

HPSCI Testimony – Steve Hall

I'm happy to be with you here today to share my thoughts on Vladimir Putin's Russia, gleaned from working in the CIA's Clandestine Service for over 30 years. During my time at CIA, from when I started out as a line case officer through when I retired in 2015 as a member of the Senior Intelligence Service, most of my time and efforts were focused on Russia. I retired as the Chief of Central Eurasia Division, responsible for managing CIA's Russian operations worldwide. I am not a trained Russian historian, nor am I an analyst. Rather, my views on Putin's Russia come from my experiences as a former intelligence officer, and I believe this is an important perspective. Here's why.

I am often asked for my thoughts on who Putin really is, what makes him tick, how he thinks, is he really that much of a threat. My best response is that Vladimir Putin is first and foremost a Chekist, whose primary goal is the weakening of democracy in the United States and the West. The Cheka was the Lenin-era secret police, the precursor to the KGB – of which Putin was a member – as well as to the modern day Russian intelligence services. It was the Cheka and its successors that built and ran the Soviet system of concentration camps, the Gulag. It was the Cheka that executed thousands of its own citizens in the basement of the Lubyanka, its headquarters in Moscow. The history of the Russian intelligence services is one of unalloyed brutality. Every year, on the 20th of December – Chekist Day – Vladimir Putin calls and congratulates the members of the Russian intelligence services on their historical successes. This is how seriously Putin views his role as a Chekist. These Chekist traditions persist in Russia today.

I once had a conversation with a Russian intelligence officer who made the argument that all countries, even Western democracies, had intelligence agencies. The Russian argued the CIA was not that different from the KGB, a key successor of the original Cheka. I disagreed vehemently. CIA has certainly made its share of mistakes over the decades, but we never built concentrations camps to imprison Americans, nor did we murder American citizens in the basement in Langley, or anywhere else for that matter.

I mention this story because it illustrates the need for the West, and particularly the United States, to resist the temptation of seeing Putin's

Russia through a western lens. Most Americans were raised to believe in things like fair play, giving others the benefit of the doubt, and a generally optimistic outlook on life. Putin and his lieutenants understand this, and they use our outlook effectively against us. Look, they argue, we have many similarities. Indeed, when I most recently was in Moscow, I could walk down the street and visit McDonalds for a Big Mac, or drop into Starbucks for a latte. There are large, luxurious hotels and bars, some of them American chains. Businesses appear to be operating normally. There are even governmental structures that seem comfortably similar: there is a Duma, which looks somewhat like our Congress; there is a President and a Prime Minister, positions we as Westerners have heard of and can relate to. But what one really sees in Moscow is a thin veneer of normalcy, designed to cover how things really work. Putin's Russia is an autocratic Chekist system. It is a kleptocracy run by a mob in the Kremlin, many of whom worked formerly in the Russian security services.

I am also often asked about Russian organized crime. Again, it is important to avoid asking this question through a Western lens. Broadly, Putin runs Russia as a crime boss runs his organization. Those who Putin finds useful and effective, he rewards. If someone falls out of favor, punishment usually follows. Enemies of the Putin organization, either internal or external, are neutralized. Independent journalists are killed. Political opponents are flooded with lawsuits, incarcerated, or assassinated. Oligarchs are not exempt, and Putin uses his intelligence services to collect damaging information on all of them – just in case they fail to produce for him in the future. Like fast food restaurants in Moscow, rule of law in Russia is a caricature created to make us in the West believe Putin's system is not really so bad.

Like anyplace run by a mafia, businesses, foreign or Russian, are allowed to operate, but only under the rules set by the mob – in this case, the Kremlin. Prior to my retirement, staff on both HPSCI and SSCI asked for CIA's thoughts on the Kasperskiy Labs, a cyber and technology company run by the Russian Eugene Kaspirskiy. My response was that Eugene Kasperskiy understood that when Putin or one of his men called and needed something from the company, he had no choice to comply. When Putin knows in which Russian banks your fortunes are held, when he knows your net worth, when he knows where your wife and your children and your mother live, you do as you're told. If you try flaunt the system, it does not end well. Ask Mikhael Khodorkovskiy, a rich Russian oligarch

who Putin sent to jail for almost ten years on trumped-up charges, now in exile in the UK. Getting out of Russia, however, does not necessarily protect even once-powerful oligarchs and other enemies of the state: Putin is the intellectual author of dozens of murders and attempted assassinations abroad. People like Alexander Litvinenko (poisoned by radioactive tea), Sergei Skripal and his daughter (attacked by the GRU using a Russian nerve agent), and former oligarch Boris Berezovsky (found hanged in his London home) are all lessons which other powerful Russians understand well.

This is the key component of how the oligarch system works in Russia: Putin will help you become very rich as an oligarch, and allow you to maintain your riches, as long as you support the Kremlin when required. If you fail, the consequences, as noted above, are severe. Over the past several years, Putin has included the oligarchy as part of his larger reliance on hybrid warfare against the United States and the West. We now need to understand that in addition to defending against conventional attacks from Russia, Putin is also using non-traditional means to threaten us, to include using his oligarchs. Maria Butina's association with several oligarchs, and her work for Russia in the United States, is a good example.

Putin controls Russia (to include his oligarchs) using a complex system which bears many of the traits of a Chekist state. The intelligence services play a key role in neutralizing both internal and external threats. Internally, Putin uses the FSB, the Investigative Committee, and other such entities to gather information against companies and individuals that can be leveraged later should they need to be brought back into line. Putin can also use his oligarchs to exert economic and financial pressure on targets inside and outside of Russia. The Kremlin also controls the information that flows to the majority of Russians, and so anti-West and pro-Putin propaganda themes keep most Russians where Putin wants them: under his control.

The same organized crime rules hold true for foreign businesses in Russia. Putin will have his intelligence services collect intelligence on any American businessman in which he has an interest. Such efforts would include both physical surveillance as well as audio and visual collection against the target while in Russia. Entrapment and arrest have been used against American businessmen in the past; more recently, Russian intelligence

framed and arrested American businessman Paul Whelan, who is still languishing in a Russian prison. All of the Russian intelligence services play important roles in collecting the information which can be used to control all businesses, foreign and domestic, in Russia.

This is not to say that foreign businesses have never been successful in Russia. What it is to say is that success is contingent upon the Kremlin's approval of such business activity. If an American business person runs afoul of the Kremlin, all of the kompromat collected against him or her can be quickly and efficiently leveraged. The Russian intelligence services are expert at collecting compromising information that can later be used to blackmail anyone Putin wants. They have collected information against American businesspeople in the past. They collected against me and my family while I was in Russia. If any of you have ever travelled to Russia, they have collected on you, as well. No one is immune.

In an open session like this I will not be able to address in great detail what I know of how the Russian intelligence services specifically do their work. I cannot risk exposing the sources and methods our own intelligence services use, nor those of our allies, who often work closely with us on Russian counterintelligence matters. But I would be more than happy to address any questions you might have.