

Title: United Nations Expert Discusses Sudden Interest

In Arms Dealer Viktor Bout

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Belgian citizen Johann Peleman, a United Nations expert in the area of illegal arms trading and director of the Peace Institute in Antwerpen, has for several years been attentively tracking the activity of Viktor Bout. We asked Mr. Peleman to talk about this businessman and about the mechanism for illegal arms shipments to hot spots on the planet.

[Turov] Mr. Peleman, why is it that the scandal surrounding Viktor Bout is erupting right now? After all, we have long known about him and his "empire."

[Peleman] Indeed, beginning in 1998 his name figured prominently in United Nations reports and surfaced periodically in the press. However, although documents were attached to these reports that shed light on illegal arms shipments skirting UN sanctions, there have been no successful efforts in six years to suppress this business.

So there are at least two answers to your question. The first is that interest in this individual is elicited by the fact that after three years of careful tracking of financial flows coming into our country, Belgian authorities placed Viktor Bout on the international wanted list through Interpol channels in February 2002. I emphasize in this regard that Bout is accused of money laundering, not illegally trading in arms.

However, the real hullabaloo was stirred up by the so-called "Afghan trail." This arose several months ago when Bout's name surfaced in the American press in connection with arms shipments to the Taliban and -- according to as yet unconfirmed information -- to al-Qa'ida. I would note that many of those with whom I became acquainted in my trips through Africa are truly astonished at this stormy reaction. America only became acutely interested in Viktor Bout's activities when the United States realized he was responsible for "their own" casualties. For a long time the United States turned a blind eye to the fact that Bout was a major supplier of arms to African rebels, whose military operations have taken the lives of hundreds of thousands of people. I share this bewilderment to a certain degree.

[Turov] When did you yourself first hear about Viktor Bout?

[Peleman] My sphere of study is the economic aspect of wars. I study the mechanism through which rebels finance their operations. After the United Nations introduced sanctions against Liberia, UNITA in Angola, and ROF in Sierra Leone in the late '90s, it became evident that these sanctions were not effective. In order to learn who was violating them and how, the Security Council brought in independent experts. As far as I am concerned, I first heard of Viktor Bout in 1996. At that time we were tracking arms shipments to groups of Rwandan Hutus following the genocide in Rwanda that took over a million lives in 1994. Two years later, in 1996, Hutus streamed into the Congo, and we tried to find out who was arming them. It turned out that businessmen in Ostende were involved in this, including Viktor Bout, who at that time had a base at the airport of this Belgian city.

We managed to find evidence in Ostende sufficient to enable us to assert that Bout was involved in arms shipments to Hutu forces in the Congo. But there was a problem in that the aircraft then operated by Viktor Bout were not registered in Belgium. They were based there but operated under Liberian documents. His aircraft departed Ostende empty, loaded up with arms in Bulgaria and Romania, then flew on to Rwanda. Insofar as Belgian legislation does not permit the institution of legal proceedings against foreign firms whose aircraft fly between other states, it was impossible to file charges against Bout. Nonetheless, when information about these shipments came to light in Ostende and leaflets began to appear in post office boxes with the names of people involved in illegal operations, Mr. Bout and his company, Air Sess, disappeared from Belgium.

[Turov] Are you aware of other Russian names that have surfaced in connection with Bout's activity?

[Peleman] Most of the people whose names are now being linked with the diversified network of Viktor Bout's companies once worked for him as pilots, navigators, and mechanics and were later promoted to high positions. Some even started their own airline companies. For example, I spoke with a manager by the name of Pavel Popov, who came to head the company Mold-Transavia and prior to this worked for Bout as a broker for five years. We have managed to obtain documents indicating that one of his aircraft was leased for Bout. Let me add that both Bout's company Transavia and Popov's Mold-Transavia have been involved in arms shipments to Liberia, skirting UN sanctions.

Another example. Sergey Denisenko, former navigator for the Transavia company, is presently director of the Sun Air company. All these people matured and

developed in structures headed by Viktor Bout and never lost contact with him. There are about 10 Russians in important positions in his circle. Most of his regional managers are from Russia, or at least were born in the former USSR. They are working in branches of Transavia or Air Sess, mainly in Uganda, Rwanda, the Congo, and Angola. With respect to Angola, they are working "on two fronts" -- the government and UNITA rebels.

[Turov] Being involved as you are in Bout's activity, you must have developed a concept of this individual. What led to his rise?

[Peleman] A great many of those who know him personally have assured me that Bout is a genius. They explain his business successes by virtue of his intellect, charisma, and extraordinary linguistic skills. But there are other opinions as well. For example, Bout's brother Sergey abandoned joint projects with Viktor. The way Sergey explained it to me, his brother developed many connections and concluded many contracts, but was really bad in collecting money related to accounts. For this reason they parted ways.

Let me cite an example to give you an idea of the personality of Viktor Bout. When he started working in Belgium in 1996-1997, he had just one aircraft and was leasing two others. But as early as 2000, Bout was operating a fleet of 50-60 aircraft. These figures give some idea as to how advantageous this business is. Even when we bear in mind the unique situation that took shape in the aviation sphere after the collapse of the USSR -- a tremendous aircraft inventory, thousands of Ilyushins and Antonovs that were used by the military now winding up in the private sector -- we see that Bout displayed undeniable talents when it came to setting up connections with partners outside the former Soviet Union. Although I do not believe he actually owns all the aircraft he operates. From all appearances, he was able to deftly take advantage of the situation.

[Turov] All the same, his business could hardly have experienced such a rapid rise without investments. Where did they come from?

[Peleman] Let me say again that the important thing is the profitability of the business itself. Even such aircraft as the cargo Ilyushin-76, which do not meet European or United States standards, continue to be very expensive in Africa and Asia, where there are a great many countries whose road networks are in such complete disrepair that aircraft are the only suitable means of travel. Let us say a businessman appears in Central Africa who promises a few million dollars in investments to open up a national airline company. He will immediately find partners at the

highest level and assume a monopoly position.

[Turov] In which countries of Eastern Europe and the former USSR did Bout find partners?

[Peleman] Our 2000 report for the United Nations lays out in great detail how port of embarkation documentation and flight plans were manipulated to carry out a great many flights from Bulgaria to Togo. Then from Togo cargo was dispatched to Liberia, skirting UN sanctions, and sent farther on -- to the rebels in Sierra Leone. The arms need not have been acquired in Bulgaria itself. They may have been delivered there for safekeeping. From where? It has been ascertained that weapons made their way to Sierra Leone and Liberia from Kazakhstan and Kyrgyzstan. Belarus, Romania, Moldova, and Slovakia have also been involved. Mr. Bout has a marvelous knowledge of the arms market. He has an excellent ability to delve into the particular situation and learn where arms can be most cheaply procured.

[Turov] According to your information, have the authorities of these countries helped Bout purchase arms?

[Peleman] The fact of the matter is that Mr. Bout runs a private business. During the days of the Cold War, there is no doubt but that arms deliveries were carried out by private companies, under cover of the special services. Arms were shipped to those groups whose activity met the needs of one or another superpower. Today we live in a different era. Many of those who were then in charge of arms shipments are engaged in the same thing today, but on a commercial basis. Ideology does not mean anything. I am not ruling out the possibility that one integral component of Bout's business involved bribery of officials not only in Eastern Europe, but everywhere his company was represented. For example, partners of his company in the United Arab Emirates were members of the royal family, or at least extremely powerful people in the country. In Belgium -- they were Belgians and French. In general, his relationship with officials of all countries in which his company was registered -- from Swaziland to Miami, in the United States -- merits some detailed analysis.

[Turov] How did the "Afghan dossier" emerge in the Bout affair?

[Peleman] I was mainly involved with Bout's African shipments. Perhaps Africa is only the tip of the iceberg. Some people who had dealings with Viktor Bout confirm that, at least in the early and mid-1990s, he transported cargo to the Northern Alliance in Afghanistan and was close to Ahmad Shah Masud. As far as stories alleging his ties to al-Qa'ida are concerned, materials presently being published by the American press, I am not aware of a single piece of convincing evidence. I am not at all certain these ties existed.

[Turov] Articles in these newspapers are saying that

prior to his arrest by Belgian authorities, Kenyan Sanjavan Rupra was about to give testimony against Bout and had connections with the CIA. Moreover, Rupra had apparently consulted with US special services over a period of several months concerning Viktor Bout's activity, and Belgian authorities unwittingly interfered in this process. Is this so?

[Peleman] I have been in close contact with Rupra since September of last year, in connection with the report I prepared as a United Nations expert on the sanctions against Liberia. In order to appear more important in my eyes, this gentleman hinted to me that he was in constant communication with Washington and was relaying information there about himself and about Viktor Bout. So the conclusion you are drawing is correct. Nonetheless, despite Rupra's contacts with Americans, the Belgian investigation was conducted independently.

[Turov] Is this why Rupra agreed to meet with you? The fact that he already had close contacts with Washington?

[Peleman] I do not think so. The heaviest pressure exerted on Bout and Rupra, as well as those who were involved in this shipment scheme, came from the United Nations. Several months prior to my meeting with Rupra, I visited the United Arab Emirates and spoke with Sergey Bout and with Sergey Denisenko. They knew full well that we were tracking their activity. So when I phoned Rupra, he was fully knowledgeable as to who I was and what information I was seeking. Incidentally, I tried to meet with Viktor Bout himself, but without success.

[Turov] How do you explain the fact that Sanjavan Rupra, Bout's partner in Liberia, was about to give testimony against him with respect to the business in Afghanistan?

[Peleman] I believe that Rupra's evidentiary testimony was incorrectly interpreted. Indeed, Viktor Bout did ship arms to Afghanistan, but not to al-Qa'ida or the Taliban. In addition, the companies that were involved in these shipments, Delfin and Santa Cruz Imperial, do not belong to him. They are firms belonging to Sheykh Abdulla ben Zaida, who was Bout's partner but never worked for him. It is curious that Rupra himself, whom I saw once a week prior to his arrest, not only did not tell me anything about this, but he himself tried to get information from me on Bout's ties with al-Qa'ida. He was probably "feeding" the Americans the little information I had told him about Viktor's Afghan ties.

[Turov] So in this manner he wanted to help himself?

[Peleman] Rupra told me that he and Viktor Bout wanted to cooperate with the West because they were feeling "a lot of pressure." The United Nations reports played a significant role here. In his contacts with me, Rupra tried to obtain guarantees that the United Nations would do something for him, insofar as he was prepared to cooperate. But I never promised him anything in exchange

for the information he gave me.

[Turov] Can you confirm the fact that Viktor Bout had ties with Pakistan?

[Peleman] Well, that was precisely the case with respect to his brother. Air Sess is presently owned by Sergey Bout, and it has an office in Islamabad. Sergey asserts that Viktor no longer participates in Air Sess business. Thus, if aircraft were flying over territory under control of the Taliban, they were aircraft of Sergey Bout's company.

As far as I am aware, Air Sess is the company that transported UN peacekeepers from Islamabad to East Timur. From all appearances, a "disconnect" appeared in United Nations substructures. The UN Security Council considered this company a "security threat," but another UN organization signed a contract with it. Certain businessmen involved in the arms trade in Africa were quite proud of the fact that they had contracts with the United Nations.

[Turov] Do you get the impression that Viktor Bout is an established, major figure?

[Peleman] In order to evaluate recent articles in the newspapers that say he is a major dealer in the illegal arms trade, you would have to have an all-encompassing image of this market. I do not think this kind of expertise is generally available today. It is entirely likely that we are looking only at the tip of the iceberg, that we have a clearer view of Bout right now than others.

[Turov] What amounts of money would you say characterize Viktor Bout's financial state?

[Peleman] That is difficult to determine. I can cite one figure from my discussions with Rupra's lawyer: "The Rwandan Government owed Bout \$21 million." This gives some idea as to the amounts he operated with. But it is not comprehensive, because Bout was also engaged in barter transactions -- arms for coffee, arms for diamonds.

[Turov] What is Bout facing by virtue of the investigation in Belgium?

[Peleman] I would remind you that he is accused of money laundering. If he is arrested in some country, he will have to be extradited to Belgium for legal proceedings there. If this happens, Bout may be fined a large amount and sent to prison. But the Belgian investigation cannot be applied to his activity outside the country. For this reason, the investigation does not involve arms trading at this stage. Now as far as Viktor Bout's ties with al-Qa'ida are concerned, that is purely a newspaper story right now.

[Description of Source: Moscow Vremya MN in Russian -- daily newspaper published since May 1998 by Moskovskiye Novosti, aimed at an elite audience and carrying relatively objective reporting with a liberal tilt]



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