

## **Chapter 1 Summary: Putin's Rise and Modus Operandi**

Chapter 1 covers Vladimir Putin's rise to power in Russia and puts in context *why* he is motivated to invade Russia's neighbors, interfere in democratic elections and processes abroad, and sow division and chaos in the West.

- ***[Former Russian president Boris] Yeltsin would recall later in his memoirs that, after he appointed Putin as prime minister, "[he] turned to me and requested absolute power ... to coordinate all power structures."***
- Vladimir Putin's Kremlin has used a sophisticated combination of propaganda and suppression to keep the Russian public supportive of wars abroad, and distracted from the regime's criminality and corruption at home. Putin's overarching domestic objectives are to preserve his power and increase his net worth, and he appears to have calculated that his regime can best do so by inflating his approval ratings with aggressive behavior abroad. ***It is not enough to sell the necessity of Russia's foreign interventions to only a domestic audience and to delegitimize or silence any Russian voices that rise in opposition. For Putin to succeed, he also requires a divided opposition abroad.***
- Mr. Putin operates from a position of weakness, hobbled by a faltering economy, substandard military, and few followers on the world stage. Despite these circumstances, his regime has developed a formidable set of tools to exert influence and disrupt societies abroad.
- The Kremlin has honed its arsenal of malign influence operations at home and taken it global. And while the methods used may differ across countries, the goals are the same: sow distrust and confusion, promote radical voices on divisive political issues, and gain economic leverage, all while eroding support for the democratic process and the rules-based institutions created in the aftermath of the Second World War.
- Putin cut his teeth with a war in Chechnya, following a still-unsolved bombing campaign of apartment buildings that left hundreds of civilians dead across Russia, which began just one month after he became prime minister: ***Despite no clear evidence or claims of responsibility linking the bombings to "Chechen terrorists," within days of the last explosion, Russian warplanes started a bombing campaign in Chechnya that the Russian defense minister claimed would "eliminate the bandits," and within a week, Russian troops crossed Chechnya's border. As the war progressed, so did Putin's popularity, and the number of voters who said they would choose him for president increased sharply: from just two percent in August 1999 (before the bombings), to 21 percent in October, then nearly doubling to 40 percent in November, and reaching 55 percent in December.***
- The Kremlin's malign influence campaigns are largely led by the government's security services – Putin has ***"opened the door to many dozens of security service agents to move up in the main institutions of the country"*** – and buttressed by state-owned enterprises, Kremlin-aligned oligarchs, and Russian criminal groups that have effectively been nationalized by the state.
- Russia's most important intelligence agency is the FSB, ***"personally overseen by Putin."*** ***The FSB also controls the Investigative Committee, Russia's equivalent to the FBI, meaning that no prosecutor's office has independent oversight over it and the courts defer to it when making judgements.***
- The length and intensity of these operations emanate out of Russia in concentric geographic circles: they began in Russia, expanded to its periphery, then into the rest of Europe, and finally to the United States. The

United States must now assume that the Kremlin will deploy in America some of the more dangerous tactics used successfully in Russia's periphery and the rest of Europe.

- Russia's security services are aggressive, well-funded by the state, and operate without any legislative oversight. They conduct not just espionage, but also *active measures aimed at subverting and destabilizing European governments, operations in support of Russian economic interests, and attacks on political enemies.*
- Putin's regime appears intent on using almost any means possible to undermine the democratic institutions and transatlantic alliances that have underwritten peace and prosperity in Europe for the past 70-plus years.
- On the foreign policy front, Vladimir Putin's fortunes improved in 2015. His military intervention in Syria reestablished Russia as a geopolitical player in the Middle East. In 2016, the UK voted to leave the European Union and the United States elected Donald Trump as president, who had warmly praised Putin's leadership. Pro-Russia candidates won elections in Bulgaria and Moldova. But as Western democracies woke up to the Kremlin's interference efforts to destabilize democratic processes and international institutions, the pendulum has begun to swing back in defense of democracy.

## **Chapter 2 Summary: Manipulation and Repression Inside Russia**

Chapter 2 chronicles the tools and tactics of oppression and misinformation Putin perfected at home, in Russia, before they were deployed abroad. *Within Russia, Putin's regime has harassed and killed whistleblowers and human rights activists; crafted laws to hamstring democratic institutions; honed and amplified anti-Western propaganda; curbed media that deviate from a pro-government line; beefed up internal security agencies to surveil and harass human rights activists and journalists; directed judicial prosecutions and verdicts; cultivated the loyalties of oligarchs through corrupt handouts; and ordered violent crackdowns against protesters and purported enemies.*

- Russia's 'sovereign democracy' relies on democratic structures, albeit largely hollow ones, to give a sheen of legitimacy to a regime that puts its own interests before those of its citizens. Under Putin's leadership, the Russian government has undermined political processes, parties, and opposition that present a meaningful check on the Kremlin's power. *In October 2014, then-Russian Deputy Chief of Staff of the Presidential Administration Vyacheslav Volodin famously quipped that "there is no Russia today if there is no Putin."*
- *An estimated \$24 billion dollars has been amassed by Putin's inner circle through the pilfering of state resources.*
- *At least 28 journalists have been killed for their reporting inside Russia since Putin took office in December 1999...* [T]he Kremlin has created a climate where physical attacks against civil society activists, as well as political opponents and independent journalists, occur regularly and often with impunity.
- Putin and his allies have neutered political competition by creating rubber-stamp opposition parties and harassing legitimate opposition. [O]pposition activists attempting to join forces... have been blocked from using hotels and conference facilities to hold gatherings, and some have even had their homes raided.
- *The pro-Putin United Russia party's hold on seats in the Russian Duma grew to 76 percent in the 2016 elections, and the number of seats currently held by liberal opposition has been reduced to zero.*
- The image of Putin as defender of traditional religious and cultural values has also been leveraged by the Kremlin "as both an ideology and a source of influence abroad." In projecting itself as "the natural ally of those who pine for a more secure, illiberal world free from the tradition-crushing rush of globalization, multiculturalism and women's and gay rights," the Russian government has been able to mobilize some Orthodox actors in places like Moldova and Montenegro to vigorously oppose integration with the West.
- Throughout Putin's tenure in Russia, independent media outlets have been a target of Kremlin pressure to prevent them from being a meaningful check on his power. *The Kremlin's early efforts to neutralize independent or critical national media and consolidate state ownership of media outlets had a chilling effect on the development of independent journalism in the country, and both official and unofficial pressure have continued against TV, print, and online media outlets that challenge the Kremlin line. Since Putin's return to the presidency in 2012, a spate of firings, resignations, and closures among numerous media outlets suggest that the Kremlin under Putin has no intention of reversing its longstanding trend of controlling the media space.*
- The use of disinformation and propaganda has long been a hallmark of the Kremlin's toolbox to manipulate its own citizens. The historical precedent for these tactics stem from the Soviet era... Propaganda under Putin

has played up examples of Western failures in an attempt to undermine the credibility of a Western-style alternative system of government to Russia's corrupt, authoritarian state.

- To implement its propaganda, Putin's deputies reportedly summon chief editors on a regular basis to coordinate the Kremlin line on various news and policy items and distribute it throughout mainstream media outlets in Moscow. Driving the narrative often requires media partners who have "created myths and explained reality" in the production of news as well as entertainment—often blurring lines between the two to ensure that media content fuels enthusiasm for the Kremlin's overall narrative.
- State-sponsored media have also doctored the Kremlin's image to help justify Russian military incursions into Georgia, Ukraine, and Syria to the Russian population. During the 2008 invasion of Georgia... ***"television channels were part of the military operation, waging an essential propaganda campaign, spreading disinformation and demonizing the country Russia was about to attack."*** ***Russian television inflated figures of civilian deaths and refugees in South Ossetia by the thousands. Alleging genocide, the picture that media painted was of the Kremlin "fighting not a tiny, poor country that used to be its vassal but a dangerous and powerful aggressor backed by the imperialist West."***
- ***Vladislav Surkov personally curated what was allowed on to Russia's television screens, and was seen as the architect of 'post-truth politics' where facts are relative, a version of which some have suggested has now taken hold in the West.***

## **Chapter 3 Summary: Old Active Measures and Modern Malign Influence Operations**

Chapter 3 catalogues old and new disinformation operations and tactics used by the Kremlin in other countries both to promote its narratives and advance divisive narratives with the goal of eroding social cohesion.

- Soviet bloc disinformation operations were not a rare occurrence: *more than 10,000 were carried out over the course of the Cold War.*
- Today, the Kremlin's malign influence operations employ state and non-state resources to achieve their ends, including the security services, television stations and pseudo news agencies, social media and internet trolls, public and private companies, organized crime groups, think tanks and special foundations, and social and religious groups.
- Disinformation campaigns are used to discredit politicians and democratic institutions like elections and an independent media; cultural, religious, and political organizations are used to repeat the Kremlin's narrative of the day and disrupt social cohesion; corruption is used to influence politicians and infiltrate decision-making bodies; and energy resources are used to cajole and coerce vulnerable foreign governments.
- *"[W]hat they do to us we cannot do to them .... Liberal democracies with a free press and free and fair elections are at an asymmetric disadvantage ... the tools of their democratic and free speech can be used against them."*
- The Russian government's work to destabilize European governments often start with attempts to build influence and exploit divisions at the local level.... An analysis by the German Marshall Fund's Alliance for Securing Democracy found that *the Russian government has used cyberattacks, disinformation, and financial influence campaigns to meddle in the internal affairs of at least 27 European and North American countries since 2004.*
- These operations require relatively small investments, but history has shown that they can have outsized results, if conditions permit.
- *"If everything is a lie, then the biggest liar wins."* At their core, the Kremlin's disinformation operations seek to challenge the concept of objective truth.... *For Putin and the Kremlin, the truth is not objective fact; the truth is whatever will advance the interests of the current regime.* Today, that means whatever will delegitimize Western democracies and distract negative attention away from the Russian government. It means subverting the notion of verifiable facts and casting doubt on the veracity of all information, regardless of the source.
- The Kremlin employs an array of media platforms and tools to craft and amplify its narratives. The Russian government's main external propaganda outlets are RT, which focuses on television news programming, and Sputnik, a radio and internet news network. RT and Sputnik target a diverse audience: both far-right and far-left elements of Western societies, environmentalists, civil rights activists, and minorities.

- Internet “trolls” are one such tool—individuals who try to derail online debates and amplify the anti-West narratives propagated by RT and Sputnik. These trolls use thousands of fake social media accounts on Facebook, Twitter, and other platforms to attack articles or individuals that are critical of Putin and Kremlin policies, spread conspiracy theories and pro-Kremlin messages, attack opponents of Putin’s regime, and drown out constructive debate.
- *According to one former employee [of a Russian troll farm] staff on the “foreign desk” were responsible for meddling in other countries’ elections. In the run up to the 2016 U.S. presidential election, for example, foreign desk staff were reportedly trained on “the nuances of American social polemics on tax issues, LGBT rights, the gun debate, and more... their job was to incite [Americans] further and try to ‘rock the boat.’” The employee noted that “our goal wasn’t to turn the Americans toward Russia. Our task was to set Americans against their own government: to provoke unrest and discontent.”*

## **Chapter 4 Summary: Weaponization of Civil Society, Ideology, Culture, Crime and Energy**

Chapter 4 shows that beyond just Russia-based cyber interference abroad, the Kremlin has embraced and cultivated a menagerie of right wing, nationalist groups in Europe, its very own *ideological boots on the ground*. The chapter also shows Putin's deep connections to Russian organized crime and how he has used it to pursue his interests at home and abroad.

- The Kremlin directly or indirectly funds a number of government-organized non-governmental organizations (GONGOs), non-governmental organizations (NGOs), and think tanks in Europe, *many of which are led from Russia by senior political figures in Putin's administration or the parliament.*
- Russian security expert Mark Galeotti of the European Council on Foreign Relations, estimates that *Russian-based organized crime is now responsible for one-third of Europe's heroin supply, a large portion of the trafficking of non-European people, and most illegal weapons imports. One supposedly retired Russian criminal told Galeotti in 2016 that "we have the best of both worlds: from Russia we have strength and safety, and in Europe we have wealth and comfort."*
- In the United States, many extreme right-wing groups, including white nationalists, look up to Putin—a self-proclaimed champion of tradition and conservative values.
  - *At a protest in Charlottesville, Virginia, protesting the removal of a statue of Confederate general Robert E. Lee, white nationalists repeatedly chanted "Russia is our friend."*
  - *Andrew Anglin, the publisher of the Daily Stormer, the world's biggest neo-Nazi website, apparently spent much of 2015 and 2016 running his website from inside of Russia, from where his content was promoted by a suspected Russian bot network.*
  - *Kremlin-linked officials have also cultivated ties with groups in the United States like the National Rifle Association (NRA). Alexander Torshin, a former senator in Putin's United Russia party who allegedly helped launder money through Spain for Russian mobsters, developed a relationship with David Keene when the latter was the NRA's President. In 2015, the NRA sent a delegation to Moscow to meet with Dmitry Rogozin, a Putin ally and deputy prime minister who fell under U.S. sanctions in 2014 for his role in the crisis in Ukraine.*
- During his involvement in St. Petersburg politics in the 1990s, *Putin allegedly collaborated with two major organized crime groups to assert control over the city's gambling operations, helped launder money and facilitated travel for known mafia figures, had a company run by a crime syndicate provide security for his Ozero ("Lake") house cooperative, and helped that criminal organization gain a monopoly over St. Petersburg's fuel deliveries.*
- Putin has allegedly continued to use Russian-based organized crime groups to pursue his interests both at home and abroad, including to *smuggle arms, assassinate political opponents, earn "black cash" for off-the-books operations, conduct cyberattacks, and support separatist movements in Moldova, Georgia, and Ukraine.*
- *The scale of how much illicit money has moved out of Russia is staggering. A report by Global Financial Integrity that tracked illicit financial flows from developing countries found that, between 2004 and 2013, over \$1 trillion left Russia, averaging over \$100 billion a year.*

- [T]he Russian Orthodox Church also serves as [the Kremlin's] proxy abroad, and the two institutions have several overlapping foreign policy objectives. According to the former editor of the official journal of the Moscow Patriarchate, ***“the church has become an instrument of the Russian state. It is used to extend and legitimize the interests of the Kremlin.”*** As just one example, ***Orthodox Church priests in Montenegro led efforts to block the country from joining NATO.***
- Russia's sectoral dominance over the oil and gas sector in Europe also provides it with ample opportunities to use corruption to compromise local elites. ***Central and Eastern European countries are dependent on Russia for approximately 75 percent of their gas imports and, by some estimates, pay 10 to 30 percent more for their gas imports than countries in Western Europe. In 2014, the EU imported 40 percent of its natural gas from Russia, with a handful of member states importing all their gas from Russia.***
- The placement of and control over energy pipelines provide the Russian government with a key source of leverage. Pipeline routes are chosen to exert maximum influence over both the countries they are going through, and the countries that they allow Russian energy flows to circumvent.
- The Kremlin has repeatedly used the denial of energy supplies to pursue its political objectives in Europe. A report by the Swedish Defense Agency showed that ***between 1992 and 2006, Russia imposed 55 energy cutoffs.***



## **Chapter 5 Summary: Kremlin Interference in Semi-Consolidated Democracies and Transitional Governments**

Below are some illustrative samples from Chapter 5, showing the Kremlin's interference in semi-consolidated democracies and transitional governments in Europe. The full chapter includes 'lessons learned' in each country that contribute to the report's overall findings.

- Perhaps more than any other country, **Ukraine** has borne the brunt of Russian hybrid aggression in all of its forms—a lethal blending of conventional military assaults, assassinations, disinformation campaigns, cyberattacks, and the weaponization of energy and corruption.
  - *Putin's interference in Ukraine's internal affairs was on full display in the 2004 presidential election between pro-Russian candidate Viktor Yanukovich and a pro-Western candidate, Viktor Yushenko. Yanukovich's campaign was supported by a large cadre of Russian political strategists, and just three days before the election, Putin attended a parade in Kiev where he stood alongside Yanukovich. Putin's interference created an unprecedented situation where "Yushenko's main rival in the elections was not Yanukovich, in fact, but Putin, who carried on as if it were his own personal campaign." And Russia's secret services allegedly performed darker acts to assist Yanukovich. Most disturbingly, FSB agents were reportedly involved in the poisoning of Yushenko in September 2004 with TCDD, the most toxic form of dioxin, which nearly killed him and left his face permanently disfigured.*
  - *Today, Russia continues to illegally occupy Crimea and maintains an active military presence in eastern Ukraine in support of separatists there. In that context, Ukraine seems to have emerged as Russia's favorite laboratory for all forms of hybrid war.*
- The 2008 invasion of **Georgia** is a stark example of one of the most powerful ways Russia exerts power—by taking territory inside another country. *Georgia also represents the first time that cyberattacks were used alongside a military invasion*, an innovation that the Russian government was to hone with the invasion of Ukrainian territory six years later.
- A Kremlin-orchestrated coup was in the works in **Montenegro** as that country sought accession into NATO. *The plan allegedly included shooting protesters, storming the parliament, and capturing or killing the prime minister.*
- Despite its close relationship with Moscow (culture, energy, religion), the government of Serbia has made clear that its top priority is joining the European Union. But unfortunately, the Serbian government has taken little action to defend itself from anti-EU Russian government propaganda that circulates throughout the country with little resistance. *According to the U.S. State Department, the "number of media outlets and NGOs taking pro-Russian stands has grown from a dozen to over a hundred in recent years, and the free content offered by Russian state outlets such as Sputnik make them the most quoted foreign sources in the Serbian press."*
- In Hungary, the Russian government enjoys a warm relationship with the country's Prime Minister, Viktor Orbán. Despite Hungary's proud history of resistance to Moscow during the Cold War and its membership in the European Union and NATO, Orbán has increasingly sought to deepen ties with Russia in recent years, calling into question the government's commitment to the principles which undergird these international institutions. *Within the EU and NATO, Prime Minister Orbán is perhaps the most supportive leader of Vladimir Putin, his style of leadership, and his worldview.*

## **Chapter 6 Summary: Kremlin Interference in Consolidated Democracies**

Countries with long-standing membership in the EU and NATO increasingly understand the threat posed by the Kremlin, as Chapter 6 shows, but that hasn't stopped Putin for continuing to try and attack their institutions. Below are some illustrative examples from Chapter 6. The full chapter includes 'lessons learned' in each country that contribute to the report's overall findings.

- In **Estonia** in 2007, The Internet servers of the country's government, security, banking, and media institutions were hit by distributed denial of service (DDoS) attacks for two straight weeks, causing many of their websites to go down.
- The head of the **Latvian** security service also reports that there is a clear link between media outlets that promote the Kremlin's narrative and Russian-funded NGOs. According to the Baltic Centre for Investigative Journalism, also known as re:Baltica, *more than 40 NGOs in the Baltics have received grants from large Russian GONGOs (Government Controlled Non-Governmental Organizations), over the past several years, though the figure could be much higher as NGOs are not required to publish financial reports in every Baltic country. Furthermore, nearly 70 percent of those grant recipients are linked to pro-Kremlin political parties in the Baltics.*
- The Kremlin has launched multiple disinformation campaigns in **the Netherlands** and made attempts to interfere in its elections, while the Dutch government has taken several steps to build both national and regional resilience. *A false video created by the Internet Research Agency, the troll factory in St. Petersburg, showed a group of Ukrainian volunteer soldiers burning a Dutch flag and threatening to launch terrorist attacks against the Netherlands if they voted against the [trade] referendum.*
- As Chancellor Angela Merkel's **Germany** has led the defense of transatlantic values that underpin open, democratic societies, playing on fears of migrants has become a durable theme of Russian disinformation and political influence in an effort to undermine the German government's standing with its own population. *A well-known example of this is the "Lisa case" of January 2016, a fabricated story initiated on a Russian state-run television broadcaster and circulated widely on social media of a 13 year-old Russian-German girl who was kidnapped and sexually assaulted by "Southern-looking," presumably Muslim, migrants.* The case caused reactions from senior Russian government officials and sparked protests by thousands of Russian-German citizens who decried Germany's acceptance of migrants, showing the disinformation can do to a society.
- In **Spain**, the authorities have grappled with the pernicious activities of Russian-based criminal organizations for decades, especially its attempts to set up shop in Catalonia. *The October 2017 referendum for Catalonia's independence from Spain was driven by decades-long domestic political, cultural, and economic issues, but it also presented Moscow with an opportunity to promote an outcome that would weaken a major EU state. And there is now an increasingly large body of evidence showing that the Kremlin, at least through its state-run media outlets, directed a significant disinformation campaign targeting the referendum. One analysis looked at more than five million social media messages on Catalonia posted between September 29 and October 5, and found that 30 percent of the messages came from anonymous accounts that exclusively post content from RT and Sputnik, while 25 percent came from bots and 10 percent from the official accounts of the two propaganda platforms.*

## **Chapter 7 Summary: Multilateral & U.S. Efforts to Counter the Kremlin's Asymmetric Arsenal**

Chapter 7 describes the multilateral efforts that many countries, especially those that belong to the EU and NATO, have also launched or joined. These efforts include building collective defenses against disinformation and cyberattacks, improving cross-border cooperation on energy diversification, applying sanctions on malicious actors, and more. Although the United States participates in some of these multilateral efforts and has taken a few steps on its own to address Russian government hybrid warfare, its response lags far behind what is necessary to defend against and deter the threat.

- Over the past several years, European governments and institutions have recognized that Russia's disinformation operations are a challenge that requires increased attention and resources. In response, they have launched several multilateral and regional initiatives to improve Europe's resilience, with varying levels of success.
- One of the first such organizations was the NATO Strategic Communications Center of Excellence, established by seven NATO member states in July of 2014, and headquartered in Riga, Latvia.
- Finland launched the European Center of Excellence for Countering Hybrid Threats in Helsinki in July 2017. Currently comprised of 12 EU and NATO countries, including the United States, it uses research and training to improve participants' readiness to respond to cyberattacks, disinformation, and propaganda. Finland started the Center after it experienced Russian attempts to use social media to interfere in its 2015 elections.
- European countries have also begun to develop multilateral efforts to produce and support accurate, independent Russian-language media that can serve as an alternative to Kremlin propaganda for Russian-speaking audiences. In response to a 2015 report by the European Endowment for Democracy, European governments are working to develop a Russian-language regional news hub and a multimedia distribution platform, as well as other initiatives. For example, the Netherlands and Poland are supporting the development of an independent Russian-language regional news agency. In addition, the British Broadcasting Corporation (BBC) is developing a blueprint for a "content factory" to help Central and Eastern European countries create Russian-language entertainment programs.
- [E]fforts to improve media literacy on Russia's periphery have also shown a large return on investment. For example, the Learn to Discern Program, funded by the Canadian government, operated in Ukraine from July 2015 to March 2016. The program trained 15,000 Ukrainians in "safe, informed media consumption techniques," including avoiding emotional manipulation, verifying sources, identifying hate speech, verifying expert credentials, detecting censorship, and debunking news, photos, and videos. In a survey, 89 percent of participants reported using their new skills and 91 percent reported sharing their new skills with an average of six people each, reaching 90,000 Ukrainians in total.
- While Europe has been slow to recognize and respond to the Kremlin's weaponization of energy, some countries have begun taking steps to mitigate their dependence on Russian energy supplies and therefore reduce the Kremlin's influence.... Several European countries have also come out in strong opposition to the Nord Stream 2 pipeline, which could make Europe more dependent on Russian energy supplies and would significantly diminish Ukrainian government revenues collected from pipeline transit fees in its territory.

- LNG terminals in Lithuania and Poland have had transformational effects in reducing dependence on Russian pipelines for natural gas supplies. LNG terminals allow for the development of spot markets for natural gas, ensuring that market forces keep prices in check, and reduce the Kremlin's bargaining power by increasing supplier options. After it built an LNG import terminal, Lithuania was able to leverage a fair market price for its natural gas imports from Russia, ending years of paying the highest rates for gas in Europe. Lithuania's president summarized the benefits of new sources of LNG upon the first delivery of U.S. LNG to her country in 2017: "U.S. gas imports to Lithuania and other European countries is a game changer in the European gas market. This is an opportunity for Europe to end its addiction to Russian gas and ensure a secure, competitive and diversified supply."
- All of these developments show the importance of improving intra-EU connectivity and moving away from monopoly suppliers and companies, especially state-driven monopoly suppliers, which bring along with them entrenched oligarchies and other bad actors.
- While it is difficult to differentiate the economic impact of sanctions from the drop in oil prices and other macroeconomic effects, the International Monetary Fund (IMF) estimated in 2015 that U.S. and EU sanctions and Russia's retaliatory ban on agricultural imports reduced GDP in Russia over the short term by up to 1.5 percent. Over the medium term, IMF models suggest that sanctions could reduce output by up to 9 percent, as lower capital accumulation and reduced technology transfers further weaken productivity growth. Economists from the U.S. State Department calculated that, relative to non-sanctioned firms, the average sanctioned company in Russia saw decreases of one-third of its operating revenue, over one-half of its asset value, and about one-third of its employees. Their research also suggested that lower oil prices had a larger impact on Russia's overall economy than sanctions.
- In October 2014, RFE/RL, in cooperation with VOA, launched a 30-minute daily show called Current Time, to provide Russian speaking audiences with objective reporting and analysis of important events in the region and the United States (its motto: "be truthful, be credible, be interesting")... As a sign of its influence, Russian state media has labeled Current Time's reporting part of a "U.S. information war" and a threat to Russia's national security.
- BBG has also contracted with PBS to bring almost 400 hours of U.S. public media programming to Estonia, Lithuania, and Ukraine. Bringing more high-quality U.S. educational and entertainment content to broadcasters in Russia's periphery can help displace Russian television content, which is licensed for next-to-nothing but often comes with obligations to also broadcast Kremlin-sponsored "news" programs.
- In contrast to many European countries, especially the Baltic and Nordic states, the U.S. government still lacks a coherent, public strategy to counter the Kremlin's disinformation operations abroad and at home. Instead, it has a patchwork of offices and programs tasked with mitigating the effects of Kremlin disinformation operations.
- At the direction of the U.S. Congress, the central hub for these activities is the Global Engagement Center (GEC), within the State Department. In December 2016, Congress expanded the GEC's mandate from countering terrorist communications to include "foreign state and non-state propaganda and disinformation efforts" that target the U.S. and its interests. However, a lack of urgency and self-imposed constraints by the current State Department leadership has left the effort in limbo.

- In the State Department, the GEC reports to the Under Secretary for Public Diplomacy and Public Affairs, a position for which the Trump Administration waited nearly eight months to announce a nominee. As of publication of this report in January 2018, the Administration has yet to fill the Special Envoy and Coordinator of the GEC, suggesting that the Administration does not consider the GEC's new mission of countering foreign state propaganda a priority. The Administration's lackadaisical approach to staffing these positions and providing leadership to U.S. efforts to fight Kremlin disinformation stands in sharp contrast to the accelerating nature of the threat. As one GEC official put it, "every week we spend on process is a week the Russians are spending on operations."
- In its December 2017 National Security Strategy, the White House admitted that the United States has done too little to deter Putin's assaults, noting, "U.S. efforts to counter the exploitation of information by rivals have been tepid and fragmented. U.S. efforts have lacked a sustained focus and have been hampered by the lack of properly trained professionals." While recognizing these shortcomings is an important first step, the Administration has unfortunately failed to put forward a plan to rectify them. Notably, the Strategy states only that "the United States and Europe will work together to counter Russian subversion and aggression." Yet coordination is only one piece of the aggressive strategy that the United States needs.

## **Chapter 8 Summary: Conclusions and Recommendations**

Chapter 8 draws the conclusion that the Russian government, under Putin's leadership, has shown that it is both capable of and willing to assault democratic and transatlantic institutions and alliances. These assaults take many forms, including the use of disinformation, cyberattacks, military invasions, alleged political assassinations, threats to energy security, election interference, and other subversive tactics that fuel corruption, employ organized crime, and exploit both far-right and far-left ideologies to sow discord and create confusion. Putin also seeks to repress the exercise of human rights and political participation both at home and abroad, to promote a climate more conducive to the Russian government's corrupt and anti-democratic behavior. It offers 10 main recommendations so that the United States can better deter and defend against the Kremlin's use of its asymmetric arsenal, while also strengthening international norms and values to blunt the effects of malign influence operations by any state actor, including Russia.

- There are multiple lines of effort across the West—at the local, national, and supranational level—working to counter the Kremlin's malign influence operations and build resiliency in democratic institutions.
  - The United Kingdom's leadership has made resolute, public statements that Russian meddling is unacceptable and will be countered.
  - The French government has worked with independent media and political parties to expose and blunt the dissemination of fake news.
  - The German government has bolstered domestic cybersecurity capacities, particularly after the 2015 hack of the Bundestag. Estonia has strengthened counterintelligence capabilities and exposed the intelligence operations of its eastern neighbor.
  - The Lithuanian government has made progress in diversifying its supplies of natural gas, and all the Baltic governments have worked to integrate their electricity grids to reduce dependence on Soviet-era electrical infrastructure.
  - The Nordic countries have built resiliency across all elements of society, especially in their education systems.
  - And the Spanish government has investigated, exposed, and cut off significant money laundering operations by Russia-based organized crime groups.
  
- [D]espite the growing intensity of Russian government interference operations, President Trump has largely ignored this threat to democracy in the United States and Europe. The Trump Administration has also proposed cuts to assistance across Europe that could help counter the Kremlin's malign influence, especially in the areas of good governance, anti-corruption, and independent media efforts. President Trump is squandering an opportunity to lead America's allies and partners to build a collective defense against the Kremlin's global assault on democratic institutions and values. But it is not too late.
  
- 1. *Assert Presidential Leadership and Launch a National Response:* President Trump has been negligent in acknowledging and responding to the threat to U.S. national security posed by Putin's meddling....The President should immediately declare that it is U.S. policy to counter and deter all forms of the Kremlin's hybrid threats against the United States and around the world.
  
- 2. *Support Democratic Institution Building and Values Abroad, and with a Stronger Congressional Voice:* The executive and legislative branches have a responsibility to show leadership on universal values of democracy and human rights. A lack of U.S. leadership risks undermining or endangering democratic

activists and human rights defenders around the world—including within Russia—who are working to advance these values in their own societies.

- 3. *Expose and Freeze Kremlin-Linked Dirty Money*: Corruption provides the motivation and the means for many of the Kremlin's malign influence operations. Under President Putin, the Kremlin has nationalized organized crime and cybercrime, and now uses Russia-based organized crime groups and cybercriminals for operational purposes abroad. The United States remains a prime destination for illicit financial flows from Russia, especially through the purchase of real estate and luxury goods by anonymous shell companies.
  - The Treasury Department should make public any intelligence related to Putin's personal corruption and wealth stored abroad, and take steps with European allies to cut off Putin and his inner circle from the international financial system.
  - The U.S. government should also expose corrupt and criminal activities associated with Russia's state-owned energy sector.
  - The U.S. government should implement the Global Magnitsky Human Rights Accountability Act and the Countering America's Adversaries Through Sanctions Act (CAATSA) provisions, which allow for sanctions against corrupt actors in Russia and abroad.
- 4. *Subject State Hybrid Threat Actors to an Escalatory Sanctions Regime*: The Kremlin and other regimes hostile to democracy must know that there will be consequences for their actions.
  - The U.S. government should designate countries that employ malign influence operations to assault democracies as State Hybrid Threat Actors.
  - Countries that are designated as such would fall under a preemptive and escalatory sanctions regime that would be applied whenever the state uses asymmetric weapons like cyberattacks to interfere with a democratic election or disrupt a country's vital infrastructure.
- 5. *Publicize the Kremlin's Global Malign Influence Efforts*: Exposing and publicizing the nature of the threat of Russian malign influence activities...can be an action-forcing event that not only boosts public awareness, but also drives effective responses from the private sector, especially social media platforms, as well as civil society and independent media, who can use the information to pursue their own investigations.
  - The Director of National Intelligence should produce yearly public reports that detail the Russian government's malign influence operations in the United States. The Department of State should similarly produce annual reports on those operations around the world.
  - The Director of National Intelligence should also update and consider declassifying its report to Congress on the use of political assassinations as a form of statecraft by the Russian government.
  - The U.S. Congress should pass pending legislation to create an independent, nonpartisan commission to comprehensively investigate Russian government interference in the 2016 U.S. election. Countries across Europe that have held elections over the past two years should also consider comprehensive governmental or independent investigations into the nature and scope of Russian government interference.
- 6. *Build an International Coalition to Counter Hybrid Threats*: The United States is stronger and more effective when we work with our partners and allies abroad.
  - The State Department and USAID should conduct a comprehensive assessment of the most successful efforts to counter Russian government interference in all of its forms and partner with relevant governments, aid agencies, and NGOs to ensure that these lessons are shared with the most vulnerable countries in Europe and Eurasia. For example, based on constructive measures taken during the recent French and German election periods, the United States could work closely with their Ministries of

Foreign Affairs...to implement specific joint programs in vulnerable democracies on cyber defense, media training, and other areas.

- The U.S. Department of Justice should deploy FBI investigators to vulnerable countries in Europe with a mandate to address Russian government and oligarchic efforts to corrupt economies, societies, and governments.
  - The U.S. government should report to Congress on their efforts to persuade countries in Europe and Eurasia to pass legislation modeled after the U.S. Magnitsky Laws (both the Russia-specific and the Global Magnitsky Human Rights Accountability laws) that enable targeted, individual sanctions against gross violators of human rights and perpetrators of significant acts of corruption. Furthermore, these laws must be strongly implemented by the U.S. executive branch.
- *7. Uncover Foreign Funding that Erodes Democracy:* Foreign illicit money corrupts the political, social, and economic systems of democracies.
    - Pass Legislation on Campaign Finance Transparency and Shell Companies: The United States and European countries must make it more difficult for foreign actors to use financial resources to interfere in democratic systems, specifically by passing legislation to require full disclosure of shell company owners and improve transparency for funding of political parties, campaigns, and advocacy groups.
- *8. Build Global Cyber Defenses and Norms:* The United States and our European allies remain woefully vulnerable to cyberattacks, which are a preferred asymmetric weapon of state hybrid threat actors. While the threat posed by cyberattacks from state and non-state actors has grown, the international community has not developed rules of the road which could establish norms that govern behavior over the long term.
    - The U.S. government and NATO should lead a coalition of countries committed to mutual defense against cyberattacks, to include the establishment of rapid reaction teams to defend allies under attack.
    - The U.S. government should also call a special meeting of the NATO heads of state to review the extent of Russian government-sponsored cyberattacks among member states and develop formal guidelines on how the Alliance will consider such attacks in the context of NATO's Article 5 mutual protection provision.
    - The U.S. government should work with European partners to raise the priority of investigating and prosecuting Russia-based organized crime groups and cybercriminals, who should be viewed not just as criminal threats, but as threats to national security.
- *9. Hold Social Media Companies Accountable:* Social media platforms are a key conduit of disinformation that undermines democracies.
    - U.S. and European governments should mandate that social media companies make public the sources of funding for political advertisements, along the same lines as TV channels and print media.
    - European governments should also increase pressure on and cooperation with social media companies to determine the extent of Russian-linked disinformation operations using fake accounts in recent elections and referendums around the continent. Social media companies should conduct comprehensive audits on how their platforms may have been used by Kremlin-linked entities to influence elections occurring over the past several years.
    - Social media companies should also establish civil society advisory councils to provide input and warnings about emerging disinformation trends. Leaders from the United States and Europe in government, the private sector, and civil society must work to promote a culture where citizens are armed with critical thinking skills. To that end, philanthropic organizations should embark on an



initiative to work with educational organizations and social media companies to develop a curriculum on media literacy and critical thinking skills that could be offered free of charge to the public. These tools should also be amplified for the broader public through a large scale media campaign.

- While accounting for freedom of speech concerns, social media companies should redouble efforts to prevent, detect, and delete such accounts, especially those that are primarily used to promote false news stories.
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- 10. *Reduce European Dependence on Russian Energy Sources*: Europe is overly dependent on Gazprom, a Russian state-owned company, for its natural gas supplies. Payments to Gazprom from European states fund military aggression abroad, as well as overt and covert activities that undermine democratic institutions and social cohesion in Europe. The Russian government uses the near monopoly of its state-owned natural gas companies over European gas supplies as leverage in political and economic negotiations with European transshipment countries, especially Ukraine and the Balkans.
    - Promote Energy Diversification: OPIC and USTDA should help to finance strategically important energy diversification projects in Europe. This includes supporting new pipeline projects such as the Trans Adriatic Pipeline (TAP) and the Trans Anatolian Natural Gas Pipeline (TANAP), as well as the construction of more liquid natural gas (LNG) regasification terminals to facilitate the import of LNG from non-Russian sources. The U.S. should also support efforts that promote renewable energy options.
    - The U.S. government, through OPIC, USTDA, and other assistance mechanisms, should also support strategic infrastructure projects that support the realization of a single EU gas and electricity market. The U.S. government should also assist EU governments with implementation of the EU's Third Energy Package, which seeks to establish a single energy market.
    - The U.S. should continue to oppose Nord Stream 2. The U.S. government should encourage the European Commission and Parliament to sponsor an independent inquiry into the energy security and geopolitical implications of Nord Stream 2 and its infrastructure in Russia and host countries. The U.S. Departments of Energy and State should assist the independent inquiry in whatever way possible.