

# TRANSNATIONAL THREATS UPDATE

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*“Globalization has broadened the number of threats and challenges facing the United States...The nation requires more from our Intelligence Community than ever before and consequently we need to do our business better, both internally, through greater collaboration across disciplines and externally, by engaging more of the expertise available outside the Intelligence Community.”*

—The Honorable J. Michael McConnell, Director of National Intelligence, Statement for the Record to the Senate Select Committee on Intelligence, February 27, 2008

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## Terrorism

### The Intellectual Feud Over al Qaeda

An intense struggle of ideas has emerged among counterterrorism experts and academics over the fundamental nature of al Qaeda and Islamist extremism. Two diametrically opposed schools of thought have come to the forefront of the debate over what constitutes the terrorist threat, and consequently, how best to defend against it. On one side of the debate sits Georgetown historian Bruce Hoffman, with mainstream academics and the National Intelligence Estimate. According to Hoffman, al Qaeda began to resurrect itself as an organization in 2005 and once again constitutes a dangerous threat to international peace and security. The other side of the debate, led by former Center Intelligence Agency officer and New York Police Department scholar-in-residence Marc Sageman, posits that the United States now confronts a leaderless jihad. This line of thinking, prevalent in the intelligence community, holds that the terrorist threat is increasingly a bottom-up, grassroots threat. These “bunches of guys,” as Sageman calls them, meet and plan attacks locally and on the Internet.

Scholars cite many pieces of evidence to defend these conflicting opinions. A landmark study done by the 16 U.S. intelligence agencies in August of 2007 indicated that al Qaeda regrouped in the tribal areas of northwest Pakistan and regenerated its capability to mount an attack on the U.S. homeland. However, CIA director Michael Hayden declared in May that even in its alleged safe haven in Pakistan, al Qaeda has essentially been defeated.

A recent article in the *New Republic* by Peter Bergen and Paul Cruickshank corroborates this view that the threat primarily manifests in random groups of radicals. Bergen and Cruickshank argue that al Qaeda has lost substantial support among many jihadists who have come to realize that the majority of al Qaeda’s victims are in fact Muslims.

Al Qaeda’s newest critics, including prominent Sunni clerics and militants who have defected from the organization, have jihadist credentials that lend credibility to their claims. In addition, the study cites polls that reveal an enormous drop in pro-al Qaeda sentiment in places such as Saudi Arabia (10 percent) and the Northwest Frontier Province of Pakistan (64 percent).

Finally, the Syrian Abu Musab al-Suri, widely regarded as the most prolific living al Qaeda ideologue, has publicly called for jihadists to create local cells instead of hierarchical structures. This decline in support implies that al Qaeda has lost prestige and appeal but not necessarily the capacity to carry out large-scale operations.

Some warn of the dangers of treating the argument as a case of either/or, but this battle of ideas has become a critical question in Washington because of its strong implications for counterterrorism policies. While those involved in the debate decry the opposition—Hoffman and Sage-

man have resorted to ad hominem attacks on the pages of *Foreign Affairs* and other publications—pragmatists extract value from both sides. Hoffman reveals important information about al Qaeda’s organizational and command structure, while Sageman explores the psychological motivations and mindset of terrorists. Nonetheless, this divide over the nature of the threat will certainly have vital consequences on the competition for influence and resources in Washington as the new U.S. administration takes office in January. (*Combined dispatches*)

### **Al Qaeda Strikes Danish Embassy in Pakistan**

On June 2, terrorists with links to al Qaeda detonated a massive car bomb outside the Danish embassy in an upscale neighborhood of Pakistan’s capital, Islamabad. Six were killed and dozens wounded in the lunch-hour blast that could be heard around the city. Surveillance footage showed that the vehicle penetrated security carrying a Danish embassy diplomatic registration plate. The blast created a huge crater in the embassy, damaged two nearby diplomatic residences, and smashed the windows of many houses and cars. Following weeks of relative tranquility, the attack represents the second bombing aimed at foreign interests in Islamabad in the last three months. In March a bomb was detonated at an Italian restaurant popular with foreigners, killing a Turkish woman and wounding a dozen others.

Following the attack, an Internet post allegedly by a group called “al Qaeda in Afghanistan” claimed responsibility, declaring the attack a “warning to this infidel nation and whoever follows its example.” The attack appeared to be carried out as a response to the republication of drawings depicting the prophet Mohammad in Danish newspapers in February. Ayman al-Zawahiri, al Qaeda’s second in command, had recently urged supporters to strike at Danish targets because of the cartoons. In 2005, critics decried the illustrations as Islamophobic and blasphemous to Islam, leading to protests and violence across the Muslim world.

The attack suggests that Pakistan remains vulnerable to local militants even after its new government has sought truces with Islamist fighters along the Afghan border. Publicly, Defense Secretary Robert Gates issued his support for the Pakistani government, saying that the new civilian government needs time to appreciate the range of challenges facing the region. Privately, however, defense officials and the State Department seem to disagree on how aggressive to be in pressing the new government to act against al Qaeda. (*Combined dispatches*)

### **Venezuela Identified as Hezbollah Sponsor**

In the latest chapter of the antagonistic U.S.-Venezuelan relationship, Venezuela has now become a front in the financial war on terror. On June 18, the U.S. Treasury Department announced that it was freezing the assets of two Venezuelans who purportedly provided funding to Hezbollah. The Office of Foreign Assets Control also alleged that the government of Venezuela has harbored these and other individuals. Under an executive order that targets terrorists and their sponsors, the Treasury has frozen all assets under U.S. jurisdiction belonging to diplomat Ghazi Nasr al-Din and businessman Fawzi Kan’an.

In addition to designating the two individuals as terrorists, the Treasury blacklisted two Caracas-based travel agencies, Biblos and Hilal, which are owned and controlled by Kan’an. The Treasury says that al-Din and Kan’an have assisted Hezbollah both operationally and financially. Al-Din not only administered fundraising efforts but also met with senior Hezbollah officials in Lebanon and coordinated their travel to and from Venezuela and Iran. Kan’an provided significant monetary support in addition to training in Iran and facilitating travel for other Hezbollah members.

Earlier in the year, the State Department asserted that Venezuela had expanded its relations with both Iran and Cuba, both of which are designated state sponsors of terrorism. The identification of Hezbollah sympathizers in Venezuela also demonstrates the increasingly global nature of Hezbollah’s terrorist support network. A substantial Lebanese population resided in Venezuela even prior to 1999, when Hugo Chavez first took office. This incident, however, represents the first time that the U.S. government has directly and publicly linked Venezuela to funding Hezbollah. In an attempt to circumvent recent EU sanctions, Iran has also begun moving banking operations to Venezuela. The move is likely to help Tehran as it attempts to cope with an international community that is increasingly intolerant of its nuclear ambitions and support for international terrorism. (*Combined dispatches*)

## **Regional Security Threats**

### **Near Collapse of Tamil Tigers Expected Within a Year**

The decades-old conflict between Sri Lanka and the Liberation Tigers of Tamil Eelam (better known as the Tamil Tigers) seems to be finally coming to a close. For years, the Tigers strove to establish an independent homeland for the minority Tamils and to eliminate the majority Sinhalese community. The conflict has been responsible for more than 70,000 deaths. Now Sri Lanka’s army chief, Lt. Gen. Sarath Fonseka, has declared the defeat of the Tamil

Tigers as a conventional force. Following nine months of intense fighting, the army has taken control of Mannar, a 46-square-mile area on the northern coast that previously served as a rebel stronghold. Over the past two years, the Sri Lankan military has killed more than 9,000 rebel fighters, gaining considerable amounts of territory. With the army closing in on Vidattativu, a key Tiger base, Sri Lankan authorities project that the Tigers will lose extensive areas as well as control over the population within a year.

With fixed-wing planes and substantial maritime capabilities, the Tamil Tigers have posed an unusually formidable threat for a guerrilla group. According to Fonseka, however, the Sri Lankan Army has significantly damaged the Tigers' military capability. Instead of using heavy artillery and mortars, the rebels have already been forced to resort to nonconventional tactics such as hit and run. Fonseka cautioned that clashes in the island's northern areas continue, and an estimated 5,000 Tiger fighters remain. He expects the insurgency to carry on indefinitely, but in a much more limited form. A significantly reduced threat from the Tamil Tigers would allow the administration of President Mahinda Rajapaksa to concentrate on economic woes and other concerns that have taken a backseat to fighting the insurgency. *(Combined dispatches)*

## Arms Trafficking

### Suspected Syrian Arms Dealer Extradited to the United States

On June 13, international arms dealer and accused terrorist Monzer al-Kassar was extradited from Spain to New York, where he will face federal terrorism charges as well as charges of conspiracy and money laundering. Captured in June of 2007 as part of a U.S. sting operation, al-Kassar is charged with selling millions of dollars worth of weapons to the Revolutionary Armed Forces of Colombia (FARC) guerrilla group, a foreign terrorist organization as designated by the United States. The weapons, including thousands of machine guns, ammunition, rocket-propelled grenade launchers, and surface-to-air missile systems, were intended to be used against Americans in Colombia. The arrest took place when agents of the U.S. Drug Enforcement Agency posed as representatives of FARC. As part of an agreement with Spain, the United States pledged not to seek either the death penalty or life imprisonment without parole for al-Kassar.

In addition to his dealings with FARC, al-Kassar boasts an impressive record of terrorist links. He is considered responsible for supplying weapons to many of the United States' worst enemies since the 1970s, with alleged clients in Nicaragua, Bosnia, Croatia, Iraq, and Somalia. In addi-

tion, he has ties to both Iran and Syria. Al-Kassar's father served in the administration of long-time Syrian president Hafez Assad, so his relationship with Damascus is thought to be particularly strong. Al-Kassar himself is accused of facilitating Syria's role in the international narcotic business, especially in the export and distribution of opium from the Lebanese Bekaa Valley. His most infamous offense came in 1985 when he allegedly helped facilitate the *Achille Lauro* hijacking by providing arms to the Abu Abbas terror cell that took over the ship. Washington intensified its pursuit of al-Kassar in recent years and pressured for his extradition because of al-Kassar's rumored role in supplying arms to Iraqi insurgents.

Another arms dealer suspected of providing arms to FARC remains outside of U.S. control. Victor Bout, known as the "merchant of death" for his role in the international arms trade, was also arrested in a recent sting operation but awaits a hearing in Thailand on whether he will be extradited to the United States to face terrorism charges. He has already been indicted in the United States on four terrorism offenses related to dealings with FARC, which could result in a life sentence. The Russian embassy in Thailand is apparently battling to have Bout returned to Russia. *(Combined dispatches)*

## Drug Trafficking

### Drug Trafficker–Terrorist Collaboration

In unstable regions around the globe, the distinction between drug-trafficking organizations and terrorist groups has become increasingly obscure. A new report from the UN Office of Drugs and Crime shows that the global war on drugs may be fundamentally interrelated with the fight against terrorists and insurgent groups. The presence of illicit production of narcotics in areas that are entirely or partially under the control of rogue groups suggests that intelligence and law enforcement communities may have to devise a new, integrated approach in order to combat these two now seemingly interconnected threats.

The UN report identifies a few different areas as particularly troubled. Afghanistan and Colombia, where the global narcotics trade expanded more in the past year than anywhere else in the world, are both largely controlled by terrorist groups, the Taliban and FARC respectively. Antonio Maria Costa, director of the UN Office of Drugs and Crime, stated that terrorists provide protection for drug traffickers, which helps drive the illegal narcotics business. UN experts say that 80 percent of Afghanistan's record opium poppy harvest in 2007 was grown in five southern provinces under on-and-off Taliban control. The report also attributed Colombia's 27 percent increase in coca production in large part to areas under FARC's control. In

addition, it said that a majority of Burma's 29 percent increase in opium cultivation occurred in areas where rebels seeking autonomy have clashed with the ruling junta's military.

Besides the obvious consequences of drug profits helping to finance terrorism, the increasing nexus of illegal drug trade and insurgencies poses other serious hazards. First, this relationship perpetuates the cycle of criminal activity in states where the United States has a vital interest in stability. Second, in fragile states with widespread poverty, the United States and allies find it increasingly difficult to compete with insurgent groups that are flush with funds when trying to engender support among locals.

*(Combined dispatches)*

### **Sydney Police Chief in International Drug Ring**

On June 3, Australian authorities charged Mark Standen, a senior Australian police investigator, in connection with an alleged international plot to import half a ton of drug-making chemicals. Standen, an assistant director of the New South Wales Crime Commission, was one of more than a dozen individuals arrested in connection with the crime. Following a two-year investigation that involved cooperation with authorities in the Netherlands, Thailand, and Pakistan, Standen was brought to court on charges of a conspiracy to import controlled substances and supply prohibited drugs. Standen and his operatives allegedly plotted to bring to Australia 1,300 lb (600 kg) of Pseudoephedrine, enough of the chemical to produce \$114 million of the methamphetamine known as "ice."

Ironically, as a senior officer, Standen belonged to an elite crime-fighting agency in the commission that pursued drug traffickers throughout New South Wales. Prior to the arrest, he had fostered a reputation as one of Australia's elite criminal investigators over the course of his 30-year career. Standen allegedly employed this knowledge of the law enforcement system in his attempt to evade authorities. It is unclear whether or not Standen's arrest will significantly deter the nationwide methamphetamine pandemic. *(Combined dispatches)*

## **Cyber Threats**

### **Congressmen Warn of Chinese Internet Espionage**

Two congressmen called for increased security for government computer networks after claiming that hackers from China gained access to personal files that contained sensitive government information. Representatives Frank Wolf (R-VA) and Chris Smith (R-NJ), both known as vocal supporters of human rights advocates in China, allege that information on their office computers was compro-

mised in late 2006 and early 2007 by sources within the People's Republic of China.

Technicians determined that the computers were attacked by viruses that attempted to take control of the computers. Wolf suspected that the Chinese government targeted him because of his extensive history speaking out against its human rights abuses. In response to the incidents, both Wolf and Smith have tried to push the passage of a resolution that would urge additional protection of government computers.

Both representatives have also been active in raising awareness about the threat of hacking from China and elsewhere. Citing a Congressional Research Service report that counted nearly 13,000 cyber security incidents involving U.S. government agencies, Wolf implored Department of Homeland Security (DHS) and Federal Bureau of Investigation (FBI) officials to brief all members of Congress in a closed session on the nature of the threat.

On the House floor, Wolf warned representatives that information contained on their electronic devices may not be safe in countries that strictly monitor Internet use. He cautioned that other lawmakers, civilians, and military personnel should exercise vigilance in protecting laptops and other personal electronic devices when abroad, especially in China. Chinese Officials in Beijing and Washington, however, dismissed the allegations, urging the United States not to be paranoid and to do more that mutually benefits bilateral ties.

Along with several other recent incidents, these developments lend credibility to reports that China has been increasing its cyber-war capabilities since the 1990s. U.S. authorities are currently investigating the claim that data from Commerce Secretary Carlos M. Gutierrez's laptop was stolen while it was left briefly unattended during a December visit to China. In addition, Senator Sam Brownback alleged in May that the Chinese government has asked hotel chains to censor Internet traffic during the 2008 Olympic Games.

However, some computer experts doubt the credibility of the congressmen's assertions. While House staff and FBI investigators concluded that the IP addresses were registered in China and that files related to China had been compromised; this evidence does not implicate the Chinese government or even a Chinese person. The *Christian Science Monitor* reported that tech-savvy Chinese nationalists, not formal agents of the Chinese government, are leading China's cyber campaign. Furthermore, computer hackers often launch attacks from Chinese IP addresses because the country is notorious for so-called bulletproof hosting services, which allow customers substantial free-

dom of activity and are largely immune to international law enforcement. To this effect, sophisticated hackers in other countries could easily make their attacks appear to originate from China regardless of their actual location. China has been blamed for intrusions on federal computer systems before, including those at the Pentagon and State Department, but these allegations similarly lack conclusive evidence. Nonetheless, this latest accusation raises growing global concerns about the dangers and reality of cyber warfare. (*Combined dispatches*)

## Maritime Security

### Piracy off Somalia Provokes International Concern

According to the International Maritime Bureau, incidents off the coast of Somalia have tripled in recent years. With piracy becoming more frequent, the international community has begun to act. The area has seen a surge in attacks and hijackings of ships, mostly merchant vessels, many of which are operated by the World Food Program. Nestled in between the Red Sea and the Indian Ocean, the Gulf of Aden represents a key global trade route used by thousands of ships annually. Besides substantially impairing international trade, the piracy jeopardizes the lives of Somalis who rely on aid that flows through the waters.

In response to increasingly deteriorating safety conditions, the UN Security Council unanimously adopted a resolution that grants foreign warships permission to enter Somalia's waters to fight piracy. Originally sponsored by France, the United States, the United Kingdom, and Panama, Resolution 1816 provides a six-month mandate for foreign countries operating in conjunction with Somalia's transitional federal government (TFG) to enter Somalia's territorial waters. The involvement of other state actors is necessary given the inability of the relatively weak TFG to effectively control its own waters.

The resolution, however, has failed to completely secure the waters around the eastern African nation. On June 22, 20 days after the resolution passed, pirates abducted four European tourists from a yacht off Puntland, a semiautonomous region in the northern part of the country. According to a Somali government minister, the captors demanded a \$1 million ransom in exchange for the release. Stipulations for high ransom payments represent a recurring problem in the battle to curb piracy. In many coastal towns where government security forces earn extremely low wages, pirates co-opt those seeking a quick way out of poverty. Furthermore, the millions of dollars in release payments perpetuate the cycle of piracy by providing funding and motivation for future hijackings. As a result, more and more Somalis look to piracy in the face of poverty and the food crisis. (*Combined dispatches*)

### Pirates Continue Siege on Oilfields in Niger Delta

The oil-rich Niger Delta also continues to experience an unprecedented rise in disruptive pirate attacks. According to the Nigerian Trawler Owners Association, pirate attacks in Nigeria increased from 4 in 2003 to 100 in 2007; and 50 attacks took place in the first month of 2008 alone. Following several other minor incidents, early on the morning of June 19 two-dozen gunmen descended from speed boats and attacked the Bonga oilfield, a Royal Dutch Shell facility. The attack forced Shell to shut down production at the company's largest offshore facility in Nigeria. As one of the world's largest production storage facilities, Bonga produces 200,000 barrels of oil daily, about 10 percent of Nigeria's total crude oil production.

According to Organization of the Oil Exporting Countries (OPEC) figures, Nigeria serves as the eighth-largest world exporter of oil, and the 70 percent of this production that comes from the Niger Delta confronts considerable danger from pirates. With its oil output reduced by 25 percent since January 2006, however, Nigeria now trails Angola as Africa's biggest supplier. Besides crippling the already unstable Nigerian economy, the dangerous situation in the Niger Delta has had wider implications as well. It has increased costs for international companies doing business in Nigeria and threatens the fishing industry. The decrease in production has also contributed to record-high global oil prices. (*Combined dispatches*)

## Nuclear Proliferation

### Digital Blueprints Sold to Iran and North Korea?

New revelations about the whereabouts of Abdul Qadeer Khan's nuclear designs have refueled fears that the infamous Pakistani scientist provided states hostile to the United States with critical blueprints. However, U.S. authorities and the International Atomic Energy Agency (IAEA) in Vienna are now allegedly in possession of digital designs for a nuclear weapon that were found on computers belonging to associates of Khan. Authorities in Switzerland seized the items from Swiss nationals Freidrich, Marco, and Urs Tinner in 2004.

The new digital designs found in 30,000 heavily encrypted computer files indicate that Khan may have provided these states with blueprints for a compact, sophisticated nuclear warhead. The computers contained detailed construction plans for nuclear weapons, gas ultra-centrifuges to enrich weapons-grade uranium, and guided missile delivery systems.

The A.Q. Khan network supplied Libya with designs for a Chinese nuclear weapon in the mid 1960s, but the new

blueprints are purportedly for a bomb of twice the power that is only half the size. These developments have been viewed as particularly disturbing because both Iran and North Korea, two of Khan's major customers, have aspired to build a nuclear warhead that is small enough to fit atop their ballistic missiles. The new blueprints may allow these states to fulfill their ambitions.

Khan's network came under intense scrutiny in 2003, when it was exposed as supplying clandestine nuclear information to Iran, North Korea, and Libya. With Khan under house arrest in Pakistan for years, U.S. officials had previously assumed that his nuclear technology ring was extinct. While it remains unknown whether these specific designs were sent to any specific nation, the digital form would certainly facilitate such a transfer.

Khan is known as the "father" of Pakistan's atomic weapons project, but the discovery of the sophisticated designs indicates that the world faces a more serious proliferation problem than previously conjectured. As long as Pakistan refuses the U.S. and IAEA investigators access to Khan, however, the full scope of Khan's nuclear operations will remain unknown. (*Combined dispatches*)

## Human Trafficking

### State Department Finds Thriving Worldwide Slave Trade

The State Department's 2008 *Trafficking in Persons Report* finds that servile conditions amounting to slavery remain widespread. In virtually every country around the world, men, women, and children suffer from domestic servitude, abusive labor conditions, sexual exploitation, and other conditions that essentially constitute modern day slavery. The report seeks to raise awareness about these heinous conditions with the aim of stimulating action to eradicate them. Assessing conditions in 170 countries, the report finds worldwide human trafficking in decline but still rampant. The report ranks countries in three tiers based on nations' compliance with the United States' Trafficking Victims Protection Act of 2000.

In sum, the U.S. intelligence community estimates the number of people trafficked across international borders each year at 800,000. It is difficult to assign an exact value to the global trafficking trade business, but estimates are as high as \$32 billion. These figures exclude the millions more who are victims of labor and sexual exploitation within national boundaries. In the United Kingdom, authorities estimate the total number of young women and girls smuggled into Britain for prostitution at 18,000.

This year's report also identifies a number of important trends. First, in addition to half of those trafficked being

minors, the report finds that 80 percent of victims of international trafficking are women forced into some kind of prostitution. Particularly in Europe and Central and South Asia, women are forced to recruit their replacements as a precondition for their release. Second, technology appears to have become a major force for both sustaining and combating the trafficking problem: chat rooms, social-networking sites, and instant-messaging services all play important roles in targeting potential victims as well as tracking down perpetrators. Finally, the report identifies the condition of a few groups as most disconcerting: North Koreans in China, Burmese in Thailand, and stateless people.

Since 2003, more than 100 countries have attempted to curb human trafficking through the passage of new laws or amendments to existing laws. The United States has committed \$528 million in international assistance since 2001 in order to help eradicate this modern day version of slavery, but more may be required. (*Combined dispatches*)

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