



RUSSIA REFORM MONITOR

The American Foreign Policy Council's Review of
Russian Government Actions and U.S. Policy

Russia Reform Monitor No. 2345

October 31, 2019 Margot van Loon

Related Categories: Democracy and Governance; Human Rights and Humanitarian Issues; International Economics and Trade; Islamic Extremism; Terrorism; Central Asia; Russia

MORE CLARITY ON NYONOKSA ACCIDENT

A State Department report on the mysterious August 8th explosion at Nyonoksa has answered some questions about Russia's most recent nuclear accident, but leaves others lingering. The report submitted to the UN General Assembly by Thomas G. DiNanno, the U.S. Deputy Assistant Secretary for Arms Control, Compliance, and Verification, contradicts the narrative of the Russian government – namely, that the explosion took place during testing of a liquid propellant jet engine. Instead, it substantiates the U.S. hypothesis that the explosion took place during a botched recovery mission of a submerged 9M730 *Burevestnik* nuclear-powered cruise missile that failed in testing last year – meaning that the missile sat for months on the sea floor before the attempted recovery in August. However, the report offered no further details on why the missile exploded during its removal from the water. (*Business Insider*, October 11, 2019)

DE-DOLLARIZATION: A LOSING BET?

Geopolitical calculations are driving Russian President Vladimir Putin's efforts to minimize the role that the dollar plays in Russia's economy – but it may end up costing his country billions of dollars. Russia began considering divesting itself of its dollar reserves and conducting more trade in non-dollar currencies a couple of years ago in order to reduce its exposure to Western sanctions. As a result, in the second quarter of 2018, Russia's central bank shifted much of its \$531 billion in dollar reserves into euros and yuan. However, due to the timing of the shift, which occurred right before the dollar rallied in value, Bloomberg is now estimating that Russia gave up potential 3.8% returns – or roughly \$7.7 billion. Russia's stockpile has been cushioned in part by the growing value of its gold reserves, which increased to more than \$100 billion last year. (*Bloomberg*, October 14, 2019)

BOMBHELL DISRUPTS DOPING INVESTIGATION

The head of Russia's domestic anti-doping agency, RUSADA, has reignited furor over the country's state-sponsored doping program with new admissions about the scope of the alleged manipulation. The doping scandal, which first broke in 2015, led to Russia's suspension from international sporting events until a controversial deal was cut last year in which the World Anti-Doping Agency (WADA) lifted the suspension but required Moscow to hand over a massive databank of thousands of test results for further scrutiny. However, Yuri Ganus, the director general of RUSADA, announced to reporters at a conference in Colorado this month that the submitted data had been substantially altered – likely to protect the reputation of former athletes who now hold government positions – and that he felt compelled to speak out about the impropriety for the sake of Russia's future athletes.

Ganus's disclosures are just the latest hurdle in WADA's investigation. The agency was due to meet with Russian officials on October 23rd in order to discuss the databank analysis, as well as Moscow's explanations for the discrepancies that investigators uncovered along the way. However, the agency postponed the meeting after Ganus's comments, citing the need to continue investigating before sitting down with Russian officials. This means that Moscow will likely have no further chance to explain discrepancies in its submitted data before WADA's annual board meeting; should the agency return an unfavorable decision, Russian athletes will likely be banned once again from international competition. (*New York Times*, October 14, 2019; *New York Times*, October 23, 2019)

U.S. DIPLOMATS DETAINED NEAR SEVERODVINSK

Tensions remain high around the site of Russia's most recent nuclear accident, as three U.S. diplomats discovered this month. The official trio – which included a naval attaché and a defense attaché – was on a train traveling from Severodvinsk to Nyonoksa (the missile testing facility where the failed recovery of a submerged nuclear cruise missile killed five Russian scientists this summer) when they were detained by authorities and removed from the train for questioning. The Russian government still considers Severodvinsk to be a sensitive military area, where foreigners are not permitted without advance permission. However, a U.S. State Department spokesperson maintained that the three diplomats were on official travel and had followed all required protocols regarding notification and authorization. (*Radio Free Europe/Radio Liberty*, October 16, 2019)

METRO BOMBING SUSPECT RECANTS

In a stunning development, the suspect currently on trial for organizing the 2017 St. Petersburg metro bombing has recanted his confession, claiming it was made under duress. Kyrgyz citizen Abror Azimov, who had been charged with leading a terrorist cell and supporting terrorist activity, had been named as the "mastermind" behind the attack, which killed 15 people and wounded 67. However, Azimov told prosecutors on October 17th that "I had to incriminate myself because I was blackmailed," and that Federal Security Service (FSB) officials had beaten him during his arrest and threatened to frame his father as well if he did not cooperate. Of the eleven other defendants in the case – all of whom are from former Soviet republics in Central Asia and have pleaded not guilty – several others have also claimed they were tortured by law enforcement while in custody. (*Radio Free Europe/Radio Liberty*, October 18, 2019)