



Tiger International

by Anthony Davis

Cover story: Sri Lanka

Selvarajah Padmanathan is every immigration official's walking nightmare. An inconspicuous man of medium height and build, the 41-year-old Sri Lankan carries several passports, changes names frequently and has access to multiple bank accounts across the globe. He also has an impressive facility for forging documents.

Using the alias T.S. Kumaran, but better I known simply as "KP," Padmanathan works in a high-pressure job that demands the skills of a businessman, banker and smuggler. Head of a transnational team, he has the job of supplying a 10,000-strong guerrilla army—the Liberation Tigers of Tamil Eelam (LTTE)—with the hardware to wage a war that has already claimed over 50,000 lives. Before "KP" retires, the Tamil Tigers' struggle will almost certainly claim thousands more.

For over a decade, Padmanathan has stayed at least one jump ahead of his trackers. Last year he was sighted in Phnom Penh and Bangkok. Today he might be negotiating a shipment of Chinese rocket-launchers with a friendly Australian arms dealer in a five-star

Hong Kong hotel. Next week he may be discussing the price of silence with a Thai customs official in a Phuket restaurant.

One thing is certain: KP's job is not getting easier. The Tigers, who since 1983 have campaigned for an independent state in the north and east of Sri Lanka, are now fighting with their backs to the wall. Having lost their capital of Jaffna in a major reverse last December, they have since been squeezed out of the entire Jaffna peninsula, which for five years they ran as a rebel mini-state. And Sri Lanka's Army shows no signs of easing the pressure: since early this month, government troops have hit hard at long-time Tiger bases in eastern Trincomalee and Batticaloa districts.

The increasingly bloody tempo of the war has thrown into sharper focus than ever the international dimension of the LTTE. A complex, shadowy network developed over more than a decade, it mirrors the sophistication of the quasi-governmental structure built by the Tigers in Sri Lanka itself. Drawing on the loyalties and resources of members of a global Tamil diaspora, the network—call it LTTE International Inc.—links commercial companies and small businesses, informal banking channels, a fleet of ships, political offices, aid and human rights organizations, arms dealers and foreign mercenaries.

Led by its 41-year-old supremo, Velupillai Prabhakaran the Tigers have become far more than a jungle army in an isolated war. "The LTTE functions like a multinational corporation with resources all over the world," notes one former Tamil militant. "Prabhakaran's acumen is as much that of a CEO as of a military commander. He knows whom to use for what."

The transnational and often secretive presence of the LTTE and its front organizations is increasingly unsettling governments in Asia and the West. Goaded by Colombo, countries including Switzerland, Canada, Australia, Malaysia, Thailand and the Philippines have expressed concern in recent months over LTTE activities—and in some cases moved against them.



Broadly, say analysts, LTTE International functions on three distinct levels: publicity and propaganda, arms procurement, and fundraising. While the networks overlap to some extent, operationally they remain separate. The public face of the LTTE is best associated with Lawrence Thilakar, a Jaffna-born Tamil and graduate of Jaffna University who joined the movement in the early 1980s. Soft-spoken in gold-rimmed glasses, the mustachioed Thilakar might be mistaken for a university lecturer. But like Prabhakaran in Sri Lanka's northern jungles or Padmanathan in the arms bazaars of East Asia, he is fighting a war no less important for the realization of the Tigers' goals.

For the most part, Thilakar operates from an LTTE office of five in a nondescript Paris apartment block. The spartan room is decorated with posters of Prabhakaran in military fatigues and calendars featuring color pictures of Tamil children killed by government bombing. For years he has traveled widely, repeating a tireless message: victims of discrimination and military oppression, Sri Lanka's Tamil minority can never coexist with the island's dominant Sinhalese majority. Until the Tamils, led by the LTTE, are granted their own homeland, he says, peace is impossible. "The basic blunder on the part of the [Sri Lanka] government is assuming that the Tamil people and the LTTE are different things," Thilakar says. "But the LTTE is the only party struggling for the rights and self-determination of the Tamil people. Other militant parties have given up those ideas."

Thilakar operates at the apex of a quasi-diplomatic organization that composes 38 offices globally. Aside from centers in leading Western states with large Tamil communities, the Tigers are represented in countries as far-flung as Norway and Botswana. The LTTE also works through sympathetic umbrella groups such as the Australasian Federation of Tamil Associations and the Federation of Associations of Canadian Tamils.

The war for international hearts and minds is conducted at a level of sophistication far more advanced than anything Colombo has reached. Diplomatic missions and news organizations receive daily faxes detailing—albeit selectively—battlefield reports transmitted by satellite phone, links. The LTTE puts out slick videos projecting in gut-churning detail the results of government air strikes (while editing out LTTE military units the planes are trying to target.) And it uses the Internet both as a propaganda tool and a means to appeal for funds. On one Eelam page, the reclusive Velupillai Prabhakaran—a man with the record of a ruthless and single-minded autocrat—emerges as a lover of literature and a patron of the arts.

By contrast, the Tigers' arms-procurement network has always been shrouded in secrecy. No less global in its reach than the propaganda wing, it has been painstakingly built up since 1983 and is backed by tens of millions of dollars. At its foundation is Velvettiturai, a sun-bleached fishing port on the north coast of the Jaffna peninsula, colloquially known as VVT. Birthplace of Prabhakaran, it has long been the center of a web of Asia-wide LTTE commercial, maritime and smuggling contacts. For centuries the traders of VVT—from a distinct Tamil seafaring caste—crisscrossed the Bay of Bengal, venturing as far as the South China Sea and Java. With the gaining of independence in 1948, some became smugglers ferrying contraband across the Palk Strait between India and Sri Lanka.

"Even before the days of armed struggle VVT had a problem with the army, the police and the state," says Thavarajah, a former Tamil militant who is now a politician. "There was an antagonism, an attitude of resistance. It was inbred in anyone who grew up there."

In the early years of the Tamil militancy, VVT provided the LTTE and its forerunner, the Tamil New Tigers, with both leaders and a marked logistical edge over other militant groups. Even before the bloody anti-Tamil riots in July 1983 that pushed the island into open insurgency, the LTTE had established links in the Indian state of Tamil Nadu. Between 1983 and 1987 these expanded dramatically as India provided sanctuary, training and weapons for a clutch of Sri Lankan militant factions.

Still, Prabhakaran remained suspicious of Indian motives and the extent of New Delhi's commitment to his own vision of an independent Eelam. Never a favorite of India's external intelligence service, the Research and Analysis Wing (RAW), Prabhakaran began to develop contacts with local politicians and businessmen. That led to the setting up of the first independent arms-manufacturing plants both in Tamil Nadu and on the Jaffna peninsula.

Prabhakaran also began to look abroad for equipment and turned first to VVT commercial contacts in Singapore for help in buying radios. "Prabhakaran thought like any good merchant capitalist from VVT," recalls one militant. "He registered a company in Singapore, invested in Malaysia, started a shipping company in Cyprus, played the share-market in London."

But it was KP who focused on setting up a department specializing in document forging and extending the international network. In 1984, he organized one of the LTTE's early weapons purchases with an Australian arms dealer who was to remain a trusted business partner. Early shipments were run to India and from there moved in speed boats across the Palk Strait to Jaffna or the northeast coast.

Between 1985 and 1986 the LTTE phased out chartered vessels and allegedly with the help of Pratima Das, a Bombay shipping magnate, began to buy its own ocean-going vessels. The fleet—which today numbers five or six small freighters—was registered under Panamanian, Honduran or Liberian flags, crewed often by VVT Tamils and owned by various front companies. "ninety percent of the time they were transporting legitimate commercial goods: timber, paddy or fertilizer," says Rohan Gunaratna, a noted Sri Lankan authority on the Tigers. "The ships are just one of the LTTE's commercial ventures."

Then as today Singapore, strategically situated on key shipping lanes with a developed banking infrastructure, was a central hub in the LTTE's weapons-purchasing network. And Yangon, where Prabhakaran's grandfather had owned property, was an early port of call for LTTE freighters. Parallel with the ships came Tiger trading companies established by Padmanathan and associates in Kuala Lumpur, Singapore, Yangon, Dhaka, Chittagong and elsewhere. "In the mid- Eighties; [the LTTE network] was coming along

slowly," says one Sri Lanka analyst. "They had the assistance of the Indians and were getting stuff themselves. It was in the late Eighties Sea that it went into a gallop."

As Prabhakaran had foreseen, that gallop was spurred on by changes in Indian policy toward Sri Lanka. While eager for a federalist solution to the conflict, New Delhi had no desire to see an independent Tamil state on the island, which would have inevitable repercussions on Tamil Nadu state politics. In July 1987, the Indo-Sri Lankan Accord was signed, and Indian Peace-Keeping Force (IPKF) troops arrived in northern Sri Lanka. By October, they were involved in a war with the Tigers that was to last until their humiliating withdrawal February 1990. Within months of their departure, the India-backed Tamil National Army collapsed in the face of LTTE attacks and Prabhakaran's domination over the Tamil movement was complete.



The LTTE IPKF war left a deep scar on the institutional psyche not only of the proud Indian Army but also of the intelligence service, RAW. "They felt cheated," recalled one senior Tamil militant. "They thought they could control the LTTE, and that was a fatal mistake." There were also practical reasons for RAW's antagonism. Despite the war in Sri Lanka, the LTTE still ran an extensive network of businesses in Tamil Nadu aided by then chief minister Muthuvel Karunanidhi, who was dismissed by New Delhi in early 1991. Moreover, in 1990 the Tigers also opened contacts with two Indian insurgent forces, one in Assam in the northeast, the other in the southern state of Andhra Pradesh.

But ties to Indian rebels paled beside the act that many close observers argue was Prabhakaran's greatest blunder. On May 21, 1991, Dhanu, an LTTE human-bomb, destroyed herself and Rajiv Gandhi, scion of India's foremost political dynasty. Prompted both by anger over Gandhi's role in the IPKF intervention and fears that he might move against the LTTE should he return to power, the killing propelled Tiger terrorism onto international radar. It also finally hardened the resolve of India's security and intelligence establishment against the machine it had helped to create.

It was a sea change. Prior to 1991, the LTTE's activities were of only passing interest to Western or Asian nations. That indifference was reinforced by Colombo's appalling human-rights record and the perception in the West of the Tamil guerrillas as underdogs. Gandhi's killing, however, resulted in a sweeping crackdown on LTTE networks in Tamil Nadu. It also pushed the Tigers into a covert war with RAW, one of Asia's largest intelligence services. India's official line then, as now, was one of non-interference in Sri Lankan affairs. But RAW's covert agenda was to check the LTTE at every possible turn. "There's a RAW campaign against us everywhere," says an angry Thilakar. "RAW is doing the Colombo government's work for it." By the early 1990s, Padmanathan had substantially diversified the LTTE's arms network. Sources that in the early days relied on West Asian and European dealers—with end-user certificates often obtained from pliable Nigerian officials extended their reach to cover Southeast Asia and Pakistan's booming Afghan arms bazaar. LTTE operatives appear to have had no problems operating in Pakistan. To the extent that Islamabad's security services were aware of their presence, any enemy of India was a friend of Pakistan.

KP himself was spending a lot of time in Bangkok, where a large South Asian community and easy-going Thai ways made for a conducive operating environment. An important LTTE cell was established on the Andaman coast in the Thai town of Trang before it was shifted north to a front company in Phuket. Deals with global arms dealers were also put together in Hong Kong, while Singapore became the favored market for the purchase of "dual-use" items such as computers, electronics, out-board motors and diving gear.

But it was in Myanmar where the Tigers found their cosiest home away from home. LTTE vessels are believed to have begun shipping timber from Myanmar to Thailand in the late 1980s, a line of business that soon brought them into contact with the Myanmar military. Some time after mid-1990, the contacts resulted in the establishment of an LTTE base at the small town of Twantay, in the Irrawaddy delta south of Yangon. At the very least, the base is understood to have consisted of a communications and transshipment facility.

Whether the Myanmar military junta as a whole was aware of the situation remains unclear. But analysts doubt that the Yangon Command's military chief, Lt.- Gen. Myo Nyunt, could have been ignorant. European intelligence sources are said to have blown the whistle on the Twantay base. Following protests from Sri Lanka, the facility was quietly closed down last year. Since then, an embarrassed junta has scrambled to assure

aggrieved Sri Lankans that the goings-on in the Irrawaddy delta had in fact never occurred.

Twantay was not the only door to close after the Tigers departed. For months, the LTTE made use of an island in the Andaman Sea to train their Sea Tiger naval wing. According to intelligence sources, Norwegian mercenaries assisted in the training of Tiger frogmen in underwater demolition techniques. The Tigers returned to Sri Lanka to teach other fighters whose skills were later displayed in the sinking of a string of Sri Lankan naval vessels.

Gaining an effective anti-aircraft capability—specifically surface-to-air missiles—was another LTTE objective. Tiger guerrillas had training in the use of SAMs courtesy of a RAW course in 1985. But India had been careful never to release missiles to their Tamil proteges. Initial efforts to acquire Stingers from the Afghan war-theater proved abortive. It was not until 1994 that KP was able to get his hands on Soviet-made SA-7s. The missiles are believed to have been sold by corrupt Cambodian generals and transported across the Thai border in late 1994. The weapons reached the Sri Lanka coast well before the Tigers resumed hostilities on the island in April 1995. The SA-7s were used to down two aging Avro transport planes on April 28 and 29.

Explosives have also been needed for the LTTE's local munitions production. Traditionally these were shipped across the Palk Strait from India. But even before the anti-LTTE crackdown in Tamil Nadu, demand for more sophisticated weapons was pushing the LTTE farther afield. The largest single consignment to arrive in Sri Lanka came even as the LTTE was ostensibly talking peace with the government in mid-1994.

In August of that year, an LTTE vessel later identified as M.V. Swanee left the Ukrainian Black Sea port of Nikolayev. It carried 50 tons of TNT and 10 tons of RDX explosives. The consignment had been arranged by a Dhaka front company, Carlton Trading, and the paperwork was up to usual LTTE standards. An end-user certificate purportedly signed by Bangladesh's secretary for defense indicated its military as the approved recipient.

The Swanee arrived off the north-eastern Sri Lanka coast in September, having called at Twantay en route. By that time the ship had a different name. Protected by Sea Tiger speed boats, its deadly cargo was off-loaded and transferred to several jungle bases. Some of the Ukrainian RDX was put to horrific use on Jan. 31 this year: a truck-bomb exploded outside the Central Bank building in Colombo killing 91 and injuring over 1,400. It was one of the most devastating terrorist attacks in history.

But improved intelligence work and stepped-up Indian and Sri Lankan naval patrols have complicated KP's work and cost the LTTE several vessels. One was the M.V. Yahata, which left Phuket in January 1993. By then, the Thai port had become a focus of Indian intelligence interest. (One submarine understood to be Indian had been sighted from the air near the harbor apparently spying on shipping activity.) On board the Yahata—along with a shipment of arms and explosives—was Krishnakumar Sathasivam. Better known as "Kittu," he was the former LTTE Jaffna commander and a close Prabha-karan

associate. In the Bay of Bengal, the M.V. Yahata became M.V. Ahat by the simple expedient of painting over the first and last letters in the ship's name. But on Jan. 13, it was intercepted by the Indian Navy and three days later, at a point 700 km southeast of Madras, the final act was played out. Kittu and other Tigers aboard permitted the crew to swim for safety, then detonated explosives on board and went down with the ship.

The biggest LTTE maritime disaster, however, occurred earlier this year. A shipment of weapons, ammunition and explosives believed to have been purchased from Cambodia and worth several million dollars left the port of Phuket in early February aboard the freighter Comex-Joux 3. At sea, in line with LTTE standard procedure, the vessel changed its name to Horizon. But a tip from Western sources in Thailand had already blown the game. On its journey across the Bay of Bengal, the freighter was tracked by the Indian Navy and Orissa-based spy planes of the Aviation Research Center, a RAW sister organization. It was intercepted by Indian naval vessels off Sri Lanka's east coast. On Feb. 14, as the Indians stood guard, Sri Lankan Puccara attack fighters and patrol boats moved in for the kill.

After the heavy Jaffna fighting of late 1995 in which around 600 Tigers were killed, the loss of the Comex-Joux could hardly have come at a worse time. "They expended a hell of a lot of ammunition in the second half of '95," notes one Western military analyst in Colombo. "The loss of that ship was significant." Replacing those munitions and maintaining the Tiger war machine in the field will hinge inevitably on funds raised from an international Tamil diaspora of 450,000 to 500,000. Following the loss of a substantial population and taxation base on the Jaffna Peninsula, the LTTE's international funding is today more important than ever. The Sri Lankan Tamil diaspora is concentrated mainly in North America, Western Europe and Australia. Some 140,000 Tamils live in Canada alone, over 85% in the Toronto area. And almost everywhere, political mobilization and the collection of financial donations is a monopoly of the LTTE.

Studies in various countries suggest that expatriate Tamils part with their money for several reasons. Many are, or have been, believers in the Tiger prescription of a separate state as the only long-term solution to their grievances. The war and atrocities committed in the past by Sinhalese security forces have only reinforced that perception.

Some, often illegal migrants or asylum seekers on the fringes of an alien society, see in the well-entrenched LTTE a form of insurance. For others, fear—either for themselves or for relatives in LTTE-controlled areas—is a powerful incentive to aid the cause. "Collection is often a form of blackmail," notes one Sri Lankan analyst. "It might be: we know your mother is on the [Jaffna] peninsula, so pay up".

Hard-knuckle extortion seems to have played a part in LTTE fundraising in Switzerland, where there are some 23,000 Sri Lankan Tamils. According to LTTE sources, Tamil donors are coaxed to part with \$40 to \$80 each month. Encouragement does not always stop at friendly chats. Following a spate of violent incidents, including several murders, Swiss police finally moved. A nationwide roundup in the early hours of April 10 netted 15 suspects including the LTTE's Swiss chief Nadarajah Muralidaran. He and others are

charged with extortion and threats of violence. "Before, there were allegations by . never any witnesses prepared to go public," one Swiss official told Asiaweek. "That now seems to be changing."

In addition to direct donations, LTTE coffers also benefit from investments in small Tamil-run businesses. In many cases these operate on a system of ownership by proxy in which the initial investment is made by the Tigers and profits are subsequently split between the party and the business's ostensible owner. This type of operation is favored in Tamil Nadu. Despite a crackdown in the state the LTTE is, as one Tamil politician puts it, "still doing very well financially."

Rough estimates of the LTTE's monthly revenues are telling. From Switzerland, best guesses are that the Tigers bank \$660,000 monthly. In Canada, officers of the Asian Crime Task Force have calculated the Tigers pull in around upto \$730,000 monthly. In Britain, sources estimate a monthly income of around \$390,000. Says Sri Lankan scholar Rohan Gunaratna: "It's fair to say the LTTE is making at least \$2 million per month. And this year over 60% of their income is probably coming from abroad."

Almost inevitably, accusations of drug-running have become a contentious piece of the LTTE's financial jigsaw. In the increasingly hard-fought propaganda war waging between Colombo and the Tigers, the government has not hesitated to claim the LITE owes its rise in large measure to the Asian heroin trade. "Collection of money from Tamil expatriate sources is insignificant compared to income from narcotics," asserts one senior Sri Lankan diplomat.

Other analysts point to the well-established nexus between international narcotics and arms trafficking. "The fastest and easiest money in this region is drug money,' notes a Bangkok-based analyst of the trade. "And the Tigers would be in a privileged position to move drugs given their transport network." The same analyst also points to close personal ties between leading Myanmar narcotics traders and senior mili- tary figures with whom the LTTE is likely to have had contact.

But hard evidence implicating the and its leadership I in narcotics has been conspicuously lacking. Undisputed is that in the late 1980s Tamil expatriates and asylum seekers emerged as important movers of Afghan and Pakistani heroin via India and West Asia to Europe. Many were arrested and jailed, notably in Italy, and many had contacts with a range of Tamil militant groups including the LTTE. Indeed, one former militant told Asiaweek his first arms-buying visit to Pakistan in 1984 had been in the company of Tamil heroin smugglers.



None of that, though, has served convincingly to indict the LTTE as an organization engaged in the narcotics trade today. Indeed, some governments see Colombo as playing up the drug issue to elicit aid and cooperation for its anti-LTTE struggle. "The government is looking for any hook to get us more engaged," says one Colombo-based diplomat. "They're after the international community to provide the silver bullet."

Nevertheless, international perspectives on the war in Sri Lanka are undoubtedly shifting. In one sense, the LTTE—an uncompromising product of a liberation ideology that grew to maturity at the height of the Cold War—is being overtaken by a transformed global environment. "There's been a significant change in perceptions particularly in countries like Canada and Australia that have big Tamil constituencies," reflects the Western diplomat. "In the past they've been supportive or at least even-handed. That's definitely changed "

The Tigers mostly have themselves to thank for that. While not all countries are comfortable with Colombo's characterization of the LTTE as a "terrorist organization," recent actions have done nothing to win hearts and minds. If Rajiv Gandhi's murder was Prabhakaran's first great blunder, the unilateral terminating of peace talks and return to war in April 19, 1995, was surely the second. "In many Western countries, the theory that the Sri Lankan government and security forces were hell-bent on genocide held good until April 19," reflects former army commander Lt.- Gen. Gerry de Silva. "But that day was a water- shed."

Then came the globally televised carnage of the Colombo Central Bank bombing, another almost-incomprehensible misstep in the battle for international sympathy. As a result, many governments are increasingly receptive to the diplomatic offensive of Colombo's high-profile Tamil foreign minister, Lakshman Kadirgamar. Following pro- LTTE demonstrations in Malaysia earlier this year, Kuala Lumpur banned similar displays and threatened to revoke the visas of foreign organizers. The Philippines has introduced a new requirement for Sri Lankans to have visas, and in India, the LTTE remains a banned

organization. In Australia, government officials pointedly turned their backs on a major seminar organized last month by a pro-LTTE . Tamil association that was addressed by Thilakar.

Perhaps as worryingly for the Tigers is the growing number of analysts who argue that support among the Tamil diaspora may be slipping. "The LTTE network is still effective but influence on and support from Tamil communities is less than it was," says Shankar Rajee, a former militant turned politician. "The younger generation who migrated from the war may still be supportive, but many older professionals are more influenced by international perspectives."

Can the Tigers' organization change its stripes and adapt itself to a changing world far removed from the dreams of the 1970s? Or will it fight on against mounting military and diplomatic odds? Recent reports have hinted that in an echo of the Irish Republican Army, the movement may be considering floating a Sinn Fein-style political wing in a bid for greater respectability .

But the LTTE's dilemma may lie in a more fundamental paradox. It may well be that its greatest asset in the past—the unbending, militant vision of Velupillai Prabhakaran—is today its greatest liability. Whether the autocrat at the center of an almost religious cult of uncompromising martyrdom can function as a man of peace in any democratic dispensation remains uncertain. To date, the record is hardly encouraging.

—Anthony Davis is an Asiaweek contributor