

“The August Hanning Case”: A spy scandal in Germany and geopolitical risks for Baku

ARVAK Center comment, October 13, 2026¹

Abstract

ARVAK examines the arrest of August Hanning, former head of Germany's foreign intelligence service (BND), in a case involving alleged espionage on behalf of Azerbaijan. It reviews the details of the investigation by the German Federal Prosecutor's Office, the reaction of official Baku, and the position of the German media. The article explores links between the current incident and previous high-profile corruption and lobbying scandals (“Azerbaijani Laundromat,” “caviar diplomacy,” the “Azerbaijan affair” in Germany, and the “Malta case”). Particular attention is paid to the scandal's geopolitical implications for Azerbaijan following the European Parliament's adoption of a strongly worded resolution, as well as possible responses by the leadership in Baku.

Keywords: August Hanning, BND, Germany, Azerbaijan, spy scandal, *Der Spiegel*, geopolitics, European Parliament, lobbying, corruption, reputational risks.

1. German Prosecutor's investigation and the arrest of August Hanning

On October 07, 2026, the press service of the German Federal Prosecutor's Office announced the arrest of August Hanning, former head of Germany's foreign intelligence service (BND), who led the agency from 1998 to 2005. He was taken into custody as part of a case involving espionage on behalf of a foreign state. Law-enforcement authorities also detained Manfred D., Hanning's former chief of staff at the BND. After Hanning left to become a State Secretary at the German Foreign Office, Manfred D. continued to head the intelligence service's staff until March 2026, when he retired.

According to investigators, in 2012 A. Hanning offered Manfred D. financial compensation in exchange for the transfer of official information, claiming that this was necessary for the lawful provision of consulting services to representatives of a foreign state. As a result, approximately 2,000 documents were transferred to the former BND chief between 2012 and 2022, a substantial number of them classified. Although the Prosecutor's Office has not officially identified the beneficiary, *Der Spiegel* reported, citing its sources, that the espionage was conducted in Azerbaijan's interests and that Hanning maintained regular contact with a representative of its intelligence services. His membership on the board of the *German-Azerbaijani Forum* until July 2025 is further cited as evidence of his close ties with the authorities in Baku.

The investigation has triggered considerable political repercussions. Although this is the second major espionage trial in recent times – the case of former BND department head Carsten L., accused of working for Russia, is still being heard by the Berlin Court of Appeal – the current incident could have far more serious consequences for Berlin. For the first time, a person who had previously headed the country's entire foreign intelligence service has come under suspicion. In response, the Bundestag's parliamentary committee responsible for oversight of the intelligence services has already proposed a statutory ban on lobbying and consulting activities by former senior officials who had access to state secrets.

The “Hanning case” deals a serious blow to the reputation of Germany's state apparatus, traditionally regarded as a model of efficiency. The incident has exposed vulnerabilities in

¹ The original (in Rus.) was posted on our website on 13.10.2026.

the system for protecting state secrets, which has been compromised by corruption at the highest levels of the intelligence services.

For Berlin, it is especially troubling that the classified information passed on by A. Hanning and his former colleague may have reached the intelligence services of third countries. Although German investigators currently have no direct evidence of this, there is also no guarantee that the information was used exclusively in Baku's interests. Given Azerbaijan's close partnership with Turkey and Israel, it cannot be ruled out that the intelligence services of those countries gained access to BND materials of interest to them. According to German media reports, the documents Manfred D. passed to A. Hanning included German intelligence assessments of Russia's military capabilities as well as exclusive information on the development of Iran's "*nuclear program*". Such information is undoubtedly of great interest to Ankara and Tel Aviv amid the current geopolitical transformation. As a result, Germany's intelligence community risks facing restrictions – or even a complete freeze – in the exchange of confidential information by allies concerned about further leaks. This would severely damage the BND's standing and operational capabilities, as well as Germany's reputation within NATO.

2. Baku's reaction and the position of the German media

Baku's reaction to the unfolding scandal was entirely predictable. Almost immediately after the German Federal Prosecutor's Office issued its statement and *Der Spiegel* published its corresponding article, Azerbaijan's Media Ethics Council issued a denial, calling reports of the country's involvement disinformation. The body described the German publication's report as "*unacceptable information manipulation*" intended to undermine the development of Azerbaijani-German relations, which it said were based on mutual trust.

Official Baku subsequently sent a note of protest to the German leadership. Demarches were addressed to the Federal Chancellery and the German Foreign Office and were also conveyed through intelligence channels. According to Azerbaijani sources, the German side was warned that "*such unsubstantiated statements by leading media outlets could seriously harm bilateral relations*". At the same time, Baku urged German media to "*adhere strictly to the principles of objectivity and carefully verify facts before publishing them*".

While the authorities in Berlin have so far refrained from officially assessing Baku's diplomatic demarche, the editors of *Der Spiegel* have responded to the note of protest with undisguised skepticism and continue to firmly defend the accuracy of their published material. The publication's uncompromising stance is understandable: its report draws on exclusive information from the German Federal Prosecutor's Office and the results of a months-long law-enforcement investigation into August Hanning's alleged unlawful activities.

Azerbaijan's leadership has thus found itself at the center of a major espionage scandal that could fundamentally reshape Baku's political engagement with both Berlin and the institutions of the European Union. In terms of its impact, the situation surrounding the "*August Hanning case*" and the leak of classified BND information is comparable to a series of high-profile revelations involving corruption schemes and illegal lobbying within EU institutions, in which Ilham Aliyev, his inner circle, and the regime in Azerbaijan have featured.

3. Previous corruption, lobbying, and other scandals

Among the best-known precedents are the following:

- ***The “Azerbaijani Laundromat” (2017)***. Investigations by leading publications such as *The Guardian*, *Le Monde*, and *Süddeutsche Zeitung*, along with the Organized Crime and Corruption Reporting Project (OCCRP), uncovered an extensive financial network. Between 2012 and 2014, the Azerbaijani authorities transferred funds to sympathetic European politicians through shell companies in the United Kingdom, laundering money and advancing their own interests. The total volume of funds moved reached an enormous sum of approximately \$2.9 billion, an unprecedented figure in corruption scandals involving European political circles.
- ***“Caviar diplomacy”***. A series of investigations also attracted widespread attention for exposing the systematic “soft bribery” of European officials and parliamentarians. Through expensive gifts, luxury trips, and delicacies, Baku sought to soften criticism of its human-rights and civil-liberties record. Internal reviews at EU institutions following the publications resulted in the resignation of several lawmakers.
- ***The “Azerbaijan affair” in Germany (2018–2021/2025)***. Another high-profile episode involved German lawmakers from the Christian Democratic Union (CDU). German law-enforcement authorities accused them of receiving hundreds of thousands of euros in exchange for lobbying for Baku’s positions in the Bundestag and the Parliamentary Assembly of the Council of Europe (PACE). Related judicial and investigative proceedings continued in subsequent years.
- ***The “Silk Way case”***. Another scandal linked to Azerbaijan was an investigation by Bulgarian journalist Dilyana Gaytandzhieva, published in the newspaper *Trud* in July 2017. It alleged that Azerbaijani *Silk Way Airlines* had been used to transport weapons and ammunition illegally to conflict zones under the cover of diplomatic flights.
- ***The “Malta case”***. Another scandal involving Azerbaijan arose from an investigation by Maltese journalist Daphne Caruana Galizia, who uncovered alleged corrupt links between Maltese financial entities and members of Azerbaijan’s elite. In October 2017, the journalist was killed by a car bomb.

Given the Azerbaijani authorities’ categorical denial, German public opinion and political circles are increasingly convinced of Baku’s direct involvement in the espionage scandal affecting Germany’s national security. Such accusations are no longer a sensation for the German media. In Germany, some argue that if the reports were fabricated, Azerbaijan would have immediately sued *Der Spiegel*. Instead, Baku chose to exert political pressure on Berlin in an effort to suppress references to Azerbaijan in the “August Hanning case” investigation. Azerbaijani authorities acted in a similar way during the “Azerbaijan affair”, combining categorical denials with threats to sever relations with Germany. In the face of intense public pressure, the note of protest is unlikely to succeed. Moreover, the governing CDU/CSU bloc under Chancellor Friedrich Merz is in a deep political crisis and is unable to contain the scandal’s further development.

4. Geopolitical consequences and possible scenarios for Baku's response

Although Ilham Aliyev has refrained from publicly commenting on the recent revelations, the incident clearly appears to be a source of serious concern for him. It represents another damaging blow to Baku's reputation in Europe. The EU's engagement with Azerbaijan is largely driven by pragmatic considerations, including the country's economic and energy significance and its key role in geopolitical pressure on Iran and Russia.

On the one hand, these factors allow Azerbaijan's leader to feel confident in his dialogue with Brussels, accuse European states of bias, and openly criticize the Old Continent, calling it a "*den of corruption*". On the other hand, Aliyev is aware of the reputational damage caused by the practice adopted since the early 2010s, of advancing interests through corruption schemes, illegal lobbying, and blackmail.

This may have been a mere coincidence, but on the day after the German Federal Prosecutor's Office publicly announced Hanning's arrest (October 8, 2026), the European Parliament adopted an exceptionally tough resolution on Azerbaijan. The document condemns political repression and systematic human-rights violations and calls for the immediate release of Azerbaijani political prisoners and Armenian prisoners, including former leaders and representatives of Nagorno-Karabakh's military-political leadership.

The voting figures are also noteworthy: 492 votes in favor and 23 against. This is an alarming signal for Azerbaijan's authorities, which had previously counted on broader support in the European Parliament. Regardless of whether the German espionage scandal and the vote are directly connected, taken together these events significantly damage Baku's reputation in Europe and may mark the beginning of a new phase of increased political pressure on Azerbaijan.

In response, Aliyev will likely intensify his harsh rhetoric against certain European states, which he may accuse of being "*unable to appreciate Azerbaijan's sincere partnership*", and against individual EU institutions, accusing them of "*bias and corruption*". At the same time, Baku's leadership will try to rely on the EU's executive bodies, particularly the European Commission, where its position remains comparatively stable because of Azerbaijan's purported "*critical role*" in ensuring "*Europe's economic and energy independence*".

Official Baku may also signal an intention to move closer to Russia and the Asian region. This would send a message that it is unwilling to reconsider the format of its relations with the EU, even if certain aspects of those relations conflict with legal norms and democratic standards.

Finally, the possibility cannot be ruled out that Azerbaijan will resort to a previously tested countermeasure: a mirror-image "*spy scandal*". Azerbaijani security agencies could detain German citizens on accusations of conducting intelligence activities in the country and prosecute local opposition figures associated with them. Baku has a precedent for such action. In December 2023, in response to what it called Paris's "*unfriendly policy*", Azerbaijani authorities arrested French citizen Martin Ryan, who was subsequently sentenced to prison for espionage.