



Country Reports on Terrorism [-Report Home Page](#)

Released by the Office of the Coordinator for Counterterrorism
April 30, 2008

Chapter 2 -- Country Reports: Europe and Eurasia Overview

"Since the attacks of July 7, 2005, communities in Britain and across the world have come together in a common front against terrorism and against the propaganda that fuels it. And this requires not just the security measures I have outlined but that we work with all communities and all countries through debate, discussion, dialogue, and education as we tackle at root the evils that risk driving people, particularly vulnerable young people, into the hands of violent extremists."

—Gordon Brown, Prime Minister of the United Kingdom
July 5, 2007

European countries continued to improve their capabilities to counter the terrorist threat, foiled several significant terrorist plots, and continued to prosecute and jail terrorist suspects. European governments were increasingly concerned about radicalization among their populations and sought greater understanding of the process of "radicalization" and how to prevent it. Several governments increased outreach to Muslim communities living within their countries and made attempts to gain support from within those communities to counter the appeal of extremist ideology.

European nations continued to work in close partnership with the United States against a terrorist threat characterized by both external and, increasingly, internal components. The contributions of European countries in sharing intelligence, arresting members of terrorist cells, and interdicting terrorist financing and logistics were vital elements in the War on Terror.

At the June 2004 U.S.-EU Summit, the sides agreed on a Declaration on Combating Terrorism that renewed the transatlantic commitment to develop measures to maximize capacities to detect, investigate, and prosecute terrorists; prevent terrorist attacks; prevent access by terrorists to financial and other economic resources; enhance information sharing and cooperation among law enforcement agencies; and to improve the effectiveness of border information systems. These commitments were reaffirmed at the 2007 Summit, and work continued on implementation.

European nations were active participants in a variety of multilateral organizations that contribute to counterterrorist efforts, including the G8, NATO, the Financial Action Task Force (FATF), the Organization for Security and Cooperation in Europe (OSCE), the International Maritime Organization (IMO), and the International Civil Aviation Organization (ICAO). During its G8 Presidency, Germany placed a particular emphasis on supporting UN counterterrorism activities and topics such as terrorist use of the Internet, protecting critical energy infrastructure, and countering radicalization and recruitment to terrorism. The United States worked with its international partners through multilateral organizations to establish and implement best practices, build the counterterrorism capabilities of "weak but willing" states, and help counter terrorism globally. OSCE members committed themselves to becoming parties to the 13 international terrorism conventions and protocols, to work together to modernize travel documents and shipping container security, to prevent and suppress the financing of terrorist organizations, and to implement UNSC Resolution 1540 to counter WMD (related materials and the means of delivery) proliferation. ([See Chapter 5, Terrorist Safe Havens \(7120 Report\)](#) for further information on the G8, NATO, FATF, and OSCE, and on the tools we are using to address the conditions that terrorists exploit.)

Terrorist activity and the presence of terrorist support networks in Europe remained a source of concern. Efforts to combat the threat in Europe were sometimes slowed by legal protections that made it difficult to take firm judicial action against suspected terrorists, asylum laws that afforded loopholes, the absence of adequate legislation, or standards of evidence that limited the use of classified information in holding terrorist suspects. Terrorists also sought to take advantage of the ease of travel among Schengen countries. At times, some European states have not been able to prosecute successfully or hold some of the suspected terrorists brought before their courts — a product, in part, of insufficient measures to use intelligence information in judicial proceedings. The EU as a whole remained reluctant to take steps to block the assets of charities associated with HAMAS and Hizballah.

Cooperation with and among European law enforcement agencies remained vital for counterterrorism successes. France and Spain continued to cooperate effectively against Basque Fatherland and Liberty (ETA). Germany led Europe in maintaining action against the militant Kurdish separatist group Kongra Gel/Kurdistan Workers' Party (KGK/PKK), which raised funds, often through illicit activity, to fund violence in Turkey, but coordination problems across borders in Europe blunted some successful arrests. Portuguese authorities worked with security services of several other European countries to arrest and extradite to Italy a person suspected of associating with and recruiting for an international terrorist organization. Eight other suspects were also arrested during similar operations across Europe. The Swiss Parliament ratified the U.S.-Swiss Operative Working Agreement, which entered into force in December.

No major terrorist attacks took place in Europe in 2007, but several plots were disrupted that could have resulted in a serious loss of life. In June, terrorists attempted attacks in London and, a day later, terrorists drove a burning car into Glasgow airport. A total of seven individuals, including the two suspected perpetrators in Glasgow, were arrested in connection with the attacks. In Germany, a major terrorist plot was disrupted in September with the arrests of two ethnic Germans and a Turkish citizen resident in Germany. The plotters, who German officials said were connected to the Islamic Jihad Group (IJG), had acquired large amounts of hydrogen peroxide for possible use in multiple car bomb attacks. Also in September, Danish police in Copenhagen arrested eight alleged militant Islamists with al-Qa'ida (AQ) links on suspicion that they were preparing explosives for use in a terrorist attack. Earlier in the year, Revolutionary Struggle claimed responsibility for a rocket propelled grenade (RPG) attack against the U.S. Embassy in Athens; no one was hurt.

Judicial proceedings in countries across Europe resulted in the convictions of terrorist suspects. In Belgium, hearings began in the case of Bilal Soughir and five other men suspected of having recruited and trained terrorists for suicide attacks in Iraq. In Bosnia, three persons were convicted on terrorism charges in that country's first state-level terrorism trial, and in February, a Danish court convicted four men charged with planning a terrorist attack—the country's first trial under 2002 counterterrorism legislation. Members of the Moroccan Islamic Combatant Group (GICM) were convicted in France for providing material support to a terrorist organization in connection with the 2003 terrorist bombings in Casablanca. In May, the Athens Court of Appeals in Greece issued consolidated sentences in the November 17 (N17) appeals trial. Of the 219 counts remaining, convictions were sustained on 218. The six members of the operational core of N17 received a total of 44 life sentences. In October, Spain's National Court returned guilty verdicts on 21 of 29 individuals suspected of involvement in the 2003 Madrid train bombings that killed 191 people and wounded hundreds of others, and handed down sentences ranging from three years to almost 43,000 years in prison (although the maximum time they can serve under Spanish law is 40 years).

Albania

Albania pledged to increase its contribution of troops to both Afghanistan and Iraq, maintained frozen bank accounts related to money laundering and terrorism financing, and aggressively worked with the United States and other countries to combat terrorism. Albania made progress in identifying vulnerabilities at land and sea borders, but the government and police forces continued to face substantial challenges to enforce fully border security and combat organized crime and corruption.

In December, Hamzeh Abu Rayyan, the administrator for UNSCR 1267 Committee-designated terrorist financier Yassin Al-Kadi, was charged with hiding funds used to finance terror. This marked the first criminal terror finance-related case charged in Albania. A civil suit filed by al-Kadi to release his assets from seizure was originally dismissed for technical reasons but was refiled in July.

Although no new groups' assets were frozen this year under Albania's Terrorism Financing Freeze (TFF) law enacted in 2004, as of October, the Ministry of Finance claimed that it maintained asset freezes against six individuals and fourteen foundations and companies on the UNSCR 1267 list. Despite this progress, the effectiveness of the government's counterterrorist financing effort was undermined by a lack of data-processing infrastructure and an inadequate capability to track and manage cases properly.

Armenia

Armenia's counterterrorism contribution included its continued commitment to overflight and landing rights of U.S. military aircraft, additional security support to U.S. facilities in Armenia during times of terrorist alert, and the renewed deployment of peacekeeping forces in Iraq. In addition, Armenia joined the Global Initiative to Combat Nuclear Terrorism, and expressed interest in joining the Convention for Suppression of Acts of Nuclear Terrorism.

In September, a delegation of inspectors from the UN Counterterrorism Committee Executive Directorate visited Armenia to ascertain its progress in complying with UNSCR 1372, and found that 12 of the 13 legal counterterrorism instruments had already been implemented or were soon to be implemented. And in July, the Armenian government succeeded in adapting the EU export control list of "dual-use" commodities to its own national control list.

The Financial Monitoring Center (FMC), a U.S.-supported financial intelligence unit within the Central Bank of Armenia (CBA), continued to make investigative strides against money-laundering. During the first nine months of the year, the FMC received twenty-four suspicious transaction reports (STRs), compared to twenty-three STRs during the same period in 2006, and six STRs in 2005. Under its current mandate, the CBA can freeze temporarily financial assets while referring the STRs to the competent authorities for further investigation. However, it must rely on private financial institutions to self-monitor and lacked an integrated IT system to store information on financial entities or individuals of concern. At the end of the year, no cases involving terrorist financing were uncovered or prosecuted. The FMC received Egmont Group membership this year.

Armenia improved border security by maintaining an automated Border Management Information System (BMIS) that documented and stored the names of travelers at nearly all official points of entry, and contained criminal and terrorist watchlists as updated by the Republic of Armenia Police (RAP) and National Security Service (NSS). While Armenia has no bilateral agreement with the United States governing the sharing of information on travelers, the NSS and RAP shared information with the U.S. Embassy when they discovered fraudulent U.S. visas or other documents of interest to the United States.

Armenia's warming relations with neighboring Iran continued, with Armenia hosting official visits by Iranian President Ahmadinejad (October) and Iranian Defense Minister Najjar (November). In addition to fostering closer diplomatic ties, these visits served to solidify previous bilateral commitments to develop joint energy and transportation projects. This closer cooperation has made Armenia more reluctant to criticize publicly objectionable Iranian conduct or join other UN member states in advocating for sanctions on the Iranian regime.

Although Armenia continued to strengthen its counterterrorism capabilities and enhanced its counterterrorism cooperation with the United States and other international security organizations, its geographic location, porous borders, and loose visa regime still provided ample opportunities for traffickers of illicit materials, persons, and finances. Furthermore, endemic governmental corruption, a significant organized crime presence, and a large shadow economy made the country potentially vulnerable to money laundering and terrorist financing schemes.

Austria

Austria experienced two concrete, Internet-based terror threats from second generation Muslim immigrants who were subsequently arrested. A national "integration platform" launched in the autumn sought to mobilize both the Austrian government and society to promote social and economic integration, prevent the isolation of ethnic and religious groups, and stop radicalization.

Austria made modest contributions to stability in Afghanistan and Iraq, with its contribution of three liaison officers at the International Security Assistance Force (ISAF) headquarters in Kabul, after having completed two larger in-and-out missions in Afghanistan since 2002.

However, Austria failed to coordinate fully law enforcement activities with other states against the militant Kurdish separatist group, Kongra Gel/Kurdistan Workers' Party (KGK/PKK), an EU- and U.S.-designated terrorist group. For example, in mid-year, Austria initially detained and quickly released KGK/PKK operative Riza Altun and allowed him to board a plane for northern Iraq, despite the fact that he had fake documents and faced charges in France and an extradition request from Turkey. In November, Austria failed to detain Remzi Kartal, a KGK/PKK leader known to be traveling to Austria who was wanted by INTERPOL.

Austria's legal framework to combat terrorism includes legislation making the planning of intended terrorist acts a criminal offense, but the 2005 terrorism law is untested. Austria also has policies in place to combat terrorism financing and money laundering.

Azerbaijan

Over the past five years, the Government of Azerbaijan has aggressively apprehended and prosecuted members of suspected terrorist groups. It has closed organizations that were suspected of supporting terrorist groups and arrested at least 39 persons from three separate terrorist-associated groups, on terrorism-related charges.

Azerbaijan has granted blanket overflight clearance, engaged in information sharing and law-enforcement cooperation, and has approved numerous landings and refueling operations at its civilian airport in support of U.S. military operations in Afghanistan. Since August 2003, Azerbaijan has supported peacekeeping operations in Iraq with an infantry company of approximately 150 soldiers stationed at the Haditha Dam. A platoon of Azerbaijani soldiers has worked with the Turkish peacekeeping contingent in Afghanistan since November 2002.

While Azerbaijan has taken steps to combat terrorist financing and identify possible terrorist-related funding by distributing lists of suspected terrorist groups and individuals to local banks, comprehensive legislation to counter terrorist financing has not yet passed parliament. In December 2006, an inter-ministerial experts group responsible for drafting anti-money laundering and counterterrorist finance legislation through the President's office provided its most recent draft to the U.S. Department of Justice and the Council of Europe; the Department of Justice provided comments on the law and discussed it with Azerbaijani government officials. The government has not yet presented the draft law to parliament, nor has it taken steps to create a Financial Intelligence Unit. In anticipation of future adoption of this law, the USG has trained prosecutors, investigators, and judges on implementing anti-money laundering and anti-terrorist financing law enforcement techniques.

In February, Azerbaijani authorities arrested a group of 15 Azerbaijani citizens in Baku who called themselves the Northern Mahdi Army. The group was charged with having ties to Iran's Islamic Revolutionary Guards Corps (IRGC). In October, the group went before a closed trial on charges of cooperation with a foreign intelligence service, high treason, possession of illegal weapons and robbery. According to the Azerbaijani Ministry of National Security (MNS), the group was organized to establish a state ruled by Sharia (Islamic) law. According to published reports, the MNS said that one of the group members had met an IRGC officer in Qom, Iran, and was offered money to fight against the United States, Israel, and other Western countries. According to published reports, the group received training in Iran and Azerbaijan.

During security sweeps in late October and early November, a group of twelve Azerbaijanis, reportedly led by an ethnic Arab named Abu Jafar, were arrested in Sumgayit, Azerbaijan on terrorism-related charges. A large quantity of arms and ammunition, a map of Sumgayit, and other equipment were confiscated from members of the group. Criminal cases are pending.

Separately, in November, 11 Azerbaijani citizens were arrested over a number of days in connection with a late October threat against the U.S. Embassy in Baku, which resulted in the embassy working at limited staffing for two days. The group consisted of Azerbaijani citizens led by a renegade radicalized Azerbaijani army officer,

Kamran Asadov, who left his unit without permission, taking four assault rifles, a machine gun, 20 grenades, and a large amount of cartridges on October 24. The fugitives from the group robbed a Lukoil gas station in Baku on October 30. According to press reports, members of the groups told the MNS that they planned to attack the U.S. Embassy. All the weapons and known members of the group have been seized and criminal charges are pending.

Belgium

Belgium continued to strengthen its response to the threat of terrorism, fashioning new institutions in its security services, improving internal coordination among antiterrorism offices, promulgating new laws to deal with terrorism and money laundering more aggressively, and strengthening agencies that confront terrorist financing.

In 2006, under Belgium's 2003 antiterrorism law, members of the Revolutionary People's Liberation Party/Front (DHKP/C), a far left militant Turkish group, were convicted for membership in a terror organization and for providing material support to a terrorist group. The Belgian Court of Appeals upheld the DHKP/C convictions and imposed stiffer sentences in November 2006. In April 2007, Belgium's Supreme Court cited technical grounds in quashing the Court of Appeals ruling; at year's end the case was being retried in the Antwerp Appellate Court.

On October 15, hearings began in the case of Bilal Soughir and five other men suspected of recruiting and training terrorists for suicide attacks in Iraq, including Muriel Degauque, a Belgian national who, in 2005, blew herself up in a failed bomb attack in Iraq. Federal authorities planned ongoing reviews of court rulings to gauge what acts and groups could be prosecuted successfully under the 2003 legislation and what types of sentences could be imposed.

Recently-enacted legislation that loosened restrictions on police surveillance of alleged extremists and clarified procedures for authorizing searches, wiretaps, and use of informants also facilitated action against suspected terrorists. Belgian authorities continued to strengthen their internal capabilities to combat terrorism and made its Coordinating Body for Threat Analysis (OCAM/CODA) more fully operational.¹ OCAM aims to facilitate the exchange of information among all governmental counterterrorism bodies and make a common threat analysis on the basis of such information exchanges. The new agency operated under the joint authority of the Justice and Interior Ministers and included representatives from the external and internal services, the Federal Police, Customs, and the Ministries of Transport, Finance, and Foreign Affairs.

Belgium also granted authorities the ability to create a national list of terrorist entities, separate from UN and EU lists, to be coordinated by OCAM, and to include financiers and suspected financiers of terrorism. This information will allow Belgian authorities to develop and apply a national capacity to freeze assets (in addition to UN- and EU-mandated asset freezes that Belgium already implements). In addition, Belgian cooperation on security programs such as the Container Security Initiative (CSI), Megaports, and export controls has been generally excellent.

Belgian emergency action plans have been reviewed and updated to prepare for and respond to potential attacks, including bioterrorism. On a local level, authorities have instituted drills of rapid alert systems, and reviewed critical infrastructure support and civil protection and medical assistance procedures. Federal and local authorities have participated in a EUCOM WMD Consequence Management exercise, furthering U.S.-Belgian cooperation in this area. Police and private sector working groups have been formed to target terrorists, the financing of terrorism, and terrorist use of the Internet.

Belgium made a significant military contribution to the International Security Assistance Force (ISAF) in Afghanistan, where it maintains a ground presence of about 400 troops, mainly at Kabul airport, with some personnel at the Provisional Reconstruction Team (PRT) in Konduz. Belgium contributed approximately \$33 million euros toward Afghan reconstruction and promised to boost its support for reconstruction and development, totaling approximately 45 million euros, to be disbursed over the next four years. Assistance to Iraq included expanded participation in the Jordan International Police Training Center in Amman (which subsequently closed in September), training for Iraqi diplomats and magistrates in Belgium, and training for Iraqi servicemen in Abu Dhabi, in cooperation with Germany.

Belgian authorities remained concerned about potential terror activities involving groups from Algeria and North Africa, and have investigated groups such as the Moroccan Islamic Combatant Group (GICM), the DHKP/C, a far right group with links to neo-Nazi groups, and a cell suspected of training members for attacks in Iraq. The KGK/PKK is a known presence, with television production studios in Brussels. The KGK/PKK continued to exploit Belgium to raise illicit financing for violence in Turkey and its camps in northern Iraq.

Belgium continued to take action in response to EU and UN Security Council actions to freeze suspected terrorist assets and to study steps to improve its ability to combat and control terrorist financing. Based upon a mutual evaluation review by the Financial Action Task Force (FATF) in June 2005, Belgium was working to implement FATF's recommendations.

Bosnia and Herzegovina

Despite increased ethnic polarization and disputes among Bosnian political leaders that hindered the functioning of state government for most of the year, Bosnia and Herzegovina's law enforcement organizations cooperated with the United States on international counterterrorism issues. Bosnia remained a weak, decentralized state and ethnically-based political confrontations continued to undermine national government. As a result of weak interagency communication, competing security structures, and political interference in law enforcement, Bosnia is vulnerable to exploitation as a potential staging ground for terrorist operations in Europe. The dysfunctional Bosnian state government and efforts by Republika Srpska officials to undermine state-level institutions contributed to a slowdown, and in some cases, setbacks in efforts to improve operational capabilities to combat terrorism and terrorism finance.

The State Investigation and Protection Agency (SIPA) is the Bosnia agency with primary responsibility for counterterrorism operations. The position of SIPA Director was unfilled for most of the year and the agency's readiness and capabilities suffered as a result. In addition, the head of the Ministry of Security, parent organization to SIPA, politicized the Ministry's terrorism threat analysis and counterterrorism operations. Although Bosnian capabilities and potential for independent action were degraded over the year, Bosnian authorities were generally effective and responsive to U.S. counterterrorism cooperation requests.

The Citizenship Review Commission (CRC), formed to review the status of foreign mujahedin fighters and others who obtained Bosnian citizenship during and after the 1992-95 war, completed its review of approximately 1200 cases. The CRC withdrew citizenship from 612 individuals it deemed to have obtained Bosnian citizenship unlawfully.*

On January 10, the Bosnian State Court handed down a fifteen and a half year prison sentence for Mirsad Bektasevic, a lead defendant in the country's first state-level terrorism trial. Two co-defendants received thirteen and a half, and eight year sentences, respectively. The three defendants were arrested in October 2005, on terrorism charges, and two others were charged with illegal possession of explosives. Lead defendants Mirsad Bektasevic (a Swedish citizen) and Abdulkadir Cesur were linked to terrorist networks elsewhere in Europe. In June 2007, a State Court appellate panel upheld the convictions but substantially reduced the sentences.

The Bosnian organization Aktivna Islamska Omladina (Active Islamic Youth, or AIO) spread extremist and anti-American rhetoric through its weekly print and online publication *SAFF Magazine*. AIO was founded in Zenica in 1995 by individuals with ties to the so-called "El Mujahid Brigade," a wartime unit comprised mainly of foreign extremists. AIO conducts youth outreach in Bosnia and maintains a presence in Western Europe.

Bosnia and Herzegovina continued its deployments in support of MNF-I. In September, the sixth rotation of the Armed Forces' 36-member Explosive Ordnance Disposal Unit deployed to Iraq. The Armed Forces also undertook specialized training that would allow for further deployments to either Iraq or to support Operation Enduring Freedom.

Bulgaria

Bulgaria's Financial Intelligence Agency (FIA) remained vigilant against terrorist financing and cooperated with the United States on identifying and investigating terrorist assets. The FIA regularly distributed lists of individuals and organizations linked to terrorism to all banks in Bulgaria, the Ministry of Interior, Customs, and the Border Police. The FIA was active in efforts against all mandated UNSCR-designated terrorists and terrorist organizations, and cooperated on USG-designated individuals and organizations. The FIA advised the banking sector to use the Department of Treasury's Office of Foreign Assets Control (OFAC) website as a reliable information resource for individuals and organizations associated with terrorism. The FIA provided feedback, including information on the response level of Bulgaria's banks, to the U.S. Treasury Department's Financial Crimes Enforcement Network (FINCEN).

In 2006, the Bulgarian Parliament passed amendments that further strengthened the FIA's investigative powers, enabling it to obtain bank information without a court order or a Suspicious Transaction Report (STR). In late 2007, as part of legislation creating the new State Agency for National Security (DANS), the FIA was transferred from the Finance Ministry to DANS. The legislation lacked clarity on the independent and investigatory powers of the FIA, potentially complicating its Egmont compliance and undermining its ability to execute its mission and uphold its international commitments. Aware of the issue, Bulgarian officials were considering additional legislative and regulatory measures at year's end.

In December, the Bulgarian parliament adopted the State Agency for National Security Act, under which DANS will consist of four chief directorates: Internal Security, Counterintelligence, Technical Operations, and Economic and Financial Security. It will split off the current National Security Service from the Interior Ministry, Military Counterintelligence from the Defense Ministry, and the Financial Intelligence Agency from the Finance Ministry. These services will be incorporated into DANS. The new agency will exercise control over the stay of foreigners in Bulgaria, which was previously handled by the National Security Service.

Bulgaria signed and ratified the Council of Europe's new Convention on the Prevention of Terrorism in 2006, which entered into force on June 1, 2007. Bulgaria's religious leaders, including leaders of the nation's Muslim community, spoke out strongly against terrorism.

The Bulgarian government continued its high level of cooperation with the United States in preventing acts of terrorism against U.S. citizens in Bulgaria and elsewhere. This included sharing information on potential terrorist threats and a heightened level of protection for USG facilities. Bulgaria's Defense Ministry, Interior Ministry, Nuclear Regulatory Agency, Ports Authorities, and Civil Protection Agency participated in a multinational field exercise and command post exercise led by the Department of Defense's Defense Threat Reduction Agency (DTRA) and the FBI on handling a terrorist attack scenario involving WMD.

Bulgaria has contributed approximately 150 troops to Operation Iraqi Freedom and 400 troops to the International Security Assistance Force (ISAF) in Afghanistan.

Croatia

The Croatian government increased its contribution to the International Security Assistance Force (ISAF) in Afghanistan from 150 to 200 soldiers who served in military police, medical support, force security, and liaison and training roles. In addition, Croatia maintained a small civilian and police team deployment to the German-led Provincial Reconstruction Team in Feyzabad. Croatia's long land and sea borders presented a monitoring and enforcement challenge and guided continued efforts to improve its border integrity and its export control regime.

Cyprus

Cyprus took a clear stand against international terrorism and supported United States counterterrorism efforts. The Government of Cyprus continued to allow blanket overflight and landing rights to U.S. military aircraft supporting operations in Iraq and Afghanistan. Cyprus was responsive to international efforts to block and freeze terrorist assets, implemented the Financial Action Task Force's (FATF) recommendations, and conformed to EU counterterrorism directives.

Cyprus's legal framework for investigating and prosecuting terrorist-related activity remained relatively weak. The United States and the Republic of Cyprus cooperated closely on terrorist finance and money laundering issues. The Cypriot Anti-Money Laundering Authority (MOKAS) implemented new UNSCR 1267 Committee decisions immediately and informally tracked names listed under U.S. Executive Orders.

In the area administered by Turkish Cypriots, issues of status and recognition inevitably restricted the ability of authorities to cooperate on counterterrorism. Turkish Cypriots cannot sign treaties, UN conventions, or other international agreements, for example. Moreover, the Turkish Cypriot-administered area lacked the legal and institutional framework necessary to combat money laundering and terrorist financing effectively. Within these limitations, Turkish Cypriots cooperated in pursuing specific counterterrorism objectives. They shuttered the First Merchant Bank after receiving evidence of illicit financial activity there and conducted a successful criminal investigation into the bank's activities, bringing together law enforcement, financial crimes investigators, and "central bankers" to revoke First Merchant's operating license and seize its assets.

Kurdish-origin communities exist on both sides of the island. The KGK/PKK has a presence in Cyprus, although its activities generally were limited to fundraising and transit en route to third countries; authorities believed there was little risk the group would conduct operations there. Cyprus maintained that it was fulfilling all responsibilities with respect to the EU designation of the KGK/PKK as a terrorist organization.

A large volume of container traffic moves through ports in the government-controlled area, making Cyprus an attractive and convenient venue for terrorist organizations seeking transshipment points for weapons and other items of concern. While Cypriot agencies responsible for nonproliferation assess only a small risk of illicit materials moving through transit cargo, the United States continued to push for increased maritime cooperation. The American Embassy organized and executed training programs to assist Cyprus to create a stronger export control regime and to pursue more proactive nonproliferation enforcement.

While the Turkish Cypriot community took some steps to prevent terrorist financing within its banking institutions, authorities lacked the legal and institutional framework to meet minimum international standards with regard to combating money laundering and terrorist finance. The "TRNC Central Bank" regularly asked financial institutions to search for assets linked to individuals or entities whom the United States and/or the UNSCR 1267 Committee has designated as terrorists. However, the north lacked modern audit control technology, relying instead on antiquated paper-based systems. Consequently, the Turkish Cypriot community's financial sector is vulnerable to abuse by criminals and terrorists. Authorities in the north are aware of the problem and "parliament" recently passed anti-money laundering legislation. Authorities are now looking to the international community for assistance with training and organizing a Financial Crimes Unit that would significantly improve their ability to combat illicit financial activity.

Czech Republic

Whether protecting the Prague headquarters of Radio Free Europe/Radio Liberty and other facilities, providing critical military assistance in Iraq and Afghanistan, or cooperating in criminal investigations, the Czech Republic remained a steadfast U.S. ally in the War on Terror.

The Czech Republic contributed significant numbers of troops to Coalition efforts in Iraq and Afghanistan. In Afghanistan, the Czech government is establishing a Provincial Reconstruction Team in Logar Province, and has decided to nearly double the size of its military force there, to over 400 soldiers. In Iraq, it maintained approximately 100 personnel, but will withdraw all but 20 by June 2008.

Pursuant to a U.S. request, Czech authorities extradited Oussama Kassir to the United States on September 25. Kassir, a Lebanese-born Swedish national, was alleged to have conspired to provide material support to terrorists through the planned operation of a terrorist training camp in Oregon. Kassir had requested political asylum, which the Czech government denied.

Denmark

Denmark completed implementation of two counterterrorism legislation packages that were passed by Parliament in 2006. These new measures criminalized the recruitment of persons to terrorism and the training of others to assist in committing terrorist acts, including financing terrorism. These new counterterrorism measures enhanced the Danish government's ability to investigate and prevent terrorism and other serious crimes. In March, Parliament passed additional legislation that prohibited private persons from purchasing fertilizer with ammonium nitrate levels of more than 28 percent, which could be used for improvised explosive devices. Denmark worked closely with the United States on UN and other multilateral counterterrorism efforts, including the Financial Action Task Force (FATF), and in international nonproliferation groups, such as PSI and the Global Initiative to Combat Nuclear Terrorism. We note however, that Roj-TV, a KGK/PKK affiliated media outlet, continued to operate in Denmark.

During the year, Danish law enforcement authorities arrested a number of individuals suspected of involvement in terrorism. Prominent new actions and arrests included:

- On September 4, Danish police arrested eight alleged militant Islamists in Copenhagen with al-Qa'ida (AQ) links on suspicion that they were preparing explosives for use in a terror attack. Police raided 11 homes in the greater Copenhagen area during the sweep. Six of the men were released from custody, while two await trial and face possible life in prison, if convicted.
- On November 11, Danish police arrested a foreign-born resident in Copenhagen on charges of urging terror groups abroad to kidnap Danish nationals. The 22-year-old suspect had links to two men arrested on terrorism charges in Copenhagen on September 4 (see above). Danish officials stated that the man arrested in the Nørrebro district of Copenhagen had apparently hoped that by kidnapping Danish citizens abroad, pressure could be exerted on Danish authorities to release the two suspects. The man remained in police custody awaiting trial.

Key judicial proceedings involving Islamic terrorism related crimes included:

- In January, the State Prosecutor's office dropped charges against a group of Danish imams who traveled to the Middle East in 2005, due to lack of evidence that they broke any laws in their alleged efforts to convince Muslims to protest against the publication of the Mohammed cartoons. The decision to drop the charges cleared the group of any responsibility for attacks on Danish embassies in Syria and Lebanon at the start of 2006.
- In February, a Danish court convicted four men charged with planning a terrorist attack, which marked the country's first trial under 2002 counterterrorism legislation. The men, all Muslims born in Denmark, were arrested in 2005 in the Copenhagen suburb of Glostrup, on charges of attempting to conduct terrorist acts in cooperation with two men arrested in Bosnia. On February 15th, 2007, however, a panel of judges overturned the verdict for three of the suspects due to insufficient evidence. The guilty verdict for the fourth suspect, 17-year-old Abdul Basit Abu-Lifa, was upheld. Abu-Lifa was sentenced to seven years' imprisonment, which was upheld by a Danish Supreme Court decision in October. In July, the public prosecutor in Copenhagen decided to proceed with a re-trial for one of the three suspects whose conviction had been overruled by the judges.
- On March 28, Copenhagen City Court acquitted two leading members of the Danish branch of the Al-Aqsa Foundation of charges of supporting terrorism. The men were indicted in 2003 for funneling money collected in Denmark, ostensibly for humanitarian purposes, to terrorist-related groups abroad. Danish authorities seized approximately \$89,406 in funds from the organization. The court ruled that the evidence against the group's president and treasurer was insufficient to establish a connection between the funds collected by Al-Aqsa in Denmark and HAMAS.
- On April 11, Copenhagen City Court convicted Said Mansour of inciting terrorism and sentenced him to three years and six months in prison. Mansour, a Danish citizen originally from Morocco, was arrested in September 2005 by Danish police for making and distributing DVDs and videos throughout Europe that showed beheadings and killings and called for a violent jihad against the Western world. The case marked the first conviction under 2002 counterterrorism legislation prohibiting the promotion of terrorism on Danish soil. Mansour previously served a 90-day sentence from December 2004 on weapons possession charges.
- On November 23, the Danish High Court convicted three men under national counterterrorism legislation for planning terrorist acts. Two foreign-born residents received 11-year prison sentences, while a Danish convert to Islam received a four-year sentence. A fourth defendant was acquitted after the presiding judge refused to consider a lesser charge. The men were among nine individuals arrested in September 2006, in Vollsmose, a suburb of Denmark's third-largest city, Odense, on suspicion of planning a terrorist attack. Prosecutors charged four of the nine with plotting acts of terrorism after finding laboratory equipment, chemicals, and explosives in their possession.
- On December 20, a Copenhagen municipal court acquitted seven people accused of supporting terrorism by transferring a portion of the proceeds of the sale of T-shirts to the Popular Front for the Liberation of Palestine (PFLP) and the Revolutionary Armed Forces of Colombia (FARC), both of which are EU- and U.S.-listed terrorist groups. Two of the three presiding judges in the case ruled that, while there was evidence to show that the FARC and the PFLP had carried out criminal actions, it was not possible to determine whether they were terrorist groups. The dissenting judge stated that the FARC did constitute a terrorist organization. The accused included five employees of "Fighters+Lovers", the clothing company that made the T-shirts, a man who owned the server that hosted its website, and a hot dog vendor who posted an advertisement for the shirts. Danish police shut down the company in February 2006, a month after it began selling T-shirts with PFLP and FARC logos, and confiscated all intended donations to the two groups. Prosecutors appealed the ruling in late December.
- Danish authorities concluded their terror-finance case against Patrick MacManus, the spokesman of the Danish NGO, "Opørør" (Revolt), and await a ruling by the Danish High Court. MacManus was indicted in October 2005 for violating Danish counterterrorism legislation by transferring approximately \$17,000 to the FARC and the PFLP. In 2005, MacManus informed local media that the group's actions were a means to challenge Denmark's counterterrorism laws.

Denmark withdrew nearly all of its 450 troops from southern Iraq at the end of 2007. The Danish government increased its contribution to Afghanistan, raising its forces to more than 750 as part of the International Security Assistance Force (ISAF). Most of these are engaged in challenging Helmand Province in Southern Afghanistan.

Estonia

As a member of the International Security Assistance Force (ISAF) in Afghanistan, Estonia contributed 120 soldiers to the UK-led Provincial Reconstruction Team in Helmand Province. The Estonian contribution consisted of an infantry company, an explosive ordnance disposal team, the national support element, a cross-service team, a human intelligence team, a close protection team, and staff officers to various headquarters in Kabul and Kandahar. Estonia also sent 37 soldiers to participate in combat operations in Iraq.

On December 21, Estonia joined the EU Schengen Area for land and sea border controls, making it one of the easternmost border checkpoints of the EU. This means that EU and non-EU citizens alike who cross Estonia's borders will be entering common European space, and will not face further border controls when traveling to any other Schengen country. In December 2007, Estonia signed an arrangement for the exchange of terrorist screening information pursuant to Homeland Security Presidential Directive #6.

Finland

Finland continued its support of the War on Terror, as evidenced by the approximately 100 Finnish troops deployed in Afghanistan in support of ongoing NATO/ISAF operations. Government officials and the general population focused on economic, social, and development aid projects aimed at addressing the conditions that terrorists exploit. Finland maintained its annual contribution of approximately \$15 million in development assistance to Afghanistan, and announced new law enforcement, humanitarian, and counternarcotics assistance initiatives.

Finnish and American officials shared counterterrorism information effectively, including a wide range of information on threat assessments, terrorist networks, and government responses to both. Following its EU Presidency in the second half of 2006, when it made counterterrorism and combating terrorist financing top priorities, the Finnish government continued to participate actively in ongoing EU efforts to remove institutional barriers to counterterrorism cooperation.

Finland pressed for EU cooperation with the U.S and the international community on counterterrorism issues. The Government of Finland maintained legislative and regulatory mechanisms to keep close watch over potential terrorist cells or financial support operations and to interdict their activities within the country. Finland effectively implemented new regulations requiring ships to submit security-related information prior to entry into port. In cases when another government presented a legal request for action or when an individual or organization was suspected of having committed an offense within Finland's borders, Finland implemented regulations that allowed it to freeze assets without prior UN or EU action.

Finland engaged in significant efforts to mitigate the social and economic factors that might lead members of the country's extremely small (less than 2 percent)

population of foreign-born residents to adopt extremist ideologies. It carried out programs to help Muslim and other immigrants find jobs and integrate into Finnish society, and it encouraged religious and ethnic tolerance through a variety of legislation, government-funded social programs, and ombudsmen's offices.

France

France dismantled terror networks on its territory and successfully convicted or extradited a number of high profile terrorists and their supporters. French authorities detained people with connections to a number of different terrorist groups, including Islamic terrorists, Corsican nationalists, Basque Fatherland and Liberty (ETA) members, 17 members of the Liberation Tigers of Tamil Eelam (LTTE), and 16 Kurds with links to the Kongra-Gel/Kurdistan Worker's Party (KGK/PKK). The French government undertook several counterterrorism operations during the year against Islamic terrorism targets in coordination with other countries including the UK, Germany, Italy, Spain, Belgium, and Portugal. France's efforts to avoid homegrown radicalization and extremism increased in 2007, and included administrative and judicial action against people who incite violence or hatred, and social and economic initiatives to prevent the susceptibility of at-risk populations. Increasing Islamic radicalization in the prison system continued to worry French officials.

Several public announcements by al-Qa'ida (AQ) reiterated that France and French interests remain key targets of al-Qa'ida in the Islamic Maghreb (AQIM). In December, French police arrested a group of eight people in Paris suspected of providing material support to AQIM. In September, AQIM injured two Frenchmen in an attack in Algeria, and in December, it killed four French tourists in Mauritania. In February, AQ members were also suspected of killing four French nationals in Saudi Arabia.

In February, counterterrorism police detained 16 Kurds suspected of links to the KGK/PKK; all were charged with various crimes including extortion, money laundering, and terrorism financing; and were suspected of providing financial support to the KGK/PKK to fund terrorist attacks in Turkey. Riza Altun, who has been wanted in Turkey for many years on terrorism charges, was among those arrested. After being released on bail, he fled France for Austria and was allowed to depart Austria for northern Iraq. Altun is still wanted in France and is being prosecuted in absentia.

In April, authorities arrested 17 people suspected of extorting funds from the Tamil community in France, and illegally transferring the money to Sri Lanka for use by the Liberation Tigers of Tamil Eelam (LTTE). Unofficial reports noted that the LTTE raises as much as six million euros per year in France.

The French government increased its efforts to obtain the release of French-Colombian hostage Ingrid Betancourt (detained since 2002), and other hostages held by the Revolutionary Armed Forces of Colombia (FARC). Both President Sarkozy and Foreign Minister Kouchner engaged Colombian President Uribe and Venezuelan President Chavez to work towards Betancourt's release. In November, Colombian authorities seized FARC materials that provided proof of life of Betancourt for the first time since 2003.

France's most recent counterterrorism legislation was adopted January 23, 2006. Preliminary detention for terrorism suspects in France is six days. The state may thereafter place suspects in pre-trial detention for up to four years when the evidence is compelling or when the suspect presents an imminent threat. In conjunction with local government, the national government increased video surveillance in major cities. French law also allowed for freezing of assets, video and telephone surveillance, monitoring of public transport records, and broad powers of official access to connection data held by Internet cafes and to various personal data records. The sentence for a convicted terrorist is up to 30 years for leading or organizing an attack, and from ten to twenty years for assisting a terrorist organization or operation. French nationality may be revoked, leading to eventual expulsion from French territory if the terrorist became a citizen through naturalization within the preceding 15 years.

France continued its active engagement with the UN Security Council (UNSC) Counterterrorism Committee (CTC), the G8's Counterterrorism Action Group (CTAG), the UNSCR 1267 Sanctions Committee (for the Taliban and AQ), and the European Council's Antiterrorism Strategy action plan. France is an original member of the Global Initiative to Combat Nuclear Terrorism and continued to participate actively. France remained a member and contributor to both the Proliferation and Container Security Initiatives.

In March, French Justice Minister Pascal Clement inaugurated an international justice network on terrorism. The network brought together justice officials from nine different countries² whose legal systems have centralized terrorism-related cases. The concept was to create a dialogue among nations' experts about how to use the judicial system to counter terrorism.

On the military front, France contributed three additional Operational Mentoring and Liaison Teams (OMLTs) to Afghanistan and transferred six Mirage fighter jets to Kandahar. France continued its participation in Coalition Task Force (CTF) 150, a multinational naval force that patrolled the Red Sea and Gulf of Yemen to interdict the movement of suspected terrorists between Afghanistan, the Arabian Peninsula and the Horn of Africa. It has twice commanded the Task Force. France maintained its overall contributions to both the International Security Assistance Force (ISAF) in Afghanistan and Operational Iraqi Freedom (OIF), with approximately 1,200 and 750 troops, respectively.

Following the assassinations of two Spanish police in southern France in December, French and Spanish officials announced the creation of permanent joint police units to combat Basque Fatherland and Liberty (ETA). The assassinations marked the first killings by ETA in France since 1976. A number of arrests of Basque Fatherland and Liberty (ETA) suspects were made throughout the year, several of whom were extradited to Spain. Police also arrested 13 people with ties to ETA in September in connection with the June 2006 attack against the Hotel Ostape in the French Basque region.

France continued to develop competencies and capabilities of TRACFIN, the Ministry of Finance's terrorism financing coordination and investigation unit. Within the European Union, France played an active role in the Clearinghouse, the EU process for designation of terrorist organizations. France did not designate HAMAS-affiliated charities, such as the French based Comité de Bienfaisance et Secours aux Palestiniens (Committee for the Well-Being and Assistance to Palestinians), arguing that this institution had no proven links to terrorism. France also opposed EU designation of Lebanese Hizballah as a terrorist organization, although it supported Hizballah's eventual disarmament, maintaining that disarmament would result in Hizballah's gradual integration into Lebanese politics.

Attacks on the French island of Corsica decreased in 2007, totaling 180. The government had a widespread police presence in the region and arrested dozens of people throughout the year in connection with various attacks. No deaths were reported and only a handful of minor injuries resulted from the attacks. The December conviction of Corsican extremist Yvan Colonna (convicted of the 1998 assassination of the highest ranking national government representative in Corsica), however fueled a rise in attacks at the end of 2007.

Key judicial proceedings involving Islamic terrorism related crimes included:

- The French government continued its policy of expelling non-French citizens engaged in terrorist activities or speech that promoted hate or incited violence. Among those ordered expelled from France were as many as 18 foreign imams who preached values determined to incite hate or violence.
- In April, France expelled Rachid Benmessahel to Algeria, and permanently banned him from entering France. Benmessahel was a French citizen who was sentenced in March 2005 on terrorism-related charges. His nationality was revoked in accordance with French law.
- In May police arrested Kamel Bouchentouf, a French citizen collaborating via the Internet with AQIM. Bouchentouf confessed to planning attacks against multiple targets including the American Embassy in Luxembourg.
- On December 19, five of six French former Guantanamo detainees expelled to France in 2004 and 2005 were convicted on terrorism related charges and sentenced to several years in prison. The judge ordered the majority of their sentences suspended, however, reducing jail time to time already served based on their incarceration in France upon return from Guantanamo. One detainee, Achhab Kanouni, was acquitted of all charges.

- On June 19, Djamel Beghal, convicted in 2003 for planning a terrorist attack against the U.S. Embassy in Paris, was ordered by an Expulsion Commission to be expelled from France upon the completion of his prison term. Beghal was sentenced to ten years prison in 2003, but is eligible for "parole" as early as mid-2008. Beghal had his French nationality revoked by French courts in 2005. He is an Algerian national and, under the current order, would be sent back to Algeria once released.
- On June 20, eight members of the Moroccan Islamic Combatant Group (GICM) were convicted in France for providing material support to a terrorist organization in connection with the May 16, 2003 terrorist bombings in Casablanca. Mustapha Baouchi, sentenced to ten years, was considered the leader of the French cell and the key link to the group.
- In March, French citizen Willie Brigitte was sentenced to nine years in prison for planning a 2003 terrorist attack against a nuclear plant in Australia and for ties to Islamic radicals. Brigitte was held in pre-trial detention in Paris since his expulsion from Australia in 2003.

Georgia

The Georgian government improved border security operations and worked to eliminate corruption at border checkpoints, focusing its efforts on stopping the smuggling of contraband, including money, illegal drugs, and all types of weapons (chemical, nuclear and biological) that could support terrorism. There were significant improvements in infrastructure at the major border crossing checkpoints: new facilities were opened at Sadakhlo, an important land border crossing between Georgia and Armenia, which greatly enhanced controls at that port of entry. The Georgian Coast Guard installed a new coastal radar station at Chakvi, improving that facility's ability to guard Georgia's coastline. The U.S.-funded Georgia Border Security and Law Enforcement program facilitated an expansion of Georgia's Passport Identification Registration System to a total of 15 land border, railroad, and airport ports of entry. The land border between Russia and Georgia proper remained closed throughout the year. Border crossings into Russia from the separatist regions of Abkhazia and South Ossetia operated, but were not under the control of the Government of Georgia. This situation allowed for the unrestricted and unidentified flow of people, goods, and other items from Russia into these regions.

Georgia contributed over 2,000 troops to counterterrorism efforts in Iraq and became a contributing nation to the International Security Assistance Force (ISAF) in Afghanistan.

In January, the Georgian government sentenced a Russian citizen from North Ossetia to eight years in prison for a 2006 attempt to sell 100 grams of weapons-grade highly enriched uranium to Georgian undercover agents. In June, radiation sensors at the Red Bridge border crossing detected a load of contaminated metal originating in Azerbaijan, indicating those sensors were operational.

In the Pankisi Gorge in northeastern Georgia, the U.S.-funded Georgia Train and Equip Program (2002-2004) assisted Georgia in regaining control of the area by raising the combat effectiveness of the Georgian armed forces. According to the latest official reports, there were 1300 Chechen refugees in the Pankisi Gorge, down from 7000 in 1999. Anatoly Zabrodin, head of the Border Protection Department of the Russian Federal Security Service, noted publicly that there were no attempts by militants to infiltrate Russia from Georgia in 2007.

Germany

Germany participated in counterterrorism military operations overseas, provided leadership in multilateral settings, and fought terrorism within its borders. Although no terrorist attacks took place in Germany, a major terrorist plot was disrupted on September 4. The three individuals arrested in the plot included two ethnic Germans and a Turkish citizen resident in Germany. The group had acquired large amounts of hydrogen peroxide for possible use in multiple car bomb attacks. German officials said that the suspects were connected to the designated Foreign Terrorist Organization, the Islamic Jihad Group (IJG).

Concerned about the threat from radicalization, the government reached out to at-risk communities, in particular youth, through programs designed to foster integration, including German language classes, after school sports, etc. The government also made efforts to work with Muslim organizations to encourage and motivate opinion leaders within the Muslim community to counter extremist messages. The Ministry of Interior continued the Islam Conference that it began in 2006. The conference is made up of several working groups that meet on a regular basis, one of which discussed issues related to radicalization.

Germany was the third largest troop contributor to the International Security Assistance Force (ISAF) in Afghanistan, with more than 3,000 troops deployed. Germany led the ISAF Provincial Reconstruction Teams (PRT) in Kunduz and Feyzabad, provided a forward support base in Mazar-e-Sharif, and commanded ISAF's northern region, which encompassed nine provinces and five PRTs. Germany was the top European contributor to the EU police training mission in Afghanistan, EUPOL; and made available 100 Special Forces to operate in Afghanistan under Operation Enduring Freedom (OEF). The German Navy participated in OEF off the Horn of Africa and Operation Active Endeavour in the Mediterranean Sea. Germany's contribution to these naval operations included fast patrol boats that sought to prevent the movement of terrorists and weapons of mass destruction.

Germany was especially active in multilateral fora to promote counterterrorism cooperation; Germany held the EU Presidency during the first half of the year and the G8 Presidency for all of 2007. In January, German Federal Interior Minister Wolfgang Schaueble pushed for EU-wide adoption of the main provisions of the Pruem Treaty, an agreement signed in 2005 by seven European states that provides for greater cross-border law enforcement and judicial cooperation. Germany also used its EU Presidency to establish the "Check the Web" initiative that allows EU member states to submit and retrieve information from a central Europol-managed facility on Internet sites used by terrorist and extremist groups for radicalization, recruitment, and training purposes. As EU President, Germany took the initiative to hold EU troika meetings with Pakistan and Indonesia to expand EU counterterrorism cooperation with these two nations.

During its G8 Presidency, Germany placed a particular emphasis on supporting UN counterterrorism activities and topics such as terrorist use of the Internet, protecting critical energy infrastructure, and countering radicalization and recruitment to terrorism. These priorities were reflected in the G8 Heiligendamm Summit Statement on Counterterrorism and the Report on the G8 Support to the UN Counterterrorism Efforts. Germany's chairmanship of the G8 Roma-Lyon Anti-Crime and Counterterrorism Subgroup saw a record number of project proposals being addressed and new initiatives being agreed upon to tackle issues such as bulk cash smuggling used to finance terrorism.

In September, Germany's Foreign Office co-organized an international seminar in Berlin with key negotiating parties to discuss outstanding issues related to the UN Comprehensive Convention on International Terrorism and ways that the negotiations might be advanced. The Germans remained steadfast advocates of the UNSCR 1267 sanctions regime and played an active role in suggesting the development of mechanisms to ensure due process in the regime. The United States works actively and cooperatively with the Germans on UN Security Council 1267 Committee listing and de-listing issues.

The German government implemented legislation and established new facilities to strengthen its ability to fight terrorism. On January 11, an extension of the 2002 Terrorism Prevention Law came into effect which extended for another five years the counterterrorism provisions contained in the 2002 law. The legislation also better defined the role of intelligence services in counterterrorism activities and broadened and simplified the ability of German security agencies to obtain travel, financial, and telephone data. In January, a Joint Internet Center was established in Berlin to monitor Islamic terrorist and extremist websites that are used for radicalization, recruitment, and training purposes. The center was staffed by representatives from domestic and foreign intelligence offices, law enforcement agencies, and the office of the public prosecutor. On March 30, a unified terrorism database was established and came into operation which combines information on members and supporters of terrorist and violence-prone groups from nearly 40 federal and state law enforcement and intelligence agencies.

During the year, German law enforcement authorities arrested a number of individuals suspected of involvement in terrorism. Prominent new actions and arrests included:

- The September 4 arrests of three individuals suspected of planning large-scale terrorist attacks. The suspects are alleged to have attended terrorism training

camps in Pakistan.

- The August 14 arrest of German-Turkish citizen Tolga Duerbin who was deported from Pakistan to Germany by Pakistani security forces following his arrest there. Duerbin is alleged to have attended a terrorist training camp in Pakistan. After nearly four months incarceration, Duerbin was released on December 10 following a plea agreement.

German courts began trials or reached verdicts in some notable counterterrorism cases:

- In December, the trial of Youssef Mohammad El-Hajdib began at the Dusseldorf Higher Regional Court. Lebanese national El-Hajdib is charged with attempted murder and attempting to cause an explosion by placing bombs hidden in suitcases on commuter trains in Cologne in July 2006.
- On December 5, the Dusseldorf Higher Regional Court convicted Syrian national Ibrahim Mohamed Khalil and two Palestinian defendants (brothers Yasser Abu Shweesh and Ismail Abu Shweesh) of membership in and/or support of AQ, insurance fraud, and attempted procurement of enriched uranium for a "dirty bomb." The defendants received prison sentences of seven, six, and three and one half years, respectively.
- In September, the trial of Ibrahim Rashid started at the Celle Higher Regional Court. This was Germany's first trial in which the defendant's actions were carried out solely on the Internet. Rashid was charged with 28 counts of having promoted membership in, and support of, al-Qa'ida.
- The Bavarian Supreme Court sentenced two individuals to prison for supporting a foreign terrorist organization (Ansar al-Islam) and violating Germany's foreign trade law (for transferring money to Ansar al-Islam members in Iraq). Dieman Abdulkadir Izzat was sentenced on June 25 to three years and three months in prison and Farhad Kanabi Ahmad was sentenced on July 9 to five years and six months in prison. Izzat was also found guilty of fraud for having illegally obtained payments from the Nuremberg welfare office.
- In July, the trial of suspected AQ supporter Redouane El-Habhab began. El-Habhab, a dual German-Moroccan national, is accused of supporting al-Qa'ida, violating the German Foreign Trade Law, and assisting in the founding of a terrorist organization abroad.
- On January 8, the Hamburg Regional Court convicted Mounir el-Motassadeq of membership in a terrorist organization and of 246 counts of accessory to murder in connection with the September 11, 2001 terrorist attacks. The court sentenced Motassadeq to a 15-year prison sentence, which is the maximum sentence that can be imposed under the German Penal Code for this crime. Motassadeq's lawyers appealed the sentence, but on May 11, the German Federal High Court in Karlsruhe rejected the appeal.
- The trial of three Iraqi alleged members of Ansar al-Islam, Ata Abdoulaziz Rashid, Rafik Mohamad Yousef, and Mazen al-Hussein, continued. German prosecutors have charged the three, who have been in detention since December 2004, with a plot to assassinate former Iraqi Prime Minister Allawi during his visit to Berlin. Prosecutors also charged them with financial crimes and membership in, financing, and recruiting for a foreign terrorist organization. The trial started in 2006.

German-U.S. bilateral counterterrorism cooperation is strong. Germany participated in several USG programs to combat terrorism, including the Customs and Border Protection's Container Security Initiative in the ports of Hamburg and Bremerhaven. The Transportation Security Administration's presence in Frankfurt, together with U.S. and German air marshals, formed key parts of bilateral efforts to provide air transport security for the seven German airports with flights to the United States.

Greece

With improved counterterrorism infrastructure in place following the 2004 summer Olympic Games in Athens, Greece continued to fight international and domestic terrorism. There was concern that Greece, because of its long coast line and proximity to the Middle East, could be used as a transit route for terrorists traveling to Europe and the United States. Greek authorities cooperated with U.S. officials to address the problem. Cooperative efforts included information sharing, training of Greek security and customs officials, training of judicial personnel, and improving border and cargo-container security through such programs as the Container Security Initiative (CSI). Greece was also an active participant in the Proliferation Security Initiative (PSI). A bilateral PSI ship boarding agreement was under consideration at year's end. Greece sustained its participation in the International Security Assistance Force (ISAF) in Afghanistan by providing engineers and ISAF Headquarters personnel totaling about 130 troops. Greek forces were limited to operating in the Kabul region. Greece has also offered to provide an embedded Operational Mentoring and Liaison Team to train the Afghan Army.

From the mid-1970s until earlier this decade, the domestic Marxist terrorist group November 17 (N17) targeted Greek officials, as well as officials from NATO countries residing in Greece. During that period, five employees of the U.S. Embassy were murdered by N17, which was responsible for 23 killings altogether. Many of the N17 terrorists were apprehended by Greek authorities in 2002 and tried for their crimes. In 2003, Greek courts handed down multiple life sentences to key N17 members. A group appeals trial for the N17 convicts and two previously acquitted individuals opened in December 2005. The appeals trial essentially represented a new trial for the convicts, since the Greek judicial system allows new facts and evidence to be introduced in the appeals phase. The appeals trial lasted far longer than the original trial, in part due to the defense team's tactics and the court's decisions allowing defendants great leeway to make statements and interrupt witnesses.

On May 14, the Athens Court of Appeals issued consolidated sentences in the N17 appeals trial. There were 226 counts of major felonies (murder, attempted murder, attacks with explosives) in the original trial, resulting in convictions on 224 counts. The appeal proceedings involved de novo review of 225 counts (the public prosecutor appealed one acquittal on behalf of the United States). During the appeal proceedings, six counts became time-barred under Greek law. Of the 219 counts remaining, convictions were sustained on 218. The six members of the operational core of N17 received a total of 44 life sentences. Seven members received various prison terms. Six of those originally charged were either acquitted or prosecutions were time-barred under Greek law.

During the original N17 trial, a new domestic terrorism group calling itself Revolutionary Struggle (RS) emerged. RS is a radical leftist group, which aligned itself with the ideology of N17 and may have incorporated some previous members of N17. RS was believed responsible for nine violent terrorist attacks since 2003, including the 2004 murder of a Greek guard outside the British Defense Attaché's residence. In 2006, RS claimed responsibility for triggering a remote-controlled explosive device placed along the vehicle route of the Greek Minister of Culture (formerly the Greek Minister of Public Order). The Minister was not injured in the attack. RS claimed responsibility for the rocket propelled grenade attack against the U.S. Embassy on January 12, 2007. The attack took place before normal working hours and no Embassy personnel were injured. The Hellenic National Police and the Embassy continued to work together on the investigation. No arrests were made.

Throughout the year, self-styled "anarchists" attacked banks, police stations, and other "imperialist-capitalist targets" with tools such as firebombs and Molotov cocktails. Since these attacks usually occurred at night, few persons were seriously injured and there were no deaths. Several U.S. businesses were targeted. Police officials pursued a more proactive approach to deterring these violent attacks and arrested perpetrators. No damage to the Embassy or injuries to personnel were noted in the last several years.

Hungary

Hungary made a long-term commitment to continue its leadership of a Provincial Reconstruction Team in Afghanistan and proceeded with plans to increase its deployments there to more than 200. The Hungarian government continued to implement fully domestic legislation to ensure compliance with EU norms regarding financial transactions and money laundering. Cooperation on border security issues remained excellent in both the bilateral and regional context. Hungary assumed responsibility for its part of the EU's Schengen border in December. Its preparations for this responsibility, including the merger of the Border Guards into the National Police, should further enhance its ability to monitor the border for individuals and items of concern.

Iceland

The Government of Iceland worked to strengthen domestic border security and counterterrorism capabilities and increased links with neighboring states and international bodies. The government signed bilateral security agreements in April with Norway and Denmark pledging to increase regional counterterrorism cooperation. The Icelandic Coast Guard (ICG) continued its capacity-building efforts with contracts for the purchase of new air and sea assets and was a founding member of the North Atlantic Coast Guard Forum in October.

In August and September, Iceland hosted two NATO exercises, each involving a counterterrorism component: NORTHERN VIKING 2007 featured separate air defense and ground-based counterterrorism elements; NORTHERN CHALLENGE 2007 was an ICG-hosted event focusing on Explosive Ordnance Disposal and counterterrorism scenarios.

The United States and Iceland held the first post-Naval Air Station Keflavik (NASKEF) round of high level security dialogue talks in June. Iceland-U.S. counterterrorism cooperation increased through the establishment of a formal linkage between the ICG and the U.S. Coast Guard (USCG) First District in Boston. In April, Iceland hosted a USCG International Ship and Port Security (ISPS) Program assessment visit.

The Icelandic government supported multilateral counterterrorism efforts. In May, Iceland joined the Global Initiative to Combat Nuclear Terrorism. Support for the NATO mission in Afghanistan remained strong. While Iceland withdrew its Mobile Liaison and Observation Team from a NATO Provincial Reconstruction Team in May, it continued its deployment at Kabul International Airport and supported NATO/ISAF operations through funding for airlift and other means.

In July, the FATF released an assessment of Iceland's anti-money laundering and terrorist financing regime.

Ireland

Strong counterterrorism measures implemented in previous years were sustained and relations between USG and Irish law enforcement officials continued to be positive. The Irish government permitted the transit of U.S. military personnel and materiel through Irish airspace and airports for deployment to theaters in Iraq, the broader Middle East, and elsewhere. Ireland has continued a modest troop commitment to the International Security Assistance Force (ISAF) in Afghanistan.

In July, the European Commission criticized Ireland for failing to implement properly the European Arrest Warrant, which enables EU states to ask other member states to arrest and surrender criminal suspects and is a useful instrument for fighting terrorism. The European Commission alleged that Ireland often takes more than the specified 90 days to execute the warrants.

Italy

Italy aggressively investigated and prosecuted terrorism suspects, dismantled terrorist-related cells within its borders and maintained high-level professional cooperation with its international partners. In December 2007, Italy and the United States signed an Aide Memoire for the exchange of terrorist screening information. Italy's law enforcement and judicial authorities continued counterterrorism efforts with several noteworthy cases during the reporting period. In June, authorities issued arrest warrants in Milan for nine Tunisian nationals, including Ben Khemais Essid Sami, for recruiting militants for training in Afghanistan and providing logistical and financial support for a Milan-based Salafist terror cell from 1997 to 2001. In July, police arrested three Moroccan nationals in Perugia on terrorism charges, the culmination of a two-year investigation. The individuals, who included the Imam of the local mosque, were in possession of terrorist training items and chemicals used in explosives making.

In October, police arrested Iraqi national Saber Fadhil Hussein on charges of leading a cell that sought to procure ultra light aircraft and anti-tank rockets from Italian and other sources for use in attacks against coalition forces in Iraq. Also in October, a Milan court resentenced Mohammed Daki, a Moroccan immigrant accused in 2003 of recruiting suicide bombers for Iraq, to four years imprisonment in absentia.³ Maher Bouyahia and Ali Ben Saffi Toumi, both Tunisian, were sentenced in the same ruling to six years imprisonment, overturning a January 2005 decision by a Milan judge that acquitted Daki and the others on the grounds that they were "guerrilla fighters" and not terrorists.

In October, a Spanish court acquitted Rabei Osman Sayed Ahmed, an Egyptian national currently serving an eight-year prison term in Milan, of involvement in the Madrid train

bombings. This verdict did not affect his sentence in Italy, where he was found guilty in 2006 of subversive association with international terrorism for having recruited suicide bombers in Italy for Iraq. In November, as part of an international sweep involving British, French, and Portuguese authorities, police arrested 11 suspects (primarily Tunisians and Algerians) across Northern Italy and charged them with having been members of a Milan-based cell that recruited and sent suicide bombers to Iraq and Afghanistan. In December, a Milan court convicted Egyptian-born Imam Abu Imad and ten others of promoting jihad and recruiting potential suicide bombers. The members of the group received sentences ranging from two to ten years.

Domestic anarchist-inspired and extreme-left terrorist groups presented a continued (albeit small-scale) threat despite Italian authorities' continued efforts to dismantle their organizations. In February, in a string of simultaneous raids across northern Italy, police arrested 15 people suspected of membership in the operational wing of the Red Brigades. Police found arms caches during searches and determined that the cells were planning attacks on leading political figures, including former Prime Minister Berlusconi.

Italian authorities have stated publicly that many radical Islamist groups in Italy were inspired by or connected to al-Qa'ida in the Islamic Maghreb (AQIM) and other terrorist groups, and used Italy as a logistical and financial base. KGK/PKK affiliated organizations maintained a presence in Italy and were thought to have links with affiliated charitable organizations that maintained Italian branches. Italy worked closely with the United States on money laundering matters and information sharing.

Italy aggressively identified and blocked financial resources destined for suspected terrorist individuals and groups. Italy was one of the most active countries in the world with regard to the number of individuals and organizations submitted for designation to the UNSCR 1267 Sanctions Committee against al-Qa'ida (AQ) and the Taliban (73 individuals and 15 organizations). Since 2001, Italian authorities have frozen Euro 500,000 (ca. 720,000 USD) in assets belonging to individuals or entities in Italy suspected of financing terror activities. Italy worked closely with the United States on money laundering matters and information sharing. As an active member of the Financial Action Task Force (FATF) and the Egmont Group, Italy cooperated actively with other foreign governments.

As a non-permanent member of the UN Security Council, Italy played an active role in the UNSC Counterterrorism Committee and in UNSCR 1267 Committee deliberations and was a strong proponent of multilateral cooperation in countering terrorism. Italy was also a leading financial contributor to the UN Office on Drugs and Crime (UNODC) Counterterrorism Prevention Branch.

Italy was an important partner in the Proliferation Security Initiative (PSI) and the Container Security Initiative (CSI), and was an initial partner nation of the Global Initiative to Combat Nuclear Terrorism. On December 4, The United States and Italy concluded initial negotiations on an HSPD-6 data sharing agreement and signed an Aide Memoire on data sharing.

Italy was a vital participant in NATO's Active Endeavour naval mission against terrorism in the Mediterranean, and contributed to the International Security Assistance Force (ISAF) in Afghanistan, where it held Regional Command-West and rotating command of the Kabul Region, and in Iraq, where it played a lead role in the NATO Training Mission. Italy contributed training personnel to various regional counterterrorism training centers such as the South East Asia Regional Centre on Counterterrorism (SEARCCT) in Malaysia, the Joint Centre on Law Enforcement Cooperation (JCLEC) in Indonesia, and the African Union's Anti-Terrorism Centre in

Algeria.

Kosovo

The United Nations Mission in Kosovo (UNMIK) continued to monitor suspected terrorist activity with the Provisional Institutions of Self-Government (PISG). Officials believed that a few of the more than 400 NGOs operating in Kosovo were involved in suspicious activities, and sought to prevent extremists from using NGOs to gain a foothold in Kosovo. Consequently, municipalities authorized NGO use of public facilities for religious gatherings only if the relevant religious community consented.

The Kosovo Police Service (KPS) and UNMIK Police Counterterrorism Units (CTUs) were primarily responsible for Kosovo's counterterrorism efforts, but were small and lacked resources. They received information and analysis support from the UNMIK Central Intelligence Unit (CIU) and the UNMIK Police Intelligence Liaison Unit (ILU), but also relied on the KPS CTU's intelligence, surveillance, and investigations units. The KPS established its CTU in October 2006 and incorporated it into UNMIK Police's CTU in January 2007. Consequently, it focused on building up its unit, training and equipping its officers, and collecting information on potential terrorist threats. UNMIK Police CTU monitored, mentored, and advised their KPS CTU counterparts, and exercised executive authority over them.

Porous boundary lines that were easily crossed by individuals trafficking in people, weapons, and narcotics hampered Kosovo's counterterrorism efforts. The Kosovo border police service lacked basic equipment, and only had a mandate to patrol the green border (areas that lack official, manned border, or administrative boundary line gates) from two to three kilometers beyond the actual border and boundary lines. NATO-KFOR roving teams patrolled the green border right up to the actual border and administrative boundary lines, but numerous passable roads and trails that lead to Kosovo lack border or boundary gates. Moreover, poorly paid border and customs officials were susceptible to corruption.

Witness intimidation was also an obstacle to combating terrorism in Kosovo. UNMIK's Department of Justice reported that it created a Witness Protection Task Force to address this issue. The Task Force reportedly worked on constructing a new safe house in Kosovo, encouraged the use of video conferencing equipment now in place in Kosovo's district courts, and increased efforts to secure relocation agreements with other jurisdictions.

According to the UNMIK Department of Justice (DOJ), there were three terrorism-related convictions, and seven terrorism cases underway with local judges and prosecutors. International prosecutors and the Kosovo Special Prosecutor's Office (KSPPO) also initiated four terrorism-related investigations and filed two indictments, which were pending confirmation at year's end. One of the indictments was related to Albanian National Army (AKSH) activity, and one of the investigations involved the Front for Albanian National Unification (FBKSH), the AKSH's political wing.

The AKSH, which UNMIK designated as a terrorist organization in 2003, continued to intimidate Kosovo citizens. In June, its Tirana-based spokesman, Gafurr Adili, told Kosovo media that AKSH members in several Kosovo towns had distributed leaflets threatening violence if the Serbian paramilitary group Tsar Lazar Guard ventured into Kosovo for the annual June 28th commemoration of the 1389 Battle of Kosovo. Kosovo Liberation Army (KLA) war veteran leader Abdyl Mushkolaj also made similar threats, adding to concerns over the commemoration. As a result, the Special Representative of the UN Secretary General (SRSG) issued an executive decision prohibiting the Tsar Lazar Guard or any paramilitary group from carrying out activities in Kosovo. The commemoration passed without incident.

In an October interview on Radio Television Kosovo (RTK), heavily armed, masked individuals in black uniforms bearing the AKSH insignia appeared from an undisclosed location described as an AKSH training facility near the administrative boundary line with Serbia. One of them told viewers the "boys of former wars" wanted to show they were ready to counter the threat of Serbian paramilitaries. Adili later claimed that the people RTK featured were AKSH and that they were "filling a void" created by KFOR's alleged abandonment of several villages near Serbia proper in the municipalities of Podujevo and Kamenica. AKSH had long claimed to operate only in areas outside of KFOR or Kosovo Protection Corps control, and was reportedly also active in southern Serbia and western Macedonia.

Latvia

Latvia's Financial Intelligence Unit continued to maintain a terrorist financing database that it shared with local banks. Since the May 2005 U.S. Treasury designation of two Latvian banks as institutions of "primary money laundering concern" under Section 311 of the Patriot Act, Latvian government and regulatory agencies have worked very closely with the United States to enhance their legislative and regulatory framework. There have been no further sanctions on Latvian banks. In 2006, Treasury lifted the proposed sanction against one bank. In the case of the second bank, the issue is specific to the bank and its ownership structure, and does not reflect Latvian regulatory efforts.

On May 15-16, the counterterrorism exercise "Seajack" was conducted within the NATO international search and rescue exercise "Bold Mercy". Seajack was organized by the Coast Guard Service of the Latvian Naval Force together with the Counterterrorism Center of the Security Police. On October 25, a national exercise was conducted at the International Airport Riga, organized by the Security Police and International Airport Riga in cooperation with the Counterterrorism Unit OMEGA and other Latvian governmental agencies.

Latvia contributed 98 soldiers to support the International Security Assistance Force (ISAF) in Afghanistan. In October, the team's mandate was renewed for one year and is now scheduled to expire the same day that the UNSCR mission mandate expires (October 23, 2008). In Iraq, Latvia had two officers under Polish command. In December, the Latvian Parliament renewed the authority for Iraq deployment until December 31, 2008.

Lithuania

President Adamkus introduced a Lithuanian-Belarusian intergovernmental agreement to combat organized crime and trafficking in narcotics and psychotropic substances, terrorism, and other crimes (Decree No. 616), which came into force in February. In May, Lithuania ratified the International Convention on the Fight Against Nuclear Terrorism. The Lithuanian military was an active participant in multinational operations against terrorist and insurgent elements. At year's end, Lithuania had approximately 50 troops in Iraq, including an infantry platoon serving in Multinational Division Center (MND-C) near Al Kut and trainers in the NATO Training Mission-Iraq (NTM-I). In Afghanistan, Lithuania led a provincial reconstruction team in remote Ghor Province. This element consisted of approximately 150 Lithuanian troops and civilians responsible for maintaining a stable environment throughout the province to enable reconstruction efforts. An additional 50 Lithuanian Special Forces troops operated under NATO's International Security Assistance Force (ISAF) in Southern Afghanistan.

Macedonia

Macedonia passed legislation on nuclear security and terrorism, chemical weapons, and entered into bilateral law enforcement, security, and extradition agreements. Macedonia supported troop rotations to Afghanistan and Iraq. The government trained several hundred police and military personnel in counterterrorism techniques, technologies, and methods. The commitment of Macedonia in Iraq was increased by an additional platoon.

Macedonia provided adequate security on potential terrorist weapons with annual inventories and worked to improve security on its weapons facilities. With USG assistance, the Macedonian government destroyed 156 shoulder-fired surface-to-air missiles (SA-7's), an important counterterrorism achievement. The Macedonian Ministry of Defense provided support to the Ministry of Interior for actions against domestic and regional terrorist groups.

The Government of Macedonia continued its close coordination with the United States on counterterrorism matters, which included intelligence sharing on potential terrorist groups operating in or transiting the country. The government also cooperated with its regional and European Union partners, and worked closely with INTERPOL and other international law enforcement agencies. Macedonia's efforts were hampered by the porous nature of the Kosovo border.

Malta

The Government of Malta continued to freeze assets of organizations on the consolidated list promulgated by the UNSCR 1267 Committee. Since its accession to the EU in 2004, Malta has actively participated in the EU Clearing House and cooperates with other Member States and third states to prevent and suppress terrorist acts, including the preparation and financing of any acts of terrorism, denying safe havens to terrorists, and exchanging information in order to prevent the commission of terrorist acts.

Some of the most significant Maltese contributions to international counterterrorism efforts were in support of U.S. military operations, including approval of requests for overflight and emergency landing for all military aircraft including those with hazardous material, use of the Malta Shipyards for repairs of U.S. Navy ships, and full security support for visiting U.S. Navy ships. Malta also demonstrated a commitment to interdiction operations and compliance with international requests.

While the Government of Malta was responsive to requests for action in support of the War on Terror, a lack of financial resources, dedicated training, and specialist staff sometimes hampered their efforts. Malta made significant progress in the area of customs inspection and border security procedures, however. Improvements included establishment of both the authority for Maltese Customs to inspect goods transiting the container port (Malta Freeport) and the necessary procedures to prevent the transshipment of WMD material through the Freeport. Maltese police and intelligence service officials have provided timely assistance to the Embassy's requests for investigation of potential suspects or groups within or transiting Malta as well as other terrorism related intelligence.

The United States affirmed its commitment to developing Malta's counterterrorism efforts by committing a 2005 earmark of \$2,976,000 in the International Narcotics and Law Enforcement Affairs (INL) budget toward the purchase of a helicopter to enhance Malta's ability to control its borders and deter terrorists. Final acquisition will require the Government of Malta to more than match the U.S. contribution.

The Maltese criminal code included specific provisions on terrorism. The law addressed "acts of terror" and "terrorism" and enumerated actions that constitute the offense. Malta criminalized terrorist financing. Recently, Malta's Prevention of Money Laundering Act was expanded to include provisions on the "funding of terrorism." In addition, the Act broadened the money laundering mission of Malta's Financial Intelligence Unit (FIU) and gave it the authority to focus on terrorism funding. In February 2006, the Prevention of Money Laundering Regulations was extended to include "financing of terrorism," which criminalized terrorist financing and imposed additional obligations, namely customer due diligence, record keeping, reporting, and training procedures.

With Malta's entry into the EU in 2004, and its geographic location between northern Africa and the European mainland, Malta could become increasingly attractive to terrorist organizations seeking entry into Europe. The Government of Malta has become increasingly concerned about migrant discontent and the possibility of radicalization within the detention centers. Maltese government officials received training last summer from the EU on recognizing the signs of radicalization, and from the FBI on the radicalization process, indicators, and infiltration.

Moldova

Moldovan support for counterterrorism included deploying servicemen to Iraq for humanitarian demining operations. In June, Moldova deployed its fifth contingent to Iraq. Returning in December, the contingent consisted of eleven personnel. To date, 87 Moldovan servicemen have served in Iraq. The Moldovan Ministry of Defense (MOD) also deployed two liaison officers to CENTCOM headquarters. One officer is Moldova's Senior Representative to CENTCOM while the other officer is attached to CENTCOM's Coalition Planning Group.

In October, in an effort to establish communication and response protocols and to evaluate the capabilities of the Moldovan national SWAT team, Embassy Chisinau and the Ministry of Internal Affairs (MIA) conducted a day-long, joint counterterrorism training exercise at the Quality Schools International (QSI) campus in Chisinau. This exercise simulated a terrorist attack against the school and a corresponding hostage situation. Approximately 25 U.S. Embassy children attend QSI and participated in this drill. The MIA performed well and new emergency assistance protocols were established between the Embassy and the Government of Moldova.

Moldova continued to work on implementation of obligations under UNSCR 1373 (and E.O. 13224, the Terrorism Finance Executive Order) and provisions related to terrorist financing. The Moldovan government continued to manage a counterterrorism strategy based on its 2003-2008 National Action Plan on Combating Terrorism.

The separatist-controlled Transnistria region of Moldova remained a potential area of concern. Moldovan law enforcement worked hard to track the whereabouts and activities of individuals moving in and out of Transnistria, an area where Moldovan police and security services do not have the authority to operate. Many of these individuals were foreign students who remained in Moldova illegally, as the government lacked the resources to deport them when their visas expired. Corruption was endemic, and it was easy to obtain false travel documents. The U.S. Embassy does not maintain liaison relationships or contacts with Transnistrian law enforcement and/or security service personnel. To date, the United States has not obtained any information about known terrorist organizations or terrorists operating from or within this region.

The following counterterrorism laws and "governmental decisions" were enacted:

- November 14: Information and Security Service of the Government of Moldova, Decree no. 75 constituting the publication/identification of known or wanted international terrorists and terrorist organizations (designation of foreign terrorist subjects and organizations);
- September 3: Government Decision no. 990 constituting the approval of the Cooperative Agreement between the Governments of Georgia, Ukraine, Azerbaijan, and Moldova in combating terrorism, organized crime, and other severe crimes;
- July 26: Law (190-XVI) on Preventing and Combating Money Laundering and Terrorism Financing;
- June 5: Government Decision no. 632 constituting the approval of the National Strategy and Action Plan for preventing and combating money laundering and terrorism financing; and
- April 6: Government Decision no. 372 constituting the approval of the Memorandum of Cooperation between the Center for Combating Economic Crimes and Corruption and the Government of Georgia's Financial Monitoring Service in combating money laundering and terrorism financing.

Law enforcement and intelligence officials had the authority to intercept wire, oral, and electronic communications, with the investigator required to obtain prosecutorial concurrence and authorization from a judge. A specific section in the Prosecutor General's Office would handle any terrorism-related case. The primary investigative body in counterterrorism cases is the Information and Security Service (SIS), Moldova's intelligence service. In 2006, SIS was given the governmental lead to establish and manage a special Counterterrorism Center. Substantial assistance from the American Embassy's law enforcement assistance programs aid Moldovan efforts to impede the ability of terrorists and other citizens without proper immigration documents to cross national borders. The programs also facilitated automation at ports of entry to ensure greater security of passports and travel documents.⁴

The Netherlands

The Dutch responded to the global terrorist threat with leadership and energy in the areas of border and transportation security, terrorist financing, bilateral counterterrorism cooperation, and Coalition efforts in Afghanistan. The Netherlands deployed over 1700 troops to Afghanistan as part of the International Security Assistance Force (ISAF). The Dutch led a Provincial Reconstruction Team (PRT) in Uruzgan province, headed the rotational command in Kandahar of NATO's efforts in southern Afghanistan for six months (ending in May), and provided in extremis support for Iraq. The Netherlands deployed as many as 14 trainers and security guards in support of the NATO Training Mission in Iraq, and pledged approximately 40 million USD for Iraqi reconstruction.

In an April quarterly terrorism threat analysis, the Dutch National Counterterrorism Coordinator (NCTb) lowered the threat level from "substantial," where it had been since the government began producing the quarterly assessments in 2005, to "limited." The second lowest of the four levels, "limited" means that the identified threat from individuals or networks is relatively slight, but cannot be ruled out entirely. In the October threat assessment, the NCTb cited events in Denmark and Germany, and concern about continuing internationalization of the violent jihad in Afghanistan as the rationale for maintaining the level at "limited." It also noted a significant drop in the number of reports about possible Islamic radicalization among the Dutch population, citing growing resistance among the Muslim population to terrorist actions.

Nevertheless, the assessment warned about growing support for Salafism. According to an October report by the AIVD intelligence service, the Netherlands had approximately 20,000 to 30,000 Muslims who are susceptible to extremist ideology. As concern over possible radicalization mounted, the government launched efforts meant to foster integration and to combat the appeal of violent extremists, including teaching imams the Dutch language and culture. In 2007, the Dutch government devoted millions of euros and reorganized some offices in order to take on these issues in a more concerted way.

In November, the Justice Ministry launched a new phase in the "Netherlands against Terrorism" campaign that began in 2006, with a particular focus on the prevention of radicalization. In November, the Interior Ministry's National Advisory Center for Vital Infrastructure Protection (NAVI) was opened. The government's terror alert system, initiated in June 2005, now includes 14 economic sectors: the financial sector, seaports, airports, drinking water, railway, natural gas, oil, electricity, nuclear, chemical, municipal and regional transport, hotels, public events, and tunnels and flood defense systems. This early-warning system was designed to trigger a clear and rapid response to terrorist threats by both the public and private sectors. It linked sector-specific measures to be taken in response to the latest threat information from the National Counterterrorism Coordinator. In June, the Port Security Act came into force, expanding the definition of a "port" to include all works and facilities in the port area, including both seagoing and inland commercial maritime transportation-related facilities. In October, a biannual national disaster exercise, known as "Voyager," was held in and around the port of Rotterdam.

There were three major terrorism-related cases this year. In the Hofstad group appeal case, the public prosecutor's office sought 18-year prison sentences for both Jason Walters (a dual U.S. - Dutch national) and Ismael Aknikh, who were sentenced to 15 and 13 years imprisonment, respectively, for attempted murder and weapons violations in the trial court's March 2006 verdict. The prosecution argued that the two had acted with terrorist intent when they threw a hand grenade at police officers in The Hague in November 2004. The prosecution further argued that all Hofstad Group members acted with terrorist intent in sowing hatred and threatening politicians. The trial court ruled, in March 2006, that the Hofstad Group was a criminal organization "with terrorist intent," and found nine of the 14 defendants guilty of membership in a criminal and terrorist organization, but that there was insufficient evidence to convict the individual defendants of acting with "terrorist intent" in committing the criminal offences with which they were charged.

After two previous acquittals, the Amsterdam appeals court sentenced Samir Azzouz to four years imprisonment for having prepared terrorist attacks on government buildings in 2004. Azzouz was currently serving an eight-year sentence in the separate "Piranha" terrorism case.

In October, the Rotterdam district court acquitted five of the six suspects arrested in November 2006 on suspicion of terrorist recruitment, participating in a terrorist organization, and obtaining false travel documents. The court ruled that there was insufficient evidence that the defendants had "ideologically prepared" each other or other persons to fight in Afghanistan or Iraq to convict them on terrorist recruitment charges. One female defendant in the case was sentenced to one month imprisonment for distributing subversive documents.

Dutch officials remained committed to active cooperation with the United States in designating known terrorist organizations, and interdicting and freezing their assets, and supported the continued exchange of information on financial transactions. The Dutch government worked with the United States to emphasize the importance of balancing security, the effectiveness of the financial system, and data protection concerns in the debate over SWIFT, an international messaging service for cross-border money transfers that provided information to track terrorist financing.

In October, the Cabinet approved a bill to make participation and cooperation in a terrorist training camp a serious punishable offence, even if the training takes place outside the Netherlands; the offense would carry a maximum prison sentence of eight years. The bill, currently before the Council of State for review prior to submission to Parliament, would implement Article 7 of the Council of Europe Convention on the Prevention of Terrorism. In March, the lower house of Parliament approved the Bill on Administrative National Security Measures, which would allow the Interior Minister to issue restraining orders to prohibit a terrorist suspect's physical proximity to specific locations or persons. At year's end the bill was awaiting action by the upper house of Parliament.

The port of Rotterdam completed the installation of 31 radiological portal monitors at container facilities. The radiological monitoring program was initiated in 2004 as a pilot project under the U.S. Department of Energy's Megaport/Second Line of Defense Initiative. In October, a new mobile container scanner became operational in the port of Rotterdam. The scanner has a processing capacity of 20 containers per hour, or 175,000 per year.

During bilateral law enforcement consultations in October, the United States and the Netherlands agreed to continue operational cooperation on counterterrorism, including the exchange of information on terrorism-related investigations. In October, three Dutch government officials observed the U.S. Top Officials (TOPOFF 4) national crisis management exercises.

In January, Wasem al Delaema, an Iraqi-born Dutch citizen was extradited to the United States for trial on charges of conspiring to attack U.S. troops in Iraq in 2003. Al Dalaema was the first Dutch citizen extradited on charges of terrorism, and the first person to be indicted in the United States for terrorist activities in Iraq.

Norway

Norwegian authorities considered the threat of terrorist attacks in Norway low and the widespread belief among the general public was that no one would attack Norway. However, the continued presence of Mullah Krekar in Norway and preparations for the upcoming trial of Arfan Bhatti highlighted gaps in Norway's existing legal system that the government was moving to address.

Alleged Ansar al-Islam leader Mullah Krekar, an Iraqi Kurd listed in December 2006 under UNSCR 1267, lost his final appeal of the government's expulsion order in Norway's Supreme Court this fall. Despite this ruling, Krekar will remain in Norway for the foreseeable future as the government still is unable to receive sufficient human rights assurances from Iraq to proceed with deportation. This situation brought to light the limited tools the police have to detain individuals deemed a danger to society. The government introduced legislation that would allow stricter controls over movements of suspected terrorists, including possible house arrest. Budget shortfalls limited the ability of the police to monitor dangerous individuals' activities, but to the extent possible, the police have put a high priority on counterterrorism activities.

Arfan Bhatti, a Pakistani Norwegian, remained the only individual in custody after the September 2006 arrest of four individuals suspected of shooting at an Oslo synagogue and planning attacks on the U.S. and Israeli embassies. In the summer, the government presented a revised version of the 2002 terror law designed to improve the law and bring it in line with international obligations. Questions were raised, however, whether the new law will be too restrictive in its definition of a terrorist act and of what constitutes aiding and abetting or financing terrorism.

Norway has contributed more than 500 troops to International Security Assistance Force (ISAF) efforts in Afghanistan.

Poland

Poland supported international counterterrorist efforts with vigorous participation in foreign missions. About 1,000 Polish troops served the International Security Assistance Force (ISAF) in Afghanistan. In Iraq, Poland commanded the MND-CS, headquartered in Ad Diwaniyah, provided approximately 900 troops engaged in active patrolling, and trained and advised Iraq's 8th Army Division.

Through participation in initiatives such as the Proliferation Security Initiative and the Global Initiative to Combat Nuclear Terrorism, Poland was actively engaged in many international fora combating terrorist threats. Poland's December integration into the Schengen zone also served as another strong argument for close collaboration with European neighbors on counterterrorism.

The bilateral Counterterrorism Working Group (CTWG), formed in 2005 to further U.S.-Polish collaboration on counterterrorism by synchronizing counterterrorism policy and training counterterrorism specialists, held its most recent meeting in March. We agreed to collaborate on identifying ideal candidates for training under the Combating Terrorism Fellowship Program (CTFP).⁵ Under the Combating Terrorism Fellowship Program (CTFP), Embassy Warsaw provided Poland with \$430,000 for special

operations officer training, regional seminars, and terrorism focused programs.

The Government of Poland continued to recognize that terrorist threats can emanate from two sources: traditional migrant groups entering Poland from the east, such as Chechen refugees who may become radicalized, but also from western neighbors who have previously experienced threats or attacks stemming from radical Islamic groups. Groups with ties to organized crime also constituted a significant concern as a result of their experience with money laundering and access to fake documentation and weapons.

Portugal

Portugal supported international efforts to combat terrorist networks and actively pursued indications of extremist group activity in Portugal. Portuguese government agencies took steps to minimize exploitation of its financial sector by implementing European Community directives against money-laundering and illicit transfer of funds.

On November 6, Portugal's Judicial Police (PJ) arrested Algerian Samir Boussaha on charges of associating with, and recruiting for, an international terrorist organization. Eight other suspects were also arrested during similar operations across Europe. The Judicial Police coordinated its efforts closely with Italian officials and extradited Boussaha to Italy within one week of his arrest.

In another international case, Portuguese and Spanish law enforcement officers seized a car with 130 kilograms of explosives on June 22, which had been rented by members of the Basque terrorist group, ETA. The car was reportedly rented in Lisbon, and driven to Spain for a couple of days. On the way back into Portugal with the explosives, the driver saw a police outpost near the Spanish town of Ayamonte and abandoned the vehicle, fleeing with assistance on the highway towards Seville. Portugal's border with Spain runs over 1,200 kilometers, and Portugal was studied as a possible staging location for ETA since 2003, according to press accounts.

In September, Portuguese officials announced plans to establish a Secretary General for Internal Security, to facilitate communication between the Judicial Police (FBI-equivalent), Public Security Police (national uniformed police), and a National Republican Guard (paramilitary police force).

Portugal supported International Security Assistance Force (ISAF) efforts in Afghanistan with more than 150 troops.

Romania

Romania provided a full range of public and diplomatic support to counterterrorism efforts. Approximately 500 Romanian troops are serving in Iraq and 500 in Afghanistan as part of coalition and NATO Alliance efforts. In April, the Supreme Council for National Defense confirmed Romania's commitment of troops deployed in Iraq and Afghanistan through 2008. Romania has made its airspace, ground infrastructure, and naval facilities available to U.S. and NATO forces.

The Romanian government has established internal mechanisms to combat terrorism, including the development of a "National Anti-Terrorism Strategy" and guidelines to prevent the use of Romanian financial institutions, including its banking system, for the purpose of financing terrorist-related activities.

Bucharest is the headquarters for the Southeast European Cooperation Initiative (SECI), a regional center that provided law enforcement training and intelligence sharing on transborder criminal activities, including terrorist-related activities, for the 12 member countries in South Eastern and Central Europe.

- In March, the Romanian Parliament ratified the Accord (originally signed in Bucharest in 2006) between the Indonesian and Romanian governments in the field of prevention and combating transnational organized criminality, terrorism, and other crimes.
- In April, the Government of Romania formally subscribed to the Statement of Principles for the Global Initiative to Combat Nuclear Terrorism.
- In August, the Chief of the Romanian Military Prosecutors, Dan Voinea, finalized the penal file regarding the 1981 terrorist attack against the Radio Free Europe Romanian service in Munich. Many Romanian journalists working at Romania Libera station were injured from the bombing, and sought civil damages in the penal file. The principal defendant in this case, the infamous Carlos "The Jackal", remained imprisoned in France.
- In October, terrorist suspects Tariq Mousa al Ghazi and Luis Felipe Moreno were handed over to the Drug Enforcement Administration by Romanian authorities. They were arrested in Bucharest in June, after attempting to sell weapons to U.S. undercover informers, and were extradited following the issuance of an international arrest warrant.
- Also in October, the Romanian Parliament's Chamber of Deputies adopted a draft law regarding cooperation in combating terrorism and organized crime, which ratified the Accord between the Romanian Government and the Bosnia and Herzegovina Council of Ministers, signed in Bucharest in June. The Chamber forwarded the document to the Senate for approval.

Russia

The Russian government continued to view counterterrorism as a top priority, and considered cooperation with the United States a pillar of bilateral relations. The scope of the Russian government's authority continued to grow, resulting in a greater number of terrorist acts being foiled and the continued weakening of formerly powerful terrorist groups. The majority of terrorist attacks continued to occur in the North Caucasus, where the pacification of much of Chechnya has correlated with an increase in terrorism in Dagestan and Ingushetia. Russia did not offer safe haven to terrorists, but there was evidence of a foreign terrorist presence in the North Caucasus with international financial and ideological ties. As in 2006, there were no high-profile terrorist incidents in Russia involving a large number of civilian casualties.

According to Minister of Interior Rashid Nurgaliyev, there were 38 terrorist attacks in Russia in the first nine months of the year, compared to 561 terrorist acts committed in 2003.

Major terrorist acts included the following incidents:

- On August 13, a Moscow-St. Petersburg train was derailed in the Novgorod region, injuring sixty. Three members of the St. Petersburg League of Anarchists were arrested.
- On October 31, a suicide bomber blew up a bus in the Samara region, killing eight and wounding fifty, although Russian officials had not determined by the end of the year if the incident was terrorism or organized crime-related. They were investigating a Caucasus trail, Russian ultranationalists, and Chechen-based organized crime.
- On November 22, five people were killed and thirteen injured in a bomb explosion on a passenger bus in Stavropol; on December 9 another bus was blown up in the same region, killing two and injuring thirteen. Law enforcement agencies suspected the same terrorist group carried out both incidents.
- In May, the Federal Security Service (FSB) announced that it thwarted a terrorist attack planned for the Russia-EU summit in Samara.
- Other security incidents, such as a vehicle-borne improvised explosive device (VBIED) that exploded near the Krasnopresnenskaya Metro, and a VBIED that was located and disarmed just prior to the May 9 Victory Day celebrations, both in the Moscow area, may have been terrorist acts.

In Chechnya, from 2005-2007, mass attacks on civilians diminished in favor of increased targeted attacks on policemen, local interior ministry officials, and departments responsible for fighting the insurgency, although an increasing number of attacks failed or were prevented by Russian and Chechen special services. In January, more than 500 militants surrendered to authorities as part of an amnesty following the 2006 death of Shamil Basayev, the militant Islamist leader of the Chechen separatist

movement. The incidence of violent acts increased in Dagestan and Ingushetia, but it was often difficult to characterize whether they were the result of terrorism, political violence, or criminal activities. In September, Rappani Khalilov (the "Emir" for Dagestan), whom the Russians had described as a terrorist, was killed by Russian forces. The FSB stated that special attention will be paid to the prevention of terrorist attacks in the North Caucasus.

The 1998 federal law "On Fighting Terrorism" and the 2006 federal law "On Countering Terrorism" remained the main counterterrorism legal authorities. The National Antiterrorism Committee, organized in 2006, was the main government body coordinating the Russian government's response to the terrorist threat.

The United States and Russian Counterterrorism Coordinators met in November to advance cooperation within the context of the United States-Russia Counterterrorism Working Group. Cooperation continued on a broad range of counterterrorism issues, including efforts to destroy, safeguard, and prevent the proliferation of weapons of mass destruction. Russian law enforcement agencies also cooperated closely with U.S. agencies. Past participation led to the release of a hostage victim and the conviction of a U.S.-based subject attempting to purchase shoulder-to-air missiles.

Regulating and investigating terrorist websites was a major concern with numerous requests to the United States for assistance from both the FSB and the Cybercrime Directorate.

At the St. Petersburg G8 Summit in July 2006, the United States and Russia jointly announced the Global Initiative to Combat Nuclear Terrorism and invited other nations to join. The Initiative demonstrated Russia's effort to take a leadership role in establishing a partnership among nations to accelerate efforts to combat nuclear terrorism. It includes 66 partner nations committed to combating nuclear terrorism in a variety of ways, including safeguarding radioactive and nuclear materials, preventing nuclear smuggling, and sharing information. The third meeting of the Initiative took place in Kazakhstan in June. ([See Chapter 4, The Global Challenge of Nuclear Terrorism, for further information on the Global Initiative to Combat Nuclear Terrorism.](#))

Russia increased its commitment to fighting terrorism in Afghanistan. Through the Collective Security Treaty Organization (CSTO), Russia committed financial and technical resources and also supported the OSCE's initiative to develop projects aimed at strengthening security along Tajikistan's border with Afghanistan.

In September, Russia hosted the Sixth International Meeting of the Heads of special services, security agencies, and law-enforcement organizations, which FBI, CIA, DOE, and NCTC attended. Russia participated in the OSCE Public-Private Partnership Counterterrorism Conference, which focused on partnerships between state authorities, civil society, and the business community in combating terrorism. Russia has also expanded counterterrorism activities into newer regional groups. The scenario for the August 9-17 Shanghai Cooperation Organization (SCO) "Peace Mission 2007" exercise in Chelyabinsk involved combating a terrorist takeover of a village. Under the scenario, approximately 6,500 troops from all six SCO countries, but primarily Russia and China, worked together to defeat terrorists and free hostages. The SCO also signed an agreement with the CSTO on the joint fight against terrorism.

Russia is a member of the Financial Action Task Force on Money Laundering and Terrorist Financing (FATF). It is also a leading member, chair, and primary funding source of the FATF-style body known as The Eurasian Group on Money Laundering (EAG). EAG members include Russia, China, Belarus, Kazakhstan, Kyrgyzstan, Uzbekistan, and Tajikistan. Russia, through EAG, provided technical assistance and funding towards establishing legislative and regulatory frameworks.

Serbia

Serbia cooperated with the United States on a wide range of terrorism issues, including border security, information sharing, terrorist financing, and export controls.

In December, the Government of Serbia agreed to join the Global Initiative to Combat Nuclear Terrorism. Serbia, however, has not yet ratified the bilateral Weapons of Mass Destruction Agreement, which it signed in 2006. Failure of the Serbian Parliament to ratify the agreement prohibited the duty free import and donation of equipment that could be used to counter terrorism.

Serbia's law enforcement and security agencies, particularly the Customs Administration, Criminal Police, Security Information Agency, and Border Police, continued bilateral counterterrorism cooperation. Serbia had two police organizations that operated as counterterrorism tactical response units, the Special Antiterrorist Unit (SAJ) and the Counterterrorist Unit (PTJ). The Serbian government also began developing a third Counterterrorist force, an investigative unit within the Ministry of Interior's Criminal Investigation Directorate.

The U.S. International Criminal Investigative Assistance Training Program's Organized Crime Advisor, in conjunction with Serbia's new Counterterrorist force, conducted an antiterrorism workshop in Serbia in November. The workshop covered trends in international terrorism, the formation of a Joint Terrorist Task Force, investigative techniques, vulnerability assessments, crime scene management, case studies, and practical exercise problems.

In March, police raided a mountain cave near the town of Novi Pazar in the Sandzak region of Serbia. Large quantities of plastic explosives, ammunition, face masks, military uniforms, bombs, and other supplies were found at the site, which authorities believed was a training camp for Muslim fighters. Police found terrorist propaganda materials, military survival manuals, and maps. In April, during a search of another suspected terrorist hideout, Serbian police killed Ismail Prentic, the suspected leader of the local terror group. In total, police took 15 suspects into custody in connection with this operation.

Slovakia

In March, Slovakia hosted a Counterterrorism Fellowship Program seminar that was a follow-on to a 2005 seminar. Participants from law enforcement, judicial, military, and foreign affairs agencies in ten Central and East European countries participated.

Although Slovakia withdrew its last two officers from Operation Iraqi Freedom (OIF), the Minister of Defense and Prime Minister said publicly that this was part of a larger plan to focus efforts on three larger missions, including the International Security Assistance Force (ISAF) in Afghanistan. In December, the Slovak Parliament approved a plan to send 56 additional soldiers to Afghanistan, nearly doubling Slovakia's contribution to the NATO mission, albeit with caveats on their deployment. Domestically, Slovakia's Ministry of Defense took the lead in developing a cross-agency Counterterrorism Training Facility in Lest, which is also used by both the Ministries of Interior and Finance.

Slovakia officially acceded to Europe's border-free Schengen zone on December 21. Although not directly involved in Slovakia's preparation for Schengen, the United States provided assistance to Slovakia's efforts to secure its borders against terrorist threats.

In December, Slovak police arrested three men near the border with Ukraine, who were attempting to sell 400 grams of what was later evaluated as not being highly enriched uranium. Slovak police announced that they had worked cooperatively with Hungarian counterparts for a number of months in advance of the arrests, and had both the sellers and potential buyers under surveillance.

A suspected terrorist, Mustapha Labsi, has been held in Slovak custody since May. In November, the Bratislava Regional Court approved a Slovak Government request to extradite him to Algeria where he was convicted in absentia to life in prison, but the verdict was on hold pending an appeal to the Supreme Court. Slovakia's Justice Minister said that he personally will take the final decision on extradition in light of stated concerns that Labsi could be subject to torture in Algeria.

Slovenia

Slovenia participated in three Internal Control Program training sessions, which concluded the Export Control and Border Security Program in Slovenia. It also hosted a

regional Proliferation Security Initiative exercise, and continued to provide instructors as part of the NATO training mission in Iraq. Slovenia also contributed 65 troops to International Security Assistance Force (ISAF) efforts in Afghanistan.

Spain

The Government of Spain and its citizens were concerned that their country has been and remained a principal target of Islamic extremism and acts of international terrorism. Al-Qa'ida (AQ) leaders Usama bin Ladin and Ayman al-Zawahiri routinely called for the recapture of the former Muslim-controlled region in Spain they still call "al-Andalus." Almost four years have passed since the March 11, 2004, Madrid train bombings without another successful Islamic extremist terrorist attack on Spanish soil, but the Spanish government remained on a heightened state of alert. Spain cooperated closely with the United States to investigate and prosecute acts of terrorism and to prevent future attacks, and worked hard to disrupt terrorist acts that possibly were directed against U.S. interests. Spain was the first EU country to sign an arrangement for the exchange of screening information on known and suspected terrorists.

Spain remained an important transit point and logistical base for terrorist organizations operating in Western Europe. Its geographic location, large population of immigrants from North Africa, and the ease of travel to other countries in Europe, made Spain a strategic crossroads for international terrorist groups and an important staging point for North African extremists heading to Iraq to join the insurgency. The Spanish government feared that experienced terrorists may soon make their way back to Spain in a reverse terrorist pipeline. Spanish media reported in July that the Iraqi terrorist group Ansar al-Islam had established a recruiting cell in Catalonia to route would-be suicide bombers from Spain to Iraq.

Spain aggressively targeted terrorist recruiters and facilitators and arrested 47 suspected terrorists in 2007, according to the Ministry of Interior. The National Court Chief Prosecutor reported that as of November, Spain held a total of 139 terrorist suspects, either under a prison sentence or awaiting trial. Many of these individuals were believed to be supporters of terrorist groups such as AQ, al-Qa'ida in the Islamic Maghreb (AQIM), and the Moroccan Islamic Combat Group (GICM).

For much of the year, Spain was focused on the trial of 29 individuals suspected of involvement in the Madrid train bombings that killed 191 people and wounded hundreds of others. On October 31, Spain's National Court returned guilty verdicts on 21 individuals and handed down sentences ranging from three years to almost 43,000 years in prison. Under Spanish law, the maximum jail term an individual can serve for terrorist crimes is 40 years. Only three of the individuals were convicted of complicity in the Madrid attacks; the rest were convicted for belonging to a terrorist organization, cooperating with a terrorist organization, trafficking in explosives, and/or document forgery. The Spanish government, including its law enforcement and intelligence services, government ministries, and national prosecutors and judges, came together to carry out an in-depth and comprehensive investigation, prosecution, and trial on an issue of supreme national security and political importance. The Spanish government was able to energize and bring together its interagency community in a focused and highly-effective manner. The entire process was carried out in an open, transparent, and public way, despite the emotional circumstances of the attacks and the heightened political tensions and controversies surrounding its aftermath.

Since the 1960s, Spain has battled the Basque terrorist group Basque Fatherland and Liberty (ETA). The Spanish government began 2007 sifting through the rubble of a parking garage at Madrid's Barajas Airport that was destroyed by an ETA bomb on December 30, 2006, killing two individuals and effectively ending a "permanent ceasefire" the group had declared the previous March. ETA officially ended the ceasefire on June 6, 2007, and threatened to reopen its activities "on all fronts in defense of the Basque homeland." Good police work allowed Spanish security forces to thwart a number of potentially large attacks, but ETA was able to carry out a series of smaller strikes. On October 9, an off-duty police officer was the victim of an ETA attack when a bomb attached to his vehicle exploded at mid-day in a residential section of Bilbao. The officer survived with severe burns, and two bystanders were injured in the attack. This act was noteworthy because ETA had previously taken pains to avoid innocent victims when directing attacks against governmental targets. On December 1, alleged ETA gunmen shot and killed two Spanish Civil Guard officers in southwest France, the first such assassinations since December 2002. Spain has collaborated successfully with the Governments of France and Portugal to further squeeze ETA from all sides and limit its room to maneuver. As of early December, security services had arrested 122 alleged ETA members (76 in Spain, 40 in France, six in other countries).

In February, the Spanish National Court sentenced five individuals to 13 years in jail for belonging to a terrorist organization believed to have been planning a 2006 attack against a military base in southern Spain. These individuals are known in Spain as "The Detergent Command," due to their possession of large quantities of detergents that police believed were to serve as ingredients for explosive devices.

Spain participated in the Megaports and Container Security Initiatives, and worked hard to deny terrorists access to Spanish financial institutions. Spain maintained a robust law enforcement and intelligence posture against terrorist finance. In July, Spanish police arrested two Syrian nationals on money laundering and terrorism finance charges. Spain and the United States co-chaired the OECD's Financial Action Task Force on Money Laundering and Terrorist Financing. Spain was a member of the G8's Counterterrorism Action Group and provided technical assistance to other countries to help build their institutions to counter terrorist finance. Spain and France collaborated on a project to establish a Financial Intelligence Unit in Morocco.

Spain contributed more than 700 troops to the International Security Assistance Force (ISAF) in Afghanistan.

Sweden

The Government of Sweden placed a high priority on increasing international cooperation against terrorism. Swedish authorities considered the threat of terrorist attacks inside Sweden to be low, but they monitored a number of known terrorists and terrorist organizations within their borders, including al-Qa'ida (AQ), Ansar al-Islam/Sunna, the Revolutionary Armed Forces of Colombia (FARC), Hizb Al-Tahrir, Hizballah, Islamic Jihad, and the Kongra-Gel/Kurdistan Worker's Party (KGK/PKK). They provided logistical and financial support to their respective organizations abroad.

In August, the Swedish artist Lars Vilks published a picture of the prophet Muhammed depicted as a dog in the local Swedish newspaper *Nerikes Allehanda*, as part of an article on freedom of speech. Several Muslim organizations condemned the picture. Al-Qa'ida in Iraq (AQI) offered a bounty to encourage the assassination of Mr. Vilks and his editor for having published the drawings. Following this incident, a group claiming to be supporters of AQ published a video on an Islamic website attacking Sweden and Swedish companies.

In January, the government participated in the NATO-led operation Active Endeavour focusing on maritime antiterrorism measures such as boarding procedures and smuggled weapons searches. Building upon a 2006 initiative to better prepare the military to assist law enforcement in responding to terrorist incidents in 2007, the police began training military pilots and marine commanders on providing such assistance.

The Government of Sweden did not provide safe haven to terrorists or terrorist organizations. Terrorist organizations, however, exploited Sweden's considerable legal protections of personal freedoms and civil liberties to maintain a presence in the country. Sweden's political asylum policy attracted individuals from areas of conflict. Although these numbers have not been verified, authorities on the subject have estimated there are approximately 1,500 members and supporters and 100 persons with ties to terrorist organizations in Sweden.

According to Swedish terrorism experts, members of terrorist groups, such as Ansar al-Islam, Ansar al-Sunna, and Hizballah, earned money in Sweden to finance terrorist activities in other countries. The Swedish government shut down the al-Aqsa Foundation in Malmo when it was suspected of facilitating such activity for Hizballah.

Swedish law does not provide the government independent national authority to freeze or seize assets, unless in connection with an ongoing criminal investigation. However, once the EU takes action, the government can and does freeze assets of entities and persons listed on the UN 1267 Sanctions Committee list. This procedure is managed through the Sanctions Act (1995). Sweden can also take action against entities designated by the EU clearinghouse process, although Sweden has not yet proposed individuals or entities for inclusion on such lists.

Sweden implemented UN Security Council Resolutions 1267 and 1373 sanctions against AQ and the Taliban. Without a designation by the UN or EU however, Swedish authorities only have the right to seize assets once a criminal investigation has been initiated. Efforts to create a national authority and address existing shortcomings are underway.

Sweden played an active role in UN and EU deliberations to develop legal instruments for the listing and de-listing of terrorist organizations and an appeals process after the freezing of financial assets.

Sweden's ties to terrorism cases included:

- In January, three Swedes, accused of participating in Somali Islamist militia activity targeting Ethiopian troops, were apprehended in Kenya and taken to a prison in Addis Ababa. They were later released and returned to Sweden.
- In April, authorities in Bosnia and Herzegovina sentenced 19 year-old, Bosnian-born Swedish citizen Mirsad Bektasevic to 15 years in prison on charges, inter alia, of conspiracy to commit terrorist acts against western targets.
- In September, the 41-year old Lebanese-born Swedish citizen Oussama Kassir, arrested in the Czech Republic in 2005 pursuant to a U.S. arrest warrant and INTERPOL Red Notice, was extradited to the United States. He was accused of conspiracy to provide material support to terrorists in connection with the planned establishment of an Islamist terrorist training camp in Bly, Oregon.
- Ahmed Essafri, a Moroccan-born Swedish citizen, was arrested in Morocco in December 2006 for allegedly having ties to the Moroccan Combatant Group and for participating in a recruitment network for foreign jihadis in Iraq. In September 2007, he was tried in Morocco on terrorism related charges.
- In 2005, the Swedish Court of Appeal found Ali Berzengi and Ferman Abdullah, Iraqi citizens with Swedish residency permits, guilty of financially supporting Ansar al-Sunna terrorist actions in Irbil, Iraq. They remained in custody awaiting a government decision on deportation.

Through the European Common Foreign and Security Policy (EFSP), Sweden contributed to capacity-building projects in Morocco, Algeria, and Indonesia. Sweden participated in EUROPOL and EUROJUST, European law enforcement institutions that coordinated member states' counterterrorism cooperation and activities. Additionally, it participated in the Nordic Council of Ministers Regional Forum for Nordic Governmental Cooperation.

Sweden drafted a development cooperation policy that identified ways that assistance could contribute to strengthening the recipient state's ability to prevent terrorism. Sweden contributed \$575,000 to the Terrorism Prevention Branch of the UN Office on Drugs and Crime, \$160,000 to the UN Counterterrorism Implementation Taskforce, and \$150,000 to two intergovernmental organizations concentrating on counterterrorism capacity-building programs in Africa. Sweden also contributed \$150,000 to legal counterterrorism education efforts at the Jakarta Center for Law Enforcement Cooperation and initiated a dialogue with Pakistan on the possibility of providing greater training to Pakistani officials on terrorism financing methods.

Sweden has contributed 350 troops to the International Security Assistance Force (ISAF) in Afghanistan.

Switzerland

The United States worked closely with the Government of Switzerland, the Swiss Bankers' Association, the financial community, and cantonal law enforcement authorities. Senior U.S. Treasury officials met frequently with Swiss officials throughout the year. Swiss security services continued to monitor activities of terrorist groups with a presence in Switzerland and coordinated with appropriate USG officials, although the scope of the coordination was limited. Swiss law severely restricts the level of information-sharing possible on banking issues.

The Swiss Parliament ratified the United States-Swiss Operative Working Agreement, which entered into force on December 1 and should facilitate more bilateral law enforcement and intelligence cooperation. The Swiss Department of Foreign Affairs also agreed to co-sponsor a second Bioterrorism Workshop (Black Ice II), with the State Department.

The Swiss have grown more conscious of the presence of terrorist groups on Swiss soil. Authorities tightened measures to curb terrorist use of telecommunications and banking services. The Swiss Federal Police (FEDPOL) once again described Switzerland as a "Jihadi field of operations." The Federal Council, Switzerland's Cabinet, extended its ban on al-Qa'ida (AQ) and kept frozen approximately \$28 million in AQ and Taliban assets in 82 separate accounts. This total amount of frozen assets is among the highest of any nation. During the past year, Swiss banks reported eight terrorist-related money laundering transactions, down from 20 reports a year ago.

On June 15 the Federal Council modified Switzerland's money laundering legislation to bring it into compliance with the recommendations of the FATF. All financial institutions, not just banks, now are required to report suspicious transactions. Also on June 15, the Federal Council decided to transfer the Special Tasks Service (STS) of the Federal Department of the Environment, Transport, Energy, and Communications (DETEC) to the Federal Department of Justice and Police (FDJP). The STS serves as an intermediary between the criminal prosecution authorities and telecommunication service providers when it comes to the monitoring of correspondence by post and telecommunications. The surveillance measures must first be authorized by a judge. Telecom companies usually submit the required data to the STS, which forwards them to the criminal prosecution authorities for analysis. The STS does not undertake any surveillance nor does it have access to the monitoring results.

Swiss companies are slowly increasing the pressure on the Swiss government to allow them to participate in the Customs Trade Partnership Against Terrorism (C-TPAT) initiative, but Swiss legal barriers preventing Swiss firms from being active participants remained in place. Article 271, paragraph 1 of the Swiss Penal Code forbids foreign government agencies, such as the U.S. Department of Homeland Security, from validating or contacting Swiss companies that export. Strict Swiss privacy laws also make initiatives such as C-TPAT difficult to implement.

Due in part to increased antiterrorism activities in neighboring EU countries, several terrorist organizations, including the Liberation Tigers of Tamil Eelam (LTTE), Kongra-Gel/Kurdistan Worker's Party (KGK/PKK), and the Revolutionary Armed Forces of Colombia (FARC), have a presence in Switzerland. Existing Swiss law and practice prevent the government from listing these entities as terrorist organizations.

Switzerland has already ratified the Council of Europe's Convention on Laundering, Search, Seizure, and Confiscation of the Proceeds from Crime, and is a party to the UN International Convention for the Suppression of the Financing of Terrorism.

The new "Pass 06" Swiss passport features electronically-stored data. The passport was introduced in September 2006 and provides greater reliability in identifying a person and is more tamper-resistant.

The Swiss government, recognizing the potential for terrorists to grow links in Switzerland, organized a meeting on November 26 between representatives of more than thirty Swiss-based Muslim organizations and the Federal Office of Police (FEDPOL) to address global issues related to internal security. Participants presented their views on internal security and stressed that it was important for them and condemned all forms of violence.

The Federal Council also took legislative steps to improve the nation's national security posture. On June 15, the Federal Council revised legislation enabling authorities to monitor terrorist suspects, spies and those involved with the proliferation of weapons of mass destruction via telephone tapping, mail screening, video cameras, and bugs. The new measures must be approved by the Federal Administrative Court, the Justice Ministry, and the Defense Ministry.

In September, Justice Ministers from Germany, Austria, Liechtenstein, and Switzerland created a working group to fight terrorism. The ministers also discussed the German-Austrian Pruem agreement on transborder exchange of DNA information, fingerprints, and data storage. Switzerland's Federal Office of Police is evaluating the conditions under which Switzerland could participate. The Swiss Justice Minister reemphasized that Switzerland was no haven for terrorists, and that Swiss bank secrecy provided no room for criminal money.

On July 12, 2006, then Swiss Justice Minister Christoph Blocher and then U.S. Attorney General Alberto Gonzales signed a formal revision of the 2002 "Operative Working Agreement (OWA)". The new OWA was approved by parliament in June and entered into force on December 1, 2007. It will permit the exchange of law enforcement officials to create joint teams of investigators, though with restrictions on the use of information gathered by investigators. The new OWA extended the scope of the original, which was set up to regulate judicial cooperation in the wake of the 2001 terrorist attacks in the United States. It provided the legal basis for joint investigations on terrorism and terrorism financing. These would only be set up once criminal proceedings had been launched in both countries and handed to a prosecutor. Unlike the initial OWA, cooperation was no longer limited to investigations related to AQ and the September 11 attacks, but extended to all terrorist groups linked to AQ. There has not yet been a formal investigation initiated under the scope of the OWA.

Turkey

Domestic and transnational terrorist groups have targeted Turkish nationals and foreigners, including, on occasion, USG personnel, in Turkey, for more than 40 years. Terrorist groups that operated in Turkey included Kurdish separatist, Marxist-Leninist, radical Islamist, and pro-Chechen groups. Terrorism in Turkey is defined in the Anti-Terror Law #3713 (TMK, 1991). "Terrorist" activities are composed primarily of crimes outlined in the Penal Code committed within the context of terrorist group activities, which target the structure of the state, changing or destroying the principles of the state, and aiming to create panic and terror in society. Thus, Turkish law defines terrorism as attacks against Turkish citizens and the Turkish state, and hampers Turkey's ability to interdict those who would target non-combatants globally.

Most prominent among terrorist groups in Turkey is the Kongra-Gel/Kurdistan Worker's Party (KGK/PKK). Composed primarily of Kurds with a separatist agenda, the KGK/PKK operated from bases in northern Iraq and directed its forces to target mainly Turkish security forces. In 2005 and 2006, KGK/PKK violence claimed hundreds of Turkish lives. This persisted in 2007, when the KGK/PKK continued its terrorist tactics. The Kurdistan Freedom Falcons (TAK), a group designated under E.O. 13224, is affiliated with the KGK/PKK and has claimed responsibility for a series of deadly attacks on Turkish and foreign citizens in Turkish cities in recent years. KGK/PKK and TAK-linked individuals were discovered in late May in Istanbul, Adana, Konya, and Mardin with explosive materials designed to carry out suicide attacks. On May 25, the KGK/PKK claimed responsibility for the bombing of a cargo train in Bingol Province.

In the midst of weeks of violence, during which KGK/PKK attacks claimed scores of killed or wounded Turkish soldiers and citizens, the Turkish parliament on October 17 overwhelmingly passed a motion authorizing cross-border military operations against KGK/PKK targets in northern Iraq. Turkish forces carried out extensive operations along the Turkey-Iraq border in the latter part of the year. On November 5th, President Bush committed to provide Turkey "real-time, actionable intelligence" to counter the KGK/PKK in northern Iraq.

Other prominent terrorist groups in Turkey included the Revolutionary People's Liberation Party/Front (DHKP/C), a militant Marxist-Leninist group with anti-U.S. and anti-NATO views that seeks the violent overthrow of the Turkish state; and Turkish Hizballah (not affiliated with Lebanese Hizballah), an organization of Sunni Kurds with a violent history. The Great Eastern Islamic Raiders Front (IBDA-C) is a decentralized Islamic revivalist group that was particularly active in the 1990s; it claimed ties with AQ.

A criminal trial for the 74 defendants allegedly involved in the four November 2003 Istanbul bombings concluded on February 16, with 48 of the 74 receiving jail sentences. Seven of those, including Syrian financier and operative Luay Sakka, were sentenced to life in prison; 26 were acquitted. The lead defendants admitted to contacts with AQ and warned of further attacks. Most of the other defendants denied responsibility for, or knowledge of, the bombings.

In January, the courts jailed seven Ansar al-Islam members for their role in the foiled 2004 assassination plot against President Bush, who was attending the Istanbul NATO summit. In June, the 13-year trial of Turkish Hizballah suspects for the murders of 24 people from 1992 to 1994 concluded with the acquittal of one and conviction and sentence of life imprisonment for ten. A local leader of the legal, Democratic Society Party (DTP) was jailed in April for aiding and abetting the KGK/PKK.

The Turkish National Police (TNP) and the National Intelligence Organization (MIT) conducted an aggressive counterterrorist campaign and detained numerous suspected terrorists in a number of raids, at least temporarily disrupting these groups before terrorist acts could be carried out, although prosecutions did not always follow the arrests. For example:

- In January, a multi-city crackdown netted 47 suspected terrorists associated with AQ;
- In March, 48 suspected Islamic terrorists were arrested in Konya;
- In June, a concentrated effort in Bursa resulted in 23 arrests;
- In November, in response to a German request, authorities arrested a German citizen in Konya allegedly involved in a disrupted terrorist plot.

Turkey has consistently supported Coalition efforts in Afghanistan. After commanding International Security Assistance Force (ISAF) II in 2002 and ISAF VII in 2005, Turkey led the joint rotational command of the ISAF in Afghanistan for the Capital Regional Command from April to December. Turkey was fielding a civilian Provincial Reconstruction Team (PRT) in Wardak Province and pledged \$100 million in humanitarian assistance for the reconstruction and operation of schools and hospitals.

Turkey has provided significant logistical support to Coalition operations in Afghanistan and Iraq, authorizing the use of Incirlik Air Base as an air-refueling hub for OEF and OIF and as a cargo hub to transport non-lethal cargo to U.S. troops in Afghanistan and Iraq. Almost 60 percent of air cargo for U.S. troops in Iraq transits Incirlik. Establishment of this hub allows six C-17 aircraft to transport the amount of goods it took nine to ten aircraft to move from Germany, and saves the United States almost \$160 million per year. Between one third and two thirds of the fuel destined for the Iraqi people and more than 25 percent of fuel for Coalition Forces transits from Turkey into Iraq via the Habur Gate border crossing. Turkey was active in reconstruction efforts, including providing electricity to Iraq. Turkey contributed headquarters personnel to the NATO Training Mission in Iraq (NTM-I), helped train Iraqi diplomats and political parties, and completed military leadership training in Turkey for 90 Iraqi officers as a further contribution to the NATO NTM-I.

In October 2006, a new law went into place giving MASAK, Turkey's Financial Crimes Investigation Board, sole responsibility for financial investigation of money laundering and financing of terrorism (ML/FT). In its February peer review report, the Financial Action Task Force (FATF) evaluated Turkish standards to combat ML/FT. Among its major findings were that although the new legislation has been in place only a short time, the number of convictions for money laundering was relatively low; confiscation measures have not yet produced substantial results; and the number of suspicious transaction reports was also relatively low.

Pursuant to its obligations under UNSCR 1267 and subsequent resolutions, Turkish officials continued to circulate UN and U.S.-designated names of terrorists to all law enforcement and intelligence agencies, and to financial institutions. Only UN-listed names, however, were subjected to asset freezes enforced through a Council of Ministers decree. This legal mechanism for enforcing sanctions under UNSCR 1267 was challenged in Turkish courts by UN-designated terrorist financier Yasin al-Kadi. A lower-court reversed the ruling, but the appeals court upheld the Council's authority to freeze. In the meantime, al-Kadi's assets remained frozen.

Ukraine

Ukraine did not suffer from domestic terrorism incidents, although law enforcement authorities sometimes labeled ordinary criminal activity as terrorist acts. The Ukrainian government instituted legislative and regulatory changes to improve its ability to investigate and prosecute acts of terrorism. On May 24, the Ukrainian Parliament amended the Criminal and Criminal Proceedings Codes of Ukraine to conform to commitments resulting from Ukraine's ratification of the International Convention for the Suppression of Acts of Nuclear Terrorism. The new law implemented criminal sanctions for actions in support of nuclear terrorism. On January 31, the Ukrainian Cabinet of Ministers approved an action plan for countering terrorism financing. The Ukrainian State Financial Monitoring Agency continued to pass information to the Security

Service of Ukraine (SBU) to investigate whether organizations possibly engaged in terrorism financing activity were active in Ukraine, but the SBU found no evidence of such activity in Ukraine. From June 25-26, the SBU and the NATO Special Committee hosted a joint seminar on "organized crime and financing terrorism" in Odessa that brought together experts from 13 nations and NATO International Staff. Ukraine has made contributions to efforts in both Iraq and Afghanistan.

United Kingdom

On June 29, three days after Prime Minister Gordon Brown took office, terrorists attempted attacks in London and, a day later, terrorists drove a vehicle into Glasgow airport, which caught fire. The terrorist plots were disrupted by the British police, the British public, and, in the London attempt, the failure of the explosive material to detonate. The first attempts took place in London, where the terrorists had left two cars filled with explosive materials outside popular nightclubs. A paramedic became suspicious of the contents of one of the vehicles, (the other had already been towed for parking illegally), which led to discovery of the plot. Neither vehicle detonated. The following day, two terror suspects, believed to have fled from London, attempted to drive a vehicle into an entrance of Glasgow airport. The vehicle caught fire and did limited damage to the building. One of the suspects did not survive the fire and a passer-by, who worked at the airport, apprehended the other suspect as he exited the burning vehicle.

A total of seven individuals were arrested in connection with the June attempted attacks. Among them were an Iraqi and other nationals from the Middle East, several of whom worked in the UK in health professions. These attempted attacks followed the pattern of a spike in attempted terror activity in the summer, beginning in 2005 with the July 7 and July 21 London subway and bus attacks (in which 52 civilians died) and the foiled transatlantic airline plot disrupted in August 2006, though there were no AQ core-inspired plots in 2007. Of the seven individuals arrested in connection with the June attempted attacks, one died, three were released without being charged, and three are awaiting trial.

Seventeen individuals were arrested and charged with various aspects of the airline plot disrupted in August 2006. This plot involved preparations for the detonation of explosives on aircraft traveling between the UK and the United States. One individual has been convicted, charges against one individual were dropped, and 15 are awaiting trial.

As to the attacks of July 7, 2005, four individuals have been arrested and are awaiting trial (four suicide bombers died). Regarding the failed attacks of July 21, 2005, on July 9 four of the would-be suicide bombers were found guilty of conspiracy to commit murder and received life sentences. One defendant was acquitted. An additional 16 suspects were arrested for aiding and abetting; two have been convicted and fourteen await trial.

In November, the head of the domestic Security Service told the press that the number of individuals residing in the UK whose support for terrorism posed a direct threat to national security and public safety was at least 2,000. This figure represented an increase of 400 individuals from 2006, an increase attributable to both the government's greater coverage of terrorist networks and the steady flow of recruits to the extremist cause. Deeply concerned about growing extremism, HMG sought through the "Prevent" portion of its Counterterrorism Strategy to prevent the radicalization of vulnerable populations by exerting influence on both extremists and their audiences, addressing structural problems that cause radicalization, and disrupting extremists' ability to gain access that means of communications such as websites, blogsites, and other forms of new media. HMG also made efforts to stimulate self-regulation from the mosques and imams.

The domestic Security Service official noted that over the course of the last five years, attack planning had derived from AQ leadership in Pakistan, often using young British citizens to mount the attacks. In 2007, the government's assessment of the threat against the UK never fell below "severe," which is defined as "an attack is highly likely." The threat level was raised briefly in June and early July, around the time of the London/Glasgow incidents, to "critical," defined as "an attack is expected imminently."

After the attempted attacks of June, which were carried out by resident foreigners working in the UK health field, the British government pledged to review how it vets foreign-born personnel working in the National Health Service (the main, state-run health care employer in the UK). In December, the British government announced it had allocated \$14 million to secure and dispose of used radiological and other materials from British hospitals (that could be used as ingredients for a radiological weapon or "dirty bomb").

The British government reorganized its governmental structures to better address terrorism. Changes included creation of an office of security and counterterrorism to coordinate all intra-governmental counterterrorism efforts, and the establishment of a research, intelligence, and communication unit (RICU) to lead British efforts to develop coherent messaging for domestic and international audiences on terrorist issues. The number of people working on counterterrorism was increased in both the Home Office and the domestic Security Service. The government increased its efforts to engage local communities through the establishment of a new ministerial position. In addition, the government announced its intention to meld the immigration and border control agencies into a single agency, a move meant to increase the government's ability to track movements of individuals entering and exiting the country. In November, the government said it would improve physical security for key infrastructure, including major train and air transportation hubs. The government announced it will increase education campaigns to teach private sector businesses how to improve their security.

Individuals were prosecuted under UK terror legislation on charges of "incitement to terrorism." On November 8, a Muslim woman, known as the "Lyrical Terrorist," was convicted under the Terrorism Act in the UK. The woman, arrested in October 2006, had a "library" of material useful to terrorists in her apartment. She was found guilty of possessing records likely to be used for terrorism, but not guilty of the more serious charge of possessing an article for a terrorist purpose. On December 6, she was given a nine-month suspended sentence, ordered to do 100 hours of unpaid work within the community, and will remain under supervision for 18 months. The government's prosecution on the grounds of "incitement to terrorism" were contested by some Muslim community organizations as amounting to "conviction for thought."

The UK provided assistance to U.S. extradition requests for three individuals charged with attacks of terrorism in the United States or against U.S. citizens. Khalid Al Fawwaz, Adel Mohammed Aboul Almagid Abdul Bary, and Ibrahim Hussein Abdelhidi Eidarous are wanted for alleged involvement in the bombing of American Embassies in East Africa. Two of the three await decisions by the Home Secretary as to whether to extradite them to the United States. They remained in custody. The Home Secretary declined to extradite one individual on humanitarian, medical-related grounds. Also in UK custody, where the Home Secretary is considering his extradition to the United States, is Mustafa Kamel Mustafa, aka Abu Hamza, who was found extraditable in November. The Home Secretary subsequently concurred with this decision. Abu Hamza has been found guilty in the UK of offenses relating to incitement to commit terrorist acts, has been sentenced to seven years, and is wanted in the United States on a variety of charges including conspiring to take hostages in Yemen in 1998. In May, the UK extradited Syed Hashmi to the United States; Hashmi is wanted for conspiring to provide and providing material support to terrorist activities in Afghanistan.

The United States and the UK worked closely within the UN and the FATF to deny terrorists, and their supporters, access to the international financial system. The UK had strong legal provisions in place for freezing assets related to terrorist financing, including the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, the Proceeds of Crime Act 2002, the Terrorism (United Nations Measures) Order 2006, and to further restrict the flow of funds to anyone HM Treasury designates as involved in terrorism, the AQ and Taliban (United Nations Measures) Order 2006. The Brown government is currently proposing language in an upcoming Counterterrorism bill to authorize forfeiture of assets by anyone involved in any aspect of support for terrorism. Current law only allows forfeiture for those convicted of terrorist financing.

The UK has an arrangement with the United States for the exchange of screening information on known and suspected terrorists, pursuant to Homeland Security Presidential Directive #6.

The UK has consistently supported the International Security Assistance Force (ISAF) in Afghanistan, and is currently the second largest troop contributor. The UK increased its contributions to more than 7,500 troops. The UK has also contributed approximately 4,000 troops to efforts in Iraq.

Northern Ireland

In October of 2006, representatives of Sinn Fein, the political wing of the IRA, and the Democratic Unionist Party (DUP) announced their support for the Ireland/UK-brokered "St. Andrews Agreement," which was implemented in the spring. The St. Andrews Agreement restored power to the Northern Ireland Assembly (NIA) and envisioned a power-sharing arrangement between the unionists and republicans.

Elections for the Assembly were held in March. On May 8th, the Democratic Unionist Party's Ian Paisley assumed office as First Minister, and Martin McGuinness of Sinn Fein became the Deputy First Minister. Two key decisions underpinned the restoration of the NIA. First, at a party conference in January, Sinn Fein agreed to endorse policing. Next, the DUP contested the election in March, signaling that it would agree to share power with Sinn Fein. The Independent Monitoring Commission (IMC), a four-person body established by the Irish and British governments in 2004, regularly releases reports on paramilitary activity in Northern Ireland and the Republic of Ireland. The most recent publication, the Sixteenth IMC report released in September, praised the British government's "amazing progress" on its dismantling of Northern Ireland's military structure.

British commitments were on schedule: all security watchtowers have been dismantled, and all soldiers assigned to counterterrorism duties were removed from Northern Ireland. Special counterterrorism legislation was gradually being rescinded. The IMC Commissioners expressed concern over the still-armed loyalist Ulster Defense Association's (UDA) lack of progress towards a strictly political existence and debated how long the UDA should be given to make the transition from paramilitary activity. The IMC Commissioners also stated that the IRA "has abandoned terrorism and violence and does not pose any form of threat relevant to security normalization." They also found that loyalist paramilitaries did not present a "terrorist type threat to the security forces," and were not likely to be a threat in the future. Republican dissidents did not have the resources to mount a major sustained violent effort. Nevertheless, dissident Republicans admitted responsibility for shooting two police officers in November, and were still considered a threat by security services.

¹By law, it became operational on December 1, 2006, but the start up was delayed while budget and personnel issues were worked out.

²The nine member countries are: France, U.S., UK, Netherlands, Germany, Indonesia, Morocco, Belgium, and Spain.

³He had been expelled to Morocco in 2005 under the so-called Pisanu decree allowing the Interior Ministry to expel terror suspects.

⁴Embassy's EXBS program closed permanently in September 2006. However, the current INL Law Enforcement Capacity Development Project provides technical assistance in the areas of border security and money laundering/terrorism financing. This project directly complements the law enforcement and security goals of Moldova's EU Action Plan and National Strategy.

⁵Until that time, we had difficulty obtaining candidates at the working level with appropriate English proficiency. As a direct result of our agreement, a State Secretary at the Ministry of Interior gave this effort priority and soon after filled five slots in the CTFP with fully qualified candidates.

*This paragraph was edited on June 4, 2008 to correct an error. Imad Al-Hussein, who is also known as Abu Hamza al-Suri, was incorrectly identified as convicted terrorist Abu Hamza al-Masri. We deeply regret this error.

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