



FINANCIAL PREPAREDNESS

"One of life's most painful moments comes when we must admit that we didn't do our homework, that we are not prepared." ~ Merlin Olsen

Issue #73
July 1, 2022

Putin's Playbook

I wanted to know more about Vladimir Putin, Russia, and the war in Ukraine, so I just finished reading [Putin's Playbook: Russia's Secret Plan to Defeat America](#) by Rebekah Koffler, which was published in 2021. It is excellent (well written, thorough, illuminating), and I highly recommend it. Koffler grew up in Kazakhstan and studied English at a university in Moscow before emigrating to the U.S.

After 9/11, she tried to join the intelligence community but was kept in a bureaucratic limbo for seven years before finally getting a security clearance and landing a job at the Defense Intelligence Agency. She eventually became one of the federal government's top three experts/advisors on Russia. It is obvious that she loves America and is passionate about liberty, after having grown up in a brutal and tyrannical communist state.

She worked hard and received much praise for her work. But as an independent, critical thinker who valued the truth, she was a burr under the saddle of a bureaucracy that values groupthink, toeing the party line (by producing reports that support the administration's narrative) and mediocrity, so eventually she was ousted on trumped-up, unsubstantiated allegations (she tells the bizarre, Kafkaesque story in the epilogue), which she laments is reminiscent of something that would have happened in the Soviet Union. Notably, the intelligence community redacted parts of the book, which are shown as black blocks.

Putin

In order to understand what is happening in Ukraine (and in places like Syria, Kaliningrad and Moldova), you have to understand Putin. As a kid, he was a street thug. His grandfather was a chef for both Lenin and Stalin, and taught Putin how to be a survivor—a vital skill to have during years of communist purges.

As a KGB officer stationed in East Germany, in 1989 he found himself surrounded by an angry mob, without any armed backup from a silent Moscow, and had to talk his way out of a hairy situation (he told them—in German—that he was only a translator).

That incident--which was just a very small part of the much larger, catastrophic collapse of the Soviet Union—left an indelible mark on him, and ever since then, he has been on a mission to restore not so much the USSR but the Russian empire (his hero is Peter the Great). Before there was MAGA, Putin wanted to make Russia great again.

As a member of the KGB, he also had to belong to the Communist Party. But he left the party in 1991 and eventually formed his own party. He is not a communist (though he is a statist), and blames the Party for the collapse of the Soviet Union, having beaten a dead horse for decades after it was obvious that it was never going to work.

After his narrow escape in East Germany, he is horrified when high profile thugs such as Saddam Hussein, Muammar Gaddafi, and Hossein Hamedani meet a brutal end at the hand of the U.S. He is terrified of America's precision guided weapons and (CIA-sponsored) “color revolutions” that could be used against him.

As a longtime expert Judo athlete, he believes that the principles of the sport have served him well in the political and military arenas. He is a strong (albeit brutal) leader, which the Russian people largely dig after the chaos of the Soviet Union's collapse.

Putin has cultivated an image of being mysterious, unpredictable and dangerous, which lends credence to Russia's stated willingness to use nuclear weapons to achieve its objectives.

Russia

Being adjacent to war-torn Europe, Russia has been invaded by various armies (including Napoleon's) for hundreds of years. Operation Barbarossa (the Nazi invasion of the Soviet Union in 1941) was the largest, most devastating invasion in human history, which permanently scarred the Russian psyche, making them paranoid about invasions and obsessed with security. In an overpopulated world with rapidly depleting resources, they also realize that the world covets their vast natural resources, especially energy.

The Russians have virtually no experience with liberty or free markets, and what little experience they have had ended badly (e.g., the oligarchs). They don't seem to be among the world's most sophisticated, critical thinkers. Generally, Russians believe that life is about grimly enduring hardships (with which they have *tons* of experience). Apparently, [there is no Russian word for “fun” \(or “privacy”\)](#), and Russians seldom smile.

Russia is a Spartan state that can't compete economically (other than by selling its natural resources), so its comparative advantage is in warfare, spying, disinformation and treachery. That's why the end of communism and the collapse of the Soviet Union didn't really change anything.

Perpetual War

Russia has been at war with the U.S. for many years now, only the American people aren't aware of this. While Americans have been blissfully living their own lives (liking posts on Facebook, taking selfies, bingeing Netflix and Pharma products, speculating in [Dogecoin](#), watching news reports about how Trump was secretly colluding with the Russians--which was itself based on Russian disinformation), Russia has quietly been thinking, infiltrating, surveilling, spying, stealing secrets and technology, influencing, planning, and developing asymmetrical tactics (such as computer hacking) and futuristic weapons.

The Russians spend *a lot* of time thinking, strategizing and acquiring a deep understanding of Americans. They have think tanks and military journals. They draft and update strategic objectives, assessments, doctrines and plans. They quietly observe, study, calculate and prepare for war. They know they can't win by brute force, so they follow the teachings of [Sun Tzu](#). Meanwhile, the U.S. recklessly blunders from one military catastrophe to another, squandering countless blood and treasure, having little to no understanding of the locals or even why they're there (as the [Afghanistan Papers](#) revealed).

Russia takes a very broad, patient and long-term view of conflict and war, which it believes is a natural and inevitable part of the human condition. Kinetic war is only one part of that, one that should be avoided but employed if necessary. Koffler writes, "Technically, there is never peacetime, according to the Kremlin's doctrine. Russia views itself in a continuous struggle or confrontation with opponents, who are jockeying for a premium position in global geopolitics. And Putin is determined to grab one of the best spots....Russia is all about exploiting the opponent's vulnerabilities...and indirectly influencing the adversary and his mind...."

War Is Inevitable

America doesn't want a war with Russia (and Russia and Putin don't really want a kinetic war with the U.S. and NATO), but it is going to have one nevertheless. The Russians believe that kinetic war with the U.S. is inevitable, and Putin believes that if conflict is inevitable, it pays to strike first. Russia would prefer to use the element of surprise against an unprepared and dithering NATO and then present it with a *fait accompli*, as it did with Georgia, Crimea and (nearly all of) Ukraine.

Russia believes it can win such a war, not by going head-to-head with kinetic weapons (Russia believes that U.S./NATO weapons and technology are superior), but by having a deep understanding of Americans, altering their perception of reality with disinformation and propaganda, influence operations, supporting social unrest (e.g., riots/looting/arson, Antifa, BLM, CRT, perpetual grievances), sabotage (including taking down critical infrastructure via computer hacking, *which is another reason you should be prepping hard*),

and disabling or destroying the vast but defenseless array of satellites on which the U.S. and NATO heavily depend.

“...Putin has shown during the past decade that he will invade or destabilize Russia's former republics—as he did in Ukraine and Georgia—rather than let them switch sides to NATO and the EU. He will continue to unbalance America through cyber warfare and other tools...rather than let Washington democratize the former Soviet Eurasian countries. He understands well that he is playing a risky game that can lead to an escalation of tensions. But risk is something that Putin is accustomed to; it is a way of life for a former KGB officer. Bred as an intel operative, he plans for contingencies. Therefore, he has a plan in his playbook for an all-out war with America.”

Ideological Subversion

Yuri Bezmenov, a KGB propagandist who defected to the U.S. in 1970, revealed a program that “was designed to transform the U.S., over 30-plus years, from a capitalist to a communist-socialist country through ideological subversion. The four-stage program, which was implemented by the vast network of KGB agents highly trained in psychological warfare, aimed to change the mindset and behavior of young Americans by exposing them to Marxist-Leninist ideas, such as equality of outcome [equity], intolerance of dissent [hate speech], and rejection of religion [closure of churches during COVID-19].”

Koffler continues, “Intelligence operatives infiltrated academia, media, government institutions, labor unions, and Hollywood to portray socialist ideas as desirable and humane, and capitalism as evil and unjust. Spies, however, did not do all the work alone. They targeted left-leaning individuals, the so-called 'useful idiots,' and cultivated them as 'agents of influence' who could educate the next generation of elites. In turn, these elites were supposed to assume senior roles eventually within government, business, culture, and other institutions—positions with the power to change or overturn the U.S. system.” Sound familiar?

Strategic Destabilization

Koffler writes, “Putin's intelligence services have adopted and adapted key elements of the program revealed by Bezmenov to continue weakening the U.S. Moscow has already started this strategic destabilization campaign...using a variety of measures in 'preparation of the battle space' by weakening the opponent. A low-intensity campaign is waged now, primarily through...cyber hacking [and] intelligence operations....But it will intensify if Russia perceives an increased threat from the U.S. to its security or national interests, especially in Eurasia.”

“The following startling and highly revealing passage, from a senior analyst at a prominent think tank that serves the Russian president, describes the destabilization campaign: 'Impose damage to the information and communication systems [and] critical infrastructure; conduct massive psychological influence on the population to alter countries' politics; confuse the opponent; disrupt his plans and policies; sabotage the political process; and create an internal opposition within an adversary state'.”

Koffler continues, “As part of its covert intelligence operation to disrupt the 2016 elections, the Russians stirred up racial tensions [and] promoted police brutality narratives....They did this by exploiting social media...and by sending Russian intelligence operatives to the U.S. to organize and participate in political protests. Similar activities continue to this day....Having experienced multiple revolutions during its history, Russia knows firsthand the devastating effects of domestic instability, which is exactly why Russia believes internecine strife is the best weapon to turn America on itself.”

Space

Koffler writes, “Space will serve as the primary battlefield in Putin's war with America, should the conflict escalate into the kinetic realm....Russia is developing and fielding weaponry to...deafen and blind U.S. forces...[and] deliver a space Armageddon.” The Russians have realized that “U.S. space capabilities were the primary reason for the American military's superior performance in Kosovo, Iraq, Afghanistan, Libya, and Syria....What makes America's science fiction-like way of war possible is the world's best and largest [~1,425] satellite constellation....These space birds provide critical military and civilian functions, including missile warning, communications, command and control, reconnaissance (imagery and signals intelligence) and weather data.”

“The Russians concluded that while superior space capability is the greatest force multiplier in America's way of war, it is also our greatest vulnerability, because of the U.S. military's near absolute dependence on it.” A former STRATCOM commander said that space “is fundamental to every single military operation that occurs on the planet today.” He also described America's early warning satellites (which cost ~\$1.7 billion each) as “big, fat, juicy targets” that are “exquisite but fragile and undefendable.”

Cry “Uncle”

The Russians “also hope to paralyze U.S. forces psychologically....Russian military theorists often write about the importance of targeting both the technical capabilities and the mind of the adversary, planning to...weaken his will to fight....Moscow believes that in an all-out space war, America—whose entire society, from ATMs to gas pumps, is wired up through space—stands to lose more than Russia.”

Russia believes (correctly) that the Russian people have a much higher tolerance for pain and losses than Americans do (I'm pretty sure there's not a Russian equivalent of “[Snowflake Mountain](#)”; if Putin saw that, he'd probably be tempted to invade the U.S. ASAP). Russia believes that it can distract and preoccupy America (e.g., with riots and burning cities, bogus investigations, an extremely divided citizenry, etc.), quickly make it lose its will to fight, or cry “uncle.”

Russia is by far the largest supplier of fertilizer in the world, and provides over 20% of U.S. consumption. [The federal government has realized that it \(as well as NATO countries\) can't afford to lose access to this supply](#). No fertilizer means much less food, much higher food prices, and hangry, impoverished citizens.

Cyber Warfare and Infrastructure

Koffler writes, “The [Russian] General Staff views the cyber and information domain as a place for conducting military operations, escalating conflicts, and achieving military objectives. Cyberspace is a theater of military operations....Russia is not only infecting U.S. computers with the software viruses and hacking them; it is also infecting Americans' brains with a different virus. This 'weaponized information' virus seeks to distort Americans' perception of reality so that they turn their attention away from Russia and inward, fighting one another, dismantling their government institutions such as police, and attacking their president.”

“Russia has the most sophisticated and destructive arsenal of cyber weapons of any foreign nation....these cyber weapons present a grave threat to America. Having been in the offensive cyber business for the past three decades, Russia has developed a set of potent tools that are superior in stealth, programming power, speed of attack and penetration of the adversary's network, and creativity....There is virtually no entity that Russia's hackers do not target—government agencies, military organizations, private businesses, banks, email providers....If you have a computer or a smartphone, you are vulnerable.”

“The most dangerous cyber operations that Putin has up his sleeve are attacks on American critical infrastructure. Such cyberwar activities can result in catastrophic effects, including severe damage to various industries and military facilities, and loss of life....Moscow has already demonstrated similar cyberattacks on vital infrastructure facilities in Ukraine in 2015 and 2016.”

Russia has been “actively mapping out our critical infrastructure with the long-term goal of being able to cause substantial damage. Russian doctrinal experts view the ability to hold U.S. critical infrastructure targets at risk as highly valuable leverage to deter the U.S. from military action against Russia, control conflict escalation, or negotiate an end to hostilities....cyber is considered by Russian war planners [as] a strategic capability comparable to nuclear. The ability to launch a mass cyberattack on U.S. vital facilities provides Russia with an option to threaten the U.S. with a non-nuclear version of 'mutually assured destruction'.”

“Russian war planners no longer seek the destruction of the adversary per se, but rather the defeat of the adversary's key infrastructure....The size of the damage must be sufficient (and likely to grow) to convince the adversary that achieving victory is costly, prohibitive, or unachievable, compelling adversaries to abandon their intentions of unleashing hostilities against Russia.”

“The Russian planners believe that each adversary has a certain threshold beyond which it cannot sustain economic, human, and military losses. [They] termed this threshold 'unacceptable damage,' and they estimate this number for each adversary based on the algorithms developed by operational research experts. [They] believe that the Americans have significantly lower tolerance for sustaining losses in war, making Russia more likely to be able to withstand protracted or high-intensity conflict.”

According to an intelligence report in 2015, “Russian cyber actors were developing cyber tools to access industrial control systems (ICS) remotely. ICSs manage critical infrastructure, including electric power grids, urban mass-transit systems, air-traffic control, and oil and gas distribution networks. Russian hackers successfully compromised the product supply chains of three ICS vendors....Since at least March 2016, Russian cyberthreat actors targeted the computer systems of several U.S. critical sectors [energy, water, aviation, commercial facilities, critical manufacturing and nuclear facilities].... Russia's cyber intrusions into our nuclear sector and other critical infrastructure is the result of years of comprehensive study of U.S. vulnerabilities by the Russian military and intelligence services.”

“A 2012 issue of a Russian military periodical...reveals the military strategists' calculus for striking an adversary's civilian infrastructure during a conflict. You only need to defeat a 'small number of key interconnected targets' that are vital to the functioning of the state, for the 'entire system to collapse,' it said....'Taking parts of the adversary's civilian infrastructure out of commission,' the authors argue, will produce cascading destructive effects 'harming the economy, healthcare, defense and security of the entire state'.”

“...Russia is continuously mining U.S. systems for vulnerabilities. Russia, along with China, has stolen technical plans for nearly every major U.S. military system and will try to render our weaponry inoperable through cyberattacks.”

“In June 2018, top Trump administration officials were advised that the threat to the U.S. electric grid was so serious that the country needed to prepare for a catastrophic power outage, possibly caused by a cyberattack.” If Americans have to choose between, say, helping Ukraine or the Baltic states defend themselves, or getting their electricity, Internet, TV, grocery stores, financial system, gas stations and Pharma supply chain back up, they're going to choose the latter.

The U.S. Military

Although the U.S. military once posed a formidable threat, it is rapidly being sabotaged from within. Its future leaders [are being indoctrinated in woke politics](#). [Terrible recruiting results are forcing the Pentagon to reduce the size of the military](#). The Army just eliminated the requirement that recruits have a high school diploma or GED. They're now scraping the bottom of the barrel for anything that has a pulse. God help us.



U.S. Marines
@USMC

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Throughout June, the USMC takes [#Pride](#) in recognizing and honoring the contributions of our LGBTQ service members. We remain committed to fostering an environment free from discrimination, and defend the values of treating all equally, with dignity and respect.

[#PrideMonth](#) [#USMC](#)



While [Russia develops futuristic weapons](#), the U.S. military is virtue signaling.

Conclusion

Koffler writes, “In 2019, DIA director General Robert Ashley, in response to a question posed to him...about what keeps him up at night, acknowledged that Russia has been in conflict, albeit of an unconventional character, with us” since 1991. Ashley “placed Russia ahead of China as the more dangerous, near-term threat of an 'existential' nature, due to its possession of 'thousands of nuclear weapons.' Ashley warned that Russia might 'lash out' and act unpredictably because Putin feels 'backed into a corner'.” But Koffler then makes this prescient prediction: “Putin, feeling cornered or acting as though he is

cornered, is predictable. He will more likely than not surprise the West with another hostile act like the taking of Crimea during the next two years.” Which makes you wonder who in the DIA wanted to get rid of her and why.

As I've said before, war spawns Black Swans. The fog of war gives rise to lack of communication, misunderstandings, accidents and mistakes, misperceived intentions, the replacement of higher level critical thinking with the “fight or flight” response, patriotism/nationalism/tribalism, the desire by leaders to appear tough, bloodlust and revenge, barbarism, war crimes and genocide, etc. *No one can predict how badly all of this could turn out or how quickly it could go South*, especially not our Commander-in-Chief, who may have dementia. As Koffler writes, “Once a direct military confrontation between the U.S. and Russia has begun or is about to begin...Russian doctrine envisions the possibility of initiating strikes on the U.S. homeland.” If this doesn't make you want to get prepared ASAP, I don't know what would.

What You Should Be Doing Now

Read [Lights Out: A Cyberattack, a Nation Unprepared, Surviving the Aftermath](#) by Ted Koppel.

Silver is approaching a two-year low and the dollar price of platinum is the lowest since the 2020 election. The optimism score for both is low, and producers (Smart Money) are lightly hedged against a future price decline, both bullish signs. Both are historically cheap compared to gold.

I have also been finding a few quality dividend-paying stocks at attractive prices in countries such as the UK, Sweden and Indonesia.

In the first half of this year, the S&P 500 Index posted its worst loss in 52 years, and the NASDAQ index suffered its worst loss ever, but if you had read [The Case Against Equities](#) last year, that would not have been a surprise. We're still a long way from revulsion and capitulation, so keep your seat belts fastened.

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I would love to hear from you! I thrive on feedback from readers. If you have any comments, suggestions, insight/wisdom, or you'd like to share a link to a great article, please [email me](#).

Generally, I don't have time to answer questions about your specific situation, but if you have a general question that I think other readers also have, [let me know](#) and I will provide an answer in a future issue.

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