

DECLASSIFIED IN PART
PER E. O. 13526**Top Secret**

2016-0165-M (1.01)

TO: Susan
FROM: Witney
RE: Victor Butt

KBH 8/9/2022

I thought it might be useful to provide an update on where we stand in regard to our efforts to ramp up activity against Victor Butt.

[redacted] EO 13526 1.4c [redacted] the 33 year-old Butt continues to expand his activity, including possible supply of surface-to-air missiles in Liberia/Sierra Leone, questionable diamond-related activities in Rwanda, continued arms selling and delivery in West Africa (via his airline CENTRAFRICAIN) and work to broker an unspecified deal in Africa with Ukrainian arms. Butt and the bulk of his Russian-made air fleet, reportedly numbering more than 70 large and small units, operate largely out of the United Arab Emirates (Dubai, Sharjah and Ras-al-Khaima) with nearly global reach. Attention is also directed at Butt because of his continued ties to Russian organized crime. We also believe Butt is interested in more activity in the U.S. seeking to link up with businesses in Florida and Texas and possibly obtaining American-made secure communications equipment. (FYI - Butt applied for an U.S. visa in Dubai in July but was turned down by the consular officer there as a potential intending immigrant.)

We have begun to work to see if precedent-setting pressure from the diplomatic/intelligence/enforcement community can be brought to bear against Butt and associates. I am working closely with AF/RA (Ray Walser), the NSC (Lee Wolosky, Cathy Byrne, Grant Harris), within State (CA, IO, INR, L), and with USUN. [redacted] 1.4(c) [redacted] FBI, Justice [redacted] 1.4(c) [redacted] are also involved with us. We have in the last 2 weeks held a number of meetings and 2 SVTS.

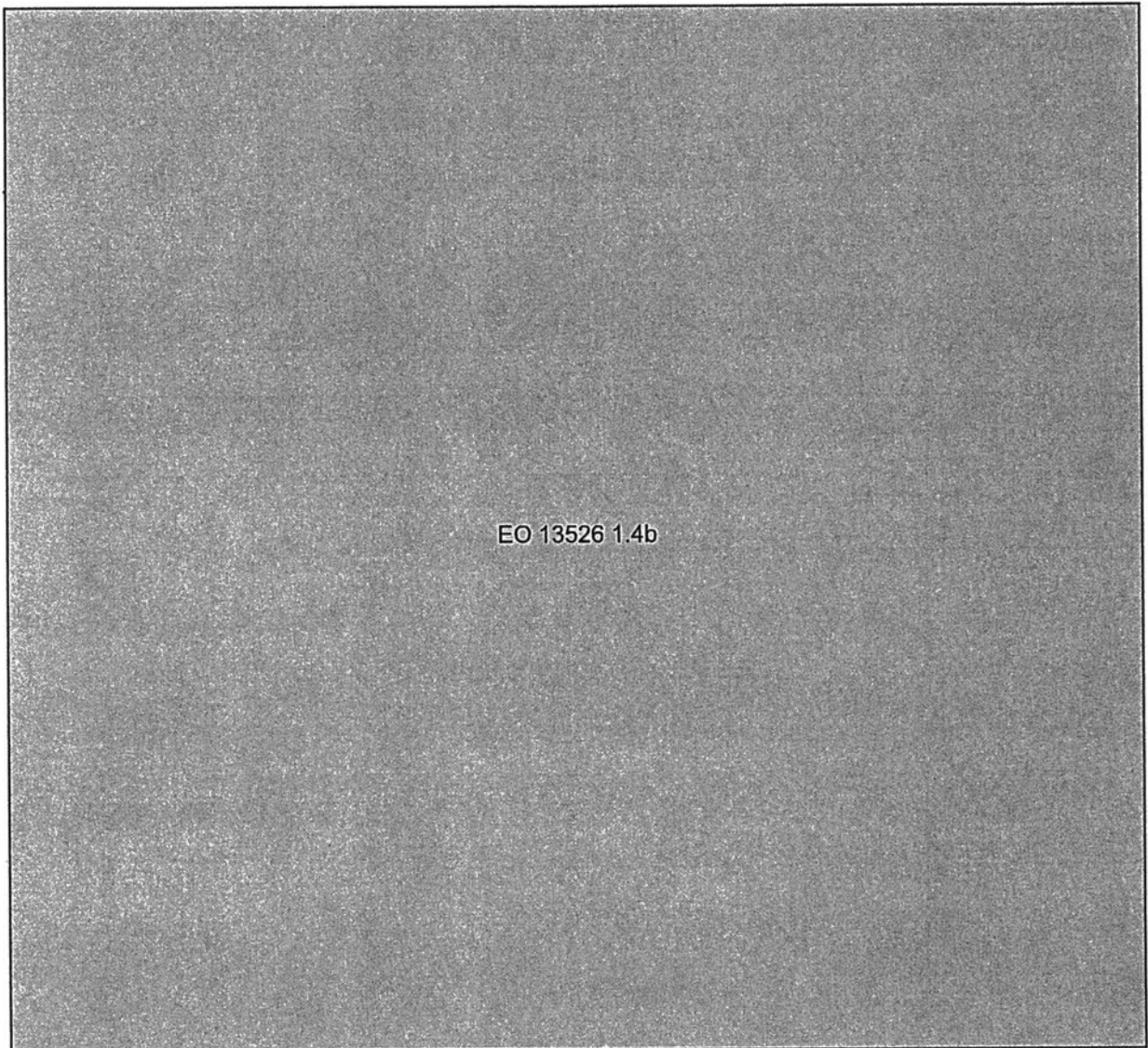
So far we have developed a matrix of possible sanctions violations. The USG has classified information indicating Butt and associates have violated the following UNSC Resolutions.

- UNSC 778 (1992) Liberia arms embargo by making arms sales and possible conduit for diamonds from Sierra Leone;
- UNSC 864 (1993) oil and arms embargo to UNITA in Angola;
- UNSC 1171 – the arms embargo on arms for the Revolutionary United Front;
- UNSC 1298 – arms and training embargo on Ethiopia/Eritrea.

More specifically, we have moved forward in the following areas:

- Visas – we will make sure Butt and approximately 20 of his Russian colleagues are entered into State's visa lookout system (CLASS). Once entered, the Department will be consulted before a visa is issued. We are also preparing a message to AmEmbassy Dubai alerting it to possible applications by Butt's associates and also asking them to run a retrospective check to see if visas were issued (we'll check databases in Washington). We cannot enter the 20 into the INS/Custom's IBIS system used at U.S. ports of entry until we have date of birth information [REDACTED] 1.4(c)
- International Enforcement – I am working closely with NSC's Lee Wolosky and L/AF George Taft to develop a better picture of how we might get at Butt's violations of UN Sanctions (actual enforcement of UNSC sanctions remains a major legal challenge) and at ways Butt and others might be prosecuted for violations of national laws in the UAE, an African state or elsewhere for specific crimes ranging from manslaughter to smuggling and corruption. This will likely entail going to the Library of Congress and other sources and seeking their help on domestic laws in countries such as Angola and UAE relating to UN sanctions, arms trafficking and civil aviation. We also want to see if there are other steps that could lead to seizures and confiscations that might weaken Butt's operational capability. Dick Clarke is particularly focused on having a friendly government issue a warrant for Butt's arrest.
- Domestic Enforcement – we have opened discussions with Justice and the FBI to discover the best manner for handling possible U.S. visits by Butt associates. We want to have in place an agreed plan of action in the event one of Butt's associates enters the U.S. (FYI: one Butt associate entered the U.S. this summer, but we only became aware of it after the fact.) Ideally, we will uncover prosecutable violations of U.S. law.
- [REDACTED] EO 13526 1.4c
[REDACTED] We will continue to comb this information carefully in the hope it yields more insight into the illicit side of his actions and provides us with information we can use operationally and legally against him.

[REDACTED] EO 13526 1.4b



EO 13526 1.4b

As for next steps, George Taft is preparing a memo that will identify the legal basis that might exist in various countries for taking actions against But. EO 13526 1.4c

[REDACTED] Finally, we are preparing an action memo from you to P on what we have accomplished to date and requesting that he meet with Dick Clarke to refine our 1.4(c) diplomatic strategies, options and sequencing.

Cc: Nancy, Mark, Charlie, Ray

2016-0165-M (1.08)

KBH 8/9/2022

Draft Strategy for Victor Butt

Objective: Destruction of the Butt organization, resulting in incarceration of Victor Butt and his brother Sergei and seizure of the organization's assets.

There are three scenarios ranked in order of desirability:

1. Cooperative state (presumably African) issues a warrant based on domestic laws (possibly including domestic laws that mandate enforcement of international sanctions) and the brothers are extradited (if necessary), tried, and incarcerated.
2. A state not directly involved in Butt's network issues a warrant based on international sanctions (unlikely) and the brothers are extradited (if necessary), tried, and incarcerated.
3. Apprehension of the Butt brothers is deemed unachievable and focus turns to hampering organization and seizing assets

Scenario One

The state deemed most likely to issue a warrant is South Africa. Other possibilities include Central African Republic (CAR), Nigeria, Mali, United Arab Emirates (UAE), and Russia. These next steps focus on our approach to South Africa.

1. Investigate domestic law in South Africa
 - State is producing separate memos on Butt's violations of international sanction regimes and domestic law violations in select countries (including domestic enforcement of international sanctions) (**NSC: Check status of memos and highlight South Africa as first priority for analysis**)
2. Ensure extradition treaty/applicable laws are in place between South Africa and UAE (**State**)
3. Ensure UAE support and willingness to extradite (**NSC-TNT**)
4. Identify appropriate South African interlocutor (**GES/OVP consulting**)
5. Gayle Smith and/or Susan Rice calls South African interlocutor and informs Ambassador Lewis (**GES/SER**)
6. Send out team (includes 1.4(c) policy specialists) to brief South African interlocutors EO 13526 1.4c

7. South Africa issues warrant and requests extradition
8. UAE apprehends Butt brothers and extradites to South Africa

EO 13526 1.4c

9. Immediately after apprehension of Butt brothers, demarches to capitals encourage seizure of Butt assets

EO 13526 1.4c

These same steps can be used for other states if the South Africa option is not successful.

Scenario Two

This scenario seems unlikely and would require additional research of potentially willing states and matters of jurisdiction.

Scenario Three

If the arrest of the Butts is not possible, the strategy would shift to disruption of the organization's activity and asset seizure. These steps are not mutually exclusive and would form the backbone of the demarches for asset seizure under a successful scenario one.

These steps EO 13526 1.4c are not comprehensive. They would require extensive vetting with appropriate regional bureaus.

Angola: To seize Butt assets in country.

Rwanda: To shut down Butt's office and expel its personnel.

Russia and Ukraine: To discontinue maintenance and spare parts for Butt's planes and discourage Russian nationals (flight crew and maintenance) from seeking employment in Butt organization.

Bulgaria: To investigate KAS Engineering (one of Butt's principal suppliers).

Egypt and France: To deny Butt use of airports as transit stops.

U.S. and UK: Freezing or seizure of bank accounts in United States and pressure UK insurers to refuse insurance to Butt organization.

DECLASSIFIED IN PART
PER E. O. 13526

2016-0165-M (1.11)

KBH 8/9/2022

Supplying Illicit Arms and Air Transport to African Conflicts: Victor Butt and His Network

December 2000

~~SECRET REL SOUTH AFRICA~~

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Summary

- ◇ Victor Butt has been the largest supplier of illicit arms and air transport services in sub-Saharan Africa since the mid-1990s.
 - His ability to attract a large clientele is based on the large scale of his operation and the breadth of services he provides:
 - * Has about 60 aircraft, 200 personnel, facilities in several countries.
 - * Brokers sales, delivers arms and combatants.
 - USG attention to Butt is based on:
 - * His role in supplying several of Africa's bloodiest military conflicts.
 - * His flaunting of UN efforts to halt these conflicts through sanctions.

~~SECRET REL SOUTH AFRICA~~

CLINTON LIBRARY PHOTOCOPY

UNITA Sanctions Violations

- ◇ Since early 1997, Butt has been supplying weapons to UNITA, which has been under an arms embargo since 1993.
 - Butt was flying UNITA arms 1.4(c) from Bulgaria.

EO 13526 1.4c

~~SECRET REL SOUTH AFRICA~~

CLINTON LIBRARY PHOTOCOPY

Angola Government

- ◇ Ironically, Butt also has freighter aircraft working with the Angolan military in its fight against UNITA:

EO 13526 1.4c

- ◇ Butt's planes continue to flying for the Angolan military.

~~SECRET REL SOUTH AFRICA~~

CLINTON LIBRARY PHOTOCOPY

Support to DROC Rebels

- ◇ EO 13526 1.4c Butt sets up Centrafrican Airlines
 - Airline registered in Central African Republic
 - Many of the planes are in Kigali, Rwanda and others are based in Ras al Khaimah and Sharjah in the UAE.
 - 1.4(c) flights 1.4(c) carry small arms, ammunition, and troops for the DROC rebels.

~~SECRET REL SOUTH AFRICA~~

CLINTON LIBRARY PHOTOCOPY

Liberia: Weapons Embargo Violations

- ◇ 1.4(c) Butt has been working to deliver military cargoes to Liberia, despite an arms embargo on Monrovia that has been in effect since 1992.
 - In July 2000, Butt delivered several helicopter gunships and associated rockets to Liberian President Taylor.
 - Also in July, Butt and his associates shipped air defense equipment, bombs, and ammunition to Monrovia.

- ◇ The ultimate recipient of some weapons is the Revolutionary United Front rebels in Sierra Leone.

SECRET REL SOUTH AFRICA

CLINTON LIBRARY PHOTOCOPY

Trafficking in Illicit Diamonds

- ◇ Butt has become a key player in smuggling African diamonds, illustrating involvement in a disturbing trend that the UN seeks to counter by working with the legitimate diamond industry.

EO 13526 1.4c

~~SECRET REL SOUTH AFRICA~~

CLINTON LIBRARY PHOTOCOPY

EO 13526 1.4c

~~SECRET REL SOUTH AFRICA~~

CLINTON LIBRARY PHOTOCOPY

Exploiting Africa's Bloodiest Civil Wars

- ◇ Butt's actions in Africa prolong the carnage associated with the fighting in Angola, the DROC, and Sierra Leone.
 - Since the mid-1990s, the Angolan civil war has resulted in some 300,000 deaths and displaced 2.3 million people.
 - In Sierra Leone, civil conflict has forced 850,000 people from their homes; the main rebel group is notorious for torturing and mutilating civilians—including children.
 - Since mid-1998, some 6,000 combatants have been killed in the DROC and 1.6 million people have been made homeless.
- ◇ Butt has armed combatants in Angola, the DROC, Liberia, and Sierra Leone; transported troops to the front in the DROC;

EO 13526 1.4c

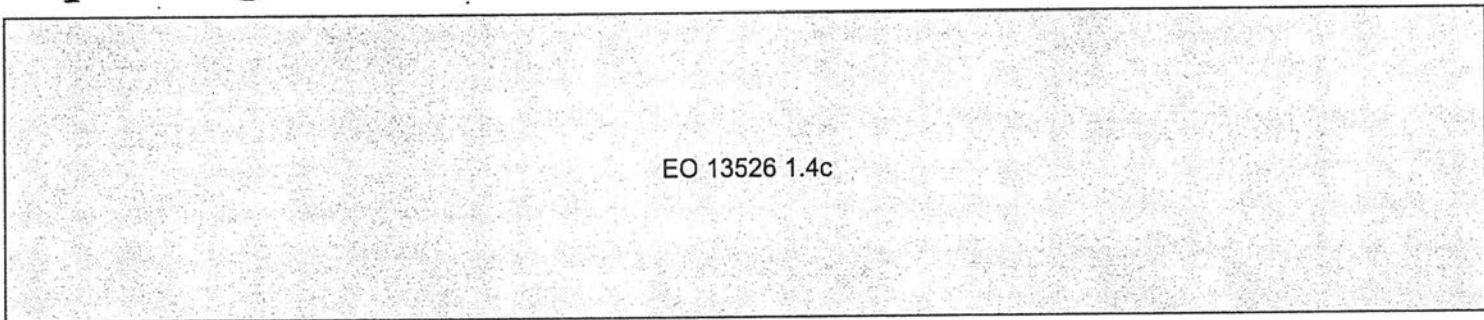
SECRET REL SOUTH AFRICA

CLINTON LIBRARY PHOTOCOPY

Size of Butt's Organization: A Vulnerability and a Strength

- ◇ Operates about **60** aircraft.
- ◇ Has at least **200** employees.
- ◇ Operating about **half a dozen** firms.

◇



- ◇ UAE facilities are the most important.
 - Loss of license to operate there would be a crippling blow.

~~SECRET REL SOUTH AFRICA~~

Unlikely To Withstand Official Scrutiny

- ◇ Aircraft registration often acquired by bribery:
 - Butt in 1997 bribed a Swazi CAA official for a license and to register 50 aircraft...license and registrations revoked in 1998.

- [REDACTED]
EO 13526 1.4c

[REDACTED]
EO 13526 1.4c

~~SECRET REL SOUTH AFRICA~~

CLINTON LIBRARY PHOTOCOPY

Butt's Firms

EO 13526 1.4c

◇ Main Firms

- Transavia Travel and Cargo
- Air Cess
- Centrafrican Airlines
- San Air General Trading

EO 13526 1.4c

EO 13526 1.4c

SECRET REL SOUTH AFRICA

CLINTON LIBRARY PHOTOCOPY

2016-0165-M (1.13)

KBH 8/9/2022

October 30, 2000

ACTION

MEMORANDUM FOR DON KERRICK

THROUGH: GAYLE SMITH AND RICHARD CLARKE

FROM: GRANT HARRIS AND LEE WOLOSKY

SUBJECT: Strategy Update on Arms Trafficker Victor Butt

Following the DC on Sierra Leone on August 7, you asked what could be done to curtail the activities of international arms trafficker Victor Butt. This memo updates you on our efforts and requests your assistance in engaging the Justice Department in a coordinated international effort to shut down Butt and his organization.

BACKGROUND

The Victor Butt Organization (VBO) has been the largest supplier of illicit arms and air transport services in sub-Saharan Africa since the mid-1990s. VBO operates at least 60 aircraft (including IL-76s), has 200+ personnel, and maintains facilities in several countries. VBO's main base of operations is in Sharjah, United Arab Emirates, although the organization maintains regional hubs in Luanda and Kigali.

Butt, through the supply of large and small arms to conflicts in Sierra Leone/Liberia, Angola and the Democratic Republic of the Congo, violates numerous UN sanction regimes and contributes significantly to human misery and the frustration of U.S. foreign policy objectives in Africa. Butt has delivered arms (including MI-8T helicopters and associated rockets) to Liberian President Charles Taylor; many of these arms quickly find their way to the RUF in Sierra Leone and threaten the security of UNAMSIL forces. In addition, Butt has violated UN sanctions against UNITA since early 1997 and transports arms and troops for rebels in the Democratic Republic of the Congo. He also appears to traffic in multiple rocket launcher systems, SAMs and anti-tank guided missiles, among other weapon systems. Finally, Butt trades in conflict diamonds across Africa and recently transported released ASG hostages to Libya from the Philippines.

~~TOP SECRET~~

Reason: 1.5(b)(c)(d)

Declassify On: 10/26/25

Derived From: Multiple Sources

CLINTON LIBRARY PHOTOCOPY

STRATEGY

An NSC-led interagency working group is pursuing a three-pronged strategy with the objective of shutting down Butt's organization through the incarceration of its principals: Victor Butt and his brother, Sergey. EO 13526 1.4c

absent Victor and Sergey, the organization will cease to operate in any significant manner). We are working closely with the British, who have recently pursued aggressive methods intended to protect their deployment in Sierra Leone. We are pursuing the three tracks described below simultaneously; the first option is the most developed, while the last one - the only option fully within our control - may not be being fully explored by U.S. law enforcement authorities. In addition, we have had difficulty getting the Justice Department to participate in the international enforcement effort.

1. South Africa

We have approached the South Africans to explore their willingness to pursue criminal charges against Victor and Sergey. South Africa expelled Butt in 1998, and remains concerned about Butt's destabilizing activities in the region, particularly with regard to UNITA. South Africa recently approached the UAE to express these concerns. Upon issuance of a South African warrant, Butt can be extradited or expelled from UAE, and tried and incarcerated in South Africa. Earlier this month, State discussed this issue with South Africa, which has begun to explore a legal basis for an investigation, indictment and warrant.

2. UAE

We are working with senior UAE security officials to explore whether Victor and Sergey might have violated UAE law, or whether UAE might be willing to extradite or expel the Butts to a third-party state such as South Africa. Although we are in the early stages of working with the UAE on this issue, we expect our close working relationship on similar matters to result in cooperation.

3. United States

We believe that the VBO's activities in the United States warrant close scrutiny by U.S. law enforcement agencies, and we have asked the Justice Department to consider whether those activities may have violated U.S. criminal law. On at least one

occasion, Butt has received payment for arms shipments to Liberia out of a U.S. bank; he appears to have an operative based in Vienna, Virginia; and one of his lieutenants visited the United States in August. Butt operates a U.S.-registered aircraft that is owned by a U.S. carrier and is trying to purchase "stealth" telecommunications equipment -- possibly subject to export controls -- from a U.S. firm.

NEXT STEPS

- A small team is in South Africa this week to discuss the political and legal plausibility of South African arrest warrants that can then be executed in the UAE. Assuming favorable results, we would want to follow up by sending a team of experts to assist South African prosecutors and investigators in developing a case.
- We will follow-up initial conversations with senior UAE officials (one of whom is now in the United States).
- We would like your assistance in engaging DOJ, both to prioritize a possible U.S. criminal investigation and to participate in interagency efforts to assist an international enforcement action.
- Undersecretary Pickering is expected to be briefed on Butt sometime this week.

RECOMMENDATION

That you convey, as soon as possible, the attached points to Deputy Attorney General Eric Holder.

Concurrence: Mary DeRosa

Attachment

Tab I Kerrick-Holder talking points

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ORIGINAL

12/19

INITIALS
APPR: JL
DRAFT: RW
CLR1: WS.
CLR2: CS
CLR3: HH
CLR4: BF

NSC
SS
SSO

2016-0165-M (1.16)

KBH 8/9/2022

SECRET

AF/RA: R WALSER:RW
12/19/2000 7-5803
INR: J LEBARON

AF: W SCHNEIDMAN AF/RA: C SNYDER AF/E: H HOWARD
IO/PHO: B FITZGERALD NSC: S/S:
S/S-O:

EO 13526 1.4c

IMMEDIATE KAMPALA

ROGER CHANNEL
FOR AMBASSADOR FROM AF DAS SCHNEIDMAN

E.O. 12958: DECL: 12/19/2010

TAGS: PREL, UNSC, UG

SUBJECT: LIBERIA SANCTIONS VIOLATIONS SEIZED ARMS
SHIPMENT IN UGANDA

EO 13526 1.4c

1. (U) CLASSIFIED BY INR OFFICE DIRECTOR FOR
INTELLIGENCE OPERATIONS JOSEPH LEBARON. REASONS 1.5
(B) AND (D).

EO 13526 1.4c

SECRET

SECRET

2

3. (U) ON DECEMBER 7, AMBASSADOR DAUDI M. TALIWAKU, DEPUTY PERM REP AND CHARGE FOR THE UGANDA MISSION TO THE UN WROTE THE FOLLOWING LETTER TO MARTIN ANDJABA:

Handwritten scribble

"I HAVE BEEN INSTRUCTED BY MY GOVERNMENT TO INFORM YOU THAT UGANDAN CUSTOMS OFFICIALS HAVE RECENTLY SEIZED A CONSIGNMENT OF ARMS WHICH ARE BELIEVED TO HAVE BEEN DESTINED FOR MONROVIA IN VIOLATION OF UN SECURITY COUNCIL RESOLUTION 788 (1992), WHICH IMPOSED A GENERAL AND COMPLETE ARMS EMBARGO ON ALL DELIVERIES OF WEAPONS AND MILITARY EQUIPMENT TO LIBERIA. ANALYSIS OF THE FLIGHT CLEARANCES SHOWS THAT UGANDA AUTHORITY WAS GRANTED FOR A FLIGHT FROM ENTEBBE TO CONARKY AND FOR THE EXPORT OF THE ARMS IN QUESTION FOR USE OF THE GUINEAN MINISTRY OF DEFENSE. HOWEVER, THE FLIGHT PLAN FILED WITH UGANDAN AIR TRAFFIC CONTROL SHOWS THE END DESTINATION TO BE MONROVIA.

I AM COPYING THIS LETTER, FOR INFORMATION TO THE CHAIRMAN OF THE COMMITTEE ESTABLISHED PURSUANT TO RESOLUTION 1132 (1997), THE CHAIRMAN UN EXPERT PANEL ON SIERRA LEONE AND MR. JOHAN PELEMAN, THE ARMS EXPERT ON THE UN PANEL ON SIERRA LEONE."

[Redacted] EO 13526 1.4c

BASED IN THE UNITED ARAB EMIRATES, BUTT HAS A LONG HISTORY OF INVOLVEMENT IN ARMS TRAFFICKING AND UN SANCTIONS VIOLATIONS THROUGHOUT AFRICA. HE WAS NAMED VERY EXTENSIVELY IN THE RECENT UN EXPERTS PANELS ON ANGOLA AND SIERRA LEONE.

DOCUMENTATION AND SEIZED WEAPONRY ASSOCIATED WITH THIS OPERATION IN ORDER

5. (S) THE USG HOPES TO UTILIZE TO THE FULLEST EXTENT POSSIBLE THE SEIZED DOCUMENTS AND WEAPONS TO BETTER UNDERSTAND THE WORKINGS OF BUTT'S ORGANIZATION.

[Redacted] EO 13526 1.4c

[Redacted] EO 13526 1.4c

TO PUT BUTT AND COMPANY OUT OF THE SANCTIONS-BUSTING BUSINESS. IN TH

~~SECRET~~

(either bilaterally or multilaterally, perhaps with the British)
 3
 in coordination

PAST SIX MONTHS WE HAVE MADE CRACKING DOWN ON BUTT A MATTER OF HIGH USG PRIORITY.

6. (S) ^{we} I WOULD VERY MUCH APPRECIATE RECEIVING YOUR READ ON THE SITUATION REGARDING THE SEIZED ARMS, HOPEFULLY WITH A RESPONSE BY COB DECEMBER 20.

and requested documentation

What info does embassy have on this situation?

-- WHAT IS YOUR TAKE ON HOW BEST TO HANDLE THIS MATTER? DO WE WANT TO CONSIDER WORKING THROUGH THE UGANDANS AT THE UN (I AM PREPARED TO GO UP TO NEW YORK, SPEAK WITH MR. TALIWAKU AND BRIEF HIM ON OUR INTEREST IN THIS PARTICULAR CASE) OR IS THIS A MATTER WHICH YOU AND YOUR EMBASSY BELIEVE YOU CAN BEST HANDLE AT THE START? WOULD YOU BE ~~PREPARED TO RAISE~~ THIS WITH PRESIDENT MUSEVANI OR WOULD YOU APPROACHING OTHER UGANDAN OFFICIALS FIRST?

suggest

-- GIVEN UGANDA SENSITIVITIES, INTERESTS AND EQUITIES, WHAT LEVEL OF COOPERATION SHOULD WE EXPECT FROM THE UGANDANS IN THIS CASE? ARE THERE INDIVIDUALS OR INTERESTS IN UGANDA ARE LIKELY TO RESIST FULL COOPERATION WITH US?

-- ARE THERE TIME CONSTRAINTS ON COOPERATION THAT WE NEED TO BE AWARE OF? TO WHAT DEGREE CAN WE COUNT ON THE UGANDANS TO HOLD ONTO THESE WEAPONS AND ~~PLACE~~ THEM AT OUR DISPOSAL WHEN AN EXPERT TEAM ARRIVES?

allow inspection by an expert team?

-- ARE THERE OTHER CIRCUMSTANCES ^{we} NEED TO BE AWARE OF?

7. SHOULD YOU WISH TO DISCUSS THIS MATTER I CAN BE REACHED BY SECURE TELEPHONE AT EO 13526 1.4c

YY

(PENDING ADDITIONAL CONSULTATIONS IN WASHINGTON, ~~It~~ would ASK THAT YOU DO NOT TAKE ANY ACTION AT THIS STAGE).

~~SECRET~~

Smith, Gayle E. (AF)

From: Wolosky, Lee S. (TNT)
Sent: Monday, November 13, 2000 12:48 PM
To: @LEGAL - Legal Advisor
Cc: @AFRICA - African Affairs; @CRIME
Subject: FW: Update: VBO/Liberian Maritime Registry [TOP SECRET]

DECLASSIFIED IN PART
PER E. O. 13526

2016-0165-M (1.18)

KBH 8/9/2022

correction to facts appears below in red

-----Original Message-----

From: Wolosky, Lee S. (TNT)
Sent: Monday, November 13, 2000 11:56 AM
To: Scharfen, Jonathan R. (LEGAL)
Cc: @LEGAL - Legal Advisor; @AFRICA - African Affairs; @CRIME
Subject: FW: Update: VBO/Liberian Maritime Registry [TOP SECRET]

Jock:

To follow up on our conversations last week and your/my conversations with @africa:

(1) New EO/IEEPA. We will await your informal poll concerning feasibility before proceeding in any fashion. [As I understand your preliminary position, you believe that the statute may be too limiting to the extent that it arguably ties the exercise of presidential authorities to *specific* unusual and extraordinary threats with respect to which a national emergency has been declared, and requires that "any exercise of such authorities to deal with any *new* threat shall be based on a *new* declaration of national emergency which must be with respect to such threat" (emphasis added). Accordingly, for purposes of advocating a blanket eo on UN sanctions, one might need to take the legal/policy position that the specified unusual and extraordinary threat to the United States is the continuing threat to world order presented by violation of UN sanction regimes -- or something similar to that.]

(2) Maritime Registry. As you know, [redacted] EO 13526 1.4c [redacted] top officials of the Liberian Maritime Registry (MR) may be involved in illicit arms procurement, in transactions that possibly involve the Victor Butt Organization. State has proposed an aggressive program of IEEPA/Foreign Missions Act sanctions that might target the MR and its US agent ("LISCR"). The near-term implementation of that sanctions program may foreclose or prejudice other options, including [redacted] EO 13526 1.4c [redacted] if warranted, future action by law enforcement agencies.

LISCR, no doubt sensing that it is under scrutiny, has reached out to State/AF to present itself in the best possible position. LISCR reps recently met with DAS Mark Bellamy and have indicated their willingness to cooperate with the USG on a forward-going basis. Clearly, the decision as to whether State -- and/or other USG agencies -- can continue to engage LISCR under these circumstances is one that will need to be made by those agencies, in consultation with their lawyers. However, to the extent that it is determined that ongoing USG engagement with LISCR is appropriate, and to the extent that the near-term implementation of the proposed sanctions regime may prejudice such engagement and foreclose other options, NSC might take steps to ensure that full consideration is being given to these issues before a recommendation on the proposed sanctions program goes forward to Deputies.

Will await your guidance as to the most appropriate way to proceed (or not proceed). George Taft at L (647-0755) is generally up to speed on these issues.

-----Original Message-----

From: Wolosky, Lee S. (TNT)
Sent: Wednesday, November 08, 2000 6:53 PM
To: Scharfen, Jonathan R. (LEGAL)
Cc: Harris, Grant T. (AF); Byrne, Catherine E. (AF)
Subject: FW: Update: VBO/Liberian Maritime Registry [TOP SECRET]

Wanted to discuss briefly your views on (1) below; we have a DAS at AF looking to possibly organize a meeting on this tomorrow - if it appears not to be possible owing to statutory problems, as you suggested, we won't go forward...

-----Original Message-----

From: Wolosky, Lee S. (TNT)
Sent: Tuesday, November 07, 2000 6:00 PM
To: Harris, Grant T. (AF); Byrne, Catherine E. (AF); Scharfen, Jonathan R. (LEGAL)
Subject: RE: Update: VBO/Liberian Maritime Registry [TOP SECRET]

I am out at cia tomorrow starting at 3. I'm not sure I am needed for IWG follow-on session, but I would like to join if possible. @trans has two points to follow up:

(1) **New EO/IEEPA**. Per RAC below, and per previous e-mail traffic and recent discussions with @africa, we'd like to look at a generic eo providing IEEPA authority with respect to all UN sanction regimes, with authority delegated in accordance with the statute to State/Treasury to designate future, specific sanctions busters (whose assets and business contacts become subject to IEEPA authority at the time such secondary designations are made). For obvious reasons, we might do this review in connection with our Liberia review; folks ranging from Taylor/coterie to VBO can fall within the net, and the USG would not in the future need a new eo for each rogue regime it sets out to isolate (which will enable the United States to take effective action more quickly)...

(2) **Maritime registry**. If appropriate, we would vote to continue USG discussions with the Liberian Maritime Registry's US affiliate. They have apparently been eager to open up and sustain a dialogue. This would obviously be a State lead, but could also conceivably involve participation from NSC and other agencies.

-----Original Message-----

From: Harris, Grant T. (AF)
Sent: Tuesday, November 07, 2000 4:58 PM
To: Wolosky, Lee S. (TNT)
Subject: RE: Update: VBO/Liberian Maritime Registry [TOP SECRET]

sounds good. Also, Jock and Cathy are taking the lead on setting up a meeting on what was talked about at today's IWG tomorrow sometime after 2:00

-----Original Message-----

From: Wolosky, Lee S. (TNT)
Sent: Tuesday, November 07, 2000 4:49 PM
To: Harris, Grant T. (AF)
Subject: RE: Update: VBO/Liberian Maritime Registry [TOP SECRET]

I rescheduled Defense Trade Controls for 1130 tomorrow morning. ok by you?

-----Original Message-----

From: Harris, Grant T. (AF)
Sent: Tuesday, November 07, 2000 10:27 AM
To: Wolosky, Lee S. (TNT)
Subject: RE: Update: VBO/Liberian Maritime Registry [TOP SECRET]

I prefer to talk to Witney again about making the request and seeing what he thinks about us having this kind of meeting.

-----Original Message-----

From: Wolosky, Lee S. (TNT)
Sent: Tuesday, November 07, 2000 10:24 AM
To: Harris, Grant T. (AF)
Subject: RE: Update: VBO/Liberian Maritime Registry [TOP SECRET]

How do you want to handle? I am happy to call Taft if you think that is appropriate. Or you or I can work through AF, although I think it is better for you to do that. Whatever you prefer.

-----Original Message-----

From: Harris, Grant T. (AF)
Sent: Tuesday, November 07, 2000 10:22 AM
To: Wolosky, Lee S. (TNT)
Subject: RE: Update: VBO/Liberian Maritime Registry [FOP-SECRET]

Sure, as long as State/AF is there and doesn't mind.

-----Original Message-----

From: Wolosky, Lee S. (TNT)
Sent: Tuesday, November 07, 2000 10:15 AM
To: Harris, Grant T. (AF)
Subject: RE: Update: VBO/Liberian Maritime Registry [FOP-SECRET]

Lowell is the Director of Defense Trade Controls at State. I don't know him either, but I don't think there will be a problem. I'll handle an appt. The whole purpose of the meeting with Taft would be to talk about the IEEPA question, and to discuss Dick's idea (which i am assuming both Gayle and Susan are fine with, at least to see if it is legally possible). As long as the appropriate person from AF is invited to join (witney?), I am not worried about stepping on toes.

-----Original Message-----

From: Harris, Grant T. (AF)
Sent: Tuesday, November 07, 2000 10:09 AM
To: Wolosky, Lee S. (TNT)
Subject: RE: Update: VBO/Liberian Maritime Registry [FOP-SECRET]

Sounds fine, but I can only do it after the Beers meeting (I have another meeting I cannot change on the front end). I do not know Lowell-- who is he?
Also would prefer these meetings talk about VBO generally and not necessarily focus on IEEPA/UN sanctions question, as I don't want to step on State toes.

-----Original Message-----

From: Wolosky, Lee S. (TNT)
Sent: Tuesday, November 07, 2000 10:05 AM
To: Harris, Grant T. (AF)
Subject: RE: Update: VBO/Liberian Maritime Registry [FOP-SECRET]

You are right. I am forgetting what day it is. So I guess I am suggesting we do these two meetings around the Beers one. Ok by you?

-----Original Message-----

From: Harris, Grant T. (AF)
Sent: Tuesday, November 07, 2000 10:04 AM
To: Wolosky, Lee S. (TNT)
Subject: RE: Update: VBO/Liberian Maritime Registry [FOP-SECRET]

You told me the Beers meeting was Thursday.

-----Original Message-----

From: Wolosky, Lee S. (TNT)
Sent: Tuesday, November 07, 2000 10:02 AM
To: Harris, Grant T. (AF)
Subject: RE: Update: VBO/Liberian Maritime Registry [FOP-SECRET]

You and I are going to State at 10am tomorrow to meet with R Beers. I suggest we also do a short session with George Taft and Will Lowell. I will try to get an appointment with Lowell.

-----Original Message-----

From: Harris, Grant T. (AF)
Sent: Tuesday, November 07, 2000 10:01 AM
To: Wolosky, Lee S. (TNT)
Subject: RE: Update: VBO/Liberian Maritime Registry [FOP-SECRET]

I spoke with Witney, and Gayle talked to Susan Rice. We have asked them to raise this with State/L

-----Original Message-----

From: Wolosky, Lee S. (TNT)
Sent: Tuesday, November 07, 2000 9:56 AM
To: Harris, Grant T. (AF)
Subject: FW: Update: VBO/Liberian Maritime Registry [TOP-SECRET]

Grant: What is status of second item? Have Susan/AF tasked L?

-----Original Message-----

From: Clarke, Richard A. (TNT)
Sent: Tuesday, November 07, 2000 7:13 AM
To: Wolosky, Lee S. (TNT)
Subject: RE: Update: VBO/Liberian Maritime Registry [TOP-SECRET]

where are you on talking to Customs and to Defense Trade Controls in State?

where are we on getting an new EO on UN sanctions?

-----Original Message-----

From: Wolosky, Lee S. (TNT)
Sent: Monday, November 06, 2000 6:03 PM
To: DeRosa, Mary B. (LEGAL); Smith, Gayle E. (AF); Clarke, Richard A. (TNT)
Cc: Rosa, Frederick M. (TNT); Harris, Grant T. (AF); Byrne, Catherine E. (AF)
Subject: Update: VBO/Liberian Maritime Registry [TOP-SECRET]

On November 2, African Affairs chaired a meeting in the whsr on the Liberian Maritime Registry (MR) and its possible involvement in illicit arms procurement on behalf of the RUE. EO 13526 1.4c

State has previously looked at the MR in the context of its proposed program of sanctions against Charles Taylor. Possible measures against the MR and its US affiliate ("LISCR") include IEEPA sanctions and action under the Foreign Missions Act (three employees of LISCR are apparently accredited Liberian diplomats).

We learned that State/OFM -- in looking at the Foreign Missions Act question -- recently sent a former FBI agent and current OFM employee to conduct interviews at LISCR, which is a Delaware corporation owned or operated by US citizens. At this point of the meeting (which I joined a few minutes late), I indicated that the meeting should only appropriately address foreign policy/national security issues associated with the MR and the issue of illicit arms procurement. I said that nsc could not be involved in questions involving possible criminal conduct involving US citizens and corporations.

Attendees at this meeting included the following individuals: Don Booth (State/AF), Tom Burns

(State/OFM)

EO 13526 1.4c

Stephen Miller (State/AF), John Olson (State/AF), Ted Strickler (State/OFM). From NSC: Cathy Byrne, Grant Harris, me and Christiana Briggs (tnt intern).

SECRET

DECL: 12/04/10

Background Paper

South Africa - Victor Butt, UN Sanctions Buster

Back to Grant

*TP's?
I called and requested*

Victor Anatoly Butt (pronounced BOOT, also known as But and Bout) and his associates continue to figure prominently in a host of UN sanctions-busting arms deliveries to numerous African recipients. In recent months, Butt and his organization have used their base in the United Arab Emirates and their large fleet of Russian-built aircraft to deliver helicopters and sophisticated weaponry to Liberia (and the RUF in Sierra Leone), begun exploring possible transactions in illicit diamonds in Kigali, Rwanda and continued to provide logistical and materiel support for both sides in the Angolan conflict. Butt's dealings in diamonds and illicit arms have contributed significantly to continued high levels of bloodshed in Central and Western Africa.

South Africa

After a review of available intelligence, it appears Butt's organization has violated the following UNSC Sanctions Resolutions.

- UNSC 778 - Liberia arms embargo by making arms sales and possible conduit for diamonds from Sierra Leone
- UNSC 864 - arms embargo on UNITA in Angola
- UNSC 1171 - arms embargo on the Revolutionary United Front
- UNSC 1298 - arms embargo on Ethiopia/Eritrea

Since August, the NSC, State, 1.4(c) and domestic law enforcement have substantially increased USG efforts to gather intelligence on Butt's operations. Under Secretary Pickering has chaired an inter-agency meeting to review the range of intelligence, visa denial, diplomatic, and law enforcement options and continues to follow closely our international effort against Butt.

AF DAS Witney Schneidman, in conjunction with NSC National Coordinator Richard Clarke's office, has engaged the government of South Africa, notably with Deputy Foreign

@Africa?

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Classified by Charles Snyder, AF/RA Director
Reason E.O. 12958 1.5 (b) (d)

DECLASSIFIED IN PART
PER E. O. 13526

SECRET

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Minister Pahad, on Butt. During 1997-1998, Butt operated extensively out of Swaziland and is believed to have bribed Swazi civil air authorities for licenses and registration for as many as 50 transport aircraft. The licenses were revoked in 1998. Aircraft belonging to Butt have also flown missions between Luanda and Johannesburg as recently as July-August 2000.

Deputy FM Pahad and others assure us that they are committed to a thorough investigation of Butt's activities and to exploring potential legal actions against him, including a possible request for his extradition from the United Arab Emirates. Schneidman and a support team hope to travel to South Africa in mid-December to advance the effort. Raising the issue with President Mbeki and Foreign Minister Zuma, acknowledging cooperation and encouraging additional action against Butt will energize the South Africans further and can strengthen bilateral cooperation in mutual support of an important U.N.-mandated goal.

That's funny, because I thought NSC + DOJ participation was the whole point of the trip. Maybe Lee should go - he has a bad back and may not be up to carrying witness bags.

Grant thinks:

This is bullshit. A poorly-written document that is not nearly as strong or cogent as it could have been if Prince Schneidman had shored a draft with his loyal support team.

Now that I have cooled off... I think this paper shows a lack of respect for the NSC's role and for that of our office. It is not a well-prepared or convincing paper. It is not a team document that outlines a team effort - It is a blow my own horn document. Does not outline our strategy or why it is important that MKA raise, or what she is asking for (i.e. tangible progress by prosecutors to help build a case).

SECRET

SECRET

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Albright Trip: Victor Butt, UN Sanctions Buster

Drafted by AF/RA: R Walser
12/4/2001 ext. 7-5803

Cleared by: AF: S Rice
AF: W Schneidman ok
AF/RA: C Snyder ok
AF/S: Arender ok
P: R Meyer ok
S/P: C Karp ok
L/AF: G Taft ok
IO/PHO: D Hinckley ok
INR/AA: S Weigert subs

SECRET

Lee
69360



United States Department of State

Washington, D.C. 20520

December 15, 2000

His Excellency
Aziz Pahad
Deputy Foreign Minister
of the Republic of South Africa
Pretoria
FAX: 27-12-351-0259

Dear Aziz:

Welcome back. I trust you had a productive visit to Brazil.

I spoke with Peter Goosen today about the possibility of organizing a meeting next week in Pretoria. Unfortunately, he does not know who on Bulelani's staff has been assigned to work on our project so therefore was unable to arrange anything.

Please know that we stand ready to come to South Africa at the first available opportunity. Our goal is simply to coordinate legal strategies. We realize you need more time to comb your files for evidence, but we wanted to exchange some ideas while this process is going forward. Given that our work is already beginning to put pressure on the ~~person~~ in question, and the publication of the UN Sanctions Committee report – now expected early next week - is likely to intensify that pressure, we feel it is vital to keep moving forward as quickly and effectively as possible.

subject

We are appreciative of all the attention you and your colleagues have given to this subject to date and are confident that we will be successful in our common effort.

All the best to you and your family for the holidays.

Sincerely yours,

Witney W. Schneidman
Deputy Assistant Secretary
for African Affairs

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[2016-0165-m, 1.23]

Where else
does Bout
operate

NATIONAL SECURITY COUNCIL

Bout references —

Ruprats

Bout - UAE bond broker

arrange several shipments for
Taylor

armed helos,

bombs, air defense equipment

Bulgaria, Kyrgistan + Moldova

Ruprats + Bout's extensive ties & demand
in past - (cases implied)
may be pretty

1998
Ruprats - Bout mined
diamonds in Congo

November 20, 2000

MEMORANDUM FOR PARTICIPANTS, ARMS TRAFFICKING SVTS

FROM: LEE WOLOSKY AND GRANT HARRIS

SUBJECT: Summary of Conclusions for A/T SVTS --
Friday, November 17, 2000

Participants discussed and agreed as follows:

1. **South Africa:** State will seek an update of South African intentions with respect to possible criminal investigations/prosecutions in advance of its proposed early December trip to Pretoria. [State]

2. **Intelligence Coordination:** [1.4(c)] ATF, and other members of the [1.4(c)] law enforcement communities as appropriate, will meet no later than November 29 to compare notes on VBO, with the intention of presenting to policymakers an all-source consensus USG view of current VBO activities in South Africa in advance of the proposed early December State-lead trip to Pretoria. [1.4(c)] ATF]

3. **Interpol:** FBI will convey to Interpol the interest of USG policymakers in discussing VBO with its Lyon-based agent during his upcoming visit to the United States. [FBI]

2. **Visas:** State will convene, by no later than November 29, a small group meeting to review progress on visa-related issues. Among other things, State, working with the intelligence and law enforcement communities, will ensure that its list of VBO associates for out-of-channel visa processing is current, and that all relevant individuals have been entered into the TIPOFF/LOOKOUT systems as appropriate. State will also ensure that TIPOFF/LOOKOUT hits for Butt and associates are promptly notified to ATF. Finally, State will provide copies of Naydo and Manik visa applications to ATF and other interested agencies. [STATE, [1.4(c)] ATF and other agencies as appropriate]

SECRET

CLASSIFIED BY: LEE S. WOLOSKY
REASON: 1.5(c)(d)
DECLASSIFY ON: 11/20/10

DECLASSIFIED IN PART
PER E. O. 13526

2016-0165-M (1.31)
KBH 8/9/2022

*Complete
Paper*

**DECLASSIFIED
PER E.O. 13526**

2016-0165-M (1.35)

KBH 8/9/2022

CONFIDENTIAL

DECL: 31 October 2005

BACKGROUND

Despite our clear warnings of U.S. action should he persist in fueling the civil war in Sierra Leone, Charles Taylor has continued to arm the RUF and direct RUF operations. With Taylor's support, the RUF has recently expanded its operations along the Liberia-Guinea border. Simultaneously, Taylor is trying harder to conceal his support of the RUF. Over the past month, he has engaged in a diplomatic charm offensive, hoping to convince regional leaders he is working hard to steer the RUF towards a peaceful settlement.

Consistent with the Deputies' August 7 agreement to look for ways to speed up implementation of sanctions against Liberia, an IWG on Liberian sanctions has examined several follow-on measures to the visa restrictions announced October 11. These measures are elaborated on below. They fall into two categories: measures which would be most effectively pursued multilaterally and unilateral measures. We had initially considered awaiting the report of a UN Sierra Leone Sanctions Committee Expert Panel. However, that report has been delayed and Taylor's support for the RUF continues. While we may not obtain UNSC support for all of the proposed multilateral sanctions against Liberia, we should press ahead seeking support for as a broad range of measures as possible in order to hasten the end of Taylor's support for the RUF.

In addition to the multilateral approach to Liberian sanctions, State believes we must also pursue additional unilateral measures. Such sanctions could derive from legal authority provided in the International Emergency Economic Powers Act (IEEPA), the Foreign Missions Act, or the Export Administration Act (State Sponsor of Terrorism). IEEPA provides the President broad legal authority to impose sanctions such as restrictions on Liberia's U.S.-based maritime registry, an import embargo, a financial assets freeze, or a ban on new direct U.S. investment. However, absent a UN resolution calling for international sanctions, some agencies question whether Taylor's continued support for the RUF meets the criteria for a Presidential emergency declaration invoking IEEPA

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Classified by AF A/S Susan E. Rice
Reason: E.O. 12958 1.5 (D)

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In addition to these sanctions, we are pressing aid donors such as Taiwan to end direct assistance to the GOL. State is also seeking ways to support Liberia's democratic opposition and developing a public diplomacy strategy aimed at increasing the pressure on President Taylor to heed our message and end his support for the RUF.

Liberian Sanctions Issues and State Department Positions

- 1 - Diamond Embargo
- 2 - Tighter Enforcement of Arms Embargo
- 3 - Internationalize Travel Restrictions
- 4 - Timber Embargo
- 5 - IEEPA - Assets Freeze, Investment Ban
- 6 - Sanctions on Maritime Registry
- 7 - Pressing Taiwan and others to cut direct aid to GOL

1. - DIAMOND EMBARGO

DISCUSSION

The UNSCR 1306 experts panel on the illicit trade in arms and diamonds in Sierra Leone will report to the sanctions committee in December. We believe the report will demonstrate Liberian links to the illicit trade in diamonds from Sierra Leone. Assuming the report does this, we plan to introduce a UN resolution on Liberian diamonds following submission of the panel's written report.

Taylor has already requested technical assistance for Liberia to establish a diamond certification regime. In contrast to similar regimes in Angola and Sierra Leone, where Government-issued certificates of origin are intended to inhibit illegal diamond trade by rebel groups, we believe a similar regime in Liberia would simply legitimate Taylor's trade in diamonds. Instead, we should propose an outright ban on the importation of diamonds from Liberia, many of which have been illegally smuggled out of Sierra Leone. While other Council members may note that an outright diamond ban on Liberia would hurt legitimate traders and hurt the Liberian economy, an outright ban is the best means to deprive Taylor of resources with which to support the RUF.

STATE POSITION

The U.S. should seek a UN Security Council resolution that bans the importation of diamonds from Liberia. We would seek to designate an experts panel to investigate violations of the

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Liberian arms and diamond embargoes. State believes that an outright ban on all Liberian diamonds is the only effective way to deprive Taylor of resources used to support the RUF.

2. TIGHTER ENFORCEMENT OF UN ARMS EMBARGODISCUSSION

UNSCR 788 (1992) established an arms embargo in the midst of the Liberian civil war which remains in force but is flouted by Taylor. Paradoxically, efforts to reinforce this ban could destroy it, as UNSC members may question the need to continue or enforce the ban when the Liberian civil war for which it was enacted has ended.

The Sierra Leone sanctions committee, which is charged with monitoring the arms and diamonds embargoes imposed on the RUF, is also concerned about links between illicit arms and diamonds trafficking. We anticipate the report of the experts panel, which has traveled to Europe and Africa, will guide both committees efforts to curb the illicit trade. We will work with both committees to tighten the arms embargo on Liberia and Sierras Leone.

Taylor has proposed allowing border monitors to investigate reports of arms shipments to the RUF from Liberia. Our initial assessment is that this would be prohibitively costly and difficult to perform. Monitors dispersed in remote locations would be dubiously effective and make an easy target for hostage taking.

On the broader question of border monitors, however, the October 3 ECOWAS Mediation and Security Council ministerial agreed to deploy a military observer mission along the borders of Guinea, Liberia, and Sierra Leone to quell tensions in the region. Such a deployment requires a decision by ECOWAS Heads of State, at either an Extraordinary Executive Session or regular Summit (currently scheduled for December). It would also require significant external financing.

Taylor has requested technical assistance to enhance monitoring of Liberia's air and seaports. We could counter-propose that international monitors be placed at Liberian air and seaports. As an adjunct responsibility, some monitors might be able to provide the technical assistance Taylor has requested. Funding would, however, have to come from voluntary contributions. The program could be conducted under UN auspices or, alternatively, through ECOWAS.

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USUN reports that Council members are likely to oppose monitoring as costly and ineffective, citing previous failed attempts at international arms monitoring in Rwanda and the FRY. An ineffective system of UN (or ECOWAS) monitoring would likely be easy for the Liberians to circumvent, and Taylor could use it to reinforce his claims that Liberia is not involved in illicit arms trafficking.

STATE POSITION

We should approach Security Council members with sanitized information to demonstrate Taylor's role in supplying arms to the RUF and build the case for tightening the existing arms embargo on Liberia. State should prepare a series of strong bilateral demarches to countries wittingly or unwittingly involved in sanctions violations.

The USG should decline Taylor's offer of border monitoring as impractical and counterpropose placement of international monitors/trainers at air and seaports. If Taylor accepts our counterproposal, USUN will seek support to include in a UNSC resolution authorization to place monitors at Liberian air and seaports to enforce the arms embargo. While costly, we believe these monitors would send an important signal to Taylor that the UNSC is serious about enforcing the embargo, would raise the costs to Taylor and arms traffickers, and would help curb arms trafficking in the region.

3. TRAVEL RESTRICTIONS (VISA BAN)DISCUSSION

We have begun pressuring Taylor and other RUF supporters with a unilateral visa ban, under authority of the U.S. Immigration and Nationality Act, announced October 11. The ban applies to those who support the RUF, regardless of nationality. We have instructed selected Embassies to approach key governments to try to internationalize travel restrictions on RUF supporters through unilateral and multilateral action. So far, the responses suggest that countries are more prepared to consider multilateral, rather than unilateral, visa sanctions. Some Council members may see Taylor as a key player in restoring stability in the region and question whether isolating his government via a visa ban is wise. We agree that Taylor plays a key role - the goal is to make him play that role responsibly.

STATE POSITIONCONFIDENTIAL

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We should approach ECOWAS to get a Liberia visa ban on the agenda for next ECOWAS summit. USUN should also seek to include in a UN sanctions resolution language barring travel by Liberian RUF supporters, similar to the travel ban on the RUF itself under UNSCR 1171 (1998). We believe that UN travel restrictions would stigmatize these individuals and demonstrate a universal repudiation of Taylor's support for the RUF.

4. **TIMBER EMBARGO**

DISCUSSION

Taylor profits directly from a timber concession operated by the Oriental Timber Company (OTC), and there are indications Taylor's profits are funding his support for the RUF. To cut this revenue source, we will seek an embargo on Liberian timber.

To build support at the UNSC for a multilateral trade embargo on Liberian timber, we need to enlarge our database on the link between Liberia's timber and Taylor's support for the RUF, and share what we can with UNSC members. To obtain this information, we will need to task sensitive reporting. We may also want to consider working with NGO's with experience on this issue for assistance in developing this information.

Getting the timber embargo passed at the UN may be difficult. Unlike the diamonds issue, the Council is not aware of the problems connected to timber exports and will likely be concerned about the humanitarian impact of such an embargo. To convince governments of countries importing Liberian timber to support and enforce an embargo, we would have to establish a mechanism to convincingly demonstrate that the timber being imported is of Liberian origin, a process which does not currently exist.

A ban on Liberian timber, approved by the UNSC, would not violate WTO rules.

We are aware, however, that two of the largest purchasers of Liberian timber are Council members, China and Malaysia.

STATE POSITION

We should seek a UN embargo now on Liberian timber exports. We could also encourage and support NGO efforts to gather the

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information necessary to enforce such an embargo. We believe the UNSC must deprive Taylor of the revenues he uses to support the RUF and sow terror in the region. FAILURE TO DO ANYTHING TO CUT THIS APPARENT REVENUE SOURCE TO TAYLOR WILL MOST LIKELY LEAD TO AN ESCALATION OF REGIONAL INSTABILITY AND THE HUMANITARIAN CRISIS THAT ALREADY EXISTS.

5. IEEPA - ASSETS FREEZE AND BAN ON NEW DIRECT U.S. INVESTMENT

DISCUSSION

The International Emergency Economic Powers Act (IEEPA) provides broad legal authority for a range of possible economic sanctions, including a financial assets freeze, restrictions on the maritime registry, and halt to new investment. To invoke IEEPA, the President must issue an Executive Order declaring a national emergency based on "an unusual and extraordinary threat . . . to the national security, foreign policy, or economy of the United States" and identify prohibitions on economic activity by U.S. persons. To be effective, the scope of the Order should be broad enough to cover all assets under the control of Taylor, his advisers, and the GOL. Treasury/OFAC can subsequently license activities (such as the maritime registry) we might want to allow to continue while the Order is in place. Treasury requests that we defer further consideration of IEEPA and an assets freeze until discussed and approved by a Deputies meeting which includes Treasury.

As of 1998, cumulative U.S. direct investment in Liberia was \$228 million. We are seeking information on annual investment levels in recent years to quantify possible impact of a ban on new investment. We would need to seek information on the owners of Liberian assets in the U.S. that might be subject to the asset freeze.

STATE POSITION

The President should invoke IEEPA to institute a Liberian assets freeze, a ban on new U.S. direct investment in Liberia, and possibly other economic sanctions.

6. SANCTIONS ON THE MARITIME REGISTRY

DISCUSSION

Liberia has the second largest shipping fleet in the world (around 5.6 percent of the world's ships) under its flag of

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convenience. Its importance for the energy sector is even greater: 9.3 percent of the world's tanker fleet and 15.9 percent of tanker tonnage fly the Liberian flag. The U.S.-based Liberian International Ship and Corporate Register (LISCR) transfers an estimated \$20 million per year to the GOL, roughly 20 percent of current GOL revenues. The IMF notes this revenue stream is one of the most transparent elements of GOL finances.

We would aim to allow LISCR to continue normal operations, sequestering profits due the Government of Liberia into an escrow account until we are assured the revenues would be used for the benefit of the Liberian people. IEEPA authority would allow this, as described above.

As an alternative to IEEPA, the Foreign Missions Act (FMA) may provide authority to effect greater transparency in LISCR financial transactions and, eventually, place LISCR profits into an escrow account. State/OFM believes it might be possible to make a determination that LISCR is a Foreign Mission, based on precedents set by determinations on entities such as Xinhua and Aeroflot. However, unlike these precedents, LISCR is a United States entity, with attendant legal protections. Should the Department establish, as the FMA requires, that LISCR is "substantially owned or effectively controlled" by Liberia, then the Secretary has authority under the FMA to determine that it is a Foreign Mission. Even then, LISCR would continue to enjoy constitutional due process rights. So, too, would the U.S. owners of two or three hundred Liberian flagged vessels, whose economic interests could be affected by FMA controls over LISCR. Thus any attempt to control the registry as a Foreign Mission or sequester its funds presents very substantial litigation risks.

Putting LISCR under increased USG control, either under IEEPA or by declaring the company a foreign mission, carries the risk of compromising the registry's long-term viability. With a number of other countries offering the same services, owners may switch their ships to flags that they view as being more stable. Once the ships have transferred, Liberia will not easily be able to draw them back. Alternatively, LISCR could attempt to escape IEEPA or FMA controls by relocating operations outside the U.S., but even this will likely cause some owners to transfer registration.

Although we must consider the longer-term consequences for the Liberian economy and the world crude oil shipping market, and relations with important allies and trading partners, loss of registry revenues would be a severe blow to Taylor.

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STATE POSITION

We should move forward with preparations to freeze the transfer of assets from the Liberian maritime registry under IEEPA, a process which can be halted if Liberia drops its support of the RUF.

7. PRESSING TAIWAN AND OTHERS TO CUT DIRECT AID TO THE GOL

DISCUSSION

In reply to an AIT Taipei demarche requesting that Taiwan cut assistance provided directly to or through the GOL, Taiwan authorities said that most of their assistance did not go through the GOL. They also said they planned to continue assistance to Liberia, which improves conditions for ordinary Liberians. Our demarche was based on indications that Taiwan has been the single largest bilateral donor to Liberia (up to \$30 million). We are preparing a demarche requesting Taiwan to reconsider its position, especially on projects to rehabilitate Roberts International Airport, Monrovia Freeport navigational aids, and Monrovia electrification. We are also reiterating our request for information on amounts of Taiwan aid to Liberia so that we can better determine the potential impact of this measure. If our initial approaches are not successful, we can raise this request at senior levels. Taiwan, however, will likely take no action on assistance that would jeopardize recognition by Liberia, one of only twenty-nine countries maintaining relations with Taiwan.

STATE POSITION

We should continue raising the issue of cutting AID at senior USG-Taiwan levels.

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11/09/00

Intelligence Report: International Arms Trafficker Viktor But(t)

The UN Monitoring Panel on Angola and Interpol have both designated Viktor But(t) as a major international arms trafficker, as well as having ties to Russian Organized Crime.

Published reporting from 1998 and 1999 state that Viktor But(t) has been very active in trafficking firearms, especially in Africa. He is listed as a major sanction buster in Angola, Liberia, Libya and the Sudan. Reports state that he owns close to 20 companies, all of them of course involved in his trafficking business. His companies have operated out of Belgium, South Africa, Rwanda, Liberia, the Central African Republic (C.A.R.), and the United Arab Emirates (UAE). It is also reported that his trafficking routes traverse through Sofia and Burgas, Bulgaria, Oostende, Belgium, Kigali, Rwanda, Monrovia, Liberia and the UAE (Sharjah, Ajman, Dubai and Ras al Khaimah).

Viktor Anatoliyevich But(t), a.k.a. Victor Bout or Vadim Aminov, was born on 01/13/1967 in Dushanbe, Tajikistan. It is reported that he currently resides in the UAE. His known relatives are Sergei Butt, his suspected younger brother and business partner, and his wife Alia Butt, also a business partner. Other associates of Viktor Butt are listed below.

ASSOCIATES:

Ronald DeSmet – A Belgian national. His DOB is (b)(6). He is associated with Transavia Network (TAN) in Oostende, Belgium. Viktor Butt and Ronald DeSmet took over the parent network for Transavia Network (TAN) in 1996/97.

→ | **Sergei Vladimirovich Denissenko** – Associate of Viktor Butt, based in Sharjah, UAE. He is also a business partner of Richard A. Chichakli in San Air General Trading LLC a Plano, Texas registered company. San Air General Trading LLC is a subsidiary of San Air General Trading FZE in Sharjah, UAE.

Andrei Kasalov – An associate of Viktor Butt, based in Sharjah, UAE. He is the manager for Southern Gateway a South African based airline.

Ali Hijazi – Associate and co-worker with Viktor Butt in UAE. He is reported by Interpol to have ties into the majority of Butt's companies.

Sanjivan Ruprah – Associate and co-worker of Viktor Butt. Interpol reports that he is tied to Executive Outcomes, a South African and U.K. based mercenary organization. He is reportedly in charge of Kenyan operations for Semba Airlines. He is also listed as an employee of Branch Energy, which is the international name for Executive Outcomes.

Michael Harridine – A British citizen and associate of Viktor Butt. Interpol sources report that he served as the joint chairman of Liberian Airways in 1997/98 and that he owns International Air Management U.K. and Aircraft Air Bureaus Ltd.

Viktor/Vladimir Grazhnov – A business associate of Viktor Butt. He is reported by Interpol sources as also being an associate of the Cherny brothers. He is reported as possibly being the link between Cherny and Butt. He is possibly the Vladimir listed in the business registration for San Air General Trading LLC in Plano, Texas.

Richard (Ruammar) Ammar Chichakli – He is a U.S. citizen. His DOB is 03/28/1959 and he is currently registered as a resident of the State of Texas. His Texas driver's license number is 07844152 and his current Texas residence is located at 225 Syracuse Place, Richardson, Texas 75081. He is currently listed as the Commercial Manager of the Sharjah International Airport Free Zone Authority in Sharjah, UAE. Richard Chichakli is also listed as the chief financial officer for Air Cess (Holdings) Ltd., AIRPASS and San Air General Trading FZE in Sharjah, UAE. He is a current business partner in R&G International Inc, registered in Richardson, Texas, with his wife as the director of the company. Richard Chichakli served in the U.S. Army in the early to mid 1990s. He held military occupational specialties as an interrogator, counter-intelligence officer, aviation operation specialist, air traffic controller and avionics mechanic. He served in various units, to include service in the Gulf War. His last assignment was at Ft. Campbell, Kentucky.

ASSOCIATED BUSINESSES:

CET Aviation Enterprises FZE – a.k.a. CET Aviation and Centrafrican Airlines. It is a Viktor Butt owned company and is based in Ras al Khaimah Free Trade Zone, Ras al Khaimah, UAE. Interpol reports that the company is also registered in the Central African Republic (CAR).

Transavia Airlines – Another Viktor Butt owned company. The company is located at PO Box 9362, Sharjah Free Trade Zone, Sharjah, UAE, tel.: 971 (6) 5522833, fax: 971 (6) 556600.

Transavia Travel Agency – This Viktor Butt owned company is operated by his wife Alia and associate Ali Hijazi. The company is located at PO Box 9362, Sharjah Free Trade Zone, Sharjah, UAE, tel.: 971 (6) 5522833, fax: 971 (6) 556600.

Stealth Telecom Ltd. – a.k.a. Stealth Communications it is a Viktor Butt owned company located at PO Box 2157, Dubai Free Trade Zone, Dubai, UAE and PO Box 775 Sharjah Free Trade Zone, Sharjah, UAE. The company is tied to Stealth Telecom Africa in Kigali, Rwanda. It is listed in the Sharjah Free Trade Zone register as a company which performs import, export and trading of radio communications and security equipment, electrical items, computer systems and related accessories.

ENM Arab Systems – A Viktor Butt owned business located in Dubai Free Trade Zone, Dubai, UAE. Oleg Orlov is the manager of the company.

Aviatrak and Airbis – These two businesses are reported by Interpol to be closely associated with Viktor Butt. Both businesses are located in Kazakhstan.

San Air General Trading FZE – A Viktor Butt owned company, a.k.a. S.A. General Trading Ltd. and San Air General Trading LLC. San Air General Trading FZE is located in the Sharjah Free Trade Zone, Sharjah, UAE. S.A. General Trading Ltd. is located at PO Box 932-20C, Ajman Free Trade Zone, Ajman, UAE. San Air General Trading LLC is registered at 701 E. Plano Pkwy, Suite 112, Plano, TX 75074.

Air Petersburg Aviation Services (AIRPASS) – Viktor Butt owns this company and it is registered in the Sharjah Free Trade Zone, Sharjah International Airport, UAE. Interpol reports that this company was registered in South Africa and was forced to close, by the South African Government, and move business operations to the UAE.

Air Cess (Holdings) Ltd. – Viktor Butt owns this company and it is registered at Sita SHJTLCR, PO Box 21807, Block "O", Sharjah Free Trade Zone, Sharjah International Airport, Sharjah, UAE, tel.: 06-5571414, fax: 06-5571439. Air Cess was originally formed in South Africa, then moved to the UAE. AIRPASS was formed out of Air Cess. Interpol reports that AIRPASS/Air Cess help establish Metavia in South Africa. Deirdre Ward of Metavia formed a consortium with Viktor Butt and AIRPASS to expand its capacity. Air Cess is listed in the Sharjah Free Trade Zone register as an airline and providing aircraft services and maintenance.

Al Doronv - Interpol reports this as a Viktor Butt owned front company located at PO Box 26959, Sharjah Free Trade Zone, Sharjah, UAE.

Agroplast – Interpol reports this company as associating with Viktor Butt and is allegedly trafficking arms. It also has possible ties to a Canadian Firm (with possible same name).

OTHER ASSOCIATED PERSONNEL/BUSINESSES:

Van Dereshuisen – South African National Trafficking Firearms.

Ties Ellers – South African, manager/director of Argent Trading (registered in South Africa and Zimbabwe).

Nick Acton – South African, manager/director of Argent Trading (registered in South Africa and Zimbabwe). He is also the manager/director of NN Air Services a Zambian registered business.

Olivier Piret – A Belgian national, he is reported by Interpol as boasting that he is Viktor Butt's number 2 man.

Romavia – A Romanian airlines headquartered in Bucharest, Romania.

NN Air Services (Zambia) – NN Air Services strategically acquired the Zambezi Lodge in Zambia's North Western Province. It is currently closed, and was closed because it is no longer used as a rendezvous between UNITA rebel movement leaders and Zambian gun runners. Published reports from 1999 state that the Zambezi Lodge was purchased for gun running purposes. It began to lose business after accusations of gun running by the Angolan Government intensified in the spring of 1999. The Zambezi District Council leased the Zambezi Lodge to NN Air Services, which is run by Nick Acton, a South African businessman, in the early 1990s. Acton also wanted to buy the Zambezi Airstrip as well, but the government turned down the request. According to reports Nick Acton's business partner was MMD Member of Parliament for Chipili, Ntongo Chindoloma.

Attachments

- 1 – Viktor Butt and Associates Chart
- 2 – Richard A. Chichakli's business resume

Harris, Grant T. (AF)

From: Wolosky, Lee S. (TNT)
Sent: Thursday, October 26, 2000 1:49 PM
To: Harris, Grant T. (AF)
Subject: FW: Butt memo [TOP SECRET]

DECLASSIFIED IN PART
PER E. O. 13526

2016-0165-M (1.37)

KBH 8/9/2022

-----Original Message-----

From: Wolosky, Lee S. (TNT)
Sent: Thursday, October 26, 2000 1:10 PM
To: DeRosa, Mary B. (LEGAL)
Cc: Clarke, Richard A. (TNT); Rosa, Frederick M (TNT)
Subject: RE: Butt memo [TOP SECRET]

It is unclear to me what "new information" DOJ has reviewed, because they don't participate in the NSC-led group on this subject (and won't participate in tomorrow's Pickering-led session), nor were they routed, so far as I know, [REDACTED]

EO 13526 1.4c

Three points might be reinforced to Swartz or higher: (1) DOJ should participate in these and similar interagency efforts -- if for no other reason to ensure that they receive accurate information; (2) we are sending a team to South Africa as early as next week and would like to be in a position to follow up on DAG's August visit to that country by offering TDY prosecutorial assistance; and (3) if we don't get satisfaction on the process points (and assuming others around here agree), we're going to move for a DC to ensure that the USG is most effectively coordinating its efforts to shut down a significant international criminal syndicate that is threatening US foreign policy objectives across Africa; that is threatening the security of UNAMSIL forces; and that is contributing to human misery more than any other int'l criminal group of which we are aware.

-----Original Message-----

From: DeRosa, Mary B. (LEGAL)
Sent: Thursday, October 26, 2000 12:13 PM
To: Wolosky, Lee S. (TNT)
Cc: DeRosa, Mary B. (LEGAL)
Subject: FW: Butt memo [TOP SECRET]

One more thing. Ann said I should feel free to follow up with Bruce Swartz directly, which I will do.

-----Original Message-----

From: DeRosa, Mary B. (LEGAL)
Sent: Thursday, October 26, 2000 12:11 PM
To: Wolosky, Lee S (TNT)
Subject: RE Butt memo [TOP SECRET]

The first word I heard back from Ann Harkin -- a few minutes ago -- was not good. Clearly they are focused only on the U.S. law enforcement issue, and -- although they have received new information that they want to review -- they do not believe there is enough there. If true, I don't believe we can push that issue any more. I asked her again about the need for DOJ cooperation on the broader international effort. It was clear she hadn't pressed that point, and I asked her to go back and do so. She agreed and said she would get back to me. I'm not optimistic.

-----Original Message-----

From: Wolosky, Lee S. (TNT)
Sent: Thursday, October 26, 2000 11:57 AM
To: DeRosa, Mary B. (LEGAL)
Subject: RE: Butt memo [TOP SECRET]
Importance: High

Thanks. I learned a short while ago that Jim Robinson declined U/S Pickering's invite to the 10am meeting on this topic tomorrow morning referred to below. I do not know the timing of Robinson's refusal relative to your efforts. But if your/Ann Harkin's message got through, then I would expect either Robinson or Bruce Swartz to make themselves available for the Pickering-chaired meeting. In any event, please keep me posted if you

hear more. And thanks again.

-----Original Message-----

From: DeRosa, Mary B. (LEGAL)
Sent: Wednesday, October 25, 2000 8:02 PM
To: Wolosky, Lee S. (TNT)
Subject: FW: Butt memo [FOP-SECRET]
Importance: High

I had a conversation with Ann Harkin -- the AG's Chief of Staff -- about this. She was very receptive and said she is going to talk to Mike Horowitz (Chief of staff of the Criminal Division) first thing tomorrow morning about it. She'll call me tomorrow and we'll talk more about what to do next. I proposed a meeting. I'll keep you posted.

-----Original Message-----

From: DeRosa, Mary B. (LEGAL)
Sent: Wednesday, October 25, 2000 5:16 PM
To: DeRosa, Mary B. (LEGAL)
Subject: FW: Butt memo [FOP-SECRET]
Importance: High

-----Original Message-----

From: DeRosa, Mary B. (LEGAL)
Sent: Wednesday, October 25, 2000 5 15 PM
To: Wolosky, Lee S. (TNT)
Cc: Smith, Gayle E. (AF); Harris, Grant T. (AF)
Subject: FW: Butt memo [FOP-SECRET]
Importance: High

Sorry, I misunderstood your earlier e-mail and thought you would be sending me a revised draft. I have suggested some changes to the document.

-----Original Message-----

From: Wolosky, Lee S. (TNT)
Sent: Wednesday, October 25, 2000 4:55 PM
To: DeRosa, Mary B. (LEGAL)
Cc: Smith, Gayle E. (AF); Harris, Grant T. (AF)
Subject: FW: Butt memo [FOP-SECRET]
Importance: High

Mary -- We really need feedback on this. U/S Pickering has called a meeting on Mr. Butt for Friday am, and we need to get our memo to Kerrick moved forward asap to ensure that NSC and State continue to work off the same playbook. Thanks, Lee

-----Original Message-----

From: Wolosky, Lee S. (TNT)
Sent: Tuesday, October 24, 2000 10:11 PM
To: DeRosa, Mary B. (LEGAL)
Cc: Harris, Grant T. (AF)
Subject: FW: Butt memo [FOP-SECRET]

Mary: Tomorrow (10/25) we're sending forward a memo to Kerrick updating him on our recent activities with regard to Victor Butt. A very rough cut follows below. As you will see, we intend to ask for an assist in engaging Justice at or following next week's DC on Sierra Leone-- unless you tell us that that is not necessary due to your own efforts. We'd be grateful for a brief update. (Note that there are two separate, specific components to our request -- aside from our general interest in seeing DOJ become more forthcoming in vectoring their experience into the work of NSC's @crime group : (i) prioritizing a criminal investigation, if appropriate, based on known U.S. nexus of the Victor Butt Organization; and (ii) possibly sending a TDY team of investigators/prosecutors to South Africa -- you'll recall that we have approached the South Africans about issuing a warrant for Butt's arrest, and initial

steps are now moving forward on a fast-track). Many thanks, Lee

-----Original Message-----

From: Harris, Grant T. (AF)
Sent: Tuesday, October 24, 2000 6:39 PM
To: Wolosky, Lee S. (TNT)
Subject: Butt memo [TOP SECRET]

Here is my cut.

Grant

<< File: Memo To Kerrick on Victor Butt 10.23.doc >>

Harris, Grant T. (AF)

To: Smith, Gayle E. (AF)
Subject: Update on Butt gameplan

I spoke with Lee and got him on board with our approach (ditching the P-RAC meeting, sending a memo to Kerrick and recommending some manner to get Deputies up-to-speed). As for writing the memo, he would really like to send it up Wed because he has been out yesterday and will be out today because of a painful back injury (his STU is also not functioning).

Witney, however, is not on board and pushed back hard. He thinks the P-RAC meeting is necessary to get a blessing for sending out a small team. He wants a small team consisting probably of Lee, DOJ and FBI to meet him in SA next Thursday and Friday to talk further with SAG about their intentions. It is important to note that we still do not have a high-level commitment or indication of political will from SAG. Witney is going to try to call Pahad this morning. (Witney says he thinks the political will will be there, but we need to know for sure)

Witney was not convinced by any of my arguments that P-RAC was not the best way ahead.

1. Kerrick needs to be in the loop, and it was him who touched off this process (RAC meeting is not equivalent)
 2. We need to know high-level intentions of SAG before having any deputies-level meeting (it sounds silly to tell deputies "assuming the high-level political will of South Africa..." because that option may not pan out like we hope)
 3. P-RAC not necessary to get into the weeds and authorize a small group to be sent for further consultations.
- In short, there is no comparative advantage to P-RAC mtng vice Kerrick lead discussion, but there are disadvantages.

Witney is pushing for P-RAC largely because it could happen Thurs or Fri and he wants to attend before he leaves Friday night. He is not satisfied with my arguments and insists that the three of us have a conference call.

I think the right proposal is:

Memo to Kerrick includes any phone calls necessary to help push process forward and blessing of overall strategy
Then we either ask Kerrick to hold back relevant deputies after the next DC (the small team can be prepped to go to SA pending this blessing) or we can send the team without any broader blessing at all (this has merit; the team is only going for further consultations, and we need to understand SA thinking before approaching deputies)

Please advise.

[2016-0165-M, 1.38]

INITIALS	
APPR:	D K ...
DRAFT:	B F ...
CLR 1:	R W ...
CLR 2:	S W ...
CLR 3:	G T ...
CLR 4:	L W
CLR 5:	M J
CLR 6:	G H

Christiana - I have sent the entire cable. I have marked changes.

~~SECRET~~

Note on p. 2 of your fax said "Missing p. 6 of SA cable."

I compared text and saw no discrepancy.

IO/PHO: B FITZGERALD:BF
10/16/2000 6-7740
INR:D W KEYSER

IO/PHO: M JONES INR/AA: S WEIGERT NEA: J STANLEY
L/AF: G TAFT INL: R BOONE NSC: L WOLOSKY
NSC: C BYRNE

Ray Walzen

IMMEDIATE ABU DHABI

ROGER CHANNEL

FOR AMBASSADOR

E.O. 12958: DECL: 10/12/2010

TAGS: PINR, KCRM, AMGT

SUBJECT: ADDITIONAL INSTRUCTIONS AND MATERIALS
REGARDING INTERNATIONAL ARMS TRAFFICKER VICTOR BUTT

REF: STATE 196040

1. (U) CLASSIFIED BY IO/PHO ACTING DIRECTOR M. JONES.
REASONS 1.5 (B) AND (D).

2. AMBASSADOR IS REQUESTED TO PROVIDE THE FOLLOWING NON-PAPER TO SHEIK HAMDAN BIN ZAYED AND INTELLIGENCE DIRECTOR HAZZAH BY MEANS OF FOLLOW-UP TO, OR IN CONNECTION, WITH ACTIONS REQUESTED IN REFTEL. THE NON-PAPER DESCRIBES VIOLATION OF UNITED NATIONS SANCTIONS REGIMES APPLICABLE TO LIBERIA, ANGOLA AND SIERRA LEONE BY THE VICTOR BUTT ORGANIZATION (VBO). IT IS RESPONSIVE TO ISSUES AND CONCERNS DISCUSSED WITH SHEIK HAMDAN IN A LATE SEPTEMBER MEETING WITH NATINOAL

**DECLASSIFIED
PER E.O. 13526**

2016-0165-M (1.39)

KBH 8/9/2022

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CLINTON LIBRARY PHOTOCOPY

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2

COORDINATOR CLARKE AND NSC DIRECTOR WOLOSKY THAT ARE DESCRIBED IN REFTEL.

3. (S) AMBASSADOR IS REQUESTED TO REITERATE TO HAZZAH USG OFFER TO RENDER ASSISTANCE TO UAE SECURITY AND INTELLIGENCE OFFICIALS, BUT ALSO TO REITERATE THAT USG IS NOT REQUESTING ACTION BY UAE OFFICIALS TO EXPEL VICTOR BUTT OR HIS ASSOCIATES AT THIS TIME, PENDING THE COMPLETION OF CONFIDENTIAL CONSULTATIONS WITH THIRD PARTY STATES AFFECTED BY THE VBO.

4. (S) NOTWITHSTANDING PARA 2, AMBASSADOR MAY REFER IN COURSE OF HIS PRESENTATION OF NON-PAPER TO UAE LAW 11 OF 1976, WHICH PROHIBITS ANY PERSON, NATURAL OR JURIDICAL, TO OWN, POSSESS, TRADE OR OTHERWISE DISPOSE OF ANY FIREARMS, AMMUNITION, OR EXPLOSIVE MATERIALS WITHOUT LICENSE, EXCEPT FOR MEMBERS OF THE ARMED FORCES AND THE POLICE. THE MINISTRY OF DEFENSE IS CHARGED WITH ISSUING SUCH LICENSE, EXCEPT THAT THE MANUFACTURE AND EXPORT OF FIREARMS, AMMUNITION, AND EXPLOSIVE MATERIALS MUST FIRST HAVE THE APPROVAL OF THE COUNCIL OF MINISTERS. PENALTIES INCLUDE UP TO TEN YEARS IN PRISON AND A FINE.

THIS LAW MAY PROVIDE A FUTURE LEGAL BASIS FOR PROCEEDING AGAINST INDIVIDUALS IN THE UAE ACTING CONTRARY TO ITS OBLIGATIONS UNDER UNSC RESOLUTIONS RELATING TO ARMS TRAFFICKING.

WE DO NOT HAVE INFORMATION ON UAE PRACTICE, IF ANY, RELATING TO THE PROSECUTION OF VIOLATORS OF UNSC SANCTIONS RESOLUTIONS OR OTHERWISE RELATING TO THE APPLICATION OF CITED LAW.

5. (S) BEGIN NON-PAPER
VICTOR BUTT: VIOLATIONS OF UNSCRS

INTERNATIONAL ARMS TRAFFICKER VICTOR BUTT (SOMETIMES SPELLED BUT OR BOUT) HAS CONSISTENTLY TRANSGRESSED THE WILL OF THE INTERNATIONAL COMMUNITY AND IS A SIGNIFICANT CONTRIBUTOR TO HUMAN MISERY. THE FOLLOWING IS A SUMMARY OF UN SECURITY COUNCIL RESOLUTIONS WHICH MAY HAVE BEEN VIOLATED BY BUTT AND HIS ASSOCIATES.

LIBERIA: RESOLUTION 788 (1992) IMPOSED AN ARMS EMBARGO ON LIBERIA. IN THAT RESOLUTION, THE COUNCIL DETERMINED

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3

THAT, "THE DETERIORATION OF THE SITUATION IN LIBERIA CONSTITUTES A THREAT TO INTERNATIONAL PEACE AND SECURITY" AND CALLED UPON ALL PARTIES TO "RESPECT AND IMPLEMENT THE CEASE-FIRE AND THE VARIOUS ACCORDS OF THE PEACE PROCESS...". IN JULY 2000, BUTT DELIVERED MULTIPLE MI-8T MILITARY HELICOPTERS AND ASSOCIATED ROCKETS TO LIBERIAN PRESIDENT TAYLOR. ALSO IN JULY, BUTT AND HIS ASSOCIATES WERE ARRANGING TO SHIP AIR DEFENSE EQUIPMENT, BOMBS, AND AMMUNITION TO MONROVIA. MANY OF THE ARMS DELIVERED TO LIBERIA ARE FORWARDED TO SIERRA LEONE FOR USE BY THE REVOLUTIONARY UNITED FRONT (RUF). IN ADDITION, LIBERIA HAS BEEN A POSSIBLE CONDUIT FOR DIAMONDS BUTT IS SMUGGLING FROM SIERRA LEONE IN VIOLATION OF UNSCR 1306 (2000).

ANGOLA (UNITA): RESOLUTION 864 (1993) IMPOSED AN OIL AND ARMS EMBARGO ON UNITA. THE RESOLUTION DECIDED, "WITH A VIEW TO PROHIBITING ALL SALE OR SUPPLY TO UNITA OF ARMS AND RELATED MATERIEL AND MILITARY ASSISTANCE, AS WELL AS PETROLEUM AND PETROLEUM PRODUCTS, THAT ALL STATES SHALL PREVENT THE SALE OR SUPPLY, BY THEIR NATIONALS OR FROM THEIR TERRITORIES OR USING THEIR FLAG VESSELS OR AIRCRAFT, OF ARMS AND RELATED MATERIEL OF ALL TYPES, INCLUDING WEAPONS AND AMMUNITION, MILITARY VEHICLES AND EQUIPMENT, PARAMILITARY EQUIPMENT AND SPARE PARTS FOR THE AFOREMENTIONED AND SPARE PARTS FOR THE AFORE-MENTIONED, AS WELL AS OF PETROLEUM AND PETROLEUM PRODUCTS, WHETHER OR NOT ORIGINATING IN THEIR TERRITORY, TO THE TERRITORY OF ANGOLA OTHER THAN THROUGH NAMED POINTS OF ENTRY ON A LIST TO BE SUPPLIED BY THE GOVERNMENT OF ANGOLA...". WE BELIEVE THAT BULGARIAN ORIGIN ARMS HAVE BEEN SHIPPED TO UNITA BY BUTT AND HIS ASSOCIATES. IN MID-1998, SOUTH AFRICA IMPLICATED BUTT'S FIRM AIR CESS IN UNITA ARMS SMUGGLING. OTHER REPORTS HAVE INDICATED THAT BUTT IS A KNOWN SANCTIONS VIOLATOR. FOR EXAMPLE, WE KNOW THAT IN JUNE 2000 BUTT WAS ARRANGING AIRLIFT FOR UNITA VIA MONROVIA.

ALSO NOTEWORTHY IS THE STATEMENT MADE BY THE BRITISH SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS, PETER HAIN, IN THE HOUSE OF COMMONS ON JULY 27, 2000. HE DECLARED, "WE ALSO HAVE REASON TO BELIEVE THAT VICTOR BOUT CONTINUES TO SUPPLY ARMS TO ANGOLA IN BREACH OF THE UN ARMS EMBARGO [ON UNITA]. WE CALL ON ALL STATES TO FULFIL THEIR INTERNATIONAL OBLIGATIONS TO IMPLEMENT AND ENFORCE THE MANDATORY SANCTIONS IMPOSED BY THE SECURITY COUNCIL OF THE UNITED NATIONS; THERE CAN BE NO EXCUSE FOR ANY STATE TO

~~SECRET~~

4

✓ PROVIDE SUPPORT FOR BOUT IN HIS CONTINUED FLOUTING OF UN SANCTIONS." 2 paragraphs removed

IN ADDITION, THE REPORT OF THE PANEL OF EXPERTS ON VIOLATIONS OF UN SECURITY COUNCIL SANCTIONS AGAINST ANGOLA SPECIFICALLY NAMED VICTOR BUTT AS A NOTORIOUS SANCTIONS VIOLATOR. THE REPORT STATED (P. 13, PARA 29), "IN ADDITION TO INTERSTATE AIRWAYS, A COMPANY NAMED AIR CESS TOGETHER WITH ITS SISTER COMPANY AIR PASS ARE KNOWN TO HAVE BEEN INVOLVED IN THE SMUGGLING OF COMMODITIES FROM SOUTH AFRICA TO UNITA CONTROLLED AREAS. AIR CESS AND AIR PASS ARE CONTROLLED BY A RUSSIAN NATIONAL NAMED VICTOR ANATOLEVIC BOUT, WHOSE OPERATIONS ARE NOW LARGELY BASED IN THE UNITED ARAB EMIRATES." A FOOTNOTE TO THAT PARAGRAPH ADDS, "VICTOR BOUT IS KNOWN TO OPERATE WITH A NUMBER OF PARTNERS, SOME OF WHOM ARE ALSO BELIEVED TO BE INVOLVED IN SANCTIONS BUSTING ON BEHALF OF UNITA. AS NOTED IN THE PANEL'S RECOMMENDATIONS, FURTHER INVESTIGATION AND EXPOSURE OF THESE CONNECTIONS SHOULD BE A HIGH PRIORITY FOR FUTURE SANCTIONS ENFORCEMENT ACTIONS. IN ORDER TO ASSIST THESE EFFORTS, THE PANEL WILL MAKE AVAILABLE TO THE SANCTIONS COMMITTEE PERTINENT INFORMATION THAT HAS ALREADY BEEN COLLECTED."

SIERRA LEONE (RUF): RESOLUTION 1171 (1998) PLACED AN EMBARGO ON ARMS SHIPMENTS TO THE RUF. THE RESOLUTION DECIDED THAT "ALL STATES SHALL PREVENT THE SALE OR SUPPLY, BY THEIR NATIONALS OR FROM THEIR TERRITORIES, OR USING THEIR FLAG VESSELS OR AIRCRAFT, OF ARMS AND RELATED MATERIEL OF ALL TYPES, INCLUDING WEAPONS AND AMMUNITION, MILITARY VEHICLES AND EQUIPMENT, PARAMILITARY EQUIPMENT AND SPARE PARTS FOR THE AFOREMENTIONED, TO SIERRA LEONE OTHER THAN TO THE GOVERNMENT OF SIERRA LEONE...". RESOLUTION 1306 (2000) FOLLOWS UP ON THIS REQUIREMENT BY CALLING UPON STATES, "WHERE THEY HAVE NOT ALREADY DONE DO, TO ENFORCE, STRENGTHEN OR ENACT, AS APPROPRIATE, LEGISLATION MAKING IT A CRIMINAL OFFENCE UNDER DOMESTIC LAW FOR THEIR NATIONALS OR OTHER PERSONS OPERATING ON THEIR TERRITORY TO ACT IN VIOLATION OF THE MEASURES IMPOSED BY PARAGRAPH 2 [OF 1171]...". WE BELIEVE THAT UNSCR 1171 IS BEING VIOLATED BY BUTT, AS SOME OF THE MILITARY ITEMS DELIVERED TO LIBERIA ARE FORWARDED TO THE RUF, AS NOTED ABOVE.

BUTT IS POSSIBLY INVOLVED IN VIOLATIONS OF RESOLUTION 1306 (2000), WHICH PROHIBITS THE EXPORT OF DIAMONDS FROM

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CLINTON LIBRARY PHOTOCOPY

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5

SIERRA LEONE THAT DO NOT HAVE A GOSL CERTIFICATE OF ORIGIN. (THE RESOLUTION "DECIDES THAT ALL STATES SHALL TAKE THE NECESSARY MEASURES TO PROHIBIT THE DIRECT OR INDIRECT IMPORT OF ALL ROUGH DIAMONDS FROM SIERRA LEONE TO THEIR TERRITORY..." BUT THEN EXEMPTS FROM THIS DIAMONDS WITH A SIERRA LEONE CERTIFICATE OF ORIGIN.) AT THE JULY 31/AUGUST 1 UN EXPLORATORY HEARINGS ON SIERRA LEONE DIAMONDS, LINKS WERE DRAWN BETWEEN BUTT AND VIOLATIONS OF SIERRA LEONE SANCTIONS, AS WELL AS UNITA SANCTIONS.

END NON-PAPER

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Confidential



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Policy Support Memorandum

Office of Transnational Issues

19 October 1999

Arms Dealers Fueling African Conflicts (U)

Arms deliveries to sub-Saharan Africa have nearly tripled in the last five years, boosted by exports from more than 35 countries. The technology level of the weapons delivered to the continent has risen as African states and insurgent groups have taken advantage of a global arms market characterized by excess supply and a shortage of customers. (U)

African governments have absorbed nearly \$3 billion of military equipment during this time frame. Russia, China, and Bulgaria have been the key suppliers, with Ukraine and other former Soviet bloc countries following closely behind:

- Since 1995, Russia has provided over \$550 million in weapons—including fighter and ground attack aircraft, attack and transport helicopters, artillery, tanks, antitank missiles, and munitions as well as training. Some of the sales were first-time exports of advanced systems—including Su-27 and MiG-29 fighters—to Africa.
- China, one of Africa's traditional arms suppliers, supplied an estimated \$500 million since 1995 in mostly small arms and ammunition but also has exported radar, armored personnel carriers, and transport aircraft to the continent.
- Bulgaria, during the same time period, delivered more than \$315 million of military weapons to Africa consisting primarily of munitions, but also including tanks, artillery, and antitank as well as surface-to-air missiles. (U)

This report was prepared by the Office of Transnational Issues. Comments and queries are welcome and may be directed to (b)(3) OTI, or (b)(3)

(b)(3)

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(b)(3)

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Arms sales to UN-embargoed countries and factions—such as Liberia, the National Union for the Total Independence of Angola (UNITA), the Revolutionary United Front (RUF) in Sierra Leone, and various Somali factions—also continue apace. E.O. 12958 1.4(c)

E.O. 12958 1.4(c) In many cases, it is unclear whether foreign weapon suppliers are aware of the final destination of their arms shipments, as gray market arms dealers falsify paperwork to obscure the true recipients. For example:

- In March 1999, a Ukrainian AN-124 aircraft delivered a shipment of infantry weapons and ammunition from Kiev's state-owned arms trade firm Ukrspetsexport to Burkina Faso. The commander of the West African peacekeeping force in Sierra Leone (ECOMOG) has alleged that the arms were transported to Liberia for provision to RUF rebels in Sierra Leone—in contravention of two UN embargoes. In response to diplomatic protests, the Ukrainian Government produced an end-user certificate from the Ministry of Defense of Burkina Faso, suggesting the complicity of Burkina Faso Government officials in facilitating arms shipments to its embargoed neighbors. (b)(3)

The financing of arms sales in the region also requires outside support. Both national governments and sub-national groups use international contacts to raise funds for arms purchases. Africa's rich natural resources—particularly diamonds, which are easy to transport and difficult to trace—are one key to attracting foreign interest.

- Both the government of Sierra Leone and the RUF rebels—using Belgian, Israeli, South African, and Thai contacts—exploited diamond resources to finance military support.
- UNITA has used its access to Angola's diamond reserves as its main source of funding for arms purchases during its conflict with government forces. The diamond industry estimates UNITA revenues dropped sharply after the loss of its mines in northern and north-eastern Angola in late 1997. (b)(3)

Foreign nationals increasingly have facilitated the transport of arms to and within Africa. For example, UNITA has contracted with Victor Butt—the head of the UAE-based AirCess family of airlines—to transport weapons and other goods to their military forces since at least early 1998. (b)(3)

(b)(3)

Confidential

Confidential

Several efforts are underway to limit weapons deliveries to the region, including the regionally initiated Economic Community of West African States (ECOWAS) conventional arms moratorium. The moratorium, signed by 16 countries in October 1998, calls for a three-year (renewable) ban on the manufacture, import, and export of light weapons. A ban on arms transfers to conflict areas and efforts to control diamond smuggling are unlikely to succeed unless African governments develop the political will, legislation, and regulatory infrastructure required to address the problem.

- The government of Togo—while serving as host to the UN's regional disarmament center—has provided false end-user certificates to facilitate arms shipments to UNITA, according to press reporting.
- In March 1999, government officials in Burkina Faso—an ECOWAS member and moratorium signatory—appear to have facilitated the Ukrainian arms shipment of light weapons to UN embargoed-Liberia through provision of an end user certificate and allowing transshipment of the weapons (b)(3)

Confidential

SECRET NOFORN

AIR CARGO/PASSENGER COMPANIES OPERATING IN CENTRAL AFRICA TO SUPPORT OPERATIONS IN DROC/EASTERN EUROPEAN HELICOPTERS IN AFRICA

Registration Numbers noted

SUPPORTING THE REBELS

AIRCESS/TRANS AVIA EXPORT CARGO AIRLINES (BELARUS)

AN 8 2ea but 5 identified (Kigali) reg number TL-WVA, TL-ACM, EL-AKM probably now TL-AKM, TL-ACT, EL-WHL with NASDROVJE in light green on fuselage probably TL-WHL (TL indicates CAR registry, EL indicates Liberian registry)

IL 76 EW-78849 (TRANSAVIA EW indicates Belorus registry)

IL 76 EW 78801 (ATLANT SOYUZ I.FASED FOR TRANS AVIA)

IL 76 EW 76710 (TRANSAVIA EW indicates Belorus registry)

NOTE: One AN 8 or AN 12 crashed in DROC the week of 24 May 99

CENTRAFRICAN AIR (T-shirt observed in Kigali indicates Central African Airline)

- Victor Butt Mille Collines RM 107

- Roland De Smet

Victor Soukhik

Dimitri LNU

Operates out of Bangui, CAR; Kigali, Rwanda, and Ras Al Khaimah, UAE

IL 76 Candid "TL" (Kigali) probably 3ea from PASS - 3D-RTX now TL-ACU, TL-ACN, 3D-RTA probably renumbered (3D indicates Swaziland registry) 1ea 13 Apr 99 Ras Al Khaimah, UAE

AN 72/74 Coaler 3ea (Kigali) TL-ACU, TL-ACV, 3D-RTW probably renumber to TL, 1ea 13 Apr 99 Ras Al Khaimah, UAE

PASS (Now all probably registered to CENTRAFRICAN AIR)

LET 410 - 2ea (Kigali) TL-ACI, ER-LIA (one spotted 29 Apr CAR)

MI-8 - 4ea (spotted 29 Apr CAR)

YAK 40 Codling - 4ea (2ea CAR - one spotted 29 Apr) (1ea Kigali 3D-YAQ now probably TL-YAQ)

(note: initially misidentified 1.4(c) as a Falcon but corrected as YAK 40 in later reporting) 2ea 13 Apr 99 Ras Al Khaimah, UAE

AN 32 Cline 4ea (1ea CAR now Kigali) TL-ACS

AN 12 Cub 3ea (Kigali) TL-ACJ, FW-11385 Techia (may not be part of PASS EW indicates Belorus registry)

IL 18 Coot 4ea

TU 154 Careless 1ea TL-ACF 13 Apr 99 Ras Al Khaimah, UAE

IL 62 Classic 1ea 13 Apr 99 Ras Al Khaimah, UAE

GOMAIR Rwandan owned

Boeing 727 FI-GPX (EL indicates Liberian Registry) used to transport troops to Goma and military equip to UNITA

Joseph Benimana pilot

PLANET AIR flies to Goma, Kisangani, Kindu, Kampala (Entebbe), Kigali

Boeing 707 3D-WKU (3D indicates Swaziland registry)

HS 748/Andover C1 (former Rwandan Air Force)

SUN AIR Rwanda/South African interests

AN-8

Lost an AN 8 at Kalima(e?) on 28 May

RWANDA AIR - MAJ Ret Francois Munyarangabo

LET 410 with Blue Tail

DECLASSIFIED IN PART
PER E. O. 13526

2016-0165-M (1.42)

KBH 8/9/2022

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~~SECRET NOFORN~~

RWANDA AIRLINES

BAC 111 9XR-RA (9XR indicates Rwanda registry)

AIR BARAKA

Possibly an IL 18 (from PASS) 9XR-AB (9XR indicates Rwanda registry)

CAGL (Rwandan business interests behind) (NFI)

OTHER AIRCRAFT OBSERVED IN KIGALI

DC 3 Silver

AN-28 2 ea TL ACC (TL indicates CAR registry) and 3C-KHY possibly KKY (3C indicates Equatorial Guinea Registry) white with red trim on tails and red stripe along fuselage owned by Ismail Jabril

Boeing 707 3D-WVA (Swazi registry, note this registration number used to be on a PASS AN-8)

AN 26 UR-26586 tail "URG" in Aqua letters

Note: CL-44 used to resupply UNITA could appear in Kigali

UGANDA AIR CARGO

L-100 or old C 130 5X-UCF (Uganda registry)

IL 76 UR DCC (Ukrainian registry)

AN 26 UR ???

AN 12 UR UCK (note: all Russian aircraft piloted by contract Ukrainians)

AVISTA LTD (Swiss) Entebbe-Lisala

C-130s (more likely L-100s)

BEMBA Contracted with KINGAIR SERVICES PARTNERSHIP (KSP) for 6 months

Bell Jet Ranger 2068

King Air Executive Jet

IN SUPPORT OF THE DROC GOVT

AVIENT AVIATION (Harare, ZI) (used to ferry troops and equipment to DROC)

Owner - Andrew Smith/Louis Kling

IL 76 2 EA EK 76446 (EK indicates Armenia registry) another UR rest unknown (UR indicates Ukrainian registry)

Possible AN 124

AN 12 with dark tail Russian Crew equipped to drop bombs

Executive Jet N86MA (N indicates US registry)

KS AVIA (LATVIA) (operates following to support DROC Govt inside country)

IL 76

AN 12

ANTONOV DESIGN BUREAU (UKRAINE) (used to fly arms to DROC)

AN 124 UR 82007 (Ukrainian registry)

VEGA Airlines often charters Antonov Design Bureau aircraft

AN 12 LZ VEA (Bulgarian registry)

~~SECRET NOFORN~~

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SECRET NOFORN

WORLD TRANS INTERNATIONAL (Front Company from Dubai could be part of Butt's organization)

AN 26 - 2 EA one in Gbadolite, one in Mbuji Mayi; one has rails on the ramp for bombs

MIBA (Diamond Mining Parastatal)

Boeing 727

GECAMINES AFFILIATED GMR 9Q = Congo registry

Boeing 727 9Q-COJ

Unided jet 9Q-GCM

Kingair jet 9Q-CGK

INTERNATIONAL AIR BUSINESS (ITAB in Lumbumbashi) 9Q = Congo registry

DC-6 9Q-CVC

DC-6 9Q-CYA

DC-6 9Q-CYB

DC-6 9Q-CLL

DC-6 9Q-COE

DC-6 9Q-CAP

DC-6 9Q-BLE

Cessna 9Q-AHA

Cessna 9Q-CMB

CONGO AIRLINES 9Q = Congo registry

Boeing 707 9Q CKB

Boeing 707 5N-TNO (5N = Nigeria registry) Chartered

Boeing 727 9Q-CRS

Boeing 737 9Q-CNK

Boeing 737 9Q-CWD

Boeing ? 9Q-CKZ

Boeing 727 9Q-CWA

Boeing 727 9Q-SRG

WHEELS OF AFRICA N = US registry

Kingair jet N99WA

Jet N89WA

Kingair N856WA

Helicopter ZS-RWA (ZS = South Africa registry)

Cessna ZS-MVS

Unk type N56WA

AZZA AIRWAYS (SUDAN)

IL 76 UR VCJ (UR =Ukraine registry)

AIR KATANGA 9Q = Congo registry

Rolls Royce Aircraft 9Q-LSJ

SHABA AIR 9Q = Congo registry

Rolls Royce Aircraft 9Q-CHB

ECOPATROL (UKRAINE) UR =Ukraine registry

UR-76438

AN? UR-HCT

AN? UR-ULC

AN ? HA 76 (Hungarian registry)

SECRET NOFORN

SECRET NOFORN

AN 32 HCT-UR
IL 76 HA-HCT
IL 76 HA-TCG (marked "Atlantic Aerobatics" possibly "Atlantic Aeronautics")
IL 76 HA-76MA (marked "Atlantic Aerobatics" possibly "Atlantic Aeronautics")

UKRANIAN CARGO AIRWAYS UR =Ukraine registry

AN? UR-UCO
AN? UR-ULG
AN? UR-UCR

MALTA FOREST 9Q = Congo registry

Kingair 38-OFI (note 38 is not a registry could be 3B which is Mauritius)
Kingair 9Q CRF

DAS AIR CARGO 5N = Nigeria registry (Transports Cobalt to Zimbabwe)

Boeing 707 5N-QRN
Boeing 727 5N-ARQ

OTHER AIRCRAFT

Congolese Presidential Aircraft Boeing 727 9Q-CDC, 9Q-CLK
Sudanese Airways Boeing 727 9G-ADM (Ghana resgistry)
Boeing 727 9G-ABC (Ghana resgistry)

KATALE DC 6 9Q-CAI

Boeing 727 YR-ABC (Romania registry)
Air Zimbabwe Boeing 727 Z-WP8 carried Pres Mugabe
Boeing 737 EL AJO (Liberia registry)

ZIMBABWE AIR FORCE AT LUMBABASHI LUANO AIRPORT

Unided Helicopter tail number 9T-HM (transferred to DROC Air Force)
Mi-35 Attack Helicopter tail number 08
2 ea Unided Jet fighters
1ea Unided aircraft tail number 140 F
4 ea Puma Helicopters
Casa Transport tail number 800
Unided Jet cargo aircraft tail number 804
Unided Cargo Helicopter tail number GP-7

EASTERN EUROPEAN CONTRACT HELICOPTERS IN AFRICA

Congo Brazzaville

Mi 8 - 1 ea probably piloted by Eastern Europeans (Could be an Angolan Mi 8)
Mi 24 - 1 ea

Liberia

Mi 8/17 Hip - Blue and White registration number RA 24620

Guinea

Mi 24V 1 ea

Nigeria

Mi 35 12 ea due to arrive shortly; 100(+) pilot and ground staff in training in Russia

Rwanda

Mi 24V - 3ea Green Camouflage; Desert Camouflage; Dark Green; Black and Tan Camouflage flown by contract Ukranians/Belarusians
Mi 18 Hip - 3 ea Green RAF 110; Green RAF 58; Desert RAF 0407 flown by Rwandans

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Sierra Leone

M1 24V Hind - 2 ea South African pilots/crews contracted by govt

M1 26 Halo - 1 ea PAE contracted by ECOMOG

M1 8/17 Hip - 2 ea PAE contracted by ECOMOG

M1 8/17 Hip - contracted by RUF

Uganda

M1 8/17s -

M1 24V - 2 ea

Zimbabwe

M1 35 - 9 ea in DROC, 3 ea in Zi (marked 08)

DROC

M1 24V - 2 ea observed in Lumbambashi

NOTE: M1 17V/M1 8TV costs 1.45 million dollars US), M117/M1 8MT costs 1.4 million dollars US

NOTE: Rwanda has SA-7B and SA-18 MANPADS; Uganda has SA-16 MANPADS

SECRET NOFORN

116E

~~SECRET NOFORN~~



OFFICE for COUNTERPROLIFERATION SUPPORT



ARMS TRANSFERS FOR SUB-SAHARAN AFRICA

(b)(3)

DEFENSE INTELLIGENCE AGENCY

~~SECRET NOFORN~~

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DECLASSIFIED
PER E.O. 13526

WCS 12/5/2017

2016-0165-M (1.43)

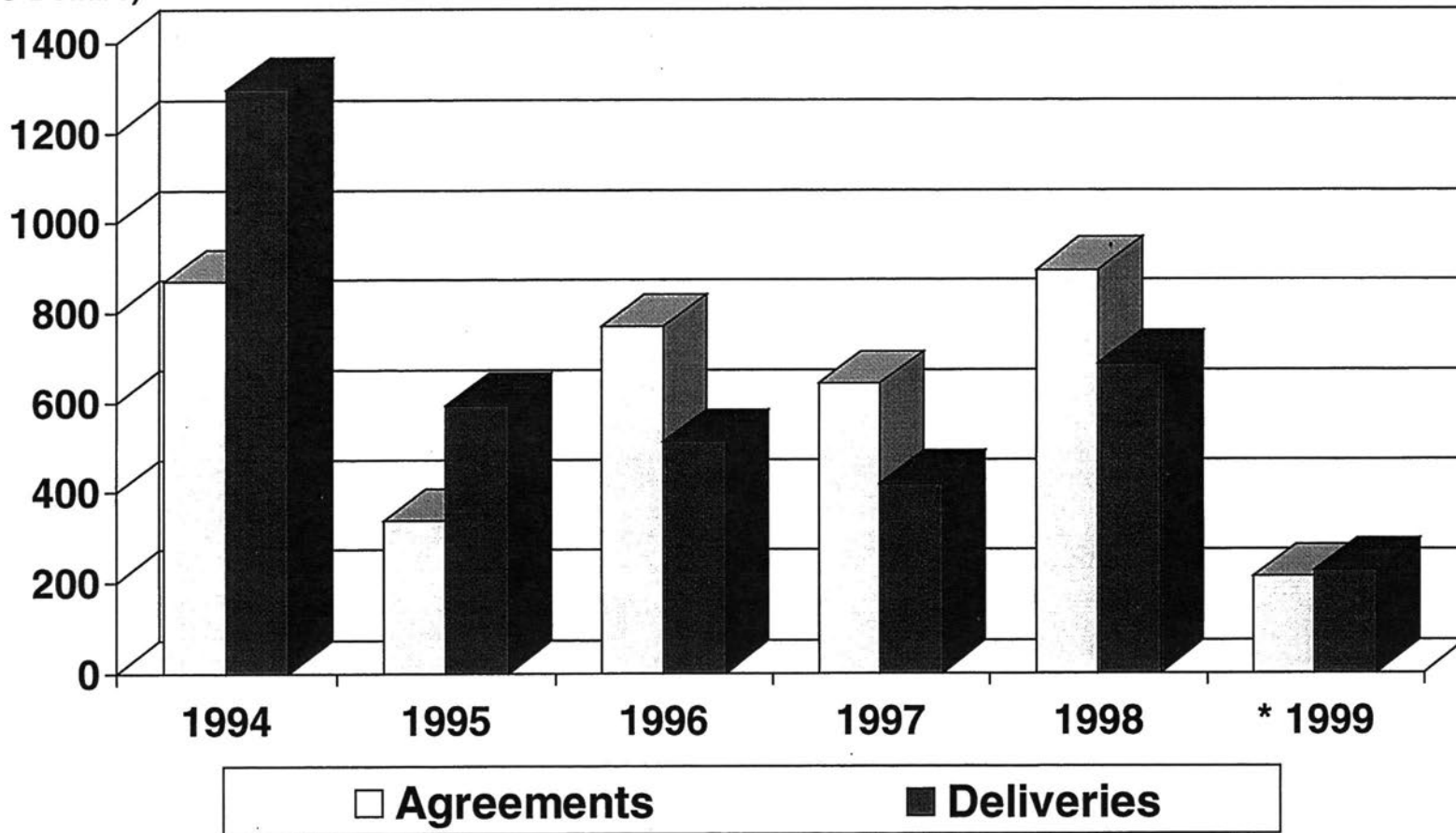
KBH 8/9/2022

Arms Transfers: Sub-Saharan Africa



OFFICE for COUNTERPROLIFERATION SUPPORT

(In Millions US Dollars)



* 1999 Values as of 30 April 1999

Arms Transfers: Sub-Saharan Africa



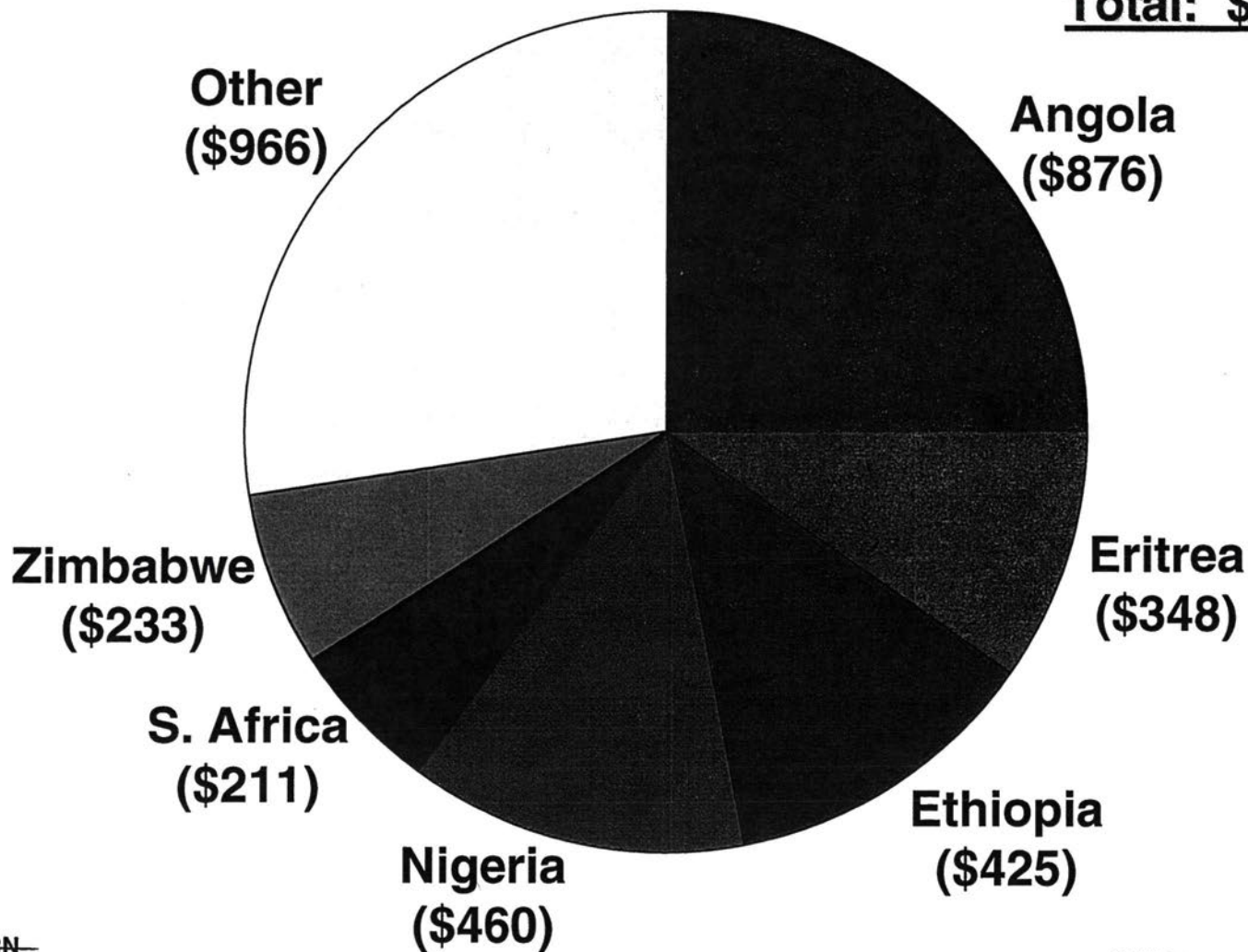
OFFICE for COUNTERPROLIFERATION SUPPORT



AGREEMENTS: 1994-98 (RECIPIENTS)

(In Millions US Dollars)

Total: \$3.5 Billion



Arms Transfers: Sub-Saharan Africa



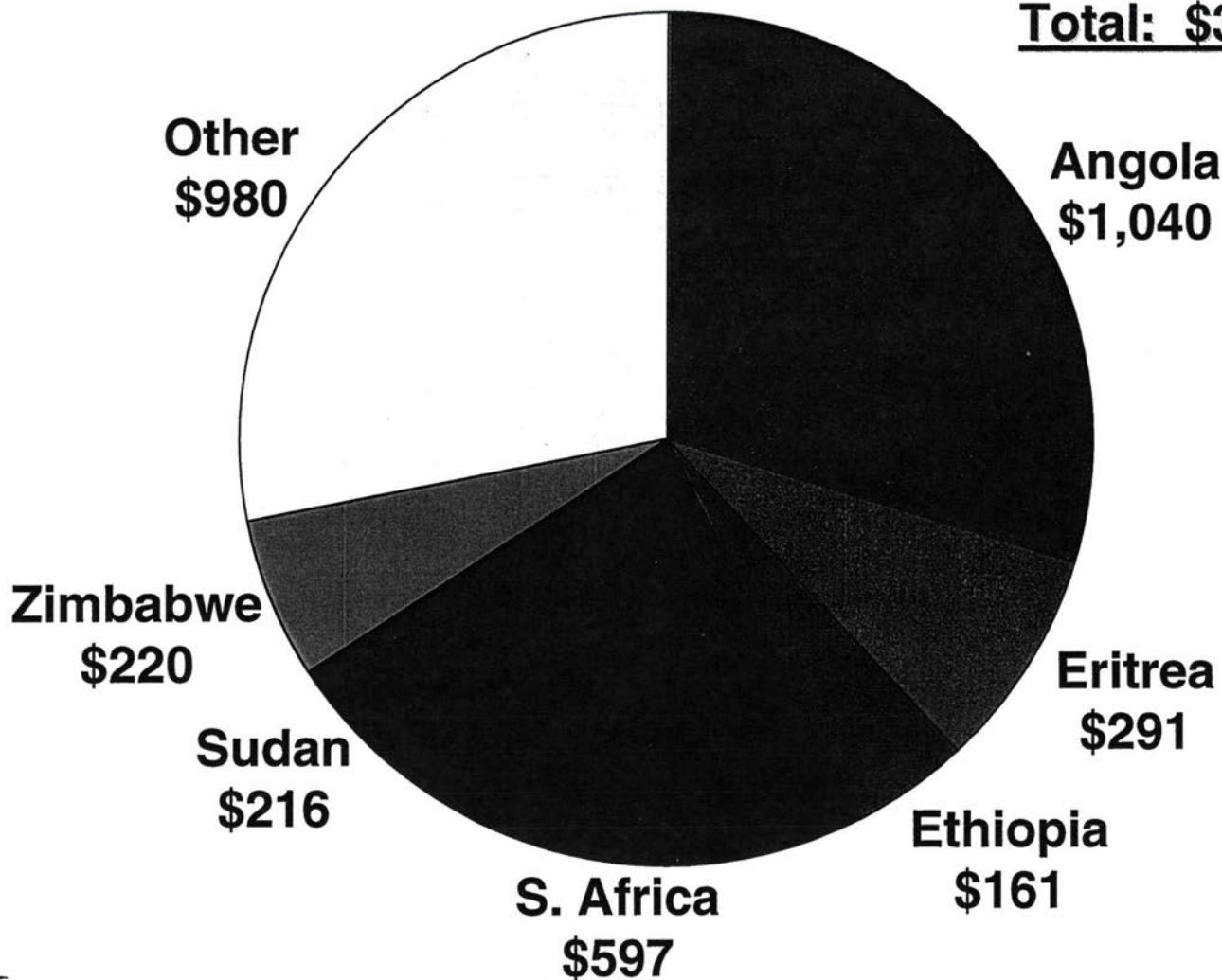
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DELIVERIES: 1994-98 (RECIPIENTS)

(In Millions US Dollars)

Total: \$3.5 Billion



Arms Transfers: Sub-Saharan Africa

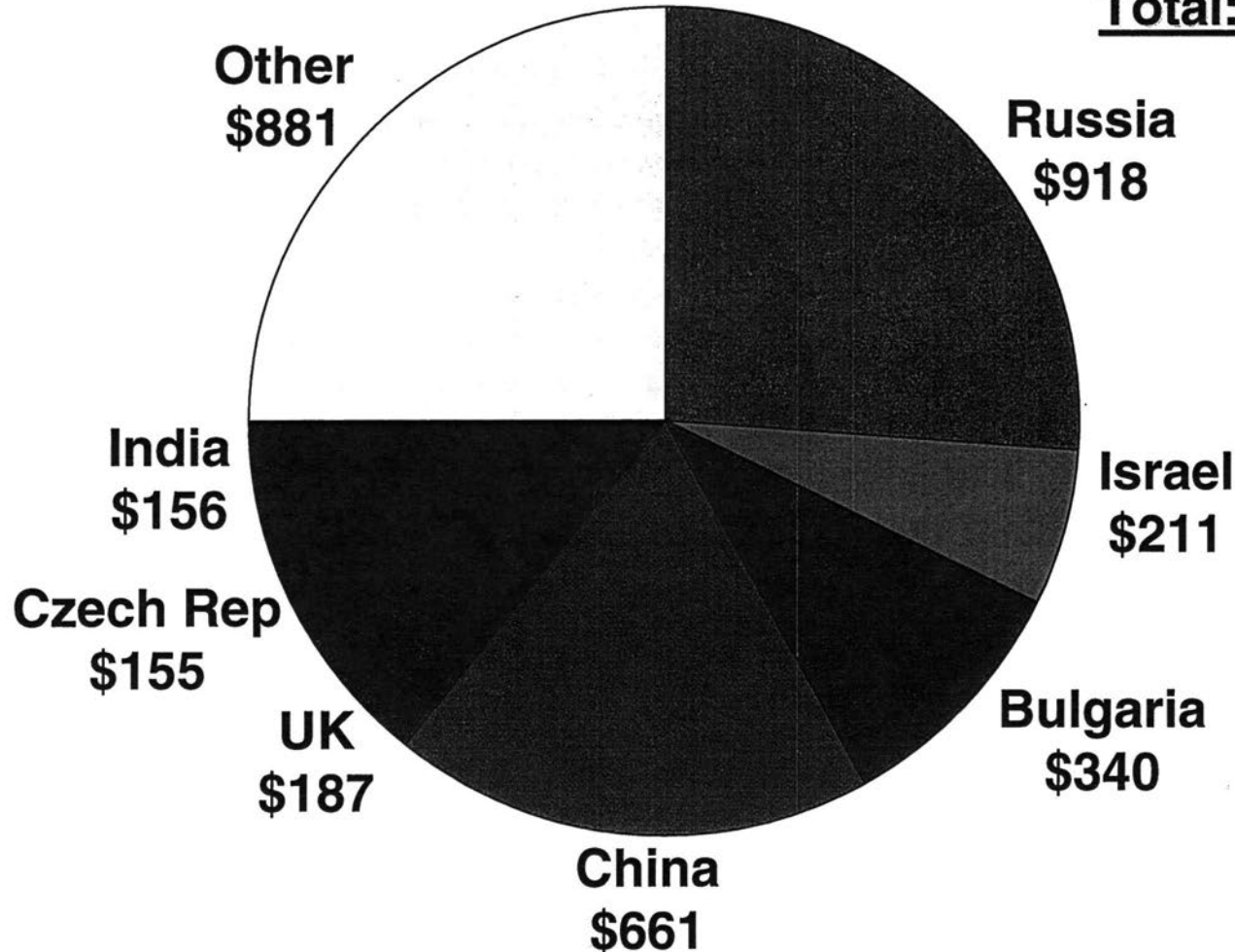


OFFICE for COUNTERPROLIFERATION SUPPORT

AGREEMENTS: 1994-98 (SUPPLIERS)

(In Millions US Dollars)

Total: \$3.5 Billion



Arms Transfers: Sub-Saharan Africa

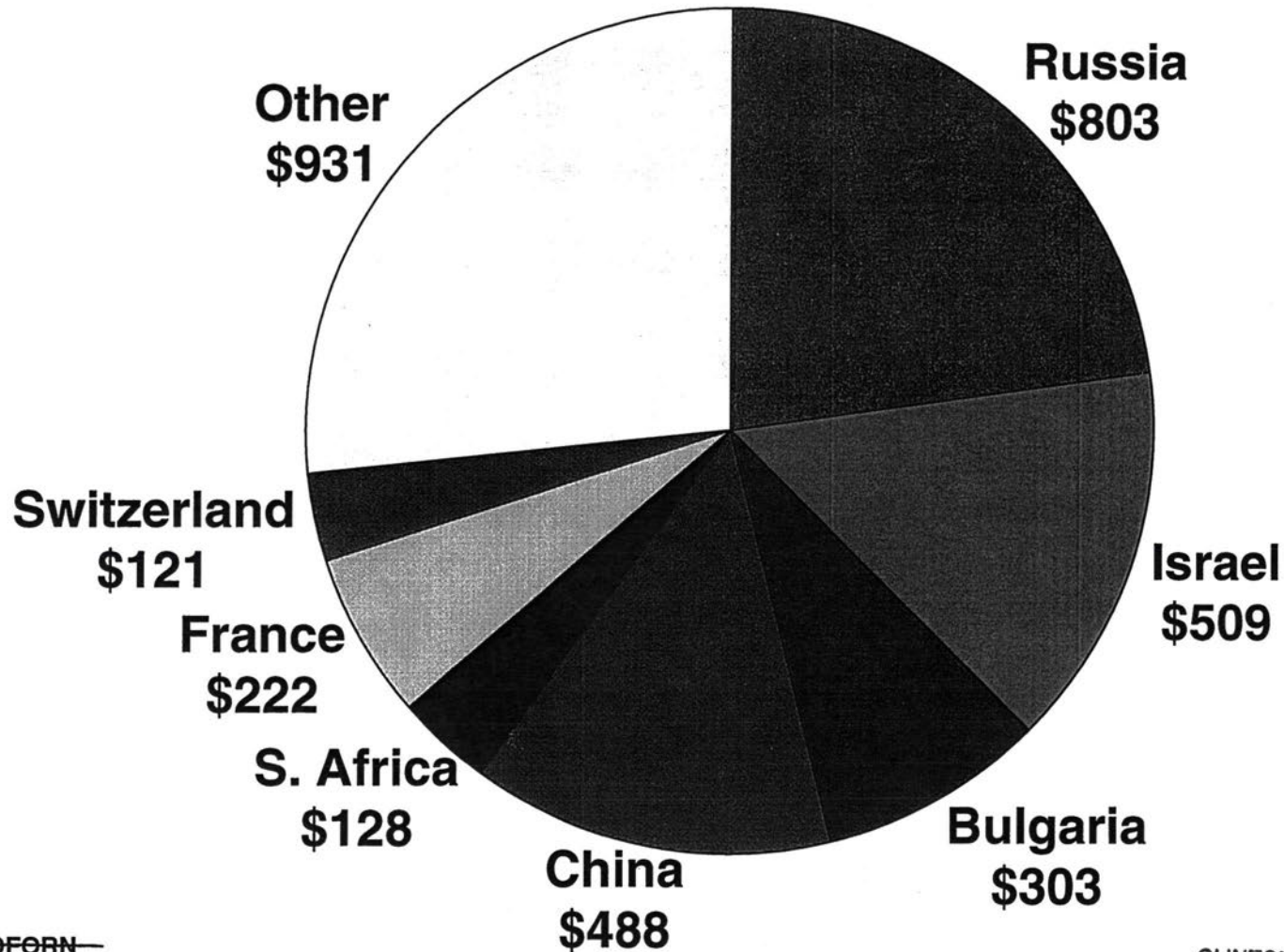


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DELIVERIES: 1994-98 (SUPPLIERS) (In Millions US Dollars)

Total: \$3.5 Billion

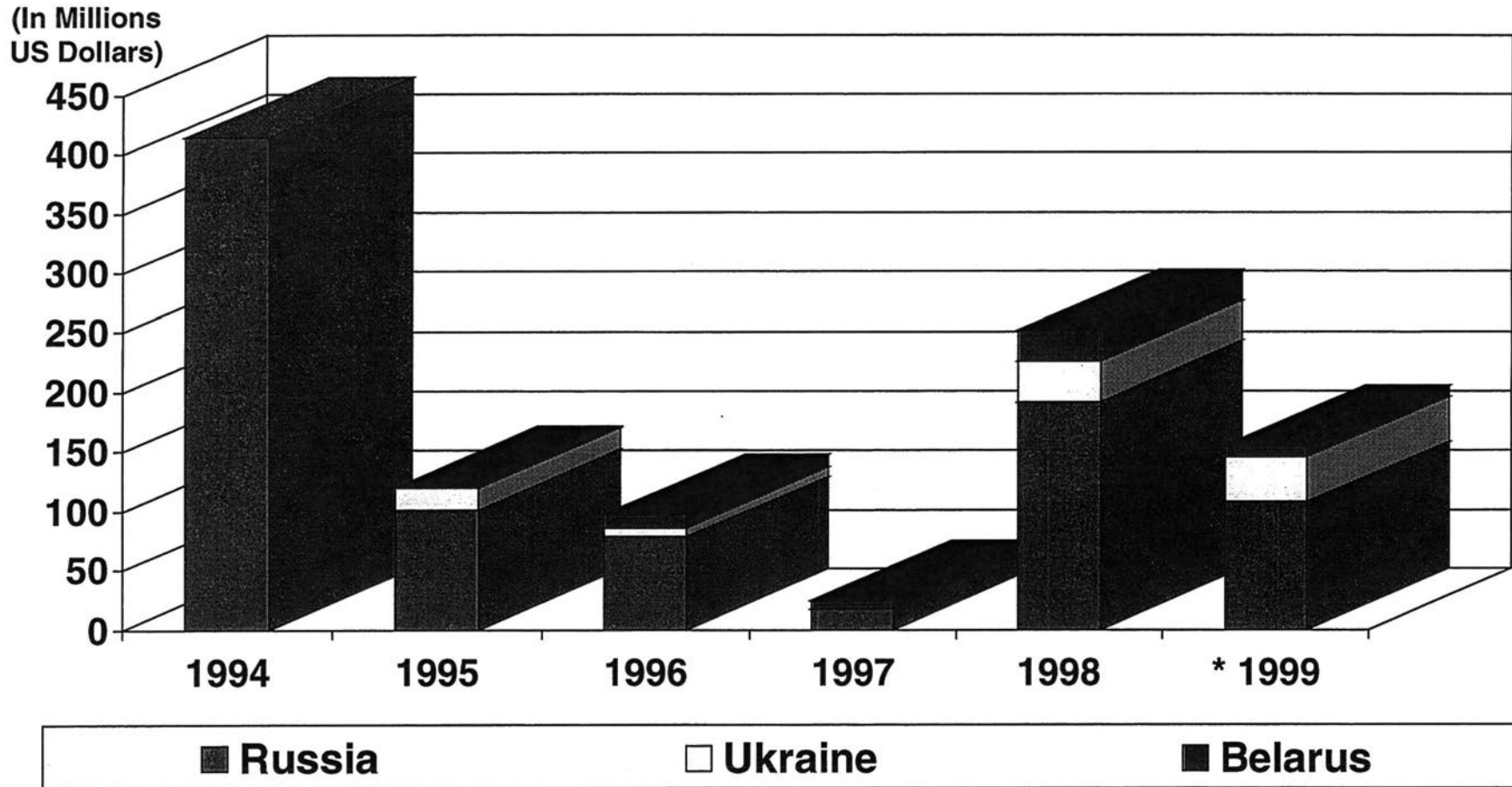


Arms Transfers: Sub-Saharan Africa



OFFICE for COUNTERPROLIFERATION SUPPORT

DELIVERIES: 1994-98 (continued) Russia, Belarus, and Ukraine



* 1999 Values as of 30 April 1999

Arms Transfers: Sub-Saharan Africa



OFFICE for COUNTERPROLIFERATION SUPPORT

• Trends

- **Shift from 'Low-Tech' to 'High-End' Equipment**
 - In past, purchased used, older equipment from Soviet Union
 - More lethal and advanced equipment appearing last 18 months
- **Halt on Grant Aid; Now Spending Limited Resources**
 - Previous subsidies to client states has stopped
 - Basic needs take backseat to arms acquisitions - Conflict takes priority
- **Increase of Arms Transfers into 'Hot Spots'**
 - Russia & FSU willing to sell to states/regions in conflict
 - Motive is desperate need for currency - African states willing to pay
 - Contract legitimacy is suspect - Circumvent export laws to make sale
- **Conclusion**
 - As long as conflicts continue, African states will keep acquiring arms

Cable

PREC: PRIORITY
 CLASS: ~~SECRET~~
 LINE1: PAASZYUW RUEHKMA1661 0981549-SSSS--RHEHAAX.
 LINE2: ZNY SSSSS ZZH
 LINE3: P 081549Z APR 99
 LINE4: FM AMEMBASSY KAMPALA
 OSRI: RUEHKM
 DTG: 081549Z APR 99
 ORIG: AMEMBASSY KAMPALA
 TO: RUEHC/SECSTATE WASHDC PRIORITY 5568
 INFO: RUEHLGB/AMEMBASSY KIGALI 0678
 RUEHKI/AMEMBASSY KINSHASA 0154
 RUEHNR/AMEMBASSY NAIROBI 2597
 RUEHWD/AMEMBASSY WINDHOEK 0131
 RUEHSB/AMEMBASSY HARARE 0077
 RUEHLO/AMEMBASSY LONDON 0255
 RUEHJB/AMEMBASSY BUJUMBURA 0526
 RUEHDS/AMEMBASSY ADDIS ABABA 0827
 RUEHSA/AMEMBASSY PRETORIA 0592
 RUEH NJ/AMEMBASSY NDJAMENA 0031
 RUEHFR/AMEMBASSY PARIS 0663
 SUBJ: COSTS AND MODALITIES OF UGANDA'S WAR EFFORT

**DECLASSIFIED
 PER E.O. 13526**

2016-0165-M (1.50)
 KBH 8/9/2022

CLASSIFIED BY AMBASSADOR NANCY POWELL FOR REASONS 1.5
 B/D

TEXT:

~~SECRET~~ SECTION 01 OF 04 KAMPALA 001661

NOFORN

E.O. 12958: DECL: 2/22/09
 TAGS: MARR MASS PREL PGOV UG, CG
 SUBJECT: COSTS AND MODALITIES OF UGANDA'S WAR EFFORT

CLASSIFIED BY AMBASSADOR NANCY POWELL FOR REASONS 1.5
 B/D

SUMMARY

1. ~~(S)~~ UGANDA'S WAR EFFORT IN THE CONGO IS COSTING SUBSTANTIALLY MORE THAN THE GOU ANTICIPATED. FOR THE FIRST TIME IN A DECADE, UGANDA HAS FAILED TO MEET IMF INTERIM TARGETS, AND THERE IS GROWING CONCERN THAT SOCIAL SECTOR PROGRAMS ARE PAYING THE PRICE FOR INCREASED MILITARY EXPENDITURES. THE WAR HAS ENCOURAGED SIGNIFICANT CORRUPTION IN MILITARY PROCUREMENT, AND THE UGANDAN MILITARY AND SOME OFFICIALS ARE USING ILLICIT TRADE WITH THE EASTERN CONGO TO PAY FOR THE WAR AND TO FILL THEIR POCKETS.

PRESIDENT MUSEVENI HAS ATTEMPTED TO REIN IN SOME OF THE EXCESSES, BUT THE DAMAGE HAS BEEN DONE. WHILE UGANDA'S WAR AIMS REMAIN STRATEGIC AND POLITICAL, THE SEAMY UNDERSIDE OF THE CONFLICT IS PRODUCING NEGATIVE CONSEQUENCES THAT ARE RAISING EYEBROWS AMONG DONORS AND THE UGANDAN PUBLIC ALIKE. END SUMMARY.

SOME OF THE ISSUES

2. (S) WHEN THE CONGO WAR BEGAN IN EARLY AUGUST, THE UGANDANS WERE CONFIDENT THAT THEY COULD STAY WITHIN BUDGET BY REJIGGERING MILITARY SPENDING PRIORITIES, AND SKIMMING FROM THE EASTERN CONGO. THE REALITY IS NOW APPARENT: THE GOVERNMENT HAS ADMITTED THAT IT IS \$40 MILLION OVER BUDGET, ON TOP OF AN ALREADY CONTROVERSIAL TWENTY-FIVE PERCENT INCREASE FOR FY 98-99. THE RESULT IS THE GOU WILL NOT MEET INTERIM FINANCIAL TARGETS AGREED WITH THE IMF -- FOR THE FIRST TIME IN A DECADE. LONG-STANDING CONCERNS ABOUT EXTENSIVE CORRUPTION IN MILITARY PROCUREMENT HAVE COME OUT INTO THE OPEN IN PARLIAMENTARY DEBATE AND THE MEDIA. THE GOU'S STRATEGY OF USING TRADE WITH THE EASTERN CONGO AS A MEANS TO RECOVER SOME OF THE COSTS OF THE MILITARY OPERATION IS ALSO HAVING NEGATIVE RESULTS. WHAT STARTED AS AN EFFORT TO PAY FOR WAR COSTS, HAS EVOLVED INTO SELF-ENRICHMENT SCHEMES, WITH CORRUPTION SIGNIFICANTLY IMPACTING ON MILITARY PROCUREMENT AND ACCOUNTING ON THIS SIDE OF THE BORDER.

3. (S) IT WOULD BE WRONG TO SUGGEST THAT POPULAR AND POLITICAL REACTIONS TO UGANDA'S INVOLVEMENT IN THE CONGO HAVE REACHED CRITICAL PROPORTIONS. THE POLITICAL CLASS IS UNNEASY ABOUT THE COSTS OF THE CONFLICT, AND THE GENERAL PUBLIC IS CONCERNED ABOUT SECURITY INSIDE THE COUNTRY WITH SO MANY UGANDAN SOLDIERS DEPLOYED ELSEWHERE. FEW, HOWEVER, QUESTION THE GOU'S RATIONALE FOR INTERVENTION -- INSECURITY ALONG UGANDA'S BORDERS. AS THE COSTS OF THE CONGOLESE WAR RISE, AND WITH DOMESTIC INSURGENCIES AGAIN THREATENING, THE UGANDAN PUBLIC'S PASSIVITY MAY END. DONORS ARE TALKING A TOUGHER GAME, ESPECIALLY THE BRITISH, GERMAN, AND DUTCH, BUT THEY HAVE SENT CONTRADICTIONARY SIGNALS BY CONTINUING TO FUND INCREASES IN AID. THE EUROPEAN UNION'S HANDS ARE TIED BY THE REQUIREMENT TO FOLLOW THE IMF LEAD IN SUSPENDING NEW BUDGET SUPPORT DISBURSEMENTS, BUT THE RESIDENT REPRESENTATIVE IS SEEKING AN EXEMPTION FROM BRUSSELS TO ALLOW AT LEAST 30 MILLION ECU IN FUNDING TO PROCEED.

4. (S) IN THE MEANTIME, THE MODALITIES AND LOGISTICS OF SUPPORTING THE WAR EFFORT HAVE MUCH OF THE SAME COVERT ATMOSPHERICS OF LOGISTICS OPERATIONS OF OTHER REGIONAL ACTORS IN THE CONGO CONFLICT. THAT MEANS SHADY AIR TRANSPORT OPERATORS, RAMPANT CORRUPTION, AND QUESTIONABLE MILITARY EQUIPMENT PROCUREMENT THROUGH DISREPUTABLE THIRD COUNTRY DEALERS IN THE MIDDLE EAST, EASTERN EUROPE, AND POSSIBLY SOUTH AFRICA.

5. ~~(S)~~ THE BULK OF TROOP AND EQUIPMENT TRANSFERS TO THE DROC TOOK PLACE BY OCTOBER 1998, ALTHOUGH THERE APPEARS TO BE A RENEWED RECRUITMENT EFFORT UNDERWAY AND ~~S E C R E T~~ SECTION 02 OF 04 KAMPALA 001661

NOFORN

E.O. 12958: DECL: 2/22/09

TAGS: MARR MASS PREL PGOV UG, CG

SUBJECT: COSTS AND MODALITIES OF UGANDA'S WAR EFFORT

NEW DEPLOYMENTS TO CONGO IN RECENT WEEKS. THE GOVERNMENT HAD ALREADY BEGUN A MASSIVE PROCUREMENT DRIVE IN EARLY 1998, BEFORE THE CONGO WAR BEGAN, AMOUNTING TO POSSIBLY \$100 MILLION IN PURCHASES. SOME, LIKE THE \$28 MILLION FOR 90 T-55 UKRANIAN TANKS, ARE NOT INTENDED FOR THE CONGO. UGANDA CONTINUES TO KEEP A WARY EYE ON DEVELOPMENTS IN SOUTHERN SUDAN, AND THE LOGISTICS OF SUPPORTING SPLA OFFENSIVES WHEN THEY OCCUR. OTH

ER EQUIPMENT, COMING IT APPEARS, PRIMARILY THROUGH DAR ES SALAAM, INCLUDES ANTI-AIRCRAFT MISSILES, ARMS, AND AMMUNITION. REPORTEDLY, NORTH KOREAN ANTI-AIRCRAFT EXPERTS HAVE ARRIVED TO HELP OUT WITH THE NEW WEAPONRY. MANY OF THE WEAPONS APPEAR TO HAVE BEEN PROCURED IN EASTERN EUROPE WITH ISRAELI ARMS MERCHANTS ACTING AS THE MIDDLEMEN.

6. ~~(S)~~ THERE ARE INDICATIONS (TO INCLUDE AIRPLANE REGISTRRTION NUMBERS) THAT THE UKRANIAN AIRFORCE IS FOR HIRE IN THIS CONFLICT. UKRANIANS APPEAR TO BE INVOLVED IN THE KIGALI AND KINSHASA AIRLIFTS AS WELL. OTHERWISE, THE UGANDANS SEEM TO BE LEASING FREE-LANCE AIRPLANES OFF THE INTERNATIONAL MARKET.

7. ~~(S)~~ ONE KEY QUESTION REMAINS OUTSTANDING: DOES UGANDA COVERTLY SUPPORT UNITA IN ANGOLA? NONE OF OUR CONTACTS BELIEVE THERE ARE ANY FLIGHTS ORIGINATING AT ENTEBBE, BUT THE FACT IS THAT THERE ARE OTHER AIRPORTS WHICH COULD BE USED, INCLUDING THE MILITARY FACILITY AT NAKASONGOLA. PRESIDENT MUSEVENI CONTINUES TO VIGOROUSLY DENY ANY TIES TO THE ANGOLAN REBEL MOVEMENT, BUT SLIPS FROM LOWER LEVEL CONTACTS AND THE KAMPALA RUMOR MILL SUGGEST THAT THERE MAY HAVE BEEN EFFORTS BY THE ANGOLAN REBELS TO SOLICIT SUPPORT FROM HERE.

BAD NEWS PROCUREMENT AND TRADE

8. ~~(S)~~ CLEAN PROCUREMENT HAS NEVER BEEN THE STRONG SUIT OF THE UGANDAN MILITARY (THE UPDF). OVER THE PAST EIGHTEEN MONTHS OR SO, THERE HAVE BEEN SCANDALS AFFECTING PAYROLL, UNIFORM AND MEAT PURCHASES, MILITARY-OWNED COMPANIES, AND THE PERSONAL FINANCIAL INTERESTS OF SENIOR MILITARY PERSONNEL -- MOST NOTABLY THE PRESIDENT'S FORMER CHIEF ADVISOR ON MILITARY AFFAIRS, AND BROTHER, SALIM SALEH.

9. (S) THE ISSUE HAS TAKEN ON MORE OF AN EDGE SINCE THE CONGO CONFLICT BEGAN AUGUST 2. THE GOVERNMENT'S 1997-98 PURCHASE OF DEFECTIVE MI-24 HELICOPTERS FROM BELARUS AT \$11 MILLION OR ROUGHLY TWICE THE GOING PRICE EVENTUALLY CAME TO PARLIAMENT'S ATTENTION, AND IMPACTED ON UGANDA'S ERSTWHILE ALLY IN THE CONGO WAR, RWANDA. THE RWANDAN MILITARY WAS APPARENTLY STUNG BY THE HELICOPTER PURCHASE, AND LOST UP TO \$2 MILLION ON THE DEAL WHEN RWANDAN PAYMENT WAS DEPOSITED IN A UGANDAN BANK (ICB) THAT WAS CLOSED DOWN LATE LAST YEAR FOR INSOLVENCY. THE KEY ACTORS IN THE FAULTY PURCHASE WERE BUSINESS PARTNERS OF SALIM SALEH'S, INCLUDING EMMANUEL KATTO, THE COUNTRY'S LEADING RACE-CAR DRIVER AND SON OF ICB BANK OWNER THOMAS KATTO. THE HELICOPTERS WERE PURCHASED DESPITE REPORTED EFFORTS BY UPDF TECHNOCRATS TO BLOCK THE PURCHASE ON MECHANICAL GROUNDS.

10. (S) SCANDAL HAS ALSO SURFACED REGARDING THE PURCHASE OF THE NINETY OR SO T-55 TANKS. THE REPUTED COST OF ABOUT \$30 MILLION, OR \$200,000 PER ANCIENT TANK (TWENTY-FIVE YEARS OLD) WHEN THEY COULD HAVE BEEN MADE AVAILABLE FOR ABOUT \$50,000 HAS RAISED EYEBROWS. THE PROBABLE INTERMEDIARIES FOR THAT PURCHASE -- ZEEV SHIFF AND HEZI BEZALEL, ISRAELI BUSINESS PARTNERS OF SALIM SALEH'S WHO REPORTEDLY FRONT AN ARMS TRAFFICKING COMPANY, BUT ARE ALSO INVOLVED IN DIAMOND DEALING AND THE ENTEBBE AIRPORT CARGO HANDLING SERVICES. THE TANKS ARE NOW MOSTLY STUCK IN THE SECOND DIVISION HEADQUARTERS AT MBARARA, AWAITING THE ARRIVAL, OF THE SPARE PARTS THAT WERE NOT PART OF THE INITIAL DEAL. BEZALEL AND SHIFF'S NAMES HAVE COME UP IN CONNECTION WITH MANY OUTSIDE PROCUREMENT DEALS.

~~SECRET~~ SECTION 03 OF 04 KAMPALA 001661

NOFORN

E.O. 12958: DECL: 2/22/09

TAGS: MARR MASS PREL PGOV UG, CG

SUBJECT: COSTS AND MODALITIES OF UGANDA'S WAR EFFORT

11. (S) THE UGANDAN MILITARY IS ALSO PURCHASING LARGE QUANTITIES OF AMMUNITION, APC'S, ANTI-AIRCRAFT DEFENSE SYSTEMS, FOODSTUFFS, AND HAS EXPANDED RECRUITMENT. THE RESULT IS THAT MILITARY OFFICIALS HAVE MADE A KILLING. THE MINISTRY OF DEFENCE'S TOP CIVILIAN, PERMANENT SECRETARY MBONYE, IS ALLEGED (SO FAR PRIVATELY) TO BE PERSONALLY ORCHESTRATING FRAUDULENT BILLING ACCOUNTS WHICH GREATLY INFLATE THE COSTS OF ORDINARY RESUPPLY PURCHASES AND TRANSPORT. FORMER MINISTERS KUTEESA AND MUHWEZI ARE ALSO IMPLICATED, AND THE LOCAL TAX AUTHORITIES HAVE PUBLICLY COMPLAINED THAT OLD ENTEBBE AIRPORT HAS NO CUSTOMS REGIME AND HAS BECOME THE CENTER OF MAJOR SMUGGLING TO AND FROM THE CONGO. THE MILITARY HAS EFFECTIVELY RECLAIMED THE PRIVATIZED UGANDA AIR CARGO COMPANY TO RUN ITS OWN TRANSPORT OPERATION. THERE ARE INDICATIONS THAT FINANCES ARE NONETHELESS

STRAINED: A MAJOR OIL COMPANY IN KAMPALA WAS OWED MILLIONS IN BACK FUEL CHARGES BY THE UPDF, AND HAD TO THREATEN TO CUT OFF SUPPLIES BEFORE SOME PAYMENT WAS MADE.

12. (S) THE AMOUNT OF SMUGGLING OF GOODS FROM CONGO THAT ARE NOT DIAMONDS AND GOLD ALSO APPEARS TO BE CONSIDERABLE. AS UGANDAN TRADERS TAKE FLOUR AND OTHER NECESSITIES TO CONGOLESE TOWNS AND UPDF TROOPS, THEY REPORTEDLY BRING BACK TIMBER AND OTHER COMMODITIES THEY CAN MARKET LOCALLY. PRESIDENT MUSEVENI, IN AN INTERVIEW WITH TIME MAGAZINE MARCH 22, ACKNOWLEDGED AS MUCH WHEN HE SAID "PEOPLE NEED SUPPLIES. PEOPLE NEED TO BUY SOAP, TO BUY REEF. I TOOK BUSINESSMEN TO THE CONGO TO SELL THINGS OR BUY THINGS. IF GOLD IS GOING OUT THEN IT MUST BE THE CONGOLESE SELLING TO OUR BUSINESSMEN." HOWEVER, "I HAVE NOTHING TO DO WITH MY BROTHER'S BUSINESS. SALIM SALEH IS A RENEGADE FELLOW."

13. (S) UGANDAN MILITARY OFFICERS TIED TO GENERAL KAZINI, THE OVERSEER OF THE CONGO OPERATION WHO IS BASED IN KISANGANI, HAVE ALSO BECOME DIAMOND AND GOLD TRADERS -- NOT ALWAYS SUCCESSFULLY. LAST SEPTEMBER, A CLOSE ALLY OF SALIM SALEH'S, COLONEL JET, WAS KILLED IN AN AIRPLANE CRASH IN THE RWENZORI MOUNTAINS TRAVELLING TO CONGO DIAMOND CENTERS WITH A MILLION DOLLARS IN A BRIEFCASE. ALSO ON BOARD, AND RARELY SURVIVING -- THE ISRAELI ARMS DEALER SHIFF. KAZINI ALLEGEDLY HAS SET UP A NETWORK INVOLVING BELGIAN CITIZENS TO COLLECT DIAMONDS AND GOLD.

14. (S) MILITARY EXPENDITURES OFF-BUDGET MAY BE MATCHING THOSE DECLARED OVER BUDGET. ALTHOUGH UGANDA HAS BEEN MORE TRANSPARENT THAN OTHER REGIONAL ACTORS IN ADMITTING INCREASED MILITARY EXPENDITURES, THE GOU IS NOT ADMITTING TO THE FULL COST OF THE WAR. THE POLITICAL IMPLICATIONS OF NON-TRANSPARENT DEALS ARE ALREADY MAKING THEMSELVES FELT IN PARLIAMENT WHERE EVEN THE PRESIDENT'S SUPPORTERS ARE QUESTIONING THE LACK OF INTERNAL CONTROLS. SALIM SALEH, BY MOST ACCOUNTS, HAS BEEN SIDELINED AS A POLICY MAKER, IF NOT AS A BUSINESSMAN. THE UPDF, OR AT LEAST SOME WITHIN IT, ARE ATTEMPTING TO ESTABLISH SOME RULES FOR PROCUREMENT -- AND STANDARDS. A SENIOR UPDF GENERAL TOLD US THAT THE ISRAELI DEFENSE AGENCY HAD BEEN CONTRACTED TO VET FUTURE WEAPONS PURCHASES TO MINIMIZE THE RISKS OF FAULTY PROCUREMENTS.

15. (S) THE REAL ISSUE, HOWEVER, REMAINS UNNECESSARY PROCUREMENTS. OVER THE PAST TWO MONTHS, STORIES ABOUT THE IMPENDING PURCHASE OF MIG-21S HAVE BEEN MAKING THE ROUNDS, WITH POLAND ONE OF THE LIKELY SUPPLIERS. WHAT UGANDAN AIRFORCE PERSONNEL CAN DO WITH ADVANCED FIGHTERS WHEN THEY HAVE TROUBLE FLYING AND MAINTAINING HELICOPTERS IS A QUESTION NO ONE IN THE MILITARY SEEMS PREPARED TO ASK; BUT THE DECISION TO PURSUE PROCUREMENT MAY BE MOTIVATED BY CONCERNS ABOUT HOW TO PROCEED WITH THE WAR IN THE CONGO. AND UGANDA'S ARMS AND AMMUNITION

FACTORY AT NAKASONGOLA IS IN FULL PRODUCTION --
REPORTEDLY ASSISTED BY THE CHINESE AND NORTH KOREANS.

~~SECRET~~ SECTION 04 OF 04 KAMPALA 001661

NOFORN

E.O. 12958: DECL: 2/22/09
TAGS: MARR MASS PREL PGOV UG, CG
SUBJECT: COSTS AND MODALITIES OF UGANDA'S WAR EFFORT

AIR RESUPPLY OPERATIONS

16. (S) UGANDA'S AIR RESUPPLY OPERATIONS HAVE BEEN AS MOTLEY AS RWANDA'S AND PERHAPS SOME OF THE OTHER REGIONAL ACTORS. VICTOR BORG (OR BHOUT, BUTT, BOUT), A FORMER SOVIET CITIZEN BASED IN SWAZILAND, HAS SHOPPED HIS AIRPLANE SERVICES HERE -- BUT NOT WITH THE SUCCESS HE HAS APPARENTLY HAD IN RWANDA. THE UGANDANS, AFTER HE HAS APPARENTLY HAD IN RWANDA. THE UGANDANS, AFTER USING A NUMBER OF DIFFERENT FLY-BY-NIGHT OPERATORS PROCURED LOCALLY, OUT OF KENYA, AND POSSIBLY GULF AIR COMPANIES, SETTLED ON A SMALL FLEET OF AN IL-76; TWO KINGFISHERS, A 748, AN ANTONOV 12, AND AN ANTONOV 26. THE BIGGER AIRPLANES HAVE BEEN FLOWN BY UKRANIAN PILOTS, WHO, ACCORDING TO ONE WELL-PLACED SOURCE, ARE STILL ACTIVE DUTY UKRANIAN MILITARY PERSONNEL. THE REGISTRATION ON THE IL-76 IS UR DCC; ON THE ANTONOV 12 UR UCK. THE UKRANIAN PILOTS REPORTEDLY FIND THEIR JOB A BREEZE AFTER STINTS IN AFGHANISTAN. THEY ENCOUNTER NO HOSTILE FIRE ON THEIR FLIGHTS INTO CONGO DESTINATIONS.

17. (S) AFTER THE INITIAL RUNS FERRYING TROOPS LAST YEAR, MOST OF THE FLIGHTS HAVE INVOLVED FERRYING FOODSTUFFS TO UGANDAN SOLDIERS STATIONED INSIDE THE CONGO. WHEN THE MINISTRY OF DEFENSE HAD TROUBLE PAYING SOME OF ITS CONTRACTORS IN EARLY 1999, IT ATTEMPTED TO REVIVE THE COMMERCIAL FLYING OPERATIONS OF UGANDA AIR CARGO. THE MINISTRY HAS ALSO REVAMPED A C-130 AIRCRAFT THAT CAME INTO UGANDA'S POSSESSION IN THE EARLY 1970S DURING IDI AMIN'S TIME. THIS AIRPLANE HAS BEEN INCREASINGLY PUT INTO SERVICE FOR FLIGHTS INTO THE CONGO. IT IS UNCLEAR FROM THE INFORMATION AVAILABLE TO US WHETHER THE CREW IS LOCAL OR EXPATRIATE.

18. (S) THE UGANDANS HAVE MADE LITTLE EFFORT TO DISGUISE THE RESUPPLY OPERATION. THE AFOREMENTIONED AIRPLANES ARE PARKED AT OLD ENTEBBE AIRPORT, AND ARE CLEARLY VISIBLE TO PASSENGERS EN ROUTE TO THE NEW INTERNATIONAL AIRPORT. IF ANYTHING, THE FLIGHTS SEEM TO BE AS ACTIVE AS EVER. THE COST OF FLYING THE LARGER AIRPLANES IS LOWER THAN MANY THINK, PERHAPS AS LOW AS \$20,000 A RETURN FLIGHT FROM ENTEBBE TO KISANGANI. NONETHELESS, ONE ESTIMATE OF TRANSPORTATION COSTS TO FEBRUARY 1999 HAS THEM RUNNING AT NEAR \$10 MILLION, IT IS CLEAR THAT AIR OPERATIONS WILL CONTINUE TO CONSUME A

CONSIDERABLE PROPORTION OF INCREASED MILITARY EXPENDITURES THE DEEPER UGANDAN TROOPS DRIVE INTO THE CONGO.

COMMENT

19. (e) PRESIDENT MUSEVENI'S AIMS IN CONGO ARE NOT ENRICHMENT BUT STRATEGIC. WHILE THERE APPEARS TO BE AN EFFORT TO TIGHTEN UP PROCUREMENT AND DEAL WITH THE FALLOUT OF THE IMF'S DISMAY AT INCREASED MILITARY EXPENDITURES AT THE EXPENSE OF SOCIAL SECTORS, THE REALITY IS THAT THE GOVERNMENT APPEARS PREPARED TO CONTINUE SPENDING ON WAR -- DESPITE THE NEGATIVE CONSEQUENCES. PRESIDENT MUSEVENI IN AN INTERVIEW RECENTLY WITH THE EAST AFRICAN, SAID "WE OPERATE CHEAPLY. WE ARE NOT EUROPEANS AND WE DON'T EAT CHOCOLATES. ARMS ARE NOT ALL THAT COSTLY. WHAT IS EXPENSIVE IS TRANSPORT AND FUEL. YOU CAN SUPPORT A SOLDIER ON \$150 A MONTH. RATHER THAN LOSE ONE MILIJON PEOPLE AS HAPPENED IN RWANDA, IT IS BETTER TO SPEND THE MONEY. SALARY AND FOOD, SAY FOR 20,000 SOLDIERS, COMES TO ABOUT \$3 MILLION A MONTH. FOR 12 MONTHS, THE COST WILL BE ABOUT \$36 MILLION. GIVEN WHAT IS AT STAKE, THAT IS NOT SUCH A LARGE AMOUNT OF MONEY." IT IS NOT CLEAR THAT THE UGANDAN PEOPLE, AND UGANDA'S INTERNATIONAL PARTNERS, WILL AGREE WITH THIS LINE OF REASONING FOREVER.

POWELL

SECT: SECTION: 01 OF 04
<^SECT>SECTION: 02 OF 04
<^SECT>SECTION: 03 OF 04
<^SECT>SECTION: 04 OF 04

SSN: 1661
<^SSN>1661
<^SSN>1661
<^SSN>1661

TOR: 990408111740 M3789079
<^TOR>990408112216 M3789092
<^TOR>990408111819 M3789083
<^TOR>990408112405 M3789097

DIST: SIT: BABBITT BARKS-RUGGLES FRAZER SANDERS SMITHG
SIT: NSC

Exchange Mail

DATE-TIME 07/11/2000 9:44:47 PM
 FROM Wolosky, Lee S. (TNT)
 CLASSIFICATION ~~TOP SECRET~~
 CLASSIFICATIONREASON 1.5(c)(d)
 DATECLASSIFIEDON 07/03/2000
 DECLASSIFYON 07/04/2010
 SUBJECT RE: Evil arms dealer [~~TOP SECRET~~]
 TO Feldman, Daniel F. (MULTI)

DECLASSIFIED IN PART
 PER E. O. 13526

2016-0165-M (1.59)

KBH 8/9/2022

CARBON_COPY

TEXT_BODY

ok, for now I will copy you in on what we are doing; if that changes, let me know.

-----Original Message-----

From: Feldman, Daniel
 F. (MULTI)
 Sent: Tuesday, July 11, 2000 9:03 PM
 To: Wolosky, Lee
 S. (TNT)
 Subject: RE: Evil arms dealer [~~TOP SECRET~~]

lee -- i'm probably the guy in multi, but i'll see if others should also be involved. i ostensibly do arms trafficking, though that consists of going to IWG's at state about once every three months. i do the accountability (war crimes) aspect of sierra leone, but matt mclean is more engaged on peacekeeping, and richard wilcox has been more involved with the diamonds issue (at least from the u.n. perspective). let me know about future mtgs, though, and i'll make sure the right person is there. thanks, dan

-----Original Message-----

From: Wolosky,
 Lee S. (TNT)
 Sent: Tuesday, July 11, 2000 7:57 PM
 To: Feldman,
 Daniel F. (MULTI)
 Subject: FW: Evil arms dealer [~~TOP SECRET~~]

Dan:

See
below. Got a good briefing today on this bad boy and we have a tentative
action plan for moving forward. Arms trafficking, Sierra Leone,
and diamond trafficking issues here, among others. Are you the right
person at @multi to hook in as we move forward, or is there someone
else?

Lee

-----Original Message-----

From: Dempsey, Nora B.
(AF)
Sent: Friday, July 07, 2000 2:47 PM
To: Wolosky, Lee S.
(TNT)
Cc: Cooper, Colby J. (ADMIN)
Subject: RE: Evil arms dealer
[TOP SECRET]

Lee -

I'll definitely come... let us know where
in the bldg the briefing will be.

-----Original Message-----

From: Wolosky,
Lee S. (TNT)
Sent: Friday, July 07, 2000 1:30 PM
To: Weiss, Andrew
S. (RUE); Smith, Gayle E. (AF); Tucker, Maureen E. (NONPRO);
Dempsey,
Nora B. (AF); Rosa, Frederick M. (TNT)
Subject: FW: Evil arms
dealer [TOP SECRET]

Tues. briefing will not include upstream Russia
connections because [REDACTED] EO 13526 1.4c at this point.
We know Butt has an office in Moscow, [REDACTED] EO 13526 1.4c

Please

let me know who plans to attend Tues brief so that we can figure
out where to hold it. Thanks.

-----Original Message-----

From: Wolosky,
Lee S. (TNT)
Sent: Friday, July 07, 2000 12:13 PM
To: Smith,
Gayle E. (AF); Tucker, Maureen E. (NONPRO); Dempsey, Nora B. (AF)

Cc: @AFRICA
 - African Affairs; @NONPRO - Export Controls; Weiss, Andrew S.
 (RUE);
 Rosa, Frederick M. (TNT)
 Subject: RE: Evil arms dealer [~~TOP SECRET~~]

I've
 arranged a briefing here Tues. 11 July at 1:30. Issues include the
 items set forth below. Let me know if you will join the briefing;
 I have already been in touch with RUE.

- * overview of operations
 in Africa
- * possible ties [REDACTED] E.O. 12958 1.4(d)
- * existing warrants
- * ties
 to UBL/sanctions busting
- * upstream connections to ROC, Russian
 Government/arms export agencies/state-owned factories

[REDACTED] EO 13526 1.4d

-----Original Message-----

From: Smith,
 Gayle E. (AF)
 Sent: Friday, July 07, 2000 11:13 AM
 To: Tucker,
 Maureen E. (NONPRO); Dempsey, Nora B. (AF)
 Cc: Wolosky, Lee S.
 (TNT); @AFRICA - African Affairs; @NONPRO - Export Controls
 Subject: RE:
 Evil arms dealer [~~TOP SECRET~~]

not a bad idea, also maybe someone
 from intell

-----Original Message-----

From: Tucker, Maureen
 E. (NONPRO)
 Sent: Friday, July 07, 2000 11:09 AM
 To: Dempsey,
 Nora B. (AF)
 Cc: Wolosky, Lee S. (TNT); @AFRICA - African Affairs;
 @NONPRO - Export Controls
 Subject: RE: Evil arms dealer [~~TOP SECRET~~]

Sure,
 I'd like to sit in. I haven't seen any intel on this, so I don't
 know what it indicates, but since the evil one is Russian, should

we invite someone from RUE?

-----Original Message-----

From: Dempsey,
Nora B. (AF)
Sent: Friday, July 07, 2000 11:06 AM
To: Tucker,
Maureen E. (NONPRO)
Cc: Wolosky, Lee S. (TNT); @AFRICA - African
Affairs
Subject: RE: Evil arms dealer [~~TOP SECRET~~]

Maureen -
we
met with Lee just after this e-mail conversation.
he had some good
ideas (re U.A.E. diplomacy), and will contact

EO 13526 1.4c

-----Original
Message-----

From: Tucker, Maureen E. (NONPRO)
Sent: Friday,
July 07, 2000 8:37 AM
To: Smith, Gayle E. (AF); Wolosky, Lee S.
(TNT)
Cc: Dempsey, Nora B. (AF); Byrne, Catherine E. (AF); Tucker,
Maureen E. (NONPRO)
Subject: RE: Evil arms dealer [~~TOP SECRET~~]

Nora/Cathy
- let me know when you get together with Lee - thanks - Maureen

-----Original
Message-----

From: Smith, Gayle E. (AF)
Sent: Monday, July 03,
2000 10:33 AM
To: Wolosky, Lee S. (TNT); Clarke, Richard A. (TNT)
Cc: @TRANSNATIONAL
- Transnational Threats; Dempsey, Nora B. (AF); Byrne, Catherine
E. (AF); Tucker, Maureen E. (NONPRO)
Subject: RE: Evil arms dealer
[~~TOP SECRET~~]

Cool. Nora/Cathy - can you get with Lee on this
when possible?

-----Original Message-----

From: Wolosky, Lee
S. (TNT)
Sent: Monday, July 03, 2000 9:51 AM
To: Smith, Gayle
E. (AF); Clarke, Richard A. (TNT)
Cc: @TRANSNATIONAL - Transnational
Threats; Dempsey, Nora B. (AF); Byrne, Catherine E. (AF); Tucker,
Maureen E. (NONPRO)
Subject: RE: Evil arms dealer [~~TOP SECRET~~]

I

am. As you know, Butt is a Russian, and I have been interested in learning more about his network outside Africa. Suggest we get together before you grab your hammer and frequent flyer voucher.

-----Original
Message-----

From: Smith, Gayle E. (AF)
Sent: Monday, July 03,
2000 8:41 AM
To: Clarke, Richard A. (TNT)
Cc: @TRANSNATIONAL -
Transnational Threats; Dempsey, Nora B. (AF); Byrne, Catherine E.
(AF); Tucker, Maureen E. (NONPRO)
Subject: Evil arms dealer [~~TOP
SECRET~~]

We have an evil arms dealer named Victor Butt who has networks across Africa and is effectively fuelling Angola, Sierra Leone and the Congo. We also have A LOT of intell on him. Following a briefing from them, I have asked Nora Dempsey and Cathy Byrne in my office to put together a draft strategy for shutting down his network, which they are very eager to do since they have been following him around for months and he keeps messing up their portfolios. Dick - who in your office is the get-evil-arms-dealers person, that they might touch base with? Maureen - do you think you can offer any insights or ideas into this?

Nora and Cathy are quite determined and I am convinced that if we simply turned them loose with my frequent flier miles and a hammer they could take care of this. However - want to know what legal, diplomatic, and other tools we may have at our disposal. If this network could be shut down it would be huge for Africa, both in the specific sense of his operations, but also in the bigger picture.

Thanks

Exchange Mail

DATE-TIME 07/10/2000 12:51:41 PM
 FROM Harris, Grant T. (AF)
 CLASSIFICATION ~~TOP SECRET~~
 CLASSIFICATIONREASON 1.5(c)(d)
 DATECLASSIFIEDON 07/03/2000
 DECLASSIFYON 07/04/2010
 SUBJECT RE: Evil arms dealer [~~TOP SECRET~~]
 TO Battenfield, Pat A. (AF)
 Byrne, Catherine E. (AF)
 Dempsey, Nora B. (AF)
 Harris, Grant T. (AF)
 Hurwitz, Marc I. (ADMIN)
 Smith, Gayle E. (AF)
 Tabak, Lauren B. (AF/INTERN)

DECLASSIFIED IN PART PER E. O. 13526

2016-0165-M (1.57)

KBH 8/9/2022

CARBON_COPY

TEXT_BODY

I'll be there--- who else can make it?
 I know Lauren will be there
 as well.

-----Original Message-----

From: Wolosky, Lee S. (TNT)

Sent: Monday, July 10, 2000 9:06 AM

To: @AFRICA - African Affairs

Cc: Lieberson,

Donna P. (TNT); Grandrimo, Nicole M. (TNT/INTERN)

Subject: FW:

Evil arms dealer [~~TOP SECRET~~]

Can @Africa let us know how many
 total will attend Tues' Butt briefing? Thanks.

-----Original
 Message-----

From: Tucker, Maureen E. (NONPRO)

Sent: Monday,

July 10, 2000 9:01 AM

To: Wolosky, Lee S. (TNT)

Subject: RE: Evil
arms dealer [~~TOP SECRET~~]

Lee, I will attend the brief. Maureen

-----Original

Message-----

From: Wolosky, Lee S. (TNT)

Sent: Friday, July 07,

2000 1:30 PM

To: Weiss, Andrew S. (RUE); Smith, Gayle E. (AF);

Tucker, Maureen E. (NONPRO); Dempsey, Nora B. (AF); Rosa,
Frederick

M. (TNT)

Subject: FW: Evil arms dealer [~~TOP SECRET~~]

Tues. briefing

will not include upstream Russia connections because [redacted] 1.4(c)

[redacted] at this point. We know Butt has an office in Moscow,

[redacted] EO 13526 1.4c

Please let me know who plans to
attend Tues brief so that we can figure out where to hold it. Thanks.

-----Original

Message-----

From: Wolosky, Lee S. (TNT)

Sent: Friday, July 07,

2000 12:13 PM

To: Smith, Gayle E. (AF); Tucker, Maureen E. (NONPRO);

Dempsey, Nora B. (AF)

Cc: @AFRICA - African Affairs; @NONPRO -

Export Controls; Weiss, Andrew S. (RUE); Rosa, Frederick M. (TNT)

Subject: RE:

Evil arms dealer [~~TOP SECRET~~]

I've arranged a briefing here Tues.

11 July at 1:30. Issues include the items set forth below. Let
me know if you will join the briefing; I have already been in touch
with RUE.

* overview of operations in Africa

* possible ties

[redacted] EO 13526 1.4d

* existing warrants

* ties to UBL/sanctions

busting

* upstream connections to ROC, Russian Government/arms export
agencies/state-owned factories

[redacted] EO 13526 1.4d

-----Original

Message-----

From: Smith, Gayle E. (AF)

Sent: Friday, July 07,
2000 11:13 AM

To: Tucker, Maureen E. (NONPRO); Dempsey, Nora B.
(AF)

Cc: Wolosky, Lee S. (TNT); @AFRICA - African Affairs; @NONPRO
- Export Controls

Subject: RE: Evil arms dealer [~~TOP SECRET~~]

not

a bad idea, also maybe someone from intell

-----Original Message-----

From: Tucker,

Maureen E. (NONPRO)

Sent: Friday, July 07, 2000 11:09 AM

To: Dempsey,
Nora B. (AF)

Cc: Wolosky, Lee S. (TNT); @AFRICA - African Affairs;
@NONPRO - Export Controls

Subject: RE: Evil arms dealer [~~TOP SECRET~~]

Sure,

I'd like to sit in. I haven't seen any intel on this, so I don't
know what it indicates, but since the evil one is Russian, should
we invite someone from RUE?

-----Original Message-----

From: Dempsey,

Nora B. (AF)

Sent: Friday, July 07, 2000 11:06 AM

To: Tucker,
Maureen E. (NONPRO)

Cc: Wolosky, Lee S. (TNT); @AFRICA - African
Affairs

Subject: RE: Evil arms dealer [~~TOP SECRET~~]

Maureen -

we

met with Lee just after this e-mail conversation.

he had some good

ideas (re U.A.E. diplomacy), and will contact

EO 13526 1.4c

-----Original

Message-----

From: Tucker, Maureen E. (NONPRO)

Sent: Friday,
July 07, 2000 8:37 AM

To: Smith, Gayle E. (AF); Wolosky, Lee S.
(TNT)

Cc: Dempsey, Nora B. (AF); Byrne, Catherine E. (AF); Tucker,
Maureen E. (NONPRO)

Subject: RE: Evil arms dealer [~~TOP SECRET~~]

Nora/Cathy

- let me know when you get together with Lee - thanks - Maureen

-----Original

Message-----

From: Smith, Gayle E. (AF)

Sent: Monday, July 03,
2000 10:33 AM

To: Wolosky, Lee S. (TNT); Clarke, Richard A. (TNT)

Cc: @TRANSNATIONAL

- Transnational Threats; Dempsey, Nora B. (AF); Byrne, Catherine
E. (AF); Tucker, Maureen E. (NONPRO)

Subject: RE: Evil arms dealer
[~~TOP SECRET~~]

Cool. Nora/Cathy - can you get with Lee on this
when possible?

-----Original Message-----

From: Wolosky, Lee
S. (TNT)

Sent: Monday, July 03, 2000 9:51 AM

To: Smith, Gayle

E. (AF); Clarke, Richard A. (TNT)

Cc: @TRANSNATIONAL - Transnational

Threats; Dempsey, Nora B. (AF); Byrne, Catherine E. (AF); Tucker,
Maureen E. (NONPRO)

Subject: RE: Evil arms dealer [~~TOP SECRET~~]

I

am. As you know, Butt is a Russian, and I have been interested in
learning more about his network outside Africa. Suggest we get together
before you grab your hammer and frequent flyer voucher.

-----Original

Message-----

From: Smith, Gayle E. (AF)
Sent: Monday, July 03,
2000 8:41 AM
To: Clarke, Richard A. (TNT)
Cc: @TRANSNATIONAL -
Transnational Threats; Dempsey, Nora B. (AF); Byrne, Catherine E.
(AF); Tucker, Maureen E. (NONPRO)
Subject: Evil arms dealer [~~TOP~~
SECRET]

We have an evil arms dealer named Victor Butt who has networks across Africa and is effectively fuelling Angola, Sierra Leone and the Congo. We also have A LOT of intell on him. Following a briefing from them, I have asked Nora Dempsey and Cathy Byrne in my office to put together a draft strategy for shutting down his network, which they are very eager to do since they have been following him around for months and he keeps messing up their portfolios. Dick - who in your office is the get-evil-arms-dealers person, that they might touch base with? Maureen - do you think you can offer any insights or ideas into this?

Nora and Cathy are quite determined and I am convinced that if we simply turned them loose with my frequent flier miles and a hammer they could take care of this. However - want to know what legal, diplomatic, and other tools we may have at our disposal. If this network could be shut down it would be huge for Africa, both in the specific sense of his operations, but also in the bigger picture.

Thanks

Exchange Mail

DATE-TIME 08/14/2000 7:27:38 AM
 FROM Smith, Gayle E. (AF)
 CLASSIFICATION ~~TOP SECRET~~
 CLASSIFICATIONREASON 1.5(b)(c)(d)
 DATECLASSIFIEDON 08/12/2000
 DECLASSIFYON 08/13/2010
 SUBJECT RE: Action on Victor Butt [~~TOP SECRET~~]
 TO Harris, Grant T. (AF)

DECLASSIFIED IN PART
 PER E. O. 13526

2016-0165-M(1.62)

KBH 8/9/2022

CARBON_COPY
 Battenfield, Pat A. (AF)
 Byrne, Catherine E. (AF)
 Cooper, Colby J. (MULTILAT)
 Dempsey, Nora B. (AF)
 Harris, Grant T. (AF)
 ODonohue, Peter A. (AF)
 Smith, Gayle E. (AF)
 Tabak, Lauren B. (AF/INTERN)

TEXT_BODY

Dick has agreed to do the meeting, according to Susan who spoke to him, but wants a briefing first. Please make sure Transnational Threats aware of the meeting on Sept. 18.

-----Original Message-----

From: Harris,
 Grant T. (AF)
 Sent: Saturday, August 12, 2000 4:58 PM
 To: Smith,
 Gayle E. (AF)
 Cc: @AFRICA - African Affairs
 Subject: Action on
 Victor Butt [~~TOP SECRET~~]

I met with Witney Schneidman [REDACTED] 1.4(c)
 [REDACTED] 1.4(c) last week. I learned:
 [REDACTED] 1.4(d) are looking for more of
 a diplomatic approach to this issue (so far, it has only been the
 [REDACTED] 1.4(d) and us actively engaged on this issue, but Canada and maybe
 some other countries could be pulled in for a multilateral strategy).

[redacted] 1.4(d) is well briefed on Butt's activities and wants to know what he can do.

[redacted] 1.4(c)

My thoughts:

1. We need to pursue Gayle's idea to get State and TNT in contact and have Dick Clarke head up a meeting on this.

2. In anticipation of possible diplomatic approaches to individual countries [redacted] 1.4(c) review what information could be released [redacted] E.O. 12958 1.4(c)

[redacted]

3. We should move quickly [redacted] E.O. 12958 1.4(d)

[redacted]

Your thoughts?

Exchange Mail

DATE-TIME 08/14/2000 7:54:40 AM
 FROM Harris, Grant T. (AF)
 CLASSIFICATION ~~TOP SECRET~~
 CLASSIFICATIONREASON 1.5(b)(c)(d)
 DATECLASSIFIEDON 08/12/2000
 DECLASSIFYON 08/13/2010
 SUBJECT Action on Victor Butt [~~TOP SECRET~~]
 TO Wolosky, Lee S. (TNT)

DECLASSIFIED IN PART
 PER E. O. 13526

2016-0165-M (1.64)
 KBH 8/9/2022

CARBON_COPY
 Grandrimo, Nicole M. (TNT/INTERN)
 Lieberon, Donna P. (TNT)
 Pierce, Eric A. (TNT)
 Rosa, Frederick M. (TNT)
 Wolosky, Lee S. (TNT)
 Battenfield, Pat A. (AF)
 Byrne, Catherine E. (AF)
 Cooper, Colby J. (MULTILAT)
 Dempsey, Nora B. (AF)
 Harris, Grant T. (AF)
 ODonohue, Peter A. (AF)
 Smith, Gayle E. (AF)
 Tabak, Lauren B. (AF/INTERN)

TEXT_BODY

Lee,
 Welcome back. I would like to touch base with you on Butt once you get a little bit caught up. I met with Witney Schneidman (DAS in State/AF) [redacted] 1.4(c) last week. I learned: [redacted] 1.4(d) are looking for more of a diplomatic approach to this issue (so far, it has only been the [redacted] 1.4(d) and us actively engaged on this issue, but Canada and maybe some other countries could be pulled in for a multilateral strategy). [redacted] 1.4(d) is well briefed on Butt's activities and wants to know what he can do. [redacted] 1.4(c) In my opinion, this would be a good opportunity to have some policy folks come as well and use the

meeting as an opportunity to coordinate an approach.

Exchange Mail

DATE-TIME 08/15/2000 4:18:59 PM
 FROM Harris, Grant T. (AF)
 CLASSIFICATION ~~CONFIDENTIAL~~
 CLASSIFICATIONREASON 1.5(d)
 DATECLASSIFIEDON 08/12/2000
 DECLASSIFYON 08/13/2010
 SUBJECT RE: criminalization idea [~~CONFIDENTIAL~~]
 TO Smith, Gayle E. (AF)

**DECLASSIFIED
 PER E.O. 13526**

2016-0165-M (1.66)
 KBH 8/9/2022

CARBON_COPY Battenfield, Pat A. (AF)
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TEXT_BODY

So far, the criminalization issue has not gone anywhere. You wanted a one-pager that would look at the idea so we know exactly what it is (what it would do, potential advantages and disadvantages, etc.). TNT told me they would write it and then backed out. Because State was interested in looking into the idea, we just recently asked INL if they could put together a one-page paper on the idea and what criminalization would look like.

Independently, I talked with @legal. Mary said she could not think of any red flags and would try to find the appropriate person in DOJ to refer us to.

I understand your concerns completely. This is not an NSC-endorsed idea, and I have only raised this in the sense of "the idea has been raised, and we need more information about it." TNT continually raised the idea but never followed through on collecting information or vetting it with legal folks. I just wanted someone to put it on paper so that pros and cons and flesh could be added to the two sentences which TNT has e-mailed around. As of now, we don't know what it implies legislatively and have not raised it in any conversation

about Hill legislation.

-----Original Message-----

From: Smith,
Gayle E. (AF)
Sent: Tuesday, August 15, 2000 4:09 PM
To: Harris,
Grant T. (AF)
Cc: @AFRICA - African Affairs
Subject: FW: criminalization
idea [~~CONFIDENTIAL~~]

Not sure on tight timing side what is meant.
But we need to work this through in the building and get a front
office sign off before we take it out (other agencies would have
to approve). I am all for it but these kinds of actions are serious
and I do not want this train out of the NSC station before SRB has
agreed (think he will if we make a good case). There are also major
issues here regarding whether or not we want to factor the criminalization
piece into the legislative process (good and bad) or handle it from
executive branch. Please make sure Dan Shapiro is in this loop because
we need a legislative opinion and he may argue that we do not want
to do this legislatively.

Would also help for me, and I imagine
both Nora and Cathy who practically work the diamond issues in their
areas and where there are cross cutting issues like Sierra Leone
overall, or UNITA sanctions, if you (Grant) could summarize where
this is and what it implies (including legislatively). I will then
check with Kerrick to see what we need to do procedurally in here.

Thanks

-----Original Message-----

From: Wolosky, Lee S.
(TNT)
Sent: Tuesday, August 15, 2000 3:21 PM
To: DeRosa, Mary
B. (LEGAL); Harris, Grant T. (AF)
Cc: @CRIME; @AFRICA - African
Affairs
Subject: FW: criminalization idea [~~CONFIDENTIAL~~]

Mary/Grant

-- Given the tight timing, I shot this language over to John Bellinger
(DOJ/crim) and Pete Prahar (State/INL) to run through their buildings.

-----Original

Message-----

From: Wolosky, Lee S. (TNT)

Sent: Tuesday, August
15, 2000 9:27 AM

To: Harris, Grant T. (AF); Smith, Gayle E. (AF)

Cc: Clarke,

Richard A. (TNT); @LEGAL - Legal Advisor; @MULTILAT -
Multilateral

and Humanitarian Affairs; @LEGISLAT - Legislative Affairs;

@AFRICA

- African Affairs; @CRIME

Subject: RE: criminalization idea [~~CONFIDENTIAL~~]

Grant:

I'd prefer for a real lawyer to pick this up from here, but briefly,
this is how it might look in legislation:

"Whoever knowingly violates,
attempts to violate or participates in a violation of this Act, or
any license, rule, or regulation promulgated hereunder, shall be
fined not more than \$_____ or, if a natural person, imprisoned for
not more than _____ years, or both".

Intent to defraud customs

is not an effective criminal sanction for many reasons -- including
the intent requirement. To my knowledge, for unknown reasons, no
one has put this idea in play previously.

-----Original Message-----

From: Harris,

Grant T. (AF)

Sent: Tuesday, August 15, 2000 8:26 AM

To: Wolosky,

Lee S. (TNT); Smith, Gayle E. (AF)

Cc: Clarke, Richard A. (TNT)

Subject: RE:

criminalization idea [~~CONFIDENTIAL~~]

Lee-

If we are going

to throw the idea of criminalization into the mix, we need some more
information. Technically speaking, how would it look in legislation?
What are the added advantages? How specifically would this give
the U.S. greater jurisdiction above and beyond current laws that
make intent to defraud customs illegal? What does DOJ think about
this? Has criminalization in this context been thought of before?
How does this compare to the "CARAT" provision of previous Hill
legislation? If criminalization is going to be seriously considered,

we need to get a clear picture of what it would look like asap. Because we originally heard the idea from you, we asked you to oversee the creation of a one-pager explaining it. Please let me know right away if you do not have time to do this, as this needs to move quickly. Thank you.
Grant

Also-- the Fowler report does name a lot of names, including Butt (although not in an extremely detailed manner).

-----Original
Message-----
From: Wolosky, Lee S. (TNT)
Sent: Monday, August
14, 2000 9:07 PM
To: Harris, Grant T. (AF); Smith, Gayle E. (AF)
Cc: Clarke,
Richard A. (TNT)
Subject: RE: criminalization idea [~~CONFIDENTIAL~~]

Gayle,
Grant:

Although IEEPA sanctions can move a lot quicker, assuming new legislation on conflict diamonds becomes desirable or inevitable, we might still consider specifically criminalizing trafficking in banned stones. Without specifically carving out a federal offense, you will be left with a toothless trade bill. Maybe that's ok, but it won't enable us to go after the bad guys who become subject to US jurisdiction (although under IEEPA you will be able to go after their assets).

That's about all there is to say on the subject
-- DOJ should take it from there. Let me know if it would be helpful for me to talk to the DOJ rep to your IWG (or anyone else).

On
IEEPA, does the Fowler report name names? If so, that might be a starting point for moving forward -- assuming we are moving forward.

Regards,

Lee

-----Original
Message-----
From: Harris, Grant T. (AF)
Sent: Saturday, August
12, 2000 2:17 PM

To: Wolosky, Lee S. (TNT)
Subject: criminalization
idea [~~CONFIDENTIAL~~]

Hi Lee,

Welcome back from vacation; I hope everything went well in NY. I know you will have a lot to go through upon your return, but follow-up on the criminalization idea requires swift action. The train is getting ready to leave the station, and there may be consultations with the Hill on legislation in the very near future (probably this week). Let's talk about this on Monday.
-Grant