

THE NEW MAFIA:
VLADIMIR PUTIN'S INNER CIRCLE AND RUSSIAN ORGANIZED CRIME

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Abstract

The purpose of this project was to show the relationship between organized crime and members of Vladimir Putin's inner circle and the impact of the crossover of organized crime tactics and behavior to officials of the Russian government. To show this, this thesis looks at the ways in which four specific members of Vladimir Putin's inner circle, Igor Sechin, Sergei Glazyev, Viktor Zolotov, and Nikolai Patrushev, are involved in illegal activity that resembles the kind of actions that are perpetrated by organized crime groups and how their behavior is similar to that of the leaders of these groups. This thesis aims to reveal the extent of the "mafia state" and show the depth of corruption.

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Chapter One: Introduction

Organized crime has continuously played a substantial role in Russian politics, society, and economy. The Russkaya Mafiya or Russian Mafia is not a single criminal organization or gang of mobsters. In the context of organized crime, the Russian Mafia is the overarching term for all that encompasses Russian organized crime or ROC. The definition of organized crime is often debated, but is defined by the National Criminal Justice Reference Service as: “crime committed by criminal organizations whose existence has continuity over time and across crimes, and that use systematic violence and corruption to facilitate their criminal activities,” (“Russian Organized Crime,” 2007). Yet, the traditional definition of organized crime does not fully encompass ROC. In addition to the aforementioned definition, it is “an intricate network throughout Russian society whose operations include extortion, fraud, cargo theft, prostitution, drug- and arms- trafficking and more,” (“Russian Organized Crime,” 2007). ROC has penetrated the upper echelons of society, business, state enterprises, and even the government. Organized crime has had significant implications on the frameworks of the Russian government and Russian society today. One of the ways in which it has had an impact is the crossover of organized crime tactics and behavior to officials of the Russian government. The aim of this thesis is to look at the ways in which four specific members of Vladimir Putin’s inner circle, Igor Sechin, Sergei Glazyev, Viktor Zolotov, and Nikolai Patrushev, are involved in illegal activity that resembles the kind of actions that

are perpetrated by organized crime groups and how their behavior is similar to that of the leaders of these groups. I will examine activities and characteristics of organized crime groups, look into the illegal actions members of Vladimir Putin's inner circle, and analyze how these correspond. I hypothesize that Russian leaders are behaving like organized crime bosses, primarily the leaders in Putin's circle who have ties to Russian intelligence and military, as well as those in big business. Before these similarities and critical connections can be explored, there must be a basis of understanding of the existing literature on the subject.

Existing Scholarship and Literature Review

Existing scholarship thoroughly documents and explores the origins of organized crime, as well as its emergence in Russian politics, society, and economics. It also identifies specific gangs, gang members, methods, and organization. Furthermore, there is existing scholarship on the Russian Mafia having connections to the state in both Soviet and post-Soviet times. With the rise of Vladimir Putin, many gangsters and criminals feared a tough crackdown, but what came was more of a new social contract with the world of organized crime. Existing scholarship suggests that there is currently a high level of corruption within the government with blurred lines between illegal and legal activity. It is also well established that Russia exists as a sort of "mafia state" in which organized crime prospers under Vladimir Putin because of the high level of corruption. There is also a level of "violent entrepreneurship" used to make money, that bares resemblance to the violent methods that organized crime groups use. The work of these experts provides a foundation for the argument of this thesis.

Mark Galeotti argues that Putin's leadership is what led to a restructuring that formulated the connection between the criminal underworld and the "upper world" (Galeotti, 2017). In his reports for the European Council on Foreign Relations, Galeotti says that the results of this integration were "not simply institutionalization of corruption and further blurring of the boundaries between licit and illicit; but the emergence of a conditional understanding that Russia now had a 'nationalized underworld,'" (Galeotti, 2017). Galeotti also suggests that it is unsurprising that there is a continued relationship between Russian security agencies and organized crime, as crime groups provide certain services outside the realm of sanctioned activity, as well as information (Galeotti, 2017). The study proposes that the Kremlin and Russian intelligence agencies are sanctioning organized crime activity within Europe (Galeotti, 2017). The report specifically names the Kremlin and Russian intelligence as instigating forces. In an excerpt from Galeotti's new book *The Vory: Russia's Super Mafia* he says that government officials are exploiting the ongoing relationship with organized crime for their own criminal activities to benefit both themselves and the state (Galeotti, 2018). Galeotti also argues that organized crime, the illegitimate economy, and the legitimate economy are intertwined to the point that it is difficult to separate what is clean money and what is dirty money (Galeotti, 2018). He states that tactics from the criminal world have also transferred to business, law, and political practices, including corporate espionage and bribery (Galeotti, 2018).

Karen Dawisha is one of the most prominent scholars on Russian corruption and the current level of the 'deep state' in Russia. Her book *Putin's Kleptocracy: Who owns Russia?* explores Vladimir Putin's corruption-filled rise to power. Her book seeks to

unravel “the tangled web of relationships” that have contributed to Putin’s rise to power and allow him to maintain it, as well as profit enormously (Dawisha, 2015). She also emphasizes the role of former KGB officers and military men in Putin’s rise and success, as well as their utilization of organized crime for their benefit (Dawisha, 2015). Her book successfully compiles the most comprehensive list of criminal allegations against Vladimir Putin. Dawisha utilizes leaked documents, extensive research, and interviews to dig into the complex relationships and high level of corruption within the Kremlin. Her research has been critical in revealing the inner workings of corruption by focusing on the political and social networks within the Kremlin and paving the way for other scholars and journalists to develop on and further her work.

Vadim Valkov, an associate professor of sociology at the European University of St. Petersburg, looks at the continued role of organized crime in the rise of capitalism in his book *Violent Entrepreneurs: The Use of Force in the Making of Russian Capitalism*. He focuses on the importance of “violent entrepreneurship,” which is a way of using force to make money that usually involves the use of criminal organizations (Volkov, 2002). Volkov argues that by the key role that violent entrepreneurship has come to play, it is clear that Vladimir Putin is attempting to consolidate state power (Volkov, 2002). His analysis reaches into the idea that some of this “violent entrepreneurship” is actually legal because of the structure of the intelligence and law enforcement agencies, something that is important for understanding the relationship that these agencies have with organized crime (Volkov, 2002). In short, this is an example of the Russian government utilizing the methods of organized crime for the benefit of the state and behaving like an organized crime group. In the article “Russian Organized Crime: Trends

and Political Implications,” Maryanne Ozerney and Yuri Voronin argue that the Russian government has always been closely linked to organized crime because Russian organized crime structure was not built on family ties like the Italian mafia, but rather on a mutually beneficial relationship with the state (Ozerney & Voronin, 1996). They also argue that the Russian Mafiya uses political means and politicians use organized crime tactics (Ozerney & Voronin, 1996).

Purpose and Methodology

My review of the existing literature provided a foundation on the connections between the Russian state and organized crime and revealed that the connection is more than a mutually beneficial relationship. The purpose of this thesis is to examine the activities and behavior of leaders of Russian organized crime groups in comparison to the illegal actions members of Vladimir Putin’s inner circle through the eye of investigative journalism. As Russia has continued to fall into a “mafia state” the behavior of officials has become increasingly reminiscent of leaders of organized crime. Investigative journalists have been pursuing the topic of organized crime for years in an attempt to implicate specific individuals in cases of collusion with organized crime groups and reveal the extent of illegal activity perpetrated by high-ranking government officials. The members of Vladimir Putin’s inner circle exhibiting similar behavior to crime bosses poses an interesting threat to the United States, Russia itself, and various other countries. These leaders are using many of the same dangerous tactics that crime groups are using, which are illegal and highly dangerous. Additionally, these methods are used to benefit the state, individual government officials, and government organizations. This behavior allows for the government to operate outside of the law in terms of financial gains,

foreign affairs, intelligence gathering, and criminal investigations. By utilizing the in-depth investigations of journalists to show the illegal behavior of Vladimir Putin's inner circle the extent of this problem can be revealed, showing that high-ranking officials in the Russian government are akin to organized crime leaders.

In order to show how members of Vladimir Putin's inner circle are exhibiting similar behavior to that of organized crime bosses and using similar techniques for the benefit of the state, I will be looking at the available secondary literature and the available government and intelligence community documents. My primary source of information and comparison will be the work of investigative journalists including Roman Anin, and Luke Harding. Investigative journalism is widely understood to be a major component of modern journalism and involves in-depth original research that relies heavily on interviews and painstaking analysis of public records. In the UNESCO Investigative Journalism Handbook, Mark Lee Hunter defines it as "exposing to the public matters that are concealed -either deliberately by someone in a position of power, or accidentally, behind a chaotic mass of facts and circumstances that obscure understanding. It requires using both secret and open sources and documents," (Hunter, 2018). In contrast to traditional reporting in which a large amount of the material reported is provided by other sources such as police and companies, investigative reporting relies mostly on original reporting and gathering of information. This distinction is what makes investigative journalism an extraordinary source of content when attempting to analyze and synthesize information on a subject that, for the most part, lacks factual information that has been released by the government and individuals, as is the case with the illegal activity and corruption of high ranking Russian officials.

Investigative journalism represents an interesting point of contact between the Russian Mafia and the outside world. The journalists develop sources to the point where they have a trustworthy relationship in which they are confident they will receive truthful information. They also work hard to establish official sources who are closely related to the matter at hand, such as a former FSB officer. Much like a research paper or intelligence report, investigative journalists spend a long period of time pursuing various sources of information, digging into any material they can get their hands on, and conducting interviews with all relevant sources. All of these factors of investigative journalism make for a unique source base that is more revealing than other sources of readily available information. This is especially true for the case of Russia in which a large portion of the media is state-run and there is some level of censorship on what information gets out to the public. Additionally, government organizations are not forthcoming with information that could potentially implicate any officials in illegal activity. For these reasons, investigative journalism makes an advantageous source base for this topic of research.

In addition to the numerous advantages of this source base, there are also some shortcomings of investigative journalism. Journalists always attempt to remove any biases from their work, but it must be taken into consideration that some bias creeps in, especially with the level of involvement and personal experience that many of these journalists have had in their area of expertise. When it comes to the information that is presented, there is the challenge of source protection. Oftentimes, when journalists receive sensitive and incriminating evidence from sources, especially when the source is a government official or organized crime group member, they do not reveal who the

source is for their protection. This is especially difficult when different journalists' accounts differ and one must decide which is more trustworthy since it is hard to verify the sources of information. In this case, it is necessary to find a third or fourth journalists' account to corroborate one of the different accounts. Despite these shortcomings, investigative journalism provides a wealth of freely available information that can be analyzed using open-source methodology.

This methodology is primarily used by the intelligence community to analyze existing data and information. It is a method used by entire units in each of the twelve intelligence agencies, thus it is a useful and legitimate method of study. According to the CIA, open source analysis is based on gathering information from publicly available information such as the Internet, traditional mass media, and specialized journals. Despite all of the information being publicly available, valuable and actionable intelligence can still be obtained and can be synthesized and analyzed to produce an intelligence estimate. The synthesis of existing scholarship and investigative journalism will allow for comparison, as well as compilation and analysis with the goal of gleaning new information. In addition to these sources, the history of organized crime provides a basis for understanding the continuing presence and evolution of ROC and how it has shaped the current nature of the relationship between organized crime and the state. History reveals the roots of organized crime groups and how this has evolved into a present typology of ROC groups and leaders, which will be used for comparison to the illegal actions members of Vladimir Putin's inner circle.

History and Typology of Russian Organized Crime

Following the collapse of the Soviet Union, an environment of disorder and an overall weakened state allowed organized crime groups to flourish. Organized crime certainly existed before the fall, and even before the Soviet Union. Prior to the Soviet Union, organized crime groups were predominantly focused on thievery under the emergence of *vory y zakone* the “thieves-in-law” (Cheloukhine, 2008). In tsarist Russia, this criminal world already had morals, traditions, hierarchy, and slang. Members had their own honor code with an emphasis on loyalty to each other and opposition to the czar (Cheloukhine, 2008). These groups resembled the primitive basis for organized crime gangs that would emerge in the mid-twentieth century and exhibited a group structure that is still seen in ROC groups today.

Following the Russian revolution of 1917, organized crime flourished and slowly evolved into what it is today. The extreme food shortages that followed the collapse of tsarist Russia allowed groups to move in and grow a shadow economy, which is the root of modern organized crime (Cheloukhine, 2008). The shadow economy meets the demands for services not available legally or through state-run enterprises (Cheloukhine, 2008). During the Soviet Union, three levels of organized crime flourished with the government and party bureaucrats at the top, shadow economy operators in the middle, and professional criminals at the bottom (Finckenauer & Waring, 2001). A large part of what has contributed to today’s corrupt government is the utilization of government positions to avoid the eye of the law and to continue running the lucrative shadow economy. During Leonid Brezhnev’s time in office, the mafia was operating within the upper levels of the government and the Communist Party. Criminals were able to establish smuggling routes outside the Soviet Union in exchange for supplying the

Communist Party with foreign luxury goods (Cheloukhine, 2008). This is reminiscent of the way in which the shadow economy is still allowed to operate and is utilized by government officials. After the collapse of the Soviet Union, organized crime expanded even further, taking advantage of the social, economic, and political chaos that followed. Criminals swallowed up lucrative industries and exploited these assets for financial gain. Basic government functions were extremely inefficient and hundreds of ex-KGB officers, among other government officials, turned to organized crime (Cheloukhine, 2008).

Today, the Russian Mafia blends into society. Members are economists, bankers, and government officials. Government officials operate within a gray area, perpetrate actions that resemble those committed by organized crime groups, and utilize crime networks as a business strategy. As time has gone on, Russian organized crime has become less a part of the criminal underworld and more a part of the state. The government is not overtaken by organized crime, but rather there is coexistence between the two. There is a continued intertwining relationship between illegal and legal networks within the Russian government. As Svetlana Stephenson, an expert on organized crime in Russia said, “many leaders and rank-and-file members of criminal organizations developed strategies that straddled criminal and non-criminal career opportunities,” (Stephenson, 2017). The straddling of the criminal and non-criminal worlds can be seen in the behavior and actions of Russian officials today, which can be compared to that of ROC groups and leaders.

According to James O. Finckenauer, an expert on Russian organized crime and a professor of Criminal Justice at Rutgers, organized crime is characterized by criminal monopoly, violence, and corruption, with each characteristic reinforcing the others

(Finckenauer & Waring, 2002). Finckenauer explains “monopoly is gained through the threat and use of violence and the corruption of the legal and political systems,” (Finckenauer & Waring, 2002). Violence and corruption then help criminals avoid arrest, while also eliminating threats to their interests (Finckenauer & Waring, 2002). Organized crime organizations have characteristics of authority, sophistication, structure, and continuity (Finckenauer, 2012). Between members of the organized crime groups, there is a level of trust and collaboration, which is outlined by rules and values, and the group leader keeps manages the group while keeping a low profile (Voronin & Finckenauer, 2001).

The United Nations conducted a survey to forty organized criminal groups and released a report that divides organized crime into typologies and examines the key features of organized crime groups by country. The majority of Russian organized crime groups fall under a standard hierarchy typology in which there is a single leader, a clearly defined hierarchy, strong internal discipline, high levels of violence, and clear influence over a territory (United Nations, 2002). Many of the groups’ activities include extortion and financial corruption to secure profit, yet these groups are often also active in the legitimate economy (United Nations, 2002). There is a high level of investment in private companies and business ownership (United Nations, 2002). When it comes to maintaining the hierarchy and safety of the group, the use of violence is common. This includes assassinations and using individuals as scapegoats (United Nations, 2002). Much of this structure is based on the history of organized crime and still persists today. This characterization, in combination with the existing literature, provides a point of

comparison for the actions and illegal activity of the members of Vladimir Putin's inner circle.

The Journalists

For my primary source of evidence on these illegal actions, I will primarily focus on two investigative journalists and their investigations during the late 1990s and early 2000s. They each stand out as having made important contributions to the world of investigative journalism. Each journalist has largely focused on organized crime in Russia and has published numerous articles on the questionable actions of high ranking officials, including involvement in activities that would be categorized as organized crime, as well as connections to recognized organized crime members. The two main investigative journalists I will be looking at are Luke Harding from England and Roman Anin from Russia. With one journalist from Russia and the other from Western Europe, it provides an interesting look at the possible differences between a local and foreign perspective.

Luke Harding is an investigative journalist for *The Guardian* who has covered and reported from a variety of cities including Delhi, Berlin, and Moscow (Harding, 2018). He has also covered wars in Afghanistan, Iraq, and Libya (Harding, 2018). He has co-authored two books with David Leigh, *WikiLeaks: Inside Julian Assange's War on Secrecy* and *The Liar: The Fall of Jonathan Aitken* (Harding, 2018). These books were both investigative exposes. He was the Moscow bureau chief for *The Guardian* from 2007 until 2011, after which he was deported and denied entry into Russia. *The Guardian* has expressed that this was due to his array of articles critical of Russia. During his time as an investigative journalist, he has covered a variety of controversial subjects but the

most relevant to this thesis is his vast work covering Russian organized crime. His work on Russia is critical because of the focus on the connection to the Russian state, specifically Vladimir Putin himself and the FSB. His book, *Mafia State*, extensively covers his findings and his experiences in Russia as a journalist who investigated subjects disliked by the Russian government. He became the victim of state-sponsored harassment. One of the important claims of his work is that the intertwining relationships between organized crime and the state are not only cultivated for the proposed benefit of the state, but also for personal gain and enrichment of the participating individuals.

The other journalist I will focus on is Roman Anin, an investigative reporter for the Russian newspaper *Novaya Gazeta*. Anin began his career in 2006 as a sports writer, for *Novaya Gazeta* but soon transferred to the newspaper's investigative unit ("Roman Anin," 2018). His investigations focus primarily on government, military, and FSB corruption. Significant to this thesis, he has published a series of articles that link high-level officials in Russian intelligence and the Russian military to organized crime activity. He has also contributed to the Reuters' investigative team following Russian corruption scandals involving missing government money and the possible organized crime connections. Anin is a unique source, as he is one of only a handful of Russian journalists who continue to investigate high levels of corruption in the government as well as document organized crime connections. Five journalists from *Novaya Gazeta* alone have been killed for their work since 2000, but Anin continues to investigate ("Roman Anin," 2018). One of his most significant investigations has uncovered money laundering in relation to the Sochi Olympics and the disappearance of \$1 billion ("Roman Anin," 2018).

In addition to the aforementioned investigative journalists, I will be using articles and books by other journalists. Investigative reporters oftentimes focus a large amount, potentially years' worth, of articles on one subject at a time. This makes it difficult to focus on a specified number of journalists while talking about a variety of subjects. Additionally, there are points in time when these journalists focused on other topics or spent time writing books, leaving a gap in some of the available articles. The supplementary sources that I will be using are for the most part from the same news agencies as Luke Harding and Roman Anin, namely *Novaya Gazeta* and *The Guardian*. The inclusion of other journalists is advantageous as they provide information from their own sources and research, which is different than that of other journalists.

Members of the Team

After the initial review of existing secondary literature and my primary sources, I have chosen to focus on four specific members of Vladimir Putin's inner circle based on their prominence in a variety of sources. In my current research I have found that these four men not only appear more often than others but also there is a significant amount of in-depth investigative journalism examining their utilization of organized crime for their personal benefit and the benefit of the state. These four different men have been a part of Putin's core advisors for the last fifteen years, though some of them have varied in level of importance to the Putin regime. This group includes two men involved in Russian defense and intelligence, Nikolai Patrushev, a former director of the FSB and current director of the Russian Security Council, and Viktor Zolotov, the head of the new Russian National Guard. Two of the chosen members of the inner circle are in business, Sergei Glazyev the advisor to the President of the Russian Federation on Regional

Economic Integration, and Igor Sechin, the chief executive of Rosneft, the state oil company. Each person was chosen specifically for their involvement in illegal activity, as well as their intimate relationships with Vladimir Putin. These men have been linked to activity that resembles that perpetrated by organized crime groups, including the contract killings, bribery, extortion, financial corruption, and *reiderstvo*, a newer form of organized crime that involves utilizing criminal methods to take over businesses.

Looking Ahead

My thesis will proceed by looking at the illegal activity of the chosen officials through the eye of investigative journalism and comparing this to the characterization of the activity and behavior of organized crime groups through open source analysis. Chapter two will focus on Nikolai Patrushev and Viktor Zolotov, while chapter three will focus on Sergei Glazyev and Igor Sechin. Each chapter will provide an overview of the official, a short history of their involvement in the government, and prior significant connections to the state. For prior significant connections to the state besides government involvement, I will be looking at business deals and financial exchanges. It is important to look at history of government involvements and state relations because it will provide reference for possible points of corruption that may have existed prior to the current position that the person is in, as well as a detailed look at the overall evolution of the person's connection to the government and attainment of their current position. Looking at former contacts, both human and organization or business, provides information that can be cross-referenced with primary and secondary sources that may not superficially hold a connection to the advisor.

These connections will help to explain the relevance of the chosen inner circle members, but I will also provide an overview of the significance of their current job position, as well as their social position in regards to Vladimir Putin and other prominent people. This provides the basis of connections, which will ultimately be critical in understanding the web of connections through the Russian government and Russian organized crime. Next, I will explore the current secondary research on their accused and founded instances of corruption and illegal actions. I will explore this activity through the work of investigative journalists covering Russian corruption and Russian organized crime. Though, my source base will include any and all investigative pieces on this topic, I will specifically be focusing on the in-depth work of the three aforementioned journalists. The purpose of this is to provide a unique in-depth look through the eyes of investigators who have invested their lives and careers into uncovering the information on this topic. While one investigative piece can give information, an entire portfolio of pieces provides the opportunity for extensive in-depth open source analysis and synthesis, as well as a deeply personal look at specific aspects of corruption and organized crime. I will compare these findings to the characteristics and activities of ROC groups and leaders, in order to find commonalities and differences. Finally, I will provide a conclusion that will tie together the first three chapters into a cohesive analysis and answer to my overall research question of whether or not members of Vladimir Putin's inner circle are acting like organized crime bosses.

Chapter Two: Russian Intelligence Agencies and the Shadow Economy

Introduction

According to the European Council on Foreign Relations one of the factors that makes Russian organized crime an increasingly serious threat is the mounting evidence that there are significant connections between organized crime networks and the Kremlin's intelligence agencies including the Foreign Intelligence Service and the Federal Security Service (Galeotti 2017). There is a history of organized crime groups being used as instruments of intelligence activity. This is perhaps no surprise due to the nature of Soviet agencies and political police to use criminal informants and recruits. According to Mark Galeotti, when Vladimir Putin became president in 2000 he imposed a new social contract between the criminal underworld and the state in which, "gangsters could continue to be gangsters" as long as they accepted that "the state was the biggest gang in town and they did nothing to directly challenge it," (Galeotti 2017). This ushered in a new era of corruption and criminal involvement and a continuation of the utilization of the so-called criminal underworld for the benefit of state intelligence agencies.

This chapter will delve deeper into the illegal activity of the members of Vladimir Putin's team with connections to Russian intelligence and the Russian military, primarily focusing on Nikolai Patrushev and Viktor Zolotov. It is important to analyze this activity because of the history of corruption within Russian intelligence and the Russian military, specifically the intelligence and investigative-based branches. Secondary literature argues

that there is currently a high level of corruption within the government with blurred lines between illegal and legal activity. There is also a mutually reinforcing relationship between the state and the Russian Mafia and there is a complex web of interdependency present that involves both criminal networks and political and intelligence agency authorities. Understanding the official functions and oversight of the Russian intelligence agencies provides a basis for determining which activities are legal and which are not.

Russian intelligence is made up of various branches, each with a specialized focus. These branches include military intelligence, foreign intelligence, and domestic intelligence. These agencies are also regulated by various government bodies, allowing, at least in theory, a system of checks and balances in which the agencies keep each other's operations within the realm of legality. The military intelligence arm is known as *Glavnoye razvedyvatel'noye upravleniye*, or the GRU. The current foreign intelligence service is known as *Sluzhba vneshney razvedki*, or the SVR and is most akin to the U.S. Central Intelligence Agency, as it provides the government with intelligence information and analysis that helps inform policy decisions. With the SVR focusing externally, the Federal Security Service is meant to primarily focus on internal affairs and matters of crime and security. Despite the split between external and internal affairs, the two agencies both participate in counterintelligence and actively seek out and remove foreign intelligence agents, such as CIA agents gathering intel in Russia. Additionally, there is the MVD or Ministry of Internal Affairs tasked to deal with criminal investigations, the newly formed National Guard, and the Federal Protection Service.

The Federal Security Service, more commonly referred to as the FSB, is the most well-known intelligence service and most important for the purpose of this study. There

are no official figures of FSB employment, as their services operate under a shroud of secrecy, but the number is estimated by security services expert Andrei Soldatov to be approximately 200,000 (Walker, 2013). Official functions include counterintelligence, guarding borders, protecting government communications, and combating economic crimes. The FSB is viewed as the successor to the notorious Soviet-era intelligence service, the KGB. The FSB has certainly maintained some practices from its predecessors, such as torture and espionage, but many of these once illegal and secretive methods have now been legalized under the FSB. According to scholars Richard Staar and Corliss Tacosa, prior to a new law describing the functions of the FSB being passed in April of 1995, many of the actions Russian federal intelligence agencies have relied on, such as “operating prisons; deploying agents under cover of other government agencies; and recruiting, protecting, and paying informants” were illegal (Staar & Tacosa, 2004, p. 45). In August of 1995, a second new law made clandestine activities such as opening mail, tapping phones, and entering private residences without the approval of the judicial branch legal (Staar & Tacosa, 2004, p. 46). The power of the FSB has even been expanded to work outside of Russia in cooperation with the SVR and GRU. As of August 2003, a presidential edict signed by Vladimir Putin, allows the FSB to exercise seventy-four different functions, many of which are also exercised by other intelligence agencies. These functions include counterespionage and neutralization of threats to national security.

Despite the astounding freedom and legality of FSB practices, there are many areas where legality has become an issue. Targeted killings and torture are two things that have long been associated with intelligence agencies, not only in Russia, but also in other

countries such as the United States and Great Britain. Governments have a history of utilizing intelligence agencies, a part of the government that maintains a high level of secrecy, to carry out the so-called dirty work. Intelligence agencies in turn are sometimes unable to, or don't have the resources to, carry out certain requests and thus turn to those who operate outside of the law and out from under the eyes of the government. This demand for the services of the shadow economy, the backbone of organized crime that emerged following extreme food shortages that followed the collapse of tsarist Russia, has facilitated a relationship of mutual dependence between intelligence agencies and Russian organized crime. The shadow economy maintained by organized crime groups meets the demands for services not available legally or through state-run enterprises, and in turn the agencies turn a blind eye to an extent of their illegal activity. In recent years, this relationship has blurred, with services within the shadow economy being perpetrated by government officials and intelligence agents, leading to not only a mutual dependence, but also an intertwining nature in which Russian officials themselves are the perpetrators of organized crime.

Two examples of Russian officials acting like organized crime leaders are Nikolai Patrushev, a former director of the FSB and current director of the Russian Security Council, and Viktor Zolotov, a former KGB agent and the current head of the new Russian National Guard. Patrushev has been linked to perpetrating the 1999 apartment bombings that provided justification for the invasion of Chechnya. He has also been linked to signing off on the assassination of Alexander Litvinenko a former KGB/FSB agent who spoke out about the connections he discovered between the FSB and organized crime, as well as the discrepancies in the FSB's report on the 1999 bombings. Viktor

Zolotov formerly worked for a company that provided protection for members of organized crime groups and his movement to head of the new National Guard has been seen as a way to integrate his former connections for the benefit of Vladimir Putin and the Russian state. Their connections to and involvement in organized crime provide evidence of the government's utilization of the shadow economy.

Nikolai Patrushev

Nikolai Patrushev is the former director of the Federal Security Service, a personal friend of President Vladimir Putin, and a current national security advisor to the president. Patrushev graduated from the Leningrad Shipbuilding Institute with a degree in mechanical engineering and worked in design before becoming a member of the KGB in 1975 ("Patrushev Nikolai Platonovich," 2018). He served as chief of the anti-combat smuggling and corruption sector and was later appointed to minister of internal security in the Republic of Karelia ("Patrushev Nikolai Platonovich," 2018). Patrushev also served as deputy chief of Boris Yeltsin's presidential office before becoming Vladimir Putin's assistant in the Main Control Department ("Patrushev Nikolai Platonovich," 2018). As Putin moved up through the ranks, Patrushev did as well, and when Putin became prime minister in 1999, Patrushev took Putin's former position and became director of the FSB (Staar & Tacosa, 2004, p. 47). He served in that role until 2008, when he was appointed Secretary of the Security Council of the Russian Federation ("Patrushev Nikolai Platonovich," 2018).

In the first month of Patrushev's leadership, there were a series of large-scale terrorist attacks across Russia. These attacks were blamed on Chechen terrorist, who have continued to deny any involvement, and ultimately served as justification for sending

Russian forces into Chechnya. These attacks are also widely understood as having provided a platform for Vladimir Putin's success in the presidential elections of 2000. What makes the attacks and ensuing consequences even more significant, is that they are widely believed to have been coordinated by the FSB (Harding, 2015). David Satter, a renowned investigative journalist and former Moscow correspondent for the *Financial Times* in London who is now a senior fellow for the Hudson Institute, claims that "the bombings changed the course of Russia's post-Soviet history (Satter, 2017). Satter's history as an investigative journalist stationed in Russia gave him the necessary investigative skills to dig into the open facts of the occurrence and conduct interviews with those involved. It also allowed him to eloquently lay out the conflicting stories and showcase the discrepancies.

The attacks consisted of a series of four blasts targeted at large apartment complexes in various different regions that killed approximately 300 people (Satter, 2017). The bombings were initially not seen as anything other than a terrorist attack and public opinion was focused on finding and prosecuting the "Chechen terrorists," until an incident that involved a fifth bomb being discovered in the basement of a building located in Ryazan (Satter, 2017). The bombs were analyzed and determined to be the same as the ones used in the previous bombings, but when the suspects were arrested they were not the Chechen terrorists the public was expecting, but rather agents of the FSB (Satter, 2017). Nikolai Patrushev, in his new role as head of the FSB, explained the situation as having been a training exercise, not a foiled bombing (Satter, 2017). This explanation was weak at best, as it made little sense for a government agency to initiate a public training in the wake of several all too real attacks that were perpetrated in an identical

manner. Had the attempted bombing been a training exercise, it was certainly odd that the Ryazan police force knew nothing about it. A former officer, Dmitri Florin, reported that the “local authorities, including the local branch of the FSB, were convinced that they were dealing with an attempted terrorist attack,” (Satter, 2017). The fact that the local agents, of the same organization that was supposedly conducting the training, were not told that an exercise was being conducted is just one of the many questionable components of the situation. Another suspicious circumstance was that the day before the three “dummy” agents were arrested, state-run media and Vladimir Putin himself reported that an attack had been stopped.

The apartment bombings of 1999 marked a change in the Russian state and its movement toward a ‘mafia state’ in which the officials are not only dependent on the shadow economy of organized crime, but also actively participate in the services. Nikolai Patrushev was at the helm of the intelligence community when this transition occurred, as his participation in the bombings and ensuing cover-up demonstrates. This event leads into the second most notable active participation of Nikolai Patrushev in organized crime. Following the Ryazan incident, many brave journalists, much like the journalists who continue to dig into the corruption and organized crime connections of the Russian state today, and investigators attempted to investigate the bombings, only to wind up dead. Alexander Litvinenko wrote *Blowing Up Russia*, a book exposing the suspicious circumstances of the bombing and also spoke out about connections between organized crime and the FSB that he discovered while working as an agent. Litvinenko is now dead and many believe his suspicious death can be linked directly back to Patrushev.

The Alexander Litvinenko case began in part in 1991 when he was assigned to the Organized Crime Unit of the KGB, it is here that it is surmised that he began investigating the Tambov organized crime group and uncovered significant links between the group and KGB officials (Owen, 2016). Litvinenko was later transferred within the newly formed FSB to the Department for the Investigation and Prevention of Organized crime, and it is while in this unit that he cites that he was ordered to do illegal activity such as carry out target killings (Harding, 2016). In 1998, Litvinenko publicly denounced the FSB, yet the allegations were dismissed and a short investigation found no wrongdoing (Harding, 2015). It is important to note that this was the same point in time that Vladimir Putin became director of the FSB (Harding, 2015). At the end of 1998, Litvinenko was dismissed from the FSB and in March of 1999, he was arrested and later, in October of 2000, Litvinenko left Russia for the United Kingdom due to increasing concern for his personal safety and that of his family (Owen, 2016, p. 26). In November of 2006 Litvinenko fell ill and died some three weeks later from plutonium poisoning that, while on his deathbed, he traced back to a former colleague (Owen, 2016, p. 26).

The conclusion of “The Litvinenko Inquiry,” the public inquiry produced by Sir Robert Owen, a British judge, on Alexander Litvinenko’s death, states that it is the findings of the inquisition, based on the review of all evidence and interviews, that “Mr. Litvinenko was killed at the direction of the FSB,” (Owen, 2016, p. 341). This inquiry included the interviews of seventy witnesses and 15,000 pages of evidence that were reviewed by the high court in London (Harding, 2015). The inquiry chair reported that the open evidence only amounted to a “strong circumstantial case” that the Russian state was behind Litvinenko’s death, and there wasn’t any hard proof (Addley, Harding, &

Walker, 2016). He maintained though, that the operation was almost certainly approved by Patrushev, based on the circumstantial evidence (Chelicheva, 2016).

The role that investigative journalism has played in revealing Patrushev's questionable actions and involvements has been significant. In terms of the Russian bombings of 1999 though, there was not as much reporting because of the time period. Most of this information was retrieved from investigations by supplementary journalists, as the ones in focus were not in their current roles. Russian sources were difficult to find on this topic, as there was a higher level of media crackdown at this time. The Litvinenko murder on the other hand, was thoroughly covered by entire series produced by a number of journalists, including Luke Harding. The amount of coverage shows the significance of this event. It has also fostered the connection being made between the 1999 bombings, the Chechen invasion, Litvinenko's murder, the FSB, and all of this to Patrushev.

Viktor Zolotov

Viktor Zolotov's background has often been described as being rooted in a murky and criminalized world. He started his career as a locksmith for a car plant and was later recruited by the KGB ("Putin creates," 2016). In the 1990s, Zolotov worked as a bodyguard for the mayor of St. Petersburg Anatoly Sobchak (Jensen, 2015). Later, he served as a private guard in Baltik-Eskort, a private security firm that he helped found, in which he was the bodyguard of Roman Tsepov, a Russian oligarch (Jensen, 2015). This security service has its own murky past, allegedly providing services to organized crime leaders including members of the Tambov group, a significant factor to take notice of (Jensen, 2015). Baltik-Eskort allegedly "acted as a liaison with the criminal underworld in St. Petersburg, including both Aleksandr Malyshev, reputed head of the Malyshev

criminal organization, and Vladimir Kumarin, the reputed head of the Tambov crime organization,” (Dawisha, 2015). Further journalists and Russian scholars, including Amy Knight, the woman known as the West’s expert on the KGB, have called the company the point of connection “between the city government and members of the mafia,” (Dewhirst, 2018).

In 1999, Zolotov was appointed the head of Vladimir Putin’s security detail and later he transferred to the Interior Ministry forces (Jensen, 2015). Zolotov is now at the head of a brand new force within the Interior Ministry: the National Guard. Zolotov’s appointment to this role is seen as a symbol of the strength of his relationship with Putin, as well as an attempt to balance out and increase the presence of the siloviki in the roles supporting Putin. Putin has quoted the job of the National Guard to include “maintaining public order, protecting public order, controlling the circulation of weapons,” (Anin, 2017). According to an article published by Russian newspaper *Novaya Gazeta*, the National Guard will also work to prevent terrorist attacks, provide territorial defense, and protect special state entities and special facilities (Anin, 2016). Under the predominant mission is a worrying level of power that Zolotov and the agency will yield. *Novaya Gazeta* reported that experts believe the guard will have the ability to take violent action during rallies and part of the creation of this force is to quell uprisings, protests, and rallies (Baidakova, 2016). Keeping in mind the murky connections of Baltik-Eskort, this is critical to understanding Zolotov and the importance of his appointment to such a large security role. Moving Zolotov to head of a brand new organization that exercises a significant amount of power, in combination with his history of connections to organized crime groups could be seen as putting him in a position where these relationships can be

utilized. Additionally, some of the employees themselves were accused of being members of organized crime groups and being involved in target killings, something all too familiar to Russian security and intelligence services.

The actions and associations of Nikolai Patrushev and Viktor Zolotov demonstrate the increasingly serious threat of significant connections between organized crime networks and the Kremlin's intelligence agencies including the Foreign Intelligence Service and the Federal Security Service. The illegal activity and connections that have been revealed by investigative journalism certainly continue to foster the idea that the state is the biggest gang in town. The secondary literature argues that there is a mutually-reinforcing relationship between the state and the Russian Mafia and there is a complex web of interdependency present that involves both criminal networks and political and intelligence agency authorities and the research done by investigative journalists certainly supports that.

The activity perpetrated by Patrushev, if factual, certainly falls under the category of organized crime. Patrushev's actions show evidence of utilizing the shadow economy for the benefit of the state. His alleged involvement in the 1999 apartment bombings show clear illegal activity that follows three characteristics of organized crime: monopoly, violence, and corruption. Violence was used to create an environment of disorder and a situation that was purposely blamed on a convenient scapegoat. Framing the Chechen terrorists for this event also fostered corruption of the political system. The event prompted the Second Chechen War, which provided a platform for Vladimir Putin's bid for presidency in 2000. In an interesting sense, this also represents monopoly,

since the Russian's gained strategic ground and a wanted outcome based on the use of violence and corruption of the political system.

While the majority of evidence is circumstantial, Patrushev certainly acted like a ROC group leader, in that his involvement was not hands on, and much like organized crime bosses, he was calling the shots, but not actively participating. The same can be said for his involvement in the murder of Alexander Litvinenko, which could be seen as a contract killing to take out a threat because he had knowledge that government officials did not want released. Again, in this situation there was clearly illegal activity, but it can only be speculated that Patrushev himself was involved because the murder cannot be traced back to him by physical evidence.

Zolotov is connected to organized crime in a different way than Patrushev. Zolotov is a figure with connections to organized crime and a position in a power where legality and illegal actions are blurred. He formerly worked for a company that provided protection for members of organized crime groups and his movement to head of the new National Guard has been seen as a way to integrate his former connections for the benefit of Vladimir Putin and the Russian state. His connections to and involvement in organized crime provide evidence of the government's continued utilization of the shadow economy. It shows that in recent years, this relationship has blurred, with services within the shadow economy being perpetrated by government officials and intelligence agents, leading to not only a mutual dependence, but also an intertwining nature in which Russian officials themselves are the perpetrators of organized crime.

Chapter Three:

Russia's Hidden Leaders: The source of Putin's Economic Power

Introduction

Vladimir Putin's team of aides and right-hand men are some of the wealthiest and most influential men in all of Russia. These men have had a history of influential jobs and many are members of the *siloviki*, a group of "Kremlin officials with backgrounds in Russia's military and its intelligence services, including the FSB," (Harding, 2012). Investigative journalist, both Russian and foreign, who write about Russia oftentimes focus on the members of Putin's inner circle who fall into this category because of their mysterious pasts, alleged involvement in illegal activity, and suspect connections. These investigations showed that those still involved in intelligence services have been involved in activities that could easily be confused as having been perpetrated by ROC groups. Other *siloviki* have now moved on from their jobs in intelligence and on to new sectors within the Kremlin where they hold a vast amount of influence and power. Two of these men are Igor Sechin and Sergei Glazyev. Despite moving careers, they have both been involved in suspect and illegal activity.

As reported by journalists, each man has had a foot in multiple sectors, which has led to a far-reaching consolidation of power. For Sechin, he has served in the lower echelons of government as a personal aide, in the upper echelons as Deputy Prime Minister, in the economic sector, and currently in the position of CEO of Rosneft. Glazyev has served in positions of security management, academia, and economic

advisory. The variety of positions that these men have held and their activity while in these positions shows that they are behaving similarly to ROC bosses. This is significant in gaining insight into the Putin regime and the methods in which organized crime is utilized for the regime's benefit. These nexuses of power have allowed for stealth involvement in illegal activity to take care of the state's shady dealings and pesky problems. This activity has also been used for significant financial gain for the state and high-ranking government officials. In their investigations of Putin's inner circle, journalists have focused on those who run the two most important sectors in Putin's regime: intelligence and security, and business and economy. Glazyev and Sechin, though former military men and intelligence officers, now fall under the latter sector. These two men, their influence, and their involvement in organized crime, have played a partial role in Vladimir Putin being able to assert his hold on the Russian state. Of course, there are numerous men who fall into this category, yet these two have appeared an overwhelming number of times in the work of journalists who focus on Russian politics and corruption.

Igor Sechin

Dubbed the second most powerful man in Russia and the Russian Darth Vader, Igor Sechin has occupied a succession of high-level leadership positions throughout his career, both in business and the Russian government. Sechin is currently the Chief Executive Officer, Chairman of Management Board, and Deputy Chairman of Rosneft, Russia's state oil company ("Igor Ivanovich Sechin," 2017). He has held these positions since 2016. He previously served as the Deputy Prime Minister of Russia from 2008 to 2012, a move that occurred during the Medvedev presidency, rather than that of Vladimir

Putin (“Factbox: Russia’s Energy Tsar,” 2010). This can be seen as a way that Vladimir Putin was able to easily maintain power while out of the presidency without necessarily perpetrating all of the actions by himself. Prior to this, he was also the Deputy Head of the Executive Office of the President of the Russian Federation from 2000 to 2004, and Aide to the President of Russia from 2004 to 2008 (“Factbox: Russia’s Energy Tsar,” 2010). Sechin has been chairman of various oil and shipbuilding companies including United Shipbuilding Corporation and Far Eastern Shipbuilding and Ship Repair Center (“Igor Ivanovich Sechin,” 2017). He currently holds board member positions at CSKA Hockey Club and LLC National Petroleum Consortium, among others (“Factbox: Russia’s Energy Tsar,” 2010). Prior to working for big companies and holding positions under Vladimir Putin, Sechin officially worked as a military translator in Angola and Mozambique, though there is speculation that he was in the area on behalf of intelligence efforts in the region (“Igor Sechin,” 2016). The variety and multifaceted nature of the positions that he has held have allowed for his continuation of exertable influence within the Putin regime, as well as his status as a significant figure with a variety of questionable affiliations.

The most significant of these connections, that which draws the most parallels between Igor Sechin, organized crime, and the Putin regime is that of a long line of interconnected oil firm breakups and financial gains by Putin himself and state oil company Rosneft. The sequence of affairs began in October of 2003 when head of Yukos, Mikhail Khodorkovsky and business partner Platon Lebedev were arrested and charged with fraud, embezzlement, and tax evasion, and eventually sentenced to 10 years prison for fraud and tax evasion (“Yukos Auctions,” 2007). Yukos was investigated and

eventually forced to pay \$27 billion in back taxes and subsequently sell its production arm Yuganskneftegaz in order to pay off the taxes in an appropriate amount of time (“Igor Sechin,” 2016). Yuganskneftegaz was sold to a little-known company called Baikal Finance Group and shortly after, in 2004, Baikal Finance Group was bought by Rosneft (Anin, 2004). In an effort to pay off the large accumulation of fees and back-taxes, Yukos went bankrupt in 2007 and a vast number of assets were swallowed up by Rosneft after the auction (Anin, 2004).

Roman Anin, a special reporter for the relatively outspoken and liberal Russian newspaper *Novaya Gazeta*, specializes in economic and financial investigations. He has done a substantial amount of reporting on Igor Sechin, as well as other prominent figures in Russian economics, finance, and business. According to Anin, Baikal Finance Group made a pledge of \$1.7 billion in order to participate in the auction to accumulate Yuganskneftegaz, and “in Russia, you can count on your fingers the companies that are able to accumulate such money...’Baikal’ is not among them,” (Anin, 2004). The head of Yukos admitted to Anin in a candid interview that the Russian Minister of Finance at the time, Alexei Kudrin, knew nothing of Baikal Finance Group prior to the sale (Anin, 2004). Such a fact is not only confusing, but it is outright unfathomable that the highest ranking finance official would know nothing about a company with this level of financial power. To many, after Rosneft bought up Baikal and the company engulfed its assets, it became evident that Baikal had gotten the money by nefarious means and received backing from Sechin.

Sechin is accused of having engineered the breakup of Yukos and the subsequent arrest of Mikhail Khodorkovsky. Khodorkovsky’s lawyer, Robert Amsterdam, said that

he “has been staging auctions which are ... fraudulent and designed to bring out the lowest bid,” (“Yukos Auctions,” 2007). It can be surmised that part of the intent for the breakup for Yukos was to renationalize this part of the oil sector and take it out of the hands of oligarchs, specifically in this case Khodorkovsky who was at the time Russia’s richest man with a fortune of \$15 billion (Tran, 2004). Part of this could also have been a personal vendetta against Khodorkovsky who had recently begun giving money to opposition parties and speaking out about the widespread corruption in the Kremlin (“Igor Sechin,” 2016). As journalists have shown, this would certainly not be the first time that Russian government officials or agencies have targeted individuals for speaking out about corruption or uncovered connections to organized crime. He just so happened to have been arrested just before elections in the Duma, in which the funded parties were running (“Yukos Auctions,” 2007). The arrest of Khodorkovsky and the following dismantling of Yukos at the discretion of Sechin, with his role at the head of Rosneft and advisement position to Putin, led to an era of further control of the oil and gas industry by the state.

Yukos was not the only firm where the head of the company was arrested and not long after Rosneft swallowed up the company. The oil company Bashneft was subjected to a similar fate in 2014. The swallowing up of Bashneft occurred under familiar circumstances when billionaire chairman of Sistema, which controls Bashneft, Vladimir Yevtushenkov was arrested on claims of money laundering (“Sistema Boss,” 2014). Khodorkovsky commented from jail that the reason for this event was that Igor Sechin needed to raise the capitalization of Rosneft, especially with the looming budget deficit, thus he resorted to similar means to what had already been successful (Pastukhov,

2014). The exposes published by *Novaya Gazeta*, as well as other media outlets, reveal that this event shows an established pattern emerging under Igor Sechin's reign as head of Rosneft and the beneficial results for the state and Putin regime.

Following the break-ups of these companies, there was another beneficiary other than Rosneft: the oil-trading firm Gunvor, a Geneva-based company owned by Gennady Timchenko, an associate of Vladimir Putin (Pastukhov, 2014). This was due to the void created in the market, and because Rosneft handed over responsibility for their international trade to Gunvor, which was a relatively small firm until this event ("Gunvor's Roots," 2012). Moving into the void in the market, Gunvor's revenues ballooned from \$5 billion in 2005 to a staggering \$43 billion in 2007 (Walker, 2016). Many see the rise of Gunvor as extraordinary and it has been rumored that Putin is a beneficial owner ("Gunvor's Roots," 2012).

In December 2007 Luke Harding published an extensive expose in the *The Guardian* on Vladimir Putin's alleged \$40 billion fortune (Harding, 2007). One of Harding's primary source's Stanislav Belkovsky, a Russian political analyst, claims that Putin's holdings are concealed in a variety of offshore companies, the most suspicious and highly invested of these being Gunvor, the aforementioned oil-trading firm that benefited from Yukos' demise (Tran, 2004). In an official memo the company's chief executive officer, Torbjorn Tornqvist denied any investment or ownership by the Russian president, but did mention one significant piece of information: Timchenko and Putin are friends, something that prior to this point had been denied by all involved (Tran, 2004). Timchenko is also rumored to have been a coworker of Putin during his time in the

foreign affairs directorate of the KGB, though both parties vehemently deny this (Harding, 2007).

One party that appears skeptical of Gunvor's denials, in addition to the investigative journalists covering the topic, is the U.S. State Department. In cables between Washington and the embassy in Moscow, uncovered from WikiLeaks, the oil trading firm is mentioned as being secretive and politically connected, as well as being a rumored source of Putin's wealth, while controlling "up to 50% of total Russian oil exports," ("Russia 101203," 2013). In addition, the cable says Gennady Timchenko is "rumored to be a former KGB colleague of Putin's," (Walker, 2016). In March of 2014 the U.S. Treasury sanctioned Timchenko, among others, following the annexation of Crimea, and cited that "Timchenko's activities in the energy sector have been directly linked to Putin. Putin has investments in Gunvor and may have access to Gunvor funds," (Harding, 2007).

In 2014 U.S. prosecutors launched a money laundering investigation into Timchenko, examining whether he "transferred funds related to allegedly corrupt deals in Russia through the US financial system," (Harding & Amos, 2014). The primary facet of the investigation was Gunvor and instances of the company buying oil from state oil company Rosneft and selling it to third parties (Harding & Amos, 2014). Should the transfer of funds related to Rosneft be found to have originated from irregular sales of state assets, in this case oil, or other illicit activities, it would be considered illegal money laundering. If it is to be believed that Vladimir Putin owns nearly 75% of the company under investigation, then it is possible that Putin is complicit in or at the very least knowledgeable of the illegal money laundering activities. Furthermore, Sechin is the head

of Rosneft, the company that sold oil to Gunvor, and more importantly, played a key part in the dissolution of Yukos, which allowed for Gunvor's entry into the market.

As of current, Gennady Timchenko is no longer with Gunvor, having been paid an undisclosed amount for his stock in the company by the company's other co-founder in order to distance the company from the sanctions against Timchenko and the money laundering investigations, the results of which are still pending (Davies, 2016). Despite this, the company is still facing legal trouble. In September of 2017, Switzerland began a bribery investigation into a former employee of the company, as well as the company itself focusing on alleged fraud, embezzlement, and money laundering in Republic of Congo ("Gunvor's Roots," 2012). These investigations stem from a former instance of a money laundering investigation even prior to the U.S. investigation that took place in Switzerland in 2011 and 2012, when Timchenko was still a key player in Gunvor ("Gunvor's Roots," 2012). If the history of money laundering investigations says anything, it is that this is clearly a company caught up in organized crime.

This long ordeal started with Igor Sechin and the sheer magnitude of the transactions and developments that occurred showcase the power that Sechin holds within the economy and financial sector of the Russian government. He is a critical player because, as has been revealed by Luke Harding and other journalists' findings, he is the orchestrator of the shifts and sales that allow the government and individuals to profit. Additionally, the resources that his position allows, one afforded to him by Vladimir Putin, enables him to place the fault of the crimes that he is committing on others, many of whom are oftentimes critics of Putin. His role is akin to that of an organized crime leader. Sechin sets a plan in motion, but allows the dirty work to be

carried out by those who are not important to the regime and in turn he stays clear of any direct evidence that could be used against him.

Sergei Glazyev

Sergei Glazyev is an advisor to Vladimir Putin with the official title of Advisor to the President of the Russian Federation on Regional Economic Integration (“Sergei Glazyev,” 2018). Glazyev is a former professor at the Russian Academy of Sciences with a special focus on economics and mathematics and Foreign Economic Relations Minister (“Sergei Glazyev,” 2018). He also served in the State Duma as chairman of the Economic Policy Committee, as well as several other committees (“Sergei Glazyev,” 2018). In the security and intelligence sector he has served as Head of the Economic Security Department for the Russian Federation Security Council Administration, and Head of Information Analysis Department for the Russian Federation Security Council (“Sergei Glazyev,” 2018). Glazyev, like Igor Sechin, has been in positions of power in multiple sectors. He has been in academics, security, and now a critical economic advisory position. His background in security and academia has allowed him to maintain a platform of social justice, actively speaking out against organized crime, and the credibility of being a member of the *siloviki*. Glazyev’s new position has allowed him the task of attempting to make a reality the alleged plan to take Ukraine, which is commonly known as Novaya Rossiya.

Ukrainian investigators consider Glazyev responsible for planning "military operations, providing terrorists with some kind of assistance, planning special information operations," (Anin, 2014). The Security Service of Ukraine has filed a criminal case against Glazyev under an article on “public calls for unleashing a military

conflict,” (Anin, 2014). Ukrainian President Petro Poroshenko, in an interview with Luke Harding, stated that he strongly believes that the Ukrainian rebels are under the control of the Kremlin (Harding, 2014). He characterized the fighters of the rebels as “Russian citizens, Russian officers, Russian soldiers of fortune,” (Harding, 2014). Prior to the signing of Ukraine’s association agreement with the European Union, meant to set up free trade, Glazyev “warned the country of social unrest and possible secession of pro-Russian regions if it signed the agreement,” (Walker, 2014). Remarkably, as if there had been a set plan all along, Glazyev’s prediction came true (Walker, 2014).

The largest piece of evidence for Glazyev’s direct involvement though has been the recorded conversations between Glazyev and Kremlin-backed Crimean leader and former organized criminal gang member Sergei Aksyonov, as well as other government and Ukrainian officials, that were released by the Ukrainian Prosecutor General’s office in February of 2014. These tapes show the direct intention of Glazyev and the Kremlin’s covert support of the anti-government protests in Ukraine in 2014. They also reveal the part that the Putin regime has played in both the coordination and the financing of various demonstrations and associated actions. Moscow’s support of protests and pro-Russian Ukrainians has never been a question, but the sheer level of involvement by a powerful member of leadership indicates that Moscow is more than just supportive it is complicit. It is evidence that the Kremlin had been fanning the flames of the social and cultural conflict for several weeks prior to its’ transformation into an armed conflict. To be clear, this evidence is unverified and has primarily been reported by Ukrainian and Eastern European sources because Western journalists have said that they cannot accurately determine whether the tapes are real or fabricated. Journalists Luke Harding and Shaun

Walker, among others, do believe that Glazyev was involved, but are not willing to trust in the tapes as hard evidence. The result is a purely circumstantial case, but as the tapes have not yet been dismissed as completely fake, it is logical to speculate on what they would mean, should they be determined as factual.

Within the tapes, Glazyev gives advice to Russian protest leaders on how act during the protests (Melkozerova, 2016). He says, “it is necessary for those guys on the street to delegate their representatives,” (“English translation,” 2016). They then go on to discuss their financing on protests, in which member of the Russian Duma, Konstantin Zatulin, can be heard saying “we have financed Kharkiv, financed Odessa,” (“English translation,” 2016) They continue to discuss the particular payments for protest leaders in the various regions (Melkozerova, 2016). In a separate call, Glazyev tells an unknown man that he has “an order to raise everybody, to raise people (Melkozerova, 2016). In another tape he tells a leader how exactly to go about organizing the protests saying, “it is very important that people appeal to Putin,” (Melkozerova, 2016). These tapes reveal the direct influence over the protests that Glazyev had, while further recorded conversations implied that the referendum was not only expected, but also guided by Glazyev. In a call with Sergey Aksyonov, Glazyev tells him that he thinks, “the questions of the referendum are formulated badly” and suggests change to make people understand more easily the decision that they have to make (Melkozerova, 2016). It is important to mention that in addition to not being recognized by Western media, these tapes have not been fully recognized as legitimate by Western governments. Yet, from the Ukrainian side, arrest warrants have been issued on the grounds of these tapes and they are seen to be legitimate in the eyes of the Ukrainian legal system.

Igor Sechin and Sergei Glazyev are the hidden leaders of Russia doing the dirty work for a notoriously corrupt regime through utilization of their powerful positions. They have feet in multiple sectors, leading to a far-reaching consolidation of power. For Sechin, he has served in the lower echelons of government as a personal aide, in the upper echelons as Deputy Prime Minister, in the economic sector, and currently in the position of CEO of Rosneft. Glazyev has served in positions of security management, academia, and economic advisory. These nexuses of power have allowed for the Putin regime to operate with blurred connections to a variety of organized crime initiatives without Vladimir Putin or these leaders getting their hands dirty.

Sechin has used his powerful position at Rosneft to dismantle oil conglomerates and redistribute their assets to the state. To do so he has utilized raiding, or *reiderstvo*, which is the illegal takeover of businesses relying on criminal methods (Firestone, 2008). Not only that, he used corruption and violence to create a monopoly over the Russian oil sector. The funds that were gained by the sale of swallowed up businesses were used for individual and state gain, through the utilization of money laundering through Gunvor. In turn, violence and corruption were used to take down the former owners of the dismantled companies, many of who had spoken out against Putin. This all allowed Sechin to secure financial security for himself and Vladimir Putin while eliminating threatening oligarchs. Glazyev has helped Putin implement a plan that could help him achieve the Novaya Rossiya that he desires. He allegedly worked to help fund and facilitate the funding of military operations. Glazyev also used violence in the form of violent protests and used corruption by planting protest leaders to advance a plan that would further interests of the regime while working to put down an enemy.

Conclusion

Russian organized crime has significant implications on the frameworks of the Russian government and modern Russian society, due in part to a long, intertwining history. A significant impact is the crossover of organized crime tactics and behavior to officials of the Russian government. By looking at the ways in which four specific members of Vladimir Putin's inner circle, Igor Sechin, Sergei Glazyev, Viktor Zolotov, and Nikolai Patrushev, have been involved in illegal activity, it is evident that their actions resemble those that are perpetrated by organized crime groups. Many of their involvements including the murder of Alexander Litveninko, the use of *reiderstvo*, and the involvement in the Ukrainian protests have the organized crime characteristics of monopoly, violence, and corruption, with each factor reinforcing the others. Authority, sophistication, structure, and continuity also characterize their activities. Additionally, their behavior corresponds to that of the leaders of ROC groups in many ways. Each man has allegedly pulled the strings behind these operations, yet they have managed to keep a low profile and avoided getting their hands dirty. Consequently, almost all of the evidence that links them to these crimes is circumstantial.

Viktor Zolotov is the outlier of this study. While there is some accessible research concerning his involvement in illegal activity, I found that his primary place is as a figure with connections to organized crime and a position in power where legality and illegal actions are blurred. His work in Baltik-Eskort provided protection for members of organized crime groups and his movement to head of the new National Guard has been seen as a way to integrate his former connections for the benefit of Vladimir Putin and the Russian state. In his new position, he, and the whole of the National Guard, have an astounding amount of freedom for duties that border on utilization of the shadow

economy. It shows that in recent years, the relationship between organized crime and the state has blurred, with services within the shadow economy being perpetrated by government officials and intelligence agents, leading to not only a mutual dependence, but also an intertwining nature in which Russian officials themselves are the perpetrators of organized crime.

Igor Sechin, Nikolai Patrushev, and Sergei Glazyev have utilized nefarious means and organized crime for the benefit of the Putin Regime. The actions of these men, among others have allowed the state to maintain shady dealings and take care of pesky problems without risk of direct connection to the highest point of power. They all acted like leaders of organized crime groups by pulling the strings on plans that resemble organized crime activity without leaving evidence that would lead them to be clearly implicated. They worked as funders and managers, while others did the dirty work. These men, their influence, and their dealings with organized crime, have played a partial but crucial role in Vladimir Putin being able to assert his hold on the Russian state and have also worked to maintain Russia as a “mafia state.”

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