

US embassy cable - 09STATE79547

BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK ON LICENSE 050180371

Identifier:09STATE79547 Wikileaks:View 09STATE79547 at Wikileaks.org Origin:Secretary of State
Created:2009-07-30 16:02:00 Classification:SECRETTags:ETTC KOMC GG SE UP BU Redacted:This cable was not redacted by Wikileaks. VZCZCXYZ0000 RR RUEHWEB DE RUEHC #9547 2111619 ZNY SSSSS ZZH R 301602Z JUL 09 FM SECSTATE WASHDC TO RUEHSI/AMEMBASSY TBILISI 0000 RUEHPL/AMEMBASSY PORT LOUIS 0000 INFO RUEHKV/AMEMBASSY KYIV 0000 RUEHSF/AMEMBASSY SOFIA 0000 RUETIAA/DIRNSA FT GEORGE G MEADE MD RUEAIIA/CIA WASHINGTON DC RHMCSUU/FBI WASHINGTON DC 0000 RUEKJCS/SECDEF WASHINGTON DC RUCPDOG/USDOC WASHINGTON DC 0000 S E C R E T STATE 079547 NOFORN SENSITIVE SIPDIS TBILISI FOR NICOLE O'BRIEN PORT LOUIS FOR QUENTIN BARBER E.O. 12958: DECL: 07/29/2034 TAGS: ETTC, KOMC, GG, SE, UP, BU SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK ON LICENSE 050180371 REF: A. IIR 7 100 0572 09 OF 1 JULY 2009 B. TD-314/085344-08 OF 24 NOVEMBER 2008 Classified By: Daniel J. Buzby, for reasons 1.4(a), (b), and (d) 1. This is an Action Request. See paragraphs 2 - 5. 2. (U) The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests Posts' assistance in conducting a pre-license check on license 050180371 for the export of rifles and grenade launchers to Georgia. Posts are requested to complete this Blue Lantern check within 30 days. Lack of response to a Blue Lantern check will affect pending and future licenses involving parties to this license. 3. (S//NF) Reason for Request: According to REFTEL A, Seychelles-based company Bel Trading and Consulting has been working with Bulgaria-based company Bulgarian Industrial Engineering and Management (BIEM) to procure M4 rifles and M203 grenade launchers on behalf of the Ministry of Defence of Georgia (NOTE: Bel Trading and Consulting is also reported to be doing business in Ukraine). REFTEL A indicates that BIEM is receiving a commission for its services in this transaction despite the fact that the company is not/not listed on the export license request and is not/not registered as a broker with PM/DTCC as required by the International Traffic in Arms Regulation (ITAR). In addition, REFTELs A and B highlight both companies' connection to organized crime and grey arms trafficking, and mentions that the Government of Seychelles has considered revoking Bel Trading and Consulting's license to operate in the past. This request is to obtain more information about this transaction and the parties involved. 4. (SBU) Action Request Tbilisi: Post is requested to establish the bona fides of this transaction by making inquiries to appropriate authorities in the Ministry of Defense of Georgia. The following points are included for guidance: (To the Ministry of Defense of Georgia) --Can the MOD confirm the order of the rifles and grenade launchers listed on this license application? --MOD's Letter of Intent and End-Use Certificate date back to 2007 and 2008, respectively. Are these documents still considered valid by MOD? Do these documents still reflect MOD's intention to continue with this transaction? --What role is Seychelles-based Bel Trading and Consulting playing in this transaction? How were you first introduced to Bel Trading and Consulting? What are the terms of the agreement between MOD and Bel Trading and Consulting in this transaction? Is Bel Trading and Consulting receiving any commissions for its services in this transaction? --To your knowledge, are there any other companies involved in this transaction aside from Bel Trading and Consulting and the U.S. vendor? Are any other parties receiving fees or commissions for services rendered in this transaction? In its reply, Post may also comment on any other information pertinent to these transactions such as security of facilities, end-use, and concerns about the entities involved. 5. (SBU) Action Request Port Louis: Post is requested to obtain further information on Bel Trading and Consulting and establish the bona fides of this transaction by making inquiries to

representatives of the company and appropriate authorities in the Government of Seychelles. (To Bel Trading and Consulting) --Thank you for meeting with Embassy personnel. This is a Blue Lantern end-use monitoring check and is not/not an investigation or law enforcement action. The U.S. Department of State's Blue Lantern end-use monitoring program is the Department's means by which it establishes the bona fides of entities involved in the export and brokering of U.S. defense articles and services. Any information you provide will assist the United States Government in monitoring U.S. defense articles and services and establishing trust in our trade relationships. --When was your company established and who are its principals? Does your company or any of its principals do business under any other names? Has your company or any of its principals done business under any other names in the past? Does your company have offices in any other countries? --What products and services does your company provide? Who are your regular business partners and where do they reside? Who are your regular customers and where do they reside? --Has your company been party to U.S. export licenses in the past? --What is your relationship with KNM Worldwide Services in the United States? How were you first introduced to KNM Worldwide Services? What are the terms of the agreement between your company and KNM Worldwide Services in this transaction? --What is your relationship with the Ministry of Defence in Georgia? What are the terms of the agreement between your company and the Ministry of Defence in Georgia in this transaction? Who is your point of contact in the Ministry of Defence in Georgia? --What role is your company playing in this transaction? Is your company receiving any fees or commissions for its services in this transaction? If so, please provide details and documentation. --Is your company paying any fees or commissions to any third parties for their services in this transaction? If so, please provide details and documentation. --Will you ever have physical possession of the defense articles on this license? If so, please describe your inventory and security procedures. --Are you familiar with the regulations governing the import and brokering of U.S.-origin defense articles, including restrictions on re-transfer or re-export? (To Import/Export Authorities of Seychelles) --Is Bel Trading and Consulting properly registered and/or authorized by the Government of Seychelles to broker, import, and/or sell defense articles in Seychelles and/or around the world? --Do you have any information on Bel Trading and Consulting or its principals that would question their reliability as a recipient or broker of U.S. defense articles? In its reply, Post may also comment on any other information pertinent to these transactions such as security of facilities, end-use, and concerns about the entities involved. 6. (U) Details of license applications: DTC Case: 050180371 QUANTITY/COMMODITY: 7,000 M4A1-type Rifles, 5.56mm 2,000 M203 40mm Under Barrel Launchers License Value: USD \$6,600,000 SELLER: KNM Worldwide Services 3917 SE 40th Street Ocala, FL 34480 Tel: 352-653-9551 FOREIGN CONSIGNEE: BEL Trading and Consulting 1st Floor, Allied Plaza, Francis Rachel Victoria, Mahe Seychelles Tel: 380445862302 Mobile: 380674079984 FOREIGN END-USER: Ministry of Defense of Georgia No 20 General G. Kvinitadze Street 0112 Tbilisi, Georgia PURPOSE: For use by the Georgian military services.7. (U) Submitted in support of the license application were the following documents (PM/DTCC will fax documentation to Posts upon request): DSP-83 U.S. Nontransfer and Use Certificate signed by Chris Brown (KNM Worldwide) dated 29 June 2008, MamukaMujiri (GMOD) dated 11 Apr 2008, Zaza Gogava (GMOD) dated 11 Apr 2008, and AlmendieievArkadii (Bel Trading and Consulting) dated 11 Apr 2008; End-Use Certificate No. 4/41 issued by the Georgian Standing Commission on Military-Technical Issues, Ministry of Defence signed by Deputy Minister of DefenceMamukaMujiri dated 06 Feb 2008; Letter of Intent Document No. 4/419 signed by Deputy Minister of DefenceMamukaMujiri dated 30 Nov 2007; Import Permit document number and date illegible (NOTE: Signature looks similar to that of MamukaMujiri on the End-Use Certificate). 8. (U) Please slug reply for PM/DTCC - BLUE LANTERN

COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Kyle M. Ballard, Phone: 202-663-1929; Email: BallardKM@state.gov; SIPRNET: BallardKM@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file on Intellipedia: <http://www.intelink.gov/wiki/> Blue Lantern End-Use Monitoring Program; 9. (U) Department is grateful for Post's assistance in this matter. CLINTON