

East Asia Overview

“The fight against terrorism is our fight, it is the fight of all mankind against evil. The terrorist shall not be allowed to get away with this....I ask our people to be vigilant always. The battle shall go on wherever it takes us.”

*Philippine President Gloria Macapagal-Arroyo,
7 June 2002*

In 2002, the deadliest terrorist attack since the September 11, 2001 attacks in the United States occurred in the East Asia region—the bombings in Bali, Indonesia. Although East Asian nations had lent substantial support to the war on terrorism, made progress in arresting and interdicting terrorists, and built and improved their counterterrorism capabilities, many nations redoubled such efforts after the 12 October Bali attack. High-profile arrests continued alongside less visible efforts to improve legal and regulatory regimes to restrict the flows of terrorist money, manpower, and materiel through banks, borders, and brokers in the region.

The Philippines continued its strong support for the war on terrorism in 2002. The Philippines and United States cooperated closely to resolve a hostage crisis involving US citizens in the Philippines and to step up efforts to bring to justice the Abu Sayyaf Group (ASG) terrorists responsible for the kidnapping. The United States brought indictments against and offered rewards for five ASG leaders and trained and assisted Philippine forces in going after the ASG. The United States also added the Communist Party of the Philippines/New People's Army (CPP/NPA) to its list of Foreign Terrorist Organizations, and it added CPP/NPA and CPP leader Jose Maria Sison to the list of entities and individuals designated under Executive Order 13224. The Philippines sentenced terrorism suspect Agus Dwikarna to 10 years on explosives charges and continued to

consult and cooperate with other regional nations on counterterrorism issues.

Indonesia made great strides in bringing perpetrators of the Bali bombings to justice and exposing the scale and deadliness of the terrorist group Jemaah Islamiya (JI), believed to be responsible for the bombings. The Indonesian police cooperated closely with other regional partners in the Bali investigation and widened the investigation beyond the Bali attacks to look at JI in general, often through cooperation with other nations in the region. Indonesia arrested Abu Bakar Bashir, spiritual leader of JI, on several charges, including attempting to assassinate the President of Indonesia and charges related to a string of bombings in December 2000. The United States continued to work closely with Indonesia to improve its counterterrorism capabilities through training and assistance programs, and in supporting the country's legal and regulatory regimes.

Japan was fully committed to the war on terrorism in 2002 and continued to provide robust assistance to Operation Enduring Freedom, major assistance to rebuild Afghanistan, and other aid to East Asian countries to enhance their counterterrorism capabilities. Japan was an active participant in G-8, EU, ASEAN Regional Forum (ARF), and UN efforts to coordinate counterterrorism activities, and it was a regional leader in adhering to international standards for implementing an effective counterterrorism regime.

Australia was hit hard by the Bali bombings, losing 85 citizens. The tragedy strengthened Australia's already firm resolve to lend robust support to the war on terrorism, including support for the Bali investigation. Australia provided combat forces to Operation Enduring Freedom and was very active in

regional cooperation. Australia implemented broad reforms of its legal and regulatory counterterrorism mechanisms, and it undertook significant bureaucratic reorganization to enhance its counterterrorism capabilities at home and abroad.

Malaysia and Singapore continued to make arrests of JI suspects, disrupting their operations and ability to function. Malaysia approved the concept of a regional counterterrorism center and continued to develop it through the end of the year. The Philippines, Indonesia, and Malaysia signed an agreement on counterterrorism cooperation, which was later joined by Thailand and Cambodia. Several other nations in the region signed similar cooperative agreements, and cooperation between governments—in particular law-enforcement and intelligence agencies—increased in 2002, making possible additional successes in interdicting or arresting terrorists in the region.

Thailand was also a staunch ally in the war on terror and continued to cooperate closely with the United States and its neighbors on counterterrorism, intelligence, and law enforcement. In 2002, US access to Thai bases and airspace continued to be critical for rapid force projection into the Operation Enduring Freedom theater. Thailand contributed to the UN Afghanistan Reconstruction Fund and agreed to send military engineers to participate in Afghan reconstruction.

Terrorist organizations in the region, however, demonstrated their flexibility and resilience in the face of more effective antiterrorist efforts by East Asian nations. Terrorists shifted their targets and patterns of operation, and much work remains to be done so that the region's counterterrorism regimes can deal effectively with the threat that terrorists continue to pose to East Asian nations—and their partners and allies. Trafficking in drugs, persons, and weapons, for example, as well as organized crime, official corruption, and some inadequacies in legal and regulatory regimes persist as weaknesses that can be exploited by terrorists.

While regional nations did much to expose, arrest, and disrupt JI in 2002, the organization continues to function, and many of its leaders remain at large. JI and other terrorist groups continue to pose significant threats to the region, and only through increasing collaboration and cooperation can those threats be met.

The hard-won lesson of recent years is that such cooperation and communication are perhaps the most important weapons in the counterterrorism arsenal. Through such cooperation, nations can strengthen the security, law-enforcement, intelligence, and financial institutions that constitute the frontline in the war against global terrorism.

North Korea, one of the seven state sponsors of terrorism, is discussed in the state sponsorship section of this report.

Australia

Canberra strengthened its already close working relationship with its international counterparts in the global war on terrorism in 2002. The Australian Defence Force maintained its substantial contribution to Operation Enduring Freedom, including deploying a Special Air Services contingent in Afghanistan, aerial tankers in Kyrgyzstan, and P-3 patrol aircraft in the Persian Gulf region, while two Australian warships participated in the multinational interception force in the Arabian Gulf. The Australian Government strongly condemned all acts of international terrorism during the year, particularly the 12 October Bali bombings, in which 85 Australians died. Australia was instrumental in providing assistance to the Government of Indonesia in the aftermath of the attack.

Canberra signed bilateral counterterrorism memoranda of understanding with Indonesia, Malaysia, and Thailand in 2002, and it is negotiating such a memorandum with the Philippines. Canberra is a party to 11 of the

12 international conventions and protocols relating to terrorism. The Government also enacted laws that create new definitions for terrorism; provide stronger penalties for carrying out, abetting, or financing terrorist acts; and enhance Australian Customs' powers to enforce border security. Federal and state leaders formalized a new intergovernmental agreement on Australia's national counterterrorism arrangements in October. The agreement provides a new and strong framework for cooperation between jurisdictions and creates a national counterterrorism committee to recommend additional federal-state measures to upgrade security. Several states strengthened their own antiterrorism laws as well.

Australia sought to block assets of all individuals and entities included on the UN Security Council Resolution 1267 Sanctions Committee's consolidated list of persons and entities associated with Usama Bin Ladin, members of al-Qaida, and members of the Taliban. It also sought to block assets of individuals and entities designated by the United States pursuant to Executive Order 13224. The Government also proscribed six organizations, including al-Qaida and Jemaah Islamiya (JI), under antiterrorism legislation enacted in June 2002. The legislation allows prosecution of members of such organizations or persons who provide financial or logistic support to them.

Australian law-enforcement and intelligence organizations actively investigated possible links between foreign terrorist organizations and individuals and organizations in Australia. In the wake of the bombings in Bali, the Australian Federal Police conducted a joint investigation of the attack with the Indonesian National Police. The Australian Security Intelligence Organization and State Police conducted raids on several houses of persons in Perth and Sydney who were suspected of having links to JI.

In November, Australian authorities in Perth charged an Australian citizen with conspiracy in

connection with an alleged plan to bomb the Israeli Embassy in Canberra and the Israeli Consulate in Sydney. The same month, the Parliament enacted a law creating a crime of extraterritorial murder, manslaughter, or intentional harm to Australians, retroactive to 1 October 2002. The law gives Australia jurisdiction to prosecute those responsible for attacks on Australians overseas, such as the perpetrators of the Bali bombings.

Burma

Rangoon has taken a solid stance against international terrorism. It is party to five of the 12 international conventions and protocols relating to terrorism and has enacted an anti-money-laundering law that could help block terrorism assets. Burmese authorities frequently make public statements supportive of international counterterrorism efforts, and they also have expressed their willingness to cooperate in sharing information on counterterrorism issues.

There were no incidents of international terrorism in Burma during 2002. Several Burmese embassies abroad received letters containing blasting caps and electric batteries, although none exploded. The military government is currently involved in several low-intensity conflicts with ethnic insurgent groups. At least one group is alleged to have ties to South Asian extremist (possibly terrorist) elements.

China

The People's Republic of China continued to cooperate with the United States in the war on terrorism. Chinese officials regularly denounced terrorism, both in public statements and in international fora, and China regularly participated in UN Security Council discussions on terrorism and served as a permanent member of the UN Counterterrorism Committee established under UN Security Council Resolution (UNSCR) 1373. In

2002, China was well represented at international meetings, including the Munich Conference on Security Policy and the Southeast Asia Counterterrorism Conference held in Honolulu. During the 2002 Asian Pacific Economic Cooperation meeting, Beijing again articulated its counterterrorism stance and joined in statements denouncing terrorism.

Beijing continued to undertake measures to improve its counterterrorism posture and domestic security, including careful monitoring of its borders with Afghanistan and Pakistan and some efforts toward disrupting the financial links of terrorist groups. China made some progress in 2002 in strengthening financial-monitoring mechanisms, including prompting China's financial institutions to search for and freeze assets of designated terrorist entities.

Beijing regularly holds expert-level consultations with the United States on the financial aspects of terrorism, conducts semiannual counterterrorism consultations, and shares information through law-enforcement channels concerning persons possibly involved in terrorist activities. Beijing treats individuals and entities designated under US Executive Order 13224 on the same basis as it treats individuals and entities identified by the UNSCR 1267 Sanctions Committee, whose assets UN member states are required to freeze pursuant to Chapter VII of the UN Charter.

In 2002, there were no acts of terrorism committed in China against US citizens or interests, but there were several reports of bombings in various parts of China. It is unclear whether the attacks were politically motivated acts, terrorism, or criminal attacks.

China continued to express concern that Islamic extremists operating in and around the Xinjiang-Uighur Autonomous Region received training, equipment, and inspiration from al-Qaida, the Taliban, and other extremists in Afghanistan. Several press reports claimed that Uighurs trained and fought with Islamic groups in the former Soviet Union, including Chechnya. Uighurs were found

fighting with al-Qaida in Afghanistan, and some Uighurs who were trained by al-Qaida have returned to China. Previous Chinese crackdowns on ethnic Uighurs and others in Xinjiang raised concerns about possible human rights abuses. For example, while the United States designated the East Turkestan Islamic Movement as a terrorist organization under Executive Order 13224 in 2002, it continued to emphasize to the Chinese that the war on terrorism must not be used as a substitute for addressing legitimate social and economic aspirations.

China is a party to nine of the 12 international conventions and protocols relating to terrorism.

Indonesia

In the wake of the Bali bombing on 12 October, the Indonesian Government stepped up internal investigations against international terrorist groups, although it had provided limited support for the global Coalition against terrorism before this event. Indonesia participated in a number of regional and international fora focused on terrorism and supported declarations on joint action against terrorism, including the declarations issued at the US-sponsored Southeast Asian Counter-Terrorism Conference, the ASEAN Summit, and a regional conference on combating terrorist financing. Internal administrative and legal weaknesses, however, hampered indigenous counterterrorism efforts.

Jakarta's response to the 12 October terrorist attacks in Bali represented a major and multifaceted counterterrorism effort. Jakarta undertook a number of significant actions, including the quick adoption of antiterrorism decrees (PERPU), the introduction into the legislature of a counterterrorism bill, and an aggressive investigation into the Bali attacks in particular. Jakarta, with international assistance, has taken action against Jemaah Islamiya (JI), an organization now designated by the United States pursuant to Executive Order 13224 and included

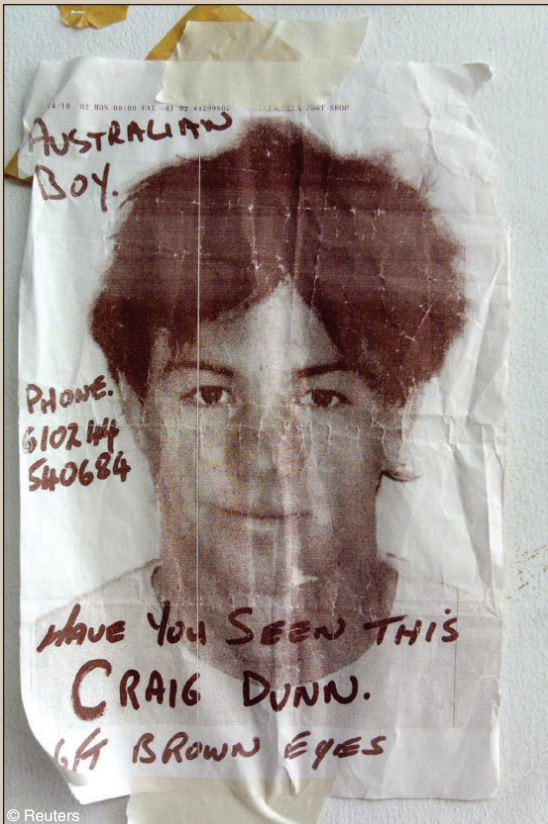
Bali, Indonesia—October 2002



A team from Indonesia's antiterror police unit escort key Bali bombing suspect Imam Samudra for transport from Jakarta to Bali, Indonesia, 6 December 2002.



Days after the Bali bombing, thousands of Balinese gathered at the site of the bombing to purify the area with a Hindu religious ceremony.



A flier for a missing youth was posted in a hospital two days after the Bali bombing occurred.



Australian Prime Minister John Howard (C) tours the site of the 12 October 2002 bomb blasts in Bali, where nearly 200 persons were killed.

on the UNSCR 1267 Sanctions Committee's consolidated list of organizations and individuals, whose assets UN member states are required to freeze. Indonesia supported this designation. Authorities detained JI spiritual leader Abu Bakar Bashir and arrested members of the JI cell believed responsible for the Bali bombings, including JI leaders Imam Samudra and Ali Ghufron, a.k.a. Mukhlas.

The 12 October Bali terrorist bombings, which killed some 200 persons and maimed hundreds more, has been clearly attributed to the al-Qaida-linked terrorist organization Jemaah Islamiya. The attack in Bali's crowded Kuta tourist district was initiated with a possible suicide bombing inside a tourist bar that funneled panicking victims into the street, exposing the crowd to the full blast of a large car bomb parked next to a neighboring club.

A smaller, nearly simultaneous bombing occurred about 300 yards from the US Consular office in Bali. Those arrested have indicated that the consular agency was the target. Hours before the Bali bombings, a small explosion had occurred at the Philippine Consulate in Sulawesi, which damaged the compound gates and blew out several windows. No casualties were reported in either bombing. Other bombings in 2002 in Indonesia included a botched grenade attack on a US diplomatic residence in Jakarta in September and the bombing on 4 December of a US-based/owned fast-food franchise and a car dealership in Makassar.

In 2002, Indonesia did not discover or freeze any terrorist assets. Indonesia's weak rule of law and poorly regulated financial system have produced roadblocks in uncovering terrorist assets, notwithstanding its willingness to freeze terrorist assets, consistent with the requirements of UNSCR 1373, as well as UNSCRs 1267, 1390, and 1455.

Indonesia is a party to four of the 12 international conventions and protocols relating to terrorism.

Japan

Tokyo has stood firm with the United States in combating terrorism. Tokyo twice renewed its Basic Plan, authorizing Japan's Self-Defense Forces to provide logistic support for Operation Enduring Freedom, including refueling US and UK vessels and deploying an Aegis antimissile-equipped destroyer in the Indian Ocean, as well as transporting heavy equipment into Afghanistan.

Japan is party to all 12 international conventions and protocols relating to terrorism. At the request of the United States, it has blocked the assets of individuals and entities designated by the United States under Executive Order 13224.

Japan continued to participate actively in international fora designed to strengthen counterterrorism measures and took a leadership role in rebuilding Afghanistan. While hosting the January Afghanistan Reconstruction Conference, Tokyo announced a \$500-million aid package for Afghanistan. In March, Tokyo hosted the Asia Counterterrorism Conference. Tokyo is coordinating with the United States on efforts to build a homeland security capacity within Asia, and it has invited officials from Asia to receive training in areas of homeland defense, including immigration control, aviation security, customs cooperation, export control, police and law enforcement, and terrorist financing.

In 2002, Japan had no incidents of international terrorism and continued to prosecute the alleged perpetrators of earlier terrorism acts. The Tokyo District Court sentenced two Aum Shinrikyo (Aum) members to death for the sarin gas attack on the Tokyo subway in 1995. Trials were still underway for four other members, and a ruling in the trial of Aum leader Matsumoto was expected in early 2003.

Laos

The Government of Laos has continued to provide strong support for the global war on terrorism. The Government became a party to four international conventions and protocols relating to terrorism in July 2002, in addition to the three to which it was already a party.

Laos joined other Association of Southeast Asian Nations (ASEAN) countries in taking strong positions against terrorism and, with other ASEAN nations, became a participant in the United States-ASEAN Joint Declaration for Cooperation on Counterterrorism, which was signed in August 2002.

Responding to requests by the United States and its obligations pursuant to UNSCR 1373, as well as UNSCRs 1267, 1390, and 1455, Laos has continued efforts to identify assets of terrorists and sponsors of terrorism. The Bank of Laos has issued orders blocking assets of organizations and individuals named in lists provided by the United States. The Bank, however, had yet to take steps to report on Government compliance with UNSCR 1373 or to freeze the assets of individuals and entities associated with Usama Bin Ladin, members of al-Qaida, and members of the Taliban included on the UNSCR 1267 Sanctions Committee's consolidated list. Pursuant to Chapter VII of the UN Charter, UN member states are required to block the assets of persons and individuals on that list.

Laos has no distinct counterterrorism laws; acts of terrorism fall under Laotian criminal law. The Ministry of Foreign Affairs, Ministry of Justice, and the National Assembly are currently discussing amendments to its criminal law to identify acts of terrorism as crimes and to strengthen the penalties for those crimes. The Laotian Government has increased security at all public events, and it has tightened airport and immigration security.

Malaysia

During 2002, the Malaysian Government continued to cooperate with international law-enforcement and intelligence efforts in the global war on terrorism and aggressively pursued domestic counterterrorism measures within its borders.

Malaysia suffered no incidents of international or domestic terrorism in 2002, although Malaysian police authorities continued their investigations of the regional terrorist organization Jemaah Islamiya (JI) and domestic Kumpulan Mujahidin Malaysia group, resulting in about 40 arrests of individuals suspected of involvement in either group. In late 2001, Malaysian authorities arrested Philippine national Nur Misuari, former Moro National Liberation Front (MNLF) leader and ex-governor of the Autonomous Region of Muslim Mindanao, for illegal entry and transferred him to the Philippines in January 2002. On 19 November 2001, Misuari had declared war on the Arroyo government, and armed MNLF guerrillas loyal to him attacked an army headquarters in Jolo, Sulu, that left over 100 persons dead and scores wounded. At year's end, Misuari's trial on rebellion charges was ongoing.

Kuala Lumpur sought to freeze assets of entities on the UNSCR 1267 Sanctions Committee's consolidated list, although it has not located terrorist assets to date. Kuala Lumpur requires financial institutions to file suspicious transaction reports on all names of individuals and entities designated under US Executive Order 13224, but it was not yet a party to the 1999 International Convention for the Suppression of the Financing of Terrorism. Malaysia is a party to three of the 12 international conventions and protocols relating to terrorism.

The Malaysian Government passed legislation in 2002 that will allow the negotiation of mutual legal-assistance treaties with other countries. In addition, Malaysia, the Philippines, and Indonesia

signed a counterterrorism agreement on 7 May—later joined by Thailand and Cambodia—that establishes a framework for cooperation and interoperability of the three nations' procedures for handling border and security incidents. Twenty specific projects are detailed in the agreement, to include such measures as setting up hotlines, sharing airline passenger lists, and conducting joint training.

In May, Malaysia signed a joint counterterrorism declaration of cooperation with the United States, and in November the Malaysian cabinet approved establishment of a Malaysian-based regional counterterrorism training center in Kuala Lumpur.

Malaysia joined several ASEAN members in October 2002 in successfully requesting that the UNSCR 1267 Sanctions Committee include JI on its consolidated list of individuals and entities associated with Usama Bin Ladin, the members of al-Qaida, and the members of the Taliban.

New Zealand

New Zealand has contributed to Operation Enduring Freedom. It originally deployed one squadron of Special Forces to Afghanistan. New Zealand is reaffirming its commitment by deploying a frigate and a P-3 Orion to join the Coalition task force in the region. A C-130 Hercules transport aircraft will also become available from mid-2003.

New Zealand has supported regional efforts among other Pacific Island countries to adopt counterterrorism measures and coordinate their regional counterterrorism activities with the United States and Australia. It has a number of ongoing programs in the areas of police, customs, immigration, and judicial training/aid.

New Zealand is also a party to 10 of the 12 international conventions and protocols relating to international terrorism. Most recently, the Government announced a US \$12.5-million package of new intelligence, police, customs, and

immigration measures to enhance its counterterrorism capability.

Philippines

The Philippines in 2002 continued to work closely with international counterparts in the global war on terrorism and made significant progress in counterterrorism legislation, legal action against suspected terrorists, and hostage-rescue efforts. The Philippines has signed, but not ratified, the International Convention for the Suppression of Terrorism Financing. The Philippines is a party to six out of the 12 international conventions and protocols relating to terrorism. The Philippines, Malaysia, and Indonesia also signed a counterterrorism agreement on 7 May that establishes a framework for cooperation and interoperability of the three nations' procedures for handling border and security incidents. The agreement, which Thailand and Cambodia have now joined, enumerates 20 different projects.

The Philippines passed anti-money-laundering legislation in September 2001 and adopted related regulations in March 2002. The law criminalized money laundering, called for the establishment of a system of covered-transaction reporting, and created the Anti-Money-Laundering Council (AMLC). The 2001 legislation was insufficient to get the Philippines removed from the Organization of Economic Cooperation and Development's Financial Action Task Force (FATF) list of Non-Cooperating Countries and Territories. Based on FATF recommendations, however, the AMLC prepared a new draft bill that seeks to eliminate weaknesses in the existing legislation by lowering the reporting threshold, eliminating the requirement of a court order to freeze accounts, and revising bank-secrecy provisions. The Philippine Congress had not approved it by the end of the year, however.

On 19 November, as a result of an investigation by the US Embassy's Customs Attache Office, the



Police investigators search the shell of a bus in Quezon City, north of Manila, Philippines, 19 October 2002, after a bomb exploded killing 2 and injuring 20.

Philippine Court of Appeals moved to block the assets in bank accounts suspected of being owned or controlled by key Abu Sayyaf Group (ASG) members or their family members.

In January 2002, Nur Misuari, former Moro National Liberation Front leader and ex-governor of the Autonomous Region of Muslim Mindanao, and an aide were transferred from Malaysia back to the Philippines where they have been detained. In late 2001, Malaysian authorities had arrested Misuari after he and his aides had fled the Philippines following an uprising in November 2001 that claimed the lives of 113 persons. The Philippine Government filed sedition and rebellion charges against Misuari, based on allegations that he



Undated picture of Lemuel Montulo, left, and his sister Flor, who were kidnapped in the Philippines; Montulo was later beheaded and his head dumped in a public market.

instigated the attacks, and at year's end his trial was ongoing.

The Philippines made a series of arrests of suspected extremists and terrorists in 2002. On 15 January, Philippine National Police and Bureau of Immigration agents arrested Indonesian citizen Fathur Rahman Al-Ghozi, a.k.a. Abu Saad or Sammi Sali Jamin, in Manila on charges of forging travel documents. Al-Ghozi is a member of the regional terrorist organization, Jemaah Islamiya (JI), which has a close connection to some elements of the Moro Islamic Liberation Front (MILF), the largest Islamic extremist group in the Philippines. Members of the JI used a MILF base for training in the past. The JI operated its own training facility at an MILF camp, although its current status is unclear. Based on information supplied by Al-Ghozi, police and military intelligence agents raided two houses in General

Santos City. They arrested three brothers and seized TNT, detonators, rolls of detonating cord, and M-16 rifles. Al-Ghozi pled guilty to possession of explosives and was sentenced to a 10-12 year jail term and fined. He still faces charges of illegal possession of assault rifles.

Philippine authorities in March arrested three other Indonesian citizens—Agus Dwikarna, Abdul Jamal Balfas, and Tamsil Linrung—in Manila and charged them with unlawful possession of explosive materials. Balfas and Linrung were later handed over to Indonesian authorities. On 12 July, Dwikarna was convicted by a Philippine regional trial court and sentenced to ten years imprisonment.

In 2002, the US Department of Justice issued several terrorist-related indictments against Philippine nationals, and other indictments are pending. On 23 July, the US Deputy Attorney General announced an indictment charging five ASG leaders with taking US citizens hostage, hostage taking resulting in death, and conspiracy resulting in death. This action mirrors an indictment in February 2002 that previously had been kept sealed for fear of endangering the lives of ASG-held hostages.

The Armed Forces of the Philippines (AFP) has undertaken other initiatives to rescue ASG-held hostages. During the first half of 2002, the AFP launched an operation to locate and rescue hostages held by the ASG, including US citizens Gracia and Martin Burnham. On 7 June, AFP forces rescued Mrs. Burnham, but tragically, Mr. Burnham and Philippine nurse Deborah Yap were killed during the operation. Two weeks later, Philippine special warfare troops fired at a vessel carrying ASG leader Aldam Tilao, a.k.a. Abu Sabaya, responsible for taking the hostages. Sabaya's body was never found, but there is strong evidence that he is dead. Four other ASG members were captured during the incident.

In August 2002, the AFP launched Operation End Game, which is aimed at rescuing three

Indonesians, four Filipino Jehovah's Witness members, and one remaining hostage taken in 2000 and still held by the ASG. The operation is also geared to locating and destroying ASG subgroups operating in Jolo and Basilan.

In other activities targeting the ASG, beginning in January 2002, the US military provided a broad range of training to the AFP to improve its ability to fight the ASG. During the training program, 10 US servicemen were killed in an accident when an MH-47 Chinook helicopter crashed into the Sulu Sea. On 2 October, one US serviceman was killed and another wounded in a bombing that targeted US personnel. The ASG is believed to be responsible for the attack.

In May, the US Government launched a Rewards for Justice campaign targeting ASG leaders. Under the program, the US Government offered to pay up to \$5 million for information leading to the arrest or conviction of the following ASG terrorists: Amir Khadafi Abubakar Janjalani, a.k.a. Abu Mukhtar; Jainal Antel Sali, Jr., a.k.a. Abu Solaiman; Aldam Tilao, a.k.a. Abu Sabaya (presumed dead); Isnilon Toton Hapilon, a.k.a. Abu Musab; and Hamsiraji Sali, a.k.a. Jose Ramirez.

The Philippine Government publicly welcomed the US Government's designation in August 2002 of the Communist Party of the Philippines/New People's Army (CPP/NPA), as a Foreign Terrorist Organization. The US Government also designated CPP/NPA and its founder Jose Maria Sison pursuant to Executive Order 13224. Authorities in The Netherlands, where Sison is living in self-exile, subsequently froze assets in his bank accounts there and cut off his social benefits. In October, Philippine Foreign Secretary Ople urged the European Union to place a similar designation on a faction of the CPP, the National Democratic Front (NDF). The Philippines continued to campaign for inclusion of all Communist factions, the CPP, NPA, and NDF, on the Sanctions Committee's consolidated list of individuals and entities associated with Usama Bin

Ladin, the members of al-Qaida, and those of the Taliban, whose assets UN member states are required to freeze pursuant to Chapter VII of the UN Charter.

Throughout 2002, the Communist People's Party/New People's Army/New Democratic Front (CPP/NPA/NDF) continued sporadic attacks against Government and commercial sites as well as against public officials and private citizens. In September, the Communist New People's Army (NPA) claimed responsibility for assassinating a mayor, attacking a police station (and killing the police chief), and blowing up a mobile telecommunications-transmission station. The violence in September prompted the AFP to launch a new counterinsurgency drive against NPA fighters. A coordinated campaign by military forces, police units, and civilian volunteers—called Gordian Knot—was aimed at overrunning CPP/NPA/NDF strongholds and capturing terrorist suspects. Nevertheless, the Macapagal-Arroyo administration at the end of 2002 remained open to a negotiated peace settlement with the CPP/NPA/NDF.

Singapore

In 2002, Singapore continued to work closely with international counterparts in the global war on terrorism. In addition to multilateral activities, Singapore continued its cooperation with the United States on import controls and also took domestic legislative and judicial initiatives.

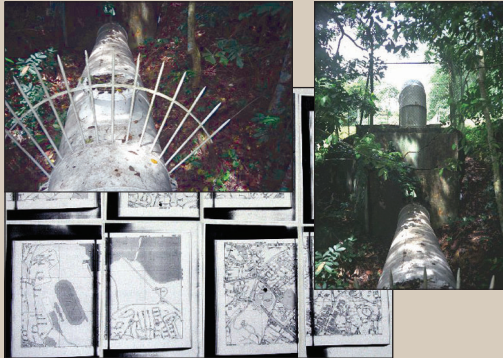
In October, Singapore joined over 40 countries in requesting that the UNSCR 1267 Sanctions Committee add the Jemaah Islamiya (JI) to its consolidated list of individuals and entities associated with Usama Bin Ladin, the members of al-Qaida, and the Taliban. The same month, Singapore joined the Asia Pacific Economic Cooperation Summit's counterterrorism declaration. In July, the United States and the ASEAN signed a nonbinding joint declaration for cooperation on counterterrorism. As an ASEAN member, Singapore is a participant in the declaration. In addition, Singapore became a party

to the 1999 International Convention for the Suppression of Terrorism Financing in December 2002 and passed legislation that would enable it to become a party to the Convention on the Marking of Plastic Explosives. (In January 2003, Singapore became a party to that Convention. Singapore is now a party to six of the 12 international conventions and protocols relating to terrorism.)

In September, Singapore signed a declaration outlining its participation as a pilot port in the US Container Security Initiative; implementation was continuing at the end of the year. The Singapore Parliament also passed legislation effective 1 January 2003 establishing a new strategic trade-controls framework. The framework establishes controls over items exported from or transhipped/transiting through Singapore that are related to weapons of mass destruction but places the burden of reporting on shippers.

There were no incidents of international or domestic terrorism in Singapore in 2002, but authorities continued their investigation of the local JI network, a regional terrorist organization that has ties to al-Qaida. Since December 2001, Singapore authorities have detained 36 individuals for suspected involvement in the JI. Thirty-one of those individuals were placed under renewable two-year detention orders. Singapore authorities have publicly provided details of the allegations against those arrested, including publishing in January 2003 a white paper on terrorism. The documents indicate that 11 of the detainees were reported to have received training at al-Qaida camps in Afghanistan. Those arrested reportedly were involved in plots to attack Singaporean official and civilian targets as well as citizens of the United States, the United Kingdom, Australia, and Israel in Singapore.

Singapore: Success Against Terrorism in Southeast Asia



Photos of water pipeline and maps showing route of pipeline, processed from materials recovered from Ab Wahab bin Ahmad.



Ab Wahab bin Ahmad

Twice in eight months, the Government of Singapore rounded up suspected terrorists intent on carrying out deadly attacks. With superb law-enforcement skill and effective cooperation with other nations, Singapore's two successful operations doubtless saved lives and prevented incalculable physical damage.

The first roundup occurred in December 2001, when 13 suspected members of the terrorist group Jemaah Islamiya (JI) were detained. They were plotting to attack a variety of targets, including the US Embassy and other embassies, as well as US companies. Investigators also discovered evidence of other plans to strike US Navy vessels, a subway station used by US military personnel, and Singaporean targets.

After months of intense investigations, the second roundup took place in August 2002. Eighteen additional JI suspects were detained by Singapore's Internal Security Department (ISD) and accused of activities in support of the planned attacks on the Ministry of Defense, a US ship, water pipelines, a bar frequented by US service personnel, and other targets. Seventeen of these suspects were JI members; the other was a Moro Islamic Liberation Front (MILF) member. "These latest arrests have seriously disrupted the JI network in Singapore," according to Singapore's Ministry of Home Affairs.

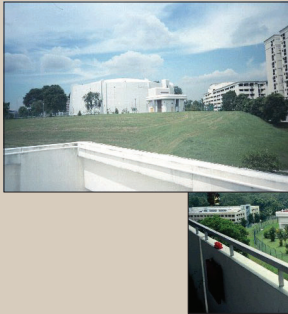
Jemaah Islamiya, a terrorist organization with ties to al-Qaida, has cells throughout Southeast Asia. Indonesian authorities linked it to the bombing in Bali, which took the lives of almost 200 Indonesians and foreign tourists. According to reports released by the Singaporean authorities, several of those arrested in the second roundup had attended al-Qaida training camps in Afghanistan and MILF training camps in Mindanao. Before leaving for camps, JI leaders would conduct ideological and physical training sessions to prepare members for their trips.

Singapore officials said that members conducted reconnaissance of selected targets in Singapore, acting on orders from the JI leaders arrested in December. Some of the arrested members were found with evidence of their surveillance activities, including maps, drawings, reconnaissance reports, photographs, and video recordings.

The members had devised elaborate schemes to conduct surveillance. For instance, Ab Wahab bin Ahmad (Wahab) was a magazine deliveryman whose route included the Singapore Ministry of Defense. He allowed Mohd Aslam bin Yar Ali Khan (Aslam), a more senior JI operative, to deliver magazines on his behalf so that Aslam could personally conduct surveillance of the facility. This gave Aslam the opportunity to videotape the perimeter and entrances to the building. Notes and written summaries of the videos were later recovered in a raid on Wahab's home.

The Singapore Government reported that JI members also cased other targets for possible attack, including water pipelines, the Changi Airport, an air-traffic-control radar site, petrochemical facilities, and various Western and other interests in Singapore.

Singapore: Success Against Terrorism in Southeast Asia (continued)



Photographs of Bukit Panjang Service Reservoir, among evidence recovered from Ab Wahab bin Ahmad.



Suspected Jemaah Islamiya members, arrested in August 2002.

Of the 18 men detained in August, most were employed in everyday jobs as deliverymen, dispatch clerks, drivers, butchers, and used-car salesmen. Only two were unemployed. About half had served full time in the National Service and were on reserve duty at the time they were arrested. According to the Singapore Government, most of the JI members in custody saw no contradiction between living in a peaceful multiracial society and pledging their allegiance to militant groups that could potentially harm other Singaporeans, including fellow Muslims whom they claimed to represent. During interviews by the ISD, the members revealed that they were so committed to pursuing jihad that they were willing to put fellow Muslims at risk to accomplish their goals.

The JI cell in Singapore was an important fundraiser for regional JI groups. It would impose a tax on its members to raise funds. In the early 1990s, members were required to give two percent of their monthly salaries; this was later increased to five percent. According to Singaporean authorities, half of the funds raised went to the Singapore cell, which used the money to fund its members' expenditures and provide for needy JI families. Money also was sent to members abroad for military training. The other half of the money raised was split between the Indonesian and Malaysian branches of JI.

Home Affairs Minister Wong Kan Seng emphasized the complex organizational structure of JI and noted the need for continued regional cooperation to counter the terrorism threat from the group. Referring to the second roundup of suspects, Mr. Wong said, "This particular group in JI is not confined to Singapore but is connected to the JI organization in Malaysia and Indonesia and some in the Philippines. We also found that some Singaporeans were involved or into training in the Moro Islamic Liberation Front training camps. That is a concern that this network is not found only in Singapore but also in the region." Some members of the Singapore organization are believed to be hiding out in neighboring countries, and it is possible that they may yet carry out their bombing plans.

The Singaporean authorities had arrested 31 JI members by the end of 2002 and provided information instrumental to the detention of others in neighboring countries. On 2 February 2003, Indonesian authorities arrested Singaporean Mas Selamat Kastari, whom Singapore has identified as the chief of the JI's Singapore operations; Indonesian authorities attributed the arrest to a tipoff received from Singapore. With each successive arrest, Singapore is rooting out the terrorist threat in its backyard and making it tougher for JI to operate in the rest of the region.

The Singapore Government notes, however, that the other regional JI cells continue to threaten security in Southeast Asia. In his opening address to Parliament on 25 March 2002, President Nathan stated, "The Jemaah Islamiya terrorist group is a stark reminder that these are not faraway problems, but immediate threats to us here and now." Singaporean authorities, who have warned that additional arrests may occur as they continue their investigations, are committed to cooperating with the security agencies of neighboring countries to eliminate the group entirely from the region.

Taiwan

Taiwan has supported the global war on terrorism and taken steps to improve its counterterrorism laws and regulations. After the September 11, 2001 attacks, Taiwan was quick to implement fully all increased security requirements requested by the US Transportation Security Administration and to increase security for the American Institute on Taiwan. In May 2002, Taiwan Minister of Economic Affairs Lin Yi-Fu said during the Asia Pacific Economic Cooperation conference in Puerto Vallarta, Mexico, that Taiwan fully supports the ongoing global war on terrorism. In October, President Chen Shui-Bian condemned the terrorist bombing in Bali and said that Taiwan would offer assistance to Indonesia.

Although Taiwan currently has no antiterrorism laws, the Taiwan Executive Yuan in October ordered the Ministry of Justice to draft a special antiterrorism law. The new law, if enacted, would simplify the process of freezing financial accounts and enhance the use of compulsory measures such as a prosecutor's power to search, detain, and summon suspects and witnesses. At the end of the year, the draft of the antiterrorism law had undergone an extensive interagency review process coordinated by the Executive Yuan and awaited consideration by the Legislative Yuan.

(In January 2003, the Legislative Yuan passed an enhanced anti-money-laundering law, which lowers the threshold of amounts required to report, raises the penalties for noncompliance, and allows the Government to seize suspicious bank accounts.) Even before the passage of this legislation, the Ministries of Finance and Justice had followed up on requests by the United States to check suspicious bank accounts in Taiwan.

Thailand

Thailand continued to cooperate closely with the United States on counterterrorism, intelligence, and

law-enforcement matters, and the Government enhanced its counterterrorism cooperation with its neighbors. During the year, Thailand indicated its intent to join the Container Security Initiative and began active negotiations with US Customs. In 2002, Thailand began discussions with the United States on the possible introduction of a border-security system called the Terrorist Interdiction Program. Regionally, Thailand joined a counterterrorism agreement—initially signed by Malaysia, the Philippines, and Indonesia—that establishes a framework for cooperation and inter-operability of procedures for handling border and security incidents. Thailand also signed a bilateral counterterrorism cooperation agreement with Australia. It signed an ASEAN-sponsored Declaration of Cooperation with the United States on counterterrorism and joined the Asia Pacific Economic Cooperation Conference counterterrorism declaration. It reaffirmed its commitment to accede to the remaining seven of 12 UN antiterrorism conventions.

On terrorism finance, Thailand established an interagency financial crimes group to coordinate CT finance policy. It submitted CT finance revisions to its Anti-Money-Laundering Act and the penal code to Parliament in the fall, where they were awaiting adoption at the end of the year. Thailand has been a strong supporter of US and other efforts to designate terrorists and terrorist entities at the UN Sanctions Committee. Thailand is a party to four of the 12 international conventions and protocols relating to terrorism.

Thailand served as host to four US-Thai bilateral military exercises with significant counterterrorism components, providing valuable training to US forces and reinforcing Thai capabilities to respond to potential terrorist incidents in Thailand. In 2002, there were no incidents of terrorism in Thailand.