Countering a technological Berlin tunnel: North Korean operatives, helicopters and intelligence in the Cold War illicit arms trade, 1981-1986

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ABSTRACT
This article considers the relationship between intelligence and the arms trade by examining North Korea’s procurement of 86 Hughes helicopters in the 1980s. Using recently declassified documents, the article contextualises the case using US intelligence assessments of North Korea’s procurement, and considers the role of the DPRK’s diplomats in Berlin, and the Western powers’ response. This history provides insights into the use of intelligence operatives for arms procurement, the role of intelligence agencies in monitoring the illicit arms trade, and the challenges in collection, analysis and acting on the intelligence surrounding arms trafficking.

Historically there has been a close relationship between intelligence and the global arms trade. Intelligence communities’ assessments have shaped states’ arms procurement and transfer decision-making. Secretive arms transfers have long been a tool of covert action undertaken by intelligence agencies during and after the Cold War. Agencies have also sought to monitor the efforts of enemy states to procure arms, especially in the face of arms embargoes or sanctions. Intelligence officers themselves have frequently played an active role in arms sales and procurement. For states facing such restrictive measures, those intelligence officers based overseas – with official diplomatic cover based in embassies – have often played a central role in circumventing these embargoes through illicit procurement operations.

This article explores the story of one of the largest illicit arms deals of the Cold War – North Korea’s procurement of 86 Hughes MD500 helicopters and spare parts in the early 1980s. The article uses this historical case study to provide insights into three aspects of the interface between intelligence and the arms trade: the role of intelligence officers in the arms trade, the role of intelligence communities in monitoring arms procurement, and the challenges of collection, analysis and acting on the intelligence surrounding arms trafficking. The case draws on declassified US intelligence assessments, British Foreign and Commonwealth Office (FCO) documents and other primary sources, to also provide insights into the nature of North Korea’s procurement operations in the twilight years of the cold war.

Drawing on the case, the paper argues that intelligence officers and diplomats overseas are an integral part of states’ efforts to procure arms in the face of restrictions – particularly utilising third country hubs. It argues that the US intelligence community did take an interest in illicit procurement of military technologies beyond its main Cold War adversaries – the Soviet Union and the Warsaw Pact. The article also argues that the challenges surrounding intelligence collection and analysis, and

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also acting on intelligence, on arms trafficking are significant. Many of the phenomenon seen in the 1980s North Korean networks, such as that behind the Hughes procurement, and many of the challenges in countering them, continue to be reflected in the post-2006 UN sanctions era.

I. Intelligence, the arms trade and North Korea’s networks

While having received less attention than other arms transfers surrounded by scandal – such as Iran-Contra or Arms-to-Iraq – the Hughes deal is still worthy of exploration due to its historical significance. First, it is one of the largest single illicit arms transfers of all time – as one US official described it, ‘The largest illegal diversion of US aircraft ever’. Second, the deal – despite being for fairly benign civilian but dual-use technology – did have important potential strategic implications for the Korean peninsula, which will be outlined below. New archival sources released in the past few years allow for new detailed insights. Exploration of the deal in this paper seeks to contribute to the scholarly literature in two regards: First and foremost, with regard to the interface between intelligence and the arms trade; and second, with regard to North Korea’s procurement of military and dual-use technologies.

The close relationship between intelligence and the global arms trade has a number of different facets that have been explored by scholars. Intelligence communities have long sought to monitor global arms transfers to understand their potential impact on conflict. Much more recent research has explored the role of intelligence in preventing undesirable arms transfers – either exports from the state, or transfers between other states or parties. A number of scholars have considered the role of intelligence in implementing arms export controls, or preventing illicit transfers in breach of government policy. Other researchers have prepared accounts of the role of intelligence agencies, officers and operations in more proactive efforts to counter arms or weapons of mass destruction (WMD) trafficking networks.

On the other side of the coin, some accounts have considered the role of intelligence agencies and officers in facilitating the transfer of arms. Intelligence agency-led covert action has sometimes involved the secret transfer of arms. Former intelligence officers have also often continued their involvement in the arms trade after the end of their formal employment. Intelligence officers have routinely worked to support their country’s state-owned enterprises and private sectors in selling weapons. Embassies, diplomats and intelligence officers have also frequently been used to procure military goods in the face of restrictions. There are, however, relatively few detailed case studies on the role of these types of intelligence assets in the arms trade. As Dover notes, generally, ‘finding reliable evidence that establishes the role of intelligence officers in facilitating arms sales is difficult’.

North Korea – a state that has frequently used its intelligence and diplomatic assets in arms trafficking – is a case worthy of further exploration. Discussion of North Korea’s procurement of advanced technologies has largely focused on the past decade, as the UN has imposed a wide-ranging sanctions regime on the country. The UN Panel of Experts on North Korea sanctions has annually produced detailed reports regarding sanctions evasion efforts, providing a wealth of insight into the country’s networks. Analysis has sought to consider the role of illicit procurement, the context to North Korea’s activities, the basic modus operandi of these networks including the crucial roles played by North Korean diplomats, and the evolving drivers of network behaviour. Some analytical work, alongside more popular treatments, has also considered North Korea’s illicit export networks for arms and other technologies – also in breach of UN sanctions – and their wider impact.

Less discussion, however, has been seen of North Korea’s arms procurement efforts prior to the emergence of the UN sanctions regime from 2006, in some sense leaving North Korea’s current activities without a broader historical context. Justin Hastings has sought to contextualise North Korea’s trading relationships, arguing the direct relevance of the past in understanding the present. As he notes of the 1980s, ‘The manner in which [North Korea] engaged with the global economy (however tentatively) betrayed many of the trading methods that North Korean firms would use after
the end of the Cold War.\textsuperscript{15} Some first-hand accounts of former North Korean diplomatic procurement agents during the 1970s and 1980s also exist.\textsuperscript{16} Other analysts have provided perspectives on North Korean arms procurement in the broader picture of the height of cold war illicit arms trading in the 1980s.\textsuperscript{17}

In exploring the Hughes case, this article seeks to expand our understanding in both these areas – the relationship between intelligence and the arms trade, and historic illicit arms procurement in the North Korean case.

II. North Korea’s Cold War illicit procurement

Clear lines can be drawn from North Korea’s illicit procurement during the Cold War to its efforts in the present day. North Korea has long faced barriers in its procurement of technologies – and especially military goods. Three days after the North’s invasion of South Korea in June 1950 the US placed a complete trade embargo on the DPRK.\textsuperscript{18} Throughout the Cold War – as a communist country – North Korea was subject to the Coordinating Committee for Multilateral Export Controls (COCOM) export control restrictions on the transfer of technologies, and unable to openly procure many military technologies from more advanced Western economies.

Russia and China were significant sources of technology, arms and financial aid for the DPRK during the Cold War, with each supplier being dominant at different times and Pyongyang playing one off the other.\textsuperscript{19} Declassified US intelligence reports detail significant military assistance and technology provided by the Soviet Union and China in the early 1970s, helping to spur self-sufficiency in a number of areas. They also clearly betray interest of the US intelligence community in where Pyongyang was getting its arms. This is unsurprising as no formal peace treaty was signed after the Korean War, with the US maintaining tens of thousands of troops on the peninsula to this day.

The Soviets provided support with major weapons systems until 1973, and continued to aid the development of the DPRK’s defence industrial base, while China provided the majority of imports from 1978.\textsuperscript{20} However, it was noted in a 1979 US Special National Intelligence Estimate (SNE) that ‘North Korea must still depend on other nations for aircraft, missiles, optics and, sophisticated electronics’.\textsuperscript{21} From the mid-1970s China had been the sole supplier of jet fighters, and was assisting North Korea in development of indigenous productions facilities for the F-7. This production capability would begin to bear fruit in the mid-1980s, but would be heavily dependent on foreign produced parts.\textsuperscript{22} From 1984, relations with the Soviets began to improve, and the USSR started to supply advanced Mig-23 fighter jets, and SA-3 antiaircraft missiles after a 10 year hiatus.\textsuperscript{23} The Soviets had traditionally taken a cautious approach to supplying Pyongyang with the most advanced equipment.\textsuperscript{24}

While the Soviet Union and China provided the bulk of weaponry, North Korea did also look towards the West to obtain more advanced technologies. This second approach – beyond playing Russia and China off each other – is reflected in analysis of North Korea’s economic relations. As Hastings notes, ‘North Korea also pursued an economic hedging strategy that was designed to establish trading networks outside Soviet or Chinese control, and to provide income and goods directly to North Korea on its own terms’.\textsuperscript{25} These networks made extensive use of North Korean embassies and diplomatic outposts around the world – and went on to form the skeleton of North Korea’s post-Cold War networks following the collapse of the Soviet Union.

Much of this procurement was civilian or dual-use technology – that with both civil and military applications – and came from developed economies in Europe and Japan. From the late 1960s, North Korea sought to broaden its supply-base. As a 1971 Central Intelligence Agency (CIA) report notes, ‘imports of machinery and equipment from Western Europe and Japan jumped to $67 million in 1969, over ten times the 1967 level and exceeding in value comparable imports from the USSR’.\textsuperscript{26}
According to the Agency, this resulted in a huge increase in industrial capacity. Pyongyang went on a buying spree in the est in the mid-1970s – and was said to be renewing its efforts in Europe and Japan around 1984.27

Declassified US intelligence reports from the 1980s provide some insights into western threat perceptions of North Korea’s illicit procurement. A CIA report from the late 1980s noted, ‘P’ongyang places high priority on modernizing its civilian and military sectors, making acquisition of western technology a critical goal’.28 The report lists a number of areas of civilian and ‘dual-use’ technologies – those with potential civilian and military uses.

The Agency noted, ‘With many North Korean organizations seeking Western high technology in an apparently less than coherent effort, targeting has been marked by a strategy of “anything goes”’.29 This has resulted in ‘a campaign by P’yongyang that has covered the technological waterfront – from diversion of sophisticated communications and electronics equipment to acquisition of low-tech but nonetheless priority goods, such as heavy-duty trucks’.30 The dual-use technologies on the ‘Technological Wish List’ included semiconductors, computers, telecommunications technology, defence industry equipment, and vehicles and chassis.31 As the report noted:

‘Much of the technology and equipment P’yongyang wants is proscribed from export to North Korea; this makes clandestine acquisition, supplemented by dual-use purchases that can be modified to meet military requirements, a key element of the North’s effort…. P’yongyang has focused much of its technology acquisition operations in Japan and Western Europe, where ethnic Korean communities or willing collaborators have helped in the past’.32

A CIA report from earlier in the decade,1985, notes,

‘P’yongyang’s efforts focus heavily on Japanese companies. Japan accounts for 70 percent of North Korean imports from the developed countries. Many Japanese trading companies dealing with North Korea are headed by Korean residents in Japan who are sympathetic to Pyongyang. Over the past several years, P’yongyang has approached Japanese firms to obtain various types of US-made equipment, including computers, integrated circuits, microwave receivers, boat engines and radar systems’.33

Hastings notes that the early networks supporting the North Korean nuclear programme also looked beyond the Soviet Union and China, in part as a result of their reluctance to supply from the late 1980s. The Chongyong association of Korean residents in Japan helped to provide scientific support, and dual-use goods were also procured from the Japanese market.34 By the late 1980s, while lacking foresight of the massive geopolitical changes on the near horizon, North Korea was already hedging its bets and seeking to diversify its sources of foreign technology.

The intelligence community of the US, and likely to a lesser degree US partners with fewer resources, took an interest in North Korea’s procurement. It clearly had interests in monitoring such activities by smaller communist states – beyond the USSR, China and those of the Warsaw Pact – as well as obviously taking an interest in North Korea as a client for these states’ arms.

### III. Europe and the Cold War illicit arms trade

The Hughes case involved a transfer of US-manufactured aircraft and spare parts, but with the crucial involvement of European intermediaries. Indeed, intermediaries based in Europe were frequently used to obtain US military technologies in the 1980s by a wide range of sanctioned, embargoed, or prohibited customers. European countries appeared a ‘safe’ destination for US technologies, with many European countries being NATO members and also some of the biggest customers for US military goods outside of the US armed forces. European governments were also less concerned with export controls than their US counterparts.

The 1980s saw a growth in the illicit arms trade – with accounts of efforts to target the US suggesting case numbers were growing.35 The largest black market surrounded Iran, a state in the midst of a costly war against Iraq from 1980 to 1988, which cost over a million lives. Indeed, a 1984
CIA report notes that North Korean arms sales to Iran had ‘provided roughly one third of North Korean hard currency foreign exchange earnings over the past several years and totalled more than $1 billion in transfers’ between 1980 and 1983.\textsuperscript{36} The paper notes that these goods traded were mostly composed of lower-end technologies: ‘Artillery, antiaircraft machineguns, mortars, and ammunition make up most of the transfer. Tanks, small arms, naval mines, and antitank and surface-to-air missile systems have been sold in more limited quantities’.\textsuperscript{37} Smaller black markets were also said to be active in this period – including that surrounding North Korea itself.\textsuperscript{38}

COCOM – the Coordinating Committee for Multilateral Export Controls – was an informal agreement between the US, NATO members, Australia and Japan to control the export of strategic technologies to communist countries, which operated from 1949 to 1994.\textsuperscript{39} The COCOM forum provided a means for participating states to harmonize export guidelines and control lists and coordinate enforcement efforts. The success of COCOM in preventing technological leakage to communist states was mixed.

The Cold War saw significant illicit procurement by communist powers – notably the USSR and China – as they sought to compete with the more technologically advanced Western powers. One of the most well-known cases was the 1980s Toshiba-Kongsberg scandal, which saw the Soviets import advanced machine tools to aid the manufacture of much quieter submarine propellers to great US anger. Other tensions among COCOM members, often a result of divergent views over the arrangement’s precise purposes, also led to ineffectiveness. The informal nature of the arrangement also meant that implementation and enforcement varied between the US and its partners.

In the 1960s and 1970s, the dominant trend had been towards reduced COCOM controls. By the 1980s, following the Soviet invasion of Afghanistan, US and partner views began to further diverge. A 1982 SNIE notes that Western Europe and Japan saw their ‘political and security interests best served by maintaining and increasing contacts with Eastern Europe and the Soviet Union to promote political and economic stability and establish a web of interdependence between East and West’.\textsuperscript{40} The report continues that the Western European countries and Japan, though believing controls are necessary and committed to controlling technology when exports would clearly ‘augment Soviet military power’, do ‘prefer to interpret this policy to permit exports when in doubt’.\textsuperscript{41}

When there was ambiguity in the embargo, the 1982 CIA document notes, the Europeans tended to ‘subordinate’ export controls to other economic and political interests.\textsuperscript{42} While COCOM members were said to be in favour of greater enforcement, this would lean towards administrative measures, with most members noted to be ‘less enthusiastic in prosecuting exporting firms for evasions’.\textsuperscript{43} This contrasted with the relatively assertive approach taken by the US in shutting down illicit procurement networks, and arresting and prosecuting individuals and companies involved in illegal exports of US technology.

This ambiguity in Europe presented challenges for the US, and opportunities for communist states such as the USSR and North Korea. In the 1980s, Operation Exodus was mounted by the US government – a US Customs operation to prevent the export of technologies to the Soviet Union and the Warsaw Pact. As a secondary role, it sought to stem the flow of technology to other embargoed destinations such as North Korea.\textsuperscript{44} The US also took other approaches to bring other countries into line on its export control enforcement efforts. In a similar timeframe, the US government launched ‘Operation Staunch’ – an attempt to seek support from partner governments in Europe and elsewhere for the US arms embargo on Iran – which later ran into difficulties as the Iran-Contra scandal broke in 1986.\textsuperscript{45}

Among the European countries, West Germany (FRG) provided special procurement opportunities for foreign intelligence operatives. A 1985 CIA report allegedly noted the FRG to be ‘ineffective’ in controlling illicit exports to the USSR, only acting under US pressure.\textsuperscript{46} Indeed, West Germany saw some illicit export cases emerge in the 1980s. In May 1984, a West German-based individual – Babeck Seroush – was indicted by a US court for conspiracy to export US-produced night vision goggles and semiconductors to North Korea.\textsuperscript{47} Seroush was arrested in Germany as part of the aforementioned
‘Operation Exodus’. An initial shipment of 143 semiconductors was made in March 1984, and a second interdicted in May 1984. The components had potential uses in missiles and night vision systems.

Seroush’s business partner in the scheme – Yuri Geifman – was located in the US and procured the goods. The pair used a list of 271 items required by the North Koreans – a veritable shopping list – and sought the parts in the US ostensibly for domestic use or European buyers. Seroush was President of a Cologne-based import-export firm International Processing Systems GmbH. The following year, in 1985, the company was implicated in a second case where employees had sought to divert electronic components to the Soviet Union in 1982. In this case, the defendants allegedly had spoke of shipping the goods to ‘the country where “Babeck’s datcha is”’. Geifman also sent three further shipments to International Processing Systems GmbH for re-export to the Soviet Union in 1983 and 1984.

The US requested extradition for Seroush to stand trial in the US, but the West German authorities denied the request. A colourful character, Seroush is said to have been ‘an Iranian-born communist who had immigrated to the Soviet Union in the 1970s and specialized in smuggling military high-tech equipment for the Red Army’. Leaked cables suggest that Seroush worked to organise an electronics exhibit in Moscow in 1976 that would be attended by predominantly American firms. Elsewhere, a 1989 Soviet ‘walk-in’ to a US embassy alleged that Seroush had been recruited by the KGB.

The high-tech and laxly regulated markets of Europe clearly represented attractive procurement prospects for North Korea. Its diplomats – or at least individuals with diplomatic cover – were the principal procurement agents. Kim Jong Ryul, a diplomat based between Pyongyang and Vienna from the early 1970s worked to procure various technologies and luxury goods for the Kim family from European suppliers, later writing about it in a memoir. Ryul first spent time in East Germany, studying and learning from the country’s car manufacturing industry. Later working from Austria, he purchased machine tools, radiation detection devices, gas detectors and various laboratory equipment, including some items that were controlled under COCOM. He also allegedly spent months in the early 1980s sourcing equipment for a new tank maintenance factory – part of so-called ‘Project 303’ – with many machine tools procured from Germany, Austria and Switzerland.

By the mid-1980s, US intelligence noted a number of European countries to be North Korean sources of US technology. As the CIA would note in 1985:

> ‘Firms in Switzerland, Austria, the United Kingdom, West Germany, and France are other important sources of US technology. Pyongyang has sought computers, microwave equipment, microphotometers, measuring instruments, oscillators, and smelting equipment in these countries.’

US intelligence also noted the role of the European North Korean diplomatic missions in this process. A 1988 CIA report notes that ‘Pyongyang assigns its most capable commercial officers’ to Europe, and throughout much of the 1980s, ‘the North Koreans used West Berlin as their chief operations center’. While North Korean trading companies were said to be ‘most active’ and ‘successful’ in accessing Western technology, the CIA also noted the role of the missions:

> ‘Despite their limited numbers and unsavoury reputation, diplomats overseas – mostly commercial officers – have apparently been the second most fruitful means of access to Western technology, working largely through North Korea’s European missions … Like the trading companies, the diplomats work through Western firms willing to divert proscribed goods … We also believe that diplomats brief and coach visiting “unofficial” delegations to spot opportunities for acquisition … Like its Chinese and Soviet allies, North Korea to some extent uses academic and business delegations to elicit technical information and occasionally to arrange deals’.61

Europe, and particularly West Germany, was clearly an important market for North Korea – and would be central to one of the largest illicit arms deals of the Cold War.
IV. The Hughes deal: benign helicopters yet strategic implications?

The most extensive and audacious procurement attempt by North Korea involved the illegal purchase of 86 Hughes MD500 helicopters – an episode that occurred between 1981 and 1985. The Hughes MD500 is the civilian version of the Hughes OH-6 Cayuse military light utility helicopter. The helicopter has been widely manufactured and operated – since the late 1960s almost 5,000 have been produced and operated by a variety of air forces, police and fire departments and private individuals around the world.

Two brothers based in California – the Semlers – allegedly obtained the helicopters from Hughes Helicopters, a California-based company. The helicopters were transferred from their small North Hollywood-based company, through a West German company, to North Korea. The CIA would later suggest that the Semlers visited Pyongyang to conclude the contract.62 Press reports from the time suggest that the brothers stood to earn $5–9 million from the alleged $85 million deal.63 As the CIA later noted, North Korean ‘commercial officers’ operating out of Berlin had played a role in ‘arranging’ the deal.64

Deputy Assistant Secretary of Commerce for Export Enforcement, Ted Wu, noted to a British official in Washington that the Semlers had put the deal together in 1981–1982 with the first shipments taking place in 1983. The aircraft were diverted en route to Berlin at the Belgian port of Antwerp, trucked to the Dutch port of Rotterdam and then shipped to North Korea on a Soviet cargo ship. Further shipments were made in 1984. Wu also strangely implied that the North Koreans had paid for the cargo in drugs.65

Commenting on early reports of the transfer, British officials in Bonn noted:

‘The American embassy add that they did not think the case would strain further the present rather sensitive relationship with Bonn on COCOM matters. It was a fairly clear cut issue and did not raise the vexed question of extraterritoriality … The fact that the offence had not taken place on German territory was a source of some relief to the Germans: Their enforcement/control arrangements were not being called into question, at least on this occasion’.66

The British official noted discussion of the transfer with a German government official, recounting:

‘In answer to my question whether this incident would make for further difficulties in US/German dialogue on COCOM issues, Gerhardt said that these difficulties had been greatly exaggerated. There had been a lot of hostile comment in the press in Washington but in recent high level talks … the Americans, even the Pentagon, had said they were satisfied with German fulfilment of COCOM obligations. Ahem exclam’.67

Several – possibly conflicting – accounts speculate on the nature of the intelligence that tipped off the US authorities to the illicit deal. The British documents suggest Wu mentioned that the US Defense Intelligence Agency had provided the initial tip-off.68 Others suggest alarm was raised when US Customs saw that a Japanese customer’s MD500s were being unloaded from a North Korean freighter.69 Alternatively, an investigation by TV company NBC suggested that the CIA was monitoring the network all along, seemingly unable to act for fear of compromising the intelligence operation.70 Press reports suggest that different parts of the US government had not effectively shared intelligence on the deal, and therefore a delay meant that helicopters were transferred to North Korea while the CIA watched.71 Several years later, the CIA noted the Hughes purchase to be ‘a spectacular, but rare, achievement’.72

The US-based Semlers were indicted on 27 charges for export violations, conspiracy, false statements and tax violations in 1987. They pled guilty in 1988 to reduced charges and received a 3-year and 1-year prison sentence, respectively. Since the helicopters were civilian rather than military goods, the West German company – Delta-Avia – had broken no German law, although the company was blacklisted by the US government in February 1985.73 Hughes Helicopters faced no action having been unaware of the diversion of their products – the US government noted they were not at fault.
For one of the largest and most audacious illicit arms transfers of the Cold War, in some sense the goods transferred – light utility helicopters – seem fairly benign. The civilian machines would be converted to military uses, and form a key part of the North Korean helicopter inventory to this day. The transfer of these civilian helicopters – essentially dual-use goods it turned out – presented concerning strategic implications which far outweighed the threat posed by the objects themselves. A novel set of risks stemmed from the use of very similar models by the South Korean and US militaries around the De-militarized Zone (DMZ) that divides the Korean Peninsula.

South Korea procured 34 similar helicopters from the US in the late 1970s, and a further 175 were produced under license in the country between 1977 and 1985. The similarity of their newly covertly procured aircraft provided North Korea with great opportunity. Indeed, in April 1985 the Washington Post carried an article that suggested that the transferred helicopters had already been encroaching on South Korean airspace. This claim was vehemently denied by US sources at the highest level in Seoul, with British officials putting it down to an effort to place the ROK government in a ‘stronger bargaining position with the US vis-à-vis the provision and purchase of new, or more, military hardware’.

Around this time, a visit to Washington by South Korean President Chun Doo-hwan had been dominated by concern over the helicopters. As a British telegram notes, the US Commerce Secretary allegedly told his British counterpart that:

‘During that visit more than half of all the discussion (including with the President) had revolved around this issue. The South Koreans had asserted very strongly that the illegal diversion of the Hughes helicopters to North Korea had significantly changed the strategic relationship between North and South. They had argued that the helicopters could be used not only for overt military operations but also for subversive activities. They had been particularly concerned about the threat posed by these aircraft for the 1988 [Seoul] Olympics, and had in consequence removed all their own helicopters of this type from the areas of the DMZ.’

Indeed, this concern was shared by American officials – with US forces flying similar helicopters around the DMZ. A 1985 CIA Research Report notes that ‘… the Hughes 500 is especially well suited for use in insertion/infiltration. Because they are visually indistinguishable from South Korea’s own 195 Hughes 500s, they are ideal for inserting teams of agents and terrorists into the South’.

In a May meeting with a British counterpart, Assistant Secretary of Defense Richard Perle noted that the US DOD had even launched a study of risks surrounding ‘look alikes’, noting:

‘The use by the North Koreans of the Hughes helicopters in South Korean colours had military consequences. It was easy to imagine scenarios in which Warsaw Pact countries could acquire commercially available equipment in the west and use it, disguised as western equipment, for military purposes’.

The Hughes case, as well as being a big illicit deal, appears to have highlighted a strategic dimension of the risks posed by export violations and the illicit arms trade that had thus far not been given much consideration. US intelligence resources were directed to consider this problem.

V. A technological Berlin tunnel? The role of the North Korean mission in the DDR

Following the 1985 revelation of the large Hughes transfer, steps had been taken to prevent North Korea’s procurement of spare parts from a wide civilian supply base. Indeed, a letter from the US Embassy to the British government had noted in April of 1985 that the US expected ‘an especially concerted effort by North Korea to establish supply channels for spare parts and maintenance services’ for their recent acquisitions. Indeed, a June 1985 CIA Report notes that North Korea was already receiving spares for its MD500s from unspecified sources. This was not a problem that was unique to the Hughes deal. In the 1980s the US also struggled to prevent the procurement of spare parts from a huge second hand and largely European market by Iranian agents for the F-4s, F-5s and F-14s that the US had sold Iran prior to the revolution. Indeed, in 1984, a CIA report exclaimed: ‘Many parts are ordered simply by contacting companies listed in the Swiss defense publication “Interavia”’.
The South Koreans were vocal to the British and other governments about their concerns regarding spare parts. The ROK government contacted all countries hosting manufacturers of Hughes helicopters and parts – including Japan, Argentina and Italy – and even provided a list of spare parts distributors in Australia, Canada, Colombia, England and Mexico to the British government. On reflection, British officials noted that while many spare parts – such as engines and avionics – would be captured under COCOM arrangements, others – such as wheels – were not. The US also put in place special licensing requirements, demanding end-use statements from March 1985, and expressed concern about the transfer of key parts such as rotors and blades.

The North Korean embassy in Berlin, and front companies established by diplomats accredited there that had allegedly been involved in arranging the initial helicopter transfers, were also used by the DPRK to access these spare parts. North Korea long had strong relations with the German Democratic Republic (DDR) – and therefore had a particularly large embassy located in East Berlin during the Cold War. According to a report from 1983 by the East German Stasi, the North Korean mission included 30 diplomats and 15 administrative staff, alongside a total of 90 dependents. The 1983 Stasi report also notes the DRPK’s East German embassy to be somewhat of a central European hub for procurement:

‘Due to the regular departure of special flights from the airport Berlin-Schönefeld to the DPRK, the Korean Embassy in Berlin is a central gathering point for goods that are to be transported to the DPRK (the Embassy receives these [goods] from Korean embassies in Western Europe, among other places).’

In January 1986, the US sought British support for the expulsion of four diplomats from the North Korean Embassy in East Berlin ‘on grounds that they are procuring western technology through Berlin’. The previous autumn, the Americans had received ‘firm indications’ that $500,000 of helicopter spare parts would be transferred from Delta-Avia to a company based in West Berlin called ‘Killewald Expotrans Gmbh’ and shipped from Schonefeld airport to North Korea.

Killewald Expotrans Gmbh appears to have been used by the North Korean diplomats as a front company. Contemporary news reports suggest the West German owner was unaware he was aiding illegal activity. Killewald’s location in West Berlin allowed it to operate as an intermediary while benefitting from the characteristics of a third country hub. West Berlin would have been far less concerning to exporters than East Berlin or North Korea itself, despite restrictions on the movement of military goods through the city. Due to their diplomatic status, North Korean operatives also could move largely uninhibited between the two halves of the divided city.

Rumours circulated around the exact relationship between Killewald and the DPRK Embassy on the other side of the Berlin Wall. A New York Times article notes that a West Berlin television film team ‘filmed North Korean diplomats going daily for a month to Killewald Expo Trans’, and ‘speculated that they might be smuggling helicopter parts out of West Berlin in cars with diplomatic license plates’.

An investigation by US TV channel NBC later noted:

‘North Korean agents around the world were involved in the smuggling operation under the direction of a top North Korean intelligence officer based in East Berlin, who ran the program from a trucking company in West Berlin … The CIA was aware of his activities … and the network quoted authorities as saying the trucking firm, a Soviet front, was bugged, making it possible for American agents to listen in as the North Koreans plotted’.

Intelligence officers and diplomats based at embassies clearly offer opportunities for illicit procurement and arms dealing. Based on close proximity to key markets, and with personnel often having diplomatic immunities and privileges, such posts can be useful nodes in arms trafficking networks. Due to diplomatic immunity and broader political and diplomatic sensitivities, these assets present wicked challenges for those seeking to counter these networks. These challenges are not dissimilar to those faced by host governments and intelligence agencies seeking to limit the use of embassies and diplomatic cover by hostile governments for intelligence purposes.
VI. Countering the Berlin network: challenges of investigation, jurisdiction and immunity

Responding to the North Korean diplomatic arms trafficking network was complicated not only by diplomatic immunity, but also by the politics of the allied jurisdiction over the divided city of Berlin. This created further ambiguity – on top of those surrounding COCOM – which the North Koreans were able to exploit. The governance of the city had been overseen by the Allied Kommandatura (AK) since the end of the Second World War, which – after the Soviet walk out in 1948 – was composed of the US, the UK and France. The absence of Soviet representation meant that the AK only had de facto influence over events in the Western Sectors, East Berlin effectively being beyond its control.

The US began investigating the spare parts shipment network ‘on the basis of very good intelligence information’ in October 1985. They sought to tread carefully, despite great pressure in Washington to pursue the case. As a communication from US officials in Berlin noted:

‘the Minister, the Commandant and the Ambassador have consulted closely at every step of the way to ensure that any action taken related to Berlin followed exactly established Berlin legal procedures. We wanted in particular to mark sure that:

(A) We did not endanger our ability to use the results of any investigations in German or American courts, and

(B) Given public controversy about use of allied legal prerogatives in Berlin, we also wished to be able to hand the matter to German authorities if considered useful or necessary’.

In December 1985 a number of searches were undertaken of various properties in West Berlin. On 19 December, a search of a Killewald shipment was undertaken by Berlin Customs at a bonded warehouse, but no helicopter parts were found. Late in the month the US directed the West Berlin police to undertake searches of two other properties to no avail. Referring to these searches, the US official noted:

‘Because it is so important to us (and possibly to the [Selmer] court case in California) that the helicopter parts be seized, the action has unavoidably had to move very fast on a number of occasions. We have believed it imperative to investigate any lead developed in the case as soon as I’ve learned of it in order to improve the chances of finding the helicopter parts before they leave Berlin’.

The British were clearly frustrated by the speed with which their consent was sought, and intelligence shared – namely because these searches took place at properties in the British sector of Berlin. This ‘rather clumsy American action’ was noted to have ‘caused us some irritation’.

The British had made clear to the Americans that they were not concerned if searches were undertaken by Berlin officials on their own authority, but ‘if an Allied instruction were required, we would need more information and time to consult’.

It was ‘scarcely surprising’ that the second searches did not turn up helicopter parts, British officials noted, because the second premises inspected ‘comprised of residential apartments’.

This second search elicited a formal complaint from the occupier, ‘a lawyer of dubious reputation’, to a Berlin Court, and resulted in a controversy over seized documents of relevance to this case and that against the Semlers. The British noted, ‘It would be tempting to indulge in a little Schadenfreude at the predicament the Americans have got themselves into, if the case did not have possibly serious implications for the Allies in relation to the issue of Allied jurisdiction’.

Beyond a breach of the COCOM controls, the US argued in January 1986 that the North Koreans had breached AK Law 43 which had been passed forty-years previously, in December 1946. This Berlin law’s title – ‘Prohibition of the Manufacture, Import, Export, Transport and Storage of War Materials’ – was fairly self-explanatory, and applied to a list of technology, excluding museum specimens. ‘Group V’ of the list included:

‘Aircraft of all types, heavier or lighter than air; with or without means of propulsion including kites, captive balloons, gliders, and model aircraft, and all auxiliary [sic] equipment, including aircraft engines and component parts, accessories, and spare parts specifically designed for aircraft use’.
According to Article VI, persons violating the law could be prosecuted before a Military Government Court and could face up to 5 years in prison, hard labour between one and 15 years, or ‘in serious cases, hard labour for life, or death’.  

As diplomats with immunity and privileges, the North Koreans could not be arrested and prosecuted. Rather, the US argued AK Law 8 from 1950 would allow the rarely convened Expulsion Board to expel the North Koreans from ‘Greater Berlin’ as non-Germans whose presence was ‘liable to endanger the maintenance of public order or the prestige of security of the allied forces’. Greater Berlin was de facto West Berlin, given the near 40-year absence of the Soviets from the AK, and the slim chance that either the Soviets or the DDR would expel diplomats on the request of the Western powers.

The British had concerns over the application of AK Law 8 in this context. One FCO Legal Advisor noted, ‘the term “Allied Forces” is defined in AK Law No 2 . . . as including inter alia the Allied Kommandatura and each Commandant and persons exercising power on his behalf, as well as the occupation forces in the narrow sense’. While the North Koreans presence in West Berlin and the breach of Law 43 likely did not ‘endanger the maintenance of public order’, it might ‘reasonably be argued that such action does endanger the prestige or security of the Allied Forces’. The argument would effectively be that:

‘ . . . flouting one of the most important provisions of Allied law, and one at the heart of Berlin’s demilitarized status, carries with it the danger of lowering the prestige of the AK and the Sector Commandants and, since it is known that the Soviet Union pays particular regard to the strict implementation of ACC Law No 43, might also be said to endanger (porter atteinte à) the security of Berlin. I doubt if we would wish to interpret law No 8 narrowly.’

What would such an expulsion mean in practice? The North Korean diplomats — resident and working in East Berlin — would be expelled from West Berlin into the DDR if caught in the West, or denied entry into the West at the various border crossings. They would, of course, be able to re-enter East Berlin from the DDR after expulsion.

There was one recent example of such an expulsion occurring in 1974, of Eugeniusz Pieluzek, Assistant Attaché for Shipping Affairs at the Polish Embassy in East Berlin. He was arrested in the British sector of West Berlin and subsequently expelled as a result of espionage. Within months, there would be more, following the bombing of La Belle nightclub in West Berlin on 5 April 1986 which killed three people including two US service personnel, and injured 230. In April 1986, Law 8 was almost used to counter Libyan diplomats based in East Berlin that had allegedly been involved in the bombing — an alternative means was used. Law 8, however, was later used to expel 33 Syrians and one Iraqi from Greater Berlin in November 1986. French support this second time followed multiple terrorist attacks in Paris in July and September 1986.

A US Berlin Command history provides insights into efforts to ensuring persona non grata (PNG) did not enter West Berlin. With regard to the Libyans,

‘The practical consequence of these steps was tight police surveillance of crossing points—including “flying squad” checks of rail platforms—for anyone who might appear to be on the list. It became, then, highly difficult for such persons to pass through the controls to West Berlin, or to go about business undetected once there.’

Indeed, the terrorism connection appears to have elicited a more significant response from the GDR authorities — something that the North Korean arms trafficking did not just months earlier. As the Berlin Command history notes, the Libyan Embassy in Berlin-Karlshorst, East Berlin, was ‘surrounded by police, so that no one could enter or leave without the authorities knowing. The movements of Libyan officials were subjected to heavy, overt surveillance . . . The ability of the Libyans to conduct illegal operations under such close tracking was severely limited’. Interestingly, the GDR’s view on the need to take measures against the Libyan People’s Bureau ended up close to that of the US, with enforcement resulting in a ‘considerably’ reduced Libyan diplomatic presence in greater Berlin — both the West and the East.
With regard to the Syrians expelled in November 1986, 'The first [expulsion] occurred ... when a Syrian diplomat on the list tried to cross Checkpoint Charlie. He was apprehended by West Berlin police, served with an expulsion order by a Mission official, and ejected from the city at the GDR-West Berlin crossing point farthest from the center of East Berlin'\textsuperscript{118} Beyond some practical disruption to operations, North Koreans expelled at a checkpoint in the West boundary of the city would have to wait to be picked up by their compatriots who would face a humiliating 150 km and almost 4-hour round-trip to bring the expelled back to the Soviet sector.

VII. Expelling the North Koreans: a largely symbolic PNG

As a British official in the UK’s East Berlin Embassy noted with reference to the North Koreans in January 1986, there were many challenges here connected to broader jurisdictional issues surrounding the division of the city:

'... would it be realistic to think in terms of enforcing a ban on access to the Western sectors? Are the Allies prepared to police the crossing points with the same vigour as their GDR counterparts? The GDR are probably not looking too hard for any trouble over Berlin status questions, but if they were presented with a golden opportunity to make mischief, they might. An unsuccessful ban on the North Koreans could be paraded as evidence of the emptiness of Western claims to have a say in the running of Berlin as a whole.'\textsuperscript{119}

Beyond British scepticism about the practical and legal aspects of AK Law 8, in mid-January 1986, consultation between the Allied Legal Advisers concluded that more evidence of a breach of law 43 would be required to justify expulsion.\textsuperscript{120}

By February 1986 the Americans were still pushing for expulsion, the French were happy to go along, and the Brits noted they would acquiesce despite having doubts about the legal basis and an – effectively – unenforceable expulsion. The Americans had decided to drop the link to AK Law 43, and rather to focus on expulsion under Law No. 8, expelling the North Koreans ‘simply as persons whose presence was liable to endanger the prestige or security of the Allied forces’\textsuperscript{121}

The British still had reservations: there was no obvious threat to the security of allied forces, and even the threat to prestige was ‘pretty vague’.\textsuperscript{122} The Americans countered that an initial expulsion would make the North Koreans avoid West Berlin, and they could be removed again if necessary.\textsuperscript{123} Despite willingness to go along with it, the UK’s Ambassador to West Germany noted ‘we have no clear idea of the part alleged to have been played by the North Koreans’ in the arms trafficking network.\textsuperscript{124} For the UK, the evidence provided by intelligence was weak – it was merely ‘strong circumstantial evidence’.\textsuperscript{125} The British Ambassador in Bonn, Julian Bullard, summed it up:

'Nevertheless, as you say, it could be argued that any breach of COCOM rules is a threat to Western security as a whole, including Berlin. And I do not think we have strong enough grounds for trying to thwart the Americans, given the strength of feeling in Washington, French support, and the probable lack of sympathy with the North Koreans among the Western public.'\textsuperscript{126}

The AK Expulsion Board met on 24 February and agreed to expel the four North Koreans. The statement released alongside the announcement noted: 'These four officials have been working from an office in the Western sectors of the city in order to engage in illicit arms transactions'.\textsuperscript{127}

The following day, further searches were made at two offices in West Berlin, including Killewald, with the four persona non grata not to be found, although two other North Koreans were found at the Killewald offices.\textsuperscript{128} The North Korean embassy responded to the expulsions with a statement that the business had been civilian in nature, the expulsions were unjustified, and part of ‘the antagonistic policy pursued by the USA in conspiracy with the South Korean rulers against the Korean People’s Democratic Republic’.\textsuperscript{129}

At a meeting, the Allied Commandants showed their disdain for the note of protest from the DPRK Embassy. The US Deputy Commandant pointed out that the word ‘Kommandatura’ had been misspelled, while the French Deputy Commandant noted that it was likely the first time that the AK had received a letter from a state with which none of the remaining three AK members had
diploamic relations. Clearly, the DPRK was not high priority relative to the threats posed by the DDR, the Soviets and the Warsaw Pact to the security of West Berlin. As the meeting record notes, ‘It was agreed to return the letter to the sender by post in a plain envelope without any mention of the GDR in the Berlin address’.131

In December 1986 – just ten months after the initial expulsion – the US again pushed for and succeeded in expelling a further three North Korean diplomats that had taken over from the expelled four.132 This time the UK had seen good intelligence outlining their involvement in illicit technology transfers.133 As the CIA noted later, the North Koreans used West Berlin as their ‘chief operations center in Europe’ until the seven were banned in 1986.134 Intelligence on North Korea’s role in arms trafficking had provided insight into the network and its activities – but limits of intelligence, besides the North Korean operatives’ diplomatic status, had made taking action against the network challenging both practically in terms of guiding the investigation, and diplomatically in terms of persuading the Allied powers.

VIII. Plus ça change, plus c’est la même chose?

Two years later in November 1989 the Berlin wall would fall – and in an undivided city, the expulsion of a handful of personnel just a few years ago no longer mattered. The DPRK’s embassy in Berlin, however, would remain a key node in the country’s procurement networks. A series of German intelligence reports throughout the 2000s noted the role the embassy continued to play in procurement, and especially the role of the North Korean intelligence officers there. For example, a 2006 report noted:

‘[t]he [intelligence] stations [at the embassies] are part of North Korean Procurement facilities for planned purchases of such goods in Germany. Several attempts to procure special machines for metal working in sensitive areas (atomic and missile program) could be recognized in good time and their delivery prevented’.135

According to the German government, in 2012 and 2013, a Berlin-based North Korean diplomat was ejected after attempting to procure a dual-use ‘multi-gas monitor’.136 The German authorities had been unable to take legal action against him due to his diplomatic status. More recently, in 2018, a German intelligence official noted that the DPRK’s Berlin embassy had been used to acquire missile- and nuclear-related dual-use goods in the previous two years.137

Over thirty years later, diplomats are still at the heart of North Korea’s arms trading networks. In 2016, the UN Panel of Experts on North Korea sanctions noted support of diplomatic networks to be a ‘continuing pattern’ in sanctions busting, and that networks ‘depend on a few trusted key nodes to conduct their business’.138 Furthermore, in 2017 the Panel noted ‘Diplomats, missions and trade representatives … systematically play key roles in prohibited sales, procurement, finance and logistics’.139

Beyond the clear echoes in current North Korea sanctions evasion efforts, this relatively obscure Cold War arms trading story has other lessons for the present day. The case – and the archival record – showcases a number of challenges for intelligence, investigation and action in export enforcement efforts:

Intelligence, investigation and action

Collecting and processing timely and actionable intelligence on covert illicit networks has long been a challenging endeavour – and more so than building up a picture of patterns of illicit activity for intelligence assessments covering a longer period. The Hughes case demonstrates this – while the US government clearly had an awareness of the modus operandi of North Korea’s operatives, it struggled with actionable intelligence to counter the network.

Transnational export enforcement cases are complex for the intelligence community. Beyond requiring that the multitude of US or other national intelligence agencies are able to effectively work together, intelligence agencies must cooperate with law enforcement, Customs and other government departments such as the Commerce and State Departments. Working with overseas partners –
such as the Allied powers and Berlin police in the Hughes case – is crucial in facilitating any investigation, yet also comes with coordination and political challenges, as well as the difficulties of maintaining secrecy around such investigations.

There are also challenging trade-offs for these multitude of actors which require careful management: between watching, collecting evidence and acting. All of the above challenges must also be squared with intelligence priorities – Indeed, North Korea was a far lower priority target than the Soviet Union and the Warsaw Pact states in and around Berlin, and is also a lower priority than China and Russia for the US today.

Jurisdiction

The intelligence community has to contend with illicit networks shopping for jurisdiction – finding locations that are convenient, where supply options are plentiful, enforcement and regulation are lax, costs are low, and other benefits are rife. The Hughes case demonstrates this well, with the North Koreans using West Berlin due to their large embassy in the East, ready privileged access across the border, the opportunities afforded by an advanced laxly regulated market, and the limited eyebrows it might raise on export paperwork.

Jurisdictional challenges also were problematic in countering the North Korean network’s activities. The legal basis provided by forty-year-old Berlin military law was dated and anachronistic, and had to be tenuously applied to a contemporary problem. The jurisdictional issues surrounding a divided city made the response and the eviction of the North Koreans challenging, and ultimately not hugely meaningful. Jurisdictional issues are problematic in similar ways when countering North Korea’s networks today. States have different – often outdated – laws, willingness and capabilities to enforce sanctions. North Korean procurement networks often operate across multiple jurisdictions, complicating matters.

Immunity

State procurement or sales networks almost always involve the use of state assets – diplomats, intelligence officers, representatives of state arms companies, and the use of state-owned and operated transportation assets such as shipping companies and airlines. States always have the option of abusing diplomatic immunities and privileges, largely codified in the 1961 Vienna Convention on Diplomatic Relations, by accrediting procurement or sales agents as diplomats. The immunity from prosecution, as well as other privileges surrounding diplomatic properties and vehicles, makes investigation and punishment of diplomatic procurement agents challenging. As shown above, such abuses of privilege by the DPRK are still commonplace today.

IX. Conclusion

The Hughes case – an audacious and secretive scheme – was one of the largest single illicit arms deals of the Cold War. It also had potential strategic implications beyond the fairly benign nature of the light utility helicopters transferred. Nearly forty-years after the transfer, the Hughes helicopters still form part of North Korea’s aging air assets. In 2013, the helicopters were shown off in public for the first time in the air element of a military parade held to mark the 60th anniversary of the Korean War armistice. As armoured vehicles rolled past a saluting Kim Jong-Un, ten of the helicopters carrying anti-tank missiles flew low above the parade, passing in pairs. While aging technology, it appears that due to the large international market for aviation spare parts, and likely through some reverse engineering, North Korea has managed to keep at least some of the Hughes helicopters flying. The addition of the anti-tank missiles, and North Korea’s emphasis on special operations capabilities and their insertion into the South, suggests that these helicopters could still have military utility in a conflict scenario.
The archival record surrounding this case provides a rare glimpse into the mechanics of export enforcement, which is too often concealed inside a black box of government and intelligence agency secrecy. It has provided insights into the interface between intelligence and the arms trade, and illicit procurement by North Korea and other communist states. In terms of the intelligence-arms trade interface, the case has provided detail on the role played by intelligence officers in the arms trade. While other researchers have acknowledged and discussed this phenomenon, there are relatively few detailed cases regarding the activities of such operatives, especially drawing on archival materials.

The article also considered US and partner countries’ intelligence and threat perceptions surrounding North Korean and other communist illicit procurement, and efforts to counter it during the late Cold War. It is clear that the CIA, other US intelligence agencies, and international partners such as the British were interested in North Korean illicit procurement. US intelligence took more of an interest than Britain and other partners, with large numbers of US troops based on the Korean peninsula, and greater intelligence resources to assign. US export enforcement efforts during the Cold War and after have also tended to be more assertive than those of US partners, so it is unsurprising to see greater interest within the US intelligence community.

The interest of the US intelligence community in the DPRK’s illicit procurement seems to have grown from the 1970s as North Korean agents sought to exploit a wider range of markets beyond its traditional patrons. The CIA produced a number of detailed reports about the country’s procurement efforts and clearly focused some resources on the issue throughout the 1980s. Overlapping tools to counter the proliferation of military technology whether Soviet or otherwise – engagement with allies through COCOM, implementation and enforcement of US trade controls, and dialogue with allies over enforcement – as well as middlemen clearly serving multiple communist customers and other illicit markets also saw North Korean illicit procurement considered alongside Soviet efforts.

This effort did provide good context for countering the network facilitating the Hughes transfer, although challenges are evident in benefitting from timely intelligence and acting on North Korea’s procurement. In terms of intelligence on the Hughes deal itself, a variety of US agencies appear to have had different parts of the picture. In the investigation, complexity was added by the need to coordinate with the range of US agencies and departments with an interest in export enforcement, as well as the Allied powers and other actors in Berlin. Furthermore, the challenges of jurisdiction and diplomatic immunity made meaningful action against the North Korean operatives challenging. Such intelligence and action challenges are not unusual in transnational export enforcement cases, including in efforts to enforce present day sanctions on the DPRK.

Interest in North Korea’s activities, however, was far eclipsed by interest in illicit procurement by the Soviet Union, which would benefit both Soviet military power and its allies in the European theatre. Not only was this more of a concern for US intelligence, but Soviet, Warsaw Pact and East German military power was far more of a concern for the Allied Powers in Berlin. This was evident as the remaining members of the AK discussed their response to the Hughes case. The North Korean procurement operation in the city was clearly a peculiarity, but also an annoyance, to the Western powers. The threat posed by the Hughes MD500s to ROK and US forces on the Korean Peninsula was more distant and less urgent than that posed by Soviet armour based just miles away.

The article has also provided insights into North Korea’s historic procurement operations. It has showcased the modus operandi of North Korean diplomats in procuring military technology, as well as Western efforts to close down the trade. The exploitation of a ‘technological Berlin tunnel’ by North Korea’s procurement agents – using diplomatic immunity and access to the laxly regulated European market through the enclave city of West Berlin – allowed North Korea to access western technologies with minimal risk. The case shows that a number of features of North Korea’s procurement networks of the Cold War have endured into the post-2006 UN sanctions era: global networks that look beyond more traditional Cold War Soviet and Chinese sponsors, the centrality of diplomats and missions, and networks’ efforts to exploit jurisdictional loopholes to access technologies with minimal risk. Indeed,
the DPRK's Embassy in Berlin has continued to constitute a node in the country's efforts to access European and global markets. Many of the challenges faced by those seeking to enforce UN sanctions are the same as those faced in the twilight years of the Cold War.

Notes

1. The term illicit is used in this paper to indicate procurement that is in breach of law, whether in the international or national context (or both). Procurement of US-origin goods such as the Hughes helicopters by North Korea would breach US export controls which prevent the export of US items to a wide range of locations. Illicit transactions may have also breached the universal UN sanctions regime against North Korea which has been evolving since 2006, or the Cold War era COCOM controls which were implemented by the US, European allies, Japan and Australia against communist states. Both UN sanctions and COCOM controls have been implemented through national export control systems.

2. SIPRI, SIPRI Yearbook 1988, 192; CIA CREST Online Reading Room (henceforth, CIA), "Illegal Shipments of American Helicopters" CBS Evening News Transcript, 27 February 1985 CIA document number: cia-rdp88-01070r000301610004-5.

3. Dual-use technology is a term used to describe technology with both potential civil and military applications. This could include finished goods such as aircraft – e.g., civilian aircraft that could be adapted for military uses. More frequently, it is used to refer to materials, components and manufacturing capabilities that could be used in civilian or military applications – for example, advanced alloys, high specification electronic components and machine tools. In this article, the term is used both to refer to the helicopters, as well as the wider range of technologies sought by North Korea.

4. See, for example, Dover, "A Silent Debate", 110–119.

5. Sokolski, "Will There be an Arms Trade Intelligence Deficit?", 158–162.

6. See, for example, Phythian, "Britain and the Supergun", 353–377; Dover, "The Scott Report", 81–99; and Arnold and Salisbury, The Long Arm.

7. See, for example, Frantz and Collins, Fallout; and Shiffman, Operation Shakespeare.

8. For examples of covert action, see Phythian, "The Illicit Arms Trade"; and also see Johnson, Secret Agencies.

9. For a detailed case of a former intelligence officer's role, see the case of Viktor Bout: Farah and Braun, Merchant of Death.

10. Dover, "For Queen and Company", 683–708.

11. See, for example: Salisbury, "Spies, Diplomats and Deceit", 113–130; and Iraq Survey Group, "Regime Finance and Procurement", 53–83.

12. Dover, "A Silent Debate", 116.

13. Park and Walsh, Stopping North Korea, Inc.; Hastings, A Most Enterprising Country; and Salisbury, "Spies, Diplomats and Deceit".

14. Berger, Target Markets. Also see "The Mole: Undercover in North Korea". Directed by Mads Brugger. DR/NRK/SVT/BBC, 2020.

15. Hastings, A Most Enterprising Country, 25.

16. Steiner-Gashi and Gashi, Im Dienst des Diktators.

17. See, for example, Laurant, The International Arms Trade.

18. Cupitt, Reluctant Champions, 75.

19. Lankov notes the policy of "equidistance" endured from the early 1970s until the 1990s. Lankov, The Real North Korea, 21.

20. CIA, "Soviet-North Korean Relations in the 1980s: An Intelligence Assessment", June 1984, CIA document number: cia-rdp8500313r000100150007-0.

21. The North Koreans built a tank plant with Soviet assistance, and a submarine yard with Chinese assistance. The country was self-sufficient in medium tanks, APCs, artillery, rocket launchers, submarines, naval craft and ammunition. CIA, "North Korean Military Capabilities and Intentions: Special National Intelligence Estimate", 23 May 1979 CIA document number: 0001171647.

22. CIA, "North Korea: Jet Fighter Production: An Intelligence Assessment", April 1984, CIA document number: cia-rdp85t00310r000100600006-4.

23. CIA, "North Korea-USSR: How Close Can They Get?", Directorate of Intelligence memorandum, 25 March 1986 CIA document number: cia-rdp86t01017r000605840001-7; CIA, "North Korea's Air Force: Impact of Soviet Deliveries: An Intelligence Assessment", December 1985, CIA document number: cia-rdp86t00590r000400600002-4.

24. CIA, "Trends in North Korea's Ground Forces: A Research Paper", December 1986, CIA document number: cia-rdp88t00539r000404900002-2; CIA, "North Korean Military Capabilities and Intentions: Special National Intelligence Estimate", 23 May 1979 CIA document number: 0001171647.

25. Hastings, A Most Enterprising Country, 26.
26. CIA, “North Korean Policy Toward the Non-Communist World: Objectives, Results, and Prospects”, Office of National Estimates memorandum, 16 December 1971 CIA document number: cia-rdp85t00875r002000110036-4.
27. CIA, “North Korea’s Approach to the West”, Directorate of Intelligence memorandum, 6 February 1987 CIA document number: cia-rdp90t00114r000100820001-7.
28. CIA, “North Korea’s Search for Western Technology: How Well Is P’yongyang Doing? A Research Paper”, February 1988, CIA document number: cia-rdp07c00121r001000250001-1.
29. Ibid.
30. Ibid.
31. Ibid.
32. Ibid.
33. CIA, “North Korea: Seeking US Technology”, Directorate of Intelligence memorandum, 14 February 1985 CIA document number: cia-rdp04t00447r000201210001-8.
34. Hastings, A Most Enterprising Country, 29.
35. Laurance, The International Arms Trade, 177.
36. CIA, “North Korean Activities Overseas: A Research Paper”, August 1984, CIA document number: cia-rdp85t00310r000200050003-7.
37. Ibid.
38. Others were noted to include Libya and the IRA. SIPRI, SIPRI Yearbook 1988, 190.
39. Strategic technologies in this context included military, nuclear and dual-use technologies, and communist countries included the USSR, Warsaw Pact countries, the People’s Republic of China (PRC), Vietnam, Mongolia and North Korea.
40. CIA, “Allied Attitudes Toward Export Controls: Special National Intelligence Estimate”, 5 January 1982 CIA document number: cia-rdp08501350R000401070002-4.
41. Ibid.
42. Ibid.
43. Ibid.
44. Weyhrauch, “Operation Exodus”.
45. “NSC Memorandum: Operation Staunch,” 19 August 1987 available at: https://www.thereaganfiles.com/19870819iran.pdf.
46. Report conclusions alleged in: Anderson, “High-Tech Leaks”.
47. “Significant Export Control Cases, January 1981 to September 5 1997”, Export Enforcement Unit, Internal Security Section, Criminal Division, US Department of Justice, undated (c. September 1997).
48. Cates, “A West German Exporter has been Charged with Conspiracy”.
49. Ibid.
50. “Exec Charged with Conspiring to Ship Computer Boards to Soviet Union”.
51. "Notices", Federal Register, col.54, No. 64, Wednesday, April 5 1989, 13713.
52. “Significant Export Control Cases, January 1981 to September 5 1997”.
53. Royce, “FBI Tracked Alleged Russian Mob Ties of Giuliani Campaign Supporter”.
54. “IPS SIGNS CONTRACTS FOR TWO EXHIBITS IN MOSCOW IN 1976: ‘INTERDISPLAY 76’ AND ‘TEKNIKA SPORTA 76’,” US State Department Cable, 25 February 1976 Canonical ID: 1976MOSCOW02903_b, available at: https://www.wikileaks.org/plusd/cables/1976MOSCOW02903_b.html.
55. The veracity of the walk in is unclear. CIA, “Soviet Walk-in Dmitriy Aleksandrovich Druzhinin”, Cable no. 301601Z, 30 January 1989 CIA document number: 519697ee993294098d50d032.
56. Steiner-Gashi and Gashi, Im Dienst Diktators, 96–102.
57. Ibid., 96–100.
58. The exact fact is unclear. Ibid., 108–109.
59. CIA, “North Korea: Seeking US Technology”, Directorate of Intelligence memorandum, 14 February 1985 CIA document number: cia-rdp04t00447r000201210001-8.
60. See note 28 above.
61. It is unclear what the first “most fruitful means” was as there is a large redaction in the document. It is possible that the redaction covers discussion of Japan. Ibid.
62. CIA, “North Korea: Growth of the Helicopter Force”, Directorate of Intelligence Research Paper, June 1985, CIA document number: cia-rdp04t00447r000200810001-3.
63. “Innocent Plea Entered in Helicopter Sales to North Korea”.
64. See note 28 above.
65. The UK National Archives (hence forth TNA), FCO21/3235, “Teleletter from T G Harris, Washington”, 11 February 1985.
66. TNA, FCO21/3235, “Helicopters for North Korea, Restricted from A J Beamish Bonn Dated 5 February 1985”, 5 February 1985.
67. Ibid.
68. TNA, FCO21/3235, “Teleletter from T G Harris, Washington”, 11 February 1985.
69. McBeth, “The Helicopter Caper”.
70. “Report: CIA knew about helicopter smuggling”.
71. “Helicopter Case Report”.
72. See note 28 above.
73. "Notices", Federal Register, Vol.50, No. 26, Thursday, 7 February 1985 5289.
74. "North Korea's Illegally Supplied Helicopters Emerge After 30 Years in the Dark”.
75. SIPRI Arms Trade Register, available from: https://armstrade.sipri.org/armstrade/page/trade_register.php.
76. Anderson and Van Atta, “How North Korea Got US Helicopters”.
77. TNA, FCO21/3235, Brigadier B S Burditt to Squadron Leader R A Debnam RAAF, 8 May 1985.
78. TNA, FCO21/3235, “FM Washington 072359Z May 85 to Immediate FCO Telegram Number 1503 of 7 May”, 7 May 1985.
79. TNA, FCO33/8671, “US Intra-Berlin Communication No. 001, 3 January 1985: Delta Avia/Killewald Case”, 3 January 1985.
80. CIA, “North Korea: Growth of the Helicopter Force”, Directorate of Intelligence Research Paper, June 1985, CIA document number: cia-rdp04t00447r000200810001-3.
81. TNA, FCO21/3235, “Teleletter from B L Crowe, Washington”, 6 May 1985.
82. TNA, FCO21/3235, Embassy of the United States of America, London, to HMG, 24 April 1985.
83. See note 80 above.
84. CIA, “Iran’s Air Force: Frustrations of a Former Power”, September 1984, CIA document number: cia-rdp85T00314R000 300020001–7.
85. TNA, FCO21/3235, “Spare Parts Distributors” attached to DJ Currie to Mr Quayle, TRED, 23 April 1985.
86. TNA, FCO21/3235, handwritten note on DJ Currie to Mr Quayle, TRED, 23 April 1985.
87. TNA, FCO21/3235, “FM Washington 072359Z May 85 to Immediate FCO Telegram Number 1503 of 7 May”, 7 May 1985.
88. Wilson Center Digital Archive, “Information Report about the Present Activity of the DPRK Embassy in the GDR, HA II/10 Berlin, 8/23/1983”, 23 August 1983 available at: https://digitalarchive.wilsoncenter.org/document/208248.
89. Ibid.
90. TNA, FCO33/8671, “FM BMG Berlin to Immediate Deskby 14O800Z Bonn Telno 011 of 131705Z FCO”, 13 January 1986.
91. TNA, FCO33/8671, J M Cresswell to N P Carter Esq, 7 January 1986.
92. “Syrians Expelled from West Berlin, North Koreans Barred”.
93. “Allies Bar North Koreans from West Berlin”.
94. See note 70 above.
95. See note 79 above.
96. Ibid.
97. TNA, FCO33/8671, “US Intra-Berlin Communication No. 36620 December 1985: Intended Violation of Law 43”, 20 December 1985.
98. TNA, FCO33/8671, “Intra-Berlin Communication No. 001, 3 January 1985: Delta Avia/Killewald Case”, 3 January 1985.
99. TNA, FCO33/8671, J M Cresswell to N P Carter Esq, 7 January 1986.
100. Ibid.
101. Ibid.
102. Ibid, TNA, FCO33/8671, “FM BMG Berlin to Immediate FCO Telno 004 of 211500Z January 86”, 21 January 1986.
103. TNA, FCO33/8671, J M Cresswell to N P Carter Esq, 7 January 1986.
104. TNA, FCO33/8671, “FM BMG Berlin to Immediate Deskby 14O800Z Bonn Telno 011 of 131705Z FCO”, 13 January 1986.
105. “Control Council Law No. 43: Prohibition of the Manufacture, Import, Export, Transport and Storage of War Materials”, in Legal Division, Office of Military Government for Germany, Allied Control Authority Germany, 194.
106. Ibid., 199.
107. Ibid., 195.
108. TNA, FCO33/8671, “FM BMG Berlin to Immediate Deskby 14O800Z Bonn Telno 011 of 131705Z FCO”, 13 January 1986.
109. TNA, FCO33/8671, handwritten note on G L Anderson to Mr Woods, Legal Advisers, 14 January 1986.
110. Ibid.
111. Ibid.
112. “Arrest of Polish Diplomat”, US State Department Cable, 10 January 1974 Canonical ID: 1974BERLIN00045_b, available at: https://wikileaks.org/plsds/cables/1974BERLIN00045_b.html.
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Ibid., 15.

Ibid, 10–11.

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Ibid.

TNA, FCO33/8671, “FM Bonn to Deskby 181700Z BMG Berlin Telno 008 of 181420Z February 86”, 18 February 1986.

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Salisbury, “Exploring the use of ‘third countries’ in proliferation networks”.

The helicopters were not reported to have been seen in public until a military parade in 2013. “North Korea’s Illegally Supplied Helicopters Emerge After 30 Years in the Dark”.

A video of the parade is available on YouTube, with the helicopters featured at around 1hr36. “North Korea 2013 Military & Civilian Parade – Full Version”, YouTube video, uploaded 29 July 2013 https://www.youtube.com/watch?v=Pk1hQCNWtrU.

**Disclosure statement**

No potential conflict of interest was reported by the author.

**Funding**

The article was researched and written during a Leverhulme Trust Early Career Fellowship.
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