

*“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

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## Terrorism

### Extremist Recruitment in U.S. Prisons

Federal law enforcement officials are concerned that Al Qaeda is targeting U.S. prisons as a source of Islamic extremist recruitment. Authorities fear that U.S. prisons are increasingly fertile breeding grounds for extremism, especially with an audience willing to use violence. There has been a resurgence of Islam in prisons in the last several years, providing stability and purpose to the lives of inmates, but the cases of dirty bomber José Padilla and shoe bomber Richard Reid are stark reminders of the dangers of radical Islam infiltrating prisons.

The FBI considers this aspect of recruitment, as well as individuals who have trained in Al Qaeda camps and those who have joined radical mosques in the United States and abroad, as the top three most troubling trends. (*The Baltimore Sun*)

### Marrying Into Al Qaeda

Al Qaeda members are choosing wives as a strategy to gain access to important leaders and vulnerable communities. Osama bin Laden encourages his followers to seek wives from Indonesia, Malaysia, the Philippines, Cambodia, and Pakistan, among other countries. By marrying women from small communities, Al Qaeda operatives link themselves to local tribes and use existing networks as a cover for their

more secretive operations. One of the best examples is Omar Al-Faruq, a top Al Qaeda operative who was arrested in September by Indonesian security forces. Omar married the Indonesian Mira Augustina, whose late father was a Jemaah Islamiah operative; Mira does not believe that Omar is a terrorist or that he was involved with Al Qaeda. Omar has confessed to planning attacks against the U.S. embassy and consulates in Indonesia on September 11, 2002. Indonesian intelligence suspect Faruq of taking part in terrorist training activities in a camp in Sulawesi, the region home to Darul Islam, the group with old ties to Jemaah Islamiah.

The case of Omar al-Faruq is one among many examples. Hambali, one of the most wanted Al Qaeda terrorists in South Asia, married a Malaysian woman while he was building a support base there. Hambali has a Cambodian and a Pakistani wife as well. (*The Straits Times*)

### Counterterrorism versus War on Drugs

Myanmar, Cambodia, Laos, and Vietnam will not be able to sustain their anti-drug efforts when their scarce resources are redirected to counterterrorism efforts. With an increased threat of terrorism in South Asia because of the Bali bombing, the tourism-dependant economies of the region are struggling and have already seen a decrease in investments. Myanmar and Laos, the world's second- and third- largest producers of opium, do not have the resources to support their anti-drug programs. The United Nations Drug Control Program (UNDCP) has been allocated \$3 million to give financial and technical assistance to the region to reduce money laundering and cross-boarder trafficking. Yet, the UNDCP's support only supplements local law enforcement agencies already

struggling and unable to make a dent in drug production or trafficking. (*The Straits Times*)

### **India Accuses Bangladesh of Harboring Al Qaeda Activity and Camps**

India has accused Bangladesh of allowing 99 training camps to operate in Bangladesh, claiming that India has satellite pictures and exact locations of the camps. Separatist rebel groups fighting in India's northeast operate many of the camps in Bangladesh, and India has demanded the arrest of 77 militants in Bangladesh. India claims that since the Bangladeshi prime minister, who leads an Islamist-allied coalition, came into power a year ago, Al Qaeda and the Pakistani Intelligence Service (ISI) have been allowed to operate in the country. However, analysts believe that the public criticism came from Bangladesh's open support of a recent Pakistani attempt to rejoin the Commonwealth. Pakistan was suspended from the Commonwealth after President Musharraf came to power by a military coup in 1999. (*The South China Morning Post*)

### **Thailand-Malaysia Border**

A recent surge in violence in the border region between Southern Thailand and Northern Malaysia is ringing alarm bells in the aftermath of the Bali bombings. Although the Thai government denies that the violence—including the murder of policemen, the bombings of temples and hotels, and school arson—is the work of terrorist groups, reports featured in the *Asian Wall Street Journal* and *Time* claim that terrorist cells are active and that those closely tied to Al Qaeda and Jemaah Islamiah are in the region.

The region, which does not have strong border control, is a hotspot for illegal trafficking of weapons, drugs, oil, and women. A lot of money circulates in the area and corruption is a central theme of the region, leaving the central government with little control.

Although Thailand is primarily Buddhist, the people of the southern provinces are 80 percent Muslim and identify themselves more closely with Malaysia in culture, language, and religious practice. Many people in the region are Osama bin Laden supporters, and do not believe that he was involved in the attacks on the World Trade Center. International relations expert Panitan Wattanayagorn in Bangkok, however, says that local groups “might be

communicating with Al Qaeda operatives. They might be inspired by current attacks.”

Still, there is no evidence that these groups were responsible for the recent acts of violence in southern Thailand. The Thai government blames the rival mafia gangs and separatist groups that have been committing violent acts in the region since the 1960s and 70s.

(*The Straits Times*)

### **Thailand as a Terrorist Transit Point?**

Thailand has become one of the most frequently used transit points in Southeast Asia for operatives affiliated with Jemaah Islamiah and Al Qaeda. Khalid Al-Midhar and Nawaq Al-hazmi, two of the September 11 hijackers, entered the United States from Bangkok in 2000. Bangkok is a mecca for groups such as the Tamil Tigers and Myanmar militants, which want to obtain weapons. According to reports based on the confessions of an Al Qaeda agent, Hambali is reported to have been looking for a safe haven in Thailand and attended a meeting there in January to discuss plans for bombing nightclubs and pubs. The Thai government has created a travel blacklist and increased immigration vigilance, modeled after the U.S. homeland security policy. Authorities explain southern Thailand's penchant for violence as the result of economic unrest rather than terrorism. (*The Straits Times*)

### **Hong Kong's Strengths and Vulnerabilities**

A local analyst believes Hong Kong is a potential terrorist target as a vulnerable world financial center, with insecure ports and lax airport security allowing for easy entry and exit. Hong Kong is known to be one of many financial centers where terrorists launder money despite strengthened banking laws. Disagreement remains, however, about Hong Kong's vulnerability. The police commissioner, who is reviewing Hong Kong's security policy, is focusing on cooperation with foreign intelligence agencies, because Hong Kong does not have its own international intelligence unit. Private security companies continue to portray Hong Kong as a low-risk environment because of its lack of high-profile targets and project much likelier attacks in other countries in the region. (*South China Morning Post*)

## Arms Smuggling

### Small-Arms Trade in the Horn of Africa

East Africa's small-arms traffic is a hindrance to the region's economic development, fueling conflicts and crime. According to a recent conference jointly held by the Bonn International Center for Conversion and the Peace and Development Committee in Addis Ababa, the primary victims of illegal trade—women and children—are often forced to work in trafficking and are primarily responsible for ammunition smuggling. Although East African countries signed an agreement to regulate small-arms production, existing stockpiles and smuggling from other conflicts in the region continuously increase supply. (*Agence France Presse*)

### Drug Trafficking

#### Arellano Drug Cartel

Three of the six indictments against drug-cartel leader Benjamin Arellano Felix have been dropped by Mexican courts, including a charge that he is responsible for the death of a Roman Catholic cardinal, an incident that infuriated the predominantly Catholic nation. Cardinal Juan Jesus Posadas Ocampo was shot at Guadalajara airport when Arellano's gunmen confused the cardinal's car with another. Arellano, who was arrested in March, is being held in a maximum security prison outside Mexico City, while charges of drug trafficking and organized crime are still pending. The Arellano drug cartel, Mexico's largest, which operates out of Tijuana, is responsible for hundreds of killings and bribes, and has a firm grip on the Mexico-California border. The group is still operational despite Arellano's arrest and the apparent death of his brother Ramon, also an active leader of the group, earlier this year. (*Agence France Presse*)

#### Drug Trade Threatens Stability of Afghanistan

Attacking the drug trade in Afghanistan may prove more difficult and more needed than ever before. Production of opium poppy is back up to record levels, estimated at 5,000 metric tons in 2002. "Drugs, crime and terrorism—they are all similar behavior and must be treated as a single

issue," said Antonio Maria Costa, executive director of the UN Office for Drug Control and Crime Prevention, in an interview with *The Straits Times*. The Taliban had cut opium production by 94 percent in 2001 down to 185 metric tons, yet the warlords who now control Afghanistan receive most of their money from drug production. The Karzai government has offered producers \$500 an acre to destroy the poppy fields, yet according to a UN report, that same acre can make a poppy farmer \$6,400 annually. (*The Boston Globe*)

### Illicit Diamond Trading

Representatives of 45 countries that participate in diamond production, trade, and sales are convening to discuss a new procedure called the Kimberly Process, intended to curtail the trade of "blood diamonds," which fuel civil conflicts in Africa. The Kimberly Process would require buyers in cutting centers like Israel, Belgium, and South Africa to license miners and create methods for certifying shipments of rough diamonds to ascertain their origin. There are reports claiming that Al Qaeda receives funding from diamonds mined illicitly in Sierra Leone, and that Lebanese diamond smugglers in West Africa are connected to Hezbollah. Critics believe the initiative comes too late, as the conflicts in Sierra Leone and Angola are coming to an end. Although the Kimberly Process fails to establish an auditing system to regulate certification of origins, a United Nations report chronicled a network of corrupt elites actively involved in the illicit diamond trade, reaffirming the need to curb it. (*The New York Times*)

### Cigarette Smuggling

A wave of lawsuits in the last several years has refocused attention on cigarette smuggling and a more sinister aspect of the trade—the direct participation of international tobacco companies. Early in November, the U.S. Supreme Court refused to hear a cigarette smuggling case filed by the government of Canada (similar to cases filed by Belize, Honduras, Ecuador, the European Union, and a group of Colombian states) consistent with a seventeenth century law preventing foreign countries from pursuing alleged tax cheats in U.S. courts.

The EU has filed another lawsuit seeking to avoid the revenue rule, pursuing the company for violations of the

Racketeer Influenced and Corrupt Organizations Act (RICO) of 1970. The new lawsuit alleges that the major tobacco companies have knowingly smuggled billions of dollars worth of cigarettes into the EU using networks of organized crime, offshore tax havens, false invoicing, and money laundering. A recent suit filed by the Colombian states alleges that drug traffickers launder the proceeds of drugs sales in the United States back to Colombia using the illegal cigarette trade.

Colombian drug traffickers allegedly launder over \$5 billion annually with this method; earlier this year, two Lebanese brothers smuggled cheap cigarettes from North Carolina to Michigan (where cigarette taxes are much higher) and passed on some of their profits to Hezbollah, a State Department–designated terrorist organization. Unfortunately, the playing field for transnational organizations that reap millions from smuggling cigarettes, by spreading corruption and organized crime, and by providing too many with a profitable money-laundering instrument still has not changed.

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## TNT Program Update

### Islamic Extremist Recruitment

U.S. prisons and college campuses, the U.S. military, and Islamic community centers and mosques may all be targets of foreign-funded efforts to recruit extremists for jihad. TNT is conducting the first comprehensive study of this phenomenon and has interviewed journalists as well as scholars and activists from the Islamic and black communities. TNT research shows clear signs that this recruitment may be widespread and funded by the Saudi Arabian Wahabbi clergy and the transnational Salafi movement. Research interviews have revealed that the process for certifying U.S. prison and U.S. military chaplains is not regulated by the federal government but, instead, by private Islamic organizations such as the Islamic Society of North America (ISNA). Some moderate Islamic organizations have reported that balanced, peaceful Islamic literature and sermons are being pushed out and replaced with extremist readings and preaching.

The project is reaching out to those organizations that conduct religious visits in prisons and other U.S.-based missionary work in order to hear from all involved. In

addition, the study will include Christian and Jewish perspectives on extremism, which have encountered similar problems with extremist recruitment activity. By bringing vulnerable segments of the U.S. population into their extremist fold, terrorist groups will have U.S. passport-holding operatives who can move freely about the country raising little or no suspicion. José Padilla, the so-called dirty bomber, simply cannot be the only potential catastrophe lurking within U.S. borders. In the UK alone, over 3,000 British passport holders have been processed through Al Qaeda camps in Afghanistan. The European Union has been pressing the United States to consider this internal threat as it better understands the extent to which they themselves are experiencing it.

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