

CRIMINAL STATES, MILITARIZED CRIMINALS, AND PROFITEERS

RUSSIA, AFRICA, AND THE EVOLVING ECOSYSTEM OF TRANSNATIONAL KLEPTOCRACY

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In late June 2023, Russia's own state-owned media outlet, TASS, confirmed an open secret: the Russian state budget covers all expenses associated with the Wagner Group's mercenary and influence activities abroad. After years of denying a connection, Vladimir Putin made the admission during a speech in which he thanked his troops for putting down the mutiny led by the Wagner Group's founder, Yevgeny Prigozhin, that surprised—and confused—much of the world earlier that month.¹

At least until recently, Prigozhin represented a part of an evolving ecosystem of transnational kleptocracy: he was a prominent member of Putin's inner circle, and the Wagner Group had been a major component of Russian operations in Ukraine as well as foreign military cooperation, mining ventures, information manipulation, and other influence activities elsewhere around the globe. At a time when Moscow is increasingly isolated diplomatically and economically, **Wagner's kleptocratic support network has developed a robust portfolio of opaque commercial interests throughout Africa and cozy relationships with some of the region's most notable autocracies.** These governments have outsourced some military and training operations to mercenary troops under its command, relying on the company as a source of weapons and leveraging its technical capabilities to disrupt and distort the flow of information.²

With a resume that mixes attributes of a crime boss, oligarch, cowboy, and mercenary, the story of Prigozhin's meteoric ascent defies archetypes despite recent tensions with Russia's uniformed military. Prigozhin spent most of the 1980s in prison for fraud, armed robbery, and a string of burglaries.³ After his release in 1990 following a pardon, he worked his way up the hospitality food chain, eventually opening a series of upscale restaurants, including one frequented by Vladimir Putin.⁴ Prigozhin's background has earned him the nickname "Putin's Chef."

By June 2023, Wagner troops had been deployed to half a dozen countries across Africa and the Middle East, leaving a trail of investments and accusations of corruption and predation in their wake. According to the U.S. Department of the Treasury, Prigozhin's relationship with Putin yielded lucrative contracts from the Kremlin and the ability to engage in illicit activities with impunity. In return, Prigozhin served as a staunch supporter of some of Putin's highest profile gambits, including through his partial control of the Russian Internet Research Agency, an internet troll farm that gained infamy for disseminating disinformation and propaganda ahead of the 2016 U.S. presidential elections—a charge Putin's Chef has willingly confirmed.⁵

While the fate of the Wagner Group and its leader remains unclear following its failed mutiny against the Russian state, it is difficult to imagine that the Kremlin would entirely abandon Wagner-style influence activities in Africa. Africa's natural resources are too lucrative and, on much of the continent, too easy to exploit, and mercenary activities—like those conducted by the Wagner Group—offer a means of extending the Kremlin's global influence. Civil society and others in the democracy community will need to reckon with the impact of Wagner's activities there, as well as with the vulnerability of some African countries to this form of malign security and kleptocratic influence.

A Tale of Modern Kleptocracy

"Kleptocracy" literally means "rule by thieves," and the rise of Prigozhin illustrates how modern kleptocracy operates. Strongmen may attract some supporters who revere their authority and the order it brings, but few rulers would relish being labelled a thief. They therefore seek to hide the sources of their illicit wealth and use international institutions to launder ill-gotten gains in rule of law societies abroad.

Transnational kleptocracy is not a club of totalitarian rulers or an underground fraternity of supervillains. Anne Applebaum rejects the caricature of a strongman and his henchmen using violence to thwart resistance from brave dissidents. "In the 21st century, that cartoon bears little resemblance to reality," she said. "Autocracies are not run by one bad guy but by sophisticated networks composed of kleptocratic financial structures, security services (meaning police, military, paramilitary groups, and surveillance), and professional propagandists."⁶ This dynamic ecosystem consists of senior government officials, state security forces, armed groups, and organized criminal syndicates. It also depends upon a host of enablers in the private sector—bankers, lawyers, Fortune 500 firms, accountants, lobbyists, publicists, and an endless stream of middlemen and fixers who help conceal the flow of money or goods—based in Western capitals and financial centers across the globe. This dynamism allows kleptocratic networks to shift, adapt, and form alliances with each other, making kleptocracy difficult to address if the main tools are targeted prosecutions or sanctions on individuals.

The notion that kleptocrats around the world would work together may seem to evoke images of a society controlled by criminal masterminds aboard SPECTRE's yacht, conniving together to outmaneuver James Bond on their quest for unimaginable wealth and global domination. Yet together, these crossborder networks and the institutions they commandeer form the transnational kleptocratic system.

In Africa, a new vehicle for kleptocratic collaboration has emerged in recent years with the Wagner Group. It has been the preferred one-stop-shop for kleptocrats in need of mercenaries, weapons, cyber capabilities, or markets for their precious minerals. For the Kremlin, Wagner has provided the opportunity to export kleptocracy while simultaneously safeguarding its interests worldwide.

Propping up Kleptocratic Networks in Africa

Prigozhin and Wagner's ascendance reflect broader trends in Russia and its relationship with Africa. In Sudan, for example, the Wagner Group has been active for several years, helping to prop up former President Omar al-Bashir. In exchange for the support, Sudanese authorities permitted Meroe Gold, a mining company owned by the Russian company M Invest, to be established—the company was later sanctioned by both the U.S. and EU for being a cover for the Wagner Group.⁷ The EU further added that they suspected the Wagner Group of using the gold-mining resources derived in Sudan to help fund the Kremlin's war in Ukraine.⁸

In the Central African Republic, President Faustin-Archange Touadéra granted Russian access to its vast diamond and gold minds in exchange for arms, mercenaries, and a protection force. Approximately two thousand Wagner Group mercenaries were deployed, supposedly to provide stability, but instead have been accused of protecting the mines and keeping Touadéra in power.⁹

In other countries—including Libya, Mali, and Mozambique—Wagner's presence has been limited to the political and military realms. Other countries, like Cameroon and Kenya, have emerged as possible logistics hubs for Wagner's operations in neighboring countries. The Wagner Group's activities on the For the Kremlin, Wagner has provided the opportunity to export kleptocracy while simultaneously safeguarding its interests worldwide. African continent are complex and shadowy, but much of the evidence suggests that the military support offered to African kleptocrats has little to do with providing security and stability for the African people and more to do with extracting resources, advancing geopolitical goals, and providing support to regional authoritarian actors.

A clear pattern has emerged in Wagner's Africa gambit. Prigozhin's profiteering security forces do not simply target countries where the rule of law is weak; they take direct action to undermine institutions and strengthen their autocratic partners' hands. As the Global Initiative against Transnational Organized Crime states, "the group has been accused of using whatever means necessary, including criminal activity, to achieve its aims: from indiscriminate use of violence against civilians in its military engagements, to disinformation campaigns and election-rigging to industrial scale smuggling of natural resources, like gold and diamonds."¹⁰

For Putin, Prigozhin and the Wagner group essentially provide a full-service, militarized, criminalized, technically capable, and loyal ruse for operations abroad. However, while there is a cottage industry of Wagner watchers that has undoubtedly contributed timely and insightful analysis of a dynamic and dangerous predator, when it comes to fighting transnational kleptocracy, the real challenge is the vulnerability of its prey.

Until these vulnerabilities are addressed through stronger oversight and accountability mechanisms, more robust civil societies and independent media, and consolidated democratic institutions, the hunt for kleptocratic partners will continue in vain. It is not enough to attempt to address the Wagner's Group actions in Africa alone; the African kleptocrats that welcome them must also be targeted with sanctions and other measures designed to increase accountability.

Building an Effective Response to the Kleptocratic Support Network

Even if Wagner ceases to exist, African kleptocrats have found this model of "security cooperation" to be a useful exchange for keeping their regimes in power. Other partners will certainly emerge, be they from Russia or other countries that can package security and economic benefits to prop up these regimes. Building an effective response to the Wagner Group and Russian oligarchs' assets and dirty money—or any future iteration of this threat—has decades of lessons from which governments and civil society can draw.

Before the term "kleptocracy" had become mainstream, activists and policymakers pushed for reforms to curb illicit financial flows, reduce bank secrecy, and find ways to impose consequences on the perpetrators of corruption and financial crime worldwide. In some ways, progress toward Prigozhin's profiteering security forces do not simply target countries where the rule of law is weak; they take direct action to undermine institutions and strengthen their autocratic partners' hands. this goal has been remarkable. Many U.S. allies have begun to develop tools that mirror the U.S. Treasury's toolkit, imposing sanctions, seizing assets, and prosecuting the perpetrators and enablers of corruption. Some key jurisdictions have even taken steps toward closing the loopholes—many of which were designed and maintained by Western governments—that make it easier for criminals and kleptocrats to operate under the radar and evade authorities.

The United States and several European governments have taken numerous steps to disrupt Wagner's operations and target the wealth of other Russian state-linked entities and oligarchs. While the impact of the sanctions on Wagner and its affiliates is difficult to assess, there is a clear indication that a rift has emerged between Prigozhin and the military establishment in Moscow. In June 2023, the Kremlin moved to take more direct control over Wagner after Prigozhin had become increasingly outspoken in his criticism of Russia's defense minister, culminating in a rebellion against the Kremlin and Ministry of Defense for a lack of adequate supplies for Russian soldiers fighting in Ukraine. **Even if Prigozhin were put out of business, however, vanquishing Wagner would amount to treating symptoms of a much larger problem.**

Civil society and independent media in Russia and Africa face enormous odds and often lack the resources, specialized knowledge, and skills needed to track illicit financial flows and the complex vehicles they use. Russian civil society does focus on these issues—since the invasion of Ukraine, often from exile—yet they need opportunities to connect with African activists to tell the full story of Russian kleptocracy and the Wagner Group's activities on the continent. African civil society, with a long history of fighting state-bound corruption, is increasingly setting its sights on transnational kleptocracy, but few have an understanding of Russia or read Cyrillic. **Until a concerted effort is made to bring activists together from both regions, it will be difficult to understand the full spectrum of this kleptocratic cooperation and respond accordingly.**

Furthermore, some autocratic regimes with geopolitical ambition—such as the United Arab Emirates and Turkey—are forming new outposts for dirty money and thus becoming more visible, repressive, and corrupt.¹¹ While these governments are often identified as allies of the West, they are also destinations for parking illicit wealth in real estate, purchasing luxury goods, docking oligarchs' superyachts, incorporating anonymous shell companies, and processing precious minerals. Even governments that show little interest in power projection that have formed robust security partnerships with Western governments—like Chad, Uganda, and the Philippines—have become major conduits for illicit flows of money, trafficked persons, drugs, wildlife products, and more.¹² Democratic countries, in part due to competing geopolitical demands, have been slow to address the role these "third countries" play in facilitating kleptocracy around the world. Until they do so, transnational kleptocratic networks like those that bind Russia and parts of Africa will continue largely unabated.

Democratic countries, in part due to competing geopolitical demands, have been slow to address the role these "third countries" play in facilitating kleptocracy around the world. Vanquishing kleptocracy will not be achieved by smothering individual kleptocrats but by depriving the entire system of the oxygen it needs to continue burning—and that means having the discipline to resist the short-term gratification of tactical victories that sabotage the larger mission. Expanding the tools and resources available to investigators and law enforcement agencies tracking dirty money is part of the solution, as is increasing support for civil society activists and independent media.

Ultimately, it will require making the dismantling of the global architecture of kleptocracy a policy priority—at home and abroad—for democracies around the world. Systemic change will require rolling back long-standing practices in democratic societies such as golden visas, anonymous shell companies, flags of convenience, shadow banks, and even jurisdictions that provide a safe haven to kleptocrats—and it will likely mean disrupting relationships with illiberal allies.

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Criminal States, Militarized Criminals, and Profiteers: Russia, Africa, and the Evolving Ecosystem of Transnational Kleptocracy

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How China Fuels African Kleptocratic Networks: The Case of Congo-Brazzaville

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