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FBI once planned to pay former British spy who authored controversial Trump dossier

By Tom Hamburger and Rosalind S. Helderman February 28 at 4:08 PM

The former British spy who authored a controversial dossier on behalf of Donald Trump's political opponents alleging ties between Trump and Russia reached an agreement with the FBI a few weeks before the election for the bureau to pay him to continue his work, according to several people familiar with the arrangement.

The agreement to compensate former MI6 agent Christopher Steele came as U.S. intelligence agencies reached a consensus that the Russians had interfered in the presidential election by orchestrating hacks of Democratic Party email accounts.

While Trump has derided the dossier as "fake news" compiled by his political opponents, the FBI's arrangement with Steele shows that bureau investigators considered him credible and found his line of inquiry to be worthy of pursuit.

Ultimately, the FBI did not pay Steele. Communications between the bureau and the former spy were interrupted as Steele's now-famous dossier became the subject of news stories, congressional inquiries and presidential denials, according to the people familiar with the arrangement, who spoke on the condition of anonymity because they were not authorized to discuss the matter.

At the time of the October agreement, FBI officials probing Russian activities, including possible contacts between Trump associates and Russian entities, were aware of the information that Steele had been gathering while working for a Washington research firm hired by supporters of Democratic nominee Hillary Clinton, according to the people familiar with the agreement. The firm was due to stop paying Steele as Election Day approached, but Steele felt his work was not done, these people said.

Steele was familiar to the FBI, in part because the bureau had previously hired him to help a U.S. inquiry into alleged corruption in the world soccer organization FIFA. The FBI sometimes pays informants, sources and outside investigators to assist in its work. Steele was known for the quality of his past work and for the knowledge he had developed over nearly 20

years working on Russia-related issues for British intelligence. The Washington Post was not able to determine how much the FBI intended to pay Steele had their relationship remained intact.

The dossier he produced last year alleged, among other things, that associates of Trump colluded with the Kremlin on cyberattacks on Democrats and that the Russians held compromising material about the Republican nominee.

These and other explosive claims have not been verified, and they have been vigorously denied by Trump and his allies.

The FBI, as well as the Senate Intelligence Committee, is investigating Russian interference in the election and alleged contacts between Trump's associates and the Kremlin.

On Tuesday, House Speaker Paul D. Ryan (R-Wis.) told reporters that he had seen "no evidence so far" of Trump campaign contacts with Russia but said a bipartisan House inquiry would proceed so that "no stone is unturned."

The revelation that the FBI agreed to pay Steele at the same time he was being paid by Clinton supporters to dig into Trump's background could further strain relations between the law enforcement agency and the White House.

A spokesman for the FBI declined to comment. Steele's London-based attorney did not respond to questions about the agreement.

White House press secretary Sean Spicer declined to comment.

Steele, 53, began his Trump investigation in June 2016 after working for another client preparing a report on Russian efforts to interfere with politics in Europe.

U.S. intelligence had been independently tracking Russian efforts to influence electoral outcomes in Europe.

Steele was hired to work for a Washington research firm, Fusion GPS, that was providing information to a Democratic client opposed to Trump. Fusion GPS declined to identify the client.

Steele's early reports alleged a plan directed by Russian President Vladimir Putin to help Trump in 2016.

"Russian regime has been cultivating, supporting and assisting TRUMP for at least 5 years," Steele wrote in June.

Steele's information was provided by an intermediary to the FBI and U.S. intelligence officials after the Democratic National Convention in July, when <u>hacked Democratic emails</u> were first released by WikiLeaks, according to a source familiar with the events. After the convention, Steele contacted a friend in the FBI to personally explain what he had found.

As summer turned to fall, Steele became concerned that the U.S. government was not taking the information he had uncovered seriously enough, according to two people familiar with the situation.

In October, anticipating that funding supplied through the original client would dry up, Steele and the FBI reached a verbal understanding: He would continue his work looking at the Kremlin's ties to Trump and receive compensation for his efforts.

But Steele's frustration deepened when FBI Director James B. Comey, who had been silent on the Russia inquiry, announced publicly 11 days before the election that the bureau was investigating a newly discovered cache of emails Clinton had exchanged using her private server, according to people familiar with Steele's thinking.

Those people say Steele's frustration with the FBI peaked after an Oct. 31 New York Times story that cited law enforcement sources drawing conclusions that he considered premature. The article said that the FBI had not yet found any "conclusive or direct link" between Trump and the Russian government and that the Russian hacking was not intended to help Trump.

After the election, the intelligence community concluded that Russia's interference had been intended to assist Trump.

In January, top intelligence and law enforcement officials briefed Trump and President Barack Obama on those findings. In addition, they provided a summary of the core allegations of Steele's dossier.

News of that briefing soon became public. Then BuzzFeed posted a copy of Steele's salacious but unproven dossier online, sparking outrage from Trump.

"It's all fake news. It's phony stuff. It didn't happen," Trump told reporters in January. "It was a group of opponents that got together — sick people — and they put that crap together."

He later tweeted that Steele was a "failed spy."

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The development marked the end of the FBI's relationship with Steele.

After he was publicly identified by the Wall Street Journal as the dossier's author, Steele went into hiding. U.S. officials took pains to stress that his report was not a U.S. government product and that it had not influenced their broader conclusions that the Russian government had hacked the emails of Democratic officials and released those emails with the intention of helping Trump win the presidency.

"The [intelligence community] has not made any judgment that the information in this document is reliable, and we did not rely upon it in any way for our conclusions," then-Director of National Intelligence James R. Clapper Jr. said in a statement in January.

The owner of a technology company identified in Steele's dossier as a participant in the hacks is now suing Steele and BuzzFeed for defamation. BuzzFeed applicated to the executive and blocked out his name in the published document.

Comey spent almost two hours this month briefing the Senate Intelligence Committee. Democrats in the House have informally reached out to Steele in recent weeks to ask about his willingness to testify or cooperate, according to people familiar with the requests. Steele has so far not responded, they said.

Tom Hamburger covers the intersection of money and politics for The Washington Post. **☞** Follow @thamburger Rosalind Helderman is a political enterprise and investigations reporter for the Washington Post. **☞** Follow @PostRoz

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