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Department of Justice
U.S. Attorney's Office
Southern District of New York

FOR IMMEDIATE RELEASE

Friday, March 11, 2016

Evgeny Buryakov Pleads Guilty In Manhattan Federal Court In Connection With Conspiracy To Work For Russian Intelligence

Evgeny BURYAKOV, a/k/a "Zhenya," Worked for Russian Intelligence Under "Non-Official Cover" as a Banker in Manhattan

Preet Bharara, the United States Attorney for the Southern District of New York, and John P. Carlin, Assistant Attorney General for National Security, announced that EVGENY BURYAKOV, a/k/a "Zhenya," pled guilty today to conspiring to act in the United States as an agent of the Russian Federation, without providing prior notice to the Attorney General.

U.S. Attorney Preet Bharara said: "An unregistered intelligence agent, under cover of being a legitimate banker, gathers intelligence on the streets of New York City, trading coded messages with Russian spies who send the clandestinely collected information back to Moscow. This sounds like a plotline for a Cold War-era movie, but in reality, Evgeny Buryakov pled guilty today to a federal crime for his role in just such a scheme. More than two decades after the end of the Cold War, Russian spies still seek to operate in our midst under the cover of secrecy. But in New York, thanks to the work of the FBI and the prosecutors in my office, attempts to conduct unlawful espionage will not be overlooked. They will be investigated and prosecuted."

Assistant Attorney General John P. Carlin said: "Evgeny Buryakov pleaded guilty to covertly working as a Russian agent in the United States without notifying the Attorney General. Foreign nations who attempt to illegally gather economic and other intelligence information through espionage pose a direct threat to U.S. national security. The National Security Division will continue to work with our law enforcement partners to identify and hold accountable those who illegally operate as covert agents within the United States."

According to the Complaint, the Indictment, other court filings, and statements made during court proceedings:

Beginning in 2012, bURYAKOV worked in the United States as an agent of Russia's foreign intelligence agency, known as the "SVR." BURYAKOV operated under "non-official cover," meaning he entered and remained in the United States as a private citizen, posing as an employee in the Manhattan office of a Russian bank, Vnesheconombank, also known as "VEB." SVR agents operating under such non-official cover – sometimes referred to as "NOCs" – typically are subject to less scrutiny by the host

government, and, in many cases, are never identified as intelligence agents by the host government. As a result, a NOC is an extremely valuable intelligence asset for the SVR.

Federal law prohibits individuals from acting as agents of foreign governments within the United States without prior notification to the United States Attorney General. Department of Justice records indicate that BURYAKOV never notified the United States Attorney General that he was, in fact, an agent of the Russian Federation.

BURYAKOV worked in New York with at least two other SVR agents, Igor Sporyshev and Victor Podobnyy. From November 22, 2010, to November 21, 2014, Sporyshev officially served as a trade representative of the Russian Federation in New York. From December 13, 2012, to September 12, 2013, Podobnyy officially served as an attaché to the Permanent Mission of the Russian Federation to the United Nations. The investigation, however, showed that Sporyshev and Podobnyy also worked as officers of the SVR. For their roles in the charged conspiracy, Sporyshev and Podobnyy were charged along with BURYAKOV in January 2015. However, Sporyshev and Podobnyy no longer lived in the United States and thus were not arrested.

BURYAKOV's Co-Conspirators Are Recorded Inside the SVR's New York "Residentura"

During the course of the investigation, the FBI recorded Sporyshev and Podobnyy speaking inside the SVR's offices in New York, known as the "Residentura."

The FBI obtained the recordings after Sporyshev attempted to recruit an FBI undercover employee ("UCE-1"), who was posing as an analyst from a New York-based energy company. In response to requests from Sporyshev, UCE-1 provided Sporyshev with binders containing purported industry analysis written by UCE-1 and supporting documentation relating to UCE-1's reports, as well as covertly placed recording devices. Sporyshev then took the binders to, among other places, the Residentura.

During subsequent recorded conversations, Sporyshev and Podobnyy discussed, among other things, Sporyshev's SVR employment contract and his official cover position, their work as SVR officers, and the FBI's July 2010 arrests of 10 SVR agents in the United States, known as the "Illegals."

Sporyshev and Podobnyy also discussed BURYAKOV's prior service with the SVR in South Africa. BURYAKOV worked in South Africa between approximately 2004 and 2009, officially as a representative of VEB. During a conversation about Sporyshev's cover position in New York, Podobnyy related that, when BURYAKOV was working in South Africa, he had dinner with an SVR official and BURYAKOV's supervisor at VEB and that, during the dinner, the SVR official told the VEB official that BURYAKOV was an "employee of the Service," i.e., the SVR.

Further, Sporyshev and Podobnyy were recorded discussing, among other things, their (i) attempting to recruit New York City residents as intelligence sources for Russia; (ii) tasking BURYAKOV to gather intelligence; and (iii) transmitting intelligence reports prepared by BURYAKOV back to SVR headquarters in Moscow.

The directives from the SVR to BURYAKOV, Sporyshev, and Podobnyy, as well as to other covert SVR agents acting within the United States, included requests to gather intelligence on, among other subjects, potential United States sanctions against Russian banks and the United States' efforts to develop alternative energy resources.

BURYAKOV's Intelligence Taskings

Sporyshev was responsible for relaying intelligence assignments from the SVR to BURYAKOV.

BURYAKOV Drafts a Proposal for the SVR's "Active Measures Directorate"

FBI surveillance revealed that, at some of these meetings between BURYAKOV and Sporyshev, they exchanged documents or other small items. Notably, despite discussing on approximately a dozen occasions the need to meet to transfer “tickets,” BURYAKOV and Sporyshev were – other than one occasion where they discussed going to a movie – never observed attending, or discussing in any detail, events that would typically require tickets, such as a sporting event or concert.

BURYAKOV's Receipt of Purported Official United States Government Documents

In the summer of 2014, BURYAKOV met multiple times with a confidential source working for the FBI (“CS-1”) and an FBI undercover employee (“UCE-2”). Both CS-1 and UCE-2 purported to be working on a casino development project in Russia.

During a conversation recorded on July 22, 2014, Sporyshev warned BURYAKOV that meeting with UCE-2 might be a “trap” but authorized BURYAKOV to go ahead so he could make a better assessment.

During the course of the subsequent meetings, and consistent with his interests as a Russian intelligence agent, BURYAKOV demonstrated his strong desire to obtain information about subjects far outside the scope of his work as a bank employee. During these meetings, BURYAKOV also accepted documents that were purportedly obtained from a U.S. government agency and which purportedly contained information potentially useful to Russia, including information about United States sanctions against Russia.

* * *

BURYAKOV, 41, pled guilty to one count of conspiring to act in the United States as an agent of the Russian Federation without providing notice to the Attorney General, which carries a maximum sentence of five years. This statutory maximum sentence is prescribed by Congress and is provided here for informational purposes only, as any sentence imposed on the defendant will be determined by the judge.

BURYAKOV will be sentenced on May 25, 2016, at 11:00 a.m.

U.S. Attorney Bharara praised the investigative work of the FBI’s Counterintelligence Division.

The prosecution is being handled by Assistant U.S. Attorneys Emil J. Bove III, Brendan F. Quigley, and Stephen J. Ritchin of the Terrorism and International Narcotics Unit of the U.S. Attorney’s Office for the Southern District of New York, with assistance provided by Senior Trial Attorney Heather Schmidt of the National Security Division’s Counterintelligence and Export Control Section.

Topic(s):

National Security

Component(s):

USAO - New York, Southern

Press Release Number:

16-053

Updated March 11, 2016

#U.S.

MARCH 9, 2016 / 2:31 PM / 2 YEARS AGO

FBI penetrated New York-based Russian spy ring using hidden recorders

Nate Raymond



NEW YORK (Reuters) - The FBI eavesdropped on meetings involving Russian intelligence personnel in New York City, including a suspected spy posing as a trade representative, by hiding recorders in binders containing supposedly confidential information about the energy sector, U.S. prosecutors said.

The hours of covert recordings from 2013 were disclosed in papers filed in Manhattan federal court on Tuesday in the case of Evgeny Buryakov, a Russian citizen who U.S. prosecutors say posed as a banker while participating in a Cold War-style spy ring.

The Federal Bureau of Investigation's eavesdrops enabled the agency to penetrate the workplaces of Russia's foreign intelligence service, the SVR, and hear about Buryakov's work for it, prosecutors said.

They also captured one Russian agent, also charged in the case, complaining about the lack of excitement in his job, saying he expected it "would be just slightly more down to earth than in the movies about James Bond."

The disclosure came ahead of an April 4 trial for Burkyakov, who was arrested in January 2015 as prosecutors unveiled charges against him and the two other Russians, Igor Sporyshev and Victor Podobnyy.

Prosecutors say the trio conspired to gather economic intelligence for Russia, including information about U.S. sanctions against the country, and to recruit intelligence sources in New York City.

Neither Sporyshev and Podobnyy, who made the James Bond comment, were arrested, as they enjoyed diplomatic immunity in their respective roles as a Russian trade representative and an attaché to the country's mission to the United Nations.

Buryakov, who worked at Russian state-owned Vnesheconombank, has pleaded not guilty. Neither his lawyer nor the Russian consulate responded immediately to requests for comment.

According to prosecutors, in April 2012, Sporyshev met an undercover FBI employee posing as an analyst at a New York energy firm at an oil and gas industry conference.

Over the next two years, they met to discuss the industry and other economic and political issues, prosecutors said, with Sporyshev providing gifts and cash for information.

In 2013, the FBI employee began providing Sporyshev with the binders containing purported industry analysis he wrote, supporting documents, and "covertly placed recording devices," prosecutors wrote.

As the undercover employee said his company would fire him if it learned he disclosed confidential information, Sporyshev would promptly return the binders after reviewing them, prosecutors said.

The recordings that resulted captured statements of Sporyshev, Podobnyy, and other Russian intelligence personnel from January to May 2013, prosecutors said.

Reporting by Nate Raymond in New York; Editing by Tom Brown

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POLITICS

Russian Spies Tried to Recruit Carter Page Before He Advised Trump

By ADAM GOLDMAN APRIL 4, 2017

Russian intelligence operatives tried in 2013 to recruit an American businessman and eventual foreign policy adviser to the Trump campaign who is now part of the F.B.I. investigation into Russia's interference into the American election, according to federal court documents and a statement issued by the businessman.

The businessman, Carter Page, met with one of three Russians who were eventually charged with being undeclared officers with Russia's foreign intelligence service, known as the S.V.R. The F.B.I. interviewed Mr. Page in 2013 as part of an investigation into the spy ring, but decided that he had not known the man was a spy, and the bureau never accused Mr. Page of wrongdoing.

The court documents say that Mr. Page, who founded an investment company in New York called Global Energy Capital, provided documents about the energy business to one of the Russians, Victor Podobnyy, thinking he was a businessman who could help with brokering deals in Russia.

In fact, Mr. Podobnyy was an S.V.R. officer posing as an attaché at the Russian mission to the United Nations.

False.
He was agent!

Court documents do not identify Mr. Page, but the details in a statement he emailed to reporters on Tuesday match the individual described as “Male-1” in the court case. Mr. Page’s contact with the Russian spy was first reported on Monday by BuzzFeed News.

The disclosure is the latest to shed light on Mr. Page’s extensive contacts with Russian businessmen and government officials. A former Moscow-based investment banker for Merrill Lynch, Mr. Page joined the Trump campaign last year and traveled to Russia in July to deliver a speech to the New Economic School, a Moscow university.

The trip caught the attention of United States intelligence agencies. Later that month, the F.B.I. opened a counterintelligence investigation into Russian attempts to influence the presidential election and whether any of Mr. Trump’s associates were involved in that effort. American businessmen who visit Russia, even those who are not advising a presidential campaign, are frequently targeted by Russian operatives trying to collect information about the United States.

Mr. Page has given few specifics about whom he met with on that trip. In an interview with *The New York Times* last month, he said he had met with “mostly scholars.”

According to the court documents filed in 2015, the F.B.I. secretly recorded Mr. Podobnyy and another Russian operative named Igor Sporyshev discussing efforts to recruit Mr. Page, who was then working in New York as a consultant.

To record their conversations, the F.B.I. inserted a listening device into binders that were passed to the Russian intelligence operatives during an energy conference, according to a former United States intelligence official. The Russians then took the binders into a secure room where they thought they could evade American intelligence eavesdropping attempts.

In a transcript of the conversation included in the court documents, Mr. Podobnyy tells his Russian colleague that Mr. Page frequently flies to Moscow and is interested in earning large sums of money. Mr. Page was apparently interested in

striking a deal with Gazprom, the Russian state-run oil firm, according to the transcript. Mr. Podobnyy called Mr. Page an “idiot” but said he was enthusiastic.

Russian intelligence officers had been given the task of gathering information on potential United States sanctions against their country, according to the F.B.I., and the three men were focused on economic issues in particular. The third Russian spy, Evgeny Buryakov, posed as an employee of a Russian bank. Mr. Sporyshev worked as a trade representative of the Russian Federation in New York.

Mr. Podobnyy promised through his contacts with Russian trade officials to steer contracts to Mr. Page.

“I will feed him empty promises,” he was overheard saying, according to the transcript.

In June 2013, the F.B.I. interviewed Mr. Page, who said he had first met Mr. Podobnyy at an energy symposium in New York earlier that year. Mr. Page said that he had exchanged emails with Mr. Podobnyy about the energy business, that they had met in person once to talk about the energy industry, and that he had also given Mr. Podobnyy documents about the energy business.

In his emailed statement, Mr. Page said, “as I explained to federal authorities prior to the January 2015 filing of this case, I shared basic immaterial information and publicly available research documents with Podobnyy who then served as a junior attaché at the Permanent Mission of the Russian Federation to the United Nations.”

Mr. Page, who at the time was also teaching a course on energy and politics at New York University, said in his statement that he had given the Russian “nothing more than a few samples from the far more detailed lectures I was preparing at the time for the students.”

Though charged, Mr. Podobnyy and Mr. Sporyshev were protected by diplomatic immunity from arrest and prosecution while in the United States, but Mr. Buryakov, who was working under what is known as “non-official cover,” had entered the United States as a private citizen and did not have diplomatic immunity.

Mr. Buryakov was arrested in 2015 and later pleaded guilty to conspiring to act as an unregistered foreign agent. Last year, he was sentenced to 30 months in prison.

“Evgeny Buryakov, in the guise of being a legitimate banker, gathered intelligence as an agent of the Russian Federation in New York,” Preet Bharara, the United States attorney in Manhattan at the time, said in a statement after Mr. Buryakov’s sentencing.

A version of this article appears in print on April 5, 2017, on Page A11 of the New York edition with the headline: Trump Ally Was a Focus of Russian Spies in 2013.

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