State Within a State

The KGB & Its 'Successors'

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In July 1918, a Bolshevik commissar pointed to the lack of controls over the Cheka security organs and warned that unless the party limited the Cheka's powers, "We shall have a state within a state."[1] Seventy-four years later Vadim Bakatin, the man who tried to dismantle the KGB as the Soviet Union disintegrated around it, looked back at his failed effort and remarked that the Cheka's heir had indeed become a "state within a state."[2]

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Bureaucratic reshufflings and name changes since the Soviet collapse have brought little real reform of the organs, whose officers continue to call themselves "chekists." President Boris Yel'tsin saw it in his interests not to erase the old legacy by screening security personnel and building entirely new services (as the Czech government did in 1990), but to use the former KGB as one of his main bases of support. He felt that he could keep the organs in check by splitting them into several services and by placing the internal security apparatus, known as the Ministry of Security, under the control of officers from the Ministry of Internal Affairs (MVD).

Yel'tsin's Heavy Reliance on Security Services

Instead of producing the stability that Yel'tsin sought, the arrangement appeared to make the organs even less controllable. In his escalating rivalry with Vice President Aleksandr Rutskoi and Supreme Soviet Chairman Ruslan Khasbulatov and in his attempts to appease the conflicting interests of the entrenched military-industrial complex and bureaucracy, Yel'tsin alienated his reformist political support base and found himself having to rely increasingly on the security "organs."

This reliance culminated in the September 1993 suspension of the Supreme Soviet and the armed confrontation of October 4, in which the chekists—more so than the army—saved Yel'tsin's presidency.[3] However, their last-minute support was reluctant and it was clear that many within the organs were extremely resentful of the president.

Stung by his political losses in the December parliamentary elections, using the slim mandate for his new constitution, and complaining publicly that state security had not supported him sufficiently, Yel'tsin moved immediately to reorganize the organs once more. He tried to splinter them further into separate, smaller agencies which reported directly to him through a newly created national security adviser post in the presidential apparat, occupied by former Grachev confidant Yuriy Baturin.[4] Yel'tsin also expanded the authority and staff of the Security Council, a presidential body responsible for coordinating internal, economic, and foreign policies. The Security Council's degree of control over the security, intelligence, and military services is an open question.

Lessons not Learned

Yel'tsin and his top aides recognized that the main problem of the security organs was their nature; regardless of how they were to be organized, the security services would remain a fraternity of conspiratorially minded officers bonded by the checkist legacy in which their entire training and careers were immersed. As the presidential confidant Gennadiy Burbulis remarked, "The results show that we made a mistake when we did not disband the state security agencies after August 1991."[5]

The president was even more specific. On 21 December he issued a decree abolishing the Ministry of Security, calling it "unreformable." In a remarkable admission, Yel'tsin's decree recognized the continuity with chekism and the shallowness of all previous reforms:

> The system of bodies of the VChK-OGPU-NKVD-MGB-KGB-MB [All-Russian Extraordinary Commission to Combat Counterrevolution and Sabotage (Cheka)-United State Political Directorate-People's Commissariat of Internal Affairs-Ministry of State Security-Committee for State Security-Ministry of Security] has proved unreformable. The attempts at reorganization that have been made in recent years were basically superficial and cosmetic. Up to the present moment the Russian Ministry of Security lacks a strategic concept of ensuring Russia's security. Counterintelligence work has deteriorated. The sys-

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tem of political investigation has been mothballed and could easily be recreated.

> Against the background of the democratic and constitutional reformation taking place in Russia, the existing system of ensuring Russia's security has outlived itself; it is ineffective, burdensome for the state budget, and a restraining factor in the implementation of political and economic reforms.[6]

Yel'tsin's decree was astonishing in that it summarized exactly what democratic critics such as Sergei Grigoryants, Lev Ponomarev, Gleb Yakunin and Galina Starovoitova had been saying all along. Yet the president repeated the mistake he made after the August 1991 putsch. He issued the decrees but failed to follow through; the chekists once again took advantage of the power vacuum and reasserted themselves.

Reorganization and Revanchism

Since August 1991, the reorganization processes have been fluid and changes have been sudden. President Yel'tsin's strategy has been to preserve the chekist structures but to dilute their ability to act against him by dividing them into five major organizations and by transferring some units to other ministries. Brief sketches follow.

Federal Counterintelligence Service (FKS). The legal successor to the Ministry of Security (which was abolished shortly after the December 1993 elections), the FKS is responsible for counterintelligence operations, provision of counterintelligence to government agencies, military counterintelligence, counter-terrorism, counter-narcotics, and combating corruption in the top echelons of government.[7]

The service is currently directed by Sergei Stepashin, a veteran of the MVD who was formerly chairman of the Russian Supreme Soviet Committee on Defense and Security, and who after the 1991 putsch was named Deputy Chairman of the KGB. Considered a moderate who wanted to preserve chekist structures by making them more efficient, Stepashin has surrounded himself with members of the old guard. His deputies in the FKS include Valeriy Timofeyev, former KGB chief of Gorkiy (now again Nizhniy Novgorod); Aleksandr Strelkov, who until 1992 was responsible for the gulag system in Russia; and Igor Mezhakov, a former officer of the KGB Fifth Chief Directorate responsible for political repression, who is now in charge of personnel.[8]

Top-heavy with 227 generals, the FKS reportedly will be reduced in size from the official figure of 139,900 officers to 75,000; most of the reduction will come from transfers to other services. The figures do not include clerical and support staff, academic and scientific personnel, military medical personnel, guards or maintenance staff.[9]

Stepashin affirmed that the FKS would maintain the old KGB agent networks, and was adamant that the identities of the past KGB collaborators would never be made public. He also stated—despite Yel'tsin's public decree—that the FKS would continue to conduct domestic spying operations against Russian citizens based on their political beliefs.[10]

Chekists have dominated much of the booming business community in Russia.

Though ostensibly aimed at potentially violent extremists, Stepashin's affirmation of political spying casts chills on reformers, especially those who strongly criticize the continued chekist nature of the security organs. He lashed out at "enemies" in the democratic movement such as former prisoner of conscience Sergei Grigoryants because of their efforts to expose KGB excesses and to demand real reforms.[11]

Main Guard Directorate. A personal army (bodyguard), surveillance force, and special operations unit under sole control of the president, the Main Guard Directorate (*Glavnoe upravlenie okhrany*) has the former KGB Ninth (Guards) Directorate as its core. It is headed by KGB Lt. Gen. Mikhail Barsukov, who also holds the rank of minister and Commandant of the Kremlin. The directorate includes the 5,000-man former KGB Kremlin Guard,[12] its own intelligence and counterintelligence forces, the elite Alfa spetsnaz unit formerly of the KGB Seventh (Surveillance) Directorate, and other special troops for a total of 25,000 uniformed personnel. The directorate is also in charge of security for government office buildings, including the Parliament and the Constitutional Court. It has taken on so many functions,

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including security of the Rozvooruzhenie state weapons export firm, that the president had to create a special Presidential Security Service headed by KGB veteran Aleksandr Korzhakov.[13]

The *Okhrana*, as critics are calling it in reference to the tsarist security force, wields immense political patronage by controlling many perks of power, including the government limousine fleet, health facilities, stores, tailor shops, special communications installations, and other services. Control of these privileges alarmed the Acting Constitutional Court Chairman Nikolai Virtuk, who summarized his concerns thus, "On the one hand Minister Barsukov is supposed to take orders from the premier and his vice premiers. But on the other hand, it is on him that all of them depend."[14]

Federal Border Service. The renamed KGB Border Guards Chief Directorate, the Federal Border Service is approximately 180,000 strong, or three-fourths its Soviet-era strength. The organization does not merely guard the air and sea borders of the Russian Federation, but serves as a combat force to guard the hard-line communist government of Tajikistan (which has no contiguous borders with Russia), and it is an unwelcome presence in several former Soviet republics such as Georgia. To break any possible chain of command that might autonomously develop from the Ministry of Security, Yel'tsin named an army officer, Col. Gen. Andrei Nikolayev, as its chief.[15]

Federal Agency for Government Communications and Information. Known by its Russian initials FAPSI (*Federalnoe agentstvo pravitelstvennoi sviazi i informatsii*), the organization mainly comprises the KGB Eighth Chief Directorate responsible for cryptography and signals intelligence, and the Communication Troops. FAPSI likes to compare itself to the National Security Agency of the United States, but its powers are much greater. In addition to foreign intelligence functions, it controls the internal electronic communications of the Russian government.

Referring to information and communications systems as "society's strategic resource," FAPSI Director Aleksander V. Starovoitov, a KGB lieutenant general, deplored the proliferation of Western-installed computer systems and developed an initiative to increase "state control... over the information and communication sector." This move was denounced by journalists who said it would "bring all flows of information back to 'former KGB channels.'"[16]

Earlier this year FAPSI won a year-long battle with the Information Resources Directorate of the presidential staff to control a "single information space" in the upper levels of the Russian and Commonwealth of Independent States governments, by persuading Yel'tsin to abolish the civilian directorate and transfer it to the chekist electronic service.[17]

External Intelligence Service. The External Intelligence Service (*Sluzhba vneshnei razvedki*, SVR) is the former KGB First Chief Directorate. The SVR has been restructured to reflect Russia's changed strategic priorities, and the fact that its main client is no longer the former CPSU International Department. It has made much propaganda out of its staff reductions, the closure of 30 to 40 rezidenturas around the world (mostly in small Third World countries of little or no strategic value), and personnel cuts at important posts such as the Russian Embassy in Washington. These cuts may be misleading, since the huge interchange between East and West permits the SVR to run its foreign agents from Russian territory instead of following the riskier traditional practice of servicing agents where they could be monitored by Western counterintelligence. As the Aldrich Ames case shows, the SVR maintains its aggressive espionage activity against the West.

Commercial and economic espionage were carried out aggressively by the chekists since the early 1920s, and the SVR has shifted its emphasis increasingly toward these areas of espionage. The change is due partly to the fact that President Yel'tsin has made the strategic decision to use the organs of power to help the national economy, but the shift appears to be motivated more by the consideration that business-related spying brings in hard currency for the security organs themselves, as well as for the active duty, reserve and retired officers as individuals.[18]

Penetration of Society

The chekists emerged from the Soviet collapse with a great advantage over ordinary citizens and even much of the nomenklatura. They had banks of information at their disposal and connections throughout the former USSR and around the world. They knew better than the rest of their countrymen how to operate in a Western political and business environment. And, even though they were governed ostensibly by new legislation, they are the law.

Like a cluster bomb which spews large numbers of tiny bomblets, the KGB, when broken into smaller parts, penetrates all aspects of life. Whereas under the communist party the organs were strictly controlled from the top down, those controls seem to have evaporated. The chekists have taken on a life of their own, unaccountable to anyone, yet relatively

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unified as a closed fraternity.

As soon as Mikhail Gorbachev abolished the CPSU's monopoly of power, the KGB rushed to fill in the void. Prior to the 1990 elections for the Congress of People's Deputies in Russia and the other republics, the KGB set up a special task force to organize and manipulate the electoral processes. It conducted training courses in political organization for its favored candidates, and provided them with privileged political and economic information concerning their constituencies and, presumably, their rivals. Open KGB officers, 2,756 in all, ran in republican federal, regional and local parliamentary races across the USSR with 86 percent of them winning in the first round. In the Russian Federation, 57 percent of the 630 overt KGB officers who ran won the first round.[19] Several of them occupied prominent positions in the federal Supreme Soviet. These figures do not include covert KGB "citizen agents" and other co-opted individuals, whose numbers are unknown. KGB support for ultranationalist Vladimir Zhirinovsky has been widely reported,[20] but a spokesman for the Federal Counterintelligence Service observed, "A number of the present democratic leaders were KGB agents, too."[21]

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Chekists have dominated much of the booming business community in Russia. According to one report, KGB officers are involved in 80 percent of all joint ventures.[21] They hold prominent positions in most of Russia's stock and mercantile exchanges, and in major financial institutions. To accommodate the desire of many officers to go into business, Yel'tsin authorized in 1992 a new service status called "active reserve."[23] As an active reservist, a state security officer can maintain his profession and the privileges it offers while going into the private sector. This situation completely erases whatever distinctions there may have been between a government security official and a private businessman.

In the rough world of Russian business where few contracts have any legal basis, employing chekists has its advantages. The organs also find it advantageous for its officers to go into business. The giant construction and financial firm Most ("Bridge") reportedly employs more than 800 former KGB officers. Its 60-man analytical department is composed almost entirely of KGB personnel (including former KGB Chairman Viktor Chebrikov), and is chaired by Filip Bobkov, former first deputy chairman of the USSR KGB.[24]

MOST is now moving into the mass media. It is a major financial backer of the Independent Television Company (NTV), which airs the popular "Donahue"-style program "*Itogi*" hosted by former KGB officer Yevgeni Kiselev, and of the liberal newspaper *Segodnya*. Both news organizations, reports the *Financial Times*, reflect the institutional biases of their financial backers.[25] Indeed, *Segodnya* has been among the harshest attackers of Russians such as human rights figure Sergei Grigoryants and dissident chemist Vil Mirzayanov, who demanded radical reform of the security organs.[26]

What appears to be emerging is a huge parastatal system dominated by the former KGB, the nomenklatura, and organized crime. Former KGB Major General Oleg Kalugin, a critic of the security organs, noted recently a large "underground racketeer group" that "is headed and staffed by former KGB." He remarked, "Criminals have already conquered the heights of state—with the chief of the KGB as head of a mafia group," an apparent reference to former Security Minister Viktor Barannikov.

Organized crime figures have become so powerful in Russia that they join the same circles as the civil authorities. Otari Kvantrishvili, a known Moscow gangster who was assassinated in April, had positioned himself so that he "could successfully settle conflicts that occurred between Moscow officials, financiers, and representatives of the underworld. Therefore, on the one hand, many criminal authorities were among his pals; on the other, top officials in *militsiya*, actors, sportsmen [and] politicians." He even aided a fund to help Moscow police officers and their families.[27]

Conclusion

The chekists today hold most of the major levers of power in Russia. Their official duties include foreign and

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domestic intelligence, counterintelligence, military and police counterintelligence, electronic communications, border guards and customs, tax investigation and enforcement, political patronage, and fighting organized crime and drug trafficking. These duties neatly complement their firm penetration of the political process, and their new entry into the country's economic and commercial structures. In many ways the distinction is being erased between the security services, on the one hand, and government, business, and crime, on the other hand.

Boris Yel'tsin is largely to blame. He made the decision to preserve the KGB at a time when he had the political capital required to do away with it. His new constitution, which created a weak parliament, allows for few functioning checks and balances. His term as president expires in two years, but he will leave behind no institutions upon which a working democratic government can be built.

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[1] Minutes from the Second All-Russian Conference of Commissars, 2-6 July 1918, trans. in James Bunyan and H.H. Fisher, *The Bolshevik Revolution, 1917-1918* (Stanford, 1934), pp. 580-581.

[2] Vadim Bakatin, interview with author, 19 September 1992.

[3] The author was in Moscow and was an eyewitness to the October 4 attack on the Supreme Soviet building. For his analysis of the power struggle, see J. Michael Waller, "Yel'tsin's Debt to the Old KGB," *Wall Street Journal Europe*, 21 October 1993. Also see Victor Yasmann, "The Role of the Security Agencies in the October Uprising," *RFE/RL Research Report*, Vol. 3, No. 8, 25 February 1994, pp. 19-30.

[4] Victor Yasmann, "Security Services Reorganized: All Power to the Russian President?" *RFE/RL Research Report*, Vol. 3, No. 6, 11 February 1994, pp. 7-14; and Alexander Rahr, "Reform of Russia's State Security Apparatus," *RFE/RL Research Report*, Vol. 3, No. 8, 25 February 1994, pp. 19-30.

[5] Gennadiy Burbulis, Ostankino Television, 15 December 1993, cited by Yasmann, "Security Services Reorganized," p. 8.

[6] ITAR-TASS world service in Russian, 1704 GMT, 21 December 1993, trans. in FBIS-SOV-93-244, 22 December 1993, p. 35.

[7] Sergei Stepashin, interview with *Rossiyskaya gazeta*, 12 January 1994, first edition, p. 2, trans. in FBIS-SOV-94-008, 12 January 1994, p. 33.

[8] Natalya Gevorkyan, "Appointments," *Moscow News*, No. 13, 1994 (e-mail edition only).

[9] Edict No. 19 of the President of the Russian Federation "On Ratifying the Statute of the Federal Counterintelligence Service of the Russian Federation," *Rossiyskaya gazeta*, 11 January 1994, first edition, p. 5, trans. in FBIS-SOV-94-007, 11 January 1994, p. 8; and Olga Semenova, ITAR-TASS in English, 25 March 1994, citing FKS Director Sergei Stepashin.

[10] Sergei Stepashin, interview on "*Itogi*," St. Petersburg Fifth Channel Television, 1800 GMT, 30 January 1994, trans. in FBIS-SOV-94-025, 7 February 1994, pp. 21-22.

[11] Sergei Grigoryants, interview with author, Moscow, 8 April 1994.

[12] ITAR-TASS, 21 March 1993, and *Sel'skaya Zhizn'*, 31 August 1993, cited by Victor Yasmann, "Security Services Reorganized: All Power to the Russian President?" *RFE/RL Research Report*, Vol. 3, No. 6, 11 February 1994, p. 11.

[13] Yasmann, "Security Services Reorganized," p. 12.

[14] Yan Ulanskiy, *Kuranty*, 24 March 1994, p. 1, trans. in FBIS-SOV-94-057, 24 March 1994, p. 8.

[15] Text of edict of federal restructuring, ITAR-TASS world service in Russian, 1406 GMT, 10 January 1994, trans. in FBIS-SOV-94-007, 11 January 1994, pp. 23-26.

[16] Vera Selivanova, "All Information to Have One Color: KGB Will Determine Which One," *Segodnya*, No. 38, 30 July 1993, p. 2, trans. in FBIS-SOV-93-147, 3 August 1993, pp. 10-11.

[17] *Kommersant-Daily*, 23 February 1994, p. 2, trans. in FBIS-SOV-94-037, 24 February 1994, pp. 29-30.

[18] The author discusses this in greater detail in *Secret Empire: The KGB in Russia Today* (Boulder and London: Westview, 1994), pp. 137-139.

[19] *Informatsionnyi byulleten KGB USSR*, No. 2, 1990, cited by Alexander Rahr, "Kryuchkov, the KGB, and the 1991 Putsch," *RFE/RL Research Report*, Vol. 2, No. 31, 30 July 1993, p. 19.

[20] St. Petersburg Mayor Anatoliy Sobchak stated that, when he was a member of Gorbachev's Presidential Council, he witnessed the order to "find" a controlled individual who would set up the first "opposition" party. Zhirinovsky, reported Sobchak, was that individual, whose Liberal Democratic Party registered even before the CPSU.

[21] Aleksei Kandaurov, spokesman for the Moscow branch of the Federal Counterintelligence Service, interview with *Panorama* (Milan), 4 February 1994, p. 72, trans. in FBIS-SOV-94-026, 8 February 1994, p. 11.

[22] Mark Deich, *Golos*, No. 42/43, October 1992, cited by Rahr, "Reform of Russia's State Security Apparatus," p. 28.

[23] *Moskovskaya pravda*, 4 September 1992, and *Komsomol'skaya pravda*, 14 November 1992, cited by Rahr, "Reform of Russia's State Security Apparatus," p. 28.

[24] A retired KGB general now in business provided this information in a confidential interview with the author.

[25] Leyla Boulton, "Making the Medium the Message," *Financial Times*, 5 April 1994, p. 12.

[26] Sergei Grigoryants and Vil Mirzayanov, interviews with author, Moscow, April 1994. See also Mr. Mirzayanov's article in this issue of *Perspective*.

[27] Major General Oleg Kalugin, statement at a seminar sponsored by the Glasnost Foundation, Moscow, 9 April 1994, from author's notes.

[28] Igor Baranovsky, "Several Versions of an Assassination," *Moscow News*, No. 15, 15-21 April 1994, p. 15.