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### Treasury Designates Viktor Bout's International Arms Trafficking Network

The U.S. Department of the Treasury today identified 30 companies and four individuals linked to Viktor Bout, an international arms dealer and war profiteer. Today's action took place pursuant to Executive Order 13348, which targets family members and associates of former Liberian President Charles Ghankay Taylor. Bout himself was designated under the same authority in July 2004 because of his association with Taylor.

"Our targeted sanctions are exposing and isolating the core elements of the Bout financial empire and illicit arms pipeline," said Juan Zarate, the Treasury's Assistant Secretary for Terrorist Financing and Financial Crimes. "The Treasury remains committed to fulfilling our international obligations to sanction the former Charles Taylor regime by taking aggressive action against Bout front companies and agents."

The U.S. is submitting the 30 companies and four individuals to a Sanctions Committee established by United Nations Security Council Resolution 1521, which will consider adding them to the consolidated list of individuals and entities tied to Taylor.

This designation is the result of close coordination with the Departments of Justice and State, federal law enforcement agencies and UN officials.

"Today's announcement is an excellent example of how the Treasury's Office of Terrorism and Financial Intelligence (TFI) works hand-in-hand with our counterparts in the U.S. Government to maximize the effectiveness of our financial tools, in this case, OFAC's designation authority, to isolate rogue actors," said Stuart Levey, the Treasury's Under Secretary for TFI.

Bout runs a network of air cargo companies that are based in various countries in the Middle East, Africa, Eastern Europe and the United States. Additionally, Bout controls what is reputed to be the largest private fleet of Soviet-era cargo aircraft in

the world.

Shortly after the breakup of the Soviet Union, Bout, a former Soviet air force officer with a gift for languages, was able to acquire surplus or obsolete airplanes which he used to deliver arms and ammunition from old Soviet stockpiles. The high profits he garnered supplying military equipment to rebel groups and sanctioned regimes allowed him to expand his business. Notably, information available to the U.S. Government shows that Bout profited \$50 million from supplying the Taliban with military equipment when they ruled Afghanistan.

Today, Bout has the capacity to transport tanks, helicopters and weapons by the tons to virtually any point in the world. The arms he has sold or brokered has helped fuel conflicts and support UN sanctioned regimes in Afghanistan, Angola, the Democratic Republic of Congo, Liberia, Rwanda, Sierra Leone and Sudan.

The firms designated today include Bout's flagship entity, *Air Cess*. This company first appeared in Belgium in 1996 although it was registered in Monrovia, Liberia with Bout as its head. Other key major firms in the network include *Centrafrican Airlines*, *San Air General Trading*, *Air Bas*, *CET Aviation*, *Irbis*, *Transavia Travel*, and *Santa Cruz Imperial*. San Air and Centrafrican played a key role in supplying arms to Charles Taylor's regime in Liberia and the Sierra Leone rebel group, the Revolutionary United Front (RUF). In exchange for these supplies, Bout received payment from the Liberia's international ship registry as well as diamonds and other valuable commodities acquired illegally by Taylor's associates and the RUF.

Individuals named today include Bout's older brother Sergei, two senior Bout managers – Serguei Denissenko and Valeriy Naydo – and Bout's U.S.-based chief financial officer, Richard Chichakli.

Today's action prohibits any transactions between U.S. persons and the designated entities and also freezes any assets of the designated persons that are within U.S. jurisdiction.

The 34 new names bring the total number of individuals and entities designated under E.O. 13348 thus far to 62. For a complete list of entities designated today, please visit: <http://www.treas.gov/offices/enforcement/ofac/actions/20050426.shtml>.

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## REPORTS

- [Please find attached a diagram of the entities designated today.](#)