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## **State Department Cables: Stopping Iran's and North Korea's Illicit Procurement for their Nuclear and Ballistic Missile Programs**

U.S. State Department cables released by Wikileaks offer a wealth of information about the United States and its partners' efforts (or shortcomings) in stopping Iran's and North Korea's procurement of goods for their nuclear and ballistic missile programs. Included in the cables relating to these pressing proliferation cases is information on:

### **China's Failure to Stop Transshipments from North Korea and Iran and Sales to Iran's Missile Program:**

Multiple instances are cited in which the United States reached out to China, including at the presidential level, to urge it to stop imminent shipments of missile related components by Chinese companies to Iran's and North Korea's ballistic missile programs, or by Iran and North Korea to one another via shipments through China. The cables show that China remains a problem in the global effort to prevent sales to sanctioned countries.

- [In this cable](#), dated February 24, 2010, Secretary of State Hillary Clinton directs the U.S. embassy in Beijing to approach the Chinese government to ask them to investigate information that in December 2009, an Iranian company sought five tons of carbon fiber from a Chinese company called Yoon Networks Shanghai Company. The U.S. government believes the company was procuring carbon fibers, which are used in the fabrication of rocket nozzles and light motor cases for missiles, on behalf of Iran's Shahid Bakeri Industries Group (SBIG), an agency affiliated with Iran's ballistic missile program and sanctioned under United Nations Security Council (UNSC) resolution 1737. The carbon fibers referenced in the cable may in fact have missile uses only, but certain specifications of carbon fiber can also be used in the fabrication of centrifuges, and Iran has sought carbon fiber abroad for its advanced centrifuge rotors. The cable does indicate that the carbon fiber sought by Iran "may be controlled by the Wassenaar Arrangement and the Nuclear Suppliers Group."
- [In this cable](#), dated November 3, 2007, then Secretary of State Condoleezza Rice directs the U.S. embassy in Beijing to ask the Chinese government to "stop an imminent shipment to Iran's ballistic missile program" passing through China from North Korea. Secretary Rice wants the embassy to reiterate the importance of the topic since it was a principal subject of discussion

between President George W. Bush and President Hu Jintao during the Asia-Pacific Economic Cooperation (APEC) summit. Secretary Rice indicates that the U.S. ambassador already spoke with the Chinese government about the shipment a week earlier, but that nevertheless, it was still scheduled to leave China. The United States believes that cargo from North Korea includes jet vanes for missiles and other goods heading to the Iranian agency SBIG, yet China has claimed that there is “no evidence of these transfers” when approached by the U.S. government about past imminent transfers, ten of which the United States believes were successful in going to Iran. Rice mentions a now-public case involving transfers by a Chinese company called Dalian Sunny Industries, aka Limmt, in providing Iran with missile related materials and equipment. (See ISIS case study [here](#)). She seeks China’s cooperation on inspecting air cargos going between North Korea and Iran and on fully implementing UNSC resolutions against the two countries.

## **Avoiding Ukrainian Proliferation to Iran’s Missile Program:**

U.S. officials urge the Ukrainian government to meet its Missile Technology Control Regime (MTCR) obligations vis-à-vis Iran and to avoid technical training that could extend into missile development with Iranian scientists.

- [In this cable](#), dated November 9, 2009, the United States and Ukraine carry out a dialogue on nonproliferation related issues, and touch on information possessed by the United States that Ukrainian companies, specifically one whose name is redacted, are providing Iran with specialty steels and ball bearings which could support its development of missile propellant systems. The United States indicates it has raised the issue with the government of the exports by this company “repeatedly” between 2002 and 2007 and imposed sanctions on the company in 2004 for violating the MTCR. The United States threatens sanctions against the steel companies involved. The U.S. government also cautions Ukraine not to lend sensitive missile related training during scientist visits to Iran’s Malek-Ashtar University of Technology, a subordinate to the Ministry of Defense and Armed Forces Logistics (MODAFL) and a provider of instruction to Iran Defense Industries Organization and Aerospace Industries Organization, which work on missile development.

## **The U.S.-German Export Control Relationship and Iran’s Missile Program:**

The communications paint a portrait of the U.S-German cooperative relationship on export control issues, with the United States tipping off the German government about ballistic missile related procurement attempts by Iranian entities with German companies.

- [In this cable](#), dated February 14, 2008, a U.S. diplomat discusses how the United States has engaged with the government of Germany since 2005 to stop the illicit procurement activities of Iran’s sanctioned missile development agency, Shahid Bagheri Industrial Group. The two have communicated specifically in reference to SBIG’s attempts to buy from a German company (name

redacted) environmental test chambers, used to simulate the environmental conditions of a missile while in flight. The United States notes that SBIG has used front companies and intermediaries located abroad and suggestions to route goods through the United Arab Emirates (UAE) in its attempts to buy this equipment from Germany, once in 2006, and twice in 2007. The United States has new information that in late 2007, a German company discussed with a SBIG front company the potential for sending a test chamber through the UAE with an entity in Tajikistan listed as the false end user, but would actually route the item to Iran. The U.S. government wants to apprise the German government of the situation so they can take action to stop the shipment.

- [In this cable](#), dated May 16, 2008, the U.S. government seeks information from the German government regarding the involvement of an Iranian national in the redacted German company's attempted sale of an environmental test chamber to SBIG. It indicates that an additional discussion took place between the governments in April 2008 regarding the German company's sale to entities affiliated with Iran, revealed to be located in Romania and Croatia.
- [In this cable](#), dated December 1, 2009, the U.S. government informs Germany that two companies working for the government of Iran, Heydari Ofogh Sanat Anvar Company and Hamim Commercial, offered test equipment "manufactured by the German firms Rohde & Schwarz and Hottinger Baldwin Messtechnik (HBM)" to Shahid Hemmat Industrial Group (SHIG). SHIG works on the development of Iran's ballistic missiles, and was offered missile related test equipment and pressure transducers, which can be used in uranium enrichment to measure gas pressure inside centrifuges, although the cable only indicates missile applications. The United States notes that the two companies were "the targets of previous, long-running procurement efforts by SHIG and its procurement network, Farazeh Equipment Distributor Company (FEDCO)" and an affiliate, Evertop Services. (The activities of the Malaysia-based Evertop Services were shut down in March 2009 when its director, Majid Kakavand, was arrested in Paris at the request of the United States. Kakavand was paroled when a French court denied the U.S. extradition request. See ISIS case study [here](#) and an update to the case [here](#)). In two prior instances, the U.S. government apprised the German government of evidence relating to SHIG networks' targeting of the two companies, and the government informed the companies. The United States wants the German government to use this information to "prevent these firms from acting, even unwittingly, as suppliers to SHIG and other Iranian entities of proliferation concern."

## **A Possible Sale by a British Company and Venezuelan Ties to Iran's Nuclear Program:**

The United States has concerns that a company headquartered in Britain could be involved in sales to Iran's nuclear program.

- [In this cable](#), dated March 6, 2009, a Baku, Azerbaijan-based Iranian businessman tells the U.S. embassy's "Baku Iran watcher," that a company headquartered in Britain called Insultec, run by citizens of Indian origin, with locations in Germany, the United States, India, and elsewhere, is

secretly providing Iran's Bushehr reactor project with "cladding, thermal insulation, and ancillary equipment" through transshipments via Turkey and the UAE. The source tells the embassy that the company "has maintained a sanctions-evading relationship with Iranian government companies for some time." Any sales to Iran's nuclear program are illegal under UN Security Council sanctions.

A U.S. diplomat suggests that the U.S. government should remain vigilant over whether Iran and Venezuela have a deal for cooperation on exploration and sales of Venezuelan uranium to Iran.

- [In this cable](#), dated April 7, 2006, a U.S. diplomat details Iranian-Venezuelan deals, indicating the two countries "have been signing bilateral agreements galore." The diplomat believes that "rumors that Venezuela is trafficking in nuclear weapons and mining uranium for Iran appear to be little more than conspiracy-mongering" by Chavez opponents, but that there may be substance to government statements about developing a nuclear program with the assistance of Iran over the long term. A source told the diplomat that 37 Iranians are active in the Venezuelan Institute of Geology and Mines. He urges, "We should not dismiss the uranium rumors," and they warrant "careful monitoring."