

**THE CASES OF JACQUES MONSIEUR, THE ANL AUSTRALIA
AND THE ARCTIC SEA: SHEDDING SOME LIGHT
ON TEHRAN'S STRATEGY OF ARMS PROCUREMENT**

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At the beginning of the month of August, an Australian container ship, the **ANL AUSTRALIA** was intercepted in the United Arab Emirates **with a cargo of automatic arms having Iran as its destination**. On 28 August 2009, the Belgian arms trafficker **Jacques Monsieur** was arrested in New York and accused of **attempted illegal export** of military materiel to the Islamic Republic. Finally, the incredible affair of the 'hijacking' of the **Arctic Sea** gave rise to many rumours. Some newspapers went so far as to write that **the ship was transporting missiles purchased by Tehran**. These three recent cases shed light on a generally little known aspect of the activity of the Mullahs: the way in which the revolutionary regime of Iran procures its arms and military equipment.

There is nothing new in all of this: **necessity makes its own laws and for the past thirty years Tehran has acquired a very special know-how in the domain of arms trade and trafficking both as importer and as 'exporter.'**

But the news this summer allows us **to look over Iranian practices in this matter and to draw certain conclusions about the nature of the Iranian regime and the manner in which one should deal with it.**

For a long time now, it was a vital necessity for Tehran to have stable and permanent access to armaments and defence materiel. Shortly after the Revolution of 1979, the abrupt and complete break of relations with the United States, which had been the principal support of the Shah's regime and the customary supplier to its Ministry of Defence – confronted the newborn regime with a sad reality: **most of its armoured vehicles and, above all, of its air force was equipped with American equipment¹ - (this was particularly the case with more than half of the fighter planes and bombers), but the state of relations with Washington prohibited Tehran from resupplying itself with spare parts and munitions from its former protector.**

Moreover, the profound distrust of the new authorities hardly prompted the USSR to replace its American rival: the slogan ***Neither West, nor East, but the Islamic Revolution!***'

¹ In 2008, out of its 273 jet fighters, only 9 were of Iranian manufacture (3 Saeqeh and 6 Azaraks, with 24 French Mirages 1, 68 Russian planes (13 SU-25K, 30 SU-24MK, 25 MIG-29A), 24 Chinese F-7M and 150 American aircraft (25 F14A Tomcat, 65 F-4D/E Phantom II and 60 F-5^E/F Tiger II). In the other categories: 5 anti submarine attack aircraft out of 5, 6 reconnaissance planes out of 6, and 4 in-flight refueling planes out of 4 were of American manufacture.

indicated clearly that the Mullahs rejected the 'socialist' model in the same way as Western liberalism and they understood this very well in Moscow. Didn't this mean that Ayatollah Khomeiny and his followers wanted nothing less than to invent a 'third way' which would keep them equidistant from the two blocs and would place them in a position of taking on a regional role of influence?

Very quickly the regime had an acute need of arms and munitions: on 22 September 1980, Saddam Hussein, who had taken power in Baghdad five and a half months earlier, day for day after the return of Rouhollah Khomeini to Tehran, sent his Army against Iran. The **'Imposed War', Jang-e-tahmili**, as it was called in Persian, was to last for eight years. Beginning in 1981, Iranian potential was seriously declining. Iraq could count on the support of France, the United States, the USSR, North Korea and Egypt, as well as Kuwait and Saudi Arabia, a strange coalition of interests which came together out of fear of the Islamic revolution. **For its part, Iran was isolated.** In order to arm itself – but also to restrict Western support for Baghdad – it offered the West a diabolical booby trap. In Lebanon, **Hezbollah took hostages, including French and Americans, and increased the number of attacks.** It had two objectives: local and 'tactical' at first, then it aimed at forcing the Western powers who were present since September 1982 in the Multinational Security Force to get out of Lebanon. **On the strategic level, Hezbollah was just a tool which Tehran used at its pleasure to pressure the countries supporting Iraq (including Washington and Paris), to 're-adjust' their position.**

1) At the source was *Irangate*

Then a long process began which led the United States to get bogged down in *Irangate*² : **some emissaries made Washington's representatives with whom they met believe that in exchange for arms they would obtain the liberation of the hostages and an end to the violence.** Initially, Israeli was asked to serve as intermediary and to deliver to Iran the arms it had requested (which the Jewish State took from its own stocks and which were later resupplied by Washington), then in phase two, the Americans themselves delivered the materiel requested.

There can be no doubt that the **United States** was skillfully manipulated by an Iranian intermediary – Manucher Ghorbanifar – and by high officials of Tehran so that its officials **truly believed that the deal of 'arms for hostages' could work.** As proof, on 25 May 1986 they did not hesitate to send to Tehran (with whom, by the way, they no longer had any diplomatic relations since the crisis surrounding the American Embassy several years earlier) a high-level delegation comprising, among others, the former National Security Advisor, Robert McFarlane, Colonel Oliver North and an Israeli expert, Amiram Nir, security advisor to Shimon Pérès³.

The Iranian party had no hesitation in raising the pressure, so that on 13 July 1986, in a 'top secret' memorandum sent to Admiral John Poindexter, the President's National Security Advisor, Colonel Oliver North – the veritable kingpin of *Irangate* wrote the following about

² One notes that Iran had recourse to terrorism in relations with other countries : on 6 October 1983, François Mitterrand announced that he decided to lend many Super-Etendard planes to Baghdad. Three weeks later, on 23 October an attack on the Drakkar Building in Beirut caused 58 deaths (on the same day, 220 Marines were killed during an attack on the camp of the 1st Battalion, 8th Marines at Beirut airport). From that point on, hostage-taking in Beirut and attacks in the Lebanese capital or in France followed one after another without interruption for three years

³ See inter alia 'Why Secret 1986 U.S.-Iran Arms for hostages'» *Negotiation failed*' by Georges Cave, Washington Report on Middle East Affairs, September-October 1994. George Cave was at the time at interpreter and political advisor to Robert McFarlane and participated in this assignment.

the promised delivery of 240 HAWK missiles⁴: *'It is entirely possible that if nothing is received... Ghorbanifar will be killed by his creditors (who are the beneficiaries of his life insurance policy for 22 million dollars) and that an American hostage will probably be killed as a show of anger [by the Iranians].'*⁵

The results were not in keeping with the hopes of the Americans, who sought, as President Ronald Reagan said later, to obtain the freedom of all the hostages: *'My goal was to send a signal that the United States was ready to replace the existing animosity between us by a new relationship....We were clear on the fact that Iran must come out against all forms of terrorism...The most important position which Iran could adopt was, as we have indicated, to use its influence in Lebanon to obtain the freedom of all the hostages who were being held there.'*⁶ Instead of obtaining the liberation of **'all the hostages,' Irangate ended in the freeing of just two of them (out of thirty).** Reverend Benjamin Weir was freed on 15 September 1985, during the first phase of the operation, when the Israelis came twice to deliver to Tehran 508 TOW⁷ missiles; his freedom came the day after the second delivery.⁸ A meeting between Iranians and Americans at Mainz, in Germany, at the beginning of the month of October 1986 was followed by the freeing of David Jacobsen⁹.

But several weeks later, **at the start of the month of November, Iran itself revealed the sleight of hand in order to humiliate America, the 'Great Satan,'** by encouraging the appearance of a very well documented article in the Lebanese magazine *Ash Shiraa*. Thus, on 24 December 1986, Charles E. Allen, *National Intelligence Officer* of the CIA for counter-terrorism noted in a report: **'Rajjat al-Islam Syed Reza Borghai, personal representative of 'Ayatollah Khomeini in the Gulf said that the sales of American arms to Iran and their later revelation had 'brought the United States to its knees' and offered a 'great political victory' to Iran.'**¹⁰

2) A policy of arms, five priority channels

After having extracted all possible logistical and political benefit from Irangate, Iran had to find other means to procure the arms and materiel it needed. This need was all the more vital given that **the conflict had ruined the country's military potential : during its first phase, 40% of the arsenal was lost or destroyed and the rest, 15 to 25 years old, needed at the very least a serious reconditioning.**¹¹

The means used by Tehran to reach its objectives numbered five: **legal purchase from countries which had followed the international community in its imposition of**

⁴ The HAWK was a ground to air missile developed by Raytheon making it possible to attack enemy aviation. A second version turned it into an anti-missile missile. It had a range of 40 KM and reached a speed of 800 m/s. Replaced by the MIM-104 Patriot beginning in 1994, it was finally withdrawn from service in 2002.

⁵ 'Top Secret' Memorandum of Colonel Oliver North to John Poindexter, **"Next steps on the American hostages"**, written and dispatched on 13 July 1986, declassified by the CIA on 12 December 1997.

⁶ Ronald Reagan, **"Address to the Nation on the Iran Arms and Contra Aid Controversy"**, 13 November 1986.

⁷ The BGM-71 TOW is a wire-guided anti-tank missile having a range of 56 to 3750 metres.

⁸ Benjamin Weir was a Presbyterian minister in Lebanon for thirty years when he was kidnapped on 18 May 1984 and spent 16 months in the hands of the terrorists.

⁹ David Jacobsen was kidnapped in 1985 and held for 17 months.

¹⁰ **Hostage Location Task Force Report**, CIA, written on 24.12.86; declassified on 7 July 1999.

¹¹ Michel Brunelli, **'Autarcie: L'Industrie militaire iranienne,'** Conversion, Bulletin of the Ecole de la Paix, Grenoble, January 2001.

an embargo and which were generally not in line with the policies of the West, **rapprochement with other countries hit by embargo** (even if they were ideologically hostile to the Islamic Republic), **the search for autarchy through establishment of a national industry, counterfeiting, and illegal purchases** relying on networks of arms dealers.

- **The legal purchases**

As regards **legal purchases**, we note that after the end of the war with Iraq, between 1989 and 1992, **Tehran procured 6.7 billion dollars worth of military equipment, mainly from the USSR, China, North Korea, Poland and Czechoslovakia.**¹²

- **Rapprochement with countries hit by embargo**

Betting on the fact that common interest could help to overcome ideological conflicts, Tehran did not hesitate to **deal with regimes which, like that of the Mullahs, were cast out by the community of nations and, if they were manufacturers of arms, had great difficulties unloading their stock:**

- In September 1987, Washington accused **Libya** of having delivered Soviet-origin mines to Iran¹³ ;
- In October 1987 : Revelation of trade in 155 mm shells and ground-to-air, air-to-air-air missiles produced by the **South African company Armscor**, an important pawn in the construction of South Africa's autonomous military industry.¹⁴
- Finally, **North Korea** several times delivered arms systems to Tehran or helped it to build its military industry.¹⁵

- **Search for autarchy**

It is obvious that one of the most secure methods by which Iran could ensure its supply of arms and render itself independent of the political tensions surrounding the Gulf was **the establishment of a national military industry.** The first attempts in this direction were in fact made by the Shah of Iran at the start of the 1970s.

The transfer of know-how from the Communist bloc and the reorganisation of the Iranian military-industrial complex at the beginning of the 1990s ended in the establishment of an enormous national arms sector: **more than 240 installations controlled by the Ministries of Defence and Reconstruction and, above all, by the Organisation of the Defence Industries (ODI)**¹⁶. The ODI – in Persian, *Sazemane Sanaye Defa* or *Sasadjah* - developed **research and production in the domain of munitions, ground-based weapons systems, aeronautics and ballistics as well as biological and chemical weapons; it employs at least 50,000 persons.** Its two main complexes are those of **Isfahan** (aeronautics, armoured vehicles, munitions and missile fuel) and of **Semnam** (non-ballistic missiles).

In the aeronautics sector, **Iran has managed to produce some helicopters (*Shabaviz 2-75, Zafar-300*) and jet fighters (*Azaraks* and *Saegeh*)** which are, for the most part,

¹² Michel Brunelli, op.cit.

¹³ Agence France Presse, 11 December 1987.

¹⁴ Agence France Presse, 2 October 1987.

¹⁵ See, inter alia., Michel Brunelli, op.cit..

¹⁶ Michel Brunelli, op.cit.

copies of American aircraft but **are not at a competitive level with what is made today in the United States, Russia and France.**

A special effort was directed at armored troop transports and support vehicles (*Boragh*), on DCA, on tanks (*Safir-74*, a derivative of the Soviet T-54, *Zulfiquar*, a derivative of the T-72 and related equipment, including a 125 mm cannon).

But **it is above all in the domain of missiles that the effort has been conclusive: *Shahab-3* (2000 km range), *Shahab 1 et 2* (300 and 500 km range), *Zelzal* (400KM), *Fateh* (170 km), *Nazeat* (100 km), as well as different versions of the *Fajr* (from 40 to 75 km) and the *Oghab* (45 km).**

The Iranian military-industrial complex is certainly impressive, but it has been slowed down by the bureaucracy of the regime and, with the exception of manufacture of missiles, it has not been high performance: in the aeronautics domain, for example, there is reason to doubt that the Islamic Republic has managed to maintain a genuine national production: **its planes are outdated and therefore would have a hard time finding outlets since there is no doubt few countries would wish to go against the United States and its allies while purchasing equipment which is of low performance. At the same time, maintaining a state-of-the-art aeronautics industry and having the means to invest is only possible if you have foreign clients.**

- **Counterfeiting**

Furthermore, this 'national' industry has been largely built by theft of foreign technologies. Many of the arms systems developed by Iran are, in fact, more or less servile copies of existing equipment, sometimes made under license and sometimes (when the technologies being copied are American) made in an entirely illegal manner.

Thus, in October 2004, *Bell Helicopters* filed a complaint accusing the Iranians of having counterfeited its models 206 L3 and 407 to create the Shraed 276 and having counterfeited the models 205 and 209 under the name of Shabaviz 275, thereby abusing technology transfers made thirty years earlier under the terms of the agreement dated 12 November 1975 between Bell and Iran¹⁷.

Though its actions (and other possible actions still to come) achieved their objective, **Tehran can no longer sell these aircraft abroad.**

- **Illicit arms trade**

Recourse to trafficking and illicit procurement was born during the war with Iraq and has been practiced in a recurrent manner by Tehran since the 1980s as the following cases demonstrate:

- 1984 : **the Swede Karl-Erik Schmitz** organised a vast network of supply for Iran, passing especially via **Italy and France**¹⁸ ;

¹⁷ Bell Helicopter Textron INC., "*Plaintiffs' original complaint*", U.S. District Court for the Northern District of Texas, Fort Worth Division, 29 October 2004.

¹⁸ The Wall Street Journal, 26 November 1987: "*Swedish Arms Dealer Says European Nations Continue to Close Eyes to Arms Sales to Iran*". L'Événement du Jeudi, 17 to 23 September 1987, "*Révélation sur la filière franco-italienne*".

- 1984 : the **Swedish arms giant Bofors** undertook to sell various arms systems to Tehran, including ground-to-air RBS-70 missiles¹⁹ ;
- In December 1986, Belgium sold 222 000 percussion caps for explosive shells to Iran²⁰ ;
- In October 1987 the BKA uncovered in **Germany** an operation aiming at providing tanks, fighter planes and helicopters to Iran²¹ ;
- On 23 September 1987, **London** closed down the Iranian arms procurement office, which operated 'in a semi-clandestine mode' in the capital and employed thirty military men. This office was responsible for '70% of Iranian purchases of arms abroad.'²² ;
- In January 1988, the **Austrian company Noricum** (a subsidiary of Voest-Alpine, the largest publicly owned Austrian industrial group), admitted having illegally sold more than one hundred GHN-45 cannons²³ and munitions to Tehran between 1985 and 1986. The total sum came to 600 million dollars²⁴ ;
- The arrest in **Boston** in January 1988 of 2 Iranian nationals suspected of having sought to procure parts for HAWK ground-to-air missiles for a total of 280,000 dollars²⁵ ;
- The revelation in February 1988 that the Nobel group of Sweden had delivered explosives to Tehran in 1985 worth at least 14 million dollars²⁶ ;
- 1993-1994 : various arms traders including the Belgian Jacques Monsieur attempted to supply Tehran with radar systems, missile systems and missiles and were at times successful²⁷ ;
- In May 1997, the Iranian opposition revealed the names of 14 'Iranian intelligence agents in France,' several of whom, including the head of MOIS ²⁸ operations in France and a business woman, Laleh M., are '*specialised in procuring military equipment.*'²⁹ ;
- September 2006, the arrest in the United States of a Canadian citizen of Iranian origin who was seeking to purchase a 'dual use' technology allowing both for detection of flaws in oil pipelines and inspection of the components of nuclear reactors³⁰ ;
- 28 August 2009: the arrest of Jacques Monsieur in New York on suspicion of having attempted to buy parts for the F-5 fighter plane on behalf of Tehran³¹ ;

¹⁹ The Washington Post, 4 September 1987, 'Arms Scandal hurts Swedish peace efforts,' Libération, 12 June 1985, 'Les canons suédois se retournent contre l'ancien président de Bofors,' La Tribune de l'Economie, 6 March 1987, 'L'Irangible suédois'.

²⁰ Le Monde, 7 November 1987.

²¹ Agence France Presse, 5 October 1987.

²² Le Monde, 25 September 1987, 'Londres ferme le bureau d'achat d'armes iranien'.

²³ The GHN-45 is a 155 mm cannon with a maximum range of 40 kilometres.

²⁴ The Guardian, 27 January 1988, Le Monde, 28 January 1988

²⁵ The New York Times, 17 January 1988.

²⁶ Agence France Presse, 25 February 1988.

²⁷ See in particular Laurent Léger, *Trafics d'armes*, Flammarion, Paris, 2006.

²⁸ Ministry of Intelligence and Security.

²⁹ Iran Brief, issue 31, 2 May 1997.

³⁰ Canadian Broadcasting Corporation, 28 November 2007.

3) Recent developments in the news

In a word, the recent scandals which have been widely talked about are just episodes in a nearly thirty year long saga. But they are interesting nonetheless, because they tend to prove that Iran continues to work via a number of different channels which it has been using since the 1980s.

- **The arrest of Jacques Monsieur**

Jacques Monsieur was **arrested in New York on 28 August 2009** after having tried to purchase F-5a spare parts and engines from an intermediary who turned out to be an undercover agent of the American intelligence services.

Jacques Monsieur, who has been nicknamed '*The Fox*' or '*The Marshall*,' is a former officer of the Belgian Army specialised in arms procurement. He left the Army at the beginning of the 1980s and turned immediately to illicit trading in arms and defence systems. Prosecuted repeatedly for having helped fuel wars going on in various continents (he was, in particular, sentenced by a court in Belgium to 40 months in prison in December 2002 and by a court in France to suspended term of four years in prison on 21 May 2008) but **he was above all a loyal partner of Iran of long standing**. In the 1980s, he sold arms and explosives to the Mullahs during the war against Iraq. During the following decade, he was working on the supply of radar systems to Iran and on selling arms made by Tehran in ex-Yugoslavia and in Africa.

In 2000-2001, he was 'arrested' and 'imprisoned' in Tehran for 'espionage.' He was then sentenced to 10 years in prison but was immediately freed...

This curious episode helped him to **build a new legend**. He had also become a master at creating smoke screens to conceal his real activities. In various interviews which he gave these past few years, he claims that: '*arms trafficking was not my main activity. It covered up another: namely the one for which I was found guilty in Iran, i.e., intelligence.*'³²

And the trick worked: Monsieur has been described, depending on the authors, as an agent of the Belgian **SGRS**,³³ of the French **DST**,³⁴ of Israeli **Mossad** or even of the the **CIA** or of the **DIA**³⁵. On 9 December 2004, he even went so far as to tell the journalist Laurent Léger that on behalf of the CIA (or at least for the DIA...) he arranged in Iran an especially complex intelligence operation during the 1990s : entre alia, it was aimed at recruiting a senior officer while slowing down Tehran's efforts at arms procurement. **The courts themselves seem to believe in the activities of Jacques Monsieur, or, at least, they seem to be unable to distinguish the true from the false**, all of which explains a certain indulgence of the judges in his regard as they gave him the benefit of the doubt.

³¹ The Washington Post, 3 September 2009 : 'Man Indicted in Plot to Ship Jet Parts to Iran'

³² Interview with Radio France Internationale, 7 December 2004. Also see the interviews which he gave to Laurent Léger for his book 'Trafic D'armes' [Arms Trafficking], Editions Flammarion, Paris, 2006 ;

³³ Service Général de Renseignement et de Sécurité [General Service of Intelligence and Security], the military intelligence service in Brussels.

³⁴ Direction de la Surveillance du Territoire [Directorate of Territorial Surveillance], French counter-espionage, which merged with the "Renseignements Généraux" on 1 July 2008 to form the Direction Centrale du Renseignement Intérieur (DCRI) [Central Directorate of Domestic Intelligence].

³⁵ Defence Intelligence Agency.

Who is he in reality? Nothing is true – or at least not much – with respect to what Jacques Monsieur claims. Did he in fact perform an assignment for the ‘American intelligence services’ in Tehran in 1993-1994? It would be amazing given that we know that at roughly the same time the Americans themselves denounced him to the Belgian authorities for (already) trying to purchase some F-5 spare parts on behalf of Iran.

In fact, the reality is much more prosaic and much less romantic: Jacques Monsieur is not some sort of ‘super James Bond’ who was risking his life to save the free world, but more simply he was one of those arms traffickers who try to serve the special services to cover up their activities. These past few years we have seen confirmation from many sources that **he was never an officer or even an ‘agent’ of Belgian military intelligence or of the DST, still less of the CIA**: *‘He is not a mythomaniac though I think he takes pleasure in his inventions, but just a trickster,’* we were recently told by a senior officer in the Belgian intelligence services. *‘To be sure, over the past twenty years he repeatedly made contact with our services or with the intelligence services of friendly countries and submitted at his own initiative ‘reports’ which were, by the way, not very interesting. But they allowed him, when he was under suspicion, to claim loudly that he worked for such an intelligence service or another. The manoeuvre is classic and is often used by arms traffickers or mercenaries.’*³⁶

Meanwhile, we know from good sources that in 2000-2001, when he was being held in Tehran, the DGSE and the DST (who were supposed to be au courant about all his activities....) had no idea what he was doing in the Iranian capital and tried to find out by all means.³⁷ This ‘arrest’ by the Iranians came at a good moment: the eighteen months when Jacques Monsieur was out of circulation enabled him to avoid responding to summons to appear before the Belgian and French courts. At the end of his detention, he was sentenced to ten years in prison and was expelled.

One may imagine that if he really played the role attributed to him the penalty would have been much more severe, even final. Moreover, what can one think about a man sentenced for espionage by the Iranians in 2001 and whom we now find, eight years later, still just as active as before in their arms trafficking networks?

- **The ANL AUSTRALIA affair**

At the start of the month of August 2009, the security services of the United Arab Emirates intercepted an Australian container ship, the ALN Australia, transporting under the generic and banal name of ‘spare parts for machines’ **light arms – including assault rifles and grenade launchers of North Korean origin.**

- **The ‘hijacking’ of the ARCTIC SEA**

The affair is still fresh in our memories.

On 24 July, the cargo ship **Arctic Sea** mysteriously disappeared while sailing from the Baltic Sea to Algeria, where it was supposed to deliver a cargo of wood. Three weeks later, on 17 August, it was ‘intercepted’ off the coast of West Africa and six pirates were arrested.

Since then, another explanation has come from Russian, Estonian and Israeli sources: **the ship secretly loaded S-300 anti-aircraft missiles destined for Iran during a technical stop in Kaliningrad.** An unidentified senior Russian officer has meanwhile

³⁶ Interview with a senior officer of the SGRS, autumn 2008.

³⁷ Various interviews with managers of the DGSE and the DST, 2001, 2007.

raised the question of a 'Russian mafia group' specialised in the sale of arms and able to count on official support.³⁸

According to their version, Israeli intelligence discretely warned the Russian authorities and helped them to mount a major operation of disinformation allowing them to recover the arms without losing face.

4) A tightly controlled system

The arms procurement policy of the Islamic Republic is conducted in a systematic manner and using serious human and financial resources. It is obviously tightly defined and controlled in Tehran.

The **VEVAK**³⁹ and, above all, the **Pasdaran**, the Revolutionary Guards, have control of all the operations linked to this. **This gives a net advantage to the Pasdaran, since they also oversee the national defence industry and control the electronics industry, as well as a part of the oil market and export-import.** On the political level, the two organisations report to the highest levels of government: the President of the Republic, Mahmoud Ahmadinejad and, above all, the Supreme Leader, Ali Khamenei. The regime consists of rival clans which sometimes clash openly, as we have seen in the weeks following the reelection of Mahmoud Ahmadinejad as head of state. These bodies can themselves also experience tensions, but it would be wrong to believe that this damages their effectiveness.

At the operational level, **the procurement networks organised by VEVAK and the Pasdaran work mainly out of two Iranian embassies: the one in Berlin (previously in Bonn) and the one in Paris.** One notes, for example, that the **Scientific Counsellor of the Embassy of Iran in Paris** is a post which is often occupied by an intelligence officer charged with industrial and scientific espionage – **and he performs this function for the entire European Union with the single exception of Great Britain.** In 2006, a half-dozen intelligence officers from **VEVAK** coordinated from their offices on Avenue d'Iéna, a stone's throw from the Champs-Élysées, many different operations of scientific and technical intelligence and trafficking across all of Europe.

VEVAK and Pasdaran also use an **extensive network of smoke-screen companies** based in Iran, but also in Turkey and in Europe (France, Germany, Belgium).

Apart from conventional arms, **these structures have evidently been extremely active for many years in the procurement of materials destined for the nuclear channel** (such as centrifuges or parts for centrifuge, various measuring tools, special tools) or steel and other special alloys which are indispensable for this domain. Thus, these past few years many of these companies have attracted the attention of Western intelligence services. That is especially the case with **Icarus**, based in Khuzestan and involved in research into piping, with **Niroo Research Institute** (Tehran) which does research into special steels and heat exchanges, with a company based in Cyprus which **sought to buy Zirconium and titanium in Belgium in 2006-2007.**

Often these companies use the classical ways of this type of business and try to obtain 'dual use' technologies (used both for civilian and military applications). Another technique frequently used to get around controls is to purchase

³⁸ See inter alia: The Independent: "Arctic Sea was carrying illegal arms, says general", 29 August 2009. and The Times, "Missing channel pirate ship carried Russian arms for Iran", 6 September 2009.

³⁹ **Vezerat-e Ettelaat va Amniat-e Keshvar**, or the Ministry of Intelligence and National Security, designated by experts under its Persian acronym (VEVAK) or in English (**MOIS**).

equipment not having the characteristics like those which require authorisation for export to sensitive areas. For example, if an alloy submitted to mandatory control can contain a maximum of 20% of chrome or 25% of nickel, the Iranian companies will place orders for an alloy mixing 19.5% or 24.5%.

5) By way of conclusion: how to deal with Iran

It is evident that one cannot ignore Iran. Aside from the fact that it is an important actor on the oil markets and enjoys a favoured position at the heart of the most important area of the world for production of gas and oil, it is also, whether one likes it or not, an up and coming regional power.

But, if we are fated to deal with Tehran, we should nonetheless set some conditions and forms, lest we do nothing more than strengthen the power of the Islamic Republic and consequently destabilise our traditional allies in the Sunni world.⁴⁰

Thus, we believe that it is necessary:

- To maintain **permanent pressure on Tehran for Iran to stop supporting the activities of terrorist groups**. The role of Iran as state sponsor of terrorism is a subject outside the framework of this analytic note, but we nonetheless want to point out that **part of the arms produced in Iran or purchased by this country both legally and illegally systematically ends up in the hands of terrorist groups in Lebanon, in Iraq and in Afghanistan**. Thus, in February 2007, a hundred Steyr HS5, rifles for elite marksmen, were discovered in Iraq. They belonged to a consignment of 800 units delivered officially to Iran by Vienna in 2006⁴¹ ;
- **To demand that Tehran stop purchasing arms from rogue states like North Korea** which may thereby earn hard currency enabling its economy to escape the pressures of sanctions;
- **To demand that Tehran stop its activities encouraging trafficking in arms and military systems;**
- **To understand that negotiation is most often just a way for Iran to gain time while not involving on its part any restriction in its illegal activities**. Thus, **during Irangate, and while the Americans thought they could force Tehran to liberate the hostages, not only was that not done but during the operation itself, between 1985 and 1987, the kidnappings continued**: The British citizens John McCarthy and Brian Keenan, the French Marcel Coudary and Camille Sontag, the Americans Lawrence Martin Jenco, Frank Reed, Joseph Ciccipio, and Edward Tracy were all kidnapped in Beirut while Washington was delivering arms to the Islamic Republic. Three other Western citizens - the Englishmen John Douglas and Philip Padfield and the American Peter Kilburn – were assassinated during the same period...

⁴⁰In a recent analytical note, we demonstrated the danger of 'Shiite expansionism' in the Sunni world. See: Claude Moniquet and Dimitri Dombret: 'Is Iranian Shiite expansionism a threat to the Arab countries?' 13 July 2009, www.esisc.org

⁴¹ See in particular: The Daily Telegraph : 'Iraqi Insurgents using Austrian rifles from Iran,' 13 February 2007.

- **Not to engage in any secret diplomacy with Tehran because it is condemned to failure**, since the evidence is sufficient, it seems to us, in the Irangate disclosures.

In conclusion, Iran has shown these past few years that it gave way only in the context of a correlation of forces which was unfavourable to it. It is necessary to build or to maintain a vast international coalition which is ready to negotiate with Tehran but in the full light of day, without being divided among itself or hesitating to use the arm of sanctions and systematic imposition of penalties against its citizens involved in illegal activities.

Only in this way can we reduce the risk which Tehran imposes on the world by its arms policy and its military nuclear programme as well as the risk it imposes on the Arab world by its constant meddling.

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