



Center for a Secure Free Society Global Dispatch



Russia in Our Blind Spot: Using Intelligence Networks in South America to Infiltrate the United States

by Ricardo Neeb

Russia, like the Soviet Union before it, is a source of expansion and aggression in Crimea, Ukraine, the Baltic states, Syria, and in cyberspace. These are regrettably only the visible signs. In Latin America, after a temporary lapse, Russia has returned to increase its influence and to exploit any real or perceived U.S. weaknesses. This time, taking advantage of U.S. foreign policy focused on the Middle East and, therefore, leaving a blind spot south of the Rio Grande.

This Global Dispatch examines Russia's use of Latin America as a veritable bridge from which to cultivate intelligence operations and infiltrate the United States. Providing a brief history of Soviet intelligence in Latin America and assessment of current Russian intentions in the region, the Dispatch also examines one major case where Russia's external intelligence agency used Chile as a staging ground for entry into the United States.

In the Beginning

Except for intelligence collection through Embassies and regional Communist parties allied with Moscow, the Soviet Union was not initially disposed to bringing the Cold War to the United States' so-called "backyard" at a time when most of its problems were in Europe or Asia. Moreover, it was not prepared for the high costs and cultural challenges of maintaining Soviet intelligence stations and operatives in Latin America. Simply put, Latin America was not a strategic priority for the Union of Soviet Socialist Republics (U.S.S.R) at the onset of the Cold War.

This changed with the Cuban Revolution in January 1959. The Soviet Union saw this as an opportunity to install itself in the Western Hemisphere, and Cuba became part of the Soviet sphere of influence as the first non-Euro-Asian country to be accepted in the Council for Mutual Economic Assistance (COMECON).¹ This provided an opportunity for Russia's intelligence services to insert themselves in the region, and

install significant signals (SIGINT) and electronic (ELINT) intelligence stations. Cuba's efficient regional intelligence network allowed further access to information and resources throughout Latin America, namely in Peru and Chile.²

Despite the opening to the region that Cuba represented for the Soviet Union, only General Juan Velasco Alvarado's government in Peru (1968-1975) bought Soviet arms during the Cold War. Along with this purchase came the installment of an estimated 125 "advisors" from Eastern European Communist states and the Soviet Union.³ According to Arbel and Edelist, by the early 1980s some "2,000 to 2,500 Peruvians were receiving military training in the USSR, and Peruvian intelligence had established working ties with the KGB."⁴ Peru's relationship with Russia weakened with the fall of Velasco and is now only preserved in the Soviet-era systems that make up Peru's military armament.

During the Allende regime in Chile, the Soviet Union was engaged in pursuing détente with the United States, and despite rhetorical support for the Allende government, Soviet economic assistance and trade was of a very limited nature. In December 1972, Allende and Chilean Communist Party leader Luís Corvalán met in Moscow with Soviet leaders Leonid Brezhnev, Alexei Kosygin, and Nikolai Podgorny seeking short-term credits to offset a budget deficit, as well as purchases of Chilean copper and \$220 million in aid for steel production. The Chilean leaders left Moscow with a new credit line of \$45 million and technical assistance agreements. Instead of increased economic support, however, the Soviet Union reduced its aid by half, from \$144 million in 1972 to \$63 million in 1973.⁵

While trade with Chile was limited, military and intelligence support was on the rise. In 1986, more than a decade after the overthrow of the Allende government, The New York Times reported the discovery of 70 tons of munitions found in several caches in Chile. Per Robert S. Gelbard, then Deputy Assistant Secretary of State for South America, the weapons and ammunition

were a sign of “a major threat to the hemisphere,” adding that “we know it is Cuba who did this, and we assume the Soviet Union is behind it.”⁶ Mr. Gelbard's assertion would prove correct when General Nikolai Leonov, a former high-ranking KGB official in Latin America, later revealed:⁷

“There was talk of a loan to send Soviet armaments, at Salvador Allende's request—I believe (General) Prats asked for it... Well, nobody imagined calling in those loans afterwards. The materialization of this loan took some time, but in the northern hemisphere summer of 1973 the ships carrying weapons for Chile were already on their way.”

By the height of the Cold War, the KGB had developed a robust intelligence network in Latin America that was used to weaken U.S. influence in the region and encourage perceptions of U.S. imperialism.

Into the 21st Century

The fall of the Soviet Union and the Communist bloc in the early 90s drove the country to diminish and, in some cases, completely withdraw its presence from Latin America. Despite this setback, relations between Moscow and Havana remained positive and improved with the arrival of Vladimir Putin, who was a counter-intelligence operative with the KGB during the Soviet era and, after its fall, assumed the Directorship of the Federal Security Service of the Russian Federation (FSB). At the turn of the century, Putin became president of Russia.

President Vladimir Putin has described the collapse of the Soviet Union as “the greatest geopolitical catastrophe” of the 20th century.⁸ The end of the Soviet era produced a kind of trauma from which Russia has still not completely recovered. The loss of its position as a superpower capable of standing up to the U.S. has been difficult to overcome. For Russia's leaders, including Putin, its subordination to

the U.S. is the result of a constant, decades-long campaign on the part of consecutive U.S. governments to keep Russia from regaining the status it believes it deserves.⁹

For Russia, the notion of challenging Washington the way it did during the Cold War is hardly realistic, but its new strategy has aimed to recreate spheres of influence and a resurgence of its intelligence networks worldwide, including Latin America.

After Putin won the presidency of the Federation in 2000, and even more so after his re-election in 2013, he began a revision of Russia's foreign policy, adding objectives such as (1) strengthening Russia's ranking in the world economic order; and (2) developing multi- and bilateral relationships of mutual benefit with other states.¹⁰ The development of multilateral forums and the reinforcement of international organisms like the United Nations have been among Russia's top foreign policy priorities in a strategy that seeks to equilibrate what it considers a balance that still favors North American positions and, in general, the West.¹¹

For Russia, the notion of challenging Washington the way it did during the Cold War is hardly realistic, but its new strategy has aimed to recreate spheres of influence in its near abroad, namely the Caucasus and Central Asia, and begin a resurgence of its intelligence networks worldwide, including Latin America.

Russia is reaping the best results of its new foreign policy in the political arena. In Latin America, growing discontent with the neoliberal system and the U.S. lack of interest in the region, especially following September 11th, provide ample opportunity for Russia to implement a strategy that will isolate the United States from its southern neighbors. Russia is capitalizing on the

U.S.'s growing distance from its "backyard," but it can't take all the credit. With the assistance of Russian agents of influence, several Latin American countries increasingly seek to exclude both the United States and Canada from regional affairs.¹²

The growing discontent with the neoliberal model, the source of which, at least according to public opinion, is the U.S.—has provided Moscow with a new opportunity in Latin America.¹³ Russia's focus, however, is not on presenting itself as an alternative in the region, but rather on promoting local regimes hostile to the U.S. who see Russia as a strategic ally.

These Latin American regimes have catalyzed an increase in Russian activity with the following intelligence priorities:

- Collect strategic intelligence for Russia, especially on the U.S. and its allies.¹⁴
- Recruit voluntary and involuntary allies and agents of influence.¹⁵
- Stimulate the environment of military negotiations to open more potential lines of cooperation in Latin America.
- Research and secure information useful in carrying out negotiations in other strategic industries in Latin America, such as automotive production, nuclear, energy, and hydrocarbon exploitation.
- Produce propaganda in Spanish that encourages a new image of Russia through the promotion of Russian culture in the region.
- Purchase properties in Latin America for Vladimir Putin and his innermost circle.¹⁶
- Use Latin American countries as a feeder to infiltrate intelligence agents and assets into the U.S.

This last point was discovered in the summer of 2010, when Russian intelligence agent Anna Chapman's circle of spies was exposed in the United States. Born Anna Kushchchenko, Chapman¹⁷ was a Russian national who was arrested in New York on June 27, 2010 along with nine other Russians, on suspicion of working for the Russian Federation's foreign intelligence agency, the SVR.¹⁸ Their mission was apparently to infiltrate the upper echelons of U.S. foreign policy circles and allegedly almost caught a senior member of U.S. President Barack Obama's cabinet in a honey trap operation.¹⁹ The same day Chapman was arrested in New York, another Russian spy ring was discovered in Santiago, Chile.



Anna Chapman, a Russian spy in the U.S.



Alexey Ivanov, a Russian Spy in Chile codenamed "Antares"

Antares Case: A Spy Network in South America

Chile does not have a record of known espionage cases, making it extremely difficult to elaborate a chronology of counterintelligence carried out in the country by extra-regional powers, especially Russia. However, it is possible to cross-reference the little information that is publicly available with the modus operandi of Russian intelligence, the Federation's renewed relations with Chile, and their foreign policy goals in Latin America writ large.

Since 1990, a renewal of diplomatic relations between Russia and Chile has established commercial ties that have grown despite lackluster performance in Latin American markets.²⁰ At the turn of the century, Russia attempted to use the Free Zone of Iquique (known as ZOFRI) as an entry/exit point for consumer goods, without much success.²¹ Russia has also sought military sales to Chile. In 2002, during the International Air and Space Fair (FIDAE), Russian General Andrei Nikolaev, President of

A little known but strategically important espionage case for U.S. national security involves a Russian spy in Chile named Alexey Ivanov, codename Antares.

the Defense Committee of the Duma, met with then Minister of Defense (and now President of Chile) Michele Bachelet to agree on an eventual purchase of Mi-17 mid-range transport helicopters for the Chilean Army and Air Force.²² While this military exchange never materialized, Russian deployment of security and intelligence officials to Chile began to increase after 2002, highlighted by the October 2009 visit of Nikolai Patrushev, the former director of the FSB and current Secretary of the Russian National Security Council and close confidante of Vladimir Putin.²³

In accordance with Russia's new foreign policy goals in Latin America, developing an interconnected spy ring that transcends borders and boundaries throughout the Western Hemisphere became a priority for the Russian Federation. In this context, a little known but strategically important espionage case for U.S. national security involves a Russian spy named Alexey Ivanov, codename *Antares*.

Antares initially entered Chile on September 21, 2008, through the Zona Austral (Southernmost zone) in the Chilean portion of Patagonia. He evaded Chilean immigration

authorities using a diplomatic passport under the name Andrei Semenov. Once in Chile, "Semenov" assumed the Chilean identity of Andrés Vilches Carvacho, with the help of Patricio Arenas Fernández, an official in the Chilean Civil Registry and Communist militant formerly exiled in Russia during the Pinochet dictatorship.²⁴

Antares' mission was to assimilate into Chilean society and later migrate to the United States as "Vilches," a Chilean immigrant. He was accompanied by another Russian spy named Olga Ovanova, codename *Sandra*, who first lived in Cuba where she learned Spanish before pairing up with *Antares* in Santiago. During their stay in Santiago, they received logistical support from two Russian agents who went by the codenames *Patriota* and *Samuel*.²⁵

The initial plan was for the pair to spend 10 years in Chile perfecting the Spanish language and reinforcing their cultural understanding of Chilean society to avoid raising suspicion among U.S. authorities when it came time to request their visa to the United States. Their operation was disrupted, however, on June 27, 2010, when *Antares* ("Vilches") and *Sandra* abruptly fled Chile to Argentina and then to Europe on the same day Anna Chapman was arrested in New York. It is not clear how or if *Antares* was connected to Anna Chapman or her ring of Russian spies in the U.S., but some sources suggest that both spy networks (in Chile and the U.S.) were handled by the same Russian case officer in Spain.

Implications for U.S. National Security

The U.S.'s overwhelming preoccupation with events in the Middle East has caused it, arguably, to neglect its predominant sphere of influence in the Americas. This has created a vacuum for extra-regional actors to fill. Through commercial, political and diplomatic, but also through more covert means, other nations have sought to expand their own influence and to

undermine American interests in the Western Hemisphere. Regional anti-American regimes, unable to provide for their own countries' needs, have attached themselves to these extra-regional actors to erode U.S. influence in Latin America.

Russia's regional activities are often unseen while they have grown in recent years, making offers to build military bases in the continent. In 2015, Lt. Gen. Kenneth E. Tovo of U.S. Southern Command told Congress:²⁶

"Russia has courted Cuba, Venezuela, and Nicaragua to gain access to air bases and ports for resupply of Russian naval assets and strategic bombers operating in the Western Hemisphere. Russian media also announced Russia would begin sending long-range strategic bombers to patrol the Caribbean Sea and Gulf of Mexico, to 'monitor foreign powers' military activities and maritime communications."

The Russian presence in the Americas has many dimensions, but its aim remains the same as it was during the Cold War: to erode U.S. influence in the region. Toward that aim, Russia's use of intelligence and counterintelligence in Latin America is increasingly aggressive. The Antares Case serves as a cautionary anecdote raising important questions for U.S. national security:

1. How many similar Russian spy rings are currently operating in Latin America with intentions to infiltrate the United States?
2. Are U.S. immigration and counterintelligence authorities prepared to detect and neutralize Russian spy rings from the region?
3. Was the goal of the Antares spy ring in Chile to infiltrate the upper echelon of Chilean foreign policy circles, much like Anna Chapman in the U.S.?
4. What are the connections in Russia and the Americas between Anna Chapman and Alexey Ivanov?

Russia is capitalizing on the U.S.'s diminished influence in Latin America by taking advantage of regional discontent with the liberal economic order and exploiting its weaknesses through various political movements that have maintained ties to Moscow since the Cold War.

Russia's goal in Latin America remains the same as it was during the Cold War: to erode U.S. influence in the region. Toward that aim, Russia's use of regional intelligence networks is increasingly aggressive. The Antares Case serves as an important anecdote for U.S. National Security.

Despite conventional wisdom in Washington, Communist/Socialist movements in Latin America maintain a strong influence over regional governments.²⁷ Russia's presence and activities in Latin America deserves greater attention and deeper scrutiny from U.S. policymakers.

There are still many opportunities to engage the region and neutralize Russia's resurgence, however, doing so will require dismantling foreign intelligence networks that are weakening U.S. influence in Latin America. Taking one's gaze off the Americas is one way to encourage aggressors in our region, allowing them to exploit seemingly minor opportunities. Eventually, the minor opportunities can become potential or actual threats, by which time it may be too late. The key to preventing surprises or deterring aggression involves critical preparation and rational vigilance. By refocusing attention on what has become a blind spot for U.S. and Latin American policy makers, we could dismantle growing and future threats to regional security and avoid the unexpected.

Notes

1. Cadioli, Giovanni; "The Bear Beyond the Ocean", *Rivista de Studi Politici Internazionali*, Nouva Serie, Vol 79, N°1, Jan-Mar 2012, p. 50. Mongolia became a COMECON (Council of Mutual Economic Assistance) member in 1962, Cuba followed in 1972.
2. See Global Security.org, Directorate General of Intelligence, Accessed January 1, 2017: <http://www.globalsecurity.org/intell/world/cuba/dgi.htm> and Stratfor's <https://www.stratfor.com/analysis/why-us-should-be-wary-cuba>
3. Cadioli, Op. Cit., p. 51.
4. Arbel, David and Edelist, Ran. (2003). *Western Intelligence and the Collapse of the Soviet Union – 1980-1990*. London, Portland, OR: Frank Cass. (p. 90)
5. Harmer, Tanya (2011). *Allende's Chile and the Inter-American Cold War*. Chapel Hill, NC: The University of North Carolina Press. p. 197-202.
6. Christian, Shirley. "Chile Arms Caches Are Laid to Cuba," *The New York Times*, October 19, 1986. Accessed on <http://www.nytimes.com/1986/10/19/world/chile-arms-caches-are-laid-to-cuba.html>
7. Leonov, Nikolai, "Soviet Intelligence in Latin America During the Cold War,"(PDF). Accessed on Hacer.org, January 17, 2017. Accessed on <http://www.hacer.org/pdf/Leonov00.pdf> (p. 24)
8. "Putin Deplores Collapse of USSR." April 25, 2005. Accessed on news.bbc.co.uk. <http://news.bbc.co.uk/2/hi/4480745.stm>
9. Lukyanov, Fyodor; "Putin's Foreign Policy," *Foreign Affairs*, May/June 2016, p. 31.
10. Ruiz, Francisco. "The Foreign Policy Concept of the Russian Federation a Comparative Study"; Framework Document 06/2013, *Instituto Español de Estudios Estratégicos*, April 2013, pp.3-4.
11. Ibid, p. 8
12. The Community of Latin American and Caribbean States (known by the Spanish initials as CELAC) was established as an alternative to the Organization of American States (OAS), which largely served to counter Soviet influence during the Cold War. Significantly, CELAC includes all the countries of the hemisphere except the U.S. and Canada.
13. Cadioli, Op. Cit., p. 53.
14. In this context, a traditional move is to monitor U.S. intelligence and military activities in Latin America, as well as to support and cooperate, indirectly and generally with the Cuban intelligence services, and other anti-U.S. regimes.
15. It's important to highlight that links between Communist Parties in the region and ex-members of terrorist groups formed behind the Iron Curtain remain.
16. One aspect of Russian intelligence activity that merits more attention is the country's purchase of residential, agricultural, and mining properties in various locations in the Americas, including real estate in New York.
17. On Anna Chapman see <http://www.biography.com/people/anna-chapman-17183786#synopsis>
18. For more on SVR see "Russian foreign intelligence headquarters has doubled since 2007," IntelNews.org. <https://intelnews.org/2016/07/14/01-1939/>
19. Gayle, Damien. "Russian agent Anna Chapman 'came close to catching top Obama official in a honey trap,' FBI counter intelligence chief claims." April 3, 2012. Accessed on January 11, 2017: <http://www.dailymail.co.uk/news/article-2124371/Russian-agent-Anna-Chapman-came-close-catching-Obama-official-honey-trap-U-S-spy-catcher-claims.html#ixzz4VwgYpV8J>
20. Russia has also expressed interest in other Chilean industries such as the banking sector and agroindustry, though not with better results. As in the rest of Latin America, Russia has also pursued mining and nuclear energy projects in Chile, aggressively promoting their industry in these fields.
21. *La Estrella* de Iquique, 09/01/2004.
22. *El Mercurio*, 07/04/2002.
23. The Foreign and Diplomatic Activities of the Russian Federation in 2009. Review, Ministry of Foreign Affairs, Russia. Moscow, March, 2010. P. 112. Accessed: http://www.nti.org/media/pdfs/1_22.pdf?_=1318874796
24. Rojas, H. and Carrera, P. "Indagan a empleado del Registro Civil por ayuda a presunto espía," *La Tercera*. Accessed on July 28, 2011. Accessed on <http://diario.latercera.com/2011/07/26/01/contenido/pais/31-77831-9-indagan-a-empleado-del-registro-civil-por-ayuda-a-presunto-espia.shtml>
25. Rojas, M. and Carrera, P. "Informe revela la verdadera vida del espía ruso que obtuvo identidad chilena." *La Tercera*, July 30, 2011. Accessed on <http://diario.latercera.com/2011/07/28/01/contenido/pais/31-78019-9-informe-revela-la-verdadera-vida-del-espia-ruso-que-obtuvo-identidad-chilena.shtml>
26. Lopez, Linette. "It's time to start worrying about what Russia's been up to in Latin America" *Business Insider*, March 27, 2015. Accessed on <http://www.businessinsider.com/its-time-to-start-worrying-about-what-russias-been-up-to-in-latin-america-2015-3>
27. The Communist Party of Chile (PCCh) is part of the governing New Majority coalition of President Michelle Bachelet, gaining 6 of 120 seats in the Chamber of Deputies during the 2013 legislative elections and winning 255,242 or 4.11 percent of total votes. The PCCh was once one of the largest in the Americas and formed part of Salvador Allende's Unidad Popular government (1970-1973). Today, the party's registration lists over 45,000 members (Source: <http://ciperchile.cl/wp-content/uploads/Estad-al-31032015.pdf>)



Ricardo Neeb **International Fellow (Chile)**

Ricardo E. Neeb is an International Fellow based in Santiago, Chile with the Center for a Secure Free Society (SFS). Having served twelve years in Chile's National Intelligence Agency (*Agencia Nacional de Inteligencia-ANI*), including four years as the chief of the counterintelligence division, Mr. Neeb has a distinguished career within Chile's intelligence community. During his tenure, Mr. Neeb ran the unit responsible for critical infrastructure, cybersecurity, and counter-proliferation of weapons of mass destruction. A Naval Engineer from the *Universidad Austral de Chile*, with a Master of Science in Engineering (M.Sc.Eng) from the Federal University of Rio de Janeiro, Mr. Neeb combines technical expertise with field experience to be one of the leading counter-proliferation experts in South America. He provides regular lectures at various seminars throughout Latin America and is a professor of Defense Studies at the Political Science Institute of the *Pontificia Universidad Católica de Chile*. Fluent in four languages (Spanish, English, German, and Portuguese), Mr. Neeb now works in the private sector providing security for the largest utility company in Chile, *Compañía General de Electricidad (CGE)*.

Disclaimer

The opinions and views expressed in this publication are those of the author and do not necessarily reflect the policy or position of the Center for a Secure Free Society (SFS).

About SFS

The Center for a Secure Free Society (SFS) is a global, next-generation, national security think tank advancing freedom and security worldwide. SFS publishes a monthly Global Dispatch from international fellows and partners around the world about important national security and foreign policy issues of interest. Drawing from their tacit knowledge, SFS brings international expertise to U.S. policymakers providing creative and effective policy solutions to emerging threats worldwide.

© 2017 Center for a Secure Free Society
All Rights Reserved

Edited by Fernando Menéndez
Translated by Rachel Echeto

TEL: +1 (703) 628.6988
EMAIL: info@securefreesociety.org
WEBSITE: securefreesociety.org
TWITTER: Follow us @securefreesoc
FACEBOOK: Like us /securefreesociety

509 C Street, Northeast
Washington D.C. 20002

