Of moles and missiles: anatomy of a North Korean arms deal?

The Mole: Undercover in North Korea
Directed by Mads Brügger. Released October 11, 2020, by BBC, DR, NRK, and SVT. The film premiered in the United States at the DOCNYC film festival in New York on November 13, 2021. It is available to stream on BBC iPlayer in the United Kingdom as of February 2022.

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In October 2020, a parade celebrating the 75th anniversary of the founding of the Korean Workers Party showcased a range of new weapons systems, including a new large intercontinental ballistic missile. The same weekend saw the release of a fascinating documentary film directed by provocative Danish filmmaker Mads Brügger, entitled The Mole: Undercover in North Korea. The film consists of footage—much of it filmed undercover—that was shot over a period of 10 years. It tells the story of a retired Danish chef’s infiltration of the Korean Friendship Association (KFA), an international organization that seeks to promote the ideology, history, and culture of the Democratic People’s Republic of Korea (DPRK) and defend the country from its critics. The story culminates in the exploration of plans for a series of sanctions-busting deals: constructing an underground arms factory on a Ugandan island, shipping oil to North Korea, and supplying arms to unspecified customers of Pyongyang through a private arms dealer. This review essay seeks to contextualize the film’s contents, consider the insights it offers into North Korea’s arms dealing, and examine a number of questions that arise.

The genesis of The Mole
Ulrich Larsen (the Mole) initially approaches Brügger to ask if he is interested in making a film about the Danish KFA—the Danish branch of the KFA. The Mole’s gradual rise up the ranks of the organization leads to his visiting Pyongyang in 2012 and developing a relationship with the president of the KFA, Spain-based aristocrat Alejandro Cao de Benós. Allegedly from around 2013, Cao de Benós pressured the Mole to find investors, apparently having three unspecified investment projects in the DPRK requiring capital of €50,000 to €1 million. As Brügger explains, “Since no one in their right mind would throw money at North Korea, I decided to invent a fake investor” to find out what these projects constituted.

Brügger and Larsen hire an actor named Jim Mehdi Latrache-Qvortrup to play the role of investor. As Brügger notes, Latrache-Qvortrup’s past history as a French Foreign Legionnaire and Copenhagen “jet-set cocaine pusher” means he is “tailor-made for extreme role-play.” Undoubtedly, the flamboyant Latrache-Qvortrup is excellently cast. During an introductory meeting at an Oslo hotel in 2016, “Mr. James”—a “dapper Scandinavian oil billionaire,” as Brügger describes him in the film—expresses a willingness to invest a minimum of €50 million in North Korean projects. Within minutes, Cao de Benós is talking about the DPRK as the only country in the world where we don’t need to follow any rules from anyone. Whatever you do in DPRK remains in DPRK. Nobody can ever touch your accounts, your assets …
Even if you are followed by Interpol, we are not even members of Interpol. So we can do things that no other country can do.

Cao de Benós uses an example of a Canadian company that wanted to make a pharmaceutical that was “basically the same as methamphetamine.” He goes on to tout various manufacturing capabilities and weapons, including factories for submarines and tanks, as well as missile systems. (Cao de Benós says in the film, “We sell our missiles to Iran. Iran doesn’t have our technology. Iran only has medium-range missiles. We have intercontinental ballistic missiles that can reach any part of the world.”) Cao de Benós offers contacts with state companies and ministries, opportunities to obtain visas for travel, and even personal connections “up to Marshall Kim Jong Un.” The Mole, Mr. James, and Cao de Benós next meet in Madrid in 2016. Mr. James apparently is carrying an order for North Korean weapons and meth, claiming he would like to sell the weapons to the “enemies of Israel” to spite the United States.

**A private arms dealer in Pyongyang?**

In January 2017, the Mole and Mr. James travel to North Korea. After two days of hospitality—dinners with karaoke, sightseeing, and a visit to the Pyongyang SciTech Complex, which is shaped like an atomic model and houses a mock-up of an Unha-3 rocket in its central atrium—the delegation is taken to an industrial area on the outskirts of Pyongyang. They meet a group of arms dealers in a basement hospitality suite, including the “president of the arms factory” and a suspected intelligence officer. This is the point at which Mr. James really moves from being a possible investor to a possible private arms dealer.

North Korea’s arms trading is typically facilitated by North Korean representatives with other governments in a manner that reflects much of the state-to-state arms trading across the world. While private brokers are commonplace in the international arms market, they are less common in transactions involving North Korea. Much of the North Korean deal making involves North Korean nationals representing the large North Korean arms exporters—such as Korea Mining Development Trading Corporation (KOMID) and Green Pine—and many are also simultaneously accredited as North Korean diplomats.

There have been some notable exceptions. Michael Ranger, a notorious British private arms dealer, was convicted in 2012 of brokering a deal to transfer man-portable air-defense systems (MANPADS) between two embargoed countries, North Korea and Azerbaijan.\(^1\) Through his trial—and afterwards as he cooperated with the UN panel of experts on North Korea sanctions\(^2\)—Ranger provided some insights into the murky world of the North Korean arms trade. According to Andrea Berger’s analysis of court transcripts, Ranger first made contact with North Korean dealers working for a KOMID subsidiary in 2004.\(^3\) Berger notes that Ranger was given freedom to develop new business relationships by the North Koreans:

Over the course of their relationship, Mr. Chol [a North Korean representative of the DPRK state arms company Hesong Trading Corporation] gave Ranger increasing

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1. At that time, North Korea was subject to UN sanctions, and Azerbaijan to an EU arms embargo.
2. The “Panel of Experts Established Pursuant to Resolution 1874 (2009)” is a group of consultants appointed by the United Nations to monitor the implementation of its DPRK sanctions regime. As of January 2022, the panel had released 15 annual final and midterm reports. Each of the reports is authorized by a separate UN resolution which also extends the panel’s mandate. In the UN online archive of the reports (<http://www.un.org/securitycouncil/sanctions/1718/panel_experts/reports>), the titles of the reports refer to those resolutions. For example, the most recent report is “Midterm Report of the Panel of Experts Submitted Pursuant to Resolution 2569 (2021).” This article has adopted that convention in citing the reports.
3. Andrea Berger, “The Michael Ranger Files: Part 1,” *Arms Control Wonk*, February 15, 2016, <https://www.armscontrolwonk.com/archive/1201055/the-michael-ranger-files-part-1/>. 
license to market North Korea’s goods on his own initiative. He offered Ranger “bits and pieces” of information about new products that were available, and encouraged him to find buyers.4

Indeed, Berger notes that, without Ranger, it was unlikely that the Azerbaijan deal would have happened, since there were no signs of North Korean dealers having prior connections with the country. At least in publicly available information, Ranger appears to be an exception to the rule.

During the Oslo meeting in 2016 featured in the film, Cao de Benós suggested that North Korea was reluctant to supply weapons to private dealers. He also said that the DPRK preferred to sell dual-use technology and expertise—the capability to manufacture weapons systems—rather than the weapons systems themselves:

Our army are used to sell[ing] finished technology to governments. So it’s going to be complicated to negotiate the sale of whatever—short- or medium-range missiles, with a private person. But talking about chemistry and components that you need—that’s more easier [sic] because we are kind of providing you with technology and … experts that you “rent”—but we are not selling the finished product.

It is unclear whether Cao de Benós bases this on explicit directives from officials in Pyongyang, or on his own general sense, based on his previous experiences acting as a facilitator—and the North Koreans seem fairly open to dealing with Mr. James.

Mr. James’s invitation to Pyongyang to discuss potential arms deals is intriguing. Typically, arms deals—especially ones involving private dealers such as Ranger—have taken place outside of the country. Ranger noted he typically met dealers “at public places (hotels, restaurants and bars) in third countries where the Democratic People’s Republic of Korea maintained embassies.”5 Trips to Pyongyang are likely reserved for foreign governments and big established private players or to allow easier demonstration of the merchandise on a firing range. James neither was an established player nor saw any weapons in Pyongyang. More likely, it was the €50 million figure that he dangled, as well as his possible interest in a wider range of investment opportunities, that resulted in his invitation.

**Capabilities on offer?**

At the Pyongyang meeting, the Mole and Mr. James are presented with a range of North Korean arms-marketing material in both hard and electronic copy. The documents, many of which are clearly displayed in the film, present a wide range of weaponry—from small arms and light weapons (SALW) with a range of hundreds of meters up to medium-range ballistic missiles (MRBMs) with a range of 1,350 kilometers (km). North Korea has widely exported SALW such as machine guns and rocket-propelled grenades (RPGs). Other longer-range and more sophisticated battlefield systems listed in the catalog have also been exported by North Korea—including 122-mm and 240-mm “guided rockets,” SA-16M surface-to-air missiles and Phoenix-4M anti-tank guided missiles.6

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4 Berger, “The Michael Ranger Files: Part 1.”
5 UN Security Council, “Report of the Panel of Experts Established Pursuant to Resolution 2050 (2012),” S/2013/337, June 11, 2013, p. 38, [https://www.undocs.org/S/2013/337].
6 The 122-mm guided rockets have been exported by North Korea since the late 1970s; recipients include Egypt, Iran, Libya, Syria, and Uganda in the 1980s. The 240-mm guided rockets, which have been produced indigenously since the mid-1980s, have been exported to a handful of states, including Iran and Myanmar (as late as 2007–09). SA-16M missiles were exported to Vietnam as late as the 1990s. Phoenix-4M missiles were exported to Iran in 1980s, although not
Scud technology has formed the mainstay of North Korea’s missile exports—the manufacturing capabilities, full systems, or parts being exported to Egypt, Iran, Libya, Syria, the United Arab Emirates, and Yemen. Even North Korea’s Nodong MRBM technology (the goods likely listed in the documents shown in the film as “SCUD-E,” based on the range) was transferred by the DPRK to Pakistan and Iran in the 1990s.

The missile listed in the marketing material shown in the film as “Tochika-U,” a short-range ballistic missile (SRBM) resembling the North Korean KN-02 and the Russian SS-21 Tochka, has seemingly not been exported before by North Korea, although a strong relationship in the missile area with Syria—which has SS-21 missiles in its arsenal—may suggest some form of international collaboration. Other systems listed also have not necessarily been exported, or seen in the format in which they are listed. They include the relatively advanced “Laser Beam Guidance Anti-tank Missile Complex (Kornet),” a Russian-designed system publicly revealed only in the parade the weekend the documentary first aired. Some of the electronic-warfare systems included in other documents, and items such as a “drone gun,” will also intrigue analysts.

While North Korea has long sold SRBM and MRBM missile technology to states, there is also some evidence of a private arms dealer being offered such advanced capabilities. When Ranger was interviewed by the UN panel of experts following his 2012 trial, he noted that North Korean arms dealers had stated that their products for sale included “multiple rocket launch systems, and (extraordinarily) ballistic missiles with a range of up to 3,500 km.” Thus, although North Korea’s offering such capabilities to a new private dealer is difficult to conceive, it is not wholly without precedent.

An arms factory in Africa

The January 2017 discussions in Pyongyang conclude with a contract being signed between Korea Narae Trading Corporation and Mr. James’s fictional company, TAGA Investment Ltd., UK. Narae was identified in an August 2020 UN panel report as a Pyongyang-based entity that works in a range of business areas including procurement, farming, and export of food products and rare earth metals, with Cao de Benós listed as an “official representative.”

The contract stated that Narae would work with TAGA to set up a factory overseas for “manufacturing of the military equipment and medicines.” The medicines are described in the film by Latrache-Qvortrup as “methamphetamines.”

the newer laser-guided versions. Stockholm International Peace Research Institute (SIPRI), “Arms Transfer Database,” March 15, 2021, <http://www.sipri.org/databases/armstransfers>.

7 The marketing material shown in the film spells the name of the system “Tochika-U,” slightly differently from the NATO designation SS-21 “Tochka” and the US name for the North Korean KN-02, the “Toska.”

8 For example, another system described in the catalog shown in the film as “Surface-to-Surface Missile SS-N2” resembles an HY-2 Silkworm. North Korea has exported the air-to-surface version to Iran in the 1980s, but never a surface-to-surface version. An unclear-origin “SS-N5 Ground to Sea Missile System” resembles the KN-19 with two tubes instead of four on a tracked chassis. The “Air-to-Air Missile R-60MK” is not known to have been exported before; SIPRI reports that North Korea received 150 missiles with the MiG-29 fighter jets it received from Russia in the early 1990s. SIPRI, “Arms Transfer Database.”

9 Joost Oliemans and Stijn Mitzer, “Missiles, Guns and Camo: A Look at North Korea’s Entire Military Parade Lineup,” NK News, October 12, 2020, <https://www.nknews.org/pro/missiles-guns-and-camo-a-look-at-north-koreas-entire-military-parade-lineup/>.

10 Thus, although North Korea possessed in this time frame, although this is unclear. UN Security Council, “Final Report of the Panel of Experts Submitted Pursuant to Resolution 2050(2020),” p. 39.

11 UN Security Council, “Midterm Report of the Panel of Experts Submitted Pursuant to Resolution 2515 (2020),” S/2020/840, August 28, 2020, <https://www.undocs.org/S/2020/840>, p. 195. A member state noted that Narae worked in “acquisition of equipment and technology in various sectors, such as mining and hydrocarbons, in exchange for offering technical labour or work in the field (farming workers), as well as the export of North Korean food products and rare earth metals.”
The contract, a close-up shot of which is also included in the film, sets out what the “Project for Military Equipment” would involve: “Narae will build an equipment factory in the 3rd country in order to produce the military equipment and provide technical staff to operate the factory in collaboration with TAGA.” In simple terms, “third-country” locations are used in proliferation and arms-trafficking networks in order to deceive customers and vendors and to complicate the implementation and enforcement of sanctions. Procurement agents often use intermediaries in seemingly unrelated third countries to import high-technology goods for sanctioned programs to avoid raising red flags among exporters based in countries with advanced industrialized economies or among the governments of those countries. Factories, offices, or other locations in third countries can also be used to disassociate products such as weaponry from the sanctioned countries that produced them.

Cases in Malaysia suggest that this is a tried and tested method for North Korean arms dealers. Glocom, a Malaysia-based front company for North Korean military communications company Pan Systems Pyongyang, operated in Kuala Lumpur between 2009 and 2016 to try to convince potential buyers that the products they were selling were of Malaysian origin. Kay Marine, a Malaysian shipyard, seemingly marketed a wide range of North Korean military vessels, again to tempt potential buyers who would not have purchased (or would prefer to have “unwittingly” purchased) embargoed North Korean weapons.

The proposed Ugandan arms factory is reminiscent of other North Korean overseas factory projects. For example, North Korean contractors worked to construct a munitions factory in Namibia between 2010 and 2015. Indeed, Latrache-Qvortrup notes in the film that the North Koreans’ first suggestion for a location for Mr. James’s factory project was Namibia, where they said that “they had friendly people in the government.” A factory on the Oomites military base located approximately 140 km south of Windhoek was set up to manufacture munitions. It was constructed by North Korean company Mansudae with KOMID providing “key components”—more than 20 secondhand storage tanks and pieces of machinery, some weighing up to several tons. Mansudae allegedly also fulfilled a contract to build a munitions factory between 2002 and 2005 near Windhoek—and North Korean companies have constructed factories elsewhere for foreign governments.

According to the Namibian government, the Oomites factory project was terminated in April 2015. Indeed, Latrache-Qvortrup notes in the film that, during the negotiations, the North Koreans ruled out Namibia as a potential location “due to the sanctions,” as they put it, without elaborating. When the Mole and Mr. James were in Pyongyang in January 2017, North Korean firms and workers were still active in Namibia, although pressure was ramping up; the US Treasury Department’s Office of Foreign Assets Control

12 Daniel Salisbury, “Exploring the Use of ‘Third Countries’ in Proliferation Networks: The Case of Malaysia,” European Journal of International Security, Vol. 4, No. 1 (2018), pp. 101–22.
13 James Pearson and Rozanna Latiff, “North Korean Spy Agency Runs Arms Operation out of Malaysia, U.N. Says,” Reuters, February 26, 2017, <https://www.reuters.com/article/us-northkorea-malaysia-arms-insight-idUSKBN1650YE>.
14 Daniel Salisbury, “A Malaysian Shipyard with North Korean Connections?” Arms Control Wonk, May 18, 2017, <https://www.armscontrolwonk.com/archive/1203180/daniel-salisbury-a-malaysian-shipyard-with-north-korean-connections/>.
15 UN Security Council, “Final Report of the Panel of Experts Submitted Pursuant to Resolution 2276 (2016),” S/2017/150, February 27, 2017, <https://www.undocs.org/S/2017/150>, pp. 43, 190. See also John Grobler, “Report: Namibia Caught Violating North Korea Sanctions,” NK News, April 14, 2016, <https://www.nknews.org/2016/04/report-namibia-caught-violating-north-korea-sanctions/>.
16 UN Security Council, “Final Report of the Panel of Experts Submitted Pursuant to Resolution 2207 (2015),” S/2016/157, February 24, 2016, <https://www.undocs.org/S/2016/157>, p. 40; Andrea Berger, Target Markets: North Korea’s Military Customers (Abingdon, UK: Routledge, 2015), p. 45.
17 UN Security Council, “Final Report of the Panel of Experts Submitted Pursuant to Resolution 2276,” p.43.
18 John Grobler, “Not Going Anywhere: North Koreans Still Working in Namibia,” NK News, January 17, 2017, <https://www.nknews.org/2017/01/not-going-anywhere-north-koreans-still-working-in-namibia/>.
designated Mansudae in December 2016 as a company with which US firms should avoid doing business because of its use of North Korean laborers overseas to generate revenue for the DPRK government. The December 2016 press release made explicit reference to Mansudae’s Namibian operations.¹⁹

North Korean activities in Namibia are far from the only such activities in sub-Saharan Africa. Indeed, Uganda—the second candidate country and the one that was eventually settled on as a location for Mr. James’ factory—has received various training, maintenance services, and weaponry since the 1980s.²⁰ In the film, the Mole and Mr. James travel to Kampala later in 2017, meeting with North Koreans from the Pyongyang basement meeting and “Mr. Danny,” another North Korean international arms dealer. Mr. James presents an island in Lake Victoria that he found for sale on Google as a possible location for the factory. The island is inhabited by thousands of residents who would be removed by the local authorities within four months if Mr. James bought it for $5 million. It was supposedly the North Koreans’ idea to build a golf resort above an underground factory, the luxury resort providing a rationale for the landing strip.

Beyond arms factories, North Korean companies and workers have been involved in a large number of revenue-raising construction projects in Africa. It is also unsurprising that concealing the factory underground would appeal to a North Korean audience, the country having long constructed extensive subterranean facilities to protect its military and industrial assets at home. The luxury golf resort cover is also reminiscent of large projects in North Korea. The luxury Masikryong Ski Resort, for example, opened in 2013 amid reports that North Korea had imported a variety of snowmobiles, snow blowers, and cable-car systems, arguably in breach of the UN sanctions preventing the import of luxury goods.²¹

In the film scene in which the two sides work to hammer out the details of the deal, the North Koreans offer to build the factory and provide machinery—an arrangement similar to the one they used for the Oamites factory project. A landing strip on the island would allow chartered aircraft, flying to North Korea under the guise of delivering humanitarian aid, to bring these goods straight to the island undetected. A range of possible products the factory could produce is also mentioned by the North Koreans at this stage in the film, “from small ammunition to big missiles. Electro-warrior items also. Radar, all the communications systems. We can do everything.”²² However, the exact purpose of the factory remains vague at this point.

**Increasing complexity: weapons to Syria and “triangle” trade**

As the details regarding the Ugandan “tourist project”—as it is euphemistically referred to in the film from this point on—are hammered out, the arms dealers’ interest in further business collaboration with Mr. James raises intriguing questions about the North-Korean–Syrian arms-trading connection. The Syrian regime has long been a customer of Pyongyang—for weapons, missiles, and even a nuclear reactor that was destroyed by Israel in 2007. In the film, Mr. Danny first asks Mr. James about his fictional company potentially moving goods

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¹⁹ US Department of the Treasury, “Treasury Sanctions Individuals and Entities Supporting the North Korean Government and Its Nuclear and Weapons Proliferation Efforts,” December 2, 2016, <https://www.treasury.gov/press-center/press-releases/Pages/jl0677.aspx>.

²⁰ Berger, Target Markets, pp. 80–85.

²¹ Jane Perlez and Yufan Huang, “To Build a Ski Resort under U.N. Sanctions, North Korea Turned to China,” New York Times, February 5, 2016, <https://www.nytimes.com/2016/02/06/world/asia/north-korea-china-sanctions-luxury.html>.

²² “Electro-warrior items” probably refers to items related to electronic warfare.
from North Korea to Syria while they are meeting in Uganda in 2017. These goods, he notes, include “projectiles” and “bombs”—and the film suggests that the North Korean dealers have the goods and the contacts but not the means of transferring them. In Beijing—where the film shows Mr. James meeting with a North Korean (described by Mr. James as “the main guy of the weapons industry”) later in 2017—this potential Syrian trade is explored further and “rifles, guns, air-to-air missiles” are mentioned. Later in the film, Mr. Danny notes, “Now, in Syria with the [Islamic State] already defeated—so in this situation, it’s very difficult for us to find clients.”

Indeed, the UN panel of experts has reported a number of shipments that were made around this time by North Korean arms companies to Syria. This activity included Glocom military radios shipped in December 2016, weapons-production equipment in July 2017, the latest of at least 39 shipments of goods sent by KOMID between 2012 and 2017, and a series of five shipments of chemical-weapons-related goods and industrial equipment between November 2016 and January 2017 (two of which were interdicted by an unnamed UN member state). Some of these shipments, the panel noted, used “innovative evasion techniques.”

North Korea clearly had significant ongoing strategic trade with Syria. The approach to Mr. James by North Korean officials at this time may have resulted from their existing logistical networks being stretched to the limit (which would be strange, given comments about declining demand), adaptation of the network and further outsourcing of the risks after the two shipments were interdicted by the UN member state in January 2017, or perhaps competition within the networks of North Korean suppliers. The comment about declining demand as a result of the collapse of the Islamic State is intriguing, since most publicly available analysis suggests that North Korean arms in the group’s armory were captured from the Syrian military. Does this suggest that North Korea supplied the Islamic State directly? More likely, it suggests that the DPRK was benefiting from the heightened demand as a result of instability created by the Islamic State in Syria and the region.

Later in the film, the North Koreans expand on the proposed Ugandan factory scheme, which results in a plan for a “triangle deal.” Mr. James would fund a Jordanian businessman to send a shipment of oil to North Korea, and in return the North Koreans would pay Mr. James back by providing goods for the Ugandan factory project. Presumably, Mr. James’s investment in the factory would yield returns through sale of the weaponry produced at the facility. Such a circuitous financing arrangement would be beneficial for both parties: it would allow James to make a payment avoiding the North Korean financial system and related scrutiny, and it would provide the North Koreans with a much-needed sanctioned oil import, again without having to make a payment. These kinds of elaborate barter schemes have been used by North Korea to facilitate sanctions-busting trade, especially since the introduction of wider sectoral sanctions on North Korean imports and exports since 2016.

One notable example was the network surrounding Chi Yupeng, sanctioned by the US Treasury Department in 2017 and subject to a $4 million civil asset forfeiture. This network used the proceeds of exported North Korean coal sold in China to purchase a

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23 UN Security Council, “Final report of the Panel of Experts Submitted Pursuant to Resolution 2345 (2017),” S/2018/171, March 5, 2018, <https://www.undocs.org/S/2018/171>, pp. 48–53.
24 UN Security Council, “Final Report of the Panel of Experts Submitted Pursuant to Resolution 2345.”
25 See, for example, Andrea Berger, “The Islamic State’s North Korean Arms,” NK News, October 24, 2014, <https://www.nknews.org/2014/10/the-islamic-states-north-korean-arms/>.
26 Since 2016, UN sanctions have moved from specifically targeting North Korea’s weapons-of-mass-destruction and conventional military programs to targeting broader sectors of the North Korean economy. This included UN Security Council Resolution 2735 (2017), which severely limited the quantity of oil that North Korea could legally import.
wide range of commodities—including cell phones, luxury goods, sugar, rubber, petroleum products, and undisclosed “dual-use technologies”—for export back to North Korea.27 This network was allegedly responsible for 10 percent of the trade from North Korea to China in 2016. Using a double-ledger system, it was able to ensure that all financial aspects were based outside of North Korea.28

In the film, Mr. James meets the Jordanian businessman face to face in 2018 in Amman, where the latter lays out his means of avoiding UN sanctions: using a middleman to keep his name “clean,” changing the name of the ship after each voyage to avoid blacklisting, taking the ship on a circuitous journey, and changing routes and documentation. The Jordanian suggests that he sometimes sends oil shipments on a 30- to 40-day-long route from Russia to North Korea. Mr. James signs a contract valued at $3.2 million for Russian-origin diesel fuel and gasoline to be transferred to North Korea. A further contract for the triangle deal is later signed by Mr. James in Copenhagen. The contract describes how, in return for the oil shipment, North Korea will send goods and technicians to Uganda, where “tourist goods” will be manufactured.

Arms marketing: price points, approaches and materials

After the meeting in Jordan—and shortly before “disappearing” without fulfilling the contracts he signed—Mr. James visits Cambodia. He meets with North Korean arms dealers again, and a further contract for weapons is discussed. The film is a little unclear about the exact nature of this contract—although close-up shots of a “Quotation (for weapons)” document, which includes many of the SALW shown in the marketing materials shared in Pyongyang, feature at this point in the film.29 The identity of the potential customer for the weaponry Mr. James is purchasing is also unclear. Besides the interest in moving goods to Syria, the North Koreans—seemingly desperate for customers—note in the film that if Mr. James had “any clients” they would be willing to supply them through him. The hard copy and electronic marketing materials that the Mole receives in Pyongyang and the quotation document he receives in Cambodia—if legitimate—provide huge insights into North Korea’s arms-marketing efforts and approaches.

In the literature on North Korea’s arms marketing, the most detailed examination is found in Andrea Berger’s Target Markets and her discussion of the Ranger case elsewhere.30 She notes that pricing information is “patchy, sometimes dated, lacking the details needed to draw comparisons with other suppliers, and mostly second hand.”31 The Mole certainly

27 US Department of Justice, Office of the US Attorney for the District of Columbia, “United States Files Complaints to Forfeit More than $11 Million from Companies that Allegedly Laundered Funds to Benefit Sanctioned North Korean Entities,” August 22, 2017, <https://www.justice.gov/usao-dc/pr/united-states-files-complaints-forfeit-more-11-million-companies-allegedly-laundered>.
28 Peter Whoriskey, “Chinese Entrepreneur Aided North Korean Efforts to Develop Nuclear Weapons, U.S. Lawsuit Says,” Washington Post, August 23, 2017, <https://www.washingtonpost.com/news/wonk/wp/2017/08/23/how-a-chinese-entrepreneur-evaded-sanctions-and-financed-kim-jong-uns-nuclear-weapons-program/>.
29 The quote document includes Kornet launchers (10), missiles (100), and checking devices (2); Phoenix-4M launchers (10), missiles (100), and checking devices (2); SA-16 missiles (100); 7.62-mm light machine guns (150) and ammunition (500,000); 40-mm grenade launchers for assault rifles (180); 40-mm grenade (10,000); 40-mm RPG-7 launchers (545); 40-mm anti-tank fragmentation projectiles for RPG-7 (19,660); and 40-mm anti-tank thermobaric projectiles (13,500). Other items listed were obscured in the film by the camera angles. That some weapons on this quote document are noted to be “in stock,” and the pricing given FOB (“free on board,” likely meaning that it includes all costs to have items delivered to a port, not including shipping, insurance, etc.), suggests that the month-by-month schedule indicates how soon these arms could be delivered to Mr. James, rather than when the North Koreans planned to produce them at the Ugandan factory.
30 See, for example, Andrea Berger, “The Michael Ranger Files: Part 2,” Arms Control Wonk, February 16, 2016, <https://www.armscontrolwonk.com/archive/1201058/the-michael-ranger-files-part-2/>.
31 Berger, Target Markets, p. 51.
provides a wealth of detail on price points. For example, for the Scuds, the film provides close-ups of documents that include a breakdown of costs for missiles with different types of warheads, launchers, and associated handling vehicles. Missiles and vehicles are priced per unit and in quantities of five, three, or two units; elsewhere, Ranger noted that missiles were offered “not less than three at a time.” No discount is listed for purchase of multiple units, although the prices may be open to negotiation.

Verifying the price of the missiles in material received by the Mole is challenging, the figures in the public domain being limited and often rolled into much larger aggregate figures for transfers or deals of unclear scope. The only insights into North Korean missile pricing for private dealers are provided by Ranger—likely a questionable source on the detail, and a decade ago. Those insights suggest that the IRBM he was offered carried a price “in excess of $100 million” per unit. If legitimate, the figures provided in the documentary—especially with the breakdown between missiles and associated vehicles—are novel, providing detail never seen before outside of the most secretive North Korean arms-trading circles and for systems that North Korea has exported widely rather than oddities about which we know little.

Further comparisons can be made on the pricing of other arms listed in the marketing materials and quotation documents shown in the film. Several examples of prices from the film support the hypotheses that North Koreans’ weapons are generally cheaper than those of their competitors and that public reporting on North Korean arms trafficking may often overestimate prices. Take, for example, the pricing of the SA-16M missiles given in the quotation shown in the film. One hundred missiles offered at $39,000 each is similar to the price offered in the 2010 Ranger deal, in which 10 SA-16 missiles were offered at €28,500 each (approximately $35,000–39,000 in 2018). While the costs are similar, the location of the Mole price at the top end of this range could be because the system is the SA-16M, with “M” suggesting some level of modification. Berger compares the price in the 2010 Ranger deal with a Russian sale of 222 SA-16 missiles to Ecuador in 2015, in which the price was €80,000 per unit (approximately $92,000–102,000 in 2018). Thus, both North Korean offers are significantly cheaper than those from Russia.

A second example is provided by the quoted cost for a shipment of 100 Kornet missiles and 10 launchers in the film ($42,000 per missile for 100 and $65,000 per launcher for 10). While it is challenging to find direct comparisons, since many transfers are now for the more advanced Kornet-E and include servicing and support, a 2008 Russian sale to Turkey provides some comparison. Here Russia struck a $70 million deal (around $81.6 million in 2018) encompassing 800 missiles and 80 launchers. Based on the prices in the quote in the film, purchasing the same quantities from North Korea would cost around $38.8 million

32 UN Security Council, “Final Report of the Panel of Experts Submitted Pursuant to Resolution 2050,” p. 39.
33 For example, Geoff Forden wrote a piece in 2010 considering a handful of questionable data points. More suggestions were made in the comments. Geoff Forden, “Dialing for Proliferation Dollars,” Arms Control Wonk, March 20, 2010, <https://www.armscontrolwonk.com/archive/302667/dialing-for-proliferation-dollars/>.
34 “According to Mr. Ranger, the price per unit was in excess of US$ 100 million for those intermediate-range ballistic missiles and would be sold not less than three at a time, mixed as one long-range and two medium-range missiles or one medium-range and two long-range missiles.” Selling mixed packages of different types of missiles seems like a questionable way to market missiles, compared with the packages of five, three or two units of the same missiles offered in the film. This and the high US$100 million price calls into question the value of Ranger’s recollections in this respect. UN Security Council, “Final Report of the Panel of Experts Submitted Pursuant to Resolution 2050,” p. 39.
35 Berger, Target Markets, p. 55. Data on the Ecuador deal is from Paul Holtom, Small Arms Production in Russia (London: Saferworld, 2007), p. 42.
36 Defense Industry Daily, “Turkey Orders Russian ‘Kornet’ Anti-tank Missiles,” September 23, 2008, <https://www.defenseindustrydaily.com/Turkey-Orders-Russian-Kornet-Anti-Tank-Missiles-05083/>.
($33.6 million for missiles and $5.2 million for launchers, not accounting for any bulk discounts or servicing and spares).

These examples from the film support the hypothesis that North Korean weapons are cheaper than those of their competitors. Indeed, another data point from the film suggests that public reporting may also be overstating the price of North Korea’s weapons. This may be a result of government briefers keen to talk up the importance of various interdictions. The *Jie Shun*, a North Korean ship, was interdicted off the coast of Egypt in 2016 with a cargo of 30,000 RPG-7 rounds—a shipment described by the UN panel of experts as the largest seizure of ammunition in the history of DPRK sanctions. The electronic marketing material in the film suggest it would likely be $4.5 million to $10.5 million for 30,000 rounds—and, since there is no indication the rounds were thermobaric, possibly closer to the lower estimate. Of course, the North Koreans’ lower pricing may also be based on the customer’s ability or willingness to pay. With regard to *The Mole*, it is possible that the prices in the quote document shown in the film may reflect the North Koreans’ desperation to sell, their perceptions of Mr. James’s interest, or both.

The materials shown in the film provide some insights into North Korea’s arms marketing—a relatively opaque area. North Korea has long used hard-copy material to support its efforts to sell arms. The materials in *The Mole* reflect a number of patterns previously seen. One of those is to use better-known NATO designations such as “Scud” and “Tochka” to refer to the items that were for sale; “Scud-E,” for example, is used to refer to North Korea’s larger version of the Scud rather than North Korean or US designations (Hwasong-7 or Nodong). The catalog received by the Mole appears similar in design to a Russian catalog, “Russia’s Arms,” with English-language text rather than Russian. The North Korean catalog also includes systems that seem unique to North Korea, including those discussed above and a Scud on a unique-looking transport-erector-launcher that looks to be built from a converted Western truck chassis. The electronic marketing material received also appears to use images of known North Korean origin—for example, a brochure for the Phoenix-4M appears to feature an image from a 2016 DPRK test of an anti-tank guided missile.

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37. UN Security Council, “Final Report of the Panel of Experts Submitted Pursuant to Resolution 2276,” p.4.
38. The figure of $23 million is listed in Joby Warrick, “A North Korean Ship Was Seized Off Egypt with a Huge Cache of Weapons Destined for a Surprising Buyer,” *Washington Post*, October 1, 2017, <https://www.washingtonpost.com/world/national-security/a-north-korean-ship-was-seized-off-egypt-with-a-huge-cache-of-weapons-destined-for-a-surprising-buyer/2017/10/01/d9a4e06e-a46d-11e7-b14f-f41773cd5a14_story.html>. The figure of $26 million is listed in Declan Walsh, “Need a North Korean Missile? Call the Cairo Embassy,” *New York Times*, March 3, 2018, <https://www.nytimes.com/2018/03/03/world/middleeast/egypt-north-korea-sanctions-arms-dealing.html>. The quotation document shown in the film lists RPG-7 rounds as costing $150 for fragmentation and $350 for thermobaric variants.
39. In an example cited by Berger, the price charged for the servicing of a number of BM-21 multiple-rocket launchers in the Republic of the Congo was one-fifth of that charged for similar work by a firm in Ukraine. Berger, *Target Markets*, p. 53.
40. There is allegedly a full range of brochures similar to the one in Appendix 1 of Berger, *Target Markets*, pp. 155–58; other examples of marketing such as Glocom’s website (<https://www.glocom-corp.com/>) and Kay Marine’s video (see stills in Salisbury, “A Malaysian Shipyard”) have provided some insights into other media used in North Korea’s arms marketing.
41. Jeffrey Lewis, “Pyongyang Pig Factory,” *Arms Control Wonk*, February 10, 2011, <https://www.armscontrolwonk.com/archive/203540/pyongyang-pig-factory/>.
42. The similarity was noted in @stoa1984, <https://twitter.com/stoa1984/status/1321484464599487040?s=20>.
43. Speculation about a German-manufactured MAN truck chassis has been referred to in news accounts as being included in “American intelligence reports” in the early 1990s, but pictures of these weapons systems have not appeared in public before. See Michael R. Gordon, “U.S. Says Russians Assisted Damascus with Missile Plan,” *New York Times*, December 12, 1993, <https://timesmachine.nytimes.com/timesmachine/1993/12/12/622493.html?pageNumber=2>.
44. Kyle Mizokami, “North Korea Says Its New Missile Can Turn Tanks into ‘Boiled Pumpkins,’” *Popular Mechanics*, February 29, 2016, <https://www.popularmechanics.com/military/weapons/a19663/north-korea-anti-tank-missile/>.
The material received by the Mole also differs a little from past examples: Besides using designations more familiar to an international audience, the catalog showcases some uniquely North Korean names for equipment, perhaps reflecting North Korea’s growing confidence in missile development. The price lists use US dollars rather than euros—curious, since Mr. James is known to be from Denmark, and initial discussions between him and Cao de Benós over his investment involved euros. Berger previously noted that North Korean arms prices appeared to have switched to euros around 2008, speculating that this was a result of the Banco Delta Asia case in 2005 and subsequent UN and US sanctions.\textsuperscript{45} The return to dollars here may reflect confidence that North Korea could trade in dollars while avoiding risks typically associated with that practice, or may not reflect the currency in which transactions would eventually be carried out, especially if triangle arrangements were used.

**Trust and the illicit arms trade**

The film’s nature—essentially the documenting of a private intelligence operation—obviously raises huge questions about what the viewer is actually seeing and the veracity of the material the Mole received. The film presents the audience with what James Angleton, the former CIA counterintelligence chief, famously described as a “wilderness of mirrors.”\textsuperscript{46} This is not a criticism of the filmmakers themselves, who probably do not fully comprehend exactly what they experienced. Before the closing credits, it is noted that the North Koreans declined to comment on the film’s contents, that Cao de Benós claimed he was “play acting” and the film was “biased, staged and manipulated,” and that the Jordanian businessman suggested he was trying to scam Mr. James due to financial difficulties.

Some of the most intriguing questions relate to trust—a challenging concept in illicit networks: two sides, both willing to break the law, need to agree on, pay for, and deliver the goods and not betray each other to the authorities. The North Koreans seemingly show little interest in Mr. James’s background for most of the film. It is unclear to what degree they conduct any due diligence. The Mole initially attributes Cao de Benós’s lack of interest in Mr. James’s background at the early meetings—apparently including his full name—to his desire to broker deals in order to reach higher levels in North Korea.

The manner in which the filmmakers were able to capture the footage also relates to this. In the initial stages, and seemingly for much of the footage, a professional cameraman accompanied the Mole, with the stated aim of making a documentary about the important work of the KFA. Other meetings are clearly filmed using hidden cameras either carried by the Mole or Mr. James, or held in rigged-up hotel rooms. The January 2017 Pyongyang trip was shot openly, Brügger setting the ground rule never to use a hidden camera in the DPRK.

The North Koreans likely took a gamble on Mr. James as a result of his alleged access to huge funding (the stated €50 million investment minimum in meetings early in the film). Thus, Mr. James is taken by North Korean officials to a VIP lounge at Pyongyang International Airport allegedly used by Kim Jong Un. The Mole is searched by security at the airport but promptly released after he flashes a DPRK medal he received through his work with the KFA, a tactic suggested by his North Korean fixer. By the time of the meeting in the Pyongyang basement hospitality suite just days later, when the two men are presented with the arms-marketing material, Mr. James is seen wearing a Il

\textsuperscript{45} Andrea Berger, “The Michael Ranger Files: Part 3,” Arms Control Wonk, February 17, 2016, <https://www.armscontrolwonk.com/archive/1201062/the-michael-ranger-files-part-3/>.

\textsuperscript{46} Jefferson Morley, “Wilderness of Mirrors,” The Intercept, January 1, 2018, <https://theintercept.com/2018/01/01/the-complex-legacy-of-cia-counterintelligence-chief-james-angleton/>.
Sung–Kim Jong Il pin—a clear sign of trust, although the circumstances of the pin’s presentation remain unclear.

Indeed, there are points at which North Koreans question Mr. James’s authenticity. Early in the Pyongyang trip, one of the North Korean hosts follows the Mole to his room after dinner to ask, “Are you sure this man has the money that he’s talking about?” The starkest moment comes at the Beijing hotel when Mr. James asks the North Koreans to share their Syrian contacts. Two North Korean arms dealers have an exchange in front of him in Korean, seemingly weighing the risks: “He’s asking who our clients are... He is not someone to trust ... If he has money as he says.” Mr. James responds by dropping into the conversation that he has previously visited the DPRK, naming the key North Korean fixer who received him. Mr. James seems to regain some trust before one of the officials he met in Pyongyang arrives the next day, likely to verify he is who he says he is. The world of North Korean arms dealing is small, but perhaps not that small.

There are at least two plausible explanations for the apparent ease with which Mr. James gains the trust of his North Korean interlocutors. The first, which is the one the filmmakers suggest, is that the North Koreans are desperate to sell arms to raise hard currency, sanctions having shrunk their customer base. The second is that Mr. James was being groomed for a scam: he would pay for the oil shipment—and possibly more later—receiving little in exchange. Indeed, the specifics of the Ugandan factory project do not appear to be discussed in great detail. Given the sanctions-busting nature of the deal, there could be little recourse for Mr. James if he were scammed. A variation of this option is that the North Koreans could have used the $3.2 million of the oil deal—which is not a vast sum, particularly given Mr. James’s originally stated minimum investment threshold of €50 million—as a starting point to build his confidence before discussing a larger transfer.

Would the North Koreans really have given Mr. James access to all the weapons systems he was offered? North Korean dealers do have a record of overpromising to private arms dealers. If Ranger was indeed offered IRBMs with a range of up to 3,500 km prior to 2012, as he claimed, he was being offered a missile of unclear type and unclear test record. North Korea might have offered such long-range systems to Mr. James (and even to Ranger) to build trust and confidence, rather than to signal a true willingness to supply.

Conclusions

Whether the deal on the table is bona fide or not, and whether the North Korean dealers are as desperate as the film makes them seem, The Mole certainly provides unprecedented insight into the world of North Korea’s illicit networks. The film succeeds in multiple ways: running a hugely impressive private intelligence operation, unmasking North Korea’s illicit activity as the Mole intends, and providing an accessible and intriguing treatment of a complex topic for a popular audience. The film provides a wealth of insights into North Korea’s sanctions-busting networks: transnational and enterprising under sanctions, seemingly offering advanced military capabilities, and aided by high-level connections around the world. However, it also portrays them as somewhat naive, somewhat opportunistic, and lacking credible operational security. In the tensest scene of the film, a bumbling Cao

47 North Korea is not known to have possessed IRBM systems in this time frame, except for the Musudan, which would later fail in seven of eight flight tests in 2016 before being scrapped. Test data are from “The CNS [Center for Nonproliferation Studies] North Korea Missile Test Database,” Nuclear Threat Initiative, updated/last reviewed April 16, 2021, <www.nti.org/analysis/articles/cns-north-korea-missile-test-database/>.

48 In Uganda, “the head of [beeped out] of Uganda” is described by local officials as being a partner, and in Jordan, the businessman notes working with what Brügger describes as “a major Jordanian power broker.” The identity of these figures is likely concealed by the filmmakers for legal reasons.
de Benós struggles to operate a “bug detector” as the Mole—fully wired up—explains the device’s beeping by shrugging and pointing innocently at the keys to his rental car. If a retired chef and an actor can get this far, imagine what insights professional intelligence agencies might be able to gain.

Given the type of missiles displayed at recent military parades, and those offered to Mr. James in Pyongyang, the film raises a further concerning question. North Korea’s arsenal of short- and medium-range missiles has long been based on liquid-fueled Scud and Nodong-type systems—both of which were entirely absent from recent parades, including the one held in October 2020, as the country showcased more sophisticated models. What might be the fate of these surplus systems and redundant manufacturing capabilities in the near future, when Pyongyang entertains real interested arms dealers? North Korea may have beaten UN sanctions in order to successfully develop and finance its nuclear and missile programs. In this respect, it may seem futile to continue to implement sanctions and track North Korea’s illicit networks. But there is still an important rationale for seeking to understand the DPRK’s networks. As the A.Q. Khan network demonstrated, illicit networks can easily be retooled from procurement toward supply. As the DPRK becomes a more capable supplier and has technological surpluses, understanding North Korea’s networks and addressing the onward-proliferation risks highlighted in The Mole remain issues of utmost importance.

Daniel Salisbury

daniel.b.salisbury@kcl.ac.uk http://orcid.org/0000-0003-3261-6953

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