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# American spies tracked Putin for over 20 years

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Vladimir Putin was of deep interest to American intelligence even when he was deputy mayor of St Petersburg in the 1990s.

“Mr Putin . . . was part and parcel of looting the state; and he was involved in it for years,” Richard Palmer, a former CIA station chief in Moscow, claimed in evidence to a US congressional committee in 1999.

Yet surprisingly little is known about the extent of Mr Putin’s personal wealth or whether it is hidden.

One reason is that the United States has been concerned with more pressing priorities during the intervening 20 years. Another is that the White House found claims of corruption in Russia politically awkward at a time when they were trying to get along with the man in the Kremlin.

Successive American presidents through Bill Clinton, George W Bush and Barack Obama pursued a foreign policy based on trying to reset relations with Russia.

As they did so, a picture emerges of low-level US government officials gathering material on Putin’s wealth and political appointees, which was simply ignored by their masters.

One source in the US Congress told *The Times*: “Shrinking budgets, less attention on Russia and a political determination that information like this was inconvenient, particularly in the early phases of reset with Russia, all this together meant it was not easy.

“I know of one instance where a CIA report on corruption was sent to the White House, where an official wrote on it in foul language and sent it back.”

After 9/11, a new department was set up within the US Treasury, aimed at curbing the War on Terror by applying the discipline of forensic accounting to the intelligence gathered by America’s spy agencies.

Al-Qaeda, and subsequently Iran, were the key targets as the US began to develop the idea of sanctions when diplomacy was ineffective and military might out of the question. Russia was not considered a priority for the US Treasury’s 150-strong Office of Intelligence and Analysis.

When Russia went to war with Georgia in 2008, Treasury officials had seats in the White House Situation Room and sanctions were considered. Those proposals were not acted upon, amid concerns for their impact on the global economy.

That changed when Russian forces swept into Crimea last year. “Last time we looked, a large Russian bank was off the table, but now the gloves are off,” the former official said. Ten banks are among those individuals and entities now sanctioned by the US.

The US had been trying to develop with Russia a relationship akin to its links with China, involving a multitude of economic ties which protect either side from reckless escalation on points of dispute. "At the moment, with Putin and his cronies, we are locked on an inevitable and destructive path to escalation," the source said.

The most commonly cited source for an estimate of Putin's wealth is a CIA assessment in 2007, never published, but said to conclude that he was worth \$40 billion.

For those who have worked within the US administration, it is not really the right question to ask. A former Treasury source said: "With someone like Putin, it is not about how much money he has or where his bank account is. The constructive line to take, first and foremost, is: what is our situation politically; how much pressure do we want to put on; what is the right amount of pressure to dissuade conduct, while limiting economic impact on the wider world?"

What motivates Putin? "The best answer I have seen is that it is almost like a Napoleon complex - he wants to go down in history as the greatest Russian ever," the Treasury source said.

"There's not so much of a scheme or meticulous behaviour, it is instinct, impetuosity, impulse. He likes the idea of being strong and calling the shots. Does he desire wealth? Of course he does, to be the greatest Russian he needs access to wealth."