

Overview of State-Sponsored Terrorism

“Every nation in every region now has a decision to make. Either you are with us, or you are with the terrorists.”

*President George W. Bush
20 September 2001*

President Bush put state supporters of terrorism on notice in his 20 September address to the joint session of Congress: “Every nation, in every region, now has a decision to make. Either you are with us, or you are with the terrorists.” The seven designated state sponsors—Cuba, Iran, Iraq, Libya, North Korea, Syria, and Sudan—clearly heard the President’s message. While some of these countries appear to be reconsidering their present course, none has yet taken all necessary actions to divest itself fully of ties to terrorism.

Sudan and Libya seem closest to understanding what they must do to get out of the terrorism business, and each has taken measures pointing it in the right direction. Iran, North Korea, and Syria have, in some narrow areas, made limited moves to cooperate with the international community’s campaign against terrorism. Iran and Syria, however, seek to have it both ways. On the one hand, they clamped down on certain terrorist groups, such as al-Qaida. On the other hand, they maintained their support for other terrorist groups, such as HAMAS and Hizballah, insisting they were national liberation movements. North Korea’s initial positive moves halted abruptly.

Until all states that support or tolerate terrorism cease their sponsorship, whether by choice or coercion, they remain a critical foundation for terrorist groups and their operations. Even though the year 2001 saw a continuation of a slow trend away from state sponsorship as the guiding force

behind the overall global terrorist threat, state sponsors still represent a key impediment to the international campaign against terrorism.

In certain areas, including Israel, the West Bank, and Gaza Strip, state sponsors remain an important driving force behind terrorism. Iran continues its firm support for Hizballah, HAMAS, and the Palestine Islamic Jihad. Iraq employs terrorism against dissident Iraqi groups opposed to Saddam Hussein’s regime. Syria continued its support for Hizballah and allowed HAMAS, the Palestine Islamic Jihad, and other Palestinian rejectionist groups to maintain offices in Damascus.

Cuba

Since September 11, Fidel Castro has vacillated over the war on terrorism. In October, he labeled the US-led war on terrorism “worse than the original attacks, militaristic, and fascist.”

When this tactic earned ostracism rather than praise, he undertook an effort to demonstrate Cuban support for the international campaign against terrorism and signed all 12 UN counterterrorism conventions as well as the Ibero-American declaration on terrorism at the 2001 summit. Although Cuba decided not to protest the detention of suspected terrorists at the US Naval Base at Guantanamo Bay, it continued to denounce the global effort against terrorism—even by asserting that the United States was intentionally targeting Afghan children and Red Cross hospitals.

Cuba’s signature of UN counterterrorism conventions notwithstanding, Castro continued to view terror as a legitimate revolutionary tactic. The Cuban Government continued to allow at least 20 Basque ETA members to reside in Cuba as privileged guests and provided some degree of safehaven and support to members of the Colombian FARC and ELN groups. In August, a Cuban spokesman revealed that Sinn Fein’s official repre-

State Sponsor: Implications

Designating countries that repeatedly support international terrorism (i.e., placing a country on the "terrorism list") imposes four main sets of US Government sanctions:

1. *A ban on arms-related exports and sales,*
2. *Controls over exports of dual use items, requiring 30-day Congressional notification for goods or services that could significantly enhance the terrorist list country's military capability or ability to support terrorism,*
3. *Prohibitions on economic assistance; and*
4. *Imposition of miscellaneous financial and other restrictions, including*
 - *Requiring the United States to oppose loans by the World Bank and other international financial institutions;*

- *Lifting the diplomatic immunity to allow families of terrorist victims to file civil lawsuits in US courts;*
- *Denying companies and individuals tax credits for income earned in terrorist list countries;*
- *Denial of duty-free treatment for goods exported to the United States;*
- *Authority to prohibit any US person from engaging in a financial transaction with terrorism list government without a Treasury Department license;*
- *Prohibition of Defense Department contracts above \$100,000 with companies controlled by terrorist list states.*

sentative for Cuba and Latin America, Niall Connolly, who was one of three Irish Republican Army members arrested in Colombia on suspicion of providing explosives training to the FARC, had been based in Cuba for five years. In addition, the recent arrest in Brazil of the leader of a Chilean terrorist group, the Frente Patriótico Manuel Rodríguez (FPMR), has raised the strong possibility that in the mid-1990s, the Cuban Government harbored FPMR terrorists wanted for murder in Chile. The arrested terrorist told Brazilian authorities he had traveled through Cuba on his way to Brazil. Chilean investigators had traced calls from FPMR relatives in Chile to Cuba following an FPMR prison break in 1996, but the Cuban Government twice denied extradition requests, claiming that the wanted persons were not in Cuba and the phone numbers were incorrect.

Numerous US fugitives continued to live on the island, including Joanne Chesimard, wanted in the United States for the murder in 1973 of a New Jersey police officer and living as a guest of the Castro regime since 1979.

Iran

Iran remained the most active state sponsor of terrorism in 2001. Iran's Islamic Revolutionary Guard Corps (IRGC) and Ministry of Intelligence and Security (MOIS) continued to be involved in the planning and support of terrorist acts and supported a variety of groups that use terrorism to pursue their goals. Although some within Iran would like to end this support, hardliners who hold the reins of power continue to thwart any efforts to moderate these policies. Since the outbreak of the *intifadah*, support has intensified for Palestinian groups that use violence against Israel. During the past year, however, Iran appears to have reduced its involvement in other forms of terrorist activity. There is no evidence of Iranian sponsorship or foreknowledge of the September 11 attacks in the United States. President Khatami condemned the attacks and offered condolences to the American people.



The Karine-A at the port in Elat. Israel claims the ship contained 50 tons of mostly Iranian-supplied weapons for use by militants against Israelis.

During 2001, Iran sought a high-profile role in encouraging anti-Israeli activity by way of increasing its support for anti-Israeli terrorist groups. Supreme Leader Khamenei continued to refer to Israel as a “cancerous tumor” that must be removed. Matching this rhetoric with action, Iran continued to provide Lebanese Hizballah and the Palestinian rejectionist groups—notably HAMAS, the Palestine Islamic Jihad, and the PFLP-GC—with varying amounts of funding, safehaven, training, and weapons. It also encouraged Hizballah and the rejectionist Palestinian groups to coordinate their planning and to escalate their activities.

In addition, Iran provided limited support to terrorist groups in the Gulf, Africa, Turkey, and Central Asia. This support is at a considerably lower level than that provided to the groups opposed to Israel and has been decreasing in recent years. The Iranian Government took no direct action in 2001 to implement Ayatollah Khomeini's *fatwa* against Salman Rushdie, but the decree has not been revoked nor has the \$2.8 million bounty for his death been withdrawn. Moreover, on the anniversary of the *fatwa* in February, some hardline Iranians stressed again that the decree is irrevocable and should be carried out.

During Operation Enduring Freedom, Tehran informed the United States that, in the event US warplanes went down inside Iran, Iranian forces would assist downed air crews in accordance with international convention. Iran also worked with the

United States and its allies at the Bonn Conference in late 2001 to help in the formation of the Afghan Interim Authority. Tehran pledged to close its borders with Afghanistan and Pakistan to prevent the infiltration of Taliban and al-Qaida escapees. There are, however, reports that Arab Afghans, including al-Qaida members, used Iran as a transit route to enter and leave from Afghanistan.

Iraq

Iraq was the only Arab-Muslim country that did not condemn the September 11 attacks against the United States. A commentary of the official Iraqi station on September 11 stated that America was “...reaping the fruits of [its] crimes against humanity.” Subsequent commentary in a newspaper run by one of Saddam's sons expressed sympathy for Usama Bin Ladin following initial US retaliatory strikes in Afghanistan. In addition, the regime continued to provide training and political encouragement to numerous terrorist groups, although its main focus was on dissident Iraqi activity overseas.

Iraq provided bases to several terrorist groups including the Mujahedin-e-Khalq (MEK), the Kurdistan Workers' Party (PKK), the Palestine Liberation Front (PLF), and the Abu Nidal organization (ANO). In 2001, the Popular Front for the Liberation of Palestine (PFLP) raised its profile in the West Bank and Gaza Strip by carrying out successful terrorist attacks against Israeli targets. In recognition of the PFLP's growing role, an Iraqi Vice President met with former PFLP Secretary General Habbash in Baghdad in January 2001 and expressed continued Iraqi support for the *intifadah*. Also, in mid-September, a senior delegation from the PFLP met with an Iraqi Deputy Prime Minister. Baghdad also continued to host other Palestinian rejectionist groups, including the Arab Liberation Front, and the 15 May Organization.

Meanwhile, Czech police continued to provide protection to the Prague office of the US Government-funded Radio Free Europe/Radio Liberty (RFE/RL), which produces Radio Free Iraq programs and

Chemical, Biological, Radiological, Nuclear (CBRN) Terrorism

The September 11, 2001 attacks on the World Trade Center and the Pentagon confirmed the resolution and capability of terrorists to plan, organize, and execute attacks to produce mass casualties. In the wake of these unprecedented attacks, terrorists increasingly may look to use chemical, biological, radiological, or nuclear (CBRN) materials—many of which can cause significant casualties—to rival the events of September 11. Such materials, information about the technology required to create them, and information about how to deliver the materials continue to be available through a variety of means.

Usama Bin Ladin has professed the acquisition of “weapons of mass destruction” (WMD) to be a “religious duty” and he has threatened to use such weapons. Reports that documents retrieved from al-Qaida facilities in Afghanistan contain information on CBRN materials underscore Bin Ladin’s rhetoric. The threat is not limited to Bin Ladin and al-Qaida. Other information indicates interest in acquiring and using CBRN materials by a small but growing number of other terrorist groups. The use by HAMAS of poisons and pesticides to coat shrapnel in improvised explosive devices is one example. The recent arrest in Italy of a group which had in its possession a compound that could produce hydrogen cyanide (HCN) gas under certain circumstances, along with maps of the underground utility systems near the US Embassy, is also demonstrative of terrorist intentions to employ CBRN materials in their activities.

CBRN terrorism events to date have generally involved crude and improvised delivery means that have been effective but only marginally so. The lethal materials employed in some events (with the exception of the anthrax used in the incidents in the United States) also have been crudely manufactured. Other events have featured materials (toxic industrial chemicals and materials, poisons and pesticides, radiological source materials embedded in legitimate measuring instruments, etc.) that have been acquired legitimately or illegitimately and used for purposes other than those for which they were intended. While terrorist

events involving these materials and improvised delivery systems can be lethal and can cause significant damage and disruption, they pale in comparison to the number of casualties and damage levels that could occur should terrorists ever acquire militarized Weapons of Mass Destruction (WMD) and the systems to deliver them.

Preventing the proliferation of WMD, relevant materials, and related technologies, while long a pillar of national security, has become an even more urgent global priority since September 11. President George Bush made clear in his 29 January 2002 State of the Union address that the United States has as one of two great objectives to “...prevent the terrorists and regimes who seek chemical, biological, or nuclear weapons from threatening the United States and the world.” Nations around the world have joined the United States in calling for greater efforts to prevent terrorist acquisition of WMD, relevant materials, and related technologies.

The United States is working within appropriate multilateral nonproliferation and other international forums and is encouraging countries worldwide to adopt more stringent nonproliferation policies and programs to help ensure that terrorists or the states who sponsor and support them cannot acquire WMD, materials, or related technologies.

Active involvement by the nonproliferation communities in the United States and other nations is a welcome addition to the capabilities of the international Coalition engaged in the war on terrorism. Such cooperative activities should help buttress existing international counterterrorism strategies and programs for combating CBRN terrorism in the areas of diplomacy, intelligence sharing, cooperative law enforcement arrangements, technology exchange, security and force protection, and training that have been traditionally undertaken.

employs expatriate journalists. The police presence was augmented in 1999 and 2000, following reports that the Iraqi Intelligence Service might retaliate against RFE/RL for broadcasts critical of the Iraqi regime. As concerns over the facility's security mounted through 2000, the Czechs expelled an Iraqi intelligence officer in April 2001.

The Iraqi regime has not met a request from Riyadh for the extradition of two Saudis who had hijacked a Saudi Arabian Airlines flight to Baghdad in 2000. Disregarding its obligations under international law, the regime granted political asylum to the hijackers and gave them ample opportunity to voice their criticisms of alleged abuses by the Saudi Government in the Iraqi Government-controlled and international media.

Libya

Following the September 11 terrorist attacks, Libyan leader Muammar Qadhafi issued a statement condemning the attacks as horrific and gruesome and urging Libyans to donate blood for the US victims. On 16 September he declared that the United States had justification to retaliate for the attacks. Since September 11, Qadhafi has repeatedly denounced terrorism.

Libya appears to have curtailed its support for international terrorism, although it may maintain residual contacts with a few groups. Tripoli has, in recent years, sought to recast itself as a peacemaker, offering to mediate a number of conflicts such as the military standoff between India and Pakistan that began in December 2001. In October, Libya ransomed a hostage held by the Abu Sayyaf Group, although it claimed that the money was not a ransom and would be used for "humanitarian assistance."

Libya's past record of terrorist activity continued to hinder Qadhafi's efforts to shed Libya's pariah status. In January, a Scottish court found Libyan intelligence agent Abdel Basset Ali al-Megrahi guilty of murder, concluding that in 1988 he planted an explosive device on Pan Am Flight 103 whose detonation resulted in the murder of all 259 passengers and crew on board as well as 11 persons on the ground in Lockerbie, Scotland. The judges found that Megrahi had acted "in furtherance of the



A woman puts up news posters in Lockerbie on 31 January 2001. The court found Abdel Basset al-Megrahi guilty of murder, concluding he caused an explosive device to detonate on board the airliner in 1988, resulting in the deaths of 259 persons on board as well as 11 residents of Lockerbie, Scotland.

purposes of...Libyan Intelligence Services." His code-fendant, Libyan Arab Airlines employee Al-Amin Khalifa Fhima, was acquitted on the grounds that the prosecution failed to prove his role in the bombing "beyond a reasonable doubt." At year's end, Libya had yet to comply fully with the remaining UN Security Council requirements related to Pan Am 103, including accepting responsibility for the actions of its officials, fully disclosing all that it knows about the bombing, and paying appropriate compensation to the victims' families. Libya's hesitation to do so may have reflected a hope that Megrahi's appeal would overturn his conviction. (On 14 March 2002, a Scottish appellate court upheld Megrahi's conviction.)

In November, a German court convicted four defendants in the bombing in 1986 of La Belle Discotheque in West Berlin. In rendering his decision, the judge stated that Libyan Government officials had clearly orchestrated the attack. In response to the court's findings, the German Government called on Libya to accept responsibility for the attack and provide compensation to the victims. Two US servicemen and one Turkish civilian died in the bombing, and more than 200 persons were wounded.

North Korea

The Democratic People's Republic of Korea's (DPRK) response to international efforts to combat terrorism has been disappointing. In a statement released after the September 11 attacks, the DPRK reiterated its public policy of opposing terrorism and any support for terrorism. It also signed the UN Convention for the Suppression of the Financing of Terrorism, acceded to the Convention Against the Taking of Hostages, and indicated its willingness to sign five others. Despite the urging of the international community, however, North Korea did not take substantial steps to cooperate in efforts to combat terrorism, including responding to requests for information on how it is implementing the UN Security Council resolutions, and it did not respond to US proposals for discussions on terrorism. It did not report any efforts to search for and block financial assets as required by UN Security Council Resolution 1373. Similarly, the DPRK did not respond positively to the Republic of Korea's call to resume dialogue, where counterterrorism is an agenda item, nor to the United States in its call to undertake dialogue on improved implementation of the agreed framework. In light of President Bush's call to recognize the dangerous nexus between Weapons of Mass Destruction and terrorism, this latter failure, with its implications for nuclear development and proliferation, was especially troublesome.

In addition, Pyongyang's provision of safehaven to four remaining Japanese Communist League-Red Army Faction members who participated in the hijacking of a Japanese Airlines flight to North Korea in 1970 remained problematic in terms of support for terrorists. Moreover, some evidence suggested the DPRK may have sold limited quantities of small arms to terrorist groups during the year.

Sudan

The counterterrorism dialogue begun in mid-2000 between the US and Sudan continued and intensified during 2001. Sudan condemned the September 11 attacks and pledged its commitment to combating terrorism and fully cooperating with the United States in the campaign against terrorism. The Sudanese Government has stepped up its counterterrorism cooperation with various US agencies, and Sudanese

authorities have investigated and apprehended extremists suspected of involvement in terrorist activities. In late September, the United Nations recognized Sudan's positive steps against terrorism by removing UN sanctions.

Sudan, however, remained a designated state sponsor of terrorism. A number of international terrorist groups including al-Qaida, the Egyptian Islamic Jihad, Egyptian al-Gama'a al-Islamiyya, the Palestine Islamic Jihad, and HAMAS continued to use Sudan as a safe-haven, primarily for conducting logistics and other support activities. Press speculation about the extent of Sudan's cooperation with the United States probably has led some terrorist elements to depart the country. Unilateral US sanctions remained in force.

Syria

Syria's president, Bashar al-Asad, as well as senior Syrian officials, publicly condemned the September 11 attacks. The Syrian Government also cooperated with the United States and with other foreign governments in investigating al-Qaida and some other terrorist groups and individuals.

The Government of Syria has not been implicated directly in an act of terrorism since 1986, but it continued in 2001 to provide safehaven and logistics support to a number of terrorist groups. Ahmad Jibril's Popular Front for the Liberation of Palestine—General Command (PFLP-GC), the Palestine Islamic Jihad (PIJ), Abu Musa's Fatah-the-Intifadah, George Habash's Popular Front for the Liberation of Palestine, and HAMAS continued to maintain offices in Damascus. Syria provided Hizballah, HAMAS, PFLP-GC, the PIJ, and other terrorist organizations refuge and basing privileges in Lebanon's Beka'a Valley, under Syrian control. Damascus, however, generally upheld its September 2000 antiterrorism agreement with Ankara, honoring its 1998 pledge not to support the Kurdistan Workers' Party (PKK).

Damascus served as the primary transit point for the transfer of Iranian-supplied weapons to Hizballah. Syria continued to adhere to its longstanding policy of preventing any attacks against Israel or Western targets from Syrian territory or attacks against Western interests in Syria.