

HEARING BEFORE THE SUBCOMMITTEE ON INTERNATIONAL TERRORISM
AND NONPROLIFERATION

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HOUSE OF REPRESENTATIVES

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With the mounting confrontation over Iran's nuclear weapons program, the Middle East could be standing at the brink of war once again. An American decision to attack Iran to prevent Ayatollah Ali Khamenei from acquiring nuclear weapons would not only risk engulfing the region in conflict but would also dramatically increase the chances of Iranian-supported terrorists striking the United States at home and its interests abroad.

President George W. Bush would not be facing this terrible quandary if an international smuggling ring, headquartered in Pakistan, had not helped Iran's nuclear program for over a decade. At the head of the criminal syndicate was the Pakistani Abdul Qadeer Khan, known as the father of his country's nuclear bomb and a man who former CIA Director George Tenet called "just as dangerous as Osama Bin Laden."

Starting as an ingenious effort to sidestep western sanctions and outfit Pakistan with nuclear weapons, Khan and his ring of smugglers soon went global. The activity of this syndicate straddled four decades and involved countries, companies, secret bank accounts, and agents on four continents. Armed with a catalog filled with everything from whole gas centrifuge factories to nuclear weapon designs, this network helped outfit nuclear weapons programs in Libya, Iran, and North Korea and possibly aided Al Qaeda in its quest for nuclear weapons before the fall of the Taliban. Remnants of the Khan network may yet help other nuclear weapons programs and terrorist groups.

The operatives of the Khan network pedaled their wares and eluded authorities all over the world. As an example, consider Urs Tinner, a Swiss national, who organized the acquisition of manufacturing equipment in Europe and its shipment to a factory in Malaysia, where it was used to make centrifuge components, using centrifuge designs he provided. The parts were then shipped to Dubai and then on to Libya. Some of these components were the ones seized on the *BBC China* in October 2003. In a parallel effort, Urs, his brother Marco, and father Friedrich allegedly arranged for a centrifuge component to be made by an unsuspecting Swiss company using raw materials from abroad that had been ordered by a trading company in Singapore hired by Urs. The Tinnings then arranged for the subcomponent to be sent to Turkey where another key player in the Khan network integrated it with other parts into a centrifuge motor assembly before shipping it to Dubai and then onward to Libya on the *BBC China*. In this case, U.S. intelligence agents were unaware that these parts were onboard the ship, and they eventually arrived in Libya.

Khan's actions have made the world far more dangerous. His ground-breaking methods to acquire and then help others build nuclear weapons dramatize a path to nuclear proliferation that poses the greatest threat to our security today. Too long underappreciated, illicit nuclear trade is a scourge lying at the heart of all efforts by America's current enemies to build or expand a nuclear arsenal. Motivated by greed or fanaticism, nuclear smuggling rings continue to find ready customers willing to pay exorbitant prices. The busting of the Khan network has not stopped Pakistan, Iran, North Korea, and others from seeking items illegally for their nuclear weapons programs. With such deadly materials and expertise on the black market, terrorist groups may finally find a way to obtain a nuclear weapon. Finding effective ways to stop this illicit trade will be one of the most important priorities for decades to come.

I would now like to discuss three specific points:

1) The Case is Not Closed.

In early May 2006, a spokesperson for the Pakistani Foreign Ministry implied that Pakistan's investigation into the Khan matter was closed. The spokesperson stated that Pakistan had conducted a thorough investigation of Khan and his Pakistani accomplices and had shared its conclusions with the International Atomic Energy Agency (IAEA), the United States, and other countries.

However, the case is far from closed. Many questions remain about what Khan and his associates supplied other countries, particularly Iran. Specific questions involving Iran include the extent of centrifuge assistance, the logistics of that assistance, and the possible supply of nuclear weapon designs. These areas remain especially troubling as we try to determine exactly how close Iran could be to building nuclear weapons and what sensitive information may remain in circulation around the world that could fall into the hands of other enemies of the United States, including terrorists.

In addition, the information shared by the Pakistani government with the IAEA and other governments appears so far to be incomplete. Unraveling the activities of the network and ensuring that it remains shut down require the Pakistani government to provide more assistance to investigators, including giving the IAEA and affected governments direct access to question Khan and his associates verbally. Greater cooperation from Pakistan would allow the IAEA and affected governments to conduct more thorough investigations, to pursue more effectively criminal prosecutions of individuals involved in the network, and to recover physical remnants of the illicit procurement network that have not yet been found and that could provide the seeds for future, secret nuclear weapons programs.

Although Pakistan has taken steps to create a national export control system and to place additional controls over its nuclear scientists, Islamabad has not faced up to the difficult task of actually implementing an effective control system. One necessary step is to prosecute Pakistani members of the network to send a clear signal that Pakistan will punish illegal exporters severely and thereby reduce the likelihood that someone will step

into Khan's shoes. The fact that no prosecutions appear to be planned serves to increase suspicions that the Pakistani government is hiding information about the network's activities, particularly information that could further embarrass itself or its military.

2) Key Questions Remain Unanswered.

Much has been learned about the Khan network through several intensive governmental, IAEA, and criminal investigations. However, many questions about the extent of the network still remain unanswered that are important in determining whether the network will rise again or remnants will become the seed for a new network.

While a number of individuals have been arrested or identified, investigators worldwide believe that other key participants may not yet have been identified out of an estimated total of 50 people who were actively involved in the network. Questions also remain about the full extent of these individuals' activities in manufacturing and supplying centrifuges and associated equipment. This task has become more complicated because many investigations of the network started slowly, giving members of the network a chance to cover their tracks or destroy evidence. There is growing recognition that network members may have destroyed many key internal documents and records.

Whether or not all the key workshops and companies have been identified also remains unknown. Moreover, it is possible that components or pre-forms for uranium-enrichment plants have been produced but were not delivered to Libya. Perhaps they have been sent to other, unknown customers.

Another complicating factor is that the network also supplied Pakistan's covert nuclear weapons programs. Pakistan has refused to tell investigators which items it imported from the network.

Questions remain about whether all the network's customers have been identified. Did Saudi Arabia, Syria, or other countries receive items from the network? Did terrorists receive any items? With regard to Iran, Libya, North Korea, only in the case of Libya do investigators have a relatively complete understanding of the items supplied by the Khan network.

Questions persist about who received nuclear weapon designs from Khan and his associates, and just what type of designs they provided. A priority is determining whether Iran and North Korea received these nuclear weapon designs.

The key to the success of Khan's network was its virtual library of centrifuge designs, detailed manufacturing manuals, and nuclear weapon designs. An important task for investigators is to retrieve as much of this information as possible. That effort requires, in turn, tracking down and prosecuting the members of the network with this kind of

sensitive information. Given the ease of copying and hiding documents and digital files, this information may form the core of a future network aimed at secretly selling the wherewithal to build nuclear weapons.

3) The U.S. Government Needs to Cooperate With Swiss Prosecutions of the Tinnings.

Although the focus today is on Pakistan and unanswered questions about the Khan network, the United States has been remiss in assisting the overseas prosecution of key members of the Khan network. The United States has ignored multiple requests from Swiss prosecutors for cooperation that have extended over a year.

The Swiss Attorney General sent requests to the United States for legal assistance in its case against Urs, Marco, and Friedrich Tinner in the spring and summer 2005. The prosecutors have not received a reply, or even a confirmation that the U.S. Government received the requests. Last fall, I assisted the prosecutors in contacting Under Secretary of State Robert Joseph and in writing him a letter requesting assistance. In particular, the letter asked for help in obtaining information and documents about centrifuges and centrifuge-related equipment relevant to the prosecution and arranging a visit to Oak Ridge National Laboratory to examine certain items removed from Libya by the United States. This letter, which was sent last February, has also remained unacknowledged and unanswered.

The Office of the Attorney General is disappointed over this matter. It is difficult to understand the actions of the U.S. Government. Its lack of assistance needlessly complicates this important investigation.

In contrast, Libyan authorities have greatly assisted Switzerland in its legal requests, allowing a visit to Tripoli to interview witnesses in April 2006 and promising documents that are expected to aid the case against the Tinnings. Law enforcement agencies in the Far East and in South Africa have also cooperated with the Swiss prosecutors.

The United States should respond to the Swiss requests for assistance as quickly as possible. To continue to ignore these requests undermines the vital prosecution of key members of the Khan network and risks undercutting support for Swiss cooperation in non-proliferation matters. In addition, I find this lack of cooperation frankly embarrassing to the United States and those of us who believe that the United States should take the lead in bringing members of the Khan network to justice for arming our enemies with nuclear weapons.

Thank you Mr. Chairman.