



Guns, Planes and Ships

Identification and Disruption of Clandestine Arms Transfers



SEESAC

South Eastern and Eastern Europe Clearinghouse
for the Control of Small Arms and Light Weapons

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The **South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons** (SEESAC) has a mandate from the United Nations Development Programme (UNDP) and the Stability Pact for South Eastern Europe (SCSP) to further support all international and national stakeholders by strengthening national and regional capacity to control and reduce the proliferation and misuse of small arms and light weapons, and thus contribute to enhanced stability, security and development in South Eastern and Eastern Europe.

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***Guns, Planes and Ships, Identification and Disruption of Clandestine Arms Transfers, SEESAC,
August 2007***

This guide was written by Investigations Consultant Hugh Griffiths and the Head of SEESAC, Adrian Wilkinson, between June and August 2007. It was edited by Christian Jennings. The authors wish to thank and acknowledge the support provided by the European Union Border Assistance Mission to Moldova and Ukraine (EUBAM), the European Union Customs and Fiscal Assistance Offices (CAFAO) in the Western Balkans, NATO personnel, former and current United Nations Sanctions Committees and Monitoring Missions staff, together with officials from a number of western European customs, security and law enforcement agencies who provided input. They also wish to thank staff from arms transfer, control and oversight agencies and non-governmental organisations for their co-operation and advice. The report was written as part of the EU funded Western Balkans SALW Control Support Plan 2007, although it has wider geographical application than just the Western Balkans. This is an abridged version of the full report, which is available widely. The full report will be on limited distribution as it contains techniques that may be of potential benefit to arms traffickers; organizations wishing a copy of the full report should apply to Head of SEESAC.

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ISBN: 978-86-7728-069-7

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Overview

In the opening years of the 21st century, the world is still full of countries, provinces and failed states where small arms, light weapons and their ammunition have had, and continue to have, a disproportionate impact on conflict and armed violence. These weapons, in the wrong hands, have fuelled internecine killings across the breadth of the African continent, from Somalia to Burundi to Liberia. They have been used to ethnically cleanse communities in Bosnia Herzegovina and the Entity of Kosovo and they have enhanced the terrorist capabilities of groups in Iraq and Afghanistan. They have fuelled wars in the Caucasus, armed drugs cartels in Columbia and they have provided organised criminal networks with the weapons they need to flourish. Millions of people have died or been displaced due to the use of these weapons. The economic costs of the results of conflict are incalculable.

Controlling the supply of illicit weapons is thus vital in preventing their knock-on effects. New methods in the fight against the illicit arms trade need to be developed and deployed. Arms control agreements, weapons destruction, stockpile management and weapons storage site security have all helped this process to date. Yet large flows of weapons still occur. These unofficial movements of weapons remain undetected due to a combination of inefficiency, lack of resources and high-level complicity and corruption. The detection and disruption of the supply chain should be a priority for governments and international agencies. However, relatively few illicit shipments have ever been intercepted in transit, and the systematic analysis and detection of clandestine arms shipments remains in its infancy.



A clandestine arm delivery into Juba, Southern Sudan in November 2006.

The need for systematic detection and disruption mechanisms is made greater because current business practices have changed modern warfare and conflict. Illicit weapons and ammunition are now easily procured and delivered through an infrastructure of front companies, shell corporations and off-shore brokers which often use non-cash payment methods such as diamonds, gold and capital-intensive assets. The exploitation of legislative loopholes and elements of corruption only worsens the situation.

Detection, disruption or the seizure of clandestine arms deliveries is complicated by the failings of the international aircraft regulation system, ineffective rule of law, lack of political will and poor coordination between agencies. Some results can be achieved through UN Sanctions Committee reporting, the imposition of sanctions and embargoes, and asset seizing; but this all occurs after the event. It usually proves too late to prevent the disastrous impact these weapons have on the countries and communities into which they are delivered.

These control systems have little practical impact on the operations of arms dealers, who are adept at disguising corporate infrastructures, adjusting financial flows and forming new companies. Professional arms traffickers find it comparatively easy to hide aircraft and companies by taking advantage of the shortcomings of the international aircraft regulation system. They register aircraft in small, compliant or remote states where controls and legislation are absent or ineffective.

Although the international sale of military weapons is supposed to be closely regulated, in reality the situation is very different in many developing countries. Key considerations of governments often boil down to the following:

- Will the profit, economic or political benefits from any proposed shipment offset any potential embarrassment if the knowledge of it becomes public;
- What are the risks of sanctions or embargoes being broken due to diversion; and
- Are these weapons ever going to be used against us or our allies?



International arms traffickers are aware of this situation and exploit it to their financial advantage. Often they verge between, or merge, illegal and legal practices to complete a deal. Their agility of response, shifting networks, range of contacts and business risk analysis means that they can operate within decision making circles of governments and corporations. Professional arms traffickers rarely violate the national arms laws of their base countries, but often breach UN sanctions and regional embargoes, for which legal recourse is often limited or ineffectual.



M/V Puma registered in Liberia and owned by Bermuda-based Shipcraft. It departed Ploce, Croatia in June 2005 with a cargo of small arms ammunition brokered by a Cyprus-based shell company ostensibly for Bangladesh. The Bangladeshi authorities could find no record of the shipment.

Small arms and light weapons markets in conflict zones and post-conflict environments often reach saturation point. However there remains a continual demand for ammunition resulting from the lack of fire discipline and training on the part of armed groups. Trafficking in ammunition continues, using the same techniques utilised for initial weapons supply operations.

This report is a guide to detect arms smugglers, a 'how to identify' manual necessarily full of technical terminology and acronyms which to the casual reader may obscure an inconvenient truth.

narcotics over the long term because traffickers are less likely to get caught, and their logistics networks can also transport legitimate goods at the same time. Drugs are more lucrative than guns in terms of shipment density versus value, but whilst dealing in heroin or cocaine is always against the law, this is not the case with small arms.

The inconvenient truth is that arms smuggling pays. It pays if the smuggler is smart and careful. It pays if the smuggler does his homework, and it pays if he mixes legal arms deals with illegal ones. Arms smuggling pays better than

An arms trafficker can smuggle illegal ammunition to Somalia one week and then transport legal Kalashnikovs to Iraq the next. Smart smugglers manage respectable companies and deal with multi-national corporations and governments. They are on good terms with their bank managers and often have friends in the security services. Intelligent smuggling follows simple rules and patterns and clever smugglers know if they follow these rules, the chances are they won't get noticed, and even if they do, will go unpunished.

Experienced smugglers know that there's no global law or agency able to monitor or control them, and no effective information-sharing system between governments, militaries and companies to stop them doing business, some of which is legal. This is because many arms smugglers are now fully integrated into some of the largest global defence logistics chains in the world today, including multi-billion dollar train and equip operations.

The short case-study immediately after this introduction highlights a few of these points. It illustrates how those involved in the supply of chemical weapons to Saddam Hussein and the transfer of Kalashnikovs to the inventor of the child soldier, former Liberian president and indicted war criminal Charles Taylor were subsequently contracted to supply small arms and ammunition for a range of US companies and NATO states.

This is no grand conspiracy, but a systems failure. Put simply, there is no standardized mechanism in place to detect clandestine small arms shipments and monitor suspect traders. This weakness becomes more dangerous when trends like privatization and out-sourcing overseas impact on arms sales, defence logistics chains and other train and equip operations.

Multiple sub-contracts mean that companies and militaries sometimes don't realize who their sub-contractors really are. They will continue to unknowingly employ or contract arms smugglers to move highly sensitive materials until systems are implemented and information better shared to stop the traffickers.

This report advances the illicit arms control agenda through the introduction of new detection, analysis and monitoring systems. Key points include:

- New findings based on original research. This is the first time that such information and subsequent recommendations have appeared jointly. The central feature of the report is based upon the Arms Transfer Profiling Indicator System (ATPIS) developed by the European Tracking Initiative (ETI), with technical advice from SEESAC.
- ATPIS can help to detect and analyse clandestine arms deliveries. A two-stage example ATPIS checklist in this report helps highlight SALW transfers, aspects of which may signal a potential clandestine delivery.
- Profiling examples and explanations are supported by original documentation and case studies.
- The publication illustrates and explains the various techniques used by arms brokers, transporters and recipients, whilst also suggesting investigation and detection methods.
- It serves as a practical guide and training manual for those involved in investigating and controlling the illicit arms trade.
- It lists a variety of sources openly available to customs, law enforcement and arms export licencing officials, as well as examples of asset and network identification.
- It features various example ATPIS checklists, formats and reference tables. These systematise for the first time a range of ad hoc checks that can be used to better detect clandestine arms deliveries.
- ATPIS formats now provide arms export control and customs officials with systems that may be integrated into their domestic SALW export licencing application and pre-shipment inspection processes.

The clandestine arms industry is a hard one to investigate. Thanks go to those who operate within or around the industry who assisted in the research and publication of this report, particularly those whose remit it is internationally to monitor or control the arms trade. Together with the ETI Arms Transfer Profiling and Indicator System (ATPIS), this publication has been designed primarily to support

the training of Export Control Desk Officers and Law Enforcement and Customs officials. ATPIS has also been designed to be used to support the decision-making process during export licencing requests at governmental level, and also to help law enforcement and customs agencies during detection operations.

Detailed information on ATPIS risk factors has been deliberately omitted from this publication to prevent arms traffickers from re-adjusting their strategies.

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31 August 2007

Important Definitions

■ Arms Control

The imposition of restrictions on the production, exchange and spread of weapons by an authority vested with legitimate powers to enforce a restriction.

■ Arms Transfers

Transfers of military equipment and services of any nature from a country to another country, irrespectively of the legal or illegal nature of the transfers.

■ Arms Trafficking

Transfers of military equipment and services of any nature that violate national and international laws and agreements at the date of transfer.

■ Broker

The natural person or legal entity that carries out a brokering activity.

Anyone who directly performs an activity defined as a brokering activity in the exercise of their own commercial or legal relations. The acts of natural persons, especially employees, are to be ascribed to the legal entity.

■ Brokering

Activities that serve to facilitate the transfer of arms between persons in different third countries, insofar as such transfer is furthered through the assistance of a so-called **broker**.

■ Clandestine Arms Deliveries

A concealed or hidden arms transfer, or an arms transfer in which the true recipient is concealed or hidden.

■ Tracing

The systematic tracking of illicit weapons from the source of manufacture, through the lines of supply, to the point of diversion into the illicit market and unlawful possession.

■ Tracking

The systematic monitoring of air, land and sea craft engaged in the transfer of SALW subject to a heightened threat of diversion

■ Transfers

The import, export, trans-shipment, re-export, intangible transfer, licenced movement during production, brokering and transport of SALW.



Tomislav Damnjanovic – Invisible arms trafficker

The case-study of the career of Tomislav Damnjanovic illustrates how smart arms smugglers work within and outside the law, trafficking to rogue states and African dictatorships under UN sanctions while at the same time supplying arms on behalf of some of America's biggest companies, such as General Dynamics and Kellogg, Brown and Root.

Before transporting arms for these US companies and other arms suppliers such as Taos Inc, Tomislav Damnjanovic and the network in which he worked supplied Saddam Hussein, Charles Taylor, the Burmese military junta, the Islamic militias of Mogadishu and Colonel Muamer Ghadaffi's regime in Libya.

Like the more infamous Victor Bout¹, Damnjanovic has chartered planes throughout Africa, the Middle East and Eastern Europe, supplying everything from humanitarian aid to hand grenades. He has chartered flights and run operations using aircraft linked to Victor Bout, but unlike the world's most notorious arms smuggler, he has largely avoided media attention.

Operating under the patronage of indicted war criminal Slobodan Milosevic and his secret police, in the 1990s Damnjanovic and his partner 'Misko' Djordjevic were at the centre of ex-Yugoslavia's airborne embargo-busting operations. These involved dozens of Ilyushin cargo aircraft flights into and out of the region, carrying everything from expensive consumer goods and smuggled cigarettes to Kalashnikovs and missile launchers, often moved under the guise of humanitarian aid.

According to former colleagues, Damnjanovic began his trafficking career after a stint working in the United Arab Emirates (UAE) for Yugoslav airlines (JAT). In 1992, UN sanctions grounded many JAT flights, the airline closed its offices and Damnjanovic found himself looking for other work. Having developed a taste for the life on offer in Dubai with its luxury hotels and nightclubs, he promised not to return to grey war-time Belgrade's hyper-inflation and empty shop shelves. He'd decided to become an international businessman in his own right and to capitalize on the Emirate's emerging status as a global hub of air cargo aircraft.

Damnjanovic went to work for a man named Igor Avdeev. Avdeev and his group of Russian partners were former high-ranking officers in the Russian security and intelligence service, the KGB, re-named the FSB. Like Victor Bout, with whom he worked, Avdeev and his partners had migrated to the UAE as the country became a mecca for Russian businessmen and prostitutes, eager to exploit its no-questions asked, tax-free business zones and warm climate.

Damnjanovic's former colleagues say that Avdeev and his partners at Jet Line International taught him all he now knows about air cargo deliveries while Damnjanovic proved to be a fast learner and soon found himself with a niche market organizing flights of Ilyushin aircraft into Yugoslavia.


As the country fell apart in the 1990s, Yugoslavia became a smuggler's paradise. UN embargoes on vital commodities such as fuel, oil and machinery meant that sanctions-busting became routine. Desperate to generate foreign currency and ensure supplies for Belgrade's proxy armies fighting in neighbouring Bosnia and Croatia, the Milosevic regime began organizing smuggling through its secret police and customs service. Belgrade airport became a vital hub for such activities, with one of Milosevic's most trusted secret policemen operating as head of airport security. Milosevic's secret police took a cut from the pan-European cigarette, narcotic, car and arms smuggling operations run from the Former Yugoslavia for much of the 1990s.²

In 1994 Damnjanovic and his Serbian partner Tomislav Miskovic re-located to Cyprus, which was being used by the Milosevic regime to launder millions in hard currency reserves.³ Secret police and banking officials would take

¹ For a study of Victor Bout, see *Merchant of Death: Money, Guns and Planes and the Man Who Makes War Possible*, Douglas Farah, Stephen Braun, Wiley, 2007.

² See 'Smoking guns: European cigarette smuggling during the 1990's', Hugh Griffiths, *Global Crime* Volume 6, Number 2, May 2004, pp. 185-200, Routledge.

³ See Amended Expert Report of Morten Torkildsen, Office of the Prosecutor, Case Number IT-02-54-T.



JAT flights from Belgrade to Nicosia carrying bags full of Deutschmarks and US dollars.⁴ Money was deposited and transferred to a variety of bank accounts in order to purchase arms, oil and other commodities from businesses in Greece, Albania, Panama and Israel. Purchases were made through dozens of shell companies established by regime supporters in Cyprus. Damnjanovic was given the go-ahead to establish his own firm, Mensus Trade, which became heavily involved in arms and cigarette smuggling.⁵

The two organized dozens of sanctions-busting flights into and out of Yugoslavia and they became the people to contact when state arms companies or the government needed goods flown in or out, to or from Russia or the Middle East, where the Milosevic regime enjoyed relations with rogue states such as Ghaddafi's Libya and Saddam Hussein's Iraq. Throughout the 1990s, and until as late as 2002, Damnjanovic's partners at SDPR supplied Saddam's regime with anti-aircraft systems, military vehicles, artillery, ammunition, aircraft spare parts and maintenance services.⁶

But it was during a smuggling operation to Libya that Damnjanovic's name was first mentioned in the Belgrade media after a flight ended in tragedy.

By 1996 Mensus Trade was smuggling military equipment and arms on behalf of Yugoimport SDPR, the state arms company which was shipping jet fighter spare parts to the regime of Colonel Muamar Ghaddafi in Libya. Libya was under UN arms embargo at the time and Ghaddafi desperately needed spare parts for his fleet of ageing, Yugoslav-manufactured Galeb fighter jets.

Through their Russian contacts, Damnjanovic and Miskovic had arranged for an Ilyushin jet operated by Spair Air, a Russian company whose assets were later transferred to companies owned by Victor Bout and blacklisted by the US government.⁷

While Damnjanovic remained in Cyprus to coordinate the operations, Miskovic flew with the military cargo to guarantee delivery. But on 18 April 1996, the aircraft's pilot noticed problems with the plane's electrical systems. He told Miskovic that the plane was not airworthy and could not fly. Miskovic phoned Damnjanovic in Cyprus to explain the problem, but according to former colleagues, Damnjanovic insisted that the flight go ahead and instructed Miskovic to offer the hard-pressed crew \$2000 each if they would fly that night.

The pilot and crew were persuaded by the offer of extra money and took off from Belgrade airport on the night of the 18th. Within fifteen minutes of take-off, the plane lost all electrical power, crashing in a ball of flame several hours later and killing all on board after having engaged in desperate low-flying manoeuvres over the city.

Although the official investigation into the crash was covered up, Damnjanovic's name was mentioned in local media for the first time⁸ with foreign newspapers reporting on the smuggling operation.⁹

Less than a year later, more than 3,000 miles away in Spain, customs officers and Spanish police arrested the crew of an Ilyushin aircraft attempting to smuggle millions of cigarettes into the European Union. Although the investigators did not realize it at the time, documents seized as part of the raid showed that Damnjanovic had chartered the Ukrainian Ilyushin-76 operating from a smuggling hub in Ostend, Belgium.¹⁰

The documents showed that Damnjanovic, together with Interjug, another company involved in arms trafficking, were part of a multi-million dollar cigarette smuggling operation, which included the Italian mafia and tobacco multi-nationals as well as Balkan state security agencies. Organised crime groups in Switzerland had teamed

⁴ 'Search for the missing millions', Ian Traynor, The Guardian, 29 March 2001.

⁵ See Case Study Q for cigarette smuggling documentation and Case Study O for documents relating to SALW trafficking.

⁶ For SDPR shipments to Iraq see 'Arming Saddam – The Yugoslav Connection', International Crisis Group report, 03 December 2002. Cached versions of the old Damnjanovic-controlled Kosmas Air website openly list SDPR and Interjug as partner organizations.

⁷ Two of Spair Air Ilyushin's were subsequently transferred to Air Cess and Santa Cruz Imperial, air cargo companies blacklisted by the United States Department of the Treasury and the European Council.

⁸ 'The plane crash: last flight over Belgrade', Jovan Dulovic, Milos Vasic, Ilija Vukelic, Branko Stosic, Sergei Kuznetsov, Vreme, 26 September 1996.

⁹ 'Serbs said to ship arms to Libya to avoid UN sanctions', Chris Bird, New York Times, 07 November 1996.

¹⁰ See Case Study Q.



up with criminals throughout Europe and the Middle East to defraud the European Union of millions in lost tax revenues in an operation that involved arms traffickers.¹¹

This operation revolved around shipments of cigarettes bought at duty-free prices from tobacco multinationals and flown from the European Union into neighbouring countries such as Serbia and Montenegro, before being smuggled back into the EU on Ilyushins and speed-boats crossing the Adriatic to Italy.¹²

Although the cigarette smuggling network was eventually shut down, thanks to his protectors in Belgrade, Damnjanovic avoided investigation. More importantly, his weapons pipeline remained open and the fall of the Milosevic regime in Serbia in October 2000 did not bring to an end his key role in arms trafficking to Africa and the Middle East.

He narrowly escaped detection again in 2002 when United Nations staff investigating sanctions-busting to the west African state of Liberia traced a large shipment of Serbian arms back to Belgrade.¹³

Around the same time, NATO raids in Serb-controlled areas of Bosnia unearthed jet aircraft and military equipment supplies to Saddam Hussein's Iraq. The scandal surrounding arms shipments to Liberia and Iraq led to government resignations and some arms brokers in Damnjanovic's network lost their licence to deal in arms. But neither UN investigators nor the Serbian authorities appear to have noticed Damnjanovic and his associates' key role in these trafficking operations.

Damnjanovic continued to travel between Belgrade, Cyprus, the Middle East and Scandinavia, establishing new front companies in Nicosia to run operations after the demise of Mensus Trade. These apparently included Tasnet Consultants and Serena Ventures, which were contracted to fly unspecified cargoes to the Democratic Republic of Congo and Sudan. Documents show that Damnjanovic continued to fly shipments of arms and ammunition to Rwanda and other countries, bordering the Democratic Republic of Congo (DRC), and known to supply weapons to various factions in violation of the UN embargo. These shipments involved the same individuals at Yugoimport SDPR and Interjug who had organized the sale and shipment of weapons to Iraq and Liberia.¹⁴

At the same time, Damnjanovic was working with a string of cargo companies registered in countries such as Moldova, Kazakhstan and Africa. His aircraft were serviced, and crews looked after in Sharjah in the UAE, by his mentors at Jet Line International who had by now switched to registering their aircraft in Moldova. More than a dozen companies registered in Moldova had set up operations in the Middle East and Africa, many of which were engaged in shipping equipment as part of efforts to extract valuable minerals and gemstones in conflict zones.

The downfall of the Taliban in Afghanistan in 2001 and the removal of Saddam Hussein in Iraq in 2003 led to new, lucrative markets for these operators. More than a dozen Moldova-registered, UAE-based companies such as Aerocom involved in arms smuggling with Damnjanovic, began tapping into these booming, post-intervention economies, which were flush with foreign funds.

In 2004, with the insurgency in Iraq gaining strength, trucking supplies to Baghdad was becoming increasingly dangerous and more and more equipment was being flown in by air. The only cargo airlines willing to supply US companies and the military involved in reconstruction efforts were those from Eastern Europe and the Middle East operating Ilyushin and Antonov aircraft.

Over the 1990s, many of them, managed by men such as Damnjanovic, had been involved in supplying African dictatorships and rebel movements with arms.

Now, in Iraq and later on in Afghanistan, US companies, the Pentagon and NATO member states would use their services to supply the hastily recruited new Iraqi security forces with surplus Kalashnikovs and ammunition flown in from all over the world.

¹¹ See United States District Court, Eastern District of New York, complaint, the European Community acting on its own behalf and on behalf of member states against the plaintiffs RJR Nabisco, Inc, RJ. Reynolds Tobacco Company et al. pages 28, 29, 31, 40, 71, 86. For documentation on Interjug's involvement in arms trafficking and transfers to Africa, see Case Studies F and O.

¹² 'Fight Against Fraud', Annual Report 1997, COM(98) 276, European Commission, 06 May 1998.

¹³ See Report of the Panel of Experts appointed pursuant to paragraph 25 of Security Council Resolution 1478 (2003) concerning Liberia, 28 October 2003, S/2003/937. For documentary evidence of Damnjanovic's role in the Liberia smuggling operation, see Case Study O. For evidence of transfers to Rwanda, see Case Study F.

¹⁴ Damnjanovic's partners in the trafficking network were employed within SDPR Yugoimport, the company which produced the weapons and military equipment subsequently smuggled to Liberia and Iraq. See 'Arming Saddam - The Yugoslav Connection'. International Crisis Group report, 03 December 2002 and Report of the Panel of Experts appointed pursuant to paragraph 25 of Security Council Resolution 1478 (2003) concerning Liberia, 28 October 2003, S/2003/937 and Chapter 6 of the guide.

In 2004, Damnjanovic persuaded the Russian owners of Serbian cargo airline Kosmas Air to appoint him as managing director and to use his network of Cypriot shell companies to channel money from air cargo operations. Damnjanovic had realized that Kosmas Air, based in the Balkans, would be well-positioned to exploit the transport market shifting the region's massive stocks of surplus AK-47s and ammunition that US, Israeli, Arab and German arms brokers had begun buying up to supply the new security forces in Iraq under Pentagon contracts.

With Damnjanovic in charge, Kosmas Air got into the licit arms business in a big way. In Iraq, they quickly acquired a solid reputation and as well as arms were soon flying huge quantities of dollar bills to pay contractors' salaries.

Under Damnjanovic, weapons shipments expanded quickly and business boomed. Damnjanovic leased two more Ilyushin aircraft with the registration numbers UN-76009 and UN-76496 from Kazakhstan-registered, Sharjah-based GST Aero.

Damnjanovic used the Kosmas Air planes to fly to Iraq more US, Israeli, Arab and German-brokered arms than any other company. At the same time, he organised arms and ammunition flights to Iraq from the Baltic states, Bulgaria, Slovenia and Slovakia, which were donating or selling arms and ammunition.¹⁵

Damnjanovic treated Kosmas Air as his personal fiefdom and removed any executives who challenged his authority. He diverted money through his string of Cypriot front companies and Belgrade bank accounts and his GST Aero-leased planes would make flights to the Sudan and the Democratic Republic of Congo on behalf of Chinese companies, which other Kosmas Air staff were not told about. In January 2006, the company's owners had finally had enough and new management forced Damnjanovic out of the Kosmas Air offices. But Damnjanovic continued to use the GST Aero planes to fly arms from Serbia as part of massive contracts involving US giants General Dynamics and Kellogg, Brown and Root. Damnjanovic began using an aircraft call-sign BRW 276 which belonged to Bulgarian-registered Bright Aviation, and by May 2006, he had acquired another Ilyushin aircraft from GST Aero and set up a new company, Air Tomisko.

So began a series of Damnjanovic-organised flights that would finally attract the attention of a UN sanctions committee.

On 30 July 2006 the Air Tomisko Ilyushin 76 TD, registration YU - AMJ flew from Plovdiv, Bulgaria to Baghdad, Iraq under a Bright Aviation callsign BRW 275 carrying ammunition on behalf of Pentagon contractors.¹⁶

According to the United Nations Sanctions Committee for Somalia, the Air Tomisko plane then departed Baghdad for Sharjah, United Arab Emirates. On 01 August 2006 it flew to Oman to collect unspecified cargo, although Damnjanovic has always insisted the plane landed for "refuelling", something even the Omani authorities dispute. On 02 August 2006, it was observed by United Nations personnel at Mogadishu airport in Somalia where UN investigators believe the plane delivered a cargo of arms and ammunition to Islamic militia groups.¹⁷ Statements given by Damnjanovic and the Omani authorities to the UN as to why Damnjanovic diverted to Oman contradict each other and the UN Sanctions Committee for Somalia say they are continuing their investigations.¹⁸

Another plane earlier leased by Damnjanovic, UN 76496 was also observed landing at Mogadishu to possibly supply the Islamic Court Union militias with weapons.¹⁹

At the time of writing, Tomislav Damnjanovic is still in business, organizing flights of aircraft to Africa and the Middle East in much the same way he has always done.

Overview documentation - Damnjanovic's involvement in legal arms deals

This guide relies on primary documentation to identify the techniques used in clandestine delivery and detection.

¹⁵ See 'Airline Companies involved in Serbian arms exports, Dead on Time - Arms Transportation, Brokering and the Threat to Human Rights' Amnesty International, ACT 30/008/2006, 10 May 2006.

¹⁶ European air traffic control records (EUROCONTROL).

¹⁷ Interview and correspondence with Head of UN Monitoring Group, Bruno Schiemsy.

¹⁸ See page 31, 'The Case of Air Tomisko', Report of the Monitoring Group on Somalia pursuant to Security Council Resolution 1676 (2006), 22 November 2006, S/2006/913.

¹⁹ Ibid.



The following document is a March 2006 landing request to the Serbian Civil Aviation Authority from Bright Aviation Services. It shows how Damjanovic and companies involved in earlier white phosphorous chemical²⁰ smuggling to Saddam Hussein's Iraq become involved in multi-million dollar train and equip programmes.

The shipper is named as US defence giant General Dynamics. The local company contracted by General Dynamics to manufacture the goods – mortar shells – was the consignor, the Krusik factory in Valjevo. The consignee was Kellogg, Brown and Root on behalf of the US military in Georgia. This was part of a wider Pentagon-funded contract under which General Dynamics trained and equipped the Georgian army in everything from military intelligence to sniper rifles.

A message received on the 19 March 2006 shows that Damjanovic was contracted to transport the ammunition using his leased Kazak GST Aero Ilyushin registration number UN 76009 flying under a Bright Aviation call sign.

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Message RCV 06/03/04 15:48:49

Recipient List:
From STX SOFBRXH Bright Aviation
To STX BEGOMYA
To STX BEGTCBX
To STX SOFKTYF
To STX BEGKAXH
To STX BEGHAXH
To FAX HDQFAXS 381113117518

Subject:
FLT PERM RQST

Message Text:
FF LYBNYAYX
271310 LBSFERKA

ATT: CAA YUGOSLAVIA

BULGARIAN AIRCOMPANY 'BRIGHT AVIATION SERVICES' KINDLY RQST YOUR O/P
LANDING PERM FOR OPERATE THE FOLL CGO CHA FLT:

NAME AND ADRSS OF OPTOR : BRIGHT AVIATION SERVICES,BULGARIA
IAT-BRIGHT AVIATION SVCS BUILDING
1 BRUSSELS BLVD.,SOFIA AIRPORT

ACFT TYPE: ARCFT : AN12,LZ-BRC/SUBST.LZ-CBE,LZ-CBH MTW 64T

DATE OF OPS AND ESTIMATED SCHED: 15- 16 MAR 06

150306 BRW-701 ETD SOF/LBSF 0900 ETA BEG/LYBE 1000 UTC

160306 BRW-701 SHIPPER: GENERAL DYNAMICS OTS INC
10101 MLK STREET NORTH ST PETERSBURG,FLORIDA 33716
CONSIGNOR: KRUZIK FACTORY VALJEVO,SERBIA

160306 BRW-703 ETD TBS/UGGG 1430 ETA BEG/LYBE 1930 UTC
EMPTY LEG / FERRY POSITIONING TO BEG/LYBE

SHIPPER: GENERAL DYNAMICS OTS INC
10101 MLK STREET NORTH ST PETERSBURG,FLORIDA 33716
CONSIGNOR: KRUZIK FACTORY VALJEVO,SERBIA

C/NEE : KELLOG BROWN+ROOT
O/B/O U.S. ARMY TBILISI,REPUBLIC OF GEORGIA

CREW: CAPT HUBENOV + 06 BG NATIONALS

ROUTES ACCORDING APER C/NEE : KELLOG BROWN+ROOT
O/B/O U.S. ARMY TBILISI,REPUBLIC OF GEORGIA

PLS ALLOW 72 HRS

TNKS IN ADV FOR YR NICE COOP
BRGDS BRIGHT / IVANOV

Alex Vrabchev
Marketing & Sales
Message RCV 06/03/19 22:26:53

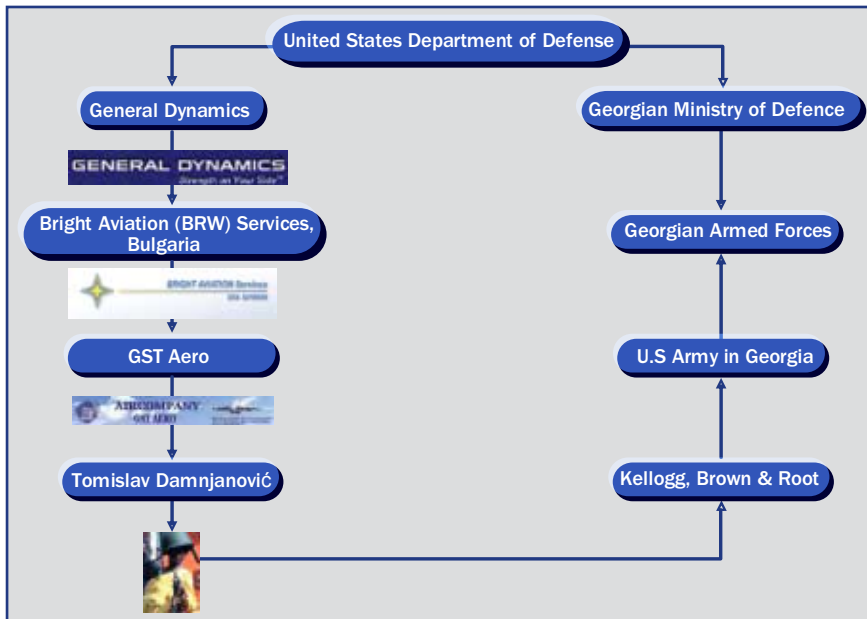
Recipient List:
From STX INIAPXH
To STX BEGKAXH
To STX BEGHAXH

Message Text:
MVT
BRW276/19.UN76009.INI
AA1409/1412

Message Text:
MVT
BRW276/19.UN76009.INI
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²⁰ The US Central Intelligence Agency (CIA) report which noted this illicit shipment to Iraq categorised it as a "CW" (chemical weapon) delivery.

Sub-contracting smugglers into legal arms deals



The Serbian firm supplying ammunition under the General Dynamics contract was owned by another company involved in Damjanovic's smuggling network.



This CIA report on Saddam Hussein's Iraq known as the Duelfer Report found no evidence of weapons of mass destruction in Iraq in 2004 but noted in the "Regime Strategy and WMD Timeline Events" section that in March 2000, Krusik had delivered 11,150 kilograms of white phosphorous, classified by the CIA as a chemical weapon and banned under the 1980 Geneva Convention to Saddam's Hatim chemical production facility.



Acronyms

| | |
|---------|--|
| ATDB | Aero Transport Data Bank |
| ATPIS | Arms Transfer Profiling Indicator System |
| ATRI | Aircraft Type Risk Indicator |
| ATT | Arms Trade Treaty |
| ADR | International Carriage of Dangerous Goods by Road |
| BCP | Border Check Point |
| BGT | Border Guard Troops |
| BICC | Bonn International Centre for Conversion |
| BLRI | Brokering Location Risk Indicator |
| CAA | Civil Aviation Authority |
| CAFAO | Customs and Fiscal Assistance Office |
| CCP | Container Control Program |
| CEN | Customs Enforcement Network |
| CIVPOL | Civilian Police |
| DFRI | Document Falsification Risk Indicator |
| DGN | Dangerous Goods Note |
| DIA | Defense Intelligence Agency (US) |
| DIS | Defence Intelligence Staff (UK) |
| DMR | Dniestrian Moldovan Republic |
| DOCEX | Document Extraction |
| DTI | Department for Trade and Industry (UK) |
| EC | European Commission |
| ETI | European Tracking Initiative |
| EU | European Union |
| EUC | End User Certificate |
| EUFOR | European Union Force (Bosnia and Herzegovina) |
| EUPM | European Union Police Mission (Bosnia and Herzegovina) |
| EUROPOL | European Police |
| EUSAC | EU SALW Control (Project) |
| FPL | Flight Plan |
| FTA | Freight Transport Association |
| HUMINT | Human Intelligence |
| IATA | International Air Transport Association |
| IBM | Integrated Border Management |
| ICAO | International Civil Aviation Organisation |
| ILB | Import Licencing Board |
| IMDG | International Maritime Dangerous Goods |
| IMI | Israeli Military Industries |
| IMINT | Imagery Intelligence |
| IMO | International Maritime Organisation |
| ISR | Information Internet Ships Register |
| IT | Information Technology |

| | |
|---------|---|
| MFRI | Maritime Flag of Convenience Risk Indicator |
| MIER | Ministry of International Economic Relations |
| MIU | Marine Intelligence Unit (Lloyds of London) |
| MoFTER | Ministry of Foreign Trade and Economic Relations |
| MFA | Ministry of Foreign Affairs |
| MOD | Ministry of Defence |
| MUP | Ministry of Internal Affairs (Police) |
| NATO | North Atlantic Treaty Organisation |
| NCARRI | National CAA Registry Risk Indicator |
| NCIS | National Criminal Intelligence Service (UK) (Now SOCA) |
| NVOCC | Non-Vessel Operator Common Carriers |
| OD | Ostensible Destination |
| OFAC | Office of Foreign Assets Control (US) |
| OTA | Out of The Area |
| OSCE | Organisation for Security and Co-operation in Europe |
| PCRI | Port of Call Risk Indicator |
| PDD | Point of Departure Diversion (PDD) |
| PDOD | Post-Delivery Onward Diversion |
| PoA | Point of Arrival |
| PoD | Point of Departure |
| PoO | Point of Origin |
| RACVIAC | Regional Arms Control Verification and Implementation Assistance Centre |
| RAMCC | Regional Air Movement Coordination Cell |
| RID | International Carriage of Dangerous Goods by Rail |
| RPG | Rocket-Propelled Grenade |
| SALW | Small Arms and Light Weapons |
| SDRI | Shipment Destination Risk Indicator |
| SEESAC | South Eastern and Eastern Europe Clearinghouse for the Control of SALW |
| SIGINT | Signals Intelligence |
| SIPRI | Stockholm International Peace Research Institute |
| SOCA | Serious and Organised Crime Agency |
| SRA | Standardised Risk Assessment |
| SSR | Security Sector Reform |
| TNRI | Transit Node Risk Indicator |
| TOR | Terms of Reference |
| UN | United Nations |
| UNDP | United Nations Development Programme |
| UNODC | United Nations Office on Drugs and Crime |
| UNSC | United Nations Security Council |
| UNSCR | United Nations Security Council Resolution |
| USD | United States Dollars (\$) |
| WCO | World Customs Organization |



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Identification and Disruption of Clandestine Arms Transfers

1 Introduction

This report combines profiling indicators with original research into clandestine arms deliveries and detection; it is believed to be the first report to do so. The central feature of the report is based upon the new Arms Transfer Profiling Indicator System (ATPIS) developed by the European Tracking Initiative (ETI), with technical advice from SEESAC.

ATPIS helps to detect or identify clandestine arms deliveries. An example two-stage ATPIS checklist in this report helps highlight SALW transfers, aspects of which may signal a potential clandestine delivery. Profiling examples and explanations are supported by original documentation and case studies.

The publication illustrates and explains the various techniques used by arms brokers, transporters and recipients, while also suggesting investigation and detection methods. It serves as a practical guide for those involved in investigating and controlling the illicit arms trade.

A background section provides an introduction on the central role assigned to SALW in today's clandestine markets.

Chapter Three enunciates a set of general principles to assist policy-makers seeking to limit clandestine deliveries. These principles include national and regional airspace bans on air cargo companies involved in trafficking, as well as asset seizures and travel bans on those individuals behind clandestine networks.

Chapter Four details the various indicators used in ATPIS.

Chapter Five categorises the techniques and methods associated with clandestine deliveries, which can be identified through the collation of documentation.

Chapter Six focuses on documentation, listing the various types of licences and permission required to affect most SALW transfers. It includes detection examples of how to follow up on discrepancies and other indicators using document analysis and extraction (DOCEX).

Chapter Seven, based upon investigations, lists a variety of sources openly available to customs, law enforcement and arms export licencing officials, as well as examples of asset and network identification.

Chapter Eight features the various ATPIS checklists, formats and reference tables. These systemise for the first time a range of ad hoc checks that can be used better to detect clandestine arms deliveries. In the absence of an internationally accepted scheme for delivery verification, ATPIS formats provide arms export control and customs officials with systems that may be integrated into their domestic SALW export licencing application and pre-shipment inspection processes.

Important Definitions

■ Arms Control

The imposition of restrictions on the production, exchange and spread of weapons by an authority vested with legitimate powers to enforce a restriction.

■ Arms Transfers

Transfers of military equipment and services of any nature from a country to another country, irrespectively of the legal or illegal nature of transfers.

■ Arms Trafficking

Transfers of military equipment and services of any nature that violate national and international laws and agreements at the date of transfers

■ Broker

The natural person or legal entity that carries out a brokering activity.

Anyone who directly performs an activity defined as a brokering activity in the exercise of their own commercial or legal relations. The acts of natural persons, especially employees, are to be ascribed to the legal entity.

■ Brokering

Activities that serve to facilitate the transfer of arms between persons in different third countries, insofar as such transfer is furthered through the assistance of a so-called **broker**

■ Clandestine Arms Deliveries

A concealed or hidden arms transfer, or an arms transfer in which the true recipient is concealed or hidden.

■ Tracing

The systematic tracking of illicit weapons from the source of manufacture, through the lines of supply, to the point of diversion into the illicit market and unlawful possession.

■ Tracking

The systematic monitoring of air, land and sea craft engaged in the transfer of SALW subject to a heightened threat of diversion

■ Transfers

The import, export, trans-shipment, re-export, intangible transfer, licenced movement during production, brokering and transport of SALW.



In addition to licencing application and pre-shipment inspection checklists for use in point of departure (PoD) states, the chapter also provides formats for use by customs and transport authorisation officials in transit states. There are specific maritime and aviation-configured templates for both the pre-departure inspection and transit stages of the arms transfer cycle.

The 20 case studies in Chapter Nine provide examples of the application of ATPIS checklists using arms transfer documentation. Other case studies are intended to support the training of customs officers and government officials when applying ATPIS, as well as additional measures in the field of investigation, detection and delivery verification.

The guide also makes reference to practical solutions to some of the problems associated with loopholes and weaknesses identified in states' arms transfer procedures. These include the use of other standardised formats such as the '*Transfer Documentation for SALW*' Regional Micro-Disarmament Standard/Guideline (RMDS/G) developed by SEESAC. In addition to these documents, footnotes throughout the guide cite useful reports and journal articles, which provide further reading by those customs and law enforcement officers wishing to specialise in this field.

It should be emphasised that clandestine arms deliveries often originate from states where all transfer and transportation documentation appears to be in order. Diversion en route frequently occurs once the aircraft or ship departs the country of origin. It should be reasonably straightforward for customs, police, arms export and traffic control authorities in point of departure and transit countries to reduce the number of such 'missing' shipments through the use of more comprehensive detection methods. The seizure of such shipments, combined with the accompanying documentation, will help national governments and international organisations develop increasingly sophisticated threat assessments of SALW trafficking networks.

2 Background and market dynamics

Networks involved in clandestine arms shipments currently enjoy a number of advantages over those agencies charged with interdiction. Both the nature of these networks and their advantages need to be understood if they are to be effectively addressed. This section briefly outlines and explains these in terms of product and markets.

2.1 Product, market and network dynamics

The product for the clandestine arms market is overwhelming small arms and light weapons (SALW) and associated ammunition. SALW together with various types of explosives have been used by combatants in the more than 50 insurgencies, intra and inter-state conflicts of the last 15 years.¹

Favoured clandestine arms products often, but by no means exclusively, are comprised of Soviet-era models and their derivatives. This is due to their low sale price, wide availability and recipients' familiarity with the weapons systems. The choice of illicit SALW product can also be dependent on particular historical, political and geographic factors affecting the clandestine destination² while other popular SALW calibres and systems have included those based on Western European, U.S and Israeli designs.

Small arms, light weapons, ammunition and explosives are suited for those engaging in asymmetric warfare involving militant groups and organised crime networks in Asia, South America, the Middle East and Africa. SALW are not only suited for use in guerrilla conflict because of their ease of operation and concealment, but also because SALW, thanks to their scale and availability, remain the simplest weaponry to deliver clandestinely.

Air, satellite and other imagery intelligence (IMINT), coupled with land-based monitoring, commercial, national and UN registers, make the identification and tracking of conventional and heavy weapon systems possible, either during transfer or in the conflict zone. The ubiquity of small arms, coupled with the sheer volume of SALW in global circulation, makes such comparative tracking currently impossible for these transfers. While global annual production of SALW currently stands at approximately 4.3 million, it is the sale of stockpiled SALW surplus, some of it manufactured as far back as 1950, that is hardest to track back to the primary clandestine delivery point.

While small arms and light weapons are physically easier to smuggle or divert, precisely because they are small in size, the scale of global trade in the commodity coupled with the longevity of stockpiles make surplus SALW purchased and then subject to clandestine delivery more difficult to trace.

Historically, seizures are relatively rare post-Point of Departure (PoD), although serial number and ammunition batch recording has sometimes assisted detection efforts by UN Sanctions Committees' investigators in conflict zones.³

Weapons smuggling has a history dating back to the beginning of modern warfare. Yet processes associated with globalisation, such as the logistics and transportation revolutions, coupled with the partial privatisation of global SALW production and surplus stocks, have had a profound effect on clandestine delivery networks over the past two decades. Detection and seizure rates in states with relatively well-funded customs services and extensive arms export control laws, such as the United States, give some indication of the scale of illicit transfers. In a period covering six years of exports, United States customs officers seized 6,987 shipments of arms and military equipment deemed illegal and detained more than 12,500 associated individuals.⁴

¹ 'Major Armed Conflicts', Stockholm International Peace Research Institute (SIPRI) Yearbook, 2004; the PRIO/Uppsala Armed Conflict Dataset, Armed Conflict (Version 3 - 2005b), Centre for the Study of Civil War at the International Peace Research Institute, Oslo (PRIO) and Department of Peace and Conflict Research, Uppsala University.

² See 'Conflict Specific Capital: The Role of Weapons Acquisition in Civil War' Nicholas Marsh, International Studies Perspectives, Vol.8, 2007, pages 54 - 72.

³ See 'Many Serbian Weapons in Liberia', United Nations Security Council Liberia Committee Report, S/2003/498, p, 21.

⁴ See 'Political Implications of Illegal Arms Exports from the United States', Edward J. Laurance, Political Science Quarterly, Vol. 107, No.3 Autumn 1992, p, 502.



Air Transport - Scale

- Over 6,000 active airlines under 204 aviation registries. (2006).
- Over 600 main air cargo carriers operating their own or leased aircraft. Many other minor carriers.
- Over 2,089 large civilian freighter aircraft operating globally.
- Large use of 'Flags of Convenience'.
- In Africa (2004) there were 140 air cargo carriers, registered in 27 countries operating 365 cargo aircraft.
- In Moldova (2006) there were 197 registered aircraft, of which 79 belonged to companies with a main operations base outside Moldova.

The illicit global arms market today works like any other largely free and unregulated system, driven by the dynamics of supply and demand. These are still dominated by relatively low loss-adjustment calculations set against the possibility of detection, interdiction, asset confiscation, accidents or non-payment risk. Clandestine arms supply is an evolving business and those involved in it have introduced innovative solutions to guard against financial loss. Such solutions include agreed supply and delivery schedules involving advance off-shore payments, and the utilisation of automatic mobile phone text messaging to initiate complex delivery arrangements as part of a counter-detection strategy.

Brokers and transporters involved in clandestine markets tend to work on a 'just-in-time' principle, which minimises the risk of detection, whilst maximising gain through a network of trusted

suppliers and reliable carriers. Like many other businesses, arms traffickers have used the development of information technology to facilitate the sale or delivery of their product or services. Technological advances now allow for the rapid falsification or alteration of End User, insurance, transportation or personal identification papers, while such documentation retains its clarity and authenticity when sent via email.

A surprising number of those involved or complicit in clandestine deliveries are to be found advertising one or more of their services on the internet, especially in the case of transporters for whom illicit suppliers account for only a fraction of a client base which remains grounded in upper-world markets. This leads other associated entities to advertise their services on the Internet, and to provide customer sales email, telephone and fax numbers.

Greater volumes of trans-national trade have been generated with the deregulation of trade barriers and financial controls. This phenomenon has been paralleled in clandestine markets by an increasing number of private vendors, brokers and transporters involved or complicit in deliveries of various commodities, including SALW. These actors operate through diffuse and at times informal networks based in a variety of transportation hubs and logistics bases often not subject to rigorous operational or financial monitoring.

2.2 Structural problems and the licit and illicit cross-over

While globalisation has facilitated both licit and illicit trade, the same cannot be said of an international system for arms transfer control. While the sale, transfer or transportation of a range of global commodities has been subject to international standardisation and regulation; there exists no internationally-accepted scheme for delivery verification of arms and, equally importantly, no international institution dedicated to its enforcement. The lack of such a scheme is problematic given the increasing emphasis on trade facilitation in many states' customs services. Tax and duty revenue collection are afforded greater resources than enforcement departments, and in recent years, a focus on counter-terrorism and human migration has led to more customs assets dedicated to examining imports as opposed to goods subject to export and transfer.

A number of G8 and EU member states have adopted more far-reaching arms-exporting laws and codes of conduct in the last ten years.⁵ However, where such laws and guidelines have had the potential to effect illicit networks, those involved in the trades have shifted to capitalise on extra-territorial business practices. These include the use of flags of convenience, and offshore brokering and banking facilities to take advantage of structural weaknesses in states' national arms control regimes. The variety of techniques used by arms brokering and transportation networks continues to provide significant advantages, making the detection and interdiction of clandestine arms deliveries problematic.

States' arms control procedures are generally governed by legislation and regulations designed to ensure compliance within the country of origin or transit as defined by national borders, airspace and sea-lanes. This

⁵ See 'The European Code of Conduct on Arms Exports: Improving the Annual Report', Sybille Bauer and Mark Bromley, Policy Paper No.8, Stockholm International Peace Research Institute, 2004.



inevitable focus on the national level allows exploitation by clandestine actors through diversion en route or post-initial delivery in international waters, unmonitored territory, airspace or cargo handling facilities.

Thus the limits on state sovereignty imposed on arms control regimes by national borders are abused by extra-territorial trans-national networks, which facilitate deals in the unregulated space left open by the lack of an internationally-accepted global scheme for delivery verification and enforcement.

Similarly, entities engaged in smuggling from one country are often able to gain access to markets in others because of the absence of comprehensive international SALW trafficking watch lists and other monitoring mechanisms. National customs, law enforcement, arms export and control officials are thus left at a distinct disadvantage when it comes to both detecting individual clandestine shipments together with the broader markets within which individual actors operate.

Like many other businessmen, those involved in clandestine shipments also cultivate relationships with a variety of individuals and institutions in a position to facilitate transactions involving either the purchase of weaponry or its transportation. They range from political figures, serving and former military, security and intelligence service personnel through to those involved in traffic control and financial services. They are able to do this because most of those involved in clandestine shipments appear to be legitimate businessmen. Relationships and administrative formalities built around licit arms purchases or transportation arrangements ensure a degree of familiarity with systems, licencing and the officials responsible as well as serving to partially obscure shipments which may ultimately be illicit in nature.

Current dynamics influencing clandestine SALW markets make the profit margins available sufficiently lucrative for individuals with experience of illicit shipments to continue to combine in trans-national networks to deliver SALW on several continents. They continue to use a diverse range of intermediaries who rely on a large number of nationally registered arms brokers and transporters.

One reason why detection is difficult is because most clandestine deliveries involve companies or individuals who routinely broker or transport quantities of licit SALW. They are therefore well positioned to engage in illicit transfer because they already possess all the requisite national licences and documentation required to purchase, broker or transport SALW. They are also likely to possess sufficient insider information to make them aware of any weaknesses in national export, transfer, transportation or control regulations.

More importantly, experience of licit deliveries also provides an indication of the potential for diversion following departure from national point of origin control. This is because of the absence of an internationally accepted and universally implemented small arms control regimes, providing a series of potential loopholes for traffickers. These loopholes are dependent at times on the circumstances or regulations pertaining to the country of origin, transit states or that of the weapons' ostensible destination.

2.3 Clandestine delivery snapshot: trans-national networks in action

These photos not only illustrate a SALW delivery in progress, they also show how the tracking and tracing of aircraft identification numbers can be used to identify individuals and organisations involved.

A clandestine SALW shipment into southern Sudan in November 2006. The airstrip close to the town of Juba consists of an area cleared of vegetation serving as an unpaved runway in the bush. The airplane is an Antonov 28 used for short-haul, cross-border flights in regional conflicts such as those in the Democratic Republic of Congo, Somalia and Sudan. Like the larger Antonov 12 and 24, its robust design allows it to land in cleared jungle, bush and desert terrain.



Aircraft databases show that this plane was previously registered as ER-AKO. ER is the registration prefix for Moldova, until recently another registry frequently used by air cargo operators allegedly engaged in illicit deliveries. A London-registered company, Dallex Trade, a shell entity for individuals based in Russia, the Baltic States' and



the Caribbean, owns S9 PSV. The company operating the aircraft, Goliath Air, is part of a wider clandestine arms delivery network.



Aircrew, soldiers and commanders confer during the unloading operation, which takes less than 20 minutes. The ammunition is typically packed in ubiquitous green crates measuring approximately one metre in length and capable of holding ten assault rifles or thousands of rounds of loose or packaged ammunition. The registration number of this Antonov 28 is clearly visible as S9 PSV. S9 is the aircraft registration prefix for São Tomé, an offshore registry for cargo aircraft some of which are utilised for clandestine deliveries.

This background illustrates both the general nature of the clandestine arms market as well as to explain why perfunctory inspection of documentation will not increase seizure rates. In order to reduce clandestine arms shipments, a range of principles should be adopted by governments concerned by such transfers and implemented by various national and international agencies and institutions.

3 Principles

The following principles serve as a guide for policy-makers, law enforcement, customs, arms export, transportation and traffic control agencies seeking to reduce clandestine arms deliveries.

- ***Detection of deliveries as close to the Point of Departure (POD) as possible.***

The further a cargo moves, the more difficult it is to interdict prior to arrival at its actual destination. National and international awareness, resources and interdiction efforts should be focused in PoD states, where possible. If it is not possible then serious detection activities should be implemented at the first transit stop.

- ***Disruption of network operating capability.***

Regrettably evidence of illicit weapons transfers is usually discovered after the weapons have reached their desired destination. Rapid distribution to the factions and criminal groups then takes place, and therefore recovery of these weapons is complicated. Yet if evidence is available then post-delivery disruption can, and should take place against the trafficking network. At the very least such disruption could have a financial impact on the traffickers, will delay further shipments, force them to use new routes and delivery mechanisms, provide further data for profiling in the future and may uncover new court admissible evidence.

Options include; 1) the banning of commercial entities and aircraft registered with certain civil aviation authorities (CAA) from entering national and regional airspace, similar to European Commission transport air carrier safety 'blacklists'; 2) dialogue with the operators and owners of assets complicit in clandestine deliveries; 3) the removal of air operating certificates (AoC) or maritime registration; 4) rescinding of licences to purchase, sell or broker arms and military equipment; 5) denial of aircraft and ship transfers between companies; and 6) removal of individuals from company director registers.

- ***Deployment of clandestine shipment profiling mechanisms for use by arms export, transport and traffic control, customs and law enforcement agencies.***

Profiling methodologies increase detection rates by providing filtering mechanisms to help concentrate investigative efforts and resources on those cases aspects of which may signal a potential clandestine delivery.

- ***Apply document cross-examination and extraction (DOCEX) techniques.***

Comprehensive comparisons of export control, transport and transit papers submitted by brokers, freight-forwarders and transporters reveal discrepancies or inconsistencies in the case of shipments aspects of which signal a potential clandestine delivery. Use document extraction (DOCEX) methodologies on papers relating to seized consignments in order to build a more comprehensive threat picture of actors and entities within clandestine networks.

- ***National coordination and multi-layered approach.***

Different national institutions and services in PoD states' involved in arms control, export, transfer, transportation, air/sea/land traffic need to effectively coordinate information, intelligence and documentation-sharing in order to ensure comprehensive documentation cross-examination and resource support for lead national agencies tasked with control and interdiction

Principles

- Detect close to PoD.
- Disrupt network operating capability.
- Profiling mechanisms.
- Apply DOCEX techniques.
- Coordination and multi-layered approach.
- Targeted sanctions.
- International cooperation.



■ **Targeted national and international sanctions against known actors.**

Options include progressive and time-sensitive unilateral, multi-lateral and regional travel bans and asset-freezing actions on actors and entities of a type similar to those imposed by the U.S Department of the Treasury Office of Foreign Assets Control (OFAC) and the European Council.

■ **International cooperation, support and information sharing.**

Clandestine delivery networks operate sans frontiers. Accentuated cooperation within inter-governmental and multi-lateral organisations as well as ad- hoc and systematised bilateral arrangements can help overcome the current trans-national intelligence and information deficit between states. Certain states' possess assets, resources and expertise which could be utilised to support PoD states' and thereby more effectively interdict and reduce clandestine deliveries.



Annex A - Definitions

A.1

arms control

the imposition of restrictions on the production, exchange and spread of weapons by an authority vested with legitimate powers to enforce a restriction.

A.2

arms exports

the trade in weapons, guns and ammunition, usually international and often closely monitored and controlled by governments.

A.3

arms transfers

transfers of military equipment and services of any nature from one country to another country, irrespective of the legal or illegal nature of the transfers.

A.4

arms trafficking

transfers of military equipment and services of any nature that violate national and international laws and agreements at the date of transfers.

A.5

arms carriers

transport and logistics companies that carry out or organise arms transfers.

A.6

arms dealers

corporations or individuals whose activities consist of buying, selling and supplying arms.

Note: Corporations or individuals in control of large stockpiles of arms are often involved in brokerage activities.

A.7

border controls

the existence of checks and regulations between countries that controls access to and from the country, of people, goods and services.

A.8

broker¹

the natural person or legal entity that carries out a brokering activity.

anyone who directly performs an activity defined as a brokering activity in the exercise of their own commercial or legal relations. The acts of natural persons, especially employees, are to be ascribed to the legal entity.

A.9

brokering²

activities that serve to facilitate the transfer of arms between persons in different third countries, insofar as such transfer is furthered through the assistance of a so-called **broker**.

Note: Core brokering activities include;

- a) acquisition of SALW located in one third country for the purpose of transfer to another third country;
- b) mediation between sellers and buyers of SALW to facilitate the transfer of these arms from one third country to another; and

¹ Source: OSCE Best Practices Guide - National Control of Brokering Activities.

² Source: OSCE Best Practices Guide - National Control of Brokering Activities.



- c) the indication of an opportunity for such a transaction to the seller or buyer (in particular the introduction of a seller or buyer in return for a fee or other consideration).

A.10

buying agent

the direct interface with the importer or foreign buying office or representative, who negotiates the terms of sale and the letter of credit terms, prepares export licences and provides the appropriate payments to stakeholders in the country of origin.

A.11

clandestine arms deliveries

a concealed or hidden arms transfer, or an arms transfer in which the true recipient is concealed or hidden.

A.12

customs authorities

the national organization responsible for the issue of quota, export licence control or inspection, documentation control and coordination with the manufacturing and shipping companies.

the national organization responsible for enforcement, tariff compliance, collection of duties and the provision of import advice to the importer.

A.13

customhouse brokers

the organization responsible for documentation and direct interface with customs and other government agencies.

A.14

document extraction (DOCEX)

the systematic extraction of information from documents to assist the intelligence collection plan and HUMINT information collection operations.

A.15

freight forwarder / consolidator

the organization responsible for the preparation of the supporting documentation to be forwarded to the authorities in the country of origin and destination.

A.16

interdiction

the interception of illegal commodities being smuggled by air, land or sea.

A.17

mate's receipt

an acknowledgement that the ship owner has received the goods in the condition stated therein.

Note: These are normally given up for the bill of lading, but occasionally the mate's receipt is the only document used, in which case it may operate as if it were a document of title, as long as it is NOT marked 'non-negotiable'.

A.18

non-vessel operator common carriers (NVOCC)

generally non-asset based companies that ship cargo under their own rate structure and may substitute certain functions performed by the freight forwarders.

A.19

risk

combination of the probability of occurrence of **harm** and the severity of that **harm**. [ISO Guide 51: 1999(E)]

A.20
risk analysis

systematic use of available information to identify **hazards** and to estimate the **risk**. [ISO Guide 51: 1999(E)]

A.21
risk assessment

overall process comprising a **risk analysis** and a **risk evaluation**. [ISO Guide 51: 1999(E)]

A.22
risk evaluation

process based on **risk analysis** to determine whether the **tolerable risk** has been achieved [ISO Guide 51: 1999(E)]

A.23
risk management

the culture, processes and structures that are directed towards the effective management of potential opportunities and threats.

A.24
risk reduction

actions taken to lessen the probability, negative consequences or both, associated with a particular event or series of events.

A.25
shipping note

the document provided by the exporter that informs the carrier how the goods should be handled, along with the destination ports and container depots for the goods.

A.26
Small Arms and Light Weapons (SALW)

all lethal conventional munitions that can be carried by an individual combatant or a light vehicle, that also do not require a substantial logistic and maintenance capability.

Note: There are a variety of definitions for SALW circulating and international consensus on a 'correct' definition has yet to be agreed. For the purposes of RMDS/G the above definition will be used.

A.27
steamship operator

asset-based companies that are mainly responsible for vessel availability, schedule integrity, space and equipment on vessels.

Note: They may also control landside operations, and derive additional income from the consolidation of rail/road operations or other inter-nodal and logistics operations.

A.28
tracing

the systematic tracking of illicit weapons from the source of manufacture, through the lines of supply, to the point of diversion into the illicit market and unlawful possession.

A.29
tracking

the systematic monitoring of air, land and sea craft engaged in the transfer of arms, (usually only when there is a high risk of diversion).

A.30
transfer

the import, export, trans-shipment, re-export, intangible transfer, licenced movement during production, brokering and transport of SALW.



Annex C - Support Training and Further Education

The type of training required for proficiency in the use of ATPIS and the techniques of clandestine delivery and detection outlined in this guide depend on the level of existing knowledge and awareness on the part of individual customs, law enforcement and export licencing officers, civil aviation and maritime authority officials.

Following such an assessment, basic, intermediate and agency-specific training courses involving power-point presentations and lectures combined with arms transfer simulations, group discussions and role plays may be tailored according to perceived and actual needs.

To derive maximum benefit, support training courses should be multi-agency and attended by the various organisations and institutions involved in different aspects of the arms transfer cycle, ranging from licencing applications through inspection, transportation, transit and enforcement. Training sessions involving arms export licencing officers, customs inspectors, law enforcement, airport and state security personnel coupled with civil aviation, maritime transit and port authority officials will help foster an inter-agency approach to the sometimes complex task of identifying clandestine shipments. Inter-agency support training courses also build an understanding amongst participants of their counter-parts' roles and the depth and type of information at their disposal.

More advanced courses focusing on investigation and detection techniques including examples outside the parameters of the guide may be organised for customs and law enforcement and state security officials responsible for the integrity of arms export and transfer processes. Training-the-trainers courses may be formatted using the guide and ATPIS materials for selected officials to provide the basis for a domestic ATPIS training capacity.

A standard basic course would comprise of a two-day training session involving a combination of power-point presentation lectures, arms transfer simulations and group discussions.

The power-point presentation lectures should be tailored to ensure immediate audience interest through group inter-action followed by question and answer sessions. Lectures would introduce wider conceptual issues surrounding clandestine SALW delivery techniques and detection methodologies as well as selected extracts from the guide. These should last for no more than 45 minutes and be presented in such a manner to excite interest and elicit feedback.

Copies of the guide should be presented on the initial day and time set aside to enable study of the relevant sections prior to role-play.

For the arms transfer simulations, trainees are divided into working groups and assigned a rolling series of arms transfers based on real world documentation to assess using ATPIS. If the training course is multi-agency, the full range of role-plays covering the arms export application licence procedure, pre-shipment inspection, transportation and transit cycles can be introduced and participants from the mixed working groups take turns in leading the simulation dependent on which agency has primacy for authorising the particular application/inspection/transportation procedure. Staff drawn from state security or intelligence organisations which monitor arms transfers may therefore play a less inter-active role at times.

Following a discussion and application of ATPIS to the particular arms transfer application/inspection simulation, a working group member will summarise the decision-making process and result to the wider audience for general comparative analysis and discussion.

A standard basic course would include a series of between four and six power point presentation lectures and a minimum of four simulations. Group discussion at any social event and on the second day would be initiated to further refine ATPIS for local adaptation and application according to the specific laws, procedures and circumstances found in the course participants' state or territory.

Support training participants are encouraged to network with local counterparts and lecturers and to later record specific, localised aspects of ATPIS application, which enabled them to detect, deny or interdict potential or actual clandestine deliveries.

Trans-national information-sharing may be facilitated by ATPIS trainers by supplying course attendees with contact details for agencies and personnel in other countries also trained in ATPIS application to allow for the informal or formal exchange of information dependent on the data and security protocols and practices of the domestic national institution.

Information-sharing on best-practices can be reinforced through the invitation to join an ATPIS network based on the common standards, procedures, templates and indicators systematised in this guide.

Standard Course Outline

- Trainer Introduction.
- Participant Introduction.
- **General Introduction to 'Identification and Disruption of Clandestine Arms Transfers'.** (45 minutes)
 - What the guide does.
 - When it can be used.
 - Where it can be used.
 - Who can use it
 - How this training will help participants in daily licencing, inspection, authorisation and enforcement.
- **Overview on the latest developments in global clandestine deliveries.** (45 minutes)
 - Emerging markets.
 - Newly-identified networks.
 - Nodes.
 - Product.
 - Techniques.
 - Actors.
- **Trainer-led Group Discussion.** Participants' perspectives of clandestine deliveries – personal experience, anecdotes, what they have learnt via the media, how they think clandestine deliveries impact on their states' security, that of their armed forces deployed in peace-keeping missions, wider global security issues (15 – 30 minutes)
- **Using the Guide (Part I) – Profile Indicators and Reference Tables.** (45 minutes)
 - Air, Land, Sea Indicators.
 - End User, Transit and Document Indicators.
 - Brokering, Freight-forwarding and Inventory Indicators.
 - Introduction to the Reference Tables.
- **Using the Guide (Part 2) - Profile Indicators and ATPIS Formats.** (45 minutes)
- Trainer-led ATPIS Simulation.
 - Using arms transfer documents to complete an ATPIS format (15 minutes), solicit feedback to ensure principles are understood. Two participant-led role plays aided by trainer to reinforce. (30 minutes)
 - Participants break into working groups to assess first simulation, assign team leader, analyst, researcher, presenter. Conduct analysis of simulated transfer. (45 minutes)
 - Working groups present results of their analysis and assessment. (15 minutes each)
- **Investigation Techniques (Part I) - Reference to the Guide.** (45 minutes)



- **Investigation techniques (Part 2)** - Reference to Case Studies. (45 minutes)
- **Group Discussion on Investigation Techniques.** (15 - 30 minutes)
- **Working Groups 1.** (90 minutes)
 - To assess second simulation using investigation techniques.
 - Conduct analysis of simulated transfer.
 - Working groups present results of their analysis and assessment.
- **Working Groups 2.** (90 minutes)
 - Assess third simulation using profile indicator and investigation techniques.
 - Conduct analysis of simulated transfer.
 - Working groups present results of their analysis and assessment.
- **Working Groups 3.** (90 minutes)
 - Assess fourth simulation using profile indicator and investigation techniques.
 - Conduct analysis of simulated transfer.
 - Working groups present results of their analysis and assessment.
- **Conclusions** - General Principles, International Networking and Cooperation, Further Specialisation and Support Requirements. (20 minutes)

For further information or training contact info@atpis.org



ISBN 86-7728-069-7



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