

FBI Releases Video on Russian Spy Ring

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Anna Chapman attending Volvo Fashion Week at Gostiny Dvor on Sunday. **Ivan Burnyashev**

WASHINGTON — FBI surveillance tapes, photos and documents released Monday show members of a ring of Russian sleeper spies secretly exchanging information and money during a counterintelligence probe that lasted about a decade and ended in the biggest spy swap since the Cold War.

The tapes show a January 2010 shopping trip to Macy's in New York's Herald Square by former New York real estate agent Anna Chapman, whose role in the spy saga turned her into an international celebrity. She bought leggings and tried on hats at the New York department store, investigators wrote in a document, and transmitted coded messages while sitting in a coffee shop.

On another occasion, Chapman is visible in a video setting up her laptop computer at a Barnes & Noble bookstore. "Technical coverage indicated that a computer signal began broadcasting at the same time," noted part of a heavily redacted FBI report on the incident, apparently showing an effort by Chapman to communicate with her handlers.

Other photos and video from the surveillance operation, which the FBI called "Ghost Stories,"

show some of the 10 other conspirators burying money in a patch of weeds, handing off documents in what looks like a subway tunnel, meeting during a stroll around Columbus Circle or just taking their kids for a walk.

A photo of one spy, Donald Heathfield of Cambridge, Massachusetts, shows him at what appears to be a university graduation ceremony. Heathfield received a degree from Harvard's John F. Kennedy School of Government in 2000. The school revoked the degree a month after the FBI rolled up the spy ring in June 2010.

Called illegals because they took civilian jobs instead of operating inside Russian embassies and military missions, the spies settled into quiet lives in middle-class neighborhoods. Their long-range assignment from Moscow: Burrow deep into U.S. society, and cultivate contacts with academics, entrepreneurs and government policymakers on subjects from defense to finance.

While the deep-cover agents didn't steal any secrets, an FBI counterintelligence official said they were making progress. They "were getting very close to penetrating U.S. policymaking circles" through a friend of an unidentified member of President Barack Obama's Cabinet, FBI assistant director for counterintelligence C. Frank Figliuzzi told The Associated Press. He did not give details, but Russian spy Cynthia Murphy of Montclair, New Jersey, provided financial planning for a venture capitalist with close ties to Bill and Hillary Clinton.

The investigation's code name, "Ghost Stories," was an apparent reference to the ring's efforts to blend invisibly into the fabric of American society. An FBI spokesman said that releasing the material on Halloween was coincidental.

The linchpin in the case was Colonel Alexander Poteyev, a highly placed U.S. mole in the Foreign Intelligence Service, who betrayed the spy ring even as he ran it. He abruptly fled Moscow just days before the FBI rolled up the deep-cover operation on June 27, 2010. Poteyev's role in exposing the illegals program only emerged last June when a Russian military court convicted him in absentia for high treason and desertion.

The United States swapped the 10 deep-cover agents arrested by federal agents for four Russians imprisoned for spying for the West at a remote corner of a Vienna airport on July 9, in a scene reminiscent of the carefully choreographed exchange of spies at Berlin's Glienicke Bridge during the Cold War.

While freed Soviet spies typically kept a low profile after their return to Moscow, Chapman became a lingerie model, corporate spokeswoman and television personality. Heathfield, whose real name is Andrei Bezrukov, lists himself as an adviser to the president of Rosneft on his LinkedIn account.

President Dmitry Medvedev awarded the 10 freed spies Russia's highest honors at a Kremlin ceremony.

The swap was Washington's idea, raised when U.S. law enforcement officials told Obama that it was time to start planning the arrests.

The case was brought to a swift conclusion before it could complicate the president's

campaign to “reset” U.S. relations with Russia, strained by years of tensions over U.S. foreign policy and the 2008 Russia–Georgia war. All 10 of the captured spies were charged with failing to register as foreign agents.

An 11th suspect, Christopher Metsos, who claimed to be a Canadian citizen and delivered money and equipment to the sleeper agents, vanished after a court in Cyprus freed him on bail. The FBI released surveillance photos of Metsos on Monday.

Attorney General Eric Holder said officials decided to arrest the spies because one was preparing to leave the United States and there was concern that “we would not be able to get him back.”

Both Holder and Figliuzzi said the spies represented a real threat to U.S. security. “This was a massive investigation that spanned the entire field offices of the FBI,” Figliuzzi said Monday. “Resources were dedicated in multiple field offices, multiple counter-intelligence squads across the nation and certainly here in Washington at FBI headquarters.”

But former Soviet intelligence officials now living in the West scratched their heads over what Russia hoped to gain from its ring. “In my view this whole operation was a waste of human resources, money and just put Russia in a ridiculous situation,” said Oleg Kalugin, a former KGB major general who spied against the United States during the Soviet era, in an interview earlier this year. He now lives near Washington.

Alexander Vassiliev, a former KGB officer and journalist who has written extensively about Soviet spying in America, said the illegals were supposed to act as talent spotters and scouts, identifying Americans in positions of power who might be recruited to spill secrets for financial reasons or through blackmail.

Spies with the protection of diplomatic credentials would handle the more delicate task of recruiting and handling the agents. Moscow’s ultimate aim, Vassiliev said, was probably to cultivate a source who could provide day-by-day intelligence on what the president’s inner circle was thinking and planning in response to the latest international crisis. But he said there was no evidence the Kremlin made any progress toward that goal.

“How are you going to recruit someone like that, on what basis? That’s quite a successful person. Why should he spy for the Russians? I can’t see any reason.”

Vassiliev said Russia’s intelligence services seem unable to shake their Soviet-era habits. “The current practice of the Russian espionage agency is based on the practices which existed before 1945,” said Vassiliev, who now lives in London. “It’s so outdated.”

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