

Operation Sunlight hits Iran suppliers

by Thierry Lalevée

A series of scandals has been hitting Iran's weapons suppliers since the arrest of Italy's Count Ferdinando Borletti in early September. Iran can still buy weapons from up to 40 different countries, but as one observer remarked, "The price has gone up, and they cannot get the same large amounts as they used to, they are getting smaller shipments at a time." As a result, "There are entire days where the Iranians cannot answer Iraq's attacks, because they lack ammunition, especially artillery shells."

The crackdown on Borletti's Vasella Meccanotecnica company has triggered revelations in almost all the European countries. Intelligence sources report that it was initiated by U.S. Special Prosecutor Lawrence Walsh, whose collaborators toured Europe at the end of August. One investigator, David Faulkner, went from Britain to France and Italy; weeks later, the scandals erupted, each unveiling further aspects of the activities of Oliver North and his associates. In mid-September, the Swiss government agreed to transfer up to 8,000 different documents to Washington, regarding the financial activities of North, Richard Secord, Albert Hakim and Thomas Clines. Indictments are pending, and while Secord and Clines have reportedly fled to Europe, Hakim is cautiously staying in South Korea.

A piece of the puzzle fell into place with the arrest of Swiss businessman Walter Demuth on Sept. 8 in Turin, upon a warrant issued on Aug. 20, 1986 by New York Judge David Jordan. The director of the Belp-based "HeliTrade" company—a subsidiary of "HeliSwiss"—Demuth is accused of illegally exporting hundreds of millions of dollars worth of aircraft spare parts to Iran, under the cover of "end-user" certificates listing Nigeria or Zaire. Pending his extradition to the United States, European investigators have been poring over Demuth's papers. This led on Sept. 25 to the arrest of two top arms dealers in the Turin region. It also lifted another veil on a large arms-smuggling operation based out of Britain and organized by Indian-born British businessman, Ben Banerjee of the "BR&W Industries."

Among Demuth's papers was evidence linking the two men in up to \$300 million in arms deals. Investigations in Britain revealed that Banerjee, a personal friend of Oliver North since 1981, was on the inside of arms-for-Iran talks since his participation at a Nov. 20, 1984 meeting in Hamburg, with North and Iranian negotiators. Held in various Hamburg hotels, the talks led to the delivery by Banerjee of

1,250 anti-tank TOW missiles to Iran. Banerjee continued his association with North by then delivering Polish 9 mm machine-guns to the Contras via Belgium, Holland, and Panama.

Cited in the British Parliament for his business activities, Banerjee is wanted for interrogation by the Walsh commission. However, local intelligence sources stressed that Banerjee's quite official association with the military industries of Yugoslavia, Romania, and Poland, has made him untouchable for certain layers. One of Banerjee's middlemen in the Hamburg negotiations, Michael Aspin, has been less lucky. Involved in arms smuggling to Iran since "day one," Aspin is to be tried in January, with Banerjee appearing as a witness. To be mentioned is Aspin's delivery of Chieftain tanks to Iran in November 1981, a deal worked out for obtaining the release of two Anglican priests then held hostage in Teheran.

Though no connections have yet emerged between the Borletti affair and Walter Demuth, many leads have allowed a crackdown on secondary networks. On Sept. 26, a Trieste-based network smuggling weapons to both Iran and Iraq, between Italy and Yugoslavia, was dismantled. The same day, an Italian lawyer, Giuseppe De Lupis, was arrested at the Italo-Swiss border with several billion Italian liras' worth of false "promissory notes" from the Ministry of Defense of Indonesia. Early in the spring, a French lawyer, Hubert Thierry, was caught in New York with similar fake notes.

Then, as now, the operation led to Syrian businessman Hassan Zubaidi, who used the sale of the notes to finance a large arms smuggling ring between Beirut and Europe. The arrest of De Lupis, who has already served time for his mafia ties, led to others in Switzerland and West Germany.

These could be characterized only as "small fish," compared to what lies ahead. First, on both sides of the Atlantic, the activities of the "Explosives Cartel," comprising the Du Pont Corporation, Sybron Corporation, Nobel Explosives of Scotland, Bofors of Sweden, Gamlen Chemicals, PRB of Belgium, Israeli Military Industries, and SNPE of France are under scrutiny. Their activities are especially relevant to the export of tens of thousands of sea mines to Iran in recent months.

Second, a large scandal is rocking the activities of the Austrian Voest-Alpina company, which is negotiating to build a small plant in Iran. Voest-Alpina used its subsidiary, Noricum, to illegally export weapons to Iran, in 1985-86. Two leading witnesses, Voest-Alpina's former chairman, Heribert Apfalter, and Austria's former ambassador to Greece, Herman Amry, both died suddenly of heart attacks as they were about to testify.

Third is the case of West Germany once again. Revelations on Banerjee's meetings in Hamburg pointed to the role of the Iranian ambassador to Bonn, Javad Salari, and the extent to which German government officials were privy to such negotiations and allowed them.