

Moldova- suggested priorities for consideration by clusters and UK staff in light of recent and ongoing developments

The following proposals are not given in order of priority. They draw especially on the regular inputs of Artur Gherman, and are based on the assumption and hope that he would be a full contributor to several suggested outputs and keeping high readiness for delivery of those outputs with timely, accurate and well analysed and forwarding looking assessments.

See below - **Initial topics for central and cluster distributions** – for suggested subjects suitable for grabbing early attention.

Proposed format and nature of outputs

Bullet points, in depth summaries or full scale articles on how Moldova's internal situation is exploited for the purpose of building Russian and Russian speaking influence in EU, EU applicant and Eastern Partnership countries, and in undermining NATO.

Similar podcasts or offers of interviews on TV and radio on these issues, especially to coincide with NATO / EU diplomatic summits, Russian or NATO Black sea exercises, Russian – Turkish cooperation events, especially in light of sensitive 100 years and 75 years anniversaries in Moldova, Romania, Bulgaria and the northern shore of the Black sea.

Produce a report on Europol initiatives and publicity documents on Moldova centred or linked criminal activities which are potentially linked with military or political influence buildings issues in the EU, especially the greater Mediterranean and the Maghreb.

Cascade all of these above through relevant clusters, especially Spain, Portugal, France and Italy, but also Belgium (Brussels based

EU Disinformation Unit, and NATO) and Netherlands (Europol). Update this report at regular intervals (at least quarterly- not an onerous task). Such a report to be capable of informing short notice and long-term approaches to insert material in radio and tv documentaries or entertainment programmes where Moldovan / Romanian / Greater Odessa (i.e. Ukrainian AND Russian linked) issues could form a basis for productions, or be inserted into them, or to be used for complementary comments about the facts behind the fiction. Recent “ Moldovan linked” plotlines have included the Hollywood film “ The Whistleblower” and the French TV series “Spiral”. The soon to go into production series of “ The Night Manager 2” and “ McMafia” provide opportunities as does anything related to the recent Damien Lewis book “ Operation Manhunt”.

Use the Banca di Economii 2015 embezzlement scandal to highlight how Moldova is intimately linked to the Russian and Ukrainian Deep states. This would be especially appropriate for cluster publicity in Italy, and in Scotland given the use of Scottish Limited partnerships and Moldovan linked oligarch use of the private schools system there.

On financial matters and engagement with banks and their regulators and associated international and, especially, EU institutions, Moldova is used as a transit hub for large scale financial frauds and money laundering operations. See **overall strategic background**.

Means of deliveries and likely customers

Close links with Customers are likely to ease delivery methods and the topics and strategic background issues listed below are ones that are increasingly impacting on other EU MS, especially in the southern rim.

The mainstream print and online media in UK and North America have covered the 2015 Banca di Economii case in Moldova with UK, Cyprus, Israel (too often forgotten) and Ukraine and Russia. The New York Times was especially prominent on this. The IoS contacts on The Times (London) would also be potential conduits especially given their extensive work on Malta and Spain, where Moldovan criminal groups presence has been noted alongside the Tambov Group from St. Petersburg. Edward Lucas is especially aware of the allegations of the latter's' reported close and long term links with the Kremlin. Colin Freeman reported, from this writer's urging s

Given recent very large - scale cocaine seizures in Romania and the immediate post Crimea seizures of heroin shipments there which had transited Odessa and then Transnistria or directly to Western Moldova would also give opportunities for interest in Italy and Germany. The former has high level organised criminality links which exploit the opportunities for false exports from the EU (Romania) for the purposes of fraudulent tax rebates, these made much easier by lack of verification of Moldovan transits or re-exports to Ukraine via Transnistria (a situation long well known in all these countries and Russia, and fully exploited).

The BBC, which extensively covered Banca di Economii (file on Four October 2015) and corruption in the Odessa region (Panorama 2018) might also be interested, especially given in the light of McMafia 2 and the Night Manager 2 that there have been several books about Russian state protected criminality which have been set in Moldova, especially Transnistria, and some of which dealt with influence buying in the Western Balkans, the UK and especially Germany and Switzerland (see the Charles Cumming "Kell " books, especially " A Colder War" – scheduled to be televised = and the " Alex Dryden" trilogy which started with " Red to Black", the latter works being well known in EU diplomatic circles and in Moldova.

Overall strategic background

Transnistria remains a frozen conflict. Several of the separatist leaders in Crimea in 2014 were from ethnic Russian families settled in the territory after World War 2 and the Russian peacekeeping force there is likely to maintain close links with “former” Soviet era GRU men, often ethnically Russian or even Russian citizens, in the Odessa region which shares a border with both Western Moldova and Transnistria. This gives Russia a toe hold in both Odessa and in Tiraspol (Transnistria) and, less openly, in Chisinau and onwards into Romania. Political, business and criminal interests (all extensively linked) do cooperate across these international boundaries and the internal demarcation lines. These networks frequently meet on the Odessa coast in spring and summer and exploit Customs free zones in Moldova and especially the Giurgiulesti port on the tiny stretch of the Danube River allocated to Moldova. Much investment is siphoned off in bribes through the complex chains of companies set up in such as Cyprus, Malta, Austria, Luxembourg, Latvia and the UK and its dependencies, especially Belize, and more recently in Dubai and sovereign territories such as Mauritius, Seychelles and Singapore as well as the USA (Little Odessa in Brighton Beach, New York, and Delaware as well as Florida, Nevada and Wyoming). Italian businesses often disguise bribes and tax evasion through mispriced or wholly fictitious exports of goods and services to Romania and then to Moldova or through it to Ukraine and Russia. The modus operandi and the nature of distribution of the proceeds is somewhat similar to those seen in the Magnitsky case.

The leaderships in Chisinau have recognised growing Russian threats and are hedging their bets by stalling progress towards EU urged clean ups. Despite the Moscow links in the Banca di Economii case, the authorities have very recently been brazen enough to have the election of a pro - reform (i.e. anti-Russian) candidate as mayor of Chisinau annulled. They also know how much influence and bribe

potential Russia has in Odessa, so cannot be entirely sure it will remain fully Ukrainian physically and in influence. Key oligarchs such as, above all, Vladimir Plahotniuc, remain the powers behind the throne and their multiple nationalities and ability to withstand criminal investigations including in Italy highlight just how little has changed, and the limitations of conventional law enforcement approaches to minimising corruption and thereby directly limiting Russian influence. These conclusions are also supported by the limited progress in recovery of assets from the Banca di Economii embezzlement, despite law enforcement agencies criminal investigations in a number of countries including Scotland.

A fresh approach is needed.

Initial topics for central and cluster distributions

It is suggested a multi lingual and multi- national publicity approach might move things forward. Particularly if it involves inviting Ukraine providing more, and more detailed information which can be used publicly or privately to highlight Russian bribery and capital flight, and the presence of the proceeds in cluster countries. Such information may only be provided if Ukraine has real assurances of asymmetric support in military materiel and training, financial assistance and the creation in advance of a comprehensive NATO / EU central / EU MS counter disinformation programme, to be implemented immediately to deal with inevitable Russian measures or counter - counter measures.

In Italy and, especially, Spain, the suggestions of links with the Calabrian Mafia and the Venezuelan regime regarding failure to effectively interdict cocaine trafficking to the Greater Mediterranean including the Black Sea is, in the longer term, likely to identify strong grounds for reasonable suspicion and, more

easily, of large scale corruption and bribery in relation to arms trafficking in South America and Africa.

Russian linked Moldovan and Romanian criminality in Iberia and Italy may provide the impetus for media groups and both domestic and Anglosphere NGOs to start picking up the torch here, although the flame would have to be carried for a long time.

Factors taken into account in this assessment

Caution is needed here. As Artur Gherman will confirm, the strategic significance of Moldova has not been fully appreciated, a part of a wider failure by the EU and EU Member States, with exceptions, to recognise the scale of Russian involvement and influence.

Highlighting these weaknesses will involve much tact. This is especially so in Italy given the linguistic ties with Romania and Moldova and the Russian sympathies of the new government. Spain and the prosecutor's drive against Russian criminals may therefore be a better first location outside the English-speaking world.

Grounds for optimism in recognising the situation more completely are the growing NATO and EU awareness of the strategic importance of the Black Sea as seen by naval patrols by alliance warships and greater concerns about Turkey. Sir Adam Thomson has recently highlighted changes in the EU Brussels culture in relation to the Common security and defence policy. There is greater awareness that such matters cannot be left entirely to NATO. The EU has also had time to digest the results of the 2015 Cooperation agreement which granted visa free travel throughout the Schengen Zone for any Moldovan citizen with a biometric passport, i.e. A document whose issue is under the control of the Chisinau government, and not the "authorities" in Transnistria. This is a very important information tool, though not all other EU MS' authorities may be aware that its impact is not as great as it might seem, given that many ethnically Romanian

Moldovans already have full EU movement and working rights through entitlement to Romanian citizenship.

The developments regarding EU CSDP issues are mirrored in a very recent setting up of a new EU multi law enforcement operational cell to be much more directly involved in the command and control of the central Mediterranean refugee operation and the increasingly frequent Europol reports on Romanian and Moldovan criminality in the Mediterranean countries, these typically involving well structured thefts and counterfeiting, but more ominously VAT carousel fraud where the Romanian / Moldovan links make the region ideally suited to major involvement. The EU central institutions are making it increasingly clear they need to get more closely involved as the losses are very high and the current reaction times too slow. These frauds depend upon, and parallel the structures of, bribery and corruption through capital flight and “laundromats”, such as the Azeri money laundering networks recently identified as using accounts and brass plate company registrations in Malta. Artur Gherman’s alert on Henley & Partners highlighting a similar “golden visa” programme for Moldova’s new citizenship for visas will undoubtedly be used on a large scale for capital flight and other white-collar activities and will offer opportunities for Chisinau and Tiraspol based elites to take bribes and act on behalf of Russian and Russian speaking influences.

Having made these points about the growing central EU awareness of Moldova’s position as a crossroads and multiple nationality and passport country, and understanding of it, there are still widespread gaps in the spread of awareness and so there is a long way to go. For that reason, F&CO advice should be sought in relation to any approaches to EU central institutions including the EEAS in Brussels, Chisinau and Kyiv (any look at Moldovan issues really needs to take account of Romanian and both Odessa and Kyivian Ukrainian factors. Embassies in the clusters’ home states and, particularly, the OSCE in

Chisinau where they have been strong Mission Heads (such as Mike Scanlan of the USA) are other potential valuable sources. The EEAS has recognised past missions to the immediate region such as EUAM in Kyiv and EUBAM especially in Odessa with a Moldovan presence, initially significantly so, have been largely tactical and flagships rather than operationally significant. They may be reluctant to see the Initiative and its representatives treading on ground the EC hasn't covered too well.