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Recent Developments in the NIS

Export Control Law Adopted in Armenia

On October 21, 2003, Armenian President Robert Kocharyan signed the law *On Control of Export and Transit of Dual-Use Items and Technologies*. The new law outlines the principles of state export control policy, describes the obligations and responsibilities of exporters, and regulates relationships between exporters and state agencies. According to Armenian Deputy Foreign Minister Tatul Markaryan, the law establishes a legal framework for carrying out export control activities that were previously regulated by a prime ministerial decree.[1,2,3] The law stipulates the establishment of a dual-use item list and creation of a governmental department to be in charge of export control issues.[1] Article 16 of the new law is devoted to transit issues. According to this article, an exporter must submit the following information five days before goods enter Armenia: means of transportation, producer identification, description of goods, end-user identification, and a copy of the license issued by the licensing authorities of the country of origin. According to a June 2003 presentation by an Armenian export control official, supporting regulations will be developed after the adoption of the law.[4] In accordance with the new export control law, the Armenian parliament amended the following laws: *On State Borders*, *On State Customs*, and *On Organization and Execution of Inspections*. [1]

Sources: [1] "Eksport tovarov i tekhnologiy dvoynogo naznacheniya poluchit v Armenii pravovoye razresheniye" [Armenia to address legislation governing the export of dual use goods and technologies], Armenian Information Agency ARKA, September 11, 2003; in Integrum Techno, <<http://www.integrum.com>>. [2] CNS interview with Armenian export control official, June 3, 2003. [3] "Prezident Armenii podpisal zakon o kontrolye za eksportom tovarov i tekhnologiy dvoynogo naznacheniya" [The president of Armenia signs law on control of dual-use exports and technology], Armenian Information Agency ARKA, October 21, 2003; in Integrum Techno, <<http://www.integrum.com>>. [4] Presentation by Armenian export control official at the Seventh Regional Forum on Export Control and Nonproliferation for Central Asian Countries and Caucasus, June 2-4, 2003, Almaty, Kazakhstan.

The Baltic States Improve Their Export Control Systems to Join the EU

Estonia, Latvia, and Lithuania are currently upgrading their export control systems in order to meet European Union (EU) standards before joining the EU in May 2004. The EU may find it challenging, however, to accommodate existing members with advanced export control mechanisms and newcomers with less elaborate export control systems. Furthermore, while all current EU member states are members of every multilateral export control regime, Estonia and Lithuania do not belong to any of the regimes, and Latvia is a member of only the Nuclear Suppliers Group (NSG). To the extent they remain outside the regimes, the Baltic states will not be allowed to participate in the decision-making processes within the groupings; however, as full-fledged members of the EU, they will have to abide by the regime-related decisions that are made by other EU members.[1] Below is a brief summary of nonproliferation export control efforts in Estonia, Latvia, and Lithuania.

Estonia

Estonian export control legal infrastructure is based on the guidelines of multilateral export control regimes and EU regulations. Currently, Estonia is not a member of any export control regime, but it applied in 2003 for membership in the Missile Technology Control Regime (MTCR), NSG, Australia Group (AG), and Wassenaar Arrangement.

According to Estonian officials, joining the EU and multilateral regimes will not require any significant changes in the Estonian export control system, since the country has already complied with all the main provisions of the regimes and the EU regulations.

The following documents comprise the legal foundation for the Estonian export control system (in reverse chronological order):

- Government Order No. 154, *Control List of Strategic Goods*, April 30, 2001;
- Government Decree No. 281, *Establishing Procedures for Export, Import, and Transit of Strategic Goods*, September 28, 1999;
- Government Decree No. 280, *Establishing a Commission to Control Export, Import, and Transit of Strategic Goods*, September 28, 1999;

- Government Decree No. 274, *Exceptions to the Requirement for Import, Export, or Transit Licenses of Strategic Goods*, September 22, 1999; and
- *Law On Import, Export, and Transit of Strategic Goods*, June 16, 1999.

In the summer of 2003, the Estonian Ministry of Foreign Affairs completed a draft of a new export control law that introduces general and individual licenses, provides more detailed information on brokering control, includes a catch-all clause, and establishes a brokering register. The draft is currently under interagency review. Parliament is expected to approve it by January 2004.

Currently, the Estonian Export Control Commission is in the process of introducing a new electronic license application filing system. The system is scheduled to become fully operational by the end of 2004. In addition, since custom officers do not always have the expertise and resources to undertake proper commodity identification, the Export Control Commission has established a special help-line with expert assistance for custom officers.[2]

Latvia

Latvian facilities that once supplied the former Soviet Union with commodities controlled by the MTCR, such as thermal protection materials for spaceships, electronics, radars, and sensors for missiles, no longer produce or export such items. However, Latvia has a List of Dual-Use Goods and Technologies, containing all relevant components that can be used to build aircraft and missiles.

Latvia joined the NSG in 1997 and has applied for membership in the three other regimes. The MTCR and the AG are in the process of reviewing Latvia's applications, while the Wassenaar Arrangement will review Latvia's application at its plenary meeting in December 2003.

In January 2003, the Latvian Cabinet of Ministers amended *Regulations on Control of Strategic Goods*, bringing Latvia into conformity with provisions of European Council Regulation No. 1334/2000, *Setting Up a Community Regime for the Control of Exports of Dual-Use Items and Technologies*, adopted in June 2000. The amendment made intangible exports of dual-use technologies subject to controls and introduced a catch-all clause. In February 2002, Latvia approved new control lists of strategic goods and technologies. Currently, the Latvian parliament is reviewing drafts of the new law *On the Control of Strategic Goods*, *Regulations on Establishing the Strategic Goods Control Committee*, and *Regulations on Export Control Procedures*. The new law will replace *Regulations on Control of Strategic Goods*, which have been in effect since 1997.

The Latvian government has created a database that contains information on licenses, import certificates, end-use certificates, and companies involved in transfers of strategic goods, as well as descriptions of goods, destinations, and dates of transfers. The database can be used for information exchange and electronic licensing between all relevant agencies, such as the Ministry of Foreign Affairs, Ministry of Interior, Ministry of Defense, Customs Department, and the Ministry of Economy.[3]

Lithuania

In the past couple of years, Lithuania has taken a number of steps to bring the legal foundation of its national export control system into conformity with international standards.[4] On November 20, 2001, the government adopted Decree No. 1390, *On Approval of Lists of Controlled Strategic Goods and Technologies*. This decree approved the following two control lists: the List of Dual-Use Goods and Technologies, which is almost identical to Annex I of EU Council Regulation No. 1334/2000 of June 22, 2000, and the List of Military Equipment, containing most of the items from the EU list of military equipment (which is the part of the EU Code of Conduct on Arms Exports).[5]

On July 5, 2002, the Lithuanian parliament passed law No. IX-1051, *On Amendments to the Law on Control of Import, Transit, and Export of Strategic Goods and Technologies*, which added the following provisions to the 1995 *Law of the Republic of Lithuania on the Control of Export, Import, and Transit of Strategic Goods*:

- a declaration that the Lithuanian export control system contributes to the international nonproliferation export control framework;
- a declaration that the national control lists of strategic goods are to be based on the control lists of the multilateral export control regimes;
- a declaration that decisions on issuing transit licenses are to be based on the guidelines of the multilateral regimes;
- a catch-all clause, and a clause on control over intangible transfers and brokering activities;
- a clause regarding controls on services related to dual-use goods and military equipment;
- a list of embargoed countries; and
- a list of strategic goods.

On March 27, 2003, the government adopted Decree No. 380, *On Implementation of Export, Import, and Transit Control and Licensing Procedures*. The decree details the different types of licenses, the license application procedure, the licensing mechanism, as well as procedures for license suspension, cancellation, and revocation. Article 199 of the Criminal Code of Lithuania, which entered into force on May 1, 2003, states that “transfer of firearms, ammunition, explosives, radioactive substances or other strategic goods, poisonous, narcotic, and psychotropic substances or other substances through the customs border of the Republic of Lithuania without a required permit is punishable by up to eight years of imprisonment.”[5]

On April 29, 2003, the Permanent Mission of Lithuania in Vienna forwarded Lithuania’s official application for NSG membership to the Mission of the Czech Republic, which chaired the NSG at the time.[1] The Lithuanian Foreign Ministry sent a note to the Director General of the International Atomic Energy Agency, informing him of the country’s intention to accede to the NSG. Lithuania’s application for membership in the NSG was not reviewed at the plenary meeting in Pusan, South Korea, on May 19-23, 2003. However, the Lithuanian government hopes that NSG members will review the application at the 2004 plenary meeting.

On August 6, 2003, the Lithuanian Cabinet of Ministers passed a resolution calling for Lithuania to apply for MTCR membership, and shortly thereafter, Lithuania submitted an official application.[6] At the plenary meeting on September 23-27, 2003 in Buenos Aires, Argentina, MTCR members reviewed membership applications from 11 countries, including Estonia, Latvia, and Lithuania. The member states requested more time to review the applications from all the candidates and made no decision on admitting new members at the plenary meeting.[7] Furthermore, Lithuania has also expressed interest in eventually joining the AG and the Wassenaar Arrangement.[5]

Editor’s Note: The Latvian and Lithuanian Lists of Dual-Use Goods and Technologies relate to the EU control list that uses the term “dual-use” in the context of being both for civil and military use. In the NSG, the term dual-use means the item can be used for nuclear or non-nuclear purposes. The EU “dual-use” list contains both the NSG dual-use list as well as the NSG Trigger List (those items unique to nuclear applications).

Sources: [1] For more details on the export control challenges faced by new EU members, see: Scott Jones, “EU Enlargement: Implications for EU and Multilateral Export Controls,” *The Nonproliferation Review*, Vol. 10, No. 2, Summer 2003. [2] University of Georgia’s Center for International Trade and Security (CITS) correspondence with Toomas Raba, Export Control Commission, Estonian Ministry of Foreign Affairs, October 2003. [3] CITS correspondence with Ieva Jirgensone, 3rd secretary, Regional Cooperation and Arms Control Division, Latvian Ministry of Foreign Affairs, October 2003. [4] “Lithuania Amends Export Control Legislation, Expands List of Embargoed Countries,” *NIS Export Control Observer*, No. 2, February 2003, p. 3, <<http://cns.miis.edu/nis-excon>>. [5] CITS correspondence with Regimantas Jablonskas, Counsellor, Foreign Trade Policy Division, Lithuanian Ministry of Foreign Affairs, August 2003. [6] “Lithuania to Join Missile Technology Control Regime,” *Baltic News Service*, August 1, 2003, <www.bns.lt/>. [7] CITS correspondence with U.S. and Lithuanian government officials, October 2003.

Changes in NIS Export Control Personnel

Kazakhstani State Commission on Export Control Personnel Changes

The appointment of Daniyal Akhmetov as Kazakhstani prime minister in June 2003, reported in August by the *NIS Export Control Observer*, has led to new appointments in the country's export control system.[1] On September 2, 2003, governmental Decree No. 891, *On Amending Decree No. 1917 of the Government of the Republic of Kazakhstan of December 14, 1999* replaced several members of the State Commission on Export Control Issues of the Republic of Kazakhstan.[2] According to Decree No. 891, Deputy Prime Minister Sauat Mynbayev was appointed commission chairman and Yerik Utembayev, who is a deputy secretary of the Security Council and head of the Security Council Secretariat, was appointed deputy chairman. Minister of Industry and Trade Adilbek Dzhaksybekov became a member of the commission. Former commission chairman Karim Masimov, deputy chairman Omarkhan Oksikbayev, and commission member Mazhit Yesenbayev, who had served in the former government as deputy prime minister, Security Council secretary, and minister of Industry and Trade respectively, were removed from the commission.[2]

Sources: [1] "Personnel Change in Export Control System of Kazakhstan," *NIS Export Control Observer*, August, 2003, No. 8, p. 4: <<http://cns.miis.edu/nis-excon>>. [2] *Postanovleniye Pravitelstva Respubliki Kazakhstan ot 2 sentyabrya 2003 goda No. 891, O vnesenii izmeneniy v postanovleniye Pravitelstva Respubliki Kazakhstan ot 14 dekabrya 1999 goda No. 1917* [Decree of the Government of the Republic of Kazakhstan No. 891 of September 2, 2003, *On Amending the Decree of the Government of the Republic of Kazakhstan No. 1917 of December 14, 1999*], YurInfo website, <<http://www.zakon.kz/law/ssylki20037/pp%20891%2002092003.rtf>>.

International Supplier Regimes

MTCR Plenary Discusses Catch-All Provision, Intangible Technology Transfers

During the 18th annual Missile Technology Control Regime (MTCR) plenary meeting, held in Buenos Aires, Argentina on September 19-26, 2003, MTCR members agreed to add "catch-all" provisions to the regime's guidelines as a requirement for all member states. The catch-all provisions require a license for the export of any missile-related item to a company or institution that the exporter knows or has reason to know is involved in an MTCR Category I missile program, even if such item is not in the MTCR control lists. [Editor's Note: *MTCR Category I items include complete missile systems or unmanned air vehicles that are capable of delivering 500 kg (1,102 pounds) of payload to a range of at least 300 km (186 miles).*][1] The provisions provide regime members with a legal basis to restrict exports of items not specifically identified in the MTCR annex or national control lists when such items are destined for known missile programs. Currently, nations developing ballistic missile programs often legitimately acquire goods and technology allegedly for civilian purposes, but in fact divert them for use in missile production. This worrisome trend requires a response from exporting nations and underscores the importance of the catch-all clause as one of the key elements of nonproliferation export controls. Thirty of the 33 MTCR members have already included the catch-all provision in their national export control systems, but the meeting in Buenos Aires made this provision a formal element of the regime's guidelines.[2]

Incorporating the catch-all clause in the guidelines is another step towards adjusting the regime to changing realities. In 1993, MTCR members introduced a provision that stated that not only Category I items, but all missile-related goods and technologies and all missiles irrespective of range and payload capabilities were to be subject to "the presumption of denial" if there were credible information that the importing country would use them "for the delivery of weapons of mass destruction."

The plenary meeting also discussed the issue of strengthening controls over intangible technology transfers. Many MTCR members, including Canada, France, Great Britain, Italy, and the United States, have already included provisions on controlling intangible transfers in their national export control practices, but, at the meeting, the regime members agreed to take concerted actions in exercising this particularly complex type of control over technology transfers.[3]

Sources: [1] *Missile Technology Control Regime (MTCR) Equipment, Software and Technology Annex*, May 15, 2003, p. 10, MTCR official website, <<http://www.mtc.info/english/Annex2003.pdf>>. [2] Mike Nartker, "MTCR Members Amend Missile

Nonproliferation Guidelines; Include 'Catch-All' Provisions," Global Security Newswire, September 30, 2003; NTI website, <<http://www.nti.org>>. [3] "Press Statement," Plenary Meeting of the Missile Technology Control Regime, Buenos Aires, Argentina, September 19-26, 2003.

International Export Control and WMD Security Assistance Programs

Two U.S. Programs Provide Equipment to Kyrgyzstani Border Guards and Customs Officials

On September 5, 2003, in Bishkek, U.S. Embassy representatives and officials from the Border Guard Service of Kyrgyzstan signed a contract according to which the U.S. government will provide Kyrgyzstani border guards with material and technical assistance worth more than \$2 million. The assistance is being provided under the U.S. Department of Defense Foreign Military Financing (FMF) program.[1] According to a July 23, 2003 joint press release issued by the U.S. Embassy and the Kyrgyzstani Ministry of Defense, the FMF program in Kyrgyzstan supports the Kyrgyzstani Ministry of Defense, as well as law enforcement and security agencies, in their fight against terrorism. Under the auspices of this program, the Kyrgyzstani armed forces receive mountain equipment, winter uniforms, communications equipment, means of transportation, and other articles intended to strengthen the capabilities of the Ministry of Defense and related law enforcement and security agencies. FMF funds are also used together with U.S. Export Control and Related Border Security (EXBS) program funds for purchasing spare parts for and performing necessary maintenance on aircraft, which are vital for conducting border control and ensuring the security of state borders.[2]

In a related development, on August 22, 2003, U.S. Embassy representatives provided technical assistance to the Customs Services Directorate of the Committee on Revenues of the Kyrgyzstani Ministry of Finance. The technical assistance package, valued at \$125,000, included 45 radiation pagers, 71 Motorola radios, and 25 computers and is intended for nonproliferation and border security efforts, as well as for interdiction of the transit of illegal goods.[3] In 2002, the U.S. Congress approved the allocation of \$3.5 million for the implementation of the Aviation-Interdiction Project in Kyrgyzstan, under the EXBS program.[1,4] The EXBS Aviation-Interdiction Project is designed to "help Kyrgyzstan's interoperability with U.S. and Coalition forces to secure its borders and counter terrorism." [5] On August 27, 2002, under the EXBS Aviation-Interdiction Project, the U.S. Customs Service awarded a \$3.3 million contract for two fully refurbished Mi-8 helicopters to be provided to Kyrgyzstani border guards.[6]

Since the establishment of bilateral diplomatic relations between the United States and the Kyrgyz Republic in 1992, Kyrgyzstan has received \$780 million in U.S. government assistance.[1]

Editor's Note: According to the official description provided by the U.S. Defense Security Cooperation Agency, the FMF program is "the U.S. government program for financing through grants and loans the acquisition of U.S. military articles, services, and training." The FMF program "supports U.S. regional stability goals and enables friends and allies to improve their defense capabilities." [7]

Sources: [1] "SShA predostavyat pogranchnikam Kirgizii materialno-tekhnicheskuyu pomoshch na dva milliona dollarov" [U.S. will provide material-technical assistance worth two million dollars to Kyrgyzstani border guards], Caspian News Agency (CNA), September 8, 2003; in Integrum Techno, <<http://www.integrum.com>>. [2] "Press-reliz po programmam otdela voyennogo sotrudnichestva, planu dvukhstoronnikh voyennykh kontaktov i po kursu boyevogo sposatelya" [Press release on department of military cooperation programs, on plan of bilateral military contacts and on military rescuer training course], Public Affairs Section, U.S. Embassy in Kyrgyzstan, July 29, 2003, <<http://www.usemb-bishkek.rpo.at/releases/2003/miltomilprog0729rus.doc>>. [3] Public Affairs Section, U.S. Embassy in Kyrgyzstan, August 22, 2003, <<http://www.usemb-bishkek.rpo.at/releases/2003/custom0822eng.doc>>. [4] "U.S. Assistance to the Kyrgyz Republic – Fiscal Year 2002," U.S. Department of State, Bureau of European and Eurasian Affairs, Fact Sheet, June 6, 2002, <<http://www.state.gov/p/eur/rls/fs/11033.htm>>. [5] "U.S. Assistance to the Kyrgyz Republic – Fiscal Year 2002," U.S. Department of State, Bureau of European and Eurasian Affairs, Fact Sheet, November 15, 2002, <<http://www.state.gov/p/eur/rls/fs/15220.htm>>. [6] "The U.S.-Kyrgyzstan Developing Partnership," U.S. Department of State, Office of the Spokesman, Fact Sheet, September 24, 2002, <<http://www.state.gov/r/pa/prs/ps/2002/13642.htm>>. [7] "Foreign Military Financing Program," U.S. Department of Defense, Defense Security Cooperation Agency (DSCA) official website, <http://www.dsc.osd.mil/home/foreign_military_financing%20_program.htm>.

Embargoes and Sanctions Regimes

United States Imposes Sanctions on Tula-Based Arms Producer

On September 16, 2003, the United States Department of State published a notice in the *Federal Register* regarding the imposition of sanctions on a state-owned Russian defense company, Tula Design Bureau of Instrument Building (Tula KBP), for transferring lethal military equipment to Iran, a country designated by the United States as a state sponsor of terrorism.[1] According to a U.S. State Department spokesperson, the Russian company transferred laser-guided artillery shells to Iran.[2] The sanctions prohibit, for one year, all U.S. government assistance to and procurement from Tula KBP and prohibit the issuance of any new U.S. licenses and other approvals for exports to and imports from the Russian company of defense articles and services.[1]

Provisions of section 620H of the U.S. Foreign Assistance Act of 1961, as amended, require that the United States withhold assistance to any foreign government that provides lethal military equipment to a state sponsor of terrorism, namely Cuba, Iran, Libya, North Korea, Syria, and Sudan. The U.S. president may waive this restriction if he determines that the assistance is “important to the national interests of the United States.”[3,4] According to the notice in the *Federal Register*, the sanctions will apply to Tula KBP only, because the United States has determined that furnishing assistance to the Russian government that would otherwise be restricted by these provisions is important to the national interests of the United States.[1]

In a September 17, 2003 statement on its website, Tula KBP sought to deflect the U.S. charges, declaring that it had not signed contracts for the delivery of weapons to Iran. “Having the right to independent military-technical cooperation with foreign countries, KBP constantly and rigorously follows the procedure established in Russia, according to which all contracts for weapons and military equipment supply to foreign customers can be effected only under authorization of the Russian Committee for Military-Technical Cooperation with Foreign Countries, acting in stringent compliance with international regulations, agreements, and treaties as well as in accordance with resolutions of the Russian President and Government.”[5] This was echoed in a statement by Aleksander Nozdrachev, general director of the Russian Conventional Weapons Agency, which lists Tula KBP as a member of its coordinating committee. Mr. Nozdrachev was more categorical in his denial and told the Interfax news agency that U.S. government accusations regarding Tula KBP were groundless.[6] *[Editor’s Note: The Russian Conventional Weapons Agency is the government agency that supervises firms that produce armor, artillery systems, missile systems, fire arms, munitions, and optics. It incorporates 74 research institutes and 63 enterprises, including such famous arms producers as Izhmash, Perm Kirov Works, and Tula KBP.]*[7,8]

Tula KBP Deputy Chief Engineer Andrey Morozov accused the United States of engaging in unfair competition and said the latest imposition of sanctions confirms that the United States is threatened by Tula KBP’s competitive goods.[9] It appears that the sanctions are largely symbolic, as Tula KBP has no economic ties with the United States, and therefore will not be affected by the punitive measures. As KBP Deputy Director Leonid Roshal said in a telephone interview with the *Los Angeles Times*, “We are not buying anything from the United States. So these sanctions will not harm us.”[10] The Russian media also carried quotes from Russian defense analysts who interpreted the sanctions as an attempt to pressure Moscow over its nuclear cooperation with Tehran.[11]

This is not the first time the United States has imposed sanctions on Tula KBP. The United States first sanctioned the company in 1999 for selling Kornet-E anti-tank missiles to Syria. In September 2002, the United States accused the Russian government of supplying arms to Iran, Libya, and Sudan and placed sanctions on three Russian entities, including Tula KBP.[12] In March 2003, in the midst of the war in Iraq, the United States accused Tula KBP and another Russian company, Aviakonversiya, of supplying Iraq with anti-tank guided missiles and night vision goggles in violation of UN sanctions.[13] In response, Tula KBP consistently denied all U.S. allegations, though, according to its own website, Tula KBP products are used in several countries, including Iran, Iraq, Libya, North Korea, Sudan, and Syria.

Tula KBP, located in the city of Tula, 300 km southwest of Moscow, is one of the leading design companies in the Russian defense industry. It manufactures precision-guided weapon systems, including

anti-tank missile systems, weapon systems for tanks and armored vehicles, short-range air defense systems, artillery, ammunition, small arms, and hunting and sporting guns.[14] (For detailed descriptions of Tula KBP products, visit the company's website at <http://www.shipunov.com/shipunov-e/prod.htm>.) In 1996 the government of the Russian Federation issued a resolution allowing Tula KBP to engage in foreign economic activities without the state-owned mediator Rosoboronexport. This right was confirmed and even broadened in 2000 by a presidential directive. However, in order to engage in an international business transaction, Tula KBP still must receive a license from the Committee on Military and Technical Cooperation. In its decision whether to issue a license, the committee is guided by two confidential lists – the list of military goods allowed for export and the list of countries to which the export of these goods is allowed. If Tula KBP proposes an export transaction that is not covered in the allowed lists, then the transaction is only possible through presidential permission. Tula KBP exported \$350 million in arms in 2002.[11,15]

Sources: [1] *Federal Register*, Vol. 68, No. 179, September 16, 2003, p. 54259, GPO Access, <<http://www.gpoaccess.gov/fr/index.html>>. [2] Mike Nartker, "United States Sanctions Russian Entity for Conventional Transfers to Iran," *Global Security Newswire*, September 16, 2003, NTI website, <<http://www.nti.org>>. [3] "Overview of State-Sponsored Terrorism," *Patterns of Global Terrorism*, 2002, April 30, 2003, U.S. Department of State website, <<http://www.state.gov/s/ct/rls/pgtrpt/2002/html/19988.htm>>. [4] J. Christian Kessler, "United States Law & Policy – Nonproliferation Sanctions," *International Conference on Export Controls website*, <<http://www.exportcontrol.org/docs/Kessler1.doc>>. [5] "One More Lie," September 17, 2003, Tula KBP website, <<http://www.shipunov.com/shipunov-e/kbp/kbp/conqe.htm>>. [6] "Tula Enterprise Denies Weapons Sales to Iraq," *Interfax*, September 16, 2003. [7] "Russian Conventional Weapons Agency," *Federation of American Scientists (FAS) website*, <<http://www.fas.org/nuke/guide/russia/agency/weapons.htm>>. [8] *Russian Conventional Weapons Agency website*, <<http://www.rav-rf.ru/about.asp>>. [9] "Tula arms producer views U.S. sanctions as groundless," *Interfax*, September 16, 2003. [10] Kim Murphy, "U.S. Slaps Sanctions on Russian Arms Maker for Sales to Tehran; Some say move against state-owned firm is tied to Moscow's work on Iran's nuclear program," *Los Angeles Times*, September 17, 2003, part 1, p. 4; in *Lexis-Nexis Academic Universe*, <<http://www.lexis-nexis.com>>. [11] Lyuba Pronina, "U.S. Says Russia Sold Arms to Iran," *Moscow Times*, September 17, 2003. [12] See: "U.S. Sanctions Imposed on NIS Companies," *NIS Export Control Observer*, No. 1, January 2003, pp. 7-8, <<http://cns.miis.edu/nis-excon>>. [13] See: "Controversy over Russian Supplies of Military Equipment to Iraq," *NIS Export Control Observer*, No. 5, May 2003, pp. 5-8, <<http://cns.miis.edu/nis-excon>>. [14] "KBP in Focus," Tula KBP website, <<http://www.shipunov.com/shipunov-e/kbp/kbp/aboute.htm>>. [15] "KBP – Direct Exporter of Defense Products and Services," Tula KBP website, <<http://www.shipunov.com/shipunov-e/kbp/kbp/ved.htm>>.

Illicit Trafficking in the NIS

Atomflot Official Arrested for Nuclear Materials Trafficking

Russian authorities have arrested Alexander Tyulyakov, deputy director for administrative issues of Murmansk-based Atomflot for attempting to sell radioactive materials. Atomflot is the Russian state-owned company (formally, the State Unitary Technology and Repair Enterprise) that operates Russia's nuclear icebreakers and stores their spent nuclear fuel. The arrest was first made public on August 28, 2003 by the Murmansk newspaper *Nord-Vest Kuryer*, and announced internationally four days later by the Norway-based environmental organization Bellona Foundation.[1,2,3]

The arrest resulted from a joint undercover operation conducted by Murmansk police and the local branch of the Federal Security Service (FSB). FSB agents acting as potential buyers contacted Tyulyakov after receiving a tip-off that he was trying to sell radioactive materials.[1,2,4,5] The details of the arrest remain uncertain. *Novyye izvestiya* (Moscow) reported that Tyulyakov was apprehended with a container holding uranium and radium, which he wanted to sell for \$50,000. Whereas on October 20, *Nezavisimaya gazeta* (Moscow) reported that analysis of the material in his briefcase revealed that he was carrying nearly one kilogram of uranium-235.[6,7] Referring to an analysis by the Kola Science Center of the Russian Academy of Sciences (Apatity, Murmansk Oblast), *Kommersant* reported that Tyulyakov tried to sell 1.1 kg of a radioactive powder, which he stored in a sealed lead capsule placed in a special container. The level of radioactivity at 10 cm from the container was more than five times higher than allowable levels but at a meter was within the normal range.[8]

During a search of Tyulyakov's apartment, garage, and car, law enforcement officials found ammunition for small arms and an additional amount of radioactive material.[4,5,9,10] While *Izvestiya* specified that the 1.1 kg seized by authorities was a mixture of uranium-235, uranium-238, and radium.[5] The British newspaper *The Guardian* cited Andrey Petrukhin, head of the Murmansk police investigating unit, as

saying: “The only thing I can say is that this stuff contains uranium-235, uranium-238, radium, and also products of their decomposition” and concluded that “the fact that the radioactive materials were found along with their waste products suggests that the box contained spent fuel.”[8] The October 20 *Nezavisimaya gazeta* report said that the material in the garage was nearly two kilograms of “uranium-238, radium, and products of their decomposition.”[7]

[Editor’s Note: Assuming that there was only about 1 kg of uranium-235 in the seized mixture, there would not have been sufficient material to make a nuclear bomb. Highly concentrated, or “enriched,” uranium-235 is the material used in nuclear weapons to fuel the fission chain reaction. The potential for creating a hazardous “dirty bomb” out of the mixture is less clear cut. Uranium is not a material that would lead to a dangerous dirty bomb; however, if the mixture contained more than several curies of radium-226, it could have been useful for this purpose. The available information is not adequate to determine how much radium-226, if any, was present. Moreover, if the radioactive material contained fission products, for example, from irradiated, or spent, uranium fuel, then depending on the amount and type of fission products, this material could fuel a potent dirty bomb.]

According to *Kommersant*, experts have established that the object, which contained the radioactive substance, was not manufactured in Murmansk Oblast and was, most probably, extracted from some complex apparatus. A source told *Kommersant* and *Izvestiya* that the government price for this substance, which is not for private sale, is about \$80 per kg, while Tyulyakov intended to sell it for \$55,000.[8,9] It is unclear where Tyulyakov obtained the radioactive materials – from Atomflot or from somewhere else. Both newspapers state that Atomflot does not store this type of radioactive substance.[4,9] Atomflot Director Aleksandr Sinyayev was reportedly furious over media allegations that the materials originated at Atomflot, saying that the enterprise “had nothing to do with Tyulyakov’s dirty activities” and that those making such insinuations could be brought to court.[5] Sergey Zhavoronkov, former chief radiologist of the Murmansk Shipping Company (the company currently operating Atomflot) who is now head of the local branch of Bellona, told the newspapers that the substance could have been stolen from a non-nuclear enterprise, which uses devices with radioactive substances.[8,9]

Some of Tyulyakov’s colleagues indicated that the deputy director’s lifestyle had raised suspicions that he had been involved in illegal activities for some time. The administrative oversight manager, who was involved in purchasing gasoline, oil-fuel, and other supplies for Atomflot, as well as selling scrap metal, 50-some year old Tyulyakov had a luxurious summer home, a spacious apartment in a respectable area of Murmansk, and an expensive foreign car despite a low official salary.[1,2,5,9]

Tyulyakov’s arrest was not immediately revealed, leading to a host of rumors in Murmansk, from speculation that Tyulyakov had been arrested for embezzlement to accounts that he had attempted to sell nuclear fuel assemblies or that a former Murmansk Oblast gubernatorial candidate had been caught trying to purchase radioactive materials from him.[1,2] *Kommersant* explains that law enforcement agencies delayed giving details on the arrest for fear of inciting panic in Murmansk, and instead waited for the test results.[4] The authorities also wanted to find Tyulyakov’s real clients. Some reports suggested that these clients were weapons traffickers who had received an order for a radioactive substance from a buyer in the Baltics.[1,2,4]

In late September 2003, Tyulyakov was officially charged with illegal storage of weapons and explosives, and illegal handling of radioactive materials in accordance with Articles 220 and 222 of the Russian Criminal Code.[4,9,11]

Sources: [1] Igor Zhevelyuk, “Tayny sledstviya. Za chto arrestovan zamestitel direktora ‘Atomflota’” [Investigation secrets. Why the Atomflot deputy director was arrested], *Nord-Vest Kurier* online edition, August 28-September 3, 2003, No. 33 (92), <http://nwkurier.narod.ru/arc/2003_2/92/nwk9201.htm>. [2] Charles Digges, “Atomflot Deputy Director Arrested on Suspicion of Smuggling of Nuclear Materials,” Bellona website, September 1, 2003, <<http://www.bellona.no/en/international/russia/icebreakers/31049.html>>. [3] The story did not surface in the central Russian and international press until late September and early October. [4] Vyacheslav Gudkov, “Na ‘Atomflote’ zapakhlo radiyem” [Whiff of radium at Atomflot], *Kommersant*, September 30, 2003, No. 177; in Integrum Techno, <<http://www.integrum.com>>. [5] Nadezhda Popova, “Operatsiya ‘Yadernyy chemodanchik’” [Operation ‘Nuclear briefcase’], *Nezavisimaya gazeta* online edition, October 2, 2003, No. 210 (3042), <http://www.ng.ru/events/2003-10-02/7_murmansk.html>. [6] Irina Vlasova, “Gendirektor ‘Atomflota’ arestovan za sbyt urana” [Atomflot general director arrested for uranium sale], *Novyye izvestiya* online edition, October 3, 2003, <http://www.newzv.ru/news/?n_id=1793&curdate=2003-10-03>. [7] Nadezhda Popova, “‘Yadernyy pogreb’ Rossii stal prokhnodnym

dvorom” [Russia’s nuclear vault has become a public thoroughfare], *Nezavisimaya gazeta* online edition, October 20, 2003, <http://www.ng.ru>. [8] Vyacheslav Gudkov, “Zamdirektora ‘Atomflota’ prodal yadernuyu bombu” [Atomflot deputy director sold a nuclear bomb], *Kommersant*, October 3, 2003, No. 180; in *Integrum Techno*, <<http://www.integrum.com>>. [9] Vladimir Perekrest, “Gryaznaya bomba v yadernom chemodanchike” [Dirty bomb in the nuclear briefcase], *Izvestiya* online edition, October 3, 2003, <<http://main.izvestia.ru/stories/03-10-03/article39304>>. [10] Nick Paton Walsh, “Nuclear shipyard director held for uranium hoard,” *The Guardian* online edition, October 1, 2003, <<http://www.guardian.co.uk/print/0,3858,4764555-103610,00.html>>. [11] Andrey Kirashev, “Zamdirektora ‘Atomflota’ otpravili pod strazhu” [Atomflot deputy director put in custody], *Komsomolskaya pravda* (Murmansk edition), September 26, 2003, No. 178; in *Integrum Techno*, <<http://www.integrum.com>>.

The Anatomy of a Nuclear Contraband False Alarm: The Seizure of “Radioactive” Material on the Russian-Finnish Border

On August 22, 2003, Murmansk Oblast media reported that a Swedish citizen was detained at the Salla automobile border checkpoint on the Russian-Finnish border.[1] Initial reports indicated that the Swede was trying to smuggle about 100 kg of radioactive material from Russia to Finland in the trunk of his car. As he was driving through the border checkpoint the radiation emitted by the material activated radiation detection devices, leading Russian customs officials to stop the car and detain the driver.[1,2] In a subsequent search of the automobile, customs officials discovered about 100 kg of various minerals and stones in the trunk of the car. The material was immediately confiscated for further examination by experts at the Kola Science Center of the Russian Academy of Sciences.[1,3] Officials at the Murmansk customs office noted that this was the first such incident in 2003 on the Kola Peninsula section of the Russian-Finnish border.[1]

This initial wave of reports generated a belated ripple effect in the Scandinavian press in September, at least several weeks after the actual incident took place.[4] The Helsinki tabloid *Italehti* first reported the incident on September 5, 2003. The story appeared the same day in the sensationalist newspaper *Expressen*, published in Stockholm, Sweden, as well as in several Norwegian newspapers. Not only were the Scandinavian media agencies late reporting the news, but they also exaggerated the actual story. Thus, in an interview with *Expressen*, a Swedish scientist speculated that the material seized at the Russian-Finnish border could have been uranium, pointing out, however, that even bedrock itself is radioactive.[3] The *Italehti* cited unnamed Finnish officials who had speculated that the “cargo could have been plutonium intended for a terrorist group.”[5]

However, a September 12, 2003, article in Murmansk’s *Polyarnaya pravda* sheds light on the real circumstances of the seemingly suspicious cargo seizure at the Russian-Finnish border. According to the scientific secretary of the Kola Science Center, Anatoliy Vinogradov, a Swedish professor from the University of Luleå, with whom Murmansk State Technical University has a long-term relationship, visited the town of Apatity in Murmansk Oblast in early August in order to collect minerals and stones for the University of Luleå mineral collection.[3] Accompanied and assisted by colleagues from the Kola Science Center, the Swede collected the minerals and stones in Murmansk Oblast’s Lovozero Mountains region.[1,2,3] According to Vinogradov, the samples collected by the Swede represented ordinary natural minerals and stones that emitted radiation at a level of 40-45 microroentgens per hour, which is slightly more than background levels of about 30 microroentgens per hour.[3,6] Similar to the statement by the Swedish scientist quoted in *Expressen*, an unnamed representative of the Russian Academy of Sciences in Moscow suggested that the stones and minerals might have contained enough particles of naturally occurring uranium to activate radiation detection devices at the border.[4] Thus, the slightly radioactive material seized at the border and even reported as “plutonium” in the Scandinavian press was in fact the collection of natural minerals and stones.

As to the seizure of the material and detention of the Swedish citizen, in a telephone interview conducted by Norway’s Bellona Foundation, Murmansk Oblast Chief Customs Inspector Vitaliy Popov stated: “There was no arrest. The examination of these materials is under way now, but there was no arrest. The customs officers detained him for only twenty minutes and then he was let go.”[4] Russian customs officials determined that since the Swedish citizen had not collected minerals and stones in a forbidden area, which would have been considered a breach of Russian security, and because he was assisted by representatives of the Kola Science Center, there was insufficient ground for detention.[1,2] Officials from the Murmansk Oblast customs directorate categorically denied the allegations raised in *Italehti*. [4] The fact that the

Swede did not record the minerals and stones in his customs declaration form contributed significantly to the seizure of his collection.[1] Customs officials released the Swede pending an expert examination of the confiscated stones and minerals, stating that he would be subject to administrative penalties for the illegal transportation of radioactive materials across state borders were the minerals found to be radioactive.[1,4] However, according to Vinogradov, the Kola Science Center's official conclusion on the confiscated material that was forwarded to the customs office unequivocally stated that the minerals and stones that were intended to be exported to Sweden via Finland could not be categorized as radioactive materials. In an interview published by *Expressen* on September 6, Vinogradov noted, "The customs office overreacted...any tourist could have had [such stones] with them." [7]

Sources: [1] "Popytka kontrabandy radioaktivnykh materialov presechena murmanskimi tamozhennikami" [An attempt to smuggle radioactive materials is thwarted by the Murmansk customs officials], MurmanNews.RU (on-line newswire from Murmansk), Information Agency "Regnum," August 22, 2003, <<http://www.murmannews.ru/allnews/148424/>>. [2] "Swede Caught in Attempted Smuggling of Radioactive Materials from Russia," *Helsinki Hufvudstadsbladet* (in Swedish), September 6, 2003; FBIS Document EUP20030906000164. [3] Elena Larionova, "Uvazhaemogo professora chut' ne zapisali v terroristy" [A respected professor was almost cast as a terrorist], *Polyarnaya zvezda* (Murmansk), September 12, 2003; in Integrum Techno database, <<http://www.integrum.com>>. [4] Charles Digges, "Razdutaya zheltoi pressoi sensatsia o yadernoi kontrabande vyzvala paniku v Skandinavii" [Blown up by the yellow press the sensation about the nuclear contraband caused the panic in Scandinavia], Bellona Foundation, September 11, 2003, <<http://www.bellona.no/ru/international/russia/nuke-weapons/nonproliferation/31152.html>>. [5] "Suomeen yritettiin salakuljettaa useita kymmeniä kiloja radioaktiivista ainetta" [Attempts are made to smuggle several tens of kilograms of radioactive material into Finland], *Iltalehti*, September 5, 2003, <http://www.iltalehti.fi/light/2003/09/05/1035041_uu.shtml>. [6] "Radiation Situation on Kola Peninsula Monitored Four Times As Often As Usual," Pravda.ru, August 15, 2001, <<http://english.pravda.ru/region/2001/08/15/12611.html>>. [7] Gunnar Johansson, "Radioaktivt material var vanlig sten" [Radioactive material was normal stone], *Expressen*, September 6, 2003, <<http://www.expressen.se>>.

Cesium-137 Sources Discovered in Georgia

On September 18, 2003, the Georgian Nuclear and Radiation Safety Service (NRSS) discovered radiation sources at two sites in Gardabani and Marneuli districts, southeastern Georgia.[1] According to the ITAR-TASS news agency, two sources of radiation identified as cesium-137 were found at the site of a former gas station in Marneuli district.[1] The other two radiation sources were found in the village of Saakadze, Gardabani district, in a container at a former radioactive waste dump, which has been shut down and sealed off since 1987.[1,2,3,4] It is unknown how the radioactive sources appeared at the gas station in Marneuli district. However, considering that the former owners of the gas station were planning to sell all gas station equipment as scrap metal, the discovery appears to be fortunate.[1]

The discovery of radioactive sources in the Gardabani district took place in the course of a search operation conducted by NRSS officials in the Bolnisi and Gardabani districts.[3] The closed radioactive waste storage site in the village of Saakadze was inspected by Georgian authorities in 2001, and no sources were found at the time.[2] However, this time the NRSS found the container with radioactive sources there, which, according to an NRSS official, led the NRSS to believe that somebody must have left it there after gaining unauthorized access to the storage site.[4] According to Levan Gogua, deputy head of the NRSS, the radioactive sources discovered in the Gardabani district were identified as military dosimeters containing cesium-137. In his interview with Kavkasia-Press news agency on September 18, 2003, Gogua did not rule out the possibility that the devices could have been stolen from a military unit.[3] The Counterterrorist Department of the Georgian Ministry of State Security has launched an investigation into this case, to determine whether the sources discovered in the Gardabani district are the ones that were reported stolen from the Vaziani military base in spring of 2003.[3,5]

In a related development, an examination of the closed radioactive waste dump in the village of Saakadze also revealed a radiation leak from the ventilation system. According to Gogua, the radiation level in the area of the dump site is nearly twice the allowed limit and reaches 100 microroentgens per hour. Gogua expressed concern and stated that the dump must be covered with a fresh layer of concrete in order to avoid any incidents in the future.[3]

All sources discovered in the Marneuli and Gardabani districts have been taken by NRSS officials to an undisclosed location for safe and secure storage.[1]

Editor's Note: Lack of information on the radioactive sources found in the Gardabani district does not allow us to correctly assess the danger posed by them. However, distinguishing between two general types of dosimeters is necessary. Pocket dosimeters are one type, which are designed to be worn by people to measure their exposure to ionizing radiation. Calibration sources containing cesium-137 can be used to check periodically that pocket dosimeters are working properly, but the sources themselves would not be attached to the pocket dosimeter when worn by people in order to preclude even very small exposure. Another type or class of radiation meters includes portable survey devices, usually designed to be carried by hand. Traditionally known as Geiger counters, these devices may also be called "dosimeters." There are radiation survey meters, or dosimeters, especially those that are used by the armed forces in different countries that contain very small amounts of cesium-137. In these dosimeters, the cesium-137 source is used as a calibration device intended for periodic tests of the performance of the dosimeters. As a rule, the calibration devices in these dosimeters contain such small amounts of cesium-137 that it would not pose significant risks, unless the protective cover were destroyed and the source extracted and ingested or if the calibration device were fastened to reproductive organs for extended periods of time.

Sources: [1] Eka Mekhuzla, "V dvukh rayonakh Gruzii obnaruzheny i obezvrezheny istochniki radiatsii" [Radioactive sources discovered in two regions of Georgia], ITAR-TASS, September 18, 2003; in Integrum Techno, <<http://www.integrum.com>>. [2] Rustavi-2 Television, September 18, 2003; in "Program Summary: Rustavi-2 Television 'Kurieri' News," FBIS Document CEP20030918000305. [3] Kavkasia-Press, September 18, 2003; in "Radiation Sources, Leak Discovered in Eastern Georgia," FBIS Document CEP20030918000113. [4] CNS e-mail communication with Mr. Giorgi Nabakhtiani, Head of Division, Nuclear Radiation and Safety Service, Ministry of Environment of Republic of Georgia, October 20, 2003. [5] See: "Radioactive Materials Lost at a Georgian Military Base," *NIS Export Control Observer*, No. 3, March 2003, pp. 12-13, <<http://cns.miiis.edu/nis-excon>>.

Summaries from the NIS Press

Tajikistani Newspaper Details Country's Radioactive Source and Waste Material

A July 25, 2003 article in *Vecherniy Dushanbe*, a prominent independent Russian-language newspaper based in Dushanbe, Tajikistan, provided details on radioactive waste and source materials throughout the country. The article noted that rumors about possible radiation threats had circulated in the capital following a December 12, 2002, Khovar information agency report on a meeting between officials from the United States and the International Atomic Energy Agency (IAEA) and representatives of the Tajikistani Academy of Sciences. The report indicated that meeting participants discussed draft legislation on creating a nuclear and radiation safety body in Tajikistan and also the provision of financial assistance by the United States and the IAEA. Since Tajikistan possesses neither weapons of mass destruction nor nuclear facilities, the meeting raised questions as to why these officials were paying attention to Tajikistan and whether the public was exposed to radiation threats.

According to the most recent survey conducted by the Ministry of Environmental Protection, Tajikistan has 34 uranium tailing sites filled with 210 million tons of radioactive and toxic waste. Of these, 80% are from uranium mining activities. Of 22 other waste sites, 11 contain radioactive material. Only six of the 22 sites have been sealed off and shut down. The state waste site for liquid and solid radioactive waste in Fayzabad Rayon, established during the Soviet era, contains used radiation sources, including retired medical equipment. At present, Tajikistan has five operational radiation treatment machines, 54 radiochemical sources, and 735 diagnostic machines. Environmentalists in Tajikistan note that today industries and organizations store their own radioactive waste, which poses a threat to the surrounding population.[1]

Editor's Note: In July 2003, Tajikistan and the IAEA signed an agreement on the Application of Safeguards Related to the Treaty on Non-Proliferation of Nuclear Weapons (NPT), and an Additional Protocol to this agreement.[2,3] According to the agreement, the Republic of Tajikistan accepted safeguards with regard to all source or special fissionable material in all peaceful nuclear activity within its territory, under its jurisdiction, or carried out under its control, wherever the activity takes place, exclusively in order to verify that this material is not used in nuclear weapons programs or for production of other nuclear explosive devices.[3,4,5] With the signing of the safeguards agreement, Tajikistan has been brought into compliance with its NPT obligations. Tajikistan became a party to the NPT on January 17, 1995. It was required by the terms of the NPT to conclude a safeguards agreement within 18 months. The Academy of Sciences was tasked by the government of Tajikistan to be the contact organization with the IAEA. The Nuclear and

Radiation Safety Agency established within the Academy of Sciences is expected to become a regulatory authority on radioactive material and waste safety, control, storage, and disposal.[6]

Sources: [1] "Chto vazhno znat v Tadjikistane, tomu kto ishchet OМУ?" [What someone seeking WMD in Tajikistan should know], *Vecherniy Dushanbe*, July 25, 2003, No. 30 (294), p. 7. [2] Galina Gridneva, "Tadjikistan i MAGATE podpisali soglasheniye o vzaimnykh garantiyakh v svyazi s Dogovorom o nerastrostraneni yadernogo oruzhiya" [Tajikistan and the IAEA signed an agreement on mutual safeguards related to the Treaty on Non-Proliferation of Nuclear Weapons], Official website of the Ministry of Atomic Energy of the Russian Federation, July 7, 2003, <<http://www.minatom.ru/presscenter/text.php?ssd=19077.txt>>. [3] "Tadjikistan i MAGATE: podpisano soglasheniye" [Tajikistan and the IAEA: agreement signed], Khovar information agency, July 7, 2003, <<http://khovar.tojikiston.com>>. [4] "Tadjikistan i MAGATE podpisali dogovor po yadernomu vooruzheniyu" [Tajikistan and the IAEA signed an agreement on nuclear weapons], Khabar Kyrgyz national information agency, July 8, 2003, <<http://www.kabar.kg/03/Jul/08/95.htm>>. [5] For more information, see "Tajikistan and IAEA Sign Safeguards Agreement," *NIS Export Control Observer*, August 2003, pp. 10-11, CNS website, <<http://cns.miis.edu/nis-excon>>. [6] Presentation by Tajikistani official at regional seminar "Strengthening Export Controls of Nuclear Transfers in Kazakhstan," Almaty (Kazakhstan), September 22-24, 2003.

Chairman of Ukraine's State Service on Export Control Denies Illegal Sales

In recent months, Ukraine has faced several allegations of illegal arms trade with China and Iraq. It was alleged that Ukraine sold unspecified missiles to China in violation of Ukraine's obligations under the Missile Technology Control Regime (MTCR) and the United States accused Kiev of selling Kolchuga passive radar stations to Iraq, in violation of a UN embargo. [*Editor's Note: The Kolchuga radar system detects aircraft and relays their position to anti-aircraft bases without sending out signals that might make the radar installation itself vulnerable to attack.*] In mid-October 2002, a team of experts from the United States and United Kingdom arrived in Ukraine for a weeklong investigation of the alleged sale of Kolchuga systems to Iraq. The experts concluded that they were unable to prove that Ukraine had transferred radar systems to Iraq "under openly declared contracts," but noted that "covert or illegal arms trade, particularly with the complicity of third parties, remains a credible possibility." The U.S. State Department officials argued: "They [the Ukrainians] failed to provide our U.S.-U.K. team with satisfactory evidence that the transfer to Iraq did or could not have taken place. So the question is still open." Although U.S. troops stationed in Iraq for the past six months have not yet found any Ukrainian Kolchugas there, the issue is still formally on the U.S.-Ukrainian agenda.[1]

In a telephone interview with Ukrainian journalists on July 29, 2003, Chairman of the State Service on Export Control of Ukraine (SSEC) Oleksandr Leheida addressed the allegations, and touched upon other important issues related to the export of weapons and dual-use goods. The highlights of the interview appear below.

- With respect to the alleged missile sales to China, Leheida stated that 18 months ago Ukraine sold air-to-air missiles to China as part of a deal that did not violate MTCR obligations. [*Editor's Note: Because of their small range and payload capacity, air-to-air missiles are generally outside the scope of the MTCR.*] According to Leheida, Ukraine had not sold any missiles to China since then.[2]
- Malaysia had expressed interest in purchasing Kolchuga radar stations from Ukraine. During his visit to Kiev on July 13-16, 2003, Malaysian Prime Minister Mahathir Mohamad signed a memorandum, indicating the desire of the Malaysian government to acquire Kolchuga systems. Leheida stated, however, that Ukraine did not sell Kolchuga systems to any country – not even Malaysia – in 2003. Ukraine's last sale of Kolchugas was to China in 2002.[3,4] Leheida stressed that Ukraine had never sold Kolchuga systems to Iraq, and claimed that the U.S. administration had finally dropped that accusation. "The Kolchuga scandal is over. Now the Americans are 100% sure that we never supplied Kolchuga systems to Iraq," he said.[5]
- As of July 2003, the SSEC was in the process of drafting a Cabinet of Ministers decree that would provide for stricter governmental control over the end-use of exported military and dual-use goods. The new document, which would include an assurance from the importing country as to the legality of the end-use of the imported military and dual-use goods, would be added to the list of items required of those companies and individuals who wished to receive export licenses.[6] Leheida also pointed out that Ukraine was prepared to review Russia's initiative to impose stricter control over exports of man-portable air defense systems (MANPADs).[7]

[Editor's Note: On September 18, 2003, Russia and 11 other NIS countries, including Ukraine, signed an agreement strengthening controls over the sale of Igla and Strela portable missile systems.][8]

Sources: [1] "Ukraine Under Pressure for Iraq Deal," *NIS Export Control Observer*, No. 2, February 2003, p. 5, <<http://cns.miis.edu/nis-excon>>. [2] Defense-Express website, July 29, 2003; in "Ukraine Denies Selling Missiles to China," BBC Monitoring International Reports, July 29, 2003; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [3] "Malayziya interesuyetsya 'Kolchugami'" [Malaysia is interested in Kolchugas], LIGA online, July 29, 2003, <www.liga.net>. [4] "Ukraine, Malaysia to Jointly Make Radar Sets," BBC Monitoring International Reports, July 28, 2003. [5] "A. Legeyda: 'V skandale s 'Kolchugami' postavlena tochka'" [O. Leheida: 'The Kolchuga Scandal Is Over'] LIGA online, July 27, 2003, <www.liga.net>. [6] "Kontrol za konechnym ispolzovaniyem eksportirovannykh tovarov voyennogo naznacheniya budet uzhestochen – gossluzhba eksportnogo kontrolya" [End-use control of exported military goods will become stricter – State Service on Export Control], UNIAN, July 29, 2003, <<http://www.unian.net/>>. [7] "Ukraina prisoyedinit'sya k initiative po PZRK" [Ukraine will join the MPADS initiative], *Vremya novostey*, July 30, 2003, <<http://www.vremya.ru/>>. [8] "Twelve ex-Soviet republics agree to increase controls on sale of anti-aircraft missiles," Associated Press, September 18, 2003.

International Developments

Taiwan to Enforce Catch-All Provision Beginning January 1, 2004

According to a top Taiwanese trade official, Taipei will begin enforcing catch-all export control provisions beginning January 1, 2004. Huang Chih-peng, director general of the Bureau of Foreign Trade under the Ministry of Economic Affairs, said under the provisions, Taiwanese exporters will face up to two years in jail if they fail to report end-users and end-uses of sensitive products before shipping them abroad.[1]

The Ministry of Economic Affairs promulgated the 22-article *Regulations Governing Export and Import of High-Tech Commodities* on March 31, 1994, creating the legal authority for control of high-technology goods. A 1997 revision of the regulations included provisions for catch-all controls. Subsequent revisions, including a June 26, 2001 public notice, define strategic high-tech commodities as those listed in control lists and "export commodities which are not listed in any of the Control Lists . . . but for which it is possible that their end-use or the use intended by their end-user is for producing or developing . . . nuclear weapons, biological weapons, chemical weapons or missiles." The notice restricts the export of strategic high-tech commodities to Iran, Iraq, Libya, and North Korea.[2,3]

The adoption and enforcement of catch-all controls is the third and final stage in the development of Taiwan's export control system. In the first two stages, lasting roughly from 1992 to 1998, Taiwan implemented an export control system based on Chinese translations of international nonproliferation treaties and the guidelines of the Nuclear Suppliers Group, the Australia Group, and the Missile Technology Control Regime. The gradual adoption of catch-all controls was seen as a way of giving government and business time to assess progress and resolve problems.[4] Therefore, while the principle of catch-all control was accepted as ultimately being an essential element of Taiwanese export control system from the outset, its actual enforcement was delayed.

The Bureau of Foreign Trade will work with the Directorate of Customs to compile a clear list of strategic high-tech commodities and non-high-tech sensitive products related to the development of nuclear and other types of weapons. It also plans to revise the coding system for exports. These measures are meant to help Taiwanese producers and exporters understand what items may be subject to catch-all provisions. According to Huang, the Bureau intends to launch publicity campaigns and create strategic high-tech commodity webpages to more fully inform Taiwan's exporter community.[1]

Sources: [1] "Taiwan to Enforce 'Catch All' Export Control System on Sensitive Products in 2004," *Financial Times Information*, September 4, 2003; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [2] "Public Notice Announcing the Categories of Strategic High-tech Commodities and the Restricted Areas for Their Export," Public Notice by the Ministry of Economic Affairs, June 26, 2001, Bureau of Foreign Trade website, <http://www.trade.gov.tw/regulation/rela_import>. [3] "Regulations Governing Export and Import of Strategic High-Tech Commodities," Bureau of Foreign Trade website, <http://www.moeaboft.gov.tw/english/law_import3.htm>. [4] Richard T. Cupitt, Morgan Flo, "Export Controls in Taiwan (ROC)," Posted on the website of the Center for International Trade and Security (CITS) of the University of Georgia (Athens, Georgia) on August 19, 2003, <http://www.uga.edu/cits/documents/html/nat_eval_taiwan.htm>.

Theft and Trafficking of Radioactive Materials in the United Kingdom, India, and Poland

Between July and September 2003, several incidents involving radioactive material occurred in several countries. This article provides a summary of the incidents that occurred in the United Kingdom, India, and Poland.

United Kingdom

On July 6, 2003, unidentified individuals stole 30 pounds (13.6 kg) of depleted uranium from a warehouse at the Purfleet Industrial Estate in Aveley, Essex County, Great Britain.[1,2] The theft was discovered by warehouse workers who raised the alarm after noticing that a white Citroen Berlingo van, which held the depleted uranium, was missing.[1,2] Apparently, at the time of the theft, the vehicle was unattended with the doors unlocked and the keys in the ignition.[3] The van belonged to a company that has not been named, due to the ongoing investigation. The company, according to some sources, used the depleted uranium on a daily basis for the inspection of industrial pipes.[1,2] However, in a September 14, 2003, report by the Indian national newspaper *The Hindu*, the company was described as a “radioactive waste processing firm in Essex” – a description that casts doubt on the earlier reported use of the depleted uranium to inspect pipes.[3] The Essex police have revealed no details of the theft except for the fact that the depleted uranium was in a “metallic form and the size of a wine bottle.”[2]

Following the theft, Scotland Yard’s anti-terrorist branch and Special Branch officers were briefed on the case, which appears to be the first of its kind in the United Kingdom. Special Branch officers revealed that the theft was captured by closed circuit television cameras installed at the warehouse. On September 8, 2003, the British police issued a nationwide alert to all police forces in England and Wales.[3] In addition, British armed forces and intelligence units were put on alert as they joined the nationwide search for the stolen van. Senior British intelligence officials played down the security implications of the theft.[3] However, the British daily *The Sunday Times* quoted Dr. Frank Barnaby, a nuclear scientist, as saying that if the stolen material were to fall into the hands of terrorists, it could be used to produce a “dirty bomb.”[3] As of October 2003, a survey of publicly available sources has not provided new information about developments related to this incident.

Editor’s Note: Depleted uranium (DU) is weakly radioactive and poses little radiological health hazard. DU is a very heavy substance, and is 1.7 times denser than lead. It is used in the U.S. and other countries’ military forces on the tips of artillery shells in order to enhance their armor-piercing qualities. After DU pierces armor, some of it can become aerosolized and take the form of micron-sized dust particles. In this form, DU can pose serious health risks if inhaled. The health hazard would mainly arise from the heavy metal toxic effects on organs, such as the kidneys. DU can also be used in the production of a radiological dispersal device (RDD), one type of which is commonly known as a “dirty bomb.” However, as previously mentioned, DU poses a relatively minor radiological health hazard, and would not, therefore, be capable of fueling potent RDDs. As to the use of the DU for examining industrial pipes by the technique of radiography, it can be used for shielding more potent radioactive sources, such as iridium-192, which is a commonly employed radioactive source present in radiography devices. Thus, based on the description of the stolen DU, it could have been used for shielding in a radiography device.

Sources: [1] “Depleted uranium in stolen van,” BBC News, August 7, 2003, <<http://news.bbc.co.uk/go/pt/fr/-/1/hi/england/essex/3053020.stm>>. [2] Neil Mackay, “Van with depleted uranium stolen,” *Sunday Herald*, July 13, 2003, <<http://www.sundayherald.com/35269>>. [3] “Britain on alert following theft of 30 lb of depleted uranium,” *The Hindu*, September 14, 2003, <<http://www.hinduonnet.com/thehindu/holnus/01141109.htm>>.

India

On August 15, 2003, three nucleonic mould level gauges were stolen from the R&C Lab building of the Tata Iron & Steel Company (TISCO or Tata Steel) in the town of Jamshedpur in the eastern Indian state of Jharkhand.[1,2,3,4,5] [Editor’s Note: Nucleonic mould level gauges are used in the steel industry for measuring the moisture in coke that is charged into blast furnaces, the thickness of strips, and the level of molten metal during the continuous casting of billets, blooms, or slabs.][2,4] The thieves stole the devices through a 2x2-foot hole, which they drilled in the rear wall of the lab building, leaving untouched the door of the building, which was equipped with a sophisticated alarm system.[1,3,4,5] The three nucleonic mould level gauges contained the radioactive isotope cobalt-60 of about 1.8 millicurie strength each and had a

half-life of 5.3 years.[2,4] *[Editor's Note: Millicurie amounts of cobalt-60 do not pose a high security risk. Typically, more than a few curies of this isotope would be necessary to make a potent RDD. In contrast to radioactive compounds such as powdered cesium chloride, which is relatively easy to disperse, cobalt-60 is usually in the chemical form of a solid metal, which is rather difficult to disperse. In large amounts (greater than several curies), cobalt-60 could pose a significant health hazard as a radiation emission device (RED), which is a terrorist weapon designed to expose people in a particular stationary location to harmful radiation.]* The cobalt-60 sources in these devices are protected by leak-proof zinc and iron cylinders, but if removed from protective containers can present a health hazard.[1,3] The devices weigh 41 kilograms each and, according to Tata Steel public relations officer Prabhat Sharma, "The market price of the stolen cobalt is estimated at Rs 15 lakhs [approximately \$30,000]."[4,5] According to Mr. Sharma, Tata Steel had acquired nine cobalt-60 gauges from Germany after receiving a "no objection" certificate from the Bhabha Atomic Research Center (BARC), authorizing the purchase of the devices.[4,5] At the time of the theft, six of the nine nucleonic mould level gauges were in use at the steel plant, while three were stored in the lab building.[5] Mr. Sharma stated that the TISCO security guards (jawans), who were on duty at the time the theft occurred, were being pressed to participate in the recovery of the stolen radioactive sources and that the company had launched an internal investigation into the matter.[4,5]

As soon as the theft was discovered, TISCO officials promptly filed a First Information Report (FIR) with the Bistupur police station of the East Singhbhum district in order to launch the criminal investigation of the theft.[4] *[Editor's Note: In the Indian criminal justice system, the First Information Report (FIR) is defined as a cognizable offense report filed with the local police station in order to set a criminal investigation in motion. Upon receiving the FIR, the local police station officials first enter the details of the case into the FIR Register, and then launch the investigation. Because the informant is interested in the success of the investigation, the FIR provides exhaustive details of the circumstances in which the offense took place, including the date, place, time, and the manner in which the crime was perpetrated.]* On August 18, 2003, the Jamshedpur police officers detained five men for interrogations in connection with the theft of the radioactive sources from the TISCO lab building.[5] The Superintendent of Police for East Singhbhum district, Arun Oraon, refused to disclose the identity of the detained persons in the interests of the ongoing investigation. Sources in the superintendent's office revealed that the detained men were experienced thieves who were also engaged in scrap metal deals and therefore could have known about the theft of the radioactive sources.[4] The superintendent expressed hope that the culprits would be caught soon, and stated that police forces were conducting raids throughout the state of Jharkhand. In addition to putting the law enforcement community on alert, police officials openly appealed to the thieves to return the radioactive material as exposure to it could be harmful to public health.[5] However, as of October 2003, a survey of publicly available sources yielded no new developments indicating progress in the effort to recover the stolen materials .

Editor's Note: Established in 1907, the Tata Iron and Steel Company is the largest exporter of steel products in India. According to the company's website, it is India's single largest integrated steel works in the private sector with a market share of over 13%. The company offers a wide variety of steel products. The company's headquarters are located in the town of Jamshedpur, Jharkhand state. For more information on Tata Steel, visit the company's website at <http://www.tatasteel.com>.

Sources: [1] "Highly radioactive material stolen from steel plant in India," Deutsche Presse-Agentur, August 17, 2003; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [2] "Radioactive Material Stolen From Tata Lab (On 15 Aug 2003)," *India Business Insight*, August 18, 2003; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [3] Vijay Murty and Suman Layak, "Radioactive material stolen from Jamshedpur Tisco plant," *Hindustan Times*, August 17, 2003, <<http://www.hindustantimes.com/>>. [4] "TISCO's lost radioactive gauges still to be traced," Deccan Herald (DH) News Service, August 18, 2003, <<http://www.deccanherald.com/deccanherald/aug19/n10.asp>>. [5] "India: 5 Arrested in Stolen Radioactive Material Case, No Use for Weapons Making," *The Pioneer* (New Delhi), August 18, 2003; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>.

Poland

According to Polish media, on September 1-2, 2003, the Central Investigation Bureau of Poland (CBS) detained six individuals suspected of smuggling and selling arms, explosives, and radioactive materials in Rzeszow (southeastern Poland).[1] The individuals were apprehended in a sting operation, during which they attempted to sell two 300-gram capacity containers with more than half a kilogram of cesium for a total of 140,000 euros (\$153,860 as of September 1, 2003) to police officers posing as buyers.

During a subsequent search of the suspects' houses, the police found large amounts of arms and explosives, including artillery shells with 150 kg of TNT equivalent.[1,2]

The detainees, men aged between 38 and 67, are residents of Przemysl and its environs, and have no previous criminal records. According to the reports, some of them are very well-off: one is the head of a psychiatric hospital, another runs a building material store.[1,2] Police suspect that the individuals have been involved in arms trafficking for several months.[1] According to Włodzimierz Woźniak, chief of the CBS Rzeszów division, and Wojciech Rozycki, deputy district prosecutor and head of the organized crime division in Rzeszów, the cesium might have originated from Russia, while arms and explosives might have come from Ukraine, Germany, Canada, and the United States.[1,2] A preliminary analysis of the seized cesium carried out at the Institute for Nuclear Studies in Świerk, near Warsaw, confirmed that the radioactive material could be used to manufacture a "dirty bomb." [1]

Sources: [1] Małgorzata Bujara, "How They Sold Cesium," *Gazeta Wyborcza*, September 3, 2003, p. 5; in "Polish Police Arrest Gang Selling Explosives, Radioactive Material," FBIS Document EUP20030903000339. [2] Polish Radio 1, September 3, 2003; in "Polish police break up gang dealing in weapons, radioactive substance," FBIS Document EUP20030903000464.

China Not to Allow North Korea to Export WMD or Dangerous Goods through Its Territory

On August 15, 2003, He Yafei, director-general of the North America and Oceania Department of China's Foreign Ministry, said that China will not allow the transport of WMD or dangerous goods through its territory.[1] He emphasized that China will take appropriate actions under domestic and international law to honor this pledge. He noted that China has already taken steps to prevent WMD proliferation, citing efforts by Chinese authorities to inspect the cargoes of foreign aircraft that transit through Chinese territory.[1,2] According to the U.S. officials, in the past, North Korea used C-130 aircraft flights to export missile technology to Pakistan, which, in return, may have supplied Pyongyang with uranium enrichment technology. A refueling stop in western China is necessary for flights from North Korea to Pakistan due to the limited range of the C-130.[3]

On August 24, 2003, Liu Jieyi, director of the Arms Control and Disarmament Department of China's Foreign Ministry, said that China will not allow North Korea to evade sanctions by exporting WMD or weapons materials through Chinese territory.[4,5] In recent years, China has enacted a series of laws aimed at stopping weapons proliferation and, according to the Chinese government, has engaged in successful cooperation with the United States and other countries to stem weapons exports.[6,7]

Both He and Liu expressed reservations about the U.S.-led Proliferation Security Initiative (PSI), the partnership of 11 countries aimed at combating WMD proliferation by interdicting shipments of WMD and missile-related equipment and technology to and from countries of proliferation concern, especially North Korea and Iran.[8] Chinese officials worry that PSI may be perceived by Pyongyang as an instrument of pressure, and thus be detrimental to diplomatic efforts aimed at resolving the nuclear crisis on the Korean Peninsula.[1,2,4,5]

Sources: [1] Catherine Armitage, "China Acts to Stop WMD transport," *The Weekend Australian*, August 16, 2003; in Lexis-Nexis Academic Universe, <<http://lexis-nexis.com>>. [2] Hamish McDonald, "China Backs Arms Ban on Pyongyang," *The Age*, August 16, 2003, <<http://www.theage.com.au/articles/2003/08/15/1060936051842.html>>. [3] David E. Sanger, "In North Korea and Pakistan, Deep Roots of Nuclear Barter," *New York Times*, November 24, 2002; in Lexis-Nexis Academic Universe, <<http://lexis-nexis.com>>. [4] "KNR ne dast KNDR eksportirovat yadernyye tekhnologii," [China will not allow North Korea to export nuclear technologies], *Kommersant*, August 25, 2003; in Integrum Techno, <<http://www.integrum.com>>. [5] "China Voices Reservations about Weapons Control Plan," *Ottawa Citizen*, August 23, 2003; in Lexis-Nexis Academic Universe, <<http://lexis-nexis.com>>. [6] John Pomfret, "China Wary of Weapons Searches; Official: Country Won't Be Transit Point for N. Korean Arms," *The Washington Post*, August 23, 2003; in Lexis-Nexis Academic Universe, <<http://lexis-nexis.com>>. [7] "China Opposes US Sanctions on NORINCO," Embassy of the People's Republic of China in the United States website, <<http://www.china-embassy.org/eng/56545.html>>. [8] For more information on PSI in past issues of the *Observer* see: "United States Announces Proliferation Security Initiative to Interdict Shipments of WMD and Missile-Related Equipment and Technologies," *NIS Export Control Observer*, No. 6, June 2003, p. 11; "Proliferation Security Initiative Enters Rougher Waters," *NIS Export Control Observer*, No. 8, August 2003, pp. 17-18, <<http://cns.miis.edu/nis-excon>>.

PSI Group Announces Interdiction Principles, Invites Others to Participate

On September 4, 2003, following the third meeting of the Proliferation Security Initiative (PSI) partnership in Paris, France, the group announced a *Statement of Interdiction Principles for the Proliferation Security*

Initiative. The PSI is a partnership of countries that, using their own laws and resources, will coordinate their actions to halt shipments at sea, in the air, and on land of dangerous technologies to and from states and non-state actors of proliferation concern.

In their statement, PSI participants called on all states concerned with the WMD proliferation threat to join in committing to:

- Effectively interdict WMD, delivery systems, and related materials to and from entities of proliferation concern;
- Exchange information rapidly on suspected proliferation actions, dedicate sufficient resources to the effort, and maximize coordination with other interdiction participants;
- Strengthen national legal authorities to accomplish interdictions and strengthen international laws and frameworks; and
- Take specific actions in support of interdiction efforts to:
 - not transport targeted cargoes or aid in their transport;
 - board and search any vessel under their jurisdiction in another state's waters suspected of carrying targeted cargoes;
 - seriously consider allowing its own vessels to be boarded and searched by other states when targeted cargo is suspected;
 - board and search other states' vessels in its territorial waters and harbors;
 - require aircraft suspected of carrying targeted cargoes in transit over their airspace to land for inspection and possible seizure of such cargoes -- or deny such aircraft transit rights in advance; and
 - if their ports, airfields, or other facilities are used to ship proliferant cargo to suspected proliferators, inspect the suspected cargo craft and seize such cargo.[1,2]

The full text of the *Statement of Interdiction Principles for the Proliferation Security Initiative* may be found online at <http://www.whitehouse.gov/news/releases/2003/09/20030904-11.html>.

Participants at the fourth PSI meeting held on October 10, 2003, in London agreed that participation in the PSI should be open to any state or international body that accepts the *Statement* and makes an effective contribution. The group noted that over 50 countries had already expressed support for the *Statement*. A number of these countries will participate in a PSI operational experts meeting to be held December 2003 in the United States.

At the London meeting, U.S. representatives presented a model boarding agreement that could serve as the basis for intercepting WMD traffickers. Participants agreed to submit comments on the proposal as quickly as possible so that states can move forward with concluding the agreement. The group also announced a series of eight interdiction exercises to take place before mid-2004, with Spanish- and French-led maritime exercises and an Italian-led air exercise to be carried out by the end of 2003.[3]

Editor's Note: The PSI was launched by President Bush during a May 2003 speech in Krakow, Poland. This international partnership was originally driven forward by a core group of 11 countries: Australia, France, Germany, Italy, Japan, the Netherlands, Poland, Portugal, Spain, the United Kingdom, and the United States. To date there have been four PSI plenary meetings: Madrid, Spain (June 12, 2003); Brisbane, Australia (July 9-10); Paris, France (September 3-4); and London, United Kingdom (October 10, 2003). The next plenary is scheduled for early 2004 in Portugal.[3,4,5]

Sources: [1] U.S. Department of State, International Information Programs, "Texts: White House Statement, Fact Sheet on Proliferation Security," September 4, 2003, <<http://usinfo.state.gov/topical/pol/arms/03090516.htm>>. [2] John R. Bolton, Under Secretary of State for Arms Control and International Security, "Proliferation Security Initiative: Statement of Interdiction Principles," Remarks at Proliferation Security Initiative Meeting, Paris, France, September 4, 2003; U.S. Department of State website, <<http://www.state.gov/t/us/rm/23801.htm>>. [3] "Proliferation Security Initiative: Chairman's Conclusions at the Fourth Meeting," October 10, 2003, U.S. Department of State website, <http://www.state.gov/t/np/rls/other/25373.htm>. [4] "Statement by the Press Secretary: Principles for the Proliferation Security Initiative," September 4, 2003, U.S. Department of State website, <<http://www.state.gov/t/np/rls/prsr/23809.htm>>. [5] For more on the PSI, see: "United States Announces Proliferation Security Initiative to Interdict Shipments of WMD and Missile-Related Equipment and Technologies," *NIS Export Control Observer*, No. 6,

Export Control in Focus

The Increasing Relevance of Export Control "Best Practices"

The increasing salience of "best practices" to export controls is evidenced by the frequent references made to such standards at international export control fora and multilateral export control regime plenaries. For example, both the 2002 Annual Asian Export Control Seminar, organized in Tokyo by the Japanese government, and the International Conference on Export Control, sponsored by the Polish and U.S. governments in Warsaw in September 2002, highlighted the mounting interest in harmonizing export control methods and processes. Participants expressed interest in developing "best practices" critical to export licensing, enforcement, and industry compliance. Likewise, members of the Australia Group, Missile Technology Control Regime (MTCR), and Nuclear Suppliers Group (NSG) have also raised the issue of best practices as they pertain to enforcement, licensing, transshipment and re-export controls, and the controls over intangible transfers of technology.

In 2001, the Wassenaar Arrangement adopted a statement of "best practices" for export enforcement to halt the proliferation of weapons of mass destruction. The participating states agreed to a list of 18 non-binding enforcement "best practices." The adopted model represents the most successful enforcement policies and techniques used in the various Wassenaar countries. The Wassenaar "best practices" initiative was developed by U.S. Department of Commerce export enforcement officials in concert with other countries and unanimously approved by all 33 member countries.[1] These practices include preventive enforcement, investigation, effective penalties, and international cooperation and information exchanges.

At the individual exporter level, the U.S. Department of Commerce developed "Best Practices for Effective Export, Re-export, Transit, and Transshipment Controls" as part of its Transshipment Country Export Control Initiative (TECI) in order to address the proliferation threat posed by transshipment hubs. Initially targeted at U.S. exporters, foreign re-exporters of U.S. products, and "trade facilitators" (including freight forwarders, cargo carriers, and customs brokers), the best practices set forth a series of activities, such as screening of all parties in a transaction, obtaining confirmation of receipt of controlled items, and reporting suspicious transactions.[2] The official announcement of these "best practices" indicated that demonstrated compliance with these best practices, while not a defense to liability, would constitute a significant mitigating factor in any administrative enforcement action against a company. The TECI "Best Practices" have since been promoted internationally, most recently at the Sydney Transshipment Conference, organized by the U.S. and Australian governments on July 15-18, 2003, where the U.S. delegation urged participants to extend these best practices guidelines to their exporting communities.[3]

At national levels, export control agencies are emphasizing the role of best practices for their respective exporting communities. For example, the U.K. Department of Trade and Industry developed a "Code of Practice" that aims to promote effective compliance with and awareness of the laws and regulations relating to strategic export controls. The Code was developed in close consultation with industry. Likewise, the United States maintains an extensive collection of best practices for U.S. exporters as part of its Export Management System.[4,5]

The best practices approach to export control management and procedure suggests that individual states and multilateral organizations are seeking to further harmonize and, to an extent, universalize the conduct of controls. Because of their non-binding nature, the best practices approach to export controls allows for greater international consistency, but also provides flexibility to adapt such practices to specific environments. As such, best practices may very well point the way to increased compatibility of export controls worldwide.

Editor's Note: The Export Management System (EMS) is an optional compliance program that U.S. companies may implement in order to ensure compliance with the U.S. Export Administration Regulations

(EAR) and to prevent sales to end-users of concern. The U.S. Department of Commerce published the first EMS Guidelines in September 1992. The EMS Guidelines include both administrative and screening elements that aid in the development of a foundation for a compliance program within an individual firm. The Guidelines provide suggestions for how exporters can comply with the general prohibitions described in Part 736 of the EAR, as well as screening elements and checklists, allowing companies to develop ways to know their customers. The U.S. Department of Commerce also conducts EMS workshops and seminars to educate the export community on the various tools available that can assist them in complying with the EAR.

Sources: [1] Wade Boese, "Wassenaar Arrangement Agrees On MANPADS Export Criteria," *Arms Control Today*, January/February 2001, <http://www.armscontrol.org/act/2001_01-02/wassenaarjanfeb01.asp>. [2] TECI is a multi-pronged initiative designed to reduce the risk of illegal diversion of controlled items through major global transshipment hubs. For more information on the TECI and related best practices, see <<http://www.bxa.doc.gov/ComplianceAndEnforcement/ExecutiveSummary.html>>. [3] Participants anticipated that in future seminars they would report on their governments' progress towards implementation of these practices, as well as identify new best practices. [4] For more information on the Code of Practice, see <<http://www.dti.gov.uk/export.control/pdfs/codeofpractice.pdf>>. [5] A listing of Export Management System best practices is available at <<http://www.bxa.doc.gov/ExportManagementSystems/EMSGuidelines.html>>.

Workshops and Conferences

Conference in St. Petersburg Focuses on Safety of Transportation of Radioactive Materials

On September 22-26, 2003, the Russian Ministry of Atomic Energy (Minatom) State Educational Center (SEC), based in St. Petersburg, Russia, hosted the Sixth Annual International Conference on Radiation Safety "Atomtrans-2003." This year's conference theme was the safety of transportation of radioactive materials. The conference was held simultaneously with the Third International Nuclear Industry Exhibition, which aimed to demonstrate the achievements and capabilities of Russian and foreign companies in the field of nuclear and radiation safety. Both events were jointly organized by Minatom, St. Petersburg and Leningrad Oblast authorities, the Nuclear Society of Russia, SEC, Minatom's Emergency-Technical Center, V. G. Khlopin Radium Institute, All-Russian Scientific Research Institute of Integrated Energy Technology (VNIPIET), Doza scientific-production company (a radiation control equipment manufacturer), *Most* magazine, and Restek exhibition company. The event was also supported by the International Atomic Energy Agency.

Conference participants discussed the scientific, technical, legal, social, and political aspects of radioactive materials transportation, and safety issues related to the transportation and handling of radioactive materials, spent nuclear fuel, and radioactive waste. The conference was divided into sections, each of which focused on one of the following topics: experience in and perspectives on radioactive substances and nuclear materials transportation and ensuring the radiation safety of personnel and the general population; legal and technical regulations for ensuring the security and physical protection of shipments of radioactive materials; shipping packages for different types of radioactive materials; hardware, methodological, metrological, and software support for the radiation security systems; and public relations.[1,2]

Representatives of the above-mentioned entities were joined at the conference by specialists from other Minatom enterprises, such as TVEL (a manufacturer and supplier of Russian nuclear fuel), Rosenergoatom (an operator of Russian nuclear power plants), Izotop (a supplier of radioactive isotopes and radiation protection and measuring equipment), the Mayak Production Association, and the Zheleznogorsk Mining and Chemical Combine. Conference participants also included representatives from the Russian legislature, ministries and government agencies, including the Ministries of Health, Transport, Railways, and Defense, as well as specialists from foreign nuclear research and production organizations, such as the World Nuclear Transport Institute (United Kingdom), Nuclear Fuels (United Kingdom), Urenco Group (Germany, Netherlands, United Kingdom), Nuclear Cargo & Service GmbH (Germany), RSB Logistic Inc. (Germany), Nobel Enterprises (United Kingdom), and INOVA Association (France).[1,2]

Sources: [1] "Na mezhdunarodnoy konferentsii v S.-Peterburge budut obsuzhdeny problemy transportirovaniya radioaktivnykh materialov" [The problems of transportation of radioactive materials will be discussed at an international conference in St. Petersburg], Nuclear.ru, August 20, 2003, <<http://www.nuclear.ru/news/full.html?id=1662>>. [2] "VI mezhdunarodnaya konferentsia 'Radiatsionnaya bezopasnost: transportirovaniye radioaktivnykh materialov' (ATOMTRANS-2003); III mezhdunarodnaya vystavka 'Atomnaya Promyshlennost'" [VI international conference 'Radiation safety: transportation of radioactive materials' (ATOMTRANS-

Export Control Seminar Held in Kazakhstan

On September 22-24, 2003, the Kazakhstani Scientific-Technical Nuclear Technology Safety Center and the Atomic Energy Committee of the Republic of Kazakhstan in cooperation with the U.S. National Nuclear Security Administration and Los Alamos National Laboratory organized a regional seminar entitled "Strengthening Export Controls of Nuclear Transfers in Kazakhstan," in Almaty, Kazakhstan. More than 40 representatives of government agencies, scientific institutions, and industrial enterprises from four Central Asian states – Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan – as well as representatives of the International Atomic Energy Agency (IAEA), U.S. Department of Energy, Los Alamos and Pacific Northwest National Laboratories, U.S. Embassy in Almaty, and Kazakhstani nongovernmental organizations (NGOs) engaged in weapons of mass destruction nonproliferation (including the Representative Office of the Center for Nonproliferation Studies of the Monterey Institute of International Studies) attended the seminar.

Anticipating the forthcoming signing by Kazakhstan of the Additional Protocol to Kazakhstan's safeguards (inspection) agreement with the IAEA, the main purpose of the seminar was the discussion of practical steps to facilitate the implementation of Kazakhstani commitments under the Additional Protocol, in particular, the use of modern technical tools and automated systems to control nuclear transfers. Delegates from Uzbekistan, which has already signed the Additional Protocol to its safeguards agreement with the IAEA, shared their experience with their regional neighbors regarding cooperation with the IAEA in implementing protocol commitments and reporting requirements. In addition, participants discussed a wide range of issues related to the creation and development of an effective system of export control and related legal instruments, including the enactment of export control implementing legislation in Central Asian states. Representatives of the Central Asian countries exchanged their experiences in building the legal basis of the export control system in their respective countries, while identifying strengths and weaknesses in the existing national export control systems. The attendees also listened to presentations by their U.S. counterparts on the evolution and purposes of control lists, and nuclear materials export/import provisions of the IAEA Additional Protocol, as well as presentations by Kazakhstani NGO representatives on NGO activities and their role in supporting the country's export control system.

Third Regional Technical Seminar on Internal Compliance Programs Held in Kazakhstan

On September 25-26, 2003, the Third Regional Technical Seminar on Internal Compliance Programs (ICP) organized for industrial enterprises of East Kazakhstan Oblast was held in the Oblast capital Ust-Kamenogorsk. This event, similar to the seminars previously held in Astana (June 2003) and Almaty (July 2003), was organized by the U.S. Department of Commerce, with assistance from the Ministry of Industry and Trade of the Republic of Kazakhstan, as well as the Center on Export Control (IVT-Astana).[1] The seminar was attended by most key state agencies of Kazakhstan engaged in export control and by representatives from the major industrial enterprises in eastern Kazakhstan. The purpose of this technical seminar was similar to the previous ones – to train representatives of the industrial enterprises in applying ICPs at their companies. Seminar participants discussed issues of cooperation between government agencies and the private sector in the sphere of export control and the role of ICPs in this process. IVT-Astana put forward a proposal at the seminar to develop special internal compliance rules that would be compulsory for all Kazakhstani enterprises and organizations exporting or importing sensitive commodities. This proposal entails issuing a special certificate to enterprises and organizations that have ICPs with the goal of preventing the issuance of licenses for exports/imports of sensitive items to enterprises and organizations that do not adhere to the precautionary measures called for under ICPs. The Ministry of Industry and Trade, Kazatomprom JSC and IVT-Astana will jointly develop such internal compliance rules; these will subsequently be adopted by a special governmental decree.

Editor's Note: An ICP is a set of comprehensive administrative, legal, organizational, informational, and other mechanisms created within a company to control its export transactions. Kazatomprom JSC,

established in 1997, is Kazakhstan's national export and import organization for uranium and other dual-use materials. The sole shareholder is the government of the Republic of Kazakhstan. Kazatomprom produces natural uranium, nuclear fuel for power stations, and products made of beryllium, tantalum, and niobium.

Source: [1] For description of IVT-Astana, see: "Export Control Center in Kazakhstan Expands Activities," *NIS Export Control Observer*, No. 3, March 2003, p. 4, <<http://cns.miis.edu/nis-excon>>.

Seminar on the Implementation of the Chemical Weapons Convention (CWC) Held in Moldova

On September 24-26, 2003, the Moldovan Ministry of Economy, which is responsible for CWC implementation in Moldova, organized a seminar on implementation of the CWC in that country, in cooperation with the Organization for the Prohibition of Chemical Weapons (OPCW). Representatives from various ministries, departments, and enterprises throughout Moldova took part in the proceedings. Officials from the Assistance Branch and Legal Office of the OPCW and from the Romanian National Agency for Export Control participated in the seminar as experts.

The following topics were discussed at the plenary sessions: the role of the CWC and the OPCW in the global WMD nonproliferation regime; the need to expand and enforce national norms for CWC implementation; the status of implementation by other CWC member states; declaration requirements in accordance with CWC provisions, and data collection for declaration purposes. The Romanian experts acquainted the participants with the Romanian implementing legislation, the structure and activities of the Romanian National Agency for Export Control, inter-agency cooperation in fulfilling national implementation requirements (declarations, notifications, and inspections), and industry outreach activities. The seminar included workshops in which experts presented numerous examples of chemicals used for industrial purposes that are included on the CWC control lists. At the conclusion of the seminar, participants made recommendations for modifying the national legislation of the Republic of Moldova in accordance with CWC norms.

Regional Seminar on Export Controls Held in Romania

On October 1-2, 2003, the National Agency for Export Control of Romania (ANCEX) held a seminar entitled "Call for Regional Cooperation," in Bucharest. Seminar participants included representatives from Canada, France, Germany, Hungary, the Former Yugoslav Republic of Macedonia, Moldova, Norway, Poland, the Russian Federation, Serbia and Montenegro, Sweden, the United Kingdom, and the United States, as well as representatives from the Secretariat of the Wassenaar Arrangement and the Southeast European Cooperative Initiative (SECI) Regional Center for Combating Transborder Crime in Bucharest. [Editor's Note: Launched in December 1996 with U.S. government support, SECI is an intergovernmental forum designed to promote regional cooperation and to facilitate integration of non-EU Southeast European countries into European structures. The SECI Participating States include Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Hungary, Moldova, Romania, Slovenia, the Former Yugoslav Republic of Macedonia, Turkey, and Serbia and Montenegro. More information is available at SECI's website at <http://www.secinet.org>. Operating under SECI auspices since November 1, 2000, the Regional Center for Combating Transborder Crime is aimed at promoting regional law enforcement cooperation among participating states in an effort to detect, investigate, prosecute, repress and prevent transborder crime. Within the SECI Regional Center there are specialized task forces that deal with human trafficking, drug smuggling, commercial fraud, car theft, financial crime and customs evaluation. For more information on the SECI Regional Center, visit the website at <http://www.secicenter.org>.]

The following topics were discussed during the seminar:

- International and regional cooperation in export controls, including the achievements of the Wassenaar Arrangement, the activities of the Small Arms and Light Weapons Task Force, and export control and border security programs in Southeastern Europe.
- National experiences in export control in Romania, Germany, the United Kingdom, France, Hungary, and Moldova.

- Recent developments in export control, including export controls governing shoulder-fired anti-aircraft missiles (MANPADs), the role of export controls in the fight against international terrorism, the licensing process for exports of conventional arms and dual-use goods in Canada, arms brokering control, end-user oriented control/catch-all procedures, Poland's experience implementing the Tracker System and Internal Control Program, and the Romanian Government Outreach to Industry program.

At the end of the seminar, participants emphasized the importance of the seminar, the first of its kind, in strengthening cooperation among countries of the region and contributing to the implementation of best practices in the national control systems. Participants also expressed readiness to help countries of the region develop export control systems as they seek to improve their own national systems and adhere to multilateral export control regimes. Materials from this and past seminars organized by the ANCEX, including individual presentations, are available at ANCEX's official website at http://www.export-control.ro/index_en.htm.

Special Report

International Cooperation to Prevent Missile Smuggling Attempt

by Kaleb Redden, Center for Nonproliferation Studies

Editor's Note: Unprecedented cooperation between the intelligence and law enforcement agencies of three countries – the Russian Federation, the United Kingdom, and the United States – resulted in the arrest of Hemant Lakhani and his accomplices on August 12, 2003 and thwarted an attempt to smuggle an Igla-S (a man-portable air defense missile or MANPAD) to the United States. Much lauded by the international media, this case, nevertheless, raises certain questions regarding the inconsistencies that become apparent upon closer examination of the events that transpired in the course of 18 months of investigation. The following analysis of the circumstances surrounding the case is intended to provide our readers with both the details of close collaboration of three nations in their international investigative efforts as well as some of the issues that remain unexplained and raise contentious points.

Hemant Lakhani, an Indian-born British national, allegedly attempted to smuggle a shoulder-fired SA-18 Igla-S missile into the United States with the intent of delivering the weapon to a terrorist group with ties to al-Qa'ida. He was arrested on August 12, 2003. The arrest was made in a sting operation that is being hailed as an example of hitherto unprecedented cooperation between Russian, U.K., and U.S. intelligence agencies. Also arrested were Yehuda Abraham, a New York City jeweler, and Moinuddeen Ahmed Hameed, both of whom are charged in connection with money-laundering associated with the plot.[1]

Although reports differ as to what prompted the investigation and as to its duration, according to the official U.S. Federal Bureau of Investigation (FBI) press release, the investigation began in December 2001, when an informant – known formally in the criminal complaint as the cooperating witness – of the FBI/Newark Joint Terrorism Task Force and Lakhani began contact.[1,2,3,4,5] Lakhani had apparently been advertising his abilities to procure such missiles overseas.[4,6] After a month, the cooperating witness – posing as a representative of a Somali terrorist organization – indicated his desire to purchase one surface-to-air (SAM) missile with the possibility of a larger order later.[1] He and Lakhani proceeded to have over 150 recorded and videotaped conversations, mostly in Urdu and Hindi, during which Lakhani spoke approvingly of Osama bin Laden and disparagingly towards the United States.[1] In these conversations, Lakhani indicated his ability to procure such weaponry from the former Soviet Union, at one meeting even brandishing a brochure and business cards from contacts he claimed to have there.[1]

According to the FBI, these interactions continued over the course of the next 18 months. In an August 2002 conversation, the two agreed to a deal involving 50 more missiles, to be shipped later, after Lakhani explained that his supplier felt that a shipment of a single missile was not worth the risk, prompting him to require a minimum order of at least 20 more.[1] On August 17, 2002, Lakhani acknowledged the cooperating witness's desire to have a missile ready prior to "the anniversary" – an oblique allusion to the

events of September 11, 2001. Three days later, Lakhani faxed a document with the price list for an “Igla-S portable anti-aircraft missile complex,” which went so far as to distinguish between the Igla and its launcher. In October 2002, they agreed on a price of \$85,000 with a \$30,000 down payment.[7] Some time later, Lakhani faxed an invoice for \$60,000 for the missile under the guise of “spare parts for medical facilities” and “spare parts for laboratory bench.” The cooperating witness subsequently wired \$56,500, the amount of the final payment, to an overseas bank account.[8]

U.S. intelligence officials informed officials from the Russian Federal Security Service (FSB) that Lakhani intended to travel to St. Petersburg to procure an Igla-S, a Russian shoulder-fired surface-to-air missile (also known as a MANPAD, or man-portable air defense system).[9] From the time that Lakhani arrived in Moscow (on or about July 12, 2003), Russian officials tracked his movements, which included attempts to procure a missile directly from factory personnel and to approach elements of Russian organized crime.[7,10,11] FSB agents later posed as potential suppliers, meeting in St. Petersburg and Moscow with the cooperating witness and Lakhani, and ultimately presenting him with an unarmed replica of an Igla two days after his arrival in Moscow.[1,8,12] The following day, Lakhani told the men that he wanted to purchase 50 more missiles, along with tons of C4 plastic explosives.[8] Payment arrangements and discussions of the purchase of the 50 additional missiles took place in subsequent meetings; on July 18, Lakhani presented his supposed suppliers with a document on formal letterhead authorizing a \$70,000 transfer to be sent to an account specified by the missile suppliers.[1]

Lakhani then shipped the inoperable Igla missile to the United States in a crate labeled “medical supplies.” The shipment arrived at a port in Newark, New Jersey and was stored in a warehouse in Baltimore, Maryland.[12] After arriving in the United Kingdom, Lakhani flew with his wife from London to New York on August 10, and then traveled to Baltimore and collected the shipment.[2,12,13,14] Upon arriving at his hotel near Newark Liberty International Airport to complete the transaction, he was apprehended by U.S. government agents.[5,6,12]

Abraham and Hameed were detained at the same time in Abraham’s Fifth Avenue jewelry business in Manhattan, Ambuy Gem Corporation.[1,3] They stand accused of operating a money laundering scheme through the jewelry shop.[4,6] Hameed, a 38-year-old Indian citizen, had arrived from Malaysia only the day before, supposedly to negotiate the transfer of a \$500,000 down payment for the additional 50 missiles, the total price of which was said to be \$5 million.[1,5]

Lakhani’s charge derives from his attempt to engage in the sale of “foreign defense articles” without an appropriate license or without being registered with the Directorate of Defense Trade Controls (DDTC).[1] The DDTC – a body within the U.S. State Department – considers the Igla-S and its associated complex to be foreign defense articles. As such, they are subject to regulatory restrictions.[1] Lakhani and Hameed were arraigned in U.S. District Court in Newark on August 13, 2003. Abraham appeared on the same day in a U.S. District Court in Manhattan (New York). Lakhani was charged with providing material support to terrorists and selling firearms without a license, while his partners were charged with conspiring to operate an unlicensed money transmitting business. If convicted, Lakhani faces a maximum sentence of 15 years in prison and a \$250,000 fine for the first charge and 10 years in prison and a \$1 million fine for the second. Abraham and Hameed each face a maximum sentence of five years in prison and a \$250,000 fine.[1]

British agents also helped track Lakhani’s whereabouts during the investigation, aiding both U.S. and Russian intelligence agencies, and conducted raids in the United Kingdom at the time of the arrest. On August 12, anti-terror branch officers from Scotland Yard exercised two search warrants – one at Lakhani’s home and a second at another London residence – at the request of U.S. authorities.[2,7,15,16] No arrests were made during the raids.[14,16]

All told, the group of cooperating agencies – largely a product of New Jersey’s Joint Terrorism Task Force – numbered at least nine. Agencies from the United States included the FBI; the Bureau of Immigration and Customs Enforcement; the Secret Service (a unit of the Department of Homeland Security); the Defense Intelligence Agency; and New York City law enforcement officers. The Russian Federation had agents from its Federal Security Service involved, and MI5, MI6, and Scotland Yard contributed from the United Kingdom.[1,2,4,6,17] Despite some previous cooperation in instances such as the recent conflict in

Afghanistan, the coordination between U.S. FBI and Russian FSB agents was unique; the operation was the first of its kind since the end of the Cold War, with Presidents Bush and Putin both regularly briefed on the case.[6,9,13]

While U.S. officials and some media have lauded the operations and their attendant intelligence sharing, several questions cast a shadow on the importance, utility, and even substance of the operation.[1,5,15] The lack of actual terrorist involvement prompted some to question the utility of the Lakhani sting. Since Lakhani was “stung both ways” – first engaged by a U.S. government effort, and then duped in Russia by undercover officials, he had no contact with actual terrorist elements that might have put the United States or other nations at risk.[11,13,18] While early reports described a successful import of a Russian Igla into the United States as a major vulnerability, some experts have suggested that Lakhani may not have been able to proceed nearly so far without the aid of these government security agencies.[10,13,19] Worse yet, other sources questioned whether he would have chosen to pursue selling missiles at all.[10] In more extreme instances, this line of criticism has been extrapolated by some who suggest that the operation was little more than a production provided to ensure and impress the U.S. citizenry just before the second anniversary of September 11, 2001.[20]

Contributing to these uncertainties – both on the part of experts in arms trading and those with personal knowledge of Lakhani – is that he was not a cunning and well-connected arms trader. In the aftermath of his capture, media reports varied widely in their portrayal of Lakhani’s reputation in the arms trade, with some characterizing him as a “complete mercenary,” an “established” or “significant” arms dealer or, at the least, an “independent arms dealer who has sold weapons to terrorist cells, Muslim extremists and ‘rogue nations,’” while others have described him as a “mediocre middleman” and as someone who is relatively unknown in the arms trade.[5,13,19,21] The former supposition is supported by claims that Lakhani had dealt with Russian and Ukrainian arms intermediaries in the past and on one occasion had negotiated the delivery of BTR-80 armored personnel carriers that had ostensibly been headed for Angola.[10] Among the evidence for the latter view is that Lakhani’s attempts to procure and sell the weapon seemed naïve – at one point he is said to have walked directly into the plant that produces the Igla and to have asked about buying one. And he attempted to make these initial probes *after* agreeing to provide missiles to his U.S. buyer – activities inconsistent with the image of a well-connected arms dealer, with weapons at his fingertips. What is more, expert estimates suggest that an established arms dealer would have required around \$100,000 for a deal of that complexity, meaning that Lakhani struck a price below market value when he agreed to sell the missile for \$85,000.[4]

Many of details of the case remain unknown or unresolved, as evidenced by the contrary reporting on the issue. According to one story, which if true might explain some of these discrepancies, the much advertised arrest was never meant to be made public, keeping Lakhani’s cover so that he could pose as an arms supplier to al-Qa’ida and other terrorist organizations operating within U.S. borders.[22] But hours after the arrest had been made, officials learned that journalist Tom Mangold of the British Broadcasting Corporation had found out about the story and intended to feature it on a news broadcast later that day. According to this story, Justice Department officials, while outwardly rejoicing in the capture, were privately fuming at the loss of this opportunity to exploit Lakhani further. Mangold denied the allegations, first saying that American Broadcasting Corporation had already run a news flash on the story, and U.S. officials subsequently denied they had made any change in their intention to go public with the arrest.[23]

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