

---

## LETTER OF TRANSMITTAL

---

UNITED STATES SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC, January 10, 2018*

DEAR COLLEAGUES: For years, Vladimir Putin's government has engaged in a relentless assault to undermine democracy and the rule of law in Europe and the United States. Mr. Putin's Kremlin employs an asymmetric arsenal that includes military invasions, cyberattacks, disinformation, support for fringe political groups, and the weaponization of energy resources, organized crime, and corruption. The Kremlin has refined the use of these tools over time and these attacks have intensified in scale and complexity across Europe. If the United States fails to work with urgency to address this complex and growing threat, the regime in Moscow will become further emboldened. It will continue to develop and refine its arsenal to use on democracies around the world, including against U.S. elections in 2018 and 2020.

Following attacks like Pearl Harbor and 9/11, U.S. presidents have rallied the country and the world to address the challenges facing the nation. Yet the current President of the United States has barely acknowledged the threat posed by Mr. Putin's repeated attacks on democratic governments and institutions, let alone exercised the kind of leadership history has shown is necessary to effectively counter this kind of aggression. Never before in American history has so clear a threat to national security been so clearly ignored by a U.S. president.

The threat posed by Mr. Putin's meddling existed before the current U.S. Administration, and may well extend beyond it. Yet, as this report will demonstrate, the Russian government's malign influence operations can be deterred. Several countries in Europe took notice of the Kremlin's efforts to interfere in the 2016 U.S. election and realized the danger posed to their democracies. They have taken steps to build resilience against Mr. Putin's aggression and interference, and the range of effective measures implemented by European countries provide valuable lessons for the United States.

To that end, this report recommends a series of actions that the United States should take across government, civil society, and the private sector—and in cooperation with our allies—to push back against the Kremlin's aggression and establish a set of long-term norms that can neutralize such efforts to undermine democracy. Yet it must be noted that without leadership from the President, any attempt to marshal such a response will be inherently weakened at the outset.

In addition, it is important to draw a distinction between Mr. Putin's corrupt regime and the people of Russia. Many Russian citizens strive for a transparent, accountable government that operates under the democratic rule of law, and we hold hope for better relations in the future with a Russian government that reflects these demands. In the meantime, the United States must work with our allies to build defenses against Mr. Putin's asymmetric arsenal, and strengthen international norms and values to deter such behavior by Russia or any other country.

The events discussed in this report are illustrative, not exhaustive, and cover a period ending on December 31, 2017. There are several important geographic areas that remain beyond the scope of this report, including the Russian government's role in the Syria conflict, its complicated relationship with Turkey, or its involvement in places like Central Asia and Latin America. The Russian government's use of corruption and money laundering also merit additional examination by relevant committees in Congress, as well as the Executive Branch. Given the ongoing investigations by the Senate Intelligence and Judiciary Committees, this report does not delve into Russia's interference in the 2016 U.S. election. Furthermore, U.S. election infrastructure, electrical grids, and information systems are outside the jurisdiction of the Senate Foreign Relations Committee and therefore beyond the scope of the recommendations in this report, but certainly warrant further study.

Finally, there must be a bipartisan sense of urgency so the United States immediately begins taking the steps necessary to fortify and protect our democracy from Mr. Putin's malicious meddling. There is a long bipartisan tradition in Congress in support of firm policies to counter Russian government aggression and abuse against its own citizens, our allies, and universal values. This report seeks to continue that tradition.

Sincerely,

BENJAMIN L. CARDIN,  
*Ranking Member.*

## **PUTIN'S ASYMMETRIC ASSAULT ON DEMOCRACY IN RUSSIA AND EUROPE: IMPLICATIONS FOR U.S. NATIONAL SECURITY**

---

### **Executive Summary**

---

Nearly 20 years ago, Vladimir Putin gained and solidified power by exploiting blackmail, fears of terrorism, and war. Since then, he has combined military adventurism and aggression abroad with propaganda and political repression at home, to persuade a domestic audience that he is restoring Russia to greatness and a respected position on the world stage. All the while, he has empowered the state security services and employed them to consolidate his hold on the levers of political, social, and economic power, which he has used to make himself and a circle of loyalists extraordinarily wealthy.

Democracies like the United States and those in Europe present three distinct challenges to Mr. Putin. First, the sanctions they have collectively placed on his regime for its illegal occupation of Crimea and invasion of eastern Ukraine threaten the ill-gotten wealth of his loyalists and hamper their extravagant lifestyles. Second, Mr. Putin sees successful democracies, especially those along Russia's periphery, as threats to his regime because they present an attractive alternative to his corrupt and criminal rule. Third, democracies with transparent governments, the rule of law, a free media, and engaged citizens are naturally more resilient to the spread of corruption beyond Russia's borders, thereby limiting the opportunities for the further enrichment of Putin and his chosen elite.

Mr. Putin has thus made it a priority of his regime to attack the democracies of Europe and the United States and undermine the transatlantic alliance upon which Europe's peace and prosperity have depended upon for over 70 years. He has used the security services, the media, public and private companies, organized criminal groups, and social and religious organizations to spread malicious disinformation, interfere in elections, fuel corruption, threaten energy security, and more. At their most extreme, the Russian government's security services have been used to harass and even assassinate political enemies at home and abroad; cheat at the Olympic Games; and protect and exploit cybercriminals in Russia who attack American businesses and steal the financial information of American consumers. Mr. Putin resorts to the use of these asymmetric tools to achieve his goals because he is operating from

a position of weakness—hobbled by a faltering economy, a substandard military, and few followers on the world stage.

The tactics that Putin has deployed to undermine democracies abroad were developed at home, and over nearly two decades he has used them against the Russian people with increased impunity. The result has been hundreds of billions of dollars stolen and spirited away abroad, all while independent media and civil society, elections, political parties, and cultural institutions have been manipulated and suppressed, significantly hindering effective domestic opposition to Putin's regime.

While consolidating his grip on power at home, Mr. Putin oversaw an opportunistic expansion of malign influence operations abroad, targeting vulnerable states on Russia's periphery, as well as countries in Western institutions like the European Union (EU) and the North Atlantic Treaty Organization (NATO). The Kremlin has substantially increased its investments in propaganda outlets beyond Russia's borders, funded and supported nongovernmental organizations and political parties that advanced Mr. Putin's anti-EU and anti-NATO agenda, nationalized mafia groups to help launder money and commit other crimes for the state abroad, and used its near-monopoly over energy supplies in some countries to exert influence and spread corruption.

In semi-consolidated democracies and transitional governments on Russia's periphery, the Kremlin most aggressively targets states that seek to integrate with the EU and NATO or present an opportunity to weaken those institutions from within. For example, as Georgia and Ukraine moved closer to these institutions, the Russian government attacked them with cyberwarfare, disinformation campaigns, and military force. When the Kremlin's attempt to politically influence Montenegro's election failed, its security services allegedly tried to launch a coup. In Serbia, the Kremlin exploits cultural connections and leverages its near monopoly on energy supplies to attempt to slow down or derail the country's Western integration efforts. And though they are in the EU and NATO, countries like Hungary and Bulgaria face acute challenges from the Russian government, which exerts significant influence in politics, business, and the energy sector. Despite some efforts to counter Russian malign influence, these countries remain significantly vulnerable to the Kremlin's corrupt agenda.

In consolidated democracies within the EU and NATO, the Russian government seeks to undermine support for sanctions against Russia, interfere in elections through overt or covert support of sympathetic political parties and the spread of disinformation, and sow discord and confusion by exacerbating existing social and political divisions through disinformation and cultivated ideological groups. This group of countries has developed several effective countermeasures that both deter Russian government behavior and build societal resilience. As it crafts its response, the United States should look to these lessons learned:

- The United Kingdom has made a point to publicly chastise the Russian government for its meddling in democracies, and moved to strengthen cybersecurity and electoral processes.

- Germany pre-empted Kremlin interference in its national election with a strong warning of consequences, an agreement among political parties not to use bots or paid trolls, and close cyber cooperation between the government and political campaigns.
- Spain has led Europe in cracking down on Russia-based organized crime groups that use the country as an operational base and node for money laundering and other crimes.
- France has fostered strong cooperation between government, political, and media actors to blunt the impact of the Kremlin's cyber-hacking and smear campaigns.
- The Nordic states have largely adopted a "whole of society" approach against Mr. Putin's malign influence operations, involving the government, civil society, the media, and the private sector, with an emphasis on teaching critical thinking and media literacy.
- The Baltic states have kept their publics well-informed of the malicious activities of Russia's security services, strengthened defenses against cyberattacks and disinformation, and diversified energy supplies to reduce dependence on Russia.

While the countries of Europe have each had unique responses to the Kremlin's aggression, they have also begun to use regional institutions to knit together their efforts and develop best practices. NATO and the EU have launched centers focused on strategic communications and cyber defense, and Finland's government hosts a joint EU/NATO center for countering hybrid threats. A number of independent think tanks and non-governmental organizations (NGOs) have also launched regional disinformation monitoring and fact-checking operations, and European governments are supporting regional programs to strengthen independent journalism and media literacy. Some of these initiatives are relatively new, but several have already begun to bear fruit and warrant continued investment and broader expansion. Through the adoption of the Third Energy Package, which promotes energy diversification and integration, as well as a growing resistance to the Nord Stream 2 pipeline, many European countries are reducing their dependence on Russian energy supplies, though much remains to be done.

Despite the clear assaults on our democracy and our allies in Europe, the U.S. government still does not have a coherent, comprehensive, and coordinated approach to the Kremlin's malign influence operations, either abroad or at home. Although the U.S. government has for years had a patchwork of offices and programs supporting independent journalism, cyber security, and the countering of disinformation, the lack of presidential leadership in addressing the threat Putin poses has hampered a strong U.S. response. In early 2017, Congress provided the State Department's Global Engagement Center the resources and mandate to address Kremlin disinformation campaigns, but operations have been stymied by the Department's hiring freeze and unnecessarily long delays by its senior leadership in transferring authorized funds to the office. While many mid-level and some senior-level officials throughout the State Department and U.S. government are cognizant of the threat posed by Mr. Putin's asymmetric arsenal, the

U.S. President continues to deny that any such threat exists, creating a leadership vacuum in our own government and among our European partners and allies.

#### KEY RECOMMENDATIONS

The recommendations below are based on a review of Mr. Putin's efforts to undermine democracy in Europe and effective responses to date. By implementing these recommendations, the United States can better defend against and deter the Kremlin's malign influence operations, and strengthen international norms and values to prevent such behavior by Russia and other states. A more comprehensive list of recommendations can be found in Chapter Eight.

1. *Assert Presidential Leadership and Launch a National Response:* President Trump has been negligent in acknowledging and responding to the threat to U.S. national security posed by Mr. Putin's meddling. The President should immediately declare that it is U.S. policy to counter and deter all forms of Russian hybrid threats against the United States and around the world. The President should establish a high-level inter-agency fusion cell, modeled on the National Counterterrorism Center (NCTC), to coordinate all elements of U.S. policy and programming in response to the Russian government's malign influence operations. And the President should present to Congress a comprehensive national strategy to counter these grave national security threats and work with the Congress and our allies to get this strategy implemented and funded.
2. *Support Democratic Institution Building and Values Abroad and with a Stronger Congressional Voice:* Democracies with transparent governments, the rule of law, a free media, and engaged citizens are naturally more resilient to Mr. Putin's asymmetric arsenal. The U.S. government should provide assistance, in concert with allies in Europe, to build democratic institutions within the European and Eurasian states most vulnerable to Russian government interference. Using the funding authorization outlined in the Countering America's Adversaries Through Sanctions Act as policy guidance, the U.S. government should increase this spending in Europe and Eurasia to at least \$250 million over the next two fiscal years. To reinforce these efforts, the U.S. government should demonstrate clear and sustained diplomatic leadership in support of individual human rights that form the backbone of democratic systems. Members in the U.S. Congress have a responsibility to show U.S. leadership on values by making democracy and human rights a central part of their agendas. They should conduct committee hearings and use other platforms and opportunities to publicly advance these issues.
3. *Expose and Freeze Kremlin-Linked Dirty Money:* Corruption provides the motivation and the means for many of the Kremlin's malign influence operations. The U.S. Treasury Department should make public any intelligence related to Mr. Putin's personal corruption and wealth stored abroad, and take steps with our European allies to cut off Mr. Putin and his inner circle from the international financial system. The U.S.

government should also expose corrupt and criminal activities associated with Russia's state-owned energy sector. Furthermore, it should robustly implement the Global Magnitsky Human Rights Accountability Act and the Countering America's Adversaries Through Sanctions Act, which allow for sanctions against corrupt actors in Russia and abroad. In addition, the U.S. government should issue yearly reports that assign tiered classifications based on objective third-party corruption indicators, as well as governmental efforts to combat corruption.

4. *Subject State Hybrid Threat Actors to an Escalatory Sanctions Regime:* The Kremlin and other regimes hostile to democracy must know that there will be consequences for their actions. The U.S. government should designate countries that employ malign influence operations to assault democracies as State Hybrid Threat Actors. Countries that are designated as such would fall under a preemptive and escalatory sanctions regime that would be applied whenever the state uses asymmetric weapons like cyberattacks to interfere with a democratic election or disrupt a country's critical infrastructure. The U.S. government should work with the EU to ensure that these sanctions are coordinated and effective.
5. *Publicize the Kremlin's Global Malign Influence Efforts:* Exposing and publicizing the nature of the threat of Russian malign influence activities, as the U.S. intelligence community did in January 2017, can be an action-forcing event that not only boosts public awareness, but also drives effective responses from the private sector, especially social media platforms, as well as civil society and independent media, who can use the information to pursue their own investigations. The U.S. government should produce yearly public reports that detail the Russian government's malign influence operations in the United States and around the world.
6. *Build an International Coalition to Counter Hybrid Threats:* The United States is stronger and more effective when we work with our partners and allies abroad. The U.S. government should lead an international effort of like-minded democracies to build awareness of and resilience to the Kremlin's malign influence operations. Specifically, the President should convene an annual global summit on hybrid threats, modeled on the Global Coalition to Counter ISIL or the Countering Violent Extremism (CVE) summits that have taken place since 2015. Civil society and the private sector should participate in the summits and follow-on activities.
7. *Uncover Foreign Funding that Erodes Democracy:* Foreign illicit money corrupts the political, social, and economic systems of democracies. The United States and European countries must make it more difficult for foreign actors to use financial resources to interfere in democratic systems, specifically by passing legislation to require full disclosure of shell company owners and improve transparency for funding of political parties, campaigns, and advocacy groups.

8. *Build Global Cyber Defenses and Norms:* The United States and our European allies remain woefully vulnerable to cyberattacks, which are a preferred asymmetric weapon of state hybrid threat actors. The U.S. government and NATO should lead a coalition of countries committed to mutual defense against cyberattacks, to include the establishment of rapid reaction teams to defend allies under attack. The U.S. government should also call a special meeting of the NATO heads of state to review the extent of Russian government-sponsored cyberattacks among member states and develop formal guidelines on how the Alliance will consider such attacks in the context of NATO's Article 5 collective defense provision. Furthermore, the U.S. government should lead an effort to establish an international treaty on the use of cyber tools in peace time, modeled on international arms control treaties.
9. *Hold Social Media Companies Accountable:* Social media platforms are a key conduit of disinformation campaigns that undermine democracies. U.S. and European governments should mandate that social media companies make public the sources of funding for political advertisements, along the same lines as TV channels and print media. Social media companies should conduct comprehensive audits on how their platforms may have been used by Kremlin-linked entities to influence elections occurring over the past several years, and should establish civil society advisory councils to provide input and warnings about emerging disinformation trends and government suppression. In addition, they should work with philanthropies, governments, and civil society to promote media literacy and reduce the presence of disinformation on their platforms.
10. *Reduce European Dependence on Russian Energy Sources:* Payments to state-owned Russian energy companies fund the Kremlin's military aggression abroad, as well as overt and covert activities that undermine democratic institutions and social cohesion in Europe and the United States. The U.S. government should use its trade and development agencies to support strategically important energy diversification and integration projects in Europe. In addition, the U.S. government should continue to oppose the construction of Nord Stream 2, a project which significantly undermines the long-term energy security of Europe and the economic prospects of Ukraine.