

Biden Administration to Impose Tough Sanctions on Russia

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By Julian E. Barnes, David E. Sanger and Lara Jakes

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WASHINGTON — The Biden administration is set to announce on Thursday a string of long-awaited measures against Russia, including far-reaching financial sanctions, for the hacking of government and private networks and a range of other activity, according to people who have been briefed on the moves.

The sanctions will be among what President Biden's aides say are “seen and unseen” steps in response to the hacking, known as SolarWinds; to the C.I.A.'s assessment that Russia offered to pay bounties to militants in Afghanistan to kill American troops; and to Russia's yearslong effort to interfere in United States elections, according to American officials and others who have been briefed on the actions.

The moves will include the expulsion of a limited number of diplomats, much like the Obama administration did in response to the Russian efforts to influence the election five years ago. But it is unclear whether this set of actions will prove sufficient to deter Russia from further hacking, influence operations or efforts to threaten European countries.

The sanctions are meant to cut deeper than previous efforts to punish Russia for interfering in elections, targeting the country's sovereign debt, according to people briefed on the matter. Administration officials were determined to draft a response that would impose real costs on Moscow, as many previous rounds of sanctions have been shrugged off.

“It will not simply be sanctions,” Jake Sullivan, the president's national security adviser, said in February. He has frequently said it will include “a mix of tools seen and unseen,” though there have been disagreements in the administration about how many of the steps to make public.

Restrictions on sovereign debt affect a nation's ability to raise dollar-denominated bonds, with lenders fearful of being cut off from American financial markets. The United States has used similar techniques against Iran, among others.

Russian bond prices have fluctuated in recent weeks in anticipation of possible sanctions. Russia has relatively little debt, making it potentially less vulnerable to the tactic. And rising oil prices will benefit the country's economy.

Nevertheless, any broad sanctions on Russia's financial sector would amount to a significant escalation in the costs that the United States has been willing to impose on Moscow. And part of the administration's concern has been whether Russian entities could retaliate by exploiting “back doors” implanted in American systems.

Officials have acknowledged that they do not know if the SolarWinds hacking — in which Russian hackers gained access to network management software used by thousands of government entities and private firms — opened routes for counterretaliation.

On Tuesday, Mr. Biden spoke with President Vladimir V. Putin of Russia, warning Mr. Putin about the Russian troop buildup on Ukraine's border and in Crimea. Jen Psaki, the White House press secretary, said on Wednesday that the call was meant to emphasize the consequences of Russia's activities, but it was unclear if Mr. Biden telegraphed any of his administration's pending moves.

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The Biden administration has already carried out one round of sanctions against Russia, for the poisoning of the opposition leader Aleksei A. Navalny.

Those sanctions were similar to a series of actions that European nations and Britain took in October and expanded in March. Allied officials said that while the American response on Mr. Navalny was closely coordinated, the sanctions imposed for the election interference, bounties and hacking were meant to be more unilateral.

While Biden administration officials were for a while considering taking action only in response to the hacking, they decided to join that move with retaliations for other Russian actions, according to officials. Additionally, penalties coordinated with allies for Russia's increased threat to Ukraine were expected, said one person familiar with the announcement.

The C.I.A. presented the Trump administration with an intelligence assessment that Russia had covertly offered to pay bounties to militant fighters to incentivize more killings of Americans in Afghanistan. But while the National Security Council at the Trump White House initially led an interagency effort to come up with response options, months passed and the White House did not authorize anything — not even the mildest option, delivering a diplomatic warning.

After the existence of the C.I.A. assessment and the White House's inaction on it became public, there was bipartisan outrage in Congress. As a candidate, Mr. Biden raised the issue of the suspected bounties, and once in office, he ordered his intelligence officials to put together a full report on Russian efforts against Americans.

While the Biden administration has not released any new information on the suspected bounties, it did make public a report on Russian election interference. That report said that Mr. Putin had authorized extensive efforts to hurt Mr. Biden's candidacy during the 2020 election, including by mounting covert operations to influence people close to President Donald J. Trump.

The report also found that Russia did not try to hack voting systems or change the tallies, but it did work to change public perceptions.

The broad hacking by Russia's foreign intelligence agency, the S.V.R., was discovered in December by the private firm FireEye, but the hacking had gone on for months, penetrating nine federal agencies and stealing emails of senior officials and other information.

The Russian hacking exploited a vulnerability in a commonly used piece of software. By corrupting that software, Russian agents created vulnerabilities in thousands of computers around the world.

The unseen measures against Russia, including cyberoperations against the intelligence agents who conducted the SolarWinds hacking, are not expected to be made public. Still, officials will announce efforts to conduct expanded cyberexercises with allies, efforts aimed at improving partners' abilities to detect and respond to Russian intrusions.

The United States and its allies are also increasingly worried about the Russian troop buildup near Ukraine. William J. Burns, the C.I.A. director, warned the Senate on Wednesday that the buildup included enough forces for a possible incursion.

But Mr. Burns said officials were not clear on if Russia was trying to send a signal or prepare for military action.

Charlie Savage and Michael Crowley contributed reporting.