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# NIS EXPORT CONTROL Observer

## ОБОЗРЕНИЕ ЭКСПОРТНОГО КОНТРОЛЯ

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### Inside this Issue

<b>Recent Developments in the NIS . . . . . 2</b>	<b>Illicit Trafficking in the NIS . . . . . 10</b>
– Kyrgyzstan Issues New Export Control Implementing Legislation, Introduces Changes to Working Group on Export Control	– Two Radioactive Containers Found in Russia
– Working Group to Facilitate Ratification and Implementation of IAEA Additional Protocol in Kazakhstan	– Thieves of Nuclear Plant Equipment Arrested in Ukraine
	– Controversy Surrounding Seizure of Radioactive Material on Ukrainian-Hungarian Border: Another Hoax?
<b>Changes in NIS Export Control Personnel . . . 5</b>	– Georgian Border Guards Detain Smuggler of Radioactive Material on Armenian Border
– Georgian Customs Chief Replaced on Charges of Financial Abuse	
<b>International Supplier Regimes . . . . . 6</b>	<b>Summaries from the NIS Press . . . . . 12</b>
– Ukraine Takes Steps to Enhance the Hague Code of Conduct Implementation	– Subcontractors in Sakhalin Found in Violation of Russian Export Control and Health Regulations
	– Kazakhstani Customs Officer Shares His Impressions after Attending International Border Interdiction Training (IBIT) in Texas
<b>International Assistance Programs . . . . . 7</b>	– Russian Official Recognizes Threat that Terrorists Could Acquire WMD
– UN Provides Equipment to Uzbek Customs and Border Services	
– EU Ready to Help Develop Belarusian Border and Customs Infrastructure	<b>International Developments . . . . . 15</b>
– U.K. Embassy in Turkmenistan Provides Language Training to Customs and Law Enforcement Personnel	– Car with Iridium Stolen in Serbia
– Increasing International Attention Paid to RTGs in Russian Arctic	– International Nuclear Safety Group: Renewed and Refocused
	– UN Security Council Passes Resolution Banning and Criminalizing WMD Transfers to Terrorists and Other Non-State Actors
<b>Embargoes and Sanctions Regimes . . . . . 9</b>	– Russia Joins Proliferation Security Initiative
– U.S. Companies Settle Charges of Illegal Exports	
	<b>Workshops and Conferences . . . . . 18</b>
	– End-Use/End-User Workshop Held in Tbilisi, Georgia

## Recent Developments in the NIS

### **Kyrgyzstan Issues New Export Control Implementing Legislation, Introduces Changes to Working Group on Export Control**

*by Nikolay Ryaguzov, Deputy Head of the Directorate for Military-Technical Cooperation of the Ministry of Defense of the Kyrgyz Republic*

On May 4, 2004, the government of the Kyrgyz Republic issued Decree No. 330 *On Measures Establishing a National System of Export Control in the Kyrgyz Republic*, by which it approved the statutes *On the Implementation of Export Control Procedures in the Kyrgyz Republic* and *On the Licensing Procedure for the Transit of Controlled Commodities through the Territory of the Kyrgyz Republic*, as well as a new statute *On the Commission on Military-Technical Cooperation and Export Control (CMTCEC)* of the Kyrgyz Republic.

The decree and the statutes designate the Ministry of Economic Development, Industry, and Trade (MEDIT), created in February 2004, as the government authority to implement export controls and issue licenses for exports, imports, re-exports, and transit of controlled items, and end-user import certificates. The CMTCEC is designated as the national coordinating authority in the sphere of export control. Before the creation of the new ministry, its predecessor—the Ministry of External Trade and Industry—controlled exports and imports of controlled items, except for nuclear materials and military goods, the exports and imports of which were licensed by the Ministry of Defense. According to the new implementing legislation, the MEDIT will issue export, import, re-export, and transit licenses, and end-user import certificates after preliminary coordination with a number of government agencies designated as experts on certain controlled items. The items and agencies are listed in Table 1.

In addition, on the same day, the government issued Directive No. 272-r, which introduced personnel changes to the Permanent Interagency Working Group on Export Control (PIWGEC). In particular, Muktar Dzhumaliyev, first deputy minister of economic development, industry, and trade, replaced Colonel Oleg Chechel, deputy minister of defense, as the PIWGEC head. Other replacements and newly appointed members are listed in Table 2.

**Table 1: List of Expert Agencies**

<b>Controlled Items</b>	<b>Agencies Designated as Experts</b>
<p>Nuclear materials, technologies, equipment and installations, special nuclear-related dual-use non-nuclear materials and commodities, equipment, and technologies, as well as ionizing radiation sources, including radioactive waste, and isotope products (radioactive and artificially derived stable isotopes)</p>	<p>For export, import, and re-export licenses: Ministry of Defense, Ministry of Foreign Affairs, Ministry of Environment and Emergencies, National Academy of Sciences</p> <p>For transit licenses: Ministry of Environment and Emergencies, Ministry of Transport and Communications, Ministry of Defense, and Ministry of Internal Affairs</p> <p>For end-user import certificates: Ministry of Defense, Ministry of Foreign Affairs, Ministry of Environment and Emergencies, and National Security Service</p>
<p>Equipment, technologies, raw materials, materials, dual-use commodities, scientific-technical information, and services that have peaceful applications but can be used in the production of weapons of mass destruction (WMD)</p>	<p>For export, import, and re-export licenses: Ministry of Health, Ministry of Agriculture, Water Management and Processing Industry, Ministry of Environment and Emergencies, and National Academy of Sciences</p> <p>For transit licenses: Ministry of Transport and Communications, Ministry of Health, and Ministry of Agriculture, Water Management and Processing Industry</p> <p>For end-user import certificates: National Security Service</p>
<p>Certain types of raw materials and materials, component parts and dual-use commodities, equipment and technologies, scientific-technical information and services that are used or can be used in the production of weapons and military hardware, and any means of WMD delivery</p>	<p>For export, import, and re-export licenses: Ministry of Defense, and Ministry of Foreign Affairs</p> <p>For transit licenses: Ministry of Transport and Communications, and National Academy of Sciences</p> <p>For end-user import certificates: Ministry of Defense, and National Security Service</p>
<p>Chemicals, equipment, and technology that have peaceful applications but can be used in the production of chemical weapons</p>	<p>For export, import, and re-export licenses: Ministry of Health, Ministry of Foreign Affairs, Ministry of Environment and Emergencies, and National Academy of Sciences</p> <p>For transit licenses: Ministry of Environment and Emergencies, Ministry of Health, Ministry of Internal Affairs, and Ministry of Transport and Communications</p> <p>For end-user import certificates: Ministry of Health, Ministry of Foreign Affairs, Ministry of Environment and Emergencies, and National Security Service</p>

<b>Controlled Items (continued)</b>	<b>Agencies Designated as Experts (continued)</b>
Human, animal, and plant pathogens, their genetically modified forms, fragments of genetic material, and equipment that can be used in the production of bacteriological (biological) weapons	For export, import, and re-export licenses: Ministry of Health, Ministry of Agriculture, Water Management and Processing Industry, and National Academy of Sciences  For transit licenses: Ministry of Health, Ministry of Internal Affairs, and Ministry of Transport and Communications  For end-user import certificates: Ministry of Health, Ministry of Agriculture, Water Management and Processing Industry, and National Security Service
Results of intellectual activity that can be used in the production of WMD, means of their delivery, and other types of weapons and military hardware	For export, import, and re-export licenses: State Agency on Science and Intellectual Property under the Government of the Kyrgyz Republic, and National Academy of Sciences  For transit licenses: National Security Service  For end-user import certificates: State Agency on Science and Intellectual Property under the Government of the Kyrgyz Republic, and National Security Service

**Table 2: Newly Appointed Members of the PIGWEC**

<b>Former Members</b>		<b>Replaced by:</b>
Colonel O. Chechel, deputy minister of defense		M. Dzhumaliyev, first deputy minister of economic development, industry, and trade
M. Usupov, deputy head of the Kyrgyz diplomatic mission and minister-counselor at the Embassy of the Kyrgyz Republic in the United States		U. Dzhusupov, head of the Department for the United Nations and International Security, Ministry of Foreign Affairs
A. Umetaliyev, Embassy of the Kyrgyz Republic in Belgium		B. Kulmatov, second secretary at the Department for the United Nations and International Security, Ministry of Foreign Affairs
M. Surov, National Security Service officer		B. Kozhogulov, National Security Service officer
<b>Newly Appointed Members</b>		
<b>Name</b>	<b>Position</b>	
N. Dzholdoshev	Head of the Section for Industry, Trade and Construction Complex at the Office of the Prime Minister	
K. Noruzbayev	Section head at the Department of Ecology and Nature Management of the Ministry of Environment and Emergency	
N. Sulaymanov	Licensing inspector at the Department for Public Security of the Ministry of Internal Affairs	
I. Dzhumayev	Leading research associate at the Institute of Chemistry and Chemical Technology of the National Academy of Sciences	

## **Working Group to Facilitate Ratification and Implementation of IAEA Additional Protocol in Kazakhstan**

On April 22, 2004, officials from the International Atomic Energy Agency (IAEA) and the Committee for Atomic Energy (CAE) under the Kazakhstani Ministry of Energy and Mineral Resources created a working group to facilitate ratification and implementation of the IAEA Additional Protocol, signed by Kazakhstan on February 6, 2004.[1,2,3,4] Apart from CAE officials, the group consists of representatives from the Ministries of Energy and Mineral Resources and Foreign Affairs, the Joint Stock Company Kazatomprom, the sole national export and import organization for uranium and other dual-use materials, and the Kazakhstani National Nuclear Center. According to Kazakhstani media, this is the third such working group to be created internationally, after similar groups were formed in Canada and Ukraine.[1,2,3] According to Kenji Murakami, director of the IAEA Safeguards Department, this working group is necessary because the implementation of the Additional Protocol is “a complex political and technical issue.”[2]

After Kazakhstan ratifies the protocol, the country will have to provide annual declarations on all nuclear activity within its territory. After the ratification, according to Murakami, the IAEA will not only oversee all nuclear materials present in the country, but will also verify the legitimacy of all activities that are in any way related to nuclear materials, including oversight of research work and experimental facilities, uranium mining activities, and export of nuclear and non-nuclear materials that might be used in nuclear weapons. Short notice inspections with 2-24 hours advance notification will be widely used. According to CAE chairman Timur Zhantikin, Kazatomprom, which has never before been inspected by the IAEA, will be subject to an extensive IAEA audit of its activities. Based on the information obtained from the inspections, the IAEA will verify the correctness of the declarations provided by Kazakhstan and will certify that Kazakhstan is not engaged in any covert nuclear activities.[1,2,3,4,5]

Sources: [1] Tatyana Koroleva, “Kazakhstan povyshayet prozrachnost svoey yadernoy deyatelnosti” [Kazakhstan increases transparency of its nuclear activities], *Panorama*, No. 16 (582), April 23, 2004, p. 5. [2] “RK pristupil k prakticheskoy rabote po vnedreniyu dopolnitelnogo protokola k soglasheniyam o primenenii garantiy k DNYaO” [The Republic of Kazakhstan started practical work to implement the additional protocol to agreements on application of safeguards related to the NPT], Kazakhstan Today news agency, April 22, 2004, *Gazeta.kz* website, <<http://www.gazeta.kz/art.asp?aid=43950>>. [3] Anna Pavlova, “Doveriyay, no proveryay” [Trust but verify], *Ekspress K* online edition, No. 78 (15485), April 24, 2004, <<http://www.express-k.kz/2004/04/24/20.php>>. [4] “Kazakhstan Signs IAEA Additional Protocol,” *NIS Export Control Observer*, No. 14, March 2004, pp. 2-3, <<http://cns.miis.edu/pubs/nisexcon/index.htm>>. [5] Interfax, April 22, 2004; in “IAEA To Increase Nonproliferation Control in Kazakhstan,” FBIS Document CEP20040422000440.

## **Changes in NIS Export Control Personnel**

### **Georgian Customs Chief Replaced on Charges of Financial Abuse**

On March 22, 2004, Georgian Minister of Finance Zurab Nogaideli issued an order replacing Levan Kistauri, chairman of the Georgian Department of Customs, with Kistauri’s deputy, Georgiy Godabrelidze. This order followed the initiation of a criminal case against Kistauri by the Georgian General Prosecutor’s Office for financial fraud involving the production and use of fictitious excise duty stamps. Before assuming the position of head of customs on December 5, 2003, Kistauri was head of the Excise Service of the Ministry of Finance. The General Prosecutor’s Office announced that the fraud resulted in losses amounting to 900,000 lari (about \$450,000 as of March 2004). Kistauri was arrested and is now being held in pre-trial detention for three months along with three other former Ministry of Finance officials thought to be his accomplices: the chairman of the Tax Department, Iase Zautashvili; his deputy, Levan Kalandadze; and the deputy head of the Excise Service, Georgiy Berozashvili.[1,2,3,4]

Kistauri’s petition for release with a written promise not to leave Tbilisi before trial was declined.[5] Some reports speculated that Kistauri and other officials could be placed under house arrest if they return money derived from their illegal activities. After his election, Georgian President Mikheil Saakashvili launched a nationwide anticrime campaign that has led to the detention of many allegedly corrupt officials linked to former President Shevardnadze’s administration. Georgia’s new authorities announced that officials suspected of corruption and financial abuse might be released pending their trials provided “they return the money they had stolen.”[6,7,8] Some detainees, such as Akaki Chkhaidze, former chairman of the Department of Railways, Vakhtang Chakhnashvili, former deputy chairman of the Tax Department, and

Iosif Natroshvili, former deputy director general of the Georgian Wholesale Electricity Market, have already benefited from this provision. They were released after they returned \$3.7 million, \$1.3 million, and \$1.25 million, respectively.[6,7,9]

Commenting on the appointment of Georgiy Godabrelidze at a March 22 press conference, Georgian Prime Minister Zurab Zhvaniya said, “despite the fact that Georgiy Godabrelidze is a good friend, additional personnel changes will be undertaken in this agency [Customs Department] if no real improvement happens in the work of customs.”[4]

Sources: [1] Marina Kvaratskheliya, “Ministr finansov Gruzii osvobodil ot zanimayemoy dolzhnosti glavu tamozhennogo departamenta Minfina Levana Kistaury” [Georgian minister of finance dismissed Levan Kistaury, head of the Customs Department of the Ministry of Finance], RIA Novosti, March 22, 2004; in Integrum Techno, <<http://www.integrum.com>>. [2] “V Gruzii prodolzhayetsya sledstviye po delu o finansovykh makhinatsiyakh v Minfine” [Investigation into financial fraud at the Ministry of Finance continues in Georgia], RIA Novosti, March 24, 2004; in Integrum Techno, <<http://www.integrum.com>>. [3] “V Gruzii zaderzhan byvshyy predsedatel nalogovogo departamenta Minfina, obvinyayemyy v finansovykh makhinatsiyakh” [Former chairman of the tax department of the Ministry of Finance accused of financial fraud detained in Georgia], RIA Novosti, March 31, 2004; in Integrum Techno, <<http://www.integrum.com>>. [4] Inga Gvilava, “Predsedatelem tamozhennogo departamenta Minfina Gruzii naznacheni Georgiy Godabrelidze” [Georgiy Godabrelidze has been appointed head of the Customs Department of the Georgian Ministry of Finance], *Novosti-Gruziya*, March 22, 2004; in Integrum Techno, <<http://www.integrum.com>>. [5] Tinatin Zhvaniya, “Byvshemu predsedatelyu tamozhennogo departamenta Minfina Gruzii otkazali v osvobozhdenii iz predvaritelnogo zaklyucheniya pod podpisu o nevyyezde” [Former head of the Customs Department of the Georgian Ministry of Finance was refused release under a written undertaking not to leave his place of residence], *Novosti-Gruziya*, March 31, 2004; in Integrum Techno, <<http://www.integrum.com>>. [6] Vladimir Novikov, “Dollar protiv korruptsii” [Dollar against corruption], *Kommersant*, No. 53, March 25, 2004; in Integrum Techno, <<http://www.integrum.com>>. [7] “Provorovavshikhnya chinovnikov v Gruzii otpuskayut v obmen na ukradennoye” [Corrupt officials in Georgia are released in return for the money they stole], Rosbalt news agency, March 31, 2004; in Integrum Techno, <<http://www.integrum.com>>. [8] Jean-Christophe Peuch, “Georgia: Vote Set To Begin Amid Queries On President’s Tactics, Tensions In Adjara,” RFE/RL, March 26, 2004, <<http://www.rferl.org/featuresarticle/2004/03/7124703d-19c8-467d-987f-e9f341b232e5.html>>. [9] “V Gruzii rastet kolichestvo byvshikh vysokopostavlennykh chinovnikov, vynuzyhdennykh ‘pokupat’ sobstvennyuyu svobodu” [The number of former high-ranking officials forced to ‘buy’ their own freedom is growing in Georgia], RIA Novosti, April 1, 2004; in Integrum Techno, <<http://www.integrum.com>>.

## International Supplier Regimes

### Ukraine Takes Steps to Enhance the Hague Code Of Conduct Implementation

On March 31, 2004, the Cabinet of Ministers of Ukraine issued Directive No. 185 on measures to promote Ukraine’s compliance with provisions of the International Code of Conduct Against Ballistic Missile Proliferation, also known as the Hague Code of Conduct. The government empowered the National Space Agency of Ukraine (NSAU), Ministry of Internal Affairs, and Ministry of Defense to coordinate and oversee compliance with the Code. NSAU was appointed a national point of contact on issues of compliance. As such, the agency will collect information on domestic launches of ballistic missiles and space launch vehicles, exchange this information with other national points of contact, and submit annual declarations on Ukraine’s space and ballistic missile policies. In addition, Ukraine will provide pre-notification of all launches of ballistic missiles and space launch vehicles.[1,2]

*Editor’s Note: Ukraine subscribed to the Hague Code of Conduct as one of the 93 original subscribing states on November 25, 2002, when the Code was formally brought into effect at a conference hosted by The Netherlands, at The Hague. The code is aimed at bolstering efforts to curb ballistic missile proliferation worldwide and to further delegitimize such proliferation. It consists of a set of general principles, modest commitments, and limited confidence-building measures. It is intended to supplement, not supplant, the Missile Technology Control Regime, and is administered collectively by all of the subscribing states. There is no formal secretariat or implementing organization. As of January 1, 2004, 111 countries had subscribed.[3]*

Sources: [1] “NSAU is assigned to perform functions of the National contact point on questions of observance of rules of the Hague Non-proliferation Code of Behaviour,” National Space Agency of Ukraine website, April 9, 2004, <<http://www.nkau.gov.ua/nsau/newsnsau.nsf/HronolE!open>>. [2] Vitaliy Matarykin, “Ukraina prisoyedinilas k Gaagskomu kodeksu protiv rasprostraneniya ballisticheskikh raket” [Ukraine joined the Hague code against the proliferation of ballistic missiles], ITAR-TASS, March 31, 2004; in Integrum Techno, <<http://www.integrum.com>>. [3] “International Code of Conduct Against Ballistic Missile Proliferation,” U.S. Department of State Bureau of Nonproliferation fact sheet, January 6, 2004, U.S. Department of State website, <<http://www.state.gov/t/np/rls/fs/27799.htm>>.

## International Export Control and WMD Security Assistance Programs

### UN Provides Equipment to Uzbek Customs and Border Services

On March 31, 2004, the UN Office on Drugs and Crime (UNODC) regional representative office in Central Asia provided the State Customs Committee and the State Border Guard Committee of Uzbekistan with special customs and border control equipment for installation at the Khayraton checkpoint on the Uzbek-Afghan border. The donation included X-ray equipment for checking passengers and cargo, electric power generators to ensure the uninterrupted operation of the checkpoint equipment, and computer equipment to set up specialized networks for collecting and processing customs and border control related information.[1]

The equipment was provided as part of a two-year project started by the UNODC regional representative office in June 2003 to improve customs and border control. The program aims more particularly to combat drug trafficking, enhance border security on the Uzbek-Afghan border, and facilitate the circulation of commercial cargoes and individuals to and from Afghanistan. The project, worth more than \$2 million, is funded by Finland, Norway, the United Kingdom, and the United States.[1] Another milestone in this assistance effort was the November 2003 opening of the new Airtom customs complex on the right bank of the Amudarya River, near the Termez-Khayraton Bridge.[2]

Sources: [1] "Regionalnoye predstavitelstvo Upravleniya OON po narkotikam i prestupnosti peredalo oborudovaniye dlya KPP" [UN Office on Drugs and Crime regional representative office donated equipment for the checkpoint], Uza national news agency (Uzbekistan), March 31, 2004, <<http://www.uza.uz/society/?id1=749>>. [2] "New Customs Complex Opened in Uzbekistan," *NIS Export Control Observer*, No. 13, February 2004, p. 3, <<http://cns.miis.edu/nis-excon>>.

### EU Ready to Help Develop Belarusian Border and Customs Infrastructure

On April 9, 2004, Alyaksandr Shpilevsky, chairman of the State Customs Committee (SCC) of Belarus, met with Joachim Lehmann, head of the TACIS Office at the European Commission (EC) Mission to Belarus, and Timo Hammaren, head of the Trade and Economic Section of the EC Delegation to Belarus, Ukraine, and Moldova, to discuss mutual cooperation in the development of Belarusian border and customs infrastructure under the TACIS program. Following the meeting, SCC press service head Uladzimir Pekhtereu announced that the EC is ready to allocate €16 million to finance the construction of a border cargo terminal—Kozlovichi-2—and two highway border checkpoints—Bruzgi and Berestovitsa—on the Belarusian-Polish border. According to the press service, a memorandum will be signed in May 2004. Tender documentation for the terminal's construction should be drafted by the time of the signing ceremony.[1,2,3,4]

In a related development, on April 12, 2004, Lieutenant General Alyaksandr Paulousky, chairman of the State Committee for Border Troops of Belarus, told Interfax that Belarus had called on European Union (EU) member countries to help finance the protection and development of the country's border infrastructure. Paulousky said, "We have been solving many European problems with our own budget funds so far." According to Paulousky, Belarus has involuntarily become involved in drug trafficking, illegal migration, and contraband. In Paulousky's opinion, the EU should take part in solving the problems, "which are not problems of Belarus but problems of the EU." [5]

Sources: [1] Yelena Davydova, "Evrokomissiya gotova vydelit 16 mln. evro na stroitelstvo gruzovogo pogranichnogo terminala 'Kozlovichi-2' i avtodorozhnykh KPP 'Bruzgi' i 'Berestovitsa'" [The European Commission is ready to allocate 16 million euros for the construction of border cargo terminal "Kozlovichi-2" and highway border checkpoints "Bruzgi" and "Berestovitsa"], Belarusian Telegraph Agency BELTA, April 9, 2004; in Integrum Techno, <<http://www.integrum.com>>. [2] Viktor Stepanov, "€ 16 mln. na stroitelstvo terminala" [16 million euros for the construction of a terminal], SeaNews agency, April 13, 2004; in Integrum Techno, <<http://www.integrum.com>>. [3] Interfax, April 12, 2004; in "Belarus: European Commission To Help Finance Border Terminal," FBIS Document CEP20040412000035. [4] For more information on the TACIS program, see "International Export Control Assistance to the NIS," *NIS Export Control Observer*, No.13, February 2004, pp. 26-29, <<http://cns.miis.edu/nis-excon>>. [5] Interfax, April 12, 2004; in "Belarus Asks EU To Help Finance Border Protection," FBIS Document CEP20040412000036.

### U.K. Embassy in Turkmenistan Provides Language Training to Customs and Law Enforcement Personnel

On March 25, 2004, a group of officials from the State Customs Service and Ministry of Internal Affairs of Turkmenistan received certificates of completion of a one-and-a-half-year English language course

organized by the Embassy of the United Kingdom in Ashgabat. The aim of this training program is to teach English to customs and law enforcement officials with a particular emphasis on international customs and law enforcement vocabulary. The Embassy selected four distinguished students out of the group to travel to the United Kingdom to learn from experts of the British law enforcement services and share experience with their British counterparts. According to Paul Brummell, Ambassador of the United Kingdom to Turkmenistan, the program will continue through March 2005 to train representatives of other government agencies in Turkmenistan.

Source: "Znaniye angliyskogo yazyka – podsporye v sluzhbe" [Knowledge of English helps in work], *Neytralnyy Turkmenistan*, No. 75 (23901), March 26, 2004.

### **Increasing International Attention Paid to RTGs in Russian Arctic**

During a March 2004 visit to Ottawa, Norway's Deputy Minister of Foreign Affairs Kim Traavik proposed that Canada assist Russia in replacing the radioisotope thermal generators (RTGs) powering nearly 1,000 navigational beacons and lighthouses in northwestern Russia and the Russian Far East.[1] Each RTG has a radioactivity level of around 40,000 curies, making these devices among the most powerful radioactive sources in the world.[2] Nearly a decade ago, Norway became concerned about the environmental risks posed by those lighthouses and navigational beacons powered by the RTGs. On February 7, 2000, Murmansk Governor Yuriy Yevdokimov and governor of Norway's Finnmark province Gunnar Kjonnoy signed an agreement to launch a program to replace RTGs with solar-powered batteries.[3] Twenty-five RTGs were removed under the program in the first two years, and the assistance was extended in late 2002.[4] Currently, however, while Oslo continues to install new solar-powered lighthouses, Norwegian removal of RTGs has been put on hold pending new environmental impact assessments.[5]

After September 11, 2001, the world community became more concerned about the possible terrorist use of RTGs: due to their extremely remote locations and lack of security, the RTGs in Russian lighthouses and beacons are also very vulnerable to theft and could be used in a radiological dispersal device (RDD), also known as a "dirty bomb." The United States decided to initiate its own program to assist in the removal of these RTGs, and in 2003 the Department of Energy requested \$19.7 million to help NIS states secure radiological sources that could be used in an RDD—part of which will fund the removal of RTGs.[6] Congress also proposed funding a complementary program at the Department of State, but this proposal was not enacted.[7,8] In November 2003, the Nuclear Radiological Threat Reduction Task Force was created at the Department of Energy to address the threat posed by high-risk radiological materials.[9] The RTG program has come under the purview of this task force, which has developed a program that is slated for implementation in 2004. The program will involve several pilot projects, including conversion of beacons and lighthouses to solar power, wind power, and the use of commercial power grids in certain locations. Department of Energy officials have been meeting with Norwegian officials to learn from their experience; the United States intends to undertake the removal of these RTGs on a larger scale than the Norwegian program has to date. There are currently several Russian entities that have made proposals regarding the methods and location for the ultimate disposal of the RTGs. The Russian government will decide on the disposal method, and then request assistance to implement it. However, removal of RTGs does not require that a decision on their ultimate disposal first be made.[10]

As of May 2004, Canada was discussing Norway's proposal with both Norway and Russia, and considering its possible involvement in the ongoing Norwegian program, as well as alternative arrangements, including participation in U.S. projects.[11,12] Several other nations have expressed interest in providing additional assistance for the removal of Russia's RTGs. These include France, Germany, and Japan. France has proposed extending its assistance in remediation at the ex-naval base in Gremikha, Murmansk Oblast, to cover generators in the vicinity of Gremikha. No decision has been made on how many RTGs this might cover, but the project could cover their transportation, dismantlement, and replacement with more environmentally friendly generators. French discussions appear to be leaning towards a bilateral effort that would be complementary to Norwegian efforts.[13] Germany and Japan have mentioned an interest in assisting in this area, but it would appear that this intention has yet to be followed by discussions with the Russians. To date, the United States is the only country that is likely to work on RTGs on Russia's Pacific coast, though presumably any Japanese program would also focus on the Pacific. Some western government officials have voiced concerns regarding the Russian capacity to handle this work and absorb

additional funds, as well as the possibility that new programs might compete with each other and raise the costs of current efforts.[8]

The removal of RTGs from Russian lighthouses and navigational beacons remains a critical issue, as these RTGs and/or the equipment they power continue to be lost. According to the Far Eastern division of Gosatomnadzor (now the Federal Service for Atomic Supervision), in an August-September 2003 inspection of lighthouses near Pevek and Provideniya, Chukotka Autonomous Okrug, one lighthouse was discovered missing. The facility, which was supposed to be located at the Kuvekvyn navigation point, was powered by the Beta-M type RTG no. 57. The report concludes that the lighthouse may have been washed away in a storm as early as the mid-1990s, but that theft could not be ruled out. The Chukotka Autonomous Okrug branch of the Federal Security Service (FSB) and Chukotka Civil Defense and Emergency offices were informed of the situation and asked to investigate.[13,14] There have been no reports on results of this investigation to date. [Editor's Note: For summaries of incidents in April and November 2003, in which thieves took RTGs from navigational beacons, please see the December 2003/January 2004 issue of the NIS Export Control Observer.]

Sources: [1] Peter Robb, "Norway asks Canada to help nuclear cleanup: Strontium-powered lighthouses pose threat to build dirty bomb," *The Ottawa Citizen*, March 28, 2004; in Lexis-Nexis Academic Universe, <<http://web.lexis-nexis.com>>. [2] John Hooper, "Campaign launched to stop dirty bombs," *The Guardian*, March 12, 2003; in Lexis-Nexis Academic Universe, <<http://web.lexis-nexis.com>>. [3] "Gubernator oblasti Yuriy Yevdokimov i gubernator norvezhskoy provintsii Finnmark Gunnar Khenney podpisali soglasheniye ob utilizatsii otrabotannykh radioizotopnykh termoelektricheskikh generatorov" [Oblast governor Yuriy Yevdokimov and governor of Norway's Finnmark province Gunnar Kjonnoy sign agreement on the dismantlement of decommissioned radioisotope thermoelectric generators], SeverInform, February 7, 2001; in Regions.ru; in Integrum Techno, <<http://www.integrum.ru>>. [4] Galina Lysenko, "Milliony kyuri i milliony kron" [Millions of curies and millions of crowns] *Rossiyskaya gazeta*, September 10, 2002; in Integrum Techno, <<http://www.integrum.ru>>. [5] CNS e-mail communication with Norwegian official, May 28, 2004. [6] Statement of Linton F. Brooks, Acting Under Secretary of Energy for National Security, Before the Subcommittee on Energy and Water Development Committee on Senate Appropriations, April 10, 2003; in Federal Document Clearing House Congressional Testimony; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [7] CNS correspondence with State Department official, May 28, 2003. [8] CNS interview with State Department official, May 13, 2004. [9] "NNSA Refocuses Threat Reduction Efforts to Return Nuclear Research Reactor Fuel; Will Consolidate DOE's Threat Reduction Efforts," U.S. Newswire, April 14, 2004; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [10] CNS interview with U.S. Department of Energy official, May 12, 2004. [11] CNS interview with Canadian Department of Foreign Affairs and International Trade official, May 18, 2004. [12] CNS interview with U.S. Department of Energy official, May 12, 2004. [13] CNS e-mail communication with French official, May 18, 2004. [14] "Narusheniya v rabote podnadzornykh obyektov" [Violations at supervised facilities], Gosatomnadzor Dalnevostochnyy mezhregionalnyy territorialnyy okrug website, September 2003, <<http://www.gan.ru/mto/dvmt0/narush-9.2003.htm>>.

## Embargoes and Sanctions Regimes

### U.S. Companies Settle Charges of Illegal Exports

The United States has been increasing the imposition of civil and criminal penalties for illegal practices by U.S. exporters. The Bureau of Industry and Security (BIS) of the U.S. Department of Commerce is responsible for the regulation of exports for national security, foreign policy, and nonproliferation reasons and the enforcement of those regulations. Imposition of penalties by BIS on violators is on the rise. In fiscal year 2003, BIS won 20 criminal convictions, yielding over \$3.5 million in fines. It won another \$4 million in 40 civil settlements. In fiscal year 2002, by comparison, BIS successfully imposed \$93,000 in criminal penalties.[1]

Cases settled in April and May of 2004 are summarized below:

Suntek Microwave, Inc. of Newark, California agreed to a \$275,000 civil penalty and a 20-year denial of export privileges. Suntek's former president, Charlie Kuan, agreed to a \$187,000 civil penalty and a 20-year denial of export privileges. BIS charged that Suntek, under Kuan's direction, failed to obtain export licenses for shipments of detector log video amplifiers (DLVAs) to China. Suntek also made false statements to BIS on a license application by supplying false end-user information for a shipment of DLVAs to China. DLVAs may be used in radar, missile, and satellite communications systems.

In addition, Suntek was fined over \$339,000 and Kuan awaits trial in related criminal cases involving "deemed exports." The deemed export provision of the Export Administration Regulations (EAR) states that an export license is required to release technology to a foreign national in the United States if a license would be required to export that technology to his/her home country. BIS charged that Suntek failed to

obtain export licenses for Chinese nationals who worked at Suntek and who were trained in DLVA manufacturing technology.[2]

Roper Scientific, Inc. of Trenton, New Jersey agreed to pay civil penalties totaling \$422,000 to settle charges that it exported night vision cameras without the required export licenses to various destinations, including Italy, Japan, and South Korea. Roper was also charged with making false statements on a Shipper's Export Declaration.[3]

RLC Electronics, Inc. of Mount Kisco, New York agreed to pay a \$30,000 civil penalty to settle charges that it exported power dividers and low pass filters without the required licenses to the Indian Space Research Organization's Telemetry, Tracking, and Command Network (ISTRAC) and Sriharikota Space Center (SHAR) in Bangalore, India. At the time of the exports, both ISTRAC and SHAR were on the BIS Entity List, a compilation of end-users who have been determined to present an unacceptable risk of diversion to developing WMD or WMD delivery systems. Exports to companies or individuals on the Entity List require prior authorization from BIS.[4]

Molecular Probes, Inc. of Eugene, Oregon agreed to pay a \$266,750 civil penalty to settle charges that it exported toxins 97 times to numerous countries without the required export licenses. The exported toxins—conotoxin and tetrodotoxin—are controlled exports under the EAR because of the possibility that they might be used to produce biological weapons.[5]

New Focus, Inc. of San Jose, California agreed to pay a \$200,000 civil penalty to settle charges that it failed to obtain required export licenses for shipments of amplifiers to Chile, the Czech Republic, and Singapore. BIS also charged that New Focus failed to obtain export licenses under deemed export provisions for two Iranian nationals and one Chinese national who were exposed to manufacturing technology controlled by the EAR.[6]

Sources: [1] "Don't Let This Happen to You: Raytheon Pro Details Expensive Compliance Lessons Learned," *Managing Exports*, April 2004; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [2] "Suntek Microwave, Inc. and Company President Settle Charges of Illegal Exports," May 6, 2004, BIS website, <<http://www.bis.doc.gov/News/2004/SunTeckMay04.htm>>. [3] "New Jersey Company Settles Charges of Illegal Exports," April 15, 2004, BIS website, <[http://www.bis.doc.gov/News/2004/NJCompanySettles4\\_15.htm](http://www.bis.doc.gov/News/2004/NJCompanySettles4_15.htm)>. [4] "New York Company Settles Charges of Unlawful Exports to India," April 14, 2004, BIS website, <[http://www.bis.doc.gov/news/2004/NYCompanySettles4\\_14.htm](http://www.bis.doc.gov/news/2004/NYCompanySettles4_14.htm)>. [5] "Oregon Company Settles Charges of Illegal Exports of Controlled Toxins," April 2, 2004, BIS website, <[http://www.bis.doc.gov/news/2004/MolecularProbes4\\_2\\_04.htm](http://www.bis.doc.gov/news/2004/MolecularProbes4_2_04.htm)>. [6] "San Jose Company Settles Charges of Unlicensed Exports," April 2, 2004, BIS website, <[http://www.bis.doc.gov/news/2004/NewFocus4\\_2\\_04.htm](http://www.bis.doc.gov/news/2004/NewFocus4_2_04.htm)>.

## Illicit Trafficking in the NIS

### Two Radioactive Containers Found in Russia

On April 20, 2004, a radioactive container was discovered at the 32<sup>nd</sup> kilometer of the Yekaterinburg-Tyumen highway near the Beloyarskiy settlement, Sverdlovsk Oblast. Radiation measured around the container, 20 cm in height and diameter and weighing 50 kg, amounted to 2,800 microrentgens per hour, which is about 70 times the natural background radiation. However, according to Nikolay Gerasimov, assistant head of the regional Privolzhsk-Ural Center of the Ministry of Emergency, the radiation source itself was not found. A spectrometric analysis showed that the container, designed for storing radioactive substances used in non-destructive testing of metals, previously held iridium-192. Local police, federal security service, and emergency response officers are searching for the radioactive substance and owner of the container.[1,2,3]

A month earlier, on March 25, 2004, a radiation source was discovered in the city of Elektrostal near Moscow, within 100 meters of a residential area. Representatives from Radon, a government enterprise that specializes in disposal of radioactive waste from medical, scientific, and technical facilities, found that a cylinder marked with a radioactive warning sign, 24 cm in length and 15 cm in diameter, was emitting 342 microrentgens per hour, which is about 8.5 times greater than natural background radiation. However, the level of radioactivity at 10 meters from the cylinder was within the normal range. On the same day, Radon experts removed the cylinder from the site for disposal. It is not clear from media reports what substance

was inside the cylinder and how it happened to be there. Local authorities launched an investigation into the incident.[4,5,6]

*Editor's Note: Iridium-192 is one of the radioisotopes of high security concern. Very small amounts (much less than one gram) can be injurious and could serve as the radioactive component of a radiation dispersal device..*

Sources: [1] Tatyana Pavlova, "Vblizi kafe na trasse Yekaterinburg-Tyumen obnaruzhen radioaktivnyy konteyner" [A radioactive container was found near a café at the Yekaterinburg-Tyumen highway], ITAR-TASS Ural, April 21, 2004, <<http://itartass.ur.ru/news/?id=3083>>. [2] Andrey Ivanov, "Novaya radioaktivnaya nakhodka pod Beloyarskom" [A new radioactive discovery near Beloyarsk], GoryachiyDen.RU, April 21, 2004, <[http://hotday.ru/more.php?id=40\\_0\\_1\\_0\\_M4](http://hotday.ru/more.php?id=40_0_1_0_M4)>. [3] "Ugroza sokhranyayetsya!" [The threat remains!], Concept-Media news agency (Moscow-Ekaterinburg), April 23, 2004, <<http://www.concept-media.ru/news.asp?nid=809&t=1>>. [4] "V podmoskovnom gorode Elektrostal obnaruzhen istochnik radioaktivnogo izluzheniya" [A radiation source was discovered in the city of Elektrostal near Moscow], ITAR-TASS, March 26, 2004; in Integrum Techno, <<http://www.integrum.com>>. [5] "V Elektrostali obnaruzhen istochnik radioaktivnogo izluzheniya" [Radiation source discovered in Elektrostal], Moscow Oblast government website, March 26, 2004, <<http://www.mosreg.ru/news/4/2004/3/26/>>. [6] Nikolay Polezhayev, "V Podmoskovnye nashli radioaktivnyy predmet" [A radioactive object was found near Moscow], Utro.ru, March 26, 2004, <<http://www.utro.ru/articles/2004/03/26/292021.shtml>>.

### **Thieves of Nuclear Plant Equipment Arrested in Ukraine**

At an April 5, 2004 press-conference, Mykola Tomilovych, department head at the Rivne Oblast (western Ukraine) Prosecutor's Office, announced that the police directorate for fighting organized crime in Kuznetsovsk arrested five men on suspicion of stealing equipment from the Rivne nuclear power plant (NPP). According to Tomilovych, four employees of the Rivne NPP bribed a security officer working at the plant's checkpoint to pass through security and stole a piece of the plant's equipment—the reactor's evaporator heating chamber. The perpetrators paid the security officer 400 hryvnyas (\$77 as of April 2004) for the service.[1,2,3] Initial reports suggested that the bribed checkpoint worker was a warrant officer serving at a military unit guarding the Rivne NPP, but the Ukrainian Ministry of Defense later stated that the warrant officer had no relation to the military because NPPs in Ukraine are guarded by units from the Ministry of Internal Affairs.[3]

The thieves sold the stolen piece of equipment to a local scrap metal collection station for a mere 1,600 hryvnyas (\$309 as of April 2004), while experts estimated its cost at 800,000 hryvnyas (\$154,000 as of April 2004). The device was not in service at the time of the theft, so operations at the Rivne NPP were not affected. The four plant workers were charged under Article 185, part 5 (Large-Scale Theft) of the Criminal Code of Ukraine and Article 369 (Bribery). The security officer was charged under Article 368 (Bribe taking).[1,2]

*Editor's Note: The Rivne NPP has three operating VVER-440 reactors and one VVER-1000 reactor, which is under construction. It is likely that the piece of stolen equipment, which the Ukrainian press and media identifies as "the reactor's evaporator heating chamber" is actually the spare evaporator from the condensate treatment system of the VVER-440 reactor. The evaporator, which in the condensate treatment system is linked with the reactor coolant and can be described as a heating chamber, is relatively small and portable. Because the evaporator was a spare piece of equipment and therefore was kept in storage for a couple of years, the thieves probably thought that its disappearance would go undetected. Also because this was a spare evaporator, it was not contaminated with radioactivity and therefore in an idle capacity it could have been stolen without exposing the thieves to harmful radiation.[4]*

Sources: [1] "Rovenskiy AES obvorovali" [Rivne NPP was robbed], Infa news agency; in *Tribuna* electronic newspaper, April 5, 2004, <<http://tribuna.com.ua/news/2004/04/05/2927.html>>. [2] "Praporshchik pomog ukrast agregat s Rovenskoy AES za vzyatku v 400 griven" [A warrant office assisted in stealing a device from the Rivne NPP for a bribe of 400 hryvnyas], Interfax; in *Gazeta.ru*, April 5, 2004, <<http://www.gazeta.ru/cgi-bin/newsarc.cgi?lenta=lenta&day=05&month=04&year=2004>>. [3] "Razvorovyvat RAES pomogal militeyskiy praporshchik, a ne voyenny" [A warrant officer who assisted in stealing equipment from the Rivne NPP is from police, not from the military], *Tribuna* electronic newspaper, April 5, 2004, <<http://tribuna.com.ua/news/2004/04/05/2941.html>>. [4] CNS communication with and commentary by officials from the Pacific Northwest National Laboratory, May 21, 2004.

### **Controversy Surrounding Seizure of Radioactive Material on Ukrainian-Hungarian Border: Another Hoax?**

In its March 2004 issue, the *NIS Export Control Observer* reported the seizure of radioactive material on the Ukrainian-Hungarian border on February 24, 2004, at the Tisa border checkpoint in the Transcarpathian

region (Zakarpatskaya Oblast) in western Ukraine.[1] The article highlighted contradicting reports in the Ukrainian media regarding the profile of the perpetrator, and the nature of the material seized. Indeed, the suspect—a 57-year-old Ukrainian citizen, Yuriy I.—who transported the lead container behind the back seat of his vehicle was described in some Ukrainian media as a former Soviet military intelligence (GRU) officer and in others as a reserve officer of the Ukrainian Security Service (SBU).[1,2,3,4] Similarly, the content of the seized container was described alternatively as plutonium or 400 grams of uranium-238, while the Soviet-era documents accompanying the container indicated that it held uranium-235, uranium-238, cesium-137, cesium-134, and barium-137.[1,4,5]

A recent press report released by a Ukrainian news agency on March 26, 2004, indicates that the analysis of the seized material performed at an undisclosed location in Kiev revealed that the container was filled with cement, iron nuts and bolts, and held no radioactive materials.[3] As a result, the criminal case and charges (violation of Part 1 of Article 265 *Illegal Handling of Radioactive Materials* of the Criminal Code of Ukraine) brought against the alleged culprit were dropped and the individual was released.[3,5] It is noteworthy that some of the Transcarpathian media agencies speculated that the container indeed held radioactive material and that the content of the container could have been intentionally replaced en route to Kiev.[3] However, no justification or possible motivation for such actions was offered.

The *NIS Export Control Observer* will continue to monitor the Ukrainian media for possible developments.

Sources: [1] "Uranium Seized on Ukrainian-Hungarian Border," *NIS Export Control Observer*, No. 14, March 2004, pp. 7-8, <<http://cns.miis.edu/nis-excon>>. [2] "Perevozkoy urana zanimalysya ukrainskiy ofitser?" [Was a Ukrainian officer involved in smuggling uranium?], UNIAN news agency, February 26, 2004; in Ukrainian Media Internet Group MIGnews.com.ua, <<http://www.mignews.com.ua/disasters/ukraine/111349.html>>. [3] "Tseziy, bariy i uran podmenili boltami i zalili tsementnym rastvorom" [Cesium, barium and uranium were replaced by iron bolts and were covered with cement mixture], forUm news agency (Ukraine), March 26, 2004, <<http://for-ua.com/news/2004/03/26/103833.html>>. [4] "Zakarpatiye. Vozbuzhdeno ugolovnoye delo po faktu perevozki cherez ukrainsko-vengerskuyu granitsu 400 gramov plutoniya (obnovleno)" [Transcarpathia. Criminal case related to the attempted transfer of 400 grams of plutonium across the Ukrainian-Hungarian border launched (updated)], Reporter [Transcarpathian news service, Uzhgorod, western Ukraine], February 26, 2004, <[http://www.ua-reporter.com/hot/2004/hot26\\_02\\_04.html](http://www.ua-reporter.com/hot/2004/hot26_02_04.html)>. [5] "'Uranovyy' kontrabandist rabotal ne odin" [Uranium smuggler was not working alone], Ukrainian Media Internet Group MIGnews.com.ua, February 27, 2004, <<http://www.mignews.com.ua/disasters/ukraine/111478.html>>.

### **Georgian Border Guards Detain Smuggler of Radioactive Material on Armenian Border**

On March 13, 2004, Shalva Londaridze, spokesman for the Georgian State Border Guard Department, told the Kavkasia-Press news agency that the Georgian border guards detained an Armenian citizen, who tried to smuggle radioactive material into Georgia through the Sadakhlo border crossing at the Armenian-Georgian border. Georgian authorities revealed neither the exact time and date of detention nor the precise amount and nature of the radioactive material. According to Londaridze, the Border Guard Department has launched an official investigation into the incident.[1] An official from the Nuclear and Radiation Safety Service of the Georgian Ministry of Environment contacted by CNS stated that he was not aware of this incident.[2]

Source: [1] "Radioactive Material Seized on Georgian-Armenian Border," Kavkasia-Press news agency (Georgia), March 13, 2004; BBC Monitoring International Reports; in Lexis-Nexis Academic Universe Database, <<http://www.lexis-nexis.com>>. [2] CNS communication with official from the Nuclear and Radiation Safety Service of the Ministry of Environment of Georgia, May 21, 2004.

## **Summaries from the NIS Press**

### **Subcontractors in Sakhalin Found in Violation of Russian Export Control and Health Regulations**

Speaking at a March 31, 2004, press conference in Yuzhno-Sakhalinsk, Sakhalin Oblast, regional administration officials announced that in February 2004, the Korsakov port authority in Sakhalin seized a radioisotope device in a cargo originating in South Korea. The device, powered with strontium and cesium, emitted radiation more than 100 times higher than the permissible level. The intended recipient, a joint Russian-Turkish-U.S. oil and gas company named BETS, had no permission to import the device.[1,2,3]

According to oblast officials, this incident is only one of many registered violations of Russian regulations governing imports and operation of devices powered with radioactive sources as well as public health regulations by Russian and foreign subcontractors working on oil and gas projects in Sakhalin. According to Boris Darizhapov, Sakhalin Oblast's acting chief sanitary inspector, radioisotope devices are used at 156 sites in the oblast for radiographic examination. Inspections conducted by the regional Center of the State Sanitary and Epidemiology Service (Gossanedipnadzor, now the Federal Service for Oversight in the Sphere of Protection of Consumers Rights and Population Welfare) revealed that some companies operate equipment with a radioactivity level of more than 400 curies, in violation of Russian regulations.[1,3]

Darizhapov added that subcontractors typically ignore federal and regional legislation regulating working and living conditions, catering, health service, and waste disposal. Such disregard has resulted in cases of pediculosis [infestation with lice] and food poisoning. The regional Gossanedipnadzor Center also noted cases of insufficient drinking water supply, and discharge of untreated sewage into the open sea.[2,4]

Sources: [1] Leonid Vinogradov, "Pribor s ubiystvennym urovnem radiatsii, v 100 raz prevyshayushchey yestestvennyy fon, zaderzhan v sakhalinskom portu Korsakov" [A device with a lethal level of radiation exceeding the natural background by 100 times was seized in the Sakhalin port of Korsakov], ITAR-TASS, March 31, 2004; in Integrum Techno, <<http://www.integrum.com>>. [2] "Kompanii, rabotayushchiye na sakhalinskom shelfe, grubo narushayut sanitarnyye normy" [Companies working on the Sakhalin shelf violate ecological standards], Regnum news agency, March 31, 2004; in Integrum Techno, <<http://www.integrum.com>>. [3] "Na Sakhaline zafiksirovany narusheniya pri vvoze inostrannymi kompaniyami radioizotopnogo oborudovaniya" [Violations made by foreign companies while importing radioisotope equipment have been registered in Sakhalin], RIA Novosti, March 31, 2004; in Integrum Techno, <<http://www.integrum.com>>. [4] "Mnogochislennyye narusheniya sanitarnykh norm podryadnymi organizatsiyami neftegazovykh proyektov vyyavleny na Sakhaline" [Numerous violations of sanitary norms by subcontractors of oil and gas projects have been recovered in Sakhalin], RIA Novosti, March 31, 2004; in Integrum Techno, <<http://www.integrum.com>>.

### **Kazakhstani Customs Officer Shares His Impressions after Attending International Border Interdiction Training (IBIT) in Texas**

In an April 27, 2004, interview with Kazinform, Maksim Dyusembayev, head of the Anti-Drug Smuggling Division of the Customs Control Department of East Kazakhstan Oblast, discussed the International Border Interdiction Training (IBIT) session organized earlier this year under the auspices of the U.S. Department of State's Export Control and Related Border Security Assistance (EXBS) program in the towns of McAllen and Hidalgo, Texas.[1]

On January 11-24, 2004, eight representatives of the Kazakhstani customs and border defense agencies took part in a two-week IBIT training course conducted by the Customs and Border Protection Agency (CBP). This was the second such training session offered to Kazakhstani customs officers and border guards.[1] The first three-week training course was organized for approximately 80 customs officials and border guards from Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan in Hidalgo, Texas on August 21-September 8, 2001.[2] The lectures given by CPB customs officers and border patrol agents addressed such issues as the war against terrorism, the fight against drug trafficking and illegal currency imports, profiles of international terrorist organizations and their leaders, weapons of mass destruction, and vehicle inspection methods.[1]

Dyusembayev noted that he found the parts of the training that featured the analysis of psychological characteristics of potential violators and the examination of concealment methods used for smuggling illegal commodities across the border particularly useful. According to Dyusembayev, lectures on these topics were delivered by experienced customs officers, who used photos and slides to enhance their presentations graphically. The Kazakhstani border guards and customs officials also had the opportunity to test their newly acquired knowledge during joint inspections at one of the busiest U.S. points of entry—the International Border Crossing at Hidalgo, Texas.[1,3]

Dyusembayev noted that the training seminar helped him better appreciate the importance of consistent training of customs and border control personnel, the acquisition of appropriate equipment, and the role of interagency cooperation in combating cross-border crime. In this regard, Dyusembayev pointed out that in 2003, the Customs Control Department of East Kazakhstan Oblast prevented 40 attempts to traffic in drugs and seized more than 111 kg of narcotics. He added, however, that soaring drug production in Afghanistan and growing demand in Kazakhstan foster drug trafficking and require intensified and coordinated efforts to curb the drug flow more effectively.

*Editor's Note: Since 2001, the U.S. Customs and Border Protection Agency (CBP) has administered the IBIT course, as part of the EXBS program, for more than 115 customs officers and border guards from Armenia, Azerbaijan, Bosnia-Herzegovina, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. The IBIT course includes classroom theory and hands-on practice in anti-terrorist operations, inspection of passenger and cargo vehicles, use of high-tech detection equipment, and analysis of suspicious behavior and other critically important areas.[2]*

*In addition to thousands of pedestrians crossing the border in both directions, up to 25,000 cars and 1,500 cargo vehicles use the Hidalgo border crossing on a daily basis. On June 2, 2003, the World Customs Organization recognized the outstanding contributions from the CBP officials of the Hidalgo port of entry with an award for developing and providing the IBIT training course.*

Source: [1] Lyudmila Malko, "Otechestvennyye siloviki proshli master-kursy po borbe s narkotrafikom v Tekhase na granitse s Meksikoy" [Kazakh law enforcement officials took master-courses in the fight against drug trafficking in Texas on the border with Mexico], Kazakh National Information Agency Kazinform, April 27, 2004, <<http://www.inform.kz/showarticle.php?id=76293>>. [2] "Curbing Smuggling of Weapons of Mass Destruction in Central Asia," U.S. Department of State Bureau of International Information Programs Press Release, August 22, 2001, <<http://usinfo.state.gov>>. [3] U.S. Customs and Border Protection Agency press release, "U.S. Customs Service in Hidalgo Earns World Customs Organization Award," June 2, 2003, <[http://www.customs.gov/xp/cgov/newsroom/press\\_releases/022003/02062003\\_2.xml](http://www.customs.gov/xp/cgov/newsroom/press_releases/022003/02062003_2.xml)>.

### **Russian Official Recognizes Threat that Terrorists Could Acquire WMD**

On April 2, 2004, following the 11<sup>th</sup> meeting of the U.S.-Russian task force on combating terrorism held in Washington, DC, First Deputy Foreign Minister of Russia Vyacheslav Trubnikov responded to media reports on the possibility of acquiring nuclear devices on the black market in Uzbekistan and Russia, by stating, "one cannot rule out the danger that terrorists could acquire materials to construct weapons of mass destruction."

According to Trubnikov, nuclear power plants, as well as biological and nuclear research institutes are vulnerable to leakages and could become the sources of dangerous material, such as biological preparations or fissile material and isotopes that could be used by terrorist groups. Trubnikov added that although a "real nuclear bomb" could not be constructed with the use of these materials, the threat of their use in "dirty bombs" is real.[1]

This statement echoes the conclusion of Russia's Federal Inspectorate for Nuclear and Radiation Safety (Gosatomnadzor, soon to become part of the Federal Service for Environmental, Technological, and Atomic Supervision) indicating that the level of physical protection of Russian nuclear facilities is unsatisfactory. In this regard, Gosatomnadzor head Andrey Malyshev noted that 299 inspections conducted in 2003 revealed 175 anomalies. However, compared to 2002, the number of physical protection anomalies detected has decreased.[2] *[Editor's Note: An anomaly in nuclear materials accounting and control is a "nuclear materials deficit, inaccuracy in accounting and reporting documents, physical tampering, nuclear materials access control system failure; violation of nuclear materials scheme of production, use, and transfer."]*[3]

At the same time, according to Malyshev, of the four radioactive sources Gosatomnadzor reported stolen or lost in Russia in 2003, none originated from Ministry of Atomic Energy (now Federal Agency for Atomic Energy) facilities.[3] Instead, the first source, discovered missing in August-September 2003, was used in a lighthouse at the Privedenskaya State Unitary Geological Enterprise, in Chukotka. The entire lighthouse is now missing. *[Editor's Note: For more information on this case, please see the story "Increasing International Attention paid to RTGs in Russian Arctic" in this issue of the NIS Export Control Observer.]* The second source was reported missing from the Sokolskiy Wood-Pulp and Paper Mill, Vologda Oblast, on September 1, 2003. The third source was an oil-drilling device stolen from a subsidiary of Schlumberger Logelco Inc. in Noyabrsk, Tyumen Oblast, on September 25, 2003. This source was recovered on November 19, 2003.[4] The last source was reported missing from the Oblast Oncology Dispensary in Lipetsk on October 6, 2003.[5]

Sources: [1] "V MID RF ne iskluyuchayut utechek komponentov OMU k terroristam i ispolzovaniya imi 'gryaznoy bomby'" [Russian Federation Foreign Ministry does not rule out the possibility of WMD components leaking to terrorists and their use of a 'dirty bomb'], Interfax, April 2, 2004. [2] "Na kollegii GANa otmechen neudovletvoritelnyy uroven fizzaschchity rossiiskikh yadernykh

obyektov” [Physical protection of Russian nuclear facilities declared unsatisfactory at a Federal Inspectorate for Nuclear and Radiation Safety meeting] *Nuclear.ru*, March 1, 2004. <<http://www.nuclear.ru/news/full.html?id=2327>>. [3] “O khishchenii radioaktivnykh istochnikov v Rossii” [On the theft of radioactive sources in Russia], *Yadernyy kontrol: Informatsiya*, No. 47, December 10-17, 2003. [4] “Stolen Cesium-137 Recovered in Russia,” *NIS Export Control Observer*, No. 11, November 2003, pp. 11-12, <<http://cns.miis.edu/nis-excon>>. [5] “Informatsiya o narusheniyyakh v rabote obyektov ispolzovaniya atomnoy energii v narodnom khozyaystve v 4-m kvartale 2003” [Information on the violations at national atomic energy facilities in the 4<sup>th</sup> quarter of 2003], Federal Inspectorate for Nuclear and Radiation Safety website, <<http://www.gan.ru/vestnik/2003/vestnik-04.2003.htm>>.

## International Developments

### Car with Iridium Stolen in Serbia

On March 29, 2004, the Serbian Ministry of the Interior announced that a vehicle with a container holding a radioactive substance was taken from the parking lot of the Kirilo Savic Scientific Research Institute, located in Vozdovac, near Belgrade. The car, which was Institute property, was left at the parking lot by Dragan Zivkovic, an associate at the Institute. According to a Serbian Ministry of Interior spokesman, the lead-lined metal container held radioactive isotope iridium-192. The Ministry appealed to the thief not to open the container because of the serious health threat it poses, and to immediately inform the police about the location of the car and the container on condition of anonymity since the substance “has no value on the black market.”[1] Following the incident, the Serbian Ministry of Science and Environmental Protection banned the Kirilo Savic Scientific Research Institute from working with radioactive isotopes, including their transfers and transportation.[1,2] As of May 2004, no open source reports are available with a follow-up on this incident.

*Editor’s Note: According to the International Atomic Energy Agency, only 20 or more curies worth of radioactivity of iridium-192—a very small quantity, no larger than the graphite point of a pencil—would have to be present for the radioactive source to be considered “high-risk” and a serious threat to human health, if the radioactive material is unshielded. Rigorous export controls should be applied to high-risk sources in the IAEA’s Categories I and II, according to the IAEA-sponsored Code of Conduct on the Safety and Security of Radioactive Sources. For iridium-192, the threshold for Category I is 2,000 curies and for Category II is 20 curies. A 2,000-curie source would contain about two grams of iridium-192, and a 20-curie source would have much less than one gram.*

Sources: [1] “Jugo Car with Radioactive Material Goes Missing,” Tanjug news agency (Serbia), March 29, 2004; in “Car With Radioactive Material Stolen From Serbian Institute’s Parking Lot,” FBIS Document EUP20040329000372. [2] “V Srbii ugnan sluzhebnyy avtomobil, v kotorom nakhodilsya radioaktivnyy izotop” [A service vehicle carrying a radioactive isotope was hijacked in Serbia], RIA Novosti, April 5, 2004; in Integrum Techno, <<http://www.integrum.com>>.

### International Nuclear Safety Group: Renewed and Refocused

Nuclear safety received a renewed boost from International Atomic Energy Agency (IAEA) Director General Mohamed ElBaradei in October 2003. He transformed the International Nuclear Safety Advisory Group into the International Nuclear Safety Group; both have the same acronym: INSAG, but there is a new approach. The dropping of the word “Advisory,” in effect, expanded the audience of the new INSAG to non-governmental organizations, regulatory authorities, the nuclear industry, the public, and the news media. For 17 years from 1985 to 2002, the old INSAG, in contrast, provided advice almost exclusively to the IAEA. It produced several studies addressing various issues in the fields of reactor and radiation safety. For instance, the reports covered design and operational safety at nuclear power plants, the effects of radiological exposures, and effective ways to nurture a nuclear safety culture.

The new INSAG has a somewhat narrower mandate to focus on the “safety of nuclear installations—nuclear power plants, research reactors, and other fuel cycle facilities,” according to Director General ElBaradei.[1] However, the five issue areas that INSAG will initially concentrate on broaden the scope of this mission statement. First, the group will produce a periodic report that will assess the status of nuclear safety throughout the world; it aims to present the inaugural study at the September 2004 IAEA General Conference. Second, although another committee within the IAEA formulates nuclear safety standards, INSAG will try to develop the concept of a global nuclear safety regime, considering the intercultural and international dimensions of the nuclear industry. Third, INSAG will examine safety principles. In particular, it will determine how to apply risk reduction concepts to enhancing regulatory and operational

decision making practices. Fourth, picking up where the old INSAG left off, the new INSAG will assess operational safety of nuclear facilities to ensure that continued operation does not jeopardize the public or the environment. Fifth, in line with its expanded mandate to address a wider audience, INSAG will discuss how to involve all concerned stakeholders. For example, at the most recent meeting in March 2004, INSAG members decided to invite a representative of the World Association of Nuclear Operators (WANO) to the next meetings. Formed as a result of nuclear safety concerns emanating from the 1986 Chernobyl accident, WANO is a non-governmental organization that includes members from every commercial nuclear power plant in the world and is devoted to ensuring the highest standards of nuclear safety through confidential peer review assessments of nuclear plant operations.[2]

At the March 2004 meeting, Dr. Richard Meserve, former chairman of the U.S. Nuclear Regulatory Commission, presided and worked with nuclear safety experts from 15 countries, including Brazil, Canada, China, Finland, France, Germany, Hungary, India, Japan, Russia, South Africa, South Korea, Spain, the United Kingdom, and the United States. The group plans to meet semiannually and will convene next in November 2004 in Vienna.[3] While many members work for their individual governments outside of INSAG, when they meet within INSAG, they work independently, not as government representatives. In particular, the group has not made arrangements to interact with the existing G-8 Nuclear Safety Group. The composition of INSAG was designed to incorporate a wide range of views and expertise involving the power plant industry, fuel cycle facilities, non-governmental organizations, and regulatory agencies, as well as research and academic institutions.

Concerning whether INSAG will examine security issues in addition to safety, Dr. Meserve replied: “We will consider issues arising at the security-safety interface. For example, matters in which safety considerations impact security or in which security demands affect safety will be within our purview.”[4]

Sources: [1] IAEA Director General Mohamed ElBaradei, “Nuclear Safety: A Maturing Discipline,” Statements of the Director General, October 14, 2003, IAEA website, <<http://www.iaea.org/NewsCenter/Statements/2003/ebsp2003n022.html>>. [2] WANO website, <<http://www.wano.org.uk/>>. [3] “Experts Form International Nuclear Safety Group,” IAEA Staff Report, March 26, 2004, IAEA website, <[http://www.iaea.org/NewsCenter/News/2004/experts\\_insag.html](http://www.iaea.org/NewsCenter/News/2004/experts_insag.html)>. [4] CNS interview with Dr. Richard Meserve, May 12, 2004.

### **UN Security Council Passes Resolution Banning and Criminalizing WMD Transfers to Terrorists and Other Non-State Actors**

On April 28, 2004, the UN Security Council unanimously approved Resolution 1540 aimed at preventing international terrorist organizations from accessing weapons of mass destruction (WMD), their components or related technologies.[1,2,3] The initiative, spearheaded by the United States, was first outlined in an address by President George W. Bush to the UN General Assembly on September 23, 2003, and was later elaborated in a presidential policy speech on WMD nonproliferation at the National Defense University on February 11, 2004.

Adopted under Chapter VII of the UN Charter, which makes the resolution binding on all UN members and allows for military enforcement if necessary, Resolution 1540 requires that all 191 UN member states “refrain from providing any form of support to non-State actors that attempt to develop, acquire, manufacture, possess, transport, transfer or use nuclear, chemical or biological weapons and their means of delivery.”[4,5] Resolution 1540 defines a non-state actor as an “individual or entity, not acting under the lawful authority of any State in conducting activities which come within the scope of this resolution.”[5] In addition, Resolution 1540 requires UN member states to enact “effective laws which prohibit any non-State actor to manufacture, acquire, possess, develop, transport, transfer or use nuclear, chemical or biological weapons and their means of delivery, in particular for terrorist purposes.”[5]

Finally, in an attempt to prevent WMD proliferation, Resolution 1540 obliges UN members to take the following steps: (1) to implement necessary measures for accounting and control of materials of proliferation concern “in production, usage, storage or transport;” (2) to take appropriate steps for guaranteeing the physical protection of such articles; (3) to adopt effective border control and law enforcement mechanisms in order “to detect, deter, prevent and combat, including through international cooperation when necessary, illicit trafficking and brokering in such items;” (4) to establish effective national export control systems by passing “appropriate laws and regulations to control export, transit,

trans-shipment and re-export and controls on providing funds and services related to such export and trans-shipment such as financing, and transporting that would contribute to proliferation, as well as establishing end-user controls; and establishing and enforcing appropriate criminal or civil penalties for violations of such export control laws and regulations.”[5]

Resolution 1540 also envisions the establishment of a special committee consisting of all UN Security Council member states that will function for a period of two years and will report to the Council on the progress in implementing the provisions of this resolution. In terms of its reporting requirements, Resolution 1540 calls upon all states to submit a first report outlining “steps they have taken or intend to take to implement this resolution” no later than six months after the adoption of the resolution.[5] Resolution 1540 is not specific in spelling out possible punitive actions and consequences for non-compliance. Rather, it states that the UN Security Council will closely monitor the implementation of the resolution and “take further actions which may be required to this end.”[3,4,5]

U.S. government officials hailed the adoption of Resolution 1540, which was the culmination of six months of difficult negotiations between the five permanent members of the UN Security Council (China, France, Russia, the United Kingdom, and the United States).[3] U.S. Deputy Ambassador to the UN James Cunningham stated that Resolution 1540 fulfills the threefold nonproliferation objective of the U.S. government by criminalizing WMD proliferation activities, ensuring that all countries adopt strong export control systems, and requiring that all UN member states account for and secure all WMD-sensitive materials within their borders.[4]

Sources: [1] “President Bush Addresses United Nations General Assembly,” White House Press Release, Office of the Press Secretary, September 23, 2003, <<http://www.whitehouse.gov/news/releases/2003/09/20030923-4.html>>. [2] “U.S. President Calls for Strengthened Nonproliferation Controls,” *NIS Export Control Observer*, No. 14, February 2004, pp. 23-24, <<http://cns.miis.edu/nis-excon/>>. [3] Peter Heinlein, “UN Security Council Adopts Resolution to Prevent WMD Transfers to Terrorists,” *Voice of America*, April 28, 2004, <<http://www.voanews.com/>>. [4] Edith M. Lederer, “U.N. Security Council OKs WMD Resolution,” *Associated Press*, April 29, 2004. [5] United Nations Security Council Resolution 1540 (2004) “Non-proliferation of weapons of mass destruction,” April 28, 2004, <[http://www.un.org/Docs/sc/unsc\\_resolutions04.html](http://www.un.org/Docs/sc/unsc_resolutions04.html)>.

### **Russia Joins Proliferation Security Initiative**

On May 31, Russia joined the Proliferation Security Initiative (PSI), becoming the fifteenth member of the initiative first announced by U.S. President Bush in May 2003. According to a press release from the Russian Ministry of Foreign Affairs, Moscow “intends to make its contribution to implementing the PSI with consideration for the compatibility of the actions with the rules of international law, for their conformance to national legislation and for the commonality of nonproliferation interests with the [PSI] partners.”[1]

Prior to joining the PSI, official government pronouncements from Moscow on Russia’s intentions with regard to joining the PSI were unclear. Following a January 2004 visit to Moscow by U.S. Undersecretary of State John Bolton, a Russian Ministry of Defense official said that many of the inconsistencies in the original U.S. proposal had been resolved, but Russia would need perhaps two to three months to consider the political and practical aspects of the initiative before deciding whether to join.[2]

Russian Deputy Foreign Minister Sergey Kislyak told ITAR-TASS in April 2004 that provisions of the PSI under negotiation were getting closer to the Russian approach, but added that “a decision on Russia’s accession to the PSI has not yet been adopted.”[3] U.S. Ambassador to Russia Alexander Vershbow told participants at a Moscow nonproliferation conference organized by the PIR Center in late April 2004 that the United States had had “productive conversations” with Russia regarding the PSI, but limited himself to expressing hope that Moscow will soon join the effort.[4] In May 2004, Russian officials reaffirmed to U.S. National Security Adviser Condoleezza Rice Moscow’s “greater” interest in the PSI, but said they had not decided whether to sign on.[5]

Russia’s concerns about joining the PSI were thought to be primarily legal. Russia had considered PSI provisions in light of international law, the United Nations Charter, and the Geneva and Vienna Conventions.[2] According to Vladimir Novikov of Russia’s Institute for Strategic Studies, the cost and legal implications of interdiction activities contributed to Moscow’s reluctance to join.[4]

Sources: [1] "On Russia's Participation in Proliferation Security Initiative," Ministry of Foreign Affairs of the Russian Federation Daily News Bulletin, June 1, 2004. [2] "Russia undecided on US proliferation initiative – Defence Ministry source," ITAR-TASS, February 3, 2004; in Lexis Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [3] "Russia, US Continue Contacts on Bush-Proposed Proliferation Security Initiative," ITAR-TASS, April 10, 2004; in FBIS Document CEP20040410000090. [4] Mike Nartker, "U.S. Ambassador to Russia Outlines Proposals to Prevent Bioterrorism, WMD Proliferation," Global Security Newswire, April 26, 2004, Nuclear Threat Initiative website, <<http://www.nti.org>>. [5] "Bolton Flies In to Discuss Security," *The Moscow Times*, May 20, 2004, <<http://www.moscowtimes.ru/stories/2004/05/20/014.html>>.

## Workshops and Conferences

### End-Use/End-User Workshop Held in Tbilisi, Georgia

*By Richard Talley, U.S. Department of Energy*

A team of nuclear export control specialists from U.S. Department of Energy national laboratories led an end-use/end-user workshop in Tbilisi, Georgia on April 22-23, 2004. Twenty-four representatives from the Ministry of Economy, Ministry of Justice, Customs Department of the Ministry of Finance, Ministry of Environment and Natural Resources, State Border Guard Department of the Ministry of Internal Affairs, Ministry of Defense, and Ministry of Foreign Affairs attended the two-day workshop. In addition, three representatives from the Georgian Institute of Physics participated. The National Nuclear Security Administration's International Nonproliferation Export Control Program (INECP) organized the workshop, with funding from the Georgia Border Security and Law Enforcement assistance program.

During the workshop, U.S. experts gave presentations on multilateral nuclear export controls and U.S. end-use/end-user methodology for export license reviews, including an overview of proliferation methods, questions to ask during a license review, and available resources to use during a review. The majority of the workshop was devoted to case studies in which participants evaluated fictitious proposed exports and identified concerns related to the end-user or the stated end-use using the methodology provided during the training. Mr. Vilen Alavidze of the Ministry of Economy contributed to the opening remarks on behalf of the government of Georgia and made a presentation on the Georgian licensing system at the conclusion of the training course. Representatives from the Georgian Institute of Physics, who participated in earlier INECP workshops, provided input on technical issues and answered questions throughout the workshop.

INECP is planning two nuclear Commodity Identification Training workshops in July and two more CIT workshops in September. These workshops will be geared to address the training needs of enforcement officers located on the Georgian border.

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