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## The Coyote's Trail – A Machine Gun's Path from Serbia to Syria

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*A batch of heavy machine guns travelled from a Serbian state-owned factory to Syrian rebels, via a Bulgarian arms tycoon and a Saudi training camp, BIRN and OCCRP can reveal.*

Ivan Angelovski, Jelena Cosic, Lawrence Marzouk, Maria Cheresheva | BIRN  
| Washington DC, Belgrade, London, Sofia

**W**earing trainers, faded jeans and a sweater emblazoned with the word "Life", 23-year-old Salam (not his real name) posed in February 2016 with his latest kit – a heavy machine gun, fresh off the production line, and recently delivered to his battalion of the Free Syrian Army.

The photos, posted to the fighter's Facebook profile, did not immediately stand out amid the stream of selfies-with-weapons emanating from Syria's warring factions.

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interest to the men from the 15<sup>th</sup> Division fighting President Bashar al-Assad's forces in Aleppo. For Salam, it was simply the newest and best weapon he had received since the start of the conflict.

But its distinctive shape and pristine condition soon roused the attention of online weapons experts who suggested it was a newly made M02 Coyote, produced in the Zastava Arms plant in Kragujevac, Serbia.

The Balkan Investigative Reporting Network, BIRN, and the Organized Crime and Corruption Reporting Project, OCCRP, has uncovered how the powerful weapon made a trip of around 6,000 kilometres from state-owned Zastava's production line to Salam, as part of a delivery of up to 205 guns in 2015 and 2016 to the Free Syrian Army - with Serbia, Bulgaria, Saudi Arabia, Turkey and the United States all playing a role.

It is the first time weapons have been traced directly from a producer in Central and Eastern Europe to Syrian rebels and provides the clearest evidence to date of an [arms pipeline previously uncovered by BIRN and OCCRP](#).

This [pipeline](#) has pumped up to a 1.2 billion euros of weapons from the Balkans, Czech Republic and Slovakia to the Middle East, with Saudi money and, according to a former U.S. ambassador to Syria, CIA logistics.

The discovery also illustrates the systematic, illegal diversion of arms by the Saudi regime and how governments in the Balkans seem willing to turn a blind eye to this highly lucrative trade.

The investigation also highlights the pivotal role played by arms dealers. BIRN and OCCRP has found that the firm which brokered this deal is owned by powerful Bulgarian businessman Petar Mandjoukov; arms dealer, media tycoon and a former agent of the communist-era State Security.

## **Salam and the "Dushka"**



On February 16, Salam, a fighter with the 13th Division of the Free Syrian Army, uploaded this photo of a newly arrived Serbian-made Coyote machine gun to his Facebook timeline.

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Salam may have been the first fighter in the Free Syrian Army, FSA, to share a photo of the newly arrived, Serbian-made Coyotes on social media – but he was by no means the last.

Within weeks of his posting, the heavy machine gun was appearing on uploads to Twitter, YouTube and other platforms from across the battlefields of northern Syria, sometimes still packed and with the instructions in cellophane, indicating the arrival of a large delivery of new weapons.

BIRN and OCCRP traced Salam through his Facebook profile, asking him for further information on the heavy machine guns' origins and their route to Aleppo.

The 23-year-old Syrian wanted to tell the world of the plight of his compatriots and provided a number of photos and videos of the Coyote attached to the back of a Toyota pickup truck.

He told BIRN and OCCRP that as a simple soldier he was unaware how the FSA secured its weapons, but said he knew of "several" that had been delivered after he attended a training camp in Saudi Arabia.

In early 2016, he and some 150 other fighters earmarked for training left Syria for the Turkish capital Ankara. After a week of medical and military checks, a military plane flew them to Saudi Arabia.



FSA soldiers at the Syrian-Turkish border on their way to another training camp.

The rebels were taken from the airport to a secret military camp. Stripped of their mobile phones, they were cut off from the outside world in an undisclosed location in the Saudi desert.

“I saw it [a Coyote] with my own eyes in Saudi Arabia, and there the Americans were testing it,” Salam said. “There were a lot of different officers – from the UK, USA, Lebanon, Saudi Arabia. There were American intelligence officers too – they are highly experienced and most of them had fought in Iraq.”



## The Training

from BIRN



01:04



[The Training](#) from [BIRN](#) on [Vimeo](#).

Back in Syria, Salam was soon posing with the new gun in Aleppo for his Facebook feed before it was deployed in the fight against Assad and Islamic State. “We modified the Coyote and put it on a truck,” he

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“My gun arrived from Turkey after the training was finished,” he added. Salam said all weapons for his battalion passed through the “MOC” in Turkey, referring to the Military Operation Command centres, set up in the Gulf, Turkey and Jordan, and operated by Arab, Turkish and Western intelligence agencies. They are used as logistical and training bases.

“I don’t know exactly how many weapons [Coyotes] there were, but there were several and my group got one,” he added.



## The Coyote Arrives

from BIRN



[The Coyote Arrives](#) from [BIRN](#) on [Vimeo](#).

The route taken by his Coyote tallies with the findings from BIRN and OCCRP’s earlier investigation which revealed the Saudis’ central role in supplying Eastern Bloc weapons to Syrian rebels.

From June 2015 to August 2016, at least 50 cargo flights transported weapons and ammunition from Central and Eastern Europe to Saudi military bases. BIRN and OCCRP pinpointed flights carrying military equipment between the Gulf kingdom and Turkey, from where arms cross into northern Syria.

Asked why he had posted a photo of the gun online, Salam said: “It was the first time we had received such a weapon after six years of fighting. It was light and effective and it was the newest weapon we ever had.”

His fellow soldiers named it “dushka”, after a similar Soviet-designed weapon, the DShK.

“It was in a box, separated into pieces and we opened it and assembled it – it was new, there was even a catalogue.”

Salam gave reporters the weapon’s unique serial number, 3007.

A spokesman for Serbia’s Ministry of Defence told BIRN and OCCRP in a written statement that Zastava had sold “a number” of Coyotes to Bulgarian Industrial Engineering and Management, BIEM, a Sofia-based arms broker, for export to Saudi Arabia in 2015 and 2016.

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Coyote.

When provided with the serial number from the machine gun, the ministry initially said it could not trace the weapon. Many follow-up emails and calls later, however, a spokesman said that a M02 Coyote with that serial number had been sold to BIEM in 2015.

### **The Deal and the Tycoon**



This Coyote heavy machine gun was traced from Zastava's production line to Syria thanks to its serial number, 3007.

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That year, BIEM had placed a large order with Serbia's Zastava Arms, which produces its own popular version of the ubiquitous Russian AK-47 as well as the Coyote heavy machine gun.

### **Mandjoukov: The Arms-Dealing Tycoon**

Despite Petar Mandjoukov's reputation as an arms dealer, little is known of his weapons business.

He and his firm BIEM are, however, mentioned in US diplomatic embassy cables published by WikiLeaks, the whistleblowing website, in 2010.

As part of Washington's official process for approving the export of US-made weapons to Georgia in 2009, the State Department made background checks on BIEM, which was acting as a middleman in the deal.

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described BIEM as being connected to “organised crime and grey arms trafficking”. Questions were also raised about why the firm was receiving a commission on the sale, despite it not being listed on the export licence and not being registered as a broker in the US “as required by the International Traffic in Arms Regulation (ITAR)”.

Mandjoukov’s electronics firm Mashinoexport was also named in a CIA-led investigation into weapons of mass destruction in Iraq, the 2004 Duelfer Report. It found that the firm took part in the Iraqi oil-for-food programme, helping to funnel funds from Iraqi leader Saddam Hussein’s regime to the Bulgarian Socialist Party in the 1990s. Following the report’s publication, Mandjoukov insisted none of the money from the oil trade had gone to the party. But the tycoon is closely tied to the Socialists, the second largest party in parliament which backed the apolitical president Rumen Radev, in his successful election campaign last November. Mandjoukov was owner of the pro-Socialist newspaper Duma, and was awarded Bulgaria’s top honour, the Stara Planina, in 2002 by Socialist President Georgi Parvanov.

In November 2016, the UN sanctions committee on South Sudan revealed how BIEM had sold 4,000 assault rifles in July 2014 to a Ugandan company which had delivered them to Uganda’s military. The weapons were then diverted to South Sudan, in breach of UN sanctions and fuelling the bloody conflict in the world’s youngest state.

Mandjoukov’s private office declined to respond to questions related to his past and BIEM said it was unable to comment on claims made related to arms deals in Georgia and Uganda.

While the deal remains confidential, Zastava’s 2015 accounts reveal BIEM paid around 2.75 million euros to the state-owned arms plant that year. One arms dealer told BIRN and OCCRP that the typical price for such a weapon was roughly 12,000 euros, making the bill for 205 Coyotes around 2.5 million euros.

BIEM’s majority shareholder is Mandjoukov, a top Bulgarian tycoon with financial interests in construction, media and wine production and who previously had jointly owned the country’s second-biggest football club, CSKA Sofia.

The 74-year-old is best known in Bulgaria as an arms dealer. In 1977 he started work for Kintex, a powerful state-owned trading company which, under communist rule, was involved in trafficking arms to rogue states and terrorists, the Bulgarian state has since admitted.

At the same time he was an agent for the notorious Cold War-era State Security, according to documents released by the Files Commission, a special panel investigating Bulgaria’s former secret service.

Little is known of Mandjoukov’s work in the weapons trade. He makes no mention of BIEM on his own website which details his business empire and it has received little media coverage since it was set up in 2001 under its previous name, Norwood Bulgaria.

Documents from Bulgaria’s business registry show that he has 75 per cent of the shares in the wholly privately owned business.

BIEM said in a written statement: “We strictly follow national and international legislation.

“You make connections and draw conclusions based on your own thoughts and assumptions and expect

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**Syria “sucking up” Serbian weapons**



# A Machine Gun's Path from Serbia to Syria

## The Coyote's Trail



01

### ZASTAVA ARMS

KRAGUJEVAC, CENTRAL SERBIA

State-owned producer of assault rifles, machine guns and heavy machine guns. One of its most powerful weapons is the Coyote M02, a heavy machine gun.

SALE

Coyote M02 serial number "3007" is produced and sold by Zastava Arms in 2015 to Bulgarian Industrial Engineering and Management (BIEM) JSC as part of a batch of 205 weapons.



02

### BULGARIAN INDUSTRIAL ENGINEERING AND MANAGEMENT (BIEM) JSC

SOFIA, BULGARIA

Bulgarian arms broker owned by one of Sofia's best known tycoons, Petar Mandjoukov, who has a long history of arms dealing and was an agent for the communist-era State Security.

RYNDOT

BIEM obtained an export licence from Serbia's Ministry of Trade and a brokering licence from Bulgaria's Ministry

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document called an End User Certificate, guaranteeing the weapons will be used by Saudi security forces.

Although any re-export of the equipment required Serbia's approval, Salam's weapon, along quite probably with the full 205 sold to Riyadh, appears to have been illegally diverted to Syria by the Gulf kingdom, whose armed forces do not use such guns but rely largely on more modern, sophisticated Western-made weapons.

This might not be such a surprise to Serbian officials responsible for providing the export licence, despite official insistence they have no knowledge that Saudi Arabia is passing on arms to Syria.

According to confidential documents from Serbia's Ministry of Defence and minutes from a series of inter-ministerial meetings in 2013, [which BIRN and OCCRP published as part of its earlier investigation](#), officials blocked an export licence for weapons to Saudi Arabia that year for fear they might be illegally handed on to Syrian fighters.

Serbia, under its own anti-arms trafficking law, the UN-backed Arms Trade Treaty and the EU common position on the arms trade to which it is aligning itself, is required to stop the exports of weapons which are likely to be diverted, particularly to war zones and non-state groups accused of war crimes.

Yet in 2015, Serbia decided to ignore its earlier concerns and approved the Coyote deal alongside exports of other arms and ammunition to Saudi Arabia worth in all 135 million euros.

Serbia's Ministry of Defence, one of the ministries consulted as part of the licensing process, told BIRN and OCCRP in a written statement that the export licences were approved because they would have a "positive impact" on Serbia's defence industry, unlike the 2013 deal which involved imported equipment.

One high-ranking Serbian official, who feared being sacked if identified, told BIRN and OCCRP that "everybody knows" weapons are being diverted from Saudi Arabia to Syrian fighters, who were "sucking up everything they can get their hands on".

"Our weapons suit them perfectly because they are of old and simple Soviet design," the official added. "You can take any person from the street and teach him to use it in a matter of hours."

EU member Bulgaria and its Ministry of Economy, which is subject to the similar legal requirements as Serbia, also approved a brokering licence for BIEM to sell the Coyotes to Saudi Arabia.

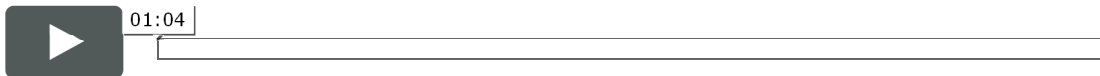
The Saudis, Turkish intelligence and the CIA, all key players in the training and supply of weapons to Syrian rebels, also probably needed to turn a blind eye to the End User Certificate as the weapons, legally destined for the Saudi security forces, made their way from the Gulf to Turkey, then Syria.

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the diversion of weapons from Saudi Arabia to Syria.

The Saudi and Turkish foreign ministries also failed to provide a statement, while the CIA said it would not comment.

## War without winners



[Scenes of Devastation](#) from [BIRN](#) on [Vimeo](#).

Serbia's weapons factories are working at capacity, having already added new staff and shifts to cope with rising demand, particularly from Saudi Arabia and Washington.

Zastava's turnover jumped to 36 million euros in 2015 from just 26 million a year earlier, while Krusik, a state-owned missile and ammunition producer, also recorded an increase of a similar proportion that year to 26 million euros.

The boom is also good business for Balkans' arms brokers, such as BIEM.

Krusik told reporters that two of Serbia's most prominent arms dealers, Slobodan Tesic and Petar Crnogorac, acted as intermediaries in deals with Saudi Arabia in 2016.

The most recently available UN trade data shows Serbia continued to export weapons to Saudi Arabia in 2016, clocking up 36 million euros [\$40 million] of sales in the first nine months of the year.

Salam left Aleppo – without his pickup-mounted machine gun – before its capture by government forces, and has now rejoined the Free Syrian Army.

He said his Coyote was now with the FSA's Moutasem Brigade, which has been fighting ISIS and the US-backed Kurdish forces in northern Syria as part of the Turkish-led Operation Euphrates Shield.

Salam dreams of the day he can put down his gun – even the older, more basic ones he says he has been using again since he left Aleppo.

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continue this email. This is my message I want to send.



## Salam's Hopes

from BIRN



00:22



[Salam's Hopes](#) from [BIRN](#) on [Vimeo](#).

*This investigation was produced by BIRN in cooperation with [OCCRP](#) as a part of Paper Trail to Better Governance project.*

*Bashar Ibrahim ALHadla provided translation services.*

*Read all the documents used in the investigation at [birnsource.com](#).*

*NOTE: To read BIEM's response to the article [click here](#).*

*NOTE: For BIRN's reply [click here](#).*

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