THE WILD EAST

by SEYMOUR M. HERSH

Organized crime has Russia even more firmly in its grip than has been reported. Lawlessness has made Americans in Moscow fear for their lives, thrown obstacles in the way of businesses both foreign and domestic—and eroded the government's control over its nuclear weapons and materials

A DEATH IN MOSCOW

On November 13, 1993, Michael Dasaro was brutally murdered in his apartment in a fashionable neighborhood in central Moscow, a ten-minute walk from the American embassy. Dasaro was on the verge of being a classic American success story. He grew up poor and streetwise in a public-housing project near Boston and managed to escape, with the aid of a scholarship, to Harvard University, where he became immersed in Russian studies. It seemed inevitable, after his graduation in 1981, that he would find his way to the Soviet Union and put his love of Russian culture and his fluency in the language to work. By the late 1980s he was a valued and much respected contract employee in the economics section of the U.S. embassy in Moscow. Last fall he was hired—at high pay—by one of the many American accounting companies now administering State Department contracts and Agency for International Development (AID) privatization programs throughout Russia and the former Soviet republics.

Dasaro was the first American citizen with direct ties to the embassy to be murdered since the era of Mikhail Gorbachev's *perestroika* began, in the mid-1980s. American officials who were sent to the scene took a series of gruesome photographs depicting the disarray of his apartment, which had been stripped of all valuables, including a computer, television set, and stereo, and the bloody bathtub in which Dasaro's body, wearing only shorts, had been found. It seemed obvious that Dasaro was yet another victim of Moscow's criminal element.

The Moscow police nonetheless refused to rule out the possibility that Dasaro had died of a heart attack. The *Moscow Times*, citing Russian autopsy findings, reported that Dasaro, who was thirty-five years old at the time of his death, was suffering from a rare heart disease known as cardiomyopathy. This statement and others like it were left unchallenged by top American officials in Moscow, to the dismay of Dasaro's former associates in the embassy and elsewhere.

In the view of these old friends, some of whom are still foreign-service officers or AID contract employees, Michael

Illustrations by Pierre Fortin

Dasaro's death has made it impossible to continue to ignore the penetration of organized crime into all aspects of Russian life, and the fact that American citizens are increasingly being targeted.

The exponential growth of organized crime in Russia is not only an issue of personal safety and economics—it is becoming an issue of national and international security. The criminal element in Russia is now in the process of hijacking the state, and is threatening to erode the government's control over its stockpile of 15,000 tactical nuclear warheads and its hundreds of tons of weapons-grade plutonium and enriched uranium.

Two Presidents, George Bush and Bill Clinton, have supported Boris Yeltsin, the President of Russia, although the Yeltsin government has been unable to deal with crime. American policymakers have no illusions about the lack of order in Russia, but how to address it poses a classic dilemma: is the cure—more police and state control over day-to-day life and society—worse than the disease?

Furthermore, some Clinton Administration experts question how extensively the United States can intervene legitimately in Russian affairs. As these experts may know, the Bush Administration chose to play a major and until now secret role in helping Yeltsin to emerge as a hero in his first major crisis—the August, 1991, coup attempt against Mikhail Gorbachev. Bush's clandestine support for Yeltsin may later have helped blind him and his senior aides to the dangers posed by organized crime in Russia—dangers that leave citizens at risk of being robbed or murdered, and nuclear warheads and enriched materials at risk of being sold to outsiders in Russia's flourishing black market.

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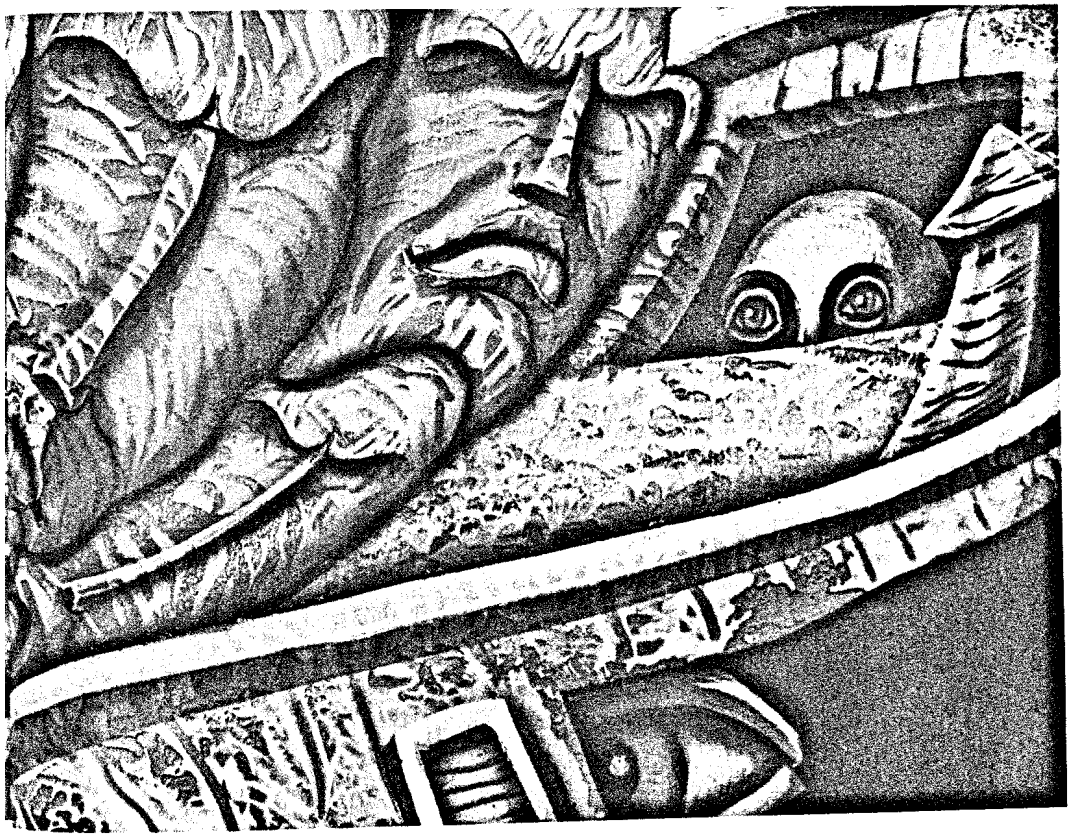
Dasaro became invaluable to embassy officials, most of whom could not match his fluent Russian, for his knowledge of Moscow and its leadership. Sometimes his access was discomforting to the men at the top. Dasaro's former colleagues are quick to tell of the occasion, after a critical political meeting in 1990, when an embassy official beseeched Yeltsin, then the president of the Russian Federation, for information. "Why don't you talk to your economic counselor?" Yeltsin replied, giving Dasaro a title he did not have. "I already gave everything to him." When in 1991 a devastating fire swept through the embassy, Dasaro insisted on staying behind with John W. Blaney, then the embassy's minister-counselor for economic affairs, to secure safes and classified documents. With the flames approaching, he calmly put together a crude ladder that enabled the last group of Americans to climb over the embassy wall to safety. "He was a hero that day," Blaney says. A wire-service photograph of Dasaro scaling the embassy wall made front pages all over America.

Dasaro was also a good friend to the many young Americans just out of college who were hired to replace Soviet employees after a spy scare in the mid-1980s. Like them, he was deeply troubled by the extent to which organized crime had made inroads into all aspects of Russian life—including AID's multimillion-dollar effort to change state-run enterprises into private businesses, known as the privatization program. "Michael was an expert on crime and privatization," recalls Kim Gamel, who in the early 1990s was a fledgling reporter for the English-language *Moscow Tribune* and is now a graduate student in journalism at Northwestern University. "He had contacts and he knew that the criminal element had taken over privatization." Dasaro was constantly telling her about various black-market schemes, Gamel says, but not in detail: "I don't think he thought I could handle it journalistically, and he was probably right."

The death of the man who knew the most about the streets shook the embassy. Those who knew Dasaro found themselves "unable to work, just sitting around, without words," a foreign-service officer wrote in a letter to a former colleague. "He was one of us and his murder sends a shocking message: we are safe no longer."

Dasaro's friends knew that he had been planning to buy a used car—a business transaction, like many in Moscow, that could be made only with cash, and lots of it. Everyone in the embassy understood that any American in Russia who was withdrawing a large amount of cash from a bank or arranging for a cash advance was likely to become a target. The Moscow mafia is known to have bribed and extorted its way into most major banking and lending institutions to gain access to individual and corporate accounts. The Americans in the embassy also understood that one never declared significant amounts of cash upon entering the country: many airport customs officials were known to be in the employ of the mob, and to turn over the names of potential robbery victims. One embassy official who visited Dasaro's apartment on the day after the murder told me that the ransacking of the apartment had stopped abruptly, indicating that whatever was being sought—such as a large sum of money—had been found. Many of his friends in the embassy believe that Dasaro was murdered for his money by a well-organized criminal group.



Within a week another explanation for Dasaro's death emerged in the Moscow press: Dasaro had been a member of the underground gay community in Moscow and had been slain after a raucous party in his apartment got out of control. In late November the Associated Press, quoting a gay-rights group, reported that a special Moscow police unit, armed and wearing masks, had raided a gay bar in downtown Moscow on the day after Dasaro's death, telling patrons that "one of yours has been killed." That suggestion—that Dasaro's death was linked to his secret ties to the gay community—became a hard fact for many Americans in and out of Russia. A former U.S. ambassador to Russia told me that he had been distressed to hear of Dasaro's murder and had been advised, upon checking with senior officials in Washington, that "it was a gay thing—and that's the reason they didn't go into it further." Dasaro's former colleagues in the embassy "didn't want to embarrass" his family by probing too deeply, the ex-ambassador added.

Dasaro's many woman friends insisted in interviews that he was not gay. But one American official who formerly worked in Russia and who is himself homosexual told me that Dasaro did indeed frequent gay bars in Moscow. The fact that someone is gay, of course —whether or not Dasaro was gay—does not justify indifference to a murder.

As of mid-March the State Department was continuing to cite its unwillingness to intervene in Russian affairs, telling journalists who asked that the Russian police were "still conducting a criminal investigation" into Dasaro's death. The United States would not take any action, a spokesman added, until that inquiry was completed. Reporters were told once again that the initial results of the Russian autopsy indicated that Dasaro died of a heart attack.

Dasaro's father, Charles, a retired fisherman in Everett, Massachusetts, insisted that the body be returned to Boston for further autopsy. It arrived in December with much of the heart missing, making it impossible for Gerald Feigin, a state medical examiner who was retained by the family, to determine the cause of death. In a telephone interview Feigin did not challenge the right of the Russian pathology team to remove essential organs, but he expressed bitterness about the initial refusal of the Russian government to provide slides of relevant heart tissue. The slides did not arrive until February, he said, and showed no signs of heart disease.

INSIDERS' ADVICE: STAY AWAY

THOSE former colleagues who are willing to be quoted view the embassy's hands-off attitude toward Dasaro's murder as an attempt to hide the impact of organized crime on day-to-day life in Russia and the former Soviet republics. They say that many of AID's contract em-

ployees in Russia have been told not to discuss the murder with outsiders—and have also been instructed to buy steel doors for their apartments and to take more precautions when traveling alone at night.

Last year Karen Salz left Moscow, where she had worked as a contract employee in the embassy's cultural-affairs office, to attend the graduate school of business at the University of California at Los Angeles. Her excellent Russian and her invaluable experience in Moscow inevitably led to offers of jobs and consultancies from American businessmen eager to get entrenched in Russia. "I tell them I wouldn't recommend that anyone go over there without thinking very seriously about the crime," Salz said in a recent telephone interview from Los Angeles. "People here are really shocked when I tell them how bad it is. I learned how naive Americans are—even now—and how hopeful American businesses are about going over there." She added that after hearing the news of Dasaro's death, "it occurred to me, of course, that the American government doesn't want the public to know what's going on. At some point there was a lid put on everything. None of my State Department friends can talk about it."

For Kim Gamel, leaving Moscow involved more than just fear of becoming a victim. "There *was* a sense of fear," she said recently in an interview in her campus apartment, in Evanston, Illinois. "That's why I'm here. But there also was a sense that if I stayed there, I'd lose my moral sense. Corruption is the system there, and I was not even blinking when I bribed someone." As a reporter in Moscow, she added, "I accepted the police system—it's very bad—as natural. I wasn't seeing the corruption as a good story. It was just a way of life."

Gamel said she was especially distressed by the U.S. embassy's stated reliance on the Moscow police to investigate the Dasaro murder fully. "The police are not even going to look for the truth, and everybody in the embassy knows it," Gamel said. Many embassy officials, she added, carry bottles of vodka in their automobiles for bribing the police in case of trouble.

Another American, who left Moscow in 1991, recalls the shock inside the embassy when it was discovered that organized crime was in charge of the always lengthy line for U.S. visas, as Russians by the thousands sought to take advantage of the state's liberalized international-travel rules. One senior American consular officer, enraged upon learning that those at the front of the line had paid criminals to get there, raced into the street and shoved the mobsters away. He was warned the next day by the Moscow police that neither the police nor any American inside the embassy had control over the streets outside. Russians continued to pay to stand in the visa line.

"Michael was killed because he was an American," says Catherine McSherry, who worked with Dasaro in the embassy for four years. "I always thought that if you had street smarts"—like Dasaro—"you'd be okay. But it doesn't matter in the end how assimilated you are; you stand out. Living alone as a woman is something you didn't want to do. I wouldn't walk my dog at night. I got rid of my car and hired a car and driver. Even with a driver you didn't feel safe. It's getting more and more gray in Moscow as to who's in government and who's in the mafia. It's more and more entwined. It's chaos out there."

McSherry, who is now a travel agent in Washington, adds, "I think we should be asking more questions. But we're afraid to."

NUCLEAR DEVICES—AND CONTROL CODES—FOR SALE

A MYRIAD of official statistics and publications describe the extent of criminal penetration of Russia. But among them there is special significance to one recent and until now unpublicized U.S. study: an analysis of "the Russian mafia" compiled last November by the Department of Energy's Office of Threat Assessment. The office provides the U.S. intelligence community with specific analyses of the engineering equipment and high-tech data available to those nations around the world suspected of building—or wanting to build—nuclear-weapons arsenals. It has also begun a study of Russian control over nuclear warheads and fissionable materials—clear evidence that at least some in Washington are worried that organized crime is threatening Russian nuclear security.

The DOE's mafia study, officials at the department say, was the first step in what has become a large effort to collect intelligence on the potential nuclear threat from organized crime in Russia and the former Soviet republics. "Discussion of nuclear proliferation today," the report said, "must cover the risk of criminal proliferation." The report cited evidence showing that in 1991 about 4,000 organized-crime groups or gangs were operating inside Russia. The study included other findings:

- One quarter of the organized-crime groups are believed to have ties to similar criminal groups abroad or in the former Soviet republics. A significant number of the groups have merged some or all activities with corrupt government and police officials.
- Forty percent of private businesses and 60 percent of state-owned companies have been corrupted by organized crime.
- The Russian mafia may own half the nation's commercial banks and 50 to 80 percent of the shops, hotels, warehouses, depots, and service industries in Moscow. A substantial portion of the commercial district in St. Petersburg is similarly in the control of criminal elements, with businessmen being forced to pay 15 percent of their income for protection.
- Corruption in the Russian army is widespread. In February of last year Russian defense officials announced that they planned to discipline 3,000 officers for questionable business practices and that forty-six general officers faced court-martial

proceedings on corruption charges. The illicit "movement of military materiel through organized crime channels has resulted in the spread of former Soviet guns and weapons throughout the FSU [former Soviet Union] arming militants, nationalists, and criminals—and the world at large." Russian armories are physically deteriorating and are guarded by soldiers whose indifference makes them vulnerable to criminal elements.

• Organized crime now uses high-tech communications equipment, including fax machines, shortwave radios, and cellular phones, far more sophisticated than anything used by Russian law-enforcement officials.

So far there has been no documented case of the successful theft or illicit sale of a nuclear warhead or enriched materials from a Russian or former-republic stockpile. Despite many press reports of illicit sales and attempted smuggling of nuclear materials, some of the men now responsible for the Clinton Administration's policies have insisted in recent interviews with me that since there is no clear-cut evidence, there is no crisis. "Worry isn't a policy," says a senior State Department official. "It's a judgment call. Anybody who says we are not engaged in a risk is crazy. As a statesman, all you can do is try to make it come out right." Another official, who feels the burden of the economic chaos in Russia, told me resignedly, "Unless you are able to come up with a credible story that a warhead has made it out of Russia, it's not particularly important."

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Nonetheless there is powerful evidence that organized crime in the former Soviet Union has been systematically seeking access to the nuclear stockpiles, with their potential for huge profit. There is also evidence that the Russian government is unable to account for all its bombs and all its weapons-grade uranium and plutonium. The nuclear weapons most at risk are Russia's tactical nuclear warheads, many of which are believed to carry an explosive force far greater than that of the atomic bomb dropped on Hiroshima in 1945. These warheads, designed for use in artillery shells, aircraft bombs, land mines, and torpedoes, are stored under less-than-secure conditions on many military bases.

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Dr. Thomas B. Cochran, a senior scientist at the nonprofit Natural Resources Defense Council (NRDC) and one of the leading U.S. experts on Soviet nuclear issues, explained in a recent interview that Washington has been preoccupied with negotiating a reduction in the former Soviet Union's strategic forces—the huge intercontinental ballistic missiles capable of hitting targets in the United States. The destruction of most of the launchers for those missiles, which are placed in Russia and three former Soviet republics—Ukraine, Belarus, and Kazakstan—will be verified under current U.S.–Russian strategic-disarmament agreements, which have yet to go into force. But, Cochran said, there is no U.S.–Russian mechanism in place for independently verifying the destruction of the warheads for the strategic delivery systems.

In mid-1992 the Central Intelligence Agency, telling Congress that it had only a "highly uncertain estimate" of the size of the Russian tactical nuclear arsenal, estimated Russia's warhead count at 30,000 for both strategic and tactical weapons, with a margin of error of 5,000 warheads. "We don't know how many warheads they've destroyed," Cochran told me. "In fact, we don't know within thousands how many warheads they had. And we don't know within hundreds how many they're destroying in any given year. We also don't know how much fissile material"—weapons-grade uranium or plutonium—"the Russians have within hundreds of tons." In mid-1992 the Bush Administration agreed to buy 500 tons of highly enriched uranium from the Russian stockpile "without knowing whether they have seven hundred or twelve hundred tons," Cochran said. The major piece of legislation that Congress has passed on the Russian nuclear issue is aimed at ensuring the safe transport, storage, and destruction of nuclear weapons. The law, signed into effect by President Bush in 1991, provides funds for secure containers and improved safety conditions on the Russian railway cars that ferry the weapons. "The legislation is a joke," Cochran said, referring to its implementation. "For example, it gives them training on how to respond to a nuclear accident but provides nothing for cleanup afterwards. They've already had two horrible nuclear accidents"—one in 1957, at a plutonium-production plant in the Urals, and the other at Chernobyl, in 1986—"and instead of helping clean them up, we're giving them training on how to handle the next one."

Cochran said that his frustration over the current lack of nuclear intelligence is heightened by the fact that he and his colleagues in the NRDC were rebuffed by the Bush Administration in 1991 when they proposed a joint program to find, identify, and tag all nuclear weapons in Russian and American stockpiles. The White House rejected the idea because Russian military leaders, in offering full access to their tacti-

cal and strategic nuclear storage areas, were insisting on reciprocity inside the United States. "My belief is that many people in the Defense Department and White House thought, 'We won the Cold War and we don't want any Russian oversight over our arsenal,'" Cochran said. "As a consequence, we don't have any oversight over their arsenal."

The NRDC's proposed joint operation had the added advantage, Cochran pointed out, of giving out-of-work and out-of-money Russian nuclear scientists and technicians something to do in lieu of selling their expertise to the highest foreign bidder. Clinton's election did not solve the problem, Cochran added angrily: the U.S. government still has not advanced a coherent program for verifying the elimination of Russian nuclear warheads and tracking the ultimate disposition of tons of surplus weapons-grade materials. "And now, three years after the Russians agreed to do joint research on the destruction of nuclear warheads," Cochran told me, "we have nothing. I think control of warheads and fissile material in Russia should be the number-one national-security issue for America."

In subsequent interviews many well-informed national-security officials said privately that they agreed with Cochran but questioned the value of raising the issue in public. A top administrator of one agency involved with nuclear matters told me that there is "a lot of legitimate and deep concern" inside the Clinton Administration about organized crime in Russia and the vulnerability of the Soviet tactical nuclear arsenal. "Could a Russian weapons storage area be raided?" the official asked rhetorically. "Yes. By Western standards they are minimally defended."

At this point the official, who has discussed many other sensitive issues with me in the past, suggested that I not publish my information on the link between organized crime and Russian nuclear-weapons security. "I'm a very strong supporter of freedom of the press," the official said. "But even an investigative reporter would support the notion that you don't yell 'Fire' in a theater."

"Let me put it this way," another well-informed national-security analyst told me. "We're gambling that Yeltsin can somehow keep control of the most important things most of the time. It's a gamble imposed on us not by our own policy but by a course of events beyond our control. Yes, our public posture is Pollyannaish, but there is some value in not panicking the whole world. The question is whether we're in the process of fooling ourselves—whether we're screwing things up. After all, a government that can't figure out how to deal with safety on the streets in Washington should not try to deal in Russia. On the other hand, by turning a blind eye to this I hope we're not encouraging someone to think he's sitting on a pot of gold." This official said that he, too, could see an argument for not writing about the nuclear-theft risk posed by organized crime: "The very last thing we should do is provide free advertising to people who are thinking about it."

Despite his doubts, the official went on to summarize some immediate security problems. The essential concern is that the new Russian government, weakened as it is, no longer controls its territory and its people. "It's not even close to what the old Soviet Union had," the official said. Because of rigid internal controls, the Soviet nuclear establishment had no need for extensive physical barriers at the weapons-storage sites. "Back in the old days," the official explained, "the lack of physical safeguards didn't matter. Even if someone had shot off a lock [and seized military goods], the government would send the KGB after them. The basic assumption was that physical security was backed up by overall control.

"If you go to a typical U.S. installation with sensitive stuff, it's hard to get on and off the base—lots of guards—but you don't have locks on every door. The assumption is that no one is going to get on the base. In the old Soviet Union the really tough perimeter fence was the one around the border. What mattered was that the KGB had two divisions, with helicopters and all that. And now that's gone away and the Russians don't have the resources to retrofit the installations with the kind of protection you'd want. None of this is a secret to us, but I don't think there's any advantage in talking about it."

"Would they let us help them?" The official answered his rhetorical question with a noncommittal shrug. "If they asked for help, would we give it? Of course. The fact is that our options are limited."

Paul A. Goble, who resigned from the State Department

in 1991 as the special adviser on Soviet nationality issues, explained to me that the notion of limited options is heightened by the American "assumption that in any given territory the strongest force is the government." He said, "It's reassuring for our leaders to think other leaders have more power than they actually do." In Russia, he added, "we're watching the death of a state." Goble, now a senior associate at the Carnegie Endowment for International Peace, was willing to say what no one in the Clinton Administration wants said: "I'm convinced that if I had twenty-five million dollars, I could buy a warhead and the launch codes."

A RISKY STUNT

As many national-security officials in the government know, such a purchase almost happened—and for much less than $25 million. In 1991 William M. Arkin, then a nuclear-weapons expert for Greenpeace, the international environmental-action group, spent eight months negotiating the sale of a nuclear SCUD warhead with one of the men assigned to its protection. His goal was to expose the vulnerability of the Russian nuclear arsenal. The incident was first reported in *Critical Mass*, a study of nuclear proliferation published last February. Its authors, William E. Burrows, the director of New York University's Science and Environmental Reporting Program, and Robert Windrem, an NBC television producer, describe Arkin's negotiations with a twenty-eight-year-old senior lieutenant in the special troops of the Soviet general staff. East and West Germany had been unified the previous year, and the officer was assigned to guard nuclear warheads at an overcrowded and undermanned bunker at Alten-Grabow, a Russian base an hour's drive south of Berlin.

Arkin arranged a clandestine meeting with the officer at which a price—roughly $250,000—was agreed upon. Arkin, who told the lieutenant that he represented Greenpeace, visited the base and determined that the theft of a 1,500-pound nuclear warhead was feasible: twelve officers who guarded the perimeter at night were the base's only protection, and Arkin's lieutenant was the man in charge of the shift. The lieutenant told Arkin, according to *Critical Mass*, that he had determined a time when he could get access to the warhead and to the necessary keys and codes for the alarm systems. The plan called for the lieutenant and two enlisted men to drive a truck up to the bunker, load the warhead on the truck, and drive off. "I know it sounds fantastic on a certain level," the book quotes Arkin as explaining, "but in fact the level of security . . . was very heavily weighted toward defending against a NATO attack. It was not heavily weighted toward protesters, or public intervention, or terrorists."

Elaborate plans were made to smuggle the lieutenant out of Germany, with the warhead to be put on public display in Berlin by Greenpeace. The plan fell apart around the time of the abortive Moscow coup in August of 1991, when all Soviet weapons were abruptly moved out of Germany. The lieutenant apparently went back to Russia with them.

Arkin's near-miss attracted little public attention after the publication of *Critical Mass*, although some of the national-security officials interviewed for this article said that they knew of his negotiations. Before moving to Washington, in the late 1970s, and becoming active in arms control, Arkin recently explained, he spent more than three years as a special assistant to the deputy chief of staff for intelligence of the U.S. Army commander in West Berlin. At the time, West Berlin was a center of espionage and intelligence operations targeted against Soviet forces in East Germany and East Berlin. Arkin wrote intelligence estimates and reports on counterintelligence missions, he told me; he was also direct-

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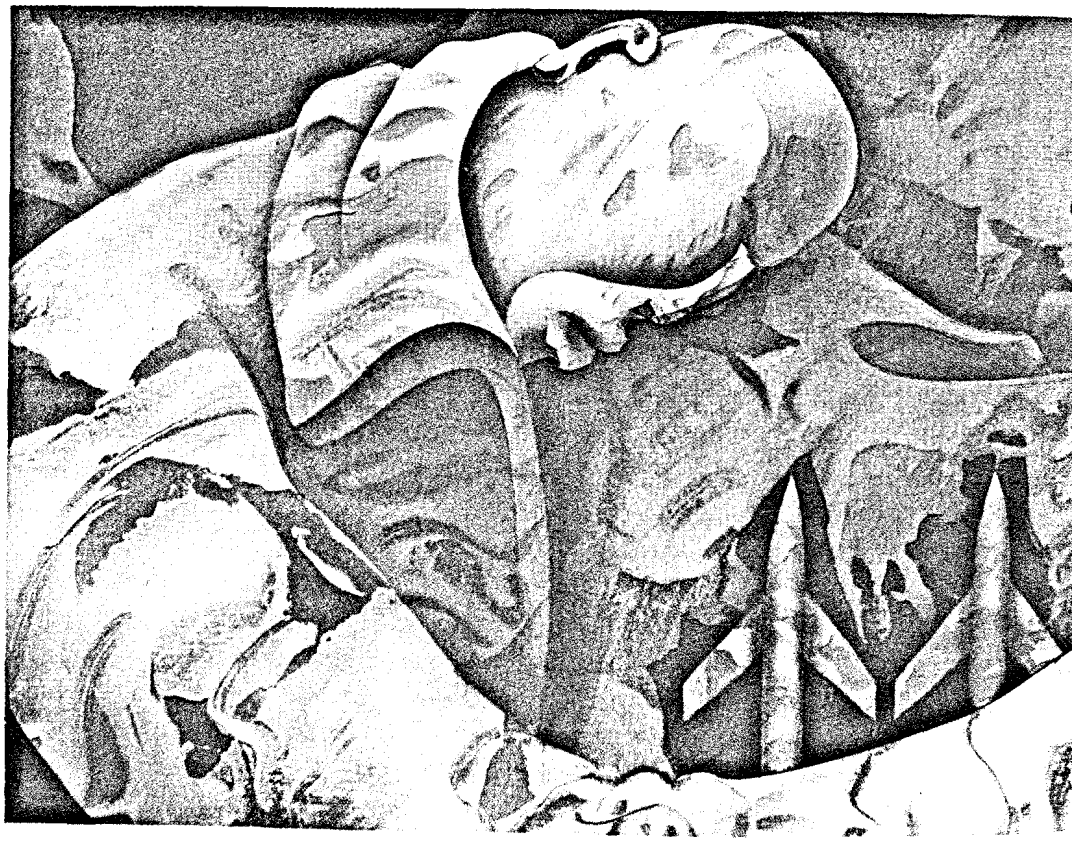
LOOK HERE

Next time you walk by my place
in your bearcoat and mooseboots,
your hair all sticks and leaves
like an osprey's nest on a piling,
next time you walk across my shadow
with those swamp-stumping galoshes
below that grizzly coat and your own whiskers
that look rumpled as if something's
been in them already this morning
mussing and growling and kissing—
next time you pole the raft of you downriver
down River Street past my place
you could say *hello*, you canoe-footed fur-faced
musk ox, pockets full of cheese and acorns
and live fish and four-headed winds and sky, *hello*
is what human beings say when they meet each other
—if you can't say hello like a human don't
come down this street again and when you do don't
bring that she-bear, and if you do I'll know
even if I'm not on the steps putting my shadow
down like a welcome mat, I'll know.

—PAMELA ALEXANDER

ly involved in espionage activities. Through contacts he had made while serving in Army intelligence in West Berlin, he learned in early 1990 of turmoil at the nuclear-storage facilities at Alton-Grabow. He was also told, Arkin said, that U.S. intelligence had reliable reports indicating that highly classified materials were for sale in East Germany. It was at that point that he reached out and began a series of inquiries that led him to the Russian lieutenant.

"I conceived the operation," Arkin told me. "If there are problems with security for these warheads, then here's an opportunity for us to nose around where we can't get hurt." Operating in unified Germany was much safer than operating during the Cold War, he said: "We're on German soil and the worst that will happen is that they'll throw us out of the country." That the operation did not work is beside the point, according to Arkin. "I know it was real," he said.



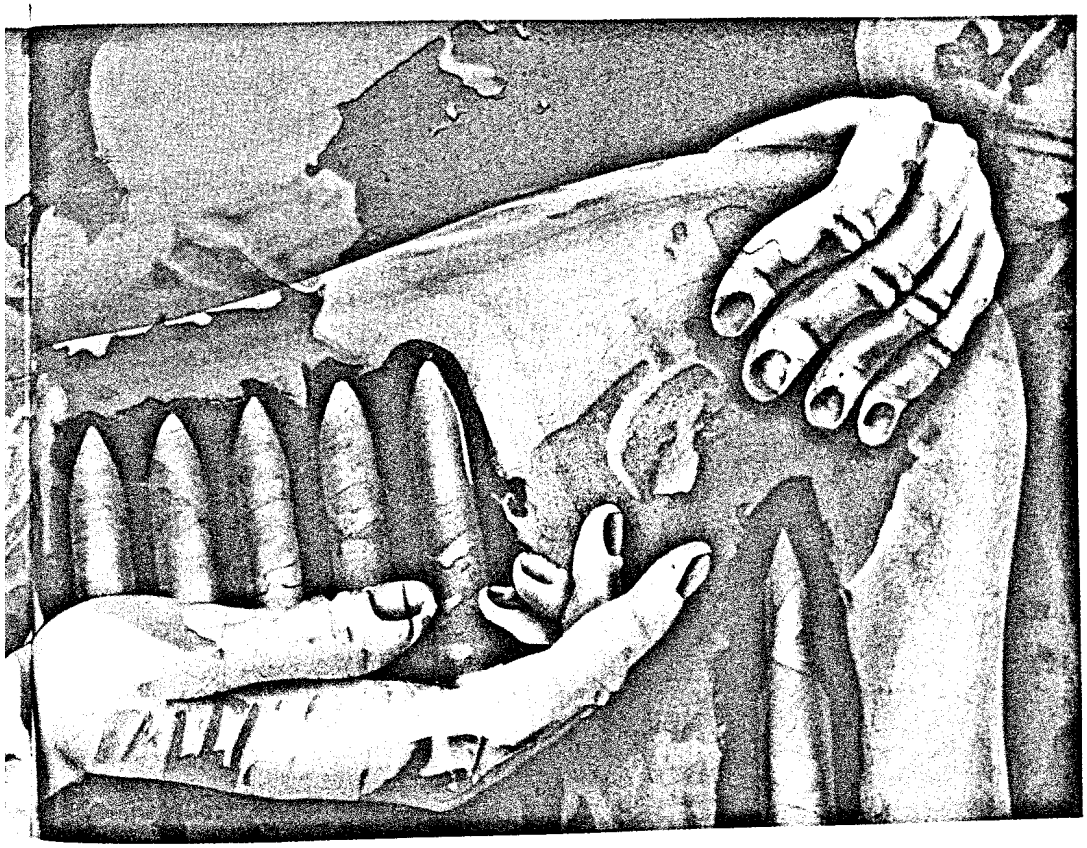
In early 1993 Kirill Belyaninov, a young investigative reporter for *Literaturnaya Gazeta*, Moscow's most respected weekly newsmagazine, went underground with two colleagues inside Russia in an effort to learn whether a nuclear black market did exist. Months of dealing with middlemen paid off, as Belyaninov wrote in the magazine, when he and his colleagues were shown what was said to be the warhead from a Soviet SS-20 nuclear missile. The asking price was $70,000. "I was told it came from the Ukraine," Belyaninov told me in a recent telephone interview from his office in Moscow, "and that there were more warheads ready for delivery."

The reporter sent a photograph he had taken of the warhead to scientists at Arzamas-16, Russia's main nuclear-weapons laboratory, southeast of Moscow; they confirmed that the warhead outwardly appeared to be real. No attempt was made to buy the warhead, Belyaninov said (the magazine did not have that kind of money), but a full account was published last summer, as part of a series looking into what the reporting team described as an extensive and flourishing nuclear black market. A few days after publication, Belyaninov said, he had a meeting with the official who ran the security department at the Russian Ministry of Atomic Energy. Had he read the article? "It was enjoyable," the official responded, according to Belyaninov. "I read it as a science-fiction story."

THE *Literaturnaya Gazeta* account is difficult to corroborate, but the American intelligence community cannot dismiss it as science fiction. The American intelligence community was stunned to learn in the aftermath of the signing of the 1987 U.S.-USSR Intermediate-Range Nuclear Forces (INF) Treaty that it had dramatically overestimated the size of the Soviet SS-20 mobile missile fleet—and even more dramatically underestimated the number of Soviet SS-23 launchers and missiles. The Gorbachev government provided data showing that there were 659 SS-20s deployed or in storage at the time of the INF agreement; the U.S. Defense Department was then reporting that the Soviets had 900 SS-20 missiles in all. At the same time, however, American intelligence had been able to locate by overhead reconnaissance only ten Soviet SS-23 missiles on site in the western Soviet Union; the Gorbachev data revealed that in fact there were 167 missiles deployed. Stunned officials of the CIA and the Defense Intelligence Agency acknowledged, according to a *Washington Post* account, that they were reviewing their past estimates.

Unease over the gaps in American knowledge and the threat of organized crime in Russia has spread to America's most sophisticated nonproliferation intelligence unit—the Department of Energy's Z Division, at the Lawrence Livermore Laboratory, in Livermore, California. Analysts there, who handle the most highly classified nuclear-proliferation data available to the government, are now involved in an intensive review of the potential nuclear threat from Russian organized crime. They are also reviewing a second category

of nuclear threat: the nightmarish possibility that some of the Russian-controlled nuclear weapons in Ukraine may have been eased out of the official stockpile by forces loyal to the new government in Kiev. Most suspicions, according to American sources, center on a group of Russian-army nuclear custodial officers assigned to the strategic-bomber bases at Uzin and Priluki, in Ukraine, which were to have returned all their tactical nuclear bombs to Russia last year. Some nuclear custodial officers at the air bases have taken



oaths of loyalty to Ukraine, and these officers may have played a role in diverting some of the bombs—with yields of 100 kilotons or more—from Russian to Ukrainian control.

There is obvious concern inside Z Division that not every official in Washington may want to hear about such threats. While researching this article, I was indirectly but emphatically encouraged to keep on reporting by a group of Z Division researchers.

The Department of Energy's concern was spelled out last year in its study of the Russian mafia, which noted that organized-crime investigators have established "the existence of a latent, potential nuclear smuggling infrastructure" in Russia and the former Soviet republics. The study cited an Eastern European expert on terrorism as concluding that Russian and Italian mafia leaders have agreed that their global crime syndicate not only will handle narcotics but also will devise "plans to smuggle nuclear weapons-grade material out of Russia along routes used in drug trade." The report warned, "Given a high enough profit motive, the Russian mafia may conclude in the future that the health and law enforcement risks are worth running."

However, the DOE study also criticized the press for its "sensationalist" reporting on alleged nuclear smuggling and noted that there was "no evidence" that any nuclear weapons or weapons-grade materials have been illegally exported from the former Soviet Union. That conclusion, sources with firsthand information have told me, is now being reviewed by the analysts at Z Division and by intelligence experts elsewhere in the Clinton Administration.

I was told that during the planning meetings and conferences before the summit in Moscow last January, Russian intelligence officials provided their American counterparts with information about three attempted diversions of weapons-grade material. In the most significant case sixty kilograms of highly enriched uranium—enough to make three weapons of Hiroshima size—was seized last April by the Russian Ministry of Security in Izhevsk, 600 miles east of Moscow. Two months later officials arrested twenty people, including two Italians, in Brest, near the Belarus-Polish border, and charged them with attempting to smuggle thirty-six kilograms of enriched uranium.

In early February, *Der Spiegel*, the German newsmagazine, reported that Germany's federal intelligence agency, the BND, has concluded that there have been more than 200 illicit sales of nuclear material from the former Soviet Union and Warsaw Pact nations, much of it smuggled through Germany. *Der Spiegel* further reported that the BND had prepared an eighteen-page report for Chancellor Helmut Kohl stating that it could no longer rule out the possibility that Western gangsters could obtain sophisticated nuclear devices and use them for extortion.

Of equally great concern are intelligence reports, yet to be confirmed, that weapons-grade plutonium was smuggled from a storage depot in Russia to North Korea. In March of last year Germany's *Stern* magazine cited a KGB report claiming that North Korea had produced its first nuclear warhead by early 1990. The magazine also said that the North Koreans had obtained fifty-six kilograms of plutonium from the former Soviet Union. A similar report was circulated last winter inside the U.S. intelligence community, I was told by one source, who did not know whether that report was linked to the earlier published accounts.

North Korea, now reported by U.S. intelligence agencies to have enough plutonium for at least one nuclear warhead, was accused last year in the Russian press of attempting to recruit a group of sixty-four Russian missile experts. The men, stopped at the Moscow airport while attempting to board a plane for Pyongyang, had reportedly been offered jobs there for $3,000 a month. At the time, their monthly pay in Russia was less than $20.

Russian nuclear security and the "brain drain" problem are now being studied by the Congressional Office of Technology Assessment, which last year was mandated to investigate proliferation problems in the former Soviet Union. The initial findings have been alarming. "You cannot assume that a central government in one of the republics has any control over what's going on in its territories," a congressional source told me in a recent interview. At one Russian nuclear site enriched uranium was stored in a Quonset hut that was "protected by a padlock or a cipher lock," he said. "No sensors. No electronics. Just two sets of barbed wire." The uranium was being protected by Russian militiamen armed with hunting knives. Nuclear scientists at Arzamas-16, the nuclear-weapons laboratory, have been in a state of near rebellion over the lack of such basic amenities as housing, health care, and regular paychecks, the source said. At one point last summer the scientists—equivalent in competence and knowledge to the American bomb builders at Los Alamos, New Mexico—staged a public demonstration in order to get paid.

"These guys would go to Somalia for health care," says Stephen M. Younger, a Los Alamos nuclear physicist who has been active in arranging joint research projects with the weapons experts at Arzamas-16. "This is the time to be their friends," Younger told me recently. "We're going to hold their hands. These people have a lot of information in their heads."

The joint research also provides a means of funneling cash to the Russians. Thus far, Younger said, none of the Arzamas-16 scientists has left the country. But many other topflight scientists, made desperate by a lack of money, have. "The Russians are worried about what they call diffusion," Younger said. "Some of these guys will diffuse away from the authorities. Suppose you get a job in Moscow, and from Moscow you get to Romania. Will you get a job offer from some other country?"

The Los Alamos joint-research effort, admirable though it may be, is too late. Last October the Chicago *Tribune* quoted CIA officials as saying that China, Iran, and Iraq had followed North Korea's lead by actively and successfully recruiting Russian nuclear scientists and engineers. The CIA has concluded, the newspaper said, that "Russia's efforts to control the exodus of scientists largely have collapsed."

AT one Russian nuclear site enriched uranium was stored in a Quonset hut that was "protected by a padlock," one congressional source said. "No sensors. No electronics."

The scientists are doing more than merely leaving the country. They are taking sensitive high-tech weapons components with them and selling them to the highest bidder. Knowledge of such goings-on is widespread and has been widely reported. A former National Security Council aide, who worked in the Bush Administration, tells of learning that Russian scientists had recently offered to sell firing devices for nuclear weapons to an American businessman. A former senior State Department official provides a graphic description of a visit to a former Soviet republic: "My image is Harpo Marx. You go to discuss foreign affairs with the Foreign Minister. As you get up to leave, he opens his coat. He's got a bottle of aspirin and a $3.95 watch for sale."

SHUSHING ALARMISTS

QUESTIONS about the extent of organized crime in Russia are being raised these days in public, but not by senior officials of the Clinton Administration. "I think in many areas of the former Soviet Union—not in Russia yet—the state is so weak that organized crime is capable of control," says Paul Goble, who served as a CIA analyst before joining the State Department. "We're going to see the rebirth of a Russian state that will be highly authoritarian, and will use organized crime as an excuse."

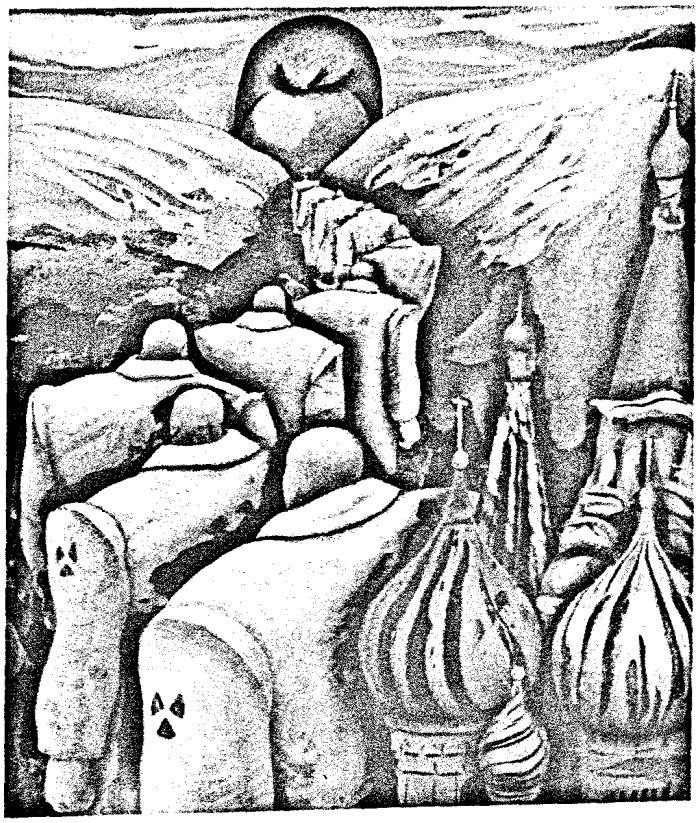
A number of Clinton Administration experts on Russia, after being assured that they would not be quoted by name, told me that they agree with Goble. These officials say that organized crime and inflation in Russia have moved that nation to the edge of becoming, as one puts it, another Weimar Republic—the short-lived democratic German government whose attempts at political and economic liberalism after the First World War collapsed when the public preferred the totalitarian National Socialists. Russia's strong central government and its internal police force, the KGB, have simply disappeared, and no other state institution has replaced them.

"Russian policymakers committed a fundamental mis-

take," the Canadian journalist Stephen Handelman wrote in the March-April issue of *Foreign Affairs*.

> They tried to develop a free market before constructing a civil society in which such a market could safely operate. As a result, businessmen, politicians and law enforcement agencies suffer. . . . Many activities that are required for a market economy to function remain illegal or unprotected by legislation; other activities that are considered unlawful according to Western norms, such as organized crime, are not specifically prohibited.

"Organized crime," one fully informed Treasury Department economist told me recently, "is now much more powerful than the state and gaining power. It's not even close. An economist would argue that the mafia exists where there are inefficiencies. You cannot fight it just with law enforcement, but you've got to change the inefficiencies" of the economic system. This was one of the goals, he said, of the Bush and Clinton Administrations in their endorsement of economic "shock therapy"—the attempt to force the state-controlled economies of Russia and the former republics into free-market systems. The economist referred sadly to the "collapse" of the Administration's Russia policy—a collapse caused in part by the strong showing in the December elections of the ultranationalist Vladimir Zhirinovsky and other anti-Yeltsin candidates, many of whom campaigned heavily on law-and-order issues.



Another significant factor was the resignation, within days of the January Clinton-Yeltsin summit, of two key Russian economic reformers, First Deputy Prime Minister Yegor Gaidar and Finance Minister Boris Fyodorov. The resignations were accompanied by public rebukes of the Russian-American economic policy and were widely perceived as an embarrassment to the President and Strobe Talbott, his chief policymaker for Russia, who is now the deputy secretary of state. But in fact, the Treasury Department economist acknowledged, Bill Clinton and his top aides had flown to Moscow knowing of Gaidar's threat to resign and of the growing chaos inside Yeltsin's government; they had worked out an agreement to delay announcing the resignation until the summit was completed. In the interim all diplomatic and intelligence reporting on the pending collapse in Moscow was restricted to a highly classified back channel, the economist said, to prevent any damaging leaks. The Administration was driven in all this, he added, by domestic politics: nothing would be permitted to interfere with the summit and its heavy network-television coverage, which included special access for ABC's *Nightline*. "The whole concern is spin," the economist said with a shrug.

In retrospect, the Treasury official said, one of the most significant mistakes made by the American shock-therapy proponents was their failure to anticipate fully the viciousness and rapaciousness of the criminal element. "We had a belief that the first generation of Russian capitalists would be nice guys, but they are ruthless motherfuckers," the official said. "Much worse than the American robber barons. These guys take the fillings out of teeth after murder. It's a nightmare. Production has ceased. The only institution that's growing is the mafia."

"The Wild West, Alaska frontier, and Chicago in the twenties" is the way a senior State Department official involved in day-to-day Soviet economic strategy describes Russia today. "Anyone who says there isn't a crisis of governance would be crazy." A former national-security official, who worked in the Reagan and Bush Administrations, says, "The chaos scares me. Here we have a 1930s situation in Chicago, except that Al Capone has access to nuclear weapons."

THESE officials, however, refuse to make such statements on the record. They and other government bureaucrats have come to believe that talking openly about the impact of organized crime will damage their careers.

That view is especially widespread inside the Agency for International Development, which has been under heavy attack from congressional budget and appropriations committees for its alleged mismanagement of more than $1.4 billion appropriated for the years 1992 to 1994 to promote capitalism and the conversion of state-owned businesses and factories into privately held property in Russia and the former republics.

At one briefing last July a CIA official provided a scathing

report on the Russian mafia's infiltration of the privatization program. "Privatization is the centerpiece of AID funding, and it was the first time I heard the CIA admitting there was a problem," a government official who attended the briefing told me last fall, although, as he knew, Russian newspapers had been full of detailed accounts of wrongdoing.

The briefing focused in part on the voucher program that had been created in Russia and the former republics to ensure that all citizens would be given an opportunity to share in the new private economic system. Millions of privatization vouchers—with a redeemable cash value—were printed and distributed. State-owned property would be publicly auctioned, and the citizens, using their vouchers, would be able to bid. The vouchers could also be used to buy stock in what had been state property.

The CIA official bore a grim message. Millions more vouchers were turning up than had been printed. And millions of vouchers were not being canceled after their use, as regulations called for, but were being reused to buy more property. The mafia, which was behind the counterfeiting of vouchers and their fraudulent reuse, was directly threatening citizens in an effort to keep them from bidding at privatization auctions. Organized-crime groups would appear at the auctions with suitcases full of vouchers and buy up the property at very low prices. The briefing ended with expressions of bureaucratic concern for the future of the privatization program.

An employee at an involved government agency recently told me that his very rough guess last year was that 30 to 50 percent of AID money for privatization is spent in a way that ultimately benefits criminal interests. But when he raised his concern with officials at decision-making levels, he told me, "the reaction was 'There's always corruption in AID programs, and we don't want to get into it.'" The employee recounted one meeting at which "everyone jumped on me for being 'irrelevant' in raising organized crime." He would have left his government job, he said, but could not afford to do so.

Many government experts on Russian affairs, frustrated by their inability to deal publicly with the organized-crime issue, referred me, with approval, to scholarly data on crime in Russia which have been compiled by Professor Louise I. Shelley, a sociologist and criminologist at the School of Public Affairs at American University, in Washington, D.C.

In a paper delivered at an academic meeting last fall, Shelley presented a devastating portrait of present and future life in the former Soviet Union.

> Organized crime has penetrated most of the newly independent states of the former Soviet Union at all governmental levels and with such pervasiveness and with such infiltration into the society that it ceases to be a crime problem but a phenomenon that will help determine the future course of development of the Soviet successor states. . . .
>
> Domination by the Communist Party may be replaced by the controls of organized crime. As in other societies, organized crime will limit free elections and freedom of the press and media. Labor markets once controlled by state planning and submissive trade unions will instead be subject to the intimidation of organized crime, which is already a major employer. State ownership of the economy will be exchanged for control of the economy by organized crime groups which have a monopoly on existing capital.
>
> The collapse of communism may not lead to democratization and the transition to a competitive capitalist economy. Instead, the pervasiveness of organized crime may lead to an alternative form of development—political clientism and controlled markets. The control will come from the alliance of former Communist Party officials with the emergent organized crime groups, groups that currently enjoy the preponderance of capital of the post-Soviet states.

Later in her presentation Shelley noted that much of the commerce of organized crime is in the smuggling of military equipment, minerals, and nuclear materials. "The trade of organized crime is so diverse," Shelley said, "that it includes almost anything of former state property which can be sold for a profit."

THE MISSING LINK: U.S. LOYALTY TO BORIS YELTSIN

THOSE officials who worry about the risk of nuclear proliferation also acknowledge that demanding that Boris Yeltsin begin a nationwide crackdown on Russian crime—a necessary first step in curtailing the Russian nuclear black market—would be a devastating blow to social reform. "The problem of Russia," one involved official told me recently, "is that a lot of their facilities were designed with the awareness that they were a police state. And they are not one any longer. I hate to see an embassy guy get killed in Moscow and nobody do anything about it, just as I'd hate to see somebody in Washington get killed. But the question is, Do people in our embassy have any right to be more protected [than others living in Moscow]? To say yes is to say that the KGB should be following them around, which we don't want. If Yeltsin decided that there has to be a crackdown and they go back to being a police state, there would be a lot of support in Russia. But I'd hate to think that we'd support it."

Another official, also deeply involved in nuclear matters, acknowledges that there is currently "confusion between what we should do and what we can do" about the lack of nuclear security in Russia. "The American people sometimes make the erroneous assumption that we can somehow cure the world's problems," he says. "And if we don't solve them, therefore, we have failed."

The quandary over how best to proceed with strengthen-

ing nuclear security in Russia is further complicated by strong anti-American feelings now sweeping Russia, triggered not only by Yeltsin's bloody showdown last fall with his opposition in the Parliament but also by the widespread belief that the Soviet leader can do little wrong in Washington's eyes.

The many critics of the Clinton Administration's policy toward Russia—who cut across the ideological spectrum—have focused on its seemingly unstinting support for Boris Yeltsin and the initial reluctance of Washington to establish ties with any other potential leaders in Russia.

Blair Ruble, a scholar who is the director of the Kennan Institute for Advanced Russian Studies, in Washington, D.C., accuses the Administration of "not dealing with reality" in its reaction to the disastrous December elections, in which Yeltsin and his supporters won about 25 percent of the popular vote. "The problem is that we are thinking in terms of the Cold War," Ruble told me recently. "We want to deal with one leader because that's what we want to do. We don't want to deal with regional leaders. The solution is to build up social structures, get out of Moscow—which is poisonous—and make contact with others. The fallacy of resting everything on Yeltsin is that he has lost stature as a leader. And to stay in power, he'll have to depend on the military or the mafia—or create a sideshow."

The sideshow Ruble means is expansion of the Russian republic. Paul Goble predicts that Yeltsin will respond to his poor showing in the December parliamentary elections and the success of the ultranationalists by re-establishing control over portions of the former Soviet Union—either by administrative fiat or with armed force. Such a move would dramatically increase his popularity among the disillusioned Russian people. "The scary thing," Goble warns, "is that this Administration has not realized that Russia is a threat to its neighbors. When things are bad at home, they go abroad."

The issue arose during an appearance by Strobe Talbott before the Senate Foreign Operations subcommittee last January. There was tough questioning from Senator Mitch McConnell, a Republican from Kentucky, who said, "Last year you, the Clinton Administration, opposed my amendment to link aid to a respect for territorial integrity.... You also opposed my desire to earmark funds for Ukraine, which was clearly designated to indicate the United States accepted Ukraine as an independent entity. I'm having a hard time finding examples of when this Administration has opposed Russian foreign policy on anything. . . . It's as if this Administration really supports any Russian effort to assert itself beyond the borders in what used to be the Soviet Union."

Another witness, Stephen F. Cohen, of Princeton University, reminded the senators that he had been among a small group of USSR scholars who had warned repeatedly—and presciently—about U.S. policy toward Russia. Now he was worried again. "It is said that the United States must support Yeltsin because he is Russia's elected President," Cohen said. "This is correct. But the Clinton Administration has gone far beyond that accepted norm of international conduct. It has acted as Yeltsin's political cheerleader, accomplice, spin doctor."

In late February, Senate Republicans backed up their criticisms of the Administration's Russia policy by casting thirty-one votes—twice as many as expected—against the confirmation of Talbott, a longtime Clinton friend, as deputy secretary of state. The nomination was confirmed, but the Senate's message seemed to get through by early spring, when the President received official delegations from Ukraine, Kazakstan, and Georgia—signaling that the United States viewed those areas no longer as former Soviet republics but as fully independent and self-contained nations. The Administration also widened its diplomatic contacts with newly elected members of the Russian parliament, many of whom were harshly critical of Yeltsin.

In their criticisms Senator McConnell, Professor Cohen, and the others touched on a sensitive policy question that, as they perhaps did not know, is being debated today inside the Administration: How far, if at all, can the United States intervene in the internal affairs of Russia—if only to help protect the Russian nuclear arsenal?

Questions about whether and how deeply to intervene in Russian affairs are not new. In early spring of 1991, well before the August coup attempt, the Bush Administration learned of the plotting against Mikhail Gorbachev and

turned to Yeltsin as a possible alternative leader. Over the next few months U.S. intelligence agencies were assigned to help Yeltsin, then the President of Russia, improve his personal and communications security. When the coup finally took place, President Bush ordered that essential communications intelligence be provided to Yeltsin—over the bitter protests of the National Security Agency, which is responsible for such top-secret intercepts. This help enabled Yeltsin to emerge from the crisis a triumphant hero. The transfer of intelligence was conducted under stringent secrecy and the House and Senate intelligence committees were not formally notified—as is required by law.

Gorbachev's *perestroika*, and the sudden rise in criminal activity, opened up the Soviet Union to the CIA and the NSA, and eliminated the need to send U.S. agents on what had for decades been very risky assignments. "The CIA asked, 'How can we get sources?'" one former senior intelligence official told me recently. "The answer is by paying them. What an incredible position to be in. You can pay men in authority, and you know by technical means who's in control, and by technical means you can monitor what they're doing. Why? Because they are immoral. It's no surprise. We've described Russians as criminal all during the Cold War, and since they are no longer Communists, are they suddenly now the moral equivalent of Republicans?" The former official added with a laugh, "As much as Republicans are moral."

Having what the intelligence community calls a "special relationship" with a senior Russian official was no longer a novelty by the spring of 1991, when NSA intercepts and other intelligence persuaded some top White House aides, among them Robert M. Gates, then the deputy national security adviser, that a hard-liners' coup was coming against a weakened Mikhail Gorbachev. The President, an admirer of Gorbachev, and his senior advisers eventually decided that contact should be made with the Soviet leader's main rival—Boris Yeltsin. George Bush thus was doing precisely what Bill Clinton's critics today accuse him of not doing—reaching out to potential new leaders. It should be noted that at the time, Yeltsin was viewed as being more strongly committed than any other Russian leader, including Gorbachev, to Western-style democracy and economic reform, and thus was a far more attractive alternative than the hard-line opposition leaders are today. Yeltsin made his second visit to Washington in June of 1991, and Gates asked a ranking senator to take him aside during a formal reception at the Soviet embassy and ask his view of U.S. intelligence about coup plotting. "We went off in a corner, and I raised it with Yeltsin," the senator, who did not wish to be named, told me. "Are we being overwrought about the coup? He said, 'Absolutely not! There will be a coup before the end of the calendar year. Gorbachev doesn't believe it, but I'm preparing for it.'"

Yeltsin had improved his personal security and had also developed a rudimentary system for communications security. "We built on what he had been doing," the senator said.

Gorbachev continued to ignore a series of American warnings over the summer, including one personally relayed in a telephone call by President Bush. There was no question that the coup was being organized by, among others, two men who wanted to bring back the old days—Vladimir Kryuchkov, the chairman of the KGB, and Dmitri Yazov, the Minister of Defense. The coup began on Sunday afternoon, August 18, with the enforced isolation of Gorbachev at his summer dacha in the Crimea and the naming of a new Soviet leader. Within hours the NSA was monitoring Kryuchkov's and Yazov's communications from their offices to the various military command posts around the nation. The military men were staying put—in some cases refusing even to take the calls from Moscow. The coup was stalled.

Bush was briefed on the intelligence and gave authorization for the intercepts to be provided to Yeltsin, who early Monday had defiantly moved with his supporters to his office in the Russian parliament building, known as the White House. Tanks appeared that morning in front of city hall and the White House, but they had been given no orders. The tank crews simply sat and chatted with citizens who gathered throughout the day.

"The Minister of Defense and the KGB chief were using the most secure lines to reach the military commanders," one official with firsthand knowledge told me recently. "We told Yeltsin in real time what the communications were. The bulk of the theater commanders weren't taking the calls."

"We monitor every major command, and we handed it to Yeltsin on a platter," the official said with obvious regret. "It demonstrated to the Soviet commanders that we can read it all—that we can penetrate it."

An American communications specialist on duty at the embassy in Moscow was ordered into the White House, with

THE U.S. intelligence community may no longer be in a position to have advance warning of momentous events inside Russia—as it had before the coup that brought Yeltsin to power.

communications gear, and assigned to help Yeltsin and his followers make their own secure telephone calls to the various military commanders. "Yeltsin was able to warn them to steer clear," the official said—to continue to refuse calls from the coup plotters in Moscow. Late on Monday morning a heroic Yeltsin, vowing defiance, dramatically climbed atop a Soviet tank in front of the White House; photographs depicting his fearlessness were published on front pages around the world.

Astonishingly, on August 14—four days before the coup began—President Bush had signed into law a much-debated congressional amendment to the 1947 National Security Act which made it illegal for him not to inform Congress about covert actions, such as the supplying of communications intelligence to Yeltsin. The new law, approved by Congress on July 31, explicitly defined "covert action" as an activity by the U.S. government "to influence political, economic, or military conditions abroad, where it is intended that the role of the United States Government will not be apparent or acknowledged publicly."

"Bush got no finding [a document submitted to Congress reporting the use of covert action] because it's a 'sources and methods' issue," a former CIA official explains, referring to language in the original National Security Act authorizing the director of the CIA to protect state secrets. "There are sources Congress has never been told about. Some Russians now know more about our capability than the U.S. Congress does." He adds that in his opinion, Bush and his senior advisers decided against seeking congressional approval out of fear that the elected officials would inevitably ask what would happen to U.S. influence and credibility inside the former Soviet Union—and especially with the Russian military leadership—if the Administration's intervention with Yeltsin became known. The answer might have persuaded Congress not to approve the Bush initiative, the former official says.

Kate Martin, an attorney who is the director of the Center for National Security Studies, a project of the American Civil Liberties Union, says that the "sources and methods" provision is not as important in this case as the provisions of the new law. There is "no doubt" under the law, she says, that Bush was obligated to notify Congress in advance of taking any covert action or as soon as possible afterward. "The purpose was to affect policy in Russia without anyone in the United States knowing about it," Martin explains. "That's the essence of a covert action."

A senior congressional aide with responsibility for intelligence oversight, while acknowledging that the White House "absolutely" had a legal obligation to brief the relevant committees, expresses doubt that Congress would have objected —no matter what the diplomatic risk. "We would have approved of it," the congressional aide says. "Maybe we shouldn't have, but we'd have done it."

Helping someone along with communications intelligence is a presidential prerogative, observes the retired Army Lieutenant General William Odom, who ended his military career in 1988 as the director of the National Security Agency. Odom told me, however, that independent of the notification issue, the transfer of such highly classified information—"if they did it"—results in "a terrible, terrible tradeoff." He said, "Now the Russians know what I know. That is such a huge loss for the future. But it's his intelligence, and the President can use it as he wants." Odom added, "There would be those who would think saving Yeltsin is worth it."

If Odom's fears are justified, the Russian leadership emerged from the August, 1991, coup with a far greater ability to shield sensitive communications from American sensors. The U.S. intelligence community may no longer be in a position to have advance warning of momentous events inside Russia—as it had months before the coup that brought Yeltsin to power.

THOSE few Americans who knew of the critical help given to Yeltsin in August of 1991 say that the intervention was undoubtedly a factor in Yeltsin's increasingly warm relationship with George Bush and in his similar relationship with Bill Clinton. These men, and others currently involved in Russia policy, remain optimistic—at least in talking to a reporter—about U.S. policy. "Just because the old order has collapsed and the new order hasn't stabilized doesn't mean it's all going to hell," one State Department analyst told me. "The worst thing we could do now is write it off. It's high-risk—and also high-yield." The analyst acknowledged that organized crime and anti-Americanism are on the rise. Nonetheless, he added, "there are a lot of Russians not involved in organized crime who are beginning to get a stake in the new economic order." A more senior State Department official talks enthusiastically about how Russians "are starting to build new structures—it's also a huge opportunity."

A much bleaker historical vision comes from one of the Administration's leading experts on Soviet nuclear issues, who admits to being frightened by the growing power of organized crime in Russia and the inadequate security of the Russian nuclear stockpile.

His view is that "there is little to be optimistic about in Russia." He adds, "Hopefully, we will not repeat the 1930s in Germany." The expert, who spends months every year inspecting nuclear storage sites in Russia and the former Soviet republics, described the overall situation there in staccato fashion.

"You have a contracting empire. The bulk of people are doing worse under freedom than ever before. People forget how primitive Russia is—it's Third World. Russians are dreaming about indoor plumbing, having a little car, not living with their parents.

"They can now travel. But they have no money.

"They can now vote. But for whom?

"They can now say what they want. But so what?

"They're not better off."