

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 [TOP-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 [TOP-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 [TOP-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 [TOP-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 [TOP-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.

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."

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

I compared text and saw
no discrepancy.

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. (S) 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 REFTTEL. 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

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2016-0165-M (1.39)
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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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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~~

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✓ 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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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

file

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)

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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)

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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 LEASED 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 Soukhikh

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, EW-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 EL-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(c?) on 28 May

RWANDA AIR - MAJ Ret Francois Munyarangabo

LET 410 with Blue Tail

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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 charts Antonov Design Bureau aircraft

AN 12 LZ VEA (Bulgarian registry)

~~SECRET NOFORN~~

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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)

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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")

UKRAINIAN 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
1 ea 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 - 3 ea Green Camouflage; Desert Camouflage; Dark Green; Black and Tan Camouflage flown by contract Ukrainians/Belarussians
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), M1 17/M1 8MT costs 1.4 million dollars US

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

SECRET NOFORN

CLINTON LIBRARY PHOTOCOPY

116E

~~SECRET NOFORN~~



OFFICE for COUNTERPROLIFERATION SUPPORT

ARMS TRANSFERS FOR SUB-SAHARAN AFRICA

(b)(3)

DEFENSE INTELLIGENCE AGENCY

DECLASSIFIED
PER E.O. 13526

WCS 12/5/2017

2016-0165-M (1.43)

KBH 8/9/2022

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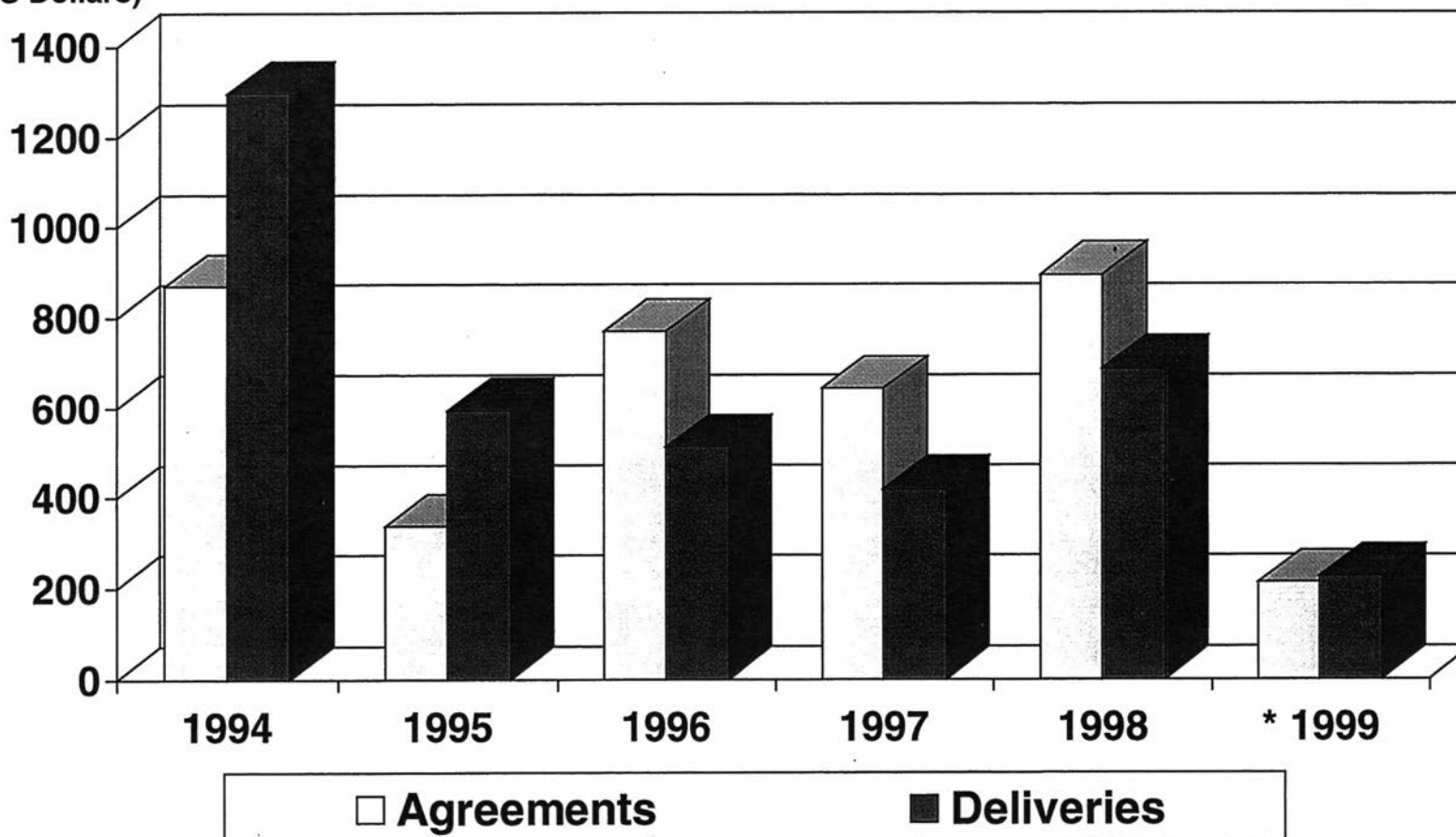
CLINTON LIBRARY PHOTOCOPY



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

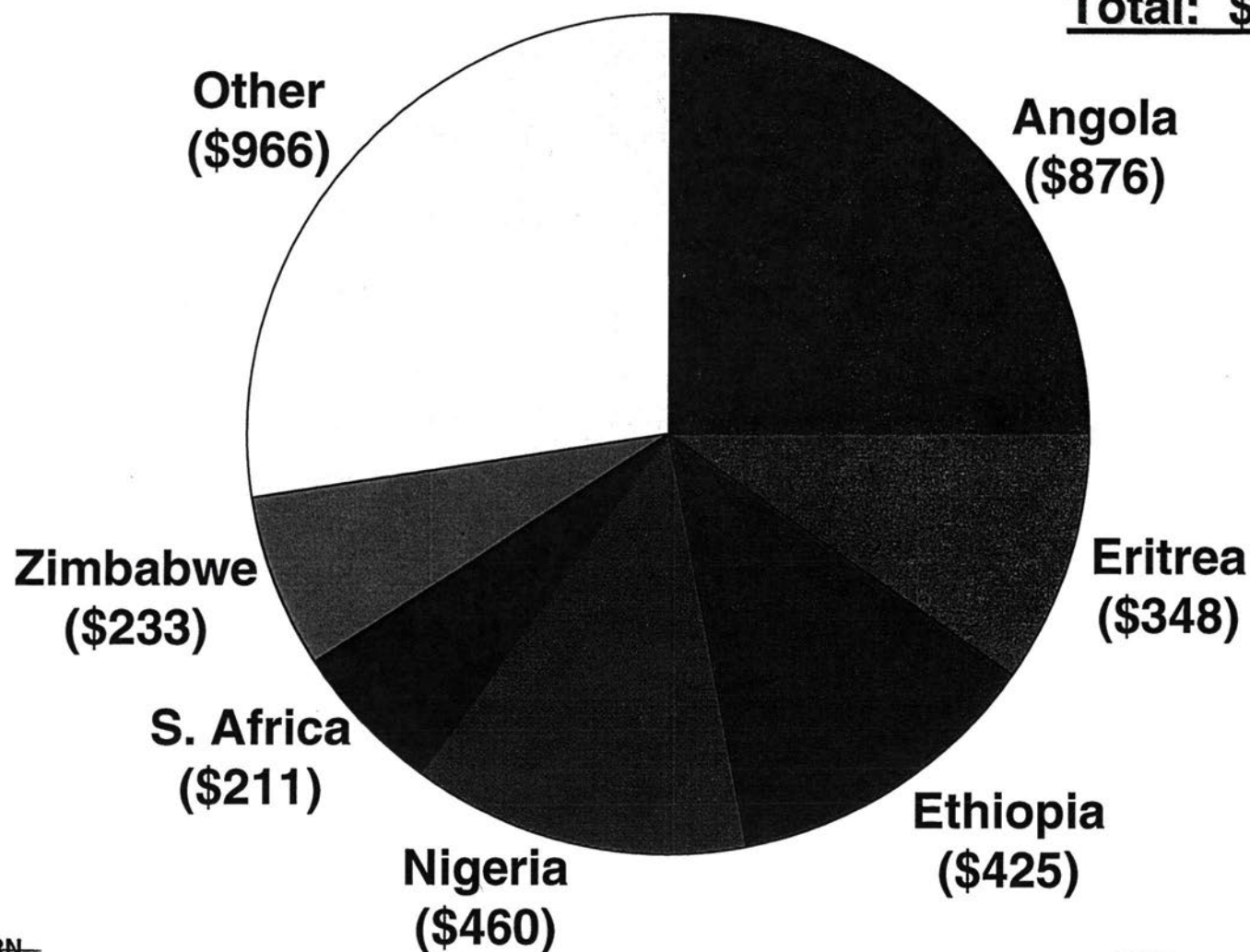
OFFICE for COUNTERPROLIFERATION SUPPORT



AGREEMENTS: 1994-98 (RECIPIENTS)

(In Millions US Dollars)

Total: \$3.5 Billion



Arms Transfers: Sub-Saharan Africa



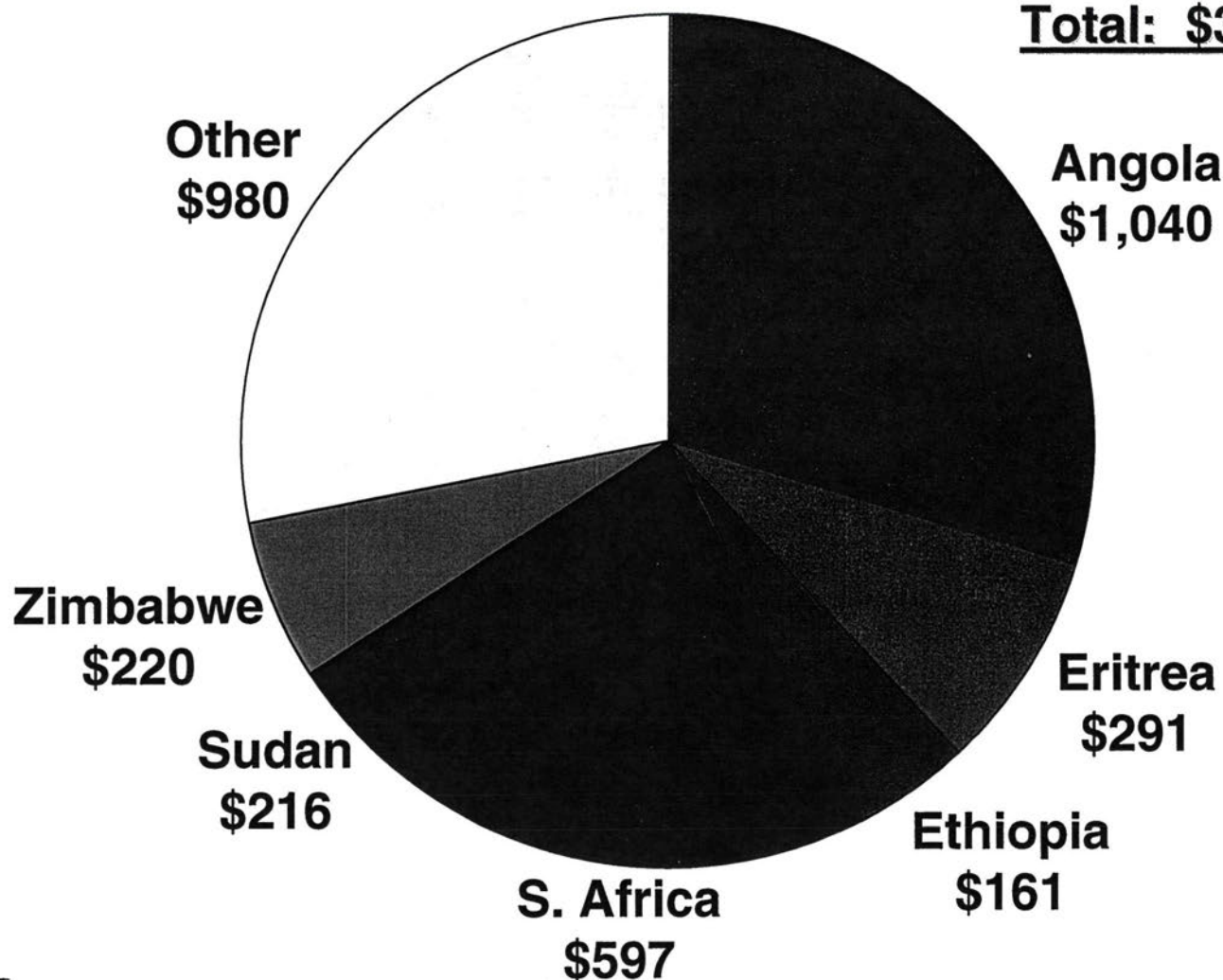
OFFICE for COUNTERPROLIFERATION SUPPORT



DELIVERIES: 1994-98 (RECIPIENTS)

(In Millions US Dollars)

Total: \$3.5 Billion





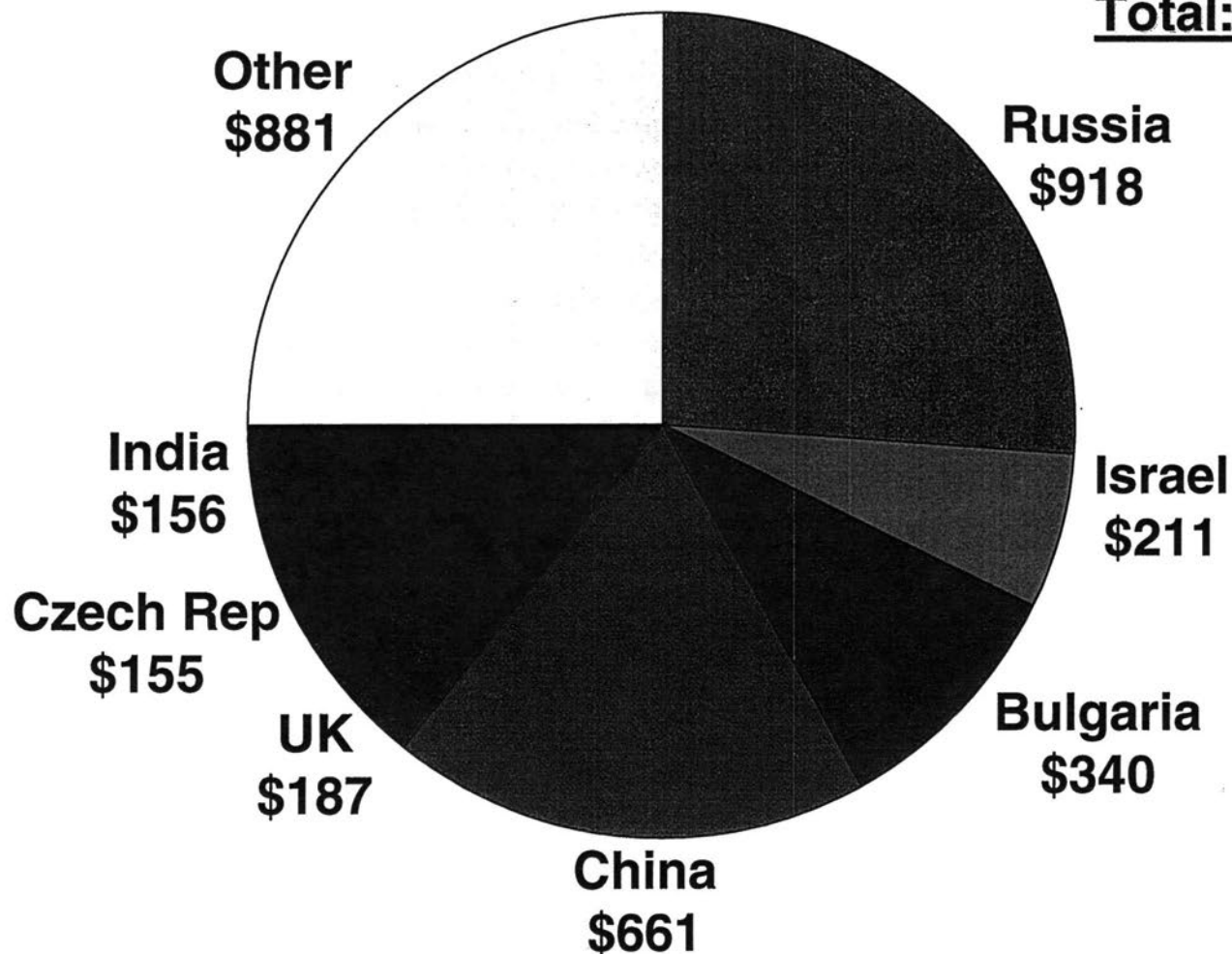
Arms Transfers: Sub-Saharan Africa

OFFICE for COUNTERPROLIFERATION SUPPORT

AGREEMENTS: 1994-98 (SUPPLIERS)

(In Millions US Dollars)

Total: \$3.5 Billion





Arms Transfers: Sub-Saharan Africa

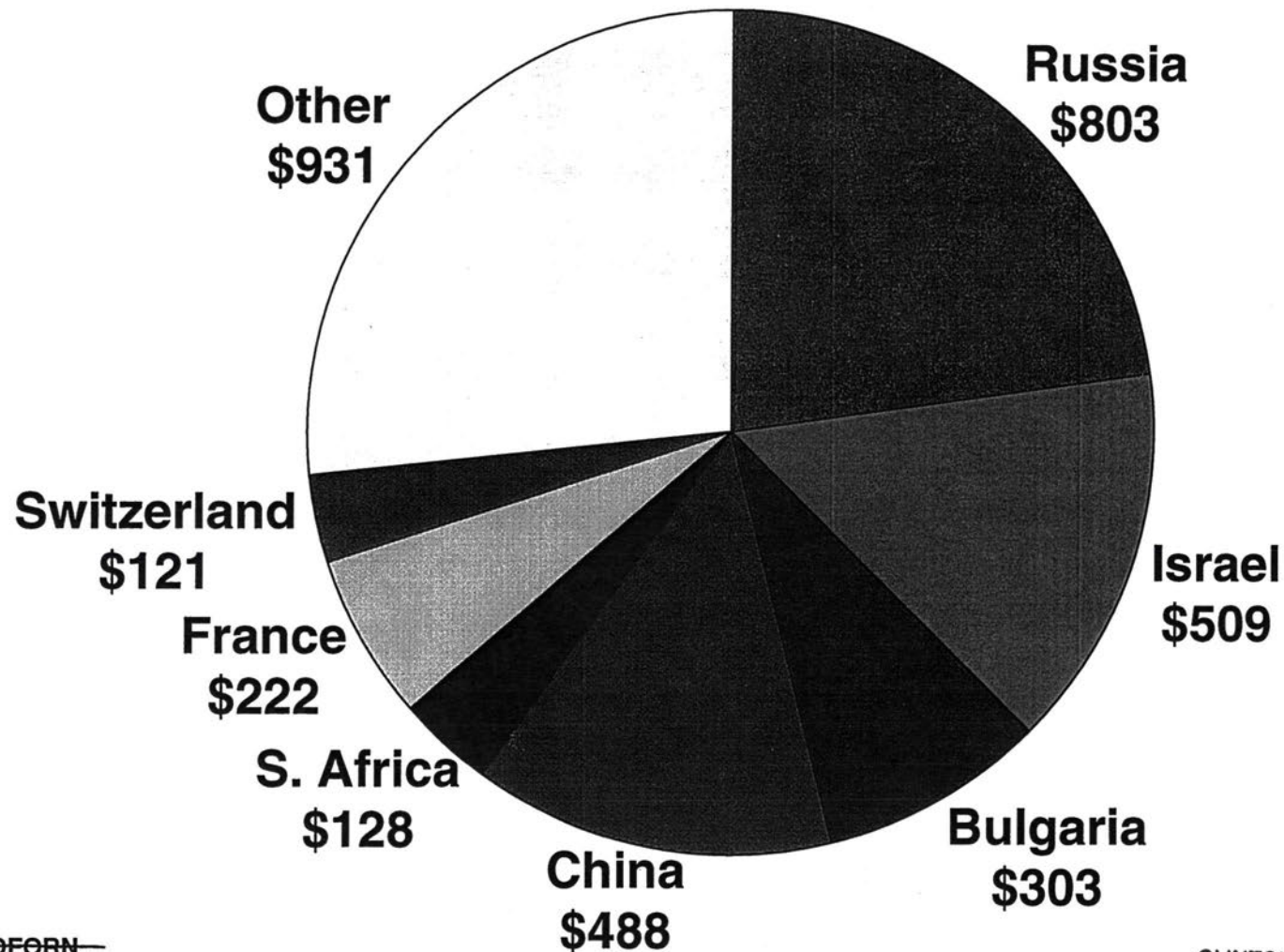
OFFICE for COUNTERPROLIFERATION SUPPORT



DELIVERIES: 1994-98 (SUPPLIERS)

(In Millions US Dollars)

Total: \$3.5 Billion

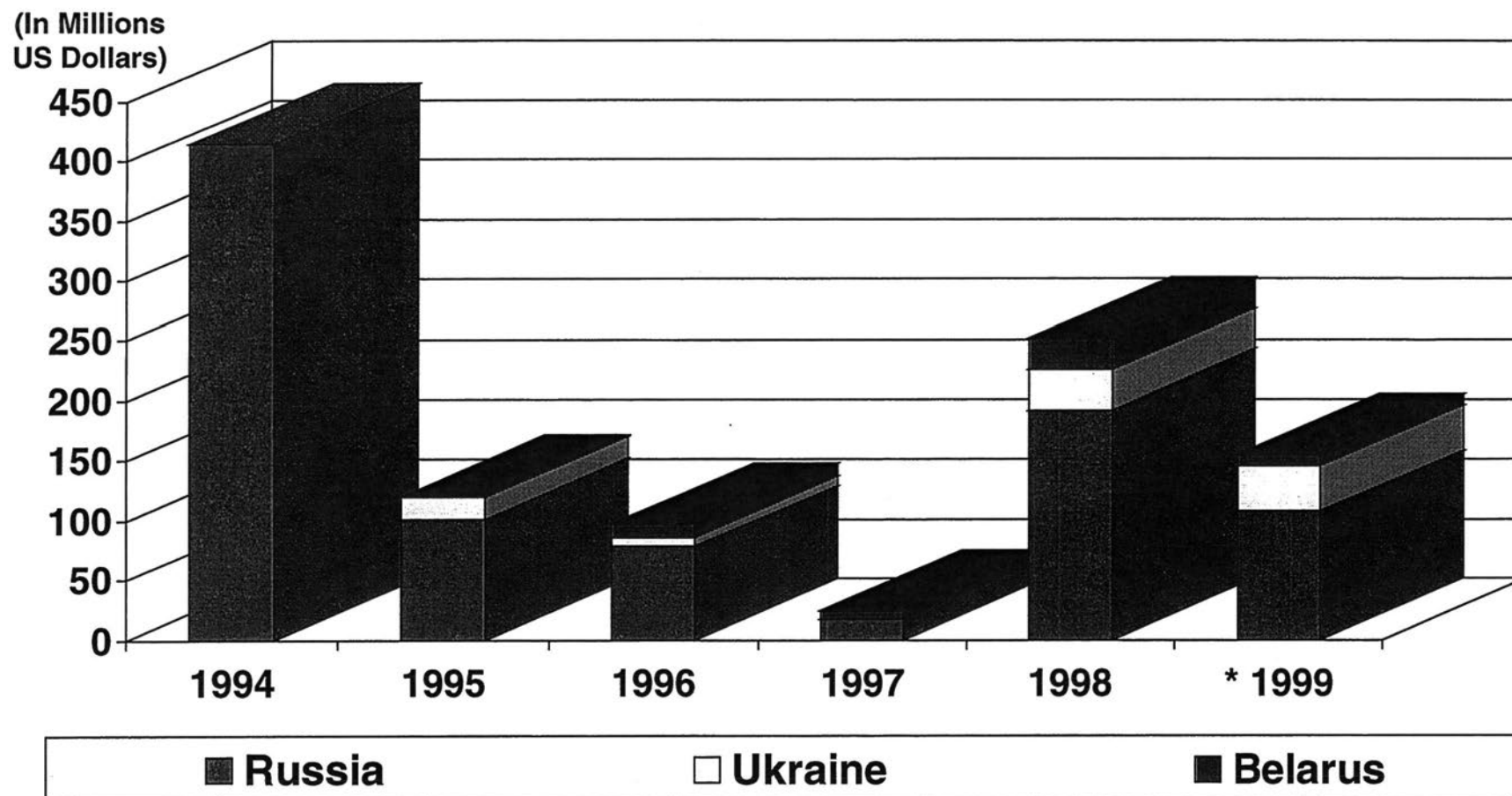




Arms Transfers: Sub-Saharan Africa

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
RUEHKB/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
RUEHNJ/AMEMBASSY NDJAMENA 0031
RUEHFR/AMEMBASSY PARIS 0663
SUBJ: COSTS AND MODALITIES OF UGANDA'S WAR EFFORT

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.

DECLASSIFIED
PER E.O. 13526

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

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. (X) 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. (X) 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 CONTRADICTORY 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. (X) 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 ~~SECRET~~ 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. (X) 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. (X) 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. (X) 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. (X) 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. (X) 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. (X) 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. (X) 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. ~~18~~ 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 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

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: Lieberman,

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 Whitney 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).

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

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 1.4(c)

review what information could be released E.O. 12958 1.4(c)

3.

We should move quickly E.O. 12958 1.4(d)

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)
Lieberson, 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) 1.4(c) last week. I learned:

1.4(d)

are looking for more of a diplomatic approach to this issue (so far,
it has only been the 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).

1.4(d)

is well briefed on Butt's activities and wants to know what he can
do.

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)
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

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