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New York Times
July 27, 2006

House Approves Nuclear Deal With India

By David E. Sanger

WASHINGTON, July 26 — The House of Representatives voted overwhelmingly on Wednesday night to approve a nuclear deal with India that would for the first time allow the United States to ship nuclear fuel and technology to a country that has refused to sign the Nuclear Nonproliferation Treaty.

The accord's passage, by a vote of 359 to 68, is a quick, major victory for the Bush administration, which argued that nurturing India as an ally outweighed concerns that the agreement would free more nuclear material for India to use for the manufacture of nuclear weapons.

The Senate is expected to approve the deal later this year, but before it goes into effect both houses will have to approve the specifics of an nuclear cooperation accord with India. Similarly, India will have to reach agreements

with the International Atomic Energy Agency and the Nuclear Suppliers Group, the loose collection of nations that regulate the sale of nuclear-related technology.
Until the vote on Wednesday evening, American law had prohibited nuclear cooperation with any of the three states that have refused to sign the nonproliferation treaty: India, Pakistan and Israel.
Eight years ago, India and Pakistan took American intelligence agencies by surprise when they conducted nuclear tests, and the Clinton administration's response was to impose economic sanctions on both countries.
The last of those sanctions were lifted after the Sept. 11 attacks, when the Bush administration needed Pakistan's help in rooting out Al Qaeda.
Critics of the agreement have argued that it is hypocritical to carve out an exception for India at a time when the United States is trying to force Iran, which is a signer of the nonproliferation treaty, to give up any production of nuclear material.
"What kind of signal are we sending to the world when Iran is on trial in the Security Council for its nuclear program, and we are turning a blind eye to India?" asked Representative Edward J. Markey, the Massachusetts Democrat who led the opposition to the accord. "We will make a mockery of the nonproliferation system."
But he was unable to convince many members of his own party, much less the Republicans, that the accord would fuel an arms race in South Asia and eliminate the incentive for nations to abide by the treaty.
Several leading Democrats, including Representative Nancy Pelosi, the House minority leader, argued in favor of the deal, which was supported by both the India-American lobby and the nuclear industry. If the restrictions are lifted, American companies would be free to sell reactors and other equipment and services to generate electricity in India from nuclear sources.
India now mines a relatively small amount of uranium, which it divides between its weapons program and its fledgling nuclear power program.
If completed, the new accord with the United States would free up all the uranium that India mines for weapons purposes, and international inspectors will have no access to the military facilities. An amendment offered by several Democrats that would require India to agree to limit its production of nuclear weapons fuel was defeated on the floor on Wednesday evening, with supporters of the deal saying it would be rejected by the Indians.
"India already possesses nuclear weapons, and is very unlikely to dispose of them," Representative Henry J. Hyde, the Republican from Illinois who is chairman of the House International Relations Committee. "This is the proverbial deal killer."
The supporters of the agreement offered several reasons for supporting passage, including economic benefits for the American nuclear industry and encouragement to India to promote American strategic interests. Mr. Hyde spoke of the benefits of countering "the rising power of China," though administration officials insisted, in testimony earlier this year, that they did not intend for the deal to bolster India against China, a longtime rival.
Opponents accused the administration of playing down the potential problems, including the possible reaction of Pakistan, which has spent decades building a nuclear arsenal to counter India's. Mr. Markey pointed to recent news reports about Pakistan's efforts to increase its own production of plutonium through construction of a new reactor.
http://www.nytimes.com/2006/07/27/washington/27nuke.html?_r=1&oref=slogin

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Washington Post
July 27, 2006
Pg. 23

New FBI Division To Probe Weapons Terrorists May Use

By Dan Eggen, Washington Post Staff Writer
The FBI yesterday announced the creation of an investigative division focused on weapons of mass destruction, part of Director Robert S. Mueller III's latest reorganization plan aimed at gathering intelligence and preventing terrorist attacks.
In addition to the new WMD Directorate, Mueller told reporters he has hired an associate deputy to oversee finances and other administrative duties, and is adding or reshuffling several other senior positions.
The plan also includes a new science and technology branch encompassing the FBI Laboratory and other technical support services.
Mueller, who has overseen a series of realignments since the Sept. 11, 2001, attacks, characterized the latest moves as the third phase of a process aimed at making the FBI into an agile and modern domestic intelligence agency.
Previous changes included a dramatic increase in the number of counterterrorism agents and the creation of a directorate focused on intelligence gathering and analysis.

"We have grown as an organization substantially since September 11," Mueller said. "It made sense in my mind to evolve the organization to what you see today."
Mueller's new associate deputy director -- FBI veteran Joseph L. Ford -- will be the No. 3 official and will oversee branches including human resources, information technology and finance. Ford, a special agent since 1981, worked on the Enron corporate fraud investigation and was head of the FBI's San Francisco office.
The WMD Directorate will be headed by Vahid Majidi, a former manager and scientist at Los Alamos National Laboratory who served as chief science adviser to the Justice Department.
Mueller said that the FBI and other intelligence agencies need to pay special attention to the catastrophic threat posed by weapons of mass destruction, particularly if they get into the hands of terrorist groups. "This is a reflection of the necessity of focusing our efforts on preventing weapons of mass destruction from being utilized in the United States," Mueller said.
The FBI has exploded in size over the last five years, especially in counterterrorism and counterintelligence. But Mueller has acknowledged difficulties in several areas -- including a failed effort to overhaul the FBI's antiquated case-management system -- and the bureau has been criticized by lawmakers and outside analysts for being slow to modernize itself.
The transformation has been complicated by turnover as dozens of high-ranking FBI executives have been lured to the private sector by fat salaries and generous benefits. Mueller said that while he is "not asking anyone to sign a blood oath," he hopes the reorganization will help with retention. "My expectation is that we'll be stable for the foreseeable future," he said.
http://www.washingtonpost.com/wp-dyn/content/article/2006/07/26/AR2006072601629.html

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Los Angeles Times
July 27, 2006

N. Korea-Iran Ties Seem To Be Growing Stronger

Weapons sales and joint observations of missile test launches have been reported. VIPs visiting Pyongyang celebrate 'cooperative relations.'

By Barbara Demick, Times Staff Writer

SEOUL — North Korea and Iran, two fiercely anti-American regimes, appear to be bolstering their military and diplomatic cooperation, including the possible sale of missiles to the Tehran government, intelligence sources said.
An Iranian parliamentary delegation visiting Pyongyang was given a VIP welcome with a reception Monday at the North Korean Supreme People's Assembly to celebrate, as the North Korean news service put it, the "friendly and cooperative relations growing strong in various fields" between the two countries.
Israeli intelligence believes North Korea recently sold 18 intermediate-range missiles to Tehran. Some accounts also place Iranian observers in North Korea when the Pyongyang regime test-fired seven missiles over the Sea of Japan this month.
"The Iranians are looking to North Korea for their new designs," said Uzi Rubin, a former head of the Israeli missile defense program. "Of course, we are worried. Whatever North Korea makes eventually ends up in the Middle East."
Rubin says Iran is particularly interested in North Korea's multistage missile, the Taepodong, because it can be used to launch a satellite. The missile was one of the seven test-fired recently, but it failed after 42 seconds, splashing into the sea not far from the test site.
Another missile that Rubin believes might have been among those tested was an intermediate-range missile based on an old Soviet design for a submarine-launched nuclear missile. These newly manufactured missiles are estimated to have a range of 1,550 miles, which would enable them to reach Israel and much of southern Europe from Iran.
Israeli intelligence chief Amos Yadlin said in April that Israel had evidence that the North Koreans had shipped 18 of these missiles — known alternately as the SS-N-6 or the BM-25 — to an Iranian missile base at the port city of Bandar Abbas.
"What the Iranians bought was a missile in a box. It is an unproven missile," said Israeli defense analyst Alon Ben-David, who said there was great curiosity about whether the new missile was among those tested.
A Japanese newspaper reported recently that 10 Iranians were invited to North Korea to observe the missile tests. A South Korean military expert, who asked not to be quoted by name, said he heard that Iranians were stationed at two launch sites along North Korea's east coast and on a boat in the Sea of Japan.
Testifying before a Senate committee last week, Assistant Secretary of State Christopher Hill confirmed that Iranians were present for the tests. At a news conference the following day, however, he retracted his remarks, saying he was unsure.

North Korea "has had a great interest in commercializing their missile production," and "one of the customers is Iran," Hill said.
Iranians are believed to have observed a 1998 test flight of the Taepodong, and many South Korean analysts are convinced that their fingerprints eventually will be found on these latest tests.
Kim Tae-woo, a South Korean analyst with the governmental Korea Institute for Defense Analyses in Seoul, said, "There is a high probability of Iranian involvement in these missile tests, but we don't have hard evidence."
There is a natural affinity between North Korea and Iran today, as they are the two remaining members of President Bush's "axis of evil," which once included Saddam Hussein's Iraq. Both have strained relations with the rest of the international community — North Korea over its claim of having nuclear weapons and Iran because of suspicions that it is developing weapons-grade uranium.
"There are strong incentives for cooperation between the two in terms of weapons of mass destruction," said Daniel Pinkston, a North Korea specialist with Center for Nonproliferation Studies in Monterey, Calif. "They are both insecure countries that don't have a lot of friends and have many enemies. They have a shortage of weapons suppliers so it makes sense for them to share data and set up a division of labor for research and development."
The relationship dates to the 1980s, when North Korea sold missiles and launchers to Tehran for use in the war against Iraq. Later, they cooperated on the joint development of Iran's Shahab missiles. Iranian cargo planes were frequently seen at Pyongyang's Sunan Airport.
On at least one occasion, U.S. intelligence believed that Iran conducted a missile test on North Korea's behalf, taking advantage of its vast expanses of desert.
Iran is thought to be North Korea's best customer since pressure from the Bush administration has forced others — mostly notably Pakistan, Libya, Yemen and Nigeria — to sever most ties with Pyongyang. Syria also remains a customer. South Korean analysts say that military equipment often is shipped to Iran via Damascus, the Syrian capital.
Military analysts say that North Korean missiles have not been detected in the latest conflagration between Israel and Hezbollah guerrillas fighting in Lebanon, but that there is evidence that small arms and mobile rocket launchers from North Korea have been used.
The North Koreans have made clear their views on the conflict. In a statement Tuesday carried by the official news agency KCNA, an unnamed North Korean Foreign Ministry spokesman demanded that the U.S. and Israel "halt their reckless military aggression" in Lebanon.
http://www.latimes.com/news/nationworld/world/la-fg-missile27jul27,1,3699082.story

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Chicago Tribune
July 26, 2006

Pyongyang May Be Added To U.S. Arms Ban List

WASHINGTON-- The U.S. Senate voted Tuesday to include North Korea in a non-proliferation law that provides for sanctions against foreigners who supply weapons technology to Iran and Syria.
"North Korea's recent missile launches illustrate the threat this regime poses to the American people, the people of the region and peace and stability in East Asia," said Majority Leader Bill Frist (R-Tenn.), who authored the bill. It was approved by voice vote.
In the House, the bill has been referred to the international relations and science committees.
The non-proliferation act, passed in 2000, originally applied only to Iran. It was expanded to include Syria in 2005.
Under the measure, the president may impose sanctions on any foreigner who transfers goods and technologies to those countries that contribute to their ability to produce missiles, nuclear weapons or weapons of mass destruction.
Foreigners who acquire such items from those countries are also subject to sanctions.
The sanctions for such people could include a ban on their obtaining U.S. government contracts or U.S. export licenses.
http://www.chicagotribune.com/news/nationworld/chi-0607250322jul26,1,1851063.story

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Washington Post
July 29, 2006
Pg. 14

House Voted On Indian Deal Unaware Of Iran Missile Sales

By Dafna Linzer, Washington Post Staff Writer

The Bush administration will impose sanctions on two Indian firms for selling missile parts to Iran, government officials said yesterday, acknowledging privately that the secret decision should have been shared with the House before it voted this week to support U.S. plans to sell nuclear technology to New Delhi.

It is not the first time Indian companies have been sanctioned for supplying Iran's suspected weapons programs. But the timing of the sanctions, which were not revealed before the vote and are being imposed during fighting between Israel and the Iranian-backed Hezbollah militia, elicited angry responses from Democrats and arms-control experts yesterday.

Bush administration officials have said that Hezbollah fighters in Lebanon are using Iranian-made rockets against Israeli civilians, leading some Democrats to question whether Indian companies may be involved in manufacturing the rockets.

Under the Iran-Syria Nonproliferation Act, the president is required to report to Congress periodically. The July 1 report is overdue, according to administration officials, because the State Department staff is backed up. The report identifies illicit weapons suppliers to both countries. Officials declined to identify the two companies in India selling to Iran but said both worked with missile-related technologies.

One official, who spoke on the condition of anonymity, said that the issue is highly sensitive for negotiators still working on the India nuclear deal and that the government had not yet told officials in New Delhi of the decision to impose sanctions on the two companies.

Administration officials said they briefed selected lawmakers on the impending sanctions. But Democratic lawmakers accused the White House of deliberately concealing the information until the House voted Wednesday overwhelmingly in favor of the U.S. plan to supply India, for the first time, with sensitive nuclear technologies. The Senate has not scheduled a vote on guidelines for the U.S.-India deal.

"The Bush administration deliberately deceived Congress by withholding information about these violations by Indian companies before we voted," said Rep. Edward J. Markey (D-Mass.). Markey had proposed an amendment to the U.S.-India nuclear bill that dealt with transfers of missile technology from India to Iran, but it was defeated.

At a congressional hearing last week, Francis C. Record, the acting assistant secretary of state for nonproliferation, was asked about the report. He testified that he did not know why it was late. He also said that he did not recall whether any Indian companies were named in the report.

The pending nuclear deal with India would reverse years of U.S. policies aimed at preventing the spread of nuclear weapons. It would give India access to civilian nuclear assistance even though it has refused to sign the Non-Proliferation Treaty.

For the Bush administration, the reversal is seen as a worthwhile trade-off in pursuit of a strategy to accelerate India's rise as a regional counterweight to China. But the agreement also would give India the ability to increase its nuclear arsenal. The terms took Congress by surprise, and, although the House supported the broad framework, the deal remains far from complete.

In an effort to sell the deal to lawmakers, U.S. officials have stressed that despite India's other alliances, the world's largest democracy does not pose a proliferation risk or a threat to the United States.

"India has an excellent nonproliferation record," Secretary of State Condoleezza Rice said last month in promoting the deal. India is not tainted by the kind of nuclear black-market scandal that Pakistan experienced when a senior government official was caught selling nuclear components to Iran, Libya and North Korea.

But the Bush administration's actions suggest it does not see India's record as free of blemishes.

On the same day that President Bush was in India this March to announce progress on the nuclear deal, two Iranian naval ships carrying several hundred sailors docked at the Indian port of Kochi to begin five days of joint exercises, part of an extensive agreement Tehran and New Delhi signed in 2003. The port call -- and the broader issue of India's military, scientific and economic ties with Iran -- has raised apprehension on Capitol Hill and among nuclear specialists.

"The Indians are building a port in Iran, they are building roads, they have joint military exercises," said Henry D. Sokolski, who runs the conservative-leaning Nonproliferation Policy Education Center. "The Indians, for a variety of reasons, see utility in doing risky things with Iran."

Last year, at the height of the U.S.-India negotiations, two other Indian companies were sanctioned for supplying material to Iran's suspected chemical weapons program. The companies have protested but remain on a sanctions list in the Federal Register.

Last September, two Indian nuclear scientists were accused of providing Tehran with technology that could contribute to "the development of weapons of mass destruction." The order against one was later rescinded, but the second remains banned from traveling to the United States.

Researcher Julie Tate contributed to this report.

http://www.washingtonpost.com/wp-dyn/content/article/2006/07/28/AR2006072801615.html

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Washington Times
July 29, 2006
Pg. 6

North Korea Seeks End To Sanctions Before Talks

By Scott Neuman, Associated Press

KUALA LUMPUR, Malaysia -- North Korea yesterday spurned appeals to join talks on its nuclear and missile programs, saying the United States should drop financial sanctions before any negotiations occur. A U.S. envoy said the communist nation was sinking deeper into isolation.

At a conference in Malaysia, North Korea struck a defiant tone as Secretary of State Condoleezza Rice and top diplomats from other regional powers discussed Asian security matters without their counterpart from Pyongyang.

"I hope that today's gathering will begin the basis for cooperation of a new, regional dialogue that can help us overcome these tensions, help us increase security throughout the region," Miss Rice said before entering the meeting.

She added that the United States hoped for a resumption of stalled six-party talks on North Korea, which also include South Korea, Japan, China and Russia.

Outside the convention center, hundreds of anti-U.S. demonstrators broke through a police cordon and marched to the building's entrance. The protesters, mostly members of Malaysia's ruling coalition, raised fists and chanted slogans against Washington's backing of Israel in the Lebanon conflict.

North Korea's effort to develop nuclear weapons is a source of global concern, and the North deepened the standoff when it test-launched seven missiles earlier this month. At the same time, U.S. sanctions against banks linked to North Korea have sapped the communist country's cash flow.

"The U.S. says it's difficult to lift the financial sanctions, but there is nothing difficult. If the U.S. wants to, it can do it easily," North Korean spokesman Chong Song-il said in Kuala Lumpur. "We believe if the U.S. earnestly wants dialogue, it can do this."

North Korean Foreign Minister Paek Nam-sun told delegates to the Association of Southeast Asian Nations Regional Forum (ARF) that his country might pull out of the security conference attended by 25 countries and the European Union if it condemned North Korean actions, according to diplomats.

The North's diplomatic isolation was evident in the decision by the United States and other nations to hold a separate meeting on the sidelines of ARF without Mr. Paek, ostensibly to discuss northeast Asian security.

"They are completely isolated," said Assistant Secretary of State Christopher R. Hill. "If it's isolation they want, it's going to be isolation they get."

The sideline meeting included Miss Rice, foreign ministers from countries involved in the six-party talks, and the foreign ministers of Australia, Malaysia, Indonesia, Canada and New Zealand.

http://www.washtimes.com/world/20060728-103150-8200r.htm

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Washington Post
July 29, 2006
Pg. 13

Pact Near On Deadline For Iran

Failure to Halt Uranium Work Would Mean U.N. Sanctions

By Colum Lynch, Washington Post Staff Writer

UNITED NATIONS, July 28 -- The Security Council neared agreement Friday on a resolution that would threaten economic sanctions against Iran if it does not halt its enrichment and reprocessing of uranium by the end of August.

The council's five permanent members -- the United States, Russia, China, France and Britain -- and Germany reached agreement in principle on a draft resolution, according to senior council members. The council's current president, Jean-Marc de La SabliÃ¨re of France, said he hoped to call for a vote on Monday.

Passage of such a resolution would mark the first time the 15-nation council has imposed a binding requirement on Iran to suspend nuclear activities. It is also the first time that the council has agreed to consider sanctions against Tehran if the nation fails to comply with U.N. demands.

The United States has been pressing for international sanctions against Iran for more than two years, insisting that Iran is covertly developing nuclear weapons. American diplomats have cited reports by the International Atomic Energy Agency outlining a pattern of Iranian deception, stretching back 18 years, regarding its nuclear activities. But Washington has encountered stiff resistance from China and Russia, which have argued that the IAEA never presented proof that Iran was diverting materials from its nuclear energy program to an atomic weapons program. Each country holds veto power in the Security Council.

U.S. Secretary of State Condoleezza Rice overcame Chinese and Russian opposition by pledging the United States to participate directly in international talks with Iran to resolve the crisis. Also, in June, the six nations behind Friday's resolution pledged to provide Iran with fuel assurances, trade concessions and other inducements in exchange for a series of verifiable evidence that Iran is not diverting nuclear fuel to a secret weapons program.

John R. Bolton, the U.S. ambassador to the United Nations, said the United States would seek to impose sanctions if Iran did not accept the offer.

"This is a mandatory command -- will be if it's adopted, of course," Bolton said. "If they choose not to suspend their uranium-enrichment requirements, they will face increasing international isolation, economic and political pressure."

Russia and China have played down the resolution's threat of sanctions and suggested they may resist U.S. and European efforts to impose the restrictions on Tehran.

Russia's U.N. ambassador, Vitaly Churkin, said the resolution contained "no hint of a threat" and was intended to accommodate Iran's request that it be given until Aug. 22 to respond to the June offer.

"I'm satisfied with this text," Churkin said. The resolution, he said, "sends exactly the right message. It's an invitation for Iran to negotiations."

Although China's U.N. ambassador, Wang Guangya, had warned Thursday that the Iranian negotiations could be complicated by a dispute with Washington over the Israel-Lebanon conflict, France's La SabliÃ¨re said Friday that China had expressed support for the joint resolution.

The measure presents Iran with a "mandatory" obligation to suspend its uranium-enrichment activities, including those for research and development. It calls on Iran to "take steps" to "build confidence" in its claims to be pursuing nuclear energy.

The resolution also calls on all U.N. members to prevent the transfer of materials or technology to Iran that could contribute to enrichment activities or a ballistic missile program.

http://www.washingtonpost.com/wp-dyn/content/article/2006/07/28/AR2006072801708.html

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Washington Post
July 30, 2006
Pg. 1

The Secretive Fight Against Bioterror

The government is building a highly classified facility to research biological weapons, but its closed-door approach has raised concerns.

By Joby Warrick, Washington Post Staff Writer

On the grounds of a military base an hour's drive from the capital, the Bush administration is building a massive biodefense laboratory unlike any seen since biological weapons were banned 34 years ago.

The heart of the lab is a cluster of sealed chambers built to contain the world's deadliest bacteria and viruses. There, scientists will spend their days simulating the unthinkable: bioterrorism attacks in the form of lethal anthrax spores rendered as wispy powders that can drift for miles on a summer breeze, or common viruses turned into deadly superbugs that ordinary drugs and vaccines cannot stop.

The work at this new lab, at Fort Detrick, Md., could someday save thousands of lives -- or, some fear, create new risks and place the United States in violation of international treaties. In either case, much of what transpires at the National Biodefense Analysis and Countermeasures Center (NBACC) may never be publicly known, because the Bush administration intends to operate the facility largely in secret.

In an unusual arrangement, the building itself will be classified as highly restricted space, from the reception desk to the lab benches to the cages where animals are kept. Few federal facilities, including nuclear labs, operate with such stealth. It is this opacity that some arms-control experts say has become a defining characteristic of U.S. biodefense policy as carried out by the Department of Homeland Security, NBACC's creator.

Since the department's founding in the aftermath of the Sept. 11 attacks, its officials have dramatically expanded the government's ability to conduct realistic tests of the pathogens and tactics that might be used in a bioterrorism attack. Some of the research falls within what many arms-control experts say is a legal gray zone, skirting the edges of an international treaty outlawing the production of even small amounts of biological weapons.

The administration dismisses these concerns, however, insisting that the work of NBACC is purely defensive and thus fully legal. It has rejected calls for oversight by independent observers outside the department's network of government scientists and contractors. And it defends the secrecy as necessary to protect Americans.

"Where the research exposes vulnerability, I've got to protect that, for the public's interest," said Bernard Courtney, NBACC's scientific director. "We don't need to be showing perpetrators the holes in our defense."

Tara O'Toole, founder of the Center for Biosecurity at the University of Pittsburgh Medical Center and an adviser to the Defense Department on bioterrorism, said the secrecy fits a larger pattern and could have consequences. "The philosophy and practice behind NBACC looks like much of the rest of the administration's philosophy and practice: 'Our intent is good, so we can do whatever we want,' " O'Toole said. "This approach will only lead to trouble."

Although they acknowledge the need to shield the results of some sensitive projects from public view, critics of NBACC fear that excessive secrecy could actually increase the risk of bioterrorism. That would happen, they say, if the lab fosters ill-designed experiments conducted without proper scrutiny or if its work fuels suspicions that could lead other countries to pursue secret biological research.

The few public documents that describe NBACC's research mission have done little to quiet those fears. A computer slide show prepared by the center's directors in 2004 offers a to-do list that suggests the lab will be making and testing small amounts of weaponized microbes and, perhaps, genetically engineered viruses and bacteria. It also calls for "red team" exercises that simulate attacks by hostile groups.

NBACC's close ties to the U.S. intelligence community have also caused concern among the agency's critics. The CIA has assigned advisers to the lab, including at least one member of the "Z-Division," an elite group jointly operated with Lawrence Livermore National Laboratory that specializes in analyzing and duplicating weapons systems of potential adversaries, officials familiar with the program confirm.

Bioweapons experts say the nature of the research envisioned for NBACC demands an unusually high degree of transparency to reassure Americans and the rest of the world of the U.S. government's intentions.

"If we saw others doing this kind of research, we would view it as an infringement of the bioweapons treaty," said Milton Leitenberg, a senior research scholar and weapons expert at the University of Maryland's School of Public Policy. "You can't go around the world yelling about Iranian and North Korean programs -- about which we know very little -- when we've got all this going on."

Creating the Weapons of Terrorism

Created without public fanfare a few months after the 2001 anthrax attacks, NBACC is intended to be the chief U.S. biological research institution engaged in something called "science-based threat assessment." It seeks to quantitatively answer one of the most difficult questions in biodefense: What's the worst that can happen?

To truly answer that question, there is little choice, current and former NBACC officials say: Researchers have to make real biological weapons.

"De facto, we are going to make biowarfare pathogens at NBACC in order to study them," said Penrose "Parney" Albright, former Homeland Security assistant secretary for science and technology.

Other government agencies, such as the Centers for Disease Control and Prevention, study disease threats such as smallpox to discover cures. By contrast, NBACC (pronounced EN-back) attempts to get inside the head of a bioterrorist. It considers the wide array of potential weapons available. It looks for the holes in society's defenses where an attacker might achieve the maximum harm. It explores the risks posed by emerging technologies, such as new DNA synthesizing techniques that allow the creation of genetically altered or man-made viruses. And it tries in some cases to test the weapon or delivery device that terrorists might use.

Research at NBACC is already underway, in lab space that has been outsourced or borrowed from the Army's sprawling biodefense campus at Fort Detrick in Frederick. It was at this compound that the U.S. government researched and produced offensive biological weapons from the 1940s until President Richard M. Nixon halted research in 1969. The Army continues to conduct research on pathogens there.

In June, construction began on a $128 million, 160,000-square-foot facility inside the same heavily guarded compound. Space inside the eight-story, glass-and-brick structure will be divided between NBACC's two major divisions: a forensic testing center tasked with using modern sleuthing techniques to identify the possible culprits in future biological attacks; and the Biothreat Characterization Center, or BTCC, which seeks to predict what such attacks will look like.

It is the BTCC's wing that will host the airtight, ultra-secure containment labs where the most controversial research will be done. Homeland Security officials won't talk about specific projects planned or underway. But the 2004 computer slide show -- posted briefly on a Homeland Security Web site before its discovery by agency critics prompted an abrupt removal -- offers insight into NBACC's priorities.

The presentation by NBACC's then-deputy director, Lt. Col. George Korch, listed 16 research priorities for the new lab. Among them:

"Characterize classical, emerging and genetically engineered pathogens for their BTA [biological threat agent] potential.
"Assess the nature of nontraditional, novel and nonendemic induction of disease from potential BTA.
"Expand aerosol-challenge testing capacity for non-human primates.
"Apply Red Team operational scenarios and capabilities."
Courtney, the NBACC science director, acknowledged that his work would include simulating real biological threats -- but not just any threats.
"If I hear a noise on the back porch, will I turn on the light to decide whether there's something there, or go on my merry way?" Courtney asked. "But I'm only going to do [research] if I have credible information that shows it truly is a threat. It's not going to be dreamed up out of the mind of a novelist."
Administration officials note that there is a tradition for this kind of biological risk assessment, one that extends at least to the Clinton administration. In the late 1990s, for example, a clandestine project run by the Defense Department re-created a genetically modified, drug-resistant strain of the anthrax bacteria believed to have been made by Soviet bioweaponeers. Such research helped the government anticipate and prepare for emerging threats, according to officials familiar with the anthrax study.
Some arms-control experts see the comparison as troubling. They argued, then and now, that the work was a possible breach of a U.S.-negotiated international law.

Legal and Other Pitfalls

The Bush administration argues that its biodefense research complies with the Biological and Toxin Weapons Convention, the 1972 treaty outlawing the manufacture of biological weapons, because U.S. motives are pure.
"All the programs we do are defensive in nature," said Maureen McCarthy, Homeland Security's director of research and development, who oversees NBACC. "Our job is to ensure that the civilian population of the country is protected, and that we know what the threats are."
Current and former administration officials say that compliance with the treaty hinges on intent, and that making small amounts of biowarfare pathogens for study is permitted under a broad interpretation of the treaty. Some also argue that the need for a strong biodefense in an age of genetic engineering trumps concerns over what they see as legal hair-splitting.
"How can I go to the people of this country and say, 'I can't do this important research because some arms-control advocate told me I can't'?" asked Albright, the former Homeland Security assistant secretary.
But some experts in international law believe that certain experiments envisioned for the lab could violate the treaty's ban on developing, stockpiling, acquiring or retaining microbes "of types and in quantities that have no justification" for peaceful purposes.
"The main problem with the 'defensive intent' test is that it does not reflect what the treaty actually says," said David Fidler, an Indiana University School of Law professor and expert on the bioweapons convention. The treaty, largely a U.S. creation, does not make a distinction between defensive and offensive activities, Fidler said.
More practically, arms experts say, future U.S. governments may find it harder to object if other countries test genetically engineered pathogens and novel delivery systems, invoking the same need for biodefense.
Already, they say, there is evidence abroad of what some are calling a "global biodefense boom." In the past five years, numerous governments, including some in the developing world -- India, China and Cuba among them -- have begun building high-security labs for studying the most lethal bacteria and viruses.
"These labs have become a status symbol, a prestige item," said Alan Pearson, a biologist at the Center for Arms Control and Non-Proliferation. "A big question is: Will these labs have transparency?"

Secrecy May Have a Price

When it opens in two years, the NBACC lab will house an impressive collection of deadly germs and teams of scientists in full-body "spacesuits" to work with them. It will also have large aerosol-test chambers where animals will be exposed to deadly microbes. But the lab's most controversial feature may be its secrecy.
Homeland Security officials disclosed plans to contractors and other government agencies to classify the entire lab as a Sensitive Compartmented Information Facility, or SCIF.
In common practice, a SCIF (pronounced "skiff") is a secure room where highly sensitive information is stored and discussed. Access to SCIFs is severely limited, and all of the activity and conversation inside is presumed to be restricted from public disclosure. There are SCIFs in the U.S. Capitol, where members of Congress are briefed on military secrets. In U.S. nuclear labs, computers that store weapons data are housed inside SCIFs.
Homeland Security officials plan to operate all 160,000 square feet of NBACC as a SCIF. Because of the building's physical security features -- intended to prevent the accidental release of dangerous pathogens -- it was logical to operate it as a SCIF, McCarthy said.
"We need to protect information at a level that is appropriate," McCarthy added, saying she expects much of the lab's less-sensitive work to be made public eventually.

But some biodefense experts, including some from past administrations, viewed the decision as a mistake.
"To overlay NBACC with a default level of high secrecy seems like overkill," said Gerald L. Epstein, a former science adviser to the White House's National Security Council and now a senior fellow with the Center for Strategic and International Studies. While accepting that some secrecy is needed, he said the NBACC plan "sends a message that is not at all helpful."
NBACC officials also have resisted calls for the kind of broad, independent oversight that many experts say is necessary to assure other countries and the American public about their research.
Homeland Security spokesmen insist that NBACC's work will be carefully monitored, but on the department's terms.
"We have our own processes to scrutinize our research, and it includes compliance to the bioweapons convention guidelines as well as scientific oversight," said Courtney, the NBACC scientific director.
In addition to the department's internal review boards, the agency will bring in small groups of "three or four scientists" on an ad-hoc basis to review certain kinds of potentially controversial experiments, Courtney said. The review panels will be "independent," Courtney said, but he noted that only scientists with government security clearances will be allowed to participate.
Some experts have called for unusual forms of oversight, including panels of well-respected, internationally known scientists and observers from overseas. While allowing that the results of some experiments should be kept confidential, O'Toole, of the Center for Biosecurity, argues that virtually everything else at NBACC should be publicly accountable if the United States is to be a credible leader in preventing the proliferation of bioweapons.
"We're going to have to lean over backward," O'Toole said. "We have no leverage among other nation-states if we say, 'We can do whatever we want, but you can't. We want to see your biodefense program, but you can't see ours.' "
In recent weeks, NBACC's first officially completed project has drawn criticism, not because of its methods or procedures, but because heavy classification has limited its usefulness.
The project was an ambitious attempt to assess and rank the threats posed by dozens of different pathogens and delivery systems, drawing on hundreds of studies and extensive computer modeling. When delivered to the White House in January, it was the most extensive survey of its kind, and one that could guide the federal government in making decisions about biodefense spending.
Six months later, no one outside a small group of officials and advisers with top security clearances has seen the results.
"Something this important shouldn't be secret," said Thomas V. Inglesby, an expert at the Center for Biosecurity who serves on a government advisory board that was briefed on the results. "How can we make policy decisions about matters of this scale if we're operating in the dark?"
http://www.washingtonpost.com/wp-dyn/content/article/2006/07/29/AR2006072900592.html

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Baltimore Sun
July 30, 2006

A spy among us?

A Soviet mole might have smuggled deadly viruses out of a Maryland Army base in the 1980s, experts say

By Douglas Birch, Sun reporter

It could be the plot of a Cold War thriller: A Soviet mole burrows into America's top biodefense lab and steals strains of the deadly viruses that cause Rift Valley and Lassa fevers.
He ships the killer microbes back to Moscow in the bags of Aeroflot pilots, who turn them over to a super-secret arm of the KGB that plots bioterror attacks.
A chilling tale of fictional intrigue? Some biowarfare experts think it actually happened at Fort Detrick in the 1980s, and they say there is evidence to support their suspicions.
Alexander Y. Kouzminov, a biophysicist who says he once worked for the KGB, first made the allegation last year in a book, Biological Espionage: Special Operations of the Soviet and Russian Foreign Intelligence Services in the West.
Biowarfare experts dismissed the memoir at first, largely because Kouzminov also claimed that a series of contemporary disease outbreaks resulted from the release of germ weapons.
But in recent weeks, another former Soviet scientist told The Sun that his lab routinely received dangerous pathogens and other materials from Western labs through a clandestine channel like the one Kouzminov described.
Also, a U.S. arms control specialist says he has independent evidence of a Soviet spy at Fort Detrick. Although not definitive, their statements buttress Kouzminov's allegations about the Frederick military installation.

Experts worry that the United States' huge $7-billion-a-year biological defense effort will increase the odds of bioterrorism - by generating dangerous new microbes and scientific knowledge that could be diverted or stolen.
The FBI declined to comment on the possibility of Soviet spying at Fort Detrick in the 1980s. However, if an agent once penetrated America's top biodefense lab, biowarfare experts say, the incident would show how difficult preventing such losses can be.
The Detrick agent, Kouzminov wrote, clandestinely "gained information" on experiments with Rift Valley and Lassa fevers, hemorrhagic diseases that can drown a victim in his own body fluid, as well as the bacterium that causes tularemia, which can cause diarrhea, vomiting and pneumonia.
KGB officials also sought a sample of the U.S. smallpox vaccine, although Kouzminov does not say whether they obtained it. Soviet defectors have reported that in the 1970s and 1980s, the U.S.S.R. was trying to develop vaccine-resistant organisms capable of defeating U.S. biowarfare defenses.
Serguei Popov, a scientist once based in a Soviet bioweapons lab in Obolensk, south of Moscow, said that by the early 1980s his colleagues had obtained at least two strains of anthrax commonly studied in Detrick and affiliated labs. They included the Ames strain, first identified at Detrick in the early 1980s. It became the standard used for testing U.S. military vaccines, and it was the strain contained in the 2001 anthrax letters that killed five people and infected 23 in the U.S.
Popov, now at the National Center for Biodefense and Infectious Disease at George Mason University in Fairfax, Va., said Obolensk researchers could easily obtain organisms mentioned in Western research papers.
"If you wanted 'special materials,' you had to fill out a request," he said. "And, essentially, those materials were provided. How and by whom, I can't say."
One colleague, Popov said, used this "special materials" program to obtain a strain of Yersinia pestis, a plague bacterium being studied in a Western lab. But he didn't know whether that particular germ came from Detrick.
There has never been any doubt about Detrick's key role in the history of U.S. biowarfare. Once a sleepy military airfield, the facility was turned into a center for top-secret research into biological weapons in the waning days of World War II.
It remained so until 1969, when President Richard M. Nixon ended development of new U.S. bioweapons, and the military study of lethal organisms shifted to the U.S. Army Medical Research Institute of Infectious Diseases, or USAMRIID.
That agency was founded at Fort Detrick in the late 1960s to conduct defensive biological research. Its scientists developed new vaccines and drugs to treat natural and manmade outbreaks.
Given that change in mission, former Detrick scientists and arms control experts agree that there were no secret, offensive programs at Detrick in the 1980s. In fact, they say there wasn't much secret work at all.
But Kouzminov says the KGB still wanted specific items from Western labs - including Detrick - that were closely held or at least not widely available.
Those included samples of specific disease strains, the growth media used to raise microbes, and vaccines the labs developed. The Soviets also wanted the aerosol powders U.S. scientists used to infect animals with bioagents during drug and vaccine tests.
At least three KGB spies targeted U.S. biodefense efforts in the 1980s, Kouzminov said. But the biophysicist, who worked primarily in Western Europe, offers no details about what the other two did. He wrote that his superiors called "our man at Detrick" their key biological agent.
Kouzminov and the biological moles worked in the KGB's Department 12 of Directorate S, housed in a high-rise building in a forested patch of southern Moscow. The group's mission, he said, was to develop germ weapons and poisons, to steal biodefense secrets and to plot biochemical terror attacks to be launched in the event of war.
The description of Department 12 in Biological Espionage squares with those of other defectors, said Oleg D. Kalugin, a retired KGB major general now living in the U.S.
Raymond Zilinskas, a bioweapons expert with the Monterey Institute of International Studies, and two colleagues wrote a scathing review of Biological Espionage in Nature, a British scientific journal.
The authors challenged Kouzminov's claims that the U.S. is pursuing an offensive bioweapons program. For example, he suggested that the 1993 outbreak of hantavirus in the American Southwest resulted from a U.S. military release of a bioweapon genetically engineered to attack Native Americans. The Nature review called the allegation "bizarre" and "astonishing."
The authors also complained that Kouzminov revealed few real KGB secrets. "It seems surprising," the reviewers wrote, "that an insider can write a book about the special operations of Soviet foreign intelligence services ... and provide so little about their achievements."
But Zilinskas, who is researching a history of the Soviet bioweapons program, told The Sun this month that his sources now say that Soviet intelligence routinely obtained details of work at USAMRIID that went beyond the descriptions in scientific journals.

"It was clear there was somebody at Fort Detrick" who worked for Soviet intelligence, Zilinskas says.
According to Kouzminov's account, the KGB delivered biological materials to Moscow through what was called the VOLNA channel. Aeroflot pilots who were also KGB officers carried these sometimes-lethal microbes to Moscow's Sheremetyevo airport in their personal luggage.
By the late 1980s, Department 12 was receiving about 20 parcels a year through VOLNA from agents in its American section, which included North, Central and South America.
In an e-mail, Kouzminov said he didn't know the identity of the Detrick spy or other details of the USAMRIID espionage. Such knowledge was closely guarded, even within the KGB. Careless comments by his bosses, though, suggested that the agent was a devout Catholic whose work frequently took him to Latin America.
Milton Leitenberg, an arms control expert with the Center for International and Security Studies at the University of Maryland, College Park, investigated the spying claim last year. As far as he can determine, no one fitting Kouzminov's description worked at Detrick in the 1980s.
An FBI spokesman said the agency would not comment on spying allegations.
But William C. Patrick III, a retired Detrick biologist and veteran bioweapons expert, said he has long suspected penetration by Soviet agents.
His suspicions cropped up in the early 1990s, when he debriefed Ken Alibek, who as Kanatjan Alibekov served as the deputy chief of Biopreparat, the leading Soviet bioweapons research agency. Alibek emigrated to the U.S. less than a year after the dissolution of the Soviet Union in December 1991.
As he and Alibek traded stories, Patrick said, both realized that the Soviet and American programs had moved in a curious lock step during the 1950s and '60s.
"Anything we discovered of any import, they would have discovered and would have in their program in six months," Patrick said.
He doesn't doubt that the Soviets kept spying beyond the end of the U.S. offensive program. After his conversations with Alibek, he recalled, "For the next two weeks I tried to think, 'Who the hell are the spies at Detrick?'"
It would have been surprising if the KGB had not kept an eye on Fort Detrick, which was vilified in the Soviet press as a palace of sinister secrets.
Researchers who worked at Detrick at the time say there was no basis for this notoriety. Dr. C. J. Peters, a researcher and administrator at USAMRIID from 1977 to 1992, said a mole at Detrick in those days wouldn't have turned up critical intelligence - or obtained germs - that the KGB couldn't have found elsewhere.
Kouzminov claimed in his book that the KGB targeted "secret" experiments at USAMRIID. But Peters said that almost all the lab's work was published in scholarly journals, and scientists there worked on only two classified projects during that era. In one, scientists screened blood serum from U.S. Special Forces for novel infections. In another, the lab analyzed blood from two elite Soviet commandos.
Still, the Soviets were deeply suspicious of Detrick. Many former Russian bioweapons experts remain so.
Dr. Pyotr Burgasov, a former chief sanitary physician of the Soviet Union, recalled in a 2002 interview with The Sun how he was escorted through Fort Detrick in the late 1960s - and was barred from one building. Detrick officials told him they feared he might contaminate the sterile research animals inside. But 11 years after the U.S.S.R. crumbled, he still didn't buy that explanation. "I am told America shows its research to scientists," he said. "But they showed nothing to me."
Distrust evidently bred cynicism. According to defectors, at the moment Soviet leaders signed the Biological Weapons Convention in 1975, they were pursuing a large-scale clandestine germ weapons program. After the deception was exposed, President Boris N. Yeltsin ordered a halt to offensive research in 1992.
Kouzminov, in a series of e-mails, defended his book against critics, saying that his aim was to raise an alarm about the "possibility" that several nations - including the U.S. - are conducting offensive bioweapons research. He also proposes the creation of an International Biological Security Agency, modeled on the International Atomic Energy Agency, to prevent proliferation.
Russia's biodefense establishment might have a vested interest in raising fears about U.S. intentions, some experts think. If Russia's leaders feel threatened, one said, they could increase spending on biodefense and intelligence agencies - institutions that have struggled for money since the end of the Cold War.
The FBI also questions whether Biological Espionage has an ulterior purpose. Agency spokesman William D. Carter said in a statement that "there is no way to discount that this book (like other books by former intel officers who seem to have no problem moving around, including into and out of Russia) is not part of a disinformation campaign by the Russians."
Kouzminov, who left Russia with his family in 1994, called the FBI's disinformation comment "rubbish," a reflection of Cold War thinking. "I have written this book purely from my heart," he wrote. "I was alone in this, without any group ... behind my back."
http://www.baltimoresun.com/news/nationworld/bal-te.detrick30jul30,0,2573448.story

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Washington Times
July 30, 2006
Pg. 5

Tehran Likely To Reject U.N. Nuke Resolution

By Combined Dispatches

TEHRAN -- Iranian state radio said yesterday that the government would reject a proposed U.N. resolution that would give it until Aug. 31 to suspend uranium enrichment or face the threat of international sanctions.

"Iranians will not accept unfair decisions, even in the framework of resolutions by the international bodies," the commentary on state-run radio said.

There has been no official comment to the draft resolution, but state radio often is thought to provide the Iranian government line.

The resolution was formally circulated to the full 15-member U.N. Security Council late Friday and likely will be adopted this week.

"Ultimatum and deadline cannot be acceptable to us," the commentary said, accusing the United States and its allies of making what it called an illegal demand.

The commentary also said the draft might not be approved because of opposition by China.

Tehran has said it would reply Aug. 22 to a Western incentive package, but the council decided to go ahead with a resolution and not wait for Iran's response.

The incentive package includes economic incentives and a provision for the United States to offer Iran some nuclear technology, lift some sanctions and join direct negotiations.

The proposal also calls for Iran to impose a long-term moratorium on uranium enrichment -- which can produce peaceful reactor fuel or fissile bomb material.

The U.S. and some of its allies accuse Iran of seeking nuclear weapons. Tehran maintains its program is purely peaceful and aimed at generating electricity.

Iran has said it will never give up its right under the nuclear Non-Proliferation Treaty to enrich uranium and produce nuclear fuel but has indicated it may temporarily suspend large-scale activities to ease tensions.

Meanwhile, Iran's supreme leader Ayatollah Ali Khamenei yesterday praised Hezbollah chief, Sheik Hassan Nasrallah, as the "people's favorite person all over the world," state television said.

His comments coincided with Sheik Nasrallah vowing to strike cities in the center of Israel and declaring that the Jewish state had failed to win any military victory after days of bloody clashes with his Shi'ite militant group.

"The courageous resistance of the Lebanese people and Hezbollah is the manifestation of the rebellious spirit of Muslim and Arab nations against America," Ayatollah Khamenei was quoted as saying during a visit by Venezuelan President Hugo Chavez.

Iran is the main backer of Hezbollah, the Shi'ite militia that controls southern Lebanon, and Mr. Chavez is attempting to build an anti-U.S. coalition of South American nations.

Both Iran and Venezuela are big oil-exporting nations.

http://www.washtimes.com/world/20060729-112640-1377r.htm

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Miami Herald
July 30, 2006

Chavez Finds Ally In Iran

The anti-American leaders of Venezuela and Iran met in Tehran to pledge their mutual support for each other.

By Nasser Karimi, Associated Press

TEHRAN, Iran - Anti-U.S. leaders Hugo Chávez of Venezuela and Iranian President Mahmoud Ahmadinejad met in Tehran on Saturday, pledging mutual support for one another, state media reported.

Chávez's two-day visit came as Iran faces renewed international criticism for its nuclear program and as a backer of Hezbollah guerrillas engaged in fighting with Israel since they captured two Israeli soldiers on July 12.

The five permanent members of the U.N. Security Council on Friday reached a deal on a resolution that would give Iran until the end of August to suspend uranium enrichment or face the threat of economic and diplomatic sanctions.

Following talks, Chávez pledged that his country would "stay by Iran at any time and under any condition," state television reported.

Ahmadinejad said he saw in Chávez a kindred spirit.
"I feel I have met a brother and trench mate after meeting Chávez," Ahmadinejad was quoted by state-run television as saying. ``We think Iran and Venezuela should share all experiences of each other, stay by each other, and they have to be supporters of each other."
The Venezuelan leader has been on a trip that included a visit to Belarus, where he met with authoritarian President Alexander Lukashenko, who is dubbed "Europe's last dictator" by Washington and shares Chávez's strong anti-U.S. views.
Last week he secured an arms agreement with Russia that prompted U.S. criticism.
Chávez boasted in Moscow on Thursday that Russia had helped his country break a U.S.-imposed "blockade" by agreeing to sell Caracas fighter planes and helicopters worth billions of dollars.
Chávez is also hoping to set up Kalashnikov weapons plants and ammunition plants in Venezuela under Russian license.
During his visit to Qatar, which started Friday, Chávez said Venezuela could eventually export guns and ammunition to Bolivia and other allies once these plants were built.
Chávez accused the United States of "threatening" to stop supplying replacement parts for the weapons to leftist Bolivian President Evo Morales' government.
If the United States follows through, Chávez said, ``we could supply Bolivia . . . and other friendly countries that also require a minimal level of defense."
http://www.miami.com/mld/miamiherald/news/world/americas/15155836.htm

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Los Angeles Times
July 30, 2006

In N. Korea, Weapons Are Key Instrument Of Power

Kim Jong Il has made arms projects a top priority at the expense of other needs, enabling the failed state to give even superpowers pause.

By Barbara Demick, Times Staff Writer
SEOUL — When North Korea first test-launched a missile capable of reaching Japan, the son of the country's leader lavished praise and gifts on the researchers who had labored away on the project behind locked doors.
"You deserve to be sitting on a pile of gold for what you've done for our nation," Kim Jong Il told the scientists shortly after the May 1994 launch, said a former employee of a Pyongyang-based institute that had worked on the project.
Kim, who would become leader after his father's death a few months later, was even more excited when the scientists began work on a multistage missile that could hit the United States.
"We'll be able to reach anyplace in the United States and the American bastards won't be able to do anything to stop us," Kim told the scientists, said the former employee, Kim Gil Sun.
During his visits, Kim Jong Il conferred on the scientists praise and prizes. There was no pile of gold, but there were watches with inscriptions from the leadership, color televisions, refrigerators and electric fans — all luxuries in destitute North Korea.
The personal attention bestowed by the upper echelons of the regime goes a long way toward explaining how a failed state such as North Korea could have a military that threatens the world's superpowers. North Korea test-fired seven missiles this month, and despite the multistage Taepodong's failure, short- and mid-range missiles were believed to show surprising sophistication.
"They appeared to be accurate, validating the readiness of the North's significant theater missile ballistic capability," Army Gen. B.B. Bell, commander of U.S. troops in South Korea, told a defense forum this month in Seoul.
Although the North Korean army at one point was so poorly equipped that soldiers didn't have socks, funding for the development of weapons of mass destruction — particularly for the missiles and nuclear arms — has increased.
"Kim Jong Il didn't care if he bankrupted the rest of the country. He saw the missiles and nuclear weapons as the only way to maintain power," said Kim Duk Hong, the former deputy director of the Juche Institute, a Pyongyang think tank devoted to North Korean ideology. He defected in 1997.
Because the regime is one of the world's most secretive, information about the ways North Korea has nurtured its weapons programs can be gleaned only from defectors.
Kim Gil Sun, 50, spent 17 years working in a propaganda office attached to a Pyongyang-based military think tank where ideology and scientific research went hand in hand. She defected in 1999.

It was her job to write glowing reports of Kim Jong Il's visits, which were described as "on-the-spot guidance" sessions. Afterward, the date of the visit would be enshrined in the name of the project. For example, the researchers Kim advised to target the United States were called the "April 11" team.
"Whenever he came, it was like a visit from God," Kim Gil Sun said.
She said Kim would announce his visit months in advance but not reveal the exact timing, so employees were afraid to leave their desks even to use the bathroom.
Early in his career, the scion busied himself overseeing North Korea's film studios, but beginning around the 1980s, he turned his attention to ballistic missiles and weapons of mass destruction. These top-secret development projects were moved from the purview of the military to the Central Committee of the ruling Korean Workers' Party, which the younger Kim was establishing as his power base.
Kim Gil Sun said that at the institute where she worked, along with her parents, employees switched from army uniforms to civilian clothing.
Cho Myong Chul, an economist from Pyongyang's Kim Il Sung University who defected in 1994, said the regime's ability to draft its most talented scientists for weapons research enabled North Korea to achieve what no other country could with such limited finances.
"North Korea is one of the cheapest countries for scientists and technicians," Cho said.
After the 1991 collapse of the Soviet Union, the North Koreans also were able to hire researchers from former Soviet republics and, in some cases, procure parts and technology, the defectors said.
The missiles were given especially high priority because they were not just for self-defense but also for making money. Until recently, North Korea was believed to be bringing in as much as $500 million annually from sales of short- and mid-range missiles to Iran, Syria, Pakistan and Yemen, among other customers.
Defectors say Kim Jong Il sees his missiles not only as marketable items, but also as tools for extorting humanitarian aid from the international community.
In 1994, when the Clinton administration agreed to provide North Korea with light-water reactors and other energy assistance in return for Pyongyang giving up its nuclear program, Kim Jong Il sent a congratulatory message to missile researchers at Kim Gil Sun's institute.
In the message, he credited a successful test the previous year of a medium-range missile with forcing the United States to make concessions, said Kim Gil Sun, who wrote up reports of the message.
"We believed that the United States was very weak and that all it took was one missile for them to give in to us," Kim said.
The defectors say they believe Kim Jong Il needed the latest barrage of missile tests to cement his power.
"The missile launch was designed to quell any doubts among his people that he is weak," Kim Duk Hong said. "Kim Jong Il doesn't care if he's seen as the top boss of the international mafia. He needs to look strong."
http://www.latimes.com/news/nationworld/world/la-fg-kimweapons30jul30,1,5311088.story

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London Sunday Times
July 30, 2006

Pakistan Upgrades Nuclear Arsenal

By Dean Nelson, Delhi
PAKISTAN will soon be able to strike every city in India using a new arsenal of plutonium warheads developed with Chinese help, according to senior generals and defence analysts.
Lieutenant General Talat Masood, a former Pakistani defence minister, said this weekend that his country’s enhanced nuclear capability exposed a “secret arms race”, triggered by rivalry between India and China.
The scale of Pakistan’s nuclear ambitions was revealed last week in a report by the Washington-based Institute for Science and International Security, which published satellite pictures of a plutonium production site at Khushab in Punjab.
Analysts said the plant included a reactor capable of producing enough plutonium for 50 warheads in a year, more than doubling its current strength. China has an estimated 450 warheads and India has about 100.
The disclosure came as the US House of Representatives ratified President George W Bush’s deal to supply nuclear fuel and technology to India, which could allow it to boost its own production of plutonium warheads.
Plutonium makes lighter, more compact and deadlier weapons than uranium. Pakistan’s new capability will alter the military balance in the region by giving it a “second strike” capability.
India and Pakistan have fought three wars since they were separated at independence in 1947. In 1987, A Q Khan, the so-called father of Pakistan’s programme, announced that any future conflict could be nuclear. Khan is now under house arrest after helping Iran and Libya to develop nuclear programmes.

Masood said that Indian attempts to keep up with China's increased nuclear production were causing anxiety in Pakistan and generating pressure to increase its capability. Distrust between India and Pakistan over Kashmir and terrorism made it likely that the arms race would intensify, he added.
"It means self-reliance for Pakistan, which is now more important because the United States is favouring India (in nuclear co-operation)," he said. "It means we can make smaller weapons which are easier to fire at longer range."
Dr Anupam Shrivastava, director of the Centre for International Trade and Security at the University of Georgia and an adviser on proliferation to the American, Indian and Chinese governments, said: "Unlike Pakistan, India has a no first strike policy. It completely changes India's military planning because having plutonium gives Pakistan the option of deploying from land, sea or air.
"For Pakistan it's a quantum leap. It gives them options to target all of India."
http://www.timesonline.co.uk/article/0,,2089-2291202.html

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Washington Post
July 31, 2006
Pg. 1
Five Years Later: Microbes Made From Scratch

Custom-Built Pathogens Raise Bioterror Fears

By Joby Warrick, Washington Post Staff Writer
STONY BROOK, N.Y.--Eckard Wimmer knows of a shortcut terrorists could someday use to get their hands on the lethal viruses that cause Ebola and smallpox. He knows it exceptionally well, because he discovered it himself.
In 2002, the German-born molecular geneticist startled the scientific world by creating the first live, fully artificial virus in the lab. It was a variation of the bug that causes polio, yet different from any virus known to nature. And Wimmer built it from scratch.
The virus was made wholly from nonliving parts, using equipment and chemicals on hand in Wimmer's small laboratory at the State University of New York here on Long Island. The most crucial part, the genetic code, was picked up for free on the Internet. Hundreds of tiny bits of viral DNA were purchased online, with final assembly in the lab.
Wimmer intended to sound a warning, to show that science had crossed a threshold into an era in which genetically altered and made-from-scratch germ weapons were feasible. But in the four years since, other scientists have made advances faster than Wimmer imagined possible. Government officials, and scientists such as Wimmer, are only beginning to grasp the implications.
"The future," he said, "has already come."
Five years ago, deadly anthrax attacks forced Americans to confront the suddenly real prospect of bioterrorism. Since then the Bush administration has poured billions of dollars into building a defensive wall of drugs, vaccines and special sensors that can detect dangerous pathogens. But already, technology is hurtling past it. While government scientists press their search for new drugs for old foes such as classic anthrax, a revolution in biology has ushered in an age of engineered microbes and novel ways to make them.
The new technology opens the door to new tools for defeating disease and saving lives. But today, in hundreds of labs worldwide, it is also possible to transform common intestinal microbes into killers. Or to make deadly strains even more lethal. Or to resurrect bygone killers, such the 1918 influenza. Or to manipulate a person's hormones by switching genes on or off. Or to craft cheap, efficient delivery systems that can infect large numbers of people.
"The biological weapons threat is multiplying and will do so regardless of the countermeasures we try to take," said Steven M. Block, a Stanford University biophysicist and former president of the Biophysical Society. "You can't stop it, any more than you can stop the progress of mankind. You just have to hope that your collective brainpower can muster more resources than your adversaries'."
The Bush administration has acknowledged the evolving threat, and last year it appointed a panel of scientists to begin a years-long study of the problem. It also is building a large and controversial lab in Frederick, where new bioterrorism threats can be studied and tested. But overall, specific responses have been few and slow.
The U.S. Centers for Disease Control and Prevention has declined so far to police the booming gene-synthesis industry, which churns out made-to-order DNA to sell to scientists. Oversight of controversial experiments remains voluntary and sporadic in many universities and private labs in the United States, and occurs even more rarely overseas.
Bioterrorism experts say traditional biodefense approaches, such as stockpiling antibiotics or locking up well-known strains such as the smallpox virus, remain important. But they are not enough.

"There's a name for fixed defenses that can easily be outflanked: They are called Maginot lines," said Roger Brent, a California molecular biologist and former biodefense adviser to the Defense Department, referring to the elaborate but short-sighted network of border fortifications built by France after World War I to prevent future invasions by Germany.

"By themselves," Brent said, "stockpiled defenses against specific threats will be no more effective to the defense of the United States than the Maginot line was to the defense of France in 1940."

How to Make a Virus

Wimmer's artificial virus looks and behaves like its natural cousin -- but with a far reduced ability to maim or kill -- and could be used to make a safer polio vaccine. But it was Wimmer's techniques, not his aims, that sparked controversy when news of his achievement hit the scientific journals.

As the creator of the world's first "de novo" virus -- a human virus, at that -- Wimmer came under attack from other scientists who said his experiment was a dangerous stunt. He was accused of giving ideas to terrorists, or, even worse, of inviting a backlash that could result in new laws restricting scientific freedom.

Wimmer counters that he didn't invent the technology that made his experiment possible. He only drew attention to it.

"To most scientists and lay people, the reality that viruses could be synthesized was surprising, if not shocking," he said. "We consider it imperative to inform society of this new reality, which bears far-reaching consequences."

One of the world's foremost experts on poliovirus, Wimmer has made de novo poliovirus six times since his groundbreaking experiment four years ago. Each time, the work is a little easier and faster.

New techniques developed by other scientists allow the creation of synthetic viruses in mere days, not weeks or months. Hardware unveiled last year by a Harvard genetics professor can churn out synthetic genes by the thousands, for a few pennies each.

But Wimmer continues to use methods available to any modestly funded university biology lab. He reckons that tens of thousands of scientists worldwide already are capable of doing what he does.

"Our paper was the starting point of the revolution," Wimmer said. "But eventually the process will become so automated even technicians can do it."

Wimmer's method starts with the virus's genetic blueprint, a code of instructions 7,441 characters long. Obtaining it is the easiest part: The entire code for poliovirus, and those for scores of other pathogens, is available for free on the Internet.

Armed with a printout of the code, Wimmer places an order with a U.S. company that manufactures custom-made snippets of DNA, called oglionucleotides. The DNA fragments arrive by mail in hundreds of tiny vials, enough to cover a lab table in one of Wimmer's three small research suites.

Using a kind of chemical epoxy, the scientist and his crew of graduate assistants begin the tedious task of fusing small snippets of DNA into larger fragments. Then they splice together the larger strands until the entire sequence is complete.

The final step is almost magical. The finished but lifeless DNA, placed in a broth of organic "juice" from mushed-up cells, begins making proteins. Spontaneously, it assembles the trappings of a working virus around itself.

While simple on paper, it is not a feat for amateurs, Wimmer said. There are additional steps to making effective bioweapons besides acquiring microbes. Like many scientists and a sizable number of biodefense experts, Wimmer believes traditional terrorist groups such as al-Qaeda will stick with easier methods, at least for now.

Yet al-Qaeda is known to have sought bioweapons and has recruited experts, including microbiologists. And for any skilled microbiologist trained in modern techniques, Wimmer acknowledged, synthetic viruses are well within reach and getting easier.

"This," he said, "is a wake-up call."

From Parlor Trick to Bio-Bricks

The global biotech revolution underway is more than mere genetic engineering. It is genetic engineering on hyperdrive. New scientific disciplines such as synthetic biology, practiced not only in the United States but also in new white-coat enclaves in China and Cuba, seek not to tweak biological systems but to reinvent them.

The holy grail of synthetic biologists is the reduction of all life processes into building blocks -- interchangeable bio-bricks that can be reassembled into new forms. The technology envisions new species of microbes built from the bottom up: "living machines from off-the-shelf chemicals" to suit the needs of science, said Jonathan Tucker, a bioweapons expert with the Washington-based Center for Non-Proliferation Studies.

"It is possible to engineer living organisms the way people now engineer electronic circuits," Tucker said. In the future, he said, these microbes could produce cheap drugs, detect toxic chemicals, break down pollutants, repair defective genes, destroy cancer cells and generate hydrogen for fuel.

In less than five years, synthetic biology has gone from a kind of scientific parlor trick, useful for such things as creating glow-in-the-dark fish, to a cutting-edge bioscience with enormous commercial potential, said Eileen

Choffnes, an expert on microbial threats with the National Academies' Institute of Medicine. "Now the technology can be even done at the lab bench in high school," she said.

Along with synthetic biologists, a separate but equally ardent group is pursuing DNA shuffling, a kind of directed evolution that imbues microbes with new traits. Another faction seeks novel ways to deliver chemicals and medicines, using ultra-fine aerosols that penetrate deeply into the lungs or new forms of microencapsulated packaging that control how drugs are released in the body.

Still another group is discovering ways to manipulate the essential biological circuitry of humans, using chemicals or engineered microbes to shut down defective genes or regulate the production of hormones controlling such functions as metabolism and mood.

Some analysts have compared the flowering of biotechnology to the start of the nuclear age in the past century, but there are important differences. This time, the United States holds no monopoly over the emerging science, as it did in the early years of nuclear power. Racing to exploit each new discovery are dozens of countries, many of them in the developing world.

There's no binding treaty or international watchdog to safeguard against abuse. And the secrets of biology are available on the Internet for free, said Robert L. Erwin at a recent Washington symposium pondering the new technology. He is a geneticist and founder of the California biotech firm Large Scale Biology Corp.

"It's too cheap, it's too fast, there are too many people who know too much," Erwin said, "and it's too late to stop it."

A Darker Side

In May, when 300 synthetic biologists gathered in California for the second national conference in the history of their new field, they found protesters waiting.

"Scientists creating new life forms cannot be allowed to act as judge and jury," Sue Mayer, a veterinary cell biologist and director of GeneWatch UK, said in a statement signed by 38 organizations.

Activists are not the only ones concerned about where new technology could lead. Numerous studies by normally staid panels of scientists and security experts have also warned about the consequences of abuse. An unclassified CIA study in 2003 titled "The Darker Bioweapons Future" warned of a potential for a "class of new, more virulent biological agents engineered to attack" specific targets. "The effects of some of these engineered biological agents could be worse than any disease known to man," the study said.

It is not just the potential for exotic diseases that is causing concern. Harmless bacteria can be modified to carry genetic instructions that, once inside the body, can alter basic functions, such as immunity or hormone production, three biodefense experts with the Defense Intelligence Agency said in an influential report titled "Biotechnology: Impact on Biological Warfare and Biodefense."

As far as is publicly known, no such weapons have ever been used, although Soviet bioweapons scientists experimented with genetically altered strains in the final years of the Cold War. Some experts doubt terrorists would go to such trouble when ordinary germs can achieve the same goals.

"The capability of terrorists to embark on this path in the near- to mid-term is judged to be low," Charles E. Allen, chief intelligence officer for the Department of Homeland Security, said in testimony May 4 before a panel of the House Committee on Homeland Security. "Just because the technology is available doesn't mean terrorists can or will use it."

A far more likely source, Allen said, is a "lone wolf": a scientist or biological hacker working alone or in a small group, driven by ideology or perhaps personal demons. Many experts believe the anthrax attacks of 2001 were the work of just such a loner.

"All it would take for advanced bioweapons development," Allen said, "is one skilled scientist and modest equipment -- an activity we are unlikely to detect in advance."

Genes for Sale

Throughout the Western world and even in developing countries such as India and Iran, dozens of companies have entered the booming business of commercial gene synthesis. Last fall, a British scientific journal, New Scientist, decided to contact some of these DNA-by-mail companies to show how easy it would be to obtain a potentially dangerous genetic sequence -- for example, DNA for a bacterial gene that produces deadly toxins.

Only five of the 12 firms that responded said they screened customers' orders for DNA sequences that might pose a terrorism threat. Four companies acknowledged doing no screening at all. Under current laws, the companies are not required to screen.

In the United States, the federal "Select Agent" rule restricts access to a few types of deadly bacteria, viruses and toxins. But, under the CDC's interpretation of the rule, there are few such controls on transfers of synthetic genes that can be turned into killers. Changes are being contemplated, but for now the gap is one example of technology's rapid advance leaving law and policy behind.

"It would be possible -- fully legal -- for a person to produce full-length 1918 influenza virus or Ebola virus genomes, along with kits containing detailed procedures and all other materials for reconstitution," said Richard H.

Ebright, a biochemist and professor at Rutgers University. "It is also possible to advertise and to sell the product, in the United States or overseas."
While scientists tend to be deeply skeptical of government intrusion into their laboratories, many favor closer scrutiny over which kinds of genetic coding are being sold and to whom. Even DNA companies themselves are lobbying for better oversight.
Blue Heron Biotechnology, a major U.S. gene-synthesis company based in suburban Seattle, formally petitioned the federal government three years ago to expand the Select Agent rule to require companies to screen DNA purchases. The company began voluntarily screening after receiving suspicious requests from overseas, including one from a Saudi customer asking for genes belonging to a virus that causes a disease akin to smallpox.
"The request turned out to be legitimate, from a real scientist, but it made us ask ourselves: How can we make sure that some crazy person doesn't order something from us?" said John Mulligan, Blue Heron's founder and chief executive. "I used to think that such a thing was improbable, but then September 11 happened."
Some scientists also favor greater scrutiny -- or at least peer review -- of research that could lead to the accidental or deliberate release of genetically modified organisms.
In theory, such oversight is provided by volunteer boards known as institutional biosafety committees. Guidelines set by the National Institutes of Health call on federally funded schools and private labs to each appoint such a board. A 2004 National Academy of Sciences report recommended that the committees take on a larger role in policing research that could lead to more powerful biological weapons.
In reality, many of these boards appear to exist only on paper. In 2004, the nonprofit Sunshine Project surveyed 390 such committees, asking for copies of minutes or notes from any meetings convened to evaluate research projects. Only 15 institutions earned high marks for showing full compliance with NIH guidelines, said Edward Hammond, who directed the survey. Nearly 200 others who responded had poor or missing records or none at all, he said. Some committees had never met.

Stockpiles Aren't Enough

New techniques that unlock the secrets of microbial life may someday lead to the defeat of bioterrorism threats and cures for natural diseases, too. But today, the search for new drugs of all kinds remains agonizingly slow.
Five years after the Sept. 11 attacks, the federal government budgets nearly $8 billion annually -- an 18-fold increase since 2001 -- for the defense of civilians against biological attack. Billions have been spent to develop and stockpile new drugs, most of them each tied to a single, well-known bioterrorism threat, such as anthrax.
Despite efforts to streamline the system, developing one new drug could still take up to a decade and cost hundreds of millions of dollars. If successful, the drug is a solution for just one disease threat out of a list that is rapidly expanding to include man-made varieties.
In a biological attack, waiting even a few weeks for new drugs may be disastrous, said Tara O'Toole, a physician and director of the Center for Biosecurity at the University of Pittsburgh Medical Center.
"We haven't yet absorbed the magnitude of this threat to national security," said O'Toole, who worries that the national commitment to biodefense is waning over time and the rise of natural threats such as pandemic flu. "It is true that pandemic flu is important, and we're not doing nearly enough, but I don't think pandemic flu could take down the United States of America. A campaign of moderate biological attacks could."
http://www.washingtonpost.com/wp-dyn/content/article/2006/07/30/AR2006073000580.html

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Security Council Sets Deadline For Iran

U.N. May Impose Sanctions Unless Nation Ends Nuclear Activity by Aug. 31

By Colum Lynch, Washington Post Staff Writer

UNITED NATIONS, July 31 -- The U.N. Security Council approved a resolution Monday demanding that Iran suspend its enrichment and reprocessing of nuclear fuel by Aug. 31 or face the threat of economic and diplomatic sanctions.
The resolution, passed 14 to 1, represented the first time that the international body has legally required Iran to halt its enrichment of uranium. It increased pressure on Tehran to begin negotiations -- with Britain, China, France, Germany, Russia and the United States -- aimed at addressing international concerns that it may be developing nuclear weapons.

The council sought to further Iran's isolation at a time when the Bush administration has grown increasingly alarmed that the Islamic regime is fostering instability in Iraq and southern Lebanon, where the Iranian-backed Lebanese militia Hezbollah triggered the current conflict by launching a raid July 12 on Israeli troops inside Israel.
"This is a very important step forward in the effort to isolate Iran," U.S. Undersecretary of State R. Nicholas Burns said in an interview. "I think the Iranians are surprised by this."
Only Qatar, a Persian Gulf sheikdom that represents Arab views on the council, voted against the resolution. Qatar's ambassador, Nassir Abdulaziz Al-Nasser, said that his government didn't object to the substance of the resolution but that it had not been given enough time to study it.
Several U.S. policymakers suggested privately that the main advantage of the resolution at this point was to "put the focus back on Iran," as one official said. "The fighting in Lebanon had taken pressure off Iran's nuclear program, and they were benefiting," the official said, speaking on the condition of anonymity to discuss private deliberations.
Iran's U.N. ambassador, Javad Zarif, told the council after the vote that there was no legal basis for its "destructive and totally unwarranted" resolution.
He warned that "pressure and coercion" will not lead to a diplomatic breakthrough.
Iran maintains that it has the right, under the 1970 nuclear Non-Proliferation Treaty, to enrich and reprocess uranium to fuel a nuclear energy program. Iran temporarily suspended its enrichment of uranium in November 2004, but it resumed in February after talks with European governments over its program collapsed.
The United States and its European partners suspect that Iran is trying to develop nuclear fuel for use in a weapons program. The U.N. nuclear watchdog, the International Atomic Energy Agency, has said that Iran's pattern of secrecy and deception has contributed to those suspicions, but that there is insufficient evidence to prove Iran is producing nuclear weapons.
For months, China and Russia have cited that lack of proof in resisting U.S. pressure to impose sanctions against Iran. But they agreed to a tougher response after U.S. Secretary of State Condoleezza Rice agreed to join the two nations and Britain, Germany and France in offering a new package of incentives to Iran in exchange for verifiable assurances that it is not pursuing atomic weapons.
Iranian officials have said repeatedly that they are still willing to engage in talks over their nuclear program but need until Aug. 22 to prepare a formal response for the global powers.
Chinese and Russian envoys, meanwhile, sought to play down the threat of sanctions, saying the chief aim of the resolution was to invite Iran to resume negotiations and to support efforts by U.N. nuclear experts to secure greater cooperation from Tehran.
Russia's U.N. ambassador, Vitaly Churkin, agreed to support the resolution only after striking language that could have been used to initiate military action.
John R. Bolton, the U.S. ambassador to the United Nations, said Iran can either "choose the route of cooperation" -- and accept the offer to resume negotiations -- "or they can choose not to, in which case we will be back here in a month looking at a sanctions resolution."
The resolution demands that Iran "suspend all enrichment-related and reprocessing activities, including research and development." It says the Security Council would consider taking "appropriate measures" under a provision of the U.N. Charter that authorizes the use of economic and diplomatic sanctions to ensure compliance.
The resolution also calls on all U.N. members to bar the transfer of ballistic missile or nuclear technology to Iran.
Britain's U.N. ambassador, Emyr Jones Parry, said the suspension of Iran's enrichment activities "will not hinder" its ability "to build a modern civil nuclear power industry."
Staff writer Dafna Linzer contributed to this report.
http://www.washingtonpost.com/wp-dyn/content/article/2006/07/31/AR2006073100353.html

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London Financial Times
July 31, 2006

US Mulls Reimposing Economic Sanctions On N Korea Over Missiles

By Krishna Guha, Washington
The US is considering the reimposition of a full suite of bilateral economic sanctions against North Korea following its recent missile tests, a senior US official has said.
The sanctions - including a travel ban, a broad trade ban and restrictions on investment and remittances - were lifted in 2000 after Pyongyang agreed to a missile test moratorium.

Stuart Levey, under-secretary for terrorism and financial intelligence at the US Treasury, told the Financial Times: "We are thinking about what measures we should impose in response to the missile tests."
Reintroduction of the sanctions lifted six years ago was "one of the things being considered", he said.
The US launched a crackdown last year on suspected counterfeiting and money laundering by Pyongyang, beginning with action against a bank in Macao, Banco Delta Asia (BDA), where Dollars 24m (Pounds 12.9m) of North Korean money has been frozen since September.
The campaign led to North Korea's decision in November to pull out of six-party talks on its nuclear programme.
The US stance has hardened further since Pyongyang's widely condemned test-firing of long-range missiles in July.
In an interview with the Financial Times, Mr Levey, who is in charge of the Treasury's investigations into Pyongyang's illicit financing operations, said the US believed that North Korea's leaders might be hiding "significant amounts" of money derived from suspect activities in banks around the world, including Europe.
He said the US would "encourage financial institutions to carefully assess the risk of holding any North Korea-related accounts". He added: "Given the regime's counterfeiting of US currency, narcotics trafficking, and use of accounts worldwide to conduct proliferation-related transactions, the line between illicit and licit North Korean money is nearly invisible."
Mr Levey praised China for the recent move by Bank of China, the country's second largest bank, to freeze North Korean accounts in its Macao branch.
However, he expressed concern over the potential for money-laundering by North Korean and other entities through the casino industry in Macao. "Macao's casino sector has been a real concern," he said. "It still is."
The Treasury under-secretary said China had acted "responsibly" in freezing accounts.
He hailed the recent UN Security Council resolution on North Korea for taking what he said was a "historic step" requiring all nations to put in place financial controls to prevent dealings with entities linked to Pyongyang's proliferation efforts.
He said these measures would "completely isolate from the financial system and cut off from all financial resources entities involved in North Korea's WMD programme and its missile programme".
He refused to put a timeframe on the US investigation into BDA.
Mr Levey also dismissed reports that he had asked South Korea to suspend Kaesong and Kumgangsan, its two landmark commercial projects in the North, saying he had simply urged Seoul to be "vigilant" that they were not used to advance Pyongyang's illegal activities.
http://www.ft.com/cms/s/6ffd81fc-2030-11db-9913-0000779e2340.html

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