

The GRU, Yevgeny Prigozhin, and Russia's Wagner Group: Malign Russian Actors and Possible U.S. Responses

Kimberly Marten
Professor and Chair, Political Science Department
Barnard College, Columbia University

Testimony before the Committee on Foreign Affairs
Subcommittee on Europe, Eurasia, Energy, and the Environment
United States House of Representatives

Hearing on Exposing and Demanding Accountability for Kremlin Crimes Abroad
Prepared for presentation on July 7, 2020

Chairman Keating, Ranking Member Kinzinger, and members of the Subcommittee, thank you for giving me the opportunity to testify, and to share my research and analysis with you concerning the Russian military intelligence agency (the Main Intelligence Directorate, or GRU), Yevgeny Prigozhin, and the Wagner Group “private” military company.

This testimony first summarizes the recent malign activities of the GRU. It then explains how Russia's political system works today and the role of President Vladimir Putin's personal friends and cronies within it. Then, relying on an exhaustive review of high-quality, primarily Russian-language and local investigative journalism,¹ it explains who Prigozhin is, what the Wagner Group is, and what is known about the Wagner Group's recent activities, including how it appears to be connected to the GRU and how its actions have threatened U.S. values and interests. It concludes by explaining why U.S. sanctions so far seem to have had limited impact on Russia's malign behavior, and suggests additional options that may be available to the United States and our allies in responding to the Wagner Group and Prigozhin.

The GRU

The Main Intelligence Directorate of the Soviet Ministry of Defense was never reformed after the Soviet collapse. The same organizational structure and personnel carried over into the new Russia. In Soviet times the GRU concentrated on defense industrial espionage, foreign military operations, and preparation for war with the US and NATO. GRU special operations forces (*spetsnaz*) were trained to carry out assassinations, terrorist actions, and other sabotage and subversion, behind enemy lines on the eve of war and in wartime.²

¹ Much of this information is summarized in Kimberly Marten, “Russia's Use of Semi-State Security Forces: The Case of the Wagner Group,” *Post-Soviet Affairs* 35, no. 3 (2019): 181-204; Marten, “Into Africa: Prigozhin, Wagner, and the Russian Military,” PONARS Policy Memo 561, Jan. 2019; and Marten, “Russ-Afrique? Russia, France, and the Central African Republic,” PONARS Policy Memo 608, Aug. 2019.

² Victor Suvorov, *Inside Soviet Military Intelligence* (New York: Macmillan, 1984); Jeffrey T. Richelson, *Sword and Shield: Soviet Intelligence and Security Apparatus* (Cambridge, MA: Ballinger, 1986), pp. 34-6.

An unnamed NATO spokesperson told a Western journalist that the GRU appeared to become much more active starting in 2008, at about the time of Russia's war with Georgia.³ GRU unit 29155 has received particular attention. Western intelligence agencies believe that this unit is responsible for attempting to destabilize Moldova and to launch a coup in Montenegro when each were on the cusp of becoming new NATO members. It is also believed to have led the 2018 attempted assassinations of Bulgarian arms dealer Emilian Gebrev (by poisoning), and GRU defector Sergei Skripal (through the use of the Novichok chemical weapon in Salisbury, UK).⁴ That same unit is now alleged to have offered substantial cash bounties to Taliban fighters to kill US service members in Afghanistan.⁵ The U.S. Justice Department brought indictments against twelve members of two other GRU units for the 2016 theft and publication of private emails from the Democratic National Committee and the Hillary Clinton presidential campaign.⁶

Russia's Political System under Vladimir Putin

Russia's political system is dominated by complex and corrupt personal networks that are often called the "power vertical." Formal government institutions matter far less in Russia than do informal network connections between members of the elite, joined together in a loose, evolving, and internally fractious hierarchy.⁷ The system is based on patronage. Those at the top are expected to share opportunities for wealth and advancement with those further down, and those below are expected to demonstrate loyalty to those above them. Laws are made to be broken, with implicit rules understood by well-connected insiders about who can break the laws and how, for the benefit of network members.⁸ Leaders of the Russian state agencies that wield force (the *siloviki*), including intelligence officers, have prominent roles throughout business and all levels of government.⁹ There is also a great deal of evidence that the Russian political system has become interpenetrated with major organized crime networks.¹⁰

³ Mitch Prothero, "Unit 29155," *Business Insider*, Mar. 16, 2020.

⁴ Michael Schwartz, "Top Secret Russian Unit Seeks to Destabilize Europe, Security Officials Say," *New York Times*, Oct. 8, 2019.

⁵ Charlie Savage, Eric Schmitt and Michael Schwartz, "Russia Secretly Offered Afghan Militants Bounties to Kill U.S. Troops, Intelligence Says," *New York Times*, June 26, 2020.

⁶ "Grand Jury Indicts 12 Russian Intelligence Officers for Hacking Offenses Related to the 2016 Election," U.S. Department of Justice, July 13, 2018.

⁷ Alena Ledeneva, *How Russia Really Works: The Informal Practices that Shaped Post-Soviet Politics and Business* (Ithaca, NY: Cornell University Press, 2006); Vadim Kononeko and Arkady Moshes, eds., *Russia as a Network State: What Works in Russia When State Institutions Do Not?* (New York: Palgrave Macmillan, 2011); Henry E. Hale, *Patronal Politics: Eurasian Regime Dynamics in Comparative Perspective* (New York: Cambridge University Press, 2014).

⁸ Kirill Rogov, "Switch on, Switch off: How Law Sustains the Russian System," *ODR: Russia and Beyond*, Dec. 17, 2010.

⁹ Olga Kryshtanovskaya, *Anatomiia Rossiiskoi Elity* [The Anatomy of the Russian Elite] (Moscow: Zakharov, 2005); Kryshtanovskaya and Stephen White, "The Formation of Russia's Network Directorate," in *Russia As a Network State*, op cit., pp. 19-38; Brian Taylor, *State Building in Putin's Russia: Policing and Coercion after Communism* (New York: Cambridge, 2011).

¹⁰ Karen Dawisha, *Putin's Kleptocracy: Who Owns Russia?* (New York: Simon and Schuster, 2014); Mark Galeotti, *Crimintern: How the Kremlin Uses Russia's Criminal Networks in Europe*, European Council on Foreign Relations, April 2017; Galeotti, *The Vory: Russia's Super Mafia* (New Haven: Yale University Press, 2018). Also see the investigative summary of the Spanish prosecution of organized crime figures close to Putin: Sebastian Rotella (ProPublica), "Gangsters of the Mediterranean," *The Atlantic*, Nov. 10, 2017.

The system preceded Russian President Vladimir Putin, but Putin cemented and mastered it. He has given top government positions and leadership roles at state-controlled business conglomerates to his own network associates, especially those from his hometown of Leningrad/St. Petersburg and those he knew during his decades-long career as a Soviet and Russian intelligence officer.¹¹ Network loyalty is often enforced by using one or another of the Russian police and intelligence services. Individuals who violate the system's implicit rules may find themselves (or their family members) facing police raids, prosecution, and imprisonment on tax evasion or bribery charges, for example. They may also have their lives destroyed by the release of compromising material (*kompromat*), whether real or manufactured, about their personal behavior. In contrast, those who demonstrate loyalty are given a "roof" (*krysha*) by the authorities that protects them, their families, and their business interests from harm. Virtually everyone in power has violated the law at some point and has something to hide. This makes everyone vulnerable to retribution, ensuring that no one has an incentive to challenge the status quo.¹²

Russian oligarchs have emerged from and benefited from this system. As long as the oligarchs remain loyal and generous to those above them in the political hierarchy, they are allowed to continue to make money—a deal that Putin explicitly laid out in a meeting with oligarchs when he was elected president in 2000.¹³ If they misstep, however, they (and their families) risk losing everything and going to prison, as happened to Mikhail Khodorkovsky, CEO of the Yukos oil conglomerate, in 2003.¹⁴

Yevgeny Prigozhin and His Business Contracts and Activities

Prigozhin's background is very unlike that of most Russian oligarchs. As a young man in Soviet Leningrad he was imprisoned for 9 years on organized crime-related charges.¹⁵ He was released from prison three years early in 1990, which may mean that he entered some kind of deal with the authorities. He then set up a sausage wholesale business with his stepfather, and became the manager of a grocery store chain in St. Petersburg owned by a high school classmate. When that business faltered in the mid-1990s, he and another friend decided to go into the restaurant business.¹⁶

At this time Putin (who was still a reserve officer in the KGB, after returning from East Germany) was serving as an advisor, and eventually first deputy, to the mayor of Leningrad/St. Petersburg. This was probably an arrangement that was first encouraged by the KGB.¹⁷ Putin, in the words of Fiona Hill and Clifford G. Gaddy, was "the main enabler...the individual who decided whether or not businesses could legally operate in the city."¹⁸ In other words,

¹¹ Kryshtanovskaya and White, "Formation of Russia's Network Directorate;" Fiona Hill and Clifford G. Gaddy, *Mr. Putin: Operative in the Kremlin* (Washington: Brookings Institution, 2013).

¹² Alena Ledeneva, *Can Russia Modernize? Sistema, Power Networks and Informal Governance* (New York: Cambridge University Press, 2013).

¹³ Sergei Guriev and Andrei Rachinsky, "The Role of Oligarchs in Russian Capitalism," *Journal of Economic Perspectives* 19, no. 1 (Winter 2005): 131-150.

¹⁴ Marshall I. Goldman, "Putin and the Oligarchs," *Foreign Affairs* 83, no. 6 (Nov./Dec. 2004): 33-44.

¹⁵ Ilya Zhegulev, "Evgeny Prigozhin's Right to be Forgotten," *Meduza*, June 13, 2016.

¹⁶ *Ibid.*

¹⁷ Hill and Gaddy, *Mr. Putin*, pp. 161-2.

¹⁸ *Ibid.*, p. 163.

Prigozhin's deals in the early 1990s could not have gone forward without Putin's knowledge and support. Prigozhin reportedly got friendly with one of Putin's bodyguards, Roman Tsepov,¹⁹ who was also involved in providing security for local organized crime organizations. Putin himself is widely reported to have had many business connections to St. Petersburg organized crime leaders at this time.²⁰

After Putin was elected president of Russia in 2000, he brought several foreign dignitaries to dine at one of Prigozhin's restaurants, including U.S. President George W. Bush at least twice.²¹ At some point during Putin's presidency Prigozhin's businesses diversified. He became the primary caterer for the Kremlin,²² for Russia's public school system, and (at least for two years, until the Defense Ministry ended it) for the Russian military.²³ He also provided cleaning services for the military, where he was accused of corruption.²⁴ In 2017 the Russian Defense Ministry started refusing to pay Prigozhin's invoices. He took the Defense Ministry to court several times, and largely won those legal disputes against the ministry,²⁵ demonstrating the power of his "roof" in the Russian court system.

Prigozhin diversified even further when he founded St. Petersburg's Internet Research Agency, the "troll farm" under U.S. indictment and sanctions for the clandestine social media influence operations it attempted during the U.S. 2016 presidential and 2018 congressional election campaigns.²⁶ While this firm has not been publicly connected to the GRU, its activities certainly complemented the GRU's simultaneous U.S. email thefts and election interference. Prigozhin's firms have also been associated with clandestine political influence operations throughout Africa,²⁷ mostly focused on election meddling, but including attempts to discredit the military and security operations there of U.S. ally France.²⁸

¹⁹ Zhegulev, "Prigozhin's Right to be Forgotten."

²⁰ Dawisha, *Putin's Kleptocracy*, pp. 67-80; Steven Lee Myers, *The New Tsar: The Rise and Reign of Vladimir Putin* (New York: Knopf, 2015), p. 85.

²¹ Zhegulev, "Prigozhin's Right to be Forgotten," reports a 2002 dinner. A photo of a 2006 dinner hosted by Prigozhin and including Putin and Bush was taken by Sergei Zhukov for AP, and included in Greg Myre, "'Putin's Chef' Has His Fingers In Many Pies, Critics Say," NPR.org, Jan. 30, 2019.

²² Andrei Zakharov, Anastasia Napalkova, and Andrei Soshnikov, "Poterial li Prigozhin Kontrakt na Kremlevskii Banket? Ne Fakt [Did Prigozhin Lose the Kremlin Catering Contract? False]," *BBC Russian Service*, Dec. 27, 2018.

²³ Zhegulev, "Prigozhin's Right to be Forgotten."

²⁴ Denis Korotkov, "Kukhnya Chastnoi Armii [The Kitchen Intrigues of the Private Army]," *Fontanka.ru*, June 9, 2016.

²⁵ Anastasia Yakoreva and Svetlana Reiter, "'Restorator Putina' perestal byt' lyubimym podryadchikom Minoborony [Putin's Restaurateur Stopped Being the Favorite Contractor of the Defense Ministry]," *The Bell*, Mar. 2, 2018.

²⁶ *United States of America v. Internet Research Agency LLC*, U.S. District Court for the District of Columbia, Case 1:18-cr-00032 DLF Document 1, Feb. 16, 2018; U.S. Treasury Department, "Treasury Sanctions Russian Cyber Actors for Interference with the 2016 U.S. Elections and Malicious Cyber-Attacks," Press Release, March 15, 2018; U.S. Treasury Department, "Treasury Targets Assets of Russian Financier who Attempted to Influence 2018 U.S. Elections," Press Release, Sept. 30, 2019.

²⁷ Shelby Grossman, Daniel Bush, and Renée DiResta, *Evidence of Russia-Linked Influence Operations in Africa*, Stanford Internet Observatory, Oct. 29, 2019.

²⁸ Sergei Petrov, "The Contractors and Organizers Of Russian Journalists Murder In Central African Republic Are Named," *Federal'noe Agentstvo Novostei* [Federal News Agency], June 13, 2019; Marten, "Russ-Afrique?" op cit.

In 2016 it was revealed that Prigozhin's firms and security personnel were also connected to the Wagner Group private military company.²⁹ Everywhere that Wagner now goes, it seems that Prigozhin has some sort of related contract to provide guard services for mineral or energy businesses, in return for a cut of the profits.

Rumors appeared in Russian media and social media in October 2019 that Prigozhin had been killed in the crash of a gun-running Russian military airplane in the Democratic Republic of Congo.³⁰ No evidence was ever produced to substantiate that claim. While Prigozhin does not seem to have appeared in public since then, he has never been a very public figure. It makes sense to assume for now that he is still alive.

Private Military Companies in Russia

Private military companies (PMCs) are illegal and (by some interpretations) unconstitutional in Russia. After a lengthy series of debates in the Russian legislature (the Duma),³¹ the state definitively affirmed their illegality in March 2018.³² There are some exceptions: for example, Rosneft, the huge state-controlled oil company, and Gazprom, the huge state-controlled natural gas company, are allowed under Russian law to employ large private armed forces to guard their facilities and pipelines, and to use force to detain suspects and kill intruders.³³

Despite these legal and constitutional prohibitions, a number of Russian PMCs have flourished.³⁴ Their foreign activities range from guarding mining and energy sites where Russian companies have contracts, to delivering weapons and providing security training to foreign forces. They have also engaged in direct combat on behalf of Russia and its allies.

Keeping these groups illegal in Russia enhances plausible deniability for the Russian state, by allowing the Kremlin to distance itself from any unsavory or risky actions the groups take. Illegality also serves two other purposes, following the logic of the Russian system outlined above. First, it keeps these groups loyal to the Kremlin "power vertical" and to Putin, and forces them to share whatever wealth they accrue through their activities. Any time they show disloyalty to their patrons, they can be prosecuted and imprisoned for mercenary behavior. Second, it restricts the market and ensures that only Putin's favorites can profit from these activities, since any outsider who attempted to form such a group would face a similar fate.

There is at least one example where this happened, when the Slavonic Corps (a Wagner Group predecessor) was sent to Syria in 2013. Russia had not yet intervened directly in the Syrian civil

²⁹ Korotkov, "Kukhnya Chastnoi Armii."

³⁰ Olivia Acland and Adrian Blomfield, "Mystery as Plane Carrying Russian Arms Smugglers Crashes in Congo," *Telegraph*, Oct. 16, 2019.

³¹ Tor Bukkvoll and Åse Gilje Østensen, *Russian Use of Private Military and Security Companies: The Implications for European and Norwegian Security*, Norwegian Defense Research Establishment (FFI) Report 18/01300, 2018, pp. 28-9.

³² "Kremlin Blocks the Bill Legalizing Russian Private Military Companies," *UAWire*, Mar. 28, 2018.

³³ Cindy Hurst, "The Militarization of Gazprom," *Military Review*, Sept.-Oct. 2010, pp. 59-67.

³⁴ Bukkvoll and Østensen, *Russian Use of Private Military and Security Companies*; Denis Korotkov, "Bez 'Shchita:' Sluzhba i Smert' v Esche Odnoi Chastnoi Voennoi Kompanii, Kotoroi v Rossii Ofitsial'no Net [Without a 'Shield:' Service and Death in Yet Another Private Military Company Which Officially Doesn't Exist in Russia]," *Novaya Gazeta*, July 28, 2019; Candace Rondeaux, *Decoding the Wagner Group: Analyzing the Role of Private Military Security Contractors in Russian Proxy Warfare*, *New America*, Nov. 2019.

war, but Moscow was then a strong political supporter and arms supplier of Syrian ruler Bashar Assad. The Slavonic Corps personnel believed they were in Syria with the support of Russia's Federal Security Service (the FSB, a successor to the Soviet KGB), to guard Syrian petroleum sites and seize them from the Islamic State (IS) on behalf of Assad. Yet when the group returned to Russia after being attacked by the IS, its leaders were arrested by the FSB as "mercenaries" and imprisoned for three years.³⁵ There is no way to know from publicly available sources why they were prosecuted—but presumably the Slavonic Corps leaders themselves know what they did to fall afoul of Putin's system.

The Wagner Group

Largely through the work of intrepid Russian investigative journalists, the "private" Russian military company about which the most is known is the so-called Wagner Group. Beginning in 2014, probably with the takeover of Crimea and certainly with its launch of the war in eastern Ukraine, the Russian state has frequently used the Wagner Group as a security tool abroad. We know that the Wagner Group has been deployed in Syria, Libya, and throughout sub-Saharan Africa: in the Central African Republic (CAR), Sudan, Mozambique, and Mali, at a minimum. A number of its original members were earlier employed in other Russian private security companies, including the Slavonic Corps,³⁶ and there is evidence of continuing interchange between Wagner Group and other Russian PMC personnel.³⁷ The Wagner Group got its name from the *nom de guerre* of its original commander, Dmitry Utkin,³⁸ a GRU lieutenant colonel in the reserves who ended his official career in 2013 as the commander of a *spetsnaz* detachment.³⁹

While many refer to the Wagner Group as a private military company, it is not a typical PMC. It has a very close relationship with the Russian state. Putin himself publicly acknowledged the Wagner Group's existence at a press conference in December 2018, despite the illegality of such groups in Russia, saying in a remarkable example of double-speak, "As long as they don't violate Russian law, they have the right to work, to pursue their business interests, in any spot on the planet."⁴⁰ The Wagner Group trains across a rural highway in Molkino, Krasnodar, from a GRU *spetsnaz* training camp.⁴¹ At least some of its Russian members have received their passports from the same Moscow office that issues them to the Ministry of Defense and the

³⁵ "Komandiry 'Slavyanskogo Korpusa' v Sirii Osuzhdeny za Naemnichestvo [The Commander of the 'Slavonic Corps' in Syria Has Been Convicted of Mercenary Activity]," Fontanka.ru, Oct. 28, 2014.

³⁶ For histories of these earlier groups, see Bukkvoll and Østensen, *Russian Use of Private Military and Security Companies*; Marten, "Russia's Use of Semi-State Security Forces," and Candace Rondeaux, *Decoding the Wagner Group*, pp. 32-44.

³⁷ Rondeaux, *Decoding the Wagner Group*.

³⁸ Utkin expressed admiration for the culture of Hitler's Germany (including Hitler's favorite composer, Richard Wagner), and sometimes wore a Wehrmacht-style steel helmet in the field in the Ukraine.

³⁹ Denis Korotkov, "'Slavyanskii Korpus' Vozvrashchaetsya v Siriu [The 'Slavonic Corps' Is Returning to Syria]," Fontanka.ru, Oct. 16, 2015; Denis Korotkov, "Oni Srazhalis' za Pal'miru [They are Fighting for Palmyra]," Fontanka.ru, March 29, 2016.

⁴⁰ "Vladimir Putin's Annual News Conference," Dec. 20, 2018, Kremlin.ru.

⁴¹ Denis Korotkov, "Za Bashara Asad—Bez Glafa, bez Rodin [For Bashar Assad—Without Flag or Country]," Fontanka.ru, Oct. 22, 2015; Igor Pushkarev, "Vrut Vse, Synok, Oni Neft' Delyat! Na Krovy Rebyat Zarabatvayut [Everybody Lies, Kid. They're Dividing up the Oil! They're Making Money on the Blood of the Guys!]" *Znak*, Mar. 5, 2018. Pushkarev's web article includes a photo of the base.

GRU.⁴² Some Wagner troops killed in battle in 2015 and 2016 received the Russian military Medal for Courage in Death, normally given only to uniformed service members.⁴³ Geolocatable video shows Wagner troops at the Battle of Debaltseve in eastern Ukraine in January 2015 with new Russian BPM-97 Vystrel armored trucks, providing further evidence of their cooperation with the Russian state.⁴⁴ In December 2016 Utkin received a medal for bravery from Putin at the Kremlin.⁴⁵ In sum, Wagner is not really a “private” group, separate from the state.⁴⁶

Many call the Wagner Group “mercenary,” but its members are not true mercenaries, either. While they do fight for money on contract, the group is fiercely patriotic. It works only in situations where it believes it is acting on behalf of the Russian state—even though some of its members are merely friends of Russia who hail from Moldova, Ukraine, Belarus, and Serbia, according to a confidential UN report.⁴⁷ In 2020 the Wagner Group also recruited Syrians to fight in Libya. These reportedly include former Syrian rebels who had been turned to the side of Assad, and who were promised high salaries and better treatment at home in return for their Libyan service.⁴⁸

Indeed the Wagner Group has morphed so much over time that at this point it may be just a name for a Russian state activity, rather than a distinct entity with an organizational chart. For example, no one has reported seeing Utkin publicly after he received his December 2016 medal, although in 2017 he was named the CEO of Concord Management and Consulting, one of Prigozhin’s firms.⁴⁹ There is no publicly available evidence that Utkin has any continuing relationship with the Wagner Group’s post-2016 activities, even though the group continues to bear his moniker. Especially given the opaque relationship between business, government, Putin’s personal friends, and the law in Russia, we should probably not think of the Wagner Group as being a typical private firm. A better term for it, rather than a PMC or mercenary outfit, might be an informal semi-state security group.

Why Russia Uses the Wagner Group

Use of the Wagner Group has provided at least two key benefits to the Russian state that are similar to the benefits gained by many other states who use PMCs. First, Wagner saves state budgetary resources by employing its personnel on contract, so that no long-term health or retirement benefits need to be paid.

⁴² “Wagner Mercenaries with GRU-Issued Passports: Validating SBU’s Allegation,” Bellingcat Investigation Team, Jan. 30, 2019.

⁴³ Korotkov, “Oni Srazhalis’ za Pal’miru.”

⁴⁴ Yuri Zoria, “New Footage Shows Russian PMC Wagner Involved in Crucial 2015 Debaltseve Battle in Ukraine,” Euromaidan Press, June 22, 2018.

⁴⁵ Denis Korotkov, “Vagner v Kreml’e [Wagner at the Kremlin],” Fonanka.ru, Dec. 12, 2016.

⁴⁶ One Russian source claims that the Russian military’s General Staff came up with the idea for the Wagner Group in a 2010 meeting with Eeban Barlow, the founder of the South African Executive Outcomes mercenary group. However, this has never been publicly substantiated. Irina Malkova and Anton Baev, “Chastnaya Armiya Dlya Prezidenta: Istoriya Samogo Delikatnogo Porucheniya Evgeniya Prigozhina [A Private Army for the President: The History of Yevgenii Prigozhin’s Most Delicate Mission],” *The Bell*, Jan. 29, 2019.

⁴⁷ “Thousand Plus Russian Military Group Personnel in Libya—UN,” Reuters, May 7, 2020; “Russian Mercenaries Are Fighting in Libya,” AFP, May 7, 2020.

⁴⁸ “Russian Hiring of Syrians to Fight in Libya Accelerated in May,” Reuters, June 7, 2020.

⁴⁹ Georgii Peremitin and Polina Rusiaeva, “Komandir ChVK Wagner Vozglavil Restoranniy Biznes Prigozhina [The Commander of the Wagner PMC Headed Prigozhin’s Restaurant Business], RBC, Nov. 15, 2017.

Many commentators (including myself, in an earlier publication) have asserted that Prigozhin is “funding” the Wagner Group, in return for a cut of the profits gained from related mining and energy deals. That might be a logical conclusion, given the role that other oligarchs have played in helping out the Russian state, especially at home, by funding local construction projects. Yet there is no hard evidence that Prigozhin is acting as anything but a broker or contractor. He does use his private planes and business property for Wagner business, but those expenses may be covered by state contracts. All of the evidence we do have about Russia’s use of the Wagner Group in Syria (post-2016),⁵⁰ Sudan,⁵¹ CAR,⁵² Mozambique,⁵³ and Libya⁵⁴ indicates that foreign states reach contract deals with Prigozhin’s companies for the Wagner Group’s services, and that one or another Russian state ministry is usually involved in helping negotiate those deals.

In fact there is little evidence that Prigozhin is making a profit on any of the foreign mining and energy production connected to Wagner Group activities. The diamond and gold mines where his firms have protection contracts in Sudan and CAR are artisanal (in other words, people sift the dirt with sieves), not the sophisticated industrial mines that are usually associated with profitability today. In Madagascar, where a Prigozhin firm received a contract to run an existing chromite mine in return for election assistance, the mine immediately shut down in a labor strike over the practices of its new Russian managers.⁵⁵ Prigozhin is instead probably benefitting the way he seems to have done in his earlier cleaning contracts with the Russian Defense Ministry: by taking a substantial cut for himself and his network members off the top of every contract signed. It would also not be surprising if he used these mining and energy businesses as a cover for smuggling, money laundering,⁵⁶ or other illegal behavior.

⁵⁰ Denis Korotkov, “Nemnogo Biznesa v Siriiskoi Voine [A Little Business in the Syrian War],” Fontanka.ru, June 26, 2017; Nataliya Vasilyeva, “Thousands of Russian private contractors fighting in Syria,” APNews.com, Dec. 12, 2017; Irina Malkova, Anastasia Stogney, and Anastasia Yakoreva, “Russian Mercenary Army Financier Made an Oil Deal with Syria just before Clash with U.S. Troops,” *The Bell*, Feb. 27, 2018.

⁵¹ Yulia Torgasheva, “Vagner” i Zoloto Sudana [‘Wagner’ and the Gold of Sudan],” *The Medium* Genlain blog, March 10, 2018; Charles Bousset and Emre Sari, “Pourquoi Vladimir Poutine Avance ses Pions en Centrafrique [Why Vladimir Putin Advances His Pawns in Central Africa],” *L’Obs*, May 5, 2018; Anastasia Yakoreva, “‘Putin’s Cook’ Set Out to Mine Gold in Africa,” *The Bell*, June 5, 2018; Peter Mironenko, “Russian Journalists’ Killing May Shed Light on Kremlin’s African Ambitions via Mercenaries,” *The Bell*, Aug. 3, 2018.

⁵² Bousset and Sari, “Pourquoi Vladimir Poutine Avance Ses Pions En Centrafrique;” Anton Baev, “Russkie Ishhut Dostup k Resursam po Vsej Strane: Chto Privelo Naemnikov iz Rossii v TsAR [Russians Search for Access to Resources Throughout the Land: What Led Mercenaries from Russia to the CAR],” *The Bell*, Aug. 2, 2018; Mironenko, “Russian Journalists’ Killing;” Tim Lister, Mary Ilyushina and Sebastian Shukla, “Murdered Chasing Mercenaries,” CNN, August 4, 2018; “Centrafrique-Russie : la Société Minière de Evgenii Khodotov Obtient un Permis de Recherche [Central Africa-Russia: The Mining Company of Yevgeny Khodotov Obtained a Prospecting Permit],” *Jeune Afrique*, Sept. 14, 2018.

⁵³ Pjotr Sauer, “In Push for Africa, Russia’s Wagner Mercenaries Are ‘Out of Their Depth’ in Mozambique,” *Moscow Times*, Nov. 19, 2019; Tim Lister and Sebastian Shukla, “Russian Mercenaries Fight Shadowy Battle in Gas-Rich Mozambique,” CNN, Nov. 29, 2019.

⁵⁴ Abdulkader Assad, “Report: Haftar Owes Russian Wagner Group \$150 Million as Rift Grows over Rookie Fighters,” *Libya Observer*, May 14, 2020.

⁵⁵ Tiana Rakotobe and Riana Raymond, “Kraoma Mining: A Joint Venture at the Centre of Attention,” *Réseau Malina*, Dec. 31, 2018.

⁵⁶ Arnaud Kalika, *Russia’s Great Return to Africa?* Notes de l’IFRI Russie.Nei.Visions 114, Apr. 2019.

Second, the Wagner Group gives the Russian state plausible deniability for state-supported actions. At an international level this has lost credibility with time, as investigative journalists and analysts are now on the lookout for the Wagner Group wherever it goes. Russia has less opportunity to surprise the rest of the world than it used to. But what might matter the most for Putin is that plausible deniability can still work at home, especially with his key political base of working class and retired Russians who get their news from state-controlled media. The Wagner Group allows the state to take military action abroad while avoiding casualties for regular Russian troops. Dozens of Wagner Group forces have been killed in battle in eastern Ukraine, Syria, Libya, and Mozambique, substituting for what might otherwise have been Russian conscripts. This has helped Putin to pursue foreign adventures, while keeping the human costs of these wars hidden from the Russian public. These actions are designed to shore up Putin's popularity and restore a sense of Russian power and glory, after the humiliation of the Soviet collapse and the enlargement of U.S. influence in the wake of the Cold War.

There is a rather unique additional benefit that the Kremlin gains from some of these operations: they are useful as relatively low-risk experiments, where new models of international influence can be tried without much cost to the Russian state if they go wrong. Three recent examples stand out.

Syria: Deir al-Zour

First was the surprising assault that Wagner forces launched in February 2018 with around 500 pro-Syrian fighters, against natural gas fields protected by U.S. special operations forces in the Kurdish region of Deir al-Zour, Syria.⁵⁷ The facilities were located across a deconfliction boundary that had been agreed between Washington and Moscow in 2015, marking the division between U.S.- and Russian-controlled zones in Syria. The attacking forces emerged from the Russian zone, speaking Russian. Local U.S. commanders used the special deconfliction hotline with their Russian counterparts to warn the Russian General Staff that they had been noticed, and that the U.S. would fight back. But throughout the crisis, the Russian commanders insisted, "They're not ours." After a battle where U.S. airstrikes probably killed dozens of Wagner Group members, the wounded survivors were eventually flown home on Russian military airplanes. Yet the Russian military apparently refused even to send its own helicopters to evacuate the wounded from the battlefield,⁵⁸ probably adding to the severity of casualties Wagner suffered that day. It remains unclear why the Russian military would allow so many Russian citizens to go to their deaths without intervening to stop them once it became clear that the U.S. would fight back—and this may reflect the fact that uniformed Russian commanders were hostile toward Prigozhin and his corruption.⁵⁹ But it is almost certain that the GRU used the Wagner Group attack as an experiment, to test the mettle of U.S. forces in the field, whether or not Moscow had planned it in advance. The attack followed a series of smaller probes of the deconfliction boundary by

⁵⁷ The definitive account is provided by Thomas Gibbons-Neff, "How a 4-Hour Battle Between Russian Mercenaries and U.S. Commandos Unfolded in Syria," *New York Times*, May 24, 2018.

⁵⁸ "Cossack Fighter Laments Russian 'Utilization' Of Mercenaries in Syria," RFE/RL, Feb. 22, 2018.

⁵⁹ Kimberly Marten, "The Puzzle of Russian Behavior in Deir al-Zour," *War on the Rocks*, July 5, 2018.

uniformed Russian troops,⁶⁰ and it was not the first time that U.S. forces had faced an “exchange of fire” with Russian forces in Syria.⁶¹

This “experiment” is disturbing because it shows that Russia may be willing to launch (or at least support) violence against the U.S. and its allies abroad, even when that violence risks upending international agreements and causing a major crisis. In that sense it mirrors what the Russian GRU is now accused of doing against U.S. forces in Afghanistan.

Central African Republic

The second experiment is in CAR, where Russia may be attempting a new model of political influence by trying to make itself the crucial lynchpin for stability in the country. Russia began its actions in CAR by twisting a UN Security Council sanctions exception to its benefit, donating a large cache of AK-47s to Bangui and sending 170 trainers from the Wagner Group in with them, accompanied by 5 uniformed Russian officers.⁶² While Moscow said the trainers were there temporarily, their presence (and the number of Russian weapons in the country) instead increased with time. The Wagner Group is in fact providing military training to CAR special forces, separately from the UN-mandated EU training mission that is on the ground as part of the MINUSCA peace operation. This means that there is now a well-trained, separate cohort of local military specialists in CAR who are loyal to Moscow, and who have not received the instruction in human rights and civilian control that is standard for the EU training mission. Simultaneously CAR President Faustin-Archange Touadéra has hired Russians as personal guards for himself and his coterie, and has named a retired Russian GRU officer, Valery Zakharov, his “national security advisor.” Zakharov has been paid by Prigozhin’s company in the past and is living on property owned by Prigozhin’s firm in CAR.⁶³ This means that any time Touadéra is in CAR, he is likely being watched closely by Moscow.

80% of territory in CAR remains under rebel militia control, following a long civil war in the country. In 2019 Zakharov and Prigozhin worked together to jump-start the peace process in CAR, arranging meetings in Sudan with the rebels that were facilitated by Prigozhin, using his private plane. These talks succeeded, where earlier UN and African Union attempts had lagged, in reaching at least a temporary peace accord. But success came at a steep price for Bangui: now former rebels are being welcomed into government and military posts in CAR without adequate vetting.⁶⁴ Not coincidentally, many of the diamond and gold mines where Prigozhin has his contracts are located in rebel-held areas.

While it is not clear that CAR itself matters all that much to Russia, it is possible that this model of a peace agreement, brokered by Russia and requiring Russian support to stick, is a test case for similar models to be used in areas that Russia cares about more deeply, including Syria, Libya, and perhaps Afghanistan, where rebel warlord militias must also be brought into

⁶⁰ Brian Katz and Nicholas Harrington, “The Military Campaign,” in *Moscow’s War in Syria*, ed. Seth G. Jones (Washington: CSIS Transnational Threats Project, May 2020), pp. 37-8.

⁶¹ Special Representative for Syria Engagement Ambassador James F. Jeffrey, interview with RIA Novosti and *Kommersant*, U.S. Embassy in Russia website, Nov. 21, 2018.

⁶² A description of this case, with sources, is provided in Marten, “Russ-Afrique?”

⁶³ CNN Special Report, “Putin’s Private Army,” Aug. 2019.

⁶⁴ International Crisis Group, *Making the Central African Republic’s Latest Peace Agreement Stick*, Africa Report 277, June 18, 2019.

cooperation with the government for stability to be reached. Because CAR has relatively low global visibility, the experiment is low-cost for Russia. If it fails, and Russia goes home again, few will notice.

This “experiment” is nonetheless disturbing for the US and its allies because Russian actions undermine UN and EU efforts at genuine peacebuilding and security reform in CAR. Russia is also undercutting what had looked like the beginning of democratic reforms, when Touadéra (a French-educated technocrat) was elected in a relatively free popular vote in 2016. Russian forces on the ground have furthermore been accused of human rights violations, including the torture of individuals believed to be in the opposition.⁶⁵ In addition, the infamous July 2018 murder of three Russian journalists who came to CAR to probe Wagner Group activities was never independently investigated, and suspicions remain that the Russian state may have been involved in that crime and its cover-up.⁶⁶

Libya

The third experiment is ongoing in Libya. We do not yet know what the end result there will be. But it appears that after failing to help warlord Khalifa Haftar and his Libyan National Army (LNA) seize the capital of Tripoli from the UN-recognized government in spring 2020, Wagner Group forces are now helping Haftar shore up his separatist territory in the central and eastern part of the country. In May, according to U.S. Africa Command (AFRICOM), the Wagner Group was bolstered by the delivery of 14 “fourth-generation” MiG-29 fighter jets and a number of Su-24 attack aircraft, sent from Russia via Iran and then Syria, and repainted to hide their Russian origin.⁶⁷ By June AFRICOM had evidence that those planes were being flown by “inexperienced” flyers working on “basic flying skills” and “pilot proficiency.”⁶⁸ While other PMCs in the past have had air components, the Wagner Group has not flown fixed-wing aircraft before. If the Wagner Group now includes retired air force pilots, this marks a new step in its activities.

More worrisome for the U.S. and its allies may be the apparent ultimate aim of this Russian “experiment:” to create a stronghold for Haftar, in return for establishing a permanent Russian air or naval base on his territory. If Russia were able to gain a long-term base presence in Libya, it could harass and impede U.S., NATO, and European Union freedom of movement in the Mediterranean Sea.⁶⁹

Possible U.S. Responses

As noted above, the U.S. has imposed a number of sanctions on Prigozhin, his companies, his airplanes and yachts, and the Wagner Group. The scope of these sanctions was demonstrated in January 2020, when one of Prigozhin’s aircraft landed in Lithuania with the goal of getting repair

⁶⁵ “UN Investigates ‘Russian Soldier Torture’ Case in CAR,” AFP, Feb. 12, 2019.

⁶⁶ Tim Lister and Sebastian Shukla, “Murdered Journalists Were Tracked by Police with Shadowy Russian Links, Evidence Shows,” CNN, Jan. 10, 2019.

⁶⁷ Declan Walsh and Eric Schmitt, “U.S. Accuses Russia of Sending Warplanes to Libya,” *New York Times*, May 26, 2020.

⁶⁸ Christopher Woody, “The U.S. Military Isn’t Just Worried about Russia’s Fighter Jets in Libya but Also Who’s Flying Them,” *Business Insider*, June 18, 2020.

⁶⁹ Statement of General Thomas D. Waldhauser before the Senate Armed Service Committee, 116th Cong. (February 7, 2019).

work done, but was apparently not serviced because a local contractor feared incurring penalties from the U.S. for working on the plane.⁷⁰ The U.S. also indicted Prigozhin and his companies for federal crimes committed by interfering in the 2016 elections. That indictment, though, was dismissed in March 2020, when it became clear that Prigozhin's attorneys were using the proceedings to try to gain access to U.S. classified materials, while failing to submit accurate documents and reply to subpoenas.⁷¹

It is not clear that these efforts have had any success in changing the behavior of Prigozhin or the Wagner Group. The Wagner Group's activities have continued, and in the case of Libya accelerated, after the U.S. sanctions and indictments were levied. For example, Prigozhin's companies reportedly gained three new oil and gas field deals in Syria as recently as December 2019.⁷²

Further punishment from the U.S. is unlikely to stop Prigozhin's activities because the places the Wagner Group operates are war zones, located in countries that for the most part are themselves under U.S. and UN sanctions. Everywhere that Prigozhin is known to operate, the territory is reachable by flights over countries that are friendly to Russia. This means that as long as Prigozhin is careful, no foreign extradition treaty will bring him to U.S. shores. Any profits his deals are reaping will be invested either at home in Russia, or in opaque offshore accounts that are difficult to tie to either him or the Kremlin. And because Prigozhin's profit-making activities rely completely on the good graces of Putin, he has no incentive to do anything other than continue his loyalty to the regime. Similar conclusions hold for sanctions against GRU officers: once they are identified, those individuals will likely never be used again for an operation where they could be extradited.

Before conceding defeat, however, the U.S. should keep three things in mind. First, the Wagner Group may be slowly fizzling out of its own accord. It had a major defeat in Mozambique, where it had been active since August 2019, when its forces were repeatedly ambushed by Islamist rebels. It reportedly pulled out of the country in March 2020 as a result.⁷³ While it remains active in Libya, it failed in its efforts to help Haftar seize Tripoli, and in stopping Turkish-supported Libyan government forces from capturing and destroying Russian-made Pantsir S1 air defense systems.⁷⁴ Haftar was reportedly so angry about the Wagner Group's poor performance, and especially that it was using Syrian militia members in his country, that he threatened not to pay them the money he owed on his contract.⁷⁵ And in CAR, the Russian-brokered peace deal may be fraying, with sporadic upticks in fighting between various militias and against UN forces, in spite of the February 2019 peace deal.⁷⁶

⁷⁰ Jūratė Skėrytė, "Lithuanian Parliament Seeks EU Sanctions on 'Putin's Chef,'" LRT English, Feb. 19, 2020.

⁷¹ United States of America v. Concord Management and Consulting LLC and Concord Catering, Case 1:18-cr-00032-DLF, Document 381, Filed 03/16/20.

⁷² Denis Korotkov, "Vagner. Pervaia Neft' [Wagner: First Oil]," *Novaia Gazeta*, Jan. 19, 2020.

⁷³ "Private Military Contractors Appear to Be Active in Mozambique," DefenceWeb (South Africa), Apr. 15, 2020.

⁷⁴ Brian Katz, "Moscow's Next Front: Russia's Expanding Military Footprint in Libya," CSIS Commentary, June 17, 2020; Altan A. Ozler, "Libya: A Catastrophe for Russia's Pantsir S1 Air Defense System," Real Clear Defense, June 19, 2020.

⁷⁵ Assad, "Report: Haftar Owes Russian Wagner Group \$150 Million."

⁷⁶ "12 FPRC Militia Fighters killed in Clashes with Central African and UN troops in Birao, Government Says," Defense Post, Feb. 18, 2020.

Second, perhaps the most effective thing the U.S. can do to stop the Wagner Group's forward movement is to publicize to local populations in the Middle East and Africa who Prigozhin is and what Wagner does. Prigozhin is a lifelong criminal who seeks to plunder the mineral and energy resources of impoverished foreign countries for his own corrupt benefit. The Wagner Group is often ineffective. It is also a loose cannon, working for a Russian regime that has demonstrated in Syria, Libya, CAR and elsewhere that it has no concern for the human rights of the local population. In addition to all of the cases mentioned above, the Wagner Group also advised President Omar al-Bashir of Sudan (before he was deposed in April 2019) in his efforts to put down peaceful democratic protestors by guile and with deadly force.⁷⁷ This message about the Wagner Group's brutality may already be getting across. The mayor of Bani Walid, Libya, a town decimated by civil war which Wagner Group forces passed through on their May retreat from Tripoli, told journalists that the City Council protested the presence of the Russians because they had killed and wounded innocent civilians.⁷⁸

Third, for the U.S. and its allies, forewarned is forearmed. Especially after the events of February 2018 in Deir al Zour—and now with the intelligence about GRU activities in Afghanistan—U.S. and allied forces abroad know exactly how untrustworthy the Wagner Group and its GRU backers in the Putin regime can be. When this knowledge is combined with what we know about Prigozhin's related political influence operations, Russia has lost the advantage of surprise that has propelled its hybrid warfare campaign against the U.S. and its allies. Where the U.S. and its allies should concentrate their effort now is in proactively defending themselves against whatever Prigozhin, the GRU, and the Wagner Group may try next.

⁷⁷ Tim Lister, Sebastian Shukla, and Nima Elbagir, "Fake News and Public Executions: Documents Show a Russian Company's Plan for Quelling Protests in Sudan," CNN, Apr. 25, 2019.

⁷⁸ "Hundreds More Russian Mercenaries Flee Western Libya," Al Jazeera, May 5, 2020.