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13 March 2017

THE RUSSIAN CARD IN THE MOLDAVIAN GAME

Igor Dodon will make a visit to Russia from March 16-18. This is the second trip to Moscow for the Moldovan president in two months. Dodon and the Socialist Party backing him, have already gained the support of Russia, which might decide the victory of the Socialists in the parliamentary elections in 2018. During his second stay in Moscow, Dodon intends to emphasize his pro-Russian attitude, which will be all the more conspicuous given that official relations between Russia and Moldova have become seriously tense.

On March 9, Andrian Candu, the Chairman of the Moldovan Parliament associated with the pro-European majority, said that in recent months, Russian intelligence officers treated 25 Moldovan deputies, officers and pro-Western politicians “in a degrading manner”. Moldovans were deliberately held for hours at border crossings. Prime Minister Pavel Filip and Candu called the Russian ambassador on the carpet. They also appealed to politicians, civil servants and state officials to avoid trips to Russia (in traveling to Moscow the president deliberately

ignored this appeal). The repressive measures against Moldovans may be in retaliation for an investigation by authorities in Chisinau into Russian money laundering in Moldovan banks – it concerns tens of millions of dollars and high Russian officials who were involved in dealings.

A serious crisis between Moscow and Chisinau isn't expected. The diplomatic tension may however be used – just like the recent, supposedly unexpected recall of the ambassador in Moscow – in internal

intrigues in Moldova. The government, parliament, courts and most of the media is controlled by Vladimir Plahotniuc. The oligarch is guided solely by his own political interests. He currently plays defender of Moldova's pro-European course, which comes easily for him with Dodona as his rival. The president, whose power is symbolic, loudly proclaims in every direction

that he wants an alliance with Russia and to break with the West. Plahotniuc created this rival himself, quietly supporting him during the presidential campaign in the fall of 2016. The current system suits both sides. Plahotniuc is the only partner for the West and blocks any real, pro-European center-right, while Dodon builds support for his socialists before the election.



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13 March 2017

GENERAL SECHIN RETURNS TO THE LUBYANKA

On March 10, the president of Rosneft, Igor Sechin, confirmed that General Oleg Feoktistov, a senior company employee responsible for his security, left the company. The former vice president of the company and head of its security department returned to service – in the FSB. Already a few days earlier, unconfirmed rumors circulated about the departure of the officer from the company – the first interpretation said that it could be a blow against Igor Sechin. Rumors appeared that Feoktistov was also removed from service, and even demoted. After several days of uncertainty, information surfaced that the general returned to the Lubyanka to the position of deputy head of the Economic Security Service of the FSB. If this is confirmed, it won't mean a defeat, but a success for Sechin, Feoktistov's political patron.

The general began work in Rosneft in August 2016. It was a rather surprising situation, because it was expected that the former deputy head of the Board of Internal Security of the FSB would advance within the service. It was then, in consultation with Sechin, that Feoktistov initiated and supervised an operation against the Minister of Economic Development Alexei Ulyukayev. Even after departing from the Lubyanka. He was situated in Rosneft as a delegate employee. Such officers are sent by the head of the FSB to companies of strategic importance for national security.

Oleg Feoktistov previously oversaw the 6th Service Board of Internal Security of the FSB. This elite unit was responsible for the most high-profile, anti-corruption operations,

which, however, had a political backdrop. The “Six” stopped three governors, many high-ranking officials and officers of the Interior Ministry, the Investigative Committee and the FSB, among others. In the latter, people of the 6th Service took over the Economic Security Service – a powerful economic-financial counterintelligence operation. It was expected that Feoktistov would take a high position there. But then, to the surprise of many, the officer left for Rosneft. This was interpreted as an expression of Putin’s dissatisfaction with the excessive influence of people associated with Sechin at the Lubyanka. If the information about Feoktistov’s promotion is confirmed, it will mean that some agreement has been reached with the head of Rosneft, one of the most powerful politicians in Russia today.

15 March 2017

THE RUSSIANS RETURNED TO LIBYA

Russian special forces are operating in Egypt, near the Libyan border – says Reuters, citing U.S. government sources. The task of the several dozen commandos is said to be to support units of general Khalifa Haftar, a rival to the Libyan government recognized by the EU and the UN. The Russian contingent is located in the town of Sidi Barrani. Of course, Moscow has denied the information reported by Reuters, but no one has denied reports that Russian mercenaries are involved in military operations in eastern Libya near Benghazi, a city controlled by Haftar. The general was invited to Moscow last November, while in January, he was a guest on the aircraft carrier Admiral Kuznetsov, where he participated in a teleconference with Russian Defense Minister Sergei Shoigu. Several hundred of Haftar’s wounded soldiers are being treated in Russia.

By supporting one side in the Libyan civil war, Russia wants to gain influence in the final shape of the Libyan government once it ends. This is part of Moscow’s wider strategy, which aims to build a strong position in the entire MENA region (Middle East and North Africa) and occupy the space

abandoned by the Americans during the Obama administration. This is visible not only in Syria but also in Egypt. Russia aims not just to cooperate with local regimes, if only to sell them weapons, but also to establish military bases in the region. If Putin’s ally takes control of Libya, the agreements which



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the EU made with the Tripoli government will be in jeopardy. Placing an ally at the helm of the government in Tripoli is also a matter of honor for Putin, who remembers the humiliation that was the “color revolution”, and then the intervention of NATO in Libya. The entrance into Libya is also important to Moscow for two other reasons. First, the country is a major exporter of hydrocarbons. In London, at the end of February, the president of Rosneft, Igor Sechin, and the head

of the national oil company of Libya, Mustafa Sanalla, signed a cooperation agreement. This clears the way for the Russian return to the Libyan oil market, from which they were expelled after the overthrow of Gaddafi. Second, Libya is near Italy and is one of the sources of the migrant inflow to Europe. Having influence on the course of events in this country gives the Russians the possibility to direct a new, large flow of refugees towards the EU with the aim of destabilizing Europe.

15 March 2017

THE CREEPING ANNEXATION

In recent weeks, Moscow has made a number of decisions regarding the small quasi-states on post-Soviet territory that are dependent on them, but unrecognized by the international community. All have one common denominator: they are strengthening their relationship with Russia. Whether economically (the “people’s republics” in the Donbass) or security-wise (South Ossetia). The Kremlin is thus reinforcing its position in the regions critical to its security while avoiding irreversible obligations that could be exploited by the West to strengthen sanctions (the economy) and the eastern flank of NATO (security).

On March 14, Vladimir Putin made the decision to incorporate the armed forces

of separatist South Ossetia into the command structure of the Russian army. Russia has



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maintained de facto control of this region of Georgia for many years, which had in the early 1990s declared allegiance to the authorities in Tbilisi. So far, however, Moscow has claimed that South Ossetia is a sovereign, independent state. Absorbing the armed forces of this “republic” can be interpreted as a step towards the annexation of South Ossetia. All the more so with presidential elections scheduled for April 9, along with a plebiscite regarding a name change to the “state”. It would be called South Ossetia – the State of Alania. Already, the region neighboring the Russian Federation, inhabited mainly by Ossetians, is named the Republic of North Ossetia – Alania. The similarity of the names may

suggest a future unification of the regions. Other moves binding the separatist regions even more closely with Russia are: “parliamentary” elections in Abkhazia (March 12), Moscow’s recognition of identity documents of the “people’s republics” in the occupied part of the Donbass (February 18), the recognition of the Russian ruble by the so-called “Luhansk People’s Republic” as the official means of payment (March 1), the opening of an “agency” in Moscow by Wadim Krasnosielski, the recently elected “president” of Transnistria, headed by Alexander Caraman, until recently a highly-positioned delegate in the so-called “Donetsk People’s Republic”.

17 March 2017

PUTIN’S INCREASINGLY POWERFUL PRAETORIANS

The National Guard of Russia is to receive additional powers, thanks to which it will become a fully-fledged, institutional force. According to the Rosbalt news agency, the Kremlin is planning for the Guard to take over two important organizational units of the Interior Ministry. The half-million strong National

Guard (Rosgwardia) is based on the old internal troops and has a militarized structure. It's more of an armed formation than a special service. This will change after the takeover of the Management Board on Combating Extremism (Center "E") and the Board of Safety Assurance for State Protected Individuals. What's more, the Rosgwardia will not only take over the boards, but their powers will also be expanded. Counter extremism and state security, may be joined with the fight against terrorism and leaders of organized crime. Rosgwardia will gain an investigative capacity, the ability to organize and run their own network of agents, the tapping of telephone conversations and surveillance of electronic communications of all kinds.



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The strengthening of the National Guard confirms that Putin is afraid of some type of internal revolt and riots. The formation, headed by a trusted silovik, the former head of personal protection for Putin, General Viktor Zolotov, is prepared for counter-revolutionary actions. Recently, the chairman of the board of the Guard in Altai Krai said as much, in that the main task of the forces under his command is to fight the “fifth column” and “revolutionary movement” among the population. Center “E” of the Interior Ministry, which is to be taken over by the Guard, is nothing more than an opposition-fighting division, a traditional political police.

The new Kremlin plan certainly will not appeal to other power structures, especially the FSB and the Interior Ministry. A year ago, when the Guard was formed, they managed to block it from obtaining operational and investigative service functions. The creation of the new formation struck a powerful blow to the Interior Ministry, which lost its internal troops and police Spetsnaz to the Guard. Now it would lose more power. In turn, the FSB is afraid of competition. The Kremlin's current idea may be Putin's attempt to balance the recent, much-extended influence of the Lubyanka. And it foreshadows a new phase of the “Silovik war” in Russia.



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24 March 2017

RUSSIA SUPPORTS THE TALIBAN

There are more and more signals of increased cooperation between Russia and the Taliban insurgents fighting the Afghan government chosen in a democratic election and supported by the West. This time the fact has been commented on by NATO Supreme Allied Commander Europe. On 23 March, General Curtis Scaparrotti in a hearing before the Senate Armed Services Committee said that there was evidence of growing Russian influence on Afghan Taliban insurgents. Moscow “perhaps even provides supplies for the Taliban”. The former commander of international allied forces in Afghanistan did not elaborate on what kind of supplies may be headed to the Taliban by Russia.

Last month, another US General, John Nicholson, current commander of international military force in Afghanistan, testified in the Senate that Russia provided supplies as well as diplomatic support to the Taliban. Moscow consequently denies any such accusations. Taliban representatives had already told Reuters that the group has had contacts with Moscow since at least 2007, but Russian involvement did not extend beyond “moral and political support”. However, evidence of military cooperation can be seen in the very Afghanistan itself. The fighting

going on in some southern and northern provinces proves that the Taliban receive support not only from Pakistan but also from Russian and Iran. In the Kunduz province weapons made in Russia have been found. Besides, there have been accusations from Kabul that Russian engineers repair Taliban heavy weapons in Tajikistan. Afghan Senate has promised to examine military contacts of the Taliban with Iran and Russia.

At the end of December 2016, special presidential envoy of Putin to Afghanistan,

Zamir Kabulov, admitted that Moscow is in contact with the Taliban leaders. “In Afghanistan, the Taliban are fighting against people that we fight in Syria, and thus our interests are aligned,” Kabulov said. Following the success in Syria, Putin wants to strike the United States at yet another front. Russia and the West have no common goals in

Afghanistan. On the contrary, for the Russian siloviki Afghanistan is yet another front of global competition with the US. Going back to Afghanistan, Russia wants to strengthen its influence in Central Asia and take part in international arrangements concerning Afghanistan.



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24 March 2017

AN ASSASSINATION IN KIEV

An ex-member of the Russian State Duma, Denis Voronenkov, was shot dead on 23 March, when accompanied by his bodyguard he was heading to the Premier Palace Hotel. A spokesman for the Ministry of Interior said that the assassin fired at least eight shots from “an old Soviet gun”. Voronenkov was killed on the spot. His bodyguard shot the attacker, but the latter didn’t manage to give any explanations. After being taken to the hospital he didn’t survive 24 hours.

On March 9, Andrian Candu, the Chairman of the Moldovan Parliament associated with the pro-European majority, said that in recent months, Russian intelligence officers treated 25 Moldovan deputies, officers and pro-Western politicians “in a degrading manner”. Moldovans were deliberately held for hours at border crossings. Prime Minister Pavel Filip and Candu called

the Russian ambassador on the carpet. They also appealed to politicians, civil servants and state officials to avoid trips to Russia (in traveling to Moscow the president deliberately ignored this appeal). The repressive measures against Moldovans may be in retaliation for an investigation by authorities in Chisinau into Russian money laundering in Moldovan banks – it concerns tens of millions of dollars

and high Russian officials who were involved in dealings.

A serious crisis between Moscow and Chisinau isn't expected. The diplomatic tension may however be used – just like the recent, supposedly unexpected recall of the ambassador in Moscow – in internal intrigues in Moldova. The government, parliament, courts and most of the media is controlled by Vladimir Plahotniuc. The oligarch is guided solely by his own political interests. He currently plays defender of Moldova's pro-

European course, which comes easily for him with Dodona as his rival. The president, whose power is symbolic, loudly proclaims in every direction that he wants an alliance with Russia and to break with the West. Plahotniuc created this rival himself, quietly supporting him during the presidential campaign in the fall of 2016. The current system suits both sides. Plahotniuc is the only partner for the West and blocks any real, pro-European center-right, while Dodon builds support for his socialists before the election.



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24 March 2017

CORRUPTION, A WITNESS, AND MURDER IN A PRISON CELL

Vladimir Yevdokimov was one of many Russian officials awaiting a trial in prison. His testimony could sink some high-ranking people, and the revealed corruption scheme may extend to the milieu of one of Putin's cronies, Sergey Chemezov – CEO of a Russian megacorporation called Rostech. What's more, Yevdokimov was one of key employees of Roscosmos – an institution referred to as the “Russian NASA”, however much more powerful than its US counterpart thanks to its extensive production facilities.

Yevdokimov was arrested soon after the Progress MS-04 aircraft was lost on 1 December 2016. This was the eleventh mishap of this kind since 2010. Yevdokimov was responsible for controlling the quality and reliability of launch vessels. However, the charges against him related to the period 2007-2009 and his job in one of large aviation companies. The alleged fraud was worth around 3 million US dollars. Yevdokimov requested the court not to be placed in prison and stated that he was willing to cooperate in the investigation. His defense wanted the release on 30 million rubles bail, but the judge did not consent. Usually, former state officials remanded in custody are kept in separate, single-person prison cells with 24/7 monitoring by security cameras. Yevdokimov, however, was placed in a Moscow prison in a cell for six. The cell was monitored constantly by CCTV cameras. In February he was transferred to another prison, with no reasons given. He shared his new cell with 11 inmates, and the cell had not been yet equipped with CCTV cameras. Around 4 a.m. on 18 March Yevdokimov's body was found in the cell's toilet. Three stab wounds were identified: two

in the heart and one in the neck. Early reports suggested that law enforcement authorities were investigating Yevdokimov's death as a possible suicide, but on 18 March the Investigation Committee opened a murder case. Version that Yevdokimov had a fight with the inmates was dismissed. Murder of a man in prison must be sanctioned by the so-called "vory v zakone" or "thieves-in-law" (Russian criminal aristocracy), who are responsible for keeping order in a given prison. Secondly, Yevdokimov's inmates from the prison cell were generally accused of economic crimes. After two days of investigations, public prosecutors started to lean towards a theory that Yevdokimov had been murdered because of his cooperation in the fraud investigation. It cannot be excluded that he was a victim of a paid killer. His testimony may be threatening to some top officials, also those having strong influence in the government. It is doubtless that the circumstances of Yevdokimov's murder will be explained or that persons who had commissioned the killing will be found. This is not the first case in Russia when dangerous witnesses do not make it to the trial.

26 March 2017

MINOR CUTS IN DEFENSE SPENDING

Defense spending in Russia has decreased, not increased, for the first time in almost a decade. Russian government announced the decrease in defense spending in its draft budget for 2017, 2018 and 2019, made public in October last year. The total reduction over 3 years will equal 6%.

The biggest cut, namely 7%, has been planned in the current year. This means that from over 3.1 trillion rubles (budget for 2016) just 230 billion will be deducted. Despite this cut, Russia's defense budget for 2017 will still be 14.4% higher than in 2014. This drop in defense spending follows a long period of continuing military budget increase. In the past six years, military spending has increased on average by 19.8% annually.

In 2011, it was equal to 1.52 trillion rubles (13.9% of total budget expenditure), in 2012 to 1.81 trillion (14.1%), in 2013 to 2.1 trillion (15.8%), in 2014 to 2.48 trillion (16,7%), in 2015 to 3.18 trillion (20,4%), and in 2016 to 3.16 trillion (19,4%).

Moreover, the foreseen reductions will still be lower in the coming years. Following 7% cut in the current year, in 2018 and 2019



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defense spending will drop by 3.2% and by 4.8%, respectively. However, the cuts foreseen in the budget may still in fact be lower. Such a situation happened in the past. Besides, the real defense spending is much higher than officially shown in a relevant budget item, as the funds allocated for defense related issues, defense procurement and security are frequently disguised in other parts of the budget, and classified under misleading budget titles, for example education (military academies), science and research (armaments), or humanitarian aid and development (Donbass, Syria). The Putin Russia is very similar to the Soviet Union in

this respect – defense spending remains a state secret. Considering the militaristic, aggressive policy pursued by Putin and his specific arms race with the NATO, which judging from what Trump has been saying will only accelerate, no real significant cuts in defense spending may be expected in the coming years. Groups that benefit from such a situation, both in terms of power and financially, are influential and not willing to change it. Such groups include Kremlin's advocates of confrontation with the West, generals, chiefs of secret services, and presidents of large enterprises getting orders from the army.

26 March 2017

GRU CONSPIRACY IN MONTENEGRO

One of chief suspects in the attempted coup d'état in Montenegro, a Serbian nationalist Aleksandar Sindjelic, admitted that he had been recruited by Eduard Shishmakov, an agent for GRU military intelligence. Sindjelic allegedly testified that Shishmakov had organized a group of some five hundred people who were supposed to stage a coup d'état on the election day (16 October 2016) and to seize and kill Prime Minister Milo Djukanovic.

In the previous year, Sindjelic had visited Moscow on numerous occasions. There he met secretly with Shishmakov to receive

instructions how to organize the logistics of the putsch and also to buy weapons and other provisions. Sindjelic had been given a



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considerable sum of money for this task. He also testified that during one of his visits to Moscow he was subject to a polygraph test, in one of GRU buildings.

Attorneys representing other suspects in the case reject testimony given by Sindjelic, who is one of five Serbs arrested by local services and surrendered to Montenegro. In total, several dozen of people, Serbs and Montenegrins, have been detained in this case. Effective actions of Montenegrin and Serbian intelligence, supported by some western countries, prevented the coup attempt on the election day. Most of the plotters had been arrested day before the elections.

Using the elections in fall of 2016, Moscow attempted to overthrow the Montenegrin leader, Milo Djukanovic, and to block Montenegro's access to NATO. The coup d'état was to be mounted by Serbian and Russian nationalists, masterminded by GRU. According to a Montenegrin prosecutor, the plot was led by Eduard Shishmakov, a GRU

officer. Shishmakov used to hold the post of Russian military attaché in Warsaw, and in 2014 he was declared as persona non grata. Accused of espionage, he was expelled from Poland.

In 2006, when Montenegro declared independence, Russia did not object, even though this move weakened Serbia, traditionally the ally of Moscow in the Balkans. Also the pro-western aspirations of Milo Djukanovic, who at the time already talked about Montenegro joining the EU and NATO, raised no problems. At the time Montenegro opened its doors for Russian investment and bilateral relations were very good. The pro-western direction pursued by Podgorica became an object of Moscow's criticism only when the war with Ukraine broke out and the relations of Russia with the West deteriorated. The march of Montenegro towards the West was to be finally stopped by the putsch in mid October – the putsch failed, and the relations between Djukanovic and Russia worsened even further.

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