

EXCLUSIVE

Russia's state nuclear company aids war effort, leading to calls for sanctions



By Catherine Belton

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Russia's state nuclear power conglomerate has been working to supply the Russian arms industry with components, technology and raw materials for missile fuel, documents show, aiding Moscow's deadly onslaught on Ukraine and leading to calls for the company, Rosatom, to be put under sanctions.

A letter from a Rosatom department chief, dated October 2022 and obtained by Ukrainian intelligence, refers to a recent meeting with the Defense Ministry and representatives of Russia's military-industrial complex. It shows the state nuclear company offering to provide goods to Russian military units and to Russian weapons manufacturers that are under sanctions.

The weapons manufacturers include Almaz-Antey, a missile systems producer; NPK Tekhmash, which manufactures unguided bombs and multiple missile launch systems; Vysokotochniye Kompleksy, which makes Iskander missiles; NPO Splav, which produces the Uragan rocket launchers that fire cluster bombs; the state-owned aircraft conglomerate; and several Russian armored carrier and tank makers. Detailed descriptions of the products available for use by the Russian military and the arms industry are attached to the letter, which was provided to The Washington Post.

Rosatom has long presented itself as a civilian entity operating nuclear power plants in commercial partnerships across the globe, despite its role in also developing nuclear weapons for Russia. "Rosatom is known in the nuclear world as a civil nuclear company. That's basically what its brand name is," said Mark Hibbs, senior fellow in the Carnegie Endowment for International Peace's nuclear policy program.

But Russia's war against Ukraine is exposing how closely the company, which has a board stacked with current and former senior officials from Russia's security services, is intertwined with its military-industrial complex — and even Russian military operations in Ukraine.

After Russia invaded Ukraine last year, Rosatom's employees facilitated Moscow's illegal seizure of Ukraine's Zaporizhzhia nuclear power plant, according to Ukrainian officials and a Russian presidential decree. The plant, Europe's largest, was cut off several times from Ukraine's electric power grid, and the military standoff at the facility brought the world "one step away from a nuclear accident," according to International Atomic Energy Agency chief Rafael Mariano Grossi.

Witnesses said Rosatom employees stationed at the plant appeared to have directed some of the Russian artillery targeting the plant, while at the height of the shelling in August, Ukrainian President Volodymyr Zelensky decried the attack as "nuclear blackmail" by Moscow. The Ukrainian government said Russia was intentionally seeking to cut off the plant, which is now in cold shutdown because of the artillery fire, from supplying electricity to Ukraine.

Rosatom said in response to a request for comment that "all the claims in your request are completely untrue."

Previous calls by Ukraine — backed by Lithuania, Estonia, Latvia and Poland — to impose sanctions on Rosatom over its involvement in the seizure of the Zaporizhzhia nuclear power plant have not led to action, but disclosures about its role in aiding Russia's arms industry will now add to pressure to list the company.

"If Rosatom is providing support for the Russian arms industry, that's sanctionable," said Daniel Fried, the State Department's sanctions coordinator until 2017.

The company has so far escaped sanctions, in part amid concerns over the potential economic fallout because of its extensive involvement in the civilian nuclear power industry across the globe, including in Western Europe and the United States. There are 18 Russian-designed nuclear power plants operating in the European Union, "and that means the Russians ... have leverage over the continued operation of most of these facilities," Hibbs said, noting that in Slovakia, Russian-designed plants produce half of the country's electricity. The United States depends on Rosatom for about one-quarter of its enriched uranium supplies.

In addition, Rosatom controls about 30 percent of the global market for uranium enrichment and 17 percent of the market for reactor fuel, and out of the approximately 450 nuclear power plants around the world, about 20 percent of them are Russian-designed, Hibbs said. Rosatom is currently working on 23 nuclear power units across the globe, including in India, Turkey and Egypt, with its foreign order book standing at \$200 billion.

An attempt to immediately unwind dependence on Rosatom for nuclear fuel supplies, waste management and other partnership agreements could cause major new energy price volatility at a time when the E.U. is only just emerging from a bruising year of soaring energy costs as it weaned itself off Russian oil and gas.

The Ukrainian government, however, has been ramping up the pressure for sanctions in recent weeks. Zelensky's chief of staff, Andriy Yermak, met the State Department's sanctions coordinator, James O'Brien, on Jan. 12 to discuss Rosatom and "strengthening sanctions against individuals and legal entities that continue to support Russia's aggression against Ukraine."

After talks this month with European Commission Vice President Frans Timmermans, Ukrainian Prime Minister Denys Shmyhal indicated that he expected sanctions on Rosatom to be included in the E.U.'s next package of sanctions against Russia, saying that Moscow "must be punished for attacks on Ukraine's energy industry."

Ukrainian Foreign Minister Dmytro Kuleba said revelations over Rosatom's involvement in supplying the Russian arms industry "ring the alarm bell even more and prove that the problem is larger than previously known."

In a statement to The Post, Kuleba said: "Nuclear cooperation with today's Russia is not only immoral because it sponsors Russia's war crimes in Ukraine, but also dangerous. ... We call on all states to halt any nuclear cooperation with Russia, avoid getting into any new joint projects with Russia in this field, and impose personal sanctions on the key Rosatom officials and employees who had interfered with Ukraine's nuclear system." Kuleba said imposing personal sanctions is "an absolute bare minimum."

Among the materials Rosatom's subsidiaries offered to provide to the Russian defense industry, the documents show, are aluminum oxide, a vital component for missile fuel. Other goods include lithium-ion batteries to power tanks, missile defense systems and other armaments; 3D-printing technology; and chemical compounds used in aircraft and missile engineering, the documents show.

It's not clear which — if any — of these products were supplied to the Russian arms industry. But in an address to Rosatom on its 15th anniversary in December, Russian President Vladimir Putin praised the nuclear company for its "huge contribution ... to developing advanced weapons systems and military hardware and putting them on combat duty."

Pavel Luzin, an independent Russian military analyst, told The Post that Rosatom had developed a long-term strategy to supply the Russian arms industry. The Russian Defense Ministry has also spoken, in official statements, of long-running cooperation on "nonnuclear" weapons with the state nuclear conglomerate.

Customs data provided to The Post by the Washington office of the James Martin Center for Nonproliferation Studies shows that at least one Rosatom subsidiary, Renera, has imported at least \$1 million worth of lithium-ion battery components from South Korea since the war in Ukraine began.

Experts said they feared Russia could be using Rosatom's current non-sanctioned status as a way to obtain components that would otherwise be embargoed. "It's a big potential loophole," said Jacob Nell, former chief Russia economist for Morgan Stanley and now a member of an independent group of international experts working with the Ukrainian presidential administration on sanctions against Russia. "Specialized imports are being sourced through the nuclear sphere."

Ukrainian officials say Rosatom's involvement at the Zaporizhzhia plant is reason enough to sanction the company. Groups of about a dozen Rosatom employees, accompanied by a contingent of officers from Russia's Federal Security Service (FSB) and hundreds of armed Russian troops, have been present at the plant since mid-March, soon after the Russian army seized control of it.

Rosatom has sought to shield itself from possible sanctions by insisting that its employees were present only to provide technical advice for the safety of the plant. In August, Rosatom said its staff played no role in the plant's management or defense.

But Rosatom has since officially taken operational control of the plant after Putin unilaterally signed a decree on Oct. 5 transferring the Zaporizhzhia facility to Russian federal property in the wake of Moscow's illegal annexation of the region. The decree handed the use of its "financial, material and other resources" to a new operating company owned by a Rosatom subsidiary, "to ensure the safety of nuclear facilities, radiation sources, storage facilities for nuclear materials and radioactive substances, and radioactive waste storage facilities."

A key Rosatom employee present at the plant since late March, Oleg Romanenko, was appointed general director of the plant's new operating company two days before Putin issued the decree, company registration documents show. The plant's Ukrainian chief engineer was appointed general director of the power station itself. In response to the request for comment, Rosatom said the transfer to the new operating company was aimed at "ensuring the safe and reliable operations of the plant."

"Ensuring nuclear safety and security of nuclear facilities and installations is Rosatom's number one priority," the company said.

One eyewitness, Oleh Dudar, a former head of operations for the Zaporizhzhia plant's nuclear reactor and turbine unit, however, told The Post that Rosatom employees, although initially in the background, increasingly took control over the summer, at first issuing demands to inspect the plant's systems, including its electricity circuits. "The longer time went on, the more they began dictating to us," said Dudar, who has since fled to safety in Western Europe.

Dudar said he believed Rosatom employees, under the direction of Romanenko, had helped direct Russian artillery fire targeting parts of the facility and its territory, including its transmission lines, to cut it off from supplying the Ukrainian electrical grid while blaming Ukraine for the fire. "They were studying the electricity circuits, the transmission lines, our equipment and the communication systems. They were studying them closely over a week," Dudar said. "And then the next week, the objects they'd been studying were shot at and the equipment went offline. It seems to me they were looking. I had the impression that they directed and managed this."

There are also questions about whether Rosatom staff may have been involved in the summary detentions of hundreds of the plant's Ukrainian workers, who, according to Dudar and other witness accounts described by Ukrainian officials, were held for weeks in cellars and tortured by FSB officers, sometimes with electricity. The detentions first occurred over the plant workers' pro-Ukrainian sentiments, but increasingly they were used as a mechanism to force workers to sign contracts to work for Rosatom, according to Dudar.

Kuleba said that Ukraine has moved away from dependence on Russian fuel supplies for its nuclear industry and that other countries should follow suit. In recent years, he noted, Ukraine switched to alternative supplies from Westinghouse, an American company, which developed the capability to replicate Russian-made fuel supplies so it could service Soviet-era plants.

There are signs that the war is beginning to affect Rosatom's bottom line. Bulgaria in the past month signed two supply deals, first with Westinghouse and then with France's Framatome, to replace the Russian fuel its nuclear power plant currently relies on. Last year, Finland walked away from a multibillion-dollar project with Rosatom to build the Hanhikivi-1 nuclear plant, which would have generated 10 percent of Finland's electricity needs.

An international working group on Russian sanctions working with Yermak, the Ukrainian presidential chief of staff, has proposed a gradual process that would first focus on personal sanctions and barring supplies of raw uranium from Russia, where Moscow has only about 5 percent of the global market, while preparing the ground for a longer-term shift from dependency on Rosatom.

"Serious moves to reduce the West's critical dependency on Rosatom across the nuclear fuel cycle are more important over time," Nell said.