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## Russia's Wagner Private Military Company (PMC)

Russia utilizes private military companies (PMCs) to project power globally. These outfits range in size and scope and act as an unofficial (albeit nominally illegal) tool of Russian foreign policy. PMCs also appear to pursue semi-independent objectives, including monetary gain and political advantage within Russia.

The most prominent Russian PMC is the Wagner Group, headed by Kremlin-connected businessman Yevgeny Prigozhin. Instead of a single entity, the Wagner Group is more of an umbrella organization for multiple entities, operations, and actors overseen by Prigozhin. During Russia's war in Ukraine since early 2022, the Wagner Group's role has increased and, in some areas, supplanted that of the Russian military. Beyond Ukraine, Wagner operates in multiple countries, particularly across Africa. Wagner's rise has resulted in increased competition from other Russian agencies and political elites.

The U.S. Departments of State and the Treasury have designated the Wagner Group and Prigozhin for sanctions under multiple executive orders. In January 2023, the Biden Administration designated Wagner a Transnational Criminal Organization (TCO) and simultaneously designated it under a sanctions program pertaining to the Central African Republic (CAR).

Several bills in the 118<sup>th</sup> Congresses would seek to respond to the Wagner Group through sanctions, reporting requirements, and/or other measures. Considerations for Congress include the impact of such measures on Wagner's operations, the extent to which the executive branch is providing sufficient information to enable oversight, and potential unintended consequences, as discussed below.

### History

According to media reports, Wagner evolved out of earlier Russian PMC outfits, including groups operating in Syria in 2013. During this time, Russia was experimenting with PMCs, including their role and relationship to the state. Russian military intelligence (GU) reportedly helped establish and oversee the Wagner group, including creating training centers near GU *Spetsnaz* (elite reconnaissance) bases. Wagner reportedly has had tense relations with the rest of the Russian Ministry of Defense, however (for additional background see CRS In Focus IF11650, *Russian Private Military Companies (PMCs)*, by Andrew S. Bowen).

Wagner first appeared as an entity in 2014, during Russia's seizure and occupation of Ukraine's Crimea region. Wagner was involved in Russia's invasion of eastern Ukraine through 2015, including carrying out alleged assassinations of local rebel leaders. During this time and into 2016,

Wagner became involved in supporting Russia's intervention in Syria. In some cases, Wagner reportedly worked in coordination with Russian special forces; in others, it appeared to take a leading role coordinating Syrian government forces.

Starting in the late 2010s, Wagner established operations in several African countries, providing security services and, in some cases, engaging in mining and other private sector activities. These countries include the Central African Republic, Libya, Mozambique, Mali, and Sudan.

### Public-Private Partnership

The Wagner Group, and Russian PMCs more generally, are emblematic of Russian public-private partnerships defined by the delegation of limited governmental authority to private entities. The Russian government provides partners in these relationships opportunities and protection unavailable to other businesses or people. The government, in essence, loans authority to these private entities, provided they operate at the behest of and according to the government's preferences. The U.S. Department of the Treasury identifies the Wagner Group as "a designated Russian Ministry of Defense proxy force," despite it being run by a private citizen. Such entities can pursue private or commercial interests, but they must fulfill government requests when called upon and ultimately remain under the direction of the Russian government.

PMCs nominally remain illegal under Russian law. Despite this, the Wagner Group registered as a legal entity in Russia in December 2022, listing itself as a management consultant company. Additionally, Wagner opened an office building in St. Petersburg in November 2022. Wagner's ability to operate openly suggests high-level official support.

### Prigozhin Network and Organization

Prigozhin founded and reportedly funds and oversees the Wagner Group. He is under U.S. sanctions and indictment for numerous activities, including interference in the 2016 U.S. presidential election. Prigozhin denied operating the Wagner Group (going so far as to sue journalists in the United Kingdom for claiming that he did) until September 2022, when he publicly admitted founding it. Prigozhin also reportedly oversees a broader network of entities beyond Wagner, comprising, for example, the Internet Research Agency, designated a "Russian troll farm" by the U.S. Department of the Treasury. Several of these entities and individuals connected to them also are subject to U.S. sanctions.

Reports indicate Prigozhin financially benefits from some of Wagner's operations, particularly in Africa, where

Wagner gained access to valuable natural resource concessions.

Many analysts also believe Prigozhin uses the Wagner Group to increase his personal political influence and position. Prigozhin reportedly uses Wagner to demonstrate his utility to Russian policymakers, often at the expense of other Russian elites and agencies, resulting in increased tension. Prigozhin may seek to expand the Wagner Group as a more institutionalized power base within Russian politics. In January 2023, National Security Council spokesperson John Kirby stated, “Wagner is becoming a rival power center to the Russian military and other Russian ministries.”

### Operations

Wagner publicly advertises a full spectrum of “regime security” services, including propaganda and other information operations. The marketing emphasizes that these services come without the conditionality often associated with Western donor support. Wagner has been linked to numerous human rights and war crimes violations, including in Ukraine and in African countries where Wagner operates. Some operations seem to have a clear connection to Russian foreign policy objectives, whereas others appear to be equally (or more) commercial in nature. To conduct its activities, the Wagner Group uses various corporate entities and shell companies to shield its operations from scrutiny and financial sanctions.

Wagner Group personnel appear to range from relatively professional and well-equipped veterans of the Russian military to, most recently, convicts recruited hastily from Russian prisons to fight in Ukraine. Even prior to Russia’s 2022 invasion of Ukraine, there appeared to be significant variation in the quality of personnel. Some operators and those that garnered the highest salaries came from elite units of the Russian military; others have less military experience, and some observers describe them as “adventurers” rather than military professionals.

### Russia’s War in Ukraine

The Wagner Group has played a large role in Russia’s invasion of Ukraine. The group’s role became more prominent around mid-2022, after the Russian military’s initial failure to achieve key objectives. Wagner has been linked to numerous instances of potential war crimes and human rights violations in Ukraine, even against its own personnel.

Initially, Wagner reportedly provided small groups of relatively well-trained and equipped personnel to support the Russian military. As the war continued and the Russian military continued to underperform, Wagner expanded to conduct large-scale operations, specifically seeking to capture the Ukrainian town of Bakhmut. Prigozhin also recruited large numbers of convicts from prisons across Russia to fight in Ukraine, with the promise of clemency.

Instead of massed artillery, Wagner adopted new tactics to weaken Ukrainian forces. Specifically, it used “human wave” attacks, in which units composed of convicts launched indiscriminate assaults against Ukrainian forces,

suffering numerous casualties. Smaller, more professional Wagner units then attacked Ukrainian positions once the positions were identified and weakened by the human wave attacks. These attacks appear to have gradually worn down Ukrainian defenses, but costing tens of thousands of Wagner convict recruits.

As the Russian military has underperformed Russian intelligence and government expectations, Prigozhin has exploited the Russian military’s failures and sought to increase his profile by presenting Wagner as a more capable and efficient service able to achieve objectives the military cannot. This has led to public infighting between Prigozhin and the military (as well as other members of the Russian elite). Prigozhin also alleges the military has sabotaged Wagner operations by withholding ammunition and reports that Wagner can no longer recruit from prisons in Russia.

Despite these tensions, reports indicate local Russian military and Wagner commanders maintain cordial relations. Wagner must rely on the Russian military for logistics and artillery support. As such, Wagner does not operate entirely independently of the Russian military and instead is an auxiliary force that is part of a complex and evolving set of command relationships.

### U.S. Policy and Issues Before Congress

In 2017, the Trump Administration designated the Wagner Group for financial sanctions and entry restrictions under Executive Order (E.O.) 13660, pertaining to Ukraine. In 2022, the Department of State also designated it pursuant to E.O. 14024 for operating in the defense and related materiel sector of the Russian economy. In January 2023, the Biden Administration designated it as a Transnational Criminal Organization under E.O. 13581, as amended by E.O. 13863, citing its implication in human rights abuses in CAR and Mali, and concurrently designated it under E.O. 13667, pertaining to CAR. The United States also has designated Prigozhin, multiple Wagner subsidiaries, and associated individuals and entities for sanctions under E.O.s pertaining to Russia, election interference, cybercrime, and the conflict in CAR.

Several bills introduced in the 118<sup>th</sup> Congress would establish additional actions to counter the Wagner Group, increase executive branch reporting on its activities, or both. At least two bills, H.R. 506 and S. 416, would seek to require the Secretary of State to designate the Wagner Group a Foreign Terrorist Organization. Such a designation could have implications for U.S. relations with Russia or other countries whose governments have contracted Wagner’s services.

Members may consider whether to pursue other available legislative and oversight options to further restrict and counter the growing global presence of the Wagner Group. Members also may consider whether to investigate other strategies and tools for the United States to incentivize countries away from engaging with the Wagner Group. Additionally, Members may investigate what measures are available to assist in the identification and prosecution of Wagner Group personnel involved in war crimes and human rights abuses.

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