

Reporting on Organized Crime, Corruption, and Terrorism in the former USSR, East Europe, and the Middle East

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UKRAINE'S DECADE-LONG ILLEGAL TRADE IN ARMS

By Taras Kuzio

Recent accusations in the Western, Ukrainian, and Russian media that Ukraine has long been involved in illegal arms exports should not be of surprise to researchers, governments, and intelligence agencies who have long written about and monitored such activities. Evidence is allegedly to be found on the "Kuchmagate" tapes in the possession of former presidential guard Mykola Melnychenko, who has been seeking political asylum in the U.S. since April 2001.

Organized crime and corrupt state officials do not respect state borders in the postcommunist world. In May of last year, an Ilyushin-76 cargo aircraft was intercepted at the Bulgarian port of Burgas with \$250,000 worth of arms. The guns were Czech-made, the air company was Ukrainian, the destination was Eritrea, and the end user was stipulated as Georgia.

Ukraine was in a relatively unique position in that as a front-line (first echelon) Soviet republic it possessed and inherited the best quality and large volumes of military equipment. Much of this was superfluous to Ukraine's security needs after 1992, and so it is not surprising that much of it found its way abroad, often illicitly.

A Ukrainian parliamentary commission found that Ukraine's 1992 military stocks were worth \$89 billion and that, in the course of the next six years, some \$32 billion of that was stolen, with much of it re-sold abroad. The investigation was headed by a parliamentary deputy and the former deputy defense minister, Lieutenant General Oleksandr Ihnatenko, who was court-martialed and stripped of his rank. Ihnatenko leaked some of his findings to Serhiy Odarych, who heads the Kyiv think tank Ukrainian Perspectives. Odarych was accosted and shot in the leg in July 1998 and says he was warned to stop publicizing those findings. As Odarch recalls, "The police said I shot myself to grab attention."

That the export of large volumes of arms could not be

undertaken without state officials, the Security Service of Ukraine (SBU), and other bodies either being complicity involved or, at the very least turning a blind eye, is obvious. After all, taking a tank or a batch of Kalashkinovs out of Ukraine requires access to either an air- or seaport. Up to 80 percent of this Ukrainian trade was undertaken through the shadow economy, which has remained at approximately half of GDP throughout the post-Soviet era.

In the last decade, there have been many reports of Ukrainian arms surfacing in countless places around the world. During the Bosnian arms embargo, Ukrainian arms turned up on both the Muslim and Croat sides (as did former Soviet weapons from the then-Russian bases in the GDR despite Russia's support for Serbia), including 20 C-300 anti-missile batteries. Ukraine's arms also ended up in many other "hot spots" around the world, including: Sri Lanka in its battle against Tamil separatists (a military-transport aircraft and Mi-17 military-transport helicopters); Southern Yemen in its secessionist drive (MiG-29s, artillery, and anti-aircraft guns); Peru in its border conflict with Ecuador (light weapons and missile launchers); Angola in support of the MPLA government; and in the civil wars in Sierra Leone, Liberia, and Rwanda.

Official arms exports, such as tanks, have gone to Pakistan since 1996. Recent reports that Ukraine supplied weapons to the Taliban in Afghanistan could have come via Pakistan, its patron. (See "RFE/RL Crime, Corruption, and Terrorism Watch," Vol. 1, No. 8, 20 December 2001). Meanwhile, Iran has received MiG-29 fighters, tanks, and anti-ship missiles.

Ukraine's involvement in this trade has also been assisted by the Transdniester region, which has long been an economic black hole through which all types of contraband moves, from cigarettes to oil, gas, and weapons. The main seaport the Transdniester uses is Odesa. In 1996, the Moldovans issued eight customs seals to the region and, by September of this year, the new Moldovan government found that the Transdniester had made an additional 348 illegal customs seals. Re-elected Transdniestrian President Igor Smirnov's son heads the region's State Customs Committee. Moldovan President Vladimir Voronin recently complained that the Transdniester was a hotbed of smuggling, which is taking place with Ukraine's assistance. "We in Moldova have understood that Smirnov is a bandit. It is not clear who he is for Ukraine," Voronin added.

A major transit point for illicitly exported weapons from the Transdniester are Ukrainian ports in the Odesa region. The Transdniestrians have their own people in Illichevsk and Odesa who fabricate documents for goods shipped via Ukrainian ports allegedly coming from Moldova. The Ukrainian side has therefore refused to agree to Moldovan requests for joint customs posts, preferring to maintain Ukrainian border control with the Transdniester that allows an uncontrolled flow of such contraband. Last month, Ukrainian President Leonid Kuchma reiterated his opposition to joint checkpoints on the Transdniester-Ukrainian border because it would be tantamount to an economic blockade of the separatist enclave.

Most of these illicitly exported goods are weapons, the mainstay of the Transdniester economy. In the Soviet era, the region's military-industrial complex only produced military

components. Currently, they have closed production cycles for small arms, a full range of different types of mortars, 43 Grad multiple-missile launchers, and grenade launchers.

A picture of Ukraine's illicit trade in arms can be now gleaned from millionaire gunrunner Leonid Minin, who was arrested in Italy in August 2000. Minin is a native of Odesa and emigrated to Israel in the 1970s before going into business after the collapse of the former USSR re-exporting oil from Russia. He is an associate of Alexander Angert (alias "The Angel"), a notorious Odesa godfather.

In Minin's Milan hotel room, Italian police officers found \$150,000 in cash and half a million dollars in African diamonds. There was also a cache of 1,500 documents detailing his dealings in oil, timber, gems, and guns. Two weeks before his arrest, Minin chartered an Antonov-124 transport aircraft in Moscow; had it flown to Kyiv, where it was loaded with 113 tons of small arms AK-47's and 330 grenade launchers, sniper rifles, night-vision equipment), and ammunition; and then flown to Abidjan, capital of the Ivory Coast. Sixteen months earlier, another Antonov aircraft delivered 68 tons of small arms and ammunition to Liberia and Sierra Leone. The Ukrainian government protested that the end-user certificate was for Burkino Faso (which does not use former Soviet military equipment).

Recent accusations have been made by Labor Ukraine (TU) party leader Andriy Derkach of illegal arms exports in the first half of the 1990s, when Yevhen Marchuk, former chairman of the SBU and current secretary of the National Security and Defense Council, was chairman of the Security Service of Ukraine (SBU). In his defense, Marchuk claims that as head of the SBU he stopped the illegal trade in arms that some officers in the Ministry of Defense with Dmytro Strashynsky, whose license was revoked, had been undertaking [see Marchuk's letter to Kravchuk included in this issue]. Strashynsky is also being held in an Italian prison.

On 4 January, the Prosecutor-General's Office launched an inquiry into the allegations. Strashynsky is accused of forging end-user certificates for Nigeria, Egypt, Sudan, Morocco, Ecuador, and Guinea -- which provides a glimpse into the global reach of these exports. The TU-controlled TV station Era alleges that documents it has received from Italy show that Marchuk persuaded Kravchuk to sell weapons to Strashynsky, that the Prohres company that had contracts with him was under the SBU's "protection," and that Marchuk supervised Strashynsky's activities in Ukraine. Both Kravchuk and Marchuk have denied these allegations as an attempt to damage their reputations on the eve of parliamentary elections in Ukraine.

Ukraine has a bad record in the illicit trading of weapons to conflict zones and other countries in the last decade. Not surprisingly, Ukraine's media has either been too scared or has lacked the information to write about this covert trade, and the Ihnatenko commission was the only Ukrainian attempt to probe its illicit trade in arms.

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