

DID FBI PLAN RUSSIA'S FIRE SALE IN SAN FRANCISCO FOR A SPECIFIC REASON?

You've no doubt seen pictures of the black smoke rising above Russia's consulate yesterday, an apparently sour-smelling smoke on a day of record heat in San Francisco. A facility ordered to close in DC sported a more modest fire.

None of that's surprising. When diplomatic facilities shut down, especially on short notice as happened here, they need to get rid of records, not least all the spying records. We did it in the MENA embassies closed in the face of attacks in 2012, including the facility in Benghazi. We burned documents in our embassy in Moscow in 1991. This is what diplomatic personnel, and spies operating under official cover, are trained to do.

It provides the same kind of spectacle that evicting Russians who've long inhabited suburban compounds did in December (and I confess to convincing EFF to sending an intern to sniff the air to figure out what besides paper might be burning). That said, it is to be expected.

But I wonder whether there's not something more to the way this was carried out. Eli Lake took a break from scolding violence he otherwise champions if used by those he disagrees with to do some actual reporting. He explained that in late July, in an effort to minimize Russia's reaction to the sanctions Congress pushed through over Trump's objections, a top State Department official offered Russia a deal: they could have their NY and MD compounds back so long as they promised to use them only for recreation and agreed to let authorities search the compounds. But agreeing to those criminal searches was too much for Russia to agree to, which led State to revert to the normal

processes.

U.S. officials tell me that Undersecretary of State Tom Shannon, a career foreign service official appointed during the Obama administration, made a last-minute effort to stop the Russians from retaliating against the new sanctions, a response to Russia's election meddling that Trump reluctantly signed.

At the end of July, Shannon presented a "non-paper," a proposal with no official diplomatic markings, to his Russian counterpart that offered the return of two diplomatic compounds President Barack Obama shuttered in December.

[snip]

Almost no one else in the government knew about Shannon's efforts. Two U.S. officials who work closely on Russia told me that the FBI's spy hunters in particular were furious when they found out Shannon had made the unofficial offer to return the compounds closed in December. Fiona Hill, the National Security Council's senior director for European and Russian affairs, was also unaware of the offer, according to these officials.

Shannon's non-paper was not a total giveaway. It included tougher terms for how the Russians could use their compounds, specifying they could only be used for recreational activities. It also explicitly gave U.S. authorities the right to enter the compounds if there was suspicion of criminal activity or espionage.

That apparently was too much for Moscow. They went ahead with the diplomatic expulsions anyway. This time when the Trump administration considered its

response, it went through a more rigorous inter-agency process, according to U.S. officials who participated in it. The FBI in particular pressed for closing the consulate in San Francisco because it was a center for Russian espionage activities on the West Coast.

It's this last bit I'm particularly interested in. The WaPo reported earlier this year something I had heard as well: the decisions on expulsions in December had reflected a last minute shift to include more people in San Francisco.

More broadly, the list of 35 names focused heavily on Russians known to have technical skills. Their names and bios were laid out on a dossier delivered to senior White House officials and Cabinet secretaries, although the list was modified at the last minute to reduce the number of expulsions from Russia's U.N. mission in New York and add more names from its facilities in Washington and San Francisco.

And I've heard Russians pushed to have their Houston consulate shut down in lieu of the San Francisco one, to no avail.

It's what came next that is really interesting. In both San Francisco and DC, *apparently* after the Russians had vacated their property (remember reports that the Russians may have gotten warning about their compounds in December), the US informed them Russians in San Francisco and the facility in DC would be subject to search.

On August 31, the US authorities announced unprecedented restrictive measures against Russian diplomatic and consular missions in the US, requiring us to close, in a matter of two days,

the consulate general in San Francisco, one of the largest Russian consulates in the US that provides visa, notary and other consular services to Russian and US nationals from across a number of densely populated states. Russia is also required to close without delay its Trade Representation in Washington, D.C. and its annex in New York. The US also tightened requirements regarding the mobility of Russian diplomats and official delegations.

This move is yet another blatant violation of international law, including the commitments undertaken by the US under the Vienna Conventions on Diplomatic and Consular Relations. It goes far beyond Washington's previous initiatives, which included the expropriation by the Barack Obama administration in December 2016 of countryside retreats of the Russian Embassy and Permanent Mission to the UN, despite their immunity status.

Following the illegal seizure of high-value Russian state property, we are being pushed to sell them. On top of that, the latest demands announced by the US pose a direct threat to the security and safety of Russian citizens. The US secret services intend to conduct a search of the Consulate General in San Francisco on September 2, including the apartments of its staff who live in the building and have immunity. In this connection, they were ordered to leave the premises for a period of 10 to 12 hours with their families, including small children and even infants. This is an intrusion into a consular office and the residence of diplomatic workers, who are forced outside so as not to stand in the way of the FBI agents.

I believed the Russians are right here – the tit

for tat evictions are normal, and so are the fires before vacating a compound. The searches of diplomatic property are likely not (never mind that FBI could get FISA warrants to search them in a cinch – that just wouldn't permit them to do this so quickly and aggressively).

The last time Putin spoke of retaliation like this came shortly before the NotPetya worm, and raised in the context of kompromat by a power that collected kompromat on Trump and the Republicans, may well be backed by a real ability to deliver on the threat.

So I'm wondering if the FBI had more specific reasons to use the opportunity of Russia refusing our sweetheart deal to want to close this consulate and flush whatever and whoever is in it out into the open? That's true, especially given the criminal hacking cases targeting Silicon Valley companies we're trying out there (the Yahoo and the Nikulin one both may have tangential ties to the DNC hack).

Undoubtedly, this is all happening because FBI believes it will make Russian spying, particularly that targeting our tech industry, far more difficult. But I wonder if some specific goal made the difference to really taking a hard line?