

## Overview of State-Sponsored Terrorism

Despite significant pressure from the US Government, the seven designated state sponsors of terrorism—Cuba, Iran, Iraq, Libya, North Korea, Syria, and Sudan—did not take all the necessary actions to disassociate themselves fully from their ties to terrorism in 2002. While some of these countries have taken steps to cooperate in the global war on terrorism, most have also continued the very actions that led them to be declared state sponsors.

Although Cuba is a party to all 12 international counterterrorism conventions and protocols, and Sudan is a party to 11, both nations continued to provide support to designated Foreign Terrorist Organizations. Likewise, Syria and Libya have continually indicated that they wish to aid the United States in the conflict against terrorism and have curtailed their sponsorship activities. Their cooperation remained deficient in other areas, however. Syria continued to provide safehaven and transit to some Palestinian rejectionist groups. Suspended UN sanctions against Libya remained in place, as Libya again failed to comply with UN requirements related to the bombing in 1988 of Pan Am Flight 103 over Lockerbie, Scotland.

While some of the designated state sponsors have taken steps to accede to the international norms of combating terrorism, others—notably Iraq, Iran, and North Korea—have done little to comply. Iraq, through its intelligence service, prepared for possible attacks against Western targets and was a safehaven, transit point, and operational base for terrorist organizations that included members of al-Qaida. Iran, for its part, remained the most active state sponsor of terrorism during 2002. It has provided funding, training, and weapons to Central Asian and anti-Israeli terrorist groups. In addition, some members of these groups, as well as al-Qaida, have found safehaven in Iran.

State sponsors of terrorism impede the efforts of the United States and the international community to fight terrorism. These countries provide a critical

foundation for terrorist groups. Without state sponsors, terrorist groups would have a much more difficult time obtaining the funds, weapons, materials, and secure areas they require to plan and conduct operations. The United States will continue to insist that these countries end the support they give to terrorist groups.

## Cuba

Although Cuba signed and ratified all 12 international counterterrorism conventions in 2001, it has remained opposed to the US-led Coalition prosecuting the war on global terrorism and has been actively critical of many associated US policies and actions. On repeated occasions, for example, Cuba sent agents to US missions around the world who provided false leads designed to subvert the post-September 11 investigation. Cuba did not protest the use of the Guantanamo Bay base to house enemy combatants from the conflict in Afghanistan.

In 2002, Cuba continued to host several terrorists and US fugitives. Havana permitted up to 20 Basque Fatherland and Liberty members to reside in Cuba and provided some degree of safehaven and support to members of the Colombian Revolutionary Armed Forces of Colombia (FARC) and National Liberation Army (ELN) groups. Bogota was aware of the arrangement and apparently acquiesced; it has publicly indicated that it seeks Cuba's continued mediation with ELN agents in Cuba.

An accused Irish Republican Army (IRA) weapons expert and longtime resident of Havana went on trial in Colombia in 2002. He had been caught a year earlier in Colombia with two other IRA members and detained for allegedly training the FARC in advanced use of explosives. Some US fugitives continued to live on the island.

## 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.
  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 a terrorist list government without a Treasury Department license.
  - Prohibition of Defense Department contracts above \$100,000 with companies controlled by terrorist list states.

## Iran

Iran remained the most active state sponsor of terrorism in 2002. Its Islamic Revolutionary Guard Corps and Ministry of Intelligence and Security were involved in the planning of and support for terrorist acts and continued to exhort a variety of groups that use terrorism to pursue their goals.

Iran's record against al-Qaida has been mixed. While it has detained and turned over to foreign governments a number of al-Qaida members, other al-Qaida members have found virtual safehaven there and may even be receiving protection from elements of the Iranian Government. Iran's long, rugged borders are difficult to monitor, and the large number of Afghan refugees in Iran complicates efforts to locate and apprehend extremists. Nevertheless, it is unlikely that al-Qaida elements could escape the attention of Iran's formidable security services.

During 2002, Iran maintained a high-profile role in encouraging anti-Israeli activity, both rhetorically and operationally. Supreme Leader Khamenei referred to Israel as a “cancerous tumor,” a sentiment echoed by other Iranian leaders in speeches and sermons. Matching this rhetoric with action, Iran provided Lebanese Hizballah and Palestinian rejectionist groups—notably HAMAS, the Palestine Islamic Jihad, and the Popular Front for the Liberation of Palestine-General Command—with funding, safehaven, training, and weapons. Tehran also encouraged Hizballah and the Palestinian rejectionist groups to coordinate their planning and to escalate their terrorist activities against Israel.

Iran also provided support to extremist groups in Central Asia, Afghanistan, and Iraq with ties to al-Qaida, though less than that provided to the groups opposed to Israel.

## Chemical, Biological, Radiological, Nuclear (CBRN) Terrorism

*"The gravest danger our Nation faces lies at the crossroads of radicalism and technology."*

*President Bush, The National Security Strategy of the United States of America, 17 September 2002.*

The September 11 attacks confirmed that terrorists will seek to produce mass casualties whenever they believe it serves their purposes. Although terrorists will probably continue to rely on traditional terrorist tactics, several groups, including al-Qaida, increasingly look to chemical, biological, radiological, or nuclear (CBRN) materials as a means to potentially cause mass casualties rivaling or exceeding those of September 11. Troublesome amounts of dangerous materials—and information about how to create and deliver CBRN weapons—remain available to terrorists.

*"Our enemies have openly declared that they are seeking weapons of mass destruction, and evidence indicates that they are doing so with determination."*

*President Bush*

Usama Bin Ladin has said he sees the acquisition of "weapons of mass destruction" (WMD) as a "religious duty," and he has threatened to use such weapons. This rhetoric was underscored by reports that documents retrieved from al-Qaida facilities in Afghanistan contain information on CBRN materials.

The threat is not limited to Bin Ladin and al-Qaida, however. Information indicates that small but growing numbers of other terrorist groups are also interested in CBRN materials. In Europe, French police seized a chemical contamination suit and arrested a terrorist cell in December 2002 that allegedly was planning an attack using chemical agents. At least one related group was making ricin toxin in London at that same time for a future terrorist attack.

CBRN terrorism events to date have generally involved crude and improvised delivery means that have been only marginally effective. With the exception of the US anthrax attacks, the materials employed in these events also have been crudely

manufactured. Other events have involved dual-use materials that have legitimate civilian applications, such as industrial chemicals, poisons and pesticides, and radiological source materials embedded in legitimate measuring instruments. While terrorist events involving these materials and improvised delivery systems can cause significant casualties, damage, and disruption, such events pale in comparison to the casualties and damage that could occur if terrorists acquired WMD and the ability to effectively deliver them.

*"...The United States will not allow these efforts to succeed."*

*President Bush*

Preventing the proliferation of WMD, their delivery systems, and related materials and technologies, has long been a pillar of national security. Since September 11, it has become an even more urgent global priority. President Bush made this urgency clear in his December 2002 *National Strategy To Combat Weapons of Mass Destruction*, in which he set out a comprehensive strategy to prevent WMD proliferation, including to terrorists. Nations around the world have joined the United States in undertaking greater efforts to prevent terrorist acquisition of WMD, relevant materials, and related technologies.

*"In the new world we have entered, the only path to peace and security is the path of action."*

*President Bush*

The United States is working within multilateral nonproliferation regimes and other international fora. Bilaterally, the United States promotes more stringent nonproliferation policies and programs; strengthened export controls; and improved border security to prevent terrorists or their state sponsors from acquiring WMD, their delivery systems, related materials, or technologies. As the President's National Strategy notes, however, should our diplomatic efforts fall short, we will be prepared to deter and defend against the full range of WMD scenarios.

In 2002, Iran became party to the 1988 Protocol on the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation. It is party to five of the 12 international conventions and protocols relating to terrorism.

## Iraq

Iraq planned and sponsored international terrorism in 2002. Throughout the year, the Iraqi Intelligence Services (IIS) laid the groundwork for possible attacks against civilian and military targets in the United States and other Western countries. The IIS reportedly instructed its agents in early 2001 that their main mission was to obtain information about US and Israeli targets. The IIS also threatened dissidents in the Near East and Europe and stole records and computer files detailing antiregime activity. In December 2002, the press claimed Iraqi intelligence killed Walid al-Mayahi, a Shi'a Iraqi refugee in Lebanon and member of the Iraqi National Congress.

Iraq was a safehaven, transit point, and operational base for groups and individuals who direct violence against the United States, Israel, and other countries. Baghdad overtly assisted two categories of Iraqi-based terrorist organizations—Iranian dissidents devoted to toppling the Iranian Government and a variety of Palestinian groups opposed to peace with Israel. The groups include the Iranian Mujahedin-e Khalq, the Abu Nidal organization (although Iraq reportedly killed its leader), the Palestine Liberation Front (PLF), and the Arab Liberation Front (ALF). In the past year, the PLF increased its operational activity against Israel and sent its members to Iraq for training for future terrorist attacks.

Baghdad provided material assistance to other Palestinian terrorist groups that are in the forefront of the *intifadah*. The Popular Front for the Liberation of Palestine-General Command, HAMAS, and the Palestine Islamic Jihad are the three most important groups to whom Baghdad has extended outreach and support efforts.



*Suspected leader of Iraqi Kurdish Islamic extremist group, Ansar al-Islam, Mullah Krekar attends a press conference, 14 January 2003 in Oslo, Norway, after being expelled from the Netherlands.*

Saddam paid the families of Palestinian suicide bombers to encourage Palestinian terrorism, channeling \$25,000 since March through the ALF alone to families of suicide bombers in Gaza and the West Bank. Public testimonials by Palestinian civilians and officials and cancelled checks captured by Israel in the West Bank verify the transfer of a considerable amount of Iraqi money.

The presence of several hundred al-Qaida operatives fighting with the small Kurdish Islamist group Ansar al-Islam in the northeastern corner of Iraqi Kurdistan—where the IIS operates—is well documented. Iraq has an agent in the most senior levels of Ansar al-Islam as well. In addition, small numbers of highly placed al-Qaida militants were present in Baghdad and areas of Iraq that Saddam controls. It is inconceivable these groups were in Iraq without the knowledge and acquiescence of Saddam's regime. In the past year, al-Qaida operatives in northern Iraq concocted suspect chemicals under the direction of senior al-Qaida associate Abu Mus'ab al-Zarqawi and tried to smuggle them into Russia, Western Europe, and the United States for terrorist operations.

Iraq is a party to five of the 12 international conventions and protocols relating to terrorism.

*(Note: See Appendix G for a fuller description of Iraq's ties to terrorism—particularly al-Qaida—excerpted from Secretary Powell's 5 February 2003 presentation before the United Nations Security Council.)*

## Libya

In 2002, Libyan leader Muammar Qadhafi continued the efforts he undertook following the 11 September 2001 terrorist attacks to identify Libya with the war on terrorism and the struggle against Islamic extremism. In August, Qadhafi told visiting British officials that he regards Usama Bin Ladin and his Libyan followers a threat to Libya. In his 1 September speech, he declared that Libya would combat members of al-Qaida and “heretics”—a likely reference to Libyan extremists allied with al-Qaida and opposed to his regime—as doggedly as the United States did. He further claimed that all political prisoners would be released and that the Libyan Government would henceforth only hold members of al-Qaida. Libya appears to have curtailed its support for international terrorism, although it may maintain residual contacts with some of its former terrorist clients.

Libya’s past record of terrorism continued to hinder Qadhafi’s efforts to shed Libya’s pariah status in 2002. In March, a Scottish appellate court upheld the conviction—originally returned in January 2001—of Libyan intelligence agent Abdel Basset Ali al-Megrahi for murder in connection with planting an explosive device on Pan Am Flight 103 in December 1988. The explosion killed all 259 passengers and crew on board and 11 persons on the ground in Lockerbie, Scotland. There have been reports of a proposed out-of-court settlement of a suit brought by Pan Am 103 family members against Libya, but by year’s end it had not been concluded.

Despite progress toward the payment of appropriate compensation, at year’s end Libya had yet to comply with the remaining UN Security Council requirements related to Pan Am Flight 103, necessary for the permanent lifting of UN sanctions, including accepting responsibility for the actions of its officials.

In October, lawyers representing the seven US citizens who died in the bombing of UTA Flight 772 in 1989—for which a French court convicted

six Libyans *in absentia* in 1999—filed a suit against Libya and Qadhafi, reportedly seeking \$3 billion in compensation. The same month, Libya reportedly pledged to French authorities to increase payments already made to victims of the UTA bombing following the French court ruling in 1999.

In 2002, Libya became a party to the 1999 Convention for the Suppression of the Financing of Terrorism and the 1991 Convention on the Marking of Plastic Explosives for the Purpose of Detection. It is a party to all the 12 international conventions and protocols relating to terrorism.

## North Korea

The Democratic People’s Republic of Korea’s (DPRK) response to international efforts to combat terrorism was disappointing throughout 2002, although in a statement released after the September 11 attacks, the DPRK had reiterated its public policy of opposing terrorism and any support for terrorism. In 2001, following the September 11 attacks, it also signed the UN Convention for the Suppression of the Financing of Terrorism and became a party to the Convention Against the Taking of Hostages.

Despite the urging of the international community, however, North Korea did not take substantial steps to cooperate in efforts to combat terrorism. Its initial and supplementary reports to the UN Counterterrorism Committee on actions it had undertaken to comply with its obligations under UNSCR 1373 were largely uninformative and nonresponsive. It did not respond to previous US proposals for discussions on terrorism and did not report any efforts to freeze without delay funds and other financial assets or economic resources of persons who commit, or attempt to commit, terrorist acts that UNSCR 1373, among other things, requires all states to do.

North Korea is not known to have sponsored any terrorist acts since 1987. It has sold weapons to several terrorist groups, however, even as it reiterated its opposition to all forms of international terrorism. Pyongyang also has provided safe-haven to several Japanese Red Army members who participated in the hijacking of a Japanese Airlines flight to North Korea in 1970.

Pyongyang continued to sell ballistic missile technology to countries designated by the United States as state sponsors of terrorism, including Syria and Libya.

North Korea is a party to six of the 12 international conventions and protocols relating to terrorism.

## **Sudan**

Sudan was cooperating with US counterterrorism efforts before 11 September 2001, which included a close relationship with various US Government agencies to investigate and apprehend extremists suspected of involvement in terrorist activities. Sudan is a party to 11 of the 12 international conventions and protocols relating to terrorism. Sudan also has participated in regional efforts to end the civil war that has been ongoing since 1983—a US policy priority that parallels the US objective of having Sudan deny safehaven to terrorists.

While concerns remain regarding Sudanese Government support for certain terrorist groups, such as HAMAS and the Palestine Islamic Jihad, the United States is pleased with Sudan's cooperation and the progress being made in their antiterrorist activities.

## **Syria**

The Syrian Government has continued to provide political and limited material support to a number of Palestinian groups, including allowing them to maintain headquarters or offices in Damascus. Some of these groups have committed terrorist

acts, but the Syrian Government insists that their Damascus offices undertake only political and informational activities. The most notable Palestinian rejectionist groups in Syria are the Popular Front for the Liberation of Palestine (PFLP), the Popular Front for the Liberation of Palestine-General Command (PFLP-GC), the Palestine Islamic Jihad (PIJ), and the Islamic Resistance Movement (HAMAS). Syria also continued to permit Iranian resupply, via Damascus, of Hizballah in Lebanon. Nonetheless, the Syrian Government has not been implicated directly in an act of terrorism since 1986.

At the UN Security Council and in other multilateral fora, Syria has taken a leading role in espousing the view that Palestinian and Lebanese terrorist groups fighting Israel are not terrorists; it also has used its voice in the UN Security Council to encourage international support for Palestinian national aspirations and denounce Israeli actions in the Palestinian territories as "state terrorism."

The Syrian Government has repeatedly assured the United States that it will take every possible measure to protect US citizens and facilities from terrorists in Syria. In times of increased threat, it has increased police protection around the US Embassy. During the past five years, there have been no acts of terrorism against US citizens in Syria. The Government of Syria has cooperated significantly with the United States and other foreign governments against al-Qaida, the Taliban, and other terrorist organizations and individuals. It also has discouraged any signs of public support for al-Qaida, including in the media and at mosques.

In 2002, Syria became a party to the 1988 Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, making it party to five of the 12 international conventions and protocols relating to terrorism.

