

3. COMBATING THE ILLICIT ARMS TRADE

3.1. ILLICIT ARMS EXPORTS FROM BULGARIA

During 2002–2003 two illegal arms exports scandals are known to have been under investigation. Neither of them involved SALW. The two cases are summarized in Box 1. Media reports focused mostly on lawsuits in other countries that had a Bulgarian connection. The Colombian press reported the arrest of two Colombian officers who allegedly smuggled 7640 5.56 mm AK-47s purchased in 1999 from Arsenal.¹¹⁶ The Bulgarian authorities denied having any knowledge about the transaction. In January 2003, a report in the US daily *Saint Louis Today*, quoting the testimony of a US arms dealer who declared that he had exported Kalashnikov assault rifles from Bulgaria using false end-user certificates, was also repudiated by the Bulgarian authorities.¹¹⁷ In June the Italian weekly *Panorama* published an investigation claiming that Bulgaria was part of an illegal trafficking channel to Angola, Chad, Rwanda, Syria, and the Democratic Republic of Congo (DRC).¹¹⁸ In October 2003 Amnesty International also reported that SALW ammunition which may have come from Bulgaria was seen in late 2001 in fighting around Kisangani in the DRC.¹¹⁹

Box 1. The Cases of Terem and Beta

The Terem Case

In October 2002, the Targovishte branch of Terem EAD, a state-owned arms production and repair company, signed a contract with Rodeo Investments, a company registered in the US, for the export of 60 tractor gearboxes to Syria. As became clear in the following months, the intended final destination was Iraq, the gearboxes were for armored personnel carriers, and the total contract was for 250 gearboxes. This illicit export was foiled on 11 November by Bulgarian Customs, only after 105 gearboxes had been delivered to Syria. The police investigation uncovered that the export channel involving Terem had been operating for about six years, and also included the export of 50 tank engines to Syria.¹²⁰ At the end of January 2003 Mehmed Dzhafer, the Deputy Minister of Defense, who was on Terem's board of directors, resigned from office only to become advisor to Defense Minister Svinarov's and the Prime Minister just a few months later.¹²¹

The Beta-Cherven Briag Case

In October 2003 the current and former CEOs of the privately owned Beta-Cherven Briag were briefly detained and charged with illegal exports of parts for the 122 mm Gvozdika self-propelled howitzer to Sudan. The unlicensed broker from RIK Co was also arrested. Between 22 and 29 November 2001, seven months after the Bulgarian government had joined the EU embargo against Sudan, Beta and RIK continued with the execution of an old contract, under which Beta had legally delivered 18 howitzers to Sudan in the preceding years. The parts for the howitzers were labeled as parts for road-building equipment. The three individuals were also charged with the embezzlement of close to € 400,000 from Beta.

¹¹⁶ 'Involvement in Arms Trade in Colombia,' [in Bulgarian] *Sega*, 23 January 2003.

¹¹⁷ 'Convicted Trafficker Involves Kintex in Illegal Arms Import in the US,' [in Bulgarian] *Dnevnik*, 6 January 2003.

¹¹⁸ 'Bulgaria Blamed Again about Arms Trade to Embargoed Countries,' [in Bulgarian] *24 Chasa*, 24 June 2003.

¹¹⁹ Hiller D, Wood B, *Shattered Lives: the Case for Tough International Controls* (London/Oxford, Amnesty International/Oxfam, 2003), p 10.

¹²⁰ Nikolov, I, 'The Terem Affair: To Be Continued,' [in Bulgarian] *Capital*, 18 October 2003.

¹²¹ 'Six Brought to Court for Illegal Arms Deals,' [in Bulgarian] *Novinar*, 26 June 2003.

The data on SALW trafficking provided by state institutions, such as the Customs Agency and the Mol, shows that no significant trafficking of SALW has been uncovered in the past two years. The majority of cases involved either individuals or small organized groups smuggling small arms and ammunition apparently intended for criminal use. The Customs Agency reports that in the period January 2002–August 2003 a total of 23 small arms contraband cases were foiled.¹²² Their territorial distribution is quite broad, ranging from the border with Turkey (Svilengrad) to the northern border of Bulgaria (Vidin). The greatest number of cases, however, was registered in the Western part of Bulgaria (nine at the Kalotina border crossing with Serbia & Montenegro, and three close to the border with Macedonia – two in Kyustendil and one in Blagoevgrad). Amongst the arms trafficked were Baikal and Makarov pistols, Kalashnikov rifles, grenades and grenade launchers and hunting rifles. About half of the offenders were Bulgarians, but there were also Macedonian, Turkish, Czech, Greek, German, and Austrian nationals.¹²³ All of the cases involved small quantities of firearms. For the whole of 2002 and the first eight months of 2003,

the Customs Agency confiscated a total of five assault rifles, 100 handguns, about 4,000 small arms ammunition pieces, and two portable RPGs.¹²⁴ According to data provided by the Mol, a variety of SALW were confiscated during 2001 (Table 3).

Table 3. SALW Confiscated by the Mol for 2001

Handguns	Rifles	Carbines	Automatic pistols	Automatic rifles	Machine guns	Home-made
140	150	92	6	45	41	130

Source: Mol

3.2. TYPES OF ILLICIT ARMS TRADE SCHEMES

Arms can reach forbidden users through so-called ‘black’ and ‘grey’ deals. A black deal is essentially one whose means and channels are illicit. The operations are not known by the controlling authorities and no attempts are made to legalize the deal. In recent years, however, a growing portion of arms shipments to forbidden destinations around the world are the result of grey deals. These arms deliveries typically have some legal elements and benefit from some degree of official protection but remain by and large illicit. Companies use apparently valid end-user certificates to obtain export or re-export permits. In a large number of cases documents appear to be in order. However, a closer analysis would reveal that the arms are intended to be diverted to a destination other than the one specified in the end-user certificate (EUC). In this case, there are two possible scenarios

- The first involves the issuance of a regular EUC signed by authorized but corrupt officials in the recipient country. Most often these are countries with poor or non-existent arms export controls, often located near troubled regions or countries in conflict. The accompanying documents are taken at face value and the arms are legally shipped to the stated country. The corrupt officials, or those that have

¹²² *Ibid.*

¹²³ Interviews with Customs Agency officials, 25 July 2003.

¹²⁴ Tolev, *op cit.*

bribed them, later redirect the shipment to the forbidden destination, often a country under embargo.

- The second involves the use of a counterfeit end-user certificate. Only a closer inspection would reveal that the issuing authority does not exist, that the signatories are no longer alive, or that the authorities are completely unaware of the deal.

Grey market deals are the hardest to control since the borderline between legal and illegal can be very fine. Besides, attempts to uncover these deals always carry the risk that the relevant law enforcement bodies might encounter resistance from corrupt officials.

Bulgaria is not immune from the risks associated with 'black' or 'grey' arms deals that use false end-user certificates. In the 1990s Bulgarian arms were frequently diverted to illegal users, often with false end-user certificates provided by international arms brokers. Such is the case of the Bulgarian arms transfer to UNITA via Togo, mentioned in Chapter 2.

Particular attention should be paid to the activities of the brokers who link the manufacturers with the final users. These individuals are adept at creating complex webs to conceal their activities and, therefore, their clients, be they legitimate users or outright criminals and human rights violators. Brokers have also proved expert at providing false documentation. At a certain stage during the transaction, the broker is the owner of the goods, which makes it possible for them to raise the sale price paid by the end-user country considerably (in some cases up to 200 percent). The price difference is used to pay for "commissions" or to bribe high-ranking officials.

Another equally important participant in transactions is the shipping company. No matter how strict the control on transactions is, control during transportation is very difficult, especially when the shipment is transported by plane or ship. In most cases, it is necessary to make technical landings and stops in ports on the way, during which the unscrupulous shipper can redirect the arms. The case of the notorious Russian arms dealer Victor Bout presents the clearest example of the risks related to arms brokering and shipments. Working with a fleet estimated to consist of close to 60 cargo planes, Bout has brokered arms sales to embargoed destinations from or via Bulgaria.

3.3. FACTORS IN THE ILLICIT ARMS TRADE

Despite the systematic efforts to improve arms export controls and implement the legal requirements, the results are not always satisfactory. There are a number of social and economic factors that create conditions favorable to the illicit trade. These factors also lead the Commission to interpret Bulgaria's international commitments without adherence to the highest moral standards. Becoming aware of these underlying factors can help curb illicit trade and help direct the resources available to combat it where they are really needed.

The pressure factors include: the over-capacity of the Bulgarian defense industry in the field of SALW production; the financial difficulties experienced by many defense companies; and the social and economic significance of the defense industry for some regions. Additional factors such as strong organized criminal networks, a weak

judiciary, registered firearms proliferation, customs and border controls corruption and institutional resistance to change further obstruct the functioning and improvement of the current arms export control system.

Another risk factor lies in the multiple roles of the state. Merging control activities with developmental, production and trade activities puts controlling bodies in a position of strong dependence on business. The consequent vulnerability to manipulation is a key factor that may encourage illicit transfers. These are also influenced by the liberalization of the SALW domestic markets, the globalization of the international trade, as well as economic underdevelopment and high unemployment, political instability, and the emergence of organized crime and its cross-border activities. All of these factors may play an important role in the increase in demand for illegal or semi-legal arms.

Overcapacity in SALW production

In the post-Cold War era Bulgaria inherited a relatively sizeable technological and production capacity. A highly centralized, state-controlled, and well-developed production and trade capacity had been built up during the initial industrialization period in the 1950s and 1960s. At that time science and technology staff was trained and modern digital programming technologies for SALW production began to be employed. The country's production capacities exceeded the national demand many times over, and presupposed the existence of an arms export national policy (for the needs of the Warsaw Pact countries, other socialist states or national liberation movements in the 'Third World'). After 1989 this overcapacity remained, as conversion programs were not successfully implemented (See the section above on 'Product reorientation and conversion').

In the centralized economy before 1989, all weapons produced were subject to military certification for which a specialized system was set up at the MoD. This system was dismantled in the market transition process, since it was expensive and inappropriate for defense purposes. This move put an end to the state practice of monitoring the quantity of arms produced and in that way necessary information for tracing internal arms transfers was lost. Thus the state lost its ability to keep track of SALW production.

Developing economy and high unemployment

Presently, Bulgaria has a developing economy with low competitiveness and a high level of unemployment.¹²⁵ Such an environment strengthens the dependence on arms production as a means for preventing the rise in unemployment. The trend is particularly manifest in the areas where defense companies are the mainstay of the job market. These are the areas around the towns of Kazanlak, Sopot and Karlovo, Veliko Tarnovo, Lyaskovets and Gorna Oryahovitsa. If the government pairs the programs for conversion from SALW production with alternative employment programs for laid-off workers, the social tensions in these regions will be reduced. Government defense expenditures should more visibly favor conversion from defense to non-military production; no offset agreements have so far demonstrated

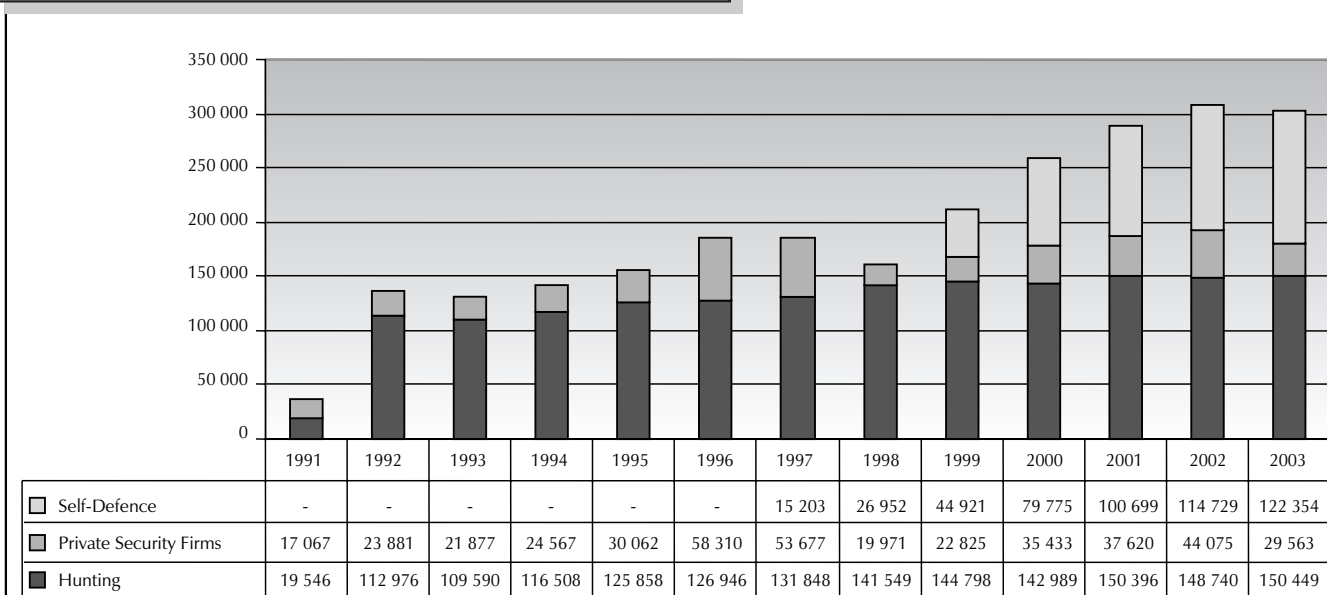
¹²⁵ 12.9% according to government statistics, with trade union claims that it could be as high as 30%. See also Ivanov T, *Defense Economics* [in Bulgarian] (Sofia, University Publisher Stopanstvo, 2002), pp 182–184.

governmental support for conversion programs. Many of the current producers are afraid to lay off additional workers and many defense companies, such as Arsenal, Beta-Cherven Briag or some units of Terem, work only a few days a week.¹²⁶

Firearms proliferation in Bulgaria

The proliferation of firearms among the civilian population is a factor that creates an environment conducive to illegal arms production and trading. Until 1991 civilian possession of firearms was restricted to hunters and sportsmen. After 1991 certain categories of civilians, such as private guards, were allowed to bear arms. During 1996 and 1997 more categories of civilians were allowed to bear arms for work-related purposes. Only after 1998 did changes in the Law on Control of Explosives, Firearms and Ammunitions allow ordinary civilians to bear arms for self-defense. Unlike other countries in the region, such as Albania, Bulgaria does not have a gun culture. By the end of 1992 private individuals were in possession of around 113,000 hunting arms. In the following five years, although the number of hunting arms remained relatively stable, the number of firearms owned by private security guards and business owners who could prove that they needed protection increased. In 1996, there were 58,310 firearms in the possession of the latter two categories of individuals. After 1997 the law was further liberalized allowing more categories of private citizens to own firearms. The period from 1998 to 2000 saw a notable increase in the number of firearms owned by civilians and a decrease in the number of firearms owned by private security firms.

Chart 2. Number of Registered Firearms in Bulgaria



Source: Control of Hazardous Devices Office, MoI

¹²⁶ Interviews with defense industry representatives, 25 September 2003.

The Control of Hazardous Devices Office, which registers all firearms in the country, explains this by pointing not only to the increased sense of insecurity among private citizens but also to the new tendency among private security companies to register their arms under their employees' names. In this way, firearms become privately owned and the liabilities of the company are reduced.¹²⁷ When one analyses the 2003 distribution of 302,366 registered firearms, it is difficult to estimate the real amount that civilians own for self-defense. Although there are 122,354 for self-defense and 29,563 for security companies, a significant but unknown quantity of the 122,354 firearms is actually owned by employees of private security firms that use them primarily for professional needs.

Today there are 301 private security companies in Bulgaria.¹²⁸ Their growth is most often ascribed to the stark increase in crime in the 1990s that led many people to provide for their own security, often by acquiring firearms illegally. The spread of firearms in Bulgaria is also exacerbated by the broad distribution network of over 100 stores that offer low-priced domestically produced handguns. An Arsenal-made Makarov pistol can be purchased for as low as \$130 and Arcus-made pistols are sold at around \$250. Black-market prices for Kalashnikov assault rifles are as low as \$120.¹²⁹ Another reason is that the Law on Control of Explosives, Firearms and Ammunition has placed few restrictions on firearms registration. In August 2003 new amendments to this law made the procedure for registering privately owned arms easier but limited access to legal firearms by individuals with a record for petty crime. In addition, it restricted access of armed individuals to a number of public spaces.

Although the absolute number of registered firearms is much smaller than in neighboring countries, such as Serbia and Montenegro, where 8 million citizens are in possession of over 1 million registered firearms,¹³⁰ the growth trends in Bulgaria are worrying. The slight decrease in 2003 of about 5,000 firearms could indicate that the market has reached saturation point, but it could also indicate difficulties in the renewal of firearm registration early in 2003 due to procedural delays which were rectified only in August 2003.

The number of illegally owned firearms is largely unknown and the police has no credible estimates. In 1998 a representative of Bulgaria's Hunters and Fishermen Union claimed that there were close to 100,000 illegally owned hunting firearms.¹³¹ The relatively strict and lengthy¹³² procedure for obtaining arms permits encourages many, especially criminals, to obtain arms illegally. There is certainly a large number of illegally owned firearms, produced in illegal workshops around the country (see Box 2) or smuggled from parts of the Western Balkans.

The number of chemical spray guns in circulation is also unknown. A spat of high-profile murders in late 2003 committed with remodeled chemical spray guns increased

¹²⁷ Interview with CHDO official, 27 October 2003.

¹²⁸ National Police Service Directorate, <<http://www.dnsp.mvr.bg/ohranfirmi.htm>>, accessed 16 October 2003.

¹²⁹ The quoted prices are based on CSD's own investigation.

¹³⁰ IANSA Kosovo and country profile, <<http://www.iansa.org/regions/europe/kosovo.htm>>, accessed 2 October 2003.

¹³¹ Desislava Ionova, '100,000 Bulgarians Hunting Illegally,' [in Bulgarian] *Democratia*, 9 September 1998.

¹³² There are only 200 officers around the country working for the National Police Service's Control of Hazardous Devices Office (CHDO), which is in charge of issuing and renewing firearms permits.

demands for the regulation of imports and sales of such guns. The problem came from CIS-made chemical spray guns (PSM-Izh 70 and Izh-79 “Baikal”), which unlike spray guns, use material that allows for their transformation into combat guns. Under pressure from the police and the NSCOC, in January 2004 the MoI considered the introduction of permits for the importation and ownership of chemical spray guns.¹³³

Box 2. Illegal Production of Arms

- In February 2003 the Plovdiv police discovered an illegal arms workshop in a small village next to the town of Karlovo. The facility produced AK assault rifles and handguns. Five people were arrested.¹³⁴
- In March 2003 a joint operation of the police in the regions of Russe, Gabrovo, and Veliko Tarnovo discovered an illegal firearms workshop and arms trade network spanning across central North Bulgaria.¹³⁵
- In May 2003 the NSCOC broke up an organized group in Kazanlak for illegal production and trade with arms.¹³⁶

Higher level of general and organized crime

In the past decade, following the demise of Communism in Bulgaria and amidst weak state institutions, organized criminal groups have evolved to extend their reach within society.¹³⁷ From operating as a link on the Balkan transit route for drugs, there has been an increasing extension into cigarette, vehicle and human trafficking, gambling, tax fraud, money laundering and gun running. With the prospect of NATO and EU accession came increased initiatives to tighten smuggling activity, but the problems of corruption and resources remain a hindrance to comprehensive action against criminal groups.¹³⁸ In 2001, police identified 295 organized criminal groups with 1,720 members, of which 164 were foreigners.¹³⁹ Operating throughout the country, key focal points are the Black Sea coast, the Bulgarian-Turkish border, and the area bordering Greece and Macedonia.¹⁴⁰

Traditional and organized crime, and the accumulation of illegally acquired funds are factors which contribute to SALW trafficking. Although the rise in the number of illegal arms has to do mainly with the circulation of weapons within Bulgaria, there is naturally a correlation between the availability of firearms within Bulgaria and the regional market for illicit arms. The correlation becomes prominent during civil crises and conflicts in adjacent countries or regions. Troubles in Albania, Macedonia, Kosovo, and Bosnia and Herzegovina have been causally linked to the presence of suppliers in Bulgaria since the early 1990s.

¹³³ ‘The MoI Wants Registration Regime for Spray Guns’, [in Bulgarian], *Dnevnik*, 11 January 2004.

¹³⁴ ‘An Illegal Arms Production Shop is Broken Up,’ [in Bulgarian] *Duma*, 4 February 2003.

¹³⁵ ‘The Police Breaks Up a Network for Production of Illegal Firearms,’ [in Bulgarian] *Sega*, 2 March 2003.

¹³⁶ ‘The Police Hits on a Secret Arms Production Shop,’ [in Bulgarian] *Trud*, 4 July 2003.

¹³⁷ Konstantinova, E, ‘Bulgarian gangs provide key link in European trafficking chain’, *Jane’s Intelligence Review*, 1 November 2001.

¹³⁸ *Ibid.*

¹³⁹ *Ibid.*

¹⁴⁰ *Ibid.*

Border security and corruption

Corruption

In addition to the above underlying factors, corruption at border crossings should be mentioned as a factor that could be exploited by arms traffickers. A 2002 CSD report entitled *Corruption, Trafficking and Institutional Reform* analyses in detail the various mechanisms of corrupt practice that allow the illegal export or import of goods. These methods of corruption could be used to export SALW.

The CSD report notes that smuggling operations are characterized by a high level of organization. The network of corruption involves customs officials, criminal groups and their companies, transport companies, brokers, and officials of the MoI (such as the Border Police Service, NSCOC, NSS, etc). The report warns that “officials from almost all levels within the customs administration” are involved in corrupt practices.¹⁴¹

The report outlines six different types of corruption scheme:

- The first type is the large corruption scheme, involving a large, organized group of people who do not know each other, including border and customs officials, authorities at local and national level, and often politicians. The bribes could amount to hundreds of thousands of dollars per month. The people at the top of such schemes usually have the influence to select the personnel that are supposed to exert control along the trafficking route.¹⁴²
- The second type is a scheme that involves a small organized group of people who know each other. Such groups operate in a particular region with one or two customs directorates. They often include former or present customs officials, the head of the particular customs directorate, and former or present MoI officials. In both this and the previous scheme, the goods that cross the border are registered either at lesser than actual value, or as a type of goods other than what they actually are, to avoid high import taxes.¹⁴³
- The ‘Tandem’ type, also called ‘wild smuggling’, refers to cases when goods cross the borders without being registered at all. This scheme targets individual border posts, where employees from customs, the MoI, and others collude and let the goods cross the border without being registered.¹⁴⁴
- The report also talks about three different types of ‘individual corruption schemes’. In these schemes individual customs officers have their own privileged ‘clients’, or extort money from randomly chosen companies, or expedite processing at the border for a certain fee.¹⁴⁵

In the cases of Terem and Beta, keeping in mind the volume and the complexity of the transaction, the scheme type used most likely involved a large and complex

¹⁴¹ Center for the Study of Democracy, *Corruption Trafficking and Institutional Reform: Prevention of Trans-Border Crime in Bulgaria (2001–2002)*, (Sofia: Center for the Study of Democracy, 2002), p 12.

¹⁴² *Ibid*, p 13.

¹⁴³ *Ibid*, pp 13–14.

¹⁴⁴ *Ibid*, p 14.

¹⁴⁵ *Ibid*, p 14.

organization. In both cases the products were registered by Customs as civilian goods. It is unlikely that Customs officers failed to identify the exported goods as arms parts. The products, after all, came from large well-known defense companies, with past deliveries to the same destinations. The ongoing investigations in these cases should reveal the level at which Mol officials, Customs officers or other government employees were involved.

Lack of Border Security

The Bulgarian government and the EU have been increasing their focus on security of EU and non-EU borders and border crossings in light of Bulgaria's expected 2007 accession to the EU. Some European governments and the EU have donated equipment and have worked with the Mol in improving the capabilities and the quality of the Border Police. Nevertheless, several outstanding issues will in the near term continue to provide favorable conditions for the smuggling of arms.¹⁴⁶

The most acute problem is the security of border facilities. Of particular concern is the security around airports and seaports. The export of Bulgarian arms takes place almost entirely through airports and seaports. Varna and Burgas, the two biggest ports on Bulgaria's 320-kilometer Black Sea coastline are notable examples. Reportedly, the security of the cargo areas at both ports is lax. Neither port's customs facilities have x-ray equipment for inspecting cargos. Nor does either port have examination sheds in which to inspect containers in adverse weather conditions. At the Kapitan Andreevo border crossing with Turkey, Customs conduct thorough inspections on about 2 percent of the entering trucks, and an even smaller proportion of those exiting the country. This inspection ratio is achieved because the crossing's facilities include x-ray equipment. In Varna and Burgas, where no such equipment is available and where the total amount of cargo is significantly higher, the percentage is probably even lower. Sofia Airport also faces security issues because it has multiple entry and exit points with lax security. It is known that goods have been stolen or removed without Customs authorization from the airport's cargo facilities.¹⁴⁷

Another problem in combating arms smuggling is the lax control over small boats. Exports of hundreds of pieces of SALW at a time can be made using such craft. Bulgaria's Black Sea coast has numerous small fishing ports. The entire coastline is patrolled by only three Border Police boats. The Bulgarian Customs Agency does not have its own boats and is dependent on the Border Police. The Border Police is in the process of building radar stations along the coast, but there are still sections of the coast that are not covered by Border Police radars. All this means that small boats coming from Turkey or Ukraine, for example, could load small cargo from Bulgarian small boats or small ports. Small ports along Bulgaria's Black Coast have virtually no security measures in place.¹⁴⁸

¹⁴⁶The issues of border security and smuggling are a separate issue and require extensive analysis. These issues will be the subject of a CSD report, expected in April 2004, which will go beyond the general observations offered here.

¹⁴⁷Interviews with Customs officials, October–November, 2003.

¹⁴⁸*Ibid.*

3.4. TRENDS IN THE ILLICIT SALW TRADE

There has been an increase in the number of channels used for the export of illicit SALW across borders. Destinations include the Western Balkans, Greece, Turkey, and Western Europe. Bulgaria's organized criminal groups are not specialized in illicit arms and ammunition trade. Illicit arms trafficking is often a side activity carried out by individuals with criminal records who have been involved in armed robberies, kidnapping, blackmailing, etc. According to the National Service for Combating Organised Crime,¹⁴⁹ the persons most likely to trade/traffic firearms, ammunition, electronic detonators and explosives illicitly include Bulgarians with criminal records, foreign nationals illegally residing in the country and ethnic Albanians transiting through the country.

The growing interest in acquiring legal chemical spray guns of the Baikal brand is a cause for concern since they can be altered to fire bullets and fitted with a sound moderator. Some of the guns are re-sold on the black market, while others are trafficked into third countries. Data available from law enforcement agencies¹⁵⁰ shows that the arms are intended to reach Bulgarian nationals with criminal records and crime groups residing in Spain, Germany, Greece, and Macedonia. In their submission to the UK All Party Parliamentary Group (APPG) on gun crime, the UK Association of Chief Police Officers (ACPO) quoted Bulgaria as the source of illicit altered Baikal spray guns, which are being recovered in increasing numbers from criminals across the UK.¹⁵¹

- On 4 November 2002, at the Kalotina border crossing-point with Serbia, a 23-year-old man was arrested in possession of a Kalashnikov with a silencer, two Makarov pistols with silencers, and over 50 bullet-firing ballpoint pen guns. Ammunition for these weapons was also discovered. The individual was, supposedly, on his way to Madrid, but the bus was scheduled to pass through Serbia, Slovenia, Bosnia and Herzegovina, Italy, and France. The investigation showed that the man came from Pavel Banya, a town near the SALW producer Arsenal, where a number of weapons are known to have been stolen and sold by employees.¹⁵²
- In January 2003, a former police officer was arrested at the Kalotina border crossing, while trying to smuggle 25 handguns, one AK-47 rifle, and 554 bullets.¹⁵³

¹⁴⁹Center for the Study of Democracy, *Round table on Small Arms and Light Weapons Export Controls in Bulgaria*, (Sofia, Center for the Study of Democracy, 28 March 2003), < www.csd.bg/news/smallarms.htm > (accessed 24 October 2003).

¹⁵⁰*Ibid.*

¹⁵¹Submission from Deputy Chief Constable Alan Green, Chair, ACPO Firearms Committee: All Party Parliamentary Group on Gun Crime, 'Combating the Threat of Gun Violence', A report of Parliamentary Hearings, November 2003, p 22.

¹⁵²'A Well Armed Bulgarian is Arrested on his Way to Madrid,' [in Bulgarian] *Monitor*, 5 November 2002.

¹⁵³'Former Police Officer Caught Smuggling Arms,' [in Bulgarian] *Trud*, 19 January 2003.

- In May 2003, the police arrested a Customs Agency officer and several truck drivers from the border town of Svilengrad. Although the officially declared reason was smuggling of goods, the press reported that the investigating officials have admitted to the existence of an arms trafficking route. The murder of a Turkish national, a few weeks prior to the arrests, was said to be connected to mafia battles for control of the channel.¹⁵⁴

3.5. DEALING WITH SURPLUS SALW

In Bulgaria, the largest stocks of small arms are held by the MoD. The MoI also has about 30,000 armed personnel at its various agencies. While there are no surpluses at the MoI, the Bulgarian Armed Forces have gone through massive reductions that have led to the gradual accumulation of surplus arms. Unlike the practice in some Western European countries, where surplus weapons from the Cold War era were publicly accounted for and sold, Bulgaria's arms surpluses have been veiled in secrecy.

As is true of some Western European governments, Bulgaria's priority has been to sell surplus equipment. The sale of surpluses has been carried out by Procurement & Trade, under the MoD. Information about the MoD sales of SALW has been classified, but is certain to be in the order of tens of thousands of units during the 1990s. The difficulty of selling all SALW has led to the preservation of large stockpiles of surplus arms and, especially, ammunition.

There have been conflicting media reports about the size of firearms and ammunition stockpiles. Until 1989, the Bulgarian Army's mobilization preparedness plans required SALW for at least 800,000 soldiers. At the beginning of the 1990s, preparedness levels were reduced to 500,000. Today the Bulgarian Armed Forces number 45,000 and the mobilization preparedness requirement is for 100,000.¹⁵⁵ Unfortunately, since the total MoD sales of surplus SALW remain classified it is difficult to estimate the exact SALW surpluses. In June 2003, the daily *Dnevnik* quoted former defense officials who stated that there were between 300,000 and 350,000 small arms in the mobilization reserves.¹⁵⁶

Ammunition stockpiles are the most problematic of all. Tens of thousands of tons of ammunition lie in MoD warehouses. Although surplus ammunition is unlikely to be sold because of its negligible market value, its safe disposal through destruction remains difficult because of the high costs involved. Moreover, despite the high expenses associated with storage of surpluses there are strong political pressures against their destruction: the MoD is reluctant to be blamed for destroying assets that might have been sold.

Stockpile security has been debated in the media. In January 2003, the Chief of the General Staff, Gen Kolev, admitted that there was a problem with the security of arms and information. According to Kolev, the main reason for this was the closure of military units, which resulted in the transfer of large quantities of arms and munitions to new locations.

¹⁵⁴'Kapitan Andreevo Crossing: Smuggling Channel for Arms and Drugs,' [in Bulgarian] *Monitor*, 23 May 2003.

¹⁵⁵'Military Doctrine of the Republic of Bulgaria', Ministry of Defense, 22 February 2002, Art 93.

¹⁵⁶'The Army Commences the Substitution of Russian Submachine Guns with Bulgarian Ones,' *Dnevnik*, 12 June 2003.

These transfers are not closely monitored and are thus vulnerable to theft. He added that, although control over stocks of weaponry in the military units was performed regularly, it was often simply a formality which did not routinely involve close inspections.¹⁵⁷

In 2002, the Military Police and Military Counterintelligence Security Service reported five thefts of arms and noted that four resulted in the arrest of the perpetrators.¹⁵⁸ This was the lowest figure in the period 1996–2002, falling from 22 in 1996, to nine in 2001, and then to five in 2002. Among the firearms, the most frequently stolen items were 9 mm Makarov pistols and 7.62 mm Kalashnikovs. The Security Service also reported that items still missing include fifty pistols, seven submachine guns, twenty-two *Neto* hand-held anti-tank RPG launchers (ten of them stolen from a military unit in the town of Strajitza).¹⁵⁹

Destruction of surplus SALW

Bulgaria's increased willingness to discuss and implement the disposal of its huge stockpiles of SALW has attracted significant donor assistance. The first destructions of SALW started in 2001 when Bulgaria signed an agreement with the US Government for the destruction of 150,000 small arms. So far, Bulgaria has destroyed around 96,000 SALW and nearly 6,700,000 rounds of ammunition under this agreement.¹⁶⁰ In July 2003, under a project funded by the United Nations Development Program (UNDP), the MoD destroyed 4,500 SALW, 750,000 bullets and 4,000 100 mm rounds. This project has highlighted the MoD's reluctance to provide precise information on existing stockpiles and surpluses. As a result, the UNDP is planning to conduct an independent assessment of surplus SALW stockpiles.¹⁶¹

Pursuant to the Conventional Forces in Europe Treaty, Bulgaria has selected the 137th Central Storage and Technical Maintenance Base in the city of Veliko Tarnovo as the facility to which surplus artillery weapons will be transported for storage and destruction. Moreover, the Veliko Tarnovo branch of Terem, the company being appointed to perform the actual destruction of surplus SALW, is situated nearby and has developed special technologies for destruction and disposal of the whole range of SALW. According to the MoD, the international inspections, conducted by a joint group of American and Norwegian experts in October 2000, has concluded that the Ministry's SALW storage is secure and all arms accounted for. CSD could not confirm the conclusions of this inspection. Another visit conducted in the summer of 2002 by the South Eastern Europe Clearinghouse for the Control of SALW (SEESAC) noted that the Bulgarian government has informed them that "the Bulgarian Army has introduced an effective system for safe storage and record-keeping of SALW, preventing thefts and uncontrolled movement of arms and ammunition."¹⁶² From the description in this report of the brief duration of the visit and the nature of the interviews, it should be noted that SEESAC is unlikely to have been able independently to confirm the Bulgarian Armed Forces' claim of stockpile security.

¹⁵⁷ 'Thefts of Arms and Information from the Army,' [in Bulgarian] *Dnevnik*, 11 January 2003.

¹⁵⁸ 'President Parvanov is Angry about Information Leaks and Arms Thefts,' [in Bulgarian] *Monitor*, 11 January 2003.

¹⁵⁹ 'Suspect Found in the Theft of 10 RPGs,' [in Bulgarian] *Sega*, 18 January 2003.

¹⁶⁰ Interviews with MoD officials, 7 June 2003.

¹⁶¹ Interview with a UNDP official, 25 September 2003.

¹⁶² Van der Graaf H, Rutherford C, *Short Mission Report: SEESAC Consultation in Bulgaria, 8-10 July 2002*, (Belgrade, SEESAC, 2002), <<http://www.seesac.org/about/bulg.htm>>, (accessed 6 October 2003).

3.6. MARKING AND TRACING SALW

Marking

Although the Law on the Control of Explosives, Firearms and Ammunition that regulates the production of firearms and ammunition does not state specific requirements for markings of small arms and ammunition, the OSCE has mandated that after 30 June 2001 the markings on small arms manufactured by OSCE member-states must detail the year, country of manufacture, manufacturer's name, and a serial number. As an OSCE member, Bulgaria has also agreed that, if it discovers unmarked small arms in its current stockpiles, it will destroy them, or mark them before exporting or using them.¹⁶³

Punishing Illegal Arms Trading

Administrative measure

Amendments to the LCFTADGT increased the penalties in cases of violation of the Law. Previously, the fines amounted to between 25 and 250 Bulgarian leva (€ 12–€ 125). The new texts lay down fines ranging from 5,000 to 50,000 leva (€ 2,500–€ 25,000) for private individuals. For companies, the fines are even more severe. They amount to double the value of the transaction. (Article 19, LCFTADGT)

Penal Code provisions

Article 233 penalizes the illegal trade in dual-use goods and technologies with up to 8 years imprisonment or a 1 million leva (€500,000) fine.

Article 337 penalises illegal trade in, and production and transfer of, explosives, arms, and ammunition with up to 6 years imprisonment (2–8 years for civil servants).

Article 339 penalises the illegal acquisition and ownership of explosives, arms, and ammunition.

Civilian and military SALW produced by Bulgarian companies are marked according to OSCE requirements. In line with Bulgaria's compatibility with NATO, all arms and ammunition of the Bulgarian Armed Forces will need to bear the standard marking for NATO armaments. This is likely to become the standard for the production of all Bulgarian defense companies.

The markings of Bulgarian-made arms and ammunition are regulated by two additional state bodies. The Bulgarian Standardization Institute is the regulatory body that develops national production standards and introduces international standards in the country.¹⁶⁴ In addition, the National Codification Bureau at the Ministry of

¹⁶³Organization for Security and Co-operation in Europe, *OSCE Document on Small Arms and Light Weapons*, adopted at the 308th Plenary Meeting of the OSCE Forum for Security Co-operation on 24-November 2000.

¹⁶⁴National Standardization Law, SG 55/1999, last amended 13/2002.

Defense ensures that all military equipment used in the Bulgarian Armed Forces corresponds to NATO standards.¹⁶⁵

Tracing

Requests for tracing are usually submitted via the MFA to the Interdepartmental Commission. The manufacturers do not provide the government with the serial numbers of all produced arms and ammunition. Only the serial numbers of the arms and ammunition that are exported (or imported) are submitted in the export/import permit application to the Commission. Nevertheless, if the proper markings are in place, the Commission should easily be able to identify the producer.

The tracing of civilian firearms is coordinated by the Control of Hazardous Devices Office (CHDO) within the MoI. When a civilian purchases a firearm s/he is supposed to register it with the CHDO, where in addition to recording the brand of the firearm and its serial number, each weapon undergoes a ballistic analysis. The data is entered into a database which the police can consult in order to trace the owner of a firearm used in unlawful activity. This explains why very few crimes are committed with registered firearms.

¹⁶⁵Decision No 11 of the Council of Ministers from 26 January 1999 on the Establishment of a National Codification Bureau Directorate for the Development, Maintenance and Application of Classifications and Nomenclatures to Armaments, Technical Equipment, Ammunition, and National Defense Assets. SG 75/2003.