

DECLASSIFIED IN PART
PER E. O. 13526

Top Secret

2016-0165-M (1.01)

TO: Susan

KBH 8/9/2022

FROM: Witney

RE: Victor Butt

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.

EO 13526 1.4c

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 CENTRAFRICAIR) 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. 1.4(c) FBI, Justice 1.4(c) 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

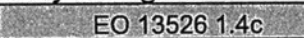
More specifically, we have moved forward in the following areas:



- 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 1.4(c)
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.
- 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.

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 Butt.  EO 13526 1.4c

 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 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.

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~~

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~~

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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~~

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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~~

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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~~

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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;

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SECRET REL SOUTH AFRICA

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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.

◇

EO 13526 1.4c

- ◇ 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.

EO 13526 1.4c

EO 13526 1.4c

~~SECRET REL SOUTH AFRICA~~

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Butt's Firms

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❖ Main Firms

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

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EO 13526 1.4c

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PER E. O. 13526

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

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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. [REDACTED] 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

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~~

CLINTON LIBRARY PHOTOCOPY

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:

"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."

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.

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.

EO 13526 1.4c

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

DOCUMENTATION
AND SEIZED
WEAPONS
ASSOCIATED
WITH
THIS
OPERATION
IN ORDER

EO 13526 1.4c

~~SECRET~~

3

(either bilaterally or multilaterally,
perhaps with the British)
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 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 RAISING~~
THIS WITH PRESIDENT MUSEVANI OR WOULD YOU APPROACHING
OTHER UGANDAN OFFICIALS FIRST?

What info does
embassy have
on this
situation?

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 [TOP 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 [TOP 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 [TOP 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 [TOP 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 [TOP 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 [TOP 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 [TOP 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

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.

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

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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

-2-

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 & DoS participation was the whole point of the trip. Maybe, Lee should go - he has a bad back and may not be up to carrying witnesses 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).

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-3-

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.

Subject 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.

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 —

Ruprah

Bout - UAE bond broker

arrange several shipments for
Taylor

armed helos,

bombs, air defense equipment

Bulgaria, Kyrgyzstan + Moldova

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

1998
Ruprah - 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
pages***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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-2-

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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-3-

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 EMBARGO

DISCUSSION

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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-4-

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.

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-5-

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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-6-

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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-7-

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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-8-

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 GOLDISCUSSION

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, Ntondo Chindoloma.

Attachments

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