

## WHO IS THIS MAN?

His father was in the army during WWII; his mother a factory worker. He enjoyed sports as a youth, was above average in intelligence and was an occasional troublemaker in school.

This description could fit millions of people.

But if I told you he attended Grade School #193 and studied German in High School #281, in Leningrad, I think we begin to limit the field. And, with the additional information of being named the MOST POWERFUL INDIVIDUAL IN THE WORLD, four times in a row, 2013-2016, by Forbes Magazine, and Time's PERSON OF THE YEAR for 2007, we are well on the way to identifying the topic of tonight's paper, Vladimir Vladimirovich Putin.

From his personal website much basic information can be obtained. His parents were married at age 17. He would have had two older brothers but they died in the 1930s. Vladimir was born October 7, 1952. He was essentially an only child, his mother being 41 at the time of his birth. He became fluent in German while in high school. He competed in Judo events beginning at age 11 and to this day remains active in the sport (in 2006 he was named the HONORARY PRESIDENT OF THE EUROPEAN JUDO UNION and in 2010 received an HONORARY DEGREE IN JUDO from South Korea's Yong In University). On the website he remarks:

Judo . . . "teaches self-control, the ability to feel the moment, to see the opponent's strengths and weaknesses . . . I am sure you will agree that these are essential abilities and skills for any politician."

Also from the website, about his childhood:

“I come from an ordinary family, and this is how I lived for a long time, nearly my whole life. I lived as an average, normal person and I have always maintained that connection.”

The site further chronicles his studies at the Leningrad State University School of Law from 1970-1975, his entry into the KGB School #1 in Moscow, advanced training at the Andropov Red Banner Institute, also in Moscow, and his 5 year assignment with the KGB in Dresden, Germany. The website then goes on to list the posts which Putin held upon his return from Dresden, all the way up to present day. What the site does NOT tell you are the specific responsibilities of the posts, which person or what governing body named him to such posts, and, most importantly, what were the circumstances under which Putin was named to the posts. The site gives NO details as to how Putin’s personal activities, potential meritorious behavior, or other, perhaps covert talents, may have led to his “rise through the ranks” of Russian hierarchy. For those details, we must look elsewhere to less “scrubbed” sources of information (at the close of this paper I have documented the sources that I have used).

In this paper I hope to better acquaint you with President Putin. And, by the end of this paper, you can decide whether he has managed to keep that connection with the “average normal person” which he claims in his website. With those ends in mind, to understand how a middle-level KGB officer, in 1990, can become President of the Russian Federation 10 years later requires some exposure to the political and economic variables that were operable in the Post Stalin era. Allow me to “paint with a broad brush;” I apologize up-front for what may appear to be an oversimplification of a very complex time in Soviet/Russian history.

It was Nikita Khrushchev, in his 1956 “Secret Speech,” that began the loosening of Stalin’s relentless grip on every aspect of Soviet life. The speech, delivered to the 20<sup>th</sup> Party Congress, was 4 hours long. Copies made were for internal use only. The actual complete text did not appear in the Russian press until 1989! The speech has been recognized as signaling the beginning of de-Stalinization of the Soviet Union. Critical within the speech was a calling to a halt of the use of violence against political rivals; this meant that dissenting opinions within the hierarchy may be chastizable by re-assignments or house arrests but the rampant “disappearance” of dissidents, the rule of the day under Stalin, was stopped. Khrushchev was the first to allow for free individual thinking, but NOT individual action, NOT private ownership, NOT private enterprise.

In 1964 Leonid Brezhnev prevailed in a coup which overthrew Khrushchev. Brezhnev was a man of little education but generally good natured and not a bloodthirsty Stalinist. He presided for nearly 20 years over the Soviet Union. Paraphrasing Dr. Stephen Norris, Chair of the Havighurst Center for Russian and Post-Soviet Studies, at Miami University, Oxford, Ohio, although it was not one of the more inspirational segments of Soviet/Russian history, the nearly 20 years of Brezhnev rule was one of the most stable. It was during this time of marginal economic growth that the educated population commenced becoming more politically active and liberal minded. The weak economy provided the standard Soviet joke during this time: “the people pretended to work and the state pretended to pay them!”

In 1982 Brezhnev was succeeded by Yuri Andropov, who lived for only 18 months, and he was followed in 1984 by Konstantin Chernenko, who lived only until 1985. These were tired, old politicians; the joke about Chernenko was that “he gained office without gaining consciousness!”

On March 11, 1985, as successor to Chernenko, Mikhail Gorbachev was appointed General Secretary of the Communist Party. Two words readily associated with his time in office were:

“glasnost,” broadly meaning “openness” and

“perestroika,” meaning “restructuring” or “reforming.”

One of the major catalysts for glasnost was the deplorable handling of the Chernobyl disaster. The attempted cover-up of this 1986 nuclear reactor meltdown paved the way for what would become – at least for a while - a relatively free press. It is during this period that we get the first glimpses of “privatization.” In 1988, a law was passed allowing the establishment of what were called “private cooperatives.” These cooperatives were essentially small private enterprises that set their own prices for products that they were selling. However, many of these products were bought by the cooperative from subsidized State owned organizations, bought at State subsidized prices, but sold at market prices; the profits kept by or split with a State Manager!

1989-1991 were truly amazing years in European history. Not only did these years see the fall of the Berlin Wall and the eventual disintegration of the Soviet Union into its constituent parts, but also saw the rise of free expression in the form of a free press and personal freedoms never before experienced by Russians and which would extend through the Yeltsin years.

NOTA BENE: during the years of the Gorbachev/Yeltsin transition, the Communist Party began transferring tens of millions of dollars to non-Soviet/non-Russian banks. These transactions were carried out by KGB agents.

The 1990s, overseen by Boris Yeltsin as the 1<sup>st</sup> President of the new Russian Federation (President from 1992-2000), could be viewed as CAPITALISM ON TRIAL. It was during those tumultuous, economically

depressed years that the new Federation was treated to “Economic Shock Therapy,” wherein western market models, with a particularly Russian “flavor,” were attempted to be implemented in major sectors of the Russian economy.

A bit about this Russian “flavor.” With perestroika in full swing, in an attempt to sell assets of the State to the Russian public (a process overseen by the STATE COMMITTEE FOR STATE PROPERTY MANAGEMENT OF THE RUSSIAN FEDERATION), vouchers were distributed across the entire population, including minors. The intent was that the vouchers would be exchanged for shares in the businesses or assets to be privatized. As my father taught me, the road to hell is paved with good intentions.

The average Russian did not appreciate the true value of these vouchers. As Bill Browder recounts in his 2015 book, RED NOTICE:

“The Russian people had no idea what to do with the vouchers when they received them for free from the State and, in most cases, were happy to trade them for a \$7 bottle of vodka or a few slices of pork. A few enterprising individuals would buy up blocks of vouchers in the small villages and sell them for \$12 each to a consolidator in larger towns. The consolidator might then travel to Moscow and sell a package of a thousand or two thousand vouchers . . .”

You can see where this ends; tens of thousands of vouchers eventually in the hands of a few people who know how this game is played.

With the Communist Party officially banned in 1991 after a failed coup against Gorbachev, and the KGB “restructured” into the FSB (Federal Security Services of the Russian Federation), an estimated 50 billion dollars in off shore money was now in the hands of the FSB. When the State assets became available for purchase, these off shore monies could now be made available for investments. But, clearly, FSB agents

could not directly involve themselves in such transactions, but, in conjunction with savvy businessmen, they could readily “participate” in the privatization process. According to Dr. Karen Dawisha, author of the 2014 book, PUTIN’S KLEPTOCRACY (also former Chair of the Havighurst Center for Russian and Post-Soviet Studies):

“Thus were born . . . most of Russia’s oligarchs and commercial banks.”

NOTA BENE: On the heels of the failed coup (against Gorbachev) an important symbolic event occurred in Moscow. The famous statue of Felix Dzerzhinsky, founder (1917) of the Soviet Secret Police Forces or the “Cheka” (predecessor to KGB/FSB) was torn down by protesters. It should be noted that most KGB operatives at that time were far more sympathetic to the failed coup than to the perestroika inspired masses. This defiling of their “founding father” would not be forgotten; and certainly not forgotten by the “subject” of this paper.

As the 1990s progressed, privatization efforts continued, driven in part by the Federation’s need for capital, but the Russian economy failed to ignite, to the point wherein the Russian Government declared itself bankrupt on August 17, 1998. Russian citizens watched as oligarchs and government officials lived in opulence, while they themselves struggled to put food on their tables. Yeltsin’s popularity plummeted. The privatized media outlets hammered him, frequently portraying him as a bumbling drunk. From Arkady Ostrovsky’s 2015 book, THE INVENTION OF RUSSIA:

Drunkard or not “never before or after did journalists in Russia have such high status or command so much power and freedom as they did in the 1990s. But if Russia had freedom of speech in the 1990s it was not because there was an inbuilt tradition or craving for it but because Yeltsin allowed it . . . When a program talked about his health or poked fun at him, Yeltsin preferred to switch it off rather than call its owners.”

At this point you might legitimately ask: “where the hell is he going with this paper? I thought this was about Putin!?” We’re nearly there.

To recap the 1990s:

- 1) Privatization, which gave birth to the oligarchs and their unholy alliance with the FSB hierarchy
- 2) A horrible economy. This, by the way, is Russia’s first taste of “democracy.”
- 3) The disassembly of tight central governmental control, under a leader being portrayed publically as a drunken fool.
- 4) An initial attraction to all things “Western” which faded dramatically by the end of Yeltsin’s Presidency

Ostrovsky further summarizes:

“Neither Gorbachev nor even Yeltsin as Russia’s 1<sup>st</sup> President had any coherent plan nor idea of what kind of country would succeed the Soviet Union . . . a vacuum of power . . . a vacuum of ideas. Nobody in Russia had any sense of direction, true identity or history and nobody cared.”

Now we come to it.

With Yeltsin physically fading and his term in office nearly at an end, the issue of “succession” became paramount. At stake was the tremendous wealth amassed by the Yeltsin family, the oligarchs and the FSB, as well as the power that such wealth commands. The administration had no interest in allowing “just anybody” to be “democratically” elected.

In 1999, the daily publication, KOMMERSANT (the "Businessman"), commissioned a public opinion survey asking the question:

"Of all Russian film characters who would you like to see as the next President of the Federation?"

The fictional character Max Otto von Stierlitz finished 2<sup>nd</sup> to the historic WWII Marshal, Georgy Zhukov.

Who is Stierlitz?

Stierlitz is the main character in a 12 part television drama released in 1973. The program was so popular that it has been rebroadcast every year since. The Stierlitz character is a Russian "James Bond;" a KGB operative who infiltrates the Nazi High Command as the leading SS officer, Max Otto von Stierlitz. Stierlitz, like Bond, never loses. Vladimir Putin, a relative unknown to most Russians, was handpicked by Yeltsin and his cronies to be the "Stierlitz" of the upcoming elections in 2000.

It was not as if Putin had no useful training for leadership, he simply had no national recognition. Recall that from 1985-1990 he was in Dresden with the KGB. During the KGB restructuring in 1991, Putin made use of his Law Degree, working for City Hall and the Mayor's Office in St. Petersburg (the city's name was changed from "Leningrad" in 1991). It was here that Putin was involved in his first major scandal, the "Food Scandal." As a result of an investigation into this scandal the St. Petersburg Parliament recommended dismissal of Putin, being convinced the he, as head of the Committee for External Relations, had masterminded a 93 million dollar domestic metal sale in exchange for foreign food that produced NO food and no proper accounting for the whereabouts of the money. Not only was he not fired, he continued to serve on that Committee for five more years!

In 1996, Putin became Deputy Chief of the Presidential Property Management Department. This Department was responsible for the transfer of Soviet assets to the Russian Federation. In 1997, he is

appointed Chief of the Presidential Property Management Department, responsible for preparing Russian State assets for privatization. In 1998, he is named the Head of the FSB and became a permanent member of the Security Council of the Russian Federation. Not only is the fox in the henhouse; the fox owns the henhouse! With each step in his ladder of ascendancy, Putin is getting extensive exposure to the oligarchs, solidifying his relationship with them under the common theme of acquiring and preserving wealth for themselves primarily, the Federation secondarily. It is during these years that Putin became part of the “cabal”.

Just to give you some idea of the United States “insider” view of the Russian Federation, here are some fragments from testimony before the U.S. Congress, in 1999, given by Richard Palmer, CIA specialist in Russian organized crime:

“For the U.S. to be like Russia is today, it would be necessary to have massive corruption by the majority of the members of Congress as well as by the Departments of Justice and Treasury, and the agents of the FBI, CIA . . . IRS, Marshal Service, Border Patrol, State and local police officers, the Federal Reserve Bank, Supreme Court Justices, U.S. District Court Justices, support of the varied organized crime families, the leadership of the Fortune 500 companies, at least half of the banks in the U.S. and the New York Stock Exchange. The legal system would have to nullify most of the key provisions against corruption, conflict of interest, criminal conspiracy, money laundering, economic fraud and weaken tax evasion laws. This unholy alliance would then spend about 50% of its billions . . . to bribe officials that remained in government . . . the stolen funds, excess profits and bribes would have to be sent to off shore banks for safe keeping . . . the President would not only be aware of all these activities but would support them.”

On August 9, 1999, Putin was named as Yeltsin's Prime Minister. At the same time Yeltsin openly stated that Putin was his preferred choice to succeed him in the 2000 elections. Although now a bona fide insider, he still had no national reputation and for this reason his public ratings were in the low single digits. Several events transpired which catapulted Putin into the limelight:

- 1) With the oligarchs in control of much of the media, the television and radio attacks on Putin's opponents for the 2000 election were merciless if not outright lies. Putin, on the other hand, was portrayed as young, virile, decisive; occasionally with his shirt off. He was the remake of the Russian hero, Stierlitz.
- 2) Amid great controversy as to the true source of the bombs, from August 31<sup>st</sup> through September 16<sup>th</sup> five separate bombs exploded in Russia, 2 of them in Moscow apartment buildings, killing 218 sleeping Moscow residents. The Yeltsin/Putin version of the bombings named Chechen Separatists as the perpetrators. This perceived blatant attack on innocent sleeping residents of Moscow united the majority of Russian people against the presumed perpetrators from Chechnya. Putin, as Prime Minister, was seen on nightly TV as the decisive leader, vowing justice and destruction to the Chechen rebels. Within weeks the 2<sup>nd</sup> Chechnya War had begun.

NOTA BENE: Compelling evidence (recounted in several sources) exists that someone in the Putin camp, or the FSB itself, had planted every one of those bombs.

- 3) The new war, and its extensive television coverage by Russian media served to blunt the international news of U.S. condemnation of the Yeltsin Family and the Russian oligarchs involved in the massive money laundering scheme at the Bank of New York.
- 4) The Presidential election itself likely entailed widespread fraud. Dr. Dawisha, in her book, goes through an exhaustive presentation of the evidence for large scale, carefully orchestrated

election fraud to include: registration fraud, ballot stuffing, ballot tampering, voter intimidation and spurious electronic counting methods.

Putin was, obviously, elected President and then inaugurated May 7, 2000. However, after the election results but prior to the inauguration, the publication, Kommersant, produced excerpts from a document that can only be construed as a “mission statement” or “blueprint” of the upcoming regime’s ultimate intentions. This document was leaked to Kommersant and later scrubbed from the publication’s archives. The document appeared briefly on the Internet but that has also been scrubbed. Although unlikely to have written the document himself, Putin’s subsequent behavior shows him to be at least the “functional” author. The major points (from Dawisha’s research):

- 1) Establish a controlled mass public platform for all politicians and public-political organizations of the Russian Federation, supporting the President.
- 2) Remove from the State Duma political forums for presenting opposition to the President of the Russian Federation and consign the Duma to strictly law making function.
- 3) Introduce active agitation and propaganda throughout the entire territory of the Federation in support of the President.
- 4) Creation and maintenance of the sources of mass media.

In spite of this information, Putin’s inauguration went forward “without a hitch.”

In my lengthy interview with Dr. Stephen Norris he tended to divide his discussions of Russia during the Putin years along the lines of “Putin I and Putin II,” recognizing the differences in Putin and in Russia during his two separate periods of Presidency. First, I will address Putin I, 2000-2008. Who is this man?

This is the man who:

- 1) Closed down a popular national TV show called “Kukly” (roughly translated as “dolls” or “puppets”); a show of political satire trending towards “Saturday Night Live.” In one episode, Putin was portrayed as a foul-mouthed, uncouth, whining baby and those around him bewitched into thinking he is beautiful. The Kremlin quickly “instructed” the producers to remove Putin’s puppet from the show. In response, the next Kukly program, entitled “The Ten Commandments,” depicts Putin as the “Burning Bush” and then as a “Cloud” calling down the 10 commandments (such as: don’t kill anybody except of Caucasian nationality, don’t steal anything except federal property, don’t create idols except for Vladimir Putin). Not only was the show shut down, the station known as NTV (owned by Vladimir Gusinsky, an oligarch), with an audience of 100 million in 1999 and covering 70% of Russian territory, was taken over by a State owned conglomerate, Gazprom, in 2001. Within two years, several smaller independent stations were shut down. REPORTERS WITHOUT BORDERS, a nonprofit organization headquartered in Paris, France, which assesses nation’s freedom of press records, rated Russia (in 2013) 148<sup>th</sup> of 178 countries!
- 2) Quickly “slapped down” the oligarchs by arresting and jailing one of their own, Vladimir Gusinsky, already mentioned. Others chastised and/or stripped of assets included Mikhail Khodorkovsky and Boris Berezovskiy. The slap down had the dual effect of deceiving the Russian populace into thinking that Putin may be a leader of integrity, and the added effect of instructing the Oligarchs that although they may be above standard Russian laws, they were not above the rules of the Kremlin and the President, whose protection they needed to secure their billions. By the way, in 2000 there were no Russian billionaires; by 2015 there were 88!
- 3) Quickly established a vertical transmission of power by creating 7 new Super Federal regions to oversee the existing 89 Federal units; the 7 chiefs, appointed by the President would also be answerable to him alone.

- 4) Arm twisted the Duma into passing laws allowing the President to dismiss provincial governors if they have been charged with wrongdoing; and charges of wrongdoing could be initiated by the President
- 5) In Forbes Magazine, 2008, Putin was listed at 25<sup>th</sup> in the world for personal wealth, having assets listed at 19.3 billion dollars. (Bill Browder claims that today Putin's worth is nearly 200 billion dollars)
- 6) Persistent vilification of the "West." Putin uses terms such as "American aggression" and "Western European conspiracy" as frequent propaganda to explain any potential failing within his administration.

To be fair to Putin, it was during his Presidency from 2000-2008 that the GDP of the Federation increased by 70%. Russia moved from the 20<sup>th</sup> largest economy in the world to the 7<sup>th</sup>. Russia was second in the world in oil production and first in natural gas production during a time when the global price of oil quintupled! The wealth did "trickle down" to the Russian people during those years with the standard of living and wages remarkably increasing.

It was only somewhat inconvenient to Putin that the Federation's Constitution had term limitations. Dmitry Medvedev was deemed a suitable "avatar" by Putin and his cronies and served as President from 2008-2012. His Prime Minister? Vladimir Putin. During the Medvedev Presidency, term limitation laws were changed such that 2 consecutive 6 year terms were now permissible. It came as no surprise to anyone that Putin announced his candidacy for the Presidency in late 2011.

Which brings us to Putin II. This tenure of Presidency, beginning in 2012, takes us up to the present. "Nationalism" and "patriotism" appear to be the message for the new reign. The Sochi Olympics

became the world's center stage and Russia and Putin put on their best face. 50 billion dollars were spent on the event with at least half disappearing into the pockets of Putin's cronies; that estimate by Russian analysts. The visual merits and attempted hospitality at Sochi were quickly forgotten as the Crimean, the Ukrainian and eventually the Syrian events unfolded. The West responded with sanctions; beginning in 2014 and adding additional sanctions periodically over the next two years. An interesting aspect to the additional sanctions was the listing of specific businesses and individuals to be sanctioned. This was then, and is now, a direct attempt to target the real culprits, creating a list of "the bad guys." Most of the individuals on the list are oligarchs. A very damning summary concerning the oligarchs appears in Mikhail Zygar's book, ALL THE KREMLIN'S MEN (2016):

" . . . the oligarchic model of Russia resembles the Venetian Republic in the Middle Ages (according to this analogy the oligarchs are the Council of Ten, and the de facto elected president is the Doge).

. . . the families of most of the oligarchs live permanently outside Russia; their descendants are studying abroad. Many highlight the fact that the oligarchy does not link personal and familial strategic interests with Russia . . .

. . . the oligarchy's system of values is based on hedonism, the cult of money as an instrument of power, and deliberate disregard for people outside their oligarchic corporations."

The 2018 Presidential election looms ahead of him. There is cause for some concern; the sanctions have hit many of the intended targets, the price of oil is low and the Russian economy is tottering. And yet, as recently as December, 2016, a National Geographic article reported Putin's overall popularity at 80%; yes, 80%! And in the 18-24 year old age group it is an astounding 88%. This same article notes that 40% of those polled see Joseph Stalin "favorably" and that 58% would like to see a return to the Soviet Union days. Admittedly, I don't know how the questions were framed or the polling sample selected: the article was "lean" on such data, but did offer that few of those interviewed would give any more than

their first names! Personally, the thought that any one of those percentages could be remotely accurate scares the hell out of me. From Ostrovsky:

“Whereas Yeltsin’s era bred the Oligarch, Putin’s (era) introduced a far more dangerous type – the bureaucrat-entrepreneur who used the powers of the State for personal enrichment.”

From Dr. Dawisha:

“In this kleptocracy the State nationalizes the risk but privatizes the reward. Key to the successful functioning . . . has been the unity of key officials and their willingness to allow Putin to be the ultimate arbiter of any disputes without using (and indeed undermining) the written laws.”

It would seem that the Russian population has idealized Putin as its “Stierlitz” or 21<sup>st</sup> century “James Bond.” A more accurate description might be a 21<sup>st</sup> century adroit Joseph Stalin with less body count.

Who IS this man, Vladimir Putin?

I think I have a pretty good idea . . .

Jack Leibold, MD FACR

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## Resources and Bibliography

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