

Russian Operation against Japan

1. General Situation

In May 2000, President Putin was elected under the motto of the "rebirth of a strong Russia," and worked to implement his own theory that "the government should manage domestic resources and use them to drive an economic recovery." Under his policy, increased was government control of the corporations involved in the world's largest production and deposits of natural gas and the world's second-most productive oil fields, and the weak economy existing since the collapse of the former Soviet Union recovered.

More recently, favorably affected by the continuing high prices of crude oil, there has been a sharp rise in foreign currency revenues, which improved the financial stability of the government. While the former Soviet Union was a "military superpower," the new Russian Federation is evolving into a "natural resource superpower," and regaining its position of global influence.

As Russia regains economic confidence, it is engaging in active diplomatic efforts, and in the annual policy statement presented in May 2006, it announced it would reinforce its military nuclear capability, stating clearly that "its military strength will reduce pressure on Russia." It is expected to continue to stress economic diplomacy, and continue to increase its importance in the global economic sphere.

As for Japan-Russia relations, in November 2005, President Putin visited Japan for the first time in five years. No resolution of the major outstanding issue between the two nations, the northern territories, was reached, and the Russian position maintained the historical view based on the Yalta Conference that Russia would retain the territories as a result of World War II.

Russia is, however, interested in increasing economic exchange with Japan, and on the occasion of President Putin's visit a large number of people from Russian economic circles were dispatched to Japan, participating in various meetings in the economics field and working for increased economic exchange between the two nations, such as by calling for corporate or direct investment into Russia by Japanese private enterprises.

This aggressive Russian stance is reflected in domestic policy as well. The party currently in power is taking measures to empower the central government, such as reforming the electoral system to their own advantage, introducing a presidential appointment system for heads of local governments, enacting laws restricting to support activities by non-government organizations (NGO) and enacting federal anti-terrorism laws providing expanded powers to the military and the federal security service (FSB). These policies are expected to continue for some time.



Siberian Oil Field (Photo: Jiji Press)

2. Activities by Russian Intelligence Organizations

It has become clear that operatives of Russian intelligence organizations continue to engage in espionage and related activities in foreign nations while covered as embassy personnel, even after the collapse of the former Soviet Union. There have been about a dozen espionage incidents in Japan involving Soviet or Russian intelligence organizations, of which eight have resulted in arrests since the collapse of the former Soviet Union in 1991. The espionage is not a result of the ideological confrontation of the Cold War era, but rather evidence of a long-standing and continuing interest by Russia in Japanese and American military affairs, Japanese domestic and foreign policy and especially advanced science and technology, all of which support a view that major intelligence-gathering efforts are still going on in Japan.

Espionage is directed at not only the products of advanced science and technology, but also documentation describing their manufacture, and information on new technologies under development. The variety of products range from general-purpose items to very specialized goods.



Russian Strategic Missile
(Photo: Jiji Press)

Russia is clearly committed to introducing advanced science and technology from other industrialized nations, and in the annual policy statement of May 2006 President Putin said "The development of the Russian economy will be determined primarily by the superiority of our science and technology. Unfortunately, the majority of the machinery in use by Russian industry today is not years out of date, but decades out of date." To remedy this weakness of domestic industry, he pointed out that the national government also had to "...assist in the acquisition of modern technology from other nations," stressing the need for prompt and active involvement by the government.

According to specialists in the field, Russian science and technology is very high in fields where research is continuing for military applications, such as munitions, nuclear power and space development, but lags significantly behind the industrialized nations of North America and Europe in consumer product sectors. Russia is expected to aggressively solicit investment into Russia by



Russian Strategic Bomber
(Photo: Jiji Press)

corporations from other industrialized nations, joint ventures and technical tie-ups, and acquisitions; provide financial assistance to domestic industry; and introduce advanced science and technology. At the same time, it is possible that illegal information-gathering activities will be advanced in parallel, with the objective of acquiring advanced science and technology.

There is some concern that the increase in tax revenues brought about by economic growth will support more energetic espionage activities overseas. Indeed, it is possible that operatives covered as staff of the Russian embassy or Russian Trade Representation in Japan may engage in illegal activities as in the past. It is also possible that as economic exchange between Japan and Russia increases, operatives may engage in espionage under the cover of corporate tie-ups or technical exchanges, covered as employees of corporations investing into Japan or members of trade missions.

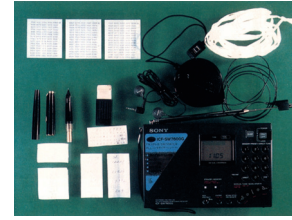


Column of Russian Tanks (Photo: Jiji Press)

3. Major Cases after the Collapse of the Former Soviet Union

(1) Kuroba-Udovin Case (MPD, 1997)

An operative of the Russian foreign intelligence service (SVR) used the false identity of Ichiro Fukushima, who vanished from Fukushima Prefecture in about 1965, and was involved in espionage activities in Japan and elsewhere for about 30 years.



Confiscated Intelligence Gathering Equipment

(2) Chernykh Case (MPD, 1997)

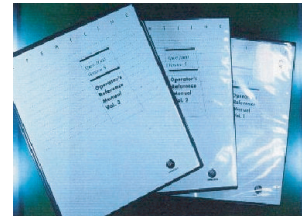
The president of a Japanese corporation, in return for large sums of money from members of the Russian Trade Representation in Japan, provided the former Soviet Union and later Russia with software specifications and documentation related to military affairs issued by organizations in science and technology, over a 7-year period.



Confiscated Materials

(3) Bogatenkov Case (MPD/Kanagawa, 2000)

A lieutenant commander of the Japanese Maritime Self-Defense Force (JMSDF), in return for money and other considerations from the naval attaché at the Russian Embassy in Japan, provided copies of secret JMSDF documents and several dozen other internal-use materials.



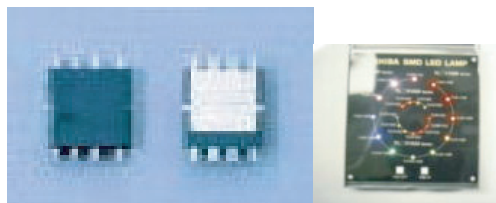
Confiscated Specifications

(4) Shchelkonogov Case (MPD, 2002)

In October 1999, a former member of the Russian Trade Representation in Japan requested the president of a company involved in defense to provide specifications and other information on secret items provided by the United States government to Japan, namely the Sparrow laser-guided missile and the Sidewinder infrared-guided missile.

(5) Saveljev Case (MPD, 2005)

From about September 2004 to May 2005, a member of the Russian Trade Representation in Japan illegally obtained confidential information related to advanced science and technology from a Japanese company employee in return for large sums of money.



Confiscated semiconductors

(6) Case of Theft by a Member of the Russian Trade Representation in Japan (MPD, 2006)

A former Japanese company employee stole a VOA device capable of being used in missile control and guidance, from his place of employment at the request of an operative of the Russian Trade Representation in Japan, and provided it to him.