

*“Defending our Nation against its enemies is the first and fundamental commitment of the Federal Government. Today, that task has changed dramatically. Enemies in the past needed great armies and great industrial capabilities to endanger America. Now, shadowy networks of individuals can bring great chaos and suffering to our shores for less than it costs to purchase a single tank. Terrorists are organized to penetrate open societies and to turn the power of modern technologies against us.”*

President George W. Bush, 2002 National Security Strategy

## CONTENTS

Terrorism.....	1
Piracy.....	3
Bin Laden/Al Qaeda.....	3
Homeland Security.....	4
Organized Crime.....	5
Cyber Terrorism.....	5
Nuclear.....	6
CSIS Speaker: Michele Alliot-Marie, French Ministry of Defense.....	6

## Terrorism

### The Threat of Surface-to-air Missiles

Shoulder-fired surface-to-air missiles (SAMs), sometimes referred to as MANPADS (man-portable air-defense systems), are not new, but they have emerged recently as one of the major worries around the globe. There have been some significant incidents involving shoulder-fired SAMs in the past two years, including downing of aircraft in Iraq as well as Chechnya, and an unsuccessful attempt by Al Qaeda terrorists to shoot down an Israeli airliner in Mombassa, Kenya, in November 2002. Recently, Iraqi insurgents winged a huge C-5 U.S. troop transport and a DHL cargo plane, forcing both aircraft to limp back to Baghdad International Airport.

In the wake of the 9/11 attacks, many experts feel that terrorists will continue to attempt to target civilian airliners but, due to increased airport security, through means other than hijacking. Portable SAMs offer an obvious alternative. Already the FBI believes that there were 29 shoulder-fired SAM attacks on civil aircraft from the 1970s through 2002. A critical decision was taken in 1985 by the Reagan administration to authorize

the release to the mujahideen battling Soviet forces in Afghanistan of 1,000 “Stinger” missiles. Stingers would eventually be credited with downing more than 250 Soviet planes. Although the Stinger is no doubt the most advanced of these weapons, the most common shoulder-fired SAM in the world today is the Soviet SA-7 and its several variants.

On August 27, 2003, the Pentagon awarded a \$27-million contract to equip four air force C-130, transport aircraft with sophisticated antimissile systems at a cost of over \$5 million per aircraft. The system, based on a high-energy laser interfering with an incoming missile’s infrared guidance system, is completely automated and requires no crew input. Seventeen countries including the United States produce MANPADs, and inventory estimates range from 350 to 500,000 scattered among at least 56 countries. Given the easy availability and number of MANPADs around the world, a future terrorist attack against commercial airliners may succeed sooner or later, potentially bringing the world economy to a standstill.

Department of Homeland Security (DHS) officials announced on January 6, 2004, the next stage in the development of technology to protect commercial aircraft against shoulder-launched missiles but said it will take \$122 million and at least two years to implement. British Aerospace Systems (BAe), Northrop Grumman, and United Airlines will work to adapt existing military technology for commercial planes to determine whether the concept is viable and can protect against the threats of MANPADS. All three companies will soon be signing a six-month, \$2-million contract with DHS. The department will then make a final recommendation to Congress and the White House. Different technologies will be considered, including flares and infrared jamming systems. Antimissile technology would include hardware,

maintenance, training, and ground-support costs. Antimissile technology is already used on board some VIP aircraft carrying heads of state and senior dignitaries. The equipment costs about \$1 million for each aircraft. Estimates of the cost of retrofitting all 6,800 U.S. commercial jets with antimissile defenses hover around \$10–15 billion, a substantial sum for an industry just beginning to recover from the 9/11 attacks. (*Combined Dispatches*)

### **Interpol Widens Alert Network after EU Bombs**

Four letter bombs aimed at prominent EU figures in late December 2003, appeared to come from an anarchist group located in the northern Italian city of Bologna. EU Commission chief Romano Prodi, European Central Bank head Jean-Claude Trichet, and members of the European Parliament have been among the intended targets, though no one has been hurt. A previously unknown group calling itself the “Informal Anarchic Federation” claimed responsibility for those devices. The claim was contained in a letter to the newspaper *La Repubblica* denouncing the “apparatus of control that is repressive and leading the democratic show that is the new European order.” Greece also expects an attack by anarchists during the 2004 Olympic Games in Athens.

Interpol, in response to the spate of bombs, has tightened its security precautions across Europe, and invited international organizations to hook up to its encrypted Internet-based network—known as I-24/7—to alert each other to security threats. Security officials at participating organizations would only have limited access to the network and would not be able to view police databases containing confidential data and intelligence. Interpol is rolling out I-24/7 to police in its 181 member countries as the centerpiece of a modernization drive that took on added urgency after the 9/11 attacks. (*Combined Dispatches*)

### **France Foil Al Qaeda–linked Terror Plot**

Eight people arrested in France in early January are accused of providing assistance to a group plotting a chemical attack. They were allegedly providing false passports to Chechen militants. Most of the eight suspects taken into custody were relatives of Menad Benchellali, the son of a radical imam in the Lyon suburb of Venissieux. Benchellali has been jailed since December 2002, when he was arrested during a police investigation of French Islamists’ efforts to send young Muslim volunteers to Chechnya. Benchellali is a chemical expert who had been trained in making

poisons in Al Qaeda’s camps in Afghanistan and was actively trying to produce a botulism toxin and ricin.

This group was originally thought to be planning bomb attacks on Russian interests and supplying false identification, money, and lodging to Chechens. It now seems that the cell was trying to manufacture chemical and biological weapons for attacks around Europe. One of Benchellali’s sons, Mourad, is one of six French detainees being held at the U.S. Navy base at Guantanamo Bay in Cuba, on suspicion of ties to Al Qaeda. Investigators are now looking for possible links between the Benchellali family and the discovery of ricin in a northeast London apartment in January 2003. These arrests appear to confirm fears expressed by the French intelligence service, DST (Direction de la Surveillance du Territoire), in a secret November 2002 note, which referred to an “attempt by Al Qaeda–linked radical Islamists to manufacture or acquire chemical and biological weapons to be used in attacks.” The arrests also reinforce evidence that several active Al Qaeda cells are operating in Europe. Also, DST has over the past 18 months monitored “a surge in strength” by terror cells that have no organizational links with Al Qaeda but which “exist all over Europe.” (*Combined Dispatches*)

### **Nigeria: Taliban-style Revolt of Islamic Radicals**

Nigerian troops and border guards from neighboring Niger have killed or captured over 50 Islamic radicals who launched a Taliban-style revolt, advocating for an Islamic state in Nigeria. The Muhajirun group, which openly claims inspiration from Afghanistan’s Taliban, was thought to count around 200 members, mainly middle-class graduates from the University of Maiduguri. The group has launched a series of attacks starting late December 2003 on police stations in the northern state of Yobe, stealing large quantities of weapons and killing at least two officers. Hundreds of Nigerian soldiers were then sent to a military camp run by the Taliban group to crush the insurgency. Many of the radicals melted away into the population or fled to next-door Borno state, but their leader, nicknamed “Mullah Omar,” has been arrested. Twelve states in the Muslim-dominated north of the country, including Yobe and Borno, have introduced Islamic shari’a law since the end of military rule in 1999. More than 10,000 people have died in religious and ethnic clashes since then, but the Taliban group seems to have minimal support even among Muslims. (*Combined Dispatches*)

## Manila: MILF Split over JI and Peace Talks

Intelligence agents are validating reports that some members of the Jemaah Islamiyah (JI) terror group are now operating in Manila. National Intelligence Coordinating Agency (NICA) chief Victor Mayo, however, said that despite the latest report, intelligence authorities are confident that the bulk of JI operatives, who trained in Mindanao, have already left the country. Reports said that graduates finished their training last January 15 in Moro Islamic Liberation Front (MILF) camps in the Lanao provinces and in Maguindanao in central Mindanao. Authorities believe that with the arrest of the JI financier in the country, Taufek Refke, and the killing of bomb expert Fathur Rohman Al Ghozi both in October 2003, JI's "training staff" has already been dismantled. The intelligence community has also received reports that the MILF, accused of harboring JI elements, has begun distancing itself from the Indonesian militants in light of upcoming peace talks with the secessionist group. The military is scouring Mindanao for at least 30 JI members who are reportedly conducting explosives training with MILF "lost commands," which have broken ties with the rebel group that is preparing for talks with Manila. (*Combined Dispatches*)

## Thai, Malaysian Forces Start Border Control

Thai and Malaysian military forces began joint land and air patrols along their jungle border for the first time since the 1970s. The patrols, part of new security pacts aimed at preventing terrorism, were scheduled to start in March. Thailand, asked for an earlier date after Islamic militants attacked an army base in the country's Muslim-majority south on January 4, leaving four soldiers dead. More than 100 assault rifles were stolen. Simultaneously, 21 government-run schools were set on fire, and follow-on bombings killed two police officers. Malaysian authorities made several arrests but fear that most of those responsible are still at large and may try to flee to Malaysia. The attackers were young people studying at some of the hundreds of Muslim religious schools in the south who attend military training with local militants, possibly aided by outside terror groups linked to the Al Qaeda network. Analysts said Jemaah Islamiyah-linked groups such as the Kumpulan Mujahideen Malaysia (KMM) and the Thai separatist group Mujahideen Pattani (MP), were likely instigators of the recent attacks on schools, police stations, and the armory. (*Combined Dispatches*)

## Piracy

### High Sea Piracy and Kidnapping on the Rise

The International Maritime Bureau (IMB) said the number of reported ship attacks jumped to 445 in 2003, 20 percent higher than the previous year and the second highest level since it began compiling statistics in 1991. Attacks are also becoming markedly more violent. More than 21 sailors were killed by pirates in 2003—twice as many as in the previous year—with 88 injured and another 71 crew or passengers listed as missing. The number of hostages taken also nearly doubled to 359 in 2003. The IMB said the number of ships hijacked for the theft of the vessel and its cargo fell dramatically, but that more vulnerable boats such as tugs and barges were being targeted and crews were being abducted for ransom. Modern-day pirates often use submachine guns and rocket-propelled grenades. Oil tankers have also become a common target. Not only could oil supplies be disrupted, but security experts also fear a tanker could be used as a floating bomb to attack a city.

South and East Asia recorded twice as many as the rest of the world combined. Indonesian waters continue to be the most dangerous. The Malacca Straits, one of the world's most strategic shipping lanes, saw a rise to 28 attacks in 2003. A total of 121 attacks were reported in Indonesian waters alone. Bangladesh came in second with 58 attacks and Nigeria third with 39. Some Western intelligence agencies have linked Al Qaeda, or militant groups associated with it, to Indonesian piracy. Experts say Al Qaeda showed its seaborne capability by bombing the *Limburg* oil tanker off Yemen in 2002 and *USS Cole* in Aden in 2000. Also, since December 2003, the U.S. Navy has intercepted four Al Qaeda dhows carrying drugs in or near the Persian Gulf. IMB reports insist on the need for more water policing, drawing on good results by the Malaysian marine police. (*Combined Dispatches*)

## Bin Laden/Al Qaeda

### Al Qaeda New Tactics, Targets Ocean Liners

Al Qaeda has turned its terror sights to the sea, targeting luxury cruise liners in an expansion of its "jihad" against the West. Owners of the recently launched \$1.3-billion *Queen Mary II* confirmed that threats of terror hang over its maiden voyage. Al Qaeda is also adopting new tactics to destroy commercial aircraft. In late December 2003, Saudi authorities arrested two Islamic suicide pilots as they were preparing to crash two light aircraft crammed

with explosives into a packed British Airways passenger jet on the tarmac of the Riyadh airport. U.S. intelligence officials also found evidence that Al Qaeda was planning to attack the British aircraft carrier *Ark Royal* as it passed through the Strait of Gibraltar en route to the Gulf earlier in 2003. The capture of Al Qaeda's chief of naval operations, Ahmad Belai Al Neshari, has helped reveal the extent of the organization's maritime ambitions. Al Neshari was found carrying a 180-page dossier that listed "targets of opportunity." These included large cruise liners sailing from Western ports. Some experts still question Al Qaeda's armada and its capacity to launch sea attacks. *(Combined Dispatches)*

### **Al Qaeda Propaganda Targets Saudi Arabia**

Al Qaeda had issued a new call to arms for recruits who remain undetected by security agencies. In a terrorist manual published on the Internet, entitled *Voice of Jihad*, Osama bin Laden says: "After Iraq and Afghanistan will come the Crusader invasion of Saudi Arabia. All fighters all over the world must be ready." Saif Al Adel, 39, a former special forces colonel in the Egyptian army, and the organization's third most senior man after bin Laden and Ayman Al Zawahiri, have masterminded the manual. It is directed at new volunteers who are "below the radar" of counterterrorist authorities. The appearance of the manual—the January issue of what promises to be a monthly publication—is a major boost to Al Qaeda's propaganda effort. The publication also said Al Qaeda seeks to launch a major attack on the United States that would result in its retaliation against Saudi Arabia.

Another author of the *Voice of Jihad* is Abdul Aziz Al Muqrin, 35, also known as Abu Hajjer, who has just been identified as having been the leader of the Al Qaeda network in Saudi Arabia since 2002. Before his arrival in Saudi Arabia, he was involved in training and recruitment in a range of countries including Algeria, Bosnia, and Somalia. Al Muqrin was also believed to have helped establish front groups, such as the Brigade of the Two Mosques, to undermine the Saudi royal family. Saudi authorities recently acknowledged having discovered a number of camps outside Saudi cities used for training militants to carry out terror operations. *(Combined Dispatches)*

### **Two Senior Al Qaeda Members Captured in Iraq**

The recent capture of two senior Al Qaeda operatives in Iraq could help U.S. officials understand the extent of

Al Qaeda's network, particularly in postwar Iraq. One Al Qaeda operative, Hasan Guhl, was captured near the Iranian border by allied Kurdish forces, whereas the other was nabbed by U.S. Special Operations troops. Hasan Guhl was said to be on a visit to Iraq. He was identified as a senior Al Qaeda operative based in Pakistan and a colleague of former operations chief Khaled Sheik Mohammed. Guhl was said to have conducted a mission to help organize new cells in Iraq. U.S. troops also captured Hussan Al Yemeni in the Sunni-populated city of Faluja on January 15. Al Yemeni was identified as the No. 2 member of the Al Qaeda satellite group Ansar Al Islam, after the group's leader Abu Musib Al Zarqawi. Shortly after the captures, U.S. officials said U.S. forces are planning a "spring offensive" against Taliban and Al Qaeda holdouts, and U.S. commanders in Afghanistan have expressed new optimism about finding bin Laden. Nevertheless, Pakistani president Pervez Musharraf has already said that Pakistan would not allow foreign troops to search for members of the Al Qaeda network on the Pakistan side of the Afghan border. *(Combined Dispatches)*

## **Homeland Security**

### **FBI: Al Qaeda Still Recruiting in U.S. Prisons**

Al Qaeda continues to recruit inmates in U.S. prisons despite a government crackdown, FBI counterterrorism chief John Pistole told a congressional panel. A Pentagon official, principal deputy defense undersecretary Charles Abell, said the U.S. government has ended exclusivity granted to three Saudi-financed organizations for the training of Muslim chaplains. The Graduate School of Islamic and Social Sciences, in Leesburg, Virginia, and the American Muslim Armed Forces and Veterans Affairs Council, in Arlington, Virginia, recommended chaplains to the military. The Islamic Society of North America, based in Plainfield, Indiana, referred Muslim clerics to the Bureau of Prisons. The U.S. State Department confirmed that it ordered the expulsion of 16 Saudi diplomats who, rather than working in the Saudi embassy in Washington, D.C., had been employed as instructors at the Saudi-sponsored Institute of Islamic and Arabic Sciences.

Al Qaeda and other insurgency groups have indeed exploited the isolation of inmates: they offer them protection, positions of influence, and a network both inside and outside of prison. The Federal Bureau of Prisons (FBP) maintains a presence on the National Joint Terrorism Task Force as part of an effort to identify Al Qaeda and recruiters for other insurgency groups in the

federal prison service. Officials said the federal prison system contains 9,600 Muslims, or 5.5 percent of the inmate population. But “the percent of federal inmates who identify themselves as Muslim has remained very stable for close to a decade,” Harley Lappin, director of the FBP, said. Overall, it is estimated that over 300,000 prisoners—in federal, state, and local prisons—are Muslims (i.e., 15 percent of all prisoners in the United States and about 30,000 may be converting each year). Officials also told the Senate hearing that Al Qaeda has sought to infiltrate the U.S. military, including at Camp Delta at Guantanamo Bay in Cuba. About 660 Al Qaeda and Taliban detainees have been interrogated at that naval facility; 150 of them are Saudi citizens.

The FBP has not hired any new Muslim chaplains since August 2001 and decided that the hiring freeze would continue until completion of federal investigations. The FBI has launched an effort with the Defense Department and the FBP to assess the units that examine the backgrounds of prospective chaplains and translators. In addition, the FBI is evaluating the protocols for ongoing security assessments of such employees during sensitive assignments, such as more frequent polygraph examinations. *(Combined Dispatches)*

### **DHS: Critical Infrastructure Protection**

Business leaders and homeland security officials met on January 12, 2004, to discuss the controversial questions of whether regulation was necessary to protect the country’s vital infrastructure from terrorists and who should pay for increased security. Up to 85 percent of critical infrastructure is owned by the private sector. This two-day series of meetings organized by DHS began debating ground rules for securing national assets like the power grid and the phone system. The interdependency of those infrastructures needed “peer-to-peer” cooperation as much as a private-public partnership. Government officials warned that businesses would not get a free ride when it came to security and would have to share the financial burden. The issue of whether or not the government should lay down strict regulations to protect critical infrastructure is still being debated. Robert P. Liscouski, assistant secretary for infrastructure protection at DHS, argued against regulation that produces a “checklist mentality,” calling it useless against terrorists who “can react, change faster that we can.” *(Combined Dispatches)*

## **Organized Crime**

### **Identity Theft and Internet Fraud Cost U.S. Money**

Americans reported losses of \$437 million to identity theft and Internet fraud for the year 2003, according to federal statistics. The Federal Trade Commission (FTC) received more than a half-million consumer complaints last year, mainly over credit card fraud and fake online auction sites. Identity theft—the practice of running up bills or committing crimes in someone else’s name—topped the list with 215,000 complaints, up 33 percent from the previous year. Internet-related fraud, up 51 percent from 2002, accounted for more than half of the remaining complaints as scammers found victims through Web sites or “spam” e-mail. The average consumer loss is \$1,868 per incident, although half of the victims lost less than \$228. The actual number of victims is probably much higher as the FTC only reported on the number of formal complaints. Last year, identity theft affected one in eight U.S. adults, although consumers are taking steps to protect themselves in tandem with more vigilance on the part of credit card companies. Congress passed laws to outlaw fraudulent spam and fight identity theft last year. Business will face restrictions on sharing consumer data under the new identity-theft measure, which was signed into law on December 4, 2003, but has yet to take effect. *(Combined Dispatches)*

## **Cyber Terrorism**

### **DHS Unveils National Cyber Alert System**

The Department of Homeland Security’s National Cyber Security Division (NCSA) unveiled on January 28 the National Cyber Alert System (NCAS), an operational system delivering timely and actionable information to better secure computer systems. Americans can sign up ([www.us-cert.gov](http://www.us-cert.gov)) and receive free cyber alerts and computer advice. The NCAS will send e-mails about major virus outbreaks and other Internet attacks as they occur, along with detailed instructions to help computer users protect themselves. The new alert system puts the U.S. government in direct competition with dozens of companies and organizations that transmit similar cyber warnings. Also, leading software companies, including Microsoft, have in the past discouraged any public disclosures about new security flaws in their products until engineers can offer software patches for their customers. *(Combined Dispatches)*

## Nuclear

### The Pakistani Nuclear Network Investigated

Pakistani investigators have concluded that two senior nuclear scientists, Abdul Qadeer Khan, considered the father of Pakistan's 1998 nuclear bomb, and Mohammed Farooq used a network of middlemen operating a black market to supply nuclear weapons technology to Iran and Libya. In return for the scientists' assistance in the late 1980s and early 1990s, Iran channeled millions of dollars to foreign bank accounts allegedly controlled by the two men. The investigation that started last November is also looking into the vast real estate holdings Khan had amassed in Pakistan and Dubai. As a result of the probe, Khan has been confined to his house, and Farooq has been in detention since late November. The probe, conducted by the Pakistani military's Inter-Services Intelligence (ISI) agency, was begun after the International Atomic Energy Agency (IAEA) presented Pakistani officials with evidence that Pakistan had shared nuclear technology with Iran and Libya.

Gen. Pervez Musharraf acknowledged that some of Pakistan's nuclear scientists appeared to have sold their expertise abroad for personal gain, but he vehemently denied government's authorization of such a move. A senior official also said Khan had transferred the technology to divert attention from Pakistan's nuclear program and to aid other Islamic countries. Khan confessed to covertly sharing nuclear secrets with Iran, Libya, and North Korea from 1989 to 2000. U.S. officials said parts of the government's account matched events tracked by U.S. intelligence and that nuclear aid from Pakistan had flowed to North Korea in 2002 and to Libya last fall. Experts said it would have been impossible to move equipment or parts out of the country's tightly guarded top nuclear facility, the Khan Research Laboratories, without the army's tacit support and ISI's protection.

Several hundred supporters of an alliance of hard-line Islamist parties accused the Musharraf government of reacting to pressure from Washington and protested the investigation. Secular, pro-Western political parties and analysts also criticized the government, saying that senior army and government officials were scapegoating scientists to increase their own credibility with Western leaders. (*Combined Dispatches*)

## CSIS Speaker: Michele Alliot-Marie, French Ministry of Defense

### Addressing the Funding and Causes of Terrorism

Michele Alliot-Marie, French defense minister, spoke at CSIS on Friday, January 16. Drugs are now the principal source of funding for Osama bin Laden's Al Qaeda network, she said. Afghanistan's record opium poppy crop, from which most of Europe's heroin supply is derived, is fueling a resurgent Taliban and Al Qaeda. This drug situation, said the minister, requires a "more muscular approach to eradication and to the surveillance of banking networks." The exchange of intelligence in real time is working "extremely well," she explained, "but it must be constantly reinforced." Afghan drug production is now estimated to be contributing between \$1 billion and \$2 billion to warlords and drug lords, the Taliban, and Al Qaeda. "These vast amounts of drug money have the potential for funding the acquisition by terrorists of CBRN weapons—chemical, biological, radiological, and nuclear," she said. "The international weapons black market is also fueling terrorism and political upheavals in different parts of the world."

"But antiterrorism efforts will only succeed if we also address the causes of terrorism, namely the sense of frustration in the face of injustice and poverty." Alliot-Marie said terrorists around the world were using the situation in U.S.-occupied Iraq and the unresolved Israeli-Palestinian dispute to gain supporters. Instability in Iraq and the festering Israeli-Palestinian crisis are now being used as "a pretext by terrorists, both locally and globally," which is another reason "to move very fast on changing the environment that creates more terrorism."

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