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# THE KREMLIN PLAYBOOK 2

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## Case Study

# Romania

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Ever since its independence in 1878, Romania has been at political odds with Russia. Divisions deepened in 1940 when Moldova, then part of Romania, became a Soviet republic. During the Cold War, Romania's communist path diverged from Moscow's under the leadership of authoritarian ruler Nicolae Ceausescu (in power from 1965 to 1989), who emphasized national production and self-sufficiency to limit Romania's reliance on Soviet industries. And though both countries are majority Orthodox, they have a different language and they respond to different Patriarchates (Constantinople for Romania and Moscow for Russia), limiting Russia's cultural reach into Romania. For these reasons, Romania's cultural and historical ties to Russia are much less developed than its Central and Eastern European Slavic counterparts. It is less economically dependent on Moscow and is the third most energy independent country in the European Union. Romania also asserts its independence against the Kremlin's foreign and security policy agenda more prominently: it has been a strong proponent of sanctions against Russia since 2014, hosts part of NATO's ballistic missile defense system, and is home to a U.S. forward operating air base strategically located on the Black Sea, Mihail Kogalniceanu, which hosts on average between 500 and 700 U.S. troops.

Despite these longstanding differences, which have hampered unfettered Russian influence in the country, some economic and cultural connections have remained and others been made in recent decades through economic activity and the Orthodox Church. Romania's weak institutions and rampant domestic corruption remain key weaknesses, providing opportunities for Russian companies to exploit local vested interests, particularly those related to privatizations and acquisitions. Indeed, of all the *Kremlin Playbook* (1 and 2) case study countries, Romania's corruption score rivals only that of Serbia, Montenegro, and Bulgaria. Even after joining NATO in 2004 and the European Union in 2007, Romania has continued to be plagued by high levels of corruption and limited reform to its judicial system. At the time, the European Union created a verification mechanism to oversee the government's efforts to improve its governance and rule of law and has maintained it to this day, judging progress to be insufficient.<sup>1</sup>

Governance standards and corruption in Romania gradually improved after the country's accession to the European Union in 2007 until 2016, during which more than a thousand high- and mid-level politicians and businessmen (including a former prime minister) have been indicted on corruption charges. In 2015, the whole government resigned under pressure from large public demonstrations following a deadly nightclub

1 The Cooperation and Verification Mechanism was created to help Bulgaria and Romania bring their rule of law systems up to the EU standards, as these were deemed insufficient at the time of the two countries' accession to the European Union in 2007. As of February 2019, it has still not been lifted.

fire and accusations of corruption. Since then, these improvements have ground to a halt despite the work of Romania's National Anticorruption Directorate (DNA), which has pursued high-profile corruption cases. The DNA has been a critical element in stemming systemic corruption in the country and has weathered frequent attempts to impede its investigative and prosecutorial work by the ruling Social Democratic Party (PSD, a frequent subject of the Directorate's investigations). However, the government managed to dismiss the DNA's chief prosecutor in 2018 after two years of political and legal disputes.<sup>2</sup> Following national trends, local democratic governance has also worsened since 2016.<sup>3</sup>

Over the past twenty years, the close interaction between state-owned enterprises and politicians that reinforces corruption in Romania has produced a number of non-transparent procedures that can open the door to unintended interferences. One of the prime examples has been the privatization of Rompetrol. The deal was followed by a controversial debt cancellation (of more than \$600 million) that was viewed by the press and experts in Romania as a favor to Romanian businessman Dinu Patriciu, and the company that took over Rompetrol after Patriciu also benefited from favorable takeover conditions that experts believe did not match the economic needs of the state.<sup>4</sup> The poor health of Romanian institutions overseeing mergers and acquisitions or privatization deals also allows Russian investments to enter Romania at low cost and offer preferential treatment for local companies and Russian conglomerates like Gazprom. And though some Russian investments in Romania were not always successful—in part because of inexorable industrial decline—Russian individuals and firms have successfully penetrated certain important sectors of the economy.

Over the past decade, bilateral trade between Romania and Russia has been muted at below 2 percent of total Romanian foreign trade, though important Russian investments have been made in such strategic sectors as mining and metallurgy. Russia is Romania's 11th largest trading partner, with exports to Russia rising until 2014, and Russia's corporate footprint in Romania in 2016 was 1.5 percent of Romanian GDP. But while official data shows inward FDI stocks into Romania from Russia reached only €139 million in 2016, or 0.2 percent of total inward FDI stocks, the real figures are likely higher if Russian subsidiaries registered outside Russia are included (over 82 percent of the turnover of companies with Russian ultimate beneficial ownership in Romania is made through companies registered in the Netherlands).<sup>5</sup> For example, Lukoil's fuel distribu-

2 Radu-Sorin Marinas, "Romania's president removes chief anti-corruption prosecutor," Reuters, July 9, 2018, <https://uk.reuters.com/article/uk-romania-corruption/romanias-president-signs-decree-to-remove-chief-anti-corruption-idUKKBN1JZ0MK>.

3 Laura Ștefan, Sorin Ioniță, and Septimius Pârvu, Nations in Transit 2018, *Romania – Country Profile* (Washington, D.C.: Freedom House, 2018), <https://freedomhouse.org/report/nations-transit/2018/romania>.

4 Claudia Pirvoiu, "Cum a renunțat Guvernul, de doua ori, la datoria Rompetrol de 600 de milioane de dolari, in schimbul unor promisiuni," Hotnews, May 10, 2016, <https://economie.hotnews.ro/stiri-companii-20987882-cum-renunatat-guvernul-doua-ori-datoria-rompetrol-600-milioane-dolari-schimul-unor-promisiuni.htm>.

5 CSD calculations based on data from Corporate Registers and Databases.

tion business accounted for €2 billion out of the total of €3.5 billion in revenues in 2016 for all Russian companies registered in Romania.<sup>6</sup> This small footprint hides a few large Russian industries that also account for concentrated pockets of local employment, creating dependencies at the local level.

The focus of Russian economic activity in Romania has been largely limited to the energy and metallurgy sectors. In some cases, fruitful investments have been determined by a long-term regional strategy: for example, in its initial investment in 1998, Lukoil acquired Romanian energy company Petrotel, which today accounts for around 20 percent of Romania's total refining capacity (this was coupled with, among others, the acquisition of the second-largest retail fuel supply chain in Serbia). Other acquisitions were less successful and more opportunistic, focused on Romanian plants that struggled to achieve profitability (sometimes burdened with previously-accumulated debt) or later succumbed to the 2008 global financial crisis. These acquisitions sometimes failed to produce returns on investment, leading to bankruptcies and plant closures. Such was the case of Russia's Mechel acquisition of steel plants in Romania, which later left the state incapable of recovering outstanding arrears.<sup>7</sup> In 2005, Russian businessman Vitaly Mashitsky's Vimetco, an aluminum producer registered in the Netherlands, acquired 84 percent of ALRO Slatina, Romania's largest aluminum producer. The same year, it acquired another aluminum company, Alum Tulcea, and consolidated its quasi-monopoly status on the domestic market. ALRO is also one of the largest heat and gas consumers in the country, accounting for about 6 percent of Romania's total energy consumption in 2016.

In 2012, Lukoil obtained a concession on two extraction blocs in the Black Sea in a joint bid with Vanco International LTD (although Romgaz subsequently bought a 10 percent stake in the blocs). The oil giant has run into legal issues with its subsidiary in Romania; it was investigated for a transfer pricing and tax evasion scheme through Petrotel Lukoil, a case in which the prosecution went after €1.7 billion in asset seizure. The case was dismissed for lack of evidence (and poor prosecution) but part of the file was resubmitted, concerning a much smaller prejudice of €1.7 million, and is still ongoing.<sup>8</sup>

The Romanian gas sector has provided important economic rewards for Russia's economic giant Gazprom. Prior to 2013, it had a virtual monopoly on Romanian gas imports, representing between 20 and 30 percent of the total market (domestic suppliers Romgaz and Petrom accounted for the other 70 to 80 percent). Gazprom benefitted from its long-term contracts with intermediaries Conef Gaz and WIEE, the latter of which became a Gazprom subsidiary after asset swaps in 2015, and both of which signed 23-

6 Ibid.

7 "România furată. Cazul Mechel – cum au ajuns rușii să controleze mare parte din siderurgia românească," Digi24, January 6, 2015, <https://www.digi24.ro/special/campanii-digi24/romania-furata/romania-furata-cazul-mechel-cum-au-ajuns-rusii-sa-controleze-mare-parte-din-siderurgia-romaneasca-343777>.

8 "Petrotel Lukoil nu mai este anchetată pentru evaziune și spălare de bani," Agerpres, November 17, 2017, [http://www.economica.net/petrotel-lukoil-ploiesti-cercetata-pentru-subevaluarea-valorii-construcțiilor-si-instalațiilor\\_146386.html](http://www.economica.net/petrotel-lukoil-ploiesti-cercetata-pentru-subevaluarea-valorii-construcțiilor-si-instalațiilor_146386.html).

year contracts with Gazprom in 2007 for gas deliveries to Romania.<sup>9,10</sup> Though market liberalization and the shuttering of the largest industrial gas consumer (Interagro) in recent years led to a drop in gas imports, Conef Gaz and WIEE still control about 50 percent of gas imports today. Gazprom also benefitted from repeated delays in market liberalization and in the completion of interconnections and reverse flows with Bulgaria and Hungary. In what has been a typical state capture pattern involving Russian interests, in 2006, Conef Gaz's manager, Dan Victor Alesandru, became state secretary at the Ministry of Economy and supported a non-competitive, below-market price electricity deal between a state-owned company that fell under his portfolio and ALRO.<sup>11,12</sup> He later received shares in Conef Gaz from ALRO's management (ALRO owns Conef Gaz).<sup>13</sup>

Gazprom has also made inroads into the Romanian offshore energy sector. In 2009, it signed the largest contract to date between a Romanian entity (Grup Servicii Petroliere, or GSP) and a Russian company—a contract worth €270 million.<sup>14</sup> GSP has a quasi-monopoly on platforms required for gas companies to operate in the Black Sea and is owned by Romanian multimillionaire Gabriel Comanescu through his Upetrom Group. Ahead of the 2014 Sochi Olympic Games, GSP secured yet another contract with Gazprom—this one worth \$269 million—to build a section of the undersea pipeline that fueled the area.<sup>15</sup> GSP obtained a \$70 million guarantee from Romania's EximBank for the project,<sup>16</sup> thus involving public funds in the project (EximBank is a publicly owned entity through the Romanian Ministry of Finance, which holds 95.3 percent of the shares).<sup>17</sup> Around 2005, Comanescu began to transfer most of his companies' assets to Malta through 26 companies registered there. These companies processed Gazprom

- 9 "Gazprom and Wintershall sign Agreement on closing asset swap deal," Gazprom, September 4, 2015, <http://www.gazprom.com/press/news/2015/september/article245878>.
- 10 "Gazprom, Romania's Conef Energy sign long-term gas deal," *Budapest Business Journal*, April 5, 2007, [https://bbj.hu/energy/gazprom-romanias-conef-energy-sign-long-term-gas-deal\\_25104](https://bbj.hu/energy/gazprom-romanias-conef-energy-sign-long-term-gas-deal_25104). See also: OAO Gazprom, Annual Report 2007 (Moscow, Russia: Gazprom, 2008), 61.
- 11 Alesandru was also a director at Interagro, one of the largest gas consumers in the country before its bankruptcy.
- 12 Nicoleta Savin, "Misteriosul om-punte între ruși, Voiculescu și Ioan Niculae. Cine arde gazul ieftin românesc?" *Evenimentul Zilei*, January 13, 2012, <http://evz.ro/omul-punte-dintre-voiculescu-si-rusii-de-la-alro-si-gazprom-cine-arde-gazul-ieftin-romane-96134.html>.
- 13 Ibid. See also: "Dan Victor Alesandru, fost secretar de stat in Ministerul Economiei, omul de legatura dintre ruși și Ioan Niculae in afacerea cu gaze naturale," *B1*, January 13, 2012, <https://www.b1.ro/stiri/economic/dan-victor-alesandru-fost-secretar-de-stat-in-ministerul-economiei-omul-de-legatura-dintre-rusi-si-ioan-niculae-in-afacerea-cu-gaze-naturale-18998.html>.
- 14 Attila Biro and Roxana Jipa, "Reteaua Comanescu (III): Un Cuvant de 30 de Milioane de Euro," Rise Project, October 25, 2017, <https://www.riseproject.ro/articol/reteaua-comanescu-iii-un-cu-vant-de-30-de-milioane-de-euro>
- 15 "Comanescu takes 269m dollars from Russians for 150km of Gazprom pipeline," *Ziarul Financiar*, December 7, 2009, <https://www.zf.ro/zf-english/comanescu-takes-269m-dollars-from-russians-for-150km-of-gazprom-pipeline-5161240>.
- 16 "Comanescu ia 269 mil. dolari de la rusi pentru 150 km din gazoductul Gazprom," *Ziarul Financiar*, December 6, 2009, <https://www.zf.ro/companii/comanescu-ia-269-mil-dolari-de-la-rusi-pentru-150-km-din-gazoductul-gazprom-5158016>.
- 17 "General Information," EximBank Romania, <https://www.eximbank.ro/en/general-informations>.

contracts as well as contracts with Austria's OMV. In what seems to be a classic profit-shifting operation, the company still officially registered in Romania has reported losses over the last few years, but the Maltese companies (which own the ships and platforms) have reported significant profits.<sup>18</sup> This has created losses for the Romanian state: had the profits recorded by the ship that installed the undersea pipeline for Gazprom been taxed in Romania (instead of Malta), the state would have received €8 million in tax revenue.<sup>19</sup> This may not seem large, but it exemplifies the flight of revenue and can accumulate to significant sums; importantly, it can mean a lot to some localities and populations in Romania and can hurt the trust in government.

Such revenue losses are compounded by changes made to Romania's offshore tax law, which also seem influenced by business interests. Comanescu has close ties to Iulian Iancu, the PSD chairman of the Chamber of Deputies' Industrial Affairs Committee and a representative of the constituency where Comanescu's business is registered.<sup>20</sup> He has been a vocal opponent of opening up Romania's gas market and has been described by a member of his own party as "owned by Gazprom" due to his support of the South Stream pipeline.<sup>21</sup> Iancu and members of the PSD amended the offshore law that parliament approved in October 2018 to lower the tax deductions that companies could claim for investments in Black Sea exploration and drilling. The amendments also required all companies to work with a substantial percentage of Romanian companies and labor and to sell 50 percent of the gas extracted from the Black Sea on the Romanian market.<sup>22</sup> While there is no sign of collusion or communication with Russian interests, the changes in offshore legislation certainly affect Romania's position as a potential major energy exporter in Europe and limit its ability to threaten Gazprom's regional dominance of the gas market. Analysts believe the new legislation could block major investments in energy capacities, gas extraction (Petrotrans announced it would postpone its investment decision to late 2019), and electricity and gas transmission while threatening the sustainability of the energy sector.<sup>23</sup>

18 Biro and Jipa, "Rețeaua Comanescu (III)."

19 Ibid. An audit by a large consultancy company in 2011 presented a picture that recommended keeping companies in Malta to avoid the Romanian tax rate.

20 Sorina Matei, "'Rețeaua' AMICOM, faza pe regate sponsorizate din banii prietenilor personali și colegilor din KGB ai președintelui rus, Vladimir Putin," *Sorina Matei*, December 4, 2016, <http://sorinamatei.ro/exclusiv-reteaua-amicom-faza-pe-regate-sponsorizate-din-banii-prietenilor-personali-si-colegilor-din-kgb-ai-presedintelui-rus-vladimir-putin-sri-nu-confirma-nu-infirma-dar-lasa/>.

21 "Stampeding into coalition, perhaps into a trap too: PSD legislator on intraparty cabinet negotiations," WikiLeaks, Cable 08BUCHAREST971\_a, December 12, 2008, [https://wikileaks.org/plusd/cables/08BUCHAREST971\\_a.html](https://wikileaks.org/plusd/cables/08BUCHAREST971_a.html).

22 E-nergia, "Nemulțumirile deputatului Iulian Iancu față de legea offshore, crucială pentru gazele din Marea Neagră," *Economica*, June 11, 2018, [http://www.economica.net/lege-offshore-gazele-marea-neagra-iulian-iancu\\_154858.html](http://www.economica.net/lege-offshore-gazele-marea-neagra-iulian-iancu_154858.html).

23 Dorin Oancea, "Analiza: ordonanta de urgenta a taxelor. Cat ne vor ajuta taxa pe lacomie, planarea pretului gazelor si Fondul de investitii," *Mediafax*, December 22, 2018, <https://www.mediafax.ro/economic/analiza-ordonanta-de-urgenta-a-taxelor-cat-ne-vor-ajuta-taxa-pe-lacomie-planarea-pretului-gazelor-si-fondul-de-investitii-17794893>.

Beyond the economic sphere, Moscow's influence over and ability to destabilize the former Soviet republic of Moldova, Romania's impoverished neighbor, continues to be a political flashpoint between Russia and Romania. Romania has been a strong proponent of Moldova's Euro-Atlantic integration despite Russia's long-standing military presence in Transnistria, a separatist region of Moldova that declared independence in the early 1990s but has not been recognized by the international community. There has recently been a sharp increase in the number of joint Russia-separatist military exercises in the region, from 48 in 2016 to over 150 in 2017 (300 according to some reports).<sup>24</sup> The exercises have simulated crossing the river from Transnistria over to Moldova, in a similar fashion to the exercises on the Russian-Georgian border before Moscow's military incursion there in 2008.

Moldova's current president, Igor Dodon, is also vocally pro-Kremlin, and Moldova has been fertile ground for Russian illicit financing. In 2014, three major Moldovan banks collapsed after \$1 billion (15 percent of Moldovan GDP at the time) disappeared from their treasuries. The investigation later found the money disappeared in a massive laundering scheme that relied on corrupt judges and involved Russian banks and individuals; the scandal led to the demise of the government.<sup>25</sup> Through its military presence in Transnistria, financial coercion, and supporters like Dodon, Russia can thus affect Moldova's stability and in turn influence Romania's domestic landscape and security concerns.

Romania is increasingly surrounded by Kremlin-friendly regimes, from Moldova in the east and Hungary in the northwest, to Serbia in the southwest and Bulgaria in the south. This heightens Romania's geostrategic tension with Russia and reinforces Romania's strategic importance for NATO and the United States. These tensions extend to the Black Sea, where Russia has substantially reinforced its military posture in Crimea (through the advance post in Sevastopol) and modernized its Black Sea Fleet.<sup>26</sup> The Kremlin has singled out Romania for its hosting of the Aegis Ashore ballistic missile defense system at Deveselu, a strategic resource for NATO which was agreed to in 2013 under strong Russian protest and activated in 2016.<sup>27</sup> Romania also hosts an average of 500-700 U.S. troops at Mihail Kogalniceanu Air Base, which also serves as a NATO hub in the Black Sea region. Russia's increasing military presence in the Black Sea puts additional pressure on Romania's security as well as its neighbors'.

24 Madalin Necsutu, "US Congressmen Back Moldova's Stance Against Russia," *Balkan Insight*, February 22, 2018, <http://www.balkaninsight.com/en/article/us-backs-moldova-for-russian-military-withdrawal-from-transnistria-02-22-2018>.

25 Kit Gillet, "The missing billion," *Politico*, May 14, 2015, <https://www.politico.eu/article/moldova-missing-billion/>.

26 Anton Lavrov, *Russian Military Reforms from Georgia to Syria*, (Washington, D.C.: Center for Strategic and International Studies, 2018).

27 In Vladimir Putin's words: "If yesterday in those areas of Romania people simply did not know what it means to be in the cross-hairs, then today we will be forced to carry out certain measures to ensure our security." Denis Dyomkin, "Putin says Romania, Poland may now be in Russia's cross-hairs," *Reuters*, May 27, 2016, <https://www.reuters.com/article/us-russia-europe-shield-idUSKCN0YI2ER>.



Finally, a potential vulnerability in Romania for Russian meddling has been the Orthodox Church (over 85 percent of Romanians are Orthodox.), which has been serving as a natural ally to Russian propaganda to create fault lines with European “liberal” values. While the Bucharest and Moscow church leaders have been vying for influence over the region’s Orthodox population, there has been a recent thawing of relations. In October 2017, Patriarch Kirill of Moscow was the first Russian patriarch to visit Romania since 1962, and a month later, Patriarch Daniel of Romania visited Moscow.<sup>28,29</sup> Despite long-standing rifts between the two churches,<sup>30</sup> Romanian Orthodox patriarchs welcomed the Russian Orthodox Church as an ally in the fight for “traditional,” conservative values before a referendum on the definition of marriage in October 2018 that would have amended the constitution to define marriage as the union of a man and a woman (the referendum failed to reach the necessary turnout threshold).<sup>31</sup> Russian outlet Sputnik weighed in on the debate before the referendum, accusing Europe of a hybrid war on the subject to create a rift between populations and “fundamental [societal] institutions.”<sup>32</sup> Perhaps in an attempt to maintain improved ties with Moscow, the Romanian Orthodox Church has not recognized the independence of the Ukrainian Orthodox Church since its 2018 split from the Moscow Patriarchate, instead recommending dialogue to preserve the unity of the orthodoxy.<sup>33</sup>

Russia has cast itself as a defender of traditional family values, intervening in national political debates in Europe and building political relations with different stakeholders on this ground. An organization that led the charge in favor of this constitutional amendment and has potential ties to Russian figures is the Coalition for Family, which called for such a referendum as early as 2014. The Coalition presents itself as a collection of many different grassroots organizations, but it is part of a larger, international network of ultra-conservative activists from the United States to Kremlin-affiliated oligarchs who have attempted to organize similar referendums across Europe from Croatia to Slovakia.<sup>34</sup> The organization received public support from the Russian ambassador

28 “Patriarch Kirill visits Romania,” Euronews, October 27, 2017, <https://www.euronews.com/2017/10/27/patriarch-kirill-visits-romania>.

29 Irina Marica, “Romanian Orthodox Church Patriarch to pay visit to Moscow,” Romania Insider, November 28, 2017, <https://www.romania-insider.com/romanian-patriarch-visit-moscow/>.

30 The Moscow Patriarchate broke ties with the Constantinople Church over Ukraine’s religious independence from Moscow in October 2018. Andrew Roth and Harriet Sherwood, “Russian Orthodox Church cuts ties with Constantinople,” *Guardian*, October 15, 2018, <https://www.theguardian.com/world/2018/oct/15/russian-orthodox-church-cuts-ties-with-constantinople>.

31 Luiza Ilie, “Romanian constitutional ban on same sex marriage fails on low vote turnout,” Reuters, October 7, 2018, <https://www.reuters.com/article/us-romania-referendum/romanian-constitutional-ban-on-same-sex-marriage-fails-on-low-vote-turnout-idUSKCN1MH0XI>.

32 Cristian Preda, “Influenta recenta a Rusiei in trei tari ex-comuniste,” *Adevarul*, October 10, 2018, [https://adevarul.ro/international/europa/influenta-recenta-rusiei-trei-tari-ex-comuniste-1\\_5bbd979ddf52022f755bc909/index.html](https://adevarul.ro/international/europa/influenta-recenta-rusiei-trei-tari-ex-comuniste-1_5bbd979ddf52022f755bc909/index.html).

33 “BOR nu recunoaste independenta Bisericii Ortodoxe din Ucraina fata de Moscova,” *Ziare.com*, October 26, 2018, <http://www.ziare.com/social/biserica/bor-nu-recunoaste-independenta-bisericii-ortodoxe-din-ucraina-fata-de-moscova-1535461>.

34 Claudia Ciobanu, “‘New World Order’: The ‘Natural Family’ Franchise Goes Global,” *Balkan In-*



to Romania in 2017.<sup>35</sup> One of the coalition's members, the European Centre for Law and Justice, is a vocal anti-LGBT organization whose director, Gregor Puppinc, has praised Russia as a "beacon of hope" for Europe on gay rights suppression.<sup>36</sup> In 2014, the center sent a delegation to Moscow, where it reportedly met with Orthodox church figures and Russian politicians.<sup>37</sup>

Another Coalition for Family member, Pro-Vita Bucharest, reportedly controlled the donations that went to the Coalition in 2016.<sup>38</sup> Its leader, Bogdan Stanciu, has long been involved with far-right circles in Romania. He was part of the New Right, an organization reportedly close to Russian ultra-nationalist Aleksandr Dugin, and has participated in the management of a propaganda and misinformation outlet for which contributors include Vladimir Yakunin's wife, Natalia (Yakunin is considered part of Vladimir Putin's inner circle).<sup>39</sup> Stanciu has reportedly attended Yakunin's Rhodes Forum and Dialogue of Civilizations events.<sup>40</sup> He appeared on the "Dugin List," a list of prominent European figures who have met Dugin or discussed through intermediaries the possibility of creating pro-Russian influence groups (the list was leaked from hacked email correspondence from a close collaborator of Dugin's).<sup>41</sup> The effort was reportedly financed by Konstantin Malofeev, a nationalist and ultra-conservative Russian figure under U.S. and EU sanctions, who was featured prominently in *The Kremlin Playbook* as part of larger Russian malign influence operations.<sup>42</sup> The list included such high-level figures as former Romanian prime minister Nastase and former president Iliescu.<sup>43</sup>

Romania remains a strong proponent of sanctions against Russia, of the European Union (it holds the rotating EU presidency from January to June 2019), and of increasing

sight, November 21, 2018, <http://www.balkaninsight.com/en/article/new-world-order-the-natural-family-franchise-goes-global-11-05-2018>.

- 35 Oana Popescu and Rufin Zamfir, eds, *Propaganda Made-to-Measure: How our Vulnerabilities Facilitate Russian Influence* (Bucharest, Romania: Global Focus, 2018), 67.
- 36 "10 Things You Should Know About the American Center for Law And Justice," Human Rights Campaign, <https://www.hrc.org/resources/10-things-you-should-know-about-the-american-center-for-law-and-justice>.
- 37 Ibid.
- 38 Popescu and Zamfir, *Propaganda Made-to-Measure*, 108.
- 39 Karen Dawisha, *Putin's Kleptocracy: Who Owns Russia?* (New York: Simon & Schuster, 2015), 333-339.
- 40 Traian Danciu, "Cum au ajuns prietenii lui Putin și fondatorul Noua Dreaptă să formeze Coaliția pentru Familie," *Vice*, November 9, 2016, <https://www.vice.com/ro/article/53bkmz/cine-sunt-oamenii-din-spatele-coalitiei-pentru-familie>.
- 41 Anca Cernea, "Lista prietenilor Rusiei din Romania deconspirata de Alexandr Dughin&Co. Prin e-mail!" In *Linie Dreapta*, December 2, 2014, <http://inlinedreapta.net/lista-prietenilor-rusiei-din-romania-deconspirata-de-alexander-dughin-prin-e-mail/>.
- 42 Heather Conley et al., *The Kremlin Playbook: Understanding Russian Influence in Central and Eastern Europe* (Lanham: Rowman & Littlefield, 2016), 23.
- 43 Ionut Ilascu, "Russian Hackers Leak List of Pro-Russian Influence Group Made of High-Profile European Individuals," Softpedia News, December 3, 2014, <https://news.softpedia.com/news/Russian-Hackers-Leak-List-of-Pro-Russian-Influence-Group-Made-of-High-Profile-European-Individuals-466418.shtml>.

NATO's military deterrence against Russia. Nevertheless, the country illustrates the risks of malign influence created by weak governance standards, rampant corruption, and receptivity to social and cultural influencers supported by the Kremlin. Romania has not acted as a Russian enabler but there are many receptive elements within the country (in the economy, religion, and politics) that provide entry points for the Kremlin and feed the unvirtuous cycle on influence. The historic 'anti-Russian' antibodies present in the country do not automatically shield the population from attempts to divide the country along cultural lines. Societal divisions can be exploited, including divisions between the government and citizens who protest the government's efforts to weaken democratic institutions and the rule of law—protests that have continued to occur.<sup>44</sup> Policy decisions related to the taxation regime (of offshore profits and drilling, for example) and those that impede energy diversification point towards state capture risks linked to Russia, diminish Romania's state resources, and further weaken the country. All of these elements fulfill the objective of Russian malign influence: "breaking the internal coherence of the enemy system."<sup>45</sup>

44 Anca Gurzu, "Brussels slams Romania on corruption as EU presidency nears," Politico, November 13, 2018, <https://www.politico.eu/article/brussels-slams-romania-anti-corruption-eforts-as-eu-presidency-nears/>.

45 Conley et al., *The Kremlin Playbook*.