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New York Times

April 7, 2007

Pg. 6

Chlorine Gas Attack By Truck Bomber Kills Up To 30 In Iraq

By Alissa J. Rubin

BAGHDAD, April 6 — A suicide truck bomb loaded with chlorine gas exploded in Ramadi on Friday, killing as many as 30 people, many of them children, a security official said.

The explosion burned victims' lungs, eyes and skin. Dr. Ali Abdullah Saleh, of the main Ramadi hospital, said 30 people had been admitted with shrapnel wounds and 15 had been sent to a second hospital in the city. He said 50 people had been admitted for breathing problems.

It was at least the sixth chlorine bomb detonated in Anbar Province since late January and the most lethal, though it appears that most victims were killed by the explosion rather than the chlorine. Insurgents have also used chlorine bombs in the northern part of Baghdad, the capital, and near Taji, a town about 20 miles to the north.

The attacker in Ramadi struck in the late morning of the Muslim day of prayer, when children off from school usually play in the street and adults run errands and visit before going to the mosque at midday.

The truck, a fuel tanker loaded with the toxic gas, sped toward an Iraqi police checkpoint, according to witnesses and Col. Tareq al-Dulaimi, the head of security for Anbar Province. The police officers opened fire and the truck swerved toward a residential area, where the bomb exploded, he said.

The United States military said in a statement that some victims had been evacuated to hospitals at American facilities in Iraq. The military said that the use of chlorine gas had been suspected but not confirmed, and that it was unclear whether the explosion had been set off by the police gunfire or by the suicide bomber.

Anbar Province is a stronghold of the Sunni insurgency, and a haven for the insurgent group Al Qaeda in Mesopotamia. There has been fierce fighting in the area between tribes who support Al Qaeda in Mesopotamia and those who oppose it and now work more closely with the government. In the past two months, there have been assassinations and bomb attacks on the tribes opposing Al Qaeda, including three truck bombs filled with chlorine gas in mid-March.

In military action, there was a daylong fight between American soldiers and Shiite militia members in the city of Diwaniya, south of Baghdad, a statement from the Fourth Brigade Combat Team of the 25th Infantry Division in Baghdad said. The operation's goal seemed to be to reduce the influence of Shiite militias in the area.

Residents of Diwaniya said the operation began before dawn when Iraqi and American soldiers closed off neighborhoods known to be havens for Shiite militias, including the Mahdi Army, aligned with the radical Shiite cleric Moktada al-Sadr. Residents said the soldiers distributed pamphlets asking people to cooperate with the American and Iraqi troops and then began house-to-house searches.

The statement said three militia members were killed and six wounded. The police put the death toll at 10 but said several were civilians killed during the shooting.

American and Iraqi forces uncovered an assembly area for the powerful roadside bombs known as explosively formed projectiles, the statement said. Four bombs were already assembled, it added, and others were in various stages of being put together.

Residents said there had been open fighting in central Diwaniya between American soldiers and members of the Mahdi Army. There seemed to be little effort on the part of local residents to defend the militia, they said. Several said they held militia members responsible for killings and kidnappings in the area.

Mr. Sadr's office in Diwaniya sharply criticized the operation. "This operation is unjustified," said Haydar al-Natiq, who runs the office. "It will stir up the situation in the time where a peace conference was supposed to be held between the Sadrist and the security forces."

In Baghdad, 11 bodies were found Friday, the Interior Ministry announced. Mortars and gunfire killed at least four others in the capital, it said. Residents in the predominantly Sunni Arab district of Adamiya said American soldiers had killed a civilian in the neighborhood. The American military said it had no information on the episode.

The United States military said Friday in a statement that a soldier had been shot to death in Kirkuk Province on Thursday.

The bomb blast in Anbar Province left residents shaken.

Sabir Muhammad al-Rishawi, a shopkeeper who sells mobile phones, was close to the explosion.

"There were many people outside their homes because usually on Friday, you see a lot of activity in our area," he said. "Then we saw a fuel tanker come close to the police checkpoint. The policemen shot at the driver and he exploded his truck to destroy the building close to the area he was trying to bomb. I felt my temperature start to rise and then we knew that there was chlorine in the bombs."

Chlorine is widely available because it is used in water purification plants. Insurgents linked to Al Qaeda have become increasingly adept at stealing the chlorine, raiding water plants in the areas of Anbar that they control, said Colonel Dulaimi, the Anbar security chief.

The chlorine is trucked from Jordan and Syria. Insurgents recently held up four chlorine trucks on the route to Water Ministry warehouses in Baghdad. As a result, Anbar officials stopped 12 other chlorine trucks that were in Trebil, near the Jordanian border.

"We've stopped these trucks from moving further into Anbar until we can prepare good protective convoy for them," Colonel Dulaimi said.

Chlorine gas, first used in World War I, is a choking agent. There is no antidote for it. The only remedy is to try to remove it from clothes, skin and eyes with soap and water, according to the Centers for Disease Control and Prevention in Atlanta. If the exposure is limited, people generally survive without suffering lasting damage.

The symptoms can be as slight as a burning in the lungs, coughing, tearing eyes and a burning sensation on the skin. Or they can be far more dire, destroying the delicate lung tissue and making people feel as if they are suffocating. Colonel Dulaimi said that even though the bomb destroyed a building with six apartments, the city was fortunate. "God was helping families in Ramadi today, because the wind was blowing away from the residential area and toward an empty area," he said "If the wind direction had not been like this, there would have been a huge tragedy in Ramadi today."

Qais Mizher contributed reporting from Baghdad, and Iraqi employees of The New York Times from Baghdad, Diwaniya and Ramadi.

http://www.nytimes.com/2007/04/07/world/middleeast/07iraq.html?_r=1&oref=slogin

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Washington Post

April 7, 2007

Pg. 7

Gas Bomb Explodes In Ramadi

Up to 27 Dead in Latest Attack in Anbar Province Using Chlorine

By Karin Brulliard, Washington Post Staff Writer

BAGHDAD, April 6 -- A truck rigged with TNT and chlorine exploded in the capital of Anbar province Friday, the latest in a spate of chemically laced bombings in the restive area west of Baghdad, police said.

Authorities said the truck's driver appeared to be targeting a police checkpoint in Ramadi but instead slammed the vehicle into an apartment complex for workers from a nearby state-owned glass and ceramics factory, sending flames and black smoke into the sky.

Iraqi police said 27 people were killed and 30 wounded. The U.S. military said in a statement that 12 people were killed and 43 wounded.

The attack was at least the sixth involving chlorine since the end of January in Anbar, a hub of the Sunni insurgency. Such bombings are generally less lethal than traditional bombs but are intended to maximize panic, U.S. military officials say. Friday's blast was the deadliest yet.

Al-Qaeda in Iraq is battling other insurgent groups and Sunni tribal leaders who are backing U.S. efforts for control of Anbar, and several recent bombings in the province have targeted Iraqi police and soldiers.

Salah Attalah, 39, said he was leaving the factory after working the night shift when the blast tossed him to the ground. He later searched for two missing co-workers at a hospital but found only a massive crowd of wailing and wounded strangers.

"How many women became widows today, after this explosion?" Attalah asked, choking up as he spoke. "How many children became orphans? And how many mothers and fathers lost their sons and daughters?"

Attalah said he and his co-workers would not return to the factory until authorities had assured them the area was free of toxic gas.

South of Baghdad on Friday, U.S. and Iraqi forces staged pre-dawn raids in the city of Diwaniyah that led to a fierce gunfight with members of the Mahdi Army, the militia of firebrand Shiite cleric Moqtada al-Sadr, police said.

Twenty-seven people were detained and three were killed in the fighting, the military said in a statement. The forces found materials used to make armor-piercing bombs known as explosively formed penetrators, or EFPs, which U.S. officials have said are supplied to Shiite militias by Iran, as well as other bomb parts and several firearms, the military said.

Lt. Col. Christopher C. Garver, a U.S. military spokesman in Baghdad, declined to say whether the gunmen were Mahdi Army fighters, saying an investigation would determine that.

The raids were denounced by representatives for Sadr, who has generally cooperated with a security crackdown in Baghdad but has continued to call on U.S. forces to leave Iraq. Abdul Razaq al-Nadawi, a Sadr spokesman in the city of Najaf, said the clashes were an attempt to thwart demonstrations that Sadr has called for Monday -- the fourth anniversary of the fall of Baghdad -- in opposition to the U.S. presence in Iraq.

Nadawi said members of the Mahdi Army in Diwaniyah "started to defend themselves" after the raids began.

Separately Friday, Iraqi Prime Minister Nouri al-Maliki issued a statement asking the U.S. military and its allied forces in Iraq to apologize for a raid last month in the southern port city of Basra and calling it a violation of Iraqi sovereignty. British troops and Iraqi special operations forces stormed an Iraqi intelligence ministry building there March 5 and found prisoners who showed signs of torture, the British military said at the time. All 30 prisoners escaped during the raid.

The U.S. military announced that an American soldier was shot and killed Thursday in the northern city of Kirkuk and that another soldier was killed the same day in a roadside bomb attack in Diyala province.

A prisoner died Wednesday morning at Camp Cropper, a holding facility for security detainees in Baghdad, the U.S. military said. The cause of death is under investigation.

Special correspondent Saad Sarhan in Najaf and other Washington Post staff in Iraq contributed to this report.

<http://www.washingtonpost.com/wp-dyn/content/article/2007/04/06/AR2007040600243.html>

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Money Shift Could Clear Way To Shut North Korea Reactor

By David E. Sanger

WASHINGTON, April 6 — The United States said Friday that it had found a way to return frozen money to North Korea, leaving the North only a week to meet the deadline for disabling its main nuclear facility.

The announcement seemed to remove the major impediment to North Korea's cooperation under an agreement that calls for the North to shut down its main nuclear facility. The Bush administration said the solution applied to legal and technical problems that prevented the return of \$25 million frozen during the investigation of a Macao bank.

A delegation of senior Treasury Department officials left Beijing on Friday after 13 days of talks over how to return money — including what the United States said were proceeds from the sale of illicit weapons and other illegal activities — held in accounts at a tiny Macao bank known as Banco Delta Asia. Among the accounts, American and intelligence officials said, were some that President Kim Jong-il and other leaders used to buy the loyalty of the North Korean elite.

When United States officials announced a deal in mid-February under which North Korea agreed to freeze, and ultimately dismantle, its main nuclear complex, they said they expected that the illicitly gained money would still be withheld by the authorities in Macao.

But on Friday, the State Department said the United States expected that all the money would be released, a move that a senior State Department official said was “always considered an option.”

North Korea had demanded the return of that money as a prerequisite for moving forward with the freeze-and-dismantlement deal. President Bush has frequently described the seizure of the money as a tactic that succeeded in getting the attention of North Korea's leaders. But his decision to return that money has been harshly criticized by hawks inside and outside the administration.

One of Mr. Bush's top nuclear proliferation aides, Robert Joseph, left the administration after strenuously arguing that the deal would perpetuate the rule of a government that holds political prisoners in gulags and trades in drugs and counterfeits American currency, using the profits to build its nuclear arsenal.

The State Department spokesman, Sean McCormack, said Friday that a “technical pathway” had been found to return the funds, transferring them to a new account that North Korea has agreed to use for “humanitarian” purposes. “We support the release of all the funds,” he said. “It is now a matter of technical implementation,” which he said was up to the authorities in Macao and China.

If the banking issues are truly resolved, attention will be refocused on the core question raised by the deal: whether North Korea is willing to meet its first deadline, next Saturday, to shut and disable its five-megawatt nuclear reactor at Yongbyon and its reprocessing facility that turns its nuclear fuel into weapons-grade plutonium.

It was plutonium produced at Yongbyon, intelligence experts say, that fueled the crude nuclear weapon that the North tested Oct. 9, making it the world's ninth nation known to possess nuclear weapons.

Nothing in the deal that was signed in February set a schedule for North Korea to give up its nuclear weapons stockpile, which American intelligence analysts and outside experts estimate at a half-dozen to a dozen weapons, or the fuel to make them. That is one reason that conservatives once closely allied with Mr. Bush have gone public with searing criticisms of the agreement.

Administration officials have insisted publicly that the 60-day deadline for freezing nuclear operations remain in place. But they have hinted that they may view the deadline as flexible, because the process of unfreezing the money in Macao took so much longer than expected.

Stopping activity at Yongbyon would not be difficult; the reactor there has been shut down before, sometimes for maintenance. But no one has yet defined what it means to “disable” it, and no schedule has been set for actually dismantling it.

The next steps after a shutdown would be harder. The chief American negotiator, Christopher R. Hill, who is returning to Asia next Saturday, would have to negotiate to get North Korea to give up its existing stockpiles and to explain what happened to equipment it bought to enrich uranium, another pathway to a bomb.

<http://www.nytimes.com/2007/04/07/world/asia/07korea.html>

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Iran Claims Nuclear Advance

Experts Suspect Exaggeration

By Barbara Slavin, USA Today

WASHINGTON — Iran announced a major expansion of its capacity to enrich uranium Monday. Although nuclear experts said Iran appeared to be overstating its progress, they said the country probably was a step closer to being able to build a weapon.

In a speech at Natanz, Iran's main publicly known nuclear site, President Mahmoud Ahmadinejad said the country had installed 3,000 centrifuges in an underground facility, allowing Iran "to produce nuclear fuel on an industrial scale."

Centrifuges spin rapidly to concentrate uranium into fuel that can be used for power plants or bombs. The United States and other Western countries accuse Iran of wanting to develop nuclear weapons. Iran says it needs the technology for peaceful purposes.

Several experts doubted Iran's claim and said Ahmadinejad was trying to rally political support in the face of mounting pressure from the West.

"They're still having technical difficulties and clearly trying to present the program as more advanced than it is," said Gary Samore, a nuclear expert at the Council on Foreign Relations.

David Albright, a former United Nations arms inspector and president of the Institute for Science and International Security, a Washington think tank, said the number of centrifuges installed was actually about 1,000 and they were not churning out nuclear fuel. In a worst-case scenario, Albright said, Iran could produce enough material for a bomb by 2009.

Ahmadinejad spoke on a new Iranian holiday, "the national day of nuclear energy." The day marks the anniversary of the day last year when he claimed Iran had "joined the nuclear club" by producing a small amount of uranium suitable for use in a power plant.

"Today's announcement was all about saving face," said Nicholas Burns, undersecretary of State. He said Iran was reacting to a unanimous U.N. Security Council resolution last month that put sanctions on Iranian banks, its arms industry and the Revolutionary Guards, Iran's dominant security force.

State Department spokesman Sean McCormack said the costs to Iran were rising in lost trade and investment, and "there are more on the horizon" if Iran does not halt the program and negotiate.

Iran told the International Atomic Energy Agency (IAEA), the U.N. nuclear watchdog, in January that it would install the 3,000 centrifuges at Natanz and operate them by May.

Iran has cut back its cooperation with the IAEA since February 2006. It is resisting the agency's demands for more frequent inspections and better remote operation of cameras.

http://www.usatoday.com/news/world/2007-04-09-iran-advance_N.htm?csp=34

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Washington Post

April 10, 2007

Pg. 10

U.S. Visitors Push N. Korea To Close Nuclear Reactor

By Foster Klug, Associated Press

PYONGYANG, North Korea, April 9 -- A U.S. delegation pressed North Korea on Monday to shut down its main nuclear reactor and allow in U.N. inspectors even as the top U.S. negotiator said it would be difficult for a weekend deadline on the closure to be met.

The American delegation said North Korea's top nuclear negotiator, Kim Gye Gwan, told them his government would allow U.N. nuclear inspectors into the country as soon as \$25 million in disputed North Korean funds are released.

Kim, who is also vice foreign minister, met with New Mexico Gov. Bill Richardson, a Democratic presidential candidate, and Anthony J. Principi, President Bush's former veteran affairs secretary, in the North Korean capital. Principi said Kim told the Americans that it would be difficult to shut down the Yongbyon reactor by the Saturday deadline called for in a Feb. 13 nuclear disarmament accord, which requires North Korea to seal the reactor and a reprocessing facility in exchange for aid.

The International Atomic Energy Agency is slated to monitor and verify the shutdown in what would be its first visit since 2002, when North Korea expelled IAEA inspectors after U.S. officials accused the North of running a secret uranium enrichment program.

The North agreed to shut the reactor only after the United States promised to resolve the key financial issue within 30 days, which it failed to do because of technical complications.

Kim "indicated that the North Korean government would invite the . . . inspectors back the moment the funds are released," Principi said.

In Tokyo, U.S. nuclear envoy Christopher R. Hill said the deadline would be difficult to meet because of the ongoing dispute.

North Korea has refused to move forward until the release of money frozen by Macau authorities after the United States blacklisted a bank in the Chinese-administered region in 2005 for allegedly helping the North launder money. Richardson said his delegation pushed Kim for a show of good faith that North Korea was ready to meet its obligations under the February deal, asking for a meeting of the six nations involved in the nuclear disarmament talks before the deadline.

The delegation is on a four-day trip to Pyongyang, the capital, to recover remains of U.S. servicemen killed in the Korean War.

Richardson and Principi also visited the USS Pueblo, the only active-duty U.S. warship in the hands of a foreign power. North Korea captured the spy ship in 1968 and held the crew for 11 months.

<http://www.washingtonpost.com/wp-dyn/content/article/2007/04/09/AR2007040900097.html>

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Washington Times

April 11, 2007

Pg. 11

Russia Doubts Iran Nuke Claim

France, Australia also question leap in enrichment

By Vladimir Isachenkov, Associated Press

MOSCOW -- Russia voiced skepticism yesterday about Iran's announcement of a dramatic expansion of its uranium enrichment program, saying it had yet to receive confirmation of the claim from the U.N. nuclear watchdog.

France and Australia also questioned Iran's claim of acquiring an industrial-scale nuclear fuel production capability.

Two U.N. inspectors have arrived in Iran to visit its uranium enrichment plant, the official Islamic Republic News Agency reported. An official of Iran's Atomic Energy Organization confirmed their arrival, and said the visit was "routine." The official spoke on the condition of anonymity because he was not authorized to speak to the press.

Iran said Monday it has begun operating 3,000 centrifuges -- nearly 10 times the previously known number -- in defiance of U.N. demands that the Persian country halt its nuclear program or face increased sanctions. The United States, Britain, France and others criticized the announcement.

Russia was unaware, however, of "any recent technological breakthroughs in the Iranian nuclear program that would change the format of its enrichment effort," Foreign Ministry spokesman Mikhail Kamynin said. The Russian government helped build Iran's only nuclear reactor and knows its nuclear program well.

"We haven't got a confirmation yet that they have actually begun uranium enrichment at the new cascades" of centrifuges, Foreign Minister Sergey Lavrov told reporters in Moscow.

French Foreign Ministry spokesman Jean-Baptiste Mattei also questioned the Iranian assertion, saying that "there are announcements, and then there is technological reality."

Australian Foreign Minister Alexander Downer voiced similar doubts about Iran's ability to produce substantial quantities of enriched uranium: "Now I'm not sure if that is true or not."

On Monday, analysts said the assertion seemed questionable.

David Albright, a former U.N. nuclear inspector, said that "it would be very hard to believe" that Iran has been able to enlarge its centrifuge cascade so dramatically. "It all hinges on whether Iran will be able to get the machines working together" at a constant rate.

Iran is known to have had 328 centrifuges operating at its Natanz enrichment facility in central Iran. For months, the Muslim state has been saying it plans to start an expanded program of 3,000, likely to be set up in a large underground area at Natanz to protect them from air strikes.

In the enrichment process, uranium gas is pumped into centrifuges, which spin and purify the gas. Enriched to a low degree, the result is fuel for a reactor, but to a high degree it creates material for a nuclear warhead.

The United States and its allies accuse Iran of seeking to develop nuclear weapons, a charge Tehran denies.

<http://www.washtimes.com/world/20070410-111409-1767r.htm>

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To Prod N. Korea, U.S. Relents In Counterfeiting Case

By Glenn Kessler, Washington Post Staff Writer

Two months before North Korea tested its first nuclear weapon, President Bush was asked about a Treasury Department investigation of North Korean counterfeiting of \$100 bills, which had ruptured talks on ending Pyongyang's nuclear programs. "Counterfeiting U.S. dollars is an issue that every president ought to be concerned about," he replied bluntly during an August news conference. "And when you catch people counterfeiting your money, you need to do something about it."

Yesterday, the Bush administration agreed to allow those suspected counterfeiters, along with other North Koreans suspected of money laundering and other fraud, to get their money back -- with no strings attached -- in the hopes it will ensure that North Korea shuts down its nuclear reactor by the end of the week. About \$25 million had been frozen by Macau authorities, with about half clearly derived from criminal enterprises, U.S. officials said.

The outcome is the kind of messy, unsatisfactory dealmaking that Bush disdains. Even as U.S. officials were publicly portraying the final arrangement as necessary to salvage a nuclear deal reached two months ago, it sparked controversy within the administration and led some to question whether the result sets a bad precedent.

The story of how a tiny bank in Macau named Banco Delta Asia became the center of a diplomatic battle over nuclear weapons is in many ways a tale of unintended consequences -- and of how Bush, so focused on the idea of combating North Korean fraud, allowed a dispute over a relative pittance to thwart progress on an issue central to U.S. national security.

"The United States started on this path not understanding what the impact would be," said Alan D. Romberg, senior associate at the Henry L. Stimson Center and an expert on Asia. "This should be an object lesson: Be careful what you do, and play through how you would undo it."

The counterfeiting investigation started during Bush's first term. By coincidence, it came to fruition just as diplomats were set to strike a deal on ending North Korea's nuclear programs. At the time, U.S. officials said, Bush decided not to let diplomacy derail a criminal investigation. But the effect of the resulting crackdown was much greater than administration officials expected, painfully damaging North Korean international business ties.

When Bush earlier this year reversed himself, agreeing to end the investigation to strike an accord with North Korea, unraveling the probe became much more difficult than expected. North Korean officials dug in their heels, insisting that no progress would be made on the nuclear accord until the money was in their hands. Ultimately, the administration blinked.

John R. Bolton, the former U.N. ambassador who has emerged as a critic of the nuclear deal, said the retreat is "an image of surrender that is going to be hard to erase." Returning the money to entities that committed fraud "will have a dilapidating effect on bringing sanctions against Iran and other rogue states," he said. "It is a terrible symbol." The investigation started in 2003, when Colin L. Powell's State Department was under attack from conservatives for not being tough enough on North Korea. Officials there latched on to the idea of targeting North Korea's illicit activities, and an interagency group was formed to track the country's counterfeiting operations and then figure out ways to cut it off, officials said.

In July 2005, Treasury informed the task force that it was ready to target Banco Delta Asia, which it had identified as the main conduit for bringing North Korean counterfeit currency into the international system.

The U.S. government had seized more than \$45 million in highly deceptive counterfeit \$100 bills, known as super notes, that were produced in North Korea with the approval of top officials.

But officials delayed taking action in July, fearing it might conflict with a separate Justice Department sting against North Korean counterfeiters that was planned for August. The Macau announcement was set for September -- just when negotiators were set to reach a landmark accord on ending Pyongyang's nuclear programs.

Virtually unnoticed at first, Treasury's designation that Banco Delta Asia was a potential money-laundering concern appeared in the Federal Register on Sept. 15, 2005, four days before the nuclear negotiators from six nations announced they had struck a deal.

The Treasury announcement nearly toppled Banco Delta Asia, as banks around the world cut their ties for fear of being tainted by the North Korean connection. To the delight of Treasury officials, many banks stopped handling North Korean transactions for fear of Washington's wrath.

Citing reports that two dozen financial institutions in Asia had voluntarily cut back or terminated their business with North Korea, Treasury Undersecretary Stuart Levey declared last September: "The result of these voluntary actions is that it is becoming very difficult for the Kim Jong Il regime to benefit from its criminal conduct."

But another result was that North Korean officials refused for months to return to the nuclear negotiations, citing the investigation. Finally, after the country's nuclear test in October, North Korea agreed to renew talks but would not

discuss substantive issues until the banking case was resolved. In January, Assistant Secretary of State Christopher R. Hill met privately in Berlin with his North Korean counterpart to work out an agreement that the banking investigation would end before North Korea froze its nuclear reactor.

Treasury announced March 14 that the probe was finished, with Levey citing a "gamut of illicit activities." But that was not enough for North Korea. Speaking yesterday to reporters in Seoul, Hill said that the United States thought it had fulfilled its pledge, but North Korea "had a concept that was far more literal, which was they wanted to see the money."

A high-level Treasury team was dispatched to Beijing, including Chief of Staff Jim Wilkinson, Deputy Assistant Secretary Daniel Glaser and James Fries, deputy assistant general counsel. Wilkinson had been a former senior adviser to Secretary of State Condoleezza Rice, and his presence was intended to signal that Treasury and State were united on the issue.

Yet the Treasury team encountered a series of roadblocks on a nearly two-week trip, as they searched unsuccessfully for a way to ensure the money was used for humanitarian purposes. Glaser at one point had issued a statement saying that the Bank of China would be a repository for \$25 million in North Korean funds, but when the team arrived, Chinese authorities made it clear that no mainland bank would be involved in holding the money.

The North Korean diplomats, meanwhile, resisted the U.S. proposal of setting up a humanitarian fund with the money. They would not fill out forms, provide bank account numbers, or sign waivers that would allow the money to be released to a humanitarian fund. They stuck to a simple message: "We want our money."

The Treasury officials left China thinking no deal was possible, but over the weekend the administration agreed to let the Macau Monetary Authority, which had frozen the money because of the U.S. investigation, to simply release it to account holders. There were 52 Banco Delta Asia account holders whose money had been frozen; \$12 million, belonging to 17 account holders, is considered tainted.

Some of the \$25 million, however, is held by third parties, such as \$7 million associated with Daedong Credit Bank, which is being bought by a British investor. Thus not all of the money will go to the North Korean government, leaving some U.S. officials wondering whether the deal yesterday will still keep the nuclear agreement on track.

Correspondent Edward Cody in Beijing contributed to this report.

<http://www.washingtonpost.com/wp-dyn/content/article/2007/04/10/AR2007041001805.html>

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GovExec.com

DAILY BRIEFING

April 11, 2007

Security officials seek lessons from Iraq's chlorine attacks

By Chris Strohm, CongressDaily

Homeland Security Department officials are ramping up their efforts to prevent attacks that involve deadly chemicals, especially because insurgents in Iraq have increased their use of bombs laced with chlorine gas.

"We see the use of chlorine gas and perhaps other lethal chemicals being used in attacks in Iraq [by] insurgents over there," Bob Stephan, the Homeland Security Department's assistant secretary for infrastructure protection, told members of the National Infrastructure Advisory Council Tuesday.

"We are literally analyzing the living daylights out of these attacks -- the people that are executing them, the agents that are used, the methods that are being used to detonate them and the impacts that they are having," he added.

"And we are building lessons learned and case studies as these attacks continue to evolve."

The council, which is comprised of members from private industry, academic institutions and state and local governments, has also made it a priority to complete a study on how the United States can prepare for and respond to chemical, biological or radiological attacks.

The study and associated recommendations are expected to be complete by October, council members said.

Stephan called the increased use of lethal chemicals in Iraq "a very troubling phenomenon."

For example, a suicide bomber exploded a truck loaded with explosives and chlorine gas near a police checkpoint in Ramadi over the weekend, killing at least 27 people. Three near-simultaneous attacks last month using chlorine gas sickened about 350 Iraqi civilians and six U.S. troops, according to news reports.

"A [chemical, biological or radiological] event is something that none of us likes to think about but is something that we absolutely have to plan for," Stephan said.

He added that the Homeland Security Department is implementing new rules for regulating security at U.S. chemical facilities.

For the first time, the department will require chemical plant operators to adopt security plans and make security improvements.

Council members on Tuesday, however, noted some of the challenges they face in completing their study. The council is seeking experts who know what kinds of threats and vulnerabilities the chemical industry faces. The council also wants to ensure that information submitted by chemical facility owners and operators is protected from public disclosure.

"There's a general mistrust in industry of this kind of disclosure," said Erle Nye, the council's chairman emeritus. Stephan assured the council that information can be protected from public disclosure under departmental rules. He said the department has already received "thousands and thousands of actual bytes of data" related to critical infrastructure threats and vulnerabilities that is protected from being disclosed.

The council is also working on a second study that will examine how industry and government can protect critical infrastructure from "insider threats," which generally refers to employees bent on carrying out attacks.

Council members said they hope to complete the first phase of that study by October, which will seek to define the insider threat and make recommendations for addressing it.

The second phase will address legal issues, including personal privacy protections associated with screening employees.

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New York Times

April 12, 2007

North Korea Set To Carry Out Nuclear Deal

By Choe Sang-hun

SEOUL, South Korea, April 11 — North Korea said it would begin shutting its main nuclear reactor within a day of retrieving about \$25 million that had been frozen in a Macao bank because of American sanctions, Gov. Bill Richardson of New Mexico said here on Wednesday.

North Korea also offered to admit United Nations nuclear inspectors for the first time in more than four years, Mr. Richardson said after an official visit to North Korea and a meeting with senior officials there.

Fulfilling those offers would resolve North Korea's long dispute with the United States Treasury. The disagreement has stalled multinational efforts to restart talks on ending North Korea's nuclear weapons program.

In Macao, the financial authorities announced Wednesday that the holders of accounts at the bank, Banco Delta Asia, containing \$25 million in deposits tied to North Korea were now free to withdraw or transfer the money unconditionally.

"The North Koreans made it clear that they felt that the Treasury Department had fulfilled its obligations," Mr. Richardson said Wednesday at a news conference in Seoul. "I'm optimistic about North Korea's willingness to return to the six-party talks and shut down the Yongbyon reactor."

The inspectors from the United Nations' nuclear monitoring arm, the International Atomic Energy Agency, could be invited back to North Korea this weekend, Mr. Richardson said.

The last step the North Koreans were awaiting was an official notification from the Macao bank that the money was available, he said. That notification may be issued by Thursday morning.

Mr. Richardson, a Democrat running for his party's nomination for president in 2008, led a delegation to North Korea that included Victor D. Cha, President Bush's main policy adviser on North Korea, and Anthony J. Principi, a former secretary of veterans affairs.

The delegation's official mission was to recover remains of American servicemen killed in the Korean War, 1950-1953.

Earlier on Wednesday, the group crossed the heavily guarded border between North and South Korea, completing a four-day trip to North Korea, and bringing what American officials said they believed were the remains of six American soldiers.

While they were in North Korea, the delegation members also pressed North Korean officials to restart the stalled nuclear disarmament process. They met with the main nuclear negotiator for North Korea, Kim Kye-gwan, and other senior leaders.

<http://www.nytimes.com/2007/04/12/world/asia/12korea.html>

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DAILY BRIEFING

April 12, 2007

DHS official pushes launch of new nuclear detectors

By Jon Fox, Global Security Newswire

NEW YORK - Heartened by recent test results in Nevada, the director of the Domestic Nuclear Detection Office said Wednesday he expects to recommend next-generation nuclear detectors be cleared for deployment in July. The detection office, a division within the Homeland Security Department, is about halfway through a test run of new radiation detection technology at the New York Container Terminal in Staten Island.

The equipment scans seagoing containers to detect and identify radioactive material. The detectors have already undergone testing at the Energy Department's Nevada Test Site.

While DNDO Director Vayl Oxford declined to describe the results of the February and March tests in any detail, he characterized the results as positive.

"We are very optimistic that when we go to [Homeland Security Secretary Michael Chertoff] this summer he will give us permission to go to production," Oxford said Wednesday during a tour of the Staten Island testing facility. Detectors now deployed at the nation's ports and border crossings are adapted from technology used to detect radioactive material at scrap yards and other industrial sites. While reportedly very sensitive, they only alert to the presence of radiation and are unable to differentiate different types of radioactive substances.

That can become a problem when the machines alert to the naturally occurring radiation in materials such as granite, kitty litter or bananas. A container flagged for radiation must undergo a secondary screening process to identify the emitting material, which can take up to 20 minutes.

Port officials say there are 12 to 14 such alerts each day at the Staten Island facility, which handles 11 percent of the cargo flowing into the port of New York. At California's Long Beach port, Customs and Border Protection officials deal with as many as 400 such cases daily.

"We've got to make their life better," Oxford said.

The new detectors carry a hefty price tag of \$350,000 per unit, a significant increase over the \$80,000 the current machines cost.

Both the Government Accountability Office and Congress have questioned the benefits of the new system relative to the cost, and lawmakers have put a hold on a \$1.2 billion plan for deployment of 1,400 machines until DHS can confirm that the technology is effective.

Three firms have each received about \$15 million to develop competing prototypes of the new detectors, and despite congressional doubts Oxford expects to go to Chertoff with a recommendation for full-scale production in July.

By decreasing the number of necessary secondary inspections to a "mere fraction" of what is currently required, "we're going to be able to manage both the risk and the flow of commerce with these systems," Oxford said.

Oxford said the detection office plans to run about 10,000 containers through the test array at the Staten Island terminal. Three weeks into the testing, DNDO officials have put about 5,000 containers through the system. Once the data is complete, they will then analyze the accuracy of the identification of radioactive material.

A GAO report released Monday said Oxford's office should systematically compile test data on the existing monitors to fully understand their benefits and limitations before making the multibillion dollar investment the deployment plan requires.

The report also recommends the office provide state and local authorities with information on radiation detection technologies to help them make more informed purchasing decisions.

"We strongly agree with this statement, as the DNDO feels that bolstering preventive [radiological and nuclear] detection capabilities within the domestic interior is an essential part of our nation's defense," the detection office wrote in response.

Regarding the recommendation to compile testing data, Oxford said, "That's a prudent thing to do."

He added, however, that "some of that test data we've already looked at, and I'm not sure it's relevant to the decision we're making." Even as the office works to enhance the nuclear detection network at the nation's borders and ports, DNDO officials are enlisting help from outside experts and the intelligence community to probe gaps in the system. In some cases, that includes testing the systems and detectors by having people trying to smuggle real nuclear material. Tests with mock terrorists have already begun, said Huban Gowadia, the detection office's assistant director for assessment.

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