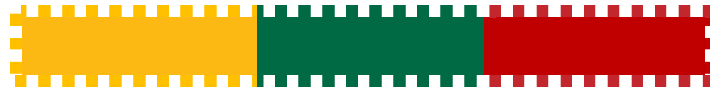


THE STATE SECURITY DEPARTMENT



ANNUAL REVIEW
2014



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FOREWORD BY DIRECTOR

Dear Readers of the Department Annual Report,

Once again I have the privilege to present for your evaluation the VSD Annual Review 2014. It is symbolic that the given Review is the “final accord” of my five-year term.

When I accepted the challenge of becoming the Head of VSD, I had political support and a clear vision of how the so-called “state within the State” institution should be transformed into a modern western-like service and turned into an “institution for the State”. Most probably a five-year term for a smoothly operating intelligence institution which enjoys relevant financing is not a long term; however, for the service which is undergoing radical transformations it was a significant, tough and fateful period. Time for essential changes is over. The most important among them are the new Law on Intelligence, which came into force in 2013, as well as a vast number of legal acts regulating the activities of intelligence institutions, which reinforced democratic control over activities of the secret service.

The intelligence tasks assigned to VSD in 2014 remained unaltered, i. e. intelligence that had been collected as it was set by the State Defence Council, was presented to the Heads of the State and executive authorities in a form of analytical reports, assessments and other formats. State “intelligence cycle” became a natural routine. Counterintelligence units, while collecting information ensured counterintelligence assistance to important state institutions by identifying individuals that work in the interests of other states. A lot of attention was paid to the protection of state secrets by implementing a thorough control of how laws and administrative norms were upheld.

In 2014 changes in geopolitical situation and nature of threats became obvious. More and more frequently such “peaceful” fields as banking, telecommunications, businesses and media become targets of hostile intelligence. It is evident that a large neighboring state justifies its expansive goals and interests by employing propaganda – a weapon, which has been repeatedly used in history, yet is still effective. I assume that everyone, who receives information from Russian mass media should become “a little bit of an intelligence officer”. Otherwise, we will be driven away by the illusion that, according to one of the observers, „the West and VSD are to be blamed for everything“.

At the beginning of my term I was of the opinion that the Department must work efficiently while staying invisible. We are not a public institution. It was a nuisance to hear criticism about our inefficiency, while at the very same time carrying-out important investigations, the results of which became publicly known only in several years, or never at all. In the meantime, ordinary intelligence officers were making a lot of effort and striving to achieve these tangible results the society is already aware of.

The relationship between public-spirited people and the Department is of vital importance. Last year VSD published a booklet “*Who, how and why spies in Lithuania?*”, which specified the potential targets of foreign intelligence services. Anybody can become one, even without being aware of it. We are grateful to each and everyone for reporting to us of subversive activities, anti-constitutional, anti-state attitudes, and radical incitements to plot illegal replacements of democratically elected officials. Even though the majority of such reports are radical as well, they demand to ban the publications that cause mischief, to punish even widely known authors and journalists who falsify history or distort historical facts. However, we have always been against censorship if the laws are not demonstratively violated. Let us rather develop our public-spirited attitudes and keep a free and independent way of thinking, without



allowing anyone to trample on our identity by means of propaganda. Let us not mix patriotism and nationalism, but always retain our curiosity, and chose diverse multilingual information channels.

When summing up the results of the work done and looking into foreseeable future, I see a member of the national security and defence community taking my position, since VSD activity is a constituent element of the State defence. The Head must be in possession of an exceptional competence, expertise and abilities, which are usually hard to achieve while practicing in the field of politics or building career within the system of internal affairs or law enforcement.

I would half-seriously say that an intelligence officer should continuously ask himself, if he/she knows more than everybody does, and whether the institution under his/her leadership (in case it operates efficiently), has more information beneficial to the State at present than it had a month, a week, a day or an hour ago.

While handing the steering wheel of the service over I hope that the Department will remain a de-politicized and independent, but strictly accountable and law-observant institution that will continue employing not only disciplined but patriotic, educated, brave and intelligent officers who disregard the length of their working hours, and whose expertise and competence are valued by partner intelligence and security services.

Gediminas Grina,

Director of the State Security Department



INTRODUCTION

OBJECTIVE

The Annual Review of the State Security Department of the Republic of Lithuania (hereinafter VSD, the Department) is intended to inform the society on the implementation of the VSD objectives set in the Law on Intelligence: to collect information about the risks, dangers and threats; provide it to authorities ensuring national security; and to eliminate these risks, dangers and threats.

BASIS

The Review provides an overview of the VSD activities in the areas, set in the Intelligence Requirements and adopted by the State Defense Council: hostile activities of foreign intelligence and security services, information security, regional stability, energy and economic security, as well as extremism and terrorism.

Information about the VSD budget and personnel is presented in the Annex.

STRUCTURE

VSD activities in 2014 are disclosed in each of the mentioned areas separately, indicating the key VSD activities:

- Collection of information about the risks, dangers and threats: provides information on VSD-identified events and processes in 2014, which were topical to national security and the activities of VSD, as an intelligence institution. Due to confidentiality of VSD investigations and methods, we provide only a part of the Department's activities, disclosure of which would not hamper the ongoing investigations.
- Elimination of risk factors, dangers and threats: it provides information on the intelligence, which VSD submitted to policy makers and executives, threat elimination and prevention measures applied and cooperation with foreign partners to prevent common threats.

National security environment is described in publicly available VSD document of March 30, 2015 - Annual Threats Assessment.



SCOPE OF VSD ACTIVITIES

COLLECTED INTELLIGENCE

The activities of VSD are organized in accordance with the Intelligence Requirements adopted by the State Defense Council. In 2014 these requirements remained unchanged, and encompassed the following areas: hostile activities of foreign intelligence and security services; information security; energy and economic security; regional stability; extremism and terrorism.

According to the Intelligence Requirements VSD carried out intelligence and counter-intelligence investigations and operations, invoking human intelligence (HUMINT) and signal intelligence (SIGINT) methods.

In 2014, majority of intelligence collected covered the fields of energy and economic security, as well as hostile foreign intelligence services activities. VSD used this intelligence about hostile foreign intelligence services primarily for counterintelligence operations and prevention – to identify, control and prevent their hostile activities. VSD informs the institutions ensuring national security about the results of these operations.

Human intelligence (HUMINT) method – collection of intelligence from the people, who have particular knowledge, or are capable of obtaining certain classified or unclassified information.

Signals intelligence (SIGINT) method - collection of intelligence by technical means taking over the communication information such as telephone communication metadata (who communicates with who and how often), or the contents of conversations.

The collected intelligence becomes a **basis for VSD intelligence assessments and up-to-date intelligence reports**. They are presented to the institutions ensuring national security and to other institutions: the President of the Republic of Lithuania, the Speaker of the Seimas, the Prime Minister, the National Security and Defense Committee (NSGK), the ministers, as well as other institutions, in accordance with their competence.

In 2014 the majority of VSD intelligence assessments (i. e. analytical summaries and prognoses on threat-posing events and processes) were related to regional stability and information security.

Up-to-date intelligence reports cover topical intelligence information, which is necessary for the institutions ensuring national security, policy makers and executives to make timely decisions concerning national security of Lithuania. In 2014 the majority of such VSD reports were related to the threats to energy and economic sector, as well as extremism and terrorism.

INTELLIGENCE INFORMATION, FINDINGS AND CONSULTATIONS

Laws and subordinate legal acts oblige VSD to provide information to other state institutions on various issues related to threats to national security. Information on potential threats that has been collected while carrying out investigations, but which does not fall within the remit of VSD, if it is related to criminal acts, is forwarded to law enforcement and other state institutions. In 2014 the Department delivered more than 200 reports to the Prosecutor General's Office, the Police Department under the Ministry of Interior, the Special Investigation Service, the Second Investigation Department under the Ministry of National Defence and other institutions.



In accordance with legislation of the Republic of Lithuania and the interinstitutional agreements, VSD conducts vetting of individuals on their potential threat to national security. In 2014, VSD gave 28277 findings and consultations to the Migration Department under the Ministry of Interior, the Special Investigation Service, civil service and other institutions (see table 1). Mostly findings focused on migration of foreign nationals – 21255 findings, including 1345 findings that contained recommendation to refuse an alien to entry into Lithuania or to issue of a residence permit.

Table 1. Vetting of individuals conducted by VSD

Findings on:	Total	Negative
Immigration applications	21 255	1 345
Reputation of civil servants and person's security	3 647	20
Citizenship applications	1 727	23
Accreditation of diplomatic personnel	420	2
Recipients of State decoration	227	0
Other	951	1
Total :	28 227	1 391

The experience of the recent years shows that there are still a lot of aliens, who try to access other Schengen area countries via Lithuania in pursuit of social, economic, or even criminal interests. Migration control is important not only for preventing terrorism, but also in ensuring the military security of the country, especially in protecting against threats of hybrid conflict. In addition, a free movement possibility provided by

the Schengen area poses challenges in neutralization of hostile activities of the intelligence and security services in Lithuania and the Schengen area countries.

AUTHORISATION OF VSD ACTIVITIES

In order to be able to carry out investigations and collect intelligence in accordance with the Intelligence Requirements, VSD has to obtain a court authorization to carry out the activities set in the Law on Intelligence, i. e. monitoring personal communication by phone or on the Internet, access to private premises, examination of documents and other items. In 2014 VSD activities authorised by regional courts were carried out against 1884 individuals – 1042 Lithuanian citizens, 816 foreign nationals and 26 legal persons. Intelligence collected by court-authorized activities is conveyed to the Heads of State.



HOSTILE ACTIVITIES OF FOREIGN INTELLIGENCE AND SECURITY SERVICES

In 2014 changes in international environment and a more hostile Russia's stance made a considerable impact on VSD counterintelligence operations. Russia's aggressive foreign policy was inevitably accompanied by an increased number of intelligence operations, both in Western Europe and Lithuania. In Europe, the Russian intelligence services were collecting information about NATO defense plans and EU political and economic assistance to Ukraine. Russia's aggression against Ukraine and an increase of Russian intelligence and security services activities prompt Western countries to enhance effectiveness of their counterintelligence to neutralize Russian intelligence and security services' influence.

PRINCIPLES OF ACTIVITIES OF INTELLIGENCE AND SECURITY SERVICES HOSTILE TO LITHUANIA

In Lithuania the employees of hostile foreign intelligence and security services actively use diplomatic cover, since intelligence officers acquire diplomatic ranks and immunity under the Vienna Convention on Diplomatic Relations. Some personnel involved in intelligence work under diplomatic cover openly declare their links with intelligence or security service – these officers act as official representatives of their services to the host country. The rest of the intelligence officers operate under diplomatic cover without formal acknowledgement of the host country. VSD takes various countermeasures against activities that are incompatible with diplomatic status of foreign intelligence officers. For example, such a diplomat may receive a hint that his secret activity incompatible with diplomatic duties has been revealed, and his true activities may be revealed publicly for carrying out intelligence tasks. Such measures are sufficient to cease hostile activities and to encourage the diplomat to leave Lithuania voluntarily. Expulsion of a foreign diplomat is carried out by the Ministry of Foreign Affairs as a last resort. In 2014 as a result of VSD counterintelligence operations Lithuania expelled 3 Russian intelligence officers, who had been operating under diplomatic cover. In addition to that, several diplomats were forced to leave their office before the expiration of their accreditation.

The intelligence services also use the so-called “illegals” – intelligence officers who operate under a unofficial cover in a foreign country. They undergo a special training, use false biographies and identities, and carry out tasks such as collecting public and classified information, recruiting agents, organizing sabotage and various intelligence operations. Former official of the Estonian Defense Ministry, pleaded guilty to treason and now jailed, Herman Simm was guided by SVR officer Sergei Yakovlev, who has acquired identity and passport in the name of Antonio de Jesus Amurett Graf. In 2010 the FBI uncovered Russian spy network of the “illegals”: the SVR staff has been seeking to establish contacts with academics, businessmen and decision makers in the United States. Ten Russian “illegals” from spy network were exchanged for individuals accused of collaborating with Western intelligence in Russia.¹

In Lithuania Russian intelligence and security services use Russian journalists and representatives of non-governmental organizations to keep track of Russian opposition and to discredit it. In 2013 a reporter of state-run television channel “Rossiya 1” Alexander Buzaladze (in 2014 he ran stories from

¹ Spy swap is a widespread practice. However, there have been cases when persons did not confess to be spies operating under cover or the states denied their ties with the alleged spies. CIA undercover agent Hugh Redmond, who was arrested and charged with espionage in Shanghai in 1951, spent 19 years in Chinese prison and died, however the CIA did not acknowledge its ties with H. Redmond.

Donbass and was awarded with national medal for “objective information about events in Crimea”) ran a story about Russia's opposition leaders and their participation in the meeting organized by the Ronald Reagan House in Lithuania. The opposition members have been spied on by Russian journalists – they were recorded in one of the restaurants in Vilnius in the middle of the night and “unexpectedly” on the flight from Vilnius to Moscow (Buzaladze asked for an interview of Boris Nemcov, one of the opposition leaders who attended the aforementioned meeting as well).



Alexander Buzaladze



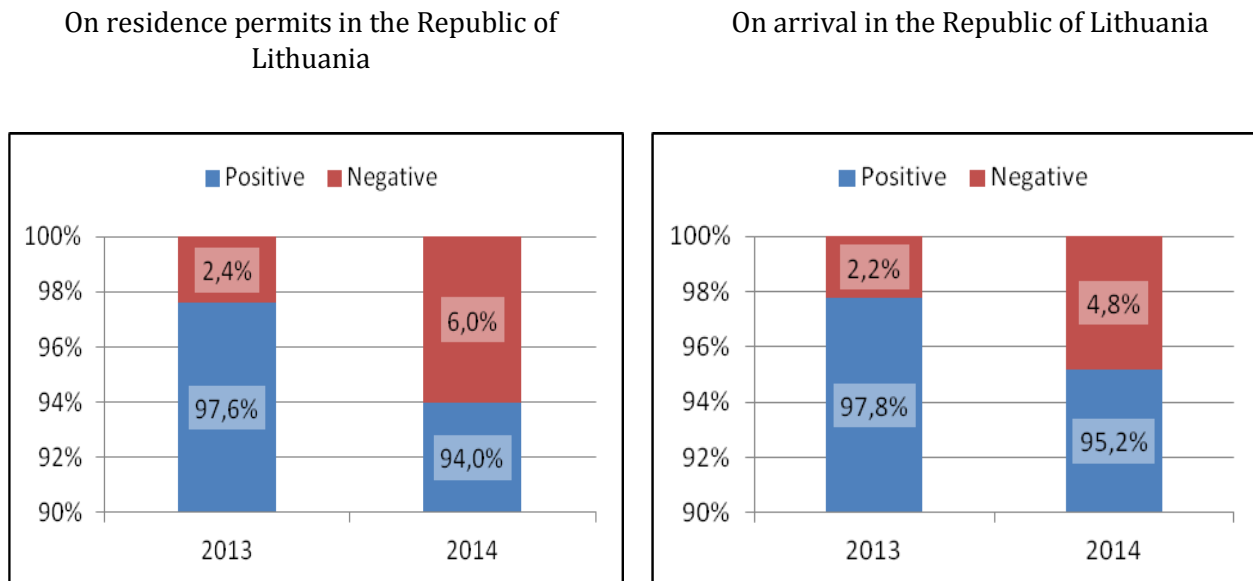
In 2014 a number of Russian opposition members and representatives of civil society participated in the event organized by the Eastern Europe Studies Center in Vilnius. The location of the meeting and the participants were filmed by a Russian Federation citizen and member of the Russian political youth movement “Nashi” (“Ours”). He acted quite openly, therefore, it can be assumed that one of his objectives was to intimidate the participants of the event.

ELIMINATION OF RISKS, DANGERS AND THREATS

According to the Lithuanian laws, VSD has the following powers to deal with the threats posed by the hostile foreign intelligence and security services:

- To provide findings on applications for the residence permits in the Republic of Lithuania.
- To provide findings on applications for the entry to the territory of Lithuania clearance.
- To grant security clearances for the access to classified information.
- To brief the Heads of the State about the threats to national security.

Personal checks and provision of findings. In 2014 the number of foreigners who applied for the entry or residence permits increased (see table 2). VSD has cleared 21 255 requests (20 169 in 2013 respectively) and has provided 1 345 negative findings (628 in 2013 respectively). With the aim to access threat to national security posed by the foreign nationals, who intend to arrive in Lithuania, in 2014 VSD provided the NSGK with draft amendments to the Law on the Legal Status of Aliens. The new amendments would clearly define the role of intelligence agencies in determining threats to national security posed by foreign nationals who come to Lithuania. The proposed amendments were adopted and the role was delegated to VSD.

**Table 2.** VSD checks on residence permits in the Republic of Lithuania or arrival therein

As a member of the Schengen area Lithuania is able to implement one of the most important rights of the EU – the right to free movement, but this right also creates some counterintelligence issues as well. Hostile intelligence officers are able to travel across many European countries with no obstacles – to live in one country, to recruit agents in the other, and to meet with them in the third one. This freedom to travel highlighted the need for close cooperation between intelligence and security services of the EU Member States. Therefore VSD successfully continued developing bilateral and multilateral international counterintelligence cooperation in 2014.

Protection of classified information. In 2014 VSD vetted 5201 persons applying for a personal security clearance. In 12 cases VSD recommendations were negative. VSD holds awareness trainings for protection of classified information on a regular basis. For instance, in 2014 such trainings were organized for employees of the Office of the Government, the Ministry of Energy and the State Nuclear Power Safety Inspectorate, also participants of the National security courses and other civil servants. VSD was also briefing civil servants on how to recognize hostile activities of the foreign intelligence and security services.

It should be noted that the hostile foreign intelligence and security services are interested not only in civil servants and officials, who hold security clearances to access classified information. In 2014 a case was handed over to court based on VSD investigation regarding two individuals – an employee of state enterprise „Oro Navigacija“ („Air Navigation“) Romuald Lipskij and a paramedic of the Lithuanian army Andrej Osurkov – who may have cooperated with Belorussian intelligence service GRU. Neither of the suspects had access to classified information, however, the GRU and other hostile intelligence services were interested in any information that is not publicly available. For example, Osurkov is suspected of having collected information about Lithuania's military ammunition, technologies, infrastructure and individuals serving in the Lithuanian army, who could be potential agents for recruitment.

Diplomatic security. Counterintelligence is one of the most important functions of VSD, carried out in Lithuanian and its diplomatic missions abroad. VSD provides consultations for personnel of diplomatic



missions on security issues: VSD supervises the protection of classified information, briefs about *modus operandi* of hostile foreign intelligence services, investigates attempts to establish contacts with diplomatic staff, gives recommendations on how to deal with hostile intelligence services. In 2014 VSD briefed around one hundred employees of Lithuanian diplomatic missions.

Informing the society. Public education and provision of information to the public about hostile foreign intelligence and security services are important tools to prevent threats posed by these services. In order to warn Lithuanian citizens on the threat posed by foreign services, in 2014 VSD published a bulletin "Who, how and why does spy in Lithuania". The bulletin describes techniques of information collection, types of persons of great interest to foreign intelligence services, methods of identifying and avoiding spying, guidelines to be followed in professional and personal life. It has been distributed to civil servants, media, the Lithuanian Riflemen's Union, courts, public prosecutors offices and other institutions entitled to handle classified information.

In 2014 VSD warned the public about risks in foreign countries. VSD warned the public and informed civil servants, who avoided serving in the soviet army in 1990–1991, to avoid traveling for personal or official purposes to Russia, Belarus and other countries outside the EU and NATO. Real or alledged breach of law, defamatory information is most commonly used by hostile intelligence and security services to recruit new agents. In 2014 ahead of the Sochi Winter Olympic Games VSD officials met with the Lithuanian National Olympic Committee and the heads of the Olympic mission in order to inform about security situation in Sochi, potential threats to the Olympic team members and to advise on how to handle emergency situations or accidents.

In 2014 VSD also drew attention to the increased attempts of Russian intelligence services to recruit Lithuanian citizens who travel to Russia. The most common targets were law enforcement officers – in particular, from the State Border Guard Service. Russian intelligence officers sought to obtain information about Lithuanian law enforcement personnel, the infrastructure along the border with Russia's Kaliningrad region, the border protection regime, the Lithuanian army and military trainings close to the border and military infrastructure objects. It should be noted that the Belorussian intelligence and security services that work in close cooperation with Russian intelligence services, have also significantly intensified targeting at Lithuanian law enforcement officers traveling to Belarus.



INFORMATION SECURITY

In 2014, after the aggression against Ukraine Russia has intensified its propaganda, therefore its hostile information policy remained one of the main threats to Lithuanian national security. Russia carried out well funded and coordinated information campaigns through numerous media outlets and has been trying to influence particular groups of the society.

RUSSIAN IDEOLOGICAL PROPAGANDA

Russia has two different information policy strategies towards neighboring countries. According to the *soft strategy*, Russia tries to maintain the positive image and “friendly” policy. This strategy hinges on “benevolent” offers (economic, political, military), which usually are not acceptable to the ruling elite, but are appealing to ordinary citizens.

The *hard strategy* is carried out with the help of economic, political and military pressure. Its purpose is to intimidate the societies of the neighboring countries, to implant the feelings of insecurity and inadequacy.

Russia uses the *escalation of political conflicts* with Lithuania to provoke anti-Russian moods. After the escalation follows retaliatory propaganda campaign during which neighboring country is accused of destruction, radicalism, political immaturity and anti-Russian sentiments.

The *escalation of cultural conflicts* and *cultural expansion* are not only the most complex, but also the most effective means for Russia to pursue its information policy. Russia expands its cultural and ideological influence in the neighboring countries through Russian media, agents of influence or ordinary individuals, also through local media outlets. Russia could undermine the cultural system with the help of destructive society groups (marginal organizations, religious sects, criminal gangs), which are used to discredit political system.

In situation like this efforts of intelligence services are not entirely sufficient to ensure information security. The Law on the Basics of National Security stipulates that the ministries, institutions and local municipalities are responsible for ensuring national security according to their competence. On the other hand, the concept of information security also includes the aspects that are not directly related with the state institutions. Many dangers and threats cannot be eliminated only by administrative or legal means, they also require efforts of the civil society, academia, cultural community, NGOs and responsible mass media.

It should be noted, that Russia is one of the most repressive states when it comes to media freedom and civil initiatives. In 2014, organisation “Reporters without Frontiers” ranked in its Press freedom index Russia 148th, out of 180 countries. However, Moscow uses the efforts of other states to maintain their information security and prevent the spread of hatred and propaganda in the media as a pretext to spread propaganda. These countries are blamed for violation of human rights.

In the autumn of 2014, the Lithuanian Radio and Television Commission temporary suspended the broadcast of TV station PBK (*Pervyj baltijski kanal*), because one of the programmes contained disinformation on the events of 13 January 1991. Vilnius district court upheld the Commission's decision. However, Russian propaganda presented the suspension as an undisputed bias of Lithuanian law enforcement system. One cannot exclude, that because of Russia's preasure the OSCE Representative on Freedom of the Media Dunja Mijatovic made a statement that decision to suspend the broadcast, even if it is done according to the law, can affect media freedom.



Литва готовится к войне с Россией



Далия Гюпикарповна собралась воевать с русскими.

Source: www.anaga.ru

The staff of Russian media outlets monitors the situation in Lithuania and uses certain events for propaganda purposes. For example, information about Russian military exercises and their necessity coincides with the news that Lithuania is preparing for war. “Lithuania preparing for war with Russia” - similar headlines have been circulating some years now. Some articles are provided with the photographs of Lithuanian President inspecting the weaponry. Below this particular photo, in which the President is looking through the aiming sight, Dalia Grybauskaitė is introduced according to the Russian tradition, i.e. also naming her patronymic.

Kremlin understands the significance the policy of history has on the modern geopolitics. Therefore it continues to actively manipulate historical consciousness in Russia and abroad. This was clearly manifested during the annexation of Crimea. Aggression was even justified by thousand-year old historical facts.

In 2014, Russia began preparations for celebration of the 70th anniversary of the USSR victory against Nazi Germany and intensified the implementation of its history policy against Lithuania and other Baltic States. In publications online, printed media and academic texts attempts were made to discredit Lithuanian post-war freedom fighters, rehabilitate Soviet collaborators and to emphasize the fact that Lithuanians collaborated with the Nazis.

In recent years, the publications of Russian historians have become politically biased and scientific reasoning has become overshadowed by the ideological considerations. After the outbreak of the conflict in Ukraine, joint commission of Russian and Lithuanian historians has ceased to exist after 10 year of activity. It should be noted that previously academic cooperation has not been smooth either. Publications prepared by Lithuanian and Russian historians on Lithuanian occupation were not distributed in Russia.

In 2014, as the world commemorated the centenary of World War I, Russia-financed agencies intensified the restoration of monuments related to the Russian empire and soviet era. The noble goal to take care of soldiers' graves was used for propaganda purposes as well. Cemeteries of the Russian soldiers were restored, new monuments were build, even some inscriptions were altered with a the new ones often distorting historic facts. There were cases when restoration of monuments was financed by the Russian embassy without approval from the Ministries of Culture and Foreign Affairs. This was possible because of legal loopholes. Cultural heritage is one of the foundations of national security, but the restoration of the World War I and World War II soldiers' burial places is still poorly regulated. The Ministry of Culture held a meeting, in which the problems were addressed, and VSD delegated experts to this meeting.



It should be noted that some Russian officials publicly questioned the decisions of the Lithuanian state institutions regarding the historical dates. The Seimas dedicated the year of 2014 to the battle of Orša. However, Alexander Udalcov, the Russian Ambassador in Lithuania, stated in the media that as a historian he considers the battle as a mere local conflict between two noblemen, which had no historic significance. He also added that the battle, in which the Grand Duchy of Lithuania and the Kingdom of Poland defeated the Grand Duchy of Moscow, to some politicians seems like a prophecy.

In Lithuania Russian propagandists use different tactics, measures, and tools, they also exploit historic and contemporary events. Patriotic initiatives, which strengthen relations with the historic past, native land, animates historic memory, are also exploited for propaganda purposes. The way the Russian media presents a popular “Mission Siberia 14” youth campaign, during which young people visit and tidy up the graves of Lithuanian exiles in Siberia, could serve as an example of propaganda, when the fact itself is not invented, however, information about the fact is falsified with blatant lies, and minor aspects of the story are turned into the most important ones. The Russian media quotes the participants of the mission that they are happy to admire the great rivers of Yenisei and Angara, spend some time without mobile phones, that trip to Siberia is worth it despite mosquitoes and long arduous marches. Although the media states that the main objective of the campaign is noble and generous, it points out that young people take part in this mission to honor the Lithuanians who fought and died on the Soviet side during the Great Patriotic War and that is very important for Lithuania because international community condemns Lithuania for the marches of SS veterans. It is symptomatic to every propaganda text – when the truth is mixed with lies grave mistakes and illogicalities appear. Lithuania in this instance is confused with Latvia where these marches of SS veterans take place.

Information spread through Russian-speaking media in Lithuania essentially corresponds with the goals of the Russian information policy. The editors and employees of such media outlets in the past had contacts with Russian diplomats and intelligence officers, were in favor of the Russian compatriots’ policy initiatives, and were directly influenced and controlled by the executives of the Russian information policy. There were noticeable efforts to educate and unite young journalists, who have favorable views towards the Russian information policy. The coordinator of „Baltnews“ website in Lithuania Anatoli Ivanov formed groups of young Lithuanian Russian-speaking journalists and organized various training courses for Russian-speaking youth in Russia.

The targets of Russian propaganda are not only individuals with anti-Lithuanian, anti-governmental or anti-state sentiments who openly express their opinion, but also individuals with no political attitudes, principals and values, as they are most easily manipulated. Despite being anonymous, they can become „a front of invisible fighters“ on demand. This part of society without any identity is consolidated in case of a crisis. During the times of economical instability and political tension they easily submit themselves to the leaders who present themselves as fighters for the truth and well-being of every individual.

LITHUANIAN INFORMATION SPACE

In 2014, some marginal Lithuanian news websites and media outlets also spread the information that corresponds the Russian information policy. The use of Lithuanian-speaking media helped to spread information to extensive audience, influence various sectors of society, as well as representatives of various nationalities and ages.



Views on Lithuanian foreign and domestic policy in the media outlets, that belong to the „Respublika“ and „Balsas.lt“ media group, often corresponded with the ideas spread in the Russian media. The membership of Lithuania in NATO, the EU and other transatlantic organisations was questioned, pointing out that membership in these organisations is financially and politically harmful for Lithuania.

However, VSD estimates that in 2014 Russia failed to reach all its information policy goals, because desired information did not reach the most popular media outlets and social networks. For instance, in November 2014, Russian diplomats tried to arrange an interview with the Russian Ambassador Aleksandr Udaltsov in the daily „Lietuvos rytas“. Russian diplomats suggested publishing the interview with questions and answers prepared in advance. However, the interview was not published, because the employees of the Russian embassy failed to reach an agreement with the daily.

ELIMINATION OF RISKS, DANGERS AND THREATS

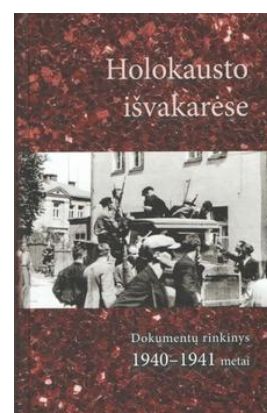
Findings and consultations. In 2014, VSD provided the competent state authorities with the recommendations on the prevention measures of the threats to the information security. VSD representatives took part in the working groups on broadcasting and the restoration of the cemeteries of soldiers killed in the First and Second World Wars. VSD provided state leaders and authorities with information on the investments to Lithuanian media outlets that could pose a threat to the information security of Lithuania.

In 2014, on the VSD initiative in order to prevent the spread of Russian propaganda, several Russian citizens were banned from entering Lithuania, several individuals were declared *personae non gratae*. Notably, next to espionage the escalation of cultural conflicts and the cultural expansion are the most effective means of subversion activities.

The decision to ban the head of the „Historic memory“ foundation and a probable agent of Russian intelligence Aleksandr Dyukov from entering Lithuania caused a significant discontent in Russia. The executive of Russian history policy was on his way to Vilnius, where he was going to present his book „On the eve of Holocaust“, which was translated into Lithuanian and contained numerous examples of history falsification. The director of the „Gairės“ publishing house Povilas Masilionis publicly admitted that the fund headed by Dyukov paid 10,000 litas (approx. 2900 euros) for the translation and publication of the book. Dyukov’s appeal against the decision to ban him from entering Lithuania was dismissed by the Vilnius district court.



Aleksandr Dyukov





In 2014, the head of pro-Kremlin „Center for Current Politics” Sergei Mikheyev was banned from entering the EU for the period of three years. Mikheyev used to be an active participant of the “Format A3” club, an international club of media. He learned the fact that he had been banned from entering the Schengen area whilst unsuccessfully trying to visit Finland. Mikheyev threatened to appeal against this decision at the European Court of Human Rights in Strasbourg.

Informing the society. VSD receives multiple requests from patriotic-minded people to access the information spread in the Lithuanian media and on social networks. VSD is asked to pursue or punish individuals spreading harmful information or to ban media outlets and social network accounts. We are grateful to these members of the society who care for the objective and transparent information.

According to the laws, the Office of the Inspector of Journalist Ethics and the Lithuanian Radio and Television Commission monitor whether the information spread in the media contradicts the regulation. In case of irregularities the courts or the Lithuanian Radio and Television Commission can suspend the operation of the media outlets.

We are democratic state and the ban on information, if no laws are broken, is nothing more than just a censorship, which has nothing in common with free society. Citizens must learn to understand the information they receive – the real goals, intentions and target audience. Citizens, who are conscious and capable to search for alternative sources information, are an impenetrable obstacle for manipulations and propaganda.



REGIONAL SECURITY

2014 was a very special year from the perspective of regional security: military action in Eastern Ukraine, an increased number of Russian military aircraft that approached or even violated the air space of the Baltic region, and opposition between Russia and Western states was diminishing the stability in the region. Taking all that into account the activity priorities and volumes of Lithuanian and Western military and civil intelligence services shifted.

Lithuania takes a very special place in the concept of a Russian geo-politician Aleksandr Dugin. In a couple- of-decades old conception he claimed that a major obstacle for Russia seeking to implement a Eurasian geo-political project in the Baltic Sea region is catholic and non-Slavic Lithuania. According to Dugin, it is Lithuania which will become a key element impeding Russia to reshuffle Europe.

RUSSIAN FOREIGN POLICY AND HYBRID WARFARE

In a discussion arranged by the non-governmental analytical centre "Atlantic Council" the Head of SBU (Ukrainian Security Service) Valentin Nalivaichenko said that the rebellion in Eastern Ukraine was headed by the officers of the Russian military intelligence GRU and the militants of special forces. The secret agents' networks set up by the Russian GRU in Ukraine within the period of two or three years, with the adjacent various pro-Russian organizations are involved into the rebellion. According to him, active pro-Russian individuals constitute approximately 30 percent of all Eastern Ukrainians. Those are poor and mostly jobless individuals, who have been under active influence of propaganda in the Russian media for the recent 20 years. Majority of them take part in the pro-Russian rallies for reward only.

Russia justified the annexation of Crimea and the action in the eastern regions of Ukraine by "the concept of the Russian world" and the right to defend the population of this world (starting with Russian national communities and ending up with the societies extending sympathy to the Russian culture all over the world) employing all possible means without excluding the military ones. To cover illegal action they invoked the rule of law that regulates the right of the nations to self-determination and protection of human rights. In order to prevent the threats of the type, it is vitally important for the modern democracies to secure the rights and freedoms extended by the democracy and international norms, but at the same time

identify and disrupt the attempts to exploit these rights and freedoms for illegal purposes.





To destabilize Ukraine Russia employed the strategy of hybrid warfare. Military forces stepped in to assist non-military actions - propaganda, espionage, bribery, instigation of unrest, economic pressure, and terrorism. A very particular role in this war was played by intelligence and security services, which made use of various pro-Russian groupings, e.g. public organisations, the media, businessmen and criminal groups that made an impression of self-organized and acting characters. The strategy implied in Eastern Ukraine demonstrates that the desired timely identification of threats for the sovereignty of the country requires tense cooperation between the civil and military intelligence services. They must have ways for an effective exchange of information and perceive the character of each other's functioning.

*A report of NATO Review on
Hybrid warfare*

The context of hybrid threats raised the importance of international cooperation among the western intelligence services. In 2014 Western countries demonstrated their unanimity announcing the sanctions for Russia. The attempts to break it were one of the key goals of the Russian foreign policy. With the help of mass media, social networks, and intelligence services Russia attempted to bring together the pro-Russian policy makers, public and interest groups not only in the post-soviet area, but also more and more often in Western countries that take part in political and economic decision making unfavorable for Russia.

RISK FACTORS IN LITHUANIA

In 2014 there was an insignificant number of VSD-identified active Ukrainian separatists and supporters of aggressive Russian foreign policy against Ukraine in Lithuania. They were acting openly and anonymously in social networks, and often travelled abroad.

On "Facebook" or "Vkontakte" social network websites some Lithuanian citizens held support actions for the East Ukrainian separatists, raised money for them and invited to fight for the segregation of Ukrainian territories. Similar groupings were set up in the neighboring countries; some of them kept contacts between each other and coordinated their actions.



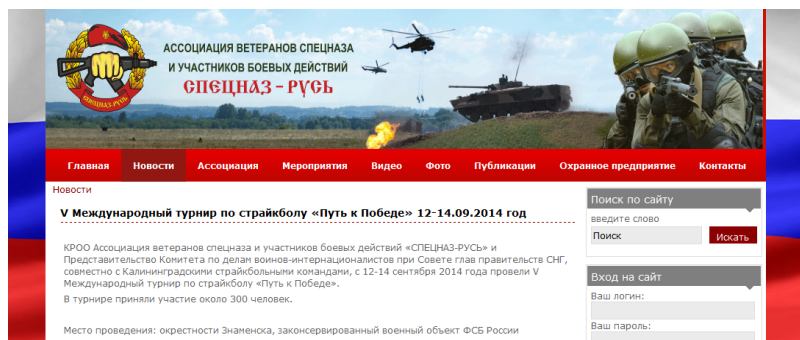


Clockwise:

- A charity organization uniting the representatives of the Baltic states for the support of Donbas and Luhansk.
- A charity foundation for the support of Donbas – “War and Peace”
- Fund raisers for Donbas Aleksandr Dolzhenko (on the left) and Vladimir Kazakov.



Members of some airsoft clubs in Lithuania imitated the tactics of the Russian Special Forces and exercised together with the airsoft teams from Russia and Belarus. In 2014 airsoft enthusiasts from Lithuania took part in the tournament “Put’ k pobede” in the Kaliningrad region. It was organized by an association of Russian *specnaz* veterans and war participants called “Specnaz-Rus”. Members of the special forces of the Russian military intelligence GRU also take part in these tournaments. Members of airsoft clubs who practice in such events learn military tactics of Russian army and may use the acquired skills in real military actions together with the Russian military forces.



Kaliningrad.ru report on the training “Put’ k pobede”

ELIMINATION OF RISKS, DANGERS AND THREATS

Hybrid threats prevention. Intelligence services of hostile countries could exploit anti-state-minded individuals or those driven by other motives thus instigating social and political unrest in Lithuania. Having assessed the scenarios of hybrid threats for Lithuania, VSD initiated additional preventive measures consolidating the safeguard of constitutional grounds. VSD carried out clandestine counterintelligence activity, collected intelligence and held preventive talks with individuals posing threats to national security.

Sharing of intelligence. VSD collected intelligence on the processes destabilizing the region and integration processes initiated by Russia within the CIS space, and assessed their possible impact on the security of Lithuania. The most important role in international relationship is played by the policy makers, thus the key task for VSD is to provide them with the intelligence, i.e. to provide them with the non-public information on the intentions and plans of foreign states and their leaders. In 2014 the institutions responsible for safeguarding national security received from the VSD 1,5 times more of intelligence assessments on the processes important for regional stability than in 2013. VSD also



provided the state institutions with counterintelligence assessments on political and social stability, events organized by Russian institutions and their proposals for the youth of Lithuania.

Due to the regional specifics and the expertise accumulated, VSD is well prepared for new challenges. The input of Lithuanian intelligence services to NATO has particularly grown and was appreciated in the context of war developments in Ukraine. Being part of the euro-Atlantic community of intelligence services VSD exchanged intelligence on the processes in the region with the partners. Information exchange among the intelligence services is particularly important seeking to identify hostile activity of Russia against the countries in the region, attempts of Russia to divide western policy and influence decision makers in favor for Russia. It is VSD duty to inform the partners on the state of national security and potential threats as threats for Lithuania will be considered threats for the whole NATO.

Informing the society. In a response to public calls to travel to Ukraine to fight for separation of the part of its territories, and with an aim to draw public attention to the dangers such calls may pose, in 2014 VSD announced that such armed groups are illegal, and participation in their activities leads to criminal liability. Calls to travel to fight for separation of the part of Ukraine's territories may also be initiated by intelligence services of hostile states – while abusing people's feelings, they may be attempted to be drawn into illegal activities, and afterwards – exploited to exercise information operations against Lithuania.

In case individuals' activity does not violate laws, VSD assess it from the point of national security and warns if inadmissible activity occurs. For instance, if VSD identifies Lithuanian citizen who plans to travel to another country and take part in the armed struggle, the Department may issue a warning on the possible consequences of such decision, and alert the person to abstain from infringement of the laws and international legal norms.

VSD has issued a public warning regarding the events organized by the Russian institutions, in which Lithuanian pupils are invited to take part. Communities and pupils' parents of some Russian-language schools in Lithuania fail to see the danger when children take part even in paramilitary camps, which are organized by the Russian institutions: a case when pupils from Vilnius schools took part in paramilitary sports camp "Sojūz - Nasledniki Pobedy" in Kyrgyzstan in 2014 was widely discussed in publicity.

VSD officers provided information and consulted pupils' parents about possible risks to the participants of the events. VSD once again draws attention to the fact, that members of Lithuanian martial arts and air-soft teams, who participate in military games and exercises in Russia and Belarus, as well as pupils, who take part in paramilitary camps there, become potential targets of intelligence services of hostile states.

Proposals to improve legal regulation. In 2014 VSD raised a question regarding Department's as an intelligence authority's place in the state administration system during marshal law, and thus drafted an according proposal for the amendment of the Law on Martial Law and incorporation of VSD into the armed forces. Activities of the intelligence institutions during the war time would be organized differently in comparison to the civilian institutions, and, therefore, VSD suggested specifying the place of the Department among other institutions. During the martial law there would be an increased need in counter-intelligence activities (counter-espionage, subversive activities, sabotage, etc.). However, at the NSGK meeting on 15 October 2014, it was decided that incorporation of VSD into the armed forces would be inexpedient, "as it is unclear, who will make prognosis and identify internal and external risks, dangers and threats, which arise to the constitutional order".



In 2014 VSD proposed to amend the Law on Citizenship of the Republic of Lithuania under which the citizenship of the Republic of Lithuania shall not be granted, restored or reinstated to a person who serves or has served in the Collective Security Treaty Organization (CSTO) Member States, with the exception of the cases when VSD presents a conclusion that granting, restoration or re-installment of citizenship to such person will pose no threat to state security. VSD also proposed to supplement the Law on Citizenship with a provision that a citizenship of the Republic of Lithuania shall not be reinstated to a person, who poses a threat to state security.



ECONOMIC AND ENERGY SECURITY

ENERGY SECTOR

In 2014 Lithuania underwent significant changes that led to the steady progress toward energy independence: last year the structural reform in the natural gas industry was completed, the liquefied natural gas (LNG) terminal became operational and “Gazprom” withdrew from the management of the companies “Amber Grid” and “Lietuvos dujos” (“Lithuanian Gas”). Despite the fact that attempts of foreign entities to block energy projects have been neutralized, a significant number of intelligence and counterintelligence tasks remained.

The first VSD task was to detect economic espionage, i. e. efforts of foreign entities to collect information about Lithuania's strategic projects. Foreign entities with hostile or business interests were targeting projects that were enhancing Lithuania's energy independence. In 2014 individuals linked to “Gazprom” were gathering information about the LNG terminal and LNG imports in Lithuania. This intelligence was important to Russian fuel company when considering construction of LNG facilities in the Leningrad and Kaliningrad regions.

The second VSD assignment is to inform the Heads of State about regional decisions and processes that would ensure Lithuania's security interests in energy sector. Last year relevant to the Lithuanian interests in energy industry were the Russian Federation decisions to enhance energy security of the Kaliningrad enclave and support development of nuclear power plants in the region.

ECONOMIC SECTOR

In 2014 Russia pursued protectionist transport policy and used it against countries that criticized Russia's aggression in Ukraine. Therefore, Lithuanian haulers, agriculture and food industry faced obstacles to run businesses and suffered financial losses.

IA REGNUM » Новости » Политика » Литовский предприниматель...

Литовский предприниматель оправдал поведение России на Украине и подвергся травле

14.03.2014 14:47

[Facebook](#) [Еконтакте](#) [Twitter](#) [Класс](#) [Google+](#)

13 марта в программе “В центре внимания” на канале LRT литовский предприниматель **Вилос Кайкарис** высказал свое мнение о военных действиях России в Крыму и реакции Литвы на положение на Украине, чем вызвал настоящий скандал в Литве - предприниматель посмел оправдать действия России, и осудить Литву за ее реакцию. Член Сейма экс-министр обороны **Раса Юкнявичене** даже пригрозила подать в суд на него “за издевательства над Литовской армией”, сообщает корреспондент [IA REGNUM](#) сегодня, 14 марта.

Economic issues are often exploited by Russian propaganda. A businessman, who is first and foremost concerned about open markets to his production, after Russia's politically motivated economic sanctions, was used by Russian propaganda as “an insider expert” of Lithuanian military forces. The Russian media informed: “Lithuanian businessman criticizes Lithuanian army”: “If we had an army that is as powerful as the army of the Grand Duke Vytautas, then we

could attack Moscow. Right now we have neither troops nor financial resources. We cannot speak neither about tanks nor cannons. If there will be no open foreign market to Lithuania's butter and cheese, the state will have to spread butter on those cannons and shove the cheese into its ass. Only then we will think what we have done”.

The experience of the last year indicates how vital is awareness of the destructive plans and intentions of other states in order to prevent damage to the Lithuanian economy. The earlier means of economic



pressure are identified, the sooner negative impact on the economy may be reduced, political tensions and social unrest prevented.

In 2014 international community began enforcing economic sanctions against Russia and this forced Russian investors to search for ways to avoid sanctions. Therefore, VSD was faced with a new task – to disclose businesses that attempted to protect their investments or initiate new ones in order to avoid international sanctions. The business entities under sanctions attempted to hide the links of their funds and property with Russia by engaging in questionable stock transactions and changing the names of the companies. Investors from the Eastern neighborhood used third countries as a cover and sought to develop business in Lithuania – to invest in assets of economic, social and strategic significance.

ELIMINATION OF RISKS, DANGERS AND THREATS

Findings and consultations. Based on the legislation of the Republic of Lithuania on the companies of strategic importance and other economic issues, as well as bilateral agreements with the authorities VSD provided the findings and consultations to the Ministry of Economy, the Special Investigation Service, the State Property Fund and other institutions on reliability of potential investors in strategic economic sectors, the origin of their wealth and connections with other entities, as well investments that are opaque or suspicious from the point of view of national security.

Sharing of intelligence. Some of the energy projects and economic processes in Lithuania bear a political significance as well. Therefore, VSD provided the Heads of State with up-to-date intelligence reports (urgent intelligence that is relevant in national security decision making) on potential threats to Lithuania's energy and economy sectors posed by foreign entities.

Investments that are unfavorable from the point of national security may be made not necessarily to the companies of strategic significance directly, since this type of investments is regulated by law and supervised by state authorities. In 2014 there were attempts to invest in assets adjacent to the facilities of importance to national security, but under no special regulation and protection, such as territories next to the airports. VSD informed state institutions and decision makers about opaque investments that could be considered as threats to national security interests.

Proposals to improve the legal framework. In 2014 VSD representatives took part in the work of a group established by the Prime Minister, which prepared the amendments to the Law on Enterprises and Facilities of Strategic Importance to National Security and Other Enterprises of Importance to Ensuring National Security.

EXTREMISM AND TERRORISM

POLITICAL RADICALISM

In 2014 the activities of extreme ideologies supporters in Lithuania were marked by several trends.

First of all, Lithuanian groups were affected by international events. Similar to far-right movements in Europe, in 2014 Lithuanian far-right supporters split into two: Russia-supporting and significantly larger – Ukraine-supporting, groups. VSD did not possess any data that Lithuanian citizens supporting far-right views would have been involved in the military activities in Ukraine.

Secondly, there was an increase in public activities of radical political ideologies proponents: attempts were made to initialize rallies, some protests were held and proclamations disseminated. They also ran propaganda campaigns that received high media attention and aroused discontent of a considerable part of society.



March 2014. Gathering nearby the Seimas, which demanded a referendum on prohibition of soil sale to foreign nationals



October 2014. The gathering of the „Mūsų gretos“ movement, the Socialist People’s Front, and the nationalsocialists against NATO in Kaunas

Some of extreme-minded individuals were highly engaged in activities that correspond with the Russian information policy – they campaigned against the Lithuanian political structure, foreign policy, NATO and the EU. The problem is that the rights and freedoms of democratic society are used to mask hostile activities and thus the form of legitimacy is given to anti-state actions. Therefore actions of some extreme-minded individuals, who did not openly incite feud or take part in anti-constitutional activities, do not result in criminal liability, but their activities are dangerous from the point of national security and must be constantly monitored. VSD is responsible not only for protection of rights and freedoms of democratic society, but also for identification of subversive activities, initiated and supported from abroad, and camouflaged by these rights and freedoms.

Thirdly, the activity of radical actors has also increased online, including consolidations of groups, dissemination of radical ideas in social networks and video broadcasting websites. For instance, on the eve of the March 11, the self-proclaimed Samogitian “Būkime vieningi” movement distributed a petition on incorporation of Klaipeda region into Russia, which had been previously on “avvaz.org” website. A petition on the Latvian Latgale region incorporation into Russia was also published on the same website. It may be assumed that the petition was meant to provoke a public debate and escalate it later. Similar tactics was used during the annexation of Crimea. Anti-Western and pro-Russian ideas on the Internet were actively disseminated by “Mūsų gretos” organization lead by signatory Rolandas Paulauskas. In



2014 this organization started broadcasting "Naktigonė kitaip" live broadcasts on Youtube, it also published some self-produced documentaries and other posts on the Internet site "saukmas.lt".

Active members of society help VSD to spot radical ideas distributed online, they also inform about possibly illegal or important to national security information. In publicity ideas spread extremely fast—they are published in social networks, in the media, etc. However, it takes time and close cooperation with the Internet services providers and other institutions to identify authors of those ideas, who are usually anonymous and concealed by a number of false identities.

TERRORISM

Terrorist organization the Islamic State, which entrenched itself in some Iraqi and Syrian territories in 2014, posed threat to stability in North Africa and the Middle East. The development of the Islamic State ideology, increasing ranks of extremists involved in these terrorist organisations from Europe, and number of fighters later returning to the West, also posed threat to European countries. Terrorist operations against Western countries were also planned by terrorist organisation al-Qaeda. While disseminating propaganda, it also encouraged the Muslim residents of those countries to perpetrate independent attacks. Therefore, cooperation between intelligence services of the Western states was essential in dealing with terrorism threat.

Last year international terrorist organizations did not pose a direct threat to Lithuania. In 2014 a terrorism threat level in Lithuania remained at the lowest, which meant that a terrorist act was possible, but not likely.

ELIMINATION OF RISKS, DANGERS AND THREATS

Findings and consultations. VSD provided conclusions regarding individuals', who arrive in Lithuania, possible ties with extremist and terrorist organisations. In case of suspicion VSD recommended to reject permission for such individuals to enter Lithuania. Persons associated with terrorist organisations are able travel freely in Schengen area, therefore, in order to determine their destination and route, VSD cooperates with foreign intelligence services and state authorities responsible for border controls.

Sharing of intelligence. One of the measures taken by VSD in order to prevent potential threats – collection of up-to-date information about the risks posed by extremism and terrorism, and the expeditious transfer of it to other competent law enforcement institutions.

After VSD had identified a dissemination of extremist provisions and activities of extremist-minded individuals and groups, the Department informed law enforcement authorities in order to start a pre-trial investigation on potentially illegal activities.

VSD mostly focused its attention on the prevention of terrorist acts in Lithuania: observed the radical-minded persons, investigated their ties with Lithuanian and foreign criminal groups. These VSD activities are performed in constant cooperation with other state institutions and services.

Proposals to improve the legal framework. There were no meetings held by the Interdepartmental Coordination Commission against Terrorism (hereinafter – the Commission) in 2014, as state institutions did not express a need to debate terrorism-related issues. VSD presented a proposal at the NSGK to amend the provision of Law on the Basics of National Security regarding fight against terrorism coordination. VSD may not perform the fight against terrorism coordination function, as the Department is an intelligence institution, and it is unable to perform the functions that fall under the competence of



the Government, i.e. to coordinate the activities of other state institutions. VSD supported the Draft Public Security Development Program of 2015-2025, which encompassed fight against terrorism provisions and puts the Ministry of Interior in charge of the implementation of this program. The adoption of the Public Security Development Program of 2015-2025 by the Seimas would terminate the Program against Terrorism and complete the Commission's activities, thus eliminating non-functioning and essentially duplicating legal acts, and enabling clear and effective fight against terrorism management regulation.



ANNEX

Chart 1. VSD budget and GDP growth in 2000–2014 m.

bill. of Lt

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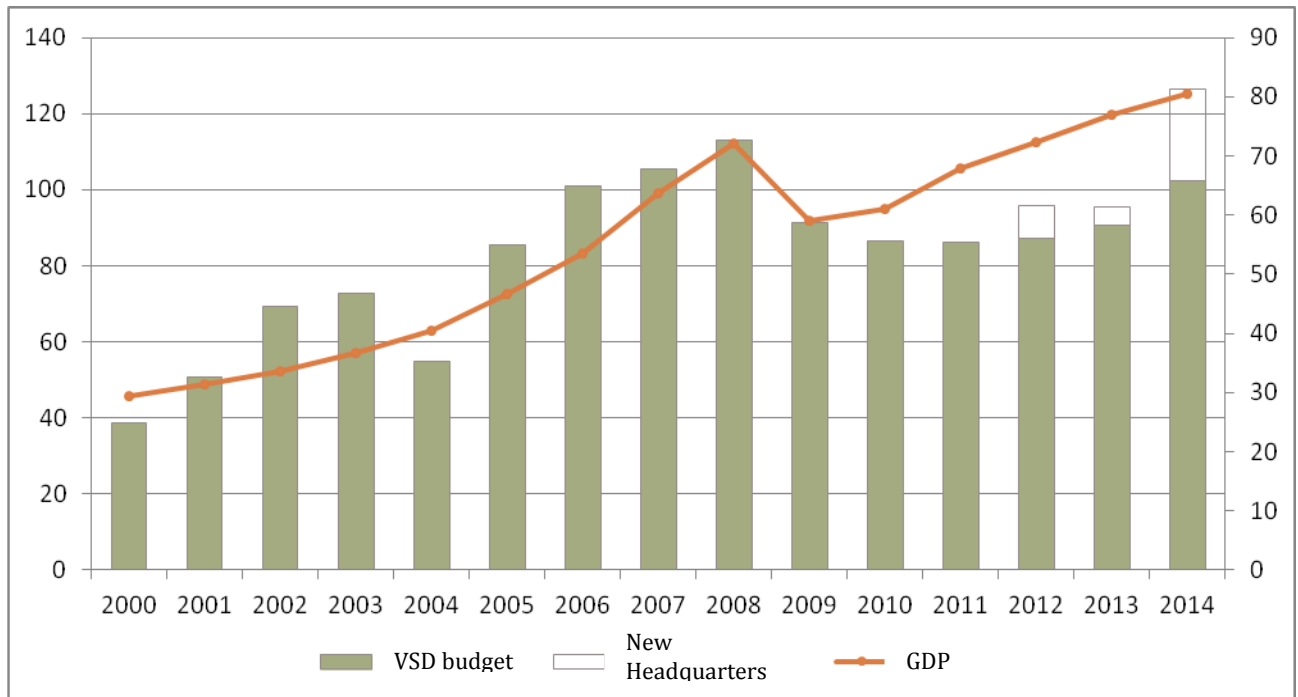


Chart 2. Education of intelligence officers

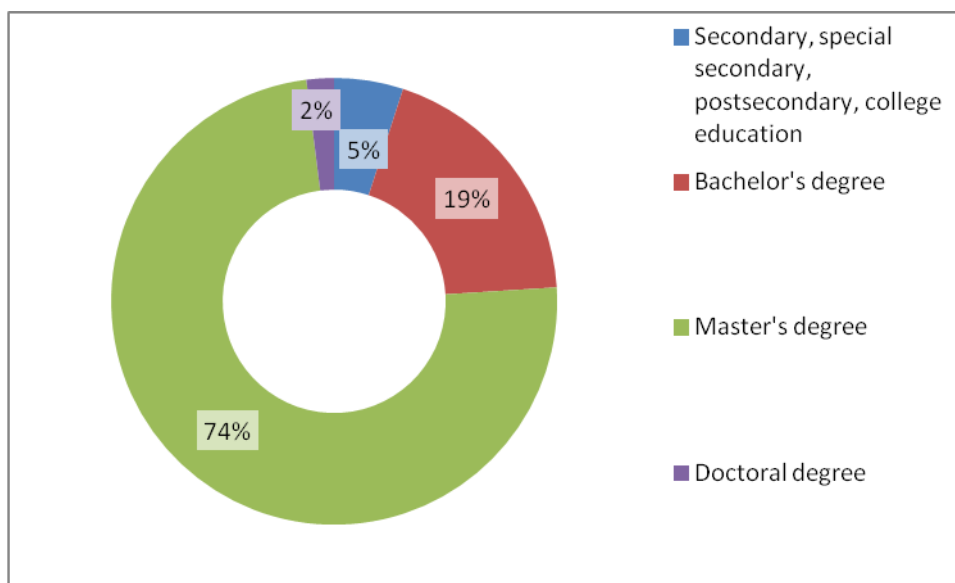


Chart 3. Age of intelligence officers

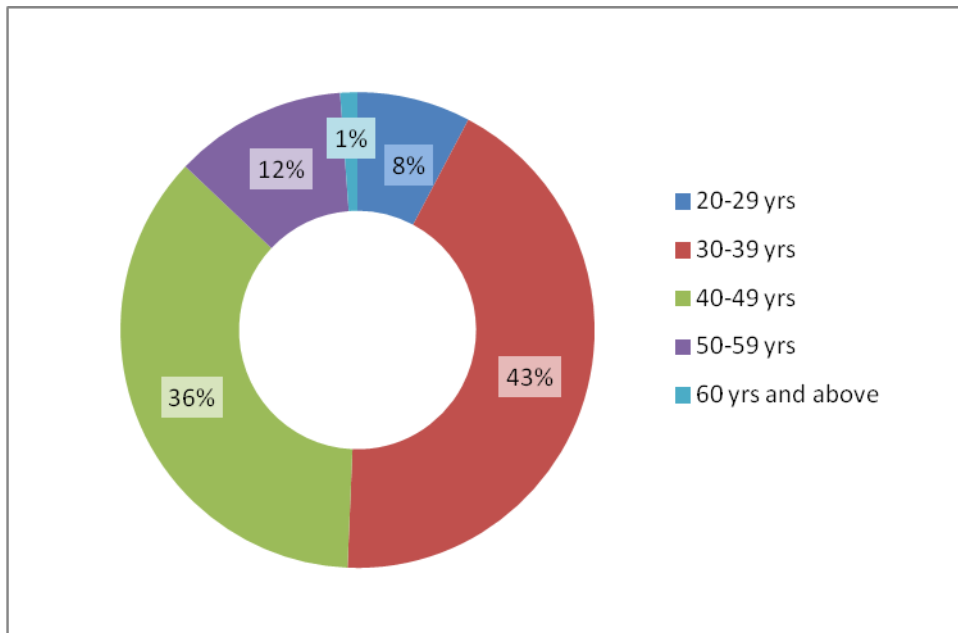


Chart 4. Intelligence officers by gender

