

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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war crimes in World War II) insignia tattooed on his arm—while the latter was working for the private security firm I-RMS in Ireland. Other figures associated with the predominately Hungarian group are similarly believed to have worked in private security and are suspected of carrying out a number of attacks on Bolivian officials since Rozsa-Flores’s return to Bolivia in 2006.

Terrorism

Bolivian Terrorism Investigation Raises Questions

An investigation into a plot to assassinate Bolivian president Evo Morales is raising new questions after authorities claimed to have discovered evidence linking prominent opposition figures to the “band of terrorist mercenaries” accused of targeting the president.

Bolivian police shot the alleged ringleader, Eduardo Rozsa-Flores, Arpad Magyarosi, a Hungarian, and Michael Dwyer, an Irishman, in a standoff at a hotel in the eastern city of Santa Cruz on April 16. The three men are believed to have been intent on assassinating Morales as part of a broader strategy to destabilize Bolivia’s leftist government. According to a report in the *Belfast Telegraph*, Bolivian authorities claim the men were members of a neo-Nazi terror group known as the Szekler Legion. Rozsa-Flores, a Bolivian of Croatian descent accused of war crimes during his stint as a Yugoslav soldier, recruited Dwyer—who had a Nazi Schutzstaffel (SS, the paramilitary organization responsible for numerous

The investigation into Rozsa-Flores’s organization touched a political nerve in Bolivia after investigators accused opposition figures in Santa Cruz, which is seeking greater autonomy from the central government, of sponsoring the group. Prosecutor Marcelo Soza named two Morales opponents in Santa Cruz, Governor Ruben Costas and activist Branko Marinkovic, as targets of the investigation. The current accusations are reputed to be based on eyewitness testimony, but Bolivian police are investigating five laptop computers seized from the ring that may uncover more concrete evidence of ties to the opposition.

Costas, Marinkovic, and allied opposition groups vigorously denied any ties to the Rosza-Flores ring. Marinkovic, a wealthy soy magnate of Croatian descent, dismissed Soza’s accusation as politically motivated and “totally untrue,” calling it “a blunt attack against the autonomy [movement].” Other opposition figures have accused the government of killing the alleged terrorists in cold blood rather than in the shootout described in the official report.

The investigation will likely be a potent political issue in Bolivia in the campaign leading up to elections in December 2009. Szekler Legion activities have also prompted Ireland's national police, the gardai, to launch an investigation of its own into the activities of Hungarian and Romanian migrants suspected of neo-Nazi sympathies. Private security firms, which appear to have been the recruiting base for the Rosza-Flores ring, are also likely to come under additional scrutiny in the wake of the incident.

The Jundullah Threat

Instability in Pakistan allows local terrorist groups like Jundullah (Soldiers of God), an anti-Iranian group that claims to represent the ethnic Baloch minority in Iran, to escalate their activities, a development that could have serious consequences for Pakistani-Iranian relations. According to a recent report in the Pakistani English daily *The News*, Pakistani officials said that Tehran has expressed serious concerns to Islamabad about its failure to dismantle the Jundullah network. Their consternation stems from the Jundullah-perpetrated Zahendan suicide bombing in Iran on May 29 that killed 19 and injured 125 in the southeastern Iranian city. The Iranian government claimed that Pakistan ignored key intelligence and could have prevented the bombing. At a press conference in late May, the Iranian ambassador to Pakistan accused the Pakistani government of turning a blind eye to Jundullah operations launched against Iran from inside Pakistani territory. He also hinted that another Iranian ambassador, who had gone missing in Pakistan, was killed by Jundallah. These accusations could prove disastrous for the fragile relationship between the two nations. In response to Jundullah activity and what it perceives as Pakistani apathy, Tehran notified Islamabad that the failure to contain Jundallah could torpedo the recently signed Iran-Pakistan oil pipeline, citing that it had been signed only after 14 years of disagreement and delayed negotiations.

Confession Alleges First al Qaeda Attack in Egypt

According to Egyptian authorities, a confession extracted from a member of a terrorist cell implicated in the February 22 bombing near the Al-Hussein mosque in Cairo indicates that the group is affiliated with both al Qaeda and the Palestinian jihadi organization Jaysh Al-Islam. If the information is

correct, the February 22 bombing would be the first known al Qaeda attack in Egyptian territory.

On May 24, Egyptian authorities announced that they had arrested seven members of the cell responsible for the attack. The government claims that subsequent interrogation of one of the cell members, a Belgian national, found that his group was affiliated with al Qaeda and that he was preparing to return to Belgium after the bombing in Egypt to launch attacks in France in conjunction with European al Qaeda cells. The Egyptian organization is also alleged to have been planning additional attacks domestically, including strikes on oil pipelines and tourist areas in the Sinai Peninsula.

The Egyptian government daily *Al-Masaa* seized on the news to condemn a "quadruple axis of evil" facing Egypt. Coming on the heels of recent revelations of Hezbollah activity in Egypt, *Al-Masaa* claimed that al Qaeda, Palestinian terror groups, Hezbollah, and Iran were intent on targeting "Egypt, its land, its people, its history, its civilization" under "the banner of international terrorism."

Some observers have questioned the veracity of the government's claims. They note that al Qaeda has historically been more concerned with the "far" Western enemy rather than "near enemies" (local governments that do not accept al Qaeda's version of Islamic law) like Egypt and that the bombing is more likely to be the work of local jihadist cells with more parochial agendas. Whatever the truth of government claims, they could still prompt a backlash among the Egyptian public against the "filthy, stinking, motley crew" derided by *Al-Masaa*.

Hezbollah Admits Role in Palestinian Territories

Responding to Egyptian allegations, Sheikh Naim Qassem, Hezbollah's deputy secretary-general, confirmed that the organization was providing "every type of support" to Gaza-based Hamas militants in a May interview with the *Financial Times*. Qassem's declaration was the organization's first public admission of Hezbollah activity outside of Lebanon.

Qassem granted the rare interview after Egyptian authorities arrested 49 men in April suspected of belonging to a Hezbollah cell. Although Hezbollah denied Egyptian charges that the cell was planning attacks in Egypt, it confirmed that one of the arrested

men was a Hezbollah operative who provided “logistical” support to Hamas’s military efforts in Gaza. According to Qassem, “It is one of the secrets of the resistance that we don’t talk about the details of our support, but suffice to say that we are giving them every type of support that could help the Palestinian resistance. Every type that is possible.”

Although Iranian-sponsored Hezbollah has long been suspected of playing a broader role in militant activity in the Middle East, it has historically maintained that its activities are limited to attacks against Israeli targets originating from within Lebanon itself. Qassem’s admission of a Hezbollah presence in Gaza is a noteworthy departure from the organization’s previous position and may indicate Hezbollah’s confidence in advance of Lebanese parliamentary elections scheduled for June 7. Hezbollah is the dominant party in a bloc likely to win the election and is the only armed political faction in Lebanon.

Al Qaeda Cell Uncovered in Europe

Italian police announced on May 12 that they were holding two French nationals accused of being “top-level point men” for al Qaeda in Europe. The two men, Bassam Ayachi and Raphael Gendron, were brought up on terrorism-related charges and are alleged to be part of a larger network planning suicide attacks in France and the United Kingdom.

Ayachi and Gendron, who had been living in Belgium, were initially arrested by Italian authorities in November 2008 for human trafficking after police in the southern city of Bari found them hiding five Palestinian and Syrian nationals without permission to enter the European Union in a car. The five illegal aliens were immediately expelled as suspected economic migrants, and investigators subsequently uncovered evidence they were recruited to conduct terrorist attacks in Europe. Communication between Italian and Belgian authorities connected the pair to an al Qaeda cell disrupted by a December 11, 2008, joint Belgian-French raid in Brussels that netted a number of high-profile suspects. Targets of the raid included Malika El Aroud, a Belgian woman noteworthy for her online exhortations to jihad and her continued commitment to the movement after the death of her husband, Abdessater Dahmane, during the assassination of Ahmed Shah Massoud.

Despite the arrests of Ayachi and Gendron, European officials remain concerned about their recruits. Referring to the five Palestinian and Syrian nationals expelled by the Italian authorities, a French official noted that “they’re still out there somewhere, presumably as ready to strike a blow for jihad as they were when they entered Italy.” The arrests highlight the need for intensified transnational cooperation on terrorist investigations both inside and outside the EU’s borders.

Border Security

U.S. Authorities Intensify Counterterrorism Efforts on Canadian Border

The U.S. Department of Homeland Security is expanding its efforts to monitor activity along the Canadian border. This move comes as a response to a perceived threat from “known terrorist affiliates and extremist groups” in Canada that Canadian officials claim is overstated.

The U.S. efforts include the establishment of a network of sophisticated video monitoring equipment at 16 sites across the 3,987 mile border (the largest militarily unguarded border in the world), as well as patrols by unmanned Predator B aircraft launched from Grand Forks Air Force Base in North Dakota. Though the surveillance is targeted at illegal activity in a broad sense, the primary focus is counterterrorism. According to a 2008 report by the U.S. Customs and Border Protection agency, a number of terrorist organizations—including Hezbollah, Hamas, and the Algerian GIA—are active in Canada and may be positioned to exploit the soft border between Canada and the United States. In an interview with a Canadian television program, Secretary of Homeland Security Janet Napolitano cited terrorist movement across the Canadian border as the rationale behind the increase in border monitoring. Canadian officials dismissed Napolitano’s characterization of the terrorist threat from Canada as overstated. Canadian ambassador to the United States Michael Wilson claimed he was “frustrated” by the secretary’s remarks.

U.S. desire to maintain good relations with Mexico may also be behind the buildup. Although there were more than 100 times more arrests and drug seizures

along the U.S.-Mexican border than its Canadian counterpart in 2008, Napolitano admitted that the United States was conducting the effort in part to maintain parity with its intensified activity along Mexican border. In March, Napolitano remarked that “One of the things that I think we need to be sensitive to is the very real feeling among southern border states and in Mexico that if things are being done on the Mexican border, they should also be done on the Canadian border.”

Drug Trafficking

Venezuela Drug Trade Skyrockets

In the decade since Venezuelan president Hugo Chávez seized power, drug trafficking through the South American nation has increased by 900 percent, while murder rates have gone up by 140 percent. Venezuela now holds the dubious distinction as the most violent country in Latin America, a region noteworthy for a murder rate three times higher than the global average.

Drug-related violence has contributed to rise. According to the U.S. Drug Enforcement Agency, whose agents were evicted from Venezuela by Chávez in 2005, drug-trafficking rates increased sharply after Chávez seized power. The UN Office on Drugs and Crime estimates that Venezuela is now the leading transit country for cocaine entering Europe.

The increase in the drug trade in Venezuela has contributed to a staggering increase in violent crime. Venezuela’s murder rate—48 per 100,000—is more than twice Mexico’s despite the latter’s notoriously violent drug cartels. Unlike in Mexico, where most of the violence can be attributed to cartels, the majority of Venezuela’s murders appear to be the outgrowth of petty lawlessness, with most murders committed at night and noticeable spikes in the murder rate occurring on biweekly pay days.

In addition to the burgeoning drug trade, Venezuela’s police force is on the whole inept, corrupt, and underequipped despite Chávez’s lavish spending on high-priced Russian and Chinese defense platforms. The Venezuelan judiciary is also increasingly politicized and corrupt, contributing to a conviction rate of only 3 percent for homicide cases. By contrast, 85 percent of U.S. murder cases result in a conviction.

The general sense of lawlessness can be attributed in part to Chávez himself, who has a habit of putting political appointees in sensitive police and judicial positions and inciting citizen violence against political opponents. With the Venezuelan economy faltering, oil prices dwindling, and Chávez retaining his firm grip on power, increasing criminality in Venezuela is likely to get worse before it gets better.

Guilty Plea Shows U.S.-Mexico Border Corruption

A former Texas sheriff from Starr County, Texas, pleaded guilty on May 1 to a narcotics conspiracy charge in a case that highlights a disturbing increase in corruption among U.S. drug enforcement officials operating near the Mexican border.

Ray Guerra was arrested in October 2008 after an FBI investigation implicated him and more than a dozen others in a large-scale cocaine and marijuana smuggling operation. According to reports, Guerra assisted the Zetas, the notorious enforcement arm of the Gulf Cartel, by using his position to shield suspected members of the group from investigation. Guerra is also believed to have attempted to uncover the identity of a confidential police informant and reveal it to the Zetas.

The Guerra case is only the latest incident pointing to the disturbing increase in corruption among U.S. drug enforcement officials. According to the U.S. Customs and Border Protection agency, 21 of its officers were arrested on charges of corruption during fiscal year 2008, more than five times the amount arrested the previous year. The trend appears to be continuing into the current fiscal year: another 14 officers have been arrested since October 2008 alone. Officials at all levels of government have been arrested, including local police, district attorneys, judges, and a senior FBI agent. The greater levels of corruption may stem from the increasingly sophisticated methods used by Mexican cartels in targeting and recruiting U.S. officials.

The FBI, which is typically in charge of investigating official corruption, is already stretched thin and can only work a limited number of high-profile cases. Six Border Corruption Task Forces have been established to take some of the burden away from the FBI by fostering cooperation among local, state, and federal

authorities. These efforts have so far had mixed results.

Regional Security

Africa: Drugs, Arms, and Humanitarian Aid

In May 2009, the Stockholm Peace Research Institute (SIPRI) published a report with troubling implications for the state of humanitarian aid in Africa. SIPRI found that approximately 90 percent of all air cargo companies identified in arms and drug trafficking have also been contracted in order to transport humanitarian air, peacekeepers, and equipment. For example, the report reveals that DynCorp, a large U.S. private military company that supplies the U.S. army, contracted Aerolift, a company described in a UN sanctions committee report as illicitly supplying arms to al-Shabaab, the Islamist group in Somalia.

The SIPRI policy paper found that air transportation, which is a key component of the transfer of small arms and light weapons, has played a fundamental role in fueling the war economies that have led to the continuing destabilization and devastation of African nations in recent decades. The report goes on to note that the most effective means of combating illicit trading is to cripple the means of transportation, the “choke point” of the arms and drug trade.

The SIPRI report lays out a series of recommendations that would curtail the use of air transport providers for arms and drug trafficking. First, the report suggests that the European Union and its member states should “deny humanitarian aid, peace support, stability operations, and defense logistics supply train contracts” to the air companies that have been engaged in flow of illicit commodities. Second, the EU should support the efforts of African partners to “improve air safety through the provision of other dual-use transport development capacity building projects that target unsafe cargo companies.” Third, European Security and Defense Policy (ESDP) mission planning and operational structures should take into account the key role of air transport companies in their mission areas and provide their personnel proper awareness and training. Lastly, the EU’s air safety mechanism should be “refined and resourced to take account of the evasion techniques

used by unsafe air cargo companies seeking to access EU Markets.”

Guatemala, Crime, and State Failure

Two years ago, the UN High Commissioner for Human Rights, Anders Kompass, called Guatemala a “failed and collapsed state” following the murder of high-ranking Salvadorian officials on their way to Guatemala City. These murders, which have been tied to drugs, are indicative of the devolution of Guatemala into near chaos. In the two years since the murders, very little has changed, and some are beginning to wonder whether the Central American nation has truly become a failed state.

Guatemala has been integrally involved in the drug trade for decades. Due its geography, especially the thick underpopulated forests in the northern part of the country, Guatemala is a vital link in the narcotics distribution chain. Former vice-minister of security in Guatemala’s interior department, Julio Godoy, called the country “one big warehouse” in the narcotics trade. According to the U.S. ambassador to Guatemala, Stephen McFarland, more than 400 tons of cocaine passes through the country in a single year. This number is alarming, especially considering total seizures in 2007 only amounted to 730 kilos (both Nicaragua and Costa Rica seized some 13 tons that same year). The poor seizure rate is representative of poor interdiction efforts. According to *The Economist*, numerous politicians in the country fund their campaigns with ill-gotten drug money and turn a blind eye to much of the illicit activity in return.

After the murder of the Salvadorian officials, four Guatemalan police officers thought to be responsible were killed while in custody. The Guatemalan president admitted that guarantying the safety of detainees was virtually impossible, revealing much about the trustworthiness of the Guatemalan police force. The country has a murder rate of 50 for every 100,000 people, and only 2 percent of crimes are ever solved. Guatemalan congresswoman Nineth Montenegro claimed that success in Guatemalan politics requires the support of organized crime syndicates, with dire consequences for those who refuse to play the organizations’ game. More than 57 politicians or party activists were murdered during the 2007 electoral campaign. Currently, the Guatemalan president, Álvaro Colon, is himself under

investigation for allegedly orchestrating the murder of an attorney in early May.

Piracy

Canadian-Kenyan Cooperation on Piracy

According to Canadian defense minister Peter MacKay, the Canadian and Kenyan governments are taking the lead on multilateral negotiations to set up a new court system for the prosecution of suspected Somali pirates in Kenyan courts. Because there were more than 150 percent more pirate attacks near the Gulf of Aden off Somalia's coast in 2008 than there were in 2007, and the number of attacks has continued to rise in 2009, there have been numerous calls for a more effective international antipiracy regime. The Canadian and Kenyan governments hope such an effort could be aided by the creation of specialized Kenyan piracy courts.

Previously, suspects captured aboard pirate vessels had either been prosecuted by the nation holding them or released back into Somalia without charges. Both strategies have significant drawbacks. Prosecution far overseas, like the U.S. prosecution of Abdul Wali-Musi, one of the pirates involved in the hijacking of the U.S. ship *Maersk Alabama*, can result in disruptions in the chain of evidence during transport that can hamper prosecution. The complex international law surrounding offshore prosecution also complicates current procedures: one suspected pirate was held on an American vessel for seven months while lawyers debated where the specific circumstances of his capture meant he would be prosecuted. Releasing pirates back into Somalia without prosecution is likely to compound the piracy problem by demonstrating to Somalis that pirates can operate without any fear of punishment from the international community.

The proposed Canadian-Kenyan plan would attempt to ameliorate those problems by creating a series of courts, operated either under a multilateral aegis or by the Kenyan government, with a clear set of procedures agreeable to all countries involved in antipiracy patrols near Somalia. Much of the international legal mandate for antipiracy in Kenyan courts already exists: the United States, the United Kingdom, and the European Union all have

agreements with Kenya allowing the transfer of piracy suspects for trial.

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