



TRANSNATIONAL THREATS UPDATE

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“We know that the nation requires more from our Intelligence Community than ever before because America confronts a greater diversity of threats and challenges than ever before. Globalization...does facilitate the terrorist threat, heightens the danger of WMD proliferation, and contributes to regional instability and reconfigurations of power and influence.”

—The Honorable John D. Negroponte, Former Director of National Intelligence, Statement for the Record to the Senate Select Committee on Intelligence, January 11, 2007

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TERRORISM

Turkish Hijacker Went to al Qaeda Camp

Two men are charged with hijacking an Atlasjet airliner on route from Northern Cyprus to Istanbul. Mommen Abdul Aziz Talkikh, an Egyptian of Palestinian origin, and his accomplice, Mehmet Resat Ozlu of Turkey, wielded a fake bomb and forced the plane to land in southern Turkey. The two hijackers later surrendered and released their hostages. The men claimed al Qaeda links when they hijacked the plane and later admitted they planned to force the plane to land in Syria or Iran. Their intention was to join al Qaeda in the “jihad region” in Afghanistan.

Talkikh, aged 33, had previously been trained at an undisclosed al Qaeda training camp. He was later arrested at a rally in Yemen and jailed for two months in the same prison in Saudi Arabia as “Ahmet,” who

organized the 9/11 attacks in the United States. Talkikh also claimed that he had previously been detained by the FBI. The two men met in Cyprus and shared an apartment for a month before the hijacking. During this time, a large but unspecified amount of money was received by the two for unknown purposes.

This was the fifth hijacking or hijacking attempt of a Turkish plane in the last five years by people falsely claiming they were carrying explosives or weapons. Police have stated that dozens of Turks have traveled to Iraq and Afghanistan to join al Qaeda. (*Combined dispatches*)

United States Considers Labeling Eritrea a “State Sponsor of Terrorism”

The United States is considering whether the Horn of Africa nation Eritrea should be listed as a “state sponsor of terrorism.” The nation would join Sudan, which was the last country to be added in 1993, Cuba, Iran, North Korea, and Syria, on the diplomatic blacklist. Even though Eritrea denies the charges, the country is accused of supporting a proxy war with Ethiopia being fought in Somalia. This follows Eritrea’s financial and military backing of Islamist insurgents in Somalia, some of whom are suspected of having links to al Qaeda.

On July 26, a UN monitoring group stated that weapons, including surface-to-air missiles, were being moved from Eritrea to Somalia. This possibly in-

cluded explosive belts that could be used by suicide bombers. These shipments continued despite UN peace efforts and the deployment of African Union peacekeepers in the country. This information was corroborated by U.S. intelligence reports.

The United States has also given the Eritrean government 90 days to close its consulate in Oakland, California, in objection to the treatment of U.S. diplomats in the region. U.S. officials have complained that Eritrea is also clamping down on internal dissent, hindering aid workers in the country, and supporting rebels in Sudan. If Eritrea was added to the state sponsor of terrorism list, the United States would automatically oppose International Monetary Fund and World Bank loans to the country. State sponsors of terrorism are also prohibited from buying arms from the United States and face economic sanctions. *(Combined dispatches)*

CYBER THREATS

First Foreign National to Be Convicted under the Arms Export Control Act

Xiaodong Sheldon Meng, a former resident of Beijing and Cupertino, California, pleaded guilty to violating U.S. export laws, including violations against the Foreign Economic Espionage Act and the Arms Export Control Act. Meng was charged with possession of a trade secret with the aim of benefiting a foreign government, namely the People's Republic of China. The conviction is the first in the nation for illegal exports of military-related source code.

The primary charge brought against Meng was for installing a software version of a product called Mantis on the Chinese Navy Web site. He also attempted to sell the technology to the Royal Thai Air Force and the Royal Malaysian Air Force. Mantis is owned by San Jose-based Quantum3D, for whom Meng formerly worked, and simulates realistic motion for fighter pilots in night-vision scenarios. Under the terms of his plea agreement, Meng is subject to a maximum fine of \$1.5 million and two years in prison. Thirty-four other counts against him were dropped.

When Meng was first charged, Department of Homeland Security agent Charles DeMore announced that

one of the government's "top priorities is preventing terrorist groups and hostile nations from illegally obtaining U.S. military products and sensitive technology." In the past eight years, the FBI and CIA have detected hundreds of attempts to steal U.S. military technology. More than 400 formal investigations have been conducted and hundreds of arrests made. The U.S. government has also increased by 12 percent the number of personnel counteracting Chinese communist espionage. *(Combined dispatches)*

China Hacks Germany's Chancellery

A large number of computers belonging to the German Chancellery, as well as the Foreign, Economic, and Research Ministries have been infected with Chinese spy software, according to *Der Spiegel* magazine. The hacking was discovered by Germany's domestic intelligence agency, the Office for the Protection of the Constitution. This comes at a time when approximately 60 percent of alleged cases of domestic espionage are connected to China.

Investigators found Trojans, which install software that allows unauthorized remote access to a victim's system, hidden in Microsoft Word documents and PowerPoint files. Information was taken daily from the infected computers by hackers located in the northwestern province of Lanzhou, Canton province, and Beijing. Security officials do not know how much information was stolen, but they were able to prevent 160 gigabytes of information from being siphoned. Due to the scale and nature of the operation, German security officials believe that the hackers were following the orders of the People's Liberation Army. The claim has been dismissed by China's premier, Wen Jiabao. In a statement issued by the Chinese Foreign Ministry, a spokesperson said that China was opposed to—and had always forbidden—any form of hacking into computer systems.

There is now a fear in Germany that Chinese hackers may have also infiltrated computers in the private sector to steal corporate information. Security officials have promised to help these businesses hunt for spy programs and recommend that any sensitive electronic information sent by foreigners from China be encoded. *(Combined dispatches)*

ORGANIZED CRIME

Mafia's First "Hits" on Foreign Soil

The "Ndrangheta," or Calabrian Mafia, is accused of murdering six Italians in Duisburg, Germany. All of the victims, aged 16 to 38, died from gunshot wounds to the head. This is the first time Italian mafia-sanctioned murders have occurred outside of Italy. The killings are apparently the result of a long-running feud between two of Ndrangheta's clans over the so-called Vendetta of San Luca. Accounts differ over the cause of this blood feud. Some believe it began with egg throwing at a carnival, while others state it was caused by an argument over fireworks at a party. This vendetta has resulted in the deaths of at least 11 people in the past eight months.

The head of Italy's anti-Mafia task force believes the Calabrian Mafia is now the most powerful crime syndicate in Europe. The group is thought to control most of Colombia's cocaine exports to Europe, which pass through the port town of Gioia di Tauro in southern Italy. The family's operations, which also include loan sharking, extortion, and arms smuggling, are worth approximately \$50 billion. Most of their illicit funds are laundered through businesses across Europe, such as supermarkets, hotels, and pizzerias. The group is involved in the Frankfurt Stock Exchange, has its own bank in St. Petersburg, Russia, and is a shareholder of the Russian energy group Gazprom.

The Ndrangheta comprises 73 clans and is considered the only true global Italian crime syndicate. The group's membership is estimated at 10,000, compared to 3,000–4,000 of the more famous Cosa Nostra family. The Calabrian Mafia has a "sizable presence" in Germany, France, Belgium, the Netherlands, the Balkans, Eastern Europe, and South America. (*Combined dispatches*)

TRAFFICKING

Japan Seizes Largest Drug Haul Ever

Customs officers in Osaka, Japan, seized 640 kilograms of drugs, an amount that is greater than all the drugs seized in the entire country last year. The confiscation included 155 kilograms of stimulant drugs

with a street value of approximately ¥9.3 billion and 28 kilograms of cannabis with a street market value of ¥1.12 billion, as well as 680,000 tablets of ecstasy. The discovery was made after officials x-rayed a lumber shipment that originated in Vancouver, Canada, and found the drugs hidden in lumber cavities.

Four Chinese nationals—one woman and three men aged 30 to 51—were arrested by customs officials and the Osaka prefectural police as they came to pick up the lumber. The suspects deny the allegations of drug smuggling, claiming that they were asked by people in mainland China to take care of the shipment and did not know it contained drugs. Law enforcement officials at the moment are uncertain as to whether the smuggling operation was being run by a Hong Kong or Chinese smuggling group, or whether the shipment passed through a third country.

Canada's west coast is a favored shipment point for mainland China and Hong Kong gangs, as its seaways are not as well patrolled by law enforcement as those between Japan and the rest of Asia. The incidents of drug smuggling from Canada have sharply increased since last year, when a major drug smuggling ring was disbanded. This group had been trafficking drugs from North Korea to Japan. However, with the group's members under arrest, and the cost of some illegal drugs more than doubling, other foreign syndicates filled the void. (*Combined dispatches*)

Brazil Captures Colombian Cartel Leader

Juan Carlos Ramirez Abadia, known as Chupeta or Lollypop, has been arrested by Brazilian police. Both the United States and Colombia have made extradition requests for him on money laundering and drug trafficking charges. Ramirez Abadia went through at least two plastic surgeries to hide his identity. However, he was identified by Brazilian and U.S. antidrug agents using advanced voice recognition technology.

As a leader of the Norte del Valle cartel, which emerged as Colombia's most powerful cartel in the mid-1990s, Ramirez Abadia was one of the most powerful drug traffickers in the region. He has allegedly ordered hundreds of murders in Colombia and the United States and has been involved in the drug trade since 1986. He is estimated to have shipped approximately 500 tonnes of cocaine from Colombia to

the United States between 1990 and 2004. Ramirez Abadia allegedly used a pharmaceutical company as a front to launder the money made from the drug shipments. Money was also invested in real estate, industry, and cars.

His wife, another Colombian citizen, and 10 Brazilians were also arrested along with \$920,000 in various currencies. According to officials of the U.S. Drug Enforcement Agency, the arrest has forced other Colombian traffickers to move to countries such as Mexico, Ecuador, and Argentina. (*Combined dispatches*)

Italy Uncovers Arms-to-Iraq Plot

Italian anti-mafia investigators have uncovered an attempted shipment of 105,000 rifles costing approximately \$40 million destined for Iraq. Four Italians were arrested before the weapons could be delivered. A fifth man, who is allegedly involved in the diamond trade, is being sought in the Democratic Republic of Congo. The men are awaiting court indictments for creating a criminal association and alleged arms trafficking in weapons without a government license.

The shipment from a Bulgarian arms dealer was allegedly ordered by the Iraqi Interior Ministry for Iraqi police in Anbar province. However, the U.S. high command was unaware of the purchase, even though they are supposed to be informed of any arms purchases, and the deal had not been authorized by the Italian government. The irregular nature of the arms shipment has raised suspicion that the eventual destination could have been the militias.

Initial messages enquiring about the possibility of supplying weapons were apparently sent from an Iraqi-owned trading firm to Malta-based MIR Ltd. A go-between company that was also involved in the purchase, the Al-Handal General Trading Co. in Dubai, has been implicated in questionable dealings before. The group has been accused by U.S. investigators of being a “front company” in Iraq’s oil-for-food scandal.

Revelations of the attempted shipment come shortly after the disclosure that the Pentagon could not account for 190,000 U.S.-supplied weapons that have

gone missing since the 2003 invasion. (*Combined dispatches*)

COUNTERTERRORISM

Russian-Chinese Counterterrorism Exercise

Military leaders are currently analyzing the success of a joint military counterterrorism exercise sponsored by the Shanghai Cooperation Organization (SCO). The SCO, comprising Russia, China, Kazakhstan, Kyrgyzstan, and Tajikistan, was formed in 2001 as a nonmilitary alliance to combat drugs and weapons smuggling, terrorism, and separatism in the region. Mutual training and operations are now conducted between member states to counter the growing threat of terrorism, extremism, drug aggression, organized crime, and the proliferation of weapons of mass destruction.

The latest exercise, entitled “Operation Rescue” ran from August 9 to 17. The purpose of the operation was to recapture a village that had been overrun by a group of supposed terrorists who had also taken hundreds of residents hostage. The training included 4,000 service personnel, with 500 pieces of military hardware and approximately 70 Chinese and Russian aircraft. Live-fire exercises were undertaken by airborne troops, special forces, armored vehicles, and military helicopters from units such as Interior Troops, Federal Security Service, and the United Army Group. The initial phase of the exercise began in Urumqi, capital of northwest China’s Xinjiang Uygur Autonomous Region, and continued in the village of Cherbakul, 50 miles west of Chelyabinsk in Russia’s Volga-Urals Military District.

China’s first involvement in multilateral exercises began in 2002. Since then it has participated in drills with the United States, United Kingdom, Australia, Pakistan, India, France, and Thailand. Some now consider the cooperation between Russia and China as a potential rival to NATO. (*Combined dispatches*)

MARITIME SECURITY

Piracy in Malacca Straits after Hiatus

For the first time since July 2005, crew members have been kidnapped from a barge in the Malacca Straits.

An Indonesian ship master and chief engineer were seized from a Malaysian-flagged ship by pirates. The method of kidnapping was similar to those used in 2004 and 2005, when numerous attacks occurred in the region. In this instance, pirates boarded the barge and destroyed all communications equipment before leaving with the two crew members. The sailors were later released after a ransom was paid. This was the third maritime piracy incident in the region this year.

In mid-August, Prime Minister Surayud Chulanont of Thailand offered the services of his country to help police the straits to prevent pirate attacks such as this and terrorism. If the offer is accepted, that nation would join Indonesia, Malaysia, and Singapore, who already run coordinated sea patrols in the area. Of concern to both Malaysia and Indonesia, however, are that joint operations with Thailand would impinge on their territory. Until now, other countries have only been allowed to provide technical assistance to the three nations.

The majority of the Malacca Straits is controlled by Indonesia, even though its navy is smaller than those of Malaysia and Singapore. Indonesia is also accused of being the main source of pirates operating in the area. Even though there is no firm evidence, there are rumors that members of the Indonesian Navy turn a blind eye to piracy in return for a part of the pirates' profits. Approximately 65,000 ships pass through the straits each year and carry half the world's oil and a third of its commerce.

Also of concern is increasing maritime piracy around the Horn of Africa, and especially off the coast of Somalia. Incidents are occurring in the region weekly, as demonstrated by the seizure in June in international waters of the Danish-flagged *Danica White* by pirates. What makes this incident notable is that the ship was later pursued and engaged by a U.S. warship. The USS *Carter Hill* fired warning shots across the bow of the *Danica White* and destroyed three small boats used by the pirates. The pursuit had to be called off when the *Danica White* moved into Somalia's territorial waters. In 2003, the International Maritime Bureau recommended ships stay 50 nautical miles from the Somali coast when transiting the area. This was extended to 100 miles in 2004 and to 200 miles in 2005. (*Combined dispatches*)

NUCLEAR THREAT

Chinese Search for Missing Uranium

Chinese police are searching for eight kilograms of uranium ore that went missing after attempts were made to sell it on the black market. The uranium apparently came from the owner of an illegal mine, who recruited four men from Hunan province to sell the material. The men found a middleman in Guanzhou who claimed that he could find a buyer for the ore, which the men were attempting to sell for 1.6 million yuan (\$258,000) per kilogram. It is unknown what the original intent was of the middleman, but he later called the police about the illegal activity and the men were arrested.

The sellers were found to be in possession of 35 grams of U-235 and U-238 uranium and stood trial in Guangzhou. The men, pale, lethargic, and with white hair from exposure to radioactivity, pleaded guilty to uranium smuggling. A fifth man, who allegedly knows where the remainder of the ore is located, is missing. He too is believed to be seriously ill from exposure. According to one story, the eight kilograms of ore is hidden in a cave. In version, the ore has been split into numerous samples and may or may not have left the country. The ore poses a serious health risk and long periods of exposure can lead to cancer. Sources claim that at least 20 people have been poisoned by the ore.

China's Commission of Science, Technology, and Industry for National Defense circulated a warning in 2005 about unauthorized mining, smelting, and trafficking of uranium. In 2006, nuclear safeguards had still not improved, and the commission again issued a similar warning for Hunan province. The seized uranium had a purity count of 56 percent. A quality of 85 percent is needed for the ore to be classed as weapons grade and made into nuclear weapons. (*Combined dispatches*)

OIL SECURITY

Saudis Set Up Oil Infrastructure Protection

Saudi Arabia has begun to recruit and train a new 35,000-member security force to protect its oil infrastructure. This comes at a time when the kingdom

faces increased threats from al Qaeda and friction between the United States and Iran. The force currently numbers approximately 5,000 members, who are employed by the state oil company Aramco. This will increase to between 8,000 and 10,000 over the next few years, and eventually to 35,000. The estimated cost of setting up the force is between \$4 billion and \$5 billion for personnel and equipment. A training program in surveillance, countermeasures, and crisis management is being managed by the U.S. defense group Lockheed Martin.

Osama bin Laden has vowed to overthrow the government and replace it with a more radical Islamist state. The kingdom has been a target of terrorists on several occasions, with the most successful attacks launched against "soft targets," such as residential compounds and office blocks. Since 2003, Saudi Arabia has foiled 180 terrorist operations by al Qaeda. In April 2007, 172 suspects were rounded up with weapons and cash, and some were allegedly plotting airborne attacks in the country. The kingdom is the world's biggest oil exporter. It has 25 percent of the world's known oil reserves, with more than 80 oil and gas fields and an estimated 11,000 miles of pipeline. (Combined dispatches)

MONEY LAUNDERING

Forty-seven Indicted for Money Laundering

Arizona's attorney general has indicted operators of a shuttle van service that ran from Phoenix to Mexico on counts of money laundering, conspiracy, illegally conducting an enterprise, weapons possession, and possession for sale of marijuana and methamphetamine. The shuttle service allegedly helped 20 drug and immigrant smuggling groups move approximately \$2 million a month in cash across the border into Mexico. Searches conducted with 40 warrants turned up 7,000 pounds of marijuana, 55 pounds of methamphetamine, \$1.4 million in cash, 26 vehicles, and a variety of weapons. Of the defendants in custody, all but three are U.S. citizens or legal residents.

The indictments come after a six-month investigation by Phoenix police into the van shuttle service to Sonoyta, Caborca, and Puerto Penasco, Mexico. Drug dealers would allegedly drop off cash at the shuttle service. Drivers would then hide \$30,000 to \$50,000

on their bodies and drive up to the border in Lukeville, Arizona. People leaving the state are not usually searched when they enter Mexico, so the person carrying the cash would then walk across the border to hand the money back over to the groups. Authorities believe that the smuggling rings turned to the shuttle service because the process of wiring money to Mexico is being carefully scrutinized by law enforcement. (Combined dispatches)

This update is produced by the Transnational Threats Project at the Center for Strategic and International Studies (CSIS) and provides monthly news on terrorism, drug trafficking, organized crime, money laundering, and other transnational threats. The *TNT Update* draws primarily on international media sources, including the Associated Press, ITAR-TASS, Agence France Presse, Reuters, Xinhua News Agency, World Tribune, Afghan News, and others.

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