



GLOBAL INITIATIVE

AGAINST TRANSNATIONAL
ORGANIZED CRIME

THE GREY ZONE

Russia's military, mercenary
and criminal engagement in Africa

JULIA STANYARD | THIERRY VIRCOULON | JULIAN RADEMEYER

FEBRUARY 2023



The background features several thick, light beige lines that intersect to form a grid-like pattern. One line is vertical, another is horizontal, and a third is diagonal. Small circles are placed at the intersection points of these lines.

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The opinions expressed herein do not necessarily reflect those of the Hanns Seidel Foundation.



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EXECUTIVE SUMMARY



The Wagner Group has rapidly become the most influential form of Russian engagement in Africa today. Principally a private military company – the group is a supplier of mercenary troops – it also comprises a network of political influence operations and economic entities such as mining companies. Controlled by a historically close ally of Vladimir Putin, Yevgeny Prigozhin, Wagner has a seemingly mutually beneficial relationship with the Russian state.

The group has been accused of using whatever means necessary, including criminal activity, to achieve its aims: from indiscriminate use of violence against civilians in its military engagements, to disinformation campaigns and election-rigging to industrial-scale smuggling of natural resources, like gold and diamonds. The group operates in the grey zone, spanning both legal and illegal economies. In late January 2023, the US government designated Wagner as a 'transnational criminal organization', allowing for wider sanctions against Wagner and its enablers.

The Wagner Group is unique as an organization in the breadth, scale and boldness of its activities. However, as this report aims to show, Wagner did not emerge in a vacuum. The group's activities and characteristics reflect broader trends in the evolution of Russia's oligarchs and organized crime groups, their respective relationships with the Russian state and their activities in Africa.

Organized crime groups have long played powerful role in Russia's political landscape. Over decades, the characteristics of Russian organized crime have evolved from its violent origins into a more sophisticated form of criminality that is embedded within the legal economy. Wagner (with its opaque network of companies and organizations that constitute the group, and its blend of legal and illegal activities) employs strategies that reflect the latter in its operations.

Many Russian oligarchs and businesspeople with close ties to the Kremlin have been accused by Western countries of acting in the interests of the Russian state overseas, beyond merely pursuing their own interests, in a close relationship between business and politics. The Wagner Group exemplifies this, as many Wagner activities align with the aims of Russian foreign policy, in promoting Russian influence abroad and displacing Western political interests.

Following the invasion of Ukraine, Africa is becoming more strategically important to Russia, both economically and politically, as Russia is isolated by Western sanctions. These sanctions are also having a disruptive effect on Russian business interests in Africa. The political influence that Wagner wields – through the package of services it offers to autocratic leaders – is therefore an important tool for Russia in promoting its economic and political interests in Africa.

Wagner's strategy in Africa

Since its first documented military engagement in Africa, in late 2017, Wagner has expanded aggressively. It has deployed troops to five African countries (to date), while groups linked to Prigozhin have been present in some capacity (either military, economic or political) in over a dozen African countries.

While some Wagner troops – in CAR and, reportedly, Libya – have been drawn away from deployment in Africa to shore up Russia's faltering efforts in Ukraine, this seemingly has not stopped Wagner from maintaining its military deployment in Mali (its newest theatre of military operations), CAR, Sudan and Libya, and making overtures to other African nations, such as Burkina Faso.

Wagner's public profile changed dramatically in 2022. Until recently, Russian leadership had denied Wagner's very existence, and Wagner's African partners have likewise kept the group's operations secretive, often denying the presence of Wagner troops in their countries. However, Russia's invasion of Ukraine thrust Wagner into the spotlight. Prigozhin – who until mid-2022 had denied any link to Wagner – publicly acknowledged founding the group, which is now a registered legal entity headquartered in St Petersburg. Wagner's transition from a shadowy, deniable organization to being a central public presence in Russia's military engagements overseas seems now to be complete.

Wagner operates in Africa in three main strategic areas through the interlinked military, economic and political entities that form the group:

This report draws on research focused on the Central African Republic (CAR), Sudan, South Sudan, Kenya, Cameroon, Mali, Madagascar and Libya conducted since July 2022, as well as other sources from across the continent. It is also based on a range of open-source material and literature on Wagner and the evolution of Russian criminal and business interests in Africa. This forms the basis of the case studies and overarching analysis. Please refer to our full report for all sources of information that underly the claims made here.

- **Mercenary activities:** Presence of Wagner troops has been documented in Mali, Sudan, CAR, Libya and (formerly) Mozambique. These military interventions have largely been in the service of weakened autocratic governments seeking support in fighting insurgencies, rebel groups or civil wars, and have (in the case of Mali and CAR in particular) displaced former colonial powers, such as France, as these countries' primary military partners.
- **Political strategy, advice and influence:** Wagner has engaged politically in a greater number of countries in Africa than it has militarily. It has offered political strategy and advice for leaders engaging with Wagner; conducted politically biased election monitoring missions; run political influence and disinformation campaigns via social media; and interfered in elections.
- **Commercial, grey market and illicit activities:** A network of companies – primarily mining entities – linked to Wagner have also pursued commercial interests in countries where Wagner has provided military or political support. In some instances, access to extractive resources has been a quid pro quo arrangement with African governments in return for Wagner's provision of mercenary support.

The degree to which Wagner engages in each of these areas varies from country to country (as visualized in Figure 1): whereas some are more purely military engagements, others are limited to political and commercial roles.

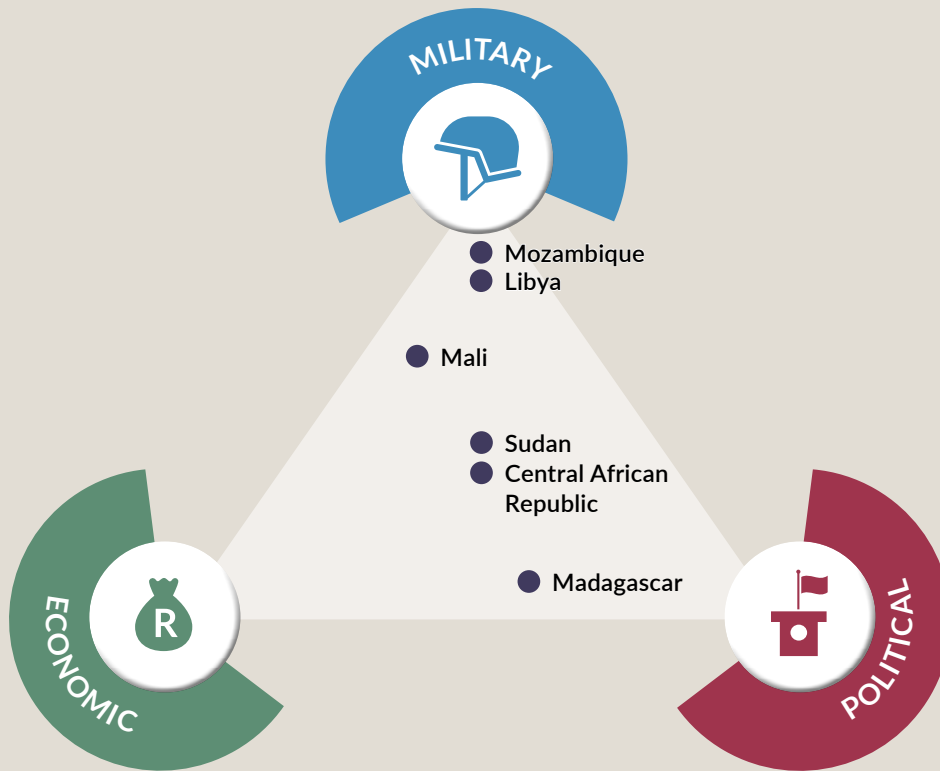


FIGURE 1 Spectrum of Wagner's intervention in African countries.

Common across Wagner's engagements in Africa, however, is the fact that to achieve its ultimate aims of profit and expanding Russian influence overseas, the organization has been accused of using any means necessary, including the exploitation of legal grey areas and engaging in criminal activity. In its operations in Africa, the group stands accused of the following abuses:

- Wagner mercenaries have allegedly perpetrated grave human rights abuses and violations of humanitarian law, including torture and execution of civilians.
- Wagner-linked companies have been accused of illegally exploiting mineral resources and of gold smuggling.
- Military operations and arms imports from Wagner to Africa have been conducted in violation of UN sanctions regimes.
- Political organizations linked to Wagner have been accused of illegally interfering in overseas elections and spreading disinformation.
- As a mercenary organization, the group operates in a legal grey zone. Despite Wagner's prominent profile, private military companies are not legal under Russian law.

Wagner and Russian organized crime in Africa

The Wagner Group – as it is today – can be compared to the characteristics of Russian organized crime and its activities overseas.

The literature documenting Russian organized crime has described how it has evolved significantly over the past three decades, amid changing economic and political conditions within Russia and a changing relationship between organized crime and the state. This evolution has influenced how Russian organized crime has developed a footprint overseas, including in Africa.

Organized crime expanded aggressively in Russia following the fall of the Soviet Union. As state assets were privatized and the weakened Russian state lacked the resources to effectively enforce order, criminality and violence exploded. Many of today's oligarchs made their fortunes in this violent period.

However, under the administration of Putin, the relationship between organized crime, oligarchs and the state shifted. Organized crime groups became more subordinate and controlled by the state. At the same time, the prevailing model of Russian organized crime shifted, from one characterized by violent enforcers of criminal control to a model of 'criminal businessmen' – one that is much more embedded in the legal economy.

Russian criminal networks have a global footprint. Their major role internationally is as 'service providers' to

the world's criminal economy – providing illicit goods such as firearms, and illicit services – and as criminal entrepreneurs, rather than taking over territories as mafia groups in their own right abroad. In some instances, the Kremlin has made use of criminal networks to pursue its interests overseas.

We can see these characteristics reflected in Africa. While some individuals in the older model of 'violent entrepreneurs' seen in post-Soviet era did appear on the continent, particularly in South Africa, in the 1990s, primarily in the years since the Russian criminal footprint has been stamped by entrepreneurial individuals rather than wholesale transplantation of mafia-style groups. This includes notorious arms trafficker Viktor Bout and cocaine smuggler Konstantin Yaroshenko, both of whom were recently returned to Russia from prison in the United States as part of prisoner-exchange deals. Other prominent Russian criminal entrepreneurs have also operated in Kenya.

There are also other sources of Russian-linked illicit flows to Africa. During this research, the GI-TOC obtained evidence of Russian state-produced arms linked to state arms exporter Rosoboronexport being transported to South Sudan in violation of sanctions regimes, via Kenya and Uganda.

Russian business and political interests in Africa

Much in the same way that Russian organized crime has evolved in its relationship with the Russian state over the past three decades, so has the relationship between Russia's business sector and the state. During Putin's administration, oligarchs and other politically linked businesspeople have become more dependent on the state to maintain power and wealth. This has led to supposedly private business interests becoming tools of Russian foreign policy.

The Wagner Group can be seen as an extreme example of an ostensibly private entity being utilized (or in this case quite literally weaponized) to further the foreign policy aims of the Kremlin. Some oligarchs whose

business interests lie in Africa – such as Oleg Deripaska and Konstantin Malofeyev – have also been accused of (and placed under Western sanctions for) operating on behalf of the Kremlin.

In response to the Russian invasion of Ukraine, sanctions imposed by Western countries against Russian financial institutions, Russian state-owned businesses and Russian businesspeople who are perceived as working in the interests of the Putin regime have been wide-ranging. The sanctions are having an impact on how Russian-linked business interests operate in Africa. Broad sanctions on Russian financial institutions – including their suspension from

international payment systems such as SWIFT – are disrupting a significant part of Russian trade relations with Africa, as the vast majority of Africa’s international trade (including to Russia) is conducted in dollars or euros. Sanctions on individuals and businesses have forced many to search for alternative routes of export and means of doing business.

In response, Russia is exerting political influence in Africa to encourage shifts towards ways of doing business that can bypass sanctions. Wagner plays a central role in furthering this political influence. The group’s role in illicit economies can also be seen as a response to Western sanctions in finding alternative routes for shipping resources to Russia.

Case studies: Wagner’s operations in Africa

The country case studies presented in the main report describe and analyze Wagner’s activities in Africa and situate its activities in each country within the tripartite model of Wagner’s strategy outlined above.

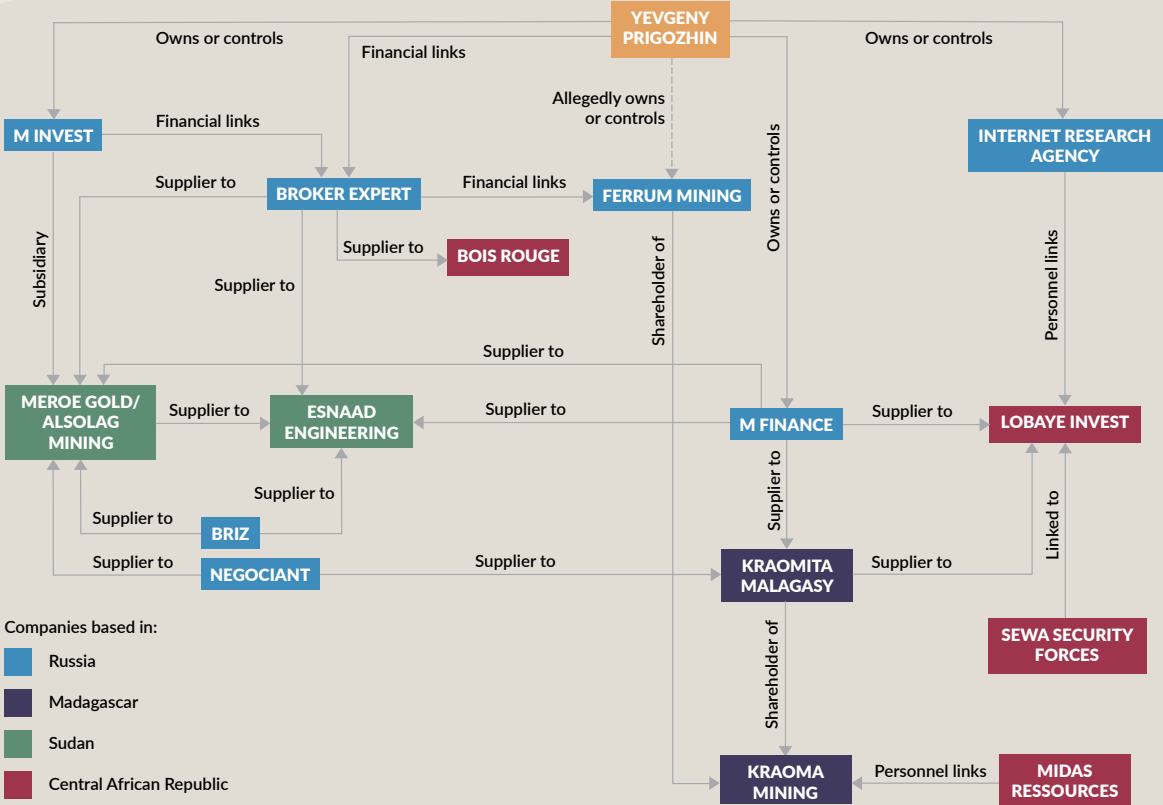
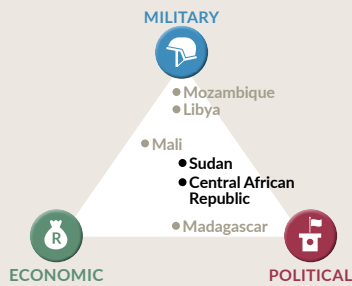


FIGURE 2 Wagner Group corporate structures.

NOTE: The information contained in this graphic has been drawn from a variety of sources, including commercial data, news reports, NGO research and governmental resources identifying sanctioned entities. As such, these graphics are only intended to demonstrate connections between what appear to be interrelated persons and entities, based on information that is available in the public domain. As such, the identification of any particular party or person is not intended to imply any wrongdoing on the part of any such identified party or entity. More comprehensive descriptions are contained in the body of the report.



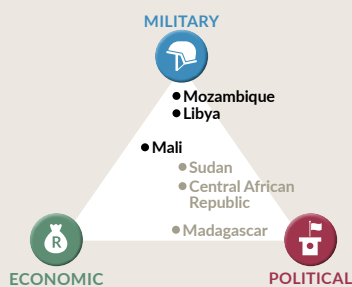
Wagner's closest state partnerships: CAR and Sudan

In the CAR and Sudan, Wagner entities have embedded themselves deeply, developing significant political influence, extensive commercial interests and a mercenary role.

CAR is the most developed example of the Wagner business model in Africa, to the point where its interventions could be described as state capture. In exchange for access to natural resources – principally diamonds and gold – Wagner has provided President Faustin Archange-Touadéra with military and political support, which has proven pivotal in sustaining his embattled presidency against an onslaught of rebel groups. The military dependence of the CAR administration on Wagner has translated into a very influential political role for the mercenary organization.

Wagner has developed a huge footprint in the CAR economy through companies linked to Prigozhin, including Lobaye Invest, Midas Ressources and Bois Rouge, whose most significant operations are in the mining sector and logging. These companies have been granted access to natural resources by the CAR government, often expropriating existing rights granted to other companies. Wagner troops have provided the muscle necessary to defend these economic interests.

Wagner has likewise developed an economic powerhouse in Sudan through cooperation with the country's military elite. The group has maintained a military presence in Sudan since late 2017. Unlike the diversified economic interests seen in CAR, in Sudan Wagner-linked companies have been concentrated in the gold sector. Wagner has leveraged relationships with members of Sudan's military to profit from mining concessions (through the Prigozhin-linked companies M Invest and Meroe Gold) and large-scale gold smuggling. As seen in CAR, Wagner has also provided strategic political support. Disinformation campaigns targeting Sudanese social media users have been a consistent part of their playbook since 2017.



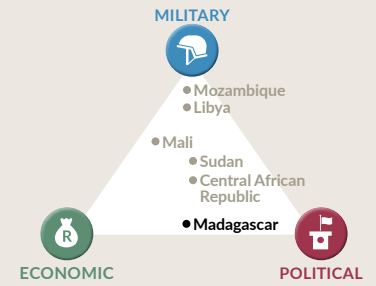
Primarily mercenary engagement: Mozambique, Mali and Libya

Wagner's involvement in Mozambique, Mali and Libya has been primarily military. Unlike their engagement in CAR or Sudan, the mercenary group has not – for various reasons – developed the same level of economic engagement or political influence. In Mozambique, Wagner troops suffered an ignominious defeat and withdrew mere months after their arrival. In Libya, while Wagner has had a robust presence since 2019, factors in Libya's fractured political landscape and the nature of its resources have prevented Wagner from developing a widespread economic footprint. In Mali, Wagner's intervention is still in its early stages, and while it is likely that the group is negotiating access to the country's mining resources (as seen in Sudan and CAR) its control over mining sites has not been confirmed.

Political and economic engagement: Madagascar and elsewhere

While Wagner has engaged militarily in five African countries, its political operations cover a far larger segment of the continent. The techniques used by Wagner-linked political groups include online disinformation and influence campaigns conducted on social media, sometimes used to amplify Wagner-supported media outlets. As discussed above, these techniques have been widely used in Sudan and CAR. Other techniques include using politically biased election observation groups to promote pro-Kremlin influence.

Madagascar is a key example of where such political strategies appear to have been deployed by Wagner to leverage economic gain. As was widely reported at the time, a group of Russian political strategists descended on Madagascar offering funding for candidates during the 2018 presidential election campaign. These strategists were allegedly financed by Prigozhin and sought to promote their chosen candidates in return for access to mining resources. Madagascar is now looking ahead to its next presidential elections in 2023. Some sources suggest that Wagner operatives are again seeking to support candidates in the upcoming election.



New frontiers and logistical corridors: Burkina Faso, Kenya and Cameroon

Wagner's influence extends beyond the countries where they have established military, economic and political operations. During 2022, some signs emerged that several other African countries – such as Burkina Faso – are looking to engage more closely with Russia, and Wagner has made overtures to these countries. Other countries appear to play a role within the Wagner ecosystem as logistics and transport hubs to support operations in other countries. Douala, Cameroon, has been identified as such a hub, and Nairobi appears to play a similar role. Our research in Cameroon suggests that it is not only being used by Wagner as a logistical hub, but is also a potential target country for military and economic engagement in future. Some early-warning signs, which were precursors to Wagner's intervention in places like Sudan and CAR, can now be detected further afield, which could indicate a growing Russian influence leading to eventual mercenary deployment.

Conclusion and recommendations

In just a few years, Wagner has become the major means of engagement between Russia and Africa, and the group is an example of where crime, business and politics converge in Russia's projection into Africa. The increasing footprint of the group is just one, albeit highly significant, part of increasing foreign policy engagement in Africa by Russia.

As this paper aims to show, some of the characteristics of Wagner – through its role within both licit and illicit economies, its operations in the military and security space, and links with Russian politics – are similar to those of Russian criminal networks that have engaged in Africa in previous decades. The US designation of Wagner as a transnational criminal organization appears to be an accurate characterization of how Wagner operates around the world.

Similarly, as the case studies demonstrate, the Wagner Group and Prigozhin as its leader are a personification of the symbiotic relationship between Russia's politically linked businesspeople and the state. In its operations in CAR, in particular, the diplomatic and military engagement of the Russian state and the operations of the Wagner Group appear to have worked in lockstep.

Looking ahead, it appears that Wagner is looking to expand into new territories in Africa, even as some of its troops have been drawn into supporting Russia's increasingly long-term war in Ukraine. Considering the corrosive effect that Wagner's operations are having on human rights, democracy and the rule of law, this is a considerable risk to Africa's future security.

Considering this, we make the following recommendations:

- Western countries should review current sanctioning approaches relating to the Wagner Group to ensure all available tools are being used. Sanctions regimes aimed at reducing transnational organized crime, human rights abuses and corruption can be used against Wagner and its facilitators in Africa.
- Western countries should strengthen their relationships with African partner countries to counteract the Wagner Group's growing presence and, more broadly, Russia's growing malign political influence on the continent. This should be particularly targeted at countries that are deemed likely to engage in Wagner either politically or militarily in the near future. Western countries may also consider closer cooperation with countries through which Wagner has logistical supply routes, to encourage the implementation of sanctions against Wagner facilitators.
- The Wagner Group's strategy in Africa is threefold, encompassing military operations, political strategy and economic projects. In addition to disrupting Wagner's economic activity through targeted sanctions, the international community should aim to counter the disinformation narratives promoted by Wagner-linked political groups.
- Civil society organizations and investigative journalism groups have been some of the most influential sources documenting abuses and criminal activity perpetrated by the Wagner Group. However, they often do so at great personal risk.

The international community should support, protect and empower civil society organizations to continue this vital work.

- Banks and financial institutions should be proactive in their due diligence, identifying and freezing accounts linked to sanctioned entities, and conducting enhanced security checks on individuals and entities operating in the regions and sectors where Wagner is known to be active, to ensure they are not exposing themselves to the risk of money laundering, corruption and sanctions evasion. Companies active in sectors such as gold and diamond trading, which operate in countries with a Wagner presence, should also take stringent due diligence approaches to ensure that goods and finance from Wagner-linked companies do not flow into international markets.
- In October 2021, a group of UN experts called on the CAR government to end their relationship with the Wagner Group, based on the group's 'systemic and grave human rights and international humanitarian law violations, including arbitrary detention, torture, disappearances and summary execution ...'. Since this pattern of behaviour has not only continued unabated but has also been more recently replicated in other countries, particularly Mali, we would echo this recommendation and extend it to all African governments with a military relationship with the Wagner Group, even if it is unlikely that these governments will disengage from their Wagner partners. Aside from disengaging with Wagner, these governments should investigate allegations of human rights abuses and criminal activity by Wagner troops and ensure accountability for any proven abuses. Other African countries should, through diplomatic channels, encourage these governments to disengage with Wagner and promote investigations and accountability. Other countries should, through diplomatic channels, encourage investigations into Wagner's activity within the context of wider efforts to support human rights and the rule of law.
- UN bodies should explore all available options to prevent Wagner's criminal activities and human rights abuses. The UN stabilization missions in Mali and CAR (MINUSMA and MINUSCA) should do all within their mandates to document Wagner's violations of international law and prevent them from posing a threat to civilians. The UN Working Group on Mercenaries has made statements denouncing Wagner's activities: further investigations and fact-finding by this working group could provide a catalyst for international action against the Wagner Group.



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