



UKRAINIAN  
INSTITUTE  
FOR THE FUTURE

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# RUSSIAN **PMCs**

SHORT COURSE

History, Impact, Logic of Developing ●



# UKRAINIAN INSTITUTE FOR THE FUTURE



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# What is a PMC?

Paramilitary groups have been in existence for at least a few hundred years. Generally speaking, they are paramilitary organisations. They are not part of the formal structure of the army, security services or law enforcement agencies. In the XX century, another type emerged: private military companies. They differ from ordinary security companies in that they initially provide services that are related to military or paramilitary security, rather than just the capacity to use force. They may specialise in transferring knowledge, facilitating the employer's activities (PMCs as military or police units), or neutralising the military capacity of groups and institutions that threaten their employers' interests.

Theoretically, many transnational corporations' security services (especially in Russia). However, in order to narrow the field of analysis, I introduce an additional parameter – the existence of contracts that are not related to the core business of the parent company (Note – this applies to the security services of legitimate multinational companies).

In particular, when the use of official structures (army, police, etc.) is inappropriate for political, financial or other reasons, PMC services are readily used by governments.



# The first private military companies in Russia and "Russian PMCs" in foreign countries

## { From volunteering to PMCs and "formalising" the Cossacks }

The collapse of the USSR and the disbanding of a number of special units, coupled with the opening of borders, created the conditions for an active flow of skilled fighters from Soviet special units to various paramilitary units. Naturally, some of them became criminals.

But a far greater number were in search of employment for their skills in conflict zones. The recruitment of "volunteers" accompanied virtually all local wars in the former Soviet Union. Soon the geographical scope was widened. In the Balkans, North Africa and the Middle East, "Russian fighters" were a visible force.

Those who were able to emigrate often ended up working for American and British PMCs. There have also been attempts to set up their own "Russian" companies. One such company was the **RusCorp Group**, which provided security services and security advice to international delegations. News reports presented **RusCorp** as a Moscow-based holding company with experience in Iraq, Lebanon, Ethiopia, Myanmar and India. And Russia, of course. But the company's place of registration was originally in Cyprus, and later in London<sup>1</sup>. The head of the company was Alexei Danilyants<sup>2</sup>. He was a former member of Group A of the Soviet KGB and an American citizen. In August 2022, the British office of the company was closed (and the company was liquidated). It is possible that the predecessor of this company was ArmorGroup (active from 1999 to 2003). ArmorGroup was registered in Virginia and recruited emigrants from the USSR with experience in special forces operations.

Among the "classic" PMCs that emerged in the 1990s, we can mention "**Anti-Terror**", which existed in the city of Oryol. It later changed its name to "Anti-Terror-Oryol". Before 2005, however, the group existed in the form of a "club of like-minded people" that signed contracts for demining or training personnel in conflict zones. The founder of the PMC can be considered the owner of Vnukovo Airlines, Sergei Isakov<sup>3</sup>, who in 1998 arranged for Vladimir Zhirinovskiy to visit Baghdad to "befriend Hussein". This was the purpose for which the fighters were initially recruited. Following this visit, Isakov's company signed a contract with the Iraqi authorities to train special forces. This contract was "still in force" after the American occupation of the country<sup>4</sup>.

In order to maintain tensions in the zones of local conflict, the Russian Federation was happy to use the resource of such "volunteers". Naturally, the creation of counterparts in the Russian Federation should have resulted from such a practice and a clear example of Western PMCs. This was the case in the Balkans at the beginning of the 1990s. The first proto-PMC was a company called Rubicon. Rubicon provided Russian "volunteers" for the war in Yugoslavia. Some of its employees took part in hostilities. The first fully-fledged PMC, however, was a group called the "Tsar's Wolves", founded in 1993 on the basis of the "Second Russian Volunteer Unit" with the support and funding of Dmitry Rogozin. Unlike the RDO units, the "Wolves" boldly took on additional contracts. They protected businessmen and politicians, escorted valuables, and transported people out of the conflict zone.

### { Corporate services – a little bit more than security }

The Russian **Cossack** structures should be mentioned separately. They were an important part of Kremlin-backed paramilitaries used in local conflicts in post-Soviet space and subsequently in Middle East and Africa. Initially, the Cossacks acted as formal "volunteers" while earning income from security, military and policing missions. Since 2005, this practice has been legalised by the Law on the State Service of the Cossacks. Subsequently, the "Cossack movement" was brought under control. A register of Cossack associations was created and administered directly by the Kremlin (through the Council for Cossack Affairs under the President of the Russian Federation). Only those groups that demonstrated complete loyalty were included in the register (and given legal status). All the others were either outside the law or (if they were registered as NPOs) did not receive any privileges. At the same time, "legal" Cossacks provided public services "related to law-enforcing activities, according to federal legislation"<sup>5</sup>. In other words, Cossack organisations were actually given a special status. This allowed them to be used as PMCs both in the country and abroad. They have access to both budget funds (for law enforcement activities) and contracts for the protection of property, individuals and valuables. There has also been a legalisation of military training camps. Today, with their status enshrined in a special law, the Cossacks are the only legal "PMC" in the Russian Federation.

Around the turn of the millennium, a second line of work clearly emerged. This involved the creation of groups, some of which can now safely be described as private military companies. These are the security services of large Russian corporations, especially those that do business abroad. Partnership with one or another power structure was the initial basis for their creation. The idea was not just to receive support. It was also to provide reciprocal services "in line with the profile".

Lukoil's security service, **Lukom-A**<sup>6</sup>, which was set up as a subsidiary, is one of the most prominent examples. In the year 2000, the parent company withdrew as a shareholder. The start-up of Lukom-A was carried out by representatives of the KGB, first and foremost from the "Vympel" group of companies. Moreover, the agency does not hide its "history". It regularly reminds the "veterans" and their successors of their "Group B" of the FSB of the Russian Federation<sup>7</sup>.

That is why, until the year 2020, the heads of this private company came exclusively from the KGB (or, later, from the FSB). Formally, the company guarded department facilities, Lukoil managers in Russia and abroad. Work with other clients began in 1999–2000. In addition to the power component itself, "Lukom-A" is distinguished by its excellent work with information: obtaining it (not always by legal means) and protecting its own. In other words, Lukoil has been able to create a "mini KGB" within its own structure. Unsurprisingly, Lukom-A's employees, while fulfilling contracts abroad, worked as spies, passing on the necessary information to the FSB. Incidentally, Lukoil's arrival in Ukraine was immediately followed by the creation of a local branch of "Lukoil-A Ukraine"<sup>8</sup>. This branch became active in the security services market.

From 2022 onwards, there was likely to be a decision on the strengthening of the power component. It was at this time that a change took place in the management of Lukom-A. Vladimir Vilkulov was appointed as the director of the company instead of Vadim Pyatiletov, who had been the head of the Federal Security Service of the Tyumen region before joining Lukom (from 2011 to 2017). He was not only appointed, but also presented as one of the "founders"<sup>9</sup>. It is worth noting that he was previously the head (and owner) of ELN "Vympel-Centre", a non-profit (!!!) organisation (again, "Vympel" pops up) that provides "training for security personnel"<sup>10</sup>.

The security service of Rosneft follows a similar pattern. Shortly after it started operating, it became a separate company called "NK Okhrana" (Guard). This, in turn, was transformed into a group of companies called Russian Guard<sup>11</sup> at the turn of 2010–11. The group is involved in information security, legal escort and industrial espionage, in addition to the actual protection of Rosneft facilities. The latter is described in its lines of business as "Competitor monitoring and analysis". It is worth noting that the structures of the Ministry of Internal Affairs and Rosgvardiya were the main partners of "NK Okhrana" until 2015. However, in 2016, Oleg Feoktistov became the head of the company, during another period of growing FSB influence in the Russian top brass. He was one of the curators of the "Nikita Belykh case". But he lost the internal struggle for the position of the head of the FSB's own security department. And he got "exiled" – "seconded" from the FSB to Rosneft<sup>12</sup>. The new appointee tried to form his own team. But by 2021, Rosneft was back to working with its usual partners in the security services. Feoktistov leaves and is replaced by Ural Latypov, who comes from the prosecutor's office and the Federal Drug Control Service. After his appointment, Latypov ordered a purge – three top managers of the Russian Security Service, also "seconded" from the FSB, were sacked<sup>13</sup>.

The illegal form of cooperation between these organisations on the territory of the Russian Federation should also be mentioned. Under the "cover" of the FSB<sup>14</sup>, the "business" of stealing oil products was carried out. In this way, some heads of the service (as well as other participants in the schemes) received additional income. At the same time, the service itself received "unrecorded" funds.

The Nornikel security service is another notable company. At the turn of 2004–2005, during the next phase of the struggle for control of the assets, it was spun off into a separate structure. Today it is a limited liability company, Private Security Company – "Directorate for Protection of Non-Ferrous Metals Industry Facilities"<sup>15</sup>. The sphere of its activity is the security of the company's facilities, the security of its managers and the usual industrial espionage. Unlike Rosneft and Lukoil, Nornikel has a relatively weak "fighting force".

As for the other Kremlin towers and large state corporations, they have not spun off their own security services into a separate legal entity until 2022.

Obviously, this limits the scope to operate. However, the large companies “cover” areas that have been neglected with the resources of the official security services due to the specific nature of their business and their direct links to Putin.

- **Gazprom, for example, now has a “corporate protection service”.** It is worth noting that the leadership of this service in the 1990s moved to the Federal Security Service in the early 2000s and was involved, among other things, in protecting Putin. After that, they returned to the structures of Gazprom. So, it is easy to see that this is a company that is actively using special services to help keep itself safe.
- Another example, but focused on the army, is **“Rostec”**. Sergey Chemezov has been consistent in building his tower in the Kremlin as a closed structure with a minimum of outside influence. Logically, therefore, the corporation's security service had no theoretical chance of becoming an independent company. Today it exists as “Rostec Corporation's security department”.<sup>16</sup>

At the same time, there are regular attempts by state bodies to legally expand the powers of their security services. That is, to give them additional powers and, in effect, to turn them into parallel special services within the Russian Federation. Until recently, however, Vladimir Putin was not a supporter of such experiments. The bills that reached the State Duma (through dependent deputies) failed to pass even the relevant committees.

# Realising the potential of PMCs

Russian leaders became fully aware of the potential of private military companies when US troops invaded Iraq. It was then that the issue of not only securing but also defending Rosneft and Lukoil's production facilities in that country became acute. “NK Okhrana” and “Lukom A” were in charge of work at the sites. But the surrounding communities had no one to provide security. But we were about to see the American company Blackwater International used effectively.

The situation changed in 2004 with the emergence of the first Russian PMC to be set up “on the Western model”. It is a company called **Tiger Top Rent Security**<sup>17</sup>. It was founded by former members of the FSB and the GRU, both of which used to operate in Russia. The company did not exist for a very long time – less than a year. But it managed to win and carry out contracts to protect Russian installations in Iraq, Lebanon, Israel, Palestine and Afghanistan.

And, remarkably, it intercepted the contracts for convoying cargo from the US Army to the US PMCs. This followed increased attacks on civilian convoys carrying supplies and equipment heading to the northern regions. But by the end of 2005, Tiger Top Rent Security had disintegrated and a number of PMCs had emerged on its basis, some of which still exist today. These include Redut, Moran Security Group and Ferax. The creation of the company also involved the pre-existing **PMC Anti-Terror-Oryol**<sup>18</sup>. However, the data on the "parallel" work of the two structures allow us to say that Tiger Top Rent Security was an independent structure, but not the "second name" of the Oryol group. All the more so because the "parallel" name was the trademark of the "Security Service of the Russian Engineering Company". This is a perfectly legal company (officially registered in the Russian Federation and with a representative office in Iraq).

However, in March 2005, after the splitting of Tiger Top Rent Security, "Anti-Terror-Oryol" was registered in Russia and Jordan. It also opened an office in Iraq. Simultaneously, it absorbed most of the defunct PMCs' fighters and conducted additional recruitment in Russia. As a result, by the end of the year, "Anti-Terror-Oryol" had several dozen fighters on its books (more than 120 at the beginning of 2007). It led a caravan from the sea to the northern provinces and was hired by the Americans as a demining contractor. It even had a contract to salvage shipwrecks in the waters around Basra harbour. With the latter, Anti-Terror-Oryol is actually using British and American money to train its own team of swimmers<sup>19</sup>. Because of its links to Putin's inner circle and a history of successful work with US and British security forces, Anti-Terror-Oryol has long been one of the main Russian PMCs offering its services outside Russia. Without getting into trouble at home.

The same cannot be said of other PMCs. In particular, those that emerged after the collapse of Tiger Top Rent Security. The Russian authorities have been very cautious about their activities for "non-Russian" clients. **Ferax**, for example, was forced to change its place of registration and concentrate on fulfilling contracts in the Middle East and Central Asia, mainly for companies based in the Russian Federation or associated with it, after attempting to work for mostly non-Russian clients in Afghanistan and Sri Lanka.

**Moran Security Group** was founded by Alex Badikov and Vadim Gusev, who had previously worked for Tiger Top Rent Security and Anti-Terror-Oryol. In 2010–2012 it focused on convoying ships, anti-piracy protection and work in East Africa. Attempting to establish itself as a PMC with a strong military component, the PMC attempted to create the "Slavic Corps". The structure was also registered in Hong Kong and proclaimed: "Only the **"Slavic Corps"** employs reserve officers, professionals of the highest quality, with unique military skills and experience in Iraq, Afghanistan, East Africa, Tajikistan, the North Caucasus, Serbia, etc."<sup>20</sup>. However, the attempt to make an aggressive entry into the security market in Syria (at the height of the civil war already) as a combat unit ended in a miserable failure. The leaders of the "Slavic Corps", Vadim Gusev and Evgeniy Sidorov, were arrested in 2013. They were convicted of "mercenaryism" in 2014<sup>21</sup>. They are the only people convicted under this criminal code article in Russia. While Sidorov has served almost all of his sentence, Gusev has managed to avoid imprisonment.

# From "classic" PMCs to a political tool

## { How the PMC "Wagner" came to exist and how to wage war }

It is not for nothing that I have described in detail the history of the "Anti-Terror-Oryol" and of the "Slavic Corps". The leaders of the latter were under arrest in the middle of 2013. In early 2014, the Russian leadership needed units that did not formally belong to the Russian armed forces. First of all, they needed them for the war in Donbass. And then, most likely, they remembered the fighters of the "Slavic Corps" led by Dmitry Utkin (who was their commander). They were "hanging around" in Syria. The only question was who was going to "curate" the new PMC. A man without excessive political ambitions was needed. But he had to be trusted by Putin. This is how **Yevgeniy Prigozhin** came into the picture. He was known at the time as the curator of the "Olgin Trolls", as "Putin's cook", but was not a person connected with the security or military business. The details of this person and his activities are described in a policy brief by the Ukrainian Institute for the Future entitled "How much is enough for Yevgeniy Prigozhin?"<sup>22</sup>.

As a result, the entire staff of the "Slavic Corps" returned to Russia with a new handler, a new name, security guarantees and employment. They became the basis for the creation of a new private military company, which we know as the PMC "Wagner". Among them was Dmitry Utkin, who was in command of the combat units of the Corps in Syria<sup>23</sup>.

Appreciating the prospect of having "his own army", Prigozhin began actively offering his services outside Russia. Apart from Ukraine and Syria, in early 2015 he started getting contracted to secure Rosneft and Gazprom facilities in North Africa and Venezuela. Given the extensive combat experience of his fighters, since 2016 he has been contracted to train special forces units in Ecuador, Angola, the Central African Republic, Mozambique, Madagascar, Zimbabwe and a number of other countries. And from 2018, it began offering his PMC as a combat-ready force. He was also broadening his scope to include direct influence on political processes in a number of countries. In Madagascar, for example, he provided political technicians to ensure the outcome of the presidential elections.

The second area of overseas activity for the PMC "Wagner" is supporting Prigozhin's mining and exploration business. In a number of countries (South Africa, Mozambique, Sudan, Central African Republic, Ethiopia) the owner of the Concord Group has registered a number of joint ventures. These joint ventures are engaged in the exploration and production of minerals. These are mainly precious metals and gemstones as well as rare earth elements.

In fact, companies associated with Prigozhin carry out the exploration and preparation for mining. Moreover, they are paid by the local government (it is a joint venture between them) and by Russian government agencies. And the business empire of "Putin's chef" gets the profits from the sale of the spoils. It is a win-win deal. On the other hand, Rosneft subsidiaries (remember the good relations between Prigozhin and Sechin<sup>24</sup>) or structures linked to the Kovalchuk clan are usually entrusted with the next stages of industrial development. At the same time, Prigozhin continues to secure and defend these assets. This diversity has increased the financial and organisational stability of the PMC "Wagner" and created a fighting core of up to two thousand people, ready to carry out complex missions. These fighters are deployed on the most important missions for Prigozhin. They try not to get involved in combat operations involving frontal attacks with high casualties. For example, when Bakhmut was stormed, the core of the PMC "Wagner" remained in Africa. And stayed there for most of 2022.

Such an approach has allowed Prigozhin to occupy a dominant position among Russian PMCs and to remain one of the few that continue to recruit at a time when the demand for unofficial armies is declining (reduced intensity of fighting in Syria, relative lull in Ukraine, ceasefire in Libya). As a result, there has been a gradual squeezing of competitors from the most lucrative markets. To some extent, this led to the PMC "Anti-Terror-Oryol" ceasing to operate in 2018.

## { PMCs in hybrid wars during and between battles }

In 2013–2015, there was a demand in Russia for the formation of power groups which had no direct connection with official structures. In the first place for the war against Ukraine. The year 2013 is no coincidence – it was the time when there were visits to the Crimea and eastern Ukraine. First and foremost, we are talking about various delegations of the Cossack Great Don Army to Donetsk, Lugansk, Odessa and Kharkiv regions, as well as to the Crimea.

A delegation with the "Gifts of the Magi" toured Ukraine in January and early February 2014. Remarkably, this delegation included Girkin–Strelkov with some "his" people. Initially, such "informal" organisations were used as the main force. In particular, the aforementioned mercenary<sup>25</sup> took an active part in the seizure of the Crimean parliament building (according to some sources, he commanded the group)<sup>26</sup> and in forcing local officials to side with the Russian Federation. Cossack formations and "local" formations were also active on the peninsula alongside his group. Russia could have claimed that it had nothing to do with the events if Ukraine had reacted violently in the first few hours.

In Odessa, Mykolaiv, Zaporizhzhya, Kharkiv, Luhansk and Donetsk, a similar scheme was tried out. There was a core of organisers (with fighting and organisational experience) and there were caravans of buses carrying the masses.

Taking Sloviansk marked the beginning of active fighting. And then Russia was desperately in need of combat groups that were not formally part of any of the country's security structures.

In the spring of 2014, an attempt was made to solve the problem by:

- **involving Cossacks** (mainly representing the Great Don Army) who could be classified as PMCs.
- **recruiting "unofficial" specialists previously involved in fighting for the Russian special services.** The Girkin–Strelkov group was organised in this way.
- encouraging various right-wing organisations to create **"volunteer" units.**
- **involving personnel from the few PMCs that existed at the time** as trainers or small units used as special forces. Thus, in the first half of 2014, representatives of the PMC "Anti-Terror-Oryol", ROO E.N.O.T., Moran Security Group entered Ukraine. The PMC "RSB Group" was training fighters of "volunteer" units on the territory of the Russian Federation.

At the same time, the Kremlin "recalled" the "Slavic Corps" led by Utkin. However, they did not return from Syria until the middle of 2014.

However, despite the active supply of weapons, ammunition and new mercenaries, the then existing infrastructure of Russian PMCs was not sufficient to carry out tasks even to control the Donetsk and Luhansk regions. And Russia was forced to introduce several battalion tactical groups of its armed forces into Ukraine at the end of the summer of 2014. This ended with the signing of the first Minsk Agreements.

Combat operations diminished in scale, but additional tasks emerged – redistribution of property, control of assets and export of valuables. The struggle for control of the economy of the Luhansk and Donetsk regions reached its peak in late 2014 and early 2015. Moscow could not just hand it over to local groups. It did not consider it feasible to introduce an occupation contingent based on the army and Rosgvardiya.

**The active process of creating new PMCs began.** Structurally, what we know today as the PMC "Wagner" was formed. The **PMC "Mar"** was registered, the **PMC "Patriot"**, controlled by Shoygu, began to form, and Cossack units were formed, taking control of a large part of the Luhansk region<sup>27</sup>. The Crimea deserves special mentioning. It was one of the regions where mercenary units were formed and trained in 2014–2015. The **PMC "Tavrida", the "Polite People", the PMOA "PMC", the "Black Sea" and Byzantium** were emerging there.

But the procedure was inadequate. The operation to retake Debaltsevo again required the participation (**albeit on a smaller scale**) of regular Russian army formations. The Russian Ministry of Defence denied these "allegations"<sup>28</sup>. However, Boris Nemtsov claimed to have identified the soldiers killed near Debaltsevo<sup>29</sup>, and "Novaya Gazeta" journalists even interviewed a participant in the events<sup>30</sup>. However, the majority of the infantry were irregular troops. And the fighting near Debaltsevo became a kind of "dumping ground" for some semi-autonomous fighting groups. From the middle of 2015, those who retained their fighting potential were "forced into discipline". And it was mainly the "hands" of the PMCs that carried out this task, which was already of a policing nature. The process ended with the final formation of so-called "army corps".

These were already without "autonomous" formations. And some of those who tried to remain "independent" were either disbanded (with the expulsion of the leaders from Donbass) or "insistently invited" to take part in the Syrian campaign.

September 2015 is the beginning of the Russian Federation's operation in Syria. And practically from the very first days, in addition to the units of the Russian armed forces, the Russian PMCs start to operate in this country. It was there that the "Wagner" Group was finally able to secure its name. Although it appeared under other "brands" in the beginning. For example, there was a hoax with the alleged Islamic battalion "**PMC Turan**"<sup>31</sup> under the name of ATK Group, Anti-Terror (not to be confused with Anti-Terror-Oryol). Participants include "Mar", ROO E.N.O.T., Moran Security Group<sup>32</sup>. It is worth noting that neither Ferax nor "Anti-Terror-Oryol" participated in the operation. However, the PMC "Patriot", linked to Shoigu, was expanded.

The Syrian government has "incentivised" its Russian allies in a peculiar way to liberate areas rich in natural resources. Russian companies were granted concessions to extract oil in areas occupied by the enemy (Islamic State, opposition groups, Kurds, Americans). The largest number of production licences went to **Stroytransgaz**<sup>33</sup>, controlled by Gazprom, and **Evro Polis**<sup>34</sup>, controlled by Prigozhin. Incidentally, it was only for control of one of the oil fields where Evro Polis wanted to start production that the famous battle near Palmyra was fought, in which American troops (and American PMCs) destroyed the "Wagner" group's detachment. The Syrian authorities found another use for the Moran Security Group – they offered to escort (protect) the ships carrying Syrian oil in the areas of pirate activity<sup>35</sup>. But it was not just about protection from pirates. A tanker with Russian armed guards was less likely to be intercepted by US or Turkish warships. And it opened up new opportunities for the export of hydrocarbons through grey schemes that evade sanctions.

In Syria, Prigozhin's structures tested a new approach – forming affiliated military companies recruited from the local population. The Syrian **ISIS Hunters (Al-Sayyad)** can be taken as an example. They actively cooperate with "Russian partners" on the one hand, and with the Syrian military intelligence on the other.

**A "Ukrainian PMC" has also become known in connection with fighting in Syria.** It is the PMC "**Vega**"<sup>36</sup>, which the SBU has denied on the grounds that it is a front for the PMC "Wagner"<sup>37</sup>. However, the presence of photographic material in other regions (such as Venezuela), as well as the registration of a company with the same name in Ukraine, whose owner is Anatoly Smolin, are indications of its reality. The head of this PMC is the same name mentioned in the media. In 2011 an organisation with the name "**Vega Strategic Service**" was registered in the region of Mykolaiv<sup>38</sup>. And from 2011 to 2018 a company of the same name was registered in Cyprus<sup>39</sup>. Mr Smolin (or his full namesake) is again listed as a co-founder. Mr Smolin himself moved to the Russian Federation at the turn of the year 2012 – 2013. Where, after 2014, there was indeed active co-operation with representatives of the PMC "Wagner".

The company's second co-founder, Andrei Kebkalo, admits that he broke up with Smolin a year after founding "Vega" (in 2012)<sup>40</sup> and left the company. He now owns a fairly reputable (outside Ukraine) "**Omega Consulting Group LLC**"<sup>41</sup>, registered in Slavutych, which provides security services. To illustrate its work, its website features photos of European-looking instructors working with African cadets. Since 2022, this company has been actively working with the Ukrainian Armed Forces to train specialists<sup>42</sup> – UAV operators, sappers, etc.

## Russian PMCs Short Course

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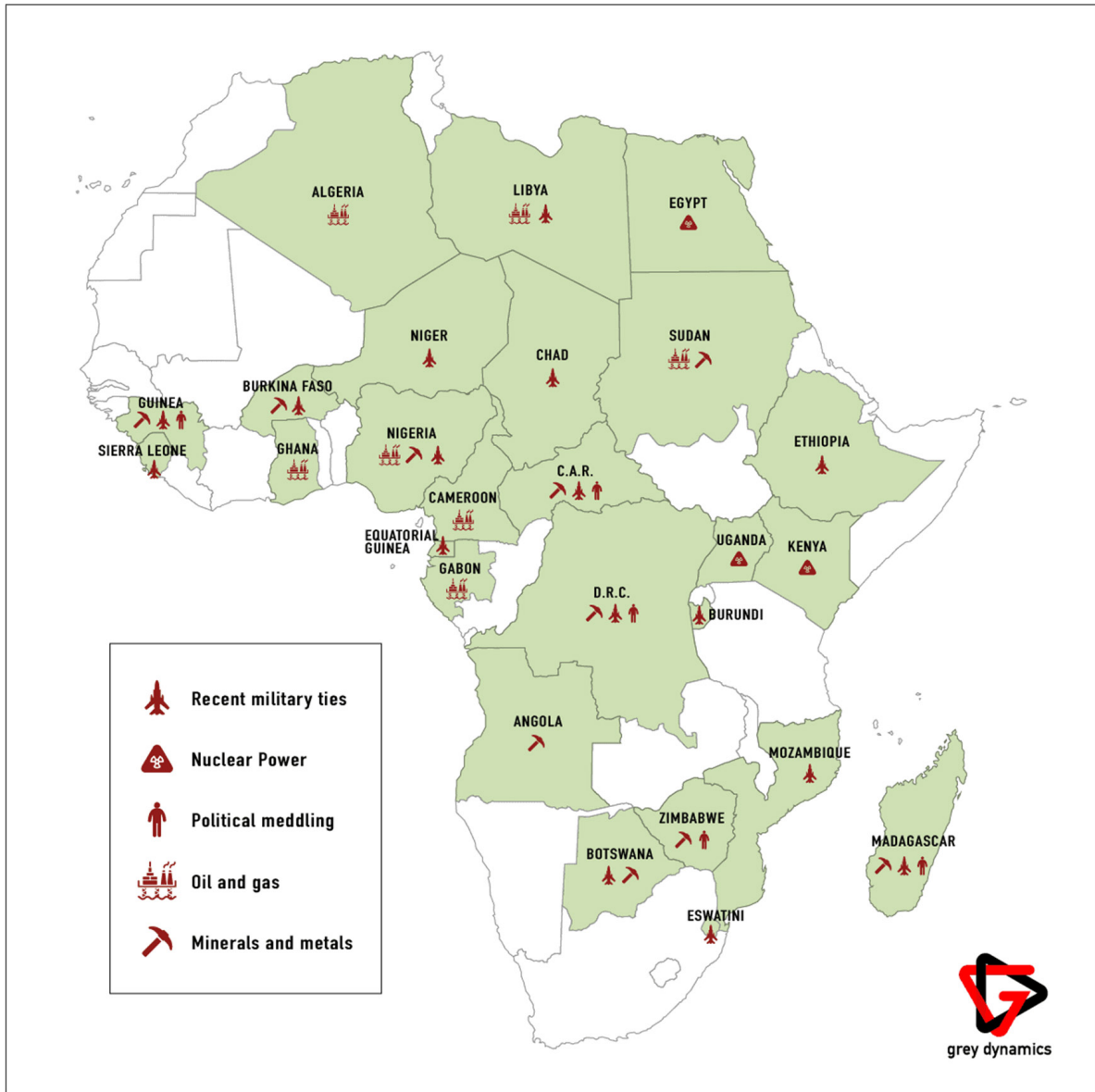
The advantages of using PMCs for the Russian leadership have been demonstrated by the Ukrainian and Syrian companies. And since early 2016, Russia has begun using PMCs to expand its power in Africa, Asia, Venezuela and Ecuador. The PMC "Wagner" plays a key role in this. It receives most of the contracts. Other groups include the aforementioned PMC "Patriot", the Cossack formations of the Great Don Army, Lukom-A, Ferax, Rosneft and NorNickel structures.

**But Prigozhin still has the key role and "monopoly" status. There are several directions in his business scheme of using PMCs:**

- **protecting the top political leadership of the recruiting country:** CAR, Libya, Madagascar, Mozambique;
- **training of local special forces, training of military units:** Ecuador, Venezuela, Sri Lanka, Syria, Sudan, Mozambique, Chad, Rwanda, Burundi, Angola, South Sudan, Libya;
- **securing extractive operations carried out by Russian companies and their subsidiaries:** Libya, Angola, Sudan, South Sudan, Zimbabwe, Nigeria, Ghana, Gabon, Cameroon;
- **mining and exploration companies** (Prigozhin's) operated through joint ventures with the local government. These include Angola, Sudan, Zimbabwe, Guinea, Democratic Republic of Congo, Lesotho, Uganda, Kenya, Madagascar;
- **participating in hostilities and supporting a conflicting party** (not always the government): CAR, Mali, Sudan, Mozambique, Madagascar Sri Lanka (in the past);
- **conducting political campaigns for an elite group:** Madagascar, CAR.

**The scope of activities of other Russian PMCs is much narrower.** They are usually limited to providing trainers for local security forces, protecting commercial facilities and providing personal protection for local politicians. Moran Security Group and RSB Group provide security for merchant ships.

As a result of this expansion, Russia has significantly increased its presence on the African continent in five years. Here is a "Grey Dynamics" map to illustrate this.<sup>43</sup>



A similar picture of Russian expansion is presented by the American think-tank "Center for Strategic and International Studies (CSIS)", which in 2021 published its version of the analysis of Russian expansion using PMCs<sup>44</sup>.

Finally, the interview with Prigozhin, excerpts of which have been circulated in the Ukrainian media<sup>45</sup>, deserves your attention. This is not about what the owner of the PMC "Wagner" said, but about the map hanging behind him. The regions marked on it correspond to collected information on the geography of this private company's activities.



The reasons for the Russian Federation's extensive use of private military companies are little different from those of other states. The main ones are:

- **Significantly lower political risks.** The best way to describe this reason is Putin's "they are not there". In areas of conflict and political instability, it is advisable to use PMCs instead of the state's official security forces. The state receives bonuses from their presence. The possible negative effects, as well as the burden of defeat, are absorbed by the "private" structures. To put it simply, a soldier killed = an act of aggression, a mercenary killed = a mercenary killed. Crime of the soldier = responsibility of the state, crime of the mercenary = murdered mercenary;
- **Inexpensiveness.** A security force member may receive a lower salary than a PMC mercenary. But in the event of his injury or death, the state is obliged to provide him and his family with support (pensions, benefits, payments). If a PMC worker is injured or killed, he and his family can expect at most a one-off payment from the company (or insurance company) and, at best, a social survivor's pension. With this in mind, this option is the less expensive one for the budget;
- Citizens with combat experience and training who are unable to integrate into a peaceful society leave the country (or the front). Such people have an income and are less likely to be members of criminal gangs. Their possible death also seems to be an acceptable way of dealing with the situation;
- **Ability to control and record "success stories" of PMCs.** This is especially the case in the current situation, when this area of activity is not subject to any regulation by Russian legislation. A typical example is Prigozhin agreeing to transfer profitable explored deposits to state companies. He is aware that in the event of his refusal, no one will repeal the article on "mercenarism". And most countries in the world have such articles in their criminal codes.

## { The problems of Russian PMCs in 2017–2020 – there wasn't enough room for everyone }

Simultaneously with Russia's growing power and the geographical spread of PMCs, the market began to self-regulate. It consisted of several processes happening simultaneously, as follows:

- **Reducing the need to use PMCs** in the so-called L/DNR and the Crimea. It resulted in the closure of all "Crimea" companies created in 2015–2016, as well as several companies created "for the war in Ukraine". Among the victims of this process were the PMCs "Byzantium", the "Black Sea", the "CHOA", the "Polite People", a number of Cossack formations and the local "security agencies" in the occupied part of the Luhansk and Donetsk regions;
- **Driving from the market all the PMCs** which were historically involved in international missions but which sought to operate independently from the Russian political mainstream. The main victim of this process was "Anti-Terror-Oryol", while Moran Security Group was left struggling to find clients;
- **Deliberately excluding "ideological" PMCs** and those capable of transforming into private military companies. First and foremost, it is worth remembering the ROO E.N.O.T. group. The organisation attempted to make money by offering its services within the Russian Federation after Mangushev's distance and reduction of funding. As the result, several active members of the organisation, including its leaders, were arrested and put on trial<sup>46</sup>. The movement's ideologues, Roman Telenkevich and Andrei Molokoedov, were sentenced to 13<sup>46</sup> and 14.5 years' hard labour respectively. However, with a new phase of the war in Ukraine, the latter was needed again. His sentence was sent back for review at the end of 2022<sup>48</sup>.

Following the processes described, Russia saw the number of private military companies decline by 2020. There has also been a transformation in order to "get rid of" the negative image. For example, PMC "MAR" ceased to be active. In its place, the PMC "Yastreb" emerged, officially registered in St. Petersburg as a company with a fairly wide range of activities (from food sales to vocational training)<sup>49</sup>.

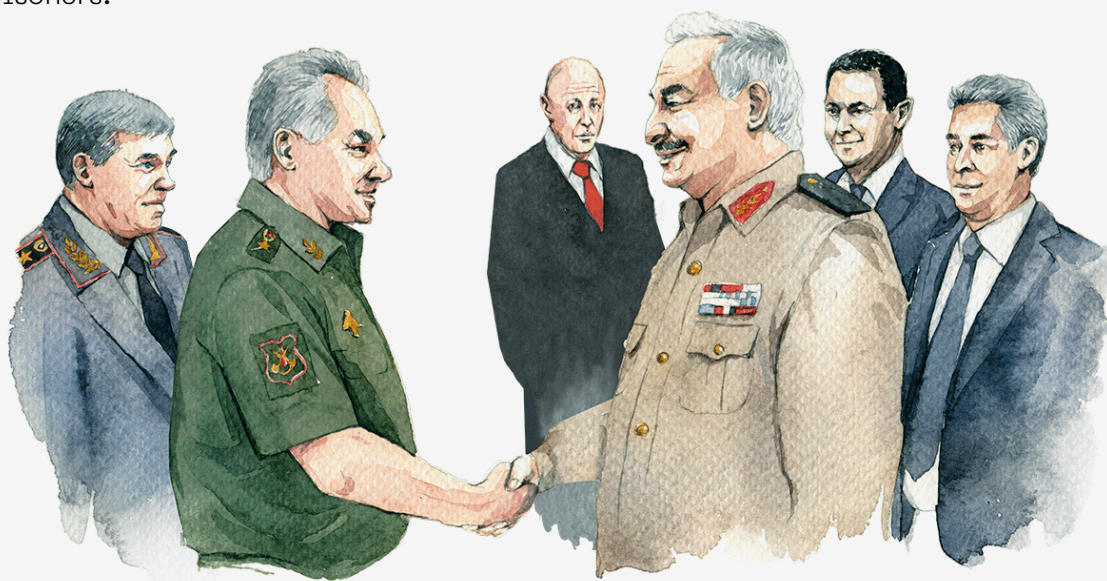
# Once again, the PMCs of war are in demand

At the end of 2021, a number of Russian PMCs (the Wagner group, the Yastreb group, the Shchit group and others) formed groups in Russia. Some of them participated (as instructing and as independent units) in the trainings held on the territory of Russia and Belarus. Also, according to some reports, a certain number of mercenaries were sent to the territory of Ukraine to play the role of DRG, similar to the events in the Crimea in 2014. In particular, the possible preparation of a landing zone on the left bank of Kyiv was reported by the National Police on 26 February<sup>50</sup>.

When the "lightning victory" plan failed and the Russian forces were bogged down, the PMCs in the rear of the invasion groups were given specific tasks. They were involved in removing valuables and evacuating civilians. Both on behalf of the Russian leadership (the handlers) and on the orders of their "relatives". The PMC "Yastreb", in particular, published the videos of the evacuations as part of its advertising for participation in the war<sup>51</sup>.

The PMCs tried to actively recruit military experts – pilots and tank crews – for the next stage of the war in the late spring of 2022. And not only in Russia, but in Belarus and Central Asia as well. However, at least as far as the recruitment of pilots is concerned, this direction quickly came to nothing. The reason was the losses which became public. In particular, in May Belarus buried a retired pilot who had contracted with the PMC "Wagner" and was shot down in Ukraine<sup>52</sup>.

And in June the active formation of combat units, including assault units based on PMCs, began, as Russia needed to compensate for the losses on the front and it was not expedient to admit their extent. The leadership in this process was claimed by the PMC "Wagner" structures. In addition to normal recruitment, they began to recruit prisoners.



## { The logic of creating and "typologising" new PMCs }

However, the concept had to be revised due to Prigozhin's excessive political involvement and his conflicts with the leadership of the Ministry of Defence. And from the end of 2022, the massive creation of new private military companies was the start of a counterbalance to the "Wagnerians". The Ministry of Defence acts as the driving force. But other structures are also working in parallel with this. In particular:

- **Dmitry Rogozin and the PMC "Tsar's Wolves"**. The PMC was restored to its old name (from the 1990s) at the turn of 2021–2022. It is now controlled by Dmitry Rogozin<sup>53</sup>, but without Girkin;
- **Aksyonov** is in the process of creating several private military companies in the Crimea;
- **The Russian right-wingers are becoming more active** and are forming their own units, but are using the structures of BARS as a legal cover (more on this below);
- Eventually, **some state-owned companies began to set up PMCs**. For use at the front, Gazprom recruits three such units. At the same time, Gazprom Neft's security service is transformed into a separate legal entity (i.e. a classic PMC).

In total, more than 10 new private military companies appeared in Russia in 2022 – early 2023. And by the time this is written and presented, there are likely to be several more. **The massive creation of new PMCs follows a pattern:**

- **About half of the PMCs are created and trained to operate on the front line as assaulting or defending light infantry**. This means that they are not prepared to perform other functions: security, information security, etc.;
- There is an attempt to create some kind of **alternative to the PMC "Wagner" units**. It is not only about replacing them on the front (territorially), but also about copying the recruitment system, including recruiting prisoners.
- **PMC's political base is expanding**. If in the autumn the main supervisors of the creation of the alternative were the Ministry of Defence of the Russian Federation, today almost all power structures and heads of several regions are involved in the process;
- **The number of "ideological" PMCs is smaller than in 2014**. The Kremlin may be afraid of strengthening right-wing groups that are not under its control. There are attempts to contain "imperialism" in a few structures.

These structures are tightly curated by politicians (or organisations) in Putin's entourage. Typical examples of this are Rogozin's "wolves", registration of "Veterans", "Don" through BARS. On the other hand, this approach may be subject to change in the event of a deterioration of the situation on the front;

- The process of **creating "their own" PMCs** by key state corporations has begun. And the reform of the ones already in existence;
- At the same time, **"classic" PMCs are increasingly distancing themselves from the war in Donbass**, concentrating on activities outside the Russian Federation (where, of course, they use their best-trained fighters, because it is a pity to let them go to slaughter at the front).

On the basis of the above logic, there will be an increase in the use of PMCs (as well as other irregular formations) on the frontline in Ukraine. At the same time, a rigid division in terms of "specialisation" or type of use may soon be established:

- **Paramilitary structures** that will be deployed instead of (or together with) units of the Russian armed forces. They will predominate;
- **State-owned PMCs** specialising in protecting property, valuables and personnel. A smaller proportion of them, but with a sufficiently high level of training;
- **PMCs operating outside the Russian Federation**, serving both state corporations and other contractors.

The use of irregular formations (**and PMCs**) on the frontline is justified from the perspective of contemporary Russia, as it allows for some bonuses and for postponing decisions that might be perceived negatively by society. Specifically:

- 01 The amount of losses.** Society is less sensitive to the losses of private military companies and irregular formations. First of all, they are "outside" the casualty statistics of the Ministry of Defence, Rosgvardiya and other structures. In addition, questions about the appropriateness of casualties and the effectiveness of the security forces may arise in the event of the death of a soldier or contract soldier. The loss of a PMC employee means the death of someone who has signed a contract for a risky job with a high probability of being injured or killed;
- 02 Inexpensiveness.** The mercenary in the PMC is cheaper for the state, even if we exclude the "hiring of prisoners". The social guarantees that exist for the military, for example, do not apply to him and his family;
- 03 "Ordinary" people are easily recruited.** The contract is signed by most of the applicants during mass recruitment for PMCs and irregular formations to be used at the front. And the recruitment takes place in depressed regions.

This means that the people who do not have any work find themselves in the PMCs. And even in case of death, there is one less "unemployed";

**04 Recruiting prisoners also relieves the prison system**, in addition to the possibility of quickly recruiting "cannon fodder" for the raids. Even if we take Prigozhin's figure of 10,000 murdered "convicts" as a given, it means 10,000 free places in the colonies. It also means saving the cost of maintaining such a contingent for several years.

**Most importantly**, the use of PMCs and other irregular formations makes it possible to postpone unpopular decisions, such as a new wave of mobilisation. In 2022, Russia was able to compensate for losses and maintain the number of troops at the front from June to October with the help of PMCs, BARS units and others.

## { Not everyone who is referred to as a PMC is the one }

A kind of "fashion" for the letter combination "PMC" emerged from the intense reporting on private military companies that started around 2017. Following this, some relatively small security companies decided to use the "brand" to help improve their image. In 2022, with the activation of Prigozhin's structures, this was particularly evident. Accordingly, in different regions of the Russian Federation, at least five "PMCs" were registered. They are automatically included in the list of "existing and active" private military companies in Russia by some researchers. This does not even consider the fact that the Russian legislation still does not even provide a definition of what a "private military company" is, not to mention the standards for the activities of such entities. Here is a brief list of security companies. These are not all of them, but only those that have been referred to by the media (in Ukraine and elsewhere) as PMCs. However, having looked into their activities, it turned out that these are ordinary security companies, operating mainly in their own region.

- The **PMC "Zvezda"** was established in Kaluga in 2022. It recruits personnel to protect facilities in the region and nearby regions of central Russia.
- The **PMC "Global"**, founded in 2023 in the Kaliningrad region, is a provider of security services for state and private facilities in the given region.
- The **PMC "Strazh"** is another company based in Kaliningrad, specialising in providing security for local authorities.
- The **PSC "PMC Berkut"** is registered in Ingushetia and at the moment it has contracts for the protection of objects, residences and encashment in its region.

## Russian PMCs Short Course

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The second mistake made when analysing PMCs is to include Chechen units. The battalion "**Akhmat**" (now a regiment) is most often mentioned in this context.

It is true that the Chechen security services (*siloviki*) are subordinate to Kadyrov in person. Formally, however, they are either part of the police force or part of Rosgvardiya. Moreover:

- The name "**Akhmat**" is assigned to the Special Rapid Response Unit (SOBR)
- The OMON in Grozny is called "**Akhmat-Grozny**"
- And the OMON of the traffic police is called "**Akhmat-Krepost**"<sup>54</sup>.

In addition, the Russian armed forces have the 141st motorised regiment named after Akhmat Kadyrov (also known as "Akhmat")<sup>55</sup> and the special purpose police regiment named after Akhmat Kadyrov (also known as "Akhmat"). Therefore, when talking about Chechen formations, one can speak of a force under the control of Ramzan Kadyrov. However, it would be a mistake to classify these units as PMCs.

Lastly, there are the **BARS** units. The abbreviation stands for "combat army reserve of the country". Service there is regulated by the law "On Military Duty and Military Service"<sup>56</sup>, while pay is regulated by the law "On the Status of Military Personnel"<sup>57</sup>. In the late 1990s, during the period of army downsizing, such norms were introduced. In many cases, officers and contract soldiers from disbanded units were dismissed with the wording "dismissal from military service with transfer to the reserve". The reservist contract provided for supplementing the civilian salary of the person who signed the contract. However, no recruitment to the reserves took place as the laws did not specify the form of service in the reserves.

The decree on the creation of the reserve was signed by Putin in 2015. In the year 2020, the above-mentioned laws were amended. And in 2021, the BARS began to start recruiting new members. In other words, one year prior to the massive invasion. The structure has an "unofficial" website<sup>58</sup> (which is the advertising medium of the military recruitment offices<sup>59,60</sup>) with a date of 2021.

By the autumn of 2023, a total of about 20 BARS battalions had been established. Five of these battalions can in fact be classified as PMCs:

- **BARS-13**, which is also called "**Rurik**" and "**DON**", which is under the control of the PMC "Redut". They also include the BARS-9 "Oryol" and the BARS-20 "Grom"<sup>61</sup>
- The PMCs "**Plamyia**" and "**Fakel**" were formed by Gazprom. They are formed as new BARS detachments<sup>62</sup>

Others are structures of the Ministry of Defence, which initially have "trustees" in the face of local authorities or state companies, but do not have dual subordination.

Attempts are being made to create "regional" volunteer battalions in addition to the BARS detachments. Some of these battalions were integrated into the Russian armed forces as regular units. Others will be attached to the Rosgvardiya, and some will become the basis for new BARS detachments. Since the spring of 2022, a total of 71 such battalions have been formed (or are in the process of being formed) in the federal subjects of Russia. These are not just infantry battalions. They include armoured and artillery battalions<sup>63</sup>. However, as is often the case with such structures, it is not always possible to call them "battalions" due to their number. The number of soldiers ranges from a few dozen to **300-400**. Some of them (as well as some of the BARS units) have already been defeated at the front in Ukraine.





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# Characteristics of existing PMCs in Russia

At the beginning of May 2023, there were 30 active private military companies in the Russian Federation. Three of them are affiliated with the PMC "Wagner". Some of them have a relatively small number of personnel (such as Ferax, "Yastreb", or the up-and-coming "Andreevsky Cross" and "Convoy"). Some can boast tens of thousands of fighters: "Wagner", of course, and various types of Cossack formations (let me remind you that the Cossacks can be assigned to the PMCs according to key characteristics).

If we make an estimate of the total human potential of all the irregular military formations (volunteers, BARS, PMCs), we can arrive at the following figures

- **PMCs** (including Cossacks and BARS units attached to PMCs) – **50 to 70 thousand** people, including **45 to 55 thousand** at the front;
- **BARS** – up to **20 thousand** people, but recruitment has intensified since March 2023;
- **Territorial "volunteer formations"** – at least **20 thousand** people, with a maximum of **1.5 to 2,000** on the frontline.

I have tried to classify the PMCs by areas for easier assessment (and the possibility of using them in the war in Ukraine). **The following list of the areas of activity has been obtained:**

- Security of industrial facilities (SI) – towers, factories, mines, etc.
- Security of office and residential buildings (SO)
- Personal security (PS)
- Valuable object security (VS)
- Convoy (landed convoy protection) (C)
- Naval Convoy (NC)
- Training (T)
- Police Missions (PM)
- Military missions (MM)
- Sniping (S)
- Combat Swimmers (CS)
- Propaganda and Political Campaigns (PP)
- Espionage (E)
- Economic Espionage (EE)

## Russian PMCs Short Course

Considering the list, the data on existing PMCs are summarised in a table:

Title	Year of establishment	Key persons/ Patrons	Activity details	Geography of activities	Registration	
PMC "Andreevsky Cross" <sup>64</sup>	2018	ROC Vladimir Khilchenko <sup>65</sup> FSB, FAPSI (via priest)	T, SO, VS, MM	Ukraine, Syria	As an autonomous non-profit organisation in Kronstadt	
Cossacks	1993	Cossack Affairs Council under the President of the Russian Federation	MM, PM, VS, SO, T, PP	Iraq, Yugoslavia (as volunteers), Afghanistan, Chechnya, Ukraine	Officially under the Law of "State Service of the Cossacks"	Several combat units established by Cossack organisations in the Russian Federation
Vega (Vega Strategic Services Ltd.)	2011		MM, T, NC, C, PS	Venezuela, Syria, Africa	2011, Ukraine <sup>66</sup> 2011–18 Cyprus	Positioned as Russian-Ukrainian <a href="http://www.vegacyltd.com/">http://www.vegacyltd.com/</a> (site unavailable from 2019)
United Security Forces "Veterans"	2018	Russian Ministry of Defence The party "Russian Veterans" Yuri Babansky, Rafik Ihsanov, Vadim Mironenko	MM, T, PP, SI	Ukraine, LDPR	Registering a legal entity in the Russian Federation, also acting as BARS	
Imperial Legion	2014	Stanislav Vorobyov Denis Gariev FSS	MM, SI, SO, C, T, PP	Ukraine, Syria, Libya	Unknown	Fighting wing of the Russian Imperial Movement <a href="https://rusimperia.is/nashi-proekty/">https://rusimperia.is/nashi-proekty/</a>
ISIS Hunters (Al-Sayyad)	2015	Russian Ministry of Defence, Mukhabarat (Military Intelligence) Syria	MM	Syria, Ukraine	Unknown	Syria
Lukom-A <sup>67</sup>	1993, 2010 (Shareholders' withdrawal of Lukoil)	FSB Vagit Alekperov Vadim Pyatiletov	E, SO, OM, VS, C, PM, EE	Africa, Germany, Belgium, Ukraine	An independent company in the Russian Federation	Security service of Lukoil. Expanded in 2013 <a href="https://lukom-a.ru/">https://lukom-a.ru/</a>
"Potok" "Plamyia"	2022	Gazprom	MM, T	Ukraine, Africa		Legalised as BARS units. Fighters have 2 contracts: PMC and Ministry of Defence

Title	Year of establishment	Key persons/ Patrons	Activity details	Geography of activities	Registration	
"Fake1"	2022	Gazprom	MM, T, PP, PM	Ukraine	Battalion formed by Gazprom. Transferred to PMC "Redut"	
Patriot	2015	PMC "Redut" Shoigu General staff of the Russian armed forces (Gru)	PS, SO, MM	Syria, Ukraine	Unknown	
Redut (Redut-Antiterror, R-Centre)	2018	General staff of the Russian armed forces (Gru) Ivan Mikheev (Commander)	MM, T, PM, SO, PP	Ukraine	Security company in the Russian Federation, as a branch of the "Union of Volunteers of Donbass"	Legal entity (NGO Redut) registered in Tyumen, based in Kubinka
DON		Union of Volunteers of Donbass				DON fighters sign contracts with "Redut" and BARS <sup>68</sup>
Russian Legion (Bars-13)	2021	Russian Ministry of Defence	MM, PP	Ukraine	In accordance with the law on BARS	BARS-13
RSB Group	2005	Oleg Krinitsin	SO, VS, C, NC, S, PS, CS	Asia (Sri Lanka, India), Africa, maritime trade routes	Sri Lanka, Hong Kong, Cyprus until 2019	One of the most professional PMCs <a href="https://rsb-group.ru/">https://rsb-group.ru/</a>
Ferax	2015 (probably)		SO, VS, C, NC, S, PS, T	Syria (Kurdistan), Iraq, Libya Iran (? - there is a mention of it in the Molfar investigation, but no other confirmation)		<a href="https://chvk-ferax.ru/">https://chvk-ferax.ru/</a> (inactive)
MSG Moran Security Group	2010 (?) 2018 (Georgia) <sup>69</sup>	Igor Nikov FSC	SO, VS, C, NC, S, PM, MM	Sudan, Iraq, Kenya, Nigeria, maritime trade routes		<a href="https://moran-group.org/ru/about/index">https://moran-group.org/ru/about/index</a>
PMC "Yastrebov" (previously PMC "Mar")	2014	Alexei Marushchenko	SO, VS, C, PS, PM, MM	Ukraine, Syria, Libya, Venezuela, Caucasus	Security company in St Petersburg	<a href="https://peregovorschik.com/">https://peregovorschik.com/</a>

# Russian PMCs Short Course

Title	Year of establishment	Key persons/ Patrons	Activity details	Geography of activities	Registration
<b>Rosneft Security Service</b> "RN-Okhrana" <sup>70</sup>	2001	Igor Sechin Ural Latypov Russian Federal Drug Control Service, Ministry of Internal Affairs	SI, VS, C, NC, S, PS, PM, EE	Africa, Iran, Syria	Holding of security and consultancy firms Purging in 2022. A transformation is underway <sup>71</sup>
<b>STAF Alliance</b>	2022	Gazprom Neft	SO, SI, VS, C, NC, SO	Ukraine, Libya	Legal entity in the Russian Federation
<b>Battalion "Tavrida"</b>	2022	Russian Ministry of Defence Council for Cossack Affairs under the President of the RF	MM, PM, SO, SI, S	Crimea, Ukraine	Established as a unit of Cossack troops. Soldiers train fighters, sign contracts with BARS
<b>Battalion "Tiger"</b>	2022	Russian Ministry of Defence	MM, PM	Ukraine	Primorsky Krai BARS
<b>Directorate for Protection of Non-Ferrous Metals Industry Facilities</b>	2000	Nornickel Alexander Seleznyov Ruslan Fadeev	SO, SI, PS, C, VS, EE	Russian Federation, Venezuela, Iran	
<b>Tsar's Wolves</b>	1993, 2022	Rogozin, FSB	MM, SI, PM	Yugoslavia, Syria, Karabakh, Ukraine	Unknown Reconstituted Rogozin's PMC, inactive 2001-2021
<b>Private Military Medical Company</b>	2023	Russian Ministry of Defence Sergei Kochmin	MM, PM	Ukraine, PΦ	Russian attempt to create a PMPS analogue
<b>Storm</b>	2022	Russian Ministry of Defence	MM, PM, SO	Ukraine	
<b>Shchit</b>	2021 (?)	FSS Gennady Timchenko	SI, C	The Black Sea	Registered in Simferopol, allowed to escort long-distance ships
<b>Wagner</b>	2014	Prigozhin	MM, PM, SI, SO, VS, C, S, T, EE, E	Over 20 countries in Africa and Asia, Ukraine	

Title	Year of establishment	Key persons/ Patrons	Activity details	Geography of activities	Registration
<b>Groups orbiting (or affiliated with) the PMC "Wagner"</b>					
<b>Diversions and Assault Reconnaissance Group (DSRG) "Rusich"</b>	2009	Alexei Milchakov Yan Petrovsky Yevgeny Rosskazov	MM, PM, PP		Neo-Nazis, formerly associated with the Imperial Legion (the combat wing of the Russian Imperialist movement)
<b>Sewa Security Services</b>		Yevgeny Khodotov	MM, PM, SI, SO, C	South Africa 2017 India 2019	Registered in India under the code 93090 as a "Sports Club"
<b>Convoy</b>	2023	Aksyonov, Prigozhin, Konstantin Pikalov		Crimea, Ukraine	Crimea

The table shows the main areas in which Russian PMCs are developing. In particular, military missions are the specialisation of most of the companies that have been established in the last two years. In other words, **there is a focus on covert mobilisation and the transfer of a significant part of the costs of combat operations (losses, social benefits)** to non-state actors. The Russian authorities can continue to support the thesis of huge social guarantees for "servicemen participating in special military operation (SVO)" by implementing such an approach. But the key word in this sentence is the word "servicemen". Significant budget savings can be made by replacing at least a third of the personnel with volunteers, mercenaries from PMCs. And there is also the possibility of underestimating the actual losses incurred. Presenting the data on PMCs as a consequence of the "bad command" of private organisations.

Speaking of mobilisation, it may not be necessary until August 2023 at the earliest, given the current rate of recruitment into irregular formations and the current intensity of fighting. In other words, the Russian military leadership is on the verge of a repeat of the story of the compensation of losses at the expense of irregular forces, as it did in the summer of 2022.

**The second feature is the emergence of "corporate" PMCs.** And this process is not fully represented in this table. A number of state corporations (*Roscosmos, Rostec enterprises, companies represented in Moscow exchange*) act as "sponsors" of recruited units of BARS or "volunteer battalions". In this way, they retain their ties (*and the possibility of incorporating irregular military units into their structure*). However, they bear only part of the costs of their training. And Gazprom, for example, goes in two directions at once – creating PMCs for the war in Ukraine and separating one of its security structures into a separate one. The latter is for the protection and defence of the company's foreign assets.

## Russian PMCs Short Course

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With regard to the PMC "Wagner" and Yevgeniy Prigozhin, it is worth noting that the incumbents will be able to create competition for the "musicians", at least in quantitative terms, until July 2023. However, there is no substitute for the Wagnerians when it comes to assessing the prospects of the PMC in Africa and Asia. The speed of the reform of the "RN-Okhrana" group and the strengthening of the "fighting" component of Lukom-M will be one of the key parameters in assessing the "overseas" activities of the PMC "Wagner". Prigozhin will lose up to half of his income if they, as the security services of Rosneft and Lukoil, take over from Prigozhin contracts to protect oil fields in Africa and mining operations in the region. So far, we are witnessing a rapprochement between Putin's chef and Sechin<sup>72</sup>.

**The third feature** is the separation of some of the "old" PMCs into a group that concentrates on convoying merchant ships. And this is not just about protection against piracy. Russia has bought back a number of old tankers and formed a fleet to organise the "grey" export of oil and petroleum products. The EU wants to stop servicing these ships for the time being. But it may also start inspecting them. Of course, for some countries the main argument against an inspection policy will be the presence of armed guards. Ships carrying "parallel imports" will be similarly affected. But, so far, this market is not filled up. This means that we can expect either additional hiring in the "core" PMCs or the creation of new ones.

For further analysis, I propose another format for grouping PMCs according to the principle of cooperation with the state and the presence of an ideological base. This methodology has been proposed by Norwegian researchers of Russian PMCs<sup>73</sup>. The author of this report has added to it the category of "Kremlin Towers".

	Mainly state orders	Mainly state corporations (Kremlin towers) orders	Remote from the state
<b>There is an ideological basis</b>	"Andreevsky Cross" Cossacs "Yastreba" ("Mar") Rusich (Wagner) Tiger Tavrida Slavic corps Redut (Redut -Don) Russian Legion Patriot Imperial Legion United Security Forces "Veterans" Tsar's Wolves	Potok, Plamyia, Fakel	
<b>Just business</b>	MSG Moran Security Group ISIS Hunters (Al-Sayyad) (Syrian authorities)	Wagner, Shchit, Directorate for Protection of Non-Ferrous Metals Industry Facilities, STAF Alliance, Lukom-A	RSB Group Ferax

Analysing the two tables, it is worth noting the breakdown of PMCs by power bloc handlers. Against the backdrop of the political confrontation with Prigozhin, the Russian Ministry of Defence (including the Main Department of the General Staff) is trying to hastily create a fairly large group of "private armies". Moreover, they are not only focusing on PMCs. They are also using the potential of BARS and "volunteer units".

On the other hand, the FSB is also trying to remain a "player" in this field. It controls a number of "ideological" PMCs and maintains control over companies that provide services outside Russia.

Speaking of PMCs with an "ideological core", the absence of those in the "distant from the state" category and their concentration in the "mainly state contracts" category (which also means "control") is striking. This is a clear demonstration of the policy of Putin's entourage with regard to the Russian right wing. Against the background of the war, radical sentiment is naturally on the rise. And the Kremlin is trying to channel this process. It is creating a whole network of different "ideological" PMCs. But under its own control. Thus, some of the fighters will die in the fighting, while the rest will be under the supervision of the military or security services. In this case, the Russian authorities fear the emergence of PMCs, as well as volunteer units that would not be under their control or could get out of control. This, incidentally, is one of the reasons why the same Strelkov is not even allowed to form "volunteer" units, thus remaining in the position of an offended critic of the Kremlin.

And finally, the corporate PMCs – there is an obvious trend towards their creation and strengthening. However, the process in this segment is still in its infancy and has not even been in full swing for some time.



# Where is the industry "heading"?

One of the most important questions we should be asking today is: **"What will happen to the Russian PMC industry?"** It is the industry, because today we cannot talk about private military companies as isolated examples or exceptions to the rules. The market for security services is growing all over the world. And PMCs are not only, or rather not so much, a Russian phenomenon.

However, the fate of PMCs and other irregular military formations is a key issue in assessing post-war processes in Russia, considering the war in Ukraine. There are a number of reasons for this:

- the presence of a **relatively large number of veterans** who passed through the hottest front lines;
- **the difference in the social guarantees** between the former soldiers of the armed forces, the members of the security services and the "non-regulars". This gives rise to social tensions;
- **the subjectivity and "ideological base" of some PMCs.** This means that these groups have (or can develop) their own vision of Russia's future and can become the subject of politics. This, incidentally, distinguishes them from the mere mass of voters-veterans of the war in Ukraine;
- the presence (at least of some of them) of an **independent financial base**, which is based on orders from outside of Russia;
- the role of PMCs as a key power component (unlike the army) of Russian **presence in Africa**;
- the process of creation of **"corporate" PMCs** is in progress.

Even half of this list is enough to understand the growing role of irregular formations (and their veterans) in post-war Russia.

Let us try to understand the direction of the processes underway today.

## { Registered or illegal? }

On the one hand, PMCs have become a public phenomenon that cannot be ignored. On the other hand, thanks to the efforts of Yevgeniy Prigozhin, this "business in war" has received good publicity. It has also been contrasted with the incompetence of the Russian army. Vladimir Putin, congratulating on "capturing Bakhmut", said: "I congratulate the "Wagner" assault troops, as well as all the soldiers of the Russian armed forces who provided the necessary support and cover on the flanks, on completing the operation to liberate Artemivsk"<sup>74</sup>. The word PMC was not mentioned. But Putin's congratulatory message can be interpreted as a legitimisation of Prigozhin's private army.

Formally, however, Article 359 of Russia's criminal code on "mercenarism" is still in force<sup>75</sup>. This means that, after the war (and now), all PMC veterans who have not signed contracts with the Ministry of Defence can safely move to "Solovki".

Theoretically, the Russian authorities are bound to want to legalise PMCs sooner or later. This is the easiest way to have control over the industry and persecute those who do not accept such control. The legalisation of private armies also benefits Prigozhin. As the head of the largest PMC, he will automatically become the "guardian" of the industry. In other words, he becomes one of the "Kremlin towers". And that is exactly what he wants.

But strengthening Prigozhin's political subservience does not benefit Putin, who is content with his old status of trustee for his "chef" (more on "Kremlin towers" and Prigozhin's role is in the Institute for the Future's thematic report)<sup>76</sup>.

It is therefore likely that the legalisation of PMCs will take place, but not in the near future. First of all, Putin will wait for the process of creating new companies and changing the balance of power in this "industry" to finish. In other words, as soon as Prigozhin's influence can be "compensated", there will be a decree or a law to do so.

## { Corporate armies in the near future }

Russian corporations are likely to continue reforming their security structures. The process is twofold:

- 01 **Establishing PMCs** (both directly and indirectly by sponsoring "volunteers" and BARS units).
- 02 **Strengthening the role of corporate security services** and lobbying for legislative changes that would allow the establishment of full-fledged "private armies" within state corporations.

## Russian PMCs Short Course

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The latter is supported, for example, by the increasing frequency of attacks by Ukrainian drones and the statement by Andrei Kartapolov, head of the Duma's defence committee, that "Russian companies should buy air defence systems to combat drones, since the Ministry of Defence's funds are "focused on protecting important state and military facilities"<sup>77</sup>. Note that this is not just about REB systems. It is about air defence **systems** (!). In other words, the Russian leadership admits to continuing to de-monopolise the defence sector.

Moreover, none of the "Kremlin towers" has the full resource base to take over power, if one assesses the prospects of a possible power struggle in the event of Putin's departure (**disappearance**). It is the "power component" that is missing with the majority. It is therefore logical to create one's own "core" in anticipation of a crisis. This "core" can be rapidly expanded by recruiting war veterans.

The third reason for the emergence of corporate security is parallel importing and exporting from Russia. Key companies have a vested interest in the protection of goods and trade routes. The potential of the Russian PMCs working in this area may not be sufficient to meet demand in the near future.

And finally, there is business abroad, including in areas of conflict. The PMC "Wagner" has been involved in fighting on the front lines, and if it is not so important in the regions where there is war, then in states that are simply unstable, it can be "toxic" to use the services of this company. The alternative is either foreigners (**because only some Russian PMCs have no frontline involvement**) or the creation of one's own compact army.

**For this reason, it can be argued that corporate armies are meant to be.**



## { Segment reporting }

Another trend in the coming months (and possibly years) is going to be the segmentation of Russian PMCs according to the areas in which they operate. In the next few months there will be a group of companies that can be described as “temporary” in nature. When the war ends, they will disappear. And their fighters (if the institution of PMCs is not legalised) can be arrested under certain conditions (for example, entering politics as members of the opposition).

Similarly, a group of companies will gradually withdraw their activities outside Russia. In the first stage, by assisting state-owned companies until their own security services have been strengthened. Then by offering their services to other clients. The logic behind this behaviour is **to minimise the risks of war**.

**Some major PMCs are likely to follow similar paths.** There will be a strengthening of their presence abroad as a “reserve airfield” for business. But they will continue to be involved in hostilities because of their size and their dependence on the authorities. For such people, the path of “wagnerisation” of business is possible. This means that the human resources should be divided into three groups:

- the **core group** that is kept in a safe place and is located outside the Russian Federation;
- the **golden middle** – mercenaries who have already had experience with this PMC, but who are not part of the core. Such people are appointed to train and command units. And of course, they are protected (as far as possible at the front);
- **all the rest of them** are cannon fodder at the front in the Ukraine.

**In any case, PMC is a phenomenon that will continue to exist after the war. It cannot be ignored.**



# Instead of an epilogue

In conclusion, **we would like to express our sincere gratitude to the groups that have researched this issue, and to the people who "lead" the activities of individual Russian PMCs.** This work is extremely important, although it is not so public. Our focus in this report has been more on the logic of the processes. But in addition to the logic, we need the files of the key people in the implementation of the policy of influence (*we hope there will be one*). And that is an important part of the research to do.

And now to the present paper. There is by no means a claim that the information in this paper is complete. Besides, knowing that someone else has decided to do research in the same direction will make me happy. Healthy competition, as well as cooperation, only increases the impact.

This report briefly touches on the topic of irregular military formations. When it comes to destabilising Russia, the "irregular forces" are one of the key issues to study. This is because it is an organisation, an experience, and in some places also an ideological basis and even a certain amount of resources.

**That is why we urge our fellow analysts to pay attention to this area as well.**

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