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## 12. Illicit arms transfers

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### I. Introduction

Most of the preceding chapters of this book deal with the issue of arms transfers as an act of state policy. In recent years growing attention has been focused both in Russia and in the international community on those arms transfers which are not acts of state policy—illicit weapon sales, as they are called. Several authors suggested before the end of the cold war that transfers of this type were of increasing importance.<sup>1</sup> However, it is the new conditions after the end of the cold war which have boosted the attention paid to this issue.<sup>2</sup>

This increased attention is connected in many ways with developments in East–Central Europe in the period after 1989. There was a great fear in Europe in the early 1990s that rapid political changes would produce conflicts of interest of various kinds that could not be managed by peaceful means. The rapid disintegration of the military structure of the WTO and then the disintegration of the armed forces of the Soviet Union itself added a new dimension to the question how to control arms. Suddenly the future disposition of enormous quantities of arms and military equipment became very difficult to predict.

This combination of escalating conflict and widespread availability of arms seemed to contain the ingredients for a serious breakdown of peace and order. In the event, the pattern of development after 1990 was not uniform across Europe. In places such as Azerbaijan, Georgia, Moldova, Russia (in the Republic of Chechnya) and in the former Yugoslavia the most pessimistic predictions were fulfilled. In many others—for example, the Baltic states, the former Czechoslovakia, Romania and Ukraine—the pattern of post-cold war development has been more or less peaceful.

The danger that illicit arms transfers could fuel armed conflicts was one concern in the early 1990s. In addition, it was feared that a combination of domestic developments—collapsing economies and the erosion of central authority with the elimination of the decisive role of communist parties—would create conditions in which criminality would thrive. Some external observers believe that this is in fact what has happened in Russia. In the United States, Director of

<sup>1</sup> Laurance, E. J., 'The new gunrunning', *Orbis*, spring 1989, pp. 25–37; and Karp, A., 'The trade in major conventional weapons', *SIPRI Yearbook 1988: World Armaments and Disarmament* (Oxford University Press: Oxford, 1988), pp. 188–94.

<sup>2</sup> In the growing literature on light weapons trade relatively little has been written about Russia. One exception is Gonchar, Ks. and Lock, P., 'Small arms and light weapons: Russia and the former Soviet Union', eds J. Boutwell, M. Klare and L. Reed, *Lethal Commerce: The Global Trade in Small Arms and Light Weapons* (Committee on International Security Studies, American Academy of Arts and Sciences: Cambridge, Mass., 1995).

Central Intelligence John Deutch told the Congressional Committee on International Relations that Russian organized crime groups ‘exploit corruption, poor living conditions and chronic late wages in the Russian military to gain access to weapons and other stocks. Theft and illegal sales of these items have become routine. Military officers purchase weapons and smuggle contraband, including weapons and narcotics, via military transport, which cannot be searched by Russian law enforcement officials’.<sup>3</sup>

This chapter attempts to describe the extent and forms of illicit arms transfers both into and out of Russia in the context of these political and economic developments. As noted above, illicit arms transfers are defined as those that are unauthorized by the state. This chapter does not discuss transfers which seem to have taken place with the knowledge and consent of the state—for example, to sub-state groups in certain members of the CIS—which are discussed in chapter 9 of this book. The discussion is made more difficult by the fact that comprehensive data on illicit arms transfers are by definition unavailable. Some data on the volume of weapons intercepted by law enforcement agencies are available. However, what percentage of the total trade this represents can only be the subject of speculation.

The descriptive and anecdotal information which is available in public sources is also difficult to evaluate. The public sources may give an impression of events but it is likely that some of what is reported is wrong (even in some cases deliberate disinformation) and that most of what is reported represents only a part of the truth. While this is a general problem with public information on arms transfers, it is undoubtedly worse in the case of the illicit arms trade.

Interpreting the data available is made more complicated by the fact that the issue of the illicit arms trade has become an element of the fierce domestic political debate as the new state of Russia develops new government structures. There have been conflicts between the high command of the Russian armed forces, the Federal Security Service (the successor to the Committee of State Security, *Komitet gosudarstvennoy bezopasnosti*, KGB), the paramilitary forces of the Ministry of the Interior and the border security forces over how responsibility for certain security-related tasks should be divided. In this ‘turf war’ allegations of criminality or incompetence have been made by one service against another and the illicit arms trade has often featured in these allegations. Similarly, there has been competition between different agencies about who should have the responsibility of implementing Russia’s arms transfer policy.<sup>4</sup> Here, too, public allegations that one or other state agency is either corrupt or incompetent in its management of the arms trade have played a role in an inter-agency competition for power.

<sup>3</sup> Prepared statement of John Deutch, Director of Central Intelligence, *The Threat from Russian Organized Crime*, Hearing before the US House of Representatives Committee on International Relations, 30 Apr. 1996 (US Government Printing Office: Washington, DC, 1996), p. 49.

<sup>4</sup> These are described in more detail in chapters 6 and 7 of this volume.

### Some observations on illicit arms transfers

At the outset it is useful to comment on the relationship between illicit arms transfers and the law. Arms transfers can be seen as a policy issue or as a legal issue. From a policy perspective, there is scope for disagreement about the wisdom of any individual arms transfer and some observers are likely to regard any given transfer as a bad policy choice. However, these arms sales are not illegal. It is also true that a sale may take place which is regarded by the government of the exporter or importer as undesirable but there may be no law that gives the authority to prevent this arms transfer. For this reason, in recent years the UN has encouraged all member states to enact laws defining all the conditions for legal arms import and export.<sup>5</sup> Finally, there may be transactions which take place without the knowledge or consent of governments which have national laws establishing the conditions for legitimate arms transfers. These transfers are illegal.

The notion of an illicit arms sale is therefore wider than the notion of an illegal arms sale because it covers those cases where there are no laws. There is widespread agreement that the state should exercise control over arms and military equipment because of the special dangers that these goods pose to people and property. For the purposes of this chapter, therefore, the definition of an illicit arms transfer is one which is not undertaken as a conscious act of policy by either the government of the country from which supplies originate or the government of the eventual end-user.

Legitimate arms transfers—that is, those conducted with the knowledge and approval of governments—are usually considered to be part of the military dimension of international relations. This being so, the actions and intentions of national governments are the central focus of the analysis.<sup>6</sup> This focus on governments remains valid even in countries where defence manufacturing is conducted by private companies rather than by the state. In countries with significant private arms industries there also tend to be strict regulations governing sales to foreign customers.

Where illicit transfers are concerned, however, the study of government decisions is not the only avenue of inquiry. By definition, the relationships on which the illicit arms trade depends include at least one non-government actor.<sup>7</sup> This is a key distinction. It is widely acknowledged that there are some circumstances in which the use of violence by the state can be legitimate and necessary—in the domestic context of maintaining order and enforcing the law or in

<sup>5</sup> For instance, this was recently restated in the Guidelines for International Arms Transfers in the context of General Assembly Resolution 46/36H of 6 Dec. 1991, adopted unanimously by the UN Disarmament Commission at its meeting of 22 Apr.–7 May 1996. UN document A/CN.10/1996/CRP.3, 3 May 1996.

<sup>6</sup> Krause, K., 'Military statecraft: power and influence in Soviet and American arms transfer relationships', *International Studies Quarterly*, vol. 35 (1991).

<sup>7</sup> Phil Williams and Stephen Black tried to develop a conceptual approach to what they call the 'grey area phenomenon' of efforts by states to regulate transnational interactions. Williams, P. and Black, S., 'Transnational threats: drug trafficking and weapons proliferation', *Contemporary Security Policy*, vol. 15, no. 1 (Apr. 1994), pp. 127–51.

the international context of defence against external aggression or participation in UN operations.

There is not the same degree of consensus behind the idea of legitimate use of force by non-state actors. Assaults on other persons or property for personal gain are clearly not acceptable forms of behaviour. However, there are various UN resolutions which acknowledge the rights of non-state groups to resist colonial occupation. Equally, it is acknowledged that within a political commonwealth the rights of the sovereign power are not unlimited. If power is exercised by the sovereign in a way that violates the conditions on which the commonwealth is based then the authority of the sovereign is likely to be challenged. In other words, there are ambiguities and matters of judgement which inevitably surround the notion of an illicit arms transfer.

A special category of international arms transfers are those that occur with the knowledge and consent of one government (which could be at either the supplier or the recipient end of the transaction) but without the knowledge and consent of the other. As described in chapter 3, there were many such arms transfers during the cold war when both the Soviet Union and the United States regularly used military assistance to sub-state groups as an instrument of policy. These cases may lead to criminal acts being committed in either the supplier country (violations of export laws) or the recipient country (violations of import laws) but not both.<sup>8</sup>

As far as the specific case of Russia is concerned, the production, possession, import and export of arms are all regulated. Article 218 of the Criminal Code of the Russian Federation establishes procedures for the legal acquisition, storage and sale of firearms in Russia. The procedures for export regulation are described in chapter 6 of this volume.

## II. The extent and forms of illicit arms transfers

During the Soviet period unauthorized possession of arms was not unknown in Russia. In 1988 the deputy minister of civil aviation said that each year routine security checks at airports produced ‘hundreds’ of cases of smuggling of firearms and other weapons (usually hand-grenades).<sup>9</sup> However, it seems clear that the number of cases and the volume of unauthorized weapons in circulation are higher than before.

The possession of firearms is regulated but not prohibited in Russia. According to Russia’s national submission to the international study on firearms regulation organized by the UN Commission on Crime Prevention and Criminal Justice, there are estimated to be 3.2 million gun-owners in Russia. The great

<sup>8</sup> For example, in the 1980s much attention was paid to the arms procurement efforts of the Government of Iran.

<sup>9</sup> *The Independent*, 4 July 1988, p. 9. One source has estimated that in 1986 there were around 80 000 unlicensed firearms in the former Soviet Union, although the basis for the estimate is not provided. *Argumenty i Fakty*, no. 5 (Jan. 1996), p. 11 (in Russian) in Foreign Broadcast Information Service, *Daily Report—Central Eurasia* (hereafter FBIS-SOV), FBIS-SOV-96-025, 6 Feb. 1996, pp. 32–34.

majority of these guns are legally registered and are not classified as military-style firearms.<sup>10</sup> However, the number of seizures of such weapons by police has grown in recent years. In 1997 the police in Moscow were confiscating around 1000 guns per month which were held without the required documentation.<sup>11</sup> In the period 1994–96 the police of the Ministry of the Interior confiscated 1250 illegal firearms, 1 million rounds of ammunition, 200 grenades and 900 kg of explosives at Russian airports.<sup>12</sup>

The number of crimes involving firearms in Russia grew from 3600 in 1988 to 7200 in 1990 and 22 500 in 1993. In 1993, according to the Federal Security Service, there were over 3000 non-state paramilitary and armed criminal formations in Russia which held around 200 000 automatic weapons between them.<sup>13</sup> At the end of 1996 the sub-unit of the Federal Security Service dealing with illegal trafficking in drugs and weapons had more than 1000 independent inquiries under way, although not all were related to arms trafficking.<sup>14</sup> It also seems likely that the types of weapon available without government authorization are of greater capability than those in circulation during the Soviet period. In 1993, according to the Public Order Directorate of the Russian Ministry of the Interior, almost 2000 automatic rifles, 140 machine-guns, six anti-tank missile launchers and 33 grenade-launchers were confiscated from criminals.<sup>15</sup> In 1993, also according to the Ministry of the Interior, 300 000 hand-grenades were stolen from Russian arms depots.<sup>16</sup>

In terms of the international dimension of the illicit arms trade, the indicators available consist of customs or border security service interceptions of shipments either entering or leaving Russia. Press reports of seizures of weapon shipments entering and leaving Russia have been frequent in recent years. These reports underline the fact that this kind of trade occurs. While they cannot give any definitive measure of the scale or pattern of the trade, in December 1994 the Deputy Chief of the Russian Federal Border Troops stated that seizures at the border in 1994 were sufficient to arm two anti-tank regiments.<sup>17</sup> There are reports of arms transfers into and out of Russia across virtually all the new state borders. However, the border between Azerbaijan and the Russian republic of Dagestan and the borders between Russia and Estonia, Latvia and Lithuania are particularly prominent in many reports. There are also press reports that arms are smuggled by sea, for example, to the Kurdish Workers' Party (PKK) in Turkey.<sup>18</sup>

<sup>10</sup> UN, Commission on Crime Prevention and Criminal Justice Division, Draft United Nations International Study on Firearm Regulation, UN document E/CN.15/1997/CRP.6, 25 Apr. 1997, p. 37.

<sup>11</sup> Both figures as reported in the Internet source *Johnson's Russia List*, 13 Mar. 1997, distributed from fweir.ncade@rex.iasnet.ru.

<sup>12</sup> ITAR-TASS, 3 June 1997 (in Russian) in FBIS-SOV-97-154, 3 June 1997.

<sup>13</sup> *Nezavisimaya Gazeta*, 27 Oct. 1995 (in Russian) in FBIS-SOV-95-224, 21 Nov. 1995, pp. 2–3.

<sup>14</sup> *Rossiyskaya Gazeta*, Weekend Edition, 20 Dec. 1996 (in Russian) in FBIS-SOV-96-246, 20 Dec. 1996.

<sup>15</sup> *Segodnya*, 8 June 1994, p. 1 (in Russian) in FBIS-SOV-94-111, 9 June 1994, p. 26.

<sup>16</sup> *Süddeutsche Zeitung*, 9 June 1994, p. 8 (in German).

<sup>17</sup> *Jane's Intelligence Review Pointer*, Jan. 1995, p. 7.

<sup>18</sup> *Milliyet*, 7 Jan. 1997 (in Turkish) in Foreign Broadcast Information Service, *Daily Report—West Europe* (hereafter FBIS-WEU), FBIS-WEU-97-007, 7 Jan. 1997.

The problem of monitoring imports and exports in the post-Soviet geographical space in any systematic way is immense. Neither the legal basis for cooperation in managing trade nor the physical disposition of customs posts has been brought into line with Russia's new borders. Gary Bertsch and Igor Khripunov point out that in recent years the Russian Customs Service has grown from 7000 employees to 54 000 (around three times the size of the US Customs Service). However, Russia has 25 000 km of frontiers, many of which have only recently become international borders.<sup>19</sup> Russian customs officials also continue to operate in what are now independent states to assist in monitoring trade and enforcing different export laws. However, what these officials can and cannot do is regulated by the specific laws in the host country.

Given these realities, export control authorities in Russia are particularly dependent on the voluntary compliance of industry. However, there is evidence that customs officials are the targets of criminals who offer bribes in order to escape from the existing legal framework for exports.<sup>20</sup>

Sometimes arms shipments are stopped because of legal violations or irregularities related to the documentation required for trans-shipment rather than because they are illicit. For example, a shipment of Russian arms to Angola was detained in the UK because it lacked the documentation required by British port authorities. The transfer was authorized by both the Russian Government as a supplier and the Angolan Government as a recipient.<sup>21</sup> Similarly, a shipment of artillery ammunition from Russia to Lebanon was detained at the Russian-Ukrainian border because it lacked a transit document.<sup>22</sup>

Other information is probably too unreliable to be used as any kind of indicator. For example, there have been many stories published in Russia and elsewhere about illicit arms transfers for which there is no evidence at all or which cannot be confirmed. Many of these unsubstantiated stories have appeared in the German media and concerned arms transfers from Russian forces in Germany to the armed conflict in the former Yugoslavia.<sup>23</sup>

### III. Sources of supply and demand

The sources of supply of weapons in Russia can be divided into three different categories. First, weapons have been available from the inventory of the armed

<sup>19</sup> Bertsch, G. and Khripunov, I., *Restraining the Spread of the Soviet Arsenal: Export Controls as a Long-Term Nonproliferation Tool* (Center for International Trade and Security, University of Georgia: Athens, Ga., Mar. 1996), pp. 10–11.

<sup>20</sup> According to Bertsch and Khripunov, in 1994 the General Prosecutor's Office identified over 1700 cases of violations by customs officials, although it is not specified how many of these related to transfers of conventional arms. See note 19, p. 10.

<sup>21</sup> *Campaign Against the Arms Trade News*, Feb. 1994, p. 4.

<sup>22</sup> *Neue Zürcher Zeitung*, 29 Sep. 1995, p. 3 (in German). The Ukrainian authorities have occasionally pointed to the issue of customs control over trains passing through their territory. *Molod Ukrayiny*, 7 Sep. 1995 (in Ukrainian) in FBIS-SOV-95-175, 11 Sep. 1995, p. 58.

<sup>23</sup> In Sep. 1994 a senior representative of the German security services confirmed that there was no information to support these allegations. ITAR-TASS, 30 Sep. 1994 (in Russian) in FBIS-SOV-94-192, 4 Oct. 1994, p. 3. Sergey Stepashin, Director of the Russian Federal Counter-Intelligence Service, described the stories as 'a complete fabrication'.

forces of the former Soviet Union. Second, weapons have been available from arms manufacturers in Russia and other newly independent states. Third, weapons have been imported from other states. Similarly, the demand for illicit weapons comes from three different types of user. First, there are Russian users with political motivations—for example, the irregular forces fighting in Chechnya. Second, there are foreign customers engaged in armed conflicts. Third, there are criminal elements (either in Russia or abroad) who wish either to use the weapons themselves or to act as intermediaries, supplying either of the other types of user for profit.

### **Sources of supply for illicit arms**

#### *Inventory control in the armed forces of the former Soviet Union*

The speed of the disintegration of the Soviet Union created an immense problem of inventory control for the armed forces. Suddenly it was necessary to accomplish several things for which little or no planning had been undertaken. The Soviet armed forces stationed throughout East–Central Europe in the framework of the military structures of the WTO were to be withdrawn. Before this could be accomplished, the integrated Soviet armed forces were to be divided between the newly independent states as part of their attempt to create independent, national armed forces. At the same time, the armed forces also faced an extremely uncertain economic and social outlook. From 1992 sharp reductions in military expenditure began to have a direct impact on the income of servicemen. Many different figures were published by official spokesmen indicating a significant reduction in the numbers of people to be employed in the future Russian armed forces. The armed forces therefore no longer offered either adequate income or security of employment.

In the period immediately after the end of the Soviet Union the regulations that governed the new Russian armed forces were also unclear, creating some ambiguity about what was permitted and what was not permitted. In December 1991 the heads of 11 departments of the CIS Joint Armed Forces Command established a business corporation called the Military Exchange Section which was intended to ‘coordinate the cooperation of the armed services and the main and central departments of the army and navy with trading and commercial structures’. Shortly afterwards the Commander of the CIS Joint Armed Forces, Marshal Yevgeniy Shaposhnikov, commissioned a report on this activity which suggested that the authority for this commercial venture was invalid since it was based on a 1991 decision of the USSR Council of Ministers.<sup>24</sup> Four months later all commercial transactions were prohibited by a presidential decree.

Against this background, it is not surprising that there was a degree of equipment leakage out of the inventories of the various Soviet armed formations.<sup>25</sup>

<sup>24</sup> *Moscow News*, no. 15 (1992), p. 8; and no. 17 (1992), p. 10.

<sup>25</sup> *The Guardian*, 15 Oct. 1994, p. 3.

These activities were the subject of an inquiry by the Russian Military Prosecutor's Office, which compiled a list of violations of two presidential decrees. Decree no. 361 of 4 April 1992 'On the struggle against corruption in the system of government service' made it illegal for people serving in the armed forces to engage in commercial activities. Decree no. 1513 of 30 November 1992 'On the order of the sale and use of military property being released' established regulations for the disposal of surplus equipment. The finding of the report was that these decrees were being 'systematically violated'.<sup>26</sup>

These activities not only involved sales of arms and other military equipment but included commercial transactions involving items of all kinds as well as unauthorized use of buildings and land.

These reports notwithstanding, the extent to which deliveries of arms from inventories of the Russian military can be called illicit is not clear. In October 1992 the Ministry of Finance approved the creation of a commercial entity, Voyentech, within the Ministry of Defence whose purpose was to generate earnings from the disposal of equipment and property to meet the social needs of servicemen. Voyentech was managed by an official with the rank of Colonel-General and with the title Deputy Minister of Defence and had both rouble and foreign currency accounts registered with appropriate authorities.<sup>27</sup> It is therefore questionable whether this agency could accurately be described as illicit. However, questions have been raised about whether the armed forces kept within the regulations and policy guidelines laid down for their operation. A lack of transparency and of instruments for overseeing the actions of the military has compounded the problem of controlling the disposal of assets.

The full extent to which it has actually transferred weapons and military equipment is also unclear. One of the transactions most discussed was the sale of one T-80U tank and one 2S6 Tunguska air defence system to the United Kingdom in 1992. At the time when the deal was made neither the T-80U nor the 2S6 were cleared for export. However, the negotiation of these transfers was authorized by the Deputy Prime Minister, Georgiy Khizha, and conducted within the framework of a presidential decree. In another case Voyentech applied for permission to export 2000 assault rifles and 2 000 000 rounds of ammunition to Yugoslavia (Serbia and Montenegro). However, when permission was denied the deal was not fulfilled.<sup>28</sup>

In April 1997 a member of parliament, Lev Rokhlin, Chairman of the Duma Defence Committee, drew attention to what he claimed was a massive diversion of equipment from the inventory of the Russian armed forces. According to Rokhlin, between 1993 and 1996 the Group of Russian Forces in the Caucasus transferred to Armenia a large amount of major equipment as well as small arms, ammunition, stores and non-lethal equipment. This was alleged to include

<sup>26</sup> Lt-Gen. Grigoriy N. Nosov (Acting Chief Military Prosecutor), 'Representation on the elimination of violations of the legislation forbidding military servicement to engage in commercial activities', *Moscow News*, no. 34 (26 Aug.-1 Sep. 1994), pp. 1, 3.

<sup>27</sup> *Moscow News*, no. 12 (28 Mar.-3 Apr. 1996), p. 4.

<sup>28</sup> See note 27.



**Table 12.1.** Select equipment allegedly transferred to Armenia from the Group of Russian Forces in the Caucasus, 1993–96

Designation	Description	Quantity
SS-1 Scud Launcher	Surface-to-surface missile launcher	8
SS-1 Scud-B	Surface-to-surface missile	32
SA-4 SAM system	Anti-aircraft vehicle (missile)	27
SA-4 Ganef	Surface-to-air missile	349
SA-8 Gecko	Surface-to-air missile	40
SA-18 Gripstock	Man-portable surface-to-air missile launcher	26
SA-18	Man-portable surface-to-air missile	200
T-72	Main battle tank	84
BMP-1	Armoured personnel carrier	4
AT-4 Spigot	Anti-tank missile	945
BMP-2	Armoured infantry fighting vehicle	50
D-30 122-mm	Towed gun	36
D-20 152-mm	Towed gun	18
D-1 152-mm	Towed howitzer	18
BM-21	Multiple-launch rocket system	18

Source: *Sovetskaya Rossiya*, 3 Apr. 1997 (in Russian) in FBIS-SOV-97-967, 3 Apr. 1997.

26 mortars, 306 sub-machine-guns, 7910 assault rifles and 1847 pistols.<sup>29</sup> A list of the major equipment is shown in table 12.1. A trilateral commission was subsequently established including Armenian, Azerbaijani and Russian participants in order to investigate the truth and implications of this allegation.<sup>30</sup>

As noted in the introduction to this chapter, the allegations of illegal or illicit arms transfers have been an element in the internal political struggle within the Russian Government and power structure, although this does not necessarily mean that the allegations are without foundation.<sup>31</sup>

Most public attention outside Russia has been paid to the activities of the Western Group of Forces during the withdrawal from Germany. These activities were the subject of parliamentary hearings during which the former Commander of the Western Group of Forces, Matvey Burlakov, acknowledged that some equipment had been disposed of both by legitimate transfers and through illicit sales. Former Defence Minister Pavel Grachev also acknowledged ‘corruption, theft, smuggling and illegal deals’ involving the Western Group of Forces.<sup>32</sup>

<sup>29</sup> *Sovetskaya Rossiya*, 3 Apr. 1997 (in Russian) in FBIS-SOV-97-967, 3 Apr. 1997.

<sup>30</sup> As of Aug. 1997 this commission had not yet begun its work. Turan, Baku, 16 Aug. 1997 (in Russian) in FBIS-SOV-97-228, 16 Aug. 1997; and Yerevan Snark, 19 Aug. 1997 (in Russian) in FBIS-SOV-97-232, 20 Aug. 1997.

<sup>31</sup> Many of the allegations have been directed at the Ministry of Defence and originated in the Presidential Security Service at the time when it was led by Gen. Alexander Korzhakov. In the most recent example, Gen. Korzhakov prepared a report alleging Ministry of Defence complicity in illegal arms sales to Croatia. *Le Figaro*, 1 Apr. 1995, p. 3 (in French).

<sup>32</sup> *Komsomolskaya Pravda*, 15 Sep. 1994 (in Russian) in FBIS-SOV-94-179, 15 Sep. 1994, p. 22; and Interfax, 28 Nov. 1994 (in English) in FBIS-SOV-94-229, 29 Nov. 1994, p. 29. Burlakov was dismissed

Although these have been the most widely reported activities, other armed formations have been accused of making illicit arms transfers. Russian forces in Kaliningrad and the Baltic states have been mentioned as sources of illicit arms transfers.<sup>33</sup> Russian troops in Georgia have often been accused of supplying arms to various armed formations in Abkhazia and Ossetia.<sup>34</sup> In 1996 it was also alleged that the Russian border security forces were engaged in illegal arms sales to Abkhazian forces.<sup>35</sup> Russian troops in the Kurgan Tyube Oblast have been accused of supplying arms to groups in Tajikistan.<sup>36</sup> The 14th Army, based in Moldova, has regularly been accused of transactions both with local political groups and with criminals based in Moscow and Kiev.<sup>37</sup>

### *Sales by arms manufacturers in Russia*

Allegations of illicit arms transfers from industry can be divided into two types: (a) that employees in a factory establish illegal commercial operations without the knowledge of the senior management—small groups of employees may either divert production or undertake unauthorized production to meet an order using machinery and materials available at the factory; and (b) that the enterprise managers deliberately evade the regulations on arms transfers either alone or with the cooperation of individuals in the government authorities themselves.

From the late 1980s arms manufacturers began to establish commercial trading offices under the authorization of the then Ministry of Defence Industry (a sectoral ministry subsequently incorporated into the Russian State Committee on Defence Industries, Goskomoboronprom). These entities, which initially operated legitimately, subsequently lost their rights to export arms under the revised export regulations introduced in Russia.<sup>38</sup> During the period of legitimate trading, commercial ties were developed with trading companies operating overseas—for example, in Cyprus. Many of the allegations of illicit arms trading suggest that, although export licences give Cyprus as the end-user of the weapons concerned, the size of the shipments makes it more likely that these will actually be re-transferred to a different destination.<sup>39</sup> For example, during the war in Chechnya the link between the Izhevsk Mechanical Plant in Russia

by President Yeltsin after allegations that he was involved in or, at a minimum, did too little to prevent the illicit sales. *International Herald Tribune*, 15 Nov. 1994, p. 1.

<sup>33</sup> *The Guardian*, 21 May 1992, p. 4.

<sup>34</sup> Interfax, 21 Sep. 1992 (in English) in FBIS-SOV-92-184, 22 Sep. 1992, p. 62; Interfax, 2 Oct. 1992 (in English) in FBIS-SOV-193, 5 Oct. 1992, pp. 64–65; and *New Europe*, 8–14 Oct. 1995, p. 37. In Georgia in 1992 there were also cases of local groups stealing equipment from Russian forces or coercing Russian forces to turn over arms and equipment.

<sup>35</sup> *Tbilisi Rezonansi*, 12–13 Mar. 1996 (in Georgian) in FBIS-SOV-96-061, 28 Mar. 1996, p. 59; and Interfax, 26 Mar. 1996 (in English) in FBIS-SOV-96-060, 27 Mar. 1996, pp. 68–69.

<sup>36</sup> Moscow Mayak Radio, 14 Sep. 1992 (in Russian) in FBIS-SOV-92-179, 15 Sep. 1992, p. 38.

<sup>37</sup> Basapress, Chisinau, 25 July 1994 in FBIS-SOV-94-144, 27 July 1994, p. 49; Basapress, Chisinau, 8 Aug. 1994 in FBIS-SOV-94-154, 10 Aug. 1994, p. 43; *Krymskaya Pravda*, 22 Feb. 1994, p. 2 (in Russian) in FBIS-SOV-95-052, 17 Mar. 1994, pp. 35–36; *Moscow News*, no. 27 (14–20 July 1995), p. 1; and *Baltic Independent*, 1–7 Sep. 1995, p. 6.

<sup>38</sup> This process of changing regulation is described in chapter 6 in this volume.

<sup>39</sup> *Literaturnaya Gazeta*, no. 16 (19 Apr. 1995), p. 13 (in Russian) in FBIS-SOV-95-084, 2 May 1995, pp. 4–6; and *Pravda*, 12–19 Jan. 1996, p. 5 (in Russian) in FBIS-SOV-96-022, 1 Feb. 1996, pp. 54–57.

and the Lora Trading Company in Nicosia was investigated by the Russian Ministry of the Interior and the Federal Security Service.<sup>40</sup>

Most of the reports of illicit arms transfers from arms factories seem to be connected to arms factories in Tula and Izhevsk. These are the locations of the largest factories manufacturing small arms and light weapons, which make up the largest part of the illicit arms trade, so that this is not surprising.<sup>41</sup>

### *Illicit arms imports*

The combination of the growing demand for weapons among non-state groups of various kinds in Russia and the porous borders of the new state has led to a significant volume of illicit arms imports.

As described above, there have been major challenges to both the security and the integrity of weapon stockpiles owned by the Russian armed forces and also an economic crisis in the manufacturing sector in Russia. However, in some of the countries which are Russia's new neighbours the problems are even greater. For example, in a recent poll of officers in the Ukrainian armed forces 70 per cent of respondents identified uncontrolled sales of military equipment as a serious problem.<sup>42</sup>

The Russian armed forces stationed in the Baltic states of Estonia, Latvia and Lithuania were often reported to be an important source of arms for criminal groups. Weapons were reported in some cases to have been stolen from bases and in some cases to have been sold by the troops.<sup>43</sup> There are also occasional reports of small shipments of arms from other neighbouring states, such as Azerbaijan and Georgia.<sup>44</sup>

<sup>40</sup> *Rossiyskaya Gazeta*, 19 Aug. 1997 (in Russian) in FBIS-SOV-97-233, 21 Aug. 1997.

<sup>41</sup> Tula is the main location of production facilities for portable anti-tank missiles and rockets; Izhevsk is the main location of production facilities for several lightweight automatic weapons including the Kalashnikov family of weapons. *Izvestiya*, 4 May 1994 (in Russian) in FBIS-SOV-94-087, 5 May 1994, p. 32; *Segodnya*, 8 June 1994 (in Russian) in FBIS-SOV-94-111, 9 June 1994, p. 26; *Rossiyskaya Gazeta*, 24 Nov. 1994 (in Russian) in FBIS-SOV-94-229, 29 Nov. 1994, pp. 29–30; *Rossiyskaya Gazeta*, 28 Dec. 1994 (in Russian) in FBIS-SOV-94-250, 29 Dec. 1994, p. 13; *Nezavisimaya Gazeta*, 27 Oct. 1995, pp. 1–2 (in Russian) in FBIS-SOV-95-224, 21 Nov. 1995, pp. 2–3; Tbilisi Radio, 7 Aug. 1995 (in Georgian) in FBIS-SOV-95-152, 8 Aug. 1995, p. 79; Tallin Baltic News Service, 22 May 1996 (in English) in FBIS-SOV-96-101, 23 May 1996, p. 57; and *Baltic Times*, 30 May–5 June 1996, p. 3.

<sup>42</sup> Open Media Research Institute, *OMRI Daily Digest*, no. 123, part II (25 June 1996). In 1992 there were already reports of Chechen arms dealers visiting Ukraine. *Molod Ukrayiny*, 3 Sep. 1992 (in Ukrainian) in FBIS-SOV-92-180, p. 39.

<sup>43</sup> On Estonia, see Interfax, 6 May 1994 (in English) in FBIS-SOV-090, 10 May 1994, p. 8; *Rossiyskaya Gazeta*, 26 Aug. 1994 (in Russian) in FBIS-SOV-94-169, 31 Aug. 1994, pp. 17–18; *Baltic Times*, 30 May–5 June 1996, p. 2; Interfax, 23 July 1996 (in English) in FBIS-SOV-96-143, 24 July 1996, p. 39; and *Baltic Times*, 1–7 Aug. 1996, p. 4. On Latvia, see *Defense News*, 15–21 June 1992, p. 38; *Diena*, 2 Mar. 1995 (in Latvian) in FBIS-SOV-95-048, 13 Mar. 1995, p. 86; and *Baltic Independent*, 7–13 July 1995, p. 4. On Lithuania, see Vilnius Radio, 29 Sep. 1994 (in Lithuanian) in FBIS-SOV-94-190, 30 Sep. 1994, p. 87; *Baltic Independent*, 7–13 Oct. 1994, p. 5; and *Baltic Independent*, 15–21 Oct. 1994, p. 3.

<sup>44</sup> Interfax, 10 May 1994 (in English) in FBIS-SOV-94-090, 10 May 1994, p. 9; and *New Europe*, 8–14 Sep. 1996, p. 47.

#### IV. The case of arms supplies to Chechnya

In 1995 and 1996 a great deal of attention in Russia was paid to the questions how the irregular forces fighting in Chechnya were able to arm themselves and how they managed to re-supply themselves during the war. The information available in published sources suggests that the Chechen forces used all the sources of supply outlined above.

There have been several commissions of inquiry into the origins of the war in Chechnya, including enquiries by the Ministry of Defence and by independent investigators. While there is still some conflicting information about events, the reports of these commissions give some indication of how the armed formations operating in Chechnya were created and supplied. The main focus has been on the period of chaos in late 1991 and early 1992 as the Soviet Union was suddenly dissolved.

The Govurukhin Commission reported in February 1996 that armed formations were already being established in Chechnya in 1991. In August 1991 the National Guard of the Executive Committee of the All-National Congress of the Chechen People was formed. The Congress declared on 26 November 1991 that all military equipment stationed in Chechnya belonged to the Chechen Republic and could not be removed.<sup>45</sup>

In December 1991 the Soviet Union decided to close several bases in Chechnya and withdraw its forces, which had effectively become hostages in an increasingly hostile local environment.<sup>46</sup> In early 1992, as this was being undertaken, Chechen forces seem to have acquired large amounts of equipment of all kinds from departing Soviet forces. In some cases this acquisition was accomplished through theft but a large amount of equipment appears to have been turned over by Soviet forces on the instruction of the government.<sup>47</sup> In

<sup>45</sup> The commission was established by the parliament to investigate the origins of the war in Chechnya and led by Stanislav Govurukhin. Its report was published in 6 sections in consecutive issues of *Pravda*; the sections on the arming of Chechen formations are reproduced in FBIS-SOV-96-062, 29 Mar. 1996, pp. 31–38.

<sup>46</sup> Soviet formations in Chechnya included a training division for tank forces, an anti-aircraft defence communications and processing unit, the Ministry of the Interior 566th escort regiment, a military hospital and several smaller units. *Argumenty i Fakty*, Feb. 1996 (in Russian) in FBIS-SOV-96-029, 12 Feb. 1996, p. 7.

<sup>47</sup> Pavel Grachev was First Deputy Minister of Defence in the Soviet Union in Dec. 1991 and Marshal Yevgeniy Shaposhnikov was Minister of Defence. Grachev became Minister of Defence in May 1992. In Dec. 1994 and Jan. 1995 Grachev and Shaposhnikov made a series of allegations and counter-allegations accusing each other of responsibility for the loss of equipment to Chechen forces.

The formal orders to transfer equipment to Chechen forces were issued over Grachev's signature on 20 May 1992. However, a report prepared by the Ministry of Defence underlined that this reflected the circumstances inherited by Grachev from his predecessor. *Krasnaya Zvezda*, 18 Jan. 1995 (in Russian) in FBIS-SOV-95-011, 18 Jan. 1995, pp. 31–32; *Moscow News*, 20–26 Jan. 1995, p. 2; *Literaturnaya Gazeta*, nos 1–2 (11 Jan. 1995) (in Russian) in FBIS-SOV-95-015, 24 Jan. 1995, pp. 38–40; and *Argumenty i Fakty*, no. 32 (Aug. 1995) (in Russian) in FBIS-SOV-95-155, 11 Aug. 1995, pp. 36–37. This was subsequently used against Grachev by political opponents. *Komsomolskaya Pravda*, 4 Mar. 1995 (in Russian) in FBIS-SOV-95-043, 6 Mar. 1995, p. 33.

It should be noted that there are alternative versions of events. P. Shirshov, Chairman of the Committee on Security and Defence of the Federation Council, stated in an interview: 'When our troops were leaving

**Table 12.2.** Basic weapons and military equipment seized on the territory of the Chechen Republic

Designation	No. of items stationed in Chechnya	No. of items acquired by Chechen forces
Tactical rocket systems	4	2
L-39 and L-29 jet trainer aircraft	260	260
Tanks	42	42
Infantry fighting vehicles	34	34
Armoured personnel carriers	14	14
Combat tractors	44	44
Other vehicles	1 063	942
Artillery systems	199	139
Anti-tank systems	101	89
Air-defence missile systems	9	5
Air-defence radars	23	23
Anti-aircraft guns	9	9
Anti-aircraft systems(gun/missile)	18	16
Man-portable air defence rocket-launchers	88	88
Firearms		
automatic weapons	35 748	24 737
machine-guns	1 682	1 682
pistols	18 715	10 119
carbines	946	895
rifles	506	362

Sources: Interfax, 25 Feb. 1995 (in English) in FBIS-SOV-95-038, 27 Feb. 1995, pp. 14–15; and *Pravda*, 2 Mar. 1996 (in Russian) in FBIS-SOV-96-062, 29 Mar. 1996, p. 35.

1995 documents were published in *Moscow News* indicating that the Ministry of Defence had authorized the transfers of equipment.<sup>48</sup>

Table 12.2 gives the estimates made by the Govurukhin Commission of the amount of equipment acquired by the Chechen forces from Soviet and Russian forces during the period December 1991–August 1992.

It has since also been alleged that Russian forces fighting in Chechnya either sold or surrendered their arms and equipment to irregular forces, although the scale of this activity seems to have been limited.<sup>49</sup>

During the peace negotiations in 1995 one element discussed intensively was the scale of equipment holdings among various Chechen armed formations. According to the Russian side, Chechen forces held 45 000 guns of all kinds.<sup>50</sup>

If this figure and those given by the Govurukhin Commission are correct, this suggests that about 38 000 (85 per cent) of the guns in the possession of

Chechnya, President Gorbachev issued an order to leave all equipment there'. Interview in *Sovetskaya Rossiya*, 24 Dec. 1994, p. 1 (in Russian) in FBIS-SOV-95-004, 6 Jan. 1995, p. 38.

<sup>48</sup> *Moscow News*, 20–26 Jan. 1995, p. 2.

<sup>49</sup> Ostantkino Television, 1 Mar 1995 (in Russian) in FBIS-SOV-95-040, 1 Mar. 1995, pp. 31–32; and *Moscow News*, no. 31 (11–17 Aug. 1995), p. 3.

<sup>50</sup> Interfax, 19 Sep. 1995 (in English) in FBIS-SOV-95-182, 20 Sep. 1995, pp. 45–46.

Chechen forces came from the inventory of the former Soviet Union. However, as the commission makes clear, allegations of arms sales to Chechen forces by suppliers in many other countries have also been made since at least November 1991. In late 1996 analysts at the Russian Federal Security Service released a report entitled 'An analysis of supplies received by illegal Chechen formations' which apparently identified at least five countries as offering military assistance to Chechen fighters—Afghanistan, Jordan, Lebanon, Saudi Arabia and Turkey.<sup>51</sup> According to the report the main sources of funding for this assistance were donations from the Chechen diaspora in the Middle East (notably Iraq, Jordan and Saudi Arabia).

According to the Russian State Duma, other Russian republics have also become a source of arms supplies to Chechnya. One serious side-effect of the war in Chechnya has allegedly been the growth of arms traffic into and out of Dagestan, which is adjacent to the Chechen Republic. According to the representatives, the mass buying and selling of arms and ammunition in Dagestan has fed into a process of state-level organizations beginning to create their own paramilitary formations in order to try to cope with the problem of deteriorating law and order, a development which could in the longer term lead to a repeat of the 'Chechen scenario' in Dagestan.<sup>52</sup> To try to avoid this, Russia has deployed a total of 16 000 Interior Ministry troops around the external borders of Chechnya. In addition, a mixed security force including Interior Ministry troops and paramilitary policemen is manning checkpoints along the administrative border that separates Chechnya from the rest of Russia.<sup>53</sup>

Arms supplies to Chechen forces are also said to have originated in several CIS member states, particularly those closest to Chechnya. Azerbaijan has been named most often, although its government has denied any knowledge of or complicity in the traffic.<sup>54</sup> It is also alleged by some Russians that the heavier weapons of the Chechen forces (notably aircraft) which would be vulnerable to loss or capture in regular military operations have been stored at Azerbaijani bases.<sup>55</sup> Similarly, it has been alleged that arms have been supplied from the Abkhazia region of Georgia.<sup>56</sup> Among non-CIS member states Iran and Turkey

<sup>51</sup> Interfax, 8 Dec. 1996 (in English) in FBIS-SOV-96-237, 8 Dec. 1996.

<sup>52</sup> 'Appeal to the Russian Federation President and the Russian Federation Government on the adoption of measures to stabilize the situation in the North Caucasus', State Duma Decree no. 705, 18 Oct. 1996 (in Russian) in FBIS-SOV-96-212, 30 Oct. 1996.

<sup>53</sup> Interfax, 31 July 1997 (in English) in FBIS-SOV-97-212, 31 July 1997.

<sup>54</sup> *Respublika Armeniya*, 23 Feb. 1995 (in Russian) in FBIS-SOV-95-039, 28 Feb. 1995, p. 64; *Balkan News and East European Report*, 11–17 June 1995, p. 9; Turan, Baku, 5 Aug. 1995 (in Azeri) in FBIS-SOV-95-151, 7 Aug. 1995, p. 67; Interfax, 15 Aug. 1995 (in English) in FBIS-SOV-95-158, 16 Aug. 1995, p. 73; and Baku Radio Network, 25 Jan. 1996 (in Azeri) in FBIS-SOV-96-018, 26 Jan. 1996, p. 70.

<sup>55</sup> *Segodnya*, 5 Apr. 1996 (in Russian) in FBIS-SOV-96-068, 8 Apr. 1996, p. 6.

<sup>56</sup> *New Europe*, 5–11 Nov. 1995, p. 38; Tbilisi Iberia, 27 Feb. 1996 (in Georgian) in FBIS-SOV-96-039, 27 Feb. 1996, p. 60; and Tbilisi BGI, 28 Mar. 1996 (in Russian) in FBIS-SOV-96-062, 29 Mar. 1996, p. 70.

have most often been named, even by President Yeltsin, as sources of arms. Both their governments have denied all knowledge of or complicity in this.<sup>57</sup>

Arms are said to have come from all the Baltic states but most allegations are directed at suppliers in Estonia. Again, these allegations are denied by both the government and the dealers said to have organized the shipments.<sup>58</sup>

## V. Conclusions

The information available about illicit arms transfers into and out of Russia is sufficient to allow the conclusions both that such transfers take place and that this is a genuine security problem. Although the information is not adequate to support any systematic measurement of the volume or the direction of these flows, the two main centres of demand are ongoing armed conflicts and criminal gangs.

This survey of the open literature suggests that the widespread availability of arms among sub-state groups (both those with criminal and those with political objectives) has contributed to the heightened insecurity of Russian citizens. The personal security of Russian citizens has been reduced by the rise in armed criminal activity, while conflicts on Russian territory—most notably in Chechnya—have claimed many Russian lives.

Russia therefore has a strong self-interest in the success of measures (some of which are described in chapter 5 of this book) to control the illicit distribution of arms.

In terms of illicit arms supplies to other countries from Russia, it is necessary to be cautious in drawing definite conclusions about the role of the Russian authorities. For example, the extent to which the Russian Government has used arms transfers to achieve particular outcomes in the Caucasus region is difficult to quantify from the available sources.

There are also reasons to believe that the primary stocks of arms that have been traded illicitly were accumulated in 1991 and 1992. The conditions surrounding the rapid redeployments and withdrawals of Soviet and then Russian forces from Europe and elsewhere combined with the weakness of regulation and administrative arrangements after the withdrawal of the CPSU from politics to create the conditions that made illicit transfers possible. There is no strong evidence of a massive loss of control over the inventory of conventional arms owned by the Soviet armed forces. However, given that that inventory was enormous, a relatively small leakage in percentage terms probably involved significant quantities of equipment.

Although it is outside the terms of reference of this chapter, there is rather stronger evidence that control over the inventories of conventional weapons

<sup>57</sup> *Yerkir*, 22 Dec. 1994 (in Armenian) in FBIS-SOV-95-023, 3 Feb. 1995, p. 71; ITAR-TASS, 3 Oct. 1995 (in English); and Islamic Republic News Agency (Tehran), 24 Oct. 1995 (in English) in FBIS-SOV-95-206, 25 Oct. 1995, p. 24.

<sup>58</sup> Tallinn Baltic News Service, 17 Jan. 1995 (in English) in FBIS-SOV-95-010, 17 Jan. 1995, p. 83; and *Izvestiya*, 1 Feb. 1995 (in Russian) in FBIS-SOV-95-028, 10 Feb. 1995, p. 75.

inherited by post-Soviet states other than Russia was weak. However, it is impossible to trace the movements of weapons of Soviet origin with any precision. In conditions where Russia's external borders are still 'porous' (that is, there are no physical checks at all points of entry and exit) and cooperation within the framework of the CIS remains underdeveloped, it is likely that weapons can still move relatively freely within the post-Soviet space. It is therefore also likely that the pattern of illicit transfers will closely follow the demand generated by the various ongoing or latent post-Soviet conflicts. By extension, the primary mechanism for limiting the flow of arms will be successful conflict resolution.