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Arg/Chile

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INTERNATIONAL SECURITY AFFAIRS

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

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HEREIN IS UNCLASSIFIED

12 JAN 1983

DATE 9-22-17 BY C326233891/ADG

In Reply Refer to:
I-05607/83

MEMORANDUM FOR THE SECRETARY OF DEFENSE

15 JAN 1983

THROUGH THE UNDER SECRETARY OF DEFENSE FOR POLICY 7J

SUBJECT: Possible Illegal Munitions Exports by Chile and Argentina --
INFORMATION MEMORANDUM (C)

FBI FOIA 5 U.S.C. § 552 (b) (7) (D)

(C) The US Customs Service and the US Attorney are conducting an investigation of illegal exports of Munitions List articles to Argentina and Chile. They believe both the Argentine and Chilean Governments have engaged in violations of US law. Once the cases go to trial -- possibly later this month, the foreign Governments' roles will become public. These cases have important political implications on presenting the certifications to Congress required by statute to remove the existing ban on arms exports to these countries.

(A) During a search relating to unauthorized exports to the Middle East at Dulles Airport a year ago, US Customs obtained information on Argentine and Chilean exports which appeared to be on the Munitions List of the International Traffic in Arms Regulations (ITAR). Customs has obtained documents which show that approximately 564 US firms sell items to Argentina and Chile.

(A) Since US regulations and procedures are very complex, the investigation determining which firms may have illegally exported munitions has been complicated and time consuming. However, after reviewing some of the seized documents, State and Justice believe it is clear that the Government of Chile has engaged in extensive violations of the Arms Export Control Act and the [redacted] Based upon their review of other documents, Customs believes a legal case also exists against Argentina, but does not have the personnel to rapidly pursue this investigation. DOD has not been privy to the seized documents.

(A) In order to prosecute the firms involved, Chilean and Argentine officials with diplomatic immunity will likely be named as "unindicted co-conspirators." Once the alleged violations become public, another political impediment to the Administration's efforts to normalize relations and pursue its security interests with Chile and Argentina will have to be overcome.

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Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: JUL 17 2017

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 17 Jul 2017 Authority: EO 13526
Declassify: X Deny in Full: _____
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Reason: _____
MDR: 17-M-2107

§ 552 (b) (7) (D)

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See Def Cont Nr. X-23873