

Criminality and Covert Action in Ukraine, 2014-2018

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On 31 August 2018, a light fixture exploded in the Café Separ, which sits on the fashionable Pushkin Boulevard in the centre of Donetsk city. The café's location made it a favoured hangout for workers from the nearby government quarter. Among these was a former electrician named Aleksandr Zakharchenko. As luck would have it, on that day, Zakharchenko's professional skills would not have sufficed to prevent the blow-out. Rather, boosted by explosives that had been cached behind it, the light fixture blasted him into the next world.

Besides being a Separ regular, Zakharchenko was also head of the so-called Donetsk People's Republic (DPR) and the most prominent separatist leader in eastern Ukraine. His death marked the ninth assassination since 2014 of a key figure in the Donbas rebellion, which encompassed parts of Ukraine's Donetsk and Luhansk *oblasts* (loosely translated as 'provinces'). The DPR and its sister-enclave, the Luhansk People's Republic (LPR), are perceived to have been supported by Russia in their uprising against the Ukrainian

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central government in Kyiv. Following each assassination of a rebel leader, some commentary (usually by Western analysts) implied Moscow's culpability.¹ It was speculated – but rarely asserted outright – that the Russian government was quietly eliminating strong-minded separatist leaders so as to fully control the levers of power in Donbas.²

This paper seeks to question such arguments. Even a cursory reading of media reports would indicate that there is no unanimity as to whether Moscow was indeed behind the deaths of separatist leaders. Three schools of thought exist on who might have been responsible. Taking the case of Zakharchenko's death, one school, which represents the stated position of Russian and DPR authorities, is that the Ukrainian security service was responsible for killing him. A second school, promoted by Kyiv, is that the Separ bombing represented a power struggle among the separatists themselves. A third explanation advanced by informed (and relatively neutral) experts was that the murder might have been carried out by local criminal interests, with tacit blessing from powerful figures in Moscow.³

1 Jack Losh, "Is Russia Killing Off Eastern Ukraine's Warlords?", *Foreign Policy*, October 25, 2016, <https://foreignpolicy.com/2016/10/25/who-is-killing-eastern-ukraines-warlords-motorola-russia-putin/> and Adrian Karantnycky, 'Putin's Warlords Slip Out of Control', *New York Times*, June 9, 2015, <https://www.nytimes.com/2015/06/10/opinion/putins-warlords-slip-out-of-control.html>.

2 Konstantin Skorkin, "The Demise of the Counter-Elite: How Zakharchenko's Killing Will Change Donbas", *Carnegie Moscow Center*, September 4, 2018, accessed <https://carnegie.ru/commentary/77158>.

3 Damien Sharkov, "Russian Security Services Working in Ukraine Blame Kiev for Rebel Leader's Death", *Newsweek*, September 3, 2018, <https://www.newsweek.com/russian-security-services-working-ukraine-blame-kiev-rebel-leaders-death-1102735>. Also see Mark Galeotti, "Zakharchenko's Assassination Won't Bring Peace to Ukraine", *Moscow Times*, September 4, 2018, <https://www.themoscowtimes.com/2018/09/04/war-politics-crime-blowing-up-the-donbass-a62764>.

This last might be the most plausible explanation, since it suggests a compartmentalized decision-making process and explains why the Russian foreign ministry reflexively blamed Kyiv for Zakharchenko's death (an escalatory step) but the Kremlin did not follow through with punitive measures.⁴ It still leaves the question of what Russian policymakers might gain by supporting the DPR, but overlooking the elimination of its leader. To answer this, one has to examine the trajectory of the Donbas rebellion since 2014, and how far it had moved from its original purpose by 2018.

EXPLORING A CONTROVERSIAL TOPIC

This paper is intended as a neutral exploration of the Donbas conflict, focusing on the role of organized crime. It acknowledges Russia's stake in having a friendly government in Kyiv. The author holds the view that Ukraine is a tragic victim, sacrificed as 'collateral damage' in a broader Russo-American conflict. Yet, Russia too is a victim of a zero-sum game forced upon it by certain Western powers. Sections of the press and think-tank industry in two Western countries in particular, the United States and United Kingdom, have made Moscow-bashing a national rallying point. The goal appears to be to cover up their own governments' lack of success in re-ordering the international system following two disastrous military interventions in Afghanistan and Iraq during the early 2000s.

Washington and to a lesser extent London are, today, being confronted with the fallout of three decades of colonial-style hubris, stemming from their imaginary 'victory' in the

4 Rejeanne Lacroix, "Separatist Leader's Assassination Exposes the Complexity of the War in Ukraine", *Fair Observer*, September 5, 2018, <https://www.fairobserver.com/region/europe/alexander-zakharchenko-murder-donbass-eastern-ukraine-war-europe-news-87010/>.

Cold War. As Ukrainian-American scholar Serhii Plokhy has written in his book *The Last Empire*, American neoliberal triumphalism in the 1990s rested largely on an ahistorical fantasy. The Cold War, he argues, had actually ended a full two years *before* the Soviet Union collapsed in December 1991.⁵ Its termination had been the result of an amicable agreement reached at Malta between US president George H.W. Bush and his Soviet counterpart Mikhail Gorbachev in December 1989. When Gorbachev later ran into political difficulties at home, the reflexive response of the US administration, worried as it was about losing a compliant negotiating partner, had been to attempt to strengthen his position. It feared that his disappearance from the scene would lead to an intra-Soviet civil war and rampant nuclear proliferation.

Once it became obvious that events on the ground were bound to take their own course regardless of Washington's preferences, and that the worst-case scenario of a civil war was unlikely to materialize, the Americans reconciled to the idea of Gorbachev's resignation from the presidency and the Soviet breakup that would follow. Shortly thereafter, in a breathtaking act of political audacity, Bush executed a 180-degree turn in his official stance and began spinning a narrative that the United States had long strived for the Soviet collapse. Although many within his immediate circle of advisors knew the claim to be an invention, intended solely to bolster his chance of re-election, the damage to Russo-American relations was done. Gorbachev lamented in 1992 that the narrative of the US having 'won' the Cold War was 'a very big delusion.'⁶ He was right. Supremely confident that it stood unparalleled among the world's great powers, the United States also convinced itself that the new

5 Serhii Plokhy, *The Last Empire: The Final Days of the Soviet Union*, Oneworld, London, 2015, pp. 389-392.

6 *Ibid.*, p. 391.

unipolar international order would remain so forever. It started therefore to engage in strategic over-reach.

In 2001, a complacent US permitted an emerging challenger – the People’s Republic of China – to enter the World Trade Organization.⁷ The American expectation was that an autocratic state that traded freely with the outside world would eventually develop a middle class hungry for political freedom, and be forced to democratize as the Russians and other Soviet peoples had done. The superiority of Western values would prevail over Eastern authoritarianism. Except, that was not how the script played out.

Exactly three months before China’s entry into the WTO, the United States had been attacked by Al Qaeda. Lashing out instinctively against a new and largely unanticipated non-state threat from the ‘Islamic world,’ the US invaded Afghanistan and then Iraq (the latter on a pretext of seeking to stop the proliferation of weapons of mass destruction). As both military adventures gradually ran into difficulties, China discreetly prospered in the globalized economy that had originally been meant to railroad it towards democratization. It became a manufacturing and high-tech powerhouse. Meanwhile, America’s ideational appeal among developing nations declined with the 2008 global financial crisis, revelations of human rights abuses in US-run military prisons, as well as racially-charged police brutality towards African-Americans. All of these factors combined to ensure that the America that the world saw throughout the 2010s was not the self-confident, seemingly invincible and yet benevolent United States that stood, colossus-like, over the globe at the turn of the millennium. Rather, it was a country with a poor

7 Faisal Islam, “How the West invited China to eat its lunch”, *BBC*, December 10, 2021, <https://www.bbc.com/news/business-59610019>.

record of winning at land warfare, a heavily-surveilled and domestically-fractured population, and an innate hostility towards geopolitical multipolarity. The American ‘soft power’ once thought to have delivered an ideological advantage over Soviet communism, was slowly being matched by Chinese ‘soft power’, showcased in the form of brutal efficiency.⁸

In this situation, Russia has become, to some extent, a convenient whipping boy to deflect attention from the falsity of American omnipotence. Exaggerating the ‘Russian threat’ in times of domestic crisis creates an artificial sense of achievement for policy pundits in Washington and London when that threat does not reach its fullest potential, but serves to rally the home front nonetheless.

An example is the Great Russian Spy Scare of 2010. As told in British journalist Gordon Corera’s book *Russians Among Us*, the story is one of several male and female Russian intelligence officers having infiltrated the US for decades, living in some instances as couples under false identities and raising children brought up as Americans, who are unaware of their parents’ real background.⁹ It is story of Russian deception and revanchism,

8 Eric Li, “The Rise and Fall of Soft Power”, *Foreign Policy*, August 20, 2018, <https://foreignpolicy.com/2018/08/20/the-rise-and-fall-of-soft-power/>.

9 Corera is a good journalist and has strong contacts with the British security establishment. This has enabled him to write an engaging and well-researched account of the 2010 spy case that is for the most part, fair and objective. However, his book fails to interrogate the American interpretation of events more critically, seemingly accepting the narrative pushed out by US officials. This narrative suggests that the timing of the Russians’ arrests was determined by the fact that the CIA had a mole in Moscow who was providing information on the operatives’ activities in the US, and that by summer 2010 the mole had wanted to defect to American. Since that would expose their long-term surveillance of Russians’ secret networks, American officials decided to close down the networks altogether. The story might well be true, but it is almost certainly not the whole picture, especially as Corera also recounts how the FBI and CIA were keen for

ultimately undone by good sleuthing on the part of American counterintelligence experts. However, an entirely different perspective can be taken. The Russian operatives in the book can also be seen as heroic, lonely patriots who suffer emotionally while living in a hostile country, without support from their secret employer. They struggle to create a respectable lifestyle, as would any new arrival in a hyper-materialistic society that is innately prejudiced against those born without wealth or connections. They commit no murders and steal no secrets, instead trying to forge influential contacts who can, if necessary, help protect their country from aggression. Their synchronized arrests in June 2010 by US authorities might have been less a brilliant coup than a publicity stunt to distract from two recent high-profile security failures: the Camp Chapman bombing of December 2009 and the attempted bombing of New York City's Times Square in May 2010. Both of these events had exposed the Central Intelligence Agency and the Federal Bureau of Investigation, respectively, as incompetent and semi-competent. The Camp Chapman bombing had involved an Al Qaeda triple agent who deceived the CIA into violating its own security protocols. From this instance, it seemed as though a non-state actor had a better understanding of intelligence tradecraft than American spies.¹⁰ Less than six months later, the Times Square bombing failed, not due to intelligence-led police intervention, but due to sheer luck caused by the bomber's own ineptitude.¹¹

the arrests to be followed up by judicial proceedings which would have guaranteed their supposed detective work much (favourable) publicity in the US media. Gordon Corera, *Russians Among Us: Sleeper Cells & the Hunt for Putin's Agents*, William Collins, London, 2020, pp. 229-235 and p. 241.

10 Joby Warrick, *The Triple Agent: The Al-Qaeda Mole Who Infiltrated the CIA*, Vintage, New York, 2012, p. 198.

11 Kim R. Holmes, "The Times Square Bomb Plot: Success or Failure?", *The Heritage Foundation*, May 13, 2010, <https://www.heritage.org/defense/commentary/the-times-square-bomb-plot-success-or-failure>.

Perhaps in this situation, the deep-cover Russian operatives were sacrificial victims on the altar of bureaucratic self-interest, scooped up to make their American counterparts look good to the political executive in Washington. Shortly after the arrests in the US, the British security service MI5, perhaps not wanting to appear any less competent than their American partners, attempted to arbitrarily deport as a spy a Russian national who had been living legally in the UK. In this case however, the intended target fought back through the court system and British judges, to their credit, ultimately cancelled the deportation order after finding the prosecution case to be extremely flimsy.¹²

For its part, Russia too has lashed out, using tactics not dissimilar to those of the West (and, some scholars would argue, in certain cases using even worse methods).¹³ Its immediate victim has been Ukraine, but the larger purpose has been to signal to the world: ‘Moscow matters.’ A message that all neutral observers, including India, need to take note of in the coming decades.

The current conflict in Ukraine broke out over the winter of 2013-14, when the then Ukrainian president Viktor Yanukovich, after seeking to play off Russia vis-à-vis the European Union to extract maximum benefits for himself, eventually opted to sign an economic agreement with the former. Sections of the

12 Richard Norton-Taylor, “MI5 inquiry into Russian ‘spy’ was ‘Inspector Clouseau not George Smiley’”, *The Guardian*, October 28, 2011, <https://www.theguardian.com/world/2011/oct/28/mi5-russian-spy-investigation> and Nick Fielding, “The men who knew too little: reflections on the Zatuliveter case”, *Open Democracy*, December 9, 2011, <https://www.opendemocracy.net/en/odr/men-who-knew-too-little-reflections-on-zatuliveter-case/>.

13 David V. Goe, et. al., “Unforgiven: Russian intelligence vengeance as political theater and strategic messaging”, *Intelligence and National Security*, Volume 34, Number 4, 2019, p. 561.

Ukrainian population which had hoped for closer ties with the EU, were disappointed and took to the streets in protest. Over a period of several months, violence escalated. Meanwhile, Russia, which had invested heavily in obtaining Yanukovich's goodwill and which feared the loss of its Black Sea naval base in the Crimean city of Sevastopol, viewed the protests as a Western conspiracy. When Yanukovich was forced to flee Kyiv in February 2014, Moscow acted. So-called 'little green men' (the preferred Western term) or 'polite people' (the Russian term) appeared on the streets of Crimea. These were unidentified soldiers who took over key military installations in the territory. Within the erstwhile Soviet Union, Crimea had been administered as a part of Russia from 1922 until 1954, whereupon it was transferred to Ukraine. Since both Russia and Ukraine were part of the same international entity, the transfer remained a domestic matter until 1991, when the Union was dissolved and Ukraine became a sovereign nation, along with Russia and 13 other post-Soviet republics. Thereafter, Crimea remained a part of Ukraine. The territory's takeover by 'polite people' in 2014, who turned out to be Russian special forces soldiers, was not violently contested by the population, which had a Russian majority.¹⁴ Within Russia it was perceived that Crimea had merely 'returned' to the Motherland, whereas in Ukraine it was seen as a territory under foreign 'occupation.' Even as tensions rose between Kyiv and Moscow over the status of the peninsula, with the West backing Kyiv, fighting erupted in the Donbas region, which lies in the eastern part of Ukraine, directly adjoining Russia.

14 Oleg Kashin, "Polite people with guns", *Open Democracy*, April 16, 2014, <https://www.opendemocracy.net/en/odr/polite-people-with-big-guns-natalia-poklonskaya-dmitry-kiselyov/>.

A DIFFERENT WAR, A DIFFERENT CONTEXT

Readers of this paper should note: Donbas is not Crimea. Almost all debates that unfolded during 2014 in Western policy circles presumed that Russian actions in the two regions were part of a common plan of territorial, or at least political, expansion. The catchword of that year was ‘hybrid warfare,’ a term that exaggerated the novelty of Moscow’s use of tactical disinformation and the ‘transformation’ of its military to carry out time-sensitive special operations. Events since then have presented a more nuanced picture, suggesting that while the seizure of Crimea was meticulously-planned and clinically-executed towards a clear political objective, the intervention in Donbas was more opportunistic and open-ended.¹⁵ In both theatres, organized crime groups destabilized the polity through civic unrest. But only in Donbas, could they launch a semi-autonomous agenda which not even Moscow fully controlled.

What explains this difference? Unlike the annexation of Crimea, which was a straightforward Kremlin project, the Donbas uprising was a mutating three-way mix of *Russian* state interests, *Ukrainian* elite agendas, and *local* grievances among the Donetsk and Luhansk populace. These last two components are the focus of the present study. The Donbas conflict was, and is, not exclusively a Russian proxy war (Kyiv’s preferred interpretation) or a Ukrainian civil war (Moscow’s preferred interpretation).¹⁶ Rather, it also represented a power grab *within* established hierarchies of organized crime, which have almost certainly been manipulated by extraneous intelligence entities.

15 Tor Bukkvoll, “Why Putin went to war: ideology, interests and decisionmaking in the Russian use of force in Crimea and Donbas”, *Contemporary Politics*, Volume 22, Number 3, 2016, pp. 275-276.

16 Nikolaus von Twickel, “The State of Play in the Donbass”, *Moscow Times*, March 11, 2019, <https://www.themoscowtimes.com/2019/03/11/the-state-of-play-in-the-donbass-a64764>.

The long-entrenched kleptocratic elite of Donbas was displaced in 2014 by a revolutionary upsurge of second-tier criminals who set up a ‘counter-elite.’¹⁷ Zakharchenko belonged to this counter-elite as did other native-born leaders of the DPR and LPR. The elimination of any separatist figure who became too assertive about exercising autonomy may have represented a kind of ‘disciplining’ within patron-client networks, where control was tenuous. The patrons were likely foreign-based actors and select Ukrainian oligarchs who dealt with them. The clients were separatist militias in Donbas. These militias were manned by lower class and poorly educated workers, some of whom had a background in petty crime. Messaging between the patrons and clients seems to have been done via a two-channel system: by directly injecting foreign mercenaries into the fighting, thereby reducing the bargaining power of local fighters *vis-à-vis* Moscow (and also Kyiv), and by leveraging cross-border interfaces of criminality to covertly project Russian influence.

The mafia underworlds of both Crimea and Donbas had links with counterparts on Russian territory, inherited from the days of the Soviet Union. Crimea, especially, had direct contact with Russia-based racketeers as a result of shared ethnicity and geographic location. The peninsula’s central position on the Black Sea northern coast made it a favoured transshipment hub for arms, narcotics and women.¹⁸ Ports like Sevastopol served as bottlenecks for illicit flows. When the Kremlin decided to annex Crimea in 2014, it reached out to two local gangs, ‘Salem’ and ‘Bashmaki’, through their Russian partner, the Moscow-headquartered ‘Solntsevo’ gang. Although traditionally at

17 Konstantin Skorokin, “A Counter-Elite Takes Power—the New Leaders of the Donbas”, *Carnegie Moscow Center*, February 16, 2018, <https://carnegie.ru/commentary/75549>.

18 Joshua P. Mulford, “Non-State Actors in the Russo-Ukrainian War”, *Connections*, Volume 15, Number 2, 2016, p. 99.

loggerheads, the leaders of both Crimean gangs temporarily put aside their differences at the urging of Solntsevo and the FSB, Russia's all-powerful domestic security service. As a payoff for deploying men on the streets in support of annexation, they were promised support against the non-Slavic (primarily Tartar) gangs who were at the time, encroaching on both their territories.¹⁹

In Donbas, street-level organized crime has long been overshadowed by 'political clans'. These represent a fusion of political and business interests that came together in the 1990s to seize state-owned enterprises and build oligopolies.²⁰ During the Soviet era, Donbas had been the most heavily industrialized region of Ukraine. After the fall of communism, it was also the region that privatized state assets to the greatest extent. In 1997, one political clan, based in Donetsk, floated the Party of Regions (PR). The PR became a local elite in terms of privileged access to resources and opportunities. Membership was seen as a pathway to upward mobility in a socio-economic climate rigged in favour of big industrialists.²¹ The PR's leader from 2003 to 2010 was Viktor Yanukovich, who became Ukraine's president in the latter year and remained so until his ouster in 2014. After he was forced to flee, the party played a decisive role in turning the Donbas population against the newly-incumbent Euromaidan regime in Kyiv (named 'Euromaidan' after the main square where protests took place). PR activists

19 Mark Galeotti, "Crime And Crimea: Criminals As Allies And Agents", *RFE/RL*, November 3, 2014, <https://www.rferl.org/a/crimea-crime-criminals-as-agents-allies/26671923.html>.

20 Phil Williams and John Picarelli, "Organized Crime in Ukraine: Challenge and Response", *Trends in Organized Crime*, Volume 6, Number 3-4, 2001, pp. 129-130.

21 Piotr H. Kosicki and Oksana Nesterenko, "Eastern Ukraine Has Been a Mafia State for Years. Can Kiev Break the Cycle of Violence?", *New Republic*, June 5, 2014, <https://newrepublic.com/article/118010/eastern-ukraine-mafia-state-can-kiev-impose-rule-law>.

played upon populist fears of revanchist Galicians (inhabitants of western Ukraine) and job losses that would follow the widely-expected disruption of trade links with Russia.²²

Unlike in Crimea, where the Russian Black Sea Fleet already had a base at Sevastopol and the FSB had a regional office at the time of the annexation, Russian influence in Donbas was exercised through two rather more circuitous routes. One was the Donetsk clan, which had business ties with both the Solntsevo and Salem gangs. Its political front, the Party of Regions, funded lobbyists in Western capitals such as Washington DC. These lobbyists also represented the interests of Sberbank, Russia's biggest banking institution. The bank is alleged to have links with the Russian foreign intelligence service, the SVR, and has been accused by Ukrainian officials of helping fund the Donbas rebellion.²³

A second route for projecting influence was the Ukrainian diaspora in Moscow. In return for official tolerance of criminal activity, members of the diaspora helped place 'agents of influence' in municipal offices and business enterprises in Donetsk and Luhansk. Former Russian military personnel relocated to these two Ukrainian *oblasts* during the 2000s, running post-retirement businesses in the form of sports clubs and security firms.²⁴ These associations helped the FSB establish a strong presence in Donbas, although not nearly as

22 Elise Giuliano, "Who supported separatism in Donbas? Ethnicity and popular opinion at the start of the Ukraine crisis", *Post-Soviet Affairs*, Volume 34, Number 2-3, 2018, p. 172.

23 Taras Kuzio, "Ukrainian kleptocrats and America's real-life House of Cards: Corruption, lobbyism and the rule of law", *Communist and Post-Communist Studies*, *Communist and Post-Communist Studies*, Volume 50, 2017, p. 35.

24 Vladimir Peshkov, "The Donbas: Back in the USSR", *European Council on Foreign Relations*, September 1, 2016, https://www.ecfr.eu/article/essay_the_donbas_back_in_the_ussr.

comprehensive as the one in Crimea. When the rebellion broke out in 2014, its human assets in-place helped Moscow steer developments in the direction most desired by the Kremlin, but could not completely exclude local actors from playing a role.

The scholar Mark Galeotti, one of the best-informed Western experts on Russia, has noted that the Russian security services probably had less control over the Donbas rebels than had been hoped for:

Moscow presumably thought that by relying heavily on local militias it could fight its undeclared war against Kiev deniably and on the cheap, but in practice it created a situation in which it was often scarcely in control of its notional proxies. Indeed, from the first it was being embezzled by them, and soon began to pay the price in terms of an upturn in violent crime and illegal arms dealing back home. In Rostov-on-Don, the southern Russian city acting as a logistical support hub for the war, there was a growing problem. In 2015, the Rostov region was the ninth most criminal in all Russia, but by 2016 it had become the seventh, and the city itself had become, according to some measures, the most dangerous in Europe – having not even been in the top ten before.²⁵

Readers who are familiar with the history of covert action in South Asia might be able to recognize parallels between the situation that Galeotti describes in southern Russia, and the criminal violence that afflicted Pakistan following its covert paramilitary intervention in the Soviet-Afghan War.²⁶

25 Mark Galeotti, *The Vory: Russia's Super Mafia*, Yale University Press, New Haven, 2019, p. 247.

26 A.Z. Hilali, "The costs and benefits of the Afghan War for Pakistan", *Contemporary South Asia*, Volume 11, Number 3, 2002, pp. 298-299 and pp. 301-303.

FROM STAGED UPRISING TO GENUINE REVOLUTION

What was strange about the Donbas rebellion was how crucial the PR was to its emergence and how quickly the party was, thereafter, marginalized. In less than 90 days after the fall of Yanukovich on February 22, 2014, the party created and lost control of a separatist insurgency. By mid/late May, Russian mercenaries and local hoodlums had worked separately to hijack the anti-Kyiv movement. The result was a rebellion that had no unified command structure or overarching leadership. Although launched by the PR, it was shaped by fast-moving developments on the ground. A show of strength by the party morphed into a geopolitical project (as far as Russia was concerned) and an irredentist fantasy to create a pseudo-socialist homeland for Ukraine's Russian minority (as far as the separatists were concerned).

This homeland was conceived from the 'Novorossiya' (New Russia) concept mentioned by Russian President Vladimir Putin on April 17, 2014. On the same day that Putin talked of the continuity of Moscow's rule over territories populated by Russians, his foreign minister Sergei Lavrov concluded an agreement in Geneva on containing the Donbas conflict.²⁷ In hindsight, it seems the Russian president invoked historical claims to Ukrainian territory in order to get the West to reconcile with his annexation of Crimea. Aleksandr Dugin, a prominent ideologue in Moscow, has advanced a similar hypothesis, suggesting that the Kremlin offered a 'Crimea for Novorossiya' deal.²⁸ So long as it could retain the Crimean

27 David M. Herszenhorn, "Away From Show of Diplomacy in Geneva, Putin Puts On a Show of His Own", *New York Times*, April 17, 2014, <https://www.nytimes.com/2014/04/18/world/europe/russia-ukraine.html>.

28 Andrei Kolesnikov, "Why the Kremlin Is Shutting Down the Novorossiya Project", *Carnegie Moscow Center*, May 29, 2015, <https://carnegie.ru/commentary/60249>.

Peninsula, the Putin regime was prepared to forego further conquest of Ukraine. As if to signal this bargain, slightly over a year later, on May 20, 2015, the leaders of the DPR and LPR, having once been the loudest advocates of ‘Novorossiya’, announced that its creation was no longer their goal. By that time, the character of the rebellion in eastern Ukraine had fundamentally changed as well.

At first, the Party of Regions exploited the isolationist mindset of Donbas’ industrial and coal-mining communities. The latter’s willingness to be corralled and led, whether by communist party *nomenklatura* during Soviet times, or factory foremen in the post-Soviet era, made them uniquely pliant. One hypothesis suggests that a multi-generational tradition of mining activity created a political tunnel vision whereby directives from above were blindly followed.²⁹ While this point is debatable, it does appear as though Donbas had a history of separatist thought, at least to a partial and nebulous degree, before the phrase ‘Russian hybrid warfare’ was invented by Western commentators. The PR’s effort to stoke up resentment against Kyiv, once it had been ejected from power, thus fell on receptive ears.

For decades, Donetsk and Luhansk *oblasts* have had a cultural and economic identity distinct from the rest of Ukraine. During the 20th century, industrialization and an ethnically-mixed population derived from prison labour and voluntary migration made Donbas the most dynamic region of Soviet Ukraine. Its economic significance meant that regional authorities reported to Moscow rather than to Kyiv. When the Soviet Union disintegrated in 1991, the local population

29 Andrew Wilson, “The Donbas in 2014: Explaining Civil Conflict Perhaps, but not Civil War”, *Europe-Asia Studies*, Volume 68, Number 4, 2016, p. 644.

hoped that Ukrainian independence would enhance its status in the new Soviet successor state. Instead, coal mines and factories were left to stagnate in terms of capital investment. Privatization created new inequalities in communities that had been indoctrinated in socialist ideals for half a century. Kyiv, having been only reluctantly accepted as a sovereign, came to be seen as engaging in discriminatory redistribution of wealth. The Ukrainian state was thought to be siphoning off revenues earned from Donbas industry and handing them out to less hard-working communities elsewhere in the country.³⁰ The fact that Ukraine had a highly centralized taxation system fueled this sense of grievance. Over the course of a decade (2004-2014), local PR activists concocted a narrative that the party's dominance in Kyiv would represent a 'fair' reward for the achievements and sacrifices of its home region. A false perception was generated that Donbas alone accounted for half the gross domestic product of Ukraine, whereas its actual contribution was 17 per cent (exactly proportional to its share of the total population).³¹

The PR leadership, gaining control over the country's tax system, stifled opportunities for small-scale entrepreneurship while favouring large corporations owned by its cronies. After losing power in 2014, certain individuals close to the former regime are thought to have initially funded the Donbas uprising through these companies.³² Given the PR's ties to big business, the party did not lack funds for agitprop activity. Over the

30 Elise Giuliano, *op. cit.*, pp. 173-174.

31 Andrew Wilson, "The Donbas between Ukraine and Russia: The Use of History in Political Disputes", *Journal of Contemporary History*, Volume 30, Number 2, 1995, p. 267 and Ihor Stebelsky, "A tale of two regions: geopolitics, identities, narratives, and conflict in Kharkiv and the Donbas", *Eurasian Geography and Economics*, Volume 59, Number 1, 2018, p. 37.

32 Andrew Wilson, *op. cit.*, p. 645.

previous decade, it is thought to have also integrated small-time criminals into its ranks to bulk up its street-power. For their part, the criminals received a political ‘roof’ that afforded them some protection from local law enforcement.³³

Perhaps the most important backer of the PR was a tycoon called Rinat Akhmetov. In 2014, this man was the richest person in the post-Soviet space. After Viktor Yanukovich became president in 2010, Akhmetov’s fortune is believed to have tripled in a single year, which may have been a happy coincidence.³⁴ He first made his wealth in the energy sector by partnering with Russian companies. This was a route taken by many first-generation Ukrainian oligarchs in the 1990s – cashing in on the oil and gas trade with Russia. It is also the reason why oligarchs have come to be viewed with suspicion by the wider public, as being more focused on corporate profit than national interests. Akhmetov later branched off into other enterprises, notably steel mills and coal-mining. His rise had been facilitated by the assassination in 1995 of his mentor Akhat Bragin, the founding leader of the Donetsk clan. Known as ‘Alik the Greek,’ Bragin died while Akhmetov was his deputy. Bragin’s death was followed by murders of prominent businessmen in Donetsk. Akhmetov has not been linked to these killings, and circumstantial evidence suggests that he just benefited collaterally from a turf war waged by the rival (and better-known) ‘Dnipro clan’ operating out of Dnipropetrovsk. Even so, a Ukrainian interior ministry report dating from 1999 allegedly identified him as involved in ‘money laundering and financial fraud’ and having once been linked to a criminal group known as ‘Lyuksovaska hrupa.’³⁵

33 Jamie Dettmer, “The Mafia Ruling Ukraine’s Mobs”, *Daily Beast*, March 23, 2014, <https://www.thedailybeast.com/the-mafia-ruling-ukraines-mobs>.

34 Taras Kuzio, “Crime, politics and business in 1990s Ukraine”, *Communist and Post-Communist Studies*, Volume 47, 2014, p. 197.

35 Ibid.

The collapse of the PR government in Kyiv during the Euromaidan protests had left Akhmetov seemingly in a quandary. His history as a Yanukovich supporter made him vulnerable to the same anti-corruption discourse that had ousted the ex-president. After all, one of the main rallying cries of Euromaidan had been ‘de-oligarchisation.’³⁶ He could not afford to opportunistically switch sides as that would anger the PR machinery in its home base, where his fixed assets were vulnerable to expropriation. Neither could he continue supporting the PR as his trading infrastructure was centred on Kyiv.³⁷ With his business empire split between anti- and pro-Maidan territories, Akhmetov seems to have chosen a delicate and, from his point of view, probably sensible compromise.³⁸

Between end-February and mid-May 2014, he showed sympathy for both sides but committed to neither. During this timeframe, some politicians and factory workers in Donbas who were beholden to him launched protests against Euromaidan. Commentators now believe that Akhmetov may have permitted these disturbances in order to strengthen his negotiating position with the post-Yanukovich regime.³⁹ As is often the case, there

36 Wojciech Konończuk, “The Failed Promise of Deoligarchization in Ukraine”, *Vox Ukraine*, January 18, 2017, <https://voxukraine.org/en/deoligarchization-of-ukraine-en/>.

37 Andriy Holub, “The ultimate beneficiary”, *Ukrainian Week*, February 23, 2017, <https://ukrainianweek.com/Economics/186183>.

38 Maximilian Hess, “Ukraine’s Donbas Don: Who is Rinat Akhmetov?”, *Eurasianet*, January 29, 2020, <https://eurasianet.org/ukraines-donbas-don-who-is-rinat-akhmetov>.

39 Daniel McLaughlin, “Delicate balance of personal interest and peace in Ukraine”, *Irish Times*, June 21, 2016, <https://www.irishtimes.com/news/world/europe/delicate-balance-of-personal-interest-and-peace-in-ukraine-1.2692314>. Also see Oksana Grytsenko and Oleg Sukhov, “Rinat Akhmetov: Too Big To Tame”, *Kyiv Post*, October 20, 2016, <https://www.kyivpost.com/ukraine-politics/rain-shine-guys-always-got-shiny-dime.html>.

is little hard evidence to back up such claims. His reputation as a regional power-broker was undisputed and there seems no doubt that he publicly maintained a cautious neutrality while the new regime in Kyiv sorted itself out. Meanwhile, two events, both involving Russia, moved the political ground under his feet (and those of every oligarch in Ukraine). These were the annexation of Crimea on March 18 and the entry of Russian mercenaries into the city of Sloviansk (in the northern part of Donetsk *oblast*) on April 12, 2014. Together, they fueled an expectation, both within Ukraine and overseas, that Donbas would soon be annexed by Moscow.

It was at this point that the anti-Euromaidan protests in Donetsk and Luhansk mutated into a wider separatist movement. Just five days after Sloviansk was occupied, Putin made his reference to Novorossiya. His words were seen as a statement of intent – Russia was coming for Donbas, as it had come for Crimea, and the population of Donbas was not entirely displeased at the thought. Better pensions and welfare schemes seemed to await them, than if they remained part of a Ukrainian state where ‘their’ regional party, the PR, had been unceremoniously ousted from power in Kyiv. Three days after Putin raised the Novorossiya spectre, a pro-Euromaidan militia attacked a checkpoint in Donbas. The attack prompted Donetsk leaders to declare that, regardless of what Russia and the United States agreed to at high-level talks, such as those in Geneva on April 17, the separatist leadership would henceforth make their own decisions.⁴⁰

40 Lance Davies, “Russia’s ‘Governance’ Approach: Intervention and the Conflict in the Donbas”, *Europe-Asia Studies*, Volume 68, Number 4, 2016, pp. 736-737.

TRYING FOR A SOVIET (RE)UNION

Local anger at being left out of decision-making on Donbas' future seems to have come into play around this time. With regional oligarchs decamping for their own safety, Donetsk and Luhansk *oblasts* were rife with militias that ostensibly 'protected' the absentee owners' properties. A power vacuum came into being, one which even Russian-born fighters could not fill. It was in this context that a strange fusion took place between pro- and anti-Maidan views. Before Yanukovich's fall, even the cities of Donbas had witnessed small-scale protests against corruption within his government. After he fled to Russia, these protests were displaced by larger counter-protests about the PR's unconstitutional removal from power. Fear about losing their privileged position in Ukrainian politics thus existed alongside contempt for the party that had strengthened the hold of big business over politics.

One observer commented on how, over the summer of 2014, the interests of the PR leadership gradually diverged from those of the DPR and LPR 'governments':

The political and economic elite of the region, which is the core of the Party of Regions, obviously did not want to join the Donbas to Russia, which would mean the redistribution of property and other troubles. For small businessmen, criminal figures, officials (mostly associated with the most criminalised sectors of the economy), and district-level police officers such radical political changes, on the contrary, gave great hope.⁴¹

41 Nikolai Mitrokhin, quoted in Andrew Wilson, "The Donbas in 2014: Explaining Civil Conflict Perhaps, but not Civil War", *Europe-Asia Studies*, Volume 68, Number 4, 2016, p. 646.

Many who assumed leading positions on the separatist side had working-class backgrounds. Militarily, their combat effectiveness was limited but their political value, in providing an indigenous face to the rebellion and enhancing Moscow's denials of involvement, was initially considerable. Those who see Russia as responsible for the subsequent assassinations of such leaders argue that Moscow pursued a utilitarian approach. Once the two Minsk Accords were signed in September 2014 and February 2015, assuring Russia of a say in Ukraine's internal affairs, the more independent-minded separatist leaders were (allegedly) done away with.⁴²

According to this theory, men such as Aleksandr Mozgovoi, a militia leader in Luhansk, may have become liabilities because they refused to follow the dictates of the Moscow-friendly LPR administration. Mozgovoi was one of the most articulate champions of the Novorossiia project. Three days after the LPR leadership announced that the project had been abandoned, Mozgovoi and members of his entourage were killed in a meticulously-planned roadside ambush on May 23, 2015.⁴³ His killers were never identified. As with Zakharchenko, possible suspects range from Russian special forces to Ukrainian covert operatives, and from members of Mozgovoi's own inner circle to rival separatist militias in Luhansk. The truth is unlikely to be definitely known.

Once Russian mercenaries intervened in April 2014, the Donbas frontline (known as the 'contact line') was calcified. A steep divide appeared between the Euromaidan regime and

42 Tetyana Malyarenko and David J. Galbreath, "Paramilitary motivation in Ukraine: beyond integration and abolition", *Southeast European and Black Sea Studies*, Volume 16, Number 1, 2016, p. 129.

43 Merhat Sharipzhan, "The Mysterious Assassination Of A Rebel Commander In Ukraine", *RFE/RL*, May 25, 2015, <https://www.rferl.org/a/assassination-of-rebel-commander-in-ukraine/27035485.html>.

Donbas separatists. For his part, Akhmetov could no longer remain neutral in an increasingly polarized environment. Upcoming presidential elections on May 25 prompted him to pre-emptively issue a statement denouncing the separatist leadership. By doing so, he bought peace with the anticipated victor, Petro Poroshenko, an oligarch who, unlike Akhmetov, had his power base in the western and central regions of Ukraine. Poroshenko was expected to take a tough stance against the Donbas separatists and he did so by ordering an air raid on Donetsk airport the very day after being elected. For the DPR, this air raid has since been commemorated every year on May 26 as the official beginning of the armed conflict with Kyiv.⁴⁴

The raid triggered a slow decline of Akhmetov's influence in Donbas, with the oligarch focusing thereafter on protecting his commercial interests rather than aspiring to be a peacemaker. He reached an accommodation with Zakharchenko, which held for three years and allowed his factories, mills and coal-mines to continue operating and transporting their produce to government-held territory. In return, Akhmetov funded relief measures for civilians – a move that partly mollified sections of the population. However, some accounts suggest that Akhmetov's own employees in Donbas did not appreciate his 'betrayal' of the DPR in May 2014.⁴⁵ Threats to seize his properties were defused because he lobbied contacts in Moscow to appoint Zakharchenko as head of the DPR.⁴⁶ Although the latter banned Akhmetov from entering the DPR, he allowed the oligarch's businesses to function unimpeded.

44 Kimitaka Matsuzato, "The Donbas War and politics in cities on the front: Mariupol and Kramatorsk", *Nationalities Papers*, Volume 46, Number 6, 2018, p. 1010.

45 Ibid., pp. 1016-1017.

46 Oksana Grytsenko and Oleg Sukhov, op. cit.

Eventually, it was a third force that shattered the delicate balance of interests. In early 2015, a group of Ukrainian army veterans blocked railroad traffic to Donbas, accusing Poroshenko's government of being weak-kneed in confronting Russian interference in Ukraine. They also blamed Akhmetov for profiting from the conflict, by playing both sides to his personal benefit. In retaliation for the blockade, the DPR and LPR authorities nationalized 43 enterprises, of which 17 belonged to Akhmetov.⁴⁷

After overt trade was shut down between government-administered and rebel-administered territory, a thriving racket in anthracite coal emerged. Coal mined from Donetsk was sent to Russia, from where it was re-exported back to Ukraine as 'Russian' coal. Zakharchenko profited from this arrangement.⁴⁸ One theory about his death is that he had sought to gain a greater share of the coal-smuggling business, which led to concerns that he was setting up an independent power base. Even so, whether that possibility might have led someone in Moscow to eliminate him remains conjecture.

From available media reporting and scholarly literature, it seems that the Donbas rebellion began as an elite-led movement intended to bolster the PR's heft after it had been toppled by Euromaidan. But the Russian intervention in Crimea and then in Donbas itself, beginning at Sloviansk, raised hopes of a broader political transformation. The PR, and the oligarchs who

47 Brian Milakovsky, "Cut Off: What Does the Economic Blockade of the Separatist Territories Mean for Ukraine?", *Wilson Center*, January 9, 2018, <https://www.wilsoncenter.org/blog-post/cut-what-does-the-economic-blockade-the-separatist-territories-mean-for-ukraine>.

48 Pavel Kanygin, "Why was the separatist leader of Donetsk assassinated? Questions you're too embarrassed to ask about rebel politics in eastern Ukraine", *Meduza*, September 4, 2018, <https://meduza.io/en/feature/2018/09/04/why-was-the-separatist-leader-of-donetsk-assassinated>.

had been associated with it, found themselves losing ground to a working-class revolt. The rebels who became leaders of the DPR and LPR were as opposed to elite corruption as they were to Ukrainian majoritarianism. Rather than Vladimir Putin, it was these individuals who talked of fusing Soviet-style socialism with Tsarist-era imperialism, beginning with the creation of Novorossiya. As one scholar observes about the rebellion:

It is a kind of a ‘revolution from below’ because it has an aspiration for political change beyond one’s cultural identity and a socio-psychological power of moral impulse. Grounds for this political agenda were already laid when the elites abandoned the region and ordinary people were left to fend for themselves. Leftist values, i.e., social justice, power to people at local level, rebuilding Donbass on an egalitarian basis and anti-elitism form its key pillars. In Mozgovoi’s words: ‘Novorossiya be! Oligarchs out. Power to genuine, ordinary people. This is our chance in many decades to build a fair, human and humane state.’ In this, Novorossiya ideology had commonality with Maidan. What makes them different is the attitude towards ‘Russian World’ [sic] which is a source of inspiration for rebels. It conveys a sense of belonging to larger historic, political and cultural community, bringing them to the imagined roots of the pre-revolutionary Russia.⁴⁹

Mozgovoi, Zakharchenko and virtually every other separatist leader who died under mysterious circumstances in

49 Anna Matveeva, “No Moscow stooges: identity polarization and guerrilla movements in Donbass”, *Southeast European and Black Sea Studies*, Volume 16, Number 1, 2016, p. 37.

Donbas had two qualities in common: they were not members of the pre-Euromaidan elite, and they had each shown a predilection for acting autonomously. They represented a momentary success of a ‘rebellion within the rebellion’ when they pushed against oligarchic interests. In the process, they lost the protection of those individuals who had created them in the first place.

The first to disappear from the scene were Cossack militia commanders of the LPR, who refused to obey directives handed down by Moscow-friendly separatist leaders.⁵⁰ Then came the turn of other military figures, including Russian nationals who insisted on staying in Donbas as independent actors. Finally, starting in November 2017 the elimination game went up to the highest political levels. The head of the LPR, Igor Politnitsky, was ousted by his own interior minister, in a palace coup said to have been engineered by the Russian FSB.⁵¹ Control was tightened, including over financial matters. Plotnitsky himself may have been replaced (he was not killed, but allowed to leave the LPR for Russia) because he had been too liberal in leeching off local smuggling rackets. His opposite number in the DPR, Zakharchenko, was a more forceful personality against whom an internal challenge could not easily be mounted. So, Zakharchenko’s violent termination might have been a kind of ‘financial auditing,’ as control over the rebellion and its funding base was consolidated.

The scenario described above is consistent with how, within Russia itself, the criminal underworld had developed

50 Andrew S. Bowen, “Coercive diplomacy and the Donbas: Explaining Russian strategy in Eastern Ukraine”, *Journal of Strategic Studies*, Volume 42, Number 3-4, 2019, p. 330.

51 Christopher Miller, “What In The World Is Going On In The Russia-Backed Separatist Luhansk ‘Republic’?”, *RFE/RL*, November 22, 2017, <https://www.rferl.org/a/ukraine-luhansk-armed-masked-men-what-is-going-on-kornet-plotnitsky/28870308.html>.

into two different strata during the 1990s. First there were old, established gangs that had government contacts and could profit from economic changes underway, such as the privatization of state assets. The second strata consisted of newer, smaller gangs that did not and could not. The first type of criminals was collectively known as ‘thieves in law’ and functioned as a kind of parallel society, outside the realm of respectability, but with their own normative code.⁵² The second consisted of former sportsmen, soldiers and policemen who had fallen out of work once the Soviet welfare state collapsed. These drifters turned to the emerging market in private violence, where their limited skills were needed in an economy that was undergoing a rapid and unregulated transition to capitalism.⁵³ After initially working as enforcers in business disputes, they moved into the extortion sector. Inevitably, ‘old’ and ‘new’ criminals faced off against each other for control over turf.⁵⁴ The confrontations only ended when the politically-connected criminal elite used covert linkages with the state machinery to suppress their upstart rivals and impose a measure of ‘governance’ over the underworld.

Ultimately, the truth behind the assassinations in Donbas may never be known. The conflict remains an information war as much as a physical one. Inductive analysis of how

52 Alexander N. Yarmysh, “A Behavioral Model for Ukrainian Organized Crime Groups”, *Trends in Organized Crime*, Volume 6, Number 3-4, 2001, pp. 144-145.

53 Mark Galeotti, “The Criminalisation of Russian State Security”, *Global Crime*, Volume 7, Number 3-4, 2006, p. 479.

54 Siegel, Dina, “Vory v zakone: Russian Organized Crime”, in D. Siegel and H. van de Bunt eds., *Traditional Organized Crime in the Modern World, Studies of Organized Crime 11*, Springer, New York, 2012, pp. 45-46 and Galina Belokurova, “Soviet legacies, organized crime, and economic gangsterism: Russia, 1995-2010”, *Communist and Post-Communist Studies*, Volume 51, 2018, p. 12.

organized crime has evolved in the common post-Soviet space that Russia and Ukraine share, points towards an inter-layered struggle for dominance. Elites who were previously dominant found themselves challenged from below. The challenges emerged from political changes beyond the capacity of any power-broker to prevent. Even so, these changes could be manipulated to reassert the interests of ‘old’ elites instead of ‘counter-elites’. Given the predilection which security services have for suppressing revolutionary challenges, any popular movement that disturbed the incumbent regime would be weakened through all measures.⁵⁵

ASYMMETRY OF INTELLIGENCE AND INFLUENCE

A question arises: what role if any, have hidden links between state actors, the private sector and the underworld played in Ukraine? In searching for an answer, it might be helpful to examine one entity in particular. Of all power factions in Moscow, it appears that the FSB has been the most dominant in shaping policy towards Ukraine. This agency combines the defensively-minded patriotism of the Russian national security state – an inheritance of the Tsarist era – with the outward-looking zeal of its revolutionary Soviet predecessor, the KGB.⁵⁶ Having an overriding mission (protection of the ‘*Rodina*’ or Russian Motherland) and political leeway to adopt a wide range of tactics has led the FSB to favour active neutralization of foreign-based threats to regime stability.

What is important is not the moral dimension (many countries, not least the United States, have a similar approach

55 Svetlana Stephenson, “It takes two to tango: The state and organized crime in Russia”, *Current Sociology*, Volume 65, Number 3, 2017, p. 413.

56 Andrei Soldatov and Irina Borogan, *The New Nobility: The Restoration of Russia’s Security State and the Enduring Legacy of the KGB*, Public Affairs, New York, 2010, p. 4.

to counterterrorism). Rather, the FSB stands out because it is a domestic security agency which carries out special operations overseas – operations of the kind euphemistically referred to as ‘wet work.’ Such elasticity stems from the agency’s expansive jurisdiction over all territories once part of the Soviet Union. Ukraine is prominent among these. An intelligence agency with overlapping mandates for domestic and overseas operations, like the FSB, is uniquely placed to instrumentalize organized crime, whether at the street-level or the white-collar level. By controlling the tools of law enforcement, it can dole out favours to sections of the underworld willing to put their infrastructure at its (deniable) disposal. The Kremlin is thought to have leveraged precisely such contacts with organized crime actors to conduct some overseas assassinations.⁵⁷

During the Cold War, the Soviet KGB, as the forerunner of the Russian FSB, was at the forefront of building contacts with transnational crime syndicates. It outsourced covert logistics to such syndicates and allowed enterprising officers to develop foreign business opportunities which they were denied at home.⁵⁸ When the Soviet Union collapsed in 1991, many officers quit the service to work in the private sector. Except, they may not have actually quit. A 1995 scholarly paper described how the emerging market economy was seeded with members of the former KGB’s ‘active reserve’. These were personnel who had ostensibly left the spy agency but continued reporting to it on a voluntary basis (with adjustments made to their government salaries to minimize conflicts of interest).

57 Mark Galeotti, “The Kremlin’s Newest Hybrid Warfare Asset: Gangsters”, *Foreign Policy*, June 12, 2016, <https://foreignpolicy.com/2017/06/12/how-the-world-of-spies-became-a-gangsters-paradise-russia-cyberattack-hack/>.

58 Mark Galeotti, “Organised crime and Russian security forces: mafiya, militia and military”, *Conflict, Security & Development*, Volume 1, Number 2, 2001, p. 105.

They were effectively ‘ sleeper agents ’ in the private sector. The paper reported that according to contemporary estimates, between 75 and 80 per cent of all joint ventures between Russian and foreign businessmen involved KGB operatives. Public sector firms and public-private partnerships were overseen by an intelligence officer placed at a senior management level.⁵⁹

Unbeknownst to Russia’s adversaries (especially American presidents telling themselves that their side had ‘ won ’ the Cold War), during the 1990s, the country was building up covert influence. This included areas that would normally lie outside the traditional remit of intelligence work. Even more than investing in street criminals, the FSB seems to have concentrated on buying the loyalties of political and business leaders: In other words, oligarchs. A Russian journalist commented in 2014 on how intelligence services of some states share a “ lack of interest in mass movements and the activity on the street in favour of a total focus on the corrupt elites holding power. This is based on the old idea that ‘ if we control the shah, we control the country. ’ ”⁶⁰ Another analyst, Marcel Van Herpen, in his book *Putin’s Propaganda Machine*, reinforced the impression that Russian spies posted abroad focus on recruiting high-level ‘ agents of influence. ’⁶¹ It is likely that long-term penetration of Ukrainian elites at two different levels, security and commercial, enabled the swift and surgical annexation of Crimea.

59 J. Michael Waller and Victor J. Yasmann, “ Russia’s Great Criminal Revolution: The Role of the Security Services ”, *Journal of Contemporary Criminal Justice*, Volume 119, Number 4, 1995, pp. 287-288.

60 Andrei Soldatov, “ The True Role of the FSB in the Ukrainian Crisis ”, *Moscow Times*, April 15, 2014, <https://www.themoscowtimes.com/2014/04/15/the-true-role-of-the-fsb-in-the-ukrainian-crisis-a33985>.

61 Marcel Van Herpen, *Putin’s Propaganda Machine: Soft Power and Russian Foreign Policy*, Rowman and Littlefield, Maryland, 2016, pp. 118-123.

An example was Ukrainian-born Semion Mogilevich, sometimes regarded as the most powerful *mafija* figure in Russia. According to American journalist Craig Unger, Mogilevich has been tied to former US President Donald Trump via money-laundering operations.⁶² Mogilevich's networks extend deep into Ukraine, reportedly at all levels of criminality, from sex trafficking to energy deals involving Ukrainian oligarchs. One such oligarch, Dmytro Firtash, reportedly told the US ambassador to Kyiv in 2008 that he had to seek Mogilevich's permission to set up businesses.⁶³ Although Mogilevich has denied American investigators' charges against him, the picture that emerges from open sources is that he sits at the head of a network possibly linked to the Solntsevo gang. He might enjoy a measure of protection if he makes himself useful to his patrons, by providing certain services on demand.

Meanwhile, old-boy networks between the security bureaucracies of Russia and Ukraine dating back to when both were part of the Soviet-era KGB, played a crucial role in 2014. Not only did the Russian intelligence system have detailed information about decision-making in Kyiv, but it was able to facilitate the defection of key Ukrainian officials at critical moments. Such cooperation may have been grounded in ideological conviction but monetary incentive more likely played a role. Both security communities were linked to transnational organized crime, but the hemispheric economy favoured Moscow rather than Kyiv. The vast majority of

62 Craig Unger, "Trump's businesses are full of dirty Russian money. The scandal is that's legal", *Washington Post*, March 29, 2019, https://www.washingtonpost.com/outlook/trumps-businesses-are-full-of-dirty-russian-money-the-scandal-is-thats-legal/2019/03/29/11b812da-5171-11e9-88a1-ed346f0ec94f_story.html?noredirect=on&utm_term=.224f8ab167aa.

63 Taras Kuzio, op cit., p. 33.

criminal actors in Ukraine operated at the local and district level. Less than ten percent had an international presence.⁶⁴ This put foreign-based (ie., Russian) criminal networks in a controlling position relative to Ukrainians who franchised for them. The same applied at the intelligence level: the Russian FSB was much the senior partner vis-à-vis its Ukrainian counterpart. It could offer strong inducements for switching sides.

Although Ukraine had a smaller problem with organized crime than did Russia in the 1990s, it emerged worse off in its efforts to resist the corruption of state institutions. This was because, as the main successor state to the Soviet Union, Russia had the police expertise and databanks needed to regulate the criminal economy. Ukraine had neither. Russian civil society was also more developed than in Ukraine. Taken together, these disadvantages accounted for Ukraine becoming perhaps the most corrupt country in the post-Soviet space, with a law enforcement machinery that was either complicit in crime, or lacking in capacity to combat it. As much as any Russian machinations, it was perhaps the weakness of Ukrainian institutions that enabled the conflict in Donbas and the unopposed annexation of Crimea.

UNRESOLVED MURDERS AMIDST MUTUAL RECRIMINATION

Russian spokesmen have insisted that the murders of separatist leaders in Donbas were orchestrated by the Ukrainian government, a line of argument which is worth exploring. While there is not enough information in the public domain about the competence of Kyiv's intelligence apparatus, Ukraine's track record as a site of contract killings does point towards an indigenous market for privatized violence. In September 2021 for example, an apparent assassination attempt was made on

64 Phil Williams and John Picarelli, *op cit.*, p. 100.

the life of a presidential aide.⁶⁵ As in the past, elements within the Ukrainian political establishment blamed Moscow, but these accusations do not seem to have been echoed at a more formal, official level.

There might have been a tendency since the annexation of Crimea and the rebellion in Donbas, to retrospectively find (or at least hint at) Russian involvement in many unsolved crimes. One example is the 1995 assassination of a man who is considered to have been Ukraine's first oligarch. Yevhen Shcherban was gunned down, together with his wife, at Donetsk airport as he walked across the tarmac from a private jet to his bulletproof car. The investigation into his murder identified the then Ukrainian prime minister as a possible suspect. To this theory was later added another former prime minister of the country. More recent speculation has suggested that the Russian state was the ultimate beneficiary, because the murder had the effect of destabilizing Ukrainian politics. While this might be true, it does not automatically mean that the Kremlin, which in 1996 was still reeling from Russia's own massive post-Soviet crime wave, had the strategic vision at the time to weaken and divide Ukraine.⁶⁶

Moscow's claim has been that by killing Zakharchenko and other insurgents, the post-Euromaidan Ukrainian state was seeking to impose a military solution on Donbas and negate the Minsk Accords. Former Ukrainian president Poroshenko, who was in power from 2014 to 2019, had matched Russian

65 Pavel Polityuk and Natalia Zinets, "Ukraine left puzzled after assassination attempt on president's top aide", *Reuters*, September 23, 2021, <https://www.reuters.com/world/europe/shots-fired-car-carrying-ukraine-presidents-aide-driver-wounded-2021-09-22/>.

66 Olga Rudenko, "The 1996 Murder That Changed The Donbas", *Kyiv Post*, December 4, 2020, <https://www.kyivpost.com/ukraine-politics/who-profited-from-1996-murder-of-yevhen-shcherban.html>.

provocations with some of his own. If Moscow introduced its currency into Donbas and strengthened its grip on the DPR and LPR security services, Kyiv also cut off welfare payments and imposed a trade embargo.⁶⁷ Receipt of Western military aid and diplomatic support might have emboldened Ukrainian hardliners to opt for a war of attrition, seeing Russia as ultimately vulnerable to Western pressure.

A CASUALTY OF GEOPOLITICS

The United States, harried by the rise of China, is seeking to portray Russia as a ‘regional power’ (to use the term that former US president Barack Obama employed in March 2014, after the takeover of Crimea).⁶⁸ Washington does not want to see its own ‘global’ stature diminished through a protracted but unwinnable confrontation with Moscow. The US policy establishment would much prefer to let bilateral differences simmer with Russia so that the illusion of American primacy is maintained, barring the occasional (and largely symbolic) flare-up. In this way, it hopes that a Russo-Chinese alliance in Europe might be forestalled. Should such an alliance materialize, it would be far more damaging to American interests than any independent unilateral action by either Russia or China. Russia has traditionally been the most influential non-Western actor in Central Europe, a region of critical strategic importance. Almost all countries here are part of the EU and the North Atlantic Treaty Organization. While Russia has both the cultural knowledge and elite connections needed to project covert influence into Central Europe, China

67 Gwendolyn Sasse and Alice Lackner, “War and identity: the case of the Donbas in Ukraine”, *Post-Soviet Affairs*, Volume 34, Issue, 2018, pp. 139-140.

68 Steve Holland and Jeff Mason, ‘Obama, in dig at Putin, calls Russia ‘regional power’’, *Reuters*, March 25, 2014, accessed <https://www.reuters.com/article/us-ukraine-crisis-russia-weakness-idUSBREA2O19J20140325>.

has money power to support such campaigns on a scale that can far exceed Russian ambitions. Preventing rifts within NATO, or Russian/Chinese-induced defections from its institutional consensus, would occupy Washington's priority list above any effort to return Crimea and Donbas to Kyiv's control. No matter how often American spokespersons criticize Russia, Ukraine can never be fully certain whether, in the event of a massive armed escalation, it will be a 'South Korea in 1950,' with the international community rallying behind it in the face of a foreign invasion, or a 'Czechoslovakia in 1938,' sacrificed for the sake of great power tranquility.

Meanwhile, it is also clear that Russian intelligence has extensive influence in Ukraine, through partners (or 'proxies') in Donbas. The FSB has the capacity to eliminate any leader whom it wishes to, if they act in a manner contrary to Moscow's interest. Even so, it might serve Russia's long-term interests to practice moderation once it has proved its point about deserving respect as a great power. The fact is, neither Washington nor Moscow stands to benefit from a complete rupture in relations; the only beneficiary would be Beijing. Already, Western sanctions have forced the Kremlin to embrace China's leadership, despite heavy penetration of Chinese commercial actors, both licit and illicit, into Russia's sparsely populated but resource-rich Far East.⁶⁹ To avoid becoming too dependent on a neighbour who might turn out to be far more aggressive and expansionist than the distant Americans ever have been, Russia might do well to hedge against both rivals by showing willingness to work with the US, once its vital concerns have been addressed. Most importantly, the US for its part must show flexibility in addressing such concerns in

69 Ben Judah, *Fragile Empire: How Russia Fell In and Out of Love with Vladimir Putin*, Yale University Press, London, 2013, pp. 302-304.

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order to raise Russia once again to the status of a peer nation in international politics. This means being prepared to defend Ukrainian sovereignty, but acknowledging and mitigating deeper Russian grievances that extend much further back than just the events of 2014.

KHALISTAN EXTREMISM MONITOR

KHALISTAN EXTREMISM MONITOR (KEM) is a non-partisan research and documentation web portal which intends to be a one stop resource centre for research on the Khalistani separatist movement in Punjab. The KEM website monitors day-to-day Khalistani activities around the world, and includes a detailed Timeline since 1978; statistical tables relating to terrorist activities; profiles of terrorist and separatist Groups; terrorist and separatist leadership profiles; profiles of terrorist fugitives; major massacres, etc. It has an ‘extremism updates’ section which provides you region wise updates on a daily basis. The ‘trending news’ section covers news items related to the subject around the globe.

Apart from terrorism-related data, the website also includes a Hate Speech Tracker and a Narcotics Monitor (since Khalistani networks and activities have become closely interlinked with narcotics smuggling across the border, from Pakistan). KEM also includes an interactive tool that allows the global public to report hate speech, subversive activities, and other manifestations of extremism.

KEM has been set up under the aegis of the Institute for Conflict Management (ICM), a registered non-profit society which seeks to focus on various problems and issues related to terrorism, insurgency, low intensity warfare and other sources of conflict and internal strife in South Asia. The Website hosts a series of web-discussion titled “Punjab: Security Matters” and recorded videos of these discussions can be found on its YouTube channel.

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The South Asia Intelligence Review (SAIR) is a weekly service that brings you regular data, assessments and news briefs on terrorism, insurgencies and sub-conventional warfare, on counter-terrorism responses and policies, as well as on related economic, political, and social issues, in the South Asian region. SAIR is e-mailed directly to a list of influential policy and opinion makers across the world, and is also uploaded prominently on our Website each Monday. SAIR is a project of the Institute for Conflict Management and the South Asia Terrorism Portal.

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