



State Security Department of the Republic of Lithuania



Second Investigation Department under the Ministry of National Defence

NATIONAL SECURITY THREAT ASSESSMENT

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INTRODUCTION

National Security Threat Assessment by the State Security Department of the Republic of Lithuania (VSD) and the Second Investigation Department under the Ministry of National Defence (AOTD) is presented to the public in accordance with Articles 8 and 26 of Law on Intelligence of the Republic of Lithuania. The present document provides consolidated, unclassified threat and risk assessment to national security of the Republic of Lithuania prepared by both intelligence services.

SUMMARY

Russia, aggressively seeking to strengthen its dominance in the region and change the global balance of forces, is considered to be **a major source of threats posed to the national security of the Republic of Lithuania**. In 2016, Russia's president was strengthening his authority concentrating even greater power in his hands. The aggressive foreign policy was employed in order to divert attention of the society from economic crisis and growing social problems in Russia. In this way, Russia is attempting to entrench its great power status and is intervening in other countries' internal and foreign affairs more aggressively with an aim to shift them to its own benefit.

Belarus systemic dependence on Russia remains a risk to Lithuanian national security. Russia shows interest in extending its influence over Belarus by ensuring protection of its interests, and first of all, the military ones. In case of a conflict with NATO, Russia could use its influence instruments in Belarus not only against Belarus but also against the neighbour countries.

Throughout 2016, **intelligence services of Russia as well as closely cooperating services of Belarus have continued their active and aggressive activity against Lithuania**. Covert espionage and influence operations carried out by Russian intelligence services against Lithuania supported the objectives of Russian foreign policy. Due to the Seimas elections held in 2016, Russian intelligence services paid special attention to collection of information about the processes of internal policy, and even recruited the residents of Lithuania with no intelligence potential on the territory of Russia. Belarus intelligence services recruited Lithuanians arriving to Belarus, collected information about Lithuanian military and other strategic infrastructure.



In 2016, Russian economic policy in respect of Lithuania has remained basically unchanged. After Lithuania reached essential positive changes, **the major threat perceived to the state's energy security was energy projects from third countries contravening the interests of Lithuania:** construction of Ostrovets Nuclear Power Plant and attempts to revive the project of Baltic Nuclear Power Plant in Kaliningrad Oblast.

Russia was strengthening the tools which restricted the freedom of mass-media and limited the access to alternative sources of information in the country, also **developed the mass-media means abroad.** Through social media and propaganda events **Russia was seeking to wield influence on the audience in Lithuania and abroad** by escalating society-sensitive topics, such as NATO forces deployment or the 13th of January events, and accusing Lithuania of falsifying the history in the public sphere.

Cyber espionage against Lithuanian state institutions, state's critical infrastructure objects, politicians, private sector remains a threat to national security of the country. A major part of **executed cyber attacks (cyber attacks, espionage) against the state sector of Lithuania in 2016 were associated with Russian intelligence and security services,** their-supported groups or individual hackers.

Russia's ambitions to restore its influence in the post-Soviet space affect both, social and political processes of Lithuania. In 2016, **Russia was striving to weaken Lithuania's social integrity by escalating ethnic confrontation.** Russia-friendly social and political forces have not gained much influence over internal processes of Lithuania but their representatives are exploited for Russia's propaganda objectives. Extremism supporters in Lithuania are not large in quantity and currently they are not capable to provoke any larger scale unrests independently.

Terrorism threat in Europe throughout 2016 has remained high. A terrorist organization proclaiming itself the "Islamic State" (ISIL) planned and executed attacks in Europe. The risk of **ISIL terrorist attacks has also increased in Egypt and Turkey, the countries of great tourism attraction by Lithuanian citizens.** It should not be excluded that Lithuania as a member of EU and NATO may become a target for terrorists but presently such possibility is considered to be low.

In 2016, the flows of irregular migrants to Europe decreased but still posed threats to security in Europe, since **part of ISIL members who staged terrorist attacks in Europe had used the routes of irregular migration.**

POLITICAL AND MILITARY SECURITY

Influence of Russian Internal Policy Processes on Lithuanian Security

In 2016, Russian President Vladimir Putin implemented radical institutional changes that strengthened his power. In April, the National Guard Troops Service of Russian Federation (*Rossgvardiya*) that is directly subordinate to the president was established on the basis of special purpose forces of internal troops and law enforcement agencies, whereas the Federal Drug Control Service and the Federal Migration Service were put under the Ministry of the Interior. Putin's former bodyguard, Viktor Zolotov, noted for his loyalty, was assigned to lead *Rossgvardiya*. The primary task of *Rossgvardiya* is to ensure the stability of the regime neutralizing a possible

discontent of the society. In addition, creation of *Rossgvardiya* with extensive powers and directly reporting to the president reduces the influence of the Federal Security Service (FSB) and Armed Forces of Russia.

The powers of the president are becoming more concentrated in the hands of one person and thus it increases the chances of inconsiderate, irrational and risky actions that could be driven by personal motives.

In 2016, Putin made changes in the country's top management and increased the concentration of powers. President replaced the Chief of Staff of the Presidential Administration as well as domestic policy group, changed director of Foreign Intelligence Service (SVR), several heads of other important institutions, some governors (including Kaliningrad Oblast). Putin showed an increasing trend to appoint to important positions loyal and obedient persons with good administrative skills, no ambitions so that they would diligently implement Putin's instructions. The result is that the powers are becoming more concentrated in the hands of one person and thus it increases the chance of inconsiderate, irrational and risky actions that could be driven by personal motives.

Russian Parliament elections were held according to Kremlin's scenario where the victory of *Yedinaya Rossiya* party was ensured and opposition marginalized. During the State Duma elections in September 2016, the ruling party *Yedinaya Rossiya* consolidated its positions even



more and won 343 seats out of 450 (105 seats more than in previous elections) that guaranteed constitutional majority and, under necessity, will be able to change Constitution regardless of other parties' opinion. The 2016 elections were particularly unfavourable to non-systemic opposition: no party crossed the barrier of 3 % which could guarantee the federal financing. Convincing victory of *Yedinaya Rossiya* in the elections showed that the regime has a total control over political processes in the country by using the combination of repressions and manipulations.

Due to low oil prices and international isolation the economic crisis in Russia continued through 2016 but the Kremlin has not undertaken any structural reforms. Even though the regime representatives speak about potential economic reforms, any crucial decisions in the short-term (up to 2 years) are not likely. Any changes of power balance can pose a threat to Putin's authority and therefore pose danger to regime. The privatization programme which started in 2016 was intended to refund the budget deficit but it has not changed the economic structure in essence (the best illustrating example is the oil company *Bashneft* which was bought by another state-run oil company *Rosneft*). The major share of the resources in Reserve Fund was used in 2016 and the remaining part could be exhausted in 2017, therefore the National Wealth Fund will be used to cover the budget deficit. Rising global oil prices from the end of 2016 may partially reduce the need for structural reforms and sustain Russia's economic viability for several years.

Russia's Foreign Policy Towards the West

In 2016, Moscow showed its determination for persisting confrontation with the West and its foreign policy was notably becoming more

aggressive. The major spotlights of confrontation remained a 'frozen' conflict with Ukraine, Russia's aggressive military actions in Syria, active interventions in internal affairs of foreign countries (for instance, USA, Montenegro). Moscow has constantly maintained a harsh anti-western rhetoric and this has led to a notably increased number of provocations and controversial decisions taken in the second-half of 2016 (a siege of Aleppo in Syria, demonstrative deployment of *Iskander* missile complexes to Kaliningrad, suspension of agreement with the US on plutonium utilization, etc.). The Kremlin blamed foreign foes from the US and EU over all internal problems in the country.

The primary audience of Russia's confrontational policy with the West is internal public. The Russian regime intends to give an ideological base for its actions: the ambition for the global power status is justified by cultural exclusiveness and the history, whereas the efforts to consolidate society are made by promoting 'traditional' values and threats emanating from abroad. After the State Duma elections in September 2016 and before the presidential elections in 2018 Putin is trying to secure a maximum public support. Weak economy and deteriorating social situation

Russia holds to position of long-term confrontation with the West and increases its influence on West democracies by making use of their infringements.

are suppressed by external enemy threats, preparation for long-lasting confrontation and mobilization of the society.

Russian ruling regime assesses that in 2016 favourable geopolitical circumstances emerged to reduce domination of the West in the international arena. During the 2016 US presidential elections campaign, Russia started to conduct more aggressive foreign policy (particularly in Syria) and more intensively seek

to overcome international isolation: through cooperation with China, Egypt, Serbia and other countries Russia strives to counterweigh the pressure from the West. During the tenure of the newly elected US president Donald Trump, Russia will likely keep the dual strategy in its foreign policy, i.e. will demonstrate its readiness for a new 'reload' with the US trying to consolidate a status quo to Russia's advantage (establishment of "influence zones" in the "Near Abroad", further "freezing" the conflict in Ukraine, legalisation of Crimea annexation); however, if the situation does not change and relations with the US do not improve, Russia will return to the politics based on confrontation and isolation.

By pursuing aggressive foreign policy, Russia actively seeks to fragment the European Union (EU). Currently, the members of the EU lack unity: the United Kingdom's exit from the EU (BREXIT), persisting migration crisis, increasing number of countries doubting the extension of sanctions imposed against Russia. The Kremlin seeks to take advantage of the current situation: actively searches for partners among the EU members (particularly to lift sanctions) in this way making attempts to set EU members against each other and interfere in forming a joint EU policy towards Russia, supports Russia-friendly political forces, and tries to influence EU institutions directly. Three Russian energy companies, namely "Gazprom", "Lukoil" and "Inter RAO UES", have declared officially spending 2 million Euros on lobbying in Brussels in 2016, and this is only a small undisguised part of Russian lobbying effort. Russia is capable enough (cyber attacks, information policy, the Kremlin lobbyists, intelligence and security services operations) to exert influence over internal processes of the EU members to its own advantage, therefore the coming elections in EU countries will likely attract more attention from Moscow.

Russia's Military Policy

Military power remains one of the key elements of Russia's foreign and security policy. It has been reflected by Russia's intervention in eastern Ukraine and also in continuing military operation in Syria.

Defence spending is one of the top priorities for Russian political elite. The budget on defence has increased by almost 25 % in 2016 (up to 23.7 % of the total budget expenditure and about 4.7 % of GDP). However, due to ongoing economic hardship, defence spending for 2017 was planned to be reduced to 17.5 % of the total budget expenditure and 3.4 % of GDP respectively. The finance minister, however, is authorized to allocate additional assignments to defence and security institutions by up to 10 %. Therefore, financing for national defence in 2017 will likely contract insignificantly or will not decrease at all. Saving in national defence spending may negatively impact routine activities of Russian Armed Forces but the effect on modernization program and the growth of combat potential will not be significant.

Ever since the start of the Russian Armed Forces reform the key issue and obstacle for progress was the manning shortfalls. One of solutions reducing a negative effect of the problem on Russian Armed Forces is battalion tactical groups (BTG) becoming the main tactical unit. High combat readiness units of 700-800 soldiers have been manned primarily by contract. During recent years, BTGs have been rapidly increasing in numbers. Officially, Russian Ground Forces had 66 BTGs in 2015, 96 – in 2016, 115 is the target number for 2017, and 125 – for 2018. Growing number of BTGs allows Russia to use its military forces with a relatively short notice.

Russia's military and political leadership still gives a greater focus on strengthening the Western Military District (MD). Yet in 2015, Russian



Russian missile ship crossing Bosphorus Strait amid redeployment from the Black Sea to the Baltic Sea

leadership announced about the plans to create three new divisions in a western direction and presented it as a response to NATO activities. In 2016, majority of fundamental changes in a western direction were in fact conducted in order to build up military capabilities near Ukraine. The process of establishing two motor-rifle divisions in the 20th Army (responsible for Ukraine direction) has already started. The third one is also being established near the border with Ukraine, but in the Southern MD. This is an example illustrating how Russia presents its own strategic development of forces with no direct relation to the Alliance as a response to NATO activities.

Kaliningrad Oblast remains one of the most militarized regions and Russian military grouping deployed there is being further reinforced. In 2016, the Baltic Fleet received two small missile ships equipped with *Kalibr* cruise missiles capable of destroying targets in a range of 2,000 km. Coastal defence system was enhanced in 2016 by Bal and Bastion coastal missile defence systems. This enables Russia to destroy surface targets almost across the entire Baltic Sea basin. In 2016, Russia started to modernize its combat aircraft fleet: the first multi-role fighter jet Su-30SM has already been transferred to Kaliningrad Oblast and the trend will almost certainly continue.

Ground force units located in Kaliningrad Oblast were integrated into the 11th Army Corps

in 2016. It will enable Russia to utilise them more effectively. At the same time, units are being relocated within Kaliningrad Oblast, the subunits of the 79th Motor Rifle Brigade are being transferred from Gusev to Sovetsk (near Lithuanian border). The 11th Corps will likely be augmented in the nearest future with the new units. The expected rearmament of the missile brigade with short-range ballistic missile system *Iskander* will bring the major qualitative change. By now, almost every Russia's missile brigade has already been rearmed with the *Iskander* systems and Russia will inevitably rearm the 152nd Missile Brigade deployed in Kaliningrad Oblast, however it will be presented as a response to NATO actions.

A large part of Russian military activity in the western strategic direction is related to simulation of a conflict with NATO and is intended to provide strategic and regional deterrence. In August 2016, the Collective Security Treaty Organization (CSTO) exercise *Vzaimodeistviye 2016* was held in Pskov and Leningrad districts of Russia. The exercise scenario overtly included NATO forces in the Baltic Sea region as an enemy and a source of threat. In October 2016, the exercise of strategic nuclear deterrence was held in Russia. The exercise served a function of power

Currently, Russia is capable to conduct combat activities against the Baltic States with 24-48 hrs notice.

In case of Russian military aggression, countries in the region would have a possibility to contain the aggression effectively only if the required sufficient defensive capabilities were already present in the region before the start of the conflict. The capabilities should be sufficient to conduct operations independently from the main allied forces and prior to their deployment.

demonstration and was likely related to the increased tensions over Syria between Russia and the West. During the exercise, *Iskander* missile system was temporarily deployed to Kaliningrad Oblast. It was shipped to Kaliningrad using a civilian ferry.

Russia's military activity in the region during 2017 will increase due to a large-scale strategic exercise *Zapad 2017* held jointly by Russian and Belarusian armed forces in September. Russian Armed Forces usually organize large-scale so-called unexpected combat readiness exercises (SNAPEX) before the exercise of such level. Such SNAPEX in the Western MD with tens of thousands of troops involved will likely precede the exercise *Zapad 2017*. According to official data provided by Russia and Belarus, about 13,000 troops participate in *Zapad 2017* level exercises. However, a real number of exercise participants will highly likely exceed the officially stated numbers and the exercise scenario will

Anti-Access means preventing or impeding the access of an adversary to the region. Area Denial – substantially limiting the scope for an adversary's actions in the region. A2AD – is a whole of military measures which should isolate the conflict region in case of arising crisis or war, restrict adversary's access to the region and limit the scope for actions in the region to maximum.

simulate an armed conflict with NATO. Some of the exercise training ranges will be very close to Lithuanian border, therefore a possibility of deliberate or accidental incidents should not be ruled out. Since some of the exercise episodes will take place at the training ranges of Belarus, a large number of the Russian Armed Forces troops and combat equipment will be deployed to the territory of Belarus.

The main driver of the military build-up in Kaliningrad Oblast is the aim to shorten military reaction times and enhance deterrence. Currently,

Russia is capable to conduct combat activities against the Baltic States with 24-48 hrs notice. In addition, Anti-Access/ Area Denial (A2AD) capabilities continue to be developed. The overall objective for Russian authorities is to have military capabilities in the region that would allow Russia to execute a military operation in the region without a visibly longer period of preparations and minimizing the abilities of opponent to respond effectively. In case of Russian military aggression, countries in the region would have a possibility to contain the aggression effectively only if the required sufficient defensive capabilities were already present in the region before the start of the conflict. The capabilities should be sufficient to conduct operations independently from the main allied forces and prior to their deployment.

Menaces Posed by Belarus' Domestic and Foreign Policy to Lithuania

Belarus is a non-democratic and authoritarian state, systematically dependent on Russia in the sectors of politics, economy and defence. In 2016, the President of Belarus Alexander Lukashenka did not take any necessary economic or administrative reforms. No progress was reached in the field of human rights as well. Belarus' opposition remained weak and split. The victory of two candidates from the opposition in parliamentary elections (after 20-year break) held in September 2016 was not of great political importance.

The economy of Belarus currently undergoes a recession which has a negative effect on the state's possibilities to preserve social guarantees for its residents. In 2016, the Belarus GDP fell by 2.6 % and real wages decreased by 4 %. Deteriorating economic situation increases discontent of the people, however it will hardly likely provoke any larger scale protests posing a threat to regime in

the foreseeable future. The Belarusian society is apathetic, whereas the ruling regime suppresses any attempts to express critical opinion.

Russia is seeking to retain and increase its influence in Belarus. The country is greatly affected through Russia's information sphere. In 2016, Russia launched a multi-media outlet and news agency *Sputnik* in Minsk and established already a third Centre for Science and Culture *Rossotrudnichestvo* in Gomel, Belarus. Currently, around 100 pro-Kremlin organizations are based in Belarus which disseminate "Ruskij Mir" ("Russian World") ideology, organize cultural, historical and sports events funded by the Kremlin structures. Several tens of military patriotic clubs function in Belarus and even six of them conduct their activities in Grodno area, at the border of Lithuania and Poland, e.g. The *Nemunas Cossacks* clubs. Military patriotic clubs maintain close relations with Belarus Orthodox Church (that belongs to Moscow Patriarchate), organize paramilitary camps for youth during which conduct trainings at military bases of Belarus and Russia. It should not be excluded that the members of active military organizations in Belarus who support the ideas of "Ruskij Mir" ("Russian World") could be

mobilized to support Russian military actions or stage provocations first of all in Belarus and also against the Baltic States.

Currently, the tension in relations between Russia and Belarus is rising due to supply of gas and oil, and the quality of Belarusian food products. In December 2016, Lukashenka demonstratively ignored the meeting of Eurasian Economic Union members. In this way, Lukashenka is likely seeking to make pressure on Russia.

In a presence of threat from Russia, the regime of Belarus makes attempts to portrait itself as the only guarantor of the statehood of Belarus, wants to ensure support both from the West and the opposition. For instance, the state institutions of Belarus insistently recommended not to use Russian symbols during the commemoration parades of the 9th of May (instead, urged to use alternative Belarusian symbols – "the flowers of Great Victory"); the Committee of investigation of Belarus has detained three *regnum.ru* journalists who were disseminating the Kremlin's propaganda about the increasing nationalism of Belarus and disloyalty to Russia.

Belarus is sistematically dependant on Russia



- Around 100 pro Kremlin organizations



- 3 centres for Science and Culture "Rossotrudnichestvo"



- At least 20 military patritic clubs who support the ideas of "Ruskij Mir" ("Russian World")



- 60 % of Belarus information sphere is taken up by the Russian media



- 2/3 of Belarusians trust the Russian media



- 60 % of credits come from Russia



- 50 % of annual trade turnover is with Russia



- 100 % dependent on Russian gas



- 90 % dependent on Russian oil

Belarus' Military Policy

Bilateral disagreements have no effect on Belarusian-Russian military cooperation. Both countries largely share their views on regional threats (NATO, US anti-missile defence) and Belarus still considers Russia a strategic partner when it comes to hard security. Russia and Belarus are further developing the Regional Military Grouping (RMG) and the United Air Defence System. They also regularly conduct joint military exercises. Russia consistently delivers armament to Belarus under preferential conditions and thus increases Belarus Armed Forces potential. In 2016, Russia fulfilled all the contractual obligations to supply Belarus with military equipment and armament. Belarus' Air Force and Air Defence Forces procured another four combat trainers Yak-130 and formed a separate squadron. Moreover, Belarus received a batch of helicopters Mi-8MTB-5, early warning radar *Protivnik*, and continued to receive air defence systems. According to Belarus' military leadership, in 2017 Belarus should receive the first Russian fighters Su-30 and other necessary armament and equipment. Belarus has been intensively preparing for large-scale joint strategic military exercise *Zapad 2017* scheduled for September. During the exercise, a military conflict with NATO will likely be simulated. Minsk keeps up the military infrastructure for the needs of the RMG and also Russian Armed Forces. Russia's plans to establish military aviation base in Belarus in 2016 were not implemented, but Belarus still keeps up the infrastructure required for the units.

The aim of Belarus is to have compact and mobile armed forces, equipped with modern armament and combat equipment. Since majority of available armament is outdated, the Armed Forces have been focussing on improving qualitative parameters of the forces. Even though a dire economic situation of the country restrains

acquisition of new and modernized armament, some changes in this sector have been observed after a long pause. Belarusian military industry started to supply the army with new equipment, such as *Rosa* and *Vostok* radars, armoured vehicles. Since the military industrial complex managed to sustain technological potential and manufacturing capabilities it is capable to make an input to defence modernisation effort. Belarus cooperates not only with Russia but also with other countries when the issue concerns armament modernization process. For instance, the new generation multiple launch rocket system (MLRS) *Polonez* was developed in cooperation with Chinese companies. In 2016 system was tested and transferred to the armed forces. With its 200 km range, MLRS *Polonez* is more advanced in terms of its parameters than the legacy MLRS used by Belarus Armed Forces. The supply of this new system will enable Belarus Armed Forces to increase its combat capabilities in the medium-term.



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Ukraine, Georgia and the CIS Zone

Dismissal of Ukrainian Prime Minister Arseniy Yatseniuk and approval of Vladimir Groisman government in 2016 distanced a possibility of snap elections and allowed to some extent stabilize the internal political situation of Ukraine. A minority government emerged as a result of compromise reached between various groups and interests, and without a majority's backup is dependent upon the support of business-political groups in the parliament.

Relatively stable internal political situation reached in 2016 is fragile due to growing socio-economic tension and the opposition's destructive actions. Mounting discontent with the government, growing popularity of opposition and developing of new political movements retain a possibility of massive protests and snap parliament elections. Currently, populist political movements are the most popular in the country. Ukraine climbed out of economic recession in 2016 but the economic situation still remains complicated. After a two-year decrease GDP has increased by 1.5 % in 2016, and the inflation rate stabilized at 12 %. In 2016, exports destination shifted from the East to the West. The EU share in Ukrainian foreign trade amounts to 40 %, whereas RF share declined down to 15 %. A slow economic recovery tendency is likely in 2017. Even so, Ukraine will remain heavily dependent on foreign financial support.

Russia continues to exert strong military, political, economic and informational pressure on Ukraine. Moscow is intensively sending signals that Russia is

not interested in escalating the conflict, but at the same time is striving to settle the conflict by implementing the so-called Minsk agreements to its own benefit. Russia demands that Ukraine implement the Constitutional reform which would establish the decentralization of the state and ensure a special status to separatist territories in this way legalising them as individual subjects. These territories would be exploited for retaining Ukraine in Russian influence zone. Therefore, Russia is manipulating the efforts of the conflict resolution and is stalling the negotiations, simultaneously supporting the armed actions which aggravate stabilization of the political and security situation in Ukraine.

Intensity of military conflict between Ukraine and Russian-led pro-Russian forces in 2016 was relatively low as compared to 2014 and 2015. The stance of Russia and Ukraine on the settlement of the conflict and the goals differ in essence, therefore a possibility of military conflict escalation still remains.

Pro-Russian candidate Igor Dodon won the 2016 direct presidential elections in Moldova, however the course of Moldavian foreign policy will not change in the short-term since the president has no constitutional authority for such alterations.



Dodon will have limited powers and will be restricted by the pro-European majority of the parliament and unofficial government, which is controlled by the oligarch Vladimir Plakhotniuk and his inner circle. Dodon will encounter with difficulties to satisfy society's expectations and fulfil the elections pledges simultaneously retaining the popularity of the Socialist Party until the 2018 scheduled parliamentary elections. Therefore, it is likely that Dodon will seek for snap parliament elections. The pro-European anti-government opposition, which performed well in the presidential elections, will keep on trying to grow its popularity by staging mass protest rallies. However, its possibilities to win the parliamentary elections will remain very limited. High rates of corruption, close relations between business and political representatives as well as stagnating reforms remain the main threats in continuing the course of Moldavian pro-European policy. Snap parliament elections could create preconditions for pro-Russian parties to come to power and shift the course of foreign policy in Moldova.

There were no essential changes in 2016 as far as the settlement of the Transnistrian conflict is concerned. *De facto* presidential elections held in Transnistria in 2016 will have no effect on security of the region. Deepening economic crisis will urge Tiraspoli to choose pragmatic relations with Chisinau. Russia is using Transnistria for making pressure on Moldova and Ukraine but is not seeking to isolate the separatist region entirely from Moldova or to annex it.

Episodic combat clashes with the use of heavy weaponry have been taking place in Nagorno Karabakh since the second half of 2014 and the largest military escalation after 1994 was carried out in April 2016. However, a military conflict remains comparatively low in intensity. A strong possibility remains that new clashes

will take place in the region, but they will hardly likely grow into large-scale military actions. During the 2016 escalation, Azerbaijan regained a symbolic territory which was a significant factor for consolidating the society, reinforcing the regime, and diverting society's attention from economic problems. Dynamics of the Nagorno Karabakh conflict has become slightly more beneficial to Azerbaijan that has started closer relations with Russia and less to the latter's ally Armenia. One of the reasons of such development is that Russia's political, economic and military domination in Armenia has become so strong that Russia is able to ignore the interests of Armenian elite and society.

There were no essential changes in 2016 as far as the issues of Abkhazia and South Ossetia, the separatist regions of Georgia, are concerned. Politically, Russia is trying to ensure its control over conflict regulation by blocking direct contacts between the Georgian authorities and the authorities of the breakaway regions. Moscow continues partial integration of the separatist regions into its own political, economic and security area, but so far has avoided incorporating them into its own territory. There were no essential changes in the course of foreign policy in Georgia. Neither Georgia nor Russia shows any signs of will to step forward in normalizing the relations. Therefore, the ideas of improving relations between Russia and Georgia remain marginal.



THREATS POSED BY RUSSIAN AND BELARUSIAN INTELLIGENCE AND SECURITY SERVICES

Russian Intelligence and Security Services' Interests and Activity Methods against Lithuania

There were no significant changes in counterintelligence field in 2016. The biggest threat against Lithuania is still posed by covert espionage and influence operations supporting the aims of Russian foreign policy. All three Russian intelligence and security institutions – the Russian Foreign Intelligence Service (SVR), the Russian Federal Security Service (FSB) and the Main Intelligence Directorate of the General Staff of the Armed Forces (GRU) – were carrying out operations. Russian secret services were conducting intelligence against Lithuania not only in Lithuania, in Russia and from Russia, but also in third countries.

In 2016, Russian intelligence services' officers who travelled to Lithuania for work under diplomatic cover continued visiting various events related to international relations, politics, defence, economy, energy, finances, and attending various science and research conferences, presentations of official state publications, exhibitions, etc.

Some Russian intelligence officers working in Lithuania are able to communicate in Lithuanian language; they start communication easily and proficiently conceal their real motives of interest. During an "accidental" meeting, which at first does not seem to be suspicious, a Russian intelligence officer always searches for opportunities to obtain as much information about a potential target as possible, his/her creeds, weaknesses and other possible motives for cooperation. In a few hours after the meeting, a Russian intelligence officer informs his/her coordinators in Moscow about

the established contact to find out the following course of operation.

The personnel of Russian secret services often attends events and meetings with diplomats working at the Russian embassy in Lithuania who do not belong to intelligence services but maintain relations with them. There is only a small boundary dividing intelligence and diplomatic activity in Russia, therefore Russian intelligence staff is particularly fond of employing young and naive officials at the Ministry of Russian Foreign Affairs in Lithuania.



Russian intelligence officers who pretend to be Russian diplomats participate in various academic conferences, other official events and search for potential targets and collect information.

In 2016, Russian intelligence services traditionally conducted intelligence gathering on the issues of Lithuanian internal, foreign and economic policy, established agent recruitment relations in Lithuanian state institutions and organizations, searched for new opportunities to increase their influence in Lithuania.

The rising tension in the region in 2016 also changed the interests of Russian intelligence services in Lithuania. Not only they conducted intelligence against NATO and EU interests but also showed distrust of its strategic partner Belarus and spied on it.

Lithuania also feels an exceptional impact of intelligence and counterintelligence activity performed by Russian internal security service (FSB) because of its geographical situation. Moreover, FSB poses a threat to Lithuania because of its influence over economic life of Russia. FSB

Particularly actively Russian intelligence and security services operate in Lithuanian regions bordering with Kaliningrad Oblast where the services are aimed not only at penetrating into local municipalities, law enforcement institutions and other organizations but also make attempts to affect the moods of local people to the benefit of Russia.

One of the Russian intelligence service officers who had been actively recruiting Lithuanian citizens travelling to Kaliningrad Oblast is a staff member of FSB, Sergey KULESHOV. During acquaintance with

FSB inherited and adopted from KGB a so-called counterintelligence service system of industry, transport and financial sector objects which is a tool for making influence upon the majority of Russian business branches.

There is a wide spectrum of FSB handled objects: defence industry, energy sector, all-type transport sector (railways, sea transport, motor transport cargo companies, civil aviation and their agencies abroad), banks, the customs, chemical and medical industry, various spheres of science and research, private safety companies, etc. Above all other functions FSB in all these objects also conducts human intelligence.

FSB also puts a great focus on control and surveillance of foreign investment and foreign capital companies and their employees in Russia. FSB establishes both intelligence and corruption-based ties (frequently related) with foreign businessmen developing their business in Russia

actively follows all Russian economic relations in foreign countries, controls foreign investments, and uses established contacts for intelligence purposes. Accordingly, it poses risk to Lithuania's businessmen who maintain economic relations with Russia, especially the ones who invest in Russian strategic economic sectors.

FSB organizes and trains the so-called network of trolls in social media. This network from one centre systematically and aggressively spreads information beneficial to Russian internal and foreign policy. The main resources of FSB "trolls" are concentrated in Russian-speaking sphere and reach Lithuania through direct users of Russian social media. FSB has doubts about the awareness of social media users and assesses that such "active measures", i.e. circulation of propaganda-like and misleading comments, will affect their attitude.

Lithuanian citizens, he would present himself as an officer of Russian Border Guard Service, employee of Kaliningrad municipality, representative of projects of EU programme for cooperation across the border, "coordinator of projects" and alike. KULESHOV watches potential targets at various meetings of bilateral cooperation with Kaliningrad Oblast, joint Lithuanian and Kaliningrad conferences of projects under the funding of EU, events of Lithuanian community in Kaliningrad Oblast.

FSB shows interest in all Lithuanian citizens

Lithuanian citizens, especially the ones living in border regions, who have any information about the Kaliningrad Oblast's resident Sergey KULESHOV, are urged to contact the State Security Department of Lithuania via anonymous telephone +37070070007 or by email pranesk@vsd.lt

travelling to Russia. Therefore, a Lithuanian citizen may not necessarily know confidential or sensitive information in order to become a potential target for Russian secret services. Individuals without a considerable intelligence potential may be exploited for other intentions – spread propaganda, reconnoitre the territory and infrastructure, illegally transport the persons or cargo related to Russian intelligence across the border, spark provocations and unrest or do other active tasks.

Interests and Activity Methods of Belarusian Intelligence and Security Services in Lithuania

Threats posed by Belarusian intelligence services against Lithuania in 2016 did not decrease. Belarusian intelligence services recruited Lithuanian citizens travelling to Belarus, collected information about Lithuanian military and other strategic infrastructure, closely cooperated with Russian secret services.

The most common target of Belarusian secret services at the border with Lithuania in 2016 remained the officers of the Interior system who were travelling to Belarus to purchase cheaper goods or for other non-service related purposes. The aim of Belarusian secret services was also the intelligence gathering about individuals who were engaged in illegal activities and were crossing the Lithuanian border. The scale of recruitment at the border in 2016 decreased as compared with 2015, since Lithuanian law enforcement institutions' officers took into consideration the recommendations of Lithuanian intelligence and security services, and trips to Belarus for personal purposes decreased.

Still persisting information and political isolation of Russian officials in Lithuania promoted cooperation between Russian and Belarusian services in 2016. After the Crimean annexation conducted

by Russia in March 2014, Russia encountered with isolation and its officers had difficulties in collecting information on relevant political and economic issues not only of Lithuania but also EU and NATO states. Therefore, Russian delegated officers tried to gain information of concern from Belarusian officers who had more possibilities. The main fields of cooperation between Russian and Belarusian intelligence services in 2016 remained the exchange of information about Lithuanian internal, foreign and energy policy; joint intelligence activity carried out against Lithuania and other EU and NATO member states; military intelligence against Lithuania and NATO.

The goals and activity methods of Belarusian intelligence services carried out against Lithuania will not change essentially during 2017. Belarusian intelligence services will be seeking to recruit agents in Lithuanian law enforcement institutions and national defence system, in addition they will be searching for potential individuals who could be employed for lobbying Belarusian interests. Cooperation of Belarussian and Russian intelligence services against Lithuania will further remain dependant on political relations of both countries.

Even though Russian and Belarusian intelligence services acted against NATO and EU states interests in close cooperation, Russian actions carried out in Ukraine and a fear of similar scenario recurrence in Belarus have created a growing mistrust of Belarusian KGB in Russian intelligence services. The mistrust was enhanced by the fact that Russian intelligence services did not consider Belarusian KGB as equal and trustworthy partner and limited the share of information.

Intelligence Activity against Lithuanian National Defence System

Activity of Russian and Belarusian intelligence and security services against National Defence System (NDS) was not diminishing during 2016. Russian and Belarusian services cooperate closely in conducting intelligence activities against NDS and they share similar goals, tasks and intelligence methods. Intelligence priorities in 2016 did not change: the services collected information on Lithuanian defence capabilities, procurement of new weaponry and its modernization, NATO military activity in the Baltic region, continuous mandatory basic military service (CMS), and also gathered information about NATO infrastructure, possible deployment of additional forces in the region.

One of intelligence tasks is to collect information on personnel of NDS (qualifications, education, links with Russia, Belarus, perspectives of service, etc.). Russian intelligence services use such information for conducting the spotting of potential targets for recruitment and their recruitment operations. Moreover, detailed information about the NDS personnel who had received the delegations from Russia and Belarus is highly likely included into reports about the visits paid by Russian and Belarusian delegations to Lithuania. Representatives of different delegations can be also used for making initial contact with a potential recruitment target. Before the visits, Russian and Belarusian representatives coordinate their information requirements and later on exchange intelligence. Russia conducts imagery intelligence (IMINT) by using intelligence collection flights over the territory of Lithuania according to Open

Skies agreement putting a major focus not only on military objects but also on objects of civil purpose. Russia employs this IMINT method to gather information necessary for Russian military planning. This information is related to military and civil objects critical to Lithuanian national security and which are or can be chosen as targets. Moreover, IMINIT method is used to observe the changes of military infrastructure on the territory of Lithuania.

In 2016, Russian intelligence and security services continued to take particular interest in the restored CMS in Lithuania, including the conscription order and procedures, planned dates of calls for conscription and other related details. Russian intelligence collected information on individuals having dual citizenship of Lithuania and Russia and was searching for opportunities to involve them into intelligence activity. Through CMS, hostile intelligence services seek to infiltrate recruited or otherwise affected individuals into NDS. Persons doing their CMS and having links with adversary countries or otherwise vulnerable will remain among potential targets for likely recruitment.



Joint exercise by Lithuanian Army units and their allies

Number of surveillance, photographing and video recording cases of military objects that has particularly increased since the first half of 2014 also remained high through 2016, whereas the activity itself has become a trend. Flights carried out by unmanned aerial vehicles over military territories and exercise zones of Lithuanian Army units were also growing in number. Quite often it is difficult to identify the links of persons conducting surveillance of objects and image recording with adversarial intelligence but surveillance of military and civil objects and their image recording completely correspond to the methods of Russian military intelligence activity.

General intelligence activity level of GRU acting under a diplomatic cover in Lithuania has not changed significantly in 2016 as compared with 2015. While being in communication with a person of concern, GRU officers use intelligence interview methods seeking to extract information of intelligence requirements. The members of GRU officers participate in various events organized by NDS and other meetings, where they wear civil clothes in order to avoid unwanted attention. In Lithuania GRU staff members maintain contacts with non-governmental organizations (NGO) that unite the Soviet war veterans and graduates from military schools.

GRU officers continued to cooperate with the Belarusian military intelligence representatives working under diplomatic cover in Lithuania, likely coordinated actions and had a mutual

exchange of intelligence. In 2016, activity of Belarusian intelligence and security services against NDS was not very intensive and has not changed significantly compared with 2015.

A risk of intelligence threats exists for personnel of Lithuanian Defence Attaché residing in all foreign countries. However, major threats related to intelligence rise to personnel residing in Russia and Belarus.

FSB conducts a regular control of diplomats in Russia using secret or overt surveillance, entering their premises, video recording, photographing, intercepting communications and other aggressive tools of psychological effect and means of control. It is noted that FSB aggressiveness against foreign diplomats from specific countries usually depends on the country's pursued foreign policy with regard to Russia. FSB also conducts recruitment operations of defence attachés residing in Russia. The service constantly collects information on vulnerabilities of diplomats, their personal traits, relations, details that can discredit a person, and other information. In most cases, FSB acts aggressively in respect of a person, who is being recruited, directly and openly offers him/her to build contacts, and often involves provocations and blackmails in order to influence his/her decision for cooperation. FSB conducts intelligence against diplomats of foreign countries under cover of other Russian law enforcement institutions, e.g. police. Belarusian KGB applies

Russian GRU officers conduct intelligence using military diplomatic cover of Russian embassy in Lithuania. There are five posts in the embassy intended for GRU officers. It should be noted that a number of Russian defence attaché posts in Lithuania is disproportionately big (e. g. there is only one Lithuanian Army officer working as Lithuania's defence attaché in Russia). The main task of GRU personnel working under defence attaché cover is intelligence and not bilateral military cooperation; therefore, a big number of defence attaché posts in Lithuania create favourable conditions for intelligence collecting activity.

intelligence activity methods, measures and goals in respect of defence attaché personnel from foreign countries residing in Belarus very similar to those of Russian FSB.

Signals Intelligence Carried out by Russia

Signals intelligence (SIGINT) against Lithuania is conducted using stationary and mobile intelligence platforms in Russian diplomatic missions in Lithuania, Kaliningrad Oblast and mainland Russia. Moreover, active SIGINT in the Baltic Sea is conducted by employing intelligence vessels, intelligence aircraft and above-ground intelligence capabilities.

The trend of Russia exploiting the territory of Belarus for conducting SIGINT continued in 2016. There is a constant interaction between Russian and Belarusian units exchanging intelligence related information. Belarusian military intelligence is supported by Russian produced SIGINT equipment. Intelligence tasks according to Russian SIGINT plans are likely conducted by Belarusian capabilities.

In 2016, electronic warfare (EW) units deployed in Kaliningrad Oblast conducted jamming against military aircraft from foreign countries. Available intelligence suggests that the monitoring of pilots radio communications and suppression of used radio frequencies was systematically conducted during NATO aircraft flights over the Baltic Sea.

Intelligence in the Baltic Sea is also conducted by commercial, passenger ships and scientific research vessels registered in Russia. Some civil ships of this type can contain equipment enabling to conduct SIGINT in the Baltic Sea. In 2016, the Academic Nikolai Strakhov vessel from Shirshov Institute of Oceanology of the Russian Academy of Science applied for permission to carry out research and monitoring in the territorial waters of the Republic of Lithuania. An indicated region of research has a laying NORDBALT power cable. Therefore, the main task of the voyage was likely to carry out the reconnaissance of the cable.

GRU conducts interception of communications of NDS personnel and other state institutions officials and officers. During special events of NDS and others, GRU officers likely use respective man portable technical equipment intended for finding active electronic devices and identifying their parameters. Such data is useful for conducting technical penetration operations during which communications by electronic connection and data transmission means of a specific person is intercepted.



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