. Rather than Machiavellian subtlety this reflects the very absence of specific policy, generating a competition to fill the gap and opportunities for personal and institutional gain.

On the debit side of the balance sheet, Kirov region governor Nikita Belykh and Sergei Fedotov of the music industry's collecting agency RAO have been arrested on corruption charges. The 'Yarovaya Laws,' named after hardline lawmaker Irina Yarovaya, proposing new powers of surveillance and repression, is currently passing through the legislature.

Meanwhile, in the latest skirmish in Moscow's war against disrespectful social media, one Vladimir Luzgin from Perm has been fined 200,000 rubles (\$3,100) for reposting an article on Vkontakte questioning the official line on the Nazi-Soviet partition of Poland in 1939. And, in what is either a piece of Orwellian over-surveillance or a willful bid to kill off the country's tourism industry, the Culture Ministry is proposing that hotels should search their guests' luggage and fit cameras into every hallway.

No wonder people are raising the specter of Soviet leader Josef Stalin, but if this is the start of a new round of purges, it is a strangely incoherent and even hesitant one.

Dmitry Kamenshchik, embattled owner of Domodedovo Airport, has been released from what looked like a political-piratical house arrest. Yarovaya's laws, far from being rubber-stamped - as tends to happen with those considered "Kremlin bills" - has instead been diluted and still faces resistance from usually-compliant telecommunications companies. Meanwhile, there is still no clear sense of the red lines people need to avoid crossing.

This is no way to run a proper purge.

There has been no new directive from the Kremlin. Instead, there are ambiguous signals of a concern about the risks of mass protest and elite disloyalty, to which individuals and agencies have scrambled to respond as they think - hope - President Vladimir Putin would want.

To an extent, this is an end in itself, the latest mise-en-scène in the Kremlin's theater of terror, a drama intended to cow those Russians thinking of making trouble, without all the blood and hassle of actual terror.

However, in the usual way, this has also encouraged a motley and often unpleasant array of individuals, institutions and factions to leap forward in a flurry of activity.

For some, it is an opportunity to put forward policies in the hope the Kremlin will adopt them. This is how much of Russian policy-making works these days: not produced by a secretive cabal so much as shopped around in a marketplace of ideas - in the media, in the Duma, in action - in the hope to find a buyer in the Kremlin.

For others, and sometimes at the same time, it is an opportunity for more direct advancement, institutional or purely personal.

Irina Yarovaya, proponent of the current piece of repressive legislation, is a long-term ally of the Federal Security Service (FSB), for example. Her laws not only serve to expand its powers, they also consolidate its role as Russia's foremost eavesdroppers.

This comes, after all, at a time when the FSB's political security role is being encroached on by the National Guard (how long before it starts lobbying for its own intelligence arm?) and the FSO, the Federal Guard Service (which also has a communications intercept capability). Meanwhile, its infamous Economic Security Service has just suffered a bloodletting that has opened up lucrative new opportunities for some of its rivals.

Alexander Bastrykin of the Investigative Committee has issued a manifesto for the creation of an "ideological policy of the state," looking to make himself the high priest of Putinism. The FSO is quietly colonizing more and more senior positions with its veterans. Everyone is using the Kremlin's new alarmism for their own advantage.

This is not confined to Moscow or the big players. Many of the more petty actions - such as Luzgin's prosecution for a report only seen by 20 people across the country, or the spate of visa-related harassments of foreigners in Nizhny Novgorod - smack of local initiative, not central decree.

On the surface, this mood of competitive coercion serves Putin every bit as well as a more coordinated campaign. It keeps spooks and prosecutors busy, and potential targets fearful and divided. Meanwhile, any individual case can be closed or reversed as and when the government wants.

However, there are deeper risks for the Kremlin. It is a good way to instill fear, a poor one to win loyalty. The structures of the state become covertly privatized. As "raiding" returns to the fore, no one wants to set up businesses or leave money in the country.

More to the point, it suggests a moral cowardice and a paucity of ideas at the heart of government. With the Kremlin as unwilling wholeheartedly to repress as to reform, the slow, debilitating slide into irrelevance continues.

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#7

German Marshall Fund of the United States

www.gmfus.org

June 30, 2016

Russian Elites are Worried: The Unpredictability of Putinism

By Marie Mendras

Marie Mendras is a senior fellow at the Transatlantic Academy and professor at the Paris School of International Affairs,

Sciences Po, in Paris. She is also a researcher with the Centre National de la Recherche Scientifique (CNRS) and an associate

fellow of the Russia and Eurasia Programme at Chatham House in London.

[Full text here <http://www.gmfus.org/publications/russian-elites-are-worried-unpredictability-putinism>]

Russian elites are worried. The economic recession, Western sanctions, and semi-isolation are endangering the personal and professional interests of most of the upper middle classes, scientific and cultural elites, top-ranking administrators, and small and medium entrepreneurs. The new confrontational course in relations with Western countries undermines the Putin leadership's "contract" with elites and the middle class: enrich yourselves and leave the rest to us. The good years are over. Even a rise in oil prices will not ensure return to steady growth and higher salaries anytime soon.

Do new uncertainties have an impact on elites' submission to the regime? Most of them remain loyal so far, but nonetheless do not trust Putin's confrontational strategy. They have much to lose from more domestic agitation and estrangement from Western economies. Temporary exile is another response; the number of the elites settled in Western countries and in Ukraine should preoccupy the regime. Political protest and economic resistance may gain momentum inside Russia.

The hyper-nationalist propaganda creates fear, xenophobia, and populist retrenchment in a large section of the public, but this hysteria may be short-lived. People's emotions are volatile and Russia is a diverse and uneven country, struggling with social inequalities nationwide and insecurity in the North Caucasus. High ratings for Putin in opinion polls are abundantly publicized to veil rising anxiety in upper echelons of society.

Elites beyond Putin's inner circle are excluded from the decision-making. They cannot express their opinions publicly about armed engagement in Ukraine and Syria, nor are they consulted about political legislation or economic choices. Power rests in the inner circle and the siloviki.

In struggling against the new odds, the Russian leadership is using three major instruments: foreign policy adventurism and nationalist propaganda; economic emergency plans that prioritize of investment and spending in the immediately lucrative sectors of hydrocarbons, the arms industry, and agro-business; and semi-autarchy, served by repression, corruption, and intense media and Internet control.

Foreign policy as a distraction from domestic stagnation is a dangerous tactic; so is domestic retrenchment that alienates the most dynamic, innovative, and productive elements of elites and society. Western governments will continue to negotiate with the current leadership, but should also engage with alternative elites.

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#8

Financial Times

July 5, 2016

Still mourning their own empire. Russians delight at Brexit

UK's vote seen as a rejection of Europe's political establishment that vindicates Moscow
Kathrin Hille in Moscow

When Sergei Lavrov attended a lunch with EU ambassadors last week, the Russian foreign minister could not resist making a joke at his hosts' expense. Once Brexit was completed, Mr Lavrov quipped, "the EU will have only one vote left in the UN Security Council".

His lunch mates might have struggled to appreciate his humour, but Mr Lavrov's remark hinted at the giddy mood among Moscow's political elite following Britain's shock vote and the hard times befalling the EU, a geopolitical rival whose growth, many Russians believe, has long come at their expense.

"Of course, there are more than a few people here that feel schadenfreude right now," says Fyodor Lukyanov, chairman of the Council on Foreign and Defense Policy in Moscow.

Above all, many Russians view the British vote as a popular rejection of Europe's political establishment that vindicates Moscow.

For most of President Vladimir Putin's 16 years in power, European politicians have criticised his crackdown on civil liberties and accused him of undermining democracy. Their disagreements spiralled into an open stand-off when European governments threw their support behind Ukraine's Maidan revolution, an uprising Mr Putin denounced as a western-backed coup. For more than two years, the west has punished Russia with economic sanctions.

"It is important for the leadership in Russia to see their view of the world, their view of Europe - European values, an ideal Europe - vindicated," says Andrei Kortunov, director-general of the Russian International Affairs Council.

Citing German chancellor Angela Merkel's famous remark at the height of the Ukraine crisis that Mr Putin was "living in another world", Mr Kortunov says: "Merkel could still say that about him, but he could reply: 'Yes, I do live in a different world, but my world is more real than yours.' His view of the world can't be simply dismissed any more."

Even before Ukraine, Mr Putin and many others in Russia recoiled from modern Europe in puzzlement - even disgust. In their view, the continent had abandoned such traditional values as national pride, respect for law and order, Christianity and the family for the sake of excessive tolerance and diversity.

Some in Moscow now hope the Brexit vote is a harbinger of political shifts in Europe that will empower populist forces more sympathetic to Mr Putin's world view. One example is Marine Le Pen, the leader of France's far-right National Front and a Putin admirer.

"It's obvious that all changes now, be it in France or Germany or elsewhere, will be much more in favour of Russia," Mr Lukyanov says.

Beyond the strategic benefits, there may also be an emotional dimension to Brexit. For those Russians who lived through the collapse of the Soviet Union - an event that Mr Putin has called the greatest catastrophe of the 20th century - the first sign of the EU's fragmentation resonates deeply.

"That's the real context in which Putinists see Brexit: the break-up of the Soviet Union robbed them of their empire and exposed them [to] a constant loss of global power, and now they think the same might happen to Britain or even the entire EU," said a European diplomat in Moscow.

Perhaps with that in mind, Mr Lukyanov and other foreign policy experts worry about the consequences for Russia of an EU in turmoil.

"Decision mechanisms could become so dysfunctional that they can't even get their act together to lift sanctions against Russia," he warns.

For now, Moscow is trying to exploit Europe's sense of crisis, if ever so subtly. While EU governments scramble to deal with the Brexit aftermath, Mr Putin has started a push for rapprochement between Russia and Europe. On Friday, Vladimir Yakunin, one of his longest-running associates, launched a think-tank in Berlin that he says will focus on fostering a dialogue of civilisations. Mr Yakunin suggests that the Soviet experience of running a multi-ethnic country is one topic that could provide valuable lessons for an EU struggling with migration.

"Right here in central Europe we see the appearance of phenomena that create colossal tension all over the world: terrorism, xenophobia, extremism," Mr Yakunin says. "From that perspective, the experience of Russia might be in demand."

Moscow also dreams of one day linking the EU to Mr Putin's own customs union pet project, the Eurasian Economic Union. Last month at the St Petersburg International Economic Forum, European Commission president Jean-Claude Juncker found himself sharing a panel with Tigran Sargsyan, chairman of the board of the Eurasian Economic Commission, for the first time.

Diplomats said if Mr Sargsyan's presence had been announced beforehand, Mr Juncker might have been forced to pull out because the EU does not want to enter into talks with the EEU until the Minsk agreement on the regulation of the Ukraine crisis is fully implemented. "It was a victory for Putin, although a typical Russian victory in that it leads nowhere," said an EU diplomat.

But in the short term, Moscow's most palpable hope is that Britain's waning influence will strengthen those in the EU who want to gradually lift sanctions. With staunch UK support, Angela Merkel, the German chancellor, rallied support last month to extend the blockade for another six months.

"The coalition of concerned nations, which always pushed hard for sanctions, is now decapitated," says Alexander Rahr, a prominent Russia expert at the German-Russian Forum, a Russia-friendly dialogue platform in Berlin. "Maybe after Brexit, Merkel might feel more at ease to pursue a softer line."

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#9

Russia Without BS

<https://nobsrussia.com>

July 5, 2016

How Kremlin propaganda (doesn't) work

By Jim Kovpak

[Video here <https://nobsrussia.com/2016/07/05/how-kremlin-propaganda-doesnt-work/>]

Many readers no doubt remember the massive volcano of buttrage that erupted in Russia after Turkish F-16s shot down a Russian Su24 that had allegedly violated Turkey's airspace (this turned out to be highly specious). Almost immediately thereafter, Russia's consumer watchdogs suddenly "discovered" contamination in Turkish chicken imports. Russia's media made even more shocking "discoveries." For example, they suddenly found out that the Turkish government had been collaborating with ISIS, something that had been well known in many circles for at least a year, including December of 2014 when

had been well-known in many circles for at least a year, including December of 2014 when Putin visited Turkey and announced the construction of a new gas pipeline (which promptly fell flat). Barely a month after the shoot-down Sputnik News "discovered" that there were at least 100 Turkish mercenaries fighting on the Ukrainian side in the Donbas. Their source? The ever trustworthy "Donetsk People's Republic" press secretary Basurin, whose word is apparently good enough for Sputnik.

Among the many passive-aggressive means used to get revenge on Turkey was a ban on package tours to the country. For those who don't know, along with Egypt's Sinai peninsula, Turkey has long been one of the most popular tourist destinations for Russians, so much so that one resort in Antalya actually has a mock-up of St. Basil's Cathedral next to its swimming pool. In better times, such package tours were widely accessible. After a recent reconciliation of sorts between Russian fun-size dictator Putin and Turkish litigious dictator Recep Tayyip Erdoğan, the ban on package tours to Turkey was lifted.

Of course the Russian public wasn't going to buy into this. They would not soon forget Turkey's "stab in the back," the latest in a series of slights and crimes dating back centuries. No, Russia's public doesn't trade national pride and patriotism for a cheap package tour. That's why the bulk of Russia's tourists chose to visit the Crimea instead...

Just kidding! Three days after the ban on Turkish package tours was been lifted, Russians made Turkey the number one Russian tourist destination. Sales are reported to have started immediately after Putin approved the lifting of the ban. I'm sure the Turkish tourism industry is happy to take Russian money, but on the flip side it means they'll once again have to deal with more of this:

If you don't speak Russian, well, let's just say the general tone of the conversation was not good.

Back to the topic at hand, I noticed some fellow writers on Twitter seemed a bit perplexed by the 180 on Turkey. One of them considered it a tribute to the Russian state media that it can apparently make people who previously loved Turkey hate it, then forgive it and fork over their money to the Turks by the wheelbarrow. While acknowledging that there is indeed a lesson about Russian media efficacy here, I must respectfully disagree. It's not that the media manipulated Russians into thinking one way and then another, but rather Russians never fully bought into the anti-Turkish hate to begin with, or at least not enough to actually modify their behavior accordingly. That is to say that had there been no ban on Turkish package tours this whole time, Russian tourists would probably have continued to visit the country without any noticeable changes. This, in spite of what many of them might say about Turkey when asked about politics.

Supposedly a holdover from the Soviet era, many Russians have mastered the art of saying one thing and doing another. For example, you say you are a patriot and then use your state position to skim off wealth for yourself, which you then turn around and hand over to Western corporations or real estate agents. Or if you're an ordinary person, it might mean cursing Turkey in public while taking your entire family there on a package tour. Personally I don't buy into this being an exclusively Russian trait, but it's just that some folks here seem to have refined it into an art form.

Another thing to consider is that when you see public outpourings of rage against a certain country or group, the participants are often paid and the event is organized by someone with ties to the state. If you're reading Russian-language commentary on social media, there's a chance you could be reading the words of a troll farm worker. You can certainly hear many of the media's talking points regurgitated by people on the street, but it's typically not as widespread as you might think it is if you were looking at the internet. The fact is that most Russians actually don't care about politics at all. I doubt any were totally unfazed by the destruction of a Russian jet and the killing of one of its pilots, but few get

upset enough to deny themselves one of the few pleasures left to many Russians today.

So when considering the role of the media in Russian society, while it certainly is true that propaganda shapes politics and public opinion, if the regime wants action from anybody it needs to pay. More importantly, one shouldn't assume that Russians actually believe the kind of nonsense their TV puts out. If anything it's the opposite- they don't believe any media at all. Sometimes you'll hear Russian media figures tacitly admit to making propaganda, but then they'll say the "Western media" does it too. Only those Russians who can access that foreign media are able to dispute that. Overall, "you can't really know what's true" isn't a great slogan to mobilize people to action, but it certainly works when you want to keep people confused, cynical, and generally non-trusting towards each other.

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#10

Atlantic Council

July 5, 2016

NATO Should Stand Up Black Sea Command Before It's Too Late

BY ARIEL COHEN

Ariel Cohen is a nonresident senior fellow at the Dinu Patriciu Eurasia Center and the Global Energy Center at the Atlantic Council.

At its summit in Warsaw on July 8 and 9, NATO should take urgent steps to protect its allies and partners on its southeastern flank. Bulgaria, Romania, and Turkey, as well as Ukraine and Georgia, are all under severe pressure from Russia and require NATO assistance.

Stephen Blank has urged NATO to pay more attention to the Black Sea at the Warsaw Summit, and he is correct. But, he doesn't go far enough. The Alliance must focus on a range of actions to address Russia's rapidly escalating offensive posture in the Black Sea and protect its allies-including reinforcing air, naval, and ground assets; improving space capabilities; cyber security; reconnaissance; intelligence; and creating credible deterrence strategies.

Russian forces first destroyed naval units of a Black Sea neighbor-Georgia-during the war in August of 2008. However, Russia's annexation of the Crimean Peninsula and capture of a majority of the Ukrainian navy in the spring of 2014 altered the balance of power in the region. Moscow then embarked on its traditional policy in the Black Sea: build up military power to intimidate neighbors, threaten NATO's southeastern flank, and project power into the Mediterranean.

In 2015, Russia's formerly decrepit Black Sea Fleet was reinforced by thirty ships, including three Varshavianka-class diesel electric submarines, and vessels capable of launching Kaliber-class long-range cruise missiles-the same missiles fired into Syria from the Caspian and the Mediterranean seas.

Today, Russia's Bastion and Kaliber missile deployments, thirty multipurpose naval aviation jets, and long-range bombers capable of carrying nuclear-armed cruise missiles, represent a clear and present danger to NATO members. That arsenal is complemented by naval infantry, air assault, and Special Operations units.

Russia's missile attacks and air deployment and operations in Syria have demonstrated how exposed Turkey-the principal NATO ally in the Black Sea region-has become. After the recent Istanbul airport attack, Turkey appears even more exposed. Bulgaria and Romania, as well as NATO aspirants Georgia and Ukraine, have called for boosting the Alliance's presence and posture there for a long time. Turkey has reached out to Ukraine

and has urged NATO to raise its profile in the Black Sea.

Time to act

NATO possesses economic and technological superiority over Russia. That does not translate into a regional military superiority that is sufficient to deter Russia. NATO lacks an adequate policy, force structure, coordination, and command and control system in the Black Sea region.

The Montreux Convention, signed in 1936, outlines the tonnage of non-Black Sea warships allowed in the sea, limiting their presence in the area to twenty-one days. To date, only small contingents of US and allied NATO ships have visited the Black Sea for even limited exercises and deployments, such as those that occurred in April this year. Russian aircraft buzzed these ships.

While the obsolete navies of Bulgaria and Romania have undertaken some modernization efforts, their naval, missile, and air force systems ultimately remain unprepared. A coherent NATO policy is needed to stand up a joint deterrent force to prevent future Russian aggression. Turkey has to play a pivotal role in this defensive realignment, which aims to protect NATO members and partners from Moscow's adventurism.

The NATO Black Sea command

To achieve the goal of securing the Black Sea arena, NATO needs to accomplish a number of tasks. These include:

Establish a regional command capable of coordinating all defensive activities in the theater. This joint command should include the three NATO members in the area-Bulgaria, Romania, and Turkey-and eventually NATO aspirants Georgia and Ukraine. This command should be reinforced by principal NATO powers, including France, Germany, Italy, the United States, and the United Kingdom;

Protect and defend the proposed command to ensure survivability in wartime, and develop adequate electronic means of reconnaissance and communication, including access to space assets;

Deploy missile defense capabilities to protect allied military bases and high-value assets;

Provide surface-to-surface, surface-to-ship, ship-to-ship, and air defense missile deployments that are able to neutralize the recent Russian buildup; also, boost anti-submarine capabilities and tracking;

Encourage Turkey's redeployment of its naval assets from the Mediterranean to the Black Sea, while increasing NATO allied deployment to the Eastern Mediterranean;

Provide Turkey with Patriot or other anti-air missile deployments to protect it from Russian air incursions;

Reflag some NATO naval assets under the three Black Sea members' flags to boost permanent naval capabilities in the theater;

Speed up training of NATO allies and partners to increase their capacity and interoperability;

Increase intelligence collection in the region, targeting Russian military deployments, intentions, and capabilities;

Increase cyber defense and intelligence deployments.

Action at the Warsaw NATO Summit

In Warsaw, NATO needs to reestablish the Alliance's credibility, capabilities, coordination, and deterrence efforts in the Black Sea. This should all occur prior to the security dialogue that, one hopes, will eventually take place with Moscow-after it comes down from the tree of truculence it climbed in 2014.

The Black Sea is a sensitive, vital, and somewhat neglected region that Russia has attempted to dominate since the last quarter of the eighteenth century, when Catherine the Great and Grigory Potemkin controlled its northern shores and occupied Crimea.

Today, NATO can prevent Russia from dominating the Black Sea, but it must take the necessary steps of building a joint command structure and deploying critical deterrence assets and capabilities. It also has to develop a clear strategy to contain and deter Russia. Only then can NATO protect its allies and keep the Black Sea a sea of tranquility.

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#11

The American Interest

www.the-american-interest.com

July 5, 2016

Old Guard Billionaire to Leave Sinking Russian Ship

By KARINA ORLOVA

Mikhail Prokhorov, 51, one of Russia's wealthiest tycoons (number 14 on Forbes' list of the richest Russians), is selling his business assets in Russia. Prokhorov's Oneksim Group is looking for buyers directly and is not using middlemen, Vedomosti reports, citing several sources inside the group.

Oneksim owns a 17.2 percent stake of the aluminum giant UC Rusal, 27 percent of the Russian fertilizer producer Uralkali, 83.3 percent of the OPIN real estate development company, 75 percent of the Quadra joint-stock company focusing on power generation, 50 percent of Optogan, an LED manufacturer, and 100 percent of Renaissance Capital Bank, Renaissance Credit Bank, Soglasie insurance company, and the Snob and RBC media holding companies. In addition, Oneksim has a 19.7 percent stake in the International Financial Club joint-stock bank (MFK), in which Prokhorov also personally has a 27.7 percent stake.

Prokhorov has been trying to sell parts of his holdings for a while now. Oneksim was going to sell Uralkali a year ago, and Quadra, Soglasie and Renaissance Credit have been looking for buyers for a couple of years. This is different.

On April 14th, while Vladimir Putin was hosting his annual nationwide call-in show, the FSB searched Oneksim's headquarters in Moscow, as well as the offices of all three of the banks the group owns. 200 officers of the FSB and the Federal Tax Service were deployed in the raid. Russian media linked the raids to Putin's displeasure with the reporting that Prokhorov's independent RBC was doing on Putin's daughter's vast wealth and stratospheric rise in academia, as well as to the company's ongoing investigations into the Panama Papers.

The FSB, however, explained that the searches were due to criminal investigations into the troubled Tavrishesky Bank, which had had its operating license revoked by the Russian Central Bank due to capitalization problems. Prokhorov's MFK was chosen as the chief investor in Tavrishesky's resolution proceedings in March of last year. A few months later, in September, two former executives of Tavrishesky were detained under suspicion of illegally withdrawing \$6 million abroad.

It's true that RBC's editorial board was purged less than a month after the searches, and Prokhorov is in fact said to be looking for a buyer for his media companies. But as it turns out, all that was due to a parallel line of pressure coming from the Kremlin. In the case of the raids against Oneksim, the FSB was telling the truth: those raids really had nothing to

do with RBC.

The Tavrichesky criminal investigation was not the only attack on Prokhorov's business interests. In April of this year, MFK's depositors suddenly withdrew 10 billion rubles (\$151 million) from the bank. As Vedomosti reported, both corporate and private clients emptied their accounts according to the bank's records. Renaissance Credit Bank also lost deposits totaling 3 billion rubles (\$46 million) in April. MFK declined to officially comment, and Russian media proceeded to connect the mass deposit outflow from Prokhorov's bank with April's FSB searches. This, however, could not be the real reason for the capital flight, because in April, Renaissance Credit was positioned much higher than MFK in Russia's official bank rankings (Renaissance Credit was ranked 60, compared to MFK's 71, meaning it is significantly larger measured by net assets). Yet it suffered much smaller losses. This suggests MFK's losses were in fact not due to a public panic triggered by the news of the raids (which would have affected both banks proportionately), but rather by something else.

This is not the first time that a large Russian bank has suffered a sudden mass outflow of deposits in recent history. In October of 2015, depositors withdrew 15.6 billion rubles (around 3 percent of all deposits) from Alfa Bank, the 7th largest bank in Russia. The capital flight occurred right after the bank had been compromised by mysterious hackers, who proceeded to send the following text message to its clients: "From pretty reliable sources: Alfa Bank shareholders have withdrawn their assets from the bank-and out of the country." The aftermath of the attack was also odd: The bank's representatives denied that there was any connection between the capital outflows and the hacks, and instead tried to explain away the deposit outflow as being due to currency fluctuations. Reports were filed with law enforcement agencies, but no further action was taken. Alfa Bank's founder and part-owner, Mikhail Fridman, is known to be a ruthless businessman. Had it been a competitor, Fridman would not have hesitated to retaliate.

To understand what is going on, it's important to remember that the FSB's Directorate K-officially known as the "Counterintelligence Department for Securing the Financial-Credit Sector of the Economic Security Service of the FSB"-is responsible for overseeing Russia's financial sector. As such, it has been able to shake down that part of the economy for hundreds of millions of dollars each year. The FSB frequently arrests bankers and businessmen on trumped-up charges and demands its unfair share of their businesses. But it does not necessarily need to go that far. It's quite possible that unanticipated, mysterious bank runs are being used to send a signal to owners: "Come and make a deal with us, and everything will be fine."

Apparently, Fridman managed to come to some sort of working arrangement. Prokhorov, who has always had a reputation as someone with clear exit strategies, appears to have realized that it is time to go.

As we noted last week, there is a huge ongoing fight inside the FSB, between the organization's Directorate K and its 6th Service. The former has made substantial inroads into the latter's bank "regulation" racket, and as Novaya Gazeta describes it, is now signaling that all previous arrangements will need to be renegotiated. The fallout in the business community is already substantial, and will probably get worse. In a kleptocratic, militarized state such as modern Russia, running a business is increasingly becoming impossible. Money doesn't give one power in today's Russia. Rather, as Bill Browder, the vigilante investor behind the Magnitsky Act, explained to us a few weeks ago, "Power goes to the people who have the power to arrest other people."

Putin's regime has started to eat even those who have always been its loyal courtesans. Prokhorov, who came up in Yeltsin's time, dutifully headed the spoiler Just Cause party in the 2011 Duma elections, and even played the role of the officially sanctioned "opposition" by running against Putin in the 2012 presidential elections. None of this has made him

by running against Putin in the 2012 presidential elections. None of this has made him untouchable. Prokhorov is now abandoning his Russian businesses, and probably Russia too.

Outside the country Prokhorov owns 100% of the Brooklyn Nets, which he acquired in 2010.

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#12

Subject: Re: 2016-#123-Johnson's Russia List. (re Breedlove)

Date: Tue, 5 Jul 2016 15:00:17 -0400

From: (b) (6)

Re: 2016-#123-Johnson's Russia List, 4. The Intercept: Hacked Emails Reveal NATO General Plotting Against Obama on Russia Policy. (Breedlove) 5. www.rt.com: Breedlove's war: Emails show ex-NATO general plotting US conflict with Russia.

Here we go again, into the fantasyland of anti-Russian conspiracies. No "plotting" against Russia is shown in these articles, nothing to justify their breathless headlines and tone. Just a perfectly normal practice of General Breedlove asking people - the people he could be expected to ask in DC - how in the world he could get his relatively hardline view on Ukraine through to the Obama Administration.

Breedlove's sincere despair about the Administration's views and attitudes shines through plainly, even in these conspiracy-style accounts. The people he is shown consulting with, written up in a manner that is supposed to strike fear in us readers, are mainstream, and, last I knew of most of them, rather moderate.

There's Harlan Ullman, who is with the old antiwar and pro-disarmament business group BENS as well as being with the Atlantic Council and an adviser to the SACEUR. Are we supposed to believe there is something wrong about the SACEUR consulting one of his advisers on how better to get his views through the White House's viewpoint barriers? (and he didn't get much help or encouragement, from what the article says).

Then there's the Potomac Foundation, which will come as a mystery to most people. I knew it in the 1990-93 period as a small non-profit drawing on defense and defense industry people. Back then, its most active person on Russian affairs seemed to be Phil Petersen. Phil was in DOD for some time and took a warmly welcoming line to Gorbachev, and subsequently Yeltsin. He had been critical of his superiors at the Pentagon, and more broadly of the Bush Administration and of figures in it such as Gates, for thinking solely about playing out the cold war endgame against the Soviet Union and not thinking enough about building a new security order that would include Russia. When he and a colleague went public with their views about how the Pentagon ought to be planning and preparing for budget cuts, he lost his job, was understandably considered a loose cannon. He joined Potomac and went to the Soviet area to conduct fantastic interviews among a wide range of officials and public figures about evolving Russian security perceptions at the end of Gorbachev's time and the beginning of Yeltsin's time. His highly informative write-ups of his interviews showed just how fundamentally Russian security anxieties had shifted from the Western threat to new threats, particularly threats from the Islamic south, in the period of the collapse of the Soviet system and the rise of new actors in the former Soviet space. And how surprisingly much other ex-Soviet Republics shared this concern, rather than overwhelmingly focusing on a threat from Russia as we might expect them quite reasonably to do today.

This reinforced Phil's view that a more active approach should have been pursued to integrate Russia in a new security order. His superior at Potomac was also reasonably pro-

Russia though not as much as Phil; and in turn viewed the Atlantic Council at the time as even more pro-Russia.

That was the reality of these people and institutions that are named in with that kind of tone that suggests we should all become suspicious about eternal hardline plotters against Russia. Nothing of the kind in reality. Normal good people doing their best to respond well to very real changing conditions in the world.

Looking back at that period, a period when so much was possible and so much historic opportunity was lost, it seems to me that it was in no small part thanks to Phil's encouragement (and separately, that of an official in the Russian Embassy) that I and a few colleagues in the Atlanticist NGO sphere felt ourselves justified in setting up a committee to promote planning and discussion for getting Russia into NATO alongside its neighbors.

Today, a quarter century later, that seems like another world. The West did not make anywhere near sufficient effort to think through how Russia could be included in NATO or foster such an integration. Russia on its side made plenty of mistakes and left plenty of gaps in its radical but spasmodic reforms, something for which the West was unreasonably blamed as the supposed cause of it (the honest criticism of the West in the Bush years was that it did far too little and didn't put nearly enough skin in the game; skin meaning obvious money but also, maybe more importantly, initiative and change from the international structures it controlled, first NATO, then EU and OECD; then G7, which did go halfway but used itself mainly for status for Russia, not as a venue for serious diplomatic engagement with Russia). Divisions between Russia and the West reemerged on foreign policy; given the vast legacy of opposing positions and military structures from the Cold War era, and the new opportunities for competing for influence in the "near abroad", this was all too natural, probably inevitable -- inevitable in the absence, that is, of a much more serious effort at working out joint policies and integrating the security and foreign policy efforts of the two sides. That absence was inevitably the fault of both sides, but in that period the Western side seemed especially inadequate in vision and effort. A decisive historical conjuncture was lost.

The consequence was a re-alienation between Russia and the West. Which in turn sent the Western proponents of Russian integration with the West -- including the cautious ones at the Atlantic Council as well as the more enthusiastic ones in the Committee on Eastern Europe and Russia in NATO -- in all directions as to the question of how hard or soft a policy to apply to the evolving Russia, in the course of this detour from the hoped-for integration goal. As the prospect of returning from the detour became more distant, views diverged further. However, few gave up the goal altogether, and here I think I should specify the Atlantic Council as an important institution that has tried hard to keep the goal and vision alive even while dealing with current situations.

There is no conspiracy of eternal hardliners in the circles Breedlove consulted with. Only people of various views, people whom it made sense for him to consult, and many of whom had been viewed as softliners for being Russia-integrators in the early '90s, when it was urgently right to be Russia-integrators. And who now are trying in their various ways to figure out how best to cope with a situation that has flowed in no small part out of the failure to pursue that approach very far.

But, sigh. I get an impression that this utterly insignificant "revelation" from hackers will get churned into another of those widely believed conspiracy theories that we have become accustomed to.

Readers may recall the leaked Paet and Nuland phone calls, and the conspiracy theories spun around them by the means of simple miscategorization of what was said and what

was going on. Nuland discusses who should be the new PM under Yanukovich, under the agreement with him; it gets turned by miscategorization into an American plot to throw out the agreement and carry out a coup against Yanukovich. By dint of angry repetition, this obvious falsehood becomes an important part of the fixed structure of reality in the minds of large numbers of people, not just in Russia. Similarly with the Paet call, although not worth reviewing here; it would take too long, the conspiracy theory is more of a play on multiple ambiguities in the taped conversation, playing to the many circles that like to believe in anti-Russian malfeasance, and the will to believe that a conspiratorial interpretation of the meaning of what Paet and Ashton were saying, no matter how implausible as an interpretation of the tape, is the real meaning.

These myths can all count on being propagated massively by RT on its side -- run partly by Westerners resentful of the West, who love to feel like they are courageous dissidents from the Western power structure and media structure -- and picked up on uncritically by many Western journalists who carry the same basket of sentiments in their heads.

There is a paradox in the criticisms from these circles of the Western media for not paying even more attention to their views and conspiracy theories. A more accurate criticism would be of the number of Western journalists who give an uncritical pass to these conspiracy theories.

There is some overlap here with the mentality shown in today's more frequent brand of "media criticism"; the one in which the Western media are constantly accused -- and accusing themselves -- of propagating a narrative that demonizes Islam and blames Islam for terrorism. Meanwhile the ordinary Western public sees its main journalists and public figures in fact doing the opposite: denying that there is any connection between Islam and terrorism, denouncing the society at large as Islamophobic and as declaring war on all Muslims -- and falsely accusing themselves too of propounding an Islamophobic narrative, even when it's plainly the opposite of what they are in fact doing. It seems they have to make this false accusation against themselves, and so does the government, in order to make their accusation against society seem plausible: How could American society be Islamophobic and unfairly hard on Muslims, when the most powerful structures in it, the government and media, are almost nonstop arguing against any criticisms of Islam and any normally discriminatory and profiling policing practices, reasonable or unreasonable, and branding them Islamophobic, hate, etc.? The only way out is by the paradox of falsely accusing themselves of the same.

I say the overlap is only partial, however, because there is a very big difference: an overall anti-anti-Russia line is very much in a minority in the Western media, while an anti-anti-Islam line is overwhelmingly predominant there. This creates another paradox: in the case of Islam, the routinization of the "Islamophobia" accusation has become a matter of plain denial and obfuscation of facts and logic on urgent security matters; in the case of Russia there would be better reasons for differences in view. How to explain this paradox? Maybe it's that the focus of feeling dissident and antiwar has shifted, from running interference for (Soviet) Russia to running interference for Islam. Or maybe not.

What is widespread in both cases, irrespective of whether dealing with Russia or with Islam, is the attitude of seeking blame to put on Western society and governments, and to attribute extreme hardline attitudes and conspiracy-type behaviors to the security sectors of Western governments. When it comes to discussing policy on Russia, this attitude is usually outweighed by other concerns; when it comes to uncritical propagation of anti-Western conspiracy theories, it often prevails.

Will the Breedlove hackings be another case in point? It seems obvious that RT and related outlets do their best to make it one. Less obvious is how many others in the West will follow, out of the quite separate motivations of liking to feel dissident and present a balance between two sides.

One of the foundations of international diplomatic society is the basing of conversations on fact and honesty, within bounds of not spilling state secrets; coupled with recognizing legitimate differences of interest and of consequent power perspectives that have to be negotiated between. This recognition of legitimacy of different interests is fundamentally different from the relativism and nihilism that were spread by the Nazis and Communists, destroying many people's capacity for perceiving fact and truth, and that have been revived, sadly, by Russia in recent years, most famously by RT but also throughout a much wider space than RT. Since 1991, both sides of the equation for international diplomatic society has been violated: the West, by too frequently failing to recognizing the legitimacy of divergent interests and bargain with them fairly, as one of very foundations for hopefully reconciling interests a commonality of interest down the road; Russia, by reverting to nihilistic falsification of fact and undermining of all common foundations in truth.

The seeing of two legitimate sides in most matters of interest and perspective is often confused with a legitimacy of unreasonable contestation of every fact, or a readiness to attribute two equally valid sides to every matter of fact. They are in fact opposites, not the same thing. Successful diplomacy depends – as the great theorist of international society, Hedley Bull, explained – on both sides accepting this distinction and basing mutual dialogue on a fundament of truthfulness. Otherwise there is no real dialogue, just a jousting dance with words.

It is something that it seems to me Gorbachev understood; he retired most of the old jousting dance and the old demand that peace be made on its basis, which apparently would have meant by everyone agreeing to split the difference between truth and falsehood and tell half-truths in unison; he opted to address real problems and have real dialogues, and he achieved a real end to the Cold War. It is a norm that I have long wished the peace movement would understand, since without it, it cannot in reality work for peace.

Ira Straus
U.S. Coordinator
Committee on Eastern Europe and Russia in NATO

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#13

Kennan Institute

June 29, 2016

We Are Right, You Are Wrong: Russia's Response to Brexit

By Maxim Trudolyubov

Maxim Trudolyubov is a Senior Fellow at the Kennan Institute and the Editor-at-Large of Vedomosti, an independent Russian daily. Mr. Trudolyubov was the editorial page editor of Vedomosti between 2003 and 2015. He has been a contributing opinion writer for The International New York Times since the fall of 2013.

Brexit will have some good consequences and some bad consequences, Russian president Vladimir Putin said in the immediate aftermath of the British vote. The president sounded restrained and impartial, leaving to lesser players the chance to cheer in public.

"The European Union was like a beacon of light: if you were not in the EU it meant something was wrong with you," Konstantin Kosachev, head of the International Relations Committee of the Federation Council said during a Channel One talk-show on Tuesday. "But what can possibly be wrong with Great Britain?" Kosachev posed the rhetorical question to imply that the U.K., integrated in every institution of the West, was an unlikely candidate to undermine the European Union.

"Nothing is wrong with us, something is wrong with you in the West" - this has been the main tune sung by Russia in reaction to Brexit. The single most important consequence of the vote, from Russia's perspective, is the effective ban on any future expansion of the European Union. It would be politically impossible for the EU to expand further East when it is crumbling in the West.

Turkish president Recep Tayyip Erdogan's decision to apologize to Russia for the downing of a Russian fighter-bomber is seen as the first fruit of a larger harvest to come. The British decision to leave the EU is seen as a major blow to the West as a cohesive political player; the beginning of the end of a unified Europe. Many have said that the EU, the West's largest trade bloc and a political entity in itself, has been fatally wounded and U.S. influence in Europe will now diminish. All of these developments would be highly welcome from Moscow's vantage point.

The single most important consequence of the vote, from Russia's perspective, is the effective ban on any future expansion of the European Union. It would be politically impossible for the EU to expand further East when it is crumbling in the West.

While the official Russian reaction to the British decision to leave the European Union was subdued, anchors and guests of state-run media let loose a barrage of gleeful comments. Many joked that Britain was leaving the European Union to join the Eurasian Union, a loose economic bloc lead by Russia. Some said it with complete sincerity: "The most important long-term consequence of Brexit is that it will take Europe away from the anglo-saxons, mainly from the U.S., and as soon as that happens a united Eurasia will appear on the horizon, in about 10 years," Boris Titov, Russia's business ombudsman, wrote on Facebook soon after the news of the British popular decision.

Dmitry Kiselyov, arguably the most venomous pro-Kremlin journalist, led his weekly program on the Russia One channel with the Brexit theme and a sign reading, "The Breakup of the European Union" alight behind him. "This time the Britons voted for a divorce with the EU but we clearly see their desire to be generally independent," said Kiselyov, who also serves as director of the state-owned international news agency Rossiya Segodnya. Transatlantic forces have lost the fight. The British people "resisted a direct order from Barack Obama to stay in the EU," Kiselyov said. "It is a major failure of governability."

Almost every analyst in Russia, regardless of political conviction, noted that with Britain out of the decision making process, European politicians would have harder time keeping the sanctions regime in place. "I would expect some gains for Russia from the sanctions war standpoint, but these won't materialize until next year," said Alexei Gromyko, director of the Institute of Europe of the Russian Academy of Sciences and head of European programs of the Russian World foundation.

Brexit's immediate economic effect on Russia is unclear. It may affect the exchange rate because of increased volatility in commodities markets but only to a limited extent. "Russia has suffered a chain of economic shocks in 2014 to 2016 that gave our a country an immunity shot of sorts," the Russian Finance Minister Anton Siluanov said in an interview, referring to the combined shock of the oil plunge and the post-Crimea Western sanctions.

The crisis caused by the British vote may be analyzed as a case of national politics interfering with supranational designs. It was not an "order" from Obama that the British resisted. They seemed to resist their own and other European politicians' habit of emphasizing European structures and European values over national ones. Brexit also seems to have sent European elites a message about depressed small towns and the troubles of national healthcare systems on the one hand, and multi-million dollar City bonuses and endless Davos-style chatter on the other. That said, it is hard to believe that Britain could solve its problems by leaving the EU.

Britain could solve its problems by leaving the E.U.

Brexit, being a welcome surprise for Russia's political leadership, also reminds the Kremlin of a hidden challenge. If national politics trump supranational agendas everywhere, Russia is in trouble.

During the first two decades after the end of the Cold War, everyone was happy to embrace the newly acquired openness and mobility. Those who won because of the intensified exchange of capital, resources and ideas attracted everyone's attention. Highly mobile, cosmopolitan elites and foreign-language speaking professionals were the heroes of the time. But the general populations of each individual country are neither particularly mobile, nor particularly multi-lingual, and are preoccupied by local rather than global agendas. The disconnect between the globalized elites and the local, regular folk exists everywhere. It is only now attracting significant notice due to the massive amount of attention the British referendum generated.

Brexit, being a welcome surprise for Russia's political leadership, also reminds the Kremlin of a hidden challenge. If national politics trump supranational agendas everywhere, Russia is in trouble. For the past decade, the Kremlin has been making sure the Russian population subsists on news about Russia's engagement with its international enemies, the likes of Britain and the U.S. Just like Britain, Russia has a national healthcare system and numerous depressed small towns. In fact, there are more of them in Russia than in Great Britain. If the Russian public wakes up and decides to prioritize the national agenda over the international one, the consequences for the Kremlin would be much tougher than the consequences of Brexit are for Whitehall. But as of today, this prospect looks as distant as the prospect of Britain joining the Eurasian union. Most Russians identify with the Kremlin and are convinced that they are right and the West is wrong.

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#14

The Washington Post

June 30, 2016

Russia's leaders are happy about Brexit, but it won't help the regime much at home

By J. Paul Goode

J. Paul Goode is senior lecturer in Russian politics at the University of Bath, U.K.

Before last week's "Brexit" vote, British Prime Minister David Cameron claimed that Vladimir Putin (and the Islamic State) "might be happy" if the United Kingdom left the European Union. Putin responded that Russia had no interest in the U.K.'s internal affairs. But he added that Britons clearly were dissatisfied with the government's military policy, which was encouraging migration - apparently referring to the U.K.'s airstrikes and other efforts in Syria.

Nevertheless, Russia's political establishment clearly relished the Brexit victory. Among them, Russia's small business ombudsman Boris Titov exclaimed on Facebook, "it seems it has happened: UK out!!!" He continued that the vote meant "the independence of Europe from the USA."

But was it really a triumph for the Kremlin? Does it help Putin's regime?

Russia sees the E.U. as a political threat

The E.U. has been a thorn in Russia's side - particularly since by reaching out to former Soviet nations, it appeared to challenge Russia's role as the leading regional power. In 2013, Ukraine's Euromaidan protests were perceived by the Kremlin as the direct result of U.S. meddling. After Russia annexed Crimea in March 2014, it perceived the resulting U.S.

and European sanctions as logical extensions of the West's anti-Russian policies.

And so, over the past couple of years, the Kremlin has been making the case diplomatically and in the media that Europe is broken without Russia, and that the E.U. works against its members' interests. Russian politicians and news outlets seized upon the Brexit vote as proof of that narrative that E.U. policies are wrong-headed, punitive and ultimately driven by U.S. interests. Immediately after the Brexit referendum results were released, former U.S. ambassador to Russia Michael McFaul tweeted: "Losers: EU, UK, US, those that believe in a strong, united, democratic Europe. Winners: Putin."

Aleksei Pushkov, chairman of the Duma's Committee for International Affairs, retorted that the West should think about why British voters chose to leave the E.U. after President Obama urged them to remain.

Russia has spent the past few years cultivating support among populist parties in Europe. As those parties try to capitalize on the Brexit vote, Russia can now claim to have its finger on Europe's pulse.

And yet Russia relies on the E.U. as a trading partner

Russia really isn't interested in breaking up the European economic bloc. The E.U. is Russia's single largest trading partner and market for its energy. Russia's embargo on European agricultural imports (imposed in response to Western sanctions) wasn't intended to boost domestic industry; rather, it was trying to remind the E.U. that it needs the Russian market.

Undoubtedly Russia's short-term hope is that Brexit will undermine the already shaky European unity on sanctions against Russia, which the E.U. only recently extended for another six months. The U.K. has backed those sanctions strongly, but Brexit opens a significant wedge for Russian diplomacy. As Moscow's Mayor Sergei Sobyenin tweeted, "Without the U.K., there will be nobody in the E.U. to defend sanctions against Russia so zealously."

Ordinary Russians are less interested

In contrast to "official" Russia, the average Russian is largely ambivalent about or uninterested in Brexit. Foreign policy is a distant priority, far behind the economy, standards of living, unemployment, health care, inflation, social policy, education and pensions. For most Russians, life under sanctions has become the new normal. Many Russians assume that restrictions on European imports are part of the West's sanctions and don't realize that, say, cheese is less available because of the Kremlin's counter-sanctions. Others talk about economic crisis as a global concern rather than as a political consequence of the state's foreign policies.

In interviews and focus groups conducted in two Russian provinces over the past three years, I found Russians have a clear tendency to compare themselves to the West to stress how normal and unexceptional Russian history and politics are. They may interpret Brexit as confirmation that Russia's foreign policy is headed in the right direction, since the U.K. is now - like the Kremlin - also rejecting the European project. They might conclude similarly that E.U. sanctions do not represent its members' interests.

According to Aleksei Gilev, director of the Center for Comparative Historical and Political Studies, Russia's media presents Europe as chaotic, falling apart and rife with problems. For ordinary Russians, a general social approval for "showing up" or disrupting someone's plans dovetails with media narratives about Europe.

Few Russians pay much attention to foreign policy

As crisis conditions become normal, diplomatic victories do not automatically translate into domestic support for Putin's government. In fact, different groups in Russian society respond in different ways.

State employees (or biudzhethniki) tend to believe in foreign policy directions based on personalities like Putin, Foreign Minister Sergei Lavrov or Defense Minister Sergei Shoigu - and not by how well those policies succeed.

Pensioners tend to blame the West for interfering with Russia's foreign policy, but that's separate from how they blame Russia's government for failing to deliver benefits.

Students evaluate foreign policy according to constitutional and international law and by idealistic standards, but they hold the government to similar standards in domestic politics.

Entrepreneurs and small- to medium-business owners do believe that foreign policy affects domestic policy - after all, it influences their markets, competition, and supplies - but they pay little attention to politics.

In other words, Russia's politicians and media may welcome Brexit - most significantly, the expectation that Western sanctions will be relaxed or eliminated. Indirectly, it may facilitate the Kremlin's networking with populist parties in Europe.

But in domestic politics, it is unlikely to pay political dividends in advance of upcoming parliamentary elections. Russians have become accustomed to life under sanctions. The Kremlin has successfully gotten its citizens to ignore how Russia's foreign policy affects economics at home. But as a result, it won't be able to capitalize on an actual crisis in Europe.

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#15

Foreign Policy

www.foreignpolicy.com

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Brexit Is a Russian Victory

BY MARK R. KENNEDY

Mark R. Kennedy, a member of the Council on Foreign Relations, leads George Washington University's Graduate School of Political Management and is Chairman of the Economic Club of Minnesota. He previously served three terms in the U.S. House of Representatives and was Senior Vice President and Treasurer of Federated Department Stores (now Macy's).

Russia is playing chess with the United States. The United States is playing checkers back. Many in America see Britain's recent vote to leave the European Union as a rightful release from the yoke of the Brussels regulatory machine. This single-country, one-dimensional view is the equivalent of checkers. Brexit advances Russia's aim of a divided Europe and is the most recent Russian success in a line that started with its chess moves in Syria. Unless America starts playing chess soon, we may find ourselves in check.

Putin's goals on the European chess board are to retain popular support at home and to avoid outside interference, so that he and his cronies can line their pockets with Russia's wealth. His strategies to that end include convincing his own people that the West is out to get them, fragmenting and distracting Europe, dividing the United States and Europe, and causing enough Middle East turmoil to keep the price of oil high.

Bashar al-Assad's Syria has been a useful pawn, with which Russia has skillfully maneuvered its engagement to achieve all of its aims. It acts knowing that a war-weary America is highly reluctant to aggressively engage in the region again.

At home, Putin sells his support for Assad as an effort to defend against Western domination. By preserving Assad without lessening the threat that the Islamic State poses Europe, heightening the perceived cost of European integration. Russia's support for anti-immigrant parties may have contributed to the Brexit passing by a narrow margin. While independence may benefit Britain, the EU without an anglophone voice is less likely to be aligned with America, reducing the likelihood that a unified West would enforce sanctions against Russia. The EU will be preoccupied with negotiating Britain's departure and addressing other separatist demands within both Britain and the EU, as the continent's economic future darkens and the migration crisis festers. The resulting turmoil has helped bring the price of oil higher.

Russia also benefits from Turkey's drift away from the United States under President Recep Tayyip Erdogan. During a 2004 congressional visit to Syria, Assad asked about our vision for U.S.-Syrian relations. I told Assad, "Syria is a country surrounded by countries America considers friends. Someday I hope Syria is a friend." America's failure to assemble a robust enough coalition to address the Syrian challenge has reversed my logic, giving America's friends that surround Syria less reason to remain friends. The migration crisis has also reduced the EU's leverage to challenge Turkey's tilt towards authoritarianism, as Europe has become dependent on Turkey as a shield to keep back refugees.

The surge of Syrian refugees, on top of ongoing concerns about immigration, has cleaved populist bases away from the more pro-market elements of both the Tory and Labor parties, reducing their effectiveness. German Chancellor Angela Merkel, one of the few leaders strong enough to stand up to Putin, faces reduced support because of her acceptance of refugees.

Three moves are required to reverse Russian gains: the use of the Brexit vote to prod EU reform, the recruitment of ground troop commitments from Sunni-majority nations willing to fight the Islamic State, and a commitment to rid Syria of both Assad and the Islamic State.

Ideally, Brexit could facilitate closer fiscal alignment between those nations sharing the Euro (to avoid future crises like Greece), and another membership tier for countries allowing open trade with lessened regulatory burdens. That approach could solve both the EU's British and Turkish membership dilemmas. Not seeking to duplicate NATO within the EU would also be beneficial. Negotiating trade deals between the United States and both Britain and the EU could aid all parties.

Using Kurdish troops to secure Sunni populations is unrealistic. The existence of friendly Sunni rebels is illusory. Sunni-majority countries like Qatar, Saudi Arabia, Turkey, and the United Arab Emirates must be convinced to commit troops. It is vital for success to avoid alienating these allies.

President Barack Obama has framed U.S. engagement in Syria as a fight against the Islamic State, but as 51 diplomats recently wrote in a letter intended for an internal dissent channel, Assad is the "root cause of the instability." Assad's brutalities created the Islamic State. Russia and Iran are keen to keep their puppet from the small Shia slice of Syria as dictator of its largely Sunni population. The U.S., NATO, and Sunni coalition must be strong enough to overcome this determined resistance. All coalition partners must agree to a sustainable governance framework for a unified Syria before stepping up military action.

The true consequences of Brexit will remain unknown for some time, but it is clear that the

failed U.S. Syria strategy has left us with weaker allies, caused bitter divides both between and within countries, emboldened rivals, created a new terrorist threat in the Islamic State, and dug us into a much deeper hole out of which to climb. The shock to the status quo that voters in Britain delivered last week should be an opportunity for the United States and the rest of its European allies to embrace a more robust strategic approach - to play chess, not checkers.

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#16

CNN.com

July 4, 2016

Putin's Pick: Clinton or Trump?

By Nina Khrushcheva

Nina Khrushcheva is professor of international affairs at The New School and the great-granddaughter of the Soviet Premier Nikita Khrushchev. Her latest book is *The Lost Khrushchev: A Journey into the Gulag of the Russian Mind*. The opinions expressed in this commentary are hers.

(CNN)Russia's Vladimir Putin has been enjoying power for several decades now. From Bill Clinton in 1999 through to Hillary Clinton or Donald Trump in 2016, the Russian president has seen the relationship between two former superpowers transform from post Cold War jamboree to new Cold War acrimony.

In light of recent terror attacks, it is crucial to examine the political alliance the next American president will have to manage with Russia. Notably, one of the Istanbul attackers came from Russia and two others from former Soviet Union satellites, Uzbekistan and Kyrgyzstan. Since Putin plans to stay in power until 2024, the future White House leader will have to engage with him – particularly now in the global war on terrorism. Though Putin has repeatedly promised to "work with any U.S. president," he insists that Russia should be treated like an equal partner, and that the United States should not act from a position of strength and exclusivity – a message the next American president should take to heart.

Clinton vs. Trump

Of the two candidates, Hillary Clinton is most likely to heed this message. Though Trump and Putin share an exhibitionist personality and brash leadership style, neither is one to take orders from anyone but themselves. In stark contrast, Hillary Clinton is measured, pragmatic and much more accustomed to Russian-style diplomacy.

This style of diplomacy was deployed at a mid-June economic summit in St. Petersburg. After a two-year hiatus following Russia's Crimea annexation from Ukraine, the summit regained importance with Putin hosting, among others, Italian Prime Minister Matteo Renzi and European Commission President Jean-Claude Juncker. They both advocated better relations with Russia in fighting extremism and improving economic ties. In turn, Putin warned that as long as the United States "teach all how to live," there would be no progress in the relationship despite some cooperation on "issues of non-proliferation weapons of mass destruction, the fight against terrorism, [and] solutions for Iran's nuclear problem of chemical weapons in Syria."

The Trump Card

Though no American politician attended the summit, it appears that Trump was listening from afar. He already sees the Russian president as a kindred spirit. Trump announced that he "would get along with Putin," and Putin, in return, praised Trump as "a very ... talented man," who wants deeper relations with Russia.

At first glance, they share a "tough guy" persona – manipulating public opinion, violating the laws of decency and boasting strength – akin to Putin's relationship with similar political leaders, most famously the Italian former prime minister, Silvio Berlusconi. With his big mouth and brash deal-making, the U.S. billionaire is considered "frank" and "pragmatic." Yet, others anticipate that Trump's promises to erect a wall against Mexico or to force China to stop its financial "manipulations," and his assurance that his presidency will make the United States both unpredictable and consistent would only turn the remaining superpower into a global laughing stock. Either way, Trump's presidential victory is seen as victory for the Russians.

But I would challenge readers to look beyond the rhetoric. Given the similarities in their personalities, Trump will quickly show the Russian president his place. Putin's nationalist "Russia First" message may not bother candidate Trump as he touts his own "America First" ideology. But Putin's refusal to recognize American superiority would quickly interfere with Trump's essential characteristic – perceiving himself the leader of the free world. If Trump attains control of America's vast resources, both in terms of military and technology, Putin will begin to pose a challenge. And since neither Putin nor Trump are known to back down, a slight dispute may turn their flourishing "bromance" into a global threat on par with the 1962 Cuban Missile Crisis.

The Clinton Advantages

Even though just 10% of Russians say they want Hillary Clinton, the former senator and secretary of state may be their better bet. She proposed the pragmatic "not confrontational" approach to Putin's bullying tactics in Ukraine, even though she viewed the annexation of Crimea as deeply problematic. An architect of the 2009 Reset Policy with Russia, Hillary Clinton understands the need to cooperate more on the Syria crisis and other security threats, including the kind of attacks that shook Turkey last week. Even though she would insist on Putin's honoring the Minsk peace agreement for eastern Ukraine in exchange for lifting sanctions, she may be willing to reward Putin incrementally – for observing a cease-fire, for a timely prisoner exchange or for withdrawing military equipment.

After all, despite the absence of diplomatic relations between North Korea and the United States, in the 1990s her husband's administration partially lifted the embargo in response to North Korea's folding its missile program. And the Kremlin, with its patriarchal view of women, believes that Hillary Clinton would ultimately take cues from Bill Clinton's foreign policy. In fact, on a recent trip to St. Petersburg, Putin almost entirely ignored questions about Hillary Clinton, yet took time to say that he and Bill Clinton had "a very good relationship ... I am grateful to him for some moments during my entry into politics. A few times he showed me signs of respect, to me personally, and to Russia."

Respect between men of power is of paramount importance to Putin. Much of his displeasure with world affairs stems from a feeling that the United States acts a "dictat," directing every other country in how to make decisions. Bill Clinton, however, is an exception. Putin addresses him with an informal "ty" (you), a familiarity enjoyed by Berlusconi, rather than a more formal "vy," reserved for other world leaders. To a certain extent, Putin aspires to be like Bill Clinton – globally successfully and universally respected.

Even if Hillary Clinton is not amenable to immediately bring Putin back into the circle of Western friends (although with Brexit a reality, Putin hopes that the European Union will be less inclined to continue to punish Russia for Ukraine), Bill Clinton can provide unofficial support. In Moscow, many talk of Bill Clinton's capacity for informal negotiations, including his role in North Korea, where he helped to free two American journalists during the late Kim Jong Il rule. Muscovites also remember how in 2010 Putin prophetically invited Bill Clinton to the Arctic expedition to save the polar bears. He didn't go, but his response was

cordial.

Leveraging Power over Putin

Realistically, the former president may not be able to help his wife to mend relations with Russia. But future American leaders cannot simply wait Putin out -- they need a nuanced policy of incremental rewards that goes hand-in-hand with principled punishment, an approach that existed even in the Cold War chill.

Since Putin will not stand to be ignored, the United States may have some leverage over the Kremlin. While the West should not be quick to lift its sanctions, harnessing Russia's desire to be recognized as a global power is a sound strategy. If Putin can create some goodwill by cooperating in Ukraine, the United States should consider making a few concessions. Russia's participation in the battle against the Islamic State, and its return to the rule-abiding ranks of the international community, is certainly worth the price.

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Putin's Puppet

If the Russian president could design a candidate to undermine American interests-and advance his own-he'd look a lot like Donald Trump.

By Franklin Foer

Franklin Foer is a Slate contributing editor.

Vladimir Putin has a plan for destroying the West-and that plan looks a lot like Donald Trump. Over the past decade, Russia has boosted right-wing populists across Europe. It loaned money to Marine Le Pen in France, well-documented transfusions of cash to keep her presidential campaign alive. Such largesse also wended its way to the former Italian premier Silvio Berlusconi, who profited "personally and handsomely" from Russian energy deals, as an American ambassador to Rome once put it. (Berlusconi also shared a 240-year-old bottle of Crimean wine with Putin and apparently makes ample use of a bed gifted to him by the Russian president.)

There's a clear pattern: Putin runs stealth efforts on behalf of politicians who rail against the European Union and want to push away from NATO. He's been a patron of Golden Dawn in Greece, Ataka in Bulgaria, and Jobbik in Hungary. Joe Biden warned about this effort last year in a speech at the Brookings Institution: "President Putin sees such political forces as useful tools to be manipulated, to create cracks in the European body politic which he can then exploit." Ruptures that will likely multiply after Brexit-a campaign Russia's many propaganda organs bombastically promoted.

The destruction of Europe is a grandiose objective; so is the weakening of the United States. Until recently, Putin has only focused glancing attention on American elections. Then along came the presumptive Republican nominee.

Donald Trump is like the Kremlin's favored candidates, only more so. He celebrated the United Kingdom's exit from the EU. He denounces NATO with feeling. He is also a great admirer of Vladimir Putin. Trump's devotion to the Russian president has been portrayed as buffoonish enthusiasm for a fellow macho strongman. But Trump's statements of praise amount to something closer to slavish devotion. In 2007, he praised Putin for "rebuilding Russia." A year later he added, "He does his work well. Much better than our Bush." When Putin ripped American exceptionalism in a New York Times op-ed in 2013, Trump called it "a masterpiece." Despite ample evidence, Trump denies that Putin has

assassinated his opponents: "In all fairness to Putin, you're saying he killed people. I haven't seen that." In the event that such killings have transpired, they can be forgiven: "At least he's a leader." And not just any old head of state: "I will tell you that, in terms of leadership, he's getting an A."

That's a highly abridged sampling of Trump's odes to Putin. Why wouldn't the Russians offer him the same furtive assistance they've lavished on Le Pen, Berlusconi, and the rest? Indeed, according to Politico's Michael Crowley, Russian propaganda has gone full throttle for Trump, using its Russia Today apparatus to thrash Hillary Clinton and hail the courage of Trump's foreign policy. (Sample headline: "Trump Sparks NATO Debate: 'Obsolete' or 'Tripwire That Could Lead to World War III.' ") Russian intelligence services hacked the Democratic National Committee's servers, purloining its opposition research files on Trump and just about everything else it could find. They also wormed their way into the computers of the Clinton Foundation, a breach reported by Bloomberg. And though it may be a mere coincidence, Trump's inner circle is populated with advisers and operatives who have long careers advancing the interests of the Kremlin.

We shouldn't overstate Putin's efforts, which will hardly determine the outcome of the election. Still, we should think of the Trump campaign as the moral equivalent of Henry Wallace's communist-infiltrated campaign for president in 1948, albeit less sincere and idealistic than that. A foreign power that wishes ill upon the United States has attached itself to a major presidential campaign.

Donald Trump's interest in Russia dates back to Soviet times. In fact, there's extraordinary footage of him shaking hands with Mikhail Gorbachev. It comes from 1988, the peak of perestroika and Gorbachev's efforts to charm the American public. On his legendary trip to Washington and New York, the Soviet in chief left the confines of his limousine and security cordon to glad-hand with the American people. Donald Trump suggested to reporters that the Soviet leader would be making his way to Trump Tower, a crucial station on his journey to capitalism. This was, in fact, a self-aggrandizing fabrication that Trump himself planted in the tabloids, but it was a convincing lie. A year earlier, Trump had traveled to Russia at the invitation of the Soviets. They wanted Trump to develop luxury hotels in Moscow and Leningrad to feed the regime's new appetite for Western business. "The idea of building two monuments in the U.S.S.R. has captured his imagination," Newsweek reported.

Trump likely reveled in the newspaper stories that reported Gorbachev's forthcoming visit to his HQ as fact. But surely even he never expected his fake story to become reality. He must have been gobsmacked when he received word that Gorbachev wanted to pay a spontaneous visit to Trump Tower. The skyscraper's namesake rushed down from his penthouse office to pay obeisance. From the video, we can see the blotched head of Gorbachev emerge from his car. Trump and his retinue push through the crowd. "Great, great honor," the mogul says as he pumps the hand of the Soviet supremo.

One of Trump's vulnerabilities is that he doesn't always vet his people, whether it's business partners, the dubious characters he retweets, or the foreign leaders who show up at his door. As it turns out, this Gorbachev wasn't really the Soviet leader but an impersonator called Ronald Knapp. Trump was lavishing praise on the winner of a look-alike contest.

It was merely the first instance of Trump carelessly sucking up to Russian power in the hopes of securing business. Those Soviet hotel projects never went anywhere. But over the years, Trump has returned to the idea of building in Russia again and again. Effective real estate developers are genuine seers; they can conjure mental images of glorious structures and vibrant neighborhoods where other mortals see mere blight. Trump had the brashness to imagine developing hotels in Moscow when that was a fatal enterprise. In 1996, a Kalashnikov sprayed the American hotelier Paul Tatum, who had the temerity to

1990, a Russian oligarch sprayed the American investor with cash, who had the temerity to complain about the Chechen mafia and the less-than-scrupulous business culture he endured. Yet it wasn't hard to see the appeal of Russia, to both the bottom line and the ego. An article in the Moscow Times described Trump as the city's first grand builder since Stalin. Indeed, he later planned a development on the site where Stalin once hoped to construct the Palace of Soviet Congresses.

Five separate times Trump attempted Russian projects, hotels, apartments, and retail on the grandest scale. In one iteration, he promised an ice rink, a "members club," and a spa, for "the finest residences in Moscow." Another project he described as "the largest hotel in the world." His gaudy style appealed to Russian nouveau riche, and he knew it. "The Russian market is attracted to me," he once boasted. He registered his name as a trademark in Moscow and even licensed it to a liquor company, which sold Trump Super Premium Vodka. Government officials claimed that they wanted to do business with Trump because they also considered him super premium. In the mid-'90s, the general-turned-politician Alexander Lebed told him, "If Trump goes to Moscow, I think America will follow."

Trump never could quite simultaneously align all the elements-investment, approval-to-actually break ground. Yet his foray into Russia should be considered a smashing success; Trump set himself up for triumph even as he failed. With each doomed real estate project, he lavished praise on the key constituency that blesses deals, namely Russian politicians. (In front of a pack of reporters he told Lebed, "We've been reading a lot of great things about this gentleman and his country.") The praise encouraged Russian officials to keep inviting Trump back for big potential deals. Each time he traveled to Moscow for a high profile visit, he attracted press attention and his stature increased. (After one trip, he bragged about a meeting where "almost all of the oligarchs were in the room.") This elevated profile ultimately attracted investors. Russians helped finance his projects in Toronto and SoHo; they snapped up units in his buildings around the world-so much so that he came to target them, hosting cocktail parties in Moscow to recruit buyers. (His tenants included a Russian mobster, who ran an illegal poker ring in the Trump Tower and accompanied Trump to the staging of the Miss Universe contest in Moscow.) Even when he built a tower in Panama, he narrowcast his sales efforts to draw Russians, as the Washington Post has reported. "Russians make up a pretty disproportionate cross-section of a lot of our assets," Trump's son, Donald Jr., bragged. "We see a lot of money pouring in from Russia."

The nature of the Donald Trump campaign is its fundamental blurring of his political and business interests-on display just recently in Scotland, when he praised the Brexit vote as a boon for his golf courses. As one campaign finance expert told the New York Times, "Historically, candidates would separate themselves from their business interests when running for office. Trump has done the opposite by promoting his businesses while running for office." Such mercantilist motives likely undergird Trump's ornate praise of Putin, too. Having a friend in the Kremlin would help Trump fulfill his longtime dream of planting his name in the Moscow skyline-a dream that he pursued even as he organized his presidential campaign. "Russia is one of the hottest places in the world for investment," he once said. "We will be in Moscow at some point."

One of the important facts about Trump is his lack of creditworthiness. After his 2004 bankruptcy and his long streak of lawsuits, the big banks decided he wasn't worth the effort. They'd rather not touch the self-proclaimed "king of debt." This sent him chasing less conventional sources of cash. BuzzFeed has shown, for instance, his efforts to woo Muammar Qaddafi as an investor. Libyan money never did materialize. It was Russian capital that fueled many of his signature projects-that helped him preserve his image as a great builder as he recovered from bankruptcy.

The money didn't come directly. Hunting for partners with cash, he turned to a small upstart called the Bayrock Group, which would pull together massive real estate deals

using the Trump name. Its chairman was a former Soviet official named Tefvik Arif, who made a small fortune running luxe hotels in Turkey. To run Bayrock's operation, Arif hired Felix Satter, a Soviet-born, Brighton Beach-bred college dropout. Satter changed his name to Sater, likely to distance himself from the criminal activity that a name-check would easily turn up. As a young man, Sater served time for slashing a man's face with a broken margarita glass in a barroom brawl. The Feds also busted him for working in a stock brokerage tied to four different Mafia families, which made \$40 million off fraudulent trades. One lawsuit would later describe "Satter's proven history of using mob-like tactics to achieve his goals." Another would note that he threatened a Trump investor with the prospect of the electrocution of his testicles, the amputation of his leg, and his corpse residing in the trunk of Sater's car.

What was Trump thinking entering into business with partners like these? It's a question he has tried to banish by downplaying his ties to Bayrock and minimizing Sater's sins. ("He got into trouble because he got into a barroom fight which a lot of people do," Trump once said in a deposition.) But he didn't just partner with Bayrock; the company embedded with him. Sater worked in Trump Tower; his business card described him as a "Senior Advisor to Donald Trump." Bayrock put together deals for mammoth Trump-named, Trump-managed projects-two in Fort Lauderdale, Florida, a resort in Phoenix, the Trump SoHo in New York. Several of those projects broke ground, but they were a mere prelude. "Mr. Trump was particularly taken with Mr. Arif's overseas connections," the Times reported (after buyers of units in the Trump SoHo sued him for fraud). "In a deposition, Mr. Trump said that the two had discussed 'numerous deals all over the world' and that Mr. Arif had brought potential Russian investors to Mr. Trump's office to meet him." Trump described the scope of their ambitions: "[T]his was going to be Trump International Hotel and Tower Moscow, Kiev, Istanbul, etc., Poland, Warsaw."

Based on its cast of characters, Bayrock itself was an enterprise bound to end in a torrent of litigation. The company's finance chief Jody Kriss has sued it for fraud. In the course of the litigation, which is ongoing, Kriss alleged a primary source of funding for Trump's big projects: "Month after month for two years, in fact whenever Bayrock ran out of cash, Bayrock Holdings would magically show up with a wire from 'somewhere' just large enough to keep the company going." According to Kriss, these large payments would come from sources in Russia and Kazakhstan that hoped to hide their cash. Another source of Bayrock funding was a now-defunct Icelandic investment fund called the FL Group, a magnet for Russian investors "in favor with" Putin, as a lawsuit puts it. (The Daily Telegraph has reported that Bayrock mislabeled FL's investment as a loan, in order to avoid at least \$20 million in taxes.)

These projects are simply too ambitious, too central to his prospects, for Trump to have ignored the underlying source of financing. And it was at just the moment he came to depend heavily on shadowy investment from Russia that his praise for Putin kicked into high gear. In 2007, he told Larry King, "Look at Putin-what he's doing with Russia-I mean, you know, what's going on over there. I mean this guy has done-whether you like him or don't like him-he's doing a great job."

While Putin hasn't dirtied his hands in American elections, the Russians have cultivated Washington-hiring fancy firms to craft strategy, donating money to think tanks, building a small coterie of wonks sympathetic to their leader's view of the world. The Trump campaign is the unlikely culmination of this effort. It has been a magnet for like-minded fans of Putin. Fans might not be quite the right term, since so many of these advisers have profited from proxies of the Russian state.

Let's begin at the top. Trump's campaign manager is a wizened operative named Paul Manafort. It's true that Manafort is a mercenary by trade. His old Washington consulting firm pioneered the practice of representing the dictators of the world, no matter their grim record. (I profiled his authoritarian ambit earlier this year.) Late in his career, however

record. (I promised his additional appointment earlier this year.) Late in his career, however, Manafort dedicated himself to working on behalf of clients close to the Kremlin. His grand achievement was reviving the doomed career of the anti-charismatic politician Viktor Yanukovich. Manafort's image-crafting and shrewd strategy culminated in Yanukovich's election to Ukraine's presidency in 2010. Thanks to Manafort's handiwork, Ukraine pulled into Putin's sphere of influence. Unlike other American consultants who flitted in and out of Kiev, Manafort set up camp there. He became an essential adviser to the president-his tennis partner even.

If Manafort were the only Kremlin connection in the Trump campaign, his presence might signify nothing. But he's hardly isolated. Many pundits have scoffed at the idea that Trump has a circle of foreign policy advisers given that his initial list of gurus emerged abruptly in March and included names unknown to most experts. Yet the list suggests certain tendencies. One of the supposed Trump whisperers was an investment banker named Carter Page. During a stint in Moscow in the 2000s, he advised the state-controlled natural gas giant, Gazprom and helped it attract Western investors. (In March, Page told Bloomberg that he continues to own shares in the company.) Page has defended Russia with relish. He wrote a column explicitly comparing the Obama administration's Russia policy to chattel slavery in the American South. His reasoning: "Numerous quotes from the February 2015 National Security Strategy closely parallel an 1850 publication that offered guidance to slaveholders on how to produce the 'ideal slave.' "

Also on the list of advisers is Lt. Gen. Michael Flynn, the former head of the Defense Intelligence Agency. Eighteen months after he departed government, he journeyed to Moscow and sat two chairs away from Putin at the 10th anniversary gala celebrating Russia Today. In Politico, an anonymous Obama official harshly criticized Flynn: "It's not usually to America's benefit when our intelligence officers-current or former-seek refuge in Moscow."

More recently, Richard Burt, a Reagan administration official, has begun advising Trump on foreign policy. His criticisms of NATO and pleas for greater cooperation with Putin grow from a deeply felt realism. Yet his ideological positions jibe with his financial interests. Burt is on the boards of Alfa-Bank, the largest commercial bank in Russia, and an investment fund with a large position in Gazprom.

Trump's advisers have stakes in businesses where the health of the Russian state is the health of the firm-where, in fact, the state and the firm are deeply entangled. The campaign isn't just one man with an aesthetic affinity for Putin and commercial interests in Russia; his sentiments are reinforced and amplified by an organization rife with financial ties to the Kremlin.

Is Putin already meddling in this campaign? In his chilly way, he has signaled his rooting interest. He praised Trump as "very talented." His mouthpieces are more effusive. Vladimir Yakunin, the former chairman of Russian Railways, has said of Trump, "He is addressing some internal failings of the American people." The Kremlin doesn't seem much bothered to disguise its help. Soon after the discovery of Russian intelligence hacking into Clinton servers, documents suddenly materialized on the web: a PDF of the DNC's opposition research file and a trove of spreadsheets, including a list of donors to the Clinton Foundation.

Foreign intelligence agencies often go fishing for information on American political campaigns. Chinese hackers tapped Mitt Romney's servers in search of useful nuggets. But the Russians have made an art of publicizing the material they have filched to injure their adversaries. The locus classicus of this method was a recording of a blunt call between State Department official Toria Nuland and the American ambassador to Kiev, Geoffrey Pyatt. The Russians allegedly planted the recording on YouTube and then tweeted a link to it-and from there it became international news. Though they never

claimed credit for the leak, few doubted the White House's contention that Russia was the source.

We can only speculate about the documents the Russians have in their possession and how they might use them. The material they have released thus far is relatively innocuous, but it may just be a hint of leaks to come—as they experiment with unfurling their material and gauging the reactions to leaks. The Clinton Foundation is, after all, a pretty juicy target to have hit—a place with an ethically borderline approach to fundraising and already a primary object of Trump campaign fusillades. One of the sites that has posted purloined material is called Guccifer 2.0, which strenuously protests that it is the work of a lone hacker. The site features a warning that it has released only a small smattering of documents from the "many thousands I extracted." He is not the only one sitting on a pile of damaging material. Julian Assange, who hosted a show on Russia Today, warned, "We have emails relating to Hillary Clinton which are pending publication."

Donald Trump's ego compounds his naiveté. He's vulnerable to flattery; his confidence in himself exceeds his intellectual capacities. All of this makes him particularly susceptible to exploitation, an easy mark. For this reason, dubious figures have always gravitated to him. (Please read David Cay Johnston's persuasive account of Trump's long ties to organized crime.) It seems the Russian president has noticed this, too. To quote Trump on Putin, "A guy calls me a genius and they want me to renounce him? I'm not going to renounce him."

In the end, we only have circumstantial evidence about the Russian efforts to shape this election—a series of disparate data points and a history of past interference in similar contests. But the pattern is troubling, and so is the premise. If Putin wanted to concoct the ideal candidate to serve his purposes, his laboratory creation would look like Donald Trump. The Republican nominee wants to shatter our military alliances in Europe; he cheers the destruction of the European Union; he favors ratcheting down tensions with Russia over Ukraine and Syria, both as a matter of foreign policy and in service of his own pecuniary interests. A Trump presidency would weaken Putin's greatest geo-strategic competitor. By stoking racial hatred, Trump will shred the fabric of American society. He advertises his willingness to dismantle constitutional limits on executive power. In his desire to renegotiate debt payments, he would ruin the full faith and credit of the United States. One pro-Kremlin blogger summed up his government's interest in this election with clarifying bluntness: "Trump will smash America as we know it, we've got nothing to lose."

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#18

Putin's Apparent Cancellation of Three Domestic Trips This Week Sparks Speculation
Paul Goble

Staunton, July 7 - Vladimir Putin reportedly has cancelled three domestic trips that he had been scheduled to make this week - to the Altay, Sakha and Nizhny Novgorod - and has not appeared in public since returning from Finland, a pattern that is already leading to speculation about his health physical or political.

Three sources "close to the Kremlin" told RBC that the Kremlin leader had cancelled the three trips, but Putin's press secretary, Dmitry Peshkov, said there were no cancellations and that these "trips" were simply among "the dozens" people have proposed but that had not been agreed to by the president
(rbc.ru/politics/06/07/2016/577ced289a7947214102dae3).

But the news agency's sources provided the kind of detail which suggests that the trips in

But the news agency's sources provided the kind of detail which suggests that the trips in fact had been planned and then cancelled. According to them, Putin was supposed to take part in a session of the State Council on tourism on July 5. Then on July 6, he was to go to Sakha to take part in a regional conference of the Popular Front and the opening of a sports competition.

And on July 7, Putin reportedly was expected in Nizhny Novgorod to open a new factory; but according to the news agency's sources, this event was not only organized at the last minute but cancelled shortly thereafter. It reported that the factory owners hope to have it rescheduled later this month or in August.

RBC reports today that "the last time Putin took part in public activities to which the press was invited was at the end of last week" when he flew to Finland. The presidential Internet page lists subsequent meetings with regional heads, but at least one of them took place earlier than the Kremlin reported.

The last time Putin was out of public view this long was in March 2015 when he did not appear in public for eleven days. At that time, Western news agencies like Reuters reported that the Kremlin leader was ill, something his press spokesman denied.

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Johnson's Russia List, 6368 Circle Drive, Chincoteague, VA 23336

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Nellie Ohr

From: Nellie Ohr
Sent: Wednesday, June 29, 2016 9:56 AM
To: Ohr, Bruce (ODAG); Holtyn, Lisa (OCDETF); Wheatley, Joe; Nizich, Ivana
Subject: Spain arrests Russians with ties to United Russia and Colombian cartels

Russian report: <https://slon.ru/posts/70066> summarizing

Spanish report: <http://www.elmundo.es/espana/2016/06/28/57721759e5fdeac9268b4677.html>

In Tarragon

At least 6 Russians plus 1 Ukrainian and his Spanish lawyer
money laundering

Operation "Usury" (*Usura*)

Suspects are tied with Tambov and Taganka crime groups

They had "excellent relations with well-known Moscow politicians" including members of United Russia, who used to visit the region.

Also had contacts with Colombian drug cartels

(My attempt at reading the Spanish: Their money laundering seems to involve creating credit accounts to launder the money through the supposed sale of real estate. The two Russian ringleaders often visit Tarragon.)

Al menos 7 detenidos en un nuevo golpe a la mafia rusa en Tarragona

Se ha ordenado el embargo de 192 inmuebles en Reus, Salou y Cambrils

Se les atribuye blanqueo para las mafias Tambovskaya y Taganskaya

- **ÁNGELES ESCRIVÁ**
- *Madrid*

28/06/2016 08:46

Mafia rusa, blanqueo de dinero, excelentes relaciones con destacados políticos moscovitas y testaferros de experiencia internacional empleados en sus menesteres por los cárteles de droga colombianos.

En la *operación Usura* desarrollada por la Guardia Civil en las primeras horas de este martes se mezclan todos estos ingredientes en dosis suficientes como para que se hayan producido al menos siete detenidos y 19 registros - que se están llevando a cabo en este momento-, y se haya ordenado el embargo de 192 inmuebles en **Reus, Salou y Cambrils**.

El dispositivo de la Guardia Civil se ha iniciado a las seis de la mañana, dirigido por la Fiscalía Anticorrupción, y participan en él 180 agentes.

Según las fuentes consultadas, a los detenidos -seis rusos, un ucraniano y su abogado español- se les atribuye un delito de blanqueo de dinero para, entre otros beneficiarios, las mafias **Tambovskaya** y **Taganskaya**, dos de las organizaciones criminales más potentes del panorama delincuencia.

Se dedicaban, presuntamente, a crear empresas crediticias para blanquear dinero con la compra de inmuebles. Los responsables de la red son dos ciudadanos rusos que habían establecido la infraestructura para la comisión de los delitos y que se desplazaban frecuentemente a Tarragona para controlar el funcionamiento de sus subordinados.

En sus estancias en España demostraban sus excelentes contactos con los políticos de su país de origen. Hay constancia de que, en varias ocasiones, importantes cargos representativos moscovitas del partido gobernante,

Rusia Unida, han sido sus huéspedes durante los fines de semana. Cargos cuyos nombres se han visto

vinculados públicamente y judicialmente, a llamativos casos de corrupción. Los testareros empleados por esta red también tenían vocación internacional.

Los investigadores han detectado los contactos con testareros profesionales vinculados a los cárteles colombianos de droga **Cali** y **Medellín**. La operación continúa abierta.

Nellie Ohr

From: Nellie Ohr
Sent: Friday, June 03, 2016 4:38 PM
To: (b) (6) Nellie Email; Holtyn, Lisa (OCDETF); Ohr, Bruce (ODAG)
Subject: Re: The Criminal Front In The Hybrid War

Sorry, one more thing: the main argument he gives for Russian involvement is that vory who were crowned in Russia are increasingly active in Ukraine and that ergo they must be under the influence of Russian special services, who must be using them to "collect information and destabilize the crime situation in Ukraine."

-----Original Message-----

From: Nellie Ohr (b) (6)
To: (b) (6) Lisa Holtyn; bruce.g.ohr <bruce.g.ohr@usdoj.gov>
Sent: Fri, Jun 3, 2016 4:28 pm
Subject: The Criminal Front In The Hybrid War

"The Criminal Front In The Hybrid War"

In a piece published on zn.ua, Vadim Troyan, the first deputy head of Ukraine's National Police, accuses Moscow of opening "a criminal front" in Ukraine by deploying gangsters to destabilize the country. Troyan's warning came after the Ukrainian parliament failed to pass a law making it easier to prosecute top organized-crime figures" (<http://www.interpretemag.com/the-morning-vertical-may-31-2016/>)

My notes: most of this article is about the problem of OC in general and the failure of the legislative changes. The changes he favors would 1) restore the criminal status of the concept "thief-in-law" (which he defines---see bolded and italicized bit below), 2) introduce criminal punishment for illegally crossing the Ukrainian border, and 3) makes penalties harsher and bail payments higher.

In terms of Russia encouraging criminals: he states it but does not give concrete examples or prove it. The most concrete thing he says is that after Ukraine deported 4 vory and 1 avoritet in the past 2 months, they have obtained new false passports and are trying to get back in, which he sees as evidence that "the criminal intent of their sponsors (those overseeing them --купаторов) ---to give them leverage to monitor and influence the criminal situation in our country--is systemic and sustained."

http://gazeta.zn.ua/internal/ugolovnyy-front-gibridnoy-voyny-protiv-ukrainy-_.html

Уголовный фронт гибридной войны против Украины

Вадим Троян 27 мая,

Считаю необходимым подробно рассказать об одном из определяющих элементов гибридной войны, который применяет против нас страна-агрессор — Российская Федерация. Элемент этот имеет сугубо уголовную основу.

Используя военные действия на Востоке нашего государства, влияя извне и изнутри на экономический и социальный кризис в нашем обществе, усиливая информационную агрессию через СМИ, враг, кроме этого, значительно усиливает свое влияние на уголовный мир, а через него — и на ухудшение криминогенной ситуации на территории нашего государства. Следует отметить, что в Украине прослеживается насыщение и активизация деятельности *организаторов и руководителей преступных группировок, получивших гражданство и статус "вора в законе" на территории Российской Федерации. В связи с этим они находятся под влиянием спецслужб РФ и используются последними для сбора информации и дестабилизации криминогенной обстановки в регионах Украины.*

Анализ состояния оперативной обстановки свидетельствует, что на территории Украины действует устойчивая

Анализ состояния оперативной обстановки свидетельствует, что на территории Украины действует устойчивое иерархическое объединение лиц, которое содержит признаки преступной организации, создано для совершения тяжких и особо тяжких уголовных правонарушений, а управляется и координируется лидерами организованных групп (структурных частей преступной организации). Руководят преступной организацией лица, наделенные в уголовном мире самым высоким статусом "воров в законе", которые для усиления преступной деятельности сплачивают бандитский элемент, непосредственно планируют, организуют и руководят совершением уголовных правонарушений его участниками.

Во время расследования мы арестовываем больше мелких воров или отдельные группы преступников. Нередко, имея вещественные доказательства, видео, официально предоставленные свидетельства, формирующие доказательную базу против этих лиц, Нацполиция лишена возможности закрепить доказательства преступных действий основных заказчиков тяжких уголовных правонарушений. Они всегда находятся в тени, а деньги, добытые незаконным путем, попадают к ним в виде "черного нал".

Известно, что средства из общего воровского финансового центра, т.н. "общака", "воры в законе" используют для совершения преступлений, решения бытовых и личных вопросов руководителей и участников преступной организации, подкупа коррумпированных представителей власти, легализации на территории Украины, учреждения и ведения бизнеса, в т.ч. незаконного. А еще — с целью лоббирования своих представителей к самым высоким органам власти для обеспечения *крыши* преступной организации, защиты ее интересов и уже созданного бизнеса путем *создания собственного положительного имиджа* и поддержания *культы "воровской романтики"*, в частности с использованием интернет-ресурсов и социальных сетей; для учреждения разного рода *псевдоправозащитных организаций и благотворительных фондов*, которые через медиаресурсы могут, при необходимости, создавать негативные настроения в обществе, настраивать его против правоохранительных, судебных органов, а также органов власти; для обеспечения всего необходимого (в т.ч. приобретения техники, оружия, другого имущества, создания субъектов хозяйствования, банков) и т.п.

В состав преступной организации входят и другие участники организованных групп и представители криминалитета, которые активно поддерживают "воровское движение" и установленные правила поведения, платят средства в "воровской общак", обеспечивают поддержку, т.н. *подогрев*, своим приспешникам, отбывающим сроки в учреждениях исполнения наказаний, а также принимают непосредственное участие в совершении тяжких и особо тяжких преступлений на территории Украины.

Все преступные формирования пытаются расширить свои экономические основы, стремясь увеличить долю легальной экономической деятельности. Это может представлять особую общественную опасность. На почве сложной социально-политической и экономической ситуации указанная тенденция может со временем заостриться.

Все чаще поступает информация о создании лидерами уголовной среды собственной *контрразведки*, в состав которой входят настоящие профессионалы — бывшие работники правоохранительных органов, заблаговременно нейтрализующие активность специальных служб и подразделений. Кроме того, почти у каждого более или менее влиятельного "вора в законе" есть высокопоставленный *покровитель*, а иногда — и связи с представителями медиа, которые по заказу организуют размещение нужных публикаций, в том числе таких, которые *дискредитируют то или иное должностное лицо*.

Пытаясь всячески избежать уголовной ответственности, вышеупомянутые лица используют услуги высокооплачиваемых адвокатов. В ход идут юридические ухищрения, фальсификации. Известны также случаи запугивания правоохранителей, привлечение частных охранительных структур и материальный интерес (взятки) представителей судебной ветви власти.

Нередко среди участников преступных организаций на почве перераспределения сфер уголовного влияния возникают конфликты, которые приводят к совершению заказных убийств, нанесению тяжких телесных повреждений, незаконному лишению свободы или похищению человека, намеренному повреждению имущества и т.п. Эти конфликты могут носить продолжительный характер, что, в свою очередь, приводит к обострению криминогенной обстановки.

Особенностью деятельности участников преступной организации в Украине, которая приобрела ключевое значение в течение последнего года, стала ее *политизация*, интеграция с террористической деятельностью, ориентация на достижение экономических целей путем установления территориального контроля. Указанная тенденция обусловлена агрессией РФ против Украины и активным использованием *Российской Федерацией именно криминалитета для достижения политических целей в Украине*.

Отдельные преступные группировки созданы для обеспечения экономических интересов олигархично-монополистического капитала [which oligarchs does he have in mind? Akhmetov?] и финансируются с неподконтрольной государственной власти части Украины. Противоправная деятельность участников преступной организации направлена прежде всего на получение прибыли от незаконного использования

преступной организации нацелена чаще всего на получение прибыли от незаконного использования легальной экономики и коррупционных схем, т.е. имеет целью системное разворовывание национального богатства.

Один из специфических признаков незаконной деятельности участников преступной организации — использование международных финансовых систем для вывода средств, полученных противоправным путем, в другие страны. Реципиентом этих средств чаще всего являются экономики стран ЕС и аффилированные с ними офшорные зоны.

Преступления, совершенные участниками преступной организации экономически-коррупционной направленности, имеют высокий уровень латентности и, даже когда обнаруживаются, как правило, не квалифицируются как содеянные в составе организованной преступной группировки. Преимущественно они учитываются в сфере общеуголовной преступности относительно лиц низового уровня.

Указанная ситуация вызывает критические последствия в борьбе с организованной преступностью, содействует недоверию населения к власти в целом и негативному имиджу страны на международной арене.

Т.н. *воровское движение* в Украине носит транснациональный и международный характер. На сегодняшний день установлены связи и в других странах, в частности Российской Федерации, странах СНГ, Европейского Союза и Объединенных Арабских Эмиратах. *[highlights ties with UAE criminals]*

В Верховную Раду Украины был представлен законопроект №1188 "О внесении изменений в некоторые законодательные акты Украины (относительно ответственности для "воров в законе" и преступлений, совершенных преступными группировками). Принятие этого закона могло иметь историческое значение как внутри нашего государства, так и на международном уровне. Но 17.05.2016 г. закон отклонили. Не голосовали (возможно, из личных или политических убеждений) депутаты, которые не поняли или не хотели понять важности такого решения. Это "Оппозиционный блок", "Відродження" (один голос — "за"), "Воля народа", фракция РПЛ.

Именно тогда в Праге (Чехия) проходила международная конференция *Интерпола*. Обсуждался на ней один из самых острых вопросов для международного сообщества: борьба с организованной преступностью. В национальном центральном бюро Интерпола создан проект *Millenium*, определяющий одной из своих задач именно борьбу с организованной преступностью в мире. Национальная полиция Украины пошлет туда двух опытных сотрудников департамента уголовного розыска. Наша цель — объединить с мировым сообществом усилия в борьбе с организованной преступностью.

Мы рассчитываем, что законодатели обязательно снова представят новый законопроект в парламент. Мы не отступим от своих убеждений, которые состоят в том, что за организацию и руководство криминалом несут ответственность т.н. *воры в законе* и *уголовные авторитеты*. А значит, наказание их должно быть суровым и неизбежным. Основой этих изменений вновь станет норма, согласно которой "вор в законе" приобретет свой соответствующий уголовный статус и в правовом смысле, с четким юридическим определением: **[the main change is to restore the criminal status of the concept of thief-in-law, defined as] "вор в законе" — лицо, являющееся организатором и руководителем преступного сообщества, которое базируется на достаточном авторитете в уголовной и тюремной среде, является активным сторонником уголовного образа жизни и морали, связано обязанностью преступного кодекса поведения и традициями уголовного мира, относительно которого формально выполнена процедура т.н. коронования, и которое руководит другими руководящими лицами преступных группировок согласно установленной в преступном сообществе иерархии".**

Среди "воров в законе" и "уголовных авторитетов" есть граждане не только Украины, но также Грузии, Азербайджана, Армении, и больше всего — Российской Федерации. Необходимо совершенствовать наши законы в направлении лишения этих лиц гражданства, если те имеют такие преступные статусы и негативно влияют на криминогенную ситуацию. Следует отметить, что (даже без специального законодательства) Национальная полиция ведет сокрушительную борьбу против предводителей организованных преступных группировок: за последние два месяца соответствующими законными решениями Государственной миграционной службы мы уже депортировали с территории нашего государства четверых "воров в законе" и одного "уголовного авторитета", имевших иностранное гражданство нарушавших миграционное законодательство. Но они, *изменяя паспортные данные, вновь пытаются попасть на территорию нашего государства*. Это еще одно свидетельство того, что **преступные намерения их кураторов — дать им рычаги для контроля и влияния на криминогенную ситуацию в нашей стране — являются системными и последовательными**. Для дальнейшего недопущения таких случаев мы считаем необходимым внести законодательные изменения о *возвращении в Уголовный кодекс Украины статьи "Незаконное пересечение государственной границы Украины"*. А еще считаем необходимым провести такие законодательные изменения: усилить ответственность за совершение тяжких и особо тяжких преступлений, увеличить суммы штрафа во время избрания меры пресечения, не связанной с содержанием

преступлениям, увеличить суммы залога во время избрания меры пресечения, не связанной с содержанием под стражей, или полностью лишать их такой возможности. Мы инициируем создание рабочей группы из представителей МВД, НП, ВРУ, ГПУ и международных организаций для доработки нового законопроекта перед регистрацией его в парламенте. Убеждены, что большинство наших граждан хотят жить без той заразы, которую несут в общество организованные преступные группы и их предводители. Для меня вся эта работа — внутренний фронт. Молчать об этом мы не имеем права. У нас тяжелые времена в государстве. Мы победили, но пока что не наказали "вора в законе" В.Януковича. Но нам надо еще победить всех тех, кто тоже сейчас действует, как бывшая власть, и пытается извне и изнутри уничтожить наше государство.

Nellie Ohr

From: Nellie Ohr
Sent: Monday, May 30, 2016 9:56 AM
To: Ohr, Bruce (ODAG); Holtyn, Lisa (OCDETF); (b) (6) - Ivana Nizich - per Crim; Wheatley, Joe
Subject: Reported Trove of documents on Ukrainian Party of Regions' "Black Cashbox"

<http://www.odessatalk.com/2016/05/party-regions-chyornaya-kassa/>

The Party of Regions “Chyornaya Kassa”

May 29, 2016 by [Nikolai Holmov](#) [Leave a Comment](#)

One of the enduring intrigues for Soviet, post-Soviet and KGB/Security Services watchers with regard to Russia remains that of the “Chyornaya Kassa” (Black Cashbox) run by ex-KGB/secret service officers that has its origins in the late Soviet period.

The purpose of this considerable fund, which has long been reported to have been in existence, is to bribe officials, launder cash and sponsor projects of interest. For example, Zhirinovskii’s LDPR, like Barkashov’s RNYe and Sterligov’s Russkoye Narodnoye Sobor (Russian National Assembly) were all reported to have been recipients of funding via the so-called ‘chyornaya kassa’ when the KGB were creating the facade of a “democratic” Russia prior to, and immediately following, the collapse of the USSR.

It should therefore come as little surprise that the Party of Regions apparently also had a “Chyornaya Kassa” with the same purpose of bribing officials, laundering cash and sponsoring projects of interest, etc.

Documentation regarding that Party of Regions “chyornaya kasse” has now seemingly found its way to NABU, the Ukrainian National Anti-Corruption Bureau.

<https://t.co/KhDHk97zmG> #Ukraine – Well this would be an interesting read – though not as interesting as the (in)famous KGB “черной кассы”
— Nikolai Holmov (@OdessaBlogger) [May 28, 2016](#)

Of course there will be much speculation as to the contents of what appears to be records of thousands of transactions, signatures, stamps and seals relating to hundreds of officials past and present.

Former Chief of the “K” Department of the Ukrainian SBU General Victor Trepakov, (quietly relieved from his post by Presidential Decree on the same day the new Cabinet was anointed) who handed these documents to the Director of NABU Artem Sitnic, stated “*Much of this material – a “ledger” of corrupt payments that are systematically carried out at the expense of a “common fund”, “black cash” by the Party of Regions.*

For the first time in the field of law enforcement there is an array of materials on not one or more crimes, but long-term systemic corruption activities of an organized structure which operated on the basis of a certain political party and was aimed at the unlawful seizure of power and its misuse. And most importantly – has reached this goal! We are talking about corruption activities of the most dangerous kind – political corruption with hundreds, I emphasize hundreds of subjects, including dozens of officials of the highest level. In most cases the materials contain substantive information about who, when and how the crime was committed. Besides that all are unique incidents, they allow a holistic view of the big picture of criminal activity – with its organizers, executors, intermediaries, means of implementation, the results.”

Undoubtedly those names will not simply be limited ex-Party of Regions names, nor their implanted functionaries in State institutions. They will also include the members of the judiciary, prosecutors, political “grey cardinals”, leaders of State institutions (like election commissions), a sprinkling of foreign officials, and many “Old Guard” personalities across political party lines – regardless of their party.

Apparently the fund was about \$2 billion – in cash – notwithstanding any business property “flipping” documentation, share transfers etc.

All potentially dangerous and inflammatory stuff.

Thus whilst the contents of these documents will be subject to much speculation – notwithstanding months and

probably years of NABU investigation (depending upon the ease of investigating any particular incident) – there are equally interesting questions about the collection, collation and delivery of this chyornaya kassa to the Director of the NABU.

Leaving aside the authenticity of the documents which cover thousands of transactions over a period of years (requiring some dedication to fake – but doable nonetheless), there can be only a very few select number of people that were trusted to keep the books of the Party of Regions illicit Chyornaya Kassa.

Who then collected and collated this information and acted as the PoR Chyornaya Kassa “accountant” or “accountants”?

Are they still in Ukraine, have they fled, have they since died and if so under what circumstances? (There have been a number of “suicides” of Yanukovich functionaries in the immediate aftermath of his fleeing – particularly among those ever connected with the State Property Fund.)

If the possessor of this Chyornaya Kassa is one of the perhaps only a few “accountants”, there is enormous personal risk in passing on this original documentation – as there is for Mr Trepakov having seen it and passed it to NABU.

If not an “accountant” for the Chyornaya Kassa, how were these documents obtained? Were they left behind in panic by a fleeing Yanukovich regime functionary, subsequently seized and deliberately kept from an evidence chain in a search and seizure register? If so by who – and why?

Did this individual copy these documents prior to handing them to Victor Trepakov? Has Victor Trepakov copied them prior to handing them to the Director of NABU? Are there other copies circulating among the former PoR members? Who else may have a copy?

What was the purpose of making copies? As a guarantee/personal insurance policy that should anything happen to these relevant individuals the documents would make their way to the media? If so where are the copies lodged? Who to trust, and equally burden (for it is a burden), with such a role?

Have copies of these documents made their way to other, perhaps foreign security services? To what end? To create a back-up of sealed indictments in case of inaction or ineffective investigation by NABU against certain individuals to prevent certain future actions on their part?

If there are foreign personalities involved, are those relevant documents to be shared with those nations – and when?

Why was Mr Trepakov chosen as the intermediary between possessor/owner/keeper of the PoR Chyornaya Kassa and NABU? Is there a personal relationship between informer and intermediary? Let us be frank, a former Chief of the “K” Department with the Ukrainian SBU is not without significant connections and previous informant handler and informant controller history/experience.

Why did Mr Trepakov agree to become the intermediary having been so recently removed from the SBU institutional structure – quietly?

Is he really the intermediary or the original finder/keeper of these documents from searches past?

In short, what are the motivations of both the individual that passed the information and that of the intermediary? It is a question that any and every investigator would ask – for they are questions asked when registering and dealing with any informant and the information they subsequently provide. Not all informants are informants for cash reward – there are other (and perhaps more dangerous) motivators.

It may very well be that both parties are acting out of a sense of patriotism and a dedication to force change in the system via the prevalence of the rule of law. It may very well be that no aspersions should be cast upon their characters. Nevertheless, such very basic questions should be asked by investigators – and those who have taken part in supplying this information to the authorities undoubtedly expect those questions to be asked.

There are questions to be asked over timing. Clearly the PoR Chyornaya Kassa (if genuine) has not just appeared from nowhere. Somebody has kept it, knowing it to be what it is, for quite some time. Thus why now has it come to light and been given to the authorities?

Is it that previously there was doubt as to the ability of NABU to stay clear of political interference?

Is it that previously there simply was no NABU?

Is it that Yuri Lutsenko is seen as the first Prosecutor General who is not able to strong-arm the NABU or radically change its structure? Were previous PGs deemed too strong *vis a vis* NABU? Is it that the previous PGs are all named in the PoR Chyornaya Kassa and that the current PG isn't? Perhaps it is felt that Mr Lutsenko is far more “controllable” or “influenced” by the West than previous incumbents and therefore that NABU will be able to work unhindered? That all seems rather doubtful considering that political names across party lines and within State institutions are certain to be sullied by illicit deals within any genuine PoR Chyornaya Kassa.

If that be so, the reason for such timing now is what?

Is it to effect a challenge to the existing system that has far more potential to up end it than that of the Panama Papers or media chatter. The feeling of those involved in producing such documentation therefore being that this has to be done now before the “bad old ways” become solidly set once again?

Had the document “keeper” has suddenly become “under pressure” or be slighted in some way, and this is a method of repulsion or revenge?

Wisely no names nor specifics have been placed within the public domain with regard to contents – for now. To do

so would firstly invalidate the "insurance" any copies would have for those promoting the existence of this chyornaya kassa, and secondly could very well impede subsequent investigations by NABU. However, on the presumption that such "insurance" exists by way of copies taken by those that have had possession of the PoR Chyornaya Kassa documentation, it is perhaps also only a matter of time before things (almost inevitably) leak.

Whatever is to come, on the presumption that the PoR Chyornaya Kassa is genuine and is investigated thoroughly, then it will make the Panama Papers and almost all previous scandals (perhaps less Lazarenko) seem like a non-event (which generally it has proven to be in Ukraine).

How to investigate such a large and incriminating document both holistically and by way of individual illicit acts will be a matter for NABU – but there must surely be some cases that can be properly and responsibly investigated and brought to trial before the year end – whilst others will quite literally take years to complete.

It will be interesting to watch this story develop!

Nellie Ohr

From: Nellie Ohr
Sent: Tuesday, May 10, 2016 3:29 PM
To: (b) (6) Nellie Email; Ohr, Bruce (ODAG); Holtyn, Lisa (OCDETF); Wheatley, Joe; Nizich, Ivana
Subject: Galeotti sums it up

Putinism won't end with a bang, but a warrant

[Mark Galeotti](#) 10 May 2016

<https://opendemocracy.net/od-russia/mark-galeotti/putinism-won-t-end-with-bang-but-criminal-warrant>

New charges concerning several leading Russian officials reveal the greatest threat to the Kremlin's hold on power — elite corruption.

Will Putinism end not with a bang but a warrant? Hot on the heels of the [Panama Papers' revelations about multi-billion dollar slush funds](#), a Spanish court's decision to [issue arrest orders for 12 Russian citizens](#), including senior law enforcement officials and a Duma deputy, demonstrates the new pressures faced by Russia's elite, otherwise used to juggling the freedom to steal at home with the freedom to spend and save abroad. In the process, the elite's social contract with the Putin regime is increasingly impossible for both sides to sustain.

An antisocial contract

The Spanish case has illustrated the way that the interconnection of crime, politics and business in Russia means that — at some remove — almost everyone of substance within the system is linked with out-and-out mobsters. Even figures generally regarded as "clean" by Russian standards, such as Deputy Prime Minister Dmitry Kozak, feature in the phone-tapped conversations and extensively mapped business connections painstakingly collected by the investigators.

The *sistema* is one in which [everyone does and requires favours](#), tribute is demanded and offered as much as anything else as a symbolic representation of relative power, and no one is expected to live off their salary alone. The *sistema*, not Islamic radicals or freethinking liberals, is the greatest security challenge to today's Russia. The tsarist model of *kormlenie* ("feeding"), whereby officials were paid a relative pittance on the expectation that they would use their positions to enrich themselves, was eventually abandoned as backward and corrupt. Depressingly enough, the "trough" emerged as a survival mechanism under Yeltsin. It has become a central feature of Putin's mechanisms to manage the elite.

A still from a 2012 fake video showing Vladimir Putin facing charges of financial machinations and abuse of power. Source: [YouTube](#). Everyone is corrupt to some extent or another, and the question becomes that difficult and subjective one of distinguishing degrees of dirtiness. This is morally corrosive and, as has become increasingly evident, buys political control at the expense of managerial effectiveness.

Mercifully, there are still efficient technocrats still doing their jobs well, whether because they benefit personally or simply out of patriotism or professionalism. In general, though, the result is systemic corruption and inefficiency.

With money getting tight, inefficiency begins to look like luxury

With money getting tight, that inefficiency begins to look like luxury. However, the Spanish case has also highlighted another problem for the Kremlin.

The Soviet elite were corrupt, even to the extent of enjoying western luxuries denied the masses. However, in Soviet times almost all connections with the outside world, licit or not, were managed by the state. External economic relations were the province of Vneshtorg, Vneshekonombank, and similar bureaucratic monoliths. Party members bought western goods at state-owned Party commissaries or hard-currency stores. Even smuggling exclusive goodies for the upper elite was largely handled by the KGB. In other words, Soviet citizens, even members of the elite, had few connections with the outside world.

Cosmopolitan vices

Cosmopolitan Vices

In today's Russia, things are very different. Those who live by globalisation are finding that they can die by it, too. The modern Russian elite delight in their cosmopolitanism. They travel widely, send their children to study in the west, and are enthusiastic consumers of global products and experiences.

Understanding that, to be rich in Russia is merely to hold assets in trust until the state or someone with better connections or sharper fangs decides otherwise, the elite uses the west as their savings account, their place to stash their often-ill-gotten gains protected by the rule of law.

Those who live by globalisation are finding that they can die by it, too

Until very recently, Russia's elite have been able to enjoy this privilege because western governments, by no means to their credit, were largely willing to turn a blind eye to Russian kleptocracy so long as the money rolled into and through their financial systems, profited their bankers and lawyers and generally meant business. There is still a resistance to any measures which would impede this flow of easy money, but the Spanish case may help tip the balance.

The other reason the elite could get away with this duality, kleptocrat at home, high-rolling investor in the west, is that the Kremlin allowed it. In recent years the government has become concerned about the outflow of money and campaigned for a repatriation of assets to the welcoming bosom of the Motherland.

However, at the same time nothing has been done to curb the continuing interbreeding of crime, politics, and business. Indeed, many of what Putin would presumably count as his triumphs actually depended on toxic mixture. The Olympic facilities at Sochi were to a degree built by trafficked labour. The seizure of Crimea was facilitated by a strategic alliance with local gangsters that saw their representative elevated as the peninsula's premier. The war in the Donbas was partly fought by co-opted crime gangs.

The Kremlin depends on the elite to manage the country. The social contract that emerged is that in return for loyalty, they are allowed, within elastic limits, to steal and enjoy the fruits of that corruption and embezzlement.

They operate in a world of backhanders, sweetheart deals, favours and tribute that inevitably connects them to "proper" gangsters, whose services the Kremlin itself sometimes also finds useful.

Everything, to quote Lenin, connects to everything else.

What is to be done?

But this *sistema* is under serious, growing, perhaps even lethal pressure. Domestically, there is less money to subsidise a system based on graft and clientelism. Keeping some allies happy and plump is leaving others disgruntled and hungry.

In response, the government has to consider increasingly short-term measures. The next round of privatisations, for example, are not to maximise state income or bring better management to structures such as Bashneft and Alrosa. Rather, they will become vehicles to transfer assets into the hands of favoured cronies.

This may help maintain support (or at least the appearance of support) for the moment, but each time the Kremlin hands out more of the family silver, there is that much less left in the drawer.

Each time the Kremlin hands out more family silver, there is that much less left in the drawer

Likewise, how far can the Kremlin continue to turn a blind eye to the corruption and inefficiencies of the system?

The recent decision to subordinate the anti-narcotics service (FSKN) to the Ministry of Internal Affairs (MVD) was done for many reasons, but in part its notorious corruption.

To many, the FSKN was more interested in facilitating and "taxing" the drug trade than fighting it, and the MVD – no beacon of purity – now has the unenviable task of trying to cleanse it. Likewise, there appear to be new attempts to clean up embezzlement and corruption within defence procurement. If Putin wants an army able to bully NATO and cow his neighbours, he needs to get the most bang out of his shrinking bucks.

But Putin has built his whole *sistema* around this pervasive, sometimes almost invisible webwork of relationships that seamlessly connect the mainly-honest, the wholly-dirty, and everyone in between. That webbing, not fear or propaganda, is what he used to "gather the Russian lands" after the centrifugal Yeltsin years.

Unpicking this system would be a Herculean task, and there is no evidence that Putin has the will or the capacity. Instead, Putin confines himself to specific institutional examples, even if — whether he is willing to admit it or not — this is more to give the impression of action than a realistic attempt at change.

Yet the *sistema*, not Islamic radicals or freethinking liberals, is the greatest security challenge to today's Russia. The *sistema* drains the economy, shackles the technocrats, enervates the masses, angers the marginalised, and subverts the message of a resurgent nation. It also creates vulnerabilities with which the Soviets never had to contend. This cosmopolitan elite can be affected by western laws and law enforcement — we have already had the Magnitsky Law and the post-Crimea personal sanctions.

Disruption

Digging in

The Panama Papers and now the Spanish warrants open up a potential new form of political pressure. After all, the Spanish evidence demonstrates how far Tambovskaya "godfather" Gennady Petrov was connected first-, second- or third-hand to a cast of Russian luminaries who now can be considered potential witnesses at best, accessories at worst.

More and more Russians are finding their opportunities for foreign travel constrained, their overseas assets frozen, their companies flagged as potential investment risks. And why are western governments more willing to provide their magistrates and investigators the resources for such major operations and back them with political muscle? Because of the new geopolitical confrontation, the responsibility for which can be laid squarely at Putin's feet. Having established himself as the architect and builder of the new Russia, Putin can hardly escape responsibility for the outcomes of his policies

An elite that was co-opted and contented by the freedom to steal and the scope to use that wealth abroad is, thanks to Putin, finding itself less able to steal and increasingly barred from the west. Putin wants the elite "repatriated" in loyalties and well as lucre, but his capacity to offer them comparable opportunities at home is ever more limited.

And, when it comes down to it, having established himself as the architect and builder of the new Russia, Putin can hardly escape responsibility for the outcomes of his policies.

To be sure, he is not at imminent risk. Putin is digging in behind his Kremlin walls and the newly-created National Guard. But it would be an irony if the west's most powerful instrument of regime change in Russia was not sanctions or propaganda, but simple arrest warrants.

From: Holtyn, Lisa (OCDETF)
Sent: Wednesday, May 4, 2016 1:44 PM
To: Nellie Ohr
Subject: RE: Making sure you saw this: Spain issues warrants for Zubkov and other top officials

This message has been archived.

Thanks, Nellie. If you come across any references to an arrest warrant on him, could you please let me know? Thanks again for keeping me posted!

From: Nellie Ohr [mailto:(b) (6)]
Sent: Wednesday, May 04, 2016 12:21 PM
To: Holtyn, Lisa (OCDETF)
Subject: Re: Making sure you saw this: Spain issues warrants for Zubkov and other top officials

Yeah, I may have jumped to conclusions after seeing his name in the RFERL article.

The El Mundo report mentions Zubkov at the very end but doesn't specifically seem to say there was an arrest warrant

"Entre las personas más importantes con las que se relacionaba Petrov estaba Anatoli Serdiukov, ministro de Defensa entre 2007 y 2012 y yerno del ex primer ministro Viktor Zubkov. El propio Zubkov habría favorecido a la organización de Petrov con algunas decisiones políticas, según apunta la investigación. "
<http://www.elmundo.es/espana/2016/05/03/57279e9e468aeb2a568b4589.html>
<<http://www.elmundo.es/espana/2016/05/03/57279e9e468aeb2a568b4589.html>>

The term "reclamados" seems to be used for the ones for whom they issued arrest warrants, and the term doesn't seem to be specifically applied to him.

-----Original Message-----

From: Holtyn, Lisa (OCDETF) (OCDETF) <(b) (6)>
To: Nellie Ohr (b) (6) >
Sent: Wed, May 4, 2016 12:00 pm
Subject: RE: Making sure you saw this: Spain issues warrants for Zubkov and other top officials

Hi Nellie,

Did you actually see something indicating that an arrest warrant was issued for Zubkov? When I read the below article, I only saw reference to him being connected to the gang, not actually the subject of an

arrest warrant. I've been looking on line but can't find anything to corroborate it.

Thanks!

Lisa

From: Nellie Ohr (b) (6)
Sent: Wednesday, May 04, 2016 8:46 AM
To: Holtyn, Lisa (OCDETF); Wheatley, Joe; Nizich, Ivana; Ohr, Bruce (ODAG)
Subject: Making sure you saw this: Spain issues warrants for Zubkov and other top officials

Spain Issues Warrants For Top Russian Officials, Putin Insiders

Last Updated: May 03, 2016 <http://www.rferl.mobi/a/russia-spain-warrant-top-officials-putin-insiders/27713179.html>

* RFE/RL

Those named include Vladislav Reznik (pictured), a lawmaker from the ruling United Russia party and first deputy chairman of the Finance Committee in the lower house of parliament, and Nikolai Aulov, the head of the Interior Ministry's directorate-general.

A Spanish judge has issued international arrest warrants for several current and former Russian government officials and other political figures closely linked to President Vladimir Putin.

The named Russians include a former prime minister and an ex-defense minister, as well as a current deputy prime minister and the current head of the lower house of parliament's finance committee.

The Spanish documents target alleged members of two of Russia's largest and best-known criminal organizations -- the Tambov and Malyshev gangs -- in connection with crimes committed in Spain, including murder, weapons and drug trafficking, extortion, and money laundering.

Russians with alleged ties to the crime groups include a former prime minister and an ex-defense minister, as well as a current deputy prime minister and the current head of the lower house of parliament's finance committee.

Spanish police also conclude that one of the gangs was able to penetrate Russian ministries, security forces, and other key government institutions and businesses with the help of an influential senior legislator.

Judge Jose de la Mata issued 12 arrest warrants in January but the action was not announced to the press until May 2.

Russian President Vladimir Putin (right) listens to Deputy Prime Minister Dmitry Kozak

Spanish authorities are seeking the arrest of Vladislav Reznik, a lawmaker from the ruling United Russia

party and first deputy chairman of the Finance Committee in the lower house of parliament, the State Duma.

Those alleged to be tied to the gangs include Deputy Prime Minister Dmitry Kozak, a former public prosecutor in Putin's native St. Petersburg who joined Putin's Kremlin administration as chief of staff at its inception in 1999-2000.

Another is Viktor Zubkov, who served as Russian prime minister from September 2007 until May 2008. He then served as Putin's first deputy prime minister from May 2008 until May 2012, during Dmitry Medvedev's presidency.

Also named as alleged members are Nikolai Nikolaevich Aulov, the head of the Interior Ministry's directorate-general; former Defense Minister Anatoly Serdyukov; former Deputy Prime Minister Igor Sobolevsky; and former Information Technology Minister Leonid Reiman.

The arrest warrants follow an investigation by Spanish police into the Russian gangs' activities in Spain from 2008 to 2011. A copy of the Spanish prosecutor's resulting 400-page report that reached the media in June indicated that ties between the Tambov gang's activities in Spain and the Kremlin insiders was established largely through recordings of phone calls.

The investigation particularly highlights the role of Gennady Petrov, who is believed to be the head of the Tambov group. He was arrested during a raid on his Majorca villa in 2008 in a sweep that also netted 20 other suspected members of the Spanish branch of the Tambov gang. However, Petrov was later allowed to travel to Russia and has been living in St. Petersburg ever since.

"The criminal organization headed by Petrov managed to achieve a clear penetration of the state structures of his country, not only with the lawmaker [Vladislav] Reznik but with several ministers," the prosecutor's report said.

Spanish police allege that Petrov managed to penetrate Russian institutions including municipalities, ministries, security forces, ports authorities, and private organizations such as banks and corporations through Reznik's influence.

Petrov became co-owner of the Bank Rossia in 1998 to 1999, together with three of Putin's close friends: Nikolai Shamalov, Viktor Myachin, and Yury Kovalchuk. The three Putin friends were founding members of the Ozero Collective.

The Ozero ("Lake") Collective is a residential housing cooperative that Putin and close acquaintances formed in 1996 to purchase lakeside property and build vacation homes for themselves near St. Petersburg. The homes form a gated community and the members of the cooperative have since gone on to prominent positions in Russian government and business and become very wealthy.

The Tambov and Malyshev gangs both originated as protection rackets in St. Petersburg in the late 1980s. Rivals in the past, the two fought a bloody battle for supremacy in 1989 and are believed to control scores of industrial enterprises and engage in drug trafficking, prostitution, protection rackets, and money laundering.

A criminal investigation into a 1 billion-euro money-laundering operation in Bulgaria in 2008 by the Tambov gang provided one recent measure of its scale of operations.

The question now is whether Moscow will react to Spain's issuance of arrest warrants and whether it would extradite any of those named. Almost all are believed to be currently residing in Russia.

"Today the main figures in the Spanish [prosecutor's] report are living in Russia without any problems, and they are doing fine," Andrei Zykov, a retired senior investigator who specialized in corruption and serious economic crimes in areas including St. Petersburg, told RFE/RL in December.

With reporting by El Mundo and Republica

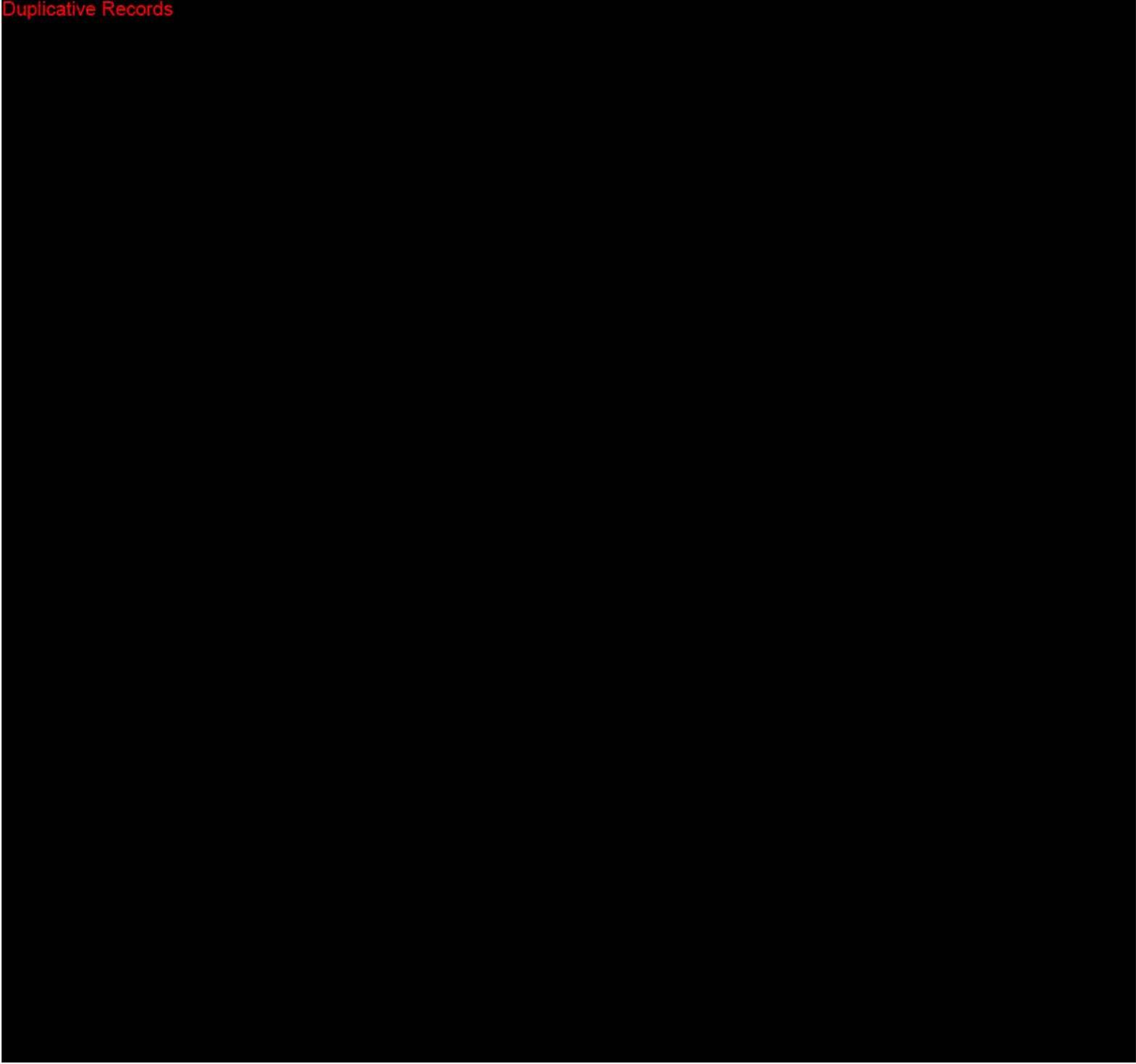
*This article has been amended to clarify that Vladislav Reznik was named in a Spanish arrest warrant.

Nellie Ohr

From: Nellie Ohr
Sent: Wednesday, May 04, 2016 12:53 PM
To: Wheatley, Joe; Nizich, Ivana; Ohr, Bruce (ODAG)
Subject: Maybe I misspoke on Zubkov and the arrest warrants

Correction: Lisa asked whether Zubkov really has an arrest warrant out for him. I doublechecked El Mundo, and it is not so clear.

Duplicative Records



From: Holtyn, Lisa (OCDETF)
Sent: Wednesday, May 4, 2016 11:15 AM
To: Nellie Ohr;Wheatley, Joe;Nizich, Ivana;Ohr, Bruce (ODAG)
Subject: RE: Making sure you saw this: Spain issues warrants for Zubkov and other top officials

This message has been archived.

OMG! Just noted my old pal Zubkov is listed!!!

From: Nellie Ohr (b) (6)
Sent: Wednesday, May 04, 2016 8:46 AM
To: Holtyn, Lisa (OCDETF); Wheatley, Joe; Nizich, Ivana; Ohr, Bruce (ODAG)
Subject: Making sure you saw this: Spain issues warrants for Zubkov and other top officials

Duplicative Records



From: Wheatley, Joe
Sent: Wednesday, May 4, 2016 9:02 AM
To: 'Nellie Ohr';Holtyn, Lisa (OCDETF);Nizich, Ivana (CRM);Ohr, Bruce (ODAG)
Subject: RE: Making sure you saw this: Spain issues warrants for Zubkov and other top officials

This message has been archived.

Thanks so much, Nellie. I'm back in the country and will touch base soon on the email you sent us yesterday.

All the best,

Joe

Joseph Wheatley

Trial Attorney, Organized Crime and Gang Section

U.S. Department of Justice

(b) (6)

From: Nellie Ohr (b) (6)
Sent: Wednesday, May 04, 2016 8:46 AM
To: Holtyn, Lisa (OCDETF); Wheatley, Joe; Nizich, Ivana; Ohr, Bruce (ODAG)
Subject: Making sure you saw this: Spain issues warrants for Zubkov and other top officials

Duplicative Material



From: Holtyn, Lisa (OCDETF)
Sent: Wednesday, May 4, 2016 11:06 AM
To: Nellie Ohr
Subject: RE: More on the Spanish arrests and VVP's Tambov group history--27 high officials said to be involved

This message has been archived.

Thanks, Nellie! I have been following this story with quite a bit of interest, so I appreciate the latest, more detailed info!

From: Nellie Ohr (b) (6)
Sent: Wednesday, May 04, 2016 10:26 AM
To: (b) (6) Nellie Ohr; Holtyn, Lisa (OCDETF); Wheatley, Joe; Nizich, Ivana; Ohr, Bruce (ODAG)
Subject: More on the Spanish arrests and VVP's Tambov group history--27 high officials said to be involved

[This report seems to go even further than earlier reports on Putin's ties with his judo instructor. It also identifies Aulov as a Drug Control Service (FSKN) deputy chief, which I think is correct--the RFERL report said Aulov was in the MVD (which may eventually absorb the FSKN but hasn't yet). It is unclear whether there are arrest warrants against all of the 27 people named as being involved in the case -- NHO]

Spanish Judge Issues Warrants for Russian Mafia Close to Putin; Was Judo Instructor Involved?

17:28 (GMT) <<http://www.interpretermag.com/russia-update-may-3-2016/#13681>>

<<https://www.facebook.com/sharer/sharer.php?u=http%3A%2F%2Fwww.interpretermag.com%2Frussia-update-may-3-2016%2F%3FpressId%3D13681>> The Spanish newspaper El Mundo reported today, May 3, that a Spanish judge has issued an order for the arrest of high-ranking Russian officials said to be <<https://www.facebook.com/sharer/sharer.php?u=http%3A%2F%2Fwww.interpretermag.com%2Frussia-update-may-3-2016%2F%3FpressId%3D13681>> close to Russian President Vladimir Putin and involved in organized crime <<http://www.elmundo.es/espana/2016/05/03/57279e9e468aeb2a568b4589.html>> .

While the full list has not yet been published, Nikolai Aulov, deputy director of the Federal Narcotics Control Agency (FSKN), and Vladislav Reznik, a United Russia deputy in the State Duma, are among them.

Prosecutors Juan Carrau and Jose Grinda had delivered a petition to the Central Court on May 29, 2015 and it seems it has taken a year to respond with international arrest warrants.

The warrants do not necessarily mean a trial can be expected soon because Spain does not try people in absentia and it will be hard to arrest the defendants. To be sure, at one point Reznik, who has denied the charges said he would be happy to clear his name by coming to Spain to take part in the trial.

This indictment follows past arrests from two Spanish police operations, code-named Avispa (2005-07) and Troika (2008-09), in which four Russian mafia lords said to be related to the Tambov <https://en.wikipedia.org/wiki/Tambov_Gang> organized crime gang were arrested: Gennady Petrov, Alexander Malyshev (Petrov's deputy), Vitaly Izguilov (a key lieutenant of the mafia group) and Zakhar Kalashov, said to be the most senior mafia figure to be jailed outside of Russia, the Guardian said in 2010.

Petrov was released and able to flee Spain, and now lives again in Russia <<http://www.businessinsider.com/prosecutors-putins-cronies-helped-the-russian-mafia-work-in-spain-for-more-than-a-decade-2015-6>> where he continues his business activities. Petrov was co-owner of Bank Rossiya from 1998-1999 along with Nikolai Shamalov, Viktor Myachin and Yury Kovalchuk, who is currently on Western sanctions list as "Putin's banker" in connection with the annexation of Crimea. All three of Petrov's business partners along with Putin were founding members of the Ozero Collective, a dacha ownership company.

In June 2015, based on a copy of the prosecutors' May 29 petition to the court, Bloomberg reported <<http://www.bloomberg.com/news/articles/2015-06-29/putin-allies-aided-russian-mafia-in-spain-prosecutors-say>> on the connections alleged between the Tambov crime syndicate in St. Petersburg and Reznik, who is also deputy head of the parliament's finance committee. They said the Tambov members moved to Spain in 1996, when Putin was deputy mayor of St. Petersburg, to continue criminal activities:

The 488-page complaint, the product of a decade of investigations into the spread of Russian organized crime during the Putin era, portrays links between the criminal enterprise and top law-enforcement officials and policy makers in Moscow. The petition, based on thousands of wiretaps, bank transfers and property transactions, is a formal request to charge 27 people with money laundering, fraud and other crimes. Approval by a judge would clear the way for a trial, but Spain doesn't try people in absentia.

The only Russian official facing possible charges is Vladislav Reznik, a member of Putin's ruling United Russia party and the deputy head of the finance committee in the lower house of parliament. The complaint, earlier reported by Spain's El Mundo and ABC newspapers, says Reznik helped the alleged leader of the enterprise, Gennady Petrov, get his associates appointed to key posts in Russia in exchange for assets in Spain. Prosecutors are seeking to confiscate a property they say Reznik owns on the resort island of Majorca.

Assistance to Spanish prosecutors in such mafia prosecutions was a possible motive for the murder of former intelligence officer Alexander Litvinenko <<http://www.theguardian.com/world/2016/jan/12/alexander-litvinenko-russia-murder>> , which was "probably" ordered by Putin himself, according to the British High Court.

The mafia ring's activities from the time Putin was deputy mayor of St. Petersburg under Mayor Anatoly Sobchak seemed to be beyond the reach of the Spanish prosecutors.

But today's announcement shows the prosecutors have gathered enough evidence to issue other arrest warrants, following their "Operation Troika" in which 20 were arrested in 2008. Judge Jose de la Mata, who investigates organized crime groups, says there are "very serious facts" against them.

According to El Mundo, Reznik was said to perform "all necessary activities, legal or illegal (trafficking in influence, privileged information, etc.) involving the highest levels of the Russian government in favor of Petrov."

"The relationship between Petrov and Reznik is also economic in nature, both in Spain and Russia," said the judge. A warrant has also been issued for Reznik's wife, Diana Gindin.

The prosecutors said Aulov, the Russian narcotics agency official, "uses his power" to "carry out acts of intimidation or threats to certain people who try to harm Petrov." From wiretaps, the prosecutors learned that Aulov obtained "secret information relation to the investigation" itself which he informed his boss. Another warrant was issued for Leonid Khristoforov, who acted as a liaison for Aulov.

Yet another is Igor Sobolevsky, deputy prime minister for "maintaining communication and exchange of favors with Petrov."

The prosecutors said they had obtained 78 telephone conversations between Aulov, a former KGB colleague of Putin's in St. Petersburg, with the gang leader Petrov.

The Spanish prosecutors have made the claim that Petrov has helped put people into high-ranking positions

The prosecutors say their case, which has been under investigation for 8 years, will be completed soon and will ultimately involve 27 high-ranking Russian officials, and "all ties lead directly to Putin," although it is not known if Putin himself will be named.

Could Putin know more than he lets on from the gangsters' leaks from the investigation or his own espionage?

Last weekend, Putin undertook a massive reorganization of law-enforcement <<http://www.reuters.com/article/us-russia-putin-reshuffle-lawenforcement-idUSKCN0XR0P2>> which included among other changes, subordinating the Federal Narcotics Control Service, which had been a separate agency, under the National Guard. Over the weekend, Putin fired a number of high-ranking officials including Sergei Dmitriyev, public prosecutor, Igor Klimenov, head of the Federal Penitentiary Service in Moscow, and Dmitry Neklyudov, deputy interior ministry for occupied Crimea. He also dismissed Yury Nyrkov and Vasily Piskarev, two deputies of the Investigative Committee, and promoted Lev Gura, a special cases investigator to senior investigator.

Maj.Gen. Igor Krasnov, who has prosecuted violent Russian ultranationalists, was the first prosecutor put on the case of the murder of opposition leader Boris Nemtsov, has now been appointed deputy to Aleksandr Bastrykin, head of the Investigative Committee. Spanish prosecutors have referenced Bastrykin's name in the past but it is not clear whether he will be indicted.

No reason was given for these dismissals or appointments and those directly related to the Spanish prosecution don't appear to be involved, but could Putin be taking precautions? The Kremlin position on the Spanish claims, however, has always been that the allegations are "utter nonsense."

The issue of the Tambov Gang fixing official seats for various people becomes relevant when Putin's own early biography is probed -- and an implication made that Putin himself owed his own university placement and hence his subsequent career to this mafia.

Alexei Sobchenko, writing recently for Eurasianet.org <<http://www.eurasianet.org/node/76726>> , describes an unsigned piece at the popular blog putinism.wordpress.com (see under "Soratniki po bor'be <<http://bit.ly/22orZcT>> ") that makes the connection between the Tambov gang and Putin via his old judo instructor Leonid Usvyatsov, who twice served 10-year stretches in labor camp, the first on charges

of group rape and the second on charges of illegal foreign currency dealings. The blogger says Usvyatsov was "a prominent member of the so-called Tambov Gang." In between his terms in labor camp (1968-1982), in the 1960s, Usvyatsov became Putin's trainer in the art of sambo <javascript:void(0)> , a martial art developed by the Soviet Army.

Putin mentions Leonid Ionovich, but only by his first name and uncommon patronymic, in his book *First Person*

<<https://putinism.wordpress.com/2015/12/21/%25u0441%25u043E%25u0440%25u0430%25u0442%25u043D%25u0438%25u043A%25u0438-%25u043F%25u043E-%25u0431%25u043E%25u0440%25u044C%25u0431%25u0435-2/>> . The blogger describes this as a

"fond" memory. Here is the passage, in which Putin explains why he was in the Trud [Labor] judo club, but not in the karate class, because those lessons cost money and he was too poor.

Once we went to the gym with Leonid Ionovich, the senior coach from Trud. The karate students were working out on the mat, though it was our turn. Leonid went up to their trainer and told them it was time for our class. The karate trainer didn't even look his way - as if to say, get lost. Then Leonid, without saying a word, flipped him, squeezed him lightly and dragged him off the mat. He had lost consciousness. Then Leonid turned to us and said, "Go in and take your places." This was our attitude toward karate.

The young Putin then emulates this behavior as he describes later, judo-flipping a guy at a bus stop who asked him for a cigarette. As an athlete, he didn't smoke.

This blogger claims it was Usvyatsov who got Putin into law school in 1970 under the athletic quota, although we note that in his book, Putin himself claims it was due to his diligent studies, even though he was not a member of the Komsomol (Young Communist League).

If anything, Putin takes pains in his book to claim that another coach wanted to get him into the Academy of Civil Aviation as an athlete, but Putin didn't want to go into aviation. By that time, he had already decided in the 9th grade that he wanted to be a spy, and a recruiter had told him he would need a higher degree for this purpose, and suggested law school. This set Putin on the path to a legal degree.

Later in his book, Putin portrays Leonid Ionovich as angry at that career choice -- given the role that lawyers played in Soviet society, which was essentially as accomplices to prosecutors, not defenders (Ionovich was an ex-con). In fact, most people with "law degrees" served not in the bar, but in the police or prosecutors' offices.

Putin writes:

Then another coach of mine from the Trud Club, Leonid Ionovich, came to visit. He was a clever guy. "Well," he said to me. "Where are you going?" Of course he already knew. He was just acting sly. I said, "To university." "Oh, that's great, good for you," he said, "in what department?" "The law school," I answered. Then he roared: "What?! To catch people? What are you doing? You'll be a cop. Do you understand?!" I was insulted. "I'm not going to be a copy!" I yelled back.

"For a year, they put pressure on me every day. That only increased my desire to go to law school," says Putin, adding that both his coaches and parents threatened that he would end up in the army if he didn't chose the aviation school -- but he said that he in fact the army "suited me just fine."

Interestingly, contrary to what the blogger claims, Putin then goes even further to tell a story that would supposedly prove that he wasn't placed by Ionovich or anyone else at all. It is so elaborate, that the reader -- once familiar with the context of the Tambov Gang provided by the blogger and the Spanish prosecutors -- begins to wonder if it was deliberately fabricated to cover up the truth.

In a book otherwise fairly sparse on biographical detail, Putin takes great pains to explain that when he came to the law faculty of Leningrad State University, he ostensibly discovered that another athletic club, Burevestnik [Storm Petrel], was demanding that he join them because they had supposedly helped him to get a place in the law school.

Putin says that he was indignant at such supposed "fixing," and went to the dean and told him he was being "forced" to transfer into Burevestnik and that he didn't think he should. The kindly dean asked why, and Putin replied, "Because they supposedly helped me, as an athlete, to get into the university, and now I must pay them back by joining Burevestnik."

The dean checks his list of those who were to be placed in the university on the strength of their athletic ability and tells Putin that he isn't on the list. "So you can safely tell everybody to get lost," he concluded. "Which I did," Putin recounted.

Putin illustrates his loyalty to this sports club later explaining why he wouldn't accept the proposals of other clubs:

I told them a hundred times I would not leave Trud--all my friends were there, and my first coach. I said I would never join another club. I would play for the one I wanted.

Interestingly, the same unknown blogger digs up a section in the biography of another figure from those years Nikolai Vashchilin, a prominent Soviet stuntman and wrestler who knew Putin, Usvyatsov, and Rotenberg in the 1960s as he was in the same athletic organizations. He writes that Rotenberg worked as an assistant to Usvyatsov at Trud for a time and later was almost blown away himself during a gunfight at a mafia funeral. The bloggers summarizes what Vashchilin writes:

Vova [Vladimir] Putin was placed by L.I. Usvyatsov himself at LGU [Leningrad State University] through the athletic selection and personally through V.E. Solovyov (a sambo trainer) and M.M. Bobrov (deputy director of the physical education department)... By the way, L.I. Usvyatsov landed himself a second round [of imprisonment] in 1982, but now under Art. 88 [of the criminal code] and languished until 1992. When he got out, Leonid Ionovich Usvyatsov organized athletes into a unit of bodyguards (with the permission of Smolny [the St. Petersburg government]) and was murdered by competitors in 1994, and his place in the organization was taken by Vladimir Kumarin.

But if we go back to the source of Vashchilin himself, <<http://www.proza.ru/2011/12/31/637>> we find some intriguing detail where the [...] indicated text that was cut (see emphasis in quoted text):

Vashchilin first says "I know Vova Putin not by hearsay and for rather a long time" as they were in sambo together at Trud on No. 21 Decembrists' street. He describes other trainers that Putin also had, but notes in particular Usvyatsov, under whom Putin and the Rotenberg brothers trained, "who greatly helped place them in jobs and institutes." Then he writes:

Yes, Vova Putin, too was placed at LGU through the sports selection and personally V.E. Solovyov (sambo

trainer) and M.M. Bobrov (deputy of the physical education department), and then refused to transfer him into Burevestnik, blackmailing the dean with the fact that he would expose their machinations with the athletic selection of students at LGU.

Thus according to this other memoirist, there is an alternative narrative than the one Putin tells in his book: it wasn't that Putin was mysteriously being pressured to join Burevestnik although he "wasn't on the list"; in fact, the officials at the university with whom his trainer Usvyatsov was able to place him insisted on putting Putin in Burevestnik (perhaps because it was not associated with an ex-con) -- and then Usvyatsov, furious, threatened blackmail to keep his prized pupil out of Burevestnik. Putin remained loyal to Trud.

Usvyatsov was jailed again in 1982 when Putin was still a junior KGB officer in charge of monitoring foreigners and consular officials and likely could not at his level have found a way to intervene to save his coach from jail.

But ultimately, his fellow judo students in the Trud club were to become part of Putin's inner circle -- Arkady and Boris Rotenberg, oligarchs who have a vast business empire now who received contracts in the Sochi Olympics, and Vasily Shestakov, a State Duma legislator. An old picture shows them together -- and from that time, it seems Putin never did join another "club" and "played for the one he wanted."

<http://d26xdkmgy4hem4.cloudfront.net/interpreter_mag/the_three_1462298833800_1462298860.jpg>
>

(L-R) Arkady Rotenberg, Vladimir Putin and Vasily Shestakov in a judo match together in an undated photo.

As the blogger relates,

<<https://putinism.wordpress.com/2015/12/21/%25u0441%25u043E%25u0440%25u0430%25u0442%25u043D%25u0438%25u043A%25u0438-%25u043F%25u043E-%25u0431%25u043E%25u0440%25u044C%25u0431%25u0435-2/>> and another source <<https://leprosorium.dirty.ru/leonid-ionovich-usviatsov-787720/>> also mentions, Rotenberg had also worked with Usvyatsov as a stuntman in Lenfilm movies, as judo wrestlers were in demand; Usvyatsov was said to use his connections to get himself and his students into the films. Some photos of them together have survived.

<http://d26xdkmgy4hem4.cloudfront.net/interpreter_mag/stuntmen_1462310574979_1462310601.jpg>

Stuntmen in a Soviet WWII movie: Leonid Usvyatov (3rd from L) and Arkady Rotenberg (3rd from R)

By the time Usvyatsov was released after his second labor camp term in 1992, Putin was now in the St. Petersburg mayor's office. The blogger says Usvyatsov was "a prominent member of the so-called Tambov Gang" but it is not known if there is evidence of contact between Usvyatsov and Putin in any capacity after he got out of prison. Ultimately, Usvyatsov was killed in gang warfare in 1994.

In 2008, Spanish authorities also arrested Aleksandr Malyshev <<http://rumafia.com/en/dosje/62>> , said to be another mafia leader who competed with Tambov but then joined them who had moved to Spain to flee gangland assassination attempts and continue his money-laundering activities. Both Petrov and Malyshev had "a great level of influence and control," say the prosecutors with "contacts among ministers, judges and high-ranking military, and many of them relations of intense friendship." The prosecutors claim that this network was involved in commissioned threats and beatings, murder, arms trafficking, extortion, fraud, forgery, influence-peddling, bribery, smuggling, drug-trafficking, crimes against the state treasury, fraudulent capitalization of companies.

The prosecutors say the most important names that surfaced was that of Anatoly Serdyukov, minister of defense from 2007-2012, who was also a graduate of the St. Petersburg University Law School, and Viktor Zubkov, a financial crimes investigator and former prime minister from 2007-2009, who then served as Putin's first deputy prime minister when Putin himself was prime minister during Dmitry Medvedev's presidency.

Serdyukov was prosecuted in Russia for "negligence" for using the army to build a road to his private country residence, and served some time in prison but was then amnestied in 2014; his mistress, who was implicated in various corrupt housing schemes at the Defense Ministry was also prosecuted and served a light sentence and was released "for good behavior." Serdyukov now serves as a director of the state Rostec company which builds helicopters and airplane engines.

Some of the information about Tambov came out via WikiLeaks' publication of State Department cables. <<http://www.theguardian.com/world/2010/dec/01/wikileaks-cable-spain-russian-mafia>>

Other names indicated by El Mundo are Dmitry Kozak, head of the ministry of regional development, who joined Putin's administration in 1999-2000, RFE/RL reports <<http://www.rferl.mobi/a/russia-spain-warrant-top-officials-putin-insiders/27713179.html>> , and Leonid Reiman, former minister of information technology and communications, who is a partner of Petrov's in a company.

Where will all this go? Likely the Spanish prosecutors will never get to the people they've indicted who are all safe in Russia and won't travel abroad to risk arrest. As RFE/RL reported:

"Today the main figures in the Spanish [prosecutor's] report are living in Russia without any problems, and they are doing fine," Andrei Zykov, a retired senior investigator who specialized in corruption and serious economic crimes in areas including St. Petersburg.

Will Putin himself remove or even prosecute some of the obvious corrupt individuals to avoid any further risk to himself? That remains to be seen, and the Serdyukov case indicates that whatever punishment may be in store could be light.

-- Catherine A. Fitzpatrick

Published in Press-Stream Russia Update: May 3, 2016

<https://pressimus.com/Interpreter_Mag/stream/2712> in Publication Russia Update

<https://pressimus.com/Interpreter_Mag/publication/324> <http://www.interpretermag.com/russia-update-may-3-2016/>

-----Original Message-----

From: Nellie Ohr (b) (6)

To: (b) (6) Lisa Holtyn ; (b) (6), (b) (7)(C) - Joe Wheatley ; (b) (6), (b) (7)(C)

- Ivana Nizich ; bruce.g.ohr <bruce.g.ohr@usdoj.gov>

Sent: Wed, May 4, 2016 8:45 am

Subject: Making sure you saw this: Spain issues warrants for Zubkov and other top officials

Spain Issues Warrants For Top Russian Officials, Putin Insiders

Last Updated: May 03, 2016 <http://www.rferl.mobi/a/russia-spain-warrant-top-officials-putin-insiders/27713179.html>

* RFE/RL

Those named include Vladislav Reznik (pictured), a lawmaker from the ruling United Russia party and first deputy chairman of the Finance Committee in the lower house of parliament, and Nikolai Aulov, the head of the Interior Ministry's directorate-general.

A Spanish judge has issued international arrest warrants for several current and former Russian government officials and other political figures closely linked to President Vladimir Putin.

The named Russians include a former prime minister and an ex-defense minister, as well as a current deputy prime minister and the current head of the lower house of parliament's finance committee.

The Spanish documents target <<http://en.news-4-u.ru/spain-announced-the-deputy-of-the-country-on-the-international-wanted-list-on-the-case-of-the-russian-mafia.html>> alleged members of two of Russia's largest and best-known criminal organizations -- the Tambov and Malyshev gangs -- in connection with crimes committed in Spain, including murder, weapons and drug trafficking, extortion, and money laundering.

Russians with alleged ties to the crime groups include a former prime minister and an ex-defense minister, as well as a current deputy prime minister and the current head of the lower house of parliament's finance committee.

Spanish police also conclude that one of the gangs was able to penetrate Russian ministries, security forces, and other key government institutions and businesses with the help of an influential senior legislator.

Judge Jose de la Mata issued 12 arrest warrants in January but the action was not announced to the press until May 2.

Russian President Vladimir Putin (right) listens to Deputy Prime Minister Dmitry Kozak <http://gdb.rferl.org/F7C1AC70-315B-410A-AE51-5477F4F55907_w250_r0_s.jpg>

Russian President Vladimir Putin (right) listens to Deputy Prime Minister Dmitry Kozak

Spanish authorities are seeking the arrest of Vladislav Reznik, a lawmaker from the ruling United Russia party and first deputy chairman of the Finance Committee in the lower house of parliament, the State Duma.

Those alleged to be tied to the gangs include Deputy Prime Minister Dmitry Kozak, a former public prosecutor in Putin's native St. Petersburg who joined Putin's Kremlin administration as chief of staff at its inception in 1999-2000.

Another is Viktor Zubkov, who served as Russian prime minister from September 2007 until May 2008. He then served as Putin's first deputy prime minister from May 2008 until May 2012, during Dmitry Medvedev's presidency.

Also named as alleged members are Nikolai Nikolaevich Aulov, the head of the Interior Ministry's directorate-general; former Defense Minister Anatoly Serdyukov; former Deputy Prime Minister Igor Sobolevsky; and former Information Technology Minister Leonid Reiman.

The arrest warrants follow an investigation by Spanish police into the Russian gangs' activities in Spain from 2008 to 2011. A copy of the Spanish prosecutor's resulting 400-page report that reached the media in June indicated that ties <<http://www.rferl.mobi/a/27433558.html>> between the Tambov gang's activities in Spain and the Kremlin insiders was established largely through recordings of phone calls.

The investigation particularly highlights the role of Gennady Petrov, who is believed to be the head of the Tambov group. He was arrested during a raid on his Majorca villa in 2008 in a sweep that also netted 20

other suspected members of the Spanish branch of the Tambov gang. However, Petrov was later allowed to travel to Russia and has been living in St. Petersburg ever since.

"The criminal organization headed by Petrov managed to achieve a clear penetration of the state structures of his country, not only with the lawmaker [Vladislav] Reznik but with several ministers," the prosecutor's report said.

Spanish police allege that Petrov managed to penetrate Russian institutions including municipalities, ministries, security forces, ports authorities, and private organizations such as banks and corporations through Reznik's influence.

Petrov became co-owner of the Bank Rossia in 1998 to 1999, together with three of Putin's close friends: Nikolai Shamalov, Viktor Myachin, and Yury Kovalchuk. The three Putin friends were founding members of the Ozero Collective.

The Ozero ("Lake") Collective is a residential housing cooperative that Putin and close acquaintances formed in 1996 to purchase lakeside property and build vacation homes for themselves near St. Petersburg. The homes form a gated community and the members of the cooperative have since gone on <<http://navalny-en.livejournal.com/116947.html>> to prominent positions in Russian government and business and become very wealthy.

The Tambov and Malyshev gangs both originated as protection rackets in St. Petersburg in the late 1980s. Rivals in the past, the two fought a bloody battle for supremacy in 1989 and are believed to control scores of industrial enterprises and engage in drug trafficking, prostitution, protection rackets, and money laundering.

A criminal investigation into a 1 billion-euro money-laundering operation <<http://www.europarl.europa.eu/document/activities/cont/201207/20120730ATT49511/20120730ATT49511EN.pdf>> in Bulgaria in 2008 by the Tambov gang provided one recent measure of its scale of operations.

The question now is whether Moscow will react to Spain's issuance of arrest warrants and whether it would extradite any of those named. Almost all are believed to be currently residing in Russia.

"Today the main figures in the Spanish [prosecutor's] report are living in Russia without any problems, and they are doing fine," Andrei Zykov, a retired senior investigator who specialized in corruption and serious economic crimes in areas including St. Petersburg, told RFE/RL in December.

With reporting by El Mundo and Republica

*This article has been amended to clarify that Vladislav Reznik was named in a Spanish arrest warrant.

Nellie Ohr

From: Nellie Ohr
Sent: Wednesday, May 04, 2016 9:57 AM
To: Ohr, Bruce (ODAG)
Subject: Night Wolves met with bread and salt in Brno/ judge says Bout sentence is too harsh?

Saw these on Kommersant, which I usually think is a reliable publication

As for the bread and salt--the Night Wolves got around the Poland ban by going through Slovakia and Moravia. They visited a WWII monument in Brno, supposedly, and got the bread and salt. The report comes from a Prague based periodical--don't know where that periodical is coming from, but here's a picture.

 Noční vlky přivítali v Brně chlebem a solí

Noční vlky přivítali v Brně chlebem a solí.

FOTO: Miroslav Homola, [Právo](#)

<http://www.novinky.cz/domaci/402386-nocni-vlky-privitali-v-brne-chlebem-a-soli.html>

As for **Bout**--the Kommersant headline was misleading. It wasn't an acting judge but a retired judge-- Shira Scheindlen, in fact -- who retired on 27 April and is now speaking out. She's saying she gave the minimum sentence she could within the guidelines.

<http://www.kommersant.ru/doc/2979054>.

It links to this NYT item--which I didn't see in the paper version.

http://www.nytimes.com/2016/05/02/nyregion/departing-judge-offers-blunt-defense-of-ruling-that-ended-stop-and-frisk.html?_r=0

p.s. DOJ will probably soon be hearing from Russian diplomats about the case of a Russian fellow, **Igor Zyazin**, detained by Immigration when trying to cross into the US from Mexico. (He'd tried to do it in 2009 too). He died of unknown causes while in custody. US medics said they tried to revive him but failed.

<http://www.kommersant.ru/doc/2979049>

Another thing I didn't see in our paper newspapers: The FT supposedly published an item entitled "**Magnitsky fraud cash laundered through Britain, MPs hear,**"

Browder was speaking to the House of Commons Home Affairs Committee, saying documents received from "a certain Russian source" helped prove that Magnitsky money came into the UK via Lithuanian and Cyprus accounts of offshore firms. <https://next.ft.com/content/fd11b9e4-1127-11e6-91da-096d89bd2173#axzz47fLQxC4c>

The Russian-language summary based on the FT article doesn't name the companies

<http://www.rbc.ru/politics/04/05/2016/57299e499a79471f668be599?from=newsfeed>

Nellie Ohr

From: Nellie Ohr
Sent: Tuesday, May 3, 2016 10:19 AM
To: Ohr, Bruce (ODAG); Holtyn, Lisa (OCDETF); Wheatley, Joe; Nizich, Ivana
Subject: Magisterial roundup of obshchak-like money laundering "pool" held by Russia's elite, compromat war etc.
Attachments: IN2May16.docx

Wayne Allensworth has outdone himself in these latest notes. (His analysis is the bolded text). This touches on all kinds of scandals—Lesin's death, Shumkov's, Magnitsky etc. etc. A bit overwhelming, actually. —Nellie

-----Original Message-----

From: Wayne Allensworth (b) (6)
To: Wayne and Stacy Allensworth (b) (6)
Sent: Mon, May 2, 2016 6:32 pm
Subject: Internet Notes 2 May 2016

Internet Notes 2 May 2016

Note on notes (Zolotov and the Security Council)

Latynina circles back to the Independent Oil Company, VTB, Sechin, Khudaiynatov (Another "violinist"?; Shumkov/Lesin and "the pool")

Solovey on the intended audience for the "information attacks"

Stanovaya on kompromat about Putin (Putin is more vulnerable than he seems...but Western mass media is not the threat; Open Russia has more on Putin's ties to organized crime; Spain puts Deputy FSKN Director Aulov on a wanted list)

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<http://www.kremlin.ru/structure/security-council/members>

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From the 22 February notes:

[On Sechin, Khudaiynatov, and a \$4 billion credit, Latynina refers to a post by Maksim Blant:

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Eduard Khudaiynatov was general director of Rosneft when Sechin was vice premier. Khudaiynatov was Sechin's shadow. When Sechin came back to Rosneft, Khudaiynatov created the Independent Oil and Gas Company (NNK) and NNK began to

accumulate assets and licenses, many of them rather small assets. The main asset acquisition was Musa Bazhayev's Alliance group. The transaction was made in 2014, when Russia was already under sanctions, and the assumed value of the deal was \$4 billion. But where did Khudaiynatov, who had always been a hired manager, not a business owner, get the money? And Sechin had been consolidating oil assets in Rosneft—then his own former right hand makes such an acquisition.

Blant tells the story: Rosneft deposited \$4 billion in VTB, while simultaneously NNK was given a \$4 billion credit. Making a bank deposit that instantly becomes a credit is a common money-laundering method in Russia. Where did Rosneft get the \$4 billion? Latynina thinks it was sales to China. Latynina also believes the sale price was jacked up—and part of the transaction was Khudaiynatov getting a kickback for making the deal on Rosneft's behalf. **Comment: I'm not sure I follow all this—is the deposit to credit transaction illegal? How is it money laundering? Anyway, Latynina says that with all Rosneft's financial troubles, Sechin wanted VTB to give its money back and VTB is not playing along. I don't understand that bit of the story at all—hadn't NNK acquired the company on Rosneft's behalf? That's what Latynina is claiming here. Blant referred to protocols from a Rosneft board meeting showing that the transaction was at a loss for Rosneft (Comment: OK, so the price was too high—to account for the kickback—Latynina also says that the terms of the deposit-to-loan deal were a loser for Rosneft. So when she said Rosneft wanted its money back, maybe it wanted back the loss on the deposit-to-loan transaction).** Latynina goes on to imply that she thinks Sechin has been using NNK to go after oil assets for a while—like Bashneft. NNK made Sistema an offer, not Rosneft, on the asset. And Sistema's Yevtushenkov wound up under house arrest (See, for instance, the 30 October 2014 notes)...So, regarding the NNK purchase of Alliance group, Rosneft was financing the purchase (at a loss) while demanding money from the National Welfare Fund...]

Comment: So it appeared that a Rosneft that was under sanctions was using NNK, not under sanctions, as a vehicle for making acquisitions—but there was that money laundering part that I wondered about. In her program last week, Latynina asked whether NNK was the equivalent of Roldugin's offshore—another “violinist” being used to launder money acquired by dubious means. The acquisition, claimed Latynina, whose terms were not good for Rosneft, was really a put up deal designed to funnel and legalize shady money. The transaction fee—a kickback—was paid to Khudaiynatov as part of the laundering deal:

<http://echo.msk.ru/programs/code/1752700-echo/> Latynina says the deposit-to-credit transaction is a common cover for money laundering... She adds that she thinks the approval for the deal (NNK purchasing Bazhayev's Alliance group) went all the way up to Putin—at the time, everyone figured oil prices would go up, but they didn't... But there's something else—there's a connection between the deal and the late Dmitriy Shumkov (See the notes from 8 and 10 December 2015 and 5 and 11 January). Latynina says that's why she came back to the story, though there was also Khudaiynatov's purchase of a villa in Porotfino (for 25 Million Euro) in 2015, after Putin told everybody not to buy any property abroad. The Roldugin offshore was shut down in 2014—after Crimea. By 2012, it became clear that the Americans were taking a negative attitude to such offshores—so they were no longer safe and Putin gave the order on no foreign property. But Khudaiynatov bought his villa in 2015.

She gets back to Shumkov—he was close to Bazhayev, and was a sometime business partner of his. He was making big investments, was involved in big deals in Moscow when he reportedly committed suicide. Where did he get the money for those deals? Latynina thinks he got the money from the “strange” NNK/Bazhayev deal. Later, he supposedly committed suicide—was he desperate because he had been caught siphoning money off from the deal? Was he killed because he was stealing? **(Comment: She doesn't tell us why she believes Shumkov stole money from the NNS/Bazhayev deal).** Latynina says the Shumkov story reminds her of Lesin—also found dead, but in Washington, a death she says was most likely an unfortunate incident related to Lesin's extravagant habits. But Lesin lost his post after a deal that was similar to the deal Khudaiynatov made. In the Lesin case, there was Kovalchuk's Gazprom Media. Prof Media was purchased for Gazprom Media at a price of \$600 million. The word was that the sale price was above market value. Lesin had been loudly bragging about that. And the “violinist” affair let us know that 20% of Video International belonged to that violinist with a Stradivarius. So maybe the Lesin story wasn't about the Kovalchuks **(Comment: One versiya explaining Lesin's death was that he was killed partly because he owed Kovalchuk money. One of the Panama Papers offshores was connected to Lesin).**

Latynina again circles back to Shumkov—she goes on about “the pool” (“basseiyn”). The pool is a second, informal budget, a personal part of the treasury. It existed semi-unofficially and they say that it provides the

salaries for highly-placed officials. But it was mainly for emergency expenditures, like Crimea. Latynina says she thinks that it became apparent that the pool did not have as much money in it as was thought, and those that had their hands on the taps that fed the pool had their own streams. If the pool was leaking like a sieve, well, that could lead to some interesting re-distributions of authority in the elite. We already have the well-known story of Yakunin's resignation, after it came to light that his son had acquired citizenship in the UK. There was the interesting story of VEB's bankruptcy—how much did VEB hand over for the purchase of Sibuglement in 2014? \$1.8 billion? Wasn't that a lot for that company? Uralvagonzavod bought the Zarechniy mine, the Russian Coal Holding—together, that was 45 billion. Did that reflect their real value? Latynina ends by saying she thinks there will be more stories of the “leaky pool” and that Shumkov will not be the only victim...

Comment: “The pool,” as Latynina casts this story, may also be something like an “obshak,” a mafia organization's slush fund. She's implying here that both Lesin and Shumkov abused the pool and that others have as well, leading to some shakeups and maybe some murders. She is also saying that the NNK transaction and some others were money laundering operations held, apparently, on behalf of the pool and some who had access to it, such as Roldugin.

Let's backup and see what dots we can connect...In the 8 December 2015 notes, we read that there was a kompromat war underway and that Shumkov's death might be associated with it. One of Shumkov's patrons was an assistant of Chayka's, Aleksandr Zvyagintsev, who was dismissed following the scandal over kompromat on Chayka's son (See the 11 January notes). Recently, there have been numerous kompromat dumps on elites, a number of them involving foreign property. In December, around the same time as the kompromat attacks on Chayka, there were stories in the notes on Putin's links to organized crime (See the 29 and 31 December 2015 notes). In November and December, we saw stories on “Tikhonova” and her alleged husband, Shamalov (See, for instance, the 10 and 11 November 2015 notes and the notes from 21 December). There was an item in the 8 February notes linking Chayka's son to Shumkov.

Recall that Navalny was behind a call for a check up on Yakunin and his operations at Russian Railways and that Millennium Bank was linked to RR. RR and Artyom Chayka owned shares in the bank, which had its license revoked (See the 8 February notes). Chayka claimed Browder and Navalny were behind the dumps against him (See the 14 December 2015 notes; back in the 21 December 2015 notes, Yabloko's Sergey Mitrokhin said that Navalny's attacks on Chayka were “ordered”; This spring, Browder and Navalny were attacked by Rossiya TV as foreign agents. See the 11 April notes)—so we circled back to the Magnitskiy affair. Then Roldugin and the Panama Papers came along (4 April)—and Roldugin's offshore was subsequently tied to the Magnitskiy affair as a money laundering platform for the cash stolen in that case (27 and 28 April). The Nekrasov film appeared to be another reply to the kompromat dumps that related back to the Magnitskiy affair (27 April).

In the 4 April notes, I suggested that the attacks on Kasyanov were connected to the previous kompromat on Russian elites, especially the Panama Papers. My comments:

[Looks like the Kremlin anticipated the media reaction to the Panama papers and sought to soften the impact by showing that the opposition was dirty, too. And, as I wrote last week, I think Khodorkovskiy, some elites in Russia, and people associated with them are probably a major source—or at least a major distributor—of dirt like the Baevskiy material we saw last week (See the 31 April and 1 March notes), so there's a bit of retaliation going on. The Kremlin is showing that it can play that game as well. I doubt the illicit liaison in the Kasyanov video will shock anybody, nor will the corruption mentioned by Kasyanov, but that's not the point.]

Baevskiy was an associate of the Rotenbergs who had handled apartment purchases for “Putin's women,” including Tikhonova and Kabayeva (See the notes from 31 March and 1 April).

Solovey commented on these “information attacks” on Russian vlast and their likely intended

audience in the 1 April notes:

[*Solovey on the intended audience for the "information attacks"*
http://vk.com/id244477574?w=wall244477574_16316%2Fall

... The talk about "information attacks" follows classic theory—"vaccinate" the public, that is, warn them that enemies intend slander. The question is, just who is being vaccinated? The Russian public? They'll brush off foreign exposés. They won't surprise anyone, or open anyone's eyes, or, and this is the main thing, change anyone's attitude to *vlast*. These exposés are aimed primarily at the Western elite. They are indifferent to the warnings of Russian officials...

Comment: I think he's right about the target audience for the kompromat dumps, which don't really tell us anything new. I think Khodorkovskiy and some Russian elites who would like it if there was not another Putin term are intending to help prevent any talk of lifting sanctions at this time, hoping for increased pressure on Putin. Maybe some of the elite are willing to endure more pain now for the prospect of Putin's leaving the Kremlin in 2018. Belkovskiy, who I think has been working for Khodorkovskiy, has been seeming to (sometimes) say that an exit that would not put him in danger is still possible for Putin. Pavlovskiy said that earlier this week (See the 30 March notes). Khodorkovskiy has been a little different, saying that those not implicated in crimes have no reason to fear a change in regime. When kompromat wars are going on, though, it can get a little blurry—maybe others might toss out some dirt on rivals, too. There may be more than one source for the material and more than one motivation.]

But Stanovaya thought that the cumulative impact of the kompromat might be relevant in the long run—and could turn Putin's base against him. From the 31 March notes:

[*Stanovaya on kompromat about Putin (Putin is more vulnerable than he seems...but Western mass media is not the threat; Open Russia has more on Putin's ties to organized crime; Spain puts Deputy FSKN Director Aulov on a wanted list)*
See yesterday's notes...

<https://slon.ru/posts/66002>

Stanovaya wonders whether Putin should be worried about the "information attacks" Peskov has mentioned...Right now, all the criticisms aimed at Putin are coming from channels that have an axe to grind—the non-systemic opposition and the West. But when the criticism comes from, say, the protesting long-haul truckers, then that changes the picture quite a bit. When the "fifth column" in the eyes of *vlast* becomes the *narod*, then a revolution is underway...Putin less and less seems to believe that his rating could fall as a consequence of his own mistakes. It's not hard to see that Putin isn't just satisfied with the results of his rule, he is proud of them. And it will be hard for him to believe in the reality of popular disappointment when it manifests itself...*Vlast* also does not understand that "Krym nash" in the eyes of the general public means what it says—NASH—not Krym Putina or Krym Rotenberga, but Krym nash, that is, Putin is seen only as the instrument of re-establishing historical justice. Crimea should have been Russian with or without Putin.

Putin is more vulnerable than it seems. But the main sources of a threat are not Navalniy or Western mass media. The threat to Putin will appear when the accusations are coming from his own electorate...Anti-Putin information will be replenished, expecting consumers and it is they who will raise the question of justice, unless GKChP-2 intervenes...]

To recap and formulate a picture of what's going on...With elections approaching and an economic crisis underway, Putin's enemies (Khodorkovskiy, and perhaps people in the Russian elite discontented with the way things have gone) are stepping up the kompromat attacks. The Magnitskiy affair and the Panama papers point to massive money laundering and asset transfer operations done on the behalf of high level players, with trusted figures like Roldugin acting as operators of the mechanisms involved. The money launderers may both try and create "clean" money for "the pool" and legitimize funds that have wound up there from operations like the tax rebate schemes connected to the Magnitskiy affair. Putin is not involved in this directly or in any hands-on way. The launderers/acquisition operatives may try and clean up money for lower level players like the MVD and Tax Service people involved in the Magnitskiy affair. They are rewarded for their efforts with kickbacks or shares in companies like Video International or Rosneft. "The pool" could operate, at least partly, like a mafia obshak—key players kick in funds that are available for major asset acquisitions and use "the pool" as a deposit for money that needs to be laundered.

Some of the players have abused their access to "the pool"—maybe Lesin, maybe Yakunin. Perhaps Shumkov was mixed up in operations that cost the pool too much and angered key pool members. At the time of Yakunin's ouster—and especially after his warning to other elites—I thought that we were seeing signs of friction in the inner elite at a time of diminishing resources, a smaller corruption pie, and tensions over the results of sanctions (See the 13 January notes, for instance). So I repeat

that there may be more than one ultimate source of kompromat on Putin and other players—I could see an angry Yakunin maybe retaliating with dirt he surely knows about.

Navalny and Browder are players in their own right, as well as channels for transmitting kompromat. I think Navalny is still with us and not in prison because he gets at least “situational” cover from whichever Kremlin “tower” might be using him at a given moment. He is associated with anti-Putin forces, but he probably gets some help from people in the elite—maybe Alfa Group people—who are also thinking that it’s time for a change (See the notes from 11 January; 17 May 2015; 29 December 2014; and 6 November 2014).

Another way to think of the pool is a place where players lower down the corruption food chain may kick in a piece of the action for their superiors. Questions: How does all this operate in practice? Who all is a part of what must be an intricate network of interlocking channels for money laundering and asset transactions in a system that has access to the pool? Who accounts for the money in the pool and where it may end up? I doubt that every pool-connected transaction is coordinated with other players—there is probably a high degree of independent operation within the network, with not all of those involved aware of all the others. The network that has access to the pool and includes elaborate money laundering channels and avenues for asset transactions probably arose spontaneously out of a few deals and grew from there, working out its own mode of activity and ground rules. The people who pulled off the scam in the Magnitskiy case were operating on their own, though they were connected to people higher up the food chain in various ways, and then they tapped into the channels that were linked to Roldugin and the pool. But how are the details worked out and who does the planning and organization? We are only hearing about a very small part of what goes on in the guts of what must be an elaborate informal machine that no one player probably knows inside and out.

Russia’s overlapping money laundering channels are vast and involve lots of games—apart from the Magnitskiy affair, recall the lengthy GUEBiPK scandal, which pointed to a clash between the MVD economic security department (probably allied with elements in the Prosecutor’s office) and the FSB and its allies in the Investigative Committee. The battle was said to be over controlling money laundering channels—see the 31 March notes.

To wind this up, Putin sees the Khodorkovskiy-Kasyanov-Navalny-Browder types as a united front in the West’s war against him. He is aware of frictions in the elite and of the possibility of protests that could play into the hands of his enemies or dissatisfied Russian elites who might be looking for an alternative. One such alternative could be Sergey Shoygu (See the 8 April notes, for instance). So VVP creates the National Guard under trusted bodyguard Zolotov as his personal palace guard.

Latynina carried on in this past weekend’s program: <http://echo.msk.ru/programs/code/1756772-echo/>

Why couldn’t Russian vlast uncover the people responsible for the scam in the Magnitskiy affair? It wasn’t because they were so highly placed. It was because they were using the same money laundering “washing machine” that some completely different people were also using—including Roldugin. It wasn’t that Roldugin was involved in the Magnitskiy affair—it’s that he and the others used the same “washing machine” ...

Latynina also takes some time to discredit Oleg Lure, who testified in an American court in the case involving Denis Katsyv and a money laundering case linked to the Magnitskiy affair—she has Lure basically repeating a lot of the claims made by Nekrasov in his film about Magnitskiy (cited above). Lure claims Browder hired Navalny. She points out that Lure was in jail for defrauding Senator Slutsker—and she also notes that Lure has claimed that he saw documents indicating that Navalny was a spy (the same documents shown on NTV’s attack piece against Navalny and Browder).

Strelkov: No murder charges?

From the 25 April notes:

[Strelkov’s post on the murder charges: http://m.vk.com/wall347260249_2127

Strelkov says that two men who identified themselves as police officers had visited his mother’s residence and told her that he was being charged for two murders in St. Petersburg—they wanted to know whether she had seen her son around the time of the killings. So what were they up to? What are they trying to show me? asks Strelkov. Sukov and company should not

of the killings... do what were they up to? What are they trying to show me?, asks Sakov. Sakov and company should not bother—organizing these kinds of vile actions won't work with me. They won't stop me from doing what I have to do—I'm ready for anything they can throw at me...]

http://m.vk.com/wall347260249_3529

About the criminal charges supposedly made against me—maybe there is a case and maybe not. So far I have no official word on that. There's supposed to be a public meeting on Suvorov Square on 2 May, but nobody will be there—how many people will think a meeting in honor of fallen countrymen is more important than shashlik on a holiday?

Land to be given away in the Far East

<http://www.themoscowtimes.com/news/article/russians-given-free-land-in-countrys-far-east/567729.html>

President Vladimir Putin has approved a law giving Russian citizens free plots of land in the country's Far East, the Interfax news agency reported Monday.

All citizens will be entitled to apply for up to hectare of land in the Kamchatka, Primorye, Khabarovsk, Amur, Magadan and Sakhalin regions, the republic of Sakha, or the Jewish and Chukotka autonomous districts.

The land can be used for any lawful purpose but can only be rented, sold, or given away after an initial five-year waiting period, according to the bill.

The program is one of a number of initiatives aimed at boosting the economy in Russia's Far East, including the construction of the new Vostochny cosmodrome. A recent deal also saw a number of Chinese companies set on relocating to the area.

Internet Notes 2 May 2016

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a loser for Rosneft. So when she said Rosneft wanted its money back, maybe it wanted back the loss on the deposit-to-loan transaction). Latynina goes on to imply that she thinks Sechin has been using NNK to go after oil assets for a while like Bashneft. NNK made Sistema an offer, not Rosneft, on the asset. And Sistema's Yevtushenkov wound up under house arrest (See, for instance, the 30 October 2014 notes)...So, regarding the NNK purchase of Alliance group, Rosneft was financing the purchase (at a loss) while demanding money from the National Welfare Fund...]

Comment: So it appeared that a Rosneft that was under sanctions was using NNK, not under sanctions, as a vehicle for making acquisitions—but there was that money laundering part that I wondered about. In her program last week, Latynina asked whether NNK was the equivalent of Roldugin's offshore—another “violinist” being used to launder money acquired by dubious means. The acquisition, claimed Latynina, whose terms were not good for Rosneft, was really a put up deal designed to funnel and legalize shady money. The transaction fee—a kickback—was paid to Khudaiynatov as part of the laundering deal:

<http://echo.msk.ru/programs/code/1752700-echo/> Latynina says the deposit-to-credit transaction is a common cover for money laundering...She adds that she thinks the approval for the deal (NNK purchasing Bazhayev's Alliance group) went all the way up to Putin at the time, everyone figured oil prices would go up, but they didn't...But there's something else there's a connection between the deal and the late Dmitriy Shumkov (See the notes from 8 and 10 December 2015 and 5 and 11 January). Latynina says that's why she came back to the story, though there was also Khudaiynatov's purchase of a villa in Porotfino (for 25 Million Euro) in 2015, after Putin told everybody not to buy any property abroad. The Roldugin offshore was shut down in 2014 after Crimea. By 2012, it became clear that the Americans were taking a negative attitude to such offshores so they were no longer safe and Putin gave the order on no foreign property. But Khudaiynatov bought his villa in 2015.

She gets back to Shumkov he was close to Bazhayev, and was a sometime business partner of his. He was making big investments, was involved in big deals in Moscow when he reportedly committed suicide. Where did he get the money for those deals? Latynina thinks he got the money from the “strange” NNK/Bazhayev deal. Later, he supposedly committed suicide was he desperate because he had been caught siphoning money off from the deal? Was he killed because he was stealing? **(Comment: She doesn't tell us why she believes Shumkov stole money from the NNS/Bazhayev deal).** Latynina says the Shumkov story reminds her of Lesin also found dead, but in Washington, a death she says was most likely an unfortunate incident related to Lesin's extravagant habits. But Lesin lost his post after a deal that was similar to the deal Khudaiynatov made. In the Lesin case, there was Kovalchuk's Gazprom Media. Prof Media was purchased for Gazprom Media at a price of \$600 million. The word was that the sale price was above market value. Lesin had been loudly bragging about that. And the “violinist” affair let us know that 20% of Video International belonged to that violinist with a Stradivarius. So maybe the Lesin story wasn't about the Kovalchuks **(Comment: One versiya explaining Lesin's death was that he was killed partly because he owed Kovalchuk money. One of the Panama Papers offshores was connected to Lesin).**

Latynina again circles back to Shumkov she goes on about “the pool” (“basseiyn”). The pool is a second, informal budget, a personal part of the treasury. It existed semi-unofficially and they say that it provides the salaries for highly-placed officials. But it was mainly for emergency

expenditures, like Crimea. Latynina says she thinks that it became apparent that the pool did not have as much money in it as was thought, and those that had their hands on the taps that fed the pool had their own streams. If the pool was leaking like a sieve, well, that could lead to some interesting re-distributions of authority in the elite. We already have the well-known story of Yakunin's resignation, after it came to light that his son had acquired citizenship in the UK. There was the interesting story of VEB's bankruptcy—how much did VEB hand over for the purchase of Sibuglement in 2014? \$1.8 billion? Wasn't that a lot for that company? Uralvagonzavod bought the Zarechniy mine, the Russian Coal Holding—together, that was 45 billion. Did that reflect their real value? Latynina ends by saying she thinks there will be more stories of the "leaky pool" and that Shumkov will not be the only victim...

Comment: "The pool," as Latynina casts this story, may also be something like an "obshak," a mafia organization's slush fund. She's implying here that both Lesin and Shumkov abused the pool and that others have as well, leading to some shakeups and maybe some murders. She is also saying that the NNK transaction and some others were money laundering operations held, apparently, on behalf of the pool and some who had access to it, such as Roldugin.

Let's backup and see what dots we can connect...In the 8 December 2015 notes, we read that there was a kompromat war underway and that Shumkov's death might be associated with it. One of Shumkov's patrons was an assistant of Chayka's, Aleksandr Zvyagintsev, who was dismissed following the scandal over kompromat on Chayka's son (See the 11 January notes). Recently, there have been numerous kompromat dumps on elites, a number of them involving foreign property. In December, around the same time as the kompromat attacks on Chayka, there were stories in the notes on Putin's links to organized crime (See the 29 and 31 December 2015 notes). In November and December, we saw stories on "Tikhonova" and her alleged husband, Shamalov (See, for instance, the 10 and 11 November 2015 notes and the notes from 21 December). There was an item in the 8 February notes linking Chayka's son to Shumkov.

Recall that Navalniy was behind a call for a check up on Yakunin and his operations at Russian Railways and that Millennium Bank was linked to RR. RR and Artyom Chayka owned shares in the bank, which had its license revoked (See the 8 February notes). Chayka claimed Browder and Navalniy were behind the dumps against him (See the 14 December 2015 notes; back in the 21 December 2015 notes, Yabloko's Sergey Mitrokhin said that Navalniy's attacks on Chayka were "ordered"; This spring, Browder and Navalniy were attacked by Rossiya TV as foreign agents. See the 11 April notes)—so we circled back to the Magnitskiy affair. Then Roldugin and the Panama Papers came along (4 April)—and Roldugin's offshore was subsequently tied to the Magnitskiy affair as a money laundering platform for the cash stolen in that case (27 and 28 April). The Nekrasov film appeared to be another reply to the kompromat dumps that related back to the Magnitskiy affair (27 April).

In the 4 April notes, I suggested that the attacks on Kasyanov were connected to the previous kompromat on Russian elites, especially the Panama Papers. My comments:

[Looks like the Kremlin anticipated the media reaction to the Panama papers and sought to soften the impact by showing that the opposition was dirty, too. And, as I wrote last week, I think Khodorkovskiy, some elites in Russia, and people associated with them are probably a major source or at least a major distributor of dirt like the Baevskiy material we saw last week (See the 31 April and 1 March notes), so there's a bit of retaliation going on. The Kremlin is showing that it can play that game as well. I doubt the illicit liaison in the Kasyanov video will shock anybody, nor will the corruption mentioned by Kasyanov, but that's not the point.]

Baevskiy was an associate of the Rotenbergs who had handled apartment purchases for “Putin’s women,” including Tikhonova and Kabayeva (See the notes from 31 March and 1 April).

Solovey commented on these “information attacks” on Russian vlast and their likely intended audience in the 1 April notes:

[Solovey on the intended audience for the “information attacks”
http://vk.com/id244477574?w=wall244477574_16316%2Fall

...The talk about “information attacks” follows classic theory “vaccinate” the public, that is, warn them that enemies intend slander. The question is, just who is being vaccinated? The Russian public? They'll brush off foreign exposés. They won't surprise anyone, or open anyone's eyes, or, and this is the main thing, change anyone's attitude to vlast. These exposés are aimed primarily at the Western elite. They are indifferent to the warnings of Russian officials...

Comment: I think he's right about the target audience for the kompromat dumps, which don't really tell us anything new. I think Khodorkovskiy and some Russian elites who would like it if there was not another Putin term are intending to help prevent any talk of lifting sanctions at this time, hoping for increased pressure on Putin. Maybe some of the elite are willing to endure more pain now for the prospect of Putin's leaving the Kremlin in 2018. Belkovskiy, who I think has been working for Khodorkovskiy, has been seeming to (sometimes) say that an exit that would not put him in danger is still possible for Putin. Pavlovskiy said that earlier this week (See the 30 March notes). Khodorkovskiy has been a little different, saying that those not implicated in crimes have no reason to fear a change in regime. When kompromat wars are going on, though, it can get a little blurry maybe others might toss out some dirt on rivals, too. There may be more than one source for the material and more than one motivation.]

But Stanovaya thought that the cumulative impact of the kompromat might be relevant in the long run—and could turn Putin's base against him. From the 31 March notes:

[Stanovaya on kompromat about Putin (Putin is more vulnerable than he seems...but Western mass media is not the threat; Open Russia has more on Putin's ties to organized crime; Spain puts Deputy FSKN Director Aulov on a wanted list)

See yesterday's notes...

<https://slon.ru/posts/66002>

Stanovaya wonders whether Putin should be worried about the “information attacks” Peskov has mentioned...Right now, all the criticisms aimed at Putin are coming from channels that have an axe to grind the non systemic opposition and the West. But when the criticism comes from, say, the protesting long haul truckers, then that changes the picture quite a bit. When the “fifth column” in the eyes of vlast becomes the narod, then a revolution is underway...Putin less and less seems to believe that his rating could fall as a consequence of his own mistakes. It's not hard to see that Putin isn't just satisfied with the results of his rule, he is proud of them. And it will be hard for him to believe in the reality of popular disappointment when it manifests itself...Vlast also does not understand that

“Krym nash” in the eyes of the general public means what it says NASH not Krym Putina or Krym Rotenberga, but Krym nash, that is, Putin is seen only as the instrument of re-establishing historical justice. Crimea should have been Russian with or without Putin.

Putin is more vulnerable than it seems. But the main sources of a threat are not Navalniy or Western mass media. The threat to Putin will appear when the accusations are coming from his own electorate...Anti Putin information will be replenished, expecting consumers and it is they who will raise the question of justice, unless GKChP 2 intervenes...]

To recap and formulate a picture of what’s going on...With elections approaching and an economic crisis underway, Putin’s enemies (Khodorkovskiy, and perhaps people in the Russian elite discontented with the way things have gone) are stepping up the kompromat attacks. The Magnitskiy affair and the Panama papers point to massive money laundering and asset transfer operations done on the behalf of high level players, with trusted figures like Roldugin acting as operators of the mechanisms involved. The money launderers may both try and create “clean” money for “the pool” and legitimize funds that have wound up there from operations like the tax rebate schemes connected to the Magnitskiy affair. Putin is not involved in this directly or in any hands-on way. The launderers/acquisition operatives may try and clean up money for lower level players like the MVD and Tax Service people involved in the Magnitskiy affair. They are rewarded for their efforts with kickbacks or shares in companies like Video International or Rosneft. “The pool” could operate, at least partly, like a mafia obshak—key players kick in funds that are available for major asset acquisitions and use “the pool” as a deposit for money that needs to be laundered.

Some of the players have abused their access to “the pool”—maybe Lesin, maybe Yakunin. Perhaps Shumkov was mixed up in operations that cost the pool too much and angered key pool members. At the time of Yakunin’s ouster—and especially after his warning to other elites—I thought that we were seeing signs of friction in the inner elite at a time of diminishing resources, a smaller corruption pie, and tensions over the results of sanctions (See the 13 January notes, for instance). So I repeat that there may be more than one ultimate source of kompromat on Putin and other players—I could see an angry Yakunin maybe retaliating with dirt he surely knows about.

Navalniy and Browder are players in their own right, as well as channels for transmitting kompromat. I think Navalniy is still with us and not in prison because he gets at least “situational” cover from whichever Kremlin “tower” might be using him at a given moment. He is associated with anti-Putin forces, but he probably gets some help from people in the elite—maybe Alfa Group people—who are also thinking that it’s time for a change (See the notes from 11 January; 17 May 2015; 29 December 2014; and 6 November 2014).

Another way to think of the pool is a place where players lower down the corruption food chain may kick in a piece of the action for their superiors. Questions: How does all this operate in practice? Who all is a part of what must be an intricate network of interlocking channels for money laundering and asset transactions in a system that has access to the

pool? Who accounts for the money in the pool and where it may end up? I doubt that every pool-connected transaction is coordinated with other players—there is probably a high degree of independent operation within the network, with not all of those involved aware of all the others. The network that has access to the pool and includes elaborate money laundering channels and avenues for asset transactions probably arose spontaneously out of a few deals and grew from there, working out its own mode of activity and ground rules. The people who pulled off the scam in the Magnitskiy case were operating on their own, though they were connected to people higher up the food chain in various ways, and then they tapped into the channels that were linked to Roldugin and the pool. But how are the details worked out and who does the planning and organization? We are only hearing about a very small part of what goes on in the guts of what must be an elaborate informal machine that no one player probably knows inside and out.

Russia’s overlapping money laundering channels are vast and involve lots of games—apart from the Magnitskiy affair, recall the lengthy GUEBiPK scandal, which pointed to a clash between the MVD economic security department (probably allied with elements in the Prosecutor’s office) and the FSB and its allies in the Investigative Committee. The battle was said to be over controlling money laundering channels—see the 31 March notes.

To wind this up, Putin sees the Khodorkovskiy-Kasyanov-Navalnyi-Browder types as a united front in the West’s war against him. He is aware of frictions in the elite and of the possibility of protests that could play into the hands of his enemies or dissatisfied Russian elites who might be looking for an alternative. One such alternative could be Sergey Shoygu (See the 8 April notes, for instance). So VVP creates the National Guard under trusted bodyguard Zolotov as his personal palace guard.

Latynina carried on in this past weekend’s program: <http://echo.msk.ru/programs/code/1756772-echo/>

Why couldn’t Russian vlast uncover the people responsible for the scam in the Magnitskiy affair? It wasn’t because they were so highly placed. It was because they were using the same money laundering “washing machine” that some completely different people were also using including Roldugin. It wasn’t that Roldugin was involved in the Magnitskiy affair—it’s that he and the others used the same “washing machine” ...

Latynina also takes some time to discredit Oleg Lure, who testified in an American court in the case involving Denis Katsyv and a money laundering case linked to the Magnitskiy affair—she has Lure basically repeating a lot of the claims made by Nekrasov in his film about Magnitskiy (cited above). Lure claims Browder hired Navalnyi. She points out that Lure was in jail for defrauding Senator Slutsker—and she also notes that Lure has claimed that he saw documents indicating that Navalnyi was a spy (the same documents shown on NTV’s attack piece against Navalnyi and Browder).

Strelkov: No murder charges?

From the 25 April notes:

[Strelkov's post on the murder charges: http://m.vk.com/wall347260249_2127

Strelkov says that two men who identified themselves as police officers had visited his mother's residence and told her that he was being charged for two murders in St. Petersburg they wanted to know whether she had seen her son around the time of the killings... So what were they up to? What are they trying to show me?, asks Strelkov. Surkov and company should not bother organizing these kinds of vile actions won't work with me. They won't stop me from doing what I have to do I'm ready for anything they can throw at me...]

http://m.vk.com/wall347260249_3529

About the criminal charges supposedly made against me maybe there is a case and maybe not. So far I have no official word on that. There's supposed to be a public meeting on Suvorov Square on 2 May, but nobody will be there how many people will think a meeting in honor of fallen countrymen is more important than shashlik on a holiday?

Land to be given away in the Far East

<http://www.themoscowtimes.com/news/article/russians-given-free-land-in-countrys-far-east/567729.html>

President Vladimir Putin has approved a law giving Russian citizens free plots of land in the country's Far East, the Interfax news agency reported Monday.

All citizens will be entitled to apply for up to hectare of land in the Kamchatka, Primorye, Khabarovsk, Amur, Magadan and Sakhalin regions, the republic of Sakha, or the Jewish and Chukotka autonomous districts.

The land can be used for any lawful purpose but can only be rented, sold, or given away after an initial five-year waiting period, according to the bill.

The program is one of a number of initiatives aimed at boosting the economy in Russia's Far East, including the construction of the new Vostochny cosmodrome. A recent deal also saw a number of Chinese companies set on relocating to the area.

Ohr, Bruce (ODAG)

From: Ohr, Bruce (ODAG)
Sent: Friday, April 29, 2016 5:15 PM
To: Nellie Ohr
Subject: RE: Jen leaving FinCen for HSBC

I heard!

From: Nellie Ohr (b) (6)
Sent: Friday, April 29, 2016 3:18 PM
To: Ohr, Bruce (ODAG)
Subject: Jen leaving FinCen for HSBC

<http://www.reuters.com/article/us-banks-moneylaundering-hsbc-idUSKCN0XN2W7>

Nellie Ohr

From: Nellie Ohr
Sent: Friday, April 29, 2016 1:17 PM
To: Ohr, Bruce (ODAG)
Subject: Fwd: Kleptocracy Initiative Weekly News Highlights

Hi Honey!

As usual, this entire issue is interesting, but I thought you'd be especially interested in this item.

-N

[China Quashes G-20 Anticorruption Task Force, Will Host Conference Instead – Wall Street Journal](#)
The move reflects China's commitment to pursuing its anti-corruption campaign on its own terms.

-----Original Message-----

From: The Kleptocracy Initiative <info@kleptocracyinitiative.org>

To: (b) (6) Nellie Email

Sent: Fri, Apr 29, 2016 11:24 am

Subject: Kleptocracy Initiative Weekly News Highlights

KI Weekly News Highlights: April 23-29, 2016



 Tweet

 Forward

Weekend: April 23-24, 2016

[Former Top U.K. Spy Now Works for Team Putin and a Mobbed-Up Russian Lawyer](#) – *Daily Beast*

Andrew Fulton's GPW & Co., a private investigation firm, is retained by Andrey Pavlov, a Kluyuev Gang lawyer who is fighting to keep his name off EU sanctions lists.

[US/Azerbaijan: Lobbyists Continue to Flout Travel Rules](#) – *OCCRP*

"We haven't seen this brazenness since the Abramoff days... You've got a foreign government participating in trying to lie to the US Congress, and hoodwink the American public. ... [And] the House Ethics Committee tried violating congressional rules and burying the OCE report."

Monday, April 25, 2016

[China Quashes G-20 Anticorruption Task Force, Will Host Conference Instead](#) – *Wall Street Journal*

The move reflects China's commitment to pursuing its anti-corruption campaign on its own terms.

[Kazakhstan Refuses to Investigate Panama Paper Links to President's Family](#) – *Newsweek*

President Nursultan Nazarbayev's grandson was named as an offshore account holder in the leaks – but a top prosecutor has ruled out any action.

Tuesday, April 26, 2016

Trump's Campaign Chief is Questioned About Ties to Russian Billionaire – Yahoo

Oleg Deripaska partnered with Manafort and others in a \$26.2 million Cayman Islands investment. Now the oligarch wants to know what happened to his money.

China Faces Higher Risk of Money Laundering and Financing of Terrorist Groups, Central Bank Official Warns – South China Morning Post

New threats emerge as China becomes more integrated into the global financial system.

Inside Trump Adviser Manafort's World of Politics and Global Financial Dealmaking – Washington Post

Further background on a lucrative career in kleptocracy.

Russia: The Cellist and the Lawyer – OCCRP

A new report suggests that Sergei Rodulgin received money from a shell company while it was being used in the fraud uncovered by Sergei Magnitsky.

Wednesday, April 27, 2016

Anti-Graft Body Finds Irregularities at China Construction Bank – Reuters

336 people were found to be involved in "disciplinary violations" – a Party euphemism for graft.

Under the Umbrella: Russia "Covers" Ukraine's Former President and PM – Ukraine Today

Lifting sanctions against Yanukovich's family members may enable him to shift ill-gotten gains.

Names Of Russia's Elite Vanish From Public Property Records – RFE/RL

Putin's inner circle – including Kiril Shamalov – appear to be quietly expunging evidence of their ill-gotten gains, amid moves by the security services to curtail public access.

Thursday, April 28, 2016

The Quiet American - Slate

"Paul Manafort made a career out of stealthily reinventing the world's nastiest tyrants as noble defenders of freedom. Getting Donald Trump elected will be a

cinch.”

[The Kremlin's Candidate - Politico](#)

Putin's propaganda machine is throwing its weight behind Trump.

[French Lawmakers Adopt Non-Binding Proposal to Lift Russia Sanctions - Reuters](#)

The sanctions were imposed in the wake of Russia's annexation of Crimea, and are due to expire in July.

[Kremlin's Infowar in the Baltics – Ukraine Today](#)

Estonia and neighboring countries are on the frontline of Putin's aggressive propaganda.

Friday, April 29, 2016

[Two Telenor Executives Resign After VimpelCom Probe – Wall Street Journal](#)

A report identified shortcomings – though no illegality - in the Norwegian firm's handling of its stake in the telecoms giant.

[Australia to Block Vast Land Sale to China-Led Consortium – Financial Times](#)

As China continues to buy up huge tracts of land worldwide, Canberra blocks an agricultural deal because of its "size and significance."

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Nellie Ohr

From: Nellie Ohr
Sent: Friday, May 06, 2016 4:31 PM
To: Ohr, Bruce (ODAG)
Subject: Re: June 5 Dinner With DPP Alison Saunders

Cool, thanks!

-----Original Message-----

From: Ohr, Bruce (ODAG) (ODAG) <Bruce.G.Ohr@usdoj.gov>
To: Nellie Ohr (b) (6)
Sent: Fri, May 6, 2016 2:21 pm
Subject: FW: June 5 Dinner With DPP Alison Saunders

The British are coming!

From: Turcotte, Denise
Sent: Friday, May 06, 2016 1:05 PM
To: Ohr, Bruce (ODAG)
Cc: Miller, Carina (CRM)
Subject: June 5 Dinner With DPP Alison Saunders

Bruce,

The DPP and her party would be delighted to have dinner at your home. DPP Saunders will also be travelling with her Executive Assistant, so there will be four of them in total, that is, Alison Saunders, Helen Kershaw (EA), Sue Patten and Patrick Stevens. They have suggested that you pick them up from the Palomar Hotel at 7pm. Will that work? They should be at the hotel by about 4:00 pm, so if you would prefer to make that any earlier, please let us know.

They are awaiting visa details for one person in the party, but subject to that, Hilary Ryan will send me (or Carina) their information shortly, so that we can arrange for security on June 6.

Bruce, I am also copying Carina, and introducing you both via email, as she is now Bruce's new Executive Assistant.

Denise

.WASH POL2-3 Bress, Stefan

From: .WASH POL2-3 (b) (6)
Sent: Friday, April 22, 2016 7:22 AM
To: Ohr, Bruce (ODAG)
Cc: Holtyn, Lisa (OCDETF); Nellie Ohr
Subject: AW: Analyst Russian Organized Crime - April 2016

Bruce,

due to a (b) (6) my wife (b) (6) will not be able to attend our dinner. But I will be happy to eat her portion of food and drink her glass of wine. :-)

See you soon,
Have a great weekend,

(b) (6)

-----Ursprüngliche Nachricht-----

Von: Ohr, Bruce (ODAG) [mailto:Bruce.G.Ohr@usdoj.gov]
Gesendet: Mittwoch, 20. April 2016 12:21
An: .WASH POL2-3 (b) (6)
Cc: Holtyn, Lisa (OCDETF); Nellie Ohr
Betreff: RE: Analyst Russian Organized Crime - April 2016

(b) (6)-

Excellent! So we will plan on Monday at 7 p.m. at my house, which is located at (b) (6). We hope that your wife will be able to attend as well. Thank you, and I am looking forward to seeing everyone!

- Bruce

-----Original Message-----

From: .WASH POL2-3 (b) (6)
Sent: Wednesday, April 20, 2016 11:28 AM
To: Ohr, Bruce (ODAG)
Subject: WG: Analyst Russian Organized Crime - April 2016

Hi Bruce,

I will be out of office until Friday, you could try to reach me via cell phone: (b) (6).

We are available for a dinner on Monday, Tuesday or Wednesday. Please not too early... 7.00 would be perfect... Just tell me when and where...perfect would be an email.

We would be 4 px in total.

Best,

(b) (6)

-----Ursprüngliche Nachricht-----

Von: Holtyn, Lisa (OCDETF) (b) (6)
Gesendet: Mittwoch, 20. April 2016 10:56
An: .WASH POL2-3 (b) (6)
Cc: Ohr, Bruce (ODAG)
Betreff: RE: Analyst Russian Organized Crime - April 2016

Hi (b) (6),

No problem with the addition!

By the way, Bruce will be calling you today as he and Nellie would like to host the delegation for dinner sometime during the week that they are here, if your schedules permit.

Also, on our end, we have invited Joe Wheatley and Ivana Nizich, who are two trial attorneys from DOJ's Organized Crime and Gang Section (my and Bruce's old section.) Joe has met with the analysts before (I guess Ian will probably remember him), but Ivana is new to OCGS. Both are very experienced prosecutors and have worked on some Eurasian OC matters before.

I will plan to meet you guys at 1:45 at the Visitors center at Main DOJ. My cell in case you have any trouble getting there is (b) (6).

Look forward to seeing you guys next week!

Best,
Lisa

-----Original Message-----

From: .WASH POL2-3 (b) (6)
Sent: Wednesday, April 20, 2016 10:17 AM
To: Ohr, Bruce (ODAG); Holtyn, Lisa (OCDETF)
Cc: Mchich, Lisa (OCDETF)
Subject: WG: Analyst Russian Organized Crime - April 2016

Bruce,

sorry, but there is one more in our delegation:

Last Name/First Name/PoB/DoB/Passport:
5. (b) (6)

See u soon,
Thanks,
(b) (6)

-----Ursprüngliche Nachricht-----

Von: .WASH POL2-3 (b) (6)
Gesendet: Dienstag, 12. April 2016 13:22
An: 'Ohr, Bruce (ODAG)'; Holtyn, Lisa (OCDETF)
Cc: Mchich, Lisa (OCDETF)
Betreff: AW: Analyst Russian Organized Crime - April 2016

Lisa, Bruce,

for the analytical exchange on April 26th, 2.00 pm the delegation will be:

Last Name/First Name/PoB/DoB/Passport:

1. (b) (6)

Please let me know, if you have any further question.
Thanks,
(b) (6)

-----Ursprüngliche Nachricht-----

Von: Ohr, Bruce (ODAG) [<mailto:Bruce.G.Ohr@usdoj.gov>]
Gesendet: Montag, 7. März 2016 19:12
An: Holtyn, Lisa (OCDETF)
Cc: .WASH POL2-3 (b) (6); (b) (6) (OCDETF)
Betreff: Re: Analyst Russian Organized Crime - April 2016

Hi (b) (6) ,

That time works for me as well. I'm looking forward to seeing them! Thank you very much!

Bruce

On Mar 7, 2016, at 6:47 PM, Holtyn, Lisa (OCDETF) (b) (6) > wrote:

Hi (b) (6) ,

I haven't had a chance to confer with Bruce yet, but would certainly love to meet with the "A team"! Tuesday, April 26 at 2:00 works for me, but I've added Bruce's Chief of Staff, Lisa Mchich, for scheduling purposes.

Thanks so much for reaching out.

Best,
Lisa

From: .WASH POL2-3 (b) (6)
Sent: Monday, March 07, 2016 3:59 PM
To: Ohr, Bruce (ODAG); Holtyn, Lisa (OCDETF)
Subject: Analyst Russian Organized Crime - April 2016

Hi Lisa, Bruce

our Russian Analysts will come into town again. If you or some of your colleagues would like to talk to them - it would be doable for us on Tuesday, 26th April from 2.00-3.00.

I just received their agenda proposal:

- "Stability of the Putin regime" before the Duma elections
- Impact of Russian influence operations in Europe ("PsyOps/InfoWar")
- Situation of Eurasian organized crime (how organized crime is used for politics within Russia and abroad)

Please let me know if you're interested, Have a great week, (b) (6)

German Embassy

(b) (6)

First Secretary

(b) (6)

Tel: (b) (6)

Cell: (b) (6)

Fax: (b) (6)

eMail: (b) (6)

<image001.png>

INVALID HTML

Nellie Ohr

From: Nellie Ohr
Sent: Wednesday, April 20, 2016 12:49 PM
To: Ohr, Bruce (ODAG)
Subject: Re: Analyst Russian Organized Crime - April 2016

Thanks! I'm deleting these emails now

Holtyn, Lisa (OCDETF)

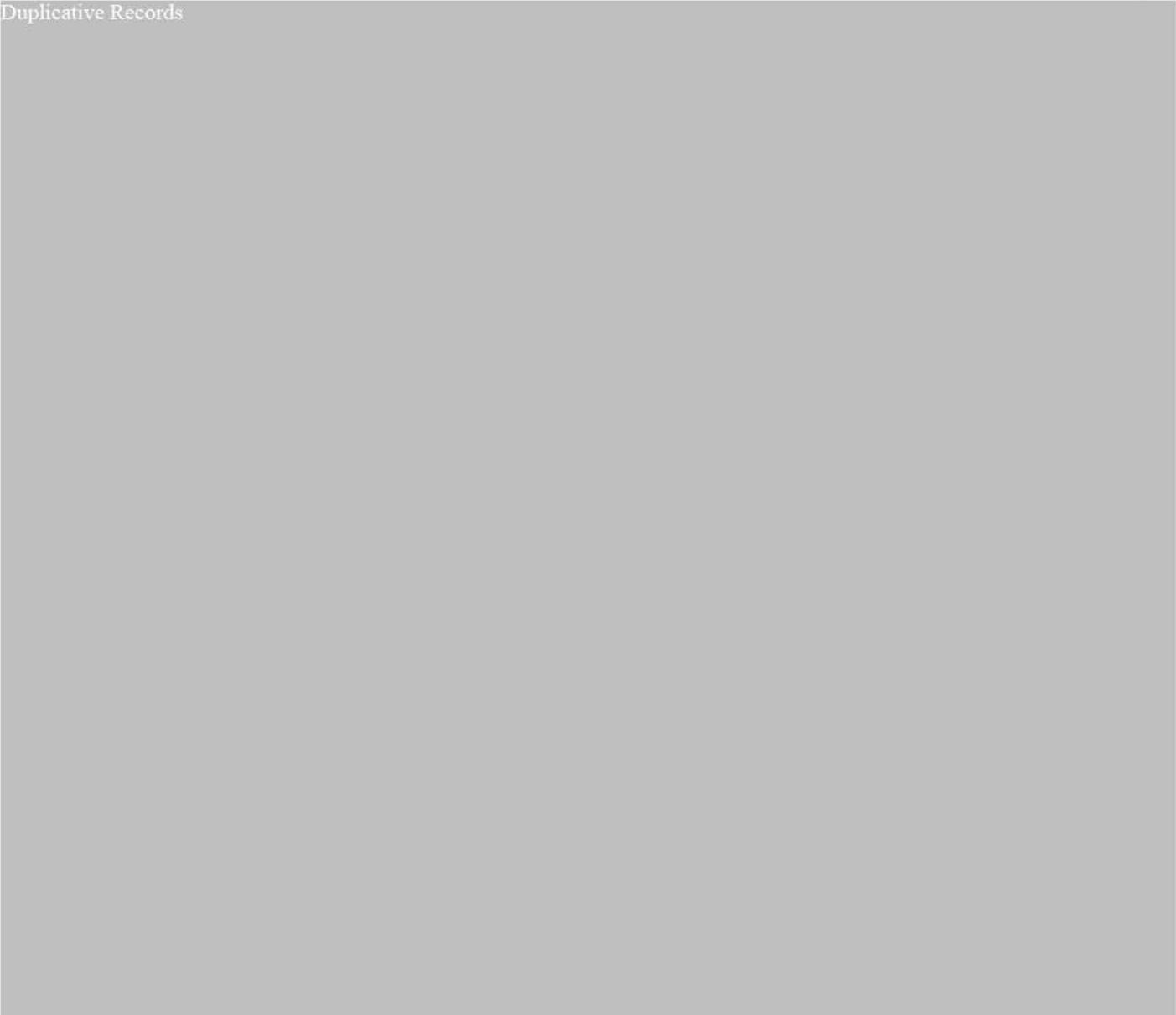
From: Holtyn, Lisa (OCDETF)
Sent: Wednesday, April 20, 2016 12:27 PM
To: Ohr, Bruce (ODAG); .WASH POL2-3 (b) (6)
Cc: Nellie Ohr
Subject: RE: Analyst Russian Organized Crime - April 2016

I look forward to it as well! Thanks, Bruce and Nellie!!

-----Original Message-----

From: Ohr, Bruce (ODAG)
Sent: Wednesday, April 20, 2016 12:21 PM
To: .WASH POL2-3 (b) (6)
Cc: Holtyn, Lisa (OCDETF); Nellie Ohr
Subject: RE: Analyst Russian Organized Crime - April 2016

Duplicative Records



Nellie Ohr

From: Nellie Ohr
Sent: Tuesday, April 19, 2016 12:04 PM
To: Ohr, Bruce (ODAG)
Subject: Galeotti summarizes Russia's approach to drug problem in leadup to UN Gen Assembly

<http://www.brookings.edu/~media/Research/Files/Papers/2015/04/global-drug-policy/Galeotti--Russia-final.pdf?la=en>

This seems to be part of a Brookings series looking at drug policy

Narcotics and Nationalism: Russian Drug Policies and Futures

Mark Galeotti

New York University Center for Global Affairs

Center for 21st Century Security and Intelligence
Latin America Initiative

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Improving Global Drug Policy: Comparative Perspectives and UNGASS 2016

Narcotics and Nationalism: Russian Drug Policies and Futures

Mark Galeotti

New York University Center for Global Affairs

EXECUTIVE SUMMARY

Key Findings

- With 6 percent of the population using drugs, Russia is suffering from serious and problematic drug consumption and a growing public health crisis.

- The Kremlin regards the drug challenge as a nationalist, securitized, and moral problem. Drug addiction is considered a moral deficiency rather than a medical issue, which reinforces the Russian government's predilection for a punitive approach

which reinforces the Russian government's predilection for a punitive approach.

•

Extensive availability of heroin from Afghanistan is particularly problematic. Russia is both a transshipment and a destination country for Afghanistan's opiates.

•

Framed as a security threat, the influx of Afghan heroin is viewed at best as a Western failure and at worst as a malign attempt to damage Russia. Domestically, the Russian government adopts a law enforcement model toward traffickers and users alike, rather than harm reduction, drug prevention, and treatment models.

•

Even so, efforts to address drug trafficking and consumption in Russia have been undermined or warped by the lack of resourcing, political will, and turf wars among Russian security agencies. Russia's growing economic problems also necessitate liquidity on the part of many financial institutions, encouraging them to turn a blind eye to dirty money.

Policy Recommendations

•

Russia needs to adopt a more inclusive and comprehensive strategy that balances interdiction and law enforcement with treatment, prevention, and harm reduction methods.

•

Russia needs to engage local governments, communities, and non-governmental organizations, as well as foreign partners.

•

Law enforcement cooperation must not remain hostage to geopolitical rivalries. Afghanistan's drug policy needs to encourage effective efforts to sustainably reduce production rather than be used as a means for asserting regional hegemony.....

Nellie Ohr

From: Nellie Ohr
Sent: Friday, April 15, 2016 1:31 PM
To: Holtyn, Lisa (OCDETF); Ohr, Bruce (ODAG)
Subject: Corruption Is The New Communism

Corruption Is The New Communism

Brian Whitmore

12 April 2016

<http://www.rferl.mobi/a/corruption-is-the-new-communism/27669638.html?platform=hootsuite>

Soviet tanks roll into Budapest and Prague.

Russian banks set up secretive offshore accounts and shady shell companies that stealthily buy influence and gobble up strategic assets across Europe.

Quislings in the East and fellow travelers in the West toe the Leninist line.

Business and industrial lobbies in both East and West parrot Putinist talking points.

A network of Communist parties and front groups advance Moscow's interests.

A web of opaque front corporations, murky energy deals, and complex money-laundering schemes ensnare foreign elites and form a ready-made Kremlin lobby.

Past, meet present.

In many ways, Russian corruption is the new Soviet Communism. The Kremlin's black cash is the new Red Menace. In the East, an alliance of satellite states with Soviet-style socialist command economies and authoritarian political systems has been replaced with a loose grouping of kleptocracies with Russian-style crony-capitalist economies and dysfunctional governance.

And the Soviet Union's attempts to subvert the West with the power of an idea has given way to Vladimir Putin's Russia seeking to corrupt it with the lure of easy money.

The more things change, the more they stay the same.

"The Kremlin does not need to be the outright leader of a bloc of nations a la Warsaw Pact; instead, it can exacerbate existing divides, subvert international institutions and help create a world where its own form of corrupt authoritarianism flourishes," Peter Pomerantsev and Michael Weiss wrote in their widely circulated report, [The Menace of Unreality: How the Kremlin Weaponizes Information, Culture, and Money](#).

Capturing Elites

The Soviet Union sought to spread Communism and establish a bloc of nations loyal to Moscow. Vladimir Putin's Russia seeks to spread its corrupt business model to establish a bloc of nations dependent upon the Kremlin. The Soviet Union was primarily concerned with its immediate neighborhood, Eastern Europe, but also sought to spread its socialist model outward.

Putin's Russia is also concentrating on its immediate neighborhood, the ex-USSR, but has also set its sights on pushing kleptocracy farther afield.

It has used murky energy schemes with opaque ownership structures like RosUkrEnergo, EuralTransGas, and Moldovagaz as carrots [to capture and control elites](#) in former Soviet states like Ukraine, Belarus, and Moldova. Farther West, the Kremlin has deployed [shifty shell companies](#) like Vemex, an energy trading company with a mindbogglingly opaque ownership structure ultimately leading to Gazprom, which has captured between 10-12 percent of the Czech energy market.

The Kremlin has indeed mastered the art of the corrupt deal to create patron-client relations well beyond Russia's borders.

"Gazprom, with the silent support of the Kremlin has set up 50 or so middleman companies, silently linked to Gazprom and scattered throughout Europe," the late energy analyst Roman Kupchinsky, former director of RFE/RL's Ukrainian Service, [said in testimony before the U.S. Senate's Foreign Relations Committee](#) in June 2008.

Kupchinsky cited the Vienna-based Centrex group, owned by a Cyprus-based Holding company and RN Privatstiftung in Austria, as well as the Gazprom Germania network.

Such fronts, he added, "do not add any value to the price of Russian gas being sold on European markets; yet they earn enormous sums of money which appears to simply vanish through shell companies in Cyprus and in Liechtenstein."

Kupchinsky also told the committee that "in Hungary, shady companies with suspected links to organized crime and to Gazprom seek to control large segments of the domestic gas distribution and power generation business."
'This Is The Story Of An Invasion'

There is also evidence that Putin has recruited some members of his old intelligence network in the East German Stasi to set up front companies throughout Europe.

A September 2007 [investigative report](#) by German journalist Hans-Martin Tillack uncovered how Gazprom Germania was "something of a club for former members of the East German security services."

"This is the story of an invasion. A massive campaign, planned well in advance. The General Staff is located far away in the east, in Moscow, the capital of Russia. The target area is Germany -- and the rest of Western Europe," [Tillack wrote](#).

"But the story of this invasion is teeming with ex-Stasi officers and shady figures. It is a story of letterbox companies that do not even have a letterbox, of companies nestled within companies. The overriding impression? That they are concealing the flow of funds."

But it is an invasion in which many elites in the West are either willing -- or unwitting -- participants.

"Acquiescence to Russian corruption, with illicit funds regularly laundered throughout the West, works to the Kremlin's advantage both domestically and internationally," Pomerantsev and Weiss wrote.

"If the premise of the neoliberal idea of globalization is that money is politically neutral, that interdependence will be an impulse towards rapprochement, and that international commerce sublimates violence into harmony, the Russian view remains at best mercantilist, with money and trade used as weapons and interdependence a mechanism for aggression."

Communism, despite its faults, attempted to appeal to universal human ideals and aspirations. But in practice, it cut against human nature.

Corruption appeals to the most universal and basest human instinct -- greed. And sadly, it is often in sync with human nature -- which makes the new Red Menace potentially more dangerous and insidious than the old one.

Corruption isn't just a matter of good governance anymore. It's now a national security issue and needs to be treated as such.

Ohr, Bruce (ODAG)

From: Ohr, Bruce (ODAG)
Sent: Friday, April 15, 2016 9:07 AM
To: Nellie Ohr
Subject: Re: Iran uses commerce as a cover for its intelligence operations in Latin America

Interesting!

On Apr 15, 2016, at 8:53 AM, Nellie Ohr (b) (6) wrote:

See my bolding and note at bottom

-----Original Message-----

From: (b) (6) (b) (6)
To: (b) (6) (b) (6); (b) (6) (b) (6); Nellie Ohr
(b) (6); (b) (6) (b) (6)
Sent: Fri, Apr 15, 2016 8:34 am
Subject: Iran uses commerce as a cover for its intelligence operations in Latin America

Three former Venezuelan government officials who defected from Hugo Chavez's regime spoke to the Brazilian magazine *Veja* about an alleged alliance between Argentina, Venezuela, and Iran, which included a deal in which Argentina would get Interpol to remove from its database the names of Iranians suspected of bombing a Jewish center in Buenos Aires in 1994.

Alberto Nisman, an Argentine prosecutor, had been investigating the deadly bombing before he was found dead in his apartment in January with a gunshot wound to the head. He was about to testify to Argentina's legislature that the administration of Argentine President Cristina Fernandez de Kirchner had helped cover up Iran's hand in the bombing.

Nisman alleged that the Fernandez regime engaged in the cover-up to secure an oil-for-grain deal with Iran (Argentina is energy poor), but *Veja's* sources take it a step further. They say the late Venezuelan leader Hugo Chavez helped broker a deal between Argentina and Iran that secured cash for Argentina (including funds for Fernandez's 2007 presidential run) and nuclear intelligence for Iran on top of derailing the AMIA probe.

"Not only is [the *Veja* report] credible, but it underscores the allegations prosecutor Nisman put forth about Iran's longstanding desire to have Argentina restart nuclear cooperation with Iran," Toby Dershowitz of the Foundation for Defense of Democracies told *Business Insider*.

Nisman believed the bombing of the Jewish center, called AMIA, may have been about more than Iran's attitude toward Israel and the Jewish people. He believed it was a punishment directed at Argentina. Back in the 1980s, Iranian nuclear scientists received training at Argentine nuclear plants. Iranian nuclear scientist Ali Akbar Salehi was mentioned in Nisman's report as being among the back-channel negotiators who reportedly wanted to clear the names of Iranians from an Interpol database. He spent six months learning about nuclear technology in the 1980s. In 1987, Argentine scientists went to Iran to help upgrade a Tehran research reactor.

"The DOJ and other USG agencies should be concerned about who killed a prosecutor with whom it had an important relationship and whether it was aimed at silencing him and his work implicating Iran," Dershowitz said. "Nisman's work was akin to a canary in a coal mine, and his suspicious death is a matter I hope the next attorney general and others will pursue impartially even if it comes at an inconvenient time as the P5+1 negotiate a nuclear deal with Iran."

To Dershowitz, Nisman's report was about more than just AMIA. It was about how Iran operates in Latin America — how it recruits, how it uses resources, how it activates sleeper cells.

According to a member of the military who said he was in the room during negotiations between Venezuela and Iran, here's how a conversation between Chavez and Mahmoud Ahmadinejad, then Iran's president, on January 13, 2007, went down (via *Veja*):

Ahmadinejad — it's a matter of life or death. I need you to help me broker a deal with Argentina to help my country's nuclear program. We need Argentina to share its nuclear technology. Without their collaboration it would be impossible to advance our nuclear program.

Chávez — Very quickly, I will do that Comrade.

Ahmadinejad — Don't worry about what it costs. Iran will have all the money necessary to convince Argentines ... I need you to convince Argentina to continue to insisting that Interpol take Iranian officials off their list.

Chávez — I will personally take charge of this.

The kind of nuclear technology Iran was looking for, specifically, was a heavy-water nuclear reactor. It's expensive, complicated, and old-fashioned technology, but it allows plutonium to be obtained from natural uranium. That means the uranium doesn't have to be enriched, which makes the whole operation more discreet.

To sweeten the deal for Argentina, Venezuela allegedly bought \$1.8 billion worth of Argentine bonds 2007 and \$6 billion worth in 2008. Remember that Argentina has been a pariah of international markets since it defaulted in 2002. The Kirchners (Cristina and her husband, late-president Nestor) each thanked Venezuela for these purchases publicly.

Also in January 2007, Ahmadinejad and Chavez allegedly hatched the plan for "aeroteror," as Chavistas came to call it. It was a flight from Caracas to Damascus to Tehran that was made twice a month. It flew from Caracas carrying cocaine to be distributed to Hezbollah in Damascus and sold. The plane then went to Tehran carrying Venezuelan passports and other documents that helped Iranian terrorists travel around the world undetected.

Where this story makes a turn for the bizarre is that the woman who was allegedly handling the Argentine side of negotiations was former defense minister Nilda Garre, who is now Argentina's ambassador to the Organization of American States.

Veja's sources say she had a sexual relationship with Chavez.

"It was something along the lines of '50 Shades of Grey,'" the former Venezuelan official said, adding that when the two were together, all of Miraflores (Venezuela's presidential palace) could hear it.

"I cannot say that the Argentine government gave nuclear secrets, but I know it received much by legal means (debt securities) and illegal (bags of money) in exchange for some valuable asset to the Iranians."

Another former Chavista said: "In Argentina, the holder of secrets is the former ambassador Garre."

There was also an Iran-Venezuela-Russia triangle involving Bank Rossiya people through Mosnarbank-Yevrofinans.

Nellie Ohr

From: Nellie Ohr
Sent: Tuesday, April 12, 2016 10:23 AM
To: Ohr, Bruce (ODAG)
Subject: EU drug markets report

Hi Honey! You might find this interesting. It

[Mark Galeotti](#) retweeted

6d

[Giacomo Fassina @GiacomoFassina](#)

Very thorough report by [@EMCDDA](#) & [@Europol](#) on drug flows and use in Europe & worldwide

http://www.emcdda.europa.eu/system/files/publications/2374/TD0416161ENN_1.PDF

I've saved the PDF on my hard drive

7

Executive summary

This report explores the concept of the illicit drug market within the broader context of changing patterns of drug use, cultural and social factors and links to wider criminality. Drug markets continue to be one of the most profitable areas for organised crime groups (OCGs) and it is estimated that EU citizens spend over EUR 24 billion (range EUR 21 to 31 billion) every year on illicit drugs. The impacts that drug markets have on society are correspondingly large and go beyond the harms caused by drug use. They include involvement in other types of criminal activities and in terrorism; impacts on legal businesses and the wider economy; strain on and corruption of government institutions; and impacts on wider society.

Three overarching themes emerge from our analysis:

n

The increasing organisational and technical complexity, interconnectedness and specialisation of groups involved in drug markets.

n

Globalisation and technology are accelerating the rate of change in the drug market.

n

Drug market-related activities are concentrated in a number of established and emerging geographical locations.

These developments challenge those trying to respond to the problems created by the illicit drug market and the associated wider problems and suggest that:

n

A systemic analysis of drug market business models will be helpful for both operational and policy purposes.

n

Partnerships between national authorities and with industry are becoming ever more important, as is engagement with international organisations and third countries.

n

Efficient use of resources can be achieved through the identification and targeting of geographical locations where drug market-related activities are concentrated.

n

Continuing recognition of the value of a strategic response, informed by sound information used to identify new opportunities as well as challenges, is essential. The report also looks in more detail at the markets for the main drug types and the key points are summarised below.

Continuing

Cannabis

is the most widely used drug in Europe and it is estimated that cannabis accounts for around 38 % of the retail market for illicit drugs and is worth more than EUR 9.3 billion annually (range EUR 8.4 to 12.9 billion). Some 22 million adults in the EU have used it in the last year and around 1 % of European adults use it on an almost daily basis, increasing the risk of health and social problems. OCGs are heavily involved, making full use of technological innovations to produce larger quantities of more potent products in Europe itself. While the market is dominated by herbal cannabis grown within the EU, the cannabis resin from Morocco has been increasing in potency and may be trafficked to the EU alongside other illicit goods and human beings, a trend potentially exacerbated by instability in North Africa and the Middle East.

The heroin

market is the second largest illicit drug market in the EU. It is estimated at EUR 6.8 billion annually (range EUR 6.0 to 7.8 billion) and is responsible for a significant proportion of drug-related deaths and social costs. Following a period of decline, there are recent signs of increasing availability that may signal increased harms. Opium production remains generally high in Afghanistan. Production techniques, locations, trafficking routes and modi operandi are increasingly flexible and dynamic, as shown by an increase in very large heroin seizures, suggesting a shift to maritime container trafficking, and new

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EU Drug Markets Report

routes involving Africa, the Southern Caucasus, Syria and Iraq are emerging. Nevertheless, the Balkan route remains a key corridor for heroin entry to the EU. There are also signs of diversification in the market, with prescription medicines and new synthetic opioids increasingly being misused.

Cocaine

is Europe's most commonly used illicit stimulant, with a retail market estimated to be worth at least EUR 5.7 billion annually (range EUR 4.5 to 7.0 billion). Most use occurs in western and southern Europe and has been fairly stable over recent years, although there are signs of increasing availability. Coca cultivation appears to be increasing after a period of decline but there is uncertainty about how much cocaine is produced and where this occurs. Sea and air transport are used to traffic cocaine to Europe, with Colombia, Brazil and Venezuela being key departure points. The Caribbean and West Africa remain important transit areas, while Central America is emerging. Use of maritime containers shipped through major European ports is a continuing problem. An evolving array of concealment methods is used, including cocaine being incorporated into 'carrier materials' (e.g. plastics) before being chemically extracted on arrival in Europe. Colombian and Italian groups continue to dominate wholesale cocaine supply to Europe, in cooperation with other groups (e.g. Dutch, British and Spanish). West African, especially Nigerian, groups are also active in transporting cocaine from Africa to Europe and Balkan OCGs are emerging actors. The market for the main synthetic stimulants, amphetamine, methamphetamine and MDMA

, is estimated to be at least EUR 1.8 billion annually (range EUR 1.2 to 2.5 billion) in the case of amphetamines (including methamphetamine) and EUR 0.67 billion (range EUR 0.61 to 0.72 billion) for MDMA/ecstasy. Amphetamines appeal to both recreational and marginalised drug users and the market for them interacts with those for cocaine and some new psychoactive substances. Recent concerns include the availability of high-dose MDMA products and the increased use of methamphetamine. In the EU, the Netherlands and Belgium are important for MDMA and amphetamine production, while most methamphetamine appears to be made in the Czech Republic. Production is becoming more sophisticated and diverse, and the use of new precursor and pre-precursor chemicals may increase health risks. The dumping of toxic waste also poses health risks and causes environmental damage. Aggressive marketing is becoming more apparent in the ecstasy market suggesting competition between suppliers and more active targeting of specific groups of users.

A large number of new psychoactive substances (NPS) are sold openly as 'legal' replacements for illicit drugs. There are no signs of a slowdown in the development of these substances; 100 new substances were reported for the first time in 2015 and the EU Early Warning System is monitoring over 560. The market supplies both recreational and, increasingly, marginalised users and producers anticipate legal and regulatory controls by developing new substances. Globalised supply chains allow bulk quantities of NPS to be ordered online and transported to Europe where they are packaged and marketed on the open or illicit drug market. It is a low-risk, high-profit business attractive to organised crime and there are signs of production in Europe. Distinct but overlapping markets have emerged, such as 'legal highs', 'research chemicals' and 'dietary supplements' sold through 'bricks and mortar' and online shops. With increased availability, harms have increased, such as acute, sometimes fatal, poisonings and harms associated with injecting cathinones.

Nellie Ohr

From: Nellie Ohr
Sent: Friday, April 08, 2016 2:04 PM
To: Holtyn, Lisa (OCDETF); Ohr, Bruce (ODAG)
Subject: New National Guard will not fight organized crime--and other observations by Galeotti

You recall that Zolotov's Baltik-Escort company was thought to have served as a liaison between the SPb mayor's office with the Tambov group back in the 1990s. Dawisha mentions this "alleged" link on p 127.

Putin's new National Guard – what does it say when you need your own personal army?

 Zolotov

Zolotov, Putin's Praetorian

The idea of creating a National Guard (NG) for Russia bringing together public security forces under a single command has been raised periodically and always abandoned for very good reasons, not least the lack of any apparent need to have a Praetorian Guard on steroids. In 2012, for example, [I didn't think it likely](#): it would upend the balance of power within the security agencies, create a monster, and not really meet any true security need. So what does it say that Putin today announced that such a *natsgvardiya* was going to be formed? After a meeting with security luminaries include MVD Interior Troops commander (and new NG head) [Viktor Zolotov](#) – a [trusted ex-bodyguard](#) – he [announced](#) [my translation]:

Decisions have been made: we are creating a new federal executive body on the basis of the Interior Troops – creating the National Guard, which will handle the fight against terrorism, the fight against organised crime, and in close cooperation with the Ministry of Internal Affairs, will continue to perform those functions which are [currently] performed by the OMON (riot police), SOBR (SWAT) and so on. We will arrange, as we discussed with the Interior Minister [Vladimir Kolokoltsev], not only in the decree, but in a future federal law, so that there will be no discord in order to get everything working smoothly and clearly. I hope very much that the troops of the National Guard will effectively perform their tasks, as has been the case up now, and that they will strengthen the work on the areas that are considered priorities.

The NG will thus also take over the OMON and SOBR, making it a powerful paramilitary security force, with elements right across the country.

Meanwhile, the Federal Drugs Control Service (FSKN) and Federal Migration Service (FMS) will be [brought under the MVD](#) (Ministry of Internal Affairs), albeit remaining separate services. (Again, an idea which had been [mooted before](#).) This may be a consolation prize for Kolokoltsev but appears, unsurprisingly, to have been [a bitter pill for FSKN chief Viktor Ivanov](#), moving from independent director to ministerial subordinate.

The creation of a National Guard is **a big deal**. We await details, but here are a few first observations:

1. No discussion, no lead time. As with so many crucial decisions, this came essentially unheralded, underlining the extent to which **policy comes from a small, tight circle** around Putin. It is not just that they have good operational security; they also clearly see no reason to prepare the public in advance. This is just the way politics goes these days.

2. Big worries in a little circle. There is no real reason for creating the NG out of the Interior Troops (VV) and other forces unless you have **a serious worry about public unrest**. Let's be clear, whatever Putin says the **militarised security forces of the VV and now NG have little real role fighting crime or terrorism; they are**

public security forces, riot and insurrection control and deterrence assets. The OMON and SOBR do play a certain role, but detaching them from the investigations elements of the MVD actually reduces their value in fighting crime. (And the MVD will likely have to recreate some kind of SWAT forces of its own.)

3. Putin's Own. The NG, as a federal agency, will be **directly subordinated to the government**, without a minister in the way. With Zolotov at its head, then it is even more clearly a personal, presidential Praetorian force, under a maximalist loyalist. **This may not only be a force to keep the masses in check, but also the elite.**

4. Upsetting the power ministry balance. In the past, there was a key desire to retain a degree of balance between the various security agencies. The MVD has now been weakened (and having the FMS and FSKN is by no means enough of a recompense), and the **Federal Security Service (FSB) has a more direct rival** in the domestic security stakes.

Postscript, 6 April: I see from the [text of the law](#) that **FGUP Okhrany, the private security corporation of the MVD, is being transferred to the NG**. This is a major blow to the MVD, as it made quite a bit of revenue for them. It also raises questions about the future of the Vnevedomstvennaya okhrana, the police's private security department, which was often a good way for cops to do some paid overtime and eke out their salaries. Will they still be able to do this? If not, then that may well be a further encouragement to more petty and predatory corruption by cops seeing their real wages shrink (as bonuses have also already been cut) and options legally to make up the shortfall vanish...

<https://inmoscowsshadows.wordpress.com/2016/04/05/putins-new-national-guard-what-does-it-say-when-you-need-your-own-personal-army/>

Nellie Ohr

From: Nellie Ohr
Sent: Thursday, April 07, 2016 4:21 PM
To: Holtyn, Lisa (OCDETF); Ohr, Bruce (ODAG)
Subject: Details on Praetorian guard reshuffle: Promotion for Zolotov. Demotion for Viktor Ivanov?? VVP as beleaguered emperor in 1917

From today's Jamestown Eurasia Monitor, 7 April 2016

See bolded bits

Putin's New Praetorian Guard

This week (April 6), without prior warning or any meaningful public debate, President Vladimir Putin announced a massive overhaul of security, public order and law enforcement in Russia by creating a special new internal army. Formed immediately by presidential order (*ukaz*), the new "National Guard" will be based on the existing Interior Ministry Troops—a 200,000 strong armed force with mechanized motor-rifle brigades and divisions, special troops and an air force, previously subordinated to the interior ministry, which is in charge of Russia's police forces. The National Guard will include not only the Interior Troops that are mostly manned by conscript soldiers, but also special paramilitary police units known as OMON and SOBR as well as the interdepartmental government security guard service (*Vnevedomstvenaya Okhrana*). These units of contract servicemen number some 200,000 and will, thus, boost the National Guard to around 400,000 ([Interfax](#), April 6).

The creation of the National Guard requires major changes to existing legislation. The Kremlin has introduced a package of bills to the Duma to make the National Guard a legal entity with sweeping powers to arrest, interrogate and use of deadly weapons against Russian civilian suspects or "troublemakers." Putin expressed full confidence the Duma would approve the National Guard legislative package without any delay "so there could be no possible misunderstandings"; but the overhaul is going ahead before the legislators have time to even consider the changes. By separate *ukaz*, Putin appointed Army General **Viktor Zolotov** (62) as the commander-in-chief of the National Guard. Zolotov will be subordinated solely and directly to the president and have the administrative rank of a cabinet member ([Interfax](#), April 6).

Zolotov is Putin's long-time close associate from St. Petersburg and the president's chief bodyguard and sparring partner in boxing and judo. Born in St. Petersburg, Zolotov served in the KGB bodyguard 9th Main Directorate. From 2000, when Putin became president, until 2013, Zolotov was the chief of the presidential security service. In May 2012, Zolotov was appointed a permanent member of Russia's Security Council. In 2013, Zolotov, who did not have any police or military service background, was appointed deputy commander of the Interior Troops. In May 2014, Zolotov became commander of the Interior Troops. Plans to create a National Guard in Russia, based on the Interior Troops, have reportedly circulated in the Kremlin in previous years. Zolotov—a professional bodyguard, whom Putin apparently considers absolutely loyal—was clearly being groomed to become the commander of the new joint security force ([Kommersant](#), April 5).

In an apparent move to compensate the interior ministry, Putin announced that the antinarcotics service—the Federal Drug Control Service (FSKN)—and the Federal Migration Service (FMS), which controls foreigners on Russian territory, will be merged with the Ministry of Interior. Bribes from illegal immigrants and narco-traders make the FSKN and FMS prime illegal moneymakers within Russian law

enforcement. Both the FSKN and FMS will be **transformed into directorates** within the interior ministry; their present staff will be cut and rotated. Russia's entire police force is being rebooted, and officers will be reinstated into new structures ([Kommersant](#), April 5). In Russia, obtaining a good moneymaking position traditionally requires paying a substantial bribe, in advance, to the decision-making superiors.

Putin has declared the National Guard's prime task to be fighting terrorists and organized crime, but the force seems too big and too heavily armed with new tanks and other heavy weapons for such a mission. The Federal Security Service (FSB), the Investigative Committee and the Ministry of Interior will continue to work organized crime and terrorist threats, and it is not clear how the National Guard could be the leading antiterrorist or anticrime force. In Soviet times, the Interior Ministry Troops were a heavily armed internal force created to deal with domestic enemies—the people of Russia primarily, whom the Communists always considered an inherent threat. Today, Putin apparently believes the internal threat to his regime is rising rapidly, although all opinion polls continue to put Putin's approval ratings at record highs. Of course, the Russian economy is in the doldrums, mass poverty is on the rise, and social unrest is possible in the future. But the consensus opinion of social scientists and pollsters is that at least two to three more calm years can be expected ahead ([Ng.ru](#), April 6).

When rigged Duma elections triggered mass antigovernment demonstrations in Moscow at the end of 2011 and in spring 2012, the interior ministry did not initially demonstrate great efficiency and struggled to muster enough trained manpower to effectively control the streets of Moscow. In 2012 the number of specialized anti-riot OMON police in all of Russia was estimated at some 25,000, the number stationed permanently in Moscow—only some 2,000. The Internal Troops units used as backup in Moscow in spring 2012 were inept conscripts, with less than a year of service under their belts. The precinct Moscow police, on the other hand, are corrupt; their morale is low and their riot training—zero. The Moscow OMON was boosted to 6,000 by other OMON units flown in from all over Russia. This left Russian provincial cities exposed if protests spread. The different OMONs from various regions are closely connected to local authorities; they have never trained together and do not know other cities ([Novaya Gazeta](#), March 2, 2012).

Putin's sudden decision to create a joint massive praetorian National Guard by merging together all the OMON units and the Interior Troops may have been triggered by the publication of the so-called "Panama Papers," which disclosed corrupt offshore financial schemes that involved, among others, some of Putin's closest acquaintances. The Kremlin has accused the US State Department and the Central Intelligence Agency (CIA) of being instrumental in their publication—allegedly aimed at Putin ([Interfax](#), April 4). According to Putin himself, the release of the Panama Papers is an attempt to weaken Russia from the inside, to "split society and undermine trust in the government." Putin added: "They will pit us one against another, like it was done during the tragic time of World War I" ([Interfax](#), April 7). Apparently Putin is referring to the Bolshevik revolution led by Vladimir Lenin, which was partially financed by the German General Staff. **It seems, Putin considers himself as some besieged emperor in the Kremlin, while a US-led and financed revolutionary regime change has been commenced, with the Panama Papers as a declaration of war. A massive praetorian National Guard, headed by an absolutely loyal bodyguard, is seen as the only means to stop the onslaught.**

--Pavel Felgenhauer

It is aimed to head off a threat from Russian elites as well as from the masses, says Galeotti.
(can find citation on request)

As for the masses, the usually Kremlin-friendly Public Opinion Foundation (FOM) said 3/4 of respondents were unhappy with their salaries. Median salary was about 24,000 rubles/month [if it's 75 to the dollar, that's about \$330/month?]. Only 15% get more than 30,000/month. 80% say they live paycheck-to-paycheck.

about 67,000/month. Only 12% get more than 20,000/month. 67% say they live paycheck-to-paycheck.
A decent living salary to support family of 3, in the opinion of people polled by reputable commercial survey firm ROMIR, was about 73,000/month, and that was about equal to the actual average salary. {How to explain the discrepancy? Perhaps the ROMIR poll gives family monthly income with 2-3 wage-earners??? Or maybe ROMIR was doing the survey for someone who wanted to show higher numbers?}

Почти половина россиян, работающих по найму, получают зарплату меньше 20 тысяч рублей в месяц (46%), и абсолютное большинство (75%) отметили, что их это не устраивает, свидетельствуют данные фонда "Общественное мнение" (ФОМ).
http://1prime.ru/state_regulation/20160407/824702686.html

Nellie Ohr

From: Nellie Ohr
Sent: Thursday, March 31, 2016 4:11 PM
To: Holtyn, Lisa (OCDETF); Ohr, Bruce (ODAG)
Subject: Spain declares Viktor Ivanov's #2 a wanted man AND the OCCRP report on Rotenberg/Bayevskiy buying apts for Putin's women; AND Moscow gets tough on OC?

[Nikolay Aulov](#)

Interpol has info that he's linked with the Tambov group

Испания объявила в розыск замдиректора Госнарконтрoля РФ Николая Аулова

<http://crimerussia.ru/gromkie-dela/ispaniya-obyavila-v-rozysk-zamdirektora-gosnarkokontrolya-rf-nikolaya-aulova/>

Как сообщил [«Znak.com»](#) со ссылкой на «Росбалт», Испания в лице судьи Центрального следственного суда № 5 Испании Хосе Де ла Мата Амайя, вынесла решение об аресте и объявлении в международный розыск россиянина, заместителя директора Госнарконтрoля РФ Николая Аулова. Материалы для его экстрадиции уже переданы в штаб-квартиру Интерпола и запущена процедура по организации задержания замдиректора ФСКН в случае пересечения им границы европейского или иного государства.

По данным Интерпола, Николай Аулов имеет отношение к деятельности «тамбовской» ОПГ, возглавляемой криминальным авторитетом Геннадием Петровым. Преступник был задержан еще в 2008 году во время громкой спецоперации «Тройка», проводимой сотрудниками полиции Испании на территории своей страны. Петрову были предъявлены обвинения в легализации денежных средств, полученных незаконным путем. По мнению следователей королевства, Геннадий Петров возглавлял не только «тамбовскую», но и «малышевскую» криминальные группировки.

При этом известно, что правоохранительные органы Испании ни разу не пытались допросить Николая Аулова, и несмотря на длительное время расследования преступлений, совершенных в этой западноевропейской стране членами российских ОПГ, ему никогда не инкриминировали никаких подобных деяний. Фамилия замдиректора ФСКН ранее не была озвучена в материалах данного уголовного дела.

Напоминаем, что несколько недель назад, в рамках расследования тех же самых преступлений, Испания объявила в международный розыск депутата Государственной думы РФ Владислава Резника. Тогда его коллеги сочли, что такое решение носит исключительно политический характер. Адвокаты Резника обжаловали решение испанского суда.

При этом еще в 2009 году многие отечественные и зарубежные СМИ сообщили, что по данным испанских следователей, арестованные в королевстве члены «русской мафии» связаны со многими российскими чиновниками и политиками. Тем не менее, «главного мафиози» - Геннадия Петрова в 2010 году испанские правоохранители отпустили под залог и он официально вернулся в Россию.

Безусловно, объявление в международный розыск замдиректора Госнарконтрoля РФ Николая Аулова в России будет расценено, как негативное политическое решение.

This is probably the "information attack" that VVP's press secretary was warning against. Roman Anin usually works for Novaya.

Roman Anin, [Russia: Businessman Handles Insider Homes](#), 31 March 2016,
<https://www.occrp.org/en/investigations/5106-russia-businessman-handles-insider-homes>

... "A murky Russian businessman that formerly ran a state property agency has been buying apartments in Moscow for a number of young women that include the daughter of Russian Federation President Vladimir Putin; Putin's alleged girlfriend; and a woman who, in a flirty web posting titled "Pussy for Putin," offers the Russian leader a kitten and praises his leadership skills.

Grigory Baevskiy, 47, works for Arkadiy Rotenberg, a Kremlin insider and long-time Putin friend and his judo sparring partner. Records show Baevskiy not only helped Putin handle some of his most delicate personal situations

but also made a fortune from questionable deals with the Russian state."

...."After leaving his post in the DIA [dealing with state property], Baevskiy joined Rotenberg's business, showing up on a list of people officially affiliated with the SMP Bank, which is owned by the Rotenberg brothers. From 2011 until 2014, Baevskiy also worked as the general director of the Russian Holding Company (RHC) whose ultimate beneficiary is Rotenberg.

The RHC holds many of the jewels of the Russian economy. It is the only shareholder of the National Chemical Group, one of the biggest companies in the Russian fertilizer market. The RHC is also involved in a management role in a US\$ 6 billion highway project as part of the "Silk Way," a highway from the border of Belarus to Kazakhstan which will be a fast overland route from Western Europe to China. Baevskiy is not just an employee. He has been developing his own businesses and, as in the case of Arkadiy Rotenberg, Baevskiy's companies earn most of their money from Russian taxpayers. According to OCCRP calculations, in the past two years Baevskiy's businesses won more than 6 billion rubles (US \$88 million in current value) in state contracts.

The Main Administration of the Moscow police has created special operational groups to fight the economic aspects of organized crime

*Crimerussia.ru reports that Anatoliy Yakunin, head of the Moscow police Main Administration, told a 23 March meeting of the Moscow City Council there are 38 thieves-in-law registered in Moscow, of whom 8 live there permanently (other sources differ on these figures). 10 thieves-in-law were arrested in 2015 and four sit-downs were disrupted. This work helped in a 25% decrease in number of armed crimes. Also, new operational groups will fight to undercut the economy of organized crime groups. Experts say, however, that corruption provides a solid basis for the continued existence of organized crime.

*Full cite: Anatoliy Yakunin will undercut "thieves-in-law" --Анатолий Якунин подорвет «воров в законе», 23 March 2016, <http://crimerussia.ru/criminalauthorities/spetsgruppy-zapustili-mekhanizm-podryva-ekonomicheskoy-platformy-vorov-v-zakone/>

Nellie Ohr

From: Nellie Ohr
Sent: Thursday, March 31, 2016 12:56 PM
To: (b) (6) Nellie Email (b) (6); Ohr, Bruce (ODAG)
Subject: Paragon of virtue decries Ukraine corruption and US meddling

{could Firtash be angling for a spot in a new Ukrainian govt?

Note also that this Sputnik piece seems to be sympathetic to Yatsenyuk, calling him a scapegoat and saying Poroshenko is the corrupt one}

Sputnik [Russian propaganda outlet]

March 30, 2016

Ukraine is a 'Failed US Project, a Battlefield With No Solution'

Dmitry Firtash, a Ukrainian billionaire living in Austria, has called his native country a "failed project" of the US, which it has turned into a battlefield for the last two years instead of providing any solution; the US' "handwriting" in Ukraine, he noted, resembles very much that in Syria.

"As the past two years have shown, Ukraine today is not a successful project. In other words, America has failed to accomplish this task. Instead of providing a solution, it has created a battlefield. It destroys everything, economically and politically, it has almost destroyed the country, made it poor," the businessman said in his interview with Bloomberg.

Firtash also commented on the country's current government, calling it politically bankrupt.

"One cannot expect anything from this government. It has showed itself very clearly in these two years - it has brought the country to the edge of catastrophe. If they remain in power any longer, this will only make things worse. They had two years to prove themselves and they showed themselves as lacking talent, helpless, not able to do anything other than PR."

The businessman acknowledged that the government can by no means be called independent or is able to make any correct decisions.

The country is being governed from abroad by the Americans, he added.

"They may be very smart, I don't have anything against the US, but there is a problem," he said. "One should understand that Ukraine is still an independent country. And I would like it to be Ukrainians who govern Ukraine and not to be under external management."

"This is not the only situation of this kind - just look at Syria and then have a look at Ukraine - the handwriting is the same," the businessman added.

Dmitry Firtash is a Ukrainian oligarch who is now in his self-imposed exile in Austria. In March 2014, Firtash, who was at that time in the offices of his family holding company in central Vienna, was arrested by Austrian police at the request of the FBI. He was wanted in the US on bribery charges.

His release came nine days later, when he posted bail of €125 million (now \$140 million) by wire transfer - an Austrian judicial system record.

An Austrian High Court judge refused to hand him over to the FBI after finding that there had been improper political interference from the US in the matter.

Judge Christoph Bauer argued in his final decision that the case was "politically motivated" and rested solely on the testimony of two anonymous witnesses that the FBI refused to show before the court (the Judge questioned if those

individuals were even real).

Essentially, the case revolves around supposed bribes given in 2006 by Firtash and his associates to Indian officials to launch a titanium project - a project that never materialized.

According to media speculations, Firtash was regarded as having "close links with Russia and as a key player in the Russian-Ukrainian gas trade." His arrest then was seen by some media outlets as an attempt by Washington to put pressure on President Putin.

Bloomberg has already called Ukraine a failed project of the US and EU. Back in November its view columnist Leonid Bershidsky called it "another bankrupt and corrupt post-Soviet regime."

"Rather than the democratic hope it might have become after last year's 'Revolution of Dignity,' Ukraine now looks like just another incompetent and corrupt post-Soviet regime," he wrote.

"Despite attempts at change by a new generation of bureaucrats, Ukraine's economy remains unreformed. Taxes are oppressive but widely evaded, the shadow economy is growing and the regulatory climate for business has barely improved," he said, adding that Ukraine's incredibly corrupt justice system remained equally unreformed."

This year's report compiled by a group of British corruption experts revealed that Ukraine is deeply bogged down in pervasive corruption and red tape.

The level of corruption in Ukraine has reached never before seen levels and directly includes current President Petro Poroshenko's administration, it states.

The experts pointed out that the Ukrainian Administration is simply pretending to change and fight corruption, with Ukrainian Prime Minister Arseniy Yatsenyuk taking the brunt of the blame for the country's ills.

Western powers either lack the instruments to monitor Ukraine's level of corruption or choose to ignore it, the report concluded.

Nellie Ohr

From: Nellie Ohr
Sent: Wednesday, February 17, 2016 4:50 PM
To: Ohr, Bruce (ODAG)
Subject: Hezbollah leader threatens Israel with nuclear bomb-like attack

Don't know how reliable this source is
<https://www.almasdarnews.com/article/29034/>

Nellie Ohr

From: Nellie Ohr
Sent: Tuesday, February 16, 2016 6:20 PM
To: Ohr, Bruce (ODAG); Holtyn, Lisa (OCDETF)
Subject: Coincidenza?

[He was 52]

Russia Anti-Doping Ex-Chief Dies

Feb. 15 | BBC — The former head of Russia's anti-doping agency Rusada has died, the organisation says. Nikita Kamaev's death comes two months after he resigned his post following a doping scandal in Russian athletics. Rusada said the cause of death was "a massive heart attack". Russia was suspended from international athletics last November after the World Anti-Doping Agency (Wada) accused Russian athletics of state-backed doping, corruption and extortion. Mr. Kamaev resigned from Rusada in December along with all the organisation's other top executives as Russia began work on lifting the ban in time for its athletes to compete at the Rio de Janeiro Olympics in August.....'those close to him say that he got tired after physical exercise and felt unwell.'....

....His death comes just two weeks after that of Rusada founding chairman, Vyacheslav Sinev....

Mr Sinev, who left the agency in 2010, died on 3 February.

But Mr Khabriev said there was no link as Mr Sinev had been ill for a long time with heart problems and was supposed to undergo a transplant.

http://www.bbc.com/news/world-europe-35575774?mc_cid=57b8bbfdcf&mc_eid=e46842563c

Other intriguing tidbits:

--The Russian delegation to the Munich security conference included experts and oligarchs who can carry on informal couloir discussions:

[Russia Direct: Munich Security Conference: Ukraine still top-of-mind for Russia. With the beginning of the Munich Security Conference, Russia Direct talked to a member of the Russian delegation, Andrey Kortunov, general director of the Russian International Affairs Council \(RIAC\), to discuss this year's conference agenda and the most serious security challenges for Russia and the West.](#)

".....A.K.: [the Russian delegation] will comprise a range of our leading experts, political analysts and former diplomats, including Russia's former Foreign Minister Igor Ivanov. It will also include representatives of Russia's academic community and, probably, Russian oligarchs. For example, I received a call from the administration of [Oleg] Deripaska, the president of Russian aluminum giant United Co. Rusal. I mean there is a certain circle of persons who attend the Munich conference on a regular basis. Our group will consist of about 12-15 people.I believe that the major events and bilateral meetings take place not at the plenary sessions [of the Munich conference], but behind the scenes."

--And a diatribe by Congressman Rohrabacher--who turns out to be a subcommittee chair:

Why Is America Restarting the Cold War With Russia? Washington's strategy toward Moscow is outmoded and misdirected.

By Dana Rohrabacher, The National Interest, February 11, 2016, Rep. Dana Rohrabacher, a California Republican, chairs the House Foreign Affairs Subcommittee on Europe, Eurasia, and Emerging Threats.

Nellie Ohr

From: Nellie Ohr
Sent: Thursday, January 28, 2016 10:10 AM
To: Ohr, Bruce (ODAG)
Subject: EU Court Lifts Asset Freezes On Yanukovych's Prime Ministers Azarov And Arbuzov

EU Court Lifts Asset Freezes On Yanukovych's Prime Ministers Azarov And Arbuzov
[11:31 \(GMT\)](#)

The General Court of the European Union has [today annulled an EU-wide freezing of assets](#) belonging to two of Viktor Yanukovych's former prime ministers - Mykola Azaorv and Sergei Arbuzov. The assets were frozen on March 5, 2014, after they fled Ukraine after Yanukovych abandoned Kiev at the height of the EuroMaidan protests.

Azarov was prime minister when the government introduced a package of severely [restrictive anti-protest laws on January 16](#), 2014, aimed at repressing the demonstrations.

The package, dubbed the "dictatorship laws" was denounced internationally and served to only heighten tensions on the streets.

Azarov resigned on January 28 and was replaced by Arbuzov, who remained in his post until February 27. This period saw some of the most violent repressions on the Maidan, with snipers opening fire on protesters. Dozens had already been killed by riot police or abducted and tortured or killed in the weeks before Azarov's resignation.

Three other men were removed from the EU sanctions list by today's ruling: Eduard Stavvtskyi - former energy and coal industry minister, Sergiy Kluyev - businessman, MP and brother of former Presidential Administration head Andriy, and Oleksiy Azarov, the former prime minister's son.

All were placed under sanctions by the Council of the European Union after the post-Maidan Prosecutor-General, Oleh Makhnitsky, sent a letter to the Council stating that investigators had established that the five had misappropriated large amounts of public funds and illegally transferred them outside Ukraine.

The General Court ruled today that, in the absence of further evidence, the order of the Council failed to match the necessary legal criteria to freeze their assets:

The Court takes the view that that letter provides no details concerning the matters specifically alleged against the five Ukrainians or the nature of their responsibility.

The Court concludes that the freezing of the assets of the five Ukrainians does not satisfy the designation criteria, and therefore annuls that measure for the period from 6 March 2014 to 5 March 2015.

-- Pierre Vaux

Published in Press-Stream [Day 710: January 28, 2016](#) in Publication [Ukraine Liveblogs](#)

<http://www.interpretermag.com/day-710/>

Ohr, Bruce (ODAG)

From: Ohr, Bruce (ODAG)
Sent: Wednesday, January 13, 2016 5:48 PM
To: Nellie Ohr
Subject: RE: "We know that in the United States, FBI agents, as well as police, have unlimited powers"

Amazing!

From: Nellie Ohr (b) (6)
Sent: Wednesday, January 13, 2016 5:46 PM
To: Holtyn, Lisa (OCDETF); Ohr, Bruce (ODAG)
Subject: "We know that in the United States, FBI agents, as well as police, have unlimited powers"

From today's JRL. (Gazeta.ru, by the way, has not usually been a slavish mouthpiece for the Kremlin. And indeed they ask some pointed questions).

Gazeta.ru
December 29, 2015
Head of Russian watchdog interviewed on tightening control over media, internet
Interview with Aleksandr Zharov, head of Roskomnadzor, Russia's Federal Service for the Supervision of Communications, Information Technology, and Mass Communications, by Svetlana Babayeva and Yevgeniy Shipilov

.....[Gazeta.ru] Journalists today are like mine disposal experts. Media outlets feel as if they are in a minefield: So many restrictions have been introduced on coverage of various subjects. What is the need for such tough regulation of the media?

[Zharov] The question "why" should probably be addressed, above all, to the authors of the laws. Roskomnadzor does not initiate legislation. As for tough regulation, I would not agree with you here. **Our legislation is fairly liberal compared with that of other countries** and with the powers of their supervisory bodies as far as, for example, the seizure of media material during broadcasts is concerned.

[Gazeta.ru] Can you give at least one example of a civilized country whose laws are tougher than ours?

[Zharov] **When one of the cable channels in New York started showing the film 08-08-08, which is about Georgia's attack on South Ossetia and Abkhazia, an FBI agent turned up at the studio 30 minutes after the film started, produced his ID, seized the material, and left. At that point, viewers' screens went blank. We know that in the United States, FBI agents, as well as police, have unlimited powers.** Can you imagine a Roskomnadzor inspector turning up at the offices of a media outlet and interrupting a broadcast? I can't.....

.....[Zharov claims the blacklists against drug-related sites have done good] The number of online stores specializing in the distribution of drugs has fallen drastically. Working together with the Coordination Centre for Top-Level Domains .RU and .RF [in Cyrillic] and experts from the Federal Drug Control Service [FSKN] who are responsible for this, we have made sure that several hundred such shops have simply disappeared from the Internet.

[Gazeta.ru] Are there any statistics showing how this has reduced drug use? According to information from other agencies, the situation is deteriorating, rather than improving.

[Zharov] I cannot give you statistics for drug use. You have to approach the FSKN for that. For me, it is clear that a determined addict will always get to the deadly stuff. There are ways of bypassing blocks: Content can be accessed through VPN [virtual private network] services, anonymizers, and so on. But at the end of the day it is not our job to work with people suffering from drug addiction. It seems to me that our job is to create barriers for young people who fortunately do not yet suffer from this affliction and to limit the chances of them reaching such websites. Together with the FSKN specialists, we estimate that there are currently around 5,000 Russian language websites which are

with the FBI specialists, we estimate that there are currently around 5,000 Russian-language websites which our users can access and which still sell drugs online. This is a large number.

[Gazeta.ru] And what stops you blocking them?

[Zharov] They are migrating and changing names, IP addresses, and domains. There is one step between a website being created and blocked. Clearly, our work has to be conducted in parallel with the work of law-enforcement agencies, which identify and detain such people. We are moving along a difficult path: Drug use is a global problem and does not just exist in Russia.....

Johnson's Russia List 13 Jan 2016

Original: http://www.gazeta.ru/tech/2015/12/29_a_8002037.shtml

Nellie Ohr

From: Nellie Ohr
Sent: Wednesday, January 06, 2016 4:20 PM
To: (b) (6) Nellie Email; Holtyn, Lisa (OCDETF); Ohr, Bruce (ODAG)
Subject: Re: Conspiracy theorizing-- an ex-KGB agent has claimed the Kremlin may have brought down the Russian plane over Egypt

Sorry, I have some more arguments to add to this:

Remember the scene on the night of Nov 16-17 when VVP supposedly first heard the official assessment that the plane had been brought down by a bomb? I was skeptical from the start.

Wayne wrote the following in his Nov 17 notes:

"Bortnikov says a bomb destroyed the Russian airliner over the Sinai:

<http://newsru.com/russia/17nov2015/a321.html> Bortnikov made this announcement at a meeting of the Security Council held last night. Putin said that "we will search for the terrorists no matter where they might be" and "we will punish them."...

Here's a transcript and video of the meeting: <http://www.kremlin.ru/events/president/news/50707>

Putin also said that "we are counting on people who share our moral values that are the basis of our policy, in this case foreign and security policy, the policy of combating terrorism." Putin added that the Russian air campaign in Syria would be intensified so that the criminals understand that retribution is unavoidable. Russia will act in accordance with Article 51 of the UN Charter on the right of self defense.

An English translation of the meeting: <http://en.kremlin.ru/events/president/news/50707>

Comment: Putin appeared shaken, at times a bit emotional, but seemed to try and look determined. His body language appeared to indicate that he was disturbed, as we might expect. He does not look as shaken up as he did following Beslan, though, but maybe a bit weary. The meeting did take place last night and Putin just returned from a very busy summit in Turkey. Maybe that's why he seemed weary and maybe less steely than you might expect—he had to know this was coming and has had time to prepare himself for this moment.

Peskov has commented that the meeting took place at 2300 last night. The FSB is reportedly offering a reward of \$50 million for information about those who were involved in the terrorist attack on the airliner. Yesterday, the British Foreign Ministry announced that Prime Minister Cameron had passed on to Putin information on the destruction of A321, the information that convinced the British government that a terrorist attack had taken place: <http://www.newsru.com/russia/17nov2015/peskov.html>

Here is a response I wrote to Wayne:

I'm sorry to be sounding so cynical about all this, but if this announcement were really a surprise that threw Putin for a loop, why would they be publicizing this on the Kremlin website? Even if, as a reader suggested, Bortnikov may have planned to throw VVP off balance with the announcement, would Bortnikov have been able to assure that it got posted on the site? And VVP's talk was clearly pre-written and probably rehearsed.

The timing, coming just a day after the G-20 summit, makes me think they decided to test out the mood

and make sure Russia had indeed broken out of its isolation with foreign partners, and then portray the "discovery" of the terrorist attack at a time when 1) the domestic audience could see it in light of an international anti-ISIS alliance a la WWII, 2) the rest of the world could see the Russian airline passengers as equally important to the Paris victims (I think there was less sympathy for them initially than there was for the Paris victims), and 3) as one commentary put it, Putin was engaging in damage control by allowing enough time to pass after the disaster for the initial passions of grief to cool, so people would not protest too loudly against the Russian activities in Syria that appeared to have motivated the attack.

I admit that in these remarks I'm simultaneously holding onto two possible versii: 1) that the plane crash really was an ISIS attack and that Russia was undertaking damage control and even turning it to its advantage, and 2) the more farfetched versia, that someone in Russia may actually have facilitated the attack, a hypothesis I tried out in an earlier message.

I admit that versia 2 is farfetched, and that your "lucky and opportunistic" formulation probably describes better how VVP has been able to make the best of the tragedy.

-----Original Message-----

From: Nellie Ohr (b) (6)

To: (b) (6) Lisa Holtyn [REDACTED] bruce.g.ohr <bruce.g.ohr@usdoj.gov>

Sent: Wed, Jan 6, 2016 4:02 pm

Subject: Conspiracy theorizing-- an ex-KGB agent has claimed the Kremlin may have brought down the Russian plane over Egypt

From the beginning I wondered whether the 31 October shoot-down of the Russian plane over Egypt could have been the work of the Kremlin itself, comparable to the 1999 apartment bombings.

Other commentators cautiously raised this possibility from the beginning. E.g. this item from Wayne Allensworth's Nov 16 Internet Notes citing the moderate nationalist commentator Solovey:

Solovey says that the situation has improved for Putin: http://vk.com/id244477574?w=wall244477574_11647%2Fall:

"The situation has begun to improve for the Kremlin. **One more terrorist attack and Moscow will be in the saddle internationally.....**"

[I noted that] Solovey seemed to be toying with the idea that Russia has benefited from both the airliner and the Paris attacks. The way I read Solovey's comment, by extension, it is not excluded that Russia could have had a hand in facilitating the attacks.

I have to admit the thought crossed my mind,

--as soon as I heard that a Syrian passport was found near the body of one of the bombers, which sounded too much like the finding of, was it Yarosh's passport, near the site of some kind of clash in Ukraine?

--and given the precedent of the 1999 apartment bombings (Kathrin Hille in the FT pointed out a few days ago that Putin's statements, saying they'll wipe out terrorists wherever they are in the world, sounded eerily like those of 1999),

--and considering all the ways in which the Paris attack strengthened Russia's position, helped further undermine EU unity and highlight the voices of Le Pen types, bolster the Russian narrative about how decadent liberal Europe had it coming, and make the West come around toward the possibility of allowing Assad to stay longer.

Now someone else has shared my suspicions, which were also expressed by Kommersant back in November (at the end of this email). This time it is an ex-KGB fellow named Karpichkov, here cited in a 25 Dec 2015 article in the

Daily Mail. Karpichkov says the bombing plot was allegedly hatched by the GRU—**100 bad the GRU head just died suddenly and can't explain.....**

Did Putin plant the holiday jet bomb that killed 224 Russians? Ex-KGB agent claims this dossier proves the Kremlin orchestrated the atrocity to justify waging war on Syria

By [Andrew Malone for the Daily Mail](#)

<http://www.dailymail.co.uk/news/article-3374231/Did-Putin-plant-holiday-jet-bomb-killed-224-Russians-s-outrageous-theory-ex-KGB-agent-claims-dossier-proves-Kremlin-orchestrated-atrocity-justify-waging-war-Syria-decide-yourself.html>

.....is all really as it seems over the story of Metrojet Flight 9268? Could there be another very disturbing explanation of how the aircraft was blown out of the sky?

One man certainly believes so: Boris Karpichkov, a former spy with the KGB (later renamed the FSB) who now lives under a new identity with his wife and family at a secret location in England after fleeing here in fear for his life.

His sensational claim at first seems unbelievable. For he maintains it was the Kremlin, not ISIS, that deliberately blew the plane out of the sky.

And he says Putin cynically authorised the tragedy not only to obtain worldwide sympathy at a time when Russia was being treated as a pariah because of its aggression towards Ukraine, but also to gain support for its ostensible belligerence against ISIS, which Putin would use as a cover to attack rebel groups in Syria who were sworn enemies of his ally President al-Assad.

Of course, this could simply be the most monstrous slur by a deeply disenchanted man. For it has to be said that Major Karpichkov fell out with his KGB paymasters over money he claimed was owed to him, and ended up in jail before fleeing to Britain.

Yet his case deserves to be aired, particularly in view of the history of black propaganda emanating from Putin and his Kremlin cronies, and his argument is compelling.

The major claims his information comes from a general lieutenant in GRU (one of Russia's numerous military intelligence wings).

This man told him, he says, that around the time of the plane's crash, Putin had been expressing his concerns to Kremlin allies about 'possible losses of political influence' in Syria and the Middle East. Putin, he went on, was worried about the fate of his traditional ally in the region, President al-Assad, given the West's support for rebel groups trying to depose him.

A plan was allegedly hatched by officials within GRU to reverse Russia's declining influence in the region and — as Major Karpichkov claims he was told by a senior source — to 'kill two rabbits with one bullet'.

The aim was to get 'at least silent international approval' for massive military operations against Assad's enemies under the guise of a campaign against the IS terrorists blamed for bombing the Russian passenger jet, and to bolster Russia's multi-billion-pound weapons business with the Middle East.

This was all summarised in a dossier compiled by the former KGB spy: 'In order to accomplish all these aims and to get Western consent to fighting Islamic State (which was, essentially, official support for keeping the Assad regime in power), the Kremlin desperately needed the kind of justification which would generate worldwide attention and full international sympathy and approval for military action.'

The major certainly knows all about the dark arts of espionage.

A graduate of a KGB academy in Minsk, he was taught how to kill with his bare hands as well as how to carry out other so-called 'wet-jobs' — the killing of a target without leaving any traces of evidence.

He served in Russian intelligence for more than a decade, reaching the rank of KGB major and

as such, was privy to Kremlin secrets at a high level. He spent much of his career in the then Soviet republic of Latvia, where he specialised in counter-intelligence for the KGB.

When the Soviet empire collapsed in 1991, he stayed in newly independent Latvia, where he joined the country's intelligence services. But he also remained on the books of the Kremlin, leaking information to his old bosses.

However, he was jailed for two months on weapons charges after a row over payments he claimed were owed to him by the KGB. The Russians, in turn, accused him of being involved in a massive fraud — part of the normal modus operandi of the Kremlin bringing criminal charges against enemies.

After he was placed under house arrest in Latvia, he used four false passports issued to him while he was a spy and fled the country, ending up in Britain a decade ago.

He says he retains high-level contacts in Russian intelligence circles, and that his dossier is an accurate representation of the truth about the worst terrorist atrocity involving an airliner since the terror attacks in New York on September 11, 2001.

The file states that Russian intelligence 'geniuses' in GRU outlined a plan to Putin and his closest aides to bomb a Russian airliner and blame it on Islamic extremists 'to initiate enormous international hate towards ISIS and to create international sympathy to act on its own without any limits or reservations (for military action).'

Once agreed, Major Karpichkov says, the operation was straightforward.

A specialist in 'wet-jobs' and other forms of espionage was despatched to Sharm el-Sheikh, where hundreds of thousands of Russians holiday each year to escape the cold. Posing as a fighter who was recuperating in the Red Sea after serving in Ukraine, the agent befriended a young Russian woman staying in the resort, and began a holiday romance.

When the woman was due to leave for St Petersburg, the Russian agent gave her a 'present' — asking her to deliver it to his parents at home in Russia — and escorted her through the notoriously lax security at Sharm el-Sheikh airport before she boarded the doomed Metrojet flight in the early hours of the morning.

The gift, says Major Karpichkov, was a bomb and the detonator used to ignite the explosives was known as an EHV-7, which is produced exclusively for special forces soldiers. The device itself looked like a piece of plumbing tube, which is primed to explode by an electrolyte 'bath' slowly corroding a metallic wire, which detonates the bomb once it is broken.

The explosive material was — sources add — cyclonite, an enormously powerful substitute for TNT.

It has been suggested that the bomb was most likely placed under the seat 30A or 31A. Plane records show that seat 30A was occupied by Nadezhda Bashakova, 77, from Volkhov in St Petersburg region, travelling with her daughter Margarita Simanova, 43, who sat in 30B. In seat 31A was Maria Ileva, 15, also from St Petersburg region. Could this young woman have been the unwitting carrier of the bomb? She was with her mother Marina Ileva, 44, who occupied seat 31B. My sources say the bomb carrier was older, and sitting nearby.

However extraordinary, the allegations about the Sinai crash are not as far-fetched as they may seem. After all, Putin has allegedly used such a murderous method against his own people to generate support for war before. In 1999, during Putin's first term as president after coming to power following a career as a KGB spy, he was accused of being behind the infamous bombings of four apartment blocks in Moscow as well as the cities of Buynaksk and Volgogradsk.....

Not surprisingly, the Russians have furiously dismissed the claims by their former spy. 'This theory about the plane being deliberately blown up on Putin's orders can only come from someone with a sick mind who is intent on revenge,' snorted one Russian intelligence source.

'Look at Karpichkov's background — he has fallen out with all his old sponsors whether in Moscow, Riga or London, and probably the CIA, too. No one trusts him, and he invents far-fetched

Moscow, high of London, and probably the CIA, too. No one trusts him, and he invents far-fetched nonsense. Linking it to the apartment block explosions — well, these were also absurd claims for which no proof was ever produced.’

Perhaps this is true. Perhaps the claims by Boris Karpichkov are fantasy or some attempt to smear the spy’s former Kremlin handlers — part of the intelligence world’s so-called wilderness of mirrors, where nothing and no one is quite what they seem.

Or perhaps we do really live in times when people blow their own out of the sky for arms sales, oil and power.

For the sake of us all, let’s hope that the Russian major is horribly wrong about what really happened to Metrojet Flight 9268.

And below are some more examples of people suspecting the plane was bombed by the Russian government

Wednesday, November 18, 2015

Moscow Projects Its Own Myths onto the West and Then Justifies Russian Actions on the Basis of Those Myths, Solomatin Says

<http://windowoneurasia2.blogspot.com/2015/11/moscow-projects-its-own-myths-onto-west.html>

Paul Goble

Staunton, November 18 – A curious and extraordinarily dangerous feedback loop has emerged, Mikhail Solomatin says. Moscow projects false myths on the West and then uses those myths to justify its own actions at home and abroad – or to put it more succinctly, “Russia seeks to introduce those standards of Western civilization which it dreamed up on its own.”

This projection of Russian myths on the West is becoming increasingly a part not only of Russian ideology but also of Russian practice under Putin, the Moscow historian argues in a commentary on [Kasparov.ru](http://kasparov.ru) today and opens the way to ever greater misunderstandings and disasters in the future (kasparov.ru/material.php?id=564C2C3F1994E).

Thus, he says, Moscow puts out the myth that the US sends its troops into any country “which it considers the zone of its interests” and then the Kremlin uses that myth to “justify the seizure of Crimea and the provision of military assistance to Assad.” Its myth that the US organizes “color revolutions” is used to justify Moscow’s sponsorship of separatism in Ukraine.

Its myth that the American film, “The Tail Wags the Dog,” “reflects the principles of the foreign and domestic policy of the West led to the creation of Kiselyev-TV,” Solomatin observes. And even Putin’s blatant lying about Russian forces in Crimea reflects “a myth about the total falseness and cynicism of politicians in Western countries.”

But there is another and even more deeply “rooted” for Russian consciousness myth” about the West, the myth “that behind the Islamist terrorists stand the CIA. This myth is old, much older for example that the one that holds that the Maidan was ‘sponsored by the State Department.’”

Given those Kremlin assumptions, Solomatin says, “it is hardly wise to ignore” the fact that “the Kremlin cannot but be thinking” about how it can use weapons it says the CIA has created for Russia’s purposes. Indeed, it would be very surprising if Putin and his entourage were not doing that.

To say that, he points out, is not to say that Moscow organized this or that terrorist action but only that

its myths about the supposed Western organizers of terrorist groups is part of Kremlin thinking and helps to explain why **Moscow so often succeeds in exploiting terrorist acts for its own purposes**. After all, it assumes that the West is trying to do the same thing.

“The only structure which won from the destruction of the jet over Sinai and from the bloodbath in Paris and the only structure whose earlier declared goals were advanced as a result of these terrorist actions was the Putin regime,” the Moscow commentator argues.

As a result of Paris, he continues, Putin received carte blanche to isolate his own citizens from the rest of the world and a wonderful opportunity to “force the West to cooperate and forget about Ukraine.” In fact, “not for any other government of any other country of the world did the actions of the terrorists open such perspectives.”

That is what Putin was promoting at the G20 summit, and, one could add on the basis of the latest news, has succeeded in some measure given US President Barack Obama’s declaration today at the Asian-Pacific Summit that he views Putin as a reliable partner in the struggle against terrorism.

Exactly the same thing happened after the 9/11 attacks, Solomatin says. “On the basis of ‘common challenges,’ the West ‘forgave Russia’ for its Chechen campaigns, and ‘Putin became the best friend of Bush Junior.’”

“I am far from convinced in the justice of the thesis that ‘The FSB Blew Up Russia,’ [a reference to the book linking Putin to the apartment bombings in 1999], but three things are completely obvious,” Solomatin says:

1. “The Kremlin believes in the effectiveness of suing Islamist terrorist in the geopolitical struggle because Russian ideologues have already for a long time accused the hated US of this.”
2. “The Kremlin believes that cynicism is the basic contemporary policy.”
3. “The Kremlin consistently is the main and at times the only beneficiary from the activities of Islamist terrorists, something which is not surprising given that among their enemies is not a little in common and the chief among them is contemporary Western civilization with its liberalism and human rights.”

This is not something new for Moscow, he continues. It helps to explain what made possible “the alliance of Stalin with Hitler in 1939.”

Stolomatin says he is far from “accusing Russia in the organization of terrorist actions, but it is undoubtedly the case that Russia for a long time has become at a minimum, the ideological and political backer of terrorism,” as in the case of the shooting down of the Malaysian airliner over Ukraine. Moscow may not have pulled the trigger but it supplied the weapons to those who did.

That case “illustrates the connection of Russia with international terrorism, one that is not direct but neither is it accidental or illogical,” Stolomatin continues. “Russia’s Anti-Westernism and intensified anti-Americanism,” its belief that world leadership rests on displays of military might and repression “have made it “close to those who seek to blow up the world order.”

And this, the Moscow historian says, is “only beginning.”

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Thursday, November 19, 2015

Parallels with 1999 Could Backfire on Putin

Paul Goble

Staunton, November 19 – “Kommersant” reports today that Russian experts say the bomb that brought down the Russian airliner over Sinai resembles those used to blow up apartment blocks in Moscow, with the only differences being the amount of explosive used, the nature of the timing device, and the target (kommersant.ru/doc/2857174).

Vladimir Putin may be counting on using such reports to mobilize Russian society for a new military action much as he did 16 years ago. (For a discussion, see “Is Moscow about to Use the Sinai Plane Disaster as He did the 1999 Bombings?” November 3, 2015, at windowoneurasia2.blogspot.com/2015/11/is-putin-about-to-use-sinai-plane-crash.html.)

No doubt, given the Kremlin’s control of the media and the willingness of many Russians to accept as true anything Putin says, he may have some success in doing so. But there is a significant number of Russians and others who don’t accept his version of 1999 and thus may not accept his explanation of the latest terrorist act.

Instead, they believe that the FSB and Putin personally were behind the blowing up of the apartment buildings; and consequently, this comparison may lead some of them to wonder whether he and his agents were behind the latest disaster as well, especially given how quickly and well he has exploited it to his own ends.

(For the most detailed discussion of what happened in 1999 and how various groups have evaluated it, see John Dunlop’s *The Moscow Bombings of September 1999* (Ibidem, 2014).)

Whether or not Russians will draw such parallels, either those the Kremlin would like them to draw or those it very much fears that they might, depends on the level of popular memory, and an article in the latest issue of “Kommersant-Dengi” argues that “the main problem of Russia [today] is memory” (kommersant.ru/doc/2850128)..... [Goble summarizes this article at length, as if he is regretful that most Russians likely won’t draw the possible parallel between now and 1999–NHO]

The Kommersant article was also cited by Illarionov—but he highlights different aspects of the 1999 parallel —saying it hints a Russian plan to attack Saudi Arabia! (This is article 2 of two.)

(In part 1 he pointed out that VVP probably knew it was a terrorist act earlier but waited to announce it and then focused on financiers rather than on ISIS):

the Russian authorities did not announce that they knew until “after the conclusion of the G20 summit in Antalya in order to “avoid a practically inevitable discussion in that event of the nature of the possible Russian response to the terrorist action.”

...Already at Antalya, Putin had said that it was necessary to strike at those who “finance terrorist activities,” a group of countries which include Saudi Arabia and Qatar....in the near future, Saudi Arabia (and possibly Qatar) could be declared sponsors of international terrorism.... Invoking Article 51 of the UN Charter, the Kremlin could carry out an operation of revenge.”

15. The consequences of such attacks on oil prices are obvious, and the refusal of the US and the UK to invoke Article 5 of the NATO Charter for the defense of France marks the de facto paralysis of this organization and in essence an open invitation to the carrying out of new aggression against its other members.”

Friday, November 20, 2015

Illarionov Offers Additional Arguments that Putin Planning to Attack Saudi Arabia

Paul Goble

<http://windowoneurasia2.blogspot.com/2015/11/illarionov-offers-additional-arguments.html>

Staunton, November 20 – Yesterday, Andrey Illarionov laid out the logic behind his suggestion that Vladimir Putin is preparing to attack Saudi Arabia in order to destabilize and possibly dismember it (windowoneurasia2.blogspot.com/2015/11/putin-appears-preparing-to-attack-saudi.html).

Not surprisingly, that suggestion precisely because it would involve an action few have thought possible immediately sparked a vociferous reaction in Moscow and elsewhere. And so today, the Moscow analyst provides additional arguments on behalf of his conclusion (kasparov.ru/material.php?id=564E431AA47E7).

As he did yesterday and has done before, Illarionov lays out his argument point by point. In this case, he offers 10 additional detailed discussions that he says force the conclusion that Putin's new war "will be directed not only and not so much against ISIS" as "against Saudi Arabia" with the goals being its "destabilization and it can't be excluded dismemberment."

1. "In the course of the historic session of the force Politburo of the Russian Federation November 16-17," FSB chief Aleksandr Bortnikov focused on the origins of the explosives that blew up the plane over Sinai rather than on who carried out the attack, thus at a minimum confusing the issue concerning who was responsible by "intensifying suspicions that arose earlier" about that.
2. Bortnikov also stressed that the bomb itself was "self-acting" rather than the work of a suicide bomber, a conclusion of course supported by ISIS claims earlier the same day and one that again has the effect of spreading the blame for the bombing beyond Islamic State activists. The FSB chief insisted that Russian experts had established this independently.
3. "Kommersant" carried a story suggesting parallels between the 1999 bombings and the downing of the plane, a potentially dangerous one for the Kremlin if people conclude that it might have been behind both but useful to Putin because the Russian security experts the paper cited mentioned "nameless 'people from the North Caucasus'" as being to blame once again. And these "experts" recalled "the names of those who 'prepared those who carried out the terrorist acts' – 'Khattab and his right-hand Abu al-Walid.'" And what "a surprise!" Illarionov says. "Both of the individuals named as is well known were from Saudi Arabia."
4. "The appearance in Russian anti-terrorist discourse of Saudi Arabia and the absence in Putin's commentaries ... of any reference to ISIS hardly can be considered accidental," the analyst continues. The Kremlin leader talked about unnamed "criminals" rather than being more specific even in terms of suspicions, a marked contrast to analysts in the West who have pointed to ISIS as behind this attack.
5. Despite not naming anyone, Putin nonetheless promised to take the harshest measures immediately to "find and punish the criminals." "In other words," Illarionov says, "Putin declared that there will be conducted extra-judicial reprisals over unknown persons without offering any evidence of their guilt or even their connection with the catastrophe of the Russian jet." And he added that these reprisals will be carried out "with the help 'of people who share our moral values.'" Given what happened after 1999, one can only imagine what that means.

6. Putin announced that Moscow would step up its air raids in Syria without presenting any “cause and effect link” between those in Syria and the airplane disaster. Russian commentators and many Western ones have accepted his logic without any questions about his failure to provide a link or to follow “the basic principles of the Western legal tradition – the presumption of innocence, the need to present evidence of their guilt to the accused, court hearings ... [and] the right of the accused to a defense.”
7. In this way and by attacking people before identifying them as guilty, “Putin in a completely Freudian way demonstrated not only the lack of evidence of their guilt ... but the absence of any desire to find it.”
8. “Despite such a demonstrative violation by the Russian authorities of the basic principles of Western (and now all-human) legal tradition, the expansion of the Kremlin’s use of force won the approval from the side of the current American president: “Barak Obama declared that he has always supported the struggle of Russia against ... ISIS.””
9. All of this, Illarionov points out, follows what has become “the Putin model of unleashing large (open and not hybrid) wars (the second Chechen and the Russian-Georgian).” First, provocations, then terrorist acts, then the loss of innocent life, then finding one’s opponents guilty without evidence, loud promises to destroy them, the physical destruction of the opponents Putin has identified, and then “an essential change in the domestic or geopolitical situation.”
10. “Nevertheless, the war of 2015 in comparison with the former large wars of 1999 and 2008 is different in certain key ways.” It is conducted far beyond Russia’s borders. Unlike the earlier conflicts, “the beginning of the third war is openly supported by the West and the Obama Administration is ready to greet it with ovations.” And the new war is directed at a country Moscow has long blamed for supporting terrorist actions against Russia, Saudi Arabia.

“In large measure,” Illarionov says, “this is not a new war but a continuation directed at the defeat” of an enemy Putin has long had in his mind. And that enemy is Saudi Arabia. If Putin does attack and succeeds in defeating or even dismembering that country, he will achieve “the radical reordering of the entire contemporary world as we have known it.”

Shmulevich considers and rejects the idea that Russia could have caused the Paris attacks, but does say Russia was responsible in a general way for the rise of ISIS:

Friday, November 20, 2015

Putin ‘Played No Less Role’ in Creation of ISIS than Stalin did in Rise of Nazis, Shmulyevich Says

Paul Goble

<http://windowoneurasia2.blogspot.com/2015/11/putin-played-no-less-role-in-creation.html>

Staunton, November 20 – Vladimir Putin should be compared with Stalin rather than with Hitler, Avraam Shmulyevich says, not only because he is seeking to use an east-west alliance to legitimize his seizure of territory but also because Putin has played “no less a role” in the creation of ISIS than the Soviet dictator did in “the strengthening of German fascism.”

In an interview with Kseniya Kirillova posted on Krym.ru, the Israeli rabbi and analyst approaches this issue with great caution, indicating what is known and what is only suspected because the Russian government has done little or nothing to dispel the suspicions its actions have generated (ru.krymr.com/content/article/27374996.html).

“Radical Islamism began with the invasion of the USSR into Afghanistan” the Israeli analyst

... says. "All the more radical Islamists including Ben Laden came out of the struggle with the Soviet Union. The second push to the growth of radicalism was given by the invasion of Russia into Chechnya." In both cases, the Islamists saw Moscow as the enemy.

At the same time, "the largest number of ISIS militants are being recruited from Russia and the other countries of the post-Soviet space," he says. "In part, this is connected with the fact that over the course of many years, the Russian special services have 'pushed' their own Islamists toward Syria and Iraq, putting before them the choice: emigration or jail or murder."

"Of course," Shmulyevich says, "we do not know the motives of the FSB in this: did they only want to cleanse their own territory of unsuitable elements or did they intend to strengthen ISIS. But whatever the case, it remains a fact that precisely the Russian special services sent there the most motivated and educated contingent of militants."

The Israeli analyst says that he does not now have "any data about how much the Russian special services are today using their old ties with the Islamic State ... or even how much 'the Islamic underground' in Russia is controlled by the special services."

"However, if Russia wants to avoid accusations of cooperating with ISIS, it should at a minimum clarify this issue." Instead, "Moscow in the course of several years has crated 'a green corridor' for the militants who want to join the terrorists." Moreover, Russian agencies undoubtedly have large dossiers on these people and "one would like to understand how they are using these."

At present, Shmulyevich continues, "we can reliably assert only that Russia extended its hand toward the creation of ISIS" and "undoubtedly has some levers of influence" on the group. But that alone does not mean that Moscow necessarily is behind any particular action of the Islamic State.

Yet another fact which "does not speak in Russia's favor," Shmulyevich continues, is that it is precisely the country "which stands at the origins of Arab terrorism," and "all those method which Islamist terrorists use now, including the seizure of planes and suicide bombers were developed by the KGB and its satellites" in Soviet times.

Despite that, he says, he is "not inclined to consider that Putin stands behind the Paris terrorist attacks and supposes that they were completely organized by ISIS itself. However, "the Russian leader used the tragedy in his own interests to the maximum extent possible" and is seeking "to convince the West that Russia has become a reliable ally in the struggle with terrorism."

The Kremlin leader is having success in that regard, especially since he appears to have accepted the idea that his ally Asad will have to leave office. But that will create problems for him: he will have to assume the difficult task of providing security in the region. At the same time, if he gets bases there, he will have achieved a longstanding Russian dream.

And "it is possible," Shmulyevich continues, that the price for all this that Putin will extract from the West is Ukraine. Already it appears that "unfortunately" the West is moving in the direction on Ukraine that Moscow wants, and that risk "will increase with each new ISIS terror attack."

-----Original Message-----

From: Nellie Ohr (b) (6)

To: (b) (6) Nellie Email ; (b) (6) Allensworth ; (b) (6)

Sent: Mon, Nov 23, 2015 5:38 pm

Subject: Re: Conspiracy theorizing

'Soda Can' Bomb From Sinai Crash Resembles Those of '99 Moscow Attacks

Nov. 19 | The Moscow Times —The "soda can" bomb the Islamic State's official magazine claimed brought down a Russian airliner over Egypt's Sinai Peninsula on Oct. 31, killing all 224 people on board, appears similar to the explosive devices that may have been used by terrorists to blow up residential buildings in Moscow in 1999, the Kommersant newspaper wrote Thursday. The paper cited unidentified experts, reporting that the photo of a 0.33 liter Schweppes soft drink can appearing in IS' Daqib magazine was strongly suggestive of grenades and booby traps used in the North Caucasian conflict in the 1990s, especially by militants led by the Saudi-born Chechen independence fighter Ibn al-Khattab. The report added that cans packed with explosives and detonated by a similar mechanism may have been used in the Russian apartment bombings on Sep. 9 and Sep. 13, 1999, which led to the deaths of at least 218 people. Moscow later alleged that al-Khattab had masterminded the attacks.

From: Nellie Ohr (b) (6)
Sent: Tuesday, January 5, 2016 5:45 PM
To: Holtyn, Lisa (OCDETF)
Subject: Re: How Corrosive Practices from Russia Penetrate and Undermine US and UK

This message has been archived.

I hate to burden you with a 55-page document. I only skimmed it myself. It has a nice summary graphic on p.3. Much of the material he mentions is familiar stuff; it's just helpful to have it brought together in one place.

-----Original Message-----

From: Holtyn, Lisa (OCDETF) (OCDETF) (b) (6)
To: Nellie Ohr (b) (6)
Sent: Tue, Jan 5, 2016 5:35 pm
Subject: RE: How Corrosive Practices from Russia Penetrate and Undermine US and UK

Wow, thank you Nellie – I will have to make time to read this one.

Hope you and the family had a very Merry Christmas and Happy New Year!

From: Nellie Ohr (b) (6)
Sent: Tuesday, January 05, 2016 5:14 PM
To: Holtyn, Lisa (OCDETF); Ohr, Bruce (ODAG)
Subject: How Corrosive Practices from Russia Penetrate and Undermine US and UK

This article has a section summarizing effects of criminal activities, other non-criminal but questionable activities (breaching trade rules, manipulating Interpol), and soft power means of undermining rule of law etc. in the US and UK

http://imrussia.org/media/pdf/Research/Ilya_Zaslavsky__How_Corrosive_Practices_from_Russia_Penetrate_and_Undermine_US_and_UK.pdf

It is by Ilya Zaslavsky, --apparently the one by that name who's at Chatham House

<https://www.chathamhouse.org/about-us/directory/197781>

This appears be the same fellow who worked for TNK-BP and was arrested in Russia on charges of spying on Gazprom--just to make things interesting (<http://www.themoscowtimes.com/news/article/us-brothers-found-guilty-of-espionage/376971.html>)

Nellie Ohr

From: Nellie Ohr
Sent: Tuesday, December 29, 2015 9:35 PM
To: (b) (6) Nellie Email; Ohr, Bruce (ODAG); Holtyn, Lisa (OCDETF)
Subject: Putin and organized crime -- Allensworth internet notes 29 Dec 2015

[I am omitting the photos when forwarding this--NHO]

Wayne Allensworth (b) (6)

Internet Notes 29 December 2015

Viktor Shenderovich on vlast and organized crime (Vlast as the "Tambov Criminal Group"; Putin's mentor: "Lenya Sambist"; "Lenya" and Rotenberg; Putin, Rakhlin, Rotenberg, and Shestakov; Kumarin, Tsepov, Litvinenko) 1
The Nemtsov murder investigation: Mukhudinov reportedly named as the zakazchik. 10
Putin's "Little red book" offers words of wisdom for Russian officials. 10
"Outspoken" Chaplin sacked by ROC (He wanted the Church to condemn official corruption) 13
The Saudis are having problems because of low oil prices. 15
The Russian Defense Ministry on the US and ISIS. 16
Russia, Taliban, ISIS. 17

Viktor Shenderovich on vlast [=the authorities, the regime--NHO] and organized crime (Vlast as the "Tambov Criminal Group"; Putin's mentor: "Lenya Sambist"; "Lenya" and Rotenberg; Putin, Rakhlin, Rotenberg, and Shestakov; Kumarin, Tsepov, Litvinenko)

<http://echo.msk.ru/programs/personalno/1682298-echo/>

The Shenderovich interview has been removed from the Ekho Moskvyy site. You can still see it here, though:
http://medialeaks.ru/news/2512vut_shender
Kashin has noted the disappearance of the Ekho material and re-posted it as well:
http://kashin.guru/2015/12/25/shenderovich_v_ban/

Shenderovich told Ekho Moskvyy that there is no law in Russia, there is a "junta," or a "Corporation," or you could call vlast the "Tambov Criminal Group," but there's no law. That group is using all possible means to remain in power—propaganda, the courts, prosecutors, investigators—and has no intention of leaving. Shenderovich called the current regime "Bandit vlast," a vlast with nuclear weapons...

Shenderovich says that "fresh information" on Putin's youth has showed up in the Internet—Shenderovich says that Putin's "teacher" was gangster and Sambo (Comment: "Sambo"—derived from the Russian words for "self defense") instructor Leonid Usvyatsov (AKA "Lenya Sambist") (Comment: Gangland in the late Soviet and the post-Soviet period in Russia drew heavily from sports clubs—gangsters were often wrestlers, boxers, martial arts types. [There's an interesting bit on sports clubs and crime in the second article summarized below] I figured that Putin's links to gangsters were probably at least partly made in his judo training. As the Soviet system collapsed, organized crime played a role in filling the vacuum, as is often the case in such situations, providing (or forcing) protection for/on businesses. Local mobsters sometimes became "Robin Hood" figures, paying for schools, taking care of the problems of locals—some of you out there remember Anatoliy Bykov, AKA "Tolya Byk," a gym teacher and boxer who became a mob boss, aluminum plant owner, and was elected to state office in Krasnovarsk. I'm sure that a lot of the public figures who rose up in the 90's had

state since in Moscow... I am sure that a lot of the public figures who rose up in the 90's had similar connections. The ties between the criminal world, law enforcement, politics, and business were established then and became a defining characteristic of post-Communist Russia, though the balance of power in the web of inter-relationships shifted to "the state," the clans that created a hive-like network in official organs, under Putin). Putin mentioned him in his first book, the Sambo instructor "Lenya." Between jail terms, he took part in the education of the future president. "Lenya" knew Putin from age 16, according to Shenderovich, and helped the young Putin get admitted to LGU on the "sports quota." Lenya Usvyatsov was gunned down in a gangland slaying in St. Petersburg in 1994. Shenderovich says that this is where Putin's "strike first" mentality comes from, that Lenya was the source of Putin's gangland speech. Lenya provided life lessons for the young Putin that he would not forget. After Lenya was killed, his place in the Tambov mob was taken by crime boss and boxer Vladimir Kumarin (Comment: AKA "Barsukov," who starred in a number of notes over the years). As St. Petersburg vice mayor, Putin worked for the Tambov OPG (Comment: I don't know that he worked for them, at least not exclusively, but he certainly worked with them as one of the strands of the various "clan" webs Putin intersected with at the time)...

Without going into detail, during an exchange with Ekho's Irina Vorobyeva, Shenderovich links the Tambov connections to the recent Spanish "Russian Mafia" case (See the 23 December notes). He says the information is there, people are simply afraid to find out or talk about it. Salye was writing about it years ago (Comment: In his St. Petersburg days, Putin was connected to a company that operated out of Germany, SPAG, which allegedly laundered money for Columbian drug cartels. The late Marina Salye (she died in 2012) claimed that as St. Petersburg vice mayor, Putin had authorized export licenses for natural resources that were supposed to be used in an exchange for food imports, imports that never materialized—the cost was around \$100 million... See, for instance, the 16 July 2012 notes. There's a bit on narcotics trafficking through the port of St. Petersburg in the second piece summarized below). Shenderovich notes that Kumarin is doing some serious prison time—and says that the Tambov gangster should be concerned for his life. There was probably a deal done—Kumarin would remain silent in exchange for a relatively comfortable prison stay. But Putin won't be in power forever and other people could approach Kumarin with a new deal, people who might be interested in learning more about Putin's time in St. Petersburg. Shenderovich also brings up the assassination (by poisoning) of Roman Tsepov in 2004 (Comment: Racketeer and one time all-around fixer and bodyguard for Mayor Sobchak in St. Petersburg, Tsepov was the founder of a St. Petersburg security firm, Baltic Eksport, which he co-founded with Putin bodyguard Viktor Zolotov. Tsepov apparently tried to insinuate himself into the Yukos affair as a mediator—I suspected at the time that this was the reason he was assassinated. Zolotov attended Tsepov's funeral. The killing of Tsepov shook up the elite, creating quite a scandal. I had Sechin and Deripaska, who was also interested in Yukos, as likely suspects in the murder—Tsepov reportedly tried to pass himself off as Deripaska's representative). Shenderovich goes on about Tsepov's connections to the mayor's office and the Tambov mob and about his desire to take part in the "re-division" of Yukos. Shenderovich implies that Tsepov, like Litvinenko, was killed by polonium poisoning...

This article—"Who was Putin's Real 'Teacher'?"—prompted Shenderovich's remarks to Ekho Mosky. Thanks to the reader who sent it along: <http://rusjev.net/2015/12/22/kto-byil-nastoyashhim-uchitelem-putina-ili-kak-fsb-rabotaet-na-vorov-v-zakone/>

And it begins with a bit on Putin and "Lenya"... At the beginning of the 90's and thereafter, the article notes that the KGB/FSB merged with the criminal world...

The article says that in Soviet times, sportsmen were often used as extras in films. Putin Judo sparring partner Arkadiy Rotenberg and Leonid Usvyatsov met at Lenfilm... The photo below has a red arrow showing what it claims is Arkadiy Rotenberg in a 1976 movie "Blokada"

The "prisoner" is Duma Deputy—and also Rotenberg judo student—Vasily Shestakov. Rotenberg, Putin, Shestakov are left to right in the picture below

Putin's and Rotenberg's trainer was Anatoliy Rakhlin (now deceased), a man Putin said had played a "decisive role" in his life—in 2000, Putin and Rakhlin published a book on judo and issued a video course in judo as well. In a 2007 Izvestiya interview, Rakhlin spoke of Putin's loyalty to his circle of judo friends, including Arkadiy and Boris Rotenberg and Vasily Shestakov. VVP gave work to the people he trusted. Rakhlin also said that Putin was connected to the KGB—that is, he was an informer—when he was a student. At 16, Putin acquired a new trainer, Leonid Usvyatsov, though VVP does not like to advertise the connection. Usvyatsov was

responsible for Putin's and Rotenberg's being admitted to LGU.

Usvyatsov was a self defense trainer, appeared in films as an extra, served two prison terms (rape and currency violations; Usvyatsov was said to be involved in the Soviet black market in antiques for which he was paid in dollars; His underworld connection was a major player in the black market antiques trade, Aleksandr Khochinskiy) and was widely known to be a "criminal authority." "Lenya" was sixteen years older than Putin. His father had been killed at the front in 1944. "Lenya Sportsman" was assassinated in 1994 at age 58.

A former training partner of both Arkadiy Rotenberg and Putin, Nikolay Vashchilin, says that there was an attempt on Rotenberg's life at Usvyatsov's funeral—he does not elaborate on what Rotenberg was involved in that might have led to the assassination attempt. Lenya Usvyatsov was replaced in the Tambov organization by Vladimir Kumarin. Following Usvyatsov's death, there was an attempt on Kumarin. He was maimed, losing his right arm, but survived.

Comment: Recall that Kumarin, AKA "Barsukov," has also been a patron of church building projects and was VP of the St. Petersburg Fuel Company, which was awarded major contracts in St. Petersburg in the 1990s. He was known as the "nighttime mayor" of the northern capital. The picture below, from r-l, Arkadiy Rotenberg, Vaschilin, unknown (does anybody recognize him? He seems familiar to me) and former Premier Viktor Zubkov

The article claims that being admitted on the "sports quota" to the LGU law school meant that Putin did not have to do a lot of course work...

More on the "Tambov OPG" and its connections to those mentioned above... The Tambov OPG was formed in 1988. At the time, Usvyatsov was in prison, Putin was a KGB officer in Dresden, and Rotenberg was head of the RBC wrestling club. The club was formed by the authorities as a means of attempting to use the training to rehabilitate "difficult" teenaged boys (or what the article calls "underage bandits"). Nikolay Vashchilin says that on the contrary, the club served as a "training base" for young gangsters, including Kumarin. The wrestlers and boxers Rotenberg trained became security men for the new businesses that were sprouting up in the 80's USSR. One of Kumarin's friends, Konstatin Goloshchapov, became a judo training partner of Putin's. Goloshchapov was also a masseuse and Putin is said to have often accompanied him to the banya for a massage (Comment: The piece is implying that there was a homosexual relationship: According to the article, Goloshchapov "appropriately" massaged Putin's "organy," which is a "big plus" in the current system [So others have to be "appropriate" with Putin, too?]. There have been rumors about Putin for years and I've pointed out that Litvinenko was assassinated within a few months of claiming Putin was a pedophile. There have been hints dropped about VVP for as long as I can remember—hints that appeared to be warnings, or could have been. I always wondered about those rumors and whether the undercurrent of insecurity I thought I detected in Putin might be connected to them. I also wondered whether he had such relationships while a boy in his judo/self defense training clubs, maybe with an older trainer). Goloshchapov is today a banking partner of Rotenberg's, and is in the construction business.

One of Putin's "businesses" with the Tambov OPG was the shipping of narcotics ("white powder"), which went through the St. Petersburg port in the 90's. Putin's connection to the drug trade was Viktor Ivanov, then a Putin aide, now head of the state's anti-narcotics agency.

Litvinenko began investigating these connections. He met with Tambov gangsters living in Spain. He met with Kumarin. He was poisoned by Lugovoy with polonium 210 for his trouble. Lugovoy got a state award from Putin. Kumarin got 25 years in prison and was thus neutralized.

The release of recent material on the "Russian Mafia" case includes phone conversations between the gangsters in Spain and their people in Russia—they discussed getting Bastrykin appointed to head the Investigative Committee, what to do with "Putin's villa," and Kumarin's 2007 arrest (on orders from "the Tsar")... They say that every nation gets the government it deserves...

Regarding Rakhlin... From the 19 August 2013 notes:

[Comment: Watching the TV coverage of Rakhlin's funeral, I got the impression that Putin was genuinely very upset by his old trainer's death—the "solitary walk" sequence seemed melodramatic, but it was almost as if Putin, who sometimes, as I noted on 13 August, has shown signs of weariness and disenchantment, was trying to break his isolation by conveying his sense of loss to the TV audience. There's video at the 9 August newsru report on the funeral and Putin's walk (

http://www.newsru.com/sport/09aug2013/sensei_print.html)—which was, as several observers noted, filmed from various angles (And several security men were nearby, one oddly carrying an umbrella on what looked like a clear day), and newsru reminds us that Rakhlin in 1964 selected Putin and Rotenberg for training and Putin became St. Petersburg champion and Master of Sport under his guidance. The walk is on YouTube as well: <http://www.youtube.com/watch?v=IHPcNq-cE4M> I've seen Rakhlin described as a "second father" to Putin.

Vedomosti ponders Putin's isolation after a divorce and his distancing himself from the elite. He is alone at the top: <http://www.vedomosti.ru/opinion/news/15108011/razvivaya-platona#ixzz2bjOjAOp>

The Nemtsov murder investigation: Mukhudinov reportedly named as the zakazchik

<https://slon.ru/posts/61947>

The Investigative Committee (SK) is claiming that suspect Ruslan Mukhudinov [also spelled Mukhutdinov] has been named as the person who "ordered" (the "Zakazchik") up the contract hit on Nemtsov. The investigators also consider Mukhudinov to have been the direct organizer of the murder.

Putin's "Little red book" offers words of wisdom for Russian officials

<http://www.rferl.org/content/putin-little-red-book-offers-up-prophetic-words-russian-president/27453861.html>

Strapped for gift ideas this holiday season?

How about a 400-page book of Vladimir Putin's most "world-changing" words?

That's what about 1,000 Russian officials and politicians [can expect under their New Year's trees this year.](#)

"World-Changing Words. Key Quotes of Vladimir Putin," offers up the Russian president at his best (at least from the Kremlin's perspective) in 19 speeches and articles that critics say is the latest effort to build up Putin's image as the country's infallible leader and harkens back to Mao Zedong's "Little Red Book."

The book is being published by Network, a youth group which has its fingerprints on other pro-Kremlin projects, including an alphabet-learning tool with a hearty helping of the new political correctness in Russia.

Anton Volodin of Network, or "Set" in Russian, told RBK "Putin's words can be considered prophetic."

'No Personality Cult'

"Listening to the speeches by Vladimir Putin, we were struck with the idea from time to time: a lot of what he says has turned out to be true in one form or another," Volodin told RFE/RL's Russian Service.

Asked if the book is part of attempts to build a personality cult, Volodin responded, "Absolutely not."

"If you think this book is the attribute of some kind of totalitarian government, that's absolutely absurd," he said. "You need to look at the content of the book, not just the headlines. In our book there are not only quotes. We took what we felt were the most revealing addresses, including articles by Putin, and put them together in the book."

According to the RBK report, Putin's First Deputy Chief of Staff Vyacheslav Volodin -- no relation to Network's Volodin -- pushed for the book to be handed out to Russian officials across the country during a meeting with about 50 top political figures last week, including members of the two houses of the Russian parliament.

Natalya Matienko, the secretary of the Public Chamber of Russia's Jewish Autonomous Region, said she had received a copy of the book in the mail along with a letter signed by Volodin, which, according to Matienko, stressed the publication lays out the principles and values guiding Russia on domestic and international issues.

The compilation begins with Putin's address to the UN General Assembly in 2003, and ends with his speech to the same world body earlier this year. It also includes Putin's 2008 interview with CNN, which as the authors note "occurred after Georgia attacked Tskhinvali" -- a reference to Moscow's brief war with Tbilisi over Georgia's breakaway region of South Ossetia, viewed by most of the world as an act of Russian aggression.

The book also includes the full text of Putin's speech to the Munich Security Conference in 2007, when Putin accused the United States of establishing, or trying to establish, a "unipolar" world.

Putin's address to the parliament and nation on March 18, 2014, lauding Russia's illegal annexation of the Ukrainian Peninsula of Crimea also makes the cut.

In fawning tones, the introduction gushes over Putin's alleged power to predict, saying "these are the same words which predicted and predetermined changes to the global political system."

While eager to praise Putin, Volodin of Network is less willing to disclose the source of the book's funding, only saying there were "numerous sources."

Heir To Nashi

Financing may be murky, but Network's ties to the Kremlin are crystal clear.

Network is the spiritual heir to Nashi, the prototypical and now defunct pro-Putin youth outfit that was founded in 2005 in the aftermath of Ukraine's Orange Revolution as part of a Kremlin effort to inoculate Russia against a similar uprising.

But unlike Nashi, which was formed to appeal to working-class provincial youth, Network is aiming to attract the urban middle class.

Earlier this year, when Kyiv students released an impassioned video appeal to their Russian counterparts to question the Kremlin line, Network sprang into action.

Activists of the group in the exclave of Kaliningrad on February 1 posted a video much in the style of the Ukrainian one, [spewing the Kremlin line](#): it attacks Ukraine's pro-European Euromaidan protests as a "coup," decries the February 2014 ouster of former President Viktor Yanukovich, defends Russia's subsequent annexation of Crimea, and zeroes in on civilian deaths in the country's east.

Network also thought up a new learning device in the Siberian city of Irkutsk in May 2014, highlighting to what lengths the Kremlin will go to inculcate a pro-Kremlin worldview.

[The primer to help children master the 33 letters of the Russian alphabet has "A" for "Anti-Maidan," Ukraine's pro-Russian groups -- with "P" predictably for "Putin" and "R" for "Russia."](#)

[Network dubbed it the "Polite Alphabet," after the "polite" forces that brought about Russia's annexation of Crimea.](#)

At the time, Network said it [planned to distribute the primers to schools](#) throughout Irkutsk in the spring of 2014 and bring them to other cities soon.

Network has big plans as well with its latest project, saying the Putin book will be made available to a wider audience beyond Russia's movers and shakers.

"World-Changing Words," should be on the shelves of Russian book stores sometime in January, Volodin has said, adding an English-language version for a foreign audience is also in the works.

"They should understand the justice of Russian politics abroad as well," Volodin says.

“Outspoken” Chaplin sacked by ROC (He wanted the Church to condemn official corruption)

<http://news.yahoo.com/russian-orthodox-church-sacks-outspoken-cleric-moscow-202425937.html>

The Russian Orthodox Church has sacked an outspoken official who pushed the church to take a more aggressive role in public life.

[Father Vsevolod Chaplin, who has headed the Moscow Patriarchate's department for cooperation between church and society since 2009, has been released of his duties and his department has been disbanded. The church explained its decision Thursday by citing the need to increase efficiency.](#)

[Following his ouster, Chaplin issued strong criticism of Russian Orthodox Church Patriarch Kirill, saying on Dozhd TV that the two men had "seriously disagreed" over the church's role. He added the church should be more independent and not ingratiate itself with government officials. He also said it should publicly condemn official corruption.](#)

~~should publicly condemn official corruption.~~

The 47-year-old Chaplin described his dismissal as an attempt to purge the church of independent voices.

Chaplin long has attracted attention with outspoken statements on topics ranging from spiritual matters to fashion. He famously said once said women should dress more modestly to avoid provoking rapes.

He recently said that Russia was waging a "holy war" against extremists in Syria, drawing strong criticism.

The Russian Defense Ministry on the US and ISIS

<http://tass.ru/en/politics/847380>

MOSCOW, December 28. /TASS/. The Pentagon, refusing to transfer the data on terrorist targets in Syria to the Russian military, continues to fight against the Islamic State terrorist group "in word only", Russian Defense Ministry spokesman Igor Konashenkov told reporters on Monday. He thus commented on a recent statement by the Pentagon spokesperson Michelle Baldanza who confirmed that the US military did not intend to share with Moscow the information on IS targets until Russia changes its policy towards Syrian President Bashar Assad. "We are not going to cooperate with Russia on Syria until they change their strategy of supporting Assad and instead focus on ISIL (IS)," Baldanza said. "The hackneyed thesis has once again confirmed that the Pentagon will fight against IS in word only, instead of taking real action," Konashenkov said. "The statement by the US Defense Department spokesperson Michelle Baldanza about the [US side's] refusal from any cooperation in the fight against Islamic State is a broken record, and it's high time to change it," he said. The Russian Defense Ministry spokesman said that at last week's news briefing of the chief of the Main Operations Directorate of the Russian General Staff, General Sergey Rudskoy, the military presented data on changes in the routes of illegal transportation of oil by the Islamic State militants. According to the Russian Defense Ministry, the new routes run through the north-western regions of Iraq, which "are in the focus of constant attention of the United States." "We publicly told our American colleagues that it is necessary not to discuss the IS activities in Iraq, but to take real action to block the terrorists' sources of income in the region," Konashenkov said.

On December 25, Sergey Rudskoy told journalists that Russian intelligence found almost 12,000 tank/delivery trucks on the Turkish-Iraqi border near Zakho, where the 'eastern' oil smuggling route used by the Islamic State terrorist group runs. "As of the time the imagery was shot, there were 11,775 tank and delivery trucks on both sides of the Turkish-Iraqi border in the vicinity of Zakho, with 4,530 of them in Turkey and 7,250 in Iraq," he added. "It is worth mentioning that oil extracted both in Iraq and in Syria is smuggled via the checkpoint there," he added. The Defense Ministry had said previously that the Russia-banned Islamic State's eastern oil smuggling route led from the oilfields in Syria's northeast and Iraq's northwest to Turkey via the border towns of Kara Chokh, Cham Khanik, Tavan and Zakho. Since the beginning of the operation in Syria, Russian aircraft have taken out around 2,000 tank trucks operated by the militants. "Thirty-seven oil wells and refineries operated by the terrorists and 17 tank truck convoys hauling oil products have been eliminated over the last week," Rudskoi said. The Russian military launched an air operation against the militants with the Islamic State and Jabhat al-Nusra in Syria on September 30 by request of Syrian President Bashar al-Assad. The Russian air task force in Syria included over 50 aircraft, including Su-34 (NATO reporting name: Fullback) and Su-24M (Fencer) tactical bombers, Su-25 (Frogfoot) attack aircraft, Su-30SM (Flanker-H) multirole fighters and Mi-8 (Hip) and Mi-24 (Hind) helicopters. The Russian Defense Ministry issued a statement in mid-November that it would focus its strikes on the oil production, storage, refining and transportation facilities controlled by Islamic State militants.

Russia, Taliban, ISIS

<http://www.themoscowtimes.com/news/article/taliban-says-no-contacts-with-russia-over-islamic-state/554297.html>

The Taliban denied reports that representatives had met Russian officials to discuss the common threat from Islamic State in Afghanistan as a British newspaper reported that President Vladimir Putin had met the Taliban leader.

Last week, a senior Russian official was quoted saying that Russia's interests "objectively coincided" with the Taliban in the fight against Islamic State, which has established a foothold in eastern Afghanistan. See the 23 December notes.

He said channels of communication had been established with the Taliban to exchange information.

Moscow, currently conducting a bombing campaign in Syria it says is directed against Islamic State forces, has been concerned about the possible spread of the radical movement from Afghanistan into neighbouring states including Tajikistan or Uzbekistan.

In a statement, the Taliban said it was in contact with countries in the region but had not discussed support against Islamic State, which it calls Daesh.

"The Islamic Emirate has made and will continue to make contacts with many regional countries to bring an end to the American invasion of our country and we consider this our legitimate right," it said, using its formal name.

"But we do not see a need for receiving aid from anyone concerning so-called Daesh and neither have we contacted nor talked with anyone about this issue."

Britain's Sunday Times newspaper this week quoted an unnamed "senior Taliban commander" as saying that Putin met Taliban leader Mullah Akhtar Mansour in September to discuss possible Russian support.

"Putin is said to have met Mansour over dinner at a late-night meeting on a military base in Tajikistan in September," the newspaper said.

It quoted a Kremlin spokesman as saying the reports were "not relevant".

Mansour, longtime deputy to Taliban founder Mullah Mohammad Omar, assumed leadership of the movement after the announcement in July that Omar had died more than two years previously and his death concealed.

Taliban militants have been engaged in a bloody struggle with groups declaring loyalty to Islamic State, particularly in the eastern province of Nangarhar, where they are challenging the Taliban for leadership of the insurgency.

The struggle has also been linked to an internal power battle within the Taliban, where several factions have rejected Mansour's leadership claims.

Nellie Ohr

From: Nellie Ohr
Sent: Tuesday, December 15, 2015 11:06 AM
To: (b) (6) Nellie ; Holtyn, Lisa (OCDETF); Ohr, Bruce (ODAG)
Subject: Re: In case you wondered: Browder is acting on behest of "controllers" in the "US special services"

p.s. one more on Chayka, from Wayne's 11 Dec notes:

This is from the moderate nationalist Solovey, who often sounds reasonable....

[*Solovey on stability*

http://vk.com/id244477574?w=wall244477574_12888%2Fall

Solovey writes that there's something we need to know about "stability"—in the last six-eight months, the Defense Ministry has been bringing military units to buildings housing state departments in order to familiarize personnel with places they may have to defend in a crisis...But among themselves, the rank-and-file say to one another "I'm not defending them...Let the 'menty' do it..."]

Comment: A reader pointed out to me that the VK post had been taken down.

Solovey, however, does mention the MoD story in this interview:

<http://obzor.press/intervyu/12719>

He also touches on some other points...

On Chayka: Solovey thinks it likely that Chayka will be forced out of his job, but not just now, since Putin does not like to react to pressure. As far as who might be interested in spreading kompromat on Chayka, Solovey points out that Chayka has powerful enemies in the Investigative Committee (SK) and the FSB. He also mentions Sechin as a Chayka enemy. The Navalny film unloaded a wave of compromising material on one of the most influential people in Russia. What we have to think about, says Solovey, is whether the material is reliable. As far as its reliability, Solovey points out that Chayka has not bothered to take Navalny's Anti-Corruption Foundation (FBK) to court. That tells us something.

-----Original Message-----

From: Nellie Ohr (b) (6)
To: (b) (6) Lisa Holtyn ; bruce.g.ohr <bruce.g.ohr@usdoj.gov>
Sent: Tue, Dec 15, 2015 10:51 am
Subject: In case you wondered: Browder is acting on behest of "controllers" in the "US special services"

From last night's Allensworth notes (Dec 14)

"...Browder and his controllers in the US special services decided to use the Magnitskiy affair to discredit Russia and the Prosecutor's office....."

[Here's the whole summary:]

[Background: from last Friday's notes: "Magnitskiy list's" Karpov accuses of Navalny of collaborating with Browder on

Chayka investigation

<http://newsru.com/russia/11dec2015/chayka.html>

Former MVD Investigator Pavel Karpov, whose name appeared on the “Magnitskiy list,” has directed an appeal to law enforcement claiming that Navalniy’s Anti-Corruption

Foundation (FBK) collaborates with Hermitage Capital’s William Browder, now on a wanted list. Karpov claims that the FBK piece on Chayka was prepared after the

Russian MVD and Cyprus police carried out joint searches related to charges that Gazprom shares (R5.4 billion worth) were illegally moved out of Russia. Karpov says

that FBK’s investigation was meant to discredit Russian officials, not fight corruption. Karpov notes that Navalniy actively participated in “advertising and distributing” the video “A Caste of Untouchables” produced by Browder.

Browder’s Hermitage Capital is charged in a criminal case opened by the MVD with using a front company, “Dalnyaya Step” (founded in 1998), to get around a ban on

foreign acquisitions of Gazprom shares that lasted until 2006. Using the front company, Hermitage allegedly acquired over 37 million Gazprom shares. The front company was declared bankrupt and closed, the shares moved to a Cyprus offshore firm.

Karpov’s appeal could prompt an official inquiry (proverka) into Navalniy’s and FBK’s relationship with Browder.]

Now Chayka is saying the same thing—Browder was behind the FBK investigation:

<http://newsru.com/russia/14dec2015/specbrauder.html>

Chayka made the charge in a letter published in Kommersant:

<http://www.kommersant.ru/doc/2876887> Chayka says that Browder knows that the investigation into the machinations with Gazprom shares will eventually end badly for him, thus the attack on the Prosecutor General... Browder and his controllers in the US special services decided to use the Magnitskiy affair to discredit Russia and the Prosecutor’s office. As a result of Browder’s PR campaign, the US adopted the so-called “Magintskiy law”...

Kommersant also published Navalniy’s reply to Chayka’s claims: Navalniy says that following Berezovksiy’s death, vlast needed someone to blame for everything and they now have Browder as the all-purpose bad guy. Anyway, says Navalniy, Browder is not interested in us (**Comment: I think he means the FBK**)—why does Browder come up in a case involving connections to the Tsapkov gang? Navalniy goes on to say that he believes Chayka acted a krysha for his sons and their associates and their criminal activities...

There’s been a reply to Chayka’s letter from Browder as well: <http://lawandorderinrussia.org/2015/russian-prosecutor-chaika-makes-unhinged-allegations-against-bill-browder-offering-no-explanation-on-murder-and-abuse-of-office-allegations-involving-his-two-sons/>

“I’m very impressed with the investigation which went into making this movie and applaud Alexei Navalny and his colleagues for their bravery in exposing the shocking allegations against Chaika and his family, but I had nothing to do with the investigation, financing or production of this film,” said Bill Browder, author and Head of the Magnitskiy Justice Campaign.

“Chaika’s 7 pages of unhinged allegations that I am a CIA agent who was running a special operation designed to destroy Russia looks like the emotional ranting of someone who has been caught red-handed and is desperately looking for an escape route,” continued Mr. Browder.

Latvina on the reaction to the FBK Chavka investigation

<http://echo.msk.ru/programs/code/1675290-echo/>

Latynina notes that the number of those defending Chayka has been minimal—only four Duma deputies, for instance, signed a declaration in support of the Prosecutor general... Medvedev (See below) commented that only law enforcement can make formal accusations—and he said the FBK claims were part of the political struggle and that it's not the 1930s. Medvedev did not say a word in defense of Chayka, however. Karpov's accusations were a "gift" to the FBK, claims coming from a corrupt former investigator on the "Magnitskiy list"... Regarding the less than impressive list of deputies and Karpov, these are not the kind of people the Kremlin would assign to defend Chayka—so Latynina (like Solovey—see the 11 December notes) says that Chayka will be removed, but not just now, so as not to make it look like a reaction to the FBK investigation. The regime cannot react to what the public says, much less the opposition. That's even though some 3 million people watched the FBK video, probably including people from Putin's "nuclear electorate." And she thinks the main reason for Chayka's departure won't be the connections to Tspakov, but Chayka's son Artyom receiving Swiss citizenship—this after Crimea became "nash."

Russian court refuses slander lawsuit against Chayka

<http://www.themoscowtimes.com/news/article/moscow-court-refuses-to-consider-slander-lawsuit-against-chaika/552775.html>

Moscow's Presnensky district court has refused to consider a slander lawsuit against Prosecutor General Yury Chaika filed by Alexei Navalny's Anti-Corruption Fund (FBK), the RIA Novosti news agency reported.

"The lawsuit was given back to the applicant due to the Presnensky court's lack of jurisdiction," court spokeswoman Nina Yurkova said, RIA Novosti reported.

The defendant Chaika does not reside in the district subordinate to the Presnensky court, Yurkova said, the RBC newspaper reported Monday.

In response, Navalny wrote on his blog — citing Chaika's tax report that says he owns a flat in the Presnensky district — that Presnensky court is legally where the lawsuit has to be filed.

"If Chaika lives elsewhere — he is lying in his tax report. If he does not lie in his tax report — the court is lying to us," Navalny said.

The FBK filed a slander lawsuit against Chaika after the prosecutor general claimed the film detailing his sons' illegal activities made by FBK was "commissioned."

On Dec. 1, FBK published an investigation incriminating Yury Chaika, as well as his sons Artyom and Igor, in a range of shady business deals, the illegal seizure of a state-owned enterprise and murder — as well as a listing of foreign assets allegedly owned by the family.

Ohr, Bruce (ODAG)

From: Ohr, Bruce (ODAG)
Sent: Wednesday, November 25, 2015 8:26 AM
To: Nellie Ohr
Subject: RE: writeup of Galeotti's talk

I like it!

From: Nellie Ohr (b) (6)
Sent: Tuesday, November 24, 2015 10:29 PM
To: Holtyn, Lisa (OCDETF); Ohr, Bruce (ODAG)
Subject: writeup of Galeotti's talk

This article sums up a lot of the talk he gave at the Hudson Institute last month (and I think he's given it at several other places too)

STOLYPIN: Will 2016 see the three Russias diverging?

<http://www.intellinews.com/stolypin-will-2016-see-the-three-russias-diverging-83962/?source=russia>

Mark Galeotti

There have been many attempts to understand Russia by subdividing it. Is it a feudal Russia of rulers and ruled, or the 'four Russias' posited by scholar Natalya Zubarevich, divided geographically and socio-economically? My own sense is that alongside such formulations, we also need to see the country and society divided into three, and the competition between them – one as much philosophical as practical – is likely to become all the sharper in 2016, defining Russia's future trajectory, and the eventual post-Putin order.

The three

However little attention it may get in foreign coverage, Russia has a working, rational state. This is not some neo-fascist imperialism, nor an out-of-control kleptocracy where everything is plundered and funnelled into foreign bank accounts. There are inefficiencies, there is petty corruption – apparently on the rise again as a result of officials' shrinking real incomes – but in the main, the country works. Roads are paved, refuse is collected, teachers teach and police officers police. Most people essentially want to do their jobs, live – that perennial Russian dream and mantra – a "normal" life.

However, above 'Real Russia' squats the smaller, but vastly richer 'Kleptocratic Russia'. This ugly parasite is much of the time happy to let its host do its thing, but has ultimate authority over the structures of state, routines of life and workings of justice, when it chooses to exert it. This is the realm of the embezzling senior officials, the pampered sons and daughters of the mighty, the businesspeople who depend as much on sweetheart deals and covert cartels as any real acumen.

Yet this country cannot simply be dismissed as a kleptocracy, because at the very top of the stepped ziggurat of national power lies the smallest and, perhaps, most dangerous and pernicious incarnation: 'Ideological Russia'. It is hard to doubt that, whatever his motivations during his earlier presidencies, Vladimir Putin is driven now not by personal economic interest but an ideological programme – a vision of a nation restored to its due place in history and the world (and, by extension, a vision of his appropriate legacy). He has surrounded himself with a small coterie of like-minded cohorts – or at least figures willing and able to play that role – and they are ultimately in charge. The Kleptocrats get to reach in to Real Russia when they choose, to divert a procurement contract here, dictate a court decision there, but the Ideologists in turn have the final say. Ever since Crimea, the primary thrust of national policy has been towards confrontational geopolitics, which have hit at the heart of the kleptocrats' interests, grinding an already-suffering economy downwards and limiting their scope to move themselves and their assets at will. Beyond that, whereas in the past these two blocs collaborated smoothly, there are now indications that the Ideologues see some of the Kleptocrats and their parasitic habits as a growing problem in an age when dwindling

ideologists see some of the kleptocrats and their parasitic habits as a growing problem in an age when dwindling resources need to be focused more directly on the ideological project. Witness, presumably, Russian Railways chief Vladimir Yakunin's dismissal and the increasing evidence of a not-as-bogus-as-usual anti-corruption campaign on the way.

Of course, no such simple pattern can be exact and accurate. There are individuals high up in the system, from cabinet ministers to central bank chief Elvira Nabiullina, whose technocratic instincts seem closest to those of Real Russia. Likewise, even Ideologists still seem happy to help their children find comfortable and highly lucrative positions, from whence to steal with savage abandon. However, as a broad model for trying to understand the disparate and often contradictory forces working to shape Russia's future, this seems to have some value.

Widening gaps in 2016

Although it is probably wishful thinking to expect dramatic and positive outcomes over the course of the coming year, for a variety of reasons 2016 is likely to see the relationships between the three Russias become increasingly tense, laying the groundwork for change to come.

On September 18 next year, elections will be held for the Duma, the lower house, which will in many ways also be a referendum on the regime. There is no question of United Russia (and its affiliated pseudo-parties) losing their control over the chamber, both because of the propaganda campaign likely to precede the vote and also, where necessary, judicial rigging of the process and the count. We can, for example, expect to see the more vocal and effective Kremlin critics systematically excluded, vilified and pressurised. How the vote will count, though, is that it forces the state to mobilise the masses – and the extent to which it has to struggle to produce the results decreed by the Kremlin will provide insiders with an index of true popular discontent.

After all, Putin's sky-high personal ratings tell us little about the public mood. Arguably, the growing rash of local labour and social protests, from truckers blocking roads to demonstrations against rising utilities prices, are a better measure, as inflation, wage pressures and the effects of social spending cuts all come to bite.

The Ideologists may be tempted to crank up their propaganda about a Russia isolated and embattled, but there is a real risk of 'fantasy fatigue' if this is just a matter of intemperate words and invented threats. On the other hand, manufacturing or introducing Russia into crises abroad to give substance to the hype, from a renewed Ukraine campaign to picking fights over the Arctic sea-lanes, would not only deplete dwindling resources, but likely only deepen its economic and diplomatic isolation.

This is unlikely to please the Kleptocrats, squeezed between economic stagnation, popular dissatisfaction and Kremlin adventurism. However, at present political power trumps all in Russia: the rich are not so much wealthy in their own right so much as the temporary stewards of those assets until the day comes when the Kremlin seeks to reassign them. To this end, they have a perverse incentive to want to see genuine rule of law and secure property rights come to Russia, and an end to its geopolitical struggle with the West.

An archetypal bank-robber wants the police force to be inefficient and corrupt – until he is rich enough to own banks, at which point he wants the state to protect his ill-gotten gains. So, too, a kleptocratic generation of Russian oligarchs, minigarchs and boyar-bureaucrats who have done well thanks to Putin may well come to feel that their interests have come to diverge from his.

And what about the poor Russian people, the perennially disenfranchised? There seems little prospect of their rising against the regime, literally or metaphorically (rising, after all, for what?). Instead, theirs are the weapons of the weak: refusing to conform, turning to the underground economy, passively resisting to behave as their masters want. This does not go unnoticed, and will be visible – at least to those who see the real, uncooked books – in indices from labour unrest and productivity to suicide rates and support for local civic initiatives.

In itself, this will not force change on the elite. However, it may scare the Kleptocrats and technocrats. If the economy worsens, if the elections prove tougher to massage, and if the Kremlin looks increasingly willing to sacrifice their interests in the name of an ideological project, at some point they will begin to look for ways to protect them.

And here's the inevitable prediction buried in all these "year ahead" articles. It may well not come in 2016, but whenever Putin is replaced or succeeded, it will not be with another Ideologist, but with a Kleptocrat. The interests of the elite will take precedence over the masses, but also over Russian geopolitical grandeur, and this new regime will eagerly seek to mend bridges with the West.

As a generation of ruthless exploiters gives way to their more pampered and less sharp-toothed children, the pressure to create reliable protections for property rights (however that property may have been acquired in the first place) will only grow. Meanwhile, ordinary Russians and their technocrat fellow-travellers in the elite will be looking for change, and thus the possibility – no more – is that a Kleptocratic presidency may in turn give way, some day, sometime, to a generation finally eager to make real the promises of 1991 – of building genuine, working political and economic democracy. Perhaps.

*Mark Galeotti is Professor of Global Affairs at the SPS Center for Global Affairs, New York University and Director of its Initiative for the Study of Emerging Threats. He writes the blog *In Moscow's Shadows* (<http://inmoscowsshadows.wordpress.com/>) and tweets as @MarkGaleotti.*

Nellie Ohr

From: Nellie Ohr
Sent: Tuesday, November 24, 2015 11:01 PM
To: Holtyn, Lisa (OCDETF); Ohr, Bruce (ODAG)
Subject: One Economic Sector Booming in Russia: Corruption (Galeotti article)

This paper contains the other half of the things Galeotti said in his Hudson talk. A few excerpts are below (format doesn't copy and paste very well) but it's all worth reading.

<http://henryjacksonsociety.org/wp-content/uploads/2015/11/One-Economic-Sector-Booming-final.pdf>

One Economic Sector Booming in Russia: Corruption

.....
as economic crisis gnaws into the budget
s of the state and ordinary Russian alike,
corruption of the old, predatory and unpredictable variety is coming back. As Oleg, a
small
businessman trading in imported Turkish textiles puts it, "things had become so to
speak civilized,
there was corruption
but it was ordered, acceptable. Now, things are changing, getting wilder.".....

n the past 15 months or so, things certainly have changed. Corruption and
embezzlement are on
the rise. Furthermore, it is
not just a question of more corruption, but more parasitic corruption. In
other words, not only are the sums being demanded rising but the scope to avoid
paying is
diminishing. It is not a question of deciding whether you want to "upgrade," to skip
some te
dious
paperwork, jump to the head of the line, or cut some corners. Instead, it is
something that you have
to
do, because otherwise someone who can make your life difficult will indeed make
your life
difficult.....

you have the right to steal in the form and to the amount appropriate to your rank, and so long as you are loyal to
the system, to your patrons and to your clients.....

.....
The e
conomic crisis is squeezing Russian officials, forcing them to be more predatory and

exploitative in order to preserve their quality of life. In the process they are not only bearing down more heavily on ordinary citizens but also beginning to worry a Kremlin that is watching a dwindling treasury being plundered by its own elite. But, for Putin, a war with Ukraine is one thing — fighting a war with his own elite is quite another.

Nellie Ohr

From: Nellie Ohr
Sent: Friday, November 13, 2015 6:34 PM
To: Ohr, Bruce (ODAG); Holtyn, Lisa (OCDETF)
Subject: Versiia on Lesin's untimely death: FBI staged it....
Attachments: IN13Nov15.doc

It's the first item in today's Allensworth notes.

Also, further down is an item in which a Moscow police official was accused of spying for the CIA.

-----Original Message-----

From: Wayne Allensworth (b) (6)
To: Wayne and Stacy Allensworth (b) (6)
Sent: Fri, Nov 13, 2015 6:21 pm
Subject: Internet Notes 13 November 2015

Internet Notes 13 November 2015

[More on Lesin](#)

[Bailing out VEB](#)

[Solovey on propaganda and public opinion](#)

[Former Russian policeman convicted of espionage](#)

[New press rules after the "leak"](#)

[Nearly half of Russians fear a terrorist attack](#)

More on Lesin

See the 6, 9, and 11 November notes.

<http://www.dailymail.co.uk/news/article-3315994/Vladimir-Putin-s-media-mastermind-dead-DC-hotel-murdered-FBI-informant-alive-claim-Russians.html>

The death from a 'heart attack' of a longtime close ally of [Vladimir Putin](#) in a Washington hotel has led to a swirl of speculation that he was murdered on Moscow's orders after offering to help the FBI. Mikhail Lesin, 57, was announced last weekend to have been found dead in the US capital. He was a Svengali figure for Putin, who was alleged to have menaced the Russian media into idolizing the strongman president. The shock death has created an eave of speculation in Moscow that it is related to previous reports that he was helping the FBI - and could be murder.

There are even separate allegations that Lesin may still be alive, with his demise faked by the US authorities. According to this version, he is being kept safe as part of a witness protection scheme, while spilling to the FBI all he knows on Putin's Russia.

Daily Mail Online can reveal that only weeks before his death was announced, he fathered a child with glamorous model and flight attendant Victoria Rakhimbayeva.

She is believed to be aged 29, with whom he had enjoyed a close relationship since at least mid-2014.

She has not commented on his death other than to thank friends on social media for their commiserations, but before the tragedy she made clear that they intended to set up home permanently in New York.

Despite Russian reports of a heart attack, police in DC have said no cause of death has been determined while also indicating there was no obvious sign of foul play.

'A ruling on the cause and manner of death is pending further investigation,' said a Saturday statement.

Nicknamed the 'Bulldozer', Lesin was one of the key props of the Putin presidency, personally masterminding a wide-ranging media crackdown which has left the vast majority of Russian TV stations and newspapers obedient to the Kremlin.

He also set up Russia Today, now RT, seen by critics as a 'propaganda' channel aimed at the West.

But earlier this year, after the break-up of his marriage, and in a new relationship with his Siberian lover who he may have wed - she referred to him as her 'husband' - he suddenly quit the latest of several high profile positions, as head of Gazprom Media, a major state owned media conglomerate.

There are unsubstantiated claims in Moscow that when he died he was in debt to billionaire Yury Kovalchuk, one of Putin's closest big business friends.

He owed huge amount of money to Kovalchuk, which he supposedly didn't intend to pay back,' an unnamed source told [The Moscow Times](#).

His presence and death in Washington shocked many Russians.

Lesin was found dead at 11:30am on November 6 while staying on an upper floor at the \$240-a-night Dupont Circle Hotel, seen as modest for his multimillionaire lifestyle.

It is unclear if Rakhimbayeva was in the US with him at the time.

Yet some 16 months earlier, Senator Roger Wicker had called for a Justice Department probe into whether Lesin was engaged in money laundering.

The status of any subsequent FBI investigation is unclear, but - rightly or wrongly - in Russia it was widely believed that a probe was indeed under way.

Many elite Russians with links to the Putin regime are currently giving the US, and other parts of the West, a wide berth amid fears of arrest, hence the surprise and bewilderment at him being in Washington.

But there are also suggestions that Lesin had taken a decision to leave Russia for good before his untimely death in America.

... Prominent commentator Sergey Parkhomenko said of Lesin's death: 'To be honest, I wouldn't rule out the option of a program for witness protection.'

The one-time close Putin apparatchik is said to have owned property worth \$28 million in Los Angeles, a rumored focus of the supposed FBI investigation, and two adult children who live in America.

Lesin's company the Dastel Corporation bought a 13,000 sq ft Beverly Hills home in August 2011 for \$13.8 million and a 10,600 square foot property in Brentwood for \$9 million in 2012, it was reported.

'For over a year he was living under FBI scrutiny and a total check on his assets,' he said.

'For some reason he came to Washington where he suddenly died but not from not of something he had been suffering from.'

Echoing Kokh, he suggested Lesin 'had something to swap his death for' - adding: 'There was a lot to swap it for.'

Moscow is prone to conspiracy theories when prominent people die before their time, but while Lesin had a number of

medical issues, they were not seen as life-threatening and there was genuine shock among his friends and those who crossed paths with him.

'Lesin died. It's impossible to believe this,' tweeted Margarita Simonyan, editor-in-chief of RT.

Alexey Venediktov, one of Russia's most respected journalists, who had dealings - and clashes - with him, wrote online:

'He left the country. September 25 he had a baby daughter. This September, now, so it's been a month, a month and a half.

'And honestly, when I found out about his death, my first thought was about the baby, to be honest. It's also about empathy, because, okay, he's gone but the girl with a baby - how is she?...

The head of Russian media regulator Rospechat, Mikhail Seslavinsky, said of Lesin: 'I saw him a month ago.

'He was full of energy, going through a new period in his life, talking about forgotten feelings because of his newborn little daughter'.

In private, Lesin 'highlighted his responsibility for all the members of his extended family, loved all of his family, and was hoping for an harmonious existence in a world new to him.'

He spoke of a succession of surgeries that Lesin - who had been a heavy drinker and smoker - had undergone. These were not for heart problems, but linked to his spine.

'He was always a fighter, even after going through several complex surgeries, He had recovered, was doing sports, and looked absolutely healthy,' he said.

Simonyan revealed he had lost 66 pounds after breaking his spine three years ago, and undergone 13 operations after his back became infected.

After his death was announced, RT said without explanation that Lesin 'had been suffering from a prolonged unidentified illness'...

In the months before his death, Irkutsk-born Rakhimbayeva traveled on an odyssey to some of the most exotic places in the world, according to her social media accounts...

It is unclear if Lesin - who she does not name - was with her at all times, but in one online exchange she made clear they intended to settle in New York, although she preferred Los Angeles.

'Russia is already left behind, and I haven't yet made it to America,' she wrote at one point.

'Getting there with connections: 3 months in Europe and 3 months in Asia.'

She said: 'Los Angeles is the best city in the world but husband is against', adding 'Poor me.'

She was asked: 'How did you manage to travel so globally between America and Russia, if it's not a secret? Savings?'

She replied: 'Traveling is about my husband - he's a brilliant mind and a great organizer of his (and also my) life.'

Five weeks ago, she posted from Hawaii, seven weeks ago from Los Angeles. Earlier she was in the Komodo Islands, Switzerland, Singapore, Bali, and Greece.

'We passed through all the islands in Greece on yacht,' she boasted around nine months ago.

In August 2014, she posted from Italy saying: 'Every day of my life is so full of happiness that it seems it can't get any better.

'But a new day comes and shows me new goals. I start thinking that happiness has no limits.

'Wish everyone love and unlimited happiness!'...

Controversy surrounded him, as when during his stint as press minister the media empire of oligarch Vladimir Gusinsky media assets - noted for their independence - were transferred to state energy giant Gazprom.

He was also rumored to have played a key role in the creation of a secret tape compromising former Prosecutor General Yuri Skuratov.

Skuratov was seen in bed with two women, claimed to be prostitutes, forcing the resignation of a man who was probing alleged corruption in then president Boris Yeltsin's circle.

When he quit Gazprom Media in December, a move seen as a shock, he cited 'family reasons' although there were unconfirmed claims he had fallen out with other influential figures close to Putin.

Senator Wicker said of Lesin: 'That a Russian public servant could have amassed the considerable funds required to acquire and maintain these assets in Europe and the United States raises serious questions.'...

Another comment from Venediktov: <http://www.thedailybeast.com/articles/2015/11/12/putin-s-pals-are-russian-patriots-until-they-get-sick.html>

Venediktov confirmed that in the last few months of his life, "Lesin was trapped in problems, investigated in the U.S., facing debts of about \$90 million here in Russia." As such, he expressed doubts about the current version of Lesin's death. "He did not have any ID on him in the hotel room, that is very strange: his family were not with him when he died. They sounded too quick to jump on the heart attack version, as if they were trying to secure some different story." Venediktov added, expressing a hope to hear the truth about Lesin's death.

Bailing out VEB

<http://kommersant.ru/doc/2852200>

VneshEkonombank has got some major liquidity problems and lots of debt (R1.2 trillion)—a political decision has been made to help the bank, which under Central Bank rules is not eligible for refinancing from the CB, but the government has yet to come up with a plan. At a session yesterday chaired by Igor Shuvalov, there was a possible plan under discussion for shifting some packets of shares held by the state to VEB (worth R1.5 trillion; the shares would be sold to raise capital) and for the government to take over some of VEB's "toxic"

... or “problem assets” (including special construction projects dating to the Sochi Olympics)—but there was no agreement made on supporting the plan as it would cause more problems for the budget and potentially endanger Russia’s financial ratings...

Apart from the Olympics, VEB has been saddled with a number of other costly projects, including financing the development of the SSJ 100 plane at a low interest rate, a Rostek/Vi Holding plan to develop platinum deposits in Zimbabwe, and aid to Globeks Bank... In October, Medvedev directed the Finance Ministry and the Economic Development Ministry to come up with a plan, but no set plan has as yet materialized... Economist Vladimir Tikhonov says that VEB, a state corporation with considerable weight, should be saved, but only if it increases its own “effectiveness.” At Russian Railways, the leadership was changed, state subsidies cut, and the company set on the path to cutting expenses. Tikhonov thinks that the best plan for avoiding damage to Russia’s financial ratings is to use National Welfare Fund reserves to re-capitalize VEB—although the sum involved would amount to 30% of that fund, and that expenditure would also be taken as a “negative signal”... Tikhonov, however, adds that the budget deficit will probably be less than expected, so maybe the difference between the projection and the actual shortfall could be used for the bailout...

Solovey on propaganda and public opinion

http://rus.postimees.ee/3395127/valerij-solovej-bolshinstvo-ljudej-ne-imeet-svoego-mnenija?utm_source=rus.postimees.ee&utm_medium=button_article&utm_content=3395127&utm_campaign=vk_social

MGIMO’s Valeriy Solovey says that the prevalence of TV viewing in Eastern Europe is a holdover from Soviet times, especially among older viewers and, say, ethnic Russians living in the Baltic states. The situation is a bit different with younger people, though sociologists report they watch TV only about 5% less than their elders (Solovey mentions the Internet/social networks as additional sources of information for young people). As the older generations pass on, TV will have less impact, but it will remain the single most influential propaganda instrument as people trust television. Why? It’s psychological—people have a sense of being present at an event when watching TV... Propaganda has its limits—it’s not effective when we are talking about something that has an impact directly on the viewers’ interests or about something they know about. It’s not as hard to convince Russians that Americans are children of the Devil, as they do not know Americans. It’s harder to cast Ukrainians as Satan’s spawn, though... It would make sense to have pluralism in media sources, with different views offsetting each other. That would be a defense against propaganda. It would be better if people limited TV viewing. And it’s very important to read, as reading engages the critical reflex, which tends to become disengaged with TV viewing... The kind of “information wars” we are witnessing today have not been seen for decades, but they will have to end eventually as it is not possible for society to remain in a mobilized state for a long time, even in Russia. People grow weary psychologically. The events in Ukraine have not interested Russian TV viewers for some time, and the war in Syria is taken like a Hollywood action movie.

Most people don’t have their own opinions, maybe 70%-80% are easy marks for propaganda. They have opinions only about things close to them, things that are important to them personally, but most don’t have opinions on political questions. There’s nothing insulting about saying that, it’s just human nature. Propaganda has no effect on maybe 5%, intelligent people with strong critical reflexes. Most people take information in to learn what the social consensus is and support it—those who do not can be the revolutionary core driving change... For an authoritarian or totalitarian regime to sustain itself, it needs a “spiral of silence”—people have to be afraid to speak up. Revolutionary change takes place when the “spiral” stops—sometimes that takes years, sometimes it happens very quickly. Nobody knows why. Revolutions are impossible to predict. It’s only after the fact that commentators look back and say it was inevitable. It’s the 3%-5% who push the limits, who take to the streets, who speak up. But then others will follow. Mass dynamics are unpredictable. We can predict a crisis, but no one knows how it will develop. We see that Russia is in a serious crisis, for example, but no one knows how to end it. Will it end in a revolutionary way? With stagnation? Regardless, the end

game will likely begin soon.

What about polls showing that Russians don't really feel the consequences of the crisis? People say what they think the pollsters want to hear. There are "socially approved answers." People will say everything is alright, everything is moving in the right direction. But those same people who say they are proud of Russian foreign policy victories also say they are preparing for a long term crisis. They don't make any connection between the political and the economic situations—but popular behavior is changing, as people are spending less, they are economizing.

On Putin's high ratings: Well, if you give respondents a list of names—Putin, Medvedev, Navalny—and ask them who they trust, you know what the answer's going to be. Nevertheless, VVP's approval rating is high, though not 90%. But the quality of the support is not real high. Russians are alienated from politics. Society sees politics as the prerogative of a small group of elites. So the 3%-5% turns up on the street, but the rest think that politics is something for vlast, not them (**Comment: This is close to my view of things. Most Russians don't think politics is any of their business. You can get ordinary people stirred up—not just the 5%—when something that directly has an impact on their daily life comes up, as we saw earlier this week with truckers blocking roads over a levy on freight trucks.* See the 11 November notes. What the issue is usually resolved—maybe the government backs down, for now, or some concession is made—then everyone goes back to their private lives. Putin's support is broad, but not necessarily very deep**). We should keep in mind that this was the state of affairs when the USSR collapsed. The CPSU had 15 million members. And it all disappeared. So we should not overestimate the quality of Putin's rating.

People have selective memories, that's both as individuals and collectively. We remember some things and prefer to forget others. Propaganda can boost the selective element of memory. You can take an account of a certain event and clean up its negative connotations. Right now we hear that the attitude to Stalin has improved, that a lot of people support re-installing the Dzerzhinsky memorial—there is no basis for doubting this. But let's ask people this question: "Would you want to live under Stalin or Dzerzhinskiy?" An attitude toward a symbol is one thing, a person's actual preferences quite another... Speaking seriously, Russians are rather rational, more so than propaganda or polls show. Otherwise, Russian society would simply not have survived.

As far as selective memory, recall how Gorbachev was welcomed by everyone, they all wanted freedom and democracy. Then they welcomed Yeltsin. But if you ask people if they voted for Yeltsin, nobody will say they did. ... Some time down the line, it will be the same for Putin...

*<http://www.themoscowtimes.com/business/article/new-truck-fees-may-lead-to-goods-shortages-russian-retailers-say/548970.html>

Major Russian retailers have warned that the introduction of a new federal levy on 12-ton trucks could disrupt supplies and lead to goods shortages in stores, the Kommersant newspaper reported Friday.

The new fee for using federal roads, set to come into force on Nov. 15, has angered truck owners across the country, with roadblock protests springing up in major cities including St. Petersburg, the Siberian city of Novosibirsk and the Urals' Yekaterinburg.

However, according to the Kommersant report, the main problem for logistics companies will likely be the requirement to have satellite devices installed onboard the trucks. These would be linked to personal accounts, enabling drivers to pay the federal levy in advance of or after a journey.

Truck owners and companies were able to register for the scheme a month in advance. However, representatives of retail chains told Kommersant that many drivers will not have been issued the devices in time.

A spokesperson for X5 Retail Group, a leading Russian food retailer owning the supermarket chains Pyatyorochka, Perekryostok, and Karusel, estimated that a third of their supplies might not reach store shelves in time, the NTV channel reported.

Kremlin spokesman Dmitry Peskov told news agency RIA Novosti on Friday that the Transportation Ministry "was making every effort" to reach a compromise with the protesting truckers, adding that both sides "needed to show flexibility" with regard to the new levy system.

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Former Russian policeman convicted of espionage

<http://www.themoscowtimes.com/news/article/former-russian-police-officer-sentenced-to-13-years-for-espionage/548914.html>

A former Moscow policeman has been sentenced to 13 years in prison for spying for the U.S. Central Intelligence Agency (CIA), the Interfax news agency reported Thursday, citing a statement from the Russian Federal Security Service (FSB), the successor to the Soviet KGB.

A Moscow regional court on Thursday convicted former Ministry of Internal Affairs officer Yevgeny Chistov with treason in the form of espionage after the man "pled completely guilty, confirmed the fact that he was recruited by the CIA, and delivered to them information on ministry activities," Interfax reported.

According to Interfax, Chistov's case file shows that in 2011, the officer, "acting out of selfish motives, took the initiative to make contact with the CIA," and began transferring state secrets out of the country.

Chistov's case is the latest in an alarming string of spy scandals to shake Russia since the start of the Ukraine crisis in early 2014.

New press rules after the "leak"

See yesterday's notes.

<http://www.themoscowtimes.com/news/article/kremlin-imposes-strictier-press-rules-following-nuclear-sub-leak/548965.html>

Following the "unintentional" leak of a secret military project by state television on Tuesday, the Kremlin has instituted new guidelines for covering military meetings: cameramen must keep their cameras pointed at the wall until the president arrives, the Kommersant newspaper reported Friday.

During a meeting between President Vladimir Putin and his senior military advisors and officials in the seaside village of Sochi on Tuesday, a cameraman briefly filmed over the shoulder of a military officer, catching a description of a new weapons system known simply as "Status-6."

Status-6 appears to be an unmanned submarine packed with a high-megaton thermonuclear warhead and radioactive material to create a massive dirty bomb, which would render an enemy's port or coastline a radioactive wasteland "for long periods of time."

The Pentagon has reportedly been aware of such a weapon under development in Russia for at least a year, and Russian analysts have argued that the leak was intentional to demonstrate the lengths Russia is willing to go in preserving its nuclear deterrent in the face of U.S. missile defenses.

Nonetheless, Kremlin spokesman Dmitry Peskov on Wednesday lamented the allegedly unintentional leak, promising to tighten procedures for state media reporters covering meetings between Putin and his military staff.

Reporters will now have to leave their cell phones with security guards before entering such meetings, photographers cannot take photos before Putin enters the room, and television cameras must be pointed at the wall until the meeting starts, Kommersant reported.

Furthermore, military officials present at meetings are being encouraged to study their documents prior to the arrival of the press.

Nearly half of Russians fear a terrorist attack

<http://www.themoscowtimes.com/news/article/nearly-half-of-russians-fear-terrorist-attack--poll/548960.html>

Nearly half of Russians fear a terrorist attack or hostage-taking situation in the near future, the Interfax news agency reported, citing data from independent pollster the Levada Center. (<http://www.levada.ru/2015/11/13/terakty/>) Of the 48 percent who fear an attack, 76 percent consider terrorist group the Islamic State as the greatest threat, Interfax reported Friday.

International terrorism as a whole worried 39 percent of Russians polled, while 17 percent were concerned by Russian extremists and radicals. One-third (34 percent) of respondents did not believe in the possibility of a terrorist attack.

The poll was conducted on Oct. 23-26 among 1,600 people in 134 cities and towns around Russia, Interfax reported. No margin of error was given.

The Islamic State terrorist group released an Internet video promising to attack Russia "very soon," the SITE monitoring group reported on Thursday.

The Islamic State has previously called for Islamic fighters to take revenge on Russia after President Vladimir Putin launched an air strike campaign in Syria against Islamic State militants and opposition forces fighting against Syrian President Bashar Assad.

 This email is free from viruses and malware because [avast! Antivirus](#) protection is active.

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More on Lesin

See the 6, 9, and 11 November notes.

<http://www.dailymail.co.uk/news/article-3315994/Vladimir-Putin-s-media-mastermind-dead-DC-hotel-murdered-FBI-informant-alive-claim-Russians.html>

The death from a 'heart attack' of a longtime close ally of [Vladimir Putin](#) in a Washington hotel has led to a swirl of speculation that he was murdered on Moscow's orders after offering to help the FBI.

Mikhail Lesin, 57, was announced last weekend to have been found dead in the US capital. He was a Svengali figure for Putin, who was alleged to have menaced the Russian media into idolizing the strongman president.

The shock death has created an eave of speculation in Moscow that it is related to previous reports that he was helping the FBI and could be murder.

There are even separate allegations that Lesin may still be alive, with his demise faked by the US authorities.

According to this version, he is being kept safe as part of a witness protection scheme, while spilling to the FBI all he knows on Putin's Russia.

Daily Mail Online can reveal that only weeks before his death was announced, he fathered a child with glamorous model and flight attendant Victoria Rakhimbayeva.

She is believed to be aged 29, with whom he had enjoyed a close relationship since at least mid 2014.

She has not commented on his death other than to thank friends on social media for their commiserations, but before the tragedy she made clear that they intended to set up home permanently in New York.

Despite Russian reports of a heart attack, police in DC have said no cause of death has been determined while also indicating there was no obvious sign of foul play.

'A ruling on the cause and manner of death is pending further investigation,' said a Saturday statement.

Nicknamed the 'Bulldozer', Lesin was one of the key props of the Putin presidency, personally masterminding a wide ranging media crackdown which has left the vast majority of Russian TV stations and newspapers obedient to the Kremlin.

He also set up Russia Today, now RT, seen by critics as a 'propaganda' channel aimed at the West.

But earlier this year, after the break up of his marriage, and in a new relationship with his Siberian lover who he may have wed she referred to him as her 'husband' he suddenly quit the latest of several high profile positions, as head of Gazprom Media, a major state owned media conglomerate.

There are unsubstantiated claims in Moscow that when he died he was in debt to billionaire Yury Kovalchuk, one of Putin's closest big business friends.

'He owed huge amount of money to Kovalchuk, which he supposedly didn't intend to pay back,' an unnamed source [told The Moscow Times](#).

His presence and death in Washington shocked many Russians.

Lesin was found dead at 11:30am on November 6 while staying on an upper floor at the \$240 a night Dupont Circle Hotel, seen as modest for his multimillionaire lifestyle.

It is unclear if Rakhimbayeva was in the US with him at the time.

Yet some 16 months earlier, Senator Roger Wicker had called for a Justice Department probe into whether Lesin was engaged in money laundering.

The status of any subsequent FBI investigation is unclear, but rightly or wrongly in Russia it was widely believed that a probe was indeed under way.

Many elite Russians with links to the Putin regime are currently giving the US, and other parts of the West, a wide berth amid fears of arrest, hence the surprise and bewilderment at him being in Washington.

But there are also suggestions that Lesin had taken a decision to leave Russia for good before his untimely death in America. ...

Prominent commentator Sergey Parkhomenko said of Lesin's death: 'To be honest, I wouldn't rule out the option of a program for witness protection.'

The one time close Putin apparatchik is said to have owned property worth \$28 million in Los Angeles, a rumored focus of the supposed FBI investigation, and two adult children who live in America.

Lesin's company the Dastel Corporation bought a 13,000 sq ft Beverly Hills home in August 2011 for \$13.8 million and a 10,600 square foot property in Brentwood for \$9 million in 2012, it was reported.

'For over a year he was living under FBI scrutiny and a total check on his assets,' he said.

'For some reason he came to Washington where he suddenly died but not from not of something he had been suffering from.'

Echoing Kokh, he suggested Lesin 'had something to swap his death for' adding: 'There was a lot to swap it for.'

Moscow is prone to conspiracy theories when prominent people die before their time, but while Lesin had a number of medical issues, they were not seen as life threatening and there was genuine shock among his friends and those who crossed paths with him.

'Lesin died. It's impossible to believe this,' tweeted Margarita Simonyan, editor in chief of RT.

Alexey Venediktov, one of Russia's most respected journalists, who had dealings and clashes with him, wrote online:

'He left the country. September 25 he had a baby daughter. This September, now, so it's been a month, a month and a half.

'And honestly, when I found out about his death, my first thought was about the baby, to be honest. It's also about empathy, because, okay, he's gone but the girl with a baby how is she?...

The head of Russian media regulator Rospechat, Mikhail Seslavinsky, said of Lesin: 'I saw him a month ago.

'He was full of energy, going through a new period in his life, talking about forgotten feelings because of his newborn little daughter.'

In private, Lesin 'highlighted his responsibility for all the members of his extended family, loved all of his family, and was hoping for an harmonious existence in a world new to him.'

He spoke of a succession of surgeries that Lesin who had been a heavy drinker and smoker had undergone. These were not for heart problems, but linked to his spine.

'He was always a fighter, even after going through several complex surgeries, He had recovered, was doing sports, and looked absolutely healthy,' he said.

Simonyan revealed he had lost 66 pounds after breaking his spine three years ago, and undergone 13 operations after his back became infected.

After his death was announced, RT said without explanation that Lesin 'had been suffering from a prolonged unidentified illness'...

In the months before his death, Irkutsk born Rakhimbayeva traveled on an odyssey to some of the most exotic places in the world, according to her social media accounts...

It is unclear if Lesin who she does not name was with her at all times, but in one online exchange she made clear they intended to settle in New York, although she preferred Los Angeles.

'Russia is already left behind, and I haven't yet made it to America,' she wrote at one point.

'Getting there with connections: 3 months in Europe and 3 months in Asia.'

She said: 'Los Angeles is the best city in the world but husband is against', adding 'Poor me.'

She was asked: 'How did you manage to travel so globally between America and Russia, if it's not a secret? Savings?'

She replied: 'Traveling is about my husband he's a brilliant mind and a great organizer of his (and also my) life.'

Five weeks ago, she posted from Hawaii, seven weeks ago from Los Angeles. Earlier she was in the Komodo Islands, Switzerland, Singapore, Bali, and Greece.

'We passed through all the islands in Greece on yacht,' she boasted around nine months ago.

In August 2014, she posted from Italy saying: 'Every day of my life is so full of happiness that it seems it can't get any better.

'But a new day comes and shows me new goals. I start thinking that happiness has no limits.

'Wish everyone love and unlimited happiness!'...

Controversy surrounded him, as when during his stint as press minister the media empire of oligarch Vladimir Gusinsky media assets noted for their independence were transferred to state energy giant Gazprom.

He was also rumored to have played a key role in the creation of a secret tape compromising former Prosecutor General Yuri Skuratov.

Skuratov was seen in bed with two women, claimed to be prostitutes, forcing the resignation of a man who was probing alleged corruption in then president Boris Yeltsin's circle.

When he quit Gazprom Media in December, a move seen as a shock, he cited 'family reasons' although there were unconfirmed claims he had fallen out with other influential figures close to Putin.

Senator Wicker said of Lesin: 'That a Russian public servant could have amassed the considerable funds required to acquire and maintain these assets in Europe and the United States raises serious questions.'...

Another comment from Venediktov: http://www.thedailybeast.com/articles/2015/11/12/putin_s_pals_are_russian_patriots_until_they_get_sick.html

Venediktov confirmed that in the last few months of his life, "Lesin was trapped in problems, investigated in the U.S., facing debts of about \$90 million here in Russia." As such, he expressed doubts about the current version of Lesin's death. "He did not have any ID on him in the hotel room, that is very strange; his family were not with him when he died. They sounded too quick to jump on the heart attack version, as if they were trying to secure some different story." Venediktov added, expressing a hope to hear the truth about Lesin's death.

Bailing out VEB

<http://kommersant.ru/doc/2852200>

VneshEkonomBank has got some major liquidity problems and lots of debt (R1.2 trillion) a political decision has been made to help the bank, which under Central Bank rules is not eligible for refinancing from the CB, but the government has yet to come up with a plan. At a session yesterday chaired by Igor Shuvalov, there was a possible plan under discussion for shifting some packets of shares held by the state to VEB (worth R1.5 trillion; the shares would be sold to raise capital) and for the government to take over some of VEB's "toxic" or "problem assets" (including special construction projects dating to the Sochi Olympics) but there was no agreement made on supporting the plan as it would cause more problems for the budget and potentially endanger Russia's financial ratings...

Apart from the Olympics, VEB has been saddled with a number of other costly projects, including financing the development of the SSJ 100 plane at a low interest rate, a Rostek/Vi Holding plan to develop platinum deposits in Zimbabwe, and aid to Globeks Bank...In October, Medvedev directed the Finance Ministry and the Economic

Development Ministry to come up with a plan, but no set plan has as yet materialized...Economist Vladimir Tikhonov says that VEB, a state corporation with considerable weight, should be saved, but only if it increases its own “effectiveness.” At Russian Railways, the leadership was changed, state subsidies cut, and the company set on the path to cutting expenses. Tikhonov thinks that the best plan for avoiding damage to Russia’s financial ratings is to use National Welfare Fund reserves to re-capitalize VEB although the sum involved would amount to 30% of that fund, and that expenditure would also be taken as a “negative signal”...Tikhonov, however, adds that the budget deficit will probably be less than expected, so maybe the difference between the projection and the actual shortfall could be used for the bailout...

Solovey on propaganda and public opinion

http://rus.postimees.ee/3395127/valerij_solovej_bolshinstvo_ljudej_ne_imeet_svoego_mnenija?utm_source=rus.postimees.ee&utm_medium=button_article&utm_content=3395127&utm_campaign=vk_social

MGIMO’s Valeriy Solovey says that the prevalence of TV viewing in Eastern Europe is a holdover from Soviet times, especially among older viewers and, say, ethnic Russians living in the Baltic states. The situation is a bit different with younger people, though sociologists report they watch TV only about 5% less than their elders (Solovey mentions the Internet/social networks as additional sources of information for young people). As the older generations pass on, TV will have less impact, but it will remain the single most influential propaganda instrument as people trust television. Why? It’s psychological people have a sense of being present at an event when watching TV...Propaganda has its limits it’s not effective when we are talking about something that has an impact directly on the viewers’ interests or about something they know about. It’s not as hard to convince Russians that Americans are children of the Devil, as they do not know Americans. It’s harder to cast Ukrainians as Satan’s spawn, though...It would make sense to have pluralism in media sources, with different views offsetting each other. That would be a defense against propaganda. It would be better if people limited TV viewing. And it’s very important to read, as reading engages the critical reflex, which tends to become disengaged with TV viewing...The kind of “information wars” we are witnessing today have not been seen for decades, but they will have to end eventually as it is not possible for society to remain in a mobilized state for a long time, even in Russia. People grow weary psychologically. The events in Ukraine have not interested Russian TV viewers for some time, and the war in Syria is taken like a Hollywood action movie.

Most people don’t have their own opinions, maybe 70%-80% are easy marks for propaganda. They have opinions only about things close to them, things that are important to them personally, but most don’t have opinions on political questions. There’s nothing insulting about saying that, it’s just human nature. Propaganda has no effect on maybe 5%, intelligent people with strong critical reflexes. Most people take information in to learn what the social consensus is and support it those who do not can be the revolutionary core driving change...For an authoritarian or totalitarian regime to sustain itself, it needs a “spiral of silence” people have to be afraid to speak up. Revolutionary change takes place when the “spiral” stops sometimes that takes years,

sometimes it happens very quickly. Nobody knows why. Revolutions are impossible to predict. It's only after the fact that commentators look back and say it was inevitable. It's the 3%-5% who push the limits, who take to the streets, who speak up. But then others will follow. Mass dynamics are unpredictable. We can predict a crisis, but no one knows how it will develop. We see that Russia is in a serious crisis, for example, but no one knows how to end it. Will it end in a revolutionary way? With stagnation? Regardless, the end game will likely begin soon.

What about polls showing that Russians don't really feel the consequences of the crisis? People say what they think the pollsters want to hear. There are "socially approved answers." People will say everything is alright, everything is moving in the right direction. But those same people who say they are proud of Russian foreign policy victories also say they are preparing for a long term crisis. They don't make any connection between the political and the economic situations but popular behavior is changing, as people are spending less, they are economizing.

On Putin's high ratings: Well, if you give respondents a list of names Putin, Medvedev, Navalniy and ask them who they trust, you know what the answer's going to be. Nevertheless, VVP's approval rating is high, though not 90%. But the quality of the support is not real high. Russians are alienated from politics. Society sees politics as the prerogative of a small group of elites. So the 3%-5% turns up on the street, but the rest think that politics is something for vlast, not them (**Comment: This is close to my view of things. Most Russians don't think politics is any of their business. You can get ordinary people stirred up—not just the 5%—when something that directly has an impact on their daily life comes up, as we saw earlier this week with truckers blocking roads over a levy on freight trucks.* See the 11 November notes. What the issue is usually resolved—maybe the government backs down, for now, or some concession is made—then everyone goes back to their private lives. Putin's support is broad, but not necessarily very deep**). We should keep in mind that this was the state of affairs when the USSR collapsed. The CPSU had 15 million members. And it all disappeared. So we should not overestimate the quality of Putin's rating.

People have selective memories, that's both as individuals and collectively. We remember some things and prefer to forget others. Propaganda can boost the selective element of memory. You can take an account of a certain event and clean up its negative connotations. Right now we hear that the attitude to Stalin has improved, that a lot of people support re-installing the Dzerzhinsky memorial there is no basis for doubting this. But let's ask people this question: "Would you want to live under Stalin or Dzerzhinskiy?" An attitude toward a symbol is one thing, a person's actual preferences quite another...Speaking seriously, Russians are rather rational, more so than propaganda or polls show. Otherwise, Russian society would simply not have survived.

As far as selective memory, recall how Gorbachev was welcomed by everyone, they all wanted freedom and democracy. Then they welcomed Yeltsin. But if you ask people if they voted for Yeltsin, nobody will say they did. ...Some time down the line, it will be the same for Putin...

[*http://www.themoscowtimes.com/business/article/new-truck-fees-may-lead-to-goods-shortages-russian-retailers-say/548970.html](http://www.themoscowtimes.com/business/article/new-truck-fees-may-lead-to-goods-shortages-russian-retailers-say/548970.html)

Major Russian retailers have warned that the introduction of a new federal levy on 12 ton trucks could disrupt supplies and lead to goods shortages in stores, the Kommersant newspaper reported Friday.

The new fee for using federal roads, set to come into force on Nov. 15, has angered truck owners across the country, with roadblock protests springing up in major cities including St. Petersburg, the Siberian city of Novosibirsk and the Urals' Yekaterinburg.

However, according to the Kommersant report, the main problem for logistics companies will likely be the requirement to have satellite devices installed onboard the trucks. These would be linked to personal accounts, enabling drivers to pay the federal levy in advance of or after a journey.

Truck owners and companies were able to register for the scheme a month in advance. However, representatives of retail chains told Kommersant that many drivers will not have been issued the devices in time.

A spokesperson for X5 Retail Group, a leading Russian food retailer owning the supermarket chains Pyatyorochka, Perekryostok, and Karusel, estimated that a third of their supplies might not reach store shelves in time, the NTV channel reported.

Kremlin spokesman Dmitry Peskov told news agency RIA Novosti on Friday that the Transportation Ministry "was making every effort" to reach a compromise with the protesting truckers, adding that both sides "needed to show flexibility" with regard to the new levy system.

Former Russian policeman convicted of espionage

<http://www.themoscowtimes.com/news/article/former-russian-police-officer-sentenced-to-13-years-for-espionage/548914.html>

A former Moscow policeman has been sentenced to 13 years in prison for spying for the U.S. Central Intelligence Agency (CIA), the Interfax news agency reported Thursday, citing a statement from the Russian Federal Security Service (FSB), the successor to the Soviet KGB.

A Moscow regional court on Thursday convicted former Ministry of Internal Affairs officer Yevgeny Chistov with treason in the form of espionage after the man "pled completely guilty, confirmed the fact that he was recruited by the CIA, and delivered to them information on ministry activities," Interfax reported.

According to Interfax, Chistov's case file shows that in 2011, the officer, "acting out of selfish motives, took the initiative to make contact with the CIA," and began transferring state secrets out of the country.

Chistov's case is the latest in an alarming string of spy scandals to shake Russia since the start of the Ukraine crisis in early 2014.

New press rules after the "leak"

See yesterday's notes.

<http://www.themoscowtimes.com/news/article/kremlin-imposes-strict-press-rules-following-nuclear-sub-leak/548965.html>

Following the "unintentional" leak of a secret military project by state television on Tuesday, the Kremlin has instituted new guidelines for covering military meetings: cameramen must keep their cameras pointed at the wall until the president arrives, the Kommersant newspaper reported Friday.

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The Pentagon has reportedly been aware of such a weapon under development in Russia for at least a year, and Russian analysts have argued that the leak was intentional to demonstrate the lengths Russia is willing to go in preserving its nuclear deterrent in the face of U.S. missile defenses.

Nonetheless, Kremlin spokesman Dmitry Peskov on Wednesday lamented the allegedly unintentional leak, promising to tighten procedures for state media reporters covering meetings between Putin and his military staff.

Reporters will now have to leave their cell phones with security guards before entering such meetings, photographers cannot take photos before Putin enters the room, and television cameras must be pointed at the wall until the meeting starts, Kommersant reported.

Furthermore, military officials present at meetings are being encouraged to study their documents prior to the arrival of the press.

Nearly half of Russians fear a terrorist attack

<http://www.themoscowtimes.com/news/article/nearly-half-of-russians-fear-terrorist-attack-poll/548960.html>

Nearly half of Russians fear a terrorist attack or hostage taking situation in the near future, the Interfax news agency reported, citing data from independent pollster the Levada Center. (<http://www.levada.ru/2015/11/13/terakty/>)

Of the 48 percent who fear an attack, 76 percent consider terrorist group the Islamic State as the greatest threat, Interfax reported Friday.

International terrorism as a whole worried 39 percent of Russians polled, while 17 percent were concerned by Russian extremists and radicals. One third (34 percent) of respondents did not believe in the possibility of a terrorist attack.

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The Islamic State has previously called for Islamic fighters to take revenge on Russia after President Vladimir Putin launched an air strike campaign in Syria against Islamic State militants and opposition forces fighting against Syrian President Bashar Assad.

Nellie Ohr

From: Nellie Ohr
Sent: Tuesday, November 10, 2015 7:32 PM
To: Ohr, Bruce (ODAG); Holtyn, Lisa (OCDEF)
Subject: Russian commentators speculate on Lesin's death in Dupont Circle hotel : someone feared he'd sing?

(from Wayne Allensworth, Internet Notes, 9 Nov)

Lesin's death (This looks "fishy"...))

See the 6 November notes...

<http://www.ft.com/intl/cms/s/0/d11b034a-8635-11e5-9f8c-a8d619fa707c.html#axzz3qyff7v>

The death in Washington of one of the architects of the media machine in Vladimir Putin's [Russia](#) triggered speculation and conspiracy theories in Moscow at the weekend.

[Mikhail Lesin](#)

former press minister and head of Gazprom Media, the holding that owns many formerly independent Russian media outlets, was found dead in the Dupont Circle hotel in Washington late last week. Police said an autopsy was being conducted and the cause of death would be determined only after that had been completed.

The Russian embassy, which sent an official to the US capital to identify Mr Lesin, said the ex-minister had died of a heart attack, a version echoed by RT, the state news outlet Mr Lesin was involved in establishing, and statements from his family carried in Russian state media.

But Russian government critics on Sunday questioned this version of events. In a Facebook post, Alfred Kokh, a former Russian prime minister (?????) who held the Gazprom Media post more than a decade before Mr Lesin, described the embassy's statement as a "strange flight of fantasy".

Referring to a potential US justice department and FBI investigation into Mr Lesin in connection with corruption allegations, he said: "Why do [they] want so much to make everybody believe that it was a heart attack? Maybe they were afraid that Lesin tells the FBI about something in exchange for them ending the investigation?"

In July last year, Roger Wicker, a senator from Mississippi, requested that the justice department [investigate whether Mr Lesin had violated the Foreign Corrupt Practices Act](#)

and anti-money-laundering statutes and suggested he might have business ties with people subject to US sanctions. He claimed Mr Lesin had bought homes worth a total of \$28m in Los Angeles and moved his immediate family there. Mr Wicker's request was referred to the justice department and the FBI, which were considering it. Mr Lesin's death means the issue is now closed.

The FBI was notified of Mr Lesin's death but was not assisting in the matter, which was being treated by local police as a death investigation.

Another commentator who posted under the name Wolf said on VKontakte, a Russian social media site: "He is not the first one, and he will not be the last. We have had so many famous Russians murdered abroad that whenever some prominent compatriot dies outside the motherland, you have to assume that they will find poison."

Aged 57, Mr Lesin was one of the highest-profile among the aides who helped Mr Putin rebuild Russia into a more state-centric and authoritarian polity.

Vsevolod Bogdanov, head of the Russian Union of Journalists, called Mr Lesin Russia's "most energetic" minister Russia in the past 20 years. "He was committed to not only the interests of the media industry but also the interests of the authorities," he said.

Mr Putin's spokesman said the president highly appreciated the "enormous contribution" Mr Lesin had made to the formation of the modern Russian media.

An engineer by training, Mr Lesin co-founded Video International, one of Russia's leading advertising agencies, in 1990, and went on to managerial positions in state TV under president Boris Yeltsin.

As media minister between 1999 and 2004, he played a role in taming private television through the takeover of NTV, Russia's first independent news channel, then owned by Yeltsin-era oligarch Vladimir Gusinsky. Until 2009 Mr Lesin served as Mr Putin's adviser, helping build up RT, an English-language TV network that aims to enhance Russian soft power by countering

western news narratives.

In late 2013, he was appointed head of Gazprom Media. But he resigned from that post at the end of 2014. Mr Lesin cited private reasons but his resignation followed an argument with Aleksei Venediktov, editor-in-chief of liberal radio station Echo of Moscow, over a journalist Mr Lesin had demanded be fired.

Two senior journalists at Gazprom Media-owned outlets said Mr Lesin had spent most of his time since his resignation in California but had remained close to Mr Putin.

Here's the outline of a theory involving Wicker, mentioned above: <https://www.facebook.com/pchikov/posts/1006737349399709>

In July, 2011, Lesin registered the Dastel Corporation in California. In 2011-2012, Dastel acquired three homes valued at \$28 million. In 2014, Mississippi Senator Roger Wicker requested that the Justice Department investigate Lesin for money laundering—the Justice Department requested that the FBI conduct an investigation. In December of last year, Lesin resigned as the head of Gazprom Media, a post he had held since October of 2013 (he also resigned a post as advisor to the Television Industrial Committee). Putin reportedly personally approved the resignation. Lesin was found dead in a Washington hotel last week. It's reasonable to assume that Lesin was prepared to agree to cooperate with the FBI in exchange for lesser charges in the case against him—it's premature to talk about murder. Maybe he had health problems. But the whole thing looks fishy.

In this post, Kokh (mentioned above) claims that Lesin could have headed a "Putin Komintern" of connections in the West that could support Kremlin information policy, a form of "soft power": https://www.facebook.com/permalink.php?story_fbid=1072198709480520&id=100000712037223

... This network would be a threat to the security of the West, says Kokh. So Lesin, under investigation by the FBI, is found dead in a Washington hotel room. Venediktov says Lesin had cancer. He supposedly had a bad back. But no one mentioned heart problems. Maybe someone was afraid of what he might tell the FBI—and maybe they had some tea with him.

Ohr, Bruce (ODAG)

From: Ohr, Bruce (ODAG)
Sent: Friday, October 30, 2015 6:05 PM
To: Nellie Ohr
Subject: FW: SCMP and CCDI articles on JLG Anti-Corruption Working Group

From: Park, Jason L [mailto:ParkJL@state.gov]
Sent: Friday, October 30, 2015 10:44 AM
To: Ohr, Bruce (ODAG); Lee, Kaye A (Beijing); Lee, Amy Chang; Chang, Frances; Weber, Benjamin (Beijing); Bailey, Benjamin S; Davis-Polzin, Jacqueline X (Beijing); Tsao, Byron F; (b) (6); (b) (6); Heumphreus, Julie; Otallah, Nicole I; (b) (6) per IRS; (b) (6); Allen, Charles; Kucera, John (USACAC); Bishop, Christopher W (Beijing); EAP-P-Office-DL
Cc: EAP-CM-Bilat Unit-DL; Haymond, Peter; Goldman, Michael B
Subject: SCMP and CCDI articles on JLG Anti-Corruption Working Group

Dear all:

Please see below for South China Morning Post and the Central Commission for Discipline Inspection's articles on the JLG Anti-Corruption Working Group. SCMP makes a questionable claim that CCDI article praising U.S.-China cooperation on anti-corruption was intentionally released a day after USS Lassen's FONOPs. If you scroll to the bottom you can see CCDI's colorful map showing how many Chinese priority fugitives (40+) have fled to the United States.

Best,

Jason

Bilateral talks to counter corruption a 'bright spot' China-US relations

PUBLISHED : Friday, 30 October, 2015, 12:11am

[Jun Mai jun.mai@scmp.com](mailto:Jun.Mai@scmp.com)

<http://www.scmp.com/news/china/policies-politics/article/1873970/bilateral-talks-counter-corruption->

[bright-spot-china-us](#)

Despite rising Sino-US tensions in the South China Sea, the two countries could be moving closer on other important issues, notably the repatriation of corruption suspects, the Communist Party's anti-graft watchdog said.

An article published on Wednesday on the website of the Central Commission for Discipline Inspection (CCDI) said a top-level meeting of the two nations on efforts to counter corruption was hailed by the US team leader.

Bruce Ohr, chief of the organised crime and racketeering section at the US Department of Justice, described the latest meeting of an anti-corruption working group as "a bright spot in US-China relations", according to the CCDI.

"Corruption is the most evil thing for any country in the world," Ohr was quoted as saying. "In a connected world, different countries should step up cooperation and fight cross-border crime."

In a connected world, different countries should step up cooperation and fight cross-border crime

BRUCE OHR, US DEPARTMENT OF JUSTICE

The article was published on the CCDI's website one week after the 10th China-US joint liaison group's anti-corruption working group meeting but just a day after the US missile destroyer USS Lassen was dispatched to challenge Beijing's sovereignty claims in the South China Sea, raising concerns that the naval confrontation would have serious repercussions on other aspects of Sino-US relations.

The anti-corruption group, set up in 2005, holds regular meetings where officials from both the CCDI and US law enforcement agencies discuss cooperation in fighting graft and transnational organised crime.

"Breakthroughs in individual cases always lead to system-building in anti-graft efforts," said Liu Jianchao, the new director of the CCDI's International Cooperation Bureau. The article did not identify the cases.

"Cooperation and breakthroughs on individual cases mean the US is continuously sending positive signals," said Gao Bo, an anti-graft expert at the Academy of Social Sciences.

This article appeared in the South China Morning Post print edition as Anti-graft talks a 'bright spot' in Sino-US relations

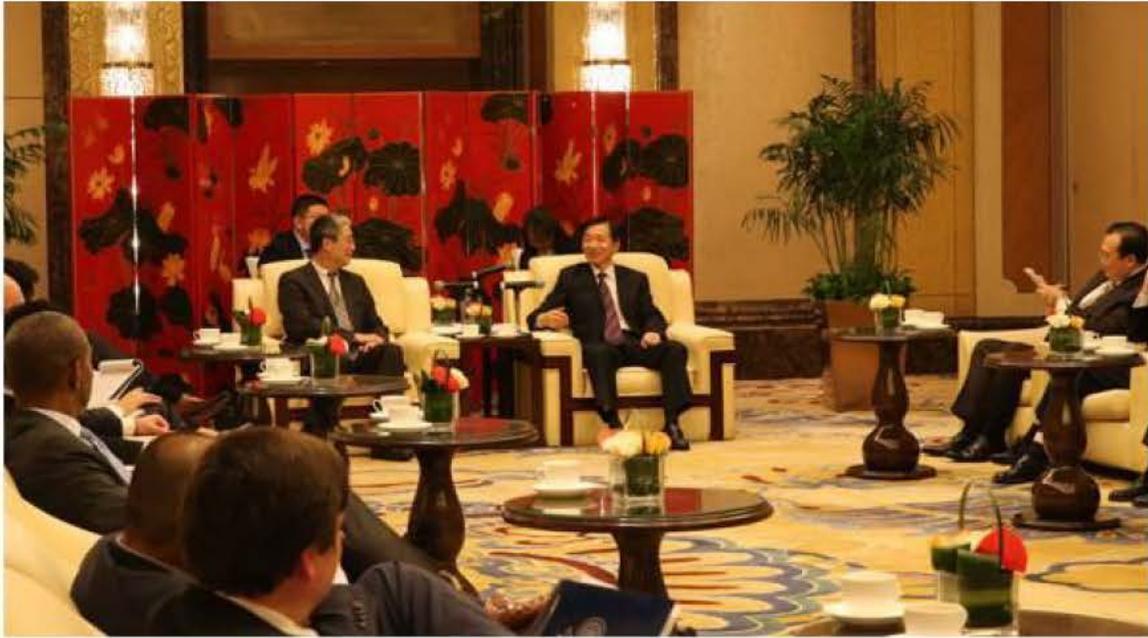
http://www.ccdi.gov.cn/special/ztzz/ztzzjxs_ztzz/201510/t20151029_64208.html

中美JLG反腐败工作组成立10年 更多逃美贪官将被缉拿回国

来源：中央纪委监察部网站 发布时间：2015-10-28 11:40

“腐败对任何国家而言都是最邪恶的事，腐败行为像病毒一样可以蔓延，超越国界。在互联互通、联络日益紧密的世界里，各国应该进一步加强合作、打击跨境犯罪。”10月20日，美国司法部助理副部长、中美执法合作联合联络小组（JLG）反腐败工作组美方共同主席布鲁斯·奥尔在北京参加中美JLG反腐败工作组第10次会议时表示，“反腐败在中美两国都取得了越来越重要的地位，反腐败工作组成为双边关系的亮点”。





中央纪委副书记、监察部部长黄树贤会见美方代表团

作为中美最重要的反腐败合作机制，中美JLG反腐败工作组成立于2005年，10月20日至21日在北京召开第10次会议。中美高层对该反腐败合作机制给予高度关注。1个月前，这一机制被写入习近平主席访美成果清单，“双方决定继续以中美执法合作联合联络小组（JLG）为主渠道，进一步落实好两国领导人达成的有关共识，采取切实措施，推进双方共同确定的重大腐败案件的办理。”2014年以来，中美元首会晤和第六轮、第七轮中美战略与经济对话都确认了中美JLG机制的主渠道作用，反腐败议题的重要性在中美合作框架内日益凸显。



中美JLG反腐败工作组第10次会议开幕式现场

由于两国领导人的肯定以及合作越来越富于成效，中美JLG反腐败工作组第10次会议备受各方关注。本次会议以“为了公平正义加强合作”为主题，双方就追逃追赃个案、多双边交流合作

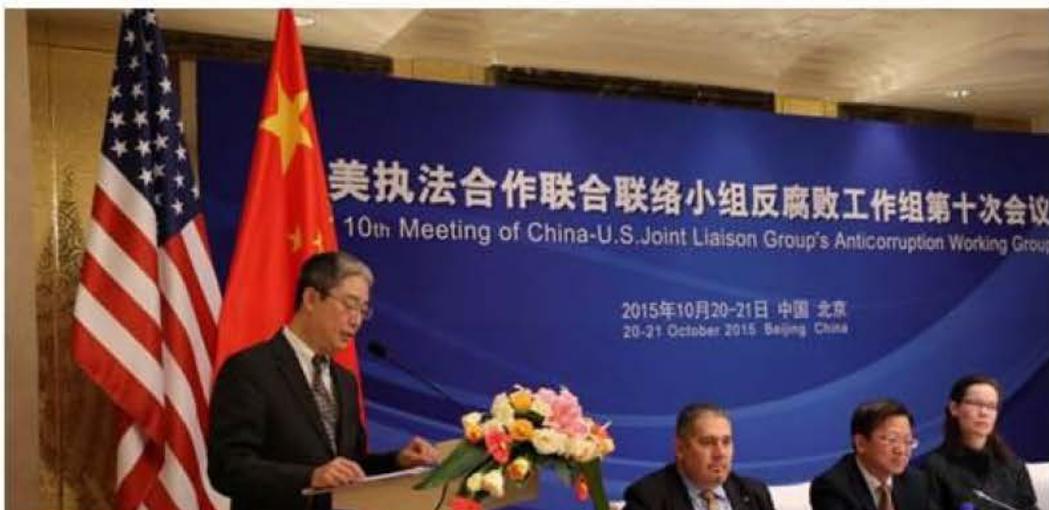
及畅通合作渠道等议题进行深入交流和研讨。会后，中美双方代表还赴湖南省、河南省了解地方反腐败和追逃追赃工作，就有关追逃追赃重点案件进行联合调查。中央纪委副书记、监察部部长黄树贤在会见美方代表团时表示，“希望双方积极全面落实两国之前达成的重要共识，以实现公平正义为目标，本着互利共赢原则，加强以个案为重点的务实合作，构建长效机制，取得更多合作成果”。

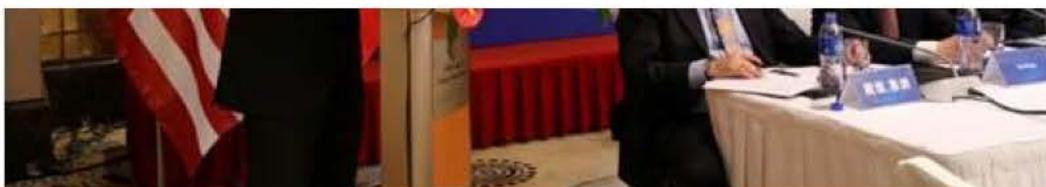


国家预防腐败局副局长、中央纪委监察部国际合作局局长刘建超在开幕式上致辞

中国社科院廉政研究中心副秘书长高波接受本网采访时表示，“中美反腐败合作，为中美构建跨太平洋新型大国关系注入了新的活力和元素”。

美方以“亮点”一词形容中美反腐败合作尚属首次。中美反腐败合作“提速升级”的背后，是中美双方在JLG机制下数年的不懈努力。双方针对重点个案，分别指定专人，依据各自法律展开联合调查。工作组定期会晤，并成立了配套的工作组联络人机制、重点案件联系人机制以及执法部门月度会晤机制，确保案件信息沟通及时、顺畅。





美国司法部助理副部长、中美JLG反腐败工作组美方共同主席布鲁斯·奥尔致辞

此次会议，中美双方再度就共同确定的多起个案进行深度磋商。正如国家预防腐败局副局长、中央纪委监察部国际合作局局长刘建超所言，“反腐败工作组始终以个案突破带动机制建设”。



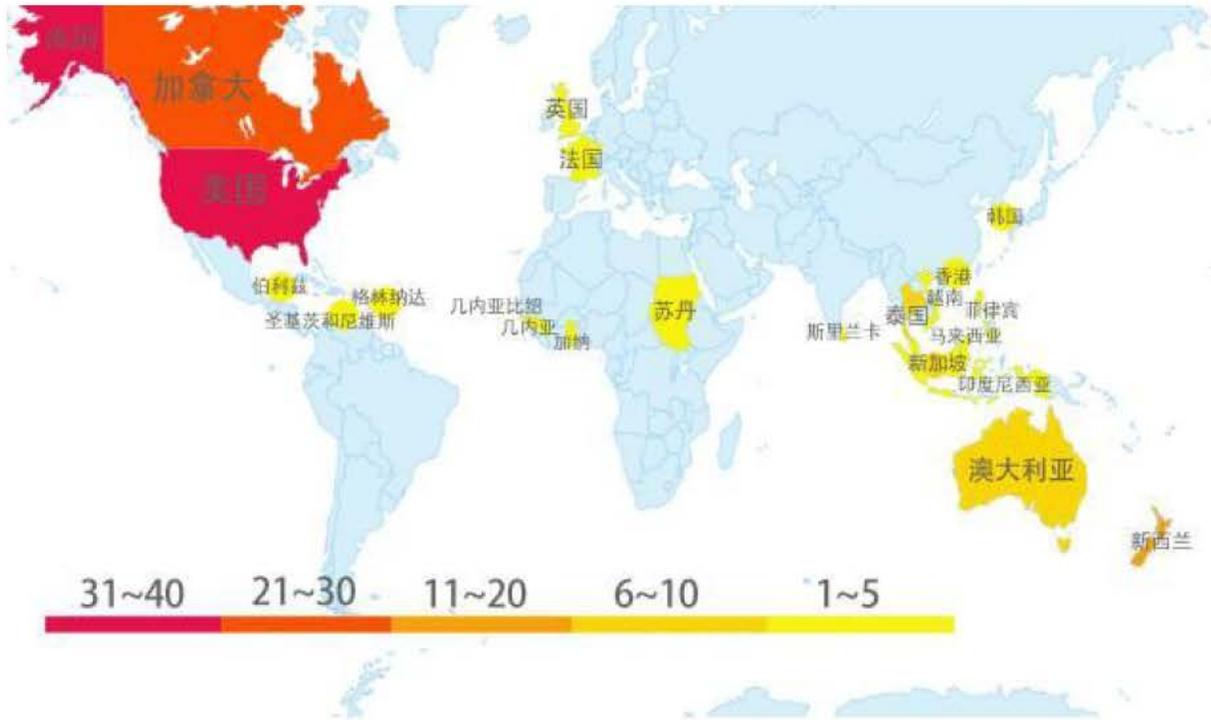
双方代表交谈

中国社科院高波表示，“个案突破和合作意味着美方在不断释放积极的信号和姿态。”有专家分析，这或许预示着美方在遣返腐败犯罪嫌疑人方面将有新的动作，外逃贪官在美生存的空间将更加狭窄。论及中美反腐败合作中存在的困难和障碍，高波认为，“反腐败追逃追赃工作成本高、周期长。由于中美的制度和司法体系有很大的差异，追逃追赃工作在证据提供、证据锁定和认同方面都较为复杂”。

外逃人员可能逃往的国家和地区

逃往美国的最多，为40人；逃往加拿大的次之，为26人；新西兰、澳大利亚、泰国、新加坡等也是外逃人员相对集中的国家





中央纪委监察部网站 制作

“百名红通”人员逃往的国家和地区

“两国加强反腐败合作，不仅符合两国政府和人民的利益和愿望，也有利于向国际社会传递出中美两国崇尚诚信廉洁、拒绝腐败贿赂的正能量”，刘建超表示，“反腐败没有‘完成时’，反腐败永远在路上。我们希望与美方同舟共济、一起前行。”（中央纪委监察部网站 李鹏 图文）

Jason Park
Desk Officer
U.S. Department of State
Office of Chinese and Mongolian Affairs
Phone: (202) 647-6803 | Email: ParkJL@state.gov

This email is UNCLASSIFIED.

Ohr, Bruce (ODAG)

From: Ohr, Bruce (ODAG)
Sent: Thursday, October 29, 2015 3:59 PM
To: Nellie Ohr
Subject: Re: Putin's Mafia Statecraft

Excellent article!

Sent from my iPhone

On Oct 29, 2015, at 9:34 AM, Nellie Ohr (b) (6) wrote:

This brings a lot of things together nicely.

http://www.rferl.org/content/putins-mafia-statecraft/27329898.html?mc_cid=bf8eb0c766&mc_eid=e46842563c

October 27, 2015

Putin's Mafia Statecraft

by Brian Whitmore

In the past couple years, Russian hackers have launched attacks on a French television network, a German steelmaker, the Polish stock market, the White House, the U.S. House of Representatives, the U.S. State Department, and The New York Times.

And according to press reports citing Western intelligence officials, the perpetrators weren't rogue cyber-pranksters. They were working for the Kremlin.

Cybercrime, it appears, has become a tool of Russian statecraft. And not just cybercrime.

Vladimir Putin's regime has become increasingly adept at deploying a whole range of practices that are more common among crime syndicates than permanent members of the UN Security Council.

In some cases, as with the hacking, this involves the Kremlin subcontracting organized crime groups to do things the Russian state cannot do itself with plausible deniability. And in others, it involves the state itself engaging in kidnapping, extortion, blackmail, bribery, and fraud to advance its agenda.

Spanish prosecutor [Jose Grinda](#) has noted that the activities of Russian criminal networks are virtually indistinguishable from those of the government.

"It's not so much a mafia state as a nationalized mafia," Russian organized crime expert Mark Galeotti, a professor at New York University and co-host of the Power Vertical Podcast, said [in a recent lecture](#) at the Hudson Institute.

Hackers, Gangsters, And Goblins

According to a report by the FBI and U.S. intelligence agencies, Russia is home to the most skilled community of cybercriminals on the globe, and the Kremlin has close ties to them.

"They have let loose the hounds," Tom Kellermann, chief security officer at Trend Micro, a Tokyo-based security firm, [told Bloomberg News](#).

Citing unidentified officials, Bloomberg reported that Russian hackers had stepped up surveillance of essential infrastructure, including power grids and energy-supply networks, in the United States, Europe, and Canada.

Dmitri Alperovitch, co-founder of the security firm CrowdStrike, noted recently that the Russian security services have been actively recruiting an army of hackers.

"When someone is identified as being technically proficient in the Russian underground," a pending criminal case against them "suddenly disappears and those people are never heard from again."

Alperovitch said [in an interview with The Hill](#), adding that the hacker in question is then working for the Russian security services.

"We know that's going on," Alperovitch added.

And as a result, criminal hackers "that used to hunt banks eight hours a day are now operating two hours a day turning their guns on NATO and government targets," Kellermann of Trend Micro told The Hill, adding that these groups are "willingly operating as cyber-militias."

The hacking is just one example of how the Kremlin effectively uses organized crime as a geopolitical weapon.

Moscow relied heavily on local organized crime structures in its support for separatist movements in Transdniestria, Abkhazia, South Ossetia, and Donbas.

In the conflict in eastern Ukraine, organized crime groups served as agents for the Kremlin, fomenting pro-Russia unrest and funneling arms to rebel groups.

In annexed Crimea, the Kremlin installed a reputed gangster known as "[The Goblin](#)" as the peninsula's chief executive.

And of course there is the case of [Eston Kohver](#), the Estonian law enforcement officer who was investigating a smuggling ring run jointly by Russian organized crime groups and the Russian Federal Security Service.

Kohver was kidnapped in Estonia September 2014, brought across the Russian border at gunpoint, and convicted of espionage. He was released in a prisoner exchange last month.

The Geopolitics Of Extortion

But Putin's mafia statecraft doesn't just involve using and colluding with organized crime groups. It often acts like an organized crime group itself.

In some cases this involves using graft as a means of control. This is a tactic Moscow has deployed throughout the former Soviet space, involving elites in corrupt schemes -- everything from shady energy deals or money-laundering operations -- to secure a "captured constituency."

This is a tactic Russia attempted to use in Georgia following the 2003 Rose Revolution and in Ukraine after the 2004 Orange Revolution, where "corruption and shadow networks were mobilized to undermine the new leadership's reform agenda," according to James Greene in a 2012 [report for Chatham House](#).

This was particularly successful in Ukraine, where opaque gas deals were used "to suborn Ukraine's post-Orange Revolution new leadership," Greene wrote.

And Putin is clearly hoping to repeat this success in eastern Ukraine today -- especially after elections are held in the rebel areas of Donbas.

"His bet in the eastern Ukraine local election, if it ever takes place, won't be on the rebel field commanders but on local oligarchs who ran the region before the 2014 'revolution of dignity.' Through them, he will hope to exert both economic and political influence on Kiev." political commentator [Leonid Bershidsky wrote](#) in Bloomberg View.

In addition to graft, Moscow has also effectively utilized blackmail -- making the international community a series of offers it can't refuse.

It's a neat trick. First you create instability, as in Ukraine, or exasperate existing instability, as in Syria. Then offer your services to establish order.

You essentially create demand -- and then meet it. You get to act like a rogue and be treated like a statesman.

It's how protection rackets operate. And it has become one of the pillars of Putin's foreign policy.

"It's the geopolitics of extortion, but it's probably working," Galeotti told Voice of America [in a recent interview](#).

"He's identifying a whole series of potential trouble spots around the world, places that matter to the West, and is essentially indicating that he can either be a good partner, if they're willing to make a deal with him, or he can stir up more trouble."

NOTE TO READERS: The Daily Vertical will not appear on October 28, due to the public holiday in the Czech Republic. We'll be back on October 29.

Nellie Ohr

From: Nellie Ohr
Sent: Monday, October 19, 2015 3:59 PM
To: (b) (6) Nellie Email; Ohr, Bruce (ODAG); Holtyn, Lisa (OCDETF)
Subject: Kremlin's ties to Russian cyber gangs -- Warsaw Stock Exchange, German steel mill

Here's a new article pulling together several recent attacks that seem to have been backed by the Russian government.

The possibility that it was Russians behind the hack on the German blast furnace was new to me. Other articles on SCADA/ICS attacks did not finger Russia. (Apparently the US gov't has not officially fingered them; it's just that the malware used was similar to malware used by Russians in the past).

I'm copying Lisa on this whole thread too.

Cyberspace Becomes Second Front in Russia's Clash With NATO - Bloomberg Business

<http://www.bloomberg.com/news/articles/2015-10-14/cyberspace-becomes-second-front-in-russia-s-clash-with-nato>

Russian computer attacks have become more brazen and more destructive as the country grows increasingly at odds with the U.S. and European nations over military goals first in Ukraine and now Syria.

Along with reported computer breaches of a French TV network and the White House, a number of attacks now being attributed to Russian hackers and some not previously disclosed have riveted intelligence officials as relations with Russia have deteriorated. These targets include the Polish stock market, the U.S. House of Representatives, a German steel plant that suffered severe damage and The New York Times.

U.S. officials worry that any attempt by the Russian government to use vulnerabilities in critical infrastructure like global stock exchanges, power grids and airports as pressure points against the West could lead to a broader conflict, according to two people familiar with the debate inside government and who asked to not to be named when discussing intelligence matters. When NATO officials met last week, they voiced alarm about Russia's rapid involvement in Syria, including the firing of cruise missiles, and vowed the biggest reinforcement of their collective defense since the end of the Cold War.

The Warsaw Stock Exchange is but one example of the heightened cyber-activity. Hackers who rifled the exchange last October, in a breach that set off alarms among Western intelligence agencies, proclaimed they were Muslim militants angry over Poland's support for a bombing campaign against the Islamic State.

"It's beginning," the group posted online in a file-sharing site called Pastebin, heavily used by the cyberunderground. "To be continued! Allahu Akbar!"

While stealing some data, the attackers also made dozens of client logins public, opening the exchange's systems to additional chaos from cybercriminals of all stripes. It was sabotage by crowd-sourcing.

Except the infiltrators weren't Islamic militants at all. Behind the smokescreen was a group of hackers with ties to the Russian government, according to three people familiar with the Polish investigation. The incident was viewed by Polish investigators as a stark warning to the country, a member of the North Atlantic Treaty Organization intent on driving a strong alliance response to Russia's moves in eastern Ukraine.

The attack on the exchange, which said in a statement to Bloomberg News that the trading platform wasn't affected, has prompted the Polish government to begin an upgrade of computer systems in government offices, the financial sector and hospitals, said one of the people.

As in other domains, Russians acting directly for the government or with its approval are testing the boundaries of the cyberbattlefield, according to an assessment by U.S. intelligence agencies. The attacks are often called state sponsored by security companies working to arrest the damage, though it is difficult to ascertain which ones might have been done by intelligence agencies and which ones by criminals with access to sophisticated tools hoping to curry government favor.

"They have let loose the hounds," said Tom Kellermann, chief security officer at Trend Micro, a Tokyo-based security firm.

Dmitry Peskov, a spokesman for the Kremlin, rejected suggestions that Russia is behind the attacks. "These are absolutely unsubstantiated allegations, which are often absurd," he said. "We also have been the targets of attacks, which again shows that everyone can just as easily be subject to such attacks. International cooperation is required to expose and deal with these threats. But unfortunately, we don't always see a constructive approach on this issue from our partners."

Possible Miscalculations

Russia is called America's biggest cyberthreat by U.S. Director of National Intelligence James Clapper, and it appears more willing than ever to push up against U.S. doctrine, which holds that destructive hacking attacks could be considered acts of war. So far, the U.S. has not made any public response to the suspected acts.

Cyberspace is a messy arena for fighting. Miscalculations, even by skilled operators, are common, fueling concerns about what could happen to essential infrastructure. And Russia is one of the few nations that intelligence officials say can successfully mask its identity in cyberspace, even from the U.S. National Security Agency.

The attacks, though, are mounting, leaving officials looking for ways to redraw lines that have already shifted significantly over the last 18 months.

Raising alarms in Europe, Russian hackers damaged a **blast furnace** early last year at a plant in Germany owned by ThyssenKrupp AG, the country's biggest steelmaker, according to four people familiar with the attack. In that case, malware found in the system had previously been tied to Russian espionage activity, but U.S. intelligence agencies have not linked the incident directly to the Russian government, said one person familiar with the matter.

Kilian Roetzer, a spokesman for ThyssenKrupp, **denied any such attack occurred**, as has every other company operating a blast furnace in Germany. A furnace attack was disclosed by the German government last year without naming any company or perpetrator.

In April, the same group that last year attacked the Warsaw stock exchange hit the operations of **TV5Monde**, according to security firms tracking the incidents. The attack shut down the major French television network on April 8 and 9, and restoring the system fully will cost of 15 million euros (\$17 million), its executives estimate.

Essential Infrastructure

Russian hackers have stepped up surveillance of power grids and energy supply networks in the U.S., Europe and Canada, a provocative move given government sensitivity to tampering with essential infrastructure for millions of people, according to two people familiar with that activity.

U.S. authorities who spoke on condition of anonymity interpret it as a warning. "Russia is exceptionally skilled," said Mike Buratowski, vice president of cybersecurity services for Fidelis Cybersecurity. **"If you see them, chances are it's a decision: Russia is OK with you seeing them, or wants you to see them."**

Russian President Vladimir Putin has continued to pour money and manpower into the country's hacking forces since returning to the presidency in 2012, according to U.S. officials. "While I can't go into detail here, the Russian cyberthreat is more severe than we had previously assessed," Clapper told a congressional committee in February. As economic sanctions have punished Russia for its aggression in Ukraine, the Russian leader has used a combination of regular and irregular cyberforces that are now jockeying for resources and accolades from Moscow, according to Jason Lewis, a former network exploitation specialist with the U.S. Defense Department.

"They're being successful. If you're doing something that's working, you're going to keep doing it," said Lewis, now chief collection and intelligence officer for LookingGlass Cyber Solutions Inc., based in Arlington, Virginia.

Hits by Russian hackers on the e-mail systems of the White House and the State Department were disclosed earlier this year, but they represent only a fraction of the overall activity, according to government and private security specialists.

The same group that breached the Warsaw exchange and the French TV station recently penetrated the e-mail system of the U.S. **House of Representatives**, giving Russia access to the communications of lawmakers, according to a person familiar with that investigation. Dan Weiser, a House spokesman, declined to comment, citing a general policy not to discuss information security systems.

And in July and August, U.S. government agencies were bombarded with poisoned e-mails loaded with malware sent by two different Russian hacking groups. Trend Micro's Kellermann said one of those waves targeted 2,000 senior officials, including at least one member of President Barack Obama's cabinet, as well as the personal e-mail accounts of their spouses.

Another person familiar with the e-mails said the attacks were certain to be detected because of their profusion and the high ranks of the targets, but that did not make them totally unsuccessful. Investigators from the NSA and Department of Homeland Security spent hundreds of hours trying to contain the impact, hacking into servers controlling the attacks and scrubbing government networks, according to people familiar with their efforts.

controlling the attacks and scrubbing government networks, according to people familiar with their efforts. The NSA and DHS declined to comment on the incidents or on Russia's possible cyber-activities.

Sophisticated Hackers

Putin enjoys some significant advantages over his adversaries in cyberspace. Russia is home to the most sophisticated collection of cybercriminals anywhere in the world, and the government maintains close relationships with many of them, according to assessments by the Federal Bureau of Investigation and U.S. intelligence agencies. Trend Micro says the group that attacked the Warsaw exchange -- nicknamed variously by cybersecurity companies as **APT 28**, Fancy Bear or Pawn Storm -- is most likely staffed by a loose confederation of the country's best criminal hackers. In some instances, they have better skills than the hackers employed by the Russian government, and they have become more motivated after events in Ukraine to help the government, Kellermann said. "These guys have been untouchable for years and now they are coming back to the stable to pay homage," Kellermann said.

Warsaw exchange officials said the damage was limited. "The trading system of Warsaw Stock Exchange itself and data concerning the trading system were not jeopardized," Justyna Rachanska, an exchange spokeswoman, said in a statement. The breached systems, she said, included an investment simulator and a Web portal for managing the exchange's upgrade to a new trading system.

The stock exchange's web site was forced to shut down for about two hours, according to one of the people, and the hackers gained deep intelligence about the exchange's technology road map.

Poland's Internal Security Agency said information about the incident is classified and declined to comment.

Some private security experts say that APT 28 could be a specialized unit of the FSB, the Russian state security agency. The group has been linked to hacks of Putin's domestic opponents, including the rock group Pussy Riot, and counter-terrorism missions, tasks that would be natural for Russia's main intelligence agency. APT 28 is using more than run-of-the-mill crimeware. A confidential analysis prepared by Google Inc. of one of the group's tools, known as X-Agent, described it as an extremely sophisticated version of a remote access tool, or RAT, that uses encryption and other techniques on par with U.S. hacking software.

Google Analysis

Bloomberg News obtained a copy of Google's 41-page analysis, which shows how X-Agent users can swap in various modules for most any conceivable mission, much like the RATs used by the NSA's elite teams, according to a person familiar with that software.

The APT 28 group was also behind an attack last year on the New York Times, starting when hackers took over the personal e-mail account of a Washington-based national security reporter and then targeted more than 50 other staff members, according to two people familiar with the investigation. The hackers failed to get into the paper's primary network, one of the people said. A spokeswoman for the company declined to comment on the incident.

A different group of Russian hackers hit the White House and State Department in incidents disclosed over the last year. That group is called APT 29 by cybersecurity company FireEye and called TEMP.Monkeys by ISight Partners, a cyber-intelligence company that works closely with the federal government. The name refers to monkey videos used in "spear-phishing" e-mails designed to get White House staffers to click on them.

"APT 29 employs some of the most sophisticated techniques we've seen," said Laura Galante, the director of FireEye's intelligence team that specializes in state-sponsored espionage.

"The fact that we're talking in detail about different Russian groups is pretty remarkable," Galante said. "China has always had lots of groups with distinct behaviors and victim types; we're now starting to understand Russian groups in a similar fashion. The uptick in activity over the last few years, especially since Ukraine, has provided us with more data points about potentially state-sponsored groups."

Assessing Motives

U.S. and European intelligence agencies have struggled in recent months to assess what they see as Russia's newly bellicose behavior in cyberspace.

Intelligence specialists say the hit on TV5Monde may have been a veiled anti-terrorism operation. Like the Warsaw intruders, the hackers claimed to be Islamic militants, the CyberCaliphate, and may have sought to identify other hackers who are actually sympathetic to that cause.

Over the last 18 months, Russian actors have increased the surveillance of electrical grids and pipeline networks throughout North America and Europe, gathering information on critical systems that could be used to launch devastating digital attacks, according to government alerts and cybersecurity firms. The deployed malware, known as Havex, was also found in the damaged German blast furnace, according to people familiar with the steal mill

as Havex, was also found in the damaged German blast furnace, according to people familiar with the steel mill investigation.

Physical Destruction

The steel mill attack was a rare example of computers being used to cause physical destruction, carrying strong political overtones for the German government.

The hackers hijacked a computer that controlled the blast furnace, inserting malware that caused the machine to overheat and melt down, according to three people familiar with the incident and Germany's Federal Office for Information Security, or BSI, which disclosed the attack in November 2014 without linking it to Russia. The result was "massive damage," according to the BSI report.

Security specialists initially speculated the damage might have been an accident by hackers trying to gather data on how the mill operates, but details have since emerged that point to intentional destruction.

Sometime in late 2013 or early 2014, the hackers began by penetrating the mill's office computers with spear-phishing e-mails and social-engineering tricks against employees, according to a private-security specialist briefed on the attack. Then they found and tunneled through a trusted network connection that led to the factory floor.

Finally, they broke into the digital controls for the blast furnace, tampering with a system of temperature sensors and motors that controlled gas flow. They remotely disabled the furnace's ability to shut down. The entire process took weeks.

Digital traces left in the system immediately pointed back to Russia, but not conclusively to the government itself, according to a U.S. intelligence assessment, as explained by a person familiar with that analysis.

The attack more than a year later of TV5Monde suggests such events will continue unless the U.S. and others can develop an effective response, said John Hultquist, head of cyber-espionage threat intelligence at ISight Partners. "To anyone looking for signs that things are getting a lot worse, there are plenty of them out there," Hultquist said. "Everyone seems a lot less timid about using methods other than just intelligence collection now. They are simply more aggressive and less restrained."

-----Original Message-----

From: Nellie Ohr (b) (6)

To: (b) (6) Nellie Email; bruce.g.ohr <bruce.g.ohr@usdoj.gov>

Sent: Tue, Oct 13, 2015 3:37 pm

Subject: Re: Kremlin's ties to Russian cyber gangs sow US concerns | TheHill-MORE

How Russian Hackers Stole the Nasdaq, 17 July 2014, <http://www.businessweek.com/printer/articles/213656-how-russian-hackers-stole-the-nasdaq>

This Bloomberg report appearing on the same day as the MH-17 shutdown over Ukraine describes the investigation of a 2010 intrusion into the NASDAQ computer system, one [apparently] designed to damage rather than just to snoop on a system.

....."After months of work, there were still basic disagreements in different parts of government over who was behind the incident and why. "We've seen a nation-state gain access to at least one of our stock exchanges, I'll put it that way, and it's not crystal clear what their final objective is," says House Intelligence Committee Chairman Mike Rogers, a Republican from Michigan, who agreed to talk about the incident only in general terms because the details remain classified....

The U.S. Secret Service pushed to be the lead investigative agency. Its representatives noted that they had already gone to Nasdaq months earlier with evidence that a group of alleged Russian cybercriminals, led by a St. Petersburg man named Aleksandr Kalinin, had hacked the company and that the two events might be related. The Secret Service lost the argument and sat the investigation out....

The NSA had seen a version before, designed and built by the Federal Security Service of the Russian Federation (FSB), that country's main spy agency. And it was more than spyware: Although the tool could be used to steal data, it also had a function designed to create widespread disruption within a computer network. The NSA believed it might be capable of wiping out the entire exchange....

The team was surprised at how vulnerable a sophisticated operation such as Nasdaq could be.

Agents found the tracks of several different groups operating freely, some of which may have been in the exchange's networks for years, including criminal hackers and Chinese cyberspies. Basic records of the daily activity occurring on the company's servers, which would have helped investigators trace the hackers' movements, were almost nonexistent. Investigators also discovered that the website run by One Liberty Plaza's building management

company had been laced with a Russian-made exploit kit known as Blackhole, infecting tenants who visited the page to pay bills or do other maintenance.....

The agents figured the hackers first broke into Nasdaq's computers at least three months before they were detected, but that was just a guess. There were indications that a large cache of data was stolen, though proof was scarce, and it was hard to see what was spirited out.....

As investigators began examining data on other hacks of government and military computers, there was evidence that the Russians' malware was being used by a sophisticated Chinese cyberspy also known to have a thriving criminal business on the side.....

The Asia connection didn't pan out. Investigators turned back to Russia as the most likely suspect but kept stumbling over questions of motive.....

The CIA began to focus on the relationships between Russia's intelligence agencies and organized crime. Someone in the FSB could have been running a for-profit operation on the side, or perhaps sold or gave the malware to a criminal hacking group. More analysis on the malware showed that its capabilities were less destructive than earlier believed. It couldn't destroy computers like a wiper virus, but it could take over certain functions in order to cause a network disruption.....

The bureau's agents noticed that the hackers appeared to focus their attention on 13 servers containing Nasdaq's most critical technology.....

By mid-2011, investigators began to conclude that the Russians weren't trying to sabotage Nasdaq. They wanted to clone it.....

Were the malware's disruptive capabilities meant to be used as a weapon or something else? If they hadn't been interrupted, what else would they have done?"

AND I think I've already sent you the following, about **Bogachev (of Gameover Zeus) running both a criminal operation and a separate anti-Ukrainian espionage and damage operation** (these are my tagging notes):

Inside the 100m Business Club Crime Gang

<http://krebsonsecurity.com/2015/08/inside-the-100m-business-club-crime-gang/>

Krebs summarizes a recent report on Evgeny Bogachev and the Business Club group using the Gameover Zeus botnet for cyberheists and espionage

"Fox-IT, a security firm based in the Netherlands that secretly gained access to a server used by one of the group's members. That server, which was rented for use in launching cyberattacks, included chat logs between and among the crime gang's core leaders, and helped to shed light on the inner workings of this elite group.

"Fox-IT said its access to the gang revealed documents that showed members of the group establishing phony trading and shipping companies in the Heilongjiang province — Raohe county and another in Suifenhe — two cities adjacent to a China-Russia border crossing just north of Vladivostok."

*...Slavik — the architect of ZeuS and Gameover ZeuS — didn't share his entire crime machine with the other Club members. According to Fox-IT, the malware writer converted part of the botnet that was previously used for cyberheists into a distributed espionage system that targeted specific information from computers in several neighboring nations, including Georgia, Turkey and Ukraine. Beginning in late fall 2013 — about the time that conflict between Ukraine and Russia was just beginning to heat up — Slavik retooled a cyberheist botnet to serve as purely a spying machine, and began scouring infected systems in Ukraine for specific keywords in emails and documents that would likely only be found in classified documents, Fox-IT found.

*"Likewise, the keyword searches that Slavik used to scout bot-infected systems in Turkey suggested the botmaster was searching for specific files from the Turkish Ministry of Foreign Affairs or the Turkish KOM — a specialized police unit. ..."The keywords are around arms shipments and Russian mercenaries in Syria," Sandee said.

*...According to Sandee, Slavik kept this activity hidden from his fellow Business Club members, at least some of whom hailed from Ukraine.....

Note: User rakabaraka, a member of the Russian or Ukrainian hacker community, published photos that appear to be Bogachev, including one of him in a sort of leopard suit holding a cat, at

https://twitter.com/raka_baraka/status/629214472952000512. The image URL appears to be

<https://pbs.twimg.com/media/CLtrOivWgAAVnf5.png>. A Google image search for this URL yielded no other instances of that photo.

-----Original Message-----

From: Nellie Ohr (b) (6)

To: bruce.g.ohr <bruce.g.ohr@usdoj.gov>

Sent: Mon, Oct 12, 2015 9:20 am

Subject: Fwd: Kremlin's ties to Russian cyber aaras sow US concerns | TheHill

-----Original Message-----

From: (b) (6)) (6)
To: Nellie Ohr (b) (6)
Sent: Mon, Oct 12, 2015 8:18 am
Subject: Kremlin's ties to Russian cyber gangs sow US concerns | TheHill

http://thehill.com/policy/cybersecurity/256573-kremlina-ties-russian-cyber-gangs-sow-us-concerns?utm_source=Sailthru&utm_medium=email&utm_campaign=New%20Campaign&utm_term=%2ASituation%20Report

Sent
from my iPad

Nellie Ohr

From: Nellie Ohr
Sent: Sunday, October 18, 2015 8:48 PM
To: Holtyn, Lisa (OCDETF); Ohr, Bruce (ODAG)
Subject: Putin's latest money-men? Makhmudov and Bokarev

New Kremlin Kings of State Orders, Makhmudov and Bokarev, have ties with Tambov group Gennadiy Petrov

Notes:

This article is based on **June 2015** Spanish charges vs. people around Petrov. Also looks at Makhmudov/Petrov's "lobbying" ties in France.

Makhmudov/Bokarev's companies Transmashholding, Metrovagonmash, Oktyabrskiy elektrovagonoremontnyy zavod, Roslokomotiv got big orders from Russian Railways and the Moscow metro, squeezing out Rotenberg from some contracts.

These 2 men also bought up assets from Timchenko to get them out from under sanctions.

According to the Spanish charges, Petrov had ties with Serdyukov, Zubkov, Bastrykin, Gref, Reyman

Separate money laundering case re: Vera Metallurgica (subsidiary of UGMK) features Makhmudov and Mikhail Chernoy. Deri. has already testified. But the case does not mention Bokarev

Petrov, having been let out of Spanish prison for "medical treatment" [wasn't it to see his mother or something?], stayed in Russia and lives in Petersburg in the same building in Kamenny ostrov with Vladimir Kozhin (ex Presidential property dept chief, took a lot of the Sochi construction kickbacks), Nikolay Shamalov and Viktor Myachin (Ozero people)

Spanish police say both Petrov and Kumarin/Barsukov worked with KGB in 1980s.

Makhmudov/Bokarev's "lobbyist" in France: Alstom's Martin Bouygues. (He bought 25% of Transmashholding and Alstom built the Mistrals). They co-own The Breakers Investment (formerly Yakunin owned some too).

Makhmudov is a partner of the Franco-Russian Dialogue group, led by Yakunin and Thierry Mariani of the French National Assembly, who has defended the seizure of Crimea, criticized sanctions etc.

Grigoriy Leps [Lepsviradze, the singer who's on the "Brother's Circle" list] often sings at Bokarev's parties.

Spain handed over docs on the money laundering case, and Russia's MVD Investigative Department is "studying" it

<http://theins.ru/korrupciya/10407>

[I've removed most of the photos, but kept some of their captions]

Мафия на госзаказе. Как новые кремлевские олигархи связаны с преступным миром

By The Insider @the_ins_ru · On 02.07.2015

37522 просмотров

В то время как многие олигархи из ближайшего окружения Владимира Путина попали под персональные санкции, в лидерах госзаказа оказались новые имена — Андрей Бокарев и Искандер Махмудов. Именно они, похоже, становятся новыми операторами кремлевских денег. В санкционных списках они до сих пор не значатся, хотя имеют тесные связи с властью. И не только с властью — в распоряжении The Insider оказалось обвинительное заключение по уголовному делу «русской мафии» в Испании, в котором новые короли госзаказа проходят как партнеры главы «тамбовской группировки», имеющей обширные связи в российском правительстве. Сегодня The Insider публикует первую часть расследования, связанного с этим уголовным делом, выясняя, в чем замешана русская мафия, с кем она на «ты» в российских органах власти и почему она получила доступ к кремлевским деньгам.

Кто потеснил Ротенберга и Тимченко

Андрей Бокарев любит одеваться во все белое — белый костюм, белые крокодиловые ботинки, передвигается он на роллс-ройсе, разумеется, тоже белом. Очевидно, именно так должен выглядеть победитель — а Андрей Бокарев вместе со своим партнером Искандером Махмудовым, несомненно победитель в области получения государственных заказов. Структуры, основными акционерами которых являются Искандер Махмудов и Андрей Бокарев — «Трансмаш холдинг», «Метровагонмаш», «Октябрьский электровозоремонтный завод», «Рослокомотив» — получили подрядов на 130,7 миллиардов рублей от РЖД и Московского метрополитена, в первые потеснив Аркадия Ротенберга с его 102,8 миллиарда рублей за 2014 год. А ведь Бокарев, в отличие от Ротенберга, не только не ходил с президентом в один клуб дзюдо, но даже и родом не из Петербурга, а из Москвы.

И это еще не все победы. В апреле структуры Бокарева и Махмудова выкупили 30% в угольной компании «Колмар» у нефтетрейдера «Гунвор». Гунвор до весны 2014 года принадлежал небезызвестному финну Геннадию Тимченко (еще одному другу Путина по клубу дзюдо) и шведу Торбьорну Торнквисту, причем Тимченко продал свою долю Торнквисту за день до вступления западных санкций в силу. Впрочем, сделки купли-продажи начались еще до санкций: в 2012 году Тимченко продал Бокареву и Махмудову 13% акций компании «Трансойл», и, как заявил источник «Коммерсанта», планируется расширение этого сотрудничества.

Почему вдруг друзья президента стали уступать свои активы и позиции в структуре госзаказов? По мнению одного из источников The Insider, хорошо знакомого с ближним кругом президента — главной причиной стали санкции, под которые попал ближний круг Владимира Путина после украинского кризиса: «Тимченко все происходящее очень не нравится, и он стремится избавляться от всего, что ему на самом деле не принадлежит» — прокомментировал он продажу доли в «Гунвор». Когда федеральное казначейство США приняло персональные санкции против ближнего круга Путина, оно исходило из того, что реальным бенефициаром их активов является сам президент. Так это или нет, но так как санкции персональные, то передача активов, позволяет вывести их из-под санкционных ограничений.

Еще одна важная деталь — вхождение в «ближний круг» подразумевает деликатные с точки зрения возможных последствий (то есть, санкций) обязательства, например, вложения в Крым. Андрей Бокарев уже отметился в Крыму: как заявил глава Крыма Сергей Аксенов, *Андрей Бокарев поддерживает крымский футбольный клуб «Таврия».*

Просыпается мафия. Кто стоит за Бокаревым и Махмудовым

Но почему именно Бокарев, чем он заслужил такое внимание и доверие? Возможно, все дело в его таланте и выдающихся способностях. Но есть и еще одна сторона жизни господина Бокарева, о которой мы узнаем сегодня из уголовного дела.

Петров в разговорах называл главу СК Бастрыкина «Сашей» и часто пользовался частным самолетом «Славы» — депутата Госдумы Владислава Резника

В начале июня Испанская прокуратура передала в суд обвинительное заключение по «делу русской мафии» ([имеется в распоряжении The Insider](#)), в рамках расследования которого в 2008 году были произведены аресты на Майорке «авторитетов» Геннадия Петрова и Александра Малышева. Всего обвиняемых 26 человек, а обвинительное заключение содержит 488 страниц. Среди обвиняемых, помимо Петрова и Малышева, значатся также и многоопытный депутат Госдумы Владислав Резник. Кроме того, **главный подозреваемый Геннадий Петров поддерживал, по версии следствия, прямые отношения с Анатолием Сердюковым, Виктором Зубковым, Германом Грефом, Александром Бастрыкиным, Леонидом Рейманом** и другими бывшими и действующими высокопоставленными чиновниками. В частности, согласно обвинительному заключению, Петров в разговорах называл главу СК Бастрыкина «Сашей» и часто пользовался частным самолетом «Славы» — депутата Госдумы Владислава Резника. Фигурантам дела вменяется создание преступного сообщества в Испании, действующего с 1996 года и обвиняемого среди прочего в «убийствах, избиениях и угрозах, торговле оружием, вымогательстве, мошенничестве, фальсификации документов, торговле связями с влиятельными людьми, подкупе, контрабанде, наркотрафике, преступлениях против государственной казны, мошенническом банкротстве предприятий». На 488 страницах перечислены испанские предприятия, имевшие отношение к делу, прослушки разговоров, приведены рукописные записки и схемы.

Главного фигуранта основного дела — Геннадия Петрова — подозревают в отмывании 24,5 миллионов евро, полученных от наркотрафика и других незаконных видов деятельности.

При обыске у Петрова были изъяты документы, содержащие информацию об операциях по отмыванию денег через компанию *Vera Metallurgica*, дочернюю структуру Уральской горно-металлургической компании (УГМК). УГМК сегодня считается главным активом Бокарева и Махмудова, но тогда, в первой половине 2000-х главными владельцами были Махмудов и Дерипаска, а Бокарев был лишь бенефициаром. Именно поэтому Бокареву и тут пока удается выйти сухим из воды. Следствие выделило в отдельное производство дело по отмыванию средств и там фигурируют и *Искандер Махмудов по кличке «китаец»*, и хорошо известный в криминальном мире *Михаил Черный*, скрывающийся от «Интепола» в Израиле, и Олег Дерипаска (уже давший следствию показания и рассказавший о мафии, крышавшей

его бизнес), а вот Бокарев не упоминается (еще один повод ходить в белоснежном костюме победителя). Впрочем, следствие еще не закончено.

Материалы испанского следствия в отношении Махмудова были переданы в Россию в рамках международного следственного поручения в 2012 году. Из ответа на запрос «Трансперенси Интернейшл» [мы узнаем](#), что Следственный департамент МВД проводит «дальнейшее расследование» по статьям 174 и 210 УК РФ (легализация и отмывание средств и создание преступного сообщества), в отношении Махмудова, Дерипаски и «других лиц» (фамилию Бокарева они также не озвучивают), а сроки следствия постоянно продлеваются.

Но какое отношение связь Бокарева и Махмудова с авторитетом Петровым может быть иметь к попаданию в число приближенных? Все просто – сам Петров имеет долгие и тесные связи с «ближним кругом».

Путин и Петров

В 1992 году Геннадий Петров и Александр Малышев были арестованы в Петербурге в по обвинению в вымогательстве и создании преступного сообщества, но были выпущены, получив смехотворные сроки за ношение оружия, и уехали в Испанию. По свидетельству члена японской якудза (его имя – Киничи Камиясу есть в питерском деле Петрова-Малышева, копия имеется в распоряжении The Insider), фактически Петров и Малышев [контролировали](#) муниципальное казино «Нева-Шанс», учрежденное мэрией по адресу комитета Владимира Путина (по заявлениям Владимира Путина, деньги от казино должны были пойти «бедным людям», но ничего не получилось, поскольку казино работало с черным налом).

 Description: C6E7797-B5B0-42C7-8D5D-7E904757205F_w600_r1

Геннадий Петров, Киничи Камиясу, Александр Малышев

Как следует из этого же питерского дела Петрова-Малышева, а также [акта](#) проверки КРУ Минфина от 1996 года, структуры Петрова и Малышева при участии друга Владимира Путина шоумена Владимира Киселева (того самого, что не так давно оскандалился с подставным благотворительным фондом «Федерация») организовывали так называемые «Фестивали поп-музыки» в Петербурге в 1992—1994, получая финансирование через корпорацию «XX трест», а та, в свою очередь, — [из бюджета](#) Петербурга. Корпорация очень креативно использовала бюджетные средства, построив особняки и гостиницы в Аликанте и Торревьеха в Испании начале 90-х. Именно в Аликанте уехал Геннадий Петров в 1996 году и здесь же была зарегистрирована «Vera Metallurgica».

В обвинительное заключение попала прослушка разговора между Сергеем Кузьминым и Виктором Гавриленковым, в котором они обсуждают отели в Аликанте и «дом Путина неподалеку, в Торревьехе». Всего Путин упоминается в обвинительном заключении три раза.

В настоящее время Геннадий Петров, которого испанские власти отпустили из-под ареста «на лечение» несколько лет назад, надеясь, что он вернется, [проживает](#) в элитном доме на Каменном острове в Петербурге. Здесь же располагаются, например, квартиры экс-главы управделами президента *Владимира Кожина*, *Николая Шамалова* и *Виктора Мячина* (оба — члены кооператива «Озеро»). На имя его сына Антона Петрова зарегистрированы десятки компаний. Как говорят эксперты по питерскому криминалу, фактически это бизнес его отца, который все еще является крупным игроком в современном Петербурге.

 Description: treet_1

Дом на Каменном острове, в котором Петров живет вместе с членами кооператива «Озеро»

По словам тех же экспертов по криминалу, Геннадий Петров якобы занял «правильную позицию» в поддержке властей в отличие от «тамбовского» авторитета Владимира Кумарина, который занял «непоследовательную позицию» и поэтому отправился в тюрьму. Эти слова подтверждаются данными из обвинительного заключения, где зафиксирована прослушка разговора Петрова с Леонидом Христофоровым от августа 2007 года:

«26 августа 2007 года (в 15:25:42 часов) в разговоре между Леонидом Д. Христофоровым и Геннадием Петровым, последний говорит о том, что Игорь сообщил ему, что Кумарин-Барсуков был арестован по указанию царя (как полагает Испанская полиция, речь может идти о Владимире Путине)».

Бывшему руководителю «Петербургской топливной компании» Кумарину (он же «ночной губернатор Петербурга»), находящемуся под стражей с 2007 года, в России предъявляют все новые и новые обвинения, вплоть до убийства Галины Старовойтовой.

Примечательно, что и Кумарина, и Петрова источники испанского правосудия называют людьми, сотрудничавшими с КГБ с конца 80-х годов.

Имидж-мейкеры Кремля за рубежом

Уголовное дело в Испании не мешает Искандру Махмудову и Андрею Бокареву выстраивать лоббистские связи во Франции. Их главный партнер в этой стране — французский миллиардер и владелец *Alstom Мартен Буиг*, купивший 25% акций «Трансмашхолдинга». Именно на верфях Alstom строились злополучные «Мистрали», которые никак не доплывут до России.

Другой общий бизнес Буига с Бокаревым-Махмудовым — Корпорация The Breakers Investment. Четверть акций этой компании принадлежит также РЖД, но Якунин (еще один член кооператива «Озеро») планирует продать их Буигу, доведя его долю до 50%.

Россия не единственная страна, с которой Буигу нравится работать. Он также занимается практически монопольным строительством в Туркменистане, где компания возвела дворец туркмен-баши.

Мартен Буиг, главный союзник Путина и туркмен-баши во Франции

Еще одна важная деталь. Искандер Махмудов является партнером ассоциации «Франко-Российский диалог», возглавляемой *Владимиром Якуниным* и депутатом Национальной Ассамблеи Тьерри Марьяни. За последний год она стала известна тем, что организовала лоббистские поездки французских депутатов в Москву и наоборот. Так, она организовала визит Сергея Нарышкина, теоретически находящегося под санкциями, в Париж несколько месяцев назад. На закрытой встрече с депутатами Национальной Ассамблеи и французскими бизнесменами (запись встречи имеется у The Insider) Нарышкин посетовал, что санкции являются «незаконными, поскольку нет решения суда», «нет решения ООН», и призвал французских депутатов помочь их отменить. «Поддержать наших российских друзей в непростой период» на Петербургский экономический форум недавно съездил Тьерри Марьяни. Он известен заявлениями во Франции о том, что Россия имеет права на Крым и о необходимости развивать сотрудничество с Россией несмотря ни на что. Впрочем, такие заявления делает не только Марьяни, но и некоторые французские интеллектуалы, ранее отобедовавшие с Дерипаской. В свое время Дерипаске было отказано в проведении IPO Русала в Лондоне, и тогда он успешно сделал это в Париже, проведя серию лоббистских встреч.

Владимир Якунин помогает Бокареву-Махмудову не только с госзаказами, но и с лоббированием кремлевских интересов во Франции

Так совпало, что и в этой лоббистской деятельности Бокарев и Махмудов стали преемниками Геннадия Тимченко, в 2011 года избранного главой «Экономического совета российских и французских предприятий», с тем чтобы «улучшать имидж России во Франции». Еще до принятия санкций ставший кавалером ордена почетного легиона Тимченко собрался выступить перед французской общественностью, но в последний момент сослался на занятость. После принятия санкций стало очевидно, что Тимченко решил поменьше «светиться» во Франции, во всяком случае, его

адвокаты остановили усилия по подаче исков против критических публикаций во французской прессе. Имидж России с помощью Тимченко улучшить не удалось, но Кремль не отчаивается. Найдены новые «имиджмейкеры», например, Махмудов.

Что же касается перспектив уголовного дела в Испании, пока не понятно, кого именно удастся осудить. Так, Пабло Муньос в разговоре с *The Insider* выразил сомнение, что без проведения расследования в России возможно привлечение к ответственности главных действующих лиц, среди которых — и Махмудов по кличке «китаец». И уж тем более маловероятно, что в числе осужденных окажется его верный оруженосец, непобедимый Андрей Бокарев. Новые российские олигархи, потеснившие Ротенберга и Тимченко и ставшие главными операторами российских денег за рубежом, чувствуют себя прекрасно. Выражаясь словами завсегдатая бокаревских домашних вечеринок *Григория Лелса*, «моё небо — синее, в алмазах, что-то мне по жизни принесет».

Анастасия Кириленко