

Bates Nos. 2018-06-192:
000752 – 000755
Pending Consultation with
Another Component of
Treasury

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Discover the Truth at: <http://www.theblackvault.com>

Files to Move to JWICS

From: (b)(6), (b)(7)(C)
To: Secure Service Desk <secureservicedesk@treasury.gov>
Date: Tue, 04 Feb 2014 13:45:37 -0500
Attachments: Moscow holds one of the Largest Russian Lords to Launder Money in Spain.pdf (20.78 kB); Spate of Suspect Deaths Casts Spotlight on Moscows Remand Prisons.pdf (131.57 kB)

Can I get the attached files moved to JWICS please? Thank you.

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

Sanctions Investigator
Office of Foreign Assets Control
UNCLASS (b)(6), (b)(7)(C)
TSVOIP (b)(6), (b)(7)(C)
SIPR: (b)(6), (b)(7)(C)
JWICS: (b)(6), (b)(7)(C)

EL PAIS

PRINT EDITION

PHOTO

THURSDAY, November 4, 2010

Moscow holds one of the largest Russian mafia lords to launder money in Spain

HILLOCK MANUEL | Madrid | 4 NOV 2010

Filed in: Zakhar Kalashov Knyazevich Money Laundering Mafia Tax offenses Russia Delinquency
Europe this Europe Crimes Policy Justice

The Birthday Party Zakar Kalashov Russian mobster was the beginning of its decline. The four major *vory v zakone* (thieves in law, highest degree of organized crime in the former USSR) who attended the banquet held in a hotel in Villajoyosa (Alicante) on March 20, 2003, have fallen into the clutches police since. Also the host, sentenced to seven and a half years for money laundering in Spain and yet to be delivered to Georgia to stand trial on kidnapping and mafia association.

After Kalashov fell Taniel Oniani, arrested in Moscow in 2008 after managing to escape the police dragnet of Operation Avispa, led by the National Court judge Fernando Andreu. On 16 September, another great gangster, Aslan Usoyan, was shot near the Kremlin by an enemy clan. The fourth, Vitaly Izguilov, was released on bail of 300,000 euros in February.

Tiurin attended the birthday in 2003 Kalashov in Villajoyosa Yesterday Russian police reported that its agents, in collaboration with the FSB (the secret service had, heir to the KGB) arrested in the heart of the Russian capital Vladimir Tiurin, also claimed by Andreu by laundering money through a company based in Alicante called Vera Metallurgica and considered one of the most important mafia bosses, a range well above Kalashov, according to research. The Spanish judge accused also maintains its relationship with that *money washing* aluminum magnate Oleg Deripaska, one of the largest fortunes in Russia (and the world) and Interpol has issued a warrant for the arrest of Mikhail and international Chernoi, Israeli of Russian origin and alleged co-owner of the company, according to researchers, laundered funds from mafia clans as Ismailovskaya and Bratskaya, based in the city of Bratsk, Siberia.

This organization is allegedly headed by Vladimir Tiurin. The tentacles of the alleged mafia controlled the aluminum industry in that city. The researchers also considered one of the leaders of the bleaching structure built around Vera Metallurgica, with which was connected through a straw man called Natalia Chevrobnoskina. The offense, according to investigators, was consummated through fictitious iron shipments accounted for by the company.

Judge Andreu asked in the coming days his extradition to Russia, although the Russian police sources quoted by Efe assured that the laws of the country prevent the extradition of its citizens, so they could be tried there. The magistrate also plans to temporarily Oniani delivery.

© EDITIONS THE COUNTRY, SL |

RE: Work for (b)(6), (b)(7)(C) ?

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Date: Tue, 04 Feb 2014 14:29:02 -0500
Attachments: sentencia_kalashov.pdf (488.34 kB); Moscú detiene a uno de los mayores capos de la mafia rusa por blanquear dinero en España.pdf (20.79 kB)

See attached, the most important thing is the highlighted paragraph in the first document (pp. 20-21); the second one is only if there's time. Gracias!!!

-----Original Message-----
From: (b)(6), (b)(7)(C)
Sent: Tuesday, February 04, 2014 1:59 PM
To: (b)(6), (b)(7)(C)
Subject: RE: Work for (b)(6), (b)(7)(C)

Send it over.

From: (b)(6), (b)(7)(C)
Sent: Tuesday, February 04, 2014 11:48 AM
To: (b)(6), (b)(7)(C)
Subject: Work for (b)(6), (b)(7)(C)

Hola mi amor, I hope you're having a good day. I wanted to run something by you. What do you think about having (b)(6), (b)(7)(C) do some Spanish translations for me (similar to what you were doing for me before you left)? Would she have time to do it? It's primarily newspaper articles so the language wouldn't be too technical.

(b)(6), (b)(7)(C)
Sanctions Investigator
Office of Foreign Assets Control
UNCLASS (b)(6), (b)(7)(C)
TSVOID (b)(6), (b)(7)(C)
SIPR: (b)(6), (b)(7)(C)
JWICS: (b)(6), (b)(7)(C)

EL PAIS

ARCHIVO

EDICIÓN
IMPRESA

JUEVES, 4 de noviembre de 2010

Moscú detiene a uno de los mayores capos de la mafia rusa por blanquear dinero en España

MANUEL ALTOZANO | Madrid | 4 NOV 2010

Archivado en: Zakhar Knyazevich Kalashov | Blanqueo dinero | Mafia | Delitos fiscales | Rusia | Delincuencia
Europa este | Europa | Delitos | Política | Justicia

La fiesta de cumpleaños del mafioso ruso Zakar Kalashov fue el inicio de su declive. Los cuatro grandes *vory v zakone* (ladrones en la ley, máximo grado de la criminalidad organizada de la antigua URSS) que acudieron a ese banquete, celebrado en un hotel de Villajoyosa (Alicante) el 20 de marzo de 2003, han caído en las garras de la policía desde entonces. También el anfitrión, condenado a siete años y medio por blanqueo en España y pendiente de ser entregado a Georgia para ser juzgado por secuestro y asociación mafiosa.

Tras Kalashov cayó Tariel Oniani, arrestado en Moscú en 2008 después de lograr escapar del cerco policial de la Operación Avispa, dirigida por el juez de la Audiencia Nacional Fernando Andreu. El pasado 16 de septiembre, otro gran mafioso, Aslan Usoyan, fue tiroteado en las

proximidades del Kremlin por un clan enemigo. El cuarto, Vitaly Izguilov, fue puesto en libertad bajo fianza de 300.000 euros en febrero.

Tiurin asistió en 2003 al cumpleaños de Kalashov en Villajoyosa

Ayer, la policía rusa informó de que sus agentes, en colaboración con el FSB (el servicio secreto de ese país, heredero del KGB) detuvieron en pleno centro de la capital rusa a Vladimir Tiurin, reclamado también por Andreu por blanquear capitales a través de una empresa radicada en Alicante denominada Vera Metallurgica y considerado como uno de los jefes mafiosos más importantes, de un rango muy superior a Kalashov, según la investigación. El juez español también mantiene imputado por su relación con esa *lavadora de dinero* al magnate del aluminio Oleg Deripaska, una de las mayores fortunas de Rusia (y del mundo) y ha cursado a Interpol una orden de busca y captura internacional contra Mijail Chernoi, israelí de origen ruso y presunto copropietario de la compañía que, según los investigadores, blanqueaba fondos procedentes de clanes mafiosos como la Ismailovskaya y la Bratskaya, radicada en la ciudad de Bratsk, en Siberia.

Esta última organización es la supuestamente dirigida por Vladimir Tiurin. Los tentáculos del presunto mafioso controlaban la industria del aluminio en esa ciudad. Los investigadores lo consideran también uno de los líderes de la estructura de blanqueo creada en torno a Vera Metallurgica, con la que se relacionaba a través de una testaferra llamada Natalia Chevrobnoskina. El delito, según los investigadores, se consumaba a través de cargamentos ficticios de hierro contabilizados por la empresa.

El juez Andreu pedirá en los próximos días a Rusia su extradición, aunque fuentes de la policía rusa citadas por Efe

aseguraron que las leyes de ese país impiden la extradición de sus ciudadanos, por lo que podría ser juzgado allí. El magistrado también tiene previsto solicitar la entrega temporal de Oniani.

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Translation for the Transnational Criminal Organization team

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Cc: (b)(6), (b)(7)(C)
Date: Wed, 05 Feb 2014 17:39:32 -0500
Attachments: sentencia_kalashov.pdf (488.39 kB); Moscú detiene a uno de los mayores capos de la mafia rusa por blanquear dinero en España.pdf (20.87 kB); Moscow detains one of the major drug lords of the Russian mafia for mone....docx (15.6 kB); Kalashov Penal Excerpts.docx (15.98 kB)

Hi (b)(6), (b)(7)(C)
Please see the requested translations attached for your review. Please advise if you require additional assistance.
Thank you,
(b)(6), (b)(7)(C)

This email is UNCLASSIFIED.

From: (b)(6), (b)(7)(C)
Sent: Tuesday, February 12, 2014 6:16 PM
To: (b)(6), (b)(7)(C)
Cc: (b)(6), (b)(7)(C)
Subject: Translation for the Transnational Criminal Organization team

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

When you get a chance would you please translate from Spanish to English the following two items:

- 1) Highlighted paragraph in the, "Sentencia_Kalashov" document.
- 2) The entire article which is three (3) pages long, "Moscú detiene a uno de los mayores capos de la mafia rusa por blanquear dinero en España."

These items are for the TCO team at OFAC.

Thanks,

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

FW: Translation for the Transnational Criminal Organization team

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Cc: (b)(6), (b)(7)(C)
Date: Thu, 06 Feb 2014 10:20:17 -0500
Attachments: sentencia_kalashov.pdf (488.39 kB); Moscú detiene a uno de los mayores capos de la mafia rusa por blanquear dinero en España.pdf (20.87 kB); Kalashov Penal Excerpts.docx (15.98 kB); Moscow detains one of the major drug lords of the Russian mafia for mone .docx (15.67 kB)

Hi (b)(6), (b)(7)(C),

Both corrections have been added to the attachment as requested yesterday afternoon. As of now, unless (b)(6), (b)(7)(C) or (b)(6), (b)(7)(C) have any other suggestions/corrections, this is the final version for these translations.

Thanks,
(b)(6), (b)(7)(C)

This email is UNCLASSIFIED.

From: (b)(6), (b)(7)(C)
Sent: Wednesday, February 05, 2014 4:40 PM
To: (b)(6), (b)(7)(C)
Cc: (b)(6), (b)(7)(C)
Subject: Translation for the Transnational Criminal Organization team

Hi (b)(6), (b)(7)(C),

Please see the requested translations attached for your review. Please advise if you require additional assistance.

Thank you,
(b)(6), (b)(7)(C)

This email is UNCLASSIFIED.

From: (b)(6), (b)(7)(C)
Sent: Tuesday, February 04, 2014 6:16 PM
To: (b)(6), (b)(7)(C)
Cc: (b)(6), (b)(7)(C)
Subject: Translation for the Transnational Criminal Organization team

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

When you get a chance would you please translate from Spanish to English the following two items:

- 1) Highlighted paragraph in the, "Sentencia_Kalashov" document.
- 2) The entire article which is three (3) pages long, "Moscú detiene a uno de los mayores capos de la mafia rusa por blanquear dinero en España."

These items are for the TCO team at OFAC.

Thanks,

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

EL PAIS

ARCHIVO

EDICIÓN
IMPRESA

JUEVES, 4 de noviembre de 2010

Moscú detiene a uno de los mayores capos de la mafia rusa por blanquear dinero en España

MANUEL ALTOZANO | Madrid | 4 NOV 2010

Archivado en: Zakhar Knyazevich Kalashov | Blanqueo dinero | Mafia | Delitos fiscales | Rusia | Delincuencia
Europa este | Europa | Delitos | Política | Justicia

La fiesta de cumpleaños del mafioso ruso Zakar Kalashov fue el inicio de su declive. Los cuatro grandes *vory v zakone* (ladrones en la ley, máximo grado de la criminalidad organizada de la antigua URSS) que acudieron a ese banquete, celebrado en un hotel de Villajoyosa (Alicante) el 20 de marzo de 2003, han caído en las garras de la policía desde entonces. También el anfitrión, condenado a siete años y medio por blanqueo en España y pendiente de ser entregado a Georgia para ser juzgado por secuestro y asociación mafiosa.

Tras Kalashov cayó Tariel Oniani, arrestado en Moscú en 2008 después de lograr escapar del cerco policial de la Operación Avispa, dirigida por el juez de la Audiencia Nacional Fernando Andreu. El pasado 16 de septiembre, otro gran mafioso, Aslan Usoyan, fue tiroteado en las

proximidades del Kremlin por un clan enemigo. El cuarto, Vitaly Izguilov, fue puesto en libertad bajo fianza de 300.000 euros en febrero.

Tiurin asistió en 2003 al cumpleaños de Kalashov en Villajoyosa Ayer, la policía rusa informó de que sus agentes, en colaboración con el FSB (el servicio secreto de ese país, heredero del KGB) detuvieron en pleno centro de la capital rusa a Vladimir Tiurin, reclamado también por Andreu por blanquear capitales a través de una empresa radicada en Alicante denominada Vera Metallurgica y considerado como uno de los jefes mafiosos más importantes, de un rango muy superior a Kalashov, según la investigación. El juez español también mantiene imputado por su relación con esa *lavadora de dinero* al magnate del aluminio Oleg Deripaska, una de las mayores fortunas de Rusia (y del mundo) y ha cursado a Interpol una orden de busca y captura internacional contra Mijail Chernoi, israelí de origen ruso y presunto copropietario de la compañía que, según los investigadores, blanqueaba fondos procedentes de clanes mafiosos como la Ismailovskaya y la Bratskaya, radicada en la ciudad de Bratsk, en Siberia.

Esta última organización es la supuestamente dirigida por Vladimir Tiurin. Los tentáculos del presunto mafioso controlaban la industria del aluminio en esa ciudad. Los investigadores lo consideran también uno de los líderes de la estructura de blanqueo creada en torno a Vera Metallurgica, con la que se relacionaba a través de una testaferro llamada Natalia Chevrobnoskina. El delito, según los investigadores, se consumaba a través de cargamentos ficticios de hierro contabilizados por la empresa.

El juez Andreu pedirá en los próximos días a Rusia su extradición, aunque fuentes de la policía rusa citadas por Efe

aseguraron que las leyes de ese país impiden la extradición de sus ciudadanos, por lo que podría ser juzgado allí. El magistrado también tiene previsto solicitar la entrega temporal de Oniani.

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Moscow detains one of the major drug lords of the Russian mafia for money laundering in Spain

Madrid: November 4, 2010

Russian mobster Zakar Kalashov's birthday party was the beginning of his decline. The four greatest *vory v zakone* (Thieves in law, the highest level within the crime organization of the former USSR) who went to that banquet celebrated at the Villajoyosa Hotel in Alicante in March 20, 2003 have fallen into the hands of law enforcement since then. The host was also sentenced to seven and a half years for money laundering in Spain and is pending extradition to Georgia to be tried for kidnapping and his mafia ties.

Following Kalashov was Taniel Oniani, arrested in Moscow in 2008 after escaping police efforts to close in on Operation Avispa (Operation Wasp), directed by the judge of the Spanish National Court, Fernando Andreu. This past September 16, another major mobster, Aslan Usoyan, was gunned down near Kremlin by a clan enemy. The fourth, Vitaly Izguilov, was released on bail of 300.000 euros in February.

Yesterday, the Russian police declared that their agents in collaboration with the FSB (the Secret Service of this country, heirs of the KGB an acronym for *Komitet gosudarstvennoy bezopasnosti*) detained Vladimir Tiurin in the middle of the Russian capital. Andreu also made a claim that he (Tiurin) was laundering funds through one of the companies located in Alicante called Vera Metallurgica and is considered one of the most important mob bosses ranked superior to Kalashov according to the investigation.

The Spanish judge also applied money laundering charges to aluminum mogul Oleg Deripaska, (owner of) one of the greatest fortunes in Russia (and the world). (The judge) has issued an international arrest warrant through INTERPOL on Mijail Chernoi, an Israeli of Russian origin and alleged co-owner of the company which, according to investigators, launders proceeds of mob clans like Ismailovskaya and Bratskaya, located in Bratsk, Siberia.

This last organization mentioned is supposedly run by Vladimir Tiurin. The influence of the alleged mobster controlled the aluminum industry in that city. Investigators also considered him one of the leaders of the laundering structure behind Vera Metallurgica, which he was linked to through a middle person named Natalia Chevrobnoskina. The charge, according to investigators, was reporting fictitious loads of iron on the company books.

In the upcoming days Judge Andreu will ask Russia for an extradition even though Russian Law Enforcement sources quoted by Spanish News Agency assure that the laws of that country impede the extradition of its citizens, which means he will be tried there. The magistrate also foresees requesting the temporary transfer of Oniani.

Bates No. 2018-06-192: 000770
Pending Consultation with
Another Component of
Treasury

Bates Nos. 2018-06-192:
000771 – 000784
Pending Consultation with
Other Components of Treasury

Files to Move to JWICS

From: (b)(6), (b)(7)(C)
To: Secure Service Desk <secureservicedesk@treasury.gov>
Date: Fri, 21 Feb 2014 14:39:26 -0500

Attachments: Moscú detiene a uno de los mayores capos de la mafia rusa por blanquear dinero en España.pdf (172.69 kB);
sentencia_kalashov.pdf (131.35 kB); (b)(5), (b)(7)(A).pdf (24.22 kB); (b)(5), (b)(7)(A).pdf (13.34 kB); (b)(5), (b)(7)(A).pdf (24.11 kB); (b)(5), (b)(7)(A).pdf (24.88 kB); (b)(5), (b)(7)(A).pdf (25.33 kB); (b)(5), (b)(7)(A).pdf (26.49 kB);
(b)(5), (b)(7)(A).pdf (24.44 kB)

Can I get the attached files moved to JWICS please? Thank you.

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

Sanctions Investigator
Office of Foreign Assets Control

UNCLASS: (b)(6), (b)(7)(C)

TSVOIP: (b)(6), (b)(7)(C)

SIPR: (b)(6), (b)(7)(C)

JWICS: (b)(6), (b)(7)(C)

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Madrid: November 4, 2010

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http://elpais.com/diario/2010/11/04/espana/1288825206_850215.html

This translation was completed by (b)(6), (b)(7)(C) Investigative Assistant in OFAC's office at the U.S. Embassy in Mexico City, on February 6, 2014. (b)(6), (b)(7)(C)

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

EL PAIS

ARCHIVO

EDICIÓN
IMPRESA

JUEVES, 4 de noviembre de 2010

Moscú detiene a uno de los mayores capos de la mafia rusa por blanquear dinero en España

MANUEL ALTOZANO | Madrid | 4 NOV 2010

Archivado en: Zakhar Knyazevich Kalashov | Blanqueo dinero | Mafia | Delitos fiscales | Rusia | Delincuencia
Europa este | Europa | Delitos | Política | Justicia

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Notes on meeting with (b)(6), (b)(7)(C)

From: (b)(6), (b)(7)(C)

To: (b)(6), (b)(7)(C) (b)(6), (b)(7)(C)

Date: Wed, 12 Mar 2014 15:56:36 -0400

Attachments: MFR_3-11-14.docx (25.21 kB)

Please see attached document. I was not sure of the proper heading on the first page.

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

Bates Nos. 2018-06-192:
000791 - 000793
Withheld In Full Pursuant
to (b)(6), (b)(7)(A),
(b)(7)(C), (b)(7)(E)

Deripaska Document

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Date: Wed, 12 Mar 2014 23:02:15 -0400

See attached

 [Oleg Deripaska Application to Obtain Discovery from Arik..](#)

19_011-E3-00000172

2018-06-192: 000794

RE: (b)(5), (b)(7)(A) Documents

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Date: Tue, 18 Mar 2014 10:37:05 -0400

Thank you, (b)(6), (b)(7)(C)

I'm going to go through them as soon as I wrap up what (b)(6), (b)(7)(C) just asked me to do and will report back to you whatever I find.

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

From: (b)(6), (b)(7)(C)
Sent: Thursday, March 13, 2014 8:32 AM
To: (b)(6), (b)(7)(C)
CC:
Subject: (b)(5), (b)(7)(A) Documents

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

I went through the German court document last night and highlighted the relevant information, there's a bunch of really good background on (b)(5), (b)(6), (b)(7)(A), (b)(7)(C). Unfortunately, there's nothing on Deripaska. That said, I've also set up a new sub-folder in your (b)(6), (b)(7)(C) folder with a bunch of documents from the Chernoy-Deripaska lawsuit. There may be some good nuggets in them, so please start your search in those documents.

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

Bates Nos. 2018-06-192:
000796 - 000821
Pending Consultation with
Other Government Agency

Deripaska assessment

From: [REDACTED] (b)(6), (b)(7)(C)

To: [REDACTED] (b)(6), (b)(7)(C)

Date: Mon, 05 May 2014 16:45:12 -0400

Hello [REDACTED] (b)(6), (b)(7)(C)

Here is the identifier information for Oleg Deripaska:
DOB – January 2, 1968
POB – Dzerzhinsk, Nizhegorodskaya oblast, Russia

(b)(5)

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

Intern - TCO
Office of Foreign Assets Control

(b)(5), (b)(6), (b)(7)(A), (b)(7)(C)

draft evidentiary

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Cc: (b)(6), (b)(7)(C)
Date: Tue, 06 May 2014 16:04:55 -0400
Attachments: (b)(6), (b)(6), (b)(7)(A), (b)(7)(C) Evidentiary_v1.docx (32.7 kB)

Hello (b)(6), (b)(7)(C)

I finished drafting an evidentiary package for (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) - could you please let me know if this was what you had in mind? I did not put my name on it, since being an intern, I wasn't sure I could.

Thanks!

P.S. Any verdict on Deripaska?

(b)(6), (b)(7)(C)
Intern - ICO
Office of Foreign Assets Control

19_011-E3-00000269

2018-06-192: 000823

Bates No. 2018-06-192: 000824
Pending Consultation with
Other Government Agency

RE: (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) draft evidentiary

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Date: Fri, 09 May 2014 10:48:27 -0400

Can you send me the exhibits you're using? You'll also need to include a list of them at the end of the package.

From: (b)(6), (b)(7)(C)
Sent: Tuesday, May 06, 2014 4:05 PM
To: (b)(6), (b)(7)(C)
Cc: (b)(6), (b)(7)(C)
Subject: (b)(6), (b)(6), (b)(7)(A), (b)(7)(C) draft evidentiary

Hello (b)(6), (b)(7)(C)

I finished drafting an evidentiary package for (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) - could you please let me know if this was what you had in mind? I did not put my name on it, since being an intern, I wasn't sure I could.

Thanks!

P.S. Any verdict on Deripaska?

(b)(6), (b)(7)(C)
Intern - TCO
Office of Foreign Assets Control

19_011-E3-00000278

2018-06-192: 000825

RE: (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) draft evidentiary

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Date: Fri, 09 May 2014 14:35:13 -0400
Attachments: (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) Evidentiary (b)(6), (b)(7) Edits.docx (47.8 kB)

This looks good, my initial edits are attached. Please add an exhibit list and send me copies of the exhibits themselves so I can go through it one more time before you start making any changes. Thanks!!

From: (b)(6), (b)(7)(C)
Sent: Tuesday, May 06, 2014 4:05 PM
To: (b)(6), (b)(7)(C)
Cc: (b)(6), (b)(7)(C)
Subject: (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) draft evidentiary

Hello (b)(6), (b)(7)(C)

I finished drafting an evidentiary package for (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) could you please let me know if this was what you had in mind? I did not put my name on it, since being an intern, I wasn't sure I could.

Thanks!

P.S. Any verdict on Deripaska?

(b)(6), (b)(7)(C)
Intern - TCO
Office of Foreign Assets Control

19_011-E3-00000280

2018-06-192: 000826

RE: Start of an Evidentiary

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Date: Mon, 12 May 2014 09:37:18 -0400

I'll go ahead and finish the edits on the (b)(6), (b)(7)(A), (b)(7)(C) package and send the revised version and exhibits to you as soon as I'm done and move on to Purgin.

From: (b)(6), (b)(7)(C)
Sent: Monday, May 12, 2014 9:33 AM
To: (b)(6), (b)(7)(C)
Subject: RE: Start of an Evidentiary

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

Please go ahead and stop working on Deripaska and start working on Purgin instead. Also, I'll need copies of the exhibits for your (b)(6), (b)(7)(A), (b)(7)(C) package in order to finish reviewing it.

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

From: (b)(6), (b)(7)(C)
Sent: Friday, May 09, 2014 2:19 PM
To: (b)(6), (b)(7)(C)
Cc:
Subject: Start of an Evidentiary

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

I started an evidentiary on Purgin. Please let (b)(6), (b)(7) know if she needs to add any more exhibits. The current exhibits are in the Purgin folder.

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

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RE [REDACTED] draft evidentiary

From: [REDACTED] (b)(6), (b)(7)(C) >
To: [REDACTED] (b)(6), (b)(7)(C)
Date: Mon, 12 May 2014 09:38:25 -0400

I am doing edits based on [REDACTED] (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) review, so my exhibit package is changing; as soon as I'm done, I will send you links to the revised version [REDACTED] (b)(6), (b)(7)(C)

From: [REDACTED] (b)(6), (b)(7)(C)
Sent: Friday, May 09, 2014 4:44 PM
To: [REDACTED] (b)(6), (b)(7)(C)
Subject: RE: [REDACTED] (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) draft evidentiary

Can you send me your exhibit list and a link to the directory when you have your exhibits?
Thanks!
[REDACTED] (b)(6), (b)(7)(C)

From: [REDACTED] (b)(6), (b)(7)(C)
Sent: Tuesday, May 06, 2014 4:05 PM
To: [REDACTED] (b)(6), (b)(7)(C)
Cc: [REDACTED] (b)(6), (b)(7)(C)
Subject: [REDACTED] (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) draft evidentiary

Hello [REDACTED] (b)(6), (b)(7)(C)
I finished drafting an evidentiary package for [REDACTED] (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) - could you please let me know if this was what you had in mind? I did not put my name on it, since being an intern, I wasn't sure I could.

Thanks!
P.S. Any verdict on Deripaska?

[REDACTED] (b)(6), (b)(7)(C)
Intern - TCO
Office of Foreign Assets Control

RE: Start of an Evidentiary

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Cc: (b)(6), (b)(7)(C)
Date: Mon, 12 May 2014 14:02:54 -0400
Attachments: Exhibit Portfolio 2.pdf (5.35 MB) (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) Evidentiary_ Revised.docx (37.64 kB)

Hello,

Attached is the revised evidentiary package for (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) with exhibit list – I compiled the exhibits in a portfolio. Both files are in the (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) folder on the Shared Drive:
G:\FAC\Int\Transnational Criminal Organizations (b)(6), (b)(7)(A) Organized Crime Info\Kolbayev\Associates (b)(5), (b)(6), (b)(7)(A), (b)(7)(C)

(b)(6), (b)(7)(C) I was not sure how to incorporate one of your comments (I indicated why in the document); if I still need to change that, I might need to speak to you about it.

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

From: (b)(6), (b)(7)(C)
Sent: Monday, May 12, 2014 9:33 AM
To: (b)(6), (b)(7)(C)
Subject: RE: Start of an Evidentiary

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

Please go ahead and stop working on Deripaska and start working on Purgin instead. Also, I'll need copies of the exhibits for your (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) package in order to finish reviewing it.

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

From: (b)(6), (b)(7)(C)
Sent: Friday, May 09, 2014 2:19 PM
To: (b)(6), (b)(7)(C)
Cc: (b)(6), (b)(7)(C)
Subject: Start of an Evidentiary

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

I started an evidentiary on Purgin. Please let (b)(6), (b)(7)(C) know if she needs to add any more exhibits. The current exhibits are in the Purgin folder.

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

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(b)(5), (b)(6), (b)(7)(A), (b)(7)(C)

revised

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Date: Wed, 14 May 2014 14:13:36 -0400
Attachments: (b)(5), (b)(6), (b)(7)(A), (b)(7)(C) Evidentiary_Revised.docx (35.26 kB); Exhibit Portfolio 2.pdf (5.76 MB)

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

Attached is the revised evidentiary package for (b)(5), (b)(6), (b)(7)(A), (b)(7)(C). The documents can also be found here:

G:\FAC\Int\Transnational Criminal Organizations (b)(6), (b)(7)(A) Organized Crime Info\Kolbayev\Associates (b)(5), (b)(6), (b)(7)(A), (b)(7)(C)

The exhibits are all in the "Exhibits for package" sub-folder, as is the exhibit portfolio.

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

From: (b)(6), (b)(7)(C)
Sent: Monday, May 12, 2014 9:33 AM
To: (b)(6), (b)(7)(C)
Subject: RE: Start of an Evidentiary

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

Please go ahead and stop working on Deripaska and start working on Purgin instead. Also, I'll need copies of the exhibits for your package in order to finish reviewing it.

(b)(5), (b)(6), (b)(7)(A), (b)(7)(C)

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

From: (b)(6), (b)(7)(C)
Sent: Friday, May 09, 2014 2:19 PM
To: (b)(6), (b)(7)(C)
Cc: (b)(6), (b)(7)(C)
Subject: Start of an Evidentiary

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

I started an evidentiary on Purgin. Please let (b)(6), (b)(7) know if she needs to add any more exhibits. The current exhibits are in the Purgin folder.

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

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19_011-E3-00000293

2018-06-192: 000830

Bates No. 2018-06-192: 000831
Pending Consultation with
Other Government Agency

RE: Spanish translation

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Date: Wed, 30 Jul 2014 15:51:07 -0400

English Translation:

English:

A Russian spy helped a Georgian multimillionaire escape to Barcelona.

Another of the escapees in the "Wasp Operation" was the Russian Vladimir Tiurin, known as Tiourine and nicknamed, "Tiurik," that also in the final moment put land in between. However, investigators still remember him and just a month ago he was detained for a few hours by police in Mongolia, specifically in the capital, Ulan Bator, pursuant to an international warrant for his arrest issued by Spain. "It was not possible to bring him here because the authorities of the country let him go early and did not give him more time. In reality, the only thing I was looking for was to remain cordial with the international community, but they had no real intention that they could make the delivery.

This is an especially slippery character, according to sources consulted by ABC, and there is hardly any data. He is especially highlighted for his proximity to Oleg Deripaska, the wealthiest man in Russia, who controls 30 percent of the world's aluminum production. Thus, Tiurik has seen him on multiple occasions on board a private jet of a powerful businessman, one of the people with a large influence in Russia and after growing up with Boris Yeltsin was then capable to maintain excellent relations with Putin.

From: (b)(6), (b)(7)(C)
Sent: Wednesday, July 30, 2014 2:48 PM
To: (b)(6), (b)(7)(C)
Subject: Spanish translation

Hey, could you verify/tweak this Google translation? I just need to translate the title and the last 2 paragraphs of the article (given below). Thank you very much!
Here is the link to the original document: http://www.abc.es/hemeroteca/historico-06-07-2008/abc/Nacional/el-espionaje-ruso-ayuda-a-huir-de-barcelona-a-un-supercapo-georgiano-multimillonario_1641984423643.html.

Spanish:

El espionaje ruso ayudó a huir de Barcelona a un «supercapo» georgiano multimillonario

Otro de los evadidos en la «operación Avispa» fue el ruso Vladimir Tiurin, conocido como Tiourine y apodado, «Tiurik», que también prácticamente en el último momento puso tierra de por medio. Sin embargo, los investigadores aún se acuerdan de él y de hecho hace apenas un mes fue detenido durante unas horas por la Policía de Mongolia, en concreto en su capital, Ulan Bator, en cumplimiento de una orden internacional de busca y captura dictada por España. «No fue posible traerle hasta aquí porque las autoridades del país le dejaron libre muy pronto y no dio tiempo a más. En realidad, lo único que buscaban era quedar bien con la comunidad internacional, pero no tuvieron una intención real de que se pudiera realizar la entrega».

Se trata de un personaje especialmente escurridizo, según las fuentes consultadas por ABC, y del que apenas hay datos. Destaca especialmente por su cercanía a Oleg Deripaska, el hombre más rico de Rusia, que controla el 30 por ciento de la producción mundial de aluminio. Así, a Tiurik se le ha visto en muchas ocasiones a bordo del avión privado del poderosísimo empresario, una de las personas con mayor influencia en Rusia y que tras crecer junto a Boris Yeltsin fue capaz de mantener después magníficas relaciones con Putin.

English:

Another of the escapees in the "Wasp operation" was the Russian Vladimir Tiurin known as Tiourine and nicknamed "Tiurik" which also virtually at the last minute put land in between. However, researchers still remember him and made just a month ago was detained for several hours by police in Mongolia, particularly in the capital, Ulan Bator, pursuant to an international warrant for his arrest issued by Spain. "We could not bring him here because the country's authorities left him free soon and did not give more time. Actually, all I wanted was to look good with the international community, but had no real intention that delivery could take place. "

This is an especially slippery character, according to sources consulted by ABC, and there is hardly any data. Especially noted for its proximity to Oleg Deripaska, Russia's richest man, who controls 30 percent of global production of aluminum. Thus, Tiurik have seen him many times on board the private jet of powerful businessman, one of the most influential people in Russia and after growing by Boris Yeltsin was able to then maintain excellent relations with Putin.

Thanks again!

(b)(6), (b)(7)(C)
Intern, Office of Global Targeting

19_011-E3-0000399

2018-06-192: 000832

Office of Foreign Assets Control
U.S. Department of the Treasury
E-mail: (b)(6), (b)(7)(C)
Phone: (b)(6), (b)(7)(C)

Bates No. 2018-06-192: 000834
Pending Consultation with
Another Component of
Treasury and DOJ

Bates Nos. 2018-06-192:
000835 - 000861
Pending Consultation with
Other Government Agency

RE: Notes on meeting with (b)(6), (b)(7)(C)

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Date: Wed, 12 Mar 2014 17:04:31 -0400
Attachments: Alexander Afanasyev Judgement.pdf (764.99 kB); Germany Puts Suspected Russian Mafia Boss on Trial.pdf (21.98 kB)

Attached is a German news article as well as a translated copy of the final judgment in the Afanasyev case. Please take a look at them and highlight anything describing (b)(6), (b)(7)(A) activities, leadership, or connections to other criminals/criminal groups (especially Brothers' Circle members) or oligarchs.

From: (b)(6), (b)(7)(C)
Sent: Wednesday, March 12, 2014 4:42 PM
To: (b)(6), (b)(7)(C)
Subject: RE: Notes on meeting with (b)(6), (b)(7)(C)

Thanks. I just re-saved the Stuttgart Court case article, with some key paragraphs highlighted. It's in Russian, I can translate if you'd like me to.

From: (b)(6), (b)(7)(C)
Sent: Wednesday, March 12, 2014 4:39 PM
To: (b)(6), (b)(7)(C)
Subject: RE: Notes on meeting with (b)(6), (b)(7)(C)

Before I forget, here is the UK court database where I found some of the Deripaska rulings.
http://www.bailii.org/form/search_multidatabase.html

From: (b)(6), (b)(7)(C)
Sent: Wednesday, March 12, 2014 3:57 PM
To: (b)(6), (b)(7)(C)
Subject: Notes on meeting with (b)(6), (b)(7)(C)

Please see attached document. I was not sure of the proper heading on the first page.

Bates Nos. 2018-06-192:

000863 – 000973

Pending Consultation with DOJ

Bates Nos. 2018-06-192:

000974 – 000977

Pending Consultation with DOJ

Bates Nos. 2018-06-192:
000978 – 001082
Pending Consultation with
Other Government Agency

Bates Nos. 2018-06-192:
001083 – 001109
Pending Consultation with
Department of State

RUSSIA ARTICLES FOR VACATION

From: [REDACTED] (b)(6)
To: [REDACTED] (b)(6)
Date: Fri, 16 Sep 2016 18:31:07 -0400
Attachments: Document1.docx (32.66 kB)

19_011-E3-00000708

2018-06-192: 001110

RUSSIA ARTICLES FOR VACATION

The New York Review of Books

www.nyreview.com

September 29, 2015

The Real Power of Putin

By Benjamin Nathans

Benjamin Nathans is Ronald S. Lauder Endowed Term Associate Professor of History at the University of Pennsylvania and the author of *Beyond the Pale: The Jewish Encounter with Late Imperial Russia*. He is completing *To the Success of Our Hopeless Cause*, a history of the Soviet dissident movement.

The New Tsar: The Rise and Reign of Vladimir Putin

by Steven Lee Myers

Knopf, 572 pp., \$32.50

Putin Country: A Journey into the Real Russia

by Anne Garrels

Farrar, Straus and Giroux, 228 pp., \$26.00

Authoritarian Russia: Analyzing Post-Soviet Regime Changes

by Vladimir Gel'man

University of Pittsburgh Press, 208 pp., \$25.95 (paper)

The Strong State in Russia: Development and Crisis

by Andrei P. Tsygankov

Oxford University Press, 259 pp., \$105.00; \$31.95 (paper)

Putinism: Russia and Its Future with the West

by Walter Laqueur

Thomas Dunne/St. Martin's, 271 pp., \$27.99

The Less You Know, the Better You Sleep: Russia's Road to Terror and Dictatorship Under Yeltsin and Putin

by David Satter

Yale University Press, 221 pp., \$30.00

Black Wind, White Snow: The Rise of Russia's New Nationalism

by Charles Clover

Yale University Press, 360 pp., \$35.00

Russia and the New World Disorder

by Bobo Lo

Chatham House/Brookings Institution Press, 341 pp., \$34.00

Beyond Crimea: The New Russian Empire

by Agnia Grigas

Yale University Press, 332 pp., \$40.00

Biographies of political leaders typically offer a seminal moment, preferably early in their subjects' lives, that crystallizes a character trait or provides a pivotal lesson for the life that follows. In the case of Yuri Andropov, longtime head of the KGB (1967-1982), briefly leader of the Soviet Union (1982-1984), and, most fatefully, patron of the young Mikhail Gorbachev, that moment came in the fall of 1956. From his window in the Soviet embassy in Budapest, Andropov watched in horror as, in the space of a single week in October, a student demonstration swelled into a popular uprising that toppled the Communist government and threatened to remove the Hungarian People's Republic from the Warsaw Pact and thus from the outer tier of the Soviet Empire.

Through that same window, he could see the bodies of officers of the Hungarian secret police swaying from streetlights. Despite the successful crushing of the uprising by Soviet troops, in the course of which thousands of Hungarian civilians and hundreds of Soviet soldiers were killed, the events in Budapest marked the birth of Andropov's-and the KGB's-"Hungarian complex," the mortal fear of small, unofficial groups sparking movements to overthrow Communist rule with direct (in the Hungarian case) or indirect encouragement by the West.

A generation later, in another Soviet outpost on the western edge of Moscow's empire, a similar drama unfolded. This time the city was Dresden, the year was 1989, and the outpost was the KGB's mansion on Angelikastrasse, directly across from the local headquarters of the Stasi, the KGB's East German counterpart. A crowd of several thousand protesters had successfully breached the Stasi's gates, gleefully ransacking the building while grim-faced intelligence officers stood by and watched. Also watching, from a window across the street, was thirty-seven-year-old Lieutenant Colonel Vladimir Putin, who was temporarily in charge of the mansion, its voluminous intelligence records, and its staff of four. Shortly after dusk, a small crowd peeled away from the Stasi building with the intent of pulling off a similar victory against the KGB.

According to the New York Times reporter Steven Lee Myers's gripping account of this oft-told story in *The New Tsar*, Putin placed an urgent call to the local Soviet military command, requesting reinforcements to protect the mansion, only to be told that nothing could be done without orders from Moscow and that "Moscow is silent." With his career and a treasure trove of highly classified documents on the line, Putin decided to take matters into his own hands. Approaching the mansion's outer gates alone and unarmed, he announced in German to the crowd assembled there, "This house is strictly guarded. My soldiers have weapons. And I gave them orders: if anyone enters the compound, they are to open fire." It worked, at least in one sense: the crowd returned to the Stasi building, leaving the mansion and its contents untouched. But if Putin won the battle, the Soviet Union lost the war.

What lessons did Putin draw from this episode, apart from its subsequent utility for biographical purposes? Haunted by the phrase "Moscow is silent," he came to regard that silence as symptomatic of a "disease called paralysis-a paralysis of power." A timely and assertive response to popular protests, it seems, might have produced a better outcome, might have kept Moscow's East European buffer zone and perhaps the USSR itself intact. The protesters in Dresden that day were for Putin not a crowd but a mob: uninformed (some demanded to see the KGB's nonexistent torture chambers), loud (some were shouting), and lawless (they ransacked the Stasi's confidential files). They and their

counterparts in Leipzig, Warsaw, Prague, Vilnius, Tbilisi, Baku, and Yerevan were sowers not of transparency but of anarchy.

We needn't look therefore to the post-Soviet "color revolutions" in Georgia (2003) and Ukraine (2004), let alone to the more recent demonstrations in Moscow against election fraud (2011-2012), for the source of Putin's visceral aversion to public protests. The groundwork was laid much earlier, and its timing bears on the debate about the current direction of Russian politics. As Putin's rule has turned more authoritarian and his foreign policy more aggressive, observers have been asking themselves whether something fundamental has shifted in his outlook, and if so, why.

To be sure, like most people who have built their careers inside intelligence services, Putin was never going to be a plausible spokesman for deliberative and pluralist politics. Instead, he has presided over "managed democracy" (managed, that is, by the Kremlin) or "sovereign democracy" (sovereign, that is, vis-à-vis foreign influence)-variations on the Soviet era's "people's democracy"-all Potemkin democracies draped over authoritarian structures of power, going back to what Max Weber called the "fake constitutionalism" of the tsarist regime at the beginning of the twentieth century.

Nonetheless, at the beginning of the twenty-first century, what appeared to drive Putin was the sober pursuit of Russia's national interest after the disintegration and free fall of the 1990s, which he countered by renationalizing the country's principal assets-oil, gas, and precious metals-and thereby restoring state capacity. Even without getting a sense of his soul, as George W. Bush claimed to have done in 2001, one could recognize Putin as a conservative patriot, a man, to borrow Margaret Thatcher's assessment of Gorbachev, with whom one could do business.

And business was indeed done: post-Soviet Moscow became home to more billionaires than any other city in the world, even as a prosperous middle class began to spread its wings there and in St. Petersburg and other Russian cities. Business was done across Russia's borders as well, as China and the European Union became major consumers of Russian oil and natural gas. Putin imposed a semblance of law and a great deal of order at home, while Russia joined or sought to join the multilateral organizations (G8, WTO, OSCE, etc.) that are the benchmarks of global integration. All these trends were widely understood as both cause and effect of Russia's transition toward "normal" market democracy.

What happened? Why did Putin's Russia jump the rails? Why is the talk (not to mention the book titles) in the West no longer of transition but regression, with a "new tsar," a "new Russian empire," and a "new cold war"? Americans-the quintessential middle-class nation-cherish the notion that a rising middle class expands political freedom and the rule of law; that commerce among nations reduces the threat of war; and that, in the long run at least, democracy produces the greatest good for the greatest number. The distinguished historian Moshe Lewin argued that Gorbachev, Russia's leading democratizer to date, was part of a rising tide within the Soviet population, an emerging majority of educated, white-collar urbanites, and that perestroika was the product not just of a handful of Communist Party reformers but of the accumulating modernization of Soviet society itself. Deep currents of Russian social history were flowing in the direction of liberalization, and Gorbachev rode the wave.

This notion and the cherished assumptions behind it are now facing historic tests not only in Russia

but in China, Poland, and elsewhere. The members of Russia's middle class who appear in the veteran NPR reporter Anne Garrels's *Putin Country*, a survey of life in the provincial city of Chelyabinsk, hardly fit Lewin's liberalizing mold. Enmeshed in webs of corruption that stretch from ballot stuffing to journalism for hire, from evasion of military service to the auctioning of university admissions, they blame the "everything for sale" mentality precisely on the neoliberalism imported from the West in the 1990s. As one woman puts it, "All those financial manipulations, the rush to privatize, these ideas didn't come from here, they came from you, from the West, but the West didn't have to live through the results." Public protests in Chelyabinsk, however, are extremely rare, since few people can envision a viable alternative to the status quo.

Instead, Garrels's subjects follow the time-tested Russian strategies of adaptation and circumvention. On the eve of recent elections, for example, students at Chelyabinsk State University were informed that, to express their gratitude for government-issued scholarships, they should support United Russia, Putin's party. To verify that support, officials required students to use their cell phones to photograph their ballot as they voted. Some students complied with a twist: they placed a thread in the shape of a check mark next to "United Russia," photographed the ballot, and then removed the thread and voted as they pleased.

According to *Authoritarian Russia*, by the political scientist Vladimir Gel'man, it is precisely such microstrategies of coping that help perpetuate Russia's authoritarian politics. Like most politicians, Russia's leaders are simply "rational power maximizers." The difference is that they operate in a country almost entirely devoid of institutional and political constraints on elite behavior. Gel'man thus shows little interest in Putin's worldview, or the views of those around him; in fact, he writes, "ideology as such has probably been the least meaningful factor in Russian politics since the Soviet collapse."

Putin was able to abolish regional elections of provincial governors and instead appoint them himself, with impunity. His predecessor, Boris Yeltsin, brought in tanks to fire on the popularly elected Russian parliament and rewrote the constitution to fortify executive power, with impunity. Even Anatoly Sobchak, the law professor and first post-Soviet mayor of St. Petersburg (among whose protégés were Putin and his future sidekick Dmitri Medvedev), did not hesitate to dissolve the city council and concentrate power in his own hands, also with impunity.

These were assaults not on individual rivals, opposition parties, or independent media, but on the fundamental structures of the democratic process itself, and yet they generated hardly a ripple of protest. "Almost all success stories of democratization," Gel'man notes, "result from constraints imposed on would-be dominant actors... by institutions, or by other actors, or sometimes even by themselves." Rather than parse Putin's speeches for signs of creeping authoritarianism, or endlessly cite the color revolutions as triggers of the Kremlin's backlash against civil society, we should recognize that the Russia that emerged from seventy-four years of Soviet socialism was already deeply authoritarian before Putin set foot in the Kremlin.

Indeed, as the political scientist Andrei Tsygankov reminds us in *The Strong State in Russia*, in the wake of previous catastrophic breakdowns during the past thousand years, whether triggered by rebellion from within or invasion from without (or both), Russia has always reestablished a strong, centralized state. That state has taken a variety of forms, to be sure, but through all of them runs a common trait: the tendency for power to reside in persons more than in institutions. Like most

premodern monarchs, the tsars recognized no formal constraints on their authority. And despite the transfer of sovereignty from the tsar's mortal body to the immortal working class and Communist Party, the Bolsheviks constructed personality cults around Lenin and Stalin that dwarfed anything produced by the sacred monarchies. In Russia there are few signs of institutional or any other domestic constraints emerging in the near future. The new urban middle class, for all its visibility, lacks formal instruments through which to promote its interests. And while Russia may be famous for its fabulously wealthy oligarchs, they have been too busy maneuvering against each other to form an actual oligarchy.

In *The Less You Know, the Better You Sleep*, the veteran journalist David Satter shares the sense that there has been little change in Putin's politics, and that the consolidation of authoritarian rule was already well underway in the Yeltsin era. But his analysis of those politics is much darker, focusing on the simmering accusation that in the fall of 1999, Russia's security services (FSB) directly or indirectly orchestrated a series of bombings of apartment buildings in the cities of Buinaksk, Moscow, Volgograd, and Ryazan (the last foiled by alert residents), then falsely claimed that they were the work of Chechen separatists, thus providing a pretext for Prime Minister Putin, previously the FSB's director, to launch Moscow's second war against the breakaway republic of Chechnya.

Those accusations were first leveled in 2002 by Yuri Fel'shtinsky and Alexander Litvinenko, the latter a defector from the FSB who was fatally poisoned four years later by an FSB emissary in London using radioactive polonium 210. Whereas Myers and other authors under review present disturbing evidence but withhold final judgment about responsibility for the bombings, in which nearly three hundred civilians were killed and over a thousand wounded, Satter is convinced that these were acts of state-sponsored terrorism against the state's own citizens.

He argues moreover that the horrific hostage-taking episodes at the Dubrovka Theater in Moscow in 2002 and at School No. 1 in the North Caucasian town of Beslan in 2004, in which a combined total of over five hundred people were killed, including nearly two hundred children, were "the result of a Russian provocation" designed to further Putin's consolidation of power in the name of the war on terrorism. Satter's shocking accusations are not just quantitatively but qualitatively different from those linking Russian authorities to the assassination of vocal critics such as Paul Klebnikov (2004), Anna Politkovskaya (2006), Anastasiya Baburova and Stanislav Markelov (2009), Natalya Estemirova (2009), and Boris Nemtsov (2015)-to name only the most prominent cases. The victims at the Dubrovka and in Beslan, like those of the apartment bombings, were not critics but anonymous, random targets of lethal violence, which is to say, of terrorism.

These charges, as Satter recognizes, boggle the mind. To understand today's Russia, he insists, "is actually very easy, but one must teach oneself to do something that is very hard-to believe the unbelievable," because "Russia is a universe based on a completely different set of values." German Chancellor Angela Merkel arrived at a similar conclusion in March 2014, following a telephone conversation with Putin in the midst of Russia's annexation of the Crimean peninsula. Merkel reported afterward to President Obama that Putin was out of touch with reality, living "in another world." One needn't fully share this Manichaean perspective to conclude that Gel'man's "rational power maximization" cannot adequately capture what drives Putin-or any other politician. To put it another way, it fails to grapple with John Maynard Keynes's dictum that "the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas."

According to Putinism, by longtime Russia observer Walter Laqueur, Keynes's pronouncement should apply particularly to Russia, which even today is unable "to exist without a doctrine and a mission." The Soviet Union from which Russia emerged in 1991 was the most purpose-driven society the world has ever seen. Yet Laqueur struggles to put his finger on what he calls "the emerging 'Russian idea,'" partly because so many doctrines are competing for influence (Russian Orthodoxy, Eurasianism, antiglobalism, nationalism), and partly because, as he concedes, the vast majority of ordinary Russians "are not motivated by ideology; their psychology and ambitions are primarily those of members of a consumer society." The ubiquity in contemporary Russian political thought of fantastic conspiracy theories periodically leads Laqueur to throw up his hands in frustration. At one point he concludes that, apart from a vague "nationalism accompanied by anti-Westernism," "there might be no elaborate Putinist ideology" after all.

Financial Times reporter Charles Clover takes a different approach to the role of ideas in Putin's Russia. *Black Wind, White Snow*-a phrase borrowed from Alexander Blok's apocalyptic 1918 poem "The Twelve," about Bolshevik apostles ushering in a new age-offers a highly person-centered (and thus appropriately Russian) history of "Eurasianism," a keyword among today's Russian conservatives. Like Blok, the original Eurasianists (many of them exiles in interwar Europe) sought to reconcile themselves to the Soviet project by recasting its historical meaning. Beginning with the aristocrat Nikolai Trubetskoy, they made their peace with Bolshevism as the only available means to insulate Russia from the violent self-absorption of a European civilization in steep decline.

Eurasianism began as an imaginative-to put it generously-theory of historical linguistics, allegedly showing that Russian tonal patterns had more in common with those of the steppe peoples of Inner Asia ("Eurasia") than with Europeans'. For Trubetskoy and his collaborator Roman Jakobson, moreover, linguistic structures captured and preserved deep affinities of culture and consciousness, rendering visible, to the trained eye, the true frontiers of a great Eurasian civilization that had amalgamated dozens or even hundreds of tribes in a single "convergence zone." From here it was a short step to declaring that Russia was neither a Slavic nor a European country, that in fact most of Russia's problems came from trying to be European when it wasn't. Better to recognize and embrace one's inner Mongol.

The most fertile Eurasianist of all was Lev Gumilev, whose story Clover relates in a series of utterly absorbing chapters. The offspring of two of modern Russia's greatest poets, Anna Akhmatova and Nikolai Gumilev, Lev Gumilev seems to have passed through all of his country's twentieth-century agonies to emerge a profound and profoundly damaged thinker. During his decade as a zek (prisoner) in the Gulag, he became a keen observer of human relations in the primordial setting of the camps, developing categories of analysis that we would now recognize as belonging to evolutionary psychology and sociobiology. Rather than a Hobbesian war of all against all, Gumilev found that prisoners naturally organized themselves into microcommunities:

Groups of from two to four persons emerged on this principle; they "eat together," that is, share their meal. These are real consortiums, the members of which are obliged to help each other. The composition of such a group depends on the internal sympathy of its members for each other.

Internal sympathies, or what Gumilev called "complementarity," led members of such communities to

defend and make sacrifices for each other in ways that cannot be explained solely via rational self-interest (let alone rational power maximization). He called these prerational or suprarational impulses "passionarity," a New Testament-tinged neologism signifying the instinct for self-sacrifice on behalf of a greater collective good.

Gumilev's time in the camps was interrupted by service in the Red Army toward the end of its epic battle against Nazi Germany. Compared to the Gulag, he wrote, "the front line felt like a resort." As he approached Berlin in the spring of 1945, Gumilev struggled to make sense of how a backward, motley country like the USSR could have overcome superior German organization and technology. Amid the "ornate books," "asphalted roads," and "luxurious apartments and automobiles," Gumilev and his fellow Soviet soldiers, "dirty and unshaven, stood and wondered, why are we stronger? How are we better than this immaculately groomed and shiny country?" His eventual answer: Eurasians' higher coefficient of complementarity and passionarity.

Gumilev went on to write a slew of works, intricate, inspired, and ill-equipped to withstand scholarly scrutiny, culminating in the long-delayed publication of his *Ethnogenesis and the Biosphere* (1989), which was all the rage when I was a graduate student in Leningrad. With the Soviet Eurasian state disintegrating around him, Gumilev's Stockholm syndrome, as Clover calls it, came into full bloom: he rose to public prominence as an ardent defender of the very state that had executed his father, silenced his mother, nearly starved and worked him to death for twelve years, and murdered millions of his fellow Eurasians. Was this Gumilev's version of passionarity?

After his death in 1992, his fame only increased. Eurasianism offered a renovated moral purpose for the multi-national USSR (and for a possible successor state) that was neither Marxist nor nationalist, a "third way," as Clover puts it, emphasizing "the unconscious sympathy of the people of the Soviet Union, the millennia-old unity of inner Eurasia, and a lurking distrust of the West." It is easy, and not entirely wrong, to dismiss such sentiment as a fig leaf for Russian imperial ambitions. But it is worth recalling that Russians have never inhabited the nation-state form; for centuries they have been accustomed to living in multinational polities, always as the dominant ethnic group but rarely with the ambition to become the only ethnic group.

In the post-Soviet chapters of *Black Wind, White Snow*, Eurasianism's lineage starts to unravel. Clover looks to Alexander Dugin, a prodigious right-wing intellectual impresario, to carry the banner raised by Trubetskoy and Gumilev, but the diversity of sources on which Dugin draws-nationalist, fascist, postmodern-makes him an uncomfortable fit. Clover's method for establishing Dugin's and Eurasianism's influence on the Kremlin is similarly unconvincing, focusing entirely on the occasional appearance in Putin's speeches of keywords such as "passionarity" or "Eurasia." One could just as easily cite other keywords uttered by Putin in order to draw the attention of other constituencies, a technique Clover correctly identifies as the "dog whistle." While Eurasianism has clearly found its way into the rhetorical stew from which Russian political elites feed, and periodically provides ideological gloss for this or that initiative, there is little evidence that it has actually shaped Kremlin policies, whether at home or abroad.

If there is one arena in which Russia's "power maximizers"-rational or otherwise-bump into unavoidable constraints, it is in the conduct of foreign policy. Simply by virtue of its size and the number of its neighbors (both greater than any other country), Russia remains a global player. But as

the Australian scholar-diplomat Bobo Lo persuasively argues in *Russia and the New World Disorder*, Moscow has yet to adapt to the disorder of the post-cold war world or to the limited efficacy of "hard power" and adversarial paradigms.

To be sure, Putin has demonstrated considerable skill in the arts of soft power. Much has been made of his election-year comments concerning Donald Trump, especially by Trump himself, who brags about Putin calling him "brilliant" and "a genius." Actually, the word Putin used was *yarkii*, "colorful" or "flamboyant," a description with which it would be hard to disagree.

More significant-and more alarming-than any mutual flattery between the two autocratic figures, however, have been the financial ties between the Trump camp and a range of Putin's allies. Paul Manafort, who resigned as Trump's campaign manager on August 19, previously sold his services to Viktor Yanukovich, the Ukrainian leader whose ousting in February 2014 led to Putin's annexation of Crimea and invasion of eastern Ukraine, as well as to Oleg Deripaska, a billionaire aluminum magnate and Putin confidante who was banned from entering the United States. Carter Page, one of Trump's foreign policy advisors, formerly worked for Russia's state-owned energy company Gazprom. Trump himself, after his hotel and casino business went bankrupt in 2004, benefited significantly from infusions of capital that originated with Russian oligarchs.

For Putin, Trump represents not just a man with whom the Kremlin can do business, but potentially the most useful among the cohort of ultra-nationalists, including Nigel Farage in Britain, Marine Le Pen in France, and Geert Wilders in the Netherlands, who are leading the latest assault on globalization, neoliberalism, and the Western alliance system-this time from within. But whatever drove the Kremlin to hack the DNC's e-mail, and whatever inspired Putin to express oblique praise for Trump, neither action seems to be helping Trump's campaign-on the contrary. This may well be another example, as in Dresden in 1989, of Putin winning the battle but losing the war. It may also be a sign that, in Russia as in the US, all politics is local, and that Putin's actions in the US election are designed primarily to bolster his domestic image as a master of political intrigue. Here, he appears to be succeeding.

Putin has also waged a soft-power irredentist campaign to mobilize millions of ethnic Russians and Russian speakers in the "near abroad," the former Soviet republics that now ring Russia's western and southern flanks. And where a Russian political diaspora cannot be found, the political analyst Agnia Grigas shows in *Beyond Crimea*, Moscow creates one: via humanitarian assistance, media saturation, and widespread granting of Russian passports. But these efforts to recoup at least some of what was lost in 1991 have been both selective and opportunistic.

Even in the most dramatic examples, in Georgia and Ukraine, Putin appears once again to be winning battles but losing wars. Having skillfully annexed the Crimean peninsula and locked eastern Ukraine, Abkhazia, and South Ossetia into protracted conflict, Moscow has effectively pushed the rest of Ukraine and Georgia more firmly than ever toward the European Union, while setting off a punishing regime of sanctions against Russia by the West. Other former Soviet republics now look with greater wariness at Putin's proposed "Eurasian Union," and NATO is beefing up its mission in Estonia, Latvia, and Lithuania.

Is Putin's newly assertive stance a symptom of "reimperialization," as Grigas insists, or rather of what

Lo calls the "prolonged agony of post-imperial adjustment," not unlike the Anglo-French attempt to occupy the Suez Canal in 1956, or the brutal French war in Algeria in the 1950s? "It is unrealistic," Lo reminds us,

to expect Russia to be the exception to the rule that empires, modern and ancient, do not go quietly. They either collapse as a result of crushing defeat (Germany, Japan) or domestic implosion (China), or they strive for decades to cling on to the scraps of their imperial past (Great Britain, France). Less than twenty-five years ago, Russia was the largest land empire in history. The current political generation was born and raised in imperial times.

One needn't subscribe to the theory of Eurasian "complementarity" to grasp that, with decades or even centuries of cohabitation by Russia and its former imperial holdings, and without oceans or other natural borders to separate them (apart from the Caucasus), Russia is unlikely to go quietly anytime soon.

Bates Nos. 2018-06-192:
001120 – 001188
Pending Consultation with
Other Government Agency

FW: Trace

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Cc: (b)(6), (b)(7)(C)
Date: Wed, 22 Mar 2017 09:33:50 -0400

(b)(6), (b)(7)(C) haven't you been following this guy for a while?

From: (b)(6), (b)(7)(C)
Sent: Wednesday, March 22, 2017 7:31 AM
To: (b)(6), (b)(7)(C)
Subject: Trace

Can you vet Oleg Deripaska and send me anything you find?

Sent via iPhone.

Bates Nos. 2018-06-192:

001190 – 001191

Pending Consultation with
Another Component of
Treasury

RE: Washington Examiner - Report: Treasury Department investigating former Trump campaign chair Paul Manafort

From: (b)(6)
To: (b)(6)
Date: Thu, 23 Mar 2017 12:34:48 -0400

Haha, yes, great times.

From: (b)(6)
Sent: Thursday, March 23, 2017 10:05 AM
To: (b)(6)
Subject: FW: Washington Examiner - Report: Treasury Department investigating former Trump campaign chair Paul Manafort

Fun times at Treasury.

From: (b)(6)
Sent: Thursday, March 23, 2017 10:04 AM
To: DL_FYI; DL_TFI_Alerts
Subject: Washington Examiner - Report: Treasury Department investigating former Trump campaign chair Paul Manafort

[Report: Treasury Department investigating former Trump campaign chair Paul Manafort](#)

By Kyle Feldscher (@kyle_feldscher) • 3/23/17 7:33 AM

President Trump's former campaign chairman Paul Manafort is under investigation by the U.S. Treasury for offshore payments as a part of an anti-corruption case that is probing his work in Eastern Europe.

ABC News reported Thursday that Manafort's financial records in Cyprus were turned over to Treasury officials this year as a part of the investigation. Manafort was Trump's campaign leader from March until August.

According to the report, the documents are related to a 2014 case. Manafort used financial institutions in Cyprus as one step in a chain of transactions, and allegedly used Cypriot shell companies to purchase a Ukrainian cable television station at the behest of Russian oligarch Oleg Deripaska.

On Wednesday, the Associated Press revealed that Manafort pitched his ability to strengthen Russian President Vladimir Putin's regime when he was trying to get Deripaska's business. The two signed a contract that paid Manafort upwards of \$10 million.

The government is looking into millions of dollars worth of wire transfers to Manafort. The report claims no illegal activities but Cyprus was a hub of shady financial dealing before joining the European Union.

North Korean Slaves Building Key Russian World Cup Stadium

From: (b)(6)
To: (b)(6)
Date: Fri, 31 Mar 2017 11:59:13 -0400
Attachments: The Slaves of St Petersburg.docx (42.9 kB)

North Korean Slaves Building Key Russian World Cup Stadium

March 31, 2017 — 17:10 — Update: 17:35

Two Russian construction companies are using North Korean slave labor to prepare the city of St. Petersburg for the 2018 World Cup.

Exactly 110 North Korean forced laborers have worked on the Zenit Arena stadium in St. Petersburg, according to a report by Josimar, a Norwegian soccer magazine.

The laborers, who work for the St. Petersburg-based Seven Suns and Dalpiterstroy companies, work seven days a week, live in inhumane conditions and sleep in shipping containers. One of the workers was even found dead in a shipping container not far from the construction site, according to Josimar.

The Zenit stadium, near St. Petersburg's Krestovsky Ostrov metro station, has been under construction for 11 years. The project was initially intended as a new arena for the football team Zenit St. Petersburg and estimated to cost \$220 million. However, after Russia's successful bid to host the World Cup, the stadium was assigned to be one of the championship's key venues. Since then, the cost of construction has skyrocketed to \$1.5 billion and counting.

The use of North Korean workers is an extremely controversial subject. Several prominent international humanitarian organizations describe them as slaves and hostages. Normally, 90 percent of their pay is automatically seized by the government in Pyongyang, and the laborers work under constant surveillance.

Due to the international sanctions imposed on North Korea, a result of the country's illegal nuclear weapons program, overseas labor remains one of the few ways the regime can earn hard currency. The United Nations estimates exported labor accounts for \$2 billion dollars of Pyongyang's income.

Despite the controversy, Russia has long used North Korean labor. According to the Russian Ministry of Labor, in 2015, more than 47,000 North Koreans were working in Russia. Local businesses purportedly favor the foreign laborers for their "diligence" and "hard work."

<https://themoscowtimes.com/news/north-korean-slaves-building-key-russian-world-cup-stadium-57602>

The Slaves of St Petersburg

Josimar can reveal that at least 110 North Koreans have worked at the Zenit Arena in St Petersburg, one of the venues for the 2018 World Cup Finals. International experts describe the workers from North Korea as both slaves and hostages. One North Korean worker was found dead in a storage container outside the stadium.

Text: Håvard Melnæs

Translated by: Lars Johnsen

Interpreter: Artem Filatov

Photos: Denis Sinyakov and Sergey Grachev

St Petersburg, Russia

The huge park awaiting anyone who steps outside Krestovsky Ostrov metro station is split down the middle by a wide and paved avenue. Zenit Arena is located on the park's far end, two kilometres away. It has cost 1.5 billion dollars and has taken 11 years to build and is still not finished. It has been a site of systematic abuse of migrant workers, slave-like conditions, corruption and death.

Lined along both sides of the park, are refreshment kiosks, caravans and merry-go-rounds. A sharp wind cuts through the fog. This is a popular park for strolls. It is a Sunday in February 2017, but hardly anybody is out walking.

Chaos and corruption

In 2006, long before Russia had even bid for the right to host the 2018 World Cup, Zenit St Petersburg, one of Russia's biggest clubs, decided to build a new stadium. The much-loved, but outdated Petrovsky Stadium had been built in the 1920s. The new Zenit Arena was going to be Zenit St Petersburg's new fortress. The plan was that the club would move into their new home in December 2008.

In mid-March 2017, the arena is still not finished. The electrical wiring is vulnerable, cracks in the concrete are visible – which lead to water leaks – and the ground underneath the pitch vibrates. Documents provided to Josimar show that Russia's security agency (FSO) had 22 notifications after an inspection in January 2017.

«Back in 2006, at the start of the project, the estimated cost was 220 million dollars. Eleven years later the amount is 1.5 billion dollars, according to the government's own web page. This figure does not include the cost of infrastructure being built in relation to the stadium. A new road and metro station are also under construction. The total price tag could be over 3 billion dollars,» Dmitry Sukharev of the St Petersburg office of the anti-corruption organisation Transparency International tells Josimar.

«Based on guidelines and standards for quality assurance, we estimate the total cost should have been around a third, or less than a third, of the actual cost,» Sukharev says.

«The only explanation for the dramatic increase in spending, is corruption. Another reason is that project descriptions were written after the building work had been done. Budgets were also made after the money had been spent – to comply with the disappearing money.»

How many millions of dollars that have disappeared through corruption, probably nobody knows. Whilst a few have enriched themselves along the way, tens of thousands of workers are yet to be paid what they were promised.

Almost every day from 2006 until March 2017, thousands of people have been carrying out work on the stadium and surrounding area. The majority of these workers hail from Tajikistan, Uzbekistan, Kyrgyzstan, Belarus, Moldova, Ukraine and other former Soviet republics. And North Korea.

«A minimum of 1,500 workers have been on-site nearly every day since 2009. This we know. Many of them have been migrant workers. Similar to practices on other construction sites in Russia, it is highly unlikely they have been treated properly. Nobody cares about the law, about contracts. Migrant workers have no rights,» Sukharev says.

A project manager who has worked on Zenit Arena since 2015, supports this view.

«I would say that about 80 per cent of the workforce have consisted of migrant workers while we've been here. Some have had employment contracts and have been paid as promised. But I hear that a lot of workers haven't been paid at all. Too many dishonest subcontractors have been involved. I've been in the construction business for twenty years, and I have never seen a more chaotic site than Zenit Arena,» says Pavel, a project manager working for one of the many subcontractors doing work in and around the stadium.

He is employed by one of Russia's biggest construction companies, headquartered in Moscow. Pavel shows us his ID card, a requirement for everyone who does work on the stadium. He agrees to talk to Josimar on the condition that we hide his identity. According to him, the Zenit Arena was a relatively safe place to work until the summer of 2016.

«When [vice governor of St Petersburg] Igor Albin and his staff arrived, it became a complete mess. There were serious accidents on a weekly basis. From August until Christmas, four workers died,» Pavel claims.

How did they die?

«After falling onto the concrete and from electrocution.»

Josimar have contacted city officials and the press secretary of the ambulance service for comments regarding accidents and deaths. Neither have responded.

Bear on a bike

Journalist Sergey Kagermazov, working for the independent news site MR7, has kept a close eye on the construction process for a number of years.

«The authorities refuse to talk about migrant workers, accidents and deaths,» he says.

In September 2016 he went undercover as a worker at Zenit Arena. The most important task was to stop the water leaks. Everywhere, there were small holes in the concrete. Water poured out.

«My team consisted of twenty workers. We were divided into two groups. One group plugged the holes, the other collected debris. I worked from eight in the morning until five. According to labour laws, you are not allowed to work more than eight hours per day. But the foremen promised that those who wished to work longer hours, would get extra pay. Some worked until ten at night. Others finished work just in time to catch the last metro out of there. I asked the foreman about getting a contract. He said I shouldn't worry about that.» Kagermazov explains.

On 11 February, Zenit Arena opened. Sort of. There were singing, dancing and acrobatics. «Even though the stadium was not finished, Putin demanded it opened,» Kagermazov claims.

Warning signs could be seen everywhere:

«If you see water leaking, water damages or drainage problems, call the following number immediately».

10 000 people were present for the opening.

«It was more a test than an opening, to see how the arena handled that many people. There were music, songs and a cycling bear.»

A real bear?

«Yes. This is Russia.»

The proceedings were delayed by two hours. It had been scheduled to start at three o'clock, but did not begin until five.«Waiting for the show to start, people wanted to buy food and drink. But the card payment system did not work. Only people carrying cash could buy anything.»

A gift to the city

The summer of 2016, Igor Albin, a former minister in Vladimir Putin's government, today the influential vice governor of St Petersburg, decided to remove Transstroj as main contractor for the building of Zenit Arena. Until last year, Transstroj was owned by the oligarch Oleg Deripaska.

Vice governor Albin then 'encouraged', according to Pavel, a number of construction companies in St Petersburg to work for free on the stadium site until the end of the year in exchange for future assignments and fewer inspections.

Time had become the biggest enemy of the completion of Zenit Arena. At this point in time, the project was already eight years overdue. And a year later, in June and July 2017, Zenit Arena would be one of the host stadiums for the Confederations Cup.

Senior government figures, like President Putin, Prime Minister Dmitry Medvedev and Vice Prime Minister (and head of the World Cup committee and former club president of Zenit)

Vitaly Mutko all hail from St Petersburg. The latter two are known for their vociferous support for the city's biggest football club.

One of the construction companies who followed vice governor Albin's 'encouragement' was Dalpiterstroj. They specialise in building big apartment complexes in and around St Petersburg. Towards the end of August, the company showed up at Zenit Arena with 60 North Korean workers. The North Koreans were assigned to do cosmetic work on the stadium site.

«For free, Dalpiterstroj did work on the arena worth many millions of roubles. It was 'a gift to our beautiful and grand city',» Pavel says.

What do you mean when you say that vice governor Igor Albin 'encouraged' construction companies to present 'a gift to our beautiful and grand city'?

«Had these companies said no to Igor Albin, they could have said goodbye to future assignments. Also, they would have been subjected to on-site inspections and book audits,» Pavel claims.

One of the other firms who followed Albin's 'invitation' was Seven Suns, a company known for building luxury apartments for the city's well-to-do. They brought 50 North Koreans to do paint work on the stadium.

Around the same time as several new construction companies began working for free on the arena, a North Korean middleman knocked on the door of Pavel's office.

«He said he could provide 100 skilled North Korean workers who were prepared to work 'around the clock' until the end of the year. The price was six million roubles. Four million would be sent to the government of North Korea. The rest would be split among his company and the workers. The workers would be paid 600 roubles daily. We said no. We were fully staffed,» Pavel says.

He goes on to say that the North Koreans doing stadium work started early and ended their day late. They lived in storage containers situated in a confined and fenced-in area just outside the stadium.

In November, a few Russian websites told of a North Korean worker, who had died near the stadium. According to Russian police, the man died of a heart attack.

«People told me he was found in one the containers they live in,» Pavel says.

According to sources, several international organisations contacted FIFA and expressed concern, after the news of the dead North Korean stadium worker had spread. FIFA promised to

investigate. The organisations who had notified the governing body of world football never heard back.

Workers and weapons

«They are like robots. All they do is work, work, work. They work from seven in the morning until midnight. Every single day. They are never off. They are very good workers, but they look unhappy. They have no life.»

A heavy-set Russian construction worker, with a mouth full of gold teeth, tells us about his colleagues on the building site Shushary, a few kilometres south of St Petersburg. The construction company Dalpiterstroj is building huge apartment complexes in the area. A significant amount of the workforce is North Korean. It is Saturday, just past nine o'clock in the morning, but the workers are already hard at work. Behind walls topped with barbed wire, workers are hurrying about. Guards with dogs keep a watchful eye on the site's entrance. The majority of the workers are North Korean. The others are Russians, Tajiks and Uzbeks.

The Russian worker does not want to say his name, and does not allow us to photograph him.

«I don't want to get into trouble. I advise you to leave before the guards come and chase you away.»

A provisional kiosk selling pierogis, alcoholic beverages, cigarettes and other items, is located outside the site. The female cashier says North Koreans sometime shop there.

«Usually cigarettes only,» she says and adds that she pities them.

«They don't do anything but work. When I arrive, they are already here. When I leave at night, they are still here. It seems a hard life.»

Later, we meet two North Koreans on their way out of the building site. They are carrying big plastic buckets to be filled with drinking water. They speak neither English nor

Russian, and become visibly annoyed when the photographer starts clicking his camera. Their 'camp' is situated two or three hundred metres away from the construction site. Behind barbed wire fences partially surrounding a snow-covered area, outdated shipping containers have been placed. They serve as temporary homes for the North Koreans. Here, the 100 or so North Koreans rest and sleep between the long shifts.

The workers break for lunch, and one North Korean after another passes through the iron gates. Some are grinning, others hardly notice us, as they slowly and in silence walk towards their midday rest.

Now, in the middle of February, they work at this particular site. But from August until the end of 2016, many of these North Koreans worked at Zenit Arena.

The use of North Korean workers is controversial in the international community.

Several international humanitarian organisations describe the North Koreans as slaves and hostages. Up to 90 per cent of their pay is taken from them. 'A day off' is an unknown concept to them. They are under 24-hour surveillance. They have no rights. The North Korean regime abuse them, as do their employers abroad. Many of the workers who have left their home country are on ten-year contracts.

As a consequence of the international boycott of North Korea, due to the country's frequent testing of nuclear weapons, the regime has in recent years sent more and more workers out of the country. For a country with limited sources of income, these workers provide vital currency for its regime. The United Nations suggests this provides North Korea with a yearly income up to 2 billion dollars. Others, like the South Korean humanitarian organisation NK Watch, suggest an even bigger figure. This is money which, according to a number of international organisations, helps finance the country's nuclear weapons programme. Marzuki Darusman, the former UN special investigator for human rights in North Korea until 2016, describes the North Korean workers abroad as slaves.

Several humanitarian organisations are now working to hold those countries who use North Korean labour accountable.

Kim's journey

«The North Korean workers are completely exhausted, mentally and physically. They work and live under terrible conditions. Their passports are confiscated, which practically makes them into slaves. They know, if they complain, there will be consequences, for themselves and their families back home. That is the biggest difference between them and other migrant workers. An Uzbek worker knows, if he complains, there'll be no consequences for his family at home.» Olga Tseitlina is a lawyer working solely with human rights cases. Last year she had a North Korean client, Kim. For safety reasons, she does not reveal his full name.

«He was ordered by the North Korean regime to work in the timber industry in a small village in the eastern part of Russia. He was told it was his duty to help his beloved homeland, that it would benefit his family.

«This happened shortly after he had served ten years in the armed forces, the minimum time for national service in North Korea. In the military, he and many others were regularly beaten by superior officers. No-one dared complain – even harsher methods of punishment awaited those who did. Kim describes his experiences in eastern Russia as being close to what he went through in the military,» Tseitlina explains.

The lawyer says Kim was paid five dollars per month. The rest of his salary was passed on to the regime. As a timberer in the Siberian forestry industry, the workdays were long and hard. There was no such thing as a day off.

«They were given an apple, an egg and some rice during their working day. That was it,» she says.

Kim and the others lived in a camp without running water or the possibility of having a shower. His body was full of insect bites. Lice were common. For three years, Kim lived as a slave, before he did what most North Koreans workers abroad would never dare: He ran away.

With hardly any money and without identity papers, Kim headed west.

After a few months on the run, he met a Russian woman. The relationship became romantic, and they have since had two children, two sons aged five and three.

Write or die?

Last autumn, Kim was arrested. Shortly after, a court decided he was to be sent back to North Korea.

«Kim contacted the police to apply for a residence permit. He did not want to live on the run anymore. He had begun a new life, started a family, and wanted to stay,» Tseitlina says.

«Instead of helping, they set the wheels of a deportation process in motion. At the same time they contacted the North Korean authorities. Russia and North Korea have an agreement: Potential defectors shall be reported immediately. The court decided that he was to return to the regime. I stress this particular point, because, previously, when North Koreans have been expelled from Russia, they have had the possibility to seek asylum in South Korea or other countries. In this instance, he was to be sent to North Korea,» Olga Tseitlina tells us.

The North Korean embassy in Moscow got involved, as soon as they got word of Kim's case. They wrote to the Russian Ministry of Foreign Affairs, and included a letter from Kim's wife and son. They missed him, the letter said, they thought of him every day, they urged him to return to their beloved homeland.

«Kim says his wife and son have been forced to write these letters – that they would be killed if they refused. He remembers seeing, at a young age, mass executions. Men and women, old and young, shot in the head by firing squads,» Tseitlina says.

On 10 February the lawyer was informed that her client had won the appeal due to a technicality. Kim wasn't deported.

We ask if it is possible for us to talk to him.

«He is afraid an interview will be considered high treason, with fatal consequences for his Korean wife and son as a result. The North Korean government knows his identity and knows where he lives. He even gets stressed if I talk to his wife on the phone».

Since escaping the work camp in Siberia, he has supported himself by taking odd jobs in the St Petersburg area. Right now he is working at a car wash.

«He dreams of a Russian residence permit. That will be difficult. We hope to reach an agreement with the UN High Commissioner for Refugees, to get legal residency in a safe country for him and his Russian family,» she says.

Threats and silence

To meet and talk to migrant workers, would be a difficult task. Non-Governmental Organisations (NGOs) have been under constant pressure from the Kremlin in recent years. Many of them have been accused of cooperating with foreign intelligence agencies, and have lost their financial support or folded as a result. In January, Bellona, a Norwegian environmental organisation, was accused of being a hideout for foreign agents.

In a city of 500,000 migrant workers, there are today only three organisations that help migrant workers. Until 2013 there were around ten.

Two of those still in existence, like the St Petersburg branch of the Red Cross, do not wish to meet Josimar. They have no qualms about talking to journalists friendly to the Russian regime. Independent Russian journalists can also be granted an «audience». Foreign journalists are kept at arm's length. But Andrey Yakimov of the organisation PSP Foundation decides to meet us.

His offices are in the attic of a Lutheran church in the centre of town. Church services take place on Sundays. Today is a Thursday. PSP Foundation employ five or six people, as well as dozens of volunteer field workers. Half of its financial support is public Russian money, the rest comes from small donors abroad. Andrey Yakimov is a lawyer and social anthropologist. His special field is ethnic minorities and migrant workers. One in every ten workers in St Petersburg is an migrant worker.

«We cooperate well with the leaders of the migrant community. We provide them with information about their rights and give advice like carry identification papers at all times and how to handle police harassment,» Yakimov says.

The number of migrant workers arriving in Russia is closely linked to the value of the currency. If the the rouble is weak, many return home. When it strengthens, a lot of them return.

We ask if migrant workers run into trouble.

«The main issue is the lack of rights in the workplace. They work long hours, get a meagre salary, and most work without contracts. Many aren't paid at all. This is a huge problem, especially at large construction sites. But this happens in the cleaning and transport industries too. The city council, even, abuse migrant workers.»

A 2014 report by the ombudsman of St Petersburg confirms this: migrant workers are paid less, have less job security and only a few have work contracts.

The treatment of the migrant workers is Russia's litmus test, according to Yakimov.

«So we don't become a slave state,» he says.

«Migrant workers are good workers, but they are abused all the time. By employers, middlemen and foremen.»

Yakimov denies that PSP Foundation is a hideout for foreign agents.

«Corruption always starts at the top,» Andrey Yakimov sighs.

We ask whether he is aware of North Korean workers in St Petersburg.

«They don't come here voluntarily. They are under contract with the regime at home. Companies in Russia set up by the North Korean government sell their workers to potential employers,» Yakimov explains.

«Most of the North Koreans do not work in this area, but in Siberia, the Urals and so on. A few end up in St Petersburg – perhaps 2,000 – according to our field workers and other sources.»

He's been told frightening stories of what the North Korean workers go through.

«They're under almost constant surveillance. They have very little contact with others. They're paid a minimum. There is no end to the ungrateful job tasks they are given. These are unskilled labourers, with little or no knowledge of modern tools. When recruited, they are promised bigger rice rations and Kim Jong-un's eternal gratitude,» Andrey says.

Hopeless lives

Dr Andrei Lankov teaches at Kookmin University in Seoul and is regarded as one of the world's biggest authorities on North Korea. Before we get our phone interview under way, Lankov warns us via email that «western media have a tendency to dislike his views».

«Yes, it is correct that only men with wives and children at home are sent to work abroad. The government naturally wants to safeguard itself against defectors. Anyone tempted to defect knows it can have horrible consequences for the families back home. Yes, it is also true that their passports are confiscated. What else could you expect?», says Lankov.

The export of workers in recent years has become Kim Jung-un's biggest source of income. Several international experts have warned this export helps develop the regime's nuclear weapons programme. Andrei Lankov confirms this.

«North Korea have exported minimum 100,000 workers, maybe even double that. Mostly to China, Russia and the Middle East. This is important income for the regime,» Lankov says.

«About 30,000 North Koreans work in Russia. Previously, the majority worked in forestry in the easternmost part of Russia. Today you'll find most of them working in the textile industry or on construction sites.»

Lankov says the North Koreans aren't forced to work abroad.

«Work abroad is very attractive to the North Koreans. They try everything to be of the few fortunate enough to be selected. To get to Russia, you must pay a large sum, about 700 dollars, a fortune for people in North Korea. To them, Russia is a dream destination. In China, they live in prison-like conditions. In Russia, they have more freedom.»

In St Petersburg, they live in old storage containers behind barbed wire fences....

«Still, their living conditions are a lot better than at home in North Korea. You must remember, these people are without hope. If you compare the North Koreans' living conditions in Russia with what you have in Norway, it is hell. But it's paradise compared to what they have at home. The regime does not care whatsoever about its people. The only thing that matters to them is to survive politically.»

How much of the workers' wages does the regime take?

«Somewhere between 30 and 50 per cent of the income.»

A subcontractor at Zenit Arena claims a North Korean middleman said the regime kept four out of six million roubles?

«That's probably correct, though it's usually lower.»

A North Korean defector in Russia tells us he was forced to witness mass executions as a child?

«It's likely he is telling the truth when he says he saw mass executions as a child. For a few years they discontinued these mass executions, but they still happen now and then.»

Alisher's story

It's Friday afternoon and time for prayer. Loads of people are on their way towards St Petersburg Mosque. The building can accommodate up to 5,000 worshippers.

In a nearby café, we're drinking tea with Alisher. He does not want to give his surname. He says he needs to be careful. Alisher is 50 years old, from Uzbekistan. He has legal residence permit in Russia that is up for renewal every year. He is in St Petersburg to work. His wife and four children are still in Uzbekistan.

Alisher came here for the first time in the early 2000s. He has returned every year since. During that time he has had different jobs. Earlier, he mostly worked in construction. In the later years, he has made a living driving taxis and buses.

Back in June 2010, he was a foreman for a team of 32 workers at Zenit Arena.

«A middleman from Tajikistan contacted us in an area where a lot of migrant workers live. He asked if we were interested in work. We said yes and were taken to Zenit Arena. Outside the stadium, there were several hundred storage containers. Some of these were used as offices. In one of these offices, a Russian sat behind a desk, photocopied our passports, took pictures of us, and issued identity cards. To access the stadium, everyone working there needs an ID card.»

Alisher asked for a work contract, but was told they would sort that out later.

«We were handed a list of things to do, and what our payment would be when the tasks had been completed. They encouraged us to finish the jobs as quickly as possible. The faster we worked, the better we were to be paid.»

«I had 32 workers in my team. We worked ten hours a day, seven days a week. We worked as fast as we could, to get the bonus we had been promised: 4,000 roubles per square metre of cast concrete,» Alisher says.

He and his workmates lived in containers outside the stadium.

«14 people lived in our container. All had a mattress, but it was crowded and uncomfortable.» He estimates that somewhere between three and four thousand people worked at the stadium. Most were migrant workers.

«There were far too many people there at the same time. It was chaotic.»

Did you see workers from North Korea?

«Yes. That is, I believe they were North Koreans. I can't be certain. I didn't talk to them. They kept to themselves.»

Alisher believes most workers were paid in cash.

«Almost every day, armoured vehicles full of cash came to the stadium site. They were escorted by armed police. The money was brought into a designated container on the stadium site – this was the payment office.

«As a foreman, I was the one who picked up the cash. The first time I was there, I signed a piece of paper which said I had received 50,000 roubles. Then I signed a different piece of paper, which said I had received 25,000 roubles. Then they handed over 25,000 roubles in cash.

«It was pointless to argue. Armed police were watching. There was a long queue. As soon as I had the money in my hands, I was ushered through a different door than the one I had arrived through.»

After a month, Alisher understood he and his workmates had been played.

«When this was repeated four weeks in a row, I had had enough. I went to see my boss and told him I wanted to quit. He promised to pay me and my co-workers the agreed-upon amount, if only we stuck it out one more month.

«I had no reason to believe him. Some of the other workers stayed there four months without ever being paid close to what they had been promised.»

Did you complain to anyone?

«To whom could we complain? That would only have led to unpleasanties.»

What happens to your family in Uzbekistan when you don't get paid? Are there any consequences?

«No. My wife stocks up. She buys maybe 400 kilos of both potatoes and onions. That way there's always food in the house. She buys food for six months at time.»

The comrades

Next to a metro station in the city centre, we meet Rustam, Ibe and Kockhor from Kyrgyzstan. All are married with children. Ibe tells us he became a father for the third time just four days ago.

After two sons, they had a girl.

«Of course I wish I was at home now. But I get to see her when I return home for a holiday in the autumn.»

Do you have a photo of her?

«No. But I hope she looks like her mother,» he says with a smile.

The three friends, all in their late twenties, are in Russia to work and to provide for their families at home. From August 2016 until January this year, they were part of a 45-man team working on Zenit Arena.

«We were told we would be paid a daily wage of 2,000 roubles – paid out every day. The first week we received what we had been promised: 2,000 roubles cash in hand every day. Then we thought ‘we can trust these people’. A couple of weeks without any pay went by. Then we started to get paid again, but a lot less than agreed. Most days we received between 500 and 800 roubles. We complained, but were told we would receive the full amount later. That never happened,» Rustam says.

Why didn't you quit?

«Every month they replaced the foreman. The replacement always promised to work everything out. Besides, there were no other jobs out there. We felt we didn't have a choice but to stay and hope for the best. When fully paid, we can send up to 30,000 roubles per month home to our families,» Ibe says.

What are the consequences when you don't get paid?

«We need the money to provide for our families. If we don't send money, the children go hungry,» Rustam answers.

Along with Ibe, Kockhor and three other Kyrgyz men, he shares one room in a three bedroom flat. The two other rooms are occupied by migrant workers from Uzbekistan and Tajikistan. They describe the stadium work as difficult.

«We were handling huge amounts of concrete. There was a lot of heavy lifting. At the end of a work day, I was exhausted,» Ibe tells us.

They were handed uniforms and hard hats.

«Still, a big building site like this is not danger-free. We saw a lot of workers without safety apparel. The workers from Tajikistan were especially known for taking risks. They would climb the scaffolding, high above the concrete floor, with no safety precautions in place,» Rustam says,

Accidents were frequent.

«At least one ambulance was present at the stadium site at all times. We saw some ugly accidents, but I don't know if anyone died. The foremen never told us anything.»

They believe between three thousand and five thousand people worked on the site whilst they were there.

Where were these workers from?

«It looked as if most were from Tajikistan and Uzbekistan. We also saw a lot of North Korean workers. They lived in containers in an area no other workers had access to.

Did the North Koreans stick to themselves, or did they socialise with other workers?

«They kept to themselves. They don't speak Russian. And we don't speak Korean. But they worked a lot. More than anybody else.»

The World Cup is one of the most lucrative sports events. With that in mind, what are your thoughts about not getting paid?

«That, we don't have time to think about. We are proud of the work we have done. When the World Cup kicks off, we will turn on the TV and say: 'We helped build that stadium'. We are not even angry at the people who haven't paid us.»

Why not?

«Times are hard around the world, so too here in Russia. We live in a time where everybody fools everyone, where brother fools brother. In such times, these things can happen.»

The bill

«Russian taxpayers do not need this tournament.»

Maxim Reznik, the leading opposition politician in St Petersburg and a good friend of Boris Nemtsov, Russia's leading opposition politician until he was murdered in a central Moscow street a little over two years ago, sips his tea slowly. We are sitting in an Armenian restaurant. The loudspeakers blast Russian pop music.

«I like football, but Putin is using the World Cup as a propaganda tool. This is a way to show that we are the biggest, the best. At the same time, it is a way to mask the many and permeating

problems in Russian society. Sport is the best way to shift the focus away from real issues. Like they did in Soviet times. Back then it was important to be the best at chess and ice hockey. Chess because we are the world's brightest. Ice hockey because we are the world's toughest,» Reznik says.

The World Chess Championship matches between Magnus Carlsen and Sergey Karajakin last November got enormous attention in Russia, he says. Karajakin is the ultimate propaganda hero for Vladimir Putin because he is from Ukraine, but today holds Russian citizenship.

«The main reason for hosting these big sports events is public relations. Putin wants to demonstrate to the world how capable and powerful Russians are. Another reason is of course that he and his friends can make lots of money. The Sochi games wasn't primarily about stealing money, but about glorious on-field results. Even though they were achieved through a state-sponsored doping programme,» Reznik dryly comments.

How involved do you think Putin was in the doping programme?

«I think he simply passed on a message that we had to win. How we would win, mattered less. He wasn't the one switching the tests at night,» Reznik says and adds:

«The World Cup is different. Everyone understands that the Russian national team will not win. In this case, the financial aspect, i.e. the possibility to enrich themselves, is more important than in Sochi. Even though we won't win, a selected few will become very rich because of this tournament.»

Zenit Arena has so far cost 1.5 billion dollars, at the expense of other projects in St Petersburg. The building of new hospitals, schools and kindergartens have all been delayed because more and more public money has been transferred to the stadium project.

«Six times the city council has decided to provide extra funding for Zenit Arena. Six times I voted against. I am trying to get a federal watchdog to investigate the construction process. We need to do what we can to find out where the money has gone,» Reznik says.

«The total amount is obscene. It is completely impossible to understand why it has become so expensive.»

Three football matches, one metro station

Several court proceedings are underway. The former main contractor Transstroj and the City of St Petersburg are involved in a number of court cases. Vice governor Igor Albin's predecessor, Marat Oganessian, stand accused of fraud of more than 200 million roubles. And this is, according to insiders, just the beginning.

In August 2016, Metrostroj got the contract as the new main contractor at Zenit Arena. A surprising choice, given that Metrostroj first and foremost builds metro stations and rail lines.

«Nobody know why they won the contract. But we can speculate. It's likely they are connected to someone influential in St Petersburg,» Dmitry Sukharev of Transparency International says.

Zenit Arena is located on the island of Krestovsky, an area housing some of the wealthiest in the city. The World Cup host city of St Petersburg, to fulfill FIFA's security demands, must also provide the stadium with adequate transport links which means they have to build a new metro station.

«We do not need this metro station. This is a wealthy neighbourhood where almost everyone has a chauffeur. Other areas of the city accommodate hundreds of thousands of people, without access to proper public transportation. We need to build this completely superfluous metro station because of three football matches,» Maxim Reznik says, shaking his head.

We ask him about life as an opposition politician in Russia.

«It's hard to answer that in a few words. On the one hand, I can do more, I have influence, I'm heard by many. On the other hand, I get a lot of attention from the FSB and others, who believe I am an agent working for foreign governments, and so on. They tap my phone, hack my computer – they search everything, hoping to find compromising material. I was imprisoned for a while. Anything can happen. To be an opposition politician means you put yourself at risk,» Reznik explains.

Thinking of the future, he is a careful optimist.

«All political institutions in Russia are weak. The opposition is weak because it's put under enormous pressure. The power of the regime is weak, because it only pretends to have power and influence, like all authoritarian regimes do, and because it lacks broad support among the population.»

The Russian Candidate

As previously covered by Josimar, Russia's then Minister for Sport, Vitaly Mutko, along with the Nordic countries, was the driving force behind Čeferin's candidacy for UEFA President. The unknown Slovenian became the boss of European football after a closed election process where lobbying was the recipe for success.

Mutko is the head of the 2018 World Cup Organising Committee. His preferred president, Aleksander Čeferin, also became the chairperson of the Organising Committee for FIFA Competitions, with responsibility for all FIFA tournaments, including 2018 World Cup in Russia.

When Josimar asked Aleksander Čeferin about transparency and human rights during a press conference in Copenhagen in September of last year, he underlined that these were important issues to him.

To the follow-up question whether he had any worries regarding the World Cup in Russia, he answered, with an expression that read resignation:

«Why?»

Because of the doping revelations, match-fixing scandals, violence among fans at the Euro 2016 in France, the rights of those working at the stadiums, consisting of migrant workers from poor, former Soviet republics, that they don't get paid and so on, if Russia is a safe travel destination for gay supporters, about Russia's involvement in Ukraine and Syria?
Our list clearly bored the soon-to-be UEFA President. After a pause, he answered:

«There are two types of people: positive and negative. I am positive.»

The answers, my friend

Josimar sent nine questions regarding our discoveries in Russia to the UEFA President. After a week we got an answer, from a spokesperson at FIFA, which amongst other things, said:

«FIFA condemns any human rights violations and, if identified, would not tolerate such conditions on any of the FIFA World Cup stadium construction sites. Lastly, the link you make between North Korean migrant workers in Russia and FIFA contributing to the nuclear weapons programme in their home country is, to say the least, far-fetched and outrageous.»

Josimar also sent questions to Mr Vitaly Mutko and after a week, and coincidentally two minutes before the answer from FIFA, we got a reply from Russia LOC Media Office.

How will you describe the construction process of the new Krestovsky stadium?

«The construction of the 'Saint Petersburg Stadium' has certainly been very challenging and required our fullest attention. Together with the federal government, both Prime Minister Dmitry Medvedev and President Vladimir Putin have been appraised of the work as it progressed. On a number of occasions, when serious problems occurred they have also intervened. In July 2016, the St. Petersburg municipal government replaced the general contractor over repeated delays and cost overruns.

However, such issues are not unusual in a project of this magnitude and complexity as countless other cases around the world show. A number of factors that are unique to this stadium must be taken into consideration. It is a multipurpose arena with very sophisticated architectural features, such as the retractable roof and the sliding pitches. What is more, the climatic conditions in St. Petersburg have impacted the project as well.

At present, it is being finalised to host the opening and final matches and other games of the 2017 FIFA Confederations Cup. And in 2018 it will be one of the key stadiums for the FIFA World Cup.»

The work on the stadium started in 2006 and was supposed to be completed by December 2008. Can you explain the massive delay?

«Work was started under entirely different assumptions, but there were never plans to finish it by 2008. Originally, the stadium was planned to be built for the purposes of FC Zenit. However, the project was soon revised due to the long-term plan Russia developed with respect to hosting major sports competitions. From the original inception, its design and layout was amended three times: in 2008, 2010 and 2013 to accommodate events such as the FIFA World Cup and EURO 2020.»

Will the stadium be ready for the Confederations Cup, and will the opening match be played in April (between Zenit St Petersburg and FC Ural) as planned? If the answer is no, will the stadium be ready for the World Cup 2018?

«Yes. The stadium was formally commissioned by the St. Petersburg authorities on 29 December 2016 and a first test event was held on 11 February 2017. 10,000 spectators, media and other guests attended an opening event which put the facility through its paces for the first time. The second test event was held on 22 February with more than 30,000 spectators attended music festival. The opening match pitting Zenit St Petersburg and FC Ural will go ahead as scheduled – on 22 April. There is no doubt that ‘Saint Petersburg Stadium’ will successfully host 2017 FIFA Confederations Cup upcoming summer.»

Krestovsky stadium is the most expensive arena for sports in the world: Can you elaborate on the total cost?

«We beg to differ with you. The stadium in Saint Petersburg is by far not the most expensive sports arena in the world. According to the latest figures released by the city authorities, final costs will amount to 43.8 billion roubles (some \$728.3 million at the current exchange rate). You will note that the construction costs for quite a number of sports arenas was higher, in some cases exceeding one billion, notably in the USA for American football. Also, Wembley Stadium in London is said to have cost 1.25 billion US dollars, and the Olympic Stadium in London built for the Summer Games in 2012 was said to have cost some 775 million US dollars.»

Many others projects in the city of St Petersburg, like building new hospitals, schools, kindergarten etc, has been postponed by the city council due to the cost of the new stadium. Is the total price of Krestovsky Arena money well spent or does hosting the World Cup come at too big a cost?

«Municipal budgeting falls under the competence of the municipal authorities. We are not in position to comment on such decisions.»

There has been a series of problems with the vibration under the playing field: is this fixed?

«Climatic conditions in Northern Europe are very demanding and pose additional challenges when such sophisticated solutions are used. Our engineers are addressing this issue and the playing field will be stable.»

According to our sources there has been many serious accidents, and also several deaths, during all these years of construction at Krestovsky stadium. How many people have been involved in accidents and how many workers has died?

«Health and safety as well as decent working conditions of all workers involved in the construction and renovation of the 2018 FIFA World Cup Russia stadiums are of major importance to FIFA and the LOC. These principles are an integral part of the Sustainability strategy for the 2018 FIFA World Cup in Russia and one of the key strategic objectives.

Not being in charge of construction matters nor having direct supervisory competences, the LOC does not have precise information regarding the number of accidents during the entire period of the construction work at «Saint Petersburg Stadium». However, it goes without saying that the LOC very much regrets any incident that occurs on a construction site for the 2018 FIFA World Cup, especially so the four fatal accidents which unfortunately happened at Saint Petersburg stadium construction site starting from September 2012.

To address such risks as well as health and safety concerns and to contribute to the decent working conditions at the 2018 FIFA World Cup stadiums, FIFA and the LOC have, for the first time in the build-up to a FIFA World Cup, developed and implemented a unique tailor-made system for monitoring working conditions of workers engaged in the construction and renovation of ten 2018 FIFA World Cup stadiums, including the arena in Saint Petersburg. Our monitoring system is being implemented with substantial involvement of the Russian Trade Union of construction industry and Building and Woodworkers International (BWI). Their participation and monitoring contribute a lot to ensuring that rights and concerns of workers are duly considered and addressed.»

How many workers in total have worked at the stadium during 11 year of construction?

«The number of workers involved in the stadium construction very much depends on the construction stage and the types of construction works. Therefore, it may vary significantly during a year and over the construction period. In 2016, the largest number of workers at the stadium reached almost 4,200 (end of November 2016). At present, about 1,700 people are working on the site.»

And how many of the workers have been migrants workers?

«The total number of migrant workers involved in the stadium construction very much depends on the construction stage and the types of construction works. Therefore, it may vary significantly during a year and over the construction period. For example, in February 2017 this number was approximately 55%. These workers mainly came from Ukraine, Tajikistan, Uzbekistan, Kyrgyzstan, Serbia and Belarus.»

We have been informed that the majority of the migrant workers didn't have any contracts, didn't receive the pay they were promised, many didn't receive any pay at all. Are you concerned about the fact that the fundamental rights for works hasn't been in place?

«Information received following visits and surveys by national and international experts, including trade union representatives, do not corroborate your findings. In 2016, these experts performed on four occasions two-days inspection visits to the stadium in Saint Petersburg to

ensure that decent working conditions are in place. The focus was laid on checking the labour agreements, timely payments of salaries, health & safety issues as well as workers' living conditions. During these visits, said experts and trade union representatives interviewed close to 100 workers. We did not get any evidence of the issues you are referring to. However, as a result of the visits and their findings, all incompliances with respect to labour law and other inconsistencies were reported to the stadium and city authorities together with the recommendations for measures to remedy them.

For FIFA and the LOC, the respect of human rights of all workers involved in the construction of the 2018 FIFA World Cup stadiums are of utmost importance. We are committed to making the working conditions compliant with all applicable international standards as well as Russian legal requirements.»

Do you think it is okay to use workers from North Korea? If yes, feel free to elaborate.

«On average, almost 50% of the workers involved in the construction of the ten 2018 FIFA World Cup stadiums are migrant workers. It is very important to stress that for FIFA and LOC the respect of human rights of ALL workers involved in stadiums construction is very important, regardless of the workers' nationality or citizenship. Within the framework of our decent working conditions monitoring system we monitor and assess working conditions of all workers at the stadium construction sites, independently of their migrant status. It is also being checked that migrant workers are legally employed, received all relevant permissions and are treated in accordance with the applicable legal requirements and standards.»

Did you know that there have been hundreds of North Korean workers at Krestovsky stadium?

«As far as we are aware there were only few workers from North Korea and they performed finishing works during a short period of time.»

People with knowledge of the working conditions at Zenit Arena describes the workplace as «a complete mess». In your opinion; Is this a correct description?

«The construction of the stadium in Saint Petersburg has not progressed without hitches. That is why the situation was taken under control at the highest level of governance and government. As you know, the stadium is in the final stage of preparation and will host FIFA Confederations Cup matches in June/July this year. A FIFA delegation has recently conducted an inspection visit in the stadium and was pleased with the progress. We have no doubt that all site works will be completed on time.»

Norway says

The leader of the Norwegian Confederation of Trade Unions (LO), Gerd Kristiansen, is not surprised by the findings in Russia.

«For big events, like Sochi and Qatar, we know that basic workers' rights are not being upheld.

And slavery is illegal.

«On the question ‘should Russia lose the right to host the World Cup’, I am tempted to say yes. But we believe in dialogue. We must demand inspections and put pressure on FIFA. I will make sure the Norwegian Football Association (NFF) address this at FIFA level,» the LO-leader says.

Linda Hofstad Helleland, the Norwegian Minister for Culture and Sport, writes the following in an email to Josimar:

«This is unknown to me. But if this information is correct, it is a serious matter.

«Workers’ conditions in Russia are first and foremost the responsibility of the Russian authorities. To me, that the government upholds its own labour laws and their international commitments, is unconditional.

«I take it for granted that FIFA, who has awarded Russia the hosting rights, secures that the World Cup host provides proper working conditions on the stadium sites.»

«As a FIFA member, the NFF should make sure questions of workers’ conditions are on the agenda within the football governing body.

«And I will invite the NFF to a meeting to hear what action they will take with FIFA.»

Sven Mollekleiv is president of the Norwegian Red Cross and the head of the NFF Ethics Committee.

«The football organisations – like the NFF, UEFA and FIFA – must follow international guidelines regarding basic human rights like work conditions. Football has a communal responsibility when it comes to international tournaments. The debate regarding these issues in Qatar is on-going. It is imperative that what goes on in Russia is also scrutinised,» Mollekleiv says.

The Ethics Committee Chairman will ask for a meeting with the NFF.

«The NFF has an independent responsibility to directly pressure UEFA and FIFA and to wholly commit to full transparency in all such matters. To say we are only one of 208 FIFA member countries is not good enough. Everyone has a responsibility. It is a deciding factor for the credibility of football, and I will challenge the NFF Board that this will be addressed properly.»

<http://www.josimar.no/artikler/the-slaves-of-st-petersburg/3851/>

FW: North Korean Slaves Building Key Russian World Cup Stadium

From: (b)(6)
To: (b)(6)
Date: Fri, 31 Mar 2017 12:39:27 -0400
Attachments: The Slaves of St Petersburg.docx (42.9 kB)

Sorry, I meant to include you instead of (b)(6)

From: (b)(6)
Sent: Friday, March 31, 2017 11:59 AM
To: (b)(6)
Subject: North Korean Slaves Building Key Russian World Cup Stadium

North Korean Slaves Building Key Russian World Cup Stadium

March 31, 2017 — 17:10 — Update: 17:35

Two Russian construction companies are using North Korean slave labor to prepare the city of St. Petersburg for the 2018 World Cup.

Exactly 110 North Korean forced laborers have worked on the Zenit Arena stadium in St. Petersburg, according to a report by Josimar, a Norwegian soccer magazine.

The laborers, who work for the St. Petersburg-based Seven Suns and Dalpiterstroy companies, work seven days a week, live in inhumane conditions and sleep in shipping containers. One of the workers was even found dead in a shipping container not far from the construction site, according to Josimar.

The Zenit stadium, near St. Petersburg's Krestovsky Ostrov metro station, has been under construction for 11 years. The project was initially intended as a new arena for the football team Zenit St. Petersburg and estimated to cost \$220 million. However, after Russia's successful bid to host the World Cup, the stadium was assigned to be one of the championship's key venues. Since then, the cost of construction has skyrocketed to \$1.5 billion and counting.

The use of North Korean workers is an extremely controversial subject. Several prominent international humanitarian organizations describe them as slaves and hostages. Normally, 90 percent of their pay is automatically seized by the government in Pyongyang, and the laborers work under constant surveillance.

Due to the international sanctions imposed on North Korea, a result of the country's illegal nuclear weapons program, overseas labor remains one of the few ways the regime can earn hard currency. The United Nations estimates exported labor accounts for \$2 billion dollars of Pyongyang's income.

Despite the controversy, Russia has long used North Korean labor. According to the Russian Ministry of Labor, in 2015, more than 47,000 North Koreans were working in Russia. Local businesses purportedly favor the foreign laborers for their "diligence" and "hard work."

<https://themoscowtimes.com/news/north-korean-slaves-building-key-russian-world-cup-stadium-57602>

Bates No. 2018-06-192: 001216
Pending Consultation with
Other Components of Treasury

Bates Nos. 2018-06-192:
001217 – 001222
Pending Consultation with
Another Component of
Treasury

The Magic Isle: How Wealthy Russians Use an Offshore Territory to Avoid Taxes on Private Jets

From: (b)(6), (b)(7)(C)

To: (b)(6), (b)(7)(C)

Date: Mon, 06 Nov 2017 16:10:37 -0500

(b)(5)

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

The Magic Isle: How Wealthy Russians Use an Offshore Territory to Avoid Taxes on Private Jets

by Olesya Shmagun, OCCRP
06 November 2017

Boris and Arkadiy Rotenberg belong to one of Russia's richest families. As old friends of President Vladimir Putin, the brothers have international business interests and active lives.

So they could easily afford the US\$ 100 million-plus they spent on three high-end private jets. But the businessmen also knew a legal way to avoid paying value-added tax (VAT) on them, for an estimated savings of about \$20 million.

The brothers registered their planes on the Isle of Man, an island state in the Irish Sea with a population of about 85,000. The Manx people are British citizens, but their tiny state is not a part of the European Union (EU).

Thanks to customs and tax agreements with the United Kingdom (UK), anything imported into the Isle of Man is deemed to have been imported into the UK, and, therefore, into the European economic area. At the same time, the island offers expedited services and a relaxed attitude towards tax shenanigans that are not tolerated in EU states.

Details about the Rotenbergs' deals and other normally secret transactions were buried in thousands of pages of documents leaked to the Süddeutsche Zeitung newspaper and shared with the International Consortium of Investigative Journalists (ICIJ). ICIJ shared the documents with media outlets around the world, including the Organized Crime and Corruption Reporting Project (OCCRP).

Included in the leak were documents from Appleby, a Bermuda based law firm that specializes in offshore cases and gives legal advice and services to cost-conscious millionaires the world over. Appleby also has offices on the Isle of Man.

As reporters discovered, the firm helped to get more than 50 airplanes worth over \$1 billion registered in the Isle of Man.

A tax average people can't avoid

The VAT is a consumption tax levied in about 160 countries. For example, most UK citizens pay 20 percent VAT on just about everything, except for some medical supplies, cultural services, and things like education. Rates vary in other European countries.

For the past 10 years, the Isle of Man has gone in a different direction. In 2007, the island established the Isle of Man Aircraft Registry, which has grown popular with the world's wealthy, as it has allowed them to import thousands of planes into Europe without paying any VAT.

Manx authorities say its aircraft registry is now the sixth largest in the world.

How does it work?

The process is not all that simple, which is why law firms like Appleby have found a market for their specialized services.

When a person buys a car, he pays money to the seller, including the VAT; registers it in his name; spends money on gas and services from his own pocket; and possibly pays yearly transport or property taxes to the state.

Logically, buying a private plane should work about the same way. And yet it doesn't, because the overwhelming majority of high-end private jets are bought in the names of companies, rather than people.

On paper these companies can be set up as air carriers, which frees them from VAT in Europe. They can also be registered as leasing businesses, in which case they must pay VAT but can get refunds. Appleby can arrange these things for its customers.

The Rotenberg Brothers

Since Putin rose to power in Russia, the Rotenbergs have done well, with state funds the main source of their wealth. They appear to have bought themselves one private plane each, plus one for corporate needs.

The process Arkady Rotenberg went through to buy his 16-seater Global XRS is a primer on how to avoid VAT.

In an introductory letter to Appleby, his representatives specified that the plane would be used for the personal needs of the owner and his family, friends, and subordinates.

“Would you be able to assist in connection with the registration and EU import (at VAT friendly conditions) of a new Global XRS in Isle of Man? The aircraft is still in Canada, but ready for delivery,” the letter says.

Staff members at Appleby then suggest a complex corporate scheme, requiring a chain of companies, to avoid VAT. These include:

- A company on the British Virgin Islands (BIV) to be the official owner of the plane. This company opens a subsidiary on the Isle of Man.
- The subsidiary is registered as a taxpayer on the island, and officially imports the plane into the Eurozone. But on paper, the end user is a third company in Cyprus.
- The company in Cyprus leases the plane.

In this way, the plane officially becomes an asset of the leasing business. The owner of the leasing company has the right to be reimbursed for VAT levied on the plane.

Boris Rotenberg used the identical scheme to import a Bombardier Global 5000. With a wingspan of 29 meters, this long-haul plane can fly even from short runways and land in mountain airports.

The pattern varies in other cases in the leaked documents, with jurisdictions of the owner and the lease changing from the British Virgin Islands (BVI) to Bermuda, or Cyprus to the BVI. The crucial part is to establish a VAT registered business on Isle of Man.

Among Appleby’s clients there are many high net-worth individuals and Forbes’ richest men from many countries, including Formula 1 driver Lewis Hamilton, Israeli businessman Idan Ofer, and Lebanese banker and politician Adnan Kassar.

Lawyers and staff members of the Russian Tax Service, who spoke to OCCRP on condition of anonymity said they are familiar with such schemes and don’t consider them illegal. One said, “This is optimization more than a scheme of evasion.”

Aleksandr Orlov, managing partner of the consulting company Orlov and Sizov, said that registering private property in a company’s name “is common practice. It’s common enough that, up to this time, no one has dared to call it illegal. Formally, the company is respecting legislation, and not violating the law.”

He did say, however, that such relaxed official attitudes appear to be changing.

“Lately the tax services have started to pay more attention to the content of business activity,” he said. “If the actual work of a company does not correspond to its declared goals, they don’t recognize the tax expenses. That means problems for holding structures that only pretend to conduct business activity.”

The Magic Isle

The Isle of Man’s VAT legislation is generally the same as in other European countries and in Russia: businesses do not pay VAT on their assets. But Manx lawyers have another selling point: speedy processing of applications and an apparent lack of auditing requirements.

On the Isle of Man, VAT refunds take one day. The airplane owner doesn’t have to spend a penny – on paper the tax is paid and refunded immediately.

An attorney who specializes in guiding clients through the process and who requested anonymity said, “This is a bit of magic that can be accomplished on the Isle of Man if the necessary structure is set up and a local corporate service company is hired. In England, for example, this approach would not work.”

In Russia, VAT refunds can take months, and that is if everything goes smoothly.

“The tax services are reluctant to approve the refunds,” says Orlov. “Most of the time you have to prove your claim in court. A tax audit may raise serious questions about the whole business structure. The procedure is similar in other European countries.”

The lawyer says everyone knows what’s happening on the Isle of Man.

“Yes, Isle of Man government officials are aware of the use of this structure, and allow it, because they find it expedient to attract aircraft to be registered on the Isle of Man. In this way, the Isle of Man is a typical tax haven jurisdiction that attracts transactions and capital by not taxing them. The parties who have an interest in complaining about tax havens are countries that are losing transactions and capital that they would like to tax. Yet, so far, the EU has not challenged the Isle of Man mechanism of avoiding paying EU VAT while also offering EU-VAT-tax-paid-status to aircraft registered on the Isle of Man.”

It cost Arkady Rotenburg a bit less than £13,500 to import his Global XRS, plus an annual payment of about £4,000 to maintain the corporate structure. Still, he saved over \$8 million in VAT charges.

Also, the Isle of Man has no asset or company income tax. A person registering a private jet in Russia under his or her own name, or in the name of their company, would have to pay an annual asset tax on the aircraft.

Hundreds of millions in lost taxes

Assuming that all 50 airplanes OCCRP reporters found in the Appleby documents were actually private planes, the lost VAT in the UK would come to over \$200 million.

Still, this is a rough estimate. "If the plane is actually used for corporate needs – say to take a top manager from one business venue to another or for business trips – the company indeed has a right to refund VAT," notes Orlov.

It isn't always clear from Appleby's correspondence with its clients whether the planes are meant for private or corporate usage. But sometimes, owners register their aircraft in the names of family members.

For example, Russian businessman Oleg Deripaska registered his plane in the name of his mother Valentina, while a plane belonging to Alexander Skorobogatko and Alexander Ponomarenko is formally owned by their wives and children.

As for the leasing maneuver, the Appleby records indicate that some plane owners didn't bother to make lease payments – sometimes for years – despite Appleby warning them that they needed to do so every quarter to qualify for a VAT refund. The documents contain no evidence that Isle of Man authorities ever questioned such lapses.

Not only taxes

Experts interviewed by OCCRP noted that a favorable tax climate isn't the only reason Russian clients like to register their planes on the Isle of Man.

Sergey Shvalya, of Russia's Aircraft Owners and Pilots Association (AOPA), says tax regulation makes Russia a bad place to register a plane. "Russia virtually doesn't have a system of airworthiness control – no proper legislation, no technical regulations, [and] no inspection," he says. "Right after being registered in Russia, an airplane loses 30 percent of its value. No one trusts Russia's control system."

"If you're buying a jet with borrowed funds, the bank will demand it be registered in Europe," Shvalya continued. "Even when one buys with his own money," one has to consider the immediate loss in value. "Rich people don't like flying old planes, usually they don't keep them for more than six years, or even less – three to four years."

Registering a plane in the West makes it "way easier to actually use the plane, maintain it, [and] renew ratings in your pilot's license," he says. "Nobody wants to follow the horrific rules invented by our lawmakers."

Still for big businessmen, the tax advantages are paramount.

Aviation Legal Group attorney Derek Bloom of Fort Lauderdale, Florida, who for many years worked in Moscow, says some clients have told him "they would strongly prefer to register their aircraft in Russia." But like most Russians, he says, they "consider paying taxes unnecessarily to be a waste of money, if the taxes may be avoided legally."

He said the Russian government should "create an exemption from import VAT for aircraft imported and registered in Russia. Then, there would be fair competition between the Russian aircraft registry and European aircraft registries, and a business case for a growing private jet industry in Russia," instead of losing revenue and business to tax havens.

And in fact, the Ministry of Trade and Industry recently proposed introducing tax advantages to private jet owners who register their planes in Russia, including a zero VAT rate.

Isle of Man authorities deny any wrongdoing. A spokesperson told an ICIJ reporter, "No jurisdiction in the world could ever guarantee that instances of evasion, abusive tax avoidance, and error do not occur on an individual basis, [and] the Isle of Man is committed to ensuring that it is not used by those seeking to evade taxes or to abusively avoid taxes."

Howard Quayle, chief minister of the Isle of Man, said the island government has invited British treasury officials to assess Manx practices regarding aircraft imports.

Arkadiy Rotenberg

Bombardier Global XRS M-ARRJ

Price: \$ 43 935 000

Arkadiy Rotenberg is a Russian businessman whose personal wealth is estimated by Forbes to be \$2.6 billion. Rotenberg is a childhood friend and judo sparring partner of Russian President Vladimir Putin.

In its 2016 "Kings of State Contracts" rating, the Russian edition of Forbes places Rotenberg in first place, with more than half a trillion rubles (\$7.4 billion) in state contracts. Many if not most of the contracts awarded to Rotenberg companies did not go through a competitive tender process.

Rotenberg bought his Global XRS jet in 2011. In February, 2012 it was imported to the Isle of Man with the assistance of the Appleby law firm. Bombardier's Global XRS is an ultra-long-range business jet that can fly intercontinental ranges without refueling.

The buyer's representatives noted in their letters to Appleby that the jet would be used privately.

According to Appleby's 2012 aircraft usage data, the jet frequently flew from Moscow to St. Petersburg, Nice, Phuket, Dubai and Papua in Indonesia.

On several occasions in August 2012, the jet traveled to Pau, a small city near Biarritz, France, which is beloved by Putin's Russian family. OCCRP earlier reported that Putin's ex-wife and a woman believed to be his daughter own villas in Biarritz.

These flights appear to be to leisure destinations, and as such would be subject to VAT. According to OCCRP's evaluation, based on the aircraft's travel logs, about 40 percent of its flights are of this nature.

Boris Rotenberg

Bombardier Global 5000 M-BRRB

Price: \$ 36 986 000

Boris Rotenberg is Arkadiy Rotenberg's younger brother. Forbes estimates his fortune at \$1 billion.

He acquired his jet, which is similar to the Global XRS, in 2013, using a loan from Credit Suisse.

The aircraft was imported to the Isle of Man in May 2013 under the leasing scheme described above. But no leasing fees were paid until at least January 2014, according to the Appleby data. This means that the owner of the aircraft should have paid the whole VAT amount, which did not happen.

Oleg Deripaska

Gulfstream G550 M-SAWO

Price: \$ 29 000 000

Deripaska, an aluminum mogul, chose a Gulfstream-550 for his flights. The manufacturer advertises this model as the best-in-value business jet. It can transport up to 19 passengers.

Officially the aircraft was bought in 2004 by a company belonging to Valentina Deripaska, the businessman's mother. The jet purchase was partly financed by a loan from Credit Suisse.

Deripaska registered the aircraft in Bermuda, though it has mainly been operated in Russia. In 2013, Raiffeisen refinanced Credit Suisse's loan. The new bank requested a change in the country of registration, and in 2013 Deripaska's representatives asked Appleby to help import the jet from Bermuda to the Isle of Man.

Deripaska's representatives emphasized that a main concern was to pay zero VAT. Appleby lawyers offered to establish a leasing structure to accomplish for this purpose, but Deripaska did not follow the protocol. After his jet was imported, his representatives stopped answering Appleby's letters. No leasing fees were paid until at least 2015, meaning Deripaska's company had no right to a VAT refund.

Aleksandr Ponomarenko and Aleksandr Skorobogatko

Gulfstream G550 M-ATPS

Price: \$ 44 557 134

Aleksandr Ponomarenko and Aleksandr Skorobogatko started a business together in Crimea in the 1990s, and afterwards moved to Moscow together. Today they are involved in banking and real estate. Aleksandr Ponomarenko became famous in 2010, when he bought a luxurious palazzo near Gelendzhik widely known as "Putin's Palace."

Aleksandr Skorobogatko was a member of the Russian parliament from 2003 until 2016. Two months after the latest elections, he stepped down from office to return to business.

Ponomarenko and Skorobogatko bought the plane in 2011. It belongs to a joint family trust.

<https://www.occrp.org/en/paradisepapers/the-magic-isle-how-wealthy-russians-use-an-offshore-territory-to-avoid-taxes-on-private-jets>

RE: Designated entities?

From: (b)(6)
To: (b)(6)
Cc: (b)(6)
Date: Wed, 15 Nov 2017 14:47:03 -0500

Thanks, (b)(6)

(b)(6) Senior Advisor, Office of Foreign Assets Control, U.S. Treasury Department, (b)(6) (O),
(b)(6) (M)

From: (b)(6)
Sent: Wednesday, November 15, 2017 2:42 PM
To: (b)(6)
Cc: (b)(6)
Subject: RE: Designated entities?

(b)(6)

Sorry for the delay in following up. None of the main companies associated with Deripaska are sanctioned (SDN or SSI). I didn't check every last subsidiary, because some of these groups are quite large, but I don't think it's likely that subsidiary companies would be either.

From: (b)(6)
Sent: Wednesday, November 15, 2017 2:30 PM
To: (b)(6)
Cc: (b)(6)
Subject: Designated entities?

(b)(6)

Following up on our discussion last week, were you able to confirm if the entities that we discussed were designated?

(b)(6)
Senior Advisor
Office of Foreign Assets Control
U.S. Treasury Department
(b)(6) (O)
(b)(6) (M)

Leg Update - Russia

From: (b)(6)
To: (b)(6) (b)(6)
(b)(6) (b)(6)
"Ballman, Luke" <luke.ballman@treasury.gov>, "Gacki, Andrea"
(b)(6) "Palluconi, Lisa" (b)(6) "Smith, John"
(b)(6) "Swindells, Felicia" (b)(6) "Thannhauser, Sara"
(b)(6)

Date: Thu, 01 Mar 2018 09:11:40 -0500
Attachments: CREC-2018-02-28-pt1-PgS1268.pdf (232.72 kB)

Good morning,

With the House on recess and no significant Senate activity, there is only one legislative update today:

- **Russia:** In a floor speech yesterday, Senator Reed delivered remarks on Russia's financial influence and the necessity for certain legislative reforms. There are Treasury equities throughout his speech. The text is attached.

Best,

(b)(6)
Senior Advisor
Office of Foreign Assets Control
U.S. Treasury Department

(b)(6)
(b)(6) (O)
(b)(6) (M)

he made calling for the military to target Muslim women and children and equating American colleges to “Jihadi training camps.”

None of these individuals resigned because of their religion. In the United States—and I feel this so deeply—every person is free to practice the religion of their choosing and hold any and all beliefs. The reason these three individuals resigned from their positions was because their intolerant comments cast serious doubt on whether they were capable of working on behalf of all Americans.

That brings me to Mr. Vought’s nomination. He has a long history of using inflammatory rhetoric to demonize his political opponents, and he just seems to abhor compromise. He has said that if Republicans fail “to beat back the forces of the left,” then “we will lose our country to tyranny.” Addressing a group of conservative activists in 2014, he said: “The left increasingly elects ideological storm troopers to Congress.” After he was nominated, the American Civil Liberties Union criticized his nomination because he had previously claimed that Muslims had a “deficient theology” and flatly stated that all Muslims “stand condemned.”

When I met with Mr. Vought, I asked him to clarify his inflammatory rhetoric. I always think it is important to give somebody a chance to break from the past, and I hoped to hear a softer approach. He chose to stand by what he said. In fact, he doubled down.

So I will close with this. In my view, nothing should have changed in the time since Mr. Higby, Reverend Johnson, and Mr. Bradford resigned in shame. This incendiary, vitriolic rhetoric is disqualifying.

One of the first requirements of nominees for public office is to respect Americans from all walks of life. This is true when you are talking about a position like the OMB Deputy Director which holds enormous influence over the Federal budget. Mr. Vought has a clear, documented record of disrespecting and demonizing those who think differently than he does, and I consider that disqualifying.

This administration may tolerate those who spew vile rhetoric, and maybe they believe it is right to reward them with powerful roles in government, but the Senate does not have an obligation to let the standards of decency and tolerance degrade in this manner.

For this reason, I oppose the Vought nomination.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

RUSSIAN FINANCIAL INFLUENCE

Mr. REED. Mr. President, I come to the floor to give the first of several speeches on Russia’s hybrid warfare operations against the West. Today, I want to highlight one aspect of this ongoing destabilization effort: the Kremlin’s malign financial influence.

It is clear we need a whole-of-government approach and a comprehensive strategy to counter Russian aggression. A particular focus should be devoted to reducing secrecy in our financial system. It is a simple fact: Bad actors need money to conduct their activities. Yet our current financial system’s opaqueness serves the interests of malevolent forces.

Greater transparency will make it harder for the Kremlin and its cronies to exert malign financial influence on our shores. The lack of transparency in our system is problematic for our banks here at home. The global nature of our financial system means that foreign actors can take advantage of our institutions for their own gain, which has implications for our national security.

I have looked at this issue through the lens of my work as ranking member of the Armed Services Committee, as well as my service on the Banking Committee and the Select Committee on Intelligence. Money laundering and other financial crimes are among the tools deployed by Russia as part of the Kremlin’s larger influence campaign, which has been used against the United States and our allies and partners to advance the strategic and political goals of Russia. These activities are being used as weapons which threaten U.S. national security.

The Kremlin’s use of malign financial influence is subtle and is part of a larger, coordinated operation of hybrid aggression by the Kremlin using a broad spectrum of military and non-military tools at its disposal. Russia recognizes that, for now, its military capabilities are limited relative to the United States and NATO, and it will seek to avoid a direct military conflict with the West. Instead, Russia deploys tactics that leverage its strengths and exploit our systematic vulnerabilities.

As laid out in the Russian National Security Strategy of 2015, the Kremlin’s approach to conflict includes weaponizing tools and resources from across government and society. The Russian strategy states: “Interrelated political, military, military-technical, diplomatic, economic, informational, and other measures are being developed and implemented in order to ensure strategic deterrence and the prevention of armed conflicts.”

This describes what may be called a Russian “hybrid” approach to confrontation below the threshold of direct armed conflict, a method that has been developing and escalating since the earliest days of Putin’s rise to power in Russia. The main tenets of the Kremlin’s hybrid operations are: information operation with cyber tools—which people commonly think of as hacking—propaganda and disinformation, manipulation of social media, and malign influence, which can be deployed through political or financial channels.

As a nation, we are beginning to unpack what happened in the 2016 Presi-

dential election with respect to certain aspects of Russian hybrid operations. For example, we are learning how the Russians combined hacking operations with the release of information timed for maximum political damage. We have also learned more about Russia’s manipulation of social media with Kremlin-linked cyber armies. But we have yet to understand the depths of how the Kremlin has used money as a weapon and how it has harmed our national security and our democracy. For this aspect of its hybrid arsenal, Russia is using money as a tool of warfare to exploit the vulnerabilities of our democratic institutions to its advantage.

The Russian system of corrupt financial influence rests on Putin’s domestic power structure. The Putin regime is fundamentally a kleptocracy, which is a system where corrupt leaders use their power to exploit their country’s people and natural resources in order to extend their personal wealth and personal power. Putin has systemically fostered kleptocratic conditions by exploiting state funds and resources to reward a group of close associates, commonly referred to as oligarchs. Many of these associates have a personal connection to Putin and have gained their positions of power or fortune due to their relationship with him. Often these political and personal relationships were forged in childhood, early adulthood, or during Putin’s days in the KGB and the St. Petersburg government.

In exchange for wealth, privilege, and often impunity, this group of Putin’s cronies are readily deployed to act on behalf of Kremlin interests. As Russian scholar and journalist Joshua Yaffa detailed, “Oligarchs finance the ‘black ledger,’ . . . money that does not go through the budget but is needed by the state, to finance elections and support local political figures, for example.” Funds leave the state budget as procurement orders, and come back as off the books cash, to be spent however the Kremlin sees fit.”

Russia’s kleptocratic system reinforces Putin’s power in several ways. First, he controls who profits from state coffers, making the recipients of state largess indebted to him. Second, he can outsource projects of financial influence, which provides him with access to private wealth streams and gives him plausible deniability if the projects have a nefarious aspect. Finally, this system allows Putin to ensnare oligarchs who may have enriched themselves through a corrupt deal or committed crimes that were state-sanctioned.

Not only has Putin been able to use corruption to protect his power base at home, but he has then exported his kleptocratic system as part of his arsenal of hybrid warfare. The Kremlin has studied the gaps in Western society and leverages the oligarchs’ wealth through the system of power Putin created, to buy our influence, distort our markets, and warp our democratic institutions.

As the Center for Strategic and International Studies report, “The Kremlin Playbook,” notes, “Corruption is the lubricant on which this system operates, concentrating the exploitation of the state resources to further Russia’s networks of influence.” A by-product of this malign financial influence is the use of ill-gotten gains to further fuel the cycle of corruption and fund other aspects of the Kremlin’s hybrid aggression.

As I mentioned, Putin and his inner circle often deploy these financial influence tactics through an oligarch. These intermediaries are not officially affiliated with the government and appear to operate independently, which makes them harder to detect and gives the Kremlin plausible deniability.

In conventional warfare, the tools of war are implements of physical destruction, but under Putin’s tactics of financial malign influence the tools are the same as any large-scale criminal organization: offshore tax havens and banking centers, shell companies, money laundering, with the addition of Russian majority-owned state banks.

Russian malign financial influence and the proceeds from this activity are harming our national security and corrupting our democratic institutions. As described in “The Kremlin Playbook,” “The mechanisms of Russian influence are designed to thrive in Western democracies because they use Western rules and institutions and exploit their systematic weaknesses.”

And these tactics appear to be updated versions of similar tools used against us in the past. As Russian expert Brian Whitmore wrote, “In many ways, Russian corruption is the new Soviet communism. The Kremlin’s black cash is the new red menace.”

He further described this threat as “a web of opaque front corporations, murky energy deals and complex money laundering schemes which ensnare foreign elites and form a ready-made Kremlin lobby.”

Let’s think about that for a second. The Kremlin is buying off foreigners to do its bidding within its own societies. And the way they are buying influence is obscured through exploiting Western banking laws and international financial systems. We have no way of knowing whom this money is going to or what it is buying. Russia is using our blind spot to advance their political and strategic goals and, in the process, corrupt and warp our institutions from within.

Let’s take a look at how they are doing it. One way the Kremlin is asserting malign financial influence is through personal relationships, established by oligarchs or through other Kremlin-linked business executives. As Vice President Biden and former Deputy Assistant Secretary of Defense Michael Carpenter warned in a recent article in *Foreign Affairs*, this arrangement “gives the Kremlin enormous leverage over wealthy Russians who do business in the West and over Western

companies that do business in Russia. Moscow can ask (or pressure) such businesspeople and companies to help finance its subversion of political processes elsewhere.”

One oligarch who used this method is Oleg Deripaska. Deripaska has been a close Putin ally for decades. Deripaska is transparent about how his wealth was deployed as a tool for the Kremlin, stating:

If the state says we need to give it up, we’ll give it up. I don’t separate myself from the state. I have no other interests.

He served as the benefactor for a variety of political activities that advanced Kremlin interests. According to the *Wall Street Journal*, this financial backing included paying Paul Manafort, who later became Trump’s campaign manager, \$10 million a year to advance Kremlin interests in Ukraine, Georgia, and Montenegro. Investigations from *NBC News* and the *New York Times* found that Deripaska fronted Manafort an estimated \$60 million for other business ventures and loans, moving the funds through shell companies in Cypress and the Cayman Islands.

A second way these influence activities can be deployed is through Russian majority state-owned banks. These banks do not function like the ones we deal with every day. In fact, these banks often don’t care about making profits at all. Instead, they are using money as a weapon of influence, to advance the Russian state or enrich people who may ultimately advance the Kremlin’s aims.

An example is the Vnesheconombank, commonly known as VEB. The U.S. Treasury Department described VEB as a “payment agent for the Russian government.” This bank is essentially controlled by Putin’s inner circle as the President picks the chairman and the Prime Minister sits on its supervisory board. *Foreign Policy* journalist Elias Groll deemed the bank “a precision-guided diplomatic weapon.” As such, VEB has taken on a range of projects with one common goal—to advance Kremlin interests. VEB financed a large share of the \$50 billion Sochi Olympics, attempted to shore up the troubled Ukrainian steel industry, and underwrote the losses of key Putin cronies whose financial interests were hurt by U.S. and EU sanctions.

VEB is under sanctions for its role in financing Kremlin aggression against Crimea and eastern Ukraine. VEB garnered headlines because it was used as a cover for a spying ring with efforts to recruit people such as Carter Page, who later became a Trump campaign associate. According to the Department of Justice, conversations recorded between these Russian spies reveal that they saw tactics of financial influence as a way to gain Page’s cooperation. In addition, VEB Chairman Sergey Gorkov, a close Putin ally, met with Jared Kushner in December 2016, while VEB remained under sanctions. While the Trump administration said that

the meeting was in Kushner’s capacity as an incoming government official, a spokesman for Putin said that it was for business reasons. This bank is losing billions of dollars funding projects of political and strategic value to the Kremlin, bailing out oligarchs and being used as cover for spies. These activities don’t match with those of a “normal bank.”

Another tool of Russian financial influence is offshore banking centers or tax havens, which refers to financial institutions in a place that is different from where the depositor lives. Usually this is done for the financial and legal advantages the location provides, including secrecy and little or no taxation. The Russians have used these centers to facilitate the movement of money out of Russia. Once money finds a home in an offshore banking center, it can be relabeled as “foreign” and then can move back to Russia or to a third destination with the origin and ownership of the funds obscured.

The Panama Papers—a leak of over 11 million files from one of the world’s largest offshore law firms—showed that between 2007 and 2013, nearly \$2 billion had been funneled through offshore accounts to those in Putin’s inner circle. Top centers for Russian offshore banking include Cyprus, the Bahamas, the British Virgin Islands, Switzerland, and Bermuda. Russian experts, Michael Weiss and Peter Pomerantsev, noted: “These destinations, prized for their secrecy laws and tax havens, often make cameos whenever Russian corruption scandals are exposed in the international press.”

Cyprus became a particularly important haven for the Kremlin after the United States and the European Union issued sanctions against Russia for its aggression in Crimea and eastern Ukraine. Cyprus provided a haven for Russian oligarchs and others from Putin’s inner circle to keep their money safe from sanctions and served as a launching point for the money to be used to finance further malign influence activities.

Often the Kremlin and Kremlin-linked actors utilize offshore tax havens and shell companies together. Shell companies are legal entities that generally have no physical assets or operations and may be used solely to hold property rights or financial assets. Russia has exploited these shell companies as a tool to obscure true ownership, fund shady deals, launder ill-gotten gains, and further the cycle of corruption.

One Kremlin-linked money laundering operation, commonly referred to as the laundromat, moved an estimated \$20 billion out of Russia through Eastern Europe and then to banks around the world. The Russian journalists who uncovered the scheme found that the beneficiaries were Russian business executives who had state contracts with Russian Government or government-owned entities worth the equivalent of hundreds of millions of U.S. dollars.

The money was laundered by 21 shell companies based in the United Kingdom, Cyprus, and New Zealand.

While it is easy to dismiss this as a problem that occurs in other countries rather than our own, Kremlin and Kremlin-linked actors are also exploiting our own laws in the United States to deploy these tools of financial influence. They are taking advantage of laws that do not require disclosure of who really owns a company or whose money is really funding these entities. They are taking advantage of the secrecy permitted in our system to continue their corrupt practices and intertwine their money into our systems.

As Acting Deputy Assistant Attorney General Day testified at a recent Banking Committee hearing, “the pervasive use of front companies, shell companies, nominees and other means to conceal the beneficial owners of assets is one of the great loopholes” in the anti-money laundering regime of the United States. Similarly, the 2015 Treasury Department’s National Money Laundering Risk Assessment estimates that \$300 billion is generated annually in illicit proceeds of the United States and cites shell companies as a means to move these funds into our domestic banking system.

The global, interconnected nature of our financial system has also been manipulated by Kremlin-linked actors to hold or move illicit funds and launder their ill-gotten gains across the West. In one prime example, Deutsche Bank was revealed to be helping Russian clients illegally launder \$10 billion between 2011 and 2015 in a mirror-trading scheme in which rubles were surreptitiously converted into dollars. This scheme would begin with Deutsche Bank’s Moscow branch buying Russian stocks in rubles. Shortly after, sometimes on the same day, a related party would sell the same Russian stock in the same quantity and at the same price through Deutsche Bank’s London office, but in dollars.

The New York State Department of Financial Services found that the parties doing the buying or selling were closely related to both sides such as through common ownership and that none of the trades demonstrated any legitimate economic rationale. The New York State Department of Financial Services concluded: “By converting rubles into dollars through security trades that had no discernible purpose, the scheme was a means for bad actors within a financial institution to achieve improper ends while evading compliance with applicable laws.” Deutsche Bank paid \$425 million to New York State in fines and an additional \$204 million to U.K. regulators for this money laundering scheme.

Kremlin-linked actors have also used real estate to launder illicit Russian funds in the United States and elsewhere. Often the purchase of real estate is done through an intermediary, which both obscures the true ownership of the property and hides the ori-

gin of the funds. These purchases are often all-cash deals, which is particularly problematic to trace and cut banks out of the process, which removes a crucial layer of oversight. Indeed, FinCEN, the Treasury Department’s Financial Crimes Enforcement Network, called out all-cash real estate deals in August of 2017 as an area of particular concern due to its lack of anti-money laundering protections.

One recent example of using all-cash real estate as a means to launder funds is the case of the Russian firm Prevezon. Prevezon is a firm owned by Denis Katsyov, the son of the former Kremlin Transportation Minister and a key Putin ally. Prevezon was charged by the Justice Department in connection with laundering the proceeds of an elaborate \$230 million tax refund fraud scheme, including buying real estate in Manhattan with some of the profits from this scheme.

As described, these tactics of financial influence, part of the Kremlin’s hybrid arsenal, have a corrupting and destabilizing effect on our democracies. Beyond the tactic itself, which is deployed to advance Kremlin aims, the ill-gotten gains created from these tactics continue to serve to concentrate Putin’s hold on power and fund other aspects of Russian hybrid warfare operations.

Profits gained from tactics of financial influence have underwritten the following malign activities: raising private militias to fight in Ukraine and Syria; assisting Russian military intelligence with conducting signals intelligence operations and other specialized technology and training against the United States in the 2016 election; funding troll operations that manipulate social media platforms in information operations against us and our allies; paying construction costs for a bridge between Crimea and the Russian mainland, which, once completed, will help the Kremlin to solidify its illegal annexation of Crimea.

The common link through all of these tools is secrecy. Putin and his kleptocratic system thrives on secrecy and on hybrid operations that blur the lines between legitimate economic activity and corruption, and between conflict and cooperation.

We need to take a serious look at how our government is organized to counter Kremlin hybrid operations in their totality. But one thing is for certain; we need to reduce secrecy in our banking system, which leaves us more vulnerable to the manipulation of our free market system by the Kremlin and Kremlin-linked actors.

We are getting a reputation around the world as a place to go if you want to hide money. This is contrary to both American values and the traditional role of the United States as the enforcer of international norms.

Starting in May of this year, many financial institutions will have to collect and verify the identity of the beneficial owners of companies at the time

of an account opening as a result of Treasury’s customer due diligence rule. While this is a start, we need to go further and pierce the veil of secrecy that has shrouded our system. We heard testimony in the Banking Committee on ways to improve U.S. disclosure requirements, including requiring disclosure of all beneficial owners, regardless of ownership stake.

I applaud those who have already been thinking about this issue. This includes recommendations, put out earlier this month by the Center for American Progress, that call for concrete reforms, including curbing abuses of shell companies, increasing FinCEN’s budget, and amending portions of the Bank Secrecy Act and Money Laundering Control Act in a way that would provide greater transparency and regulation regarding the sale of real estate.

There are also legislative fixes that have been proposed in the Senate. I appreciate that my colleagues Senators WHITEHOUSE, FEINSTEIN, and GRASSLEY have introduced legislation, the True Incorporation Transparency for Law Enforcement Act. I also recognize my colleagues Senators WYDEN and RUBIO for introducing the Corporate Transparency Act in the Senate. I know similar efforts have been made in the House of Representatives.

I intend to take a close look at these legislative proposals but the key, in my opinion, is making sure that we are able to trace these shell companies back to who is specifically benefiting and directing them; that is, any serious effort to determine ownership must stop only when a specific individual or individuals have been identified. Too often we take one step and find another shell company and stop right there. That doesn’t lead us to anyone. We have to find the individuals who are benefiting from and directing these activities.

The use of these shell companies, as I have said repeatedly throughout my comments, has a real effect on our national security. As the Special Counsel indictment against what is commonly called the “troll factory” shows, close Putin ally Yevgeny Prigozhin was funding an organization conducting what it called “information warfare against the United States.” Prigozhin used 14 affiliated shell companies to fund this operation as a way to hide the true source of funds. Without the full investigatory power and subpoena power of the Special Counsel’s office, we probably would not have uncovered the true ownership behind this operation. The Kremlin designs it that way, and we can’t let them keep getting away with it.

Part and parcel with exposing beneficial ownership would be to stand up an interagency task force led by FinCEN to follow the flow of illicit Russian money into the United States. This task force should leverage the intelligence community, the State Department, and other relevant government agencies to take a comprehensive

approach to uncovering where the money is going and how these ill-gotten gains are being spent. Remaining passive and waiting, is not going to deter, disrupt, and finally defeat these deliberate Russian efforts to undermine our basic institutions.

I will continue to work with my colleagues on the Banking, Housing, and Urban Affairs Committee, the Armed Services Committee, the Senate Select Committee on Intelligence, and others to ensure that our national security apparatus has the requisite authorities.

What we need now is initiative by the administration to fully resource and to direct a comprehensive approach to detect, disrupt, and prevent this Russian interference. We need to put the appropriate resources against this threat. The heart of our democracy—our election process—was attacked by the Russians. As we learned yesterday from Admiral Rogers of Cyber Command, it is under attack as we speak today, and we can expect the attacks against the 2018 election cycle to increase with both frequency, boldness, and, unfortunately, effectiveness if we remain passive—indeed, paralyzed—as we are today. We have to recognize that the money that is being generated through these malign financial activities is being used not only to enrich Putin and his cronies but is being used to attack the United States very effectively. Putin has exploited our own laws that favor financial secrecy and has used clandestine tactics to his advantage at a relatively inexpensive cost.

Increasing, for example, resources to FinCEN in the Treasury Department or standing up and funding a task force, as I described, and devoting the necessary resources to tracing shell companies back to the people responsible would be a small fraction of what it would cost to use conventional forces to deter Russian aggression. Indeed, deploying a combat team to the Baltics is more expensive, I would suspect, than setting up a team of experts here in Washington that will go after these funding streams, and without the money, they cannot conduct their operations.

Mr. President, we often hear the expression “follow the money” as a way to identify the cause of a problem, and that is true here. Today, we know that our democracy and many others are under attack by the Government of Russia. Responding to this reality will require a comprehensive strategy to counter Russian asymmetric and hybrid tactics. However, as I laid out, an immediate step we can take is a concerted effort to bring greater transparency to our financial system. If we fail to do so, we will continue to have that very secrecy used against our national security interests and the interests of all of our allies.

Now is the time to act. We are being attacked. To sit back and absorb the punches will lead only to defeat, not to a final victory over our adversaries.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. YOUNG). Morning business is closed.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to executive session to resume consideration of the following nomination, which the clerk will report.

The senior assistant legislative clerk read the nomination of Russell Vought, of Virginia, to be Deputy Director of the Office of Management and Budget.

The PRESIDING OFFICER. The Senator from Louisiana.

TRIBUTE TO SALLY-ANN ROBERTS

Mr. KENNEDY. Mr. President, it is very hard, as the Presiding Officer knows, to become an icon in television news as station owners change, as demographics change, and as on-air personalities change. The “Guinness Book of World Records” actually tracks the longest serving television news broadcaster. In case one is curious, the current record holder is a broadcasting legend named Don Alhart, who has been delivering the news in Rochester, NY, for 51 years. I am happy for Mr. Alhart, but Sally-Ann Roberts could have taken that title from him had she not decided it was time to pass the baton.

After 41 years at WWL-TV Channel 4, in the great city of New Orleans, Sally-Ann Roberts is embarking on a new chapter in her life. She is retiring today. If anybody is worthy of icon status, it is Sally-Ann, and she is absolutely humble about it. If you talk to her about her career, she will probably turn the conversation around to you. If you insist on talking about her career, she will always give credit to her parents for instilling such a strong work ethic and a love for the Lord in their children.

Ms. Roberts came to WWL-TV from Laurel, MS. She was working as the weekend anchor in that small, wonderful town. She didn’t even work every weekend; she worked every other weekend. Talent, though, does not stay hidden in America. A WWL-TV journalist by the name of Angela Hill, an icon in her own right, stopped near Laurel for the night. She turned on the television, saw Sally-Ann, and immediately told her news director to hire Sally-Ann. Angela recognized intelligence and talent when she saw it. Very shortly thereafter, Ms. Sally-Ann Roberts had the city hall beat in New Orleans, and the rest, they say, is history.

For the past 26 years, Sally-Ann has anchored the morning show on WWL-TV Channel 4 in New Orleans. She is as much a part of the morning routine in

New Orleans as eggs and beignets. Part of the reason people feel so comfortable with Sally-Ann is her positive attitude and pleasing personality. During cooking segments, she has been known to sneak bites of the crispiest bacon. During stories about neglected children—stories that would break anyone’s heart—she would often tell us that she was shedding light on the need for foster parents, always trying to be positive.

The Presiding Officer probably knows Ms. Sally-Ann Roberts’s little sister. Her name happens to be Ms. Robin Roberts. Robin is an anchor on “Good Morning America.” A few years ago, Robin was diagnosed with a very rare blood disorder. A bone marrow transplant saved Robin Roberts’s life. Sally-Ann Roberts provided that lifesaving bone marrow. Here is a typical story about Sally-Ann. She went through the bone marrow collection process on a Tuesday and a Wednesday. By Thursday, she was dressed to the nines and doing a national interview to emphasize how quick the recovery time is. She wanted to educate America about bone marrow donation.

Let me say again that Sally-Ann Roberts is an icon, and I don’t use that word lightly. If she had wanted, she would have probably been anchoring the evening news before a national audience, but she loved and still loves New Orleans, and that was where she chose to remain.

She has had an extraordinary career as a broadcast journalist. I know she is excited about what comes next. I suspect she will spend some time with her grandchildren. I suspect she will continue writing books and also driving home the importance of bone marrow donation. Sally-Ann, I know, will not just put her feet up and sit. Audience members like me are grateful she devoted such a lengthy chapter of her life to Louisiana and to our great city of New Orleans.

God bless you, Sally-Ann Roberts. Thank you for giving so much to our community and to our State.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. BARRASSO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REFORM

Mr. BARRASSO. Mr. President, I have been coming to the floor to talk about the many ways the tax relief law has helped people all across America.

Last week, there were even more examples. One thing we saw was the “Economic Report of the President” that came out last Wednesday. This is a report from the top economists at the White House. According to the report, the tax relief law that we have passed and signed into law is going to raise

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