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*TERRORISM: MIDDLE EASTERN GROUPS AND
STATE SPONSORS, 1998*

Kenneth Katzman, Foreign Affairs and National Defense Division

Updated August 27, 1998

Abstract. This report analyzes developments in Middle Eastern terrorism in 1997 and the first half of 1998. It discusses Middle Eastern groups attempting to derail the Arab-Israeli peace process, those fighting to overthrow moderate, pro-U.S. governments, and those attempting to cause the United States to withdraw its troops from Middle Eastern countries. It contains an extensive section on Saudi exile terrorist financier Usama bin Ladin. It also analyzes the terrorist support activities of the five Middle Eastern countries on the U.S. terrorism list—Iran, Iraq, Libya, Syria, and Sudan. The report concludes with a discussion of U.S. counterterrorism policy over the past year, particularly U.S. efforts to coordinate policy with its European allies.

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Terrorism: Middle Eastern Groups and State Sponsors, 1998

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Kenneth Katzman
Specialist in Middle Eastern Affairs
Foreign Affairs and National Defense Division

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ABSTRACT

This CRS report analyzes developments in Middle Eastern terrorism in 1997 and the first half of 1998. It discusses Middle Eastern groups attempting to derail the Arab-Israeli peace process, those fighting to overthrow moderate, pro-U.S. governments, and those attempting to cause the United States to withdraw its troops from Middle Eastern countries.

It contains an extensive section on Saudi exile terrorist financier Usama bin Ladin. The report also analyzes the terrorist support activities of the five Middle Eastern countries on the U.S. terrorism list — Iran, Iraq, Libya, Syria, and Sudan. The report concludes with a discussion of U.S. counterterrorism policy over the past year, particularly U.S. efforts to coordinate policy with its European allies. This report is updated annually. See also: CRS Issue Brief IB95112. Terrorism, the Future, and U.S. Foreign Policy. Updated regularly, by Raphael Perl.

Terrorism: Middle Eastern Groups and State Sponsors, 1998

Summary

During the 1980s and the early 1990s, Iran and terrorist groups it sponsors have been responsible for the most politically significant acts of Middle Eastern terrorism. In late 1997, signs began to appear that major factions within Iran want to change Iran's image from a backer of terrorism to a constructive force in the region. If this trend in Iran takes hold, there is a chance that state-sponsored Middle Eastern terrorism will decline over time as Iran moves away from active opposition to the Arab-Israeli peace process.

The Arab-Israeli peace process is a longstanding major U.S. foreign policy initiative, and the Administration and Congress pay particularly close attention to terrorist groups and state sponsors that oppose it. Islamist groups such as Hamas have largely displaced secular, nationalist groups as the most active anti-peace process organizations. Hamas has become stronger politically since its founder was released from an Israeli prison in October 1997, but acts of terrorism by Hamas and its allies have declined since mid-1997, possibly because of greater anti-terrorism vigilance by the Palestinian Authority.

Over the past few years, radical Islamic groups have increasingly sought to oust pro-U.S. regimes and gain removal of U.S. troops from the Persian Gulf. This is the chief goal of independent terrorist financier and chieftain, Saudi dissident Usama bin Ladin. Bin Ladin, the independently-financed leader of a broad terrorist coalition, receives safehaven in Afghanistan and, thus far in 1998, he has been outspoken in support of attacks on U.S. troops in the Middle East. The Administration contends it has convincing evidence that bin Ladin's network was involved in the August 7, 1998 bombings of the U.S. embassies in Kenya and Tanzania, prompting August 20 military action against his bases in Afghanistan. His officially-sanctioned presence in Afghanistan could lead that country, at some point, to be placed on the U.S. list of state sponsors of terrorism.

U.S. policy to counter Middle Eastern terrorism operates on several different levels. U.S. counterterrorism policy has generally been directed against state sponsors, which are readily identifiable targets. A problem for U.S. policy has been how to coordinate U.S. counterterrorism policies with those of U.S. allies. Most allied governments believe that engaging these countries diplomatically might sometimes be more effective than trying to isolate or punish them, but U.S. officials believe that economic and political pressure against states sponsoring terrorism has made some of these states more cautious.

In recent Executive orders and legislation, the Administration and Congress have stepped up efforts to directly pressure terrorists and terrorist groups, some of which obtain support and funding from persons living in the United States. In October 1997, under a 1996 anti-terrorism law, the Administration formally named 30 groups, half of which are Middle Eastern, as terrorist groups, barring them from having a presence in the United States. The August 20, 1998 military strikes on bin Ladin's network suggests that military action might play an increasing role in U.S. efforts to combat individual terrorist groups.

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Terrorism: Middle Eastern Groups and State Sponsors, 1998

Introduction

This report is an annual analysis of the activities of major Middle Eastern terrorist groups and the Middle Eastern countries on the U.S. "terrorism list."¹ The report also discusses U.S. unilateral and multilateral efforts during the previous year to combat Middle Eastern terrorism. This analysis draws extensively from the State Department's annual report on international terrorism, entitled *Patterns of Global Terrorism: 1997*. (State Department Publication 10535, Released April 1998.) The report uses a number of additional sources, including conversations with U.S. counter-terrorism officials, experts, investigative journalists, and foreign diplomats.

Middle Eastern terrorist groups and their state sponsors have been the focus of U.S. counter-terrorism policies for several decades. Since the 1970s, many of the major acts of terrorism against Americans and U.S. targets have been conducted by Middle Eastern groups or states. According to the State Department's report on international terrorism for 1997 (subsequently referred to as "Patterns 1997"), the Middle East in 1997 witnessed some of the world's most deadly acts of terrorism, including the most lethal act of terrorism ever committed in Egypt (Luxor). A few U.S. citizens were killed and wounded in acts of terrorism in Jerusalem in 1997, but these casualties were few compared to 1996.² In June of that year, the U.S. military complex near Dhahran, Saudi Arabia, was bombed, killing 19 U.S. airmen. Major anti-peace process bombings in Israel appear to have declined since September 1997. However, the August 7, 1998 bombings of the U.S. embassies in Kenya and Tanzania, which the United States asserts was conducted by a Middle East terrorist network, killed over 250 people, including 12 Americans. This network has threatened future acts of terrorism against the United States, even after U.S. military action of August 20, 1998.

Five out of the seven states currently on the U.S. "terrorism list" are Middle Eastern — Iran, Iraq, Syria, Libya, and Sudan. (The other two are Cuba and North Korea, which will not be covered in this report). Terrorism list countries are often referred to in policy literature as synonymous with the term "rogue states," although

¹Each year, under the provisions of Section 6(j) of the Export Administration Act of 1979, as amended (50 U.S.C 2405(j)), the Secretary of Commerce, in consultation with the Secretary of State, provides Congress with a list of countries that support international terrorism.

²In 1997 worldwide, the number of terrorist attacks (304) continued to be relatively low, and the casualties (221 dead and 693 wounded) were lower than in 1996 (314 dead and 2,912 wounded).

there is no agreed definition of what constitutes a rogue state. For example, Syria is not generally considered a rogue state in part because it has participated in peace talks with Israel. Patterns 1997 said Iran remains "the most active" state sponsor of terrorism in 1997, but the report only covered a few months of the presidency of Mohammad Khatemi in Iran. Patterns 1997 characterizes Sudan and Syria as primarily harboring terrorist groups and training camps rather than actively perpetrating terrorism, and Iraq is described more as a potential than an active terrorist threat. Patterns 1997, as did Patterns 1996, credits Syria with taking some steps to restrain terrorist groups.

Groups

Middle Eastern terrorist groups and state sponsors differ in their motivations, objectives, ideologies, and levels of activity. The radical Islamic groups appear to be the most active, stating as their main objectives the overthrow of secular, pro-Western Middle Eastern governments, the derailment of the Arab-Israeli peace process, or the ouster of U.S. forces from the Persian Gulf and Middle East. Many of the older Palestinian groups, founded in the 1960s and 1970s, are leftist and nationalist in orientation and have become less active than they were a decade ago. Nonetheless, they share with their Islamic counterparts opposition to peace with Israel and to U.S. influence in the Middle East. Other leftist groups, such as the Kurdistan Workers' Party (PKK) fight for much different causes, such as the formation of separate ethnically based states or the overthrow of incumbent regimes. The table below shows the fifteen Middle Eastern groups named by the State Department on October 8, 1997 as "Foreign Terrorist Organizations (FTO's)," pursuant to the Anti-Terrorism and Effective Death Penalty Act of 1996 (P.L. 104-132).³ The first twelve of the groups listed were also named in President Clinton's January 23, 1995 Executive order (12947) as anti-peace process terrorist groups. These twelve have been redesignated every year since. The listing of these groups blocks their assets in the United States and makes it a criminal offense for U.S. persons to provide material support or resources to them. The January 23, 1995 designation also bars U.S. dealings with any individuals of those groups named as "Specially Designated Terrorists (SDT's).

Two groups not on the October 8, 1997 FTO list below are discussed in this report. The Palestine Liberation Organization (PLO) is included because of the debate over whether or not the Palestinian Authority (PA), headed by PLO leader Yasir Arafat, is taking sufficient steps to prevent terrorism by other groups in areas under its control. Another group discussed here — "the veterans of the Afghan conflict" — refers to a loose network of radical Islamic fighters who battled the Soviet occupation of Afghanistan. The terrorist network headed by Saudi exile Usama bin Ladin is loosely organized and diffuse, perhaps explaining why it was not originally included in the January 23, 1995 or October 8, 1997 terrorist group designations. However, on August 20, 1998, President Clinton issued an Executive

³Fifteen other groups not considered Middle East-related were also designated as FTO's at that time.

order that had the effect of adding the bin Ladin network to the list of Middle Eastern terrorist groups designated in January 1995 under Executive order 12947.

Middle Eastern Terrorist Groups (October 8, 1997 FTO Designation)	
Group	Description/Level of Activity
Hizballah	Lebanon, Shiite Islamist. Active
Hamas	Palestinian Islamist. Active
Palestinian Islamic Jihad	Palestinian Islamist. Active
Popular Front for the Liberation of Palestine - General Command (PFLP-GC)	Nationalist Palestinian. Moderately active
Popular Front for the Liberation of Palestine (PFLP)	Marxist Palestinian. Sporadically active
Democratic Front for the Liberation of Palestine (DFLP)	Marxist Palestinian. Sporadically active
Palestine Liberation Front (PLF)	Nationalist Palestinian. Inactive
Abu Nidal Organization (ANO)	Nationalist Palestinian. Inactive
Kach	Jewish Extremist. Sporadically active
Kahane Chai	Jewish Extremist. Sporadically active
Islamic Group	Egyptian Islamic Opposition. Active
Jihad	Egyptian Islamic Opposition. Active
Armed Islamic Group	Islamist, Algerian opposition. Active
People's Mojahedin Organization of Iran (PMOI)	Leftwing, anti-Iranian government. Moderately active
Kurdistan Workers' Party (PKK)	Kurdish, anti-Turkey. Active

Radical Islamic Groups

Since the 1979 Islamic revolution in Iran, and particularly the seizure of the U.S. Embassy in Tehran in November of that year, radical Islam has attracted widespread press attention as the driving ideology of the most active Middle Eastern terrorist groups and state sponsors. Of the fifteen Middle Eastern terrorist groups named in the October 8, 1997 State Department designation, six are radical Islamic organizations (Hamas, Palestinian Islamic Jihad, Hizballah, the Armed Islamic Group, and Egypt's Islamic Group and Jihad). The "veterans of the Afghan conflict," led by

Usama bin Ladin, are perceived as an increasingly significant radical Islamic threat. The following provides information on the objectives, activities, external ties, and strength of the Islamist groups.

Hizballah (Party of God)⁴

Hizballah, founded in 1982 by Lebanese Shiite clerics imbued with the Islamic revolutionary ideology of Iran's Ayatollah Khomeini, has a long record of violence against Israel and the West, especially the United States. The organization's initial goal was to establish an Islamic republic in Lebanon as part of a broader region-wide Islamic republic. More recently, perhaps in recognition that such a goal may be unattainable, Hizballah has focused on attempting to derail the Arab-Israeli peace process or, at the very least, to try to end Israel's control over a six to ten mile deep "security zone" in mostly Shiite Muslim-inhabited southern Lebanon.

During the 1980s, Hizballah was a principal sponsor of anti-Western, and particularly anti-U.S., terrorism. It is known or suspected to have been involved in suicide truck bombings of the U.S. Embassy (April 1983), the U.S. Marine barracks (October 1983, killing 220 Marine, 18 Navy and 3 Army personnel), and the U.S. Embassy annex (September 1984), all in Beirut. It also hijacked TWA Flight 847 in 1985, killing a Navy diver, Robert Stethem, who was on board, and it was responsible for the detention of most, if not all, U.S. and Western hostages held in Lebanon during the 1980s and early 1990s. Eighteen Americans were held hostage in Lebanon, of which three were killed. (On June 5, 1998, Hizballah's leader denied the group was linked to the Marine barracks bombing or the holding of hostages, but he said he supported the Marine bombing, the perpetrators of which have not been found.)

Recent Patterns reports have said Hizballah was responsible for March 17, 1992 bombing of Israel's embassy in Buenos Aires. Hizballah did not claim responsibility for the attack outright, but it released a surveillance tape of the embassy, implying responsibility. In May 1998, the FBI told Argentina it believes that Hizballah, working with Iranian diplomats, was also responsible for the July 18, 1994 bombing of the Argentine-Jewish Mutual Association building in Buenos Aires that left nearly 100 dead.⁵ During a visit to South America in May 1998, FBI Director Louis Freeh said Hizballah is suspected of building a support network in Brazil, at the triborder area with neighboring Argentina and Paraguay.⁶ Hizballah retains a terrorism infrastructure in Lebanon, the broader Middle East, and overseas, but it is not known to have conducted any terrorist attacks in 1997 or thus far in 1998. However, it has continued to conduct surveillance of the U.S. Embassy in Lebanon and its personnel, according to Patterns 1997.

⁴For further information on Hizballah, see Hizballah: A Radical Militia in Lebanon, by Kenneth Katzman, CRS Report 93-905, Oct. 7, 1993. A more recent version of that report was included in: U.S. Army War College, Strategic Studies Institute. Terrorism: National Security Policy and the Home Front. May 15, 1995, edited by Stephen Pelletiere. pp. 1-30.

⁵FBI Ties Iran to Argentine Bombing in '94. Washington Post, August 8, 1998.

⁶Diderich, Joelle. FBI Suspects Hizbollah Network in S. America. Reuters, May 13, 1998.

Hizballah's focus for the past few years has been on military operations against Israel. In March and April 1996, an escalation of Hizballah attacks on Israeli forces in Lebanon, including rocket attacks on northern Israel, prompted an Israeli counteroffensive, "Operation Grapes of Wrath" during April 11-27, 1996. Hizballah's several thousand fighters are increasingly adopting more conventional and more effective military attacks against Israel, resulting in greater Israeli losses and fewer Hizballah casualties. Hizballah's new tactics have prompted growing sentiment in Israel to withdraw completely from Lebanon, and the Israeli cabinet voted in April 1998 to withdraw if Lebanon guarantees the security of Lebanon's northern border. Lebanon and Hizballah have refused to offer such guarantees. On the other hand, Hizballah and Israel conducted a major swap of prisoners and remains in June 1998 -- Israel returned 40 corpses of Lebanese guerrillas and released 60 Lebanese prisoners in exchange for the remains of an Israeli soldier (Itamar Ilya). One of the Hizballah corpses returned was that of a son of Hizballah's leader, Hasan Nasrallah. It should be noted that the United States does not consider Hizballah's military operations against Israeli or Israel's proxy forces in southern Lebanon as terrorism, but rather as military action.

Israeli observers say they believe, although they are not certain, that Hizballah has acquired from Iran U.S.-made Stinger anti-aircraft weapons.⁷ If Hizballah has the weapon, it has not yet used it against Israeli aircraft, and it is not clear that Hizballah is able to maintain the weapon.

Hizballah also is increasingly focused on political activities in Lebanon. Hizballah may be positioning itself to survive if there is a peace agreement between Israel and Syria and Lebanon, although an agreement does not appear imminent. Hizballah holds seven seats (plus three allies) in Lebanon's 128 seat National Assembly elected in September 1996, down from eight seats and four allies in the previous Assembly. Hizballah has not accepted any Cabinet positions, but it does meet with members of Lebanon's other sects and factions, including traditionally dominant Christians, whom it previously shunned. Other reports indicate that Hizballah is increasingly involving itself in the tourism businesses as a means of earning revenue and softening its terrorist image, and it continues to provide social services for poor Lebanese not adequately served by the government.

Hizballah's Broader Connections. Hizballah maintains active connections with like-minded groups. In October 1997, Hizballah publicly admitted training Hamas militants in Lebanon.⁸ Saudi and Bahraini investigations of anti-regime unrest have revealed the existence of local chapters of Hizballah composed of radical Shiite Muslims, many of whom have studied in Iran's theological seminaries and received terrorist training in Lebanon. Saudi officials apparently believe that one such organization in Saudi Arabia, Saudi Hizballah, was responsible for the June 25, 1996 bombing of the Khobar Towers housing complex for U.S. military personnel,

⁷Israel Says Hizballah May Have Stinger Missiles. Reuters, May 18, 1997.

⁸Hizballah Says Training Hamas Militants in Lebanon. Reuters, October 3, 1997.

near Dhahran, Saudi Arabia.⁹ A similar organization in Kuwait, "Kuwaiti Hizballah," in 1996 allegedly assisted its allies in Bahrain by smuggling weapons to Bahrain, according to *Patterns* 1996. Kuwaiti Hizballah may also be engaged in activities directed against the U.S. military presence in the Gulf.¹⁰ According to *Patterns* 1997, Bahraini courts in March 1997 sentenced to jail 36 individuals for being members of the pro-Iranian Bahrain Hizballah organization. Factions of these Gulf-state Hizballah organizations were active in the early 1980s under other names, such as the Da'wa (Islamic Call) Party in Kuwait, the Islamic Front for the Liberation of Bahrain, and the Organization for the Islamic Revolution in the Arabian Peninsula (Saudi Arabia).

A wide variety of press reporting indicates that Iranian diplomats posted in Lebanon, Syria, Sudan, and elsewhere abroad provide logistical or other support to Hizballah's foreign cells in North America, South America, Africa, and Europe. Some of these diplomats were holders of the U.S. Embassy hostages in Tehran during 1979-81.¹¹ In July 1998, Iran appointed one of the leaders of the hostage holders, Hossein Sheikh-ol-Eslam, as Ambassador to Syria. Sheikh-ol-Eslam has been an avowed supporter of the export of the Islamic revolution and of Hizballah. Then Secretary of State Christopher said on May 21, 1996 that Iran gives Hizballah about \$100 million per year. *Patterns* 1997 says Iran, which backs Hizballah with several hundred Revolutionary Guards stationed in Lebanon, continues to give Hizballah substantial amounts of weapons, explosives, and organizational aid as well. However, Iran reportedly wants Hizballah to become more self-sufficient financially and, according to *Patterns* 1997, Hizballah might occasionally conduct operations not approved by Tehran. Many observers believe Syria, which has a substantial military and intelligence presence in Lebanon, indirectly supports or authorizes anti-Israel operations by Hizballah, and *Patterns* 1997 repeats its previous assertions that Syria "has not acted to stop anti-Israeli attacks by Hizballah and Palestinian rejectionist groups in southern Lebanon." Syria also permits Iran to supply weapons to Hizballah through the international airport in Damascus.

Specially Designated Terrorists (SDT's).¹² Hizballah's Secretary General Hasan Nasrallah has been named a Specially Designated Terrorist (SDT), a designation made pursuant to President Clinton's January 23, 1995 Executive order (12947) on Middle Eastern terrorism. An SDT is a person found to pose a significant risk of disrupting the Middle East peace process, or to have materially supported acts of violence toward that end. Under the Executive order, the designation means that

⁹Conversations with Saudi and U.S. officials during 1996-97. One suspect in the bombing, Hani Abd al-Rahim al-Sayegh, has admitted being a member of Saudi Hizballah, but denies a role in the bombing. He was apprehended in Canada in March 1997 and deported to the United States on June 18, 1997, but subsequently refused to cooperate with the FBI in the Khobar Towers investigation.

¹⁰*Patterns* 1996, p.20.

¹¹Iran Hostage Takers Now Hold Key Posts. *Newsday Wire Service*, printed in *Roanoke Times and World News*. Sept. 8, 1994. p. A11.

¹² The list of SDT's is contained in a report by the Office of Foreign Assets Control of the U.S. Treasury Department, "Terrorism: What You Need to Know About U.S. Sanctions," November 11, 1997.

any dealings (contributions, financial transactions) between a U.S. person and the SDT are prohibited.

Nasrallah, who is about 40 and has led Hizballah since 1993, was re-elected by Hizballah on July 29, 1998 as Secretary General for another three years. Nasrallah is believed to be a close ally of Iran's former President Ali Akbar Hashemi-Rafsanjani. Other Hizballah figures named as SDT's are: Imad Mughniyah, the 36 year old Hizballah intelligence officer and alleged holder of some Western hostages in the 1980s; Shaykh Muhammad Hussein Fadlallah, the 60 year old senior Shiite cleric and leading spiritual figure of Hizballah; and Subhi Tufayli, the 49 year old former Hizballah Secretary General who leads a radical breakaway faction of Hizballah members in Lebanon. Tufayli's followers clashed with the Lebanese army in late January 1998.

Hamas and Palestinian Islamic Jihad

Hamas (Islamic Resistance Movement) and Palestinian Islamic Jihad¹³ are Sunni Islamist Palestinian groups based in the West Bank and Gaza Strip. Palestinian Islamic Jihad (PIJ), which was formed in 1979 and remains almost purely a guerrilla organization, appears internally united in its opposition to territorial or political compromise with Israel. Hamas, which was formed by Muslim Brotherhood activists during the Palestinian uprising (intifadah) in 1987, received a significant political boost in October 1997 when its founder, Shaykh Ahmad Yassin, was released from prison by Israel (see box on Yassin). The charismatic Yassin serves as a bridge between Hamas' two main components — the radicals that conduct terrorist attacks (primarily through a clandestine wing, the Izz ad-Din al-Qassam Brigades), and the more pragmatic elements affiliated with Hamas' social services, charity, and educational institutions. According to press reports, some Hamas pragmatists have held talks with Palestinian Authority President/PLO leader Yasir Arafat and are open to working with him and to eventual compromise with Israel, but Hamas as a whole opposes Arafat and the current peace process with Israel. Both Hamas and PIJ have refused Arafat's recent offers to join the Palestinian Authority administration.

U.S. officials say Palestinian Islamic Jihad is politically closer to Iran than is Hamas, although both groups are said by the State Department to receive funds (several million dollars per year), and possibly military training, from Iran. Both groups also have offices in Syria and Sudan, as well as a closely monitored and controlled presence in Jordan. PIJ receives some limited aid from Syria as well, according to Patterns 1997. Hamas reportedly receives funding from wealthy private benefactors in the Persian Gulf monarchies and, U.S. officials say, from residents of the United States and Western Europe. Many individual donors, however, appear to believe their contributions go to charitable activities for poor Palestinians served by Hamas' social services network, and are not being used for terrorism.

¹³Palestinian Islamic Jihad should not be confused with Islamic Jihad, which is a name often used by elements of Hizballah in the conduct of terrorist or military operations, or with al-Jihad, the Egyptian group which is sometimes called Egyptian Islamic Jihad or Egyptian Jihad.

Patterns 1997, as have previous Patterns reports, characterizes Hamas' strength as "an unknown number of hardcore members [and] tens of thousands of supporters and sympathizers," and PIJ's strength as "unknown." An independent poll conducted in Palestinian-controlled areas in June 1998 gives Hamas the support of 14% of Palestinians in the Gaza Strip and 11% in the West Bank, up from about 10% in these areas last year.¹⁴ PIJ, which does not operate openly, registers the support of about 3%, up from 2% last year. These poll outcomes, although not much different from the year earlier results, suggest that support for Hamas might grow if the peace process between Israel and the Palestinians continues to falter.

Hamas and PIJ have not targeted the United States directly, although PIJ has threatened to do so. Some American citizens have died in attacks for which these groups have claimed responsibility. Five out of the 65 killed in four Hamas/PIJ bombings in Israel (February 25 - March 4, 1996) were American citizens. These bombings had the apparent effect of shifting public opinion toward Benjamin Netanyahu in Israeli national elections on May 29, 1996, possibly proving decisive in his election victory as Prime Minister. Since then:

- A March 21, 1997 Hamas bombing in Tel Aviv, conducted three days after Israel broke ground on a Jewish settlement in East Jerusalem, killed three Israelis and the bomber.
- On July 30, 1997, Hamas suicide bombers killed 16, including a U.S. citizen, and wounded 178 in Jerusalem.
- On September 4, 1997, three Hamas suicide bombers killed 5 (plus themselves), including a U.S. citizen. About 181 were wounded in that bombing in Jerusalem's Ben Yehuda pedestrian mall. There have been no known major Hamas/PIJ terrorist attacks since then, although some potential attacks since then have been thwarted in advance by Israeli and/or Palestinian security forces. (Shaykh Yassin said Hamas had nothing to do with an August 27, 1998 bombing in Tel Aviv that injured about 20 people. However, the bombing came one day after Yassin said Hamas would attack Israel in retaliation for the August 20 U.S. strikes on the bin Ladin network.)

U.S. Connections. Some observers allege that Hamas has an extensive fundraising and political apparatus in the United States, working from seemingly innocent religious and research institutions and investment companies.¹⁵ Others have challenged this view, saying that most American organizations that agree with Hamas' philosophy oppose the use of violence and are exercising free speech. In July 1995, the United States detained in New York a suspected Hamas leader, Musa Abu Marzuq, who had lived in Falls Church, Virginia until early 1994. He received permanent resident alien status in 1990, and allegedly was involved in fundraising for Hamas in the United States. In April 1997, Israel dropped its request for his

¹⁴The poll was commissioned by the International Republican Institute, and conducted by the Center for Palestine Research and Studies, in Nablus.

¹⁵Emerson, Steven. Islamic Terror: From Midwest to Mideast. Wall Street Journal, August 28, 1995.

extradition under a 1962 U.S.-Israel treaty. Although Jordan had expelled Abu Marzuq in June 1995 for his reported efforts to promote opposition to its peace treaty with Israel, in May 1997 Jordan accepted his deportation to Amman, where Abu Marzuq is closely watched but under no legal restrictions.

PIJ is led by Ramadan Abdullah Shallah, about 40 years old, who previously was an adjunct professor at the University of South Florida. He ran an Islamic studies institute affiliated with the university, called the World and Islam Studies Enterprise (WISE). The university severed its connection to WISE in June 1995, a few months before Shallah was chosen to head PIJ (following the assassination of his predecessor, Fathi al-Shiqaqi). Some have alleged that Shallah used WISE to raise money for PIJ and to invite alleged Islamic radicals to the United States for conferences.¹⁶

The United States has blocked the assets of some alleged Hamas/PIJ leaders. According to a Treasury Department report to Congress for 1997, the Office of Foreign Assets control has blocked two accounts belonging to Hamas and PIJ leaders, under President Clinton's January 23, 1995 Executive order on Middle East terrorism. As of the end of 1997, a total of about \$675,000 in Hamas assets in the United States (mostly real estate) were blocked, as were PIJ bank accounts totalling about \$18,000. PIJ leader Shallah had control over these accounts.¹⁷ On June 9, 1998, the Department of Justice announced it had seized about \$1.4 million in cash and property in the United States from suspected Hamas activist Mohammad Salah and the Quranic Literary Institute.

SDT's. Several Hamas and PIJ activists have been named as SDT's. They include Ramadan Abdullah Shallah (PIJ), Musa Abu Marzuq (Hamas), Abd al-Aziz Awda (PIJ), Mohammad Salah (Hamas) and Shaykh Ahmad Yassin (Hamas).

¹⁶ Islamic Jihad in Florida. Washington Times, editorial, November 10, 1995.

¹⁷These figures are contained in the 1997 Annual Report to Congress on Assets in the United States Belonging to Terrorist Countries or International Terrorist Organizations. Office of Foreign Assets Control, U.S. Department of Treasury. January 1998.

Shaykh Ahmad Yassin Founder, Hamas

Born in 1937 in Ashkelon, Shaykh Yassin is the founder and undisputed leader of Hamas. Yassin is blind, nearly deaf, and confined to a wheelchair since an accident in his youth. He was a refugee in the Shati camp in Gaza after the 1948 Arab-Israeli war and, in the 1950s, he joined the Islamic fundamentalist Muslim Brotherhood organization. He worked as a teacher and preacher in Gaza after Israel captured the Gaza Strip in 1967. In 1973, Yassin founded the Islamic Center in Gaza, which soon controlled all Muslim religious institutions there, and he founded Gaza's Islamic Society after the 1979 Islamic revolution in Iran. During this period, Israel allowed Yassin access to Israeli media, through which he openly criticized Yasir Arafat and the PLO. He founded Hamas after the Intifadah (uprising) took hold in 1988.

Israel arrested Yassin in 1989 and sentenced him to life imprisonment for allegedly issuing orders to kidnap and kill two Israeli soldiers. Israel released him from prison in October 1997 under a compromise with Jordan, and he returned to his home in Gaza. The deal followed a failed Israeli attempt to assassinate another Hamas leader, Khalid Mishal, in Amman. Arafat visited Yassin after his release, although the two are considered rivals.

In the past, Yassin has advocated the establishment of an Islamic state in all of what was Palestine. Immediately after his release, Yassin suggested that terrorist attacks against Israel could end if Israel made substantial concessions. However, during February-June 1998, Yassin visited several Arab and Islamic countries, raising money and vowing that military operations against Israel would continue until all of what was Palestine is liberated. Yassin said the United States brought upon itself the August 7, 1998 embassy bombings in Kenya and Tanzania because of its imposition of "sanctions and sieges on Muslim countries" in Africa, such as Libya and Sudan. He denied Hamas involvement. Interspersed with medical treatment in Egypt, Yassin was received at high levels in Sudan, Yemen, Saudi Arabia, Qatar, Kuwait, UAE, Iran, and Syria. He reportedly received millions of dollars (\$50 to 300 million) in financial pledges from Saudi Arabia and Iran, and Kuwait said it would allow Hamas to open an office there. In Syria, he was permitted to meet with leaders of other anti-peace process groups. Israel allowed Yassin to return to Gaza after his tours. Since his release and the tours, Yassin's popularity among Palestinians has grown, but he is still less popular than Arafat, according to Palestinian observers.

Source: Abu Toameh, Khaled. The Sheikh's Progress. The Jerusalem Report, July 20, 1998; Palestine Facts website.

The Islamic Group and Jihad

The Egyptian oppositionist Islamic Group and its ally, al-Jihad¹⁸ seek to replace Egypt's pro-Western, secular government with an Islamic state. Although they have different operational leaders, both groups recognize as their spiritual leader Shaykh Umar Abd al-Rahman, an Egyptian cleric who is currently in prison in New York following his October 1995 conviction for planning terrorist conspiracies in the New York area.¹⁹ Improved security measures, as well as some limited economic reforms and improvement, have reduced the groups' opposition activities in Egypt since 1995 to the point at which some of the groups' leaders inside Egypt have said they are observing an undeclared truce with the Egyptian government (since January 1998).

However, the militant leaders outside Egypt have rejected any compromises and have been able to orchestrate several high profile attacks. The Islamic Group claimed responsibility for an attack that nearly succeeded in killing President Mubarak during his visit to Ethiopia on June 26, 1995. It also claimed responsibility for an April 18, 1996 attack that killed 18 Greek tourists, who were mistaken for Israelis. Two gunmen professing support for al-Jihad killed nine German tourists and their Egyptian busdriver outside the National Antiquities Museum in Cairo on September 18, 1997. The Islamic Group claimed responsibility for the most lethal terrorist attack ever in Egypt — the November 17, 1997 attack on tourists in the Valley of the Kings; near Luxor. Gunmen killed 58 tourists and wounded 26 others, and themselves committed suicide or were killed by Egyptian security forces. The militants left at the scene a leaflet calling for the release from prison of Shaykh Abd al-Rahman.

The Islamic Group and al-Jihad formed in the early 1970s as offshoots of the Muslim Brotherhood, which opted to work within the political system after being crushed by former President Gamal Abd al-Nasser. The leaders of these groups, particularly Abd al-Rahman, have said relatively little about how they would conduct Egypt's relations with Israel if they were to come to power. However, the Clinton Administration, Congress, and most observers assume that Egyptian-Israeli peace and the Arab-Israeli peace process would be set back severely if the radical Islamist groups came to power in Egypt.

The Islamic Group recruits and builds support openly in poor neighborhoods in Cairo, Alexandria and throughout southern Egypt, running social service programs and distributing charity. It also conducts attacks against local security officials, banks, Western tourists, Egyptian Copts, and other perceived symbols of Western culture and foreign influence. Previously, the Islamic Group has attempted to assassinate high ranking officials, killing, for example, the People's Assembly Speaker in October 1990 and wounding the Minister of Information in April 1993. Al-Jihad has operated only clandestinely, focusing almost exclusively on assassinating high ranking Egyptian officials. Al-Jihad was responsible for the assassination of President Anwar Sadat in October 1981. A reborn version of the group claimed responsibility for the August

¹⁸A faction of the Jihad operates under the name "Vanguards of Conquest."

¹⁹For more information, see Shaykh Umar Abd al-Rahman and His Followers, by Kenneth Katzman, CRS Report 93-709, July 28, 1993. This report includes information about Abd al-Rahman's entry into and immigration status in the United States.

1993 bombing in Cairo in which Egypt's Interior Minister (Zaki Badr) was wounded, as well as a November 1993 car bomb attempt against then-Prime Minister Atif Sidky.

External Linkages. Sources of external aid for both groups are not precisely known. However, *Patterns* 1997, as it has in previous years, cites Egyptian government assertions that Iran, Sudan, and "militant Islamic groups in Afghanistan" support the groups. Of these sources, the militants in Afghanistan, presumably referring to the network of Saudi exile financier Usama bin Ladin, are becoming increasingly significant patrons of the Egyptian groups. Several followers of Shaykh Abd al-Rahman, some of whom were convicted in the February 1993 World Trade Center bombing, fought on behalf of the Islamic guerrillas in Afghanistan or raised money for that cause. Ayman al-Zawahri, operational leader of the reborn Jihad faction (the Vanguard of Conquest), and Rifa'i al-Taha, a 45 year-old guerrilla leader of the Islamic Group, are believed to be with bin Ladin in Afghanistan. (Some unconfirmed press reports indicated that Zawahiri may have been injured or killed in the August 20 U.S. strikes on bin Ladin camps in Afghanistan.) Both Egyptian terrorists signed pronouncements in February and May 1998 by bin Ladin declaring a holy war (jihad) against U.S. civilian and military personnel in the Middle East. In June 1998, Egyptian authorities interrogated a suspected aide of bin Ladin, charging him with recruiting Egyptians for attacks on the government.²⁰ In a July 9, 1998 press interview, Zawahri said the "only alternative" for Muslims is to declare a jihad against America and Israel.²¹

This Zawahri statement, coupled with other information, might explain why some speculation has fallen on Jihad for involvement in the August 7, 1998 Kenya and Tanzania bombings. A few days before the bombings, the group warned it would retaliate for the reported U.S. help in a late June 1998 capture and extradition of an Egyptian Islamist cell from Albania to Egypt. Those arrested were wanted in Egypt for involvement in the November 1997 attack at Luxor.²²

SDT's. The following Egyptian Islamist figures have been named as SDT's: Shaykh Umar Abd al-Rahman (see above); Ayman al-Zawahri, the 47 year old operational leader of the Vanguard of Conquest, who was convicted in Egypt for participating in the Sadat assassination;²³ Abbud al-Zumar, leader of the remnants of the original Jihad who is serving a 40 year sentence in Egypt; Talat Qasim, 41, a propaganda leader of the Islamic Group; and Muhammad Shawqi Islambouli, 43, the brother of the lead gunman in the Sadat assassination. Islambouli, who is affiliated with the Islamic Group, is believed to be with or near bin Ladin in Afghanistan.

Rifa'i al-Taha, said to be the Islamic Group's link to Iran, was named as an SDT by President Clinton's Executive order of August 20, 1998. Another Islamic Group leader, Mustafa Hamza, has not been named an SDT. Hamza, who is about 41, has

²⁰ Egypt Questions Militant Deported by Saudis. Reuters, June 23, 1998.

²¹ Egypt Jihad Leader Threatens US Mideast Interests. Reuters, July 9, 1998.

²² U.S. Probes Blasts' Possible Mideast Ties. Washington Post, August 12, 1998; Iredale, Paul. Albania Expelled Luxor Suspects Before U.S. Bombings. Reuters, August 13, 1998.

²³ Egypt's Most Wanted. The Estimate, December 19, 1997. P.8.

been implicated in the Sadat assassination and the attempted assassination of Mubarak in Ethiopia in June 1995.²⁴

The Armed Islamic Group

The Armed Islamic Group (GIA, after its initials in French) is the most radical of Islamic factions fighting to establish an Islamic state in Algeria, but the GIA is highly fragmented.²⁵ The GIA, composed partly of Algerian Islamic guerrillas who fought in Afghanistan, formed as a breakaway faction of the Islamic Salvation Front (FIS) in 1992, after the regime cancelled the second round of parliamentary elections on fears of an FIS victory. According to *Patterns 1997*, the GIA has killed 133 expatriates in Algeria (mostly Europeans) since 1992, but the number of foreigners killed in 1997 was seven, a slight decline from nine in 1996 and a substantial drop from 31 in 1995. Apparently frustrated by the regime's efforts to combat the GIA (some of its top commanders have been killed by Algerian security forces), the GIA has shifted its strategy somewhat. Over the past eighteen months, the GIA and other groups have conducted a campaign of civilian massacres, sometimes wiping out entire villages in their areas of operations. The GIA has conducted these civilian attacks to intimidate rival factions, including the FIS, and to demonstrate that the government lacks control over the country.

The GIA conducted its most lethal terrorist attack on December 31, 1997, when it killed 400 Algerian civilians in a town 150 miles southwest of Algiers, according to *Patterns 1997*. The massacres represent one of the world's most serious domestic terrorist threats, although it should be noted that renegade elements of the regime's security forces and other opposition groups have also conducted civilian massacres, according to U.S. officials. The GIA or factions within it also allegedly committed at least some of the bombings in Algeria that were intended to disrupt June 5, 1997 parliamentary elections

The GIA has undertaken operations outside Algeria. It hijacked an Air France flight to Algiers in December 1994. The group might also have been responsible for a bombing of the Paris subway system on December 3, 1996, which killed four and wounded more than 80.

Patterns 1997 repeats previous descriptions of the GIA's strength as probably between several hundred to several thousand. The organization receives financial and logistical aid from Algerian expatriates, many of whom reside in Western Europe. As has Egypt, Algeria has accused Iran and Sudan of supporting the GIA from training camps in Sudan. Most observers believe that Iranian and Sudanese aid to the GIA has probably not been decisive in the GIA's development or its activities.

²⁴Ibid.

²⁵For more information on the Islamist challenge to the Algerian government, see CRS Report 98-219 F. Algeria: Developments and Dilemmas, by Carol Migdalovitz, updated August 18, 1998.

Veterans of the Afghan Conflict/Usama bin Ladin

The activities of Arabs and other Muslims who fought alongside the Afghan mujahedin in Afghanistan are becoming increasingly significant. Patterns 1993 was the first Patterns report to discuss this grouping extensively. That report said that several thousand non-Afghan Muslims fought in the war against the Soviets and the Afghan Communist government during 1979 to 1992.²⁶ Although the veterans of the Afghan war may be in contact with — or even receive some arms or funding from — regional governments and state sponsors of terrorism, the veterans do not appear to be surrogates or proxies of any one state sponsor. The key patron of the veterans is Saudi dissident Usama bin Ladin, who helped recruit and fund many of the Arab volunteers for the Afghan conflict, and has used those volunteers as the basis of his far-flung and diverse terrorist network.

²⁶Patterns of Global Terrorism: 1993. Released April 1994. p.4.

Usama bin Ladin

The youngest of twenty sons of a deceased Saudi construction magnate of Yemeni origin, Usama bin Ladin, who was born in 1955, gained prominence during the Afghan war for his role in financing the recruitment, training, and transportation of Arab nationals who volunteered to fight alongside the Afghan mujahedin. In 1989, after the Afghan war ended, he returned to Saudi Arabia to work in his family's business, the Bin Ladin Construction group, although his radical Islamic contacts caused him to run afoul of Saudi authorities and his family. In 1991, bin Ladin relocated to Sudan with the approval of Sudan's National Islamic Front (NIF) leader Hasan al-Turabi. There, in concert with NIF leaders, he built a network of businesses, including an Islamic bank (al-Shamal), an import-export firm (Wadi al-Aqiq), and firms that exported gum arabic, corn, and sesame products (Taba Investment and Al-Thamar al-Mubarakah). An engineer by training, bin Ladin also used his family connections in the construction business to help Sudan build roads and airport facilities using his al-Hijrah construction firm. He also has invested in Sudan's "military-industrial complex," according to U.S. officials. The businesses in Sudan, some of which apparently are still operating, enabled him to offer safehaven and employment in Sudan to Arab veterans of the Afghan war, promoting their involvement in radical Islamic movements in their countries of origin (especially Egypt) as well as anti-U.S. terrorism. He reportedly has some business interests in Yemen as well and is believed to have assets invested in European securities. Bin Ladin has said publicly that, while he was in Sudan, there were a few assassination attempts against him by rival factions.

In May 1996, Sudan expelled him, and he returned to Afghanistan, under protection of the dominant Taliban movement. Saudi Arabia revoked his citizenship in 1994 and his family disavowed him, although some of his brothers reportedly are still in contact with him. He has no formal role in the operations of the Bin Laden Construction group, which continues to receive contracts from the Saudi government and from other Arab countries. After his citizenship revocation, he formed a group in London, the Advisory and Reform Committee, that distributed literature against the Saudi regime.

Bin Ladin is estimated to have about \$300 million in personal financial assets with which to fund terrorist operations and pay an estimated following of 3,000 Islamic militants. Bin Ladin's followers are believed to be active in Afghanistan, Saudi Arabia, Tajikistan, Algeria, Tunisian, Bosnia, Kosovo, Albania, Chechnya, Somalia, Sudan, Yemen, the Philippines, Egypt, Libya, Eritrea, Malaysia, Uganda, and Ethiopia. After the August 7 Kenya and Tanzania bombings, there were reports that his fighters had a presence in Kenya. His fighters are generally lightly armed, although U.S. officials assert that they have experimented with chemical weapons.

The United States has indicated there is a potential threat to commercial aircraft from bin Ladin, suggesting his group might have acquired some Stinger anti-aircraft weapons in Afghanistan, left over from the anti-Soviet conflict.

Sources: State Department Factsheet: Usama bin Ladin: Islamic Extremist Financier. August 1996; ABC News Nightline, June 10, 1998; Defense Department factsheet, August 20, 1998; conversations with U.S. counter-terrorism officials.

Bin Ladin's network has been connected to a number of acts of terrorism. Bin Ladin has claimed responsibility for the December 1992 attempted bombings against 100 U.S. servicemen in Yemen — there to support U.N. relief operations in Somalia. In a November 1996 press interview, he said that his loyalists fought against U.S. forces in Somalia (Operation Restore Hope) and he apparently provided weapons for anti-U.S. operations there in 1993. The four Saudi nationals who confessed to the November 13, 1995 bombing of a U.S. military training facility in Riyadh, Saudi Arabia, admitted on Saudi television to being inspired by bin Ladin and other Islamic radicals; three of them were veterans of conflicts in Afghanistan, Bosnia, and Chechnya. Patterns 1997 says that members of bin Ladin's organization might have aided the Islamic Group assassination attack against Egyptian President Mubarak in June 1995.

World Trade Center Bombing/Past U.S. Connections. There is no direct evidence that bin Ladin was involved in the February 1993 bombing of the World Trade Center. However, that possibility reportedly was investigated by a New York grand jury.²⁷ Bin Ladin appears to have had a tenuous association with Ramzi Ahmad Yusuf, who was convicted in September 1996 of conspiracy to bomb U.S. airliners in Asia (a Phillipines Air flight that killed a Japanese traveler) and, in November 1997, for masterminding the Trade Center bombing. Yusuf was associated with Afghan veteran groups in Pakistan, where he was arrested in February 1995.²⁸ For the three years prior to his arrest, Yusuf resided at a guest house in Pakistan funded by bin Ladin, according to Pakistani investigators, and the FBI reportedly believes bin Ladin might have funded Yusuf's operations. Bin Ladin denies knowing Yusuf personally but bin Ladin calls Yusuf's associate, Wali Khan Amin Shah, a "friend." Shah was arrested in the Phillipines in 1995 for an aborted plot, hatched in conjunction with Ramzi Yusuf, to assassinate the Pope.²⁹ CNN reported August 25, 1998 that Yusuf and Khan also plotted, at bin Ladin's behest, to assassinate President Clinton during his November 1994 trip to Manila.

Bin Ladin and Shaykh Umar Abd al-Rahman (see above) -- another key World Trade Center bombing figure -- both recruited fighters for the Afghan conflict, but it is not clear that they had any direct contact with each other during that time. The two also had close connections to the Islamic government of Sudan, although Abd al-Rahman left Sudan in 1990, before bin Ladin relocated there. According to an August 20, 1998 Defense Department fact sheet, bin Ladin financed U.S.-based recruiting centers for the Afghan war, as well as centers in Egypt, Saudi Arabia, and Pakistan. Abd al-Rahman also recruited volunteers for the Afghan war through similar centers in the United States. However, the Central Intelligence Agency has told CRS that it found no evidence that the Agency provided any direct assistance to either bin Ladin or Abd al-Rahman in their anti-Soviet efforts. The U.S. assistance

²⁷Ricks, Tom and Greenberger, Robert. U.S. Puts More Pressure on Bin Ladin With Indictment Charging Terrorism. Wall Street Journal, August 24, 1998.

²⁸ Yusuf was sentenced in January 1998 to life in prison for both the crimes of which he was convicted. Before his sentencing, Yusuf, a 30 year-old trained in electronics engineering and explosives, admitted to being a terrorist and to being "proud of it."

²⁹ABC News interview with bin Ladin. Nightline, June 10, 1998.

program for the anti-Soviet groups in Afghanistan focused primarily on indigenous Afghan mujahedin fighters, and not on non-Afghan volunteers from Arab countries, such as those sponsored by bin Ladin or Abd al-Rahman.

Recent Activities and Threats. Bin Ladin has also incited violence against Americans, particularly U.S. military personnel in the Gulf. In August 1996, following the June 25, 1996 bombing of the Khobar Towers military housing complex near Dhahran, Saudi Arabia, bin Ladin called on his supporters to attack U.S. interests in Saudi Arabia and the Gulf. Although bin Ladin applauded the Khobar attack and still might be considered a suspect, most press reports on the bombing say the investigation is linking the attack to Saudi Shiites not known to be associated with bin Ladin (see Hizballah, above). On March 3, 1998, the State Department condemned a February 23, 1998 pronouncement by bin Ladin inviting Muslims to attack American civilians and allied interests worldwide. The February announcement also revealed the formation of an "Islamic Front for Fighting Jews and Crusaders," consisting of bin Ladin's followers, Egyptian opposition groups al-Jihad and Islamic Group, the Clerical Society of Pakistan, and the Jihad Movement of Bangladesh.³⁰ In a similar pronouncement in May 1998 and a June 1998 meeting with journalists, bin Ladin again called on Muslims to evict U.S. forces from Muslim lands. The inclusion of the Egyptian, Pakistani, and Bengali Islamist groups in bin Ladin's Front suggested that he is succeeding in bringing new groups under his patronage.

Kenya/Tanzania Bombings. Bin Ladin's anti-U.S. agenda, his organizational capabilities, and his recent threats led to immediate speculation that he was involved in the August 7 U.S. embassy bombings in Kenya and Tanzania. On August 20, 1998, the United States launched cruise missiles on bin Ladin's training camps near Khost, in eastern Afghanistan, based on what U.S. officials called "convincing evidence" of the complicity of his network in the bombings. U.S. officials add that they had evidence of new attacks in the planning state. One day before the U.S. strikes, bin Ladin's "Islamic Front" issued a statement that the United States would suffer the same "black fate" that the Soviet Union suffered in Afghanistan. The Front statement was issued alongside a separate statement by the "Army for the Liberation of Islamic Holy Places," the group that formally claimed responsibility for the embassy bombings.

Bin Ladin appears to have survived the August 20 U.S. strikes, and his associates remain with him in Afghanistan or in Pakistan, near the Afghan border. A bin Ladin spokesman threatened retaliation for the U.S. strikes. Since 1996, bin Ladin has been headquartered in Afghanistan, in the ruling Taliban movement's headquarters city of Qandahar. That year, Taliban officials, attempting to maintain good relations with Saudi Arabia, acknowledged his presence there but said they asked bin Ladin not to openly criticize Saudi Arabia. Taliban leaders have stated publicly that bin Ladin is a guest and would not be expelled. However, earlier in 1998, Taliban leaders did not criticize bin Ladin for issuing his February and May 1998 anti-U.S. pronouncements, and they have allowed bin Ladin to meet with journalists. Because of this hospitality for bin Ladin and other radical Islamists, the

³⁰ This new front supplements or replaces bin Ladin's earlier Qa'ida ("military base") coalition, founded in 1988.

State Department named Afghanistan, in May 1997 and again in May 1998, as "not cooperating fully with U.S. anti-terrorism efforts." The designation, made pursuant to the Anti-Terrorism and Effective Death Penalty Act of 1996, bars sales of Munitions List items to Afghanistan. The only other countries so designated are the seven countries on the terrorism list itself. Afghanistan's inclusion on this "non-cooperative" list could represent a U.S. warning to the Taliban that Afghanistan will be added to the terrorism list if it continues to offer refuge to bin Ladin and his allies.

Taliban leaders rebuffed U.S. Ambassador to the United Nations Bill Richardson when, during his April 1998 visit to Afghanistan, he asked Taliban leaders to extradite bin Ladin to the United States. Over the past few years, a grand jury in New York has been investigating bin Ladin in connection with the various attacks attributed to his network. NBC News reported August 20, 1998 that bin Ladin had been indicted in the United States for killing U.S. servicemen in Somalia in 1993 and the attack on U.S. servicemen in Yemen in December 1992. (U.S. military personnel had left their hotel before the bombing and were not hurt.) USA Today reported August 26 that the indictment charges bin Ladin with involvement in the alleged plot to assassinate President Clinton in Manila in 1994. The indictment(s) would give U.S. law enforcement the authority to apprehend bin Ladin if they can capture him.

U.S. pressure on Afghanistan might increase if Taliban's senior leaders follow through on their assertions, after the August 20 U.S. strikes, that bin Ladin can remain in Afghanistan. On August 24, perhaps anticipating U.S. pressure, the Taliban leadership publicly stated that it had asked bin Ladin to curtail his terrorist activities. On the other hand, the United States might try to offer the Taliban incentives, such as recognition and Afghanistan's U.N. seat, if they will yield bin Ladin to U.S. authorities.

SDT's/August 20 Executive Order. President Clinton's August 20, 1998 Executive order amends an earlier January 23, 1995 Executive order (12947) by naming bin Ladin's organization -- "the Islamic Army" -- and its aliases (the World Islamic Front for Jihad Against Jews and Crusaders, the Islamic Army for the Liberation of the Holy Places, Al-Qaida, the Islamic Salvation Foundation, and the Group for the Preservation of the Holy Sites), as a terrorist group. The new Executive order names bin Ladin as an SDT, along with Rifai al-Taha, of the Islamic Group (see above) and another associate, Abu Hafs al-Masri. The effect of the order is to ban financial U.S. financial transactions with bin Ladin's organization and allows U.S. law enforcement to freeze any bin Ladin assets in the United States that can be identified. However, U.S. officials acknowledge that very few, if any, of bin Ladin's assets are in the United States. U.S. officials say they will encourage other governments to help dismantle his financial empire, although identifying those assets will likely be extremely difficult.

Radical Jewish Groups

Some radical Jewish groups are as opposed to the Arab-Israeli peace process as are radical Islamic groups, and they have been willing to engage in terrorism to try to derail the process. Two movements, Kach and Kahane Chai ([Rabbi Meir] Kahane

Lives) seek to expel all Arabs from Israel and expand Israel's boundaries to include the occupied territories and parts of Jordan. They also want strict implementation of Jewish law in Israel. To try to accomplish these goals, the two groups have organized protests against the Israeli government, and threatened Palestinians in Hebron and the West Bank. Kach was founded by the radical Rabbi Meir Kahane, who was assassinated in the United States in 1990³¹; Kahane Chai was founded by Kahane's son, Binyamin, following his father's assassination. On March 13, 1994, the Israeli Cabinet declared both to be terrorist organizations under a 1948 Terrorism Law. The declaration came after the groups publicly stated their support for a Feb. 25, 1994 attack on a Hebron mosque by a radical Jewish settler, Baruch Goldstein, himself a Kach affiliate and an immigrant from the United States. The attack killed 29 worshippers and wounded about 150. The groups, many members of which live in Jewish settlements in the West Bank and Gaza, organize protests against the Israeli government and they harass and threaten Palestinians.

Patterns 1996 said Israeli extremists committed terrorist acts in February and October 1996, and Prime Minister Yitzhak Rabin was killed by an Israeli hardliner in November 1995. However, Patterns 1995 and 1996 do not specifically name Kach or Kahane Chai as responsible for these incidents. On January 1, 1997, an off-duty Israeli soldier fired into a crowded market in Hebron, wounding seven. Patterns 1997 does not specifically link the soldier to either Kach or Kahane Chai, but it implies a linkage by saying that both groups are particularly active in the Israeli settlement Qiryat Arba in Hebron. Patterns 1997 repeats previous assertions that the numerical strength of Kach and Kahane Chai are unknown and that they receive support from like-minded Jews in the United States and Europe. No Kach or Kahane Chai leaders have been named as SDT's.

Leftwing and Nationalist Groups

Some Middle Eastern terrorist groups have professed radical Arab nationalism or extreme leftwing ideologies. However, ideological differences have not prevented the non-Islamist groups from working with the Islamist organizations against the peace process. Despite such cooperation, recent Patterns reports indicate that the leftwing and nationalist groups are less active in international terrorism than they were in the 1970's and 1980s, and are far less active than are the radical Islamist groups. The apparent decline of the leftwing and nationalist terrorist groups might be attributed to decreased support from some state sponsors, particularly Libya and Syria, as well as the loss of superpower (Soviet) patronage and the rise of Islamic political ideology. That ideology has tended to eclipse the secular ideology of the leftwing and nationalist groups.

³¹El Sayyid Nosair, a radical Islamist associated with Shaykh Abd al-Rahman and others involved in the World Trade Center bombing, was convicted of weapons possession for the attack on Kahane, but not the murder itself.

Palestine Liberation Organization (PLO)

As part of its peace agreements with and commitments to Israel, the PLO has formally renounced the use of terrorism. The PLO was not named as a terrorist group in the October 8, 1997 State Department designations or in President Clinton's January 1995 Executive order on Middle Eastern terrorism. Patterns 1996 was the first Patterns report that excluded the PLO from the report's list of terrorist organizations. However, the PLO is discussed in this CRS report because of the debate in Congress and among observers over whether or not the PLO, as the power behind the Palestinian Authority (PA), is taking sufficient steps to prevent Hamas and PIJ from conducting terrorist attacks against Israelis.

Patterns 1997, as well as recent Administration reports to Congress on PLO compliance with its commitments to Israel³² under the September 1993 Declaration of Principles and subsequent agreements, credits the PA with preventing several planned terrorist attacks, arresting suspected terrorists, and condemning acts of terrorism against Israel. In July 1997, according to Patterns 1997, the PA uncovered a Hamas bomb-making safehouse and arrested Hamas members affiliated with the site. The PA also closed several Hamas charitable institutions accused of donating funds to Hamas' military wing. U.S. officials said in April 1998 that the PLO worked to head off a violent anti-Israel reaction by Hamas, which blamed Israel for killing suspected Hamas bomb-maker Muhi ad-Din al-Sharif. (The PA said rivals within Hamas killed him.) Administration officials note that, despite this progress, the PLO and PA have more to do to come into full compliance with their commitments to Israel.

Critics, including many in Congress, maintain that recent Patterns and PLO commitments compliance reports are too lenient. They note that the PA has released suspected terrorists, such as Hamas leader Ibrahim Makdameh (March 1997), and has failed to arrest others. They add that Arafat has continued to make occasional public statements that "armed struggle" remains an option against Israel.³³ Israel's current government has cited many of these same concerns, as well as others, as indicators that the PLO has failed to comply with its commitments to Israel.

Yasir Arafat rode his Fatah guerrilla organization to the chairmanship of the PLO, an umbrella of many Palestinian organizations, in 1969. Fatah was formed by Palestinian exiles in Kuwait in 1957, and began armed raids into Israel in January 1965. After the Arab defeat in the 1967 Six Day War, Fatah grew rapidly and eclipsed to a considerable degree other Palestinian organizations. After Fatah/PLO and other Palestinian guerrillas were forced out of Jordan in 1970 and 1971, cross border attacks on Israel became difficult, and some of its components resorted to

³²These reports are submitted in accordance with Section 804(b) of the PLO Commitments Compliance Act of 1989 (Title VIII of P.L. 101-246, as amended) and Section 604(b)(1) of the Middle East Peace Facilitation Act of 1995 (Title VI of P.L. 104-107). The latest report was issued November 20, 1997.

³³Mann, Hillary. The State Department's 1997 Terrorism Report: Issues to Watch. Washington Institute for Near East Policy, May 13, 1998.

international terrorism.³⁴ In September 1972, eight terrorists reportedly linked to Fatah seized the dormitory of Israeli athletes at the Olympics in Munich; eleven Israeli athletes were killed in that incident.³⁵ In the wake of the 1973 Arab-Israeli war, U.S. and other Western efforts to achieve a comprehensive peace settlement caused Arafat to limit terrorist operations largely to targets within Israel, Lebanon, and the occupied territories. In 1988, Arafat renounced the use of terrorism as part of an effort to initiate an official dialogue with the United States. The dialogue lasted until 1990, when Arafat refused to denounce an attempted attack by a small PLO-affiliated organization, the Palestine Liberation Front, on a Tel Aviv beach (see below). The dialogue resumed subsequent to the September 1993 mutual recognition between Israel and the PLO.

Popular Front For The Liberation Of Palestine — General Command (PFLP-GC)

Ahmad Jibril, a former captain in the Syrian army, formed the PFLP-GC in October 1968 as a breakaway faction of the Popular Front for the Liberation of Palestine (PFLP, see below), which he considered too willing to compromise with Israel. He also disagreed with the PFLP's emphasis on Marxist ideology, and believed that a conventional military arm is needed to complement terrorist operations. Jibril's several hundred guerrillas fight Israeli forces in southern Lebanon alongside Hizballah, but *Patterns 1997* does not attribute any significant terrorist attacks to the PFLP-GC in 1997. It does not appear to have conducted any attacks thus far in 1998. In the past, the PFLP-GC has tried to maximize its effectiveness by experimenting with unconventional terrorist tactics such as motorized hang gliders, ultralight aircraft, and hot air balloons. It has successfully used motorized hang gliders to cross the Israeli border from Lebanon.

Probably because of Jibril's service in the Syrian military, Syria reportedly remains the chief backer of the PFLP-GC and provides logistic and military support, safehaven in Damascus, and some direction. Jibril hosted a lunch for Hamas leader Shaykh Yassin when he visited Damascus in May 1998. Since the late 1980s, the PFLP-GC has built a close relationship with Iran, and Iran provides the group financial assistance. There have been reports that Iran approached the PFLP-GC to bomb a U.S. passenger jet in retaliation for the July 1988 U.S. downing of an Iranian airbus. The PFLP-GC allegedly pursued such an operation and abandoned it or, according to other speculation, handed off the operation to Libya in what became a successful effort to bomb Pan Am flight 103 in December 1988.³⁶ *Patterns 1997* continues the assertion of previous *Patterns* reports that the PFLP-GC receives some financial support from Libya, and that the PFLP-GC maintains cells in Europe.

SDT's. Ahmad Jibril, the 60 year-old Secretary-General of the PFLP-GC, and his deputy, Talal Muhammad Naji (about 58), have been named as SDT's.

³⁴Department of Defense. *Terrorism Group Profiles*. Washington, G.P.O., November 1988.

³⁵*Ibid.* p.13.

³⁶*Closing In on the Pan Am Bombers*. U.S. News and World Report, May 22, 1989. p.23.

Popular Front For The Liberation Of Palestine (PFLP)

The Popular Front for the Liberation of Palestine is a Marxist-Leninist organization founded in December 1967 by George Habash, following the Arab defeat in the war with Israel that year. The PFLP was active in international terrorism during the 1960s and 1970s, responsible for several hijackings and international airport attacks. On Sept. 6, 1970,³⁷ it simultaneously hijacked three airliners. Since the death in 1978 of its primary international terrorist planner, the PFLP has primarily attacked Israelis inside Israel and the occupied territories. It is suspected of a June 9, 1996 attack that killed an Israeli and a dual U.S./Israeli citizen as well as a December 11, 1996 killing of an Israeli settler and her son. Patterns 1997 does not attribute any terrorist attacks to the organization in 1997, and there have not been reports in 1998 of attacks by the group.

After Yasir Arafat's Fatah faction, the PFLP has been the largest Palestinian organization within the PLO umbrella, although the PFLP's influence within the Palestinian movement is weakening. It strongly but unsuccessfully opposed the decision to join the Madrid peace process and suspended its participation in the PLO after the September 1993 Israel-PLO Declaration of Principles, which the PFLP viewed as a sellout of Palestinian interests. Apparently recognizing Arafat's greater stature among Palestinians and the decline of outside support, the PFLP has had intermittent talks with the PA, although it has refused to join the PA Cabinet. At the same time, it retains ties to Hamas and other staunch Arafat opponents. Habash met with Shaykh Yassin during Yassin's visit to Damascus in May 1998.

Patterns 1997 estimates the PFLP's strength at about 800, and says that the group receives most of its financial and military assistance from Syria and Libya. The PFLP is based in Damascus and it reportedly has training facilities in Syrian-controlled areas of Lebanon.

SDT's. PFLP Secretary-General George Habash is the only PFLP leader named as an SDT. Habash, 71 years old, suffered a stroke in 1992 and has said he will step down as PFLP leader at the next PFLP congress, scheduled for September 1998. Habash wants the next PFLP leader to be based inside the Palestinian-controlled areas. One name mentioned as his possible successor is Ahmad Qatamish, a prominent PFLP leader recently released from prison in Israel.³⁸

Democratic Front For The Liberation Of Palestine (DFLP)

Like the PFLP, the DFLP advocates Marxist revolution and class struggle within the Palestinian movement. However, it split from the PFLP in 1969 and considers

³⁷At that time, PLO guerrillas in Jordan were engaged in preliminary phases of a major confrontation with Jordanian forces subsequently ordered to expel the Palestinian guerrillas. Jordan's King Husayn had decided that the PLO had assumed too much autonomy and authority inside Jordan, and he moved against the organization. This confrontation has come to be known as "Black September."

³⁸Jordan's al-Majd Reports on PFLP's Congress, Next Leader. FBIS-NES-98-180, June 29, 1998.

itself more pragmatic on the Arab-Israeli conflict than harder line Palestinian groups that call for the liberation of all of what was Palestine. The DFLP was one of the earliest Palestinian groups to take the public position that a Palestinian state could be formed on any land liberated from Israel, and that the destruction of Israel need not be the Palestinians' ultimate goal.

DFLP attitudes toward Israel caused a split in the DFLP movement. Several months before the October 1991 Madrid conference, a small faction of DFLP members led by deputy leader Yasir Abd al-Rabbuh split with the main body of the DFLP led by Nayif Hawatmeh. The Abd al-Rabbuh faction supported negotiations with Israel (Abd al-Rabbuh is now a PA official). The Hawatmeh faction wanted to set stringent conditions for Palestinian participation and suspended DFLP participation in the PLO following the September 1993 Israel-PLO accord. However, since 1997, Hawatmeh's DFLP has moved away from the rejectionist groups and participated in Palestinian unity talks with Arafat. In May 1998, the DFLP expressed readiness to take part in final status talks with Israel as a means of testing whether or not Israel would permit a Palestinian state. The DFLP plan calls for a unilateral declaration of a Palestinian state if Israel opposes one.

When it has chosen to use terrorism, the DFLP historically has attacked within Israel or territory under Israeli control. Its most noted attack was the May 1974 takeover of a school in Maalot, in northern Israel, in which 27 schoolchildren were killed and 134 people wounded. Since 1988, it has been involved in small-scale border raids into Israel and attacks on Israeli soldiers, officials, and civilians in Israel and the occupied territories, but it also carries out occasional guerrilla operations in southern Lebanon. Patterns reports estimate the total strength (for both factions) of the DFLP at about 500. The DFLP receives financial and military assistance from Syria, where it is headquartered, according to Patterns 1997, dropping previous Patterns assertions of Libyan assistance to the group.

SDT's. Nayif Hawatmeh, the 65 year-old leader of the main faction of the DFLP, is the only member of the group named as an SDT.

Palestine Liberation Front (PLF)

The PLF was founded in 1976 when Muhammad Zaydun, commonly known as Abu Abbas, failed in his attempt to gain control of the PFLP-GC. Abbas, who was then serving as Ahmad Jibril's representative in Lebanon, opposed Syria's military intervention in Lebanon that year; Jibril supported the Syrian move. Abbas subsequently aligned the PLF with Arafat's PLO and, in 1981, the PLF obtained seats on the Palestine National Council. In 1983, Abu Abbas relocated from Damascus to Tunisia, where the PLO was headquartered.

Despite its small size, the PLF ("at least 50 members," according to Patterns 1997) conducted several high-profile terrorist attacks. Its most noted operation was the October 1985 hijacking of the Italian cruise ship Achille Lauro, in which the group murdered disabled U.S. citizen Leon Klinghoffer and held the other passengers hostage for two days. Abu Abbas and his team surrendered to Egyptian forces in exchange for a promise of safe passage. They were apprehended at a NATO airbase in Italy after U.S. aircraft forced down the Egyptian airliner flying them to safehaven.

Abu Abbas, who was not on board the ship during the hijacking, was released by the Italian government but was later sentenced in absentia (a warrant for his arrest is still outstanding in Italy). The four other PLF hijackers were tried, convicted, and sentenced in Italy. As a result of the incident, the Tunisian government expelled the PLF and it relocated to Baghdad. On May 30, 1990, PLF members unsuccessfully attempted a seaborne landing, from Libya, on a Tel Aviv beach. Arafat refused to condemn the attempt and, as a consequence, the United States broke off its dialogue with the PLO, which had begun in 1988.

The PLF has become less active to the point at which Israel reportedly no longer considers it a major terrorist threat. The group is not believed to have undertaken a major terrorist operation since a failed raid on the Israeli sea resort town of Eilat in May 1992. Abbas originally opposed the PLO's decision to support the Madrid peace process in October 1991, but he now supports the PA and says "armed struggle" should be used only if the peace process fails. In April 1996, he voted to amend the PLO Charter to eliminate clauses calling for Israel's destruction. In April 1998, Israel allowed him to relocate to the Gaza Strip from Baghdad, although the PLF maintains an office in Baghdad and receives some Iraqi support. The PLF has received Libyan support "in the past," according to Patterns 1997.

SDT's. Abu Abbas, who was born the year Israel was founded (1948), has been named as an SDT. He was inspired by the Cuban revolution and the Vietcong, and underwent guerrilla training in the Soviet Union.³⁹ According to Administration officials, in 1996 the Justice Department dropped a warrant for his arrest because it believed there was insufficient evidence against him. On April 30, 1996, the Senate voted 99-0 on a resolution (S.Res.253) seeking Abu Abbas' detention and extradition to the United States.

Abu Nidal Organization (ANO)

Also known as the Fatah Revolutionary Council, the Abu Nidal Organization was created in 1974 when its founder Abu Nidal (his real name is Sabri al-Banna) broke with the PLO after PLO leader Yasir Arafat restricted PLO terrorist activities to targets within Israel or the occupied territories.⁴⁰ Abu Nidal has targeted terrorist attacks against any who accept compromise, whether they are Israelis, PLO officials, or moderate Arab states.

The Abu Nidal Organization has been far less active in the 1990s than it was in the 1970s and 1980s, possibly because of Abu Nidal's reported health problems (cancer and a heart condition), splits within the organization, friction with state sponsors, and clashes in southern Lebanon and elsewhere with Arafat loyalists. Since its formation, the Abu Nidal Organization has carried out over 90 terrorist attacks in 20 countries, killing or injuring almost 900 people. One of its most well-known operations was a Dec. 27, 1985 attack at airports in Rome and Vienna, in which 18 died and 111 were injured. One month earlier, ANO members hijacked Egypt Air

³⁹Holmes, Paul. Achille Lauro Mastermind Looks Back at 50. Reuters, June 24, 1998.

⁴⁰Department of Defense. Terrorist Group Profiles. p.5.

648, resulting in the deaths of 60 people. On September 6, 1986, ANO gunmen killed 22 worshipers at a synagogue in Istanbul. ANO members assassinated a Jordanian diplomat in Lebanon in January 1994, but it has not attacked Western targets since the late 1980s.

U.S. pressure contributed to Iraq's decision to expel the organization from Baghdad in 1982. In 1987, Syria expelled Abu Nidal's headquarters, although Abu Nidal militiamen maintain a presence in Lebanon's Bekaa Valley (an area largely controlled by Syrian troops) and Palestinian refugee camps in Lebanon, as well as in Syria itself. According to *Patterns* 1997, the group currently is headquartered in and receives assistance from Libya, and has a presence in Iraq and Sudan. The report repeats past estimates of ANO's strength at several hundred members, plus an unknown number of militiamen in Lebanon and a limited overseas support structure.

SDT's. Abu Nidal himself is the only member of his organization named as an SDT. Abu Nidal was born in 1937 in Jaffa (part of what is now Israel). Egypt denied reports in mid-August 1998 that it had arrested Abu Nidal in Cairo, but the Los Angeles Times reported August 25, 1998 that Egypt has privately confirmed to U.S. officials that it has apprehended him and that he is undergoing medical treatment in Egypt. Egypt continued to publicly deny his presence there, however. Abu Nidal faces no legal charges in the United States, according to an ABC News report of August 25, 1998, but he is wanted in Britain and Italy. It is not known whether or not Egypt, if it has Abu Nidal, will turn him over to any foreign law enforcement authorities.

Other Non-Islamist Organizations

Two other groups, not attempting to derail the Arab-Israeli peace process or spread Iran's Islamic revolution, have a purpose of influencing the domestic politics of their countries of origin. One group, the People's Mojahedin Organization of Iran (PMOI), is working against the regime in Iran.

Kurdistan Workers' Party (PKK)

The PKK, established in 1974, is a Marxist-Leninist group composed of Kurds⁴¹ seeking to establish an independent, Marxist state in southeastern Turkey, where there is a predominantly Kurdish population. The PKK generally targets government forces and civilians in eastern Turkey, but it attacked Turkish diplomatic and commercial facilities in several Western European cities in 1993 and 1995. With an estimated 10,000 to 15,000 full-time and 60,000 to 75,000 part-time guerrillas, the PKK has recently moved beyond rural insurgent operations to somewhat increased use of urban terrorism, although most assessments indicate that Turkey is successfully containing the PKK insurgency. Since 1995, the Turkish military has conducted several major

⁴¹For more information on the PKK, see Turkey's Kurdish Imbroglia and U.S. Policy, by Carol Migdalovitz, CRS Report 94-267, Mar. 18, 1994. The PKK is distinct from Iranian and Iraqi Kurdish organizations which the State Department does not consider terrorist and which, in the case of Iraqi Kurds, benefit from U.S. support.

and numerous minor incursions into northern Iraq in attempts to eliminate PKK bases there. The PKK and its leader, Abdullah Ocalan, receive safehaven in and "modest aid" from Syria, Iraq, and Iran, according to *Patterns* 1997.

Abdullah Ocalan, who is not named as an SDT, is about 50 years old. He was a student in political science at Ankara University during 1966-78, where he formed his ideas on Kurdish nationalism.⁴²

The People's Mojahedin Organization of Iran (PMOI)

The People's Mojahedin Organization of Iran (PMOI), the largest organization within a broader National Council of Resistance (NCR), has leftwing roots but, unlike the PKK, it is not composed of an ethnic minority. It is working to try to overthrow the clerical regime in Iran, just as it previously sought to bring down the Shah of Iran. Despite its leftist past, the group asserts that it is committed to free markets and democracy, should it achieve power in Iran, and it publicly supports the Arab-Israeli peace process and the rights of Iran's minorities.

In late October 1994, the State Department issued a congressionally-mandated report on the organization, asserting that the PMOI's assets in Iran and Iraq-based military wing do not pose a serious challenge to the regime in Iran.⁴³ The group itself acknowledges that it is not close to achieving power in Iran, but it claims to have substantial support inside Iran. State Department mistrust of the group is based on the group's killing of several U.S. military officers and civilians during the struggle against the Shah, its support for the takeover of the U.S. Embassy in Tehran in 1979, its authoritarian internal structure, and its use of Iraq as base for its several thousand strong military wing, the National Liberation Army.

Although the PMOI is opposed to a regime in Tehran that has been consistently identified as the most aggressive state sponsor of terrorism, the State Department has named the PMOI as a terrorist group because of its attacks on Iranian diplomatic facilities and its anti-regime operations inside Iran. Its attacks in Iran sometimes result in the deaths of Iranian civilians, although it does not appear to purposely target civilians. The Administration condemned a PMOI terrorist attack against a revolutionary court in Tehran; the bombing killed 3 and wounded several others. Many Members of Congress disagree with the State Department's refusal to meet with the group, and believe the PMOI could constitute a viable and preferred alternative to the Iranian regime.

Middle Eastern State Sponsors

The Administration and Congress have devoted substantial time and attention to pressuring state sponsors to end their support for terrorist groups. In some cases,

⁴²Interview with Abdullah Ocalan by Michael Gunter. *Middle East Quarterly*, June 1998.

⁴³ See also *Iran: The People's Mojahedin Organization of Iran*, by Kenneth Katzman, CRS Report 97-961 F. October 21, 1997.

such as Sudan, Libya, and Iraq, U.S. and international pressure have reduced these countries' support for international terrorism. However, there appears to be broad agreement within the Administration and Congress that none of the five Middle Eastern terrorism list states — Iran, Iraq, Libya, Sudan, and Syria — yet merit consideration for removal from the list.⁴⁴ These five, along with Afghanistan, have also been named for the past two years as countries "not cooperating fully" with U.S. anti-terrorism efforts, pursuant to Section 40A of the Arms Export Control Act. Under the Antiterrorism and Effective Death Penalty Act of 1996 (P.L. 104-132), which established this list, countries so designated are ineligible to purchase items on the U.S. munitions list.⁴⁵

As noted above, Afghanistan's placement on the "non-cooperative" list might signal that it is being considered for designation to the terrorism list itself. However, the United States does not recognize the Taliban movement as the legitimate government of Afghanistan, and might therefore assert that the Taliban does not have sufficient control over the country to be considered a state sponsor of terrorism. However, the Taliban movement has firm control over the areas in Afghanistan in which bin Ladin is headquartered; Qandahar is the political seat of the Taliban. Other countries, such as Lebanon or Yemen, have not been placed on the terrorism list because their governments are perceived as unable to control areas where terrorists are operating.

The five terrorism list countries, like the groups they reportedly sponsor, differ in their objectives and their degree of involvement in terrorism. Iran and Sudan support paramilitary and terrorist groups to promote their anti-Western, radical Islamic ideology and oppose the Arab-Israeli peace process. Syria is led by an authoritarian nationalist and secular government that appears to support terrorist groups as levers against Israel and other neighbors, including Turkey and Jordan. Iraq has used terrorism mostly to strike at people or institutions that contributed to Iraq's defeat in the Gulf war or that implement international sanctions against Iraq. In some cases, such as that of Iran, the state sponsor might be directly involved in planning and executing terrorist attacks, often using its own agents. In other cases, such as Syria, the state sponsor might harbor terrorist groups and provide them with a level of support that is often difficult to determine precisely. The following sections analyze the terrorism support activities and objectives of the five Middle Eastern countries currently designated by the Secretary of State, under Section 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)) as having repeatedly provided state support for international terrorism.

⁴⁴Removal from the list requires advance notification to the House International Relations Committee, the Senate Foreign Relations Committee, and the Senate Banking Committee. Each of the current chairs of those committees, Representative Benjamin Gilman, Senator Jesse Helms, and Senator Alfonse D'Amato, has been highly critical of the terrorism list states and has opposed closer U.S. relations with virtually all of them.

⁴⁵The countries currently on this non-cooperative list are already ineligible for such purchases under other statutes or U.S. decisions.

Iran⁴⁶

The May 1997 election of Mohammad Khatemi as Iran's president could mark a key turning point in Iran's support of terrorism, if he can gain firm control over Iran's military and security services that have contributed to Iranian-sponsored terrorism. Khatemi and his allies resent Iran's image as a "terrorist state" and appear to want to further erode Iran's isolation. In a formulation similar to that of the past few years, *Patterns 1997* asserts that Iran is "the most active" state sponsor of international terrorism. However, suggesting optimism about Khatemi's presidency, U.S. officials noted when *Patterns 1997* was released that Khatemi was in office for only five months covered in the report for 1997. In contrast to *Patterns* reports over the past few years, *Patterns 1997* credits Iran's new leadership with condemning some terrorist attacks, including the Luxor incident of November 1997 (see above) and anti-regime violence in Algeria. The report noted that Khatemi, in a January 7, 1998 Cable News Network interview, agreed that terrorist attacks against non-combatants should be condemned. Iran condemned the August 7 U.S. embassy bombings in Kenya and Tanzania, but Supreme Leader Ali Khamene'i also condemned the August 20 U.S. airstrikes, as well as the embassy bombings.

At the same time, although no major terrorist attacks have been linked to Iran since Khatemi took office, Iran continues its support for the terrorist groups discussed above as receiving Iranian assistance. Khatemi, as well as more hardline leaders, have expressed public support for Hamas and Hizbollah in what Iran calls their struggle against Israeli occupation, and Shaykh Yassin was warmly received by Iranian leaders, including Khatemi, during his visit to Tehran in May 1998. Khatemi's public statements might be intended to defuse criticism from his opponents who believe he might try to sell out the principles of the Islamic revolution. *Patterns 1997* says that Iran has continued to attack anti-regime dissidents based in Iraq and, in the fall of 1997, hosted a conference of peace process rejectionist groups. The primary targets of this direct form of Iranian terrorism are PMOI officials and Iranian Kurdish leaders.

There have been a number of developments in cases of past incidents of Iranian-sponsored terrorism. On April 10, 1997, a German court determined that Iran's leaders approved terrorist operations directed against Iranian dissidents abroad.⁴⁷ However, some of the Iranian officials referred to in the verdict are no longer in office, as a result of Khatemi's election. In May 1998, Argentina arrested eight Iranian residents and expelled seven of Iran's eight embassy officials there after developing evidence connecting Iran to the 1992 Hizballah bombing of Israel's embassy in Buenos Aires. In March 1998, a U.S. judge ordered Iran to pay \$247 million in compensation to the family of Alisa Flatow, an American student killed in an April 1995 PIJ bombing in Gaza. Evidence was reportedly presented at the trial that Iran finances PIJ, and therefore could be liable for the damages. The

⁴⁶For further information on Iran's support for international terrorism and U.S. policy toward Iran, see CRS Issue Brief IB93033. Iran: Current Developments and U.S. Policy. Updated regularly, by Kenneth Katzman.

⁴⁷For further information on the German terrorism case, see CRS Report 97-463 F, Iran: Implications of Germany's Terrorism Trial. April 17, 1997, by Kenneth Katzman. 6 p.

Administration blocked an effort by the Flatow family to collect on the judgment using proceeds from a seizure and sale of Iran's blocked diplomatic property in the United States. (See table below on terrorism list country assets in the United States.)

Khatemi's accession to power has not led to a resolution of the late Ayatollah Khomeini's 1989 death sentence against author Salman Rushdie. Khomeini issued the death sentence because he deemed Rushdie's novel, "The Satanic Verses," blasphemous. Iranian leaders, including Khatemi, maintain that, because Ayatollah Khomeini is no longer alive, they cannot lift the sentence. Some Iranian officials have said Iran has no intention of sending assassination squads to Europe to implement the sentence but they have refused to make such a pledge, in writing, to the European Union. Iran's government has refused to pressure a private Iranian group (with links to the regime), the 15th Khordad Foundation, to withdraw its offer of \$2.5 million for the murder of Rushdie.

A key question is whether or not Iran is determined by the United States and Saudi Arabia to have been directly involved in the June 1996 Khobar Towers investigation. The most recent press reports about the Saudi investigation of the bombing indicate that the Saudis believe that Iran had a role in the bombing, working through dissident Saudi Shiites. However, the investigation is ongoing, according to U.S. officials, and earlier reports suggested bin Ladin's network might have been involved. (For further information, see CRS Issue Brief 93113. Saudi Arabia: Post-War Issues and U.S. Relations. Updated regularly, by Alfred Prados.)

Syria⁴⁸

Syria is the only Middle East terrorism list country with which the United States has relatively normal relations, and the only country on the terrorism list with which most forms of U.S. trade and investment are permitted. The United States has a fully functioning embassy in Damascus, and U.S. officials are actively looking for opportunities to restart Syrian-Israeli peace negotiations. The negotiations were formally suspended by Israel in March 1996 following Hamas/PIJ bombings in Israel. Patterns 1997 repeats its assertions of the past few years that Syria has not been directly involved in planning or executing terrorist attacks since 1986. The report also credits Syria with helping enforce the five-country April 1996 understandings to limit civilian damage from Israeli-Hizballah fighting in southern Lebanon.

Citing the wide range of terrorist groups present in Syria, some outside experts, as well as some in Congress, believe the United States should isolate Syria to the same degree it does Iran, Iraq, and Libya. Patterns 1997 says Damascus, despite its stated commitment to the peace process, has not acted to stop anti-Israel attacks by Hizballah and Palestinian rejectionist groups in southern Lebanon. The assumption of this assertion is that Syria, with about 35,000 troops in Lebanon, could limit violence against Israel by these groups if it chose to do so. Suggesting that preserving its alliance with Iran is one Syrian motivation, Syria allows Iran to resupply Hizballah through the Damascus airport, and has allowed visiting Iranian officials to meet with

⁴⁸For further information on Syria and its support for terrorist groups, see Syria-U.S. Relations, by Alfred Prados, CRS Issue Brief 92075 (updated regularly).

anti-peace process terrorist organizations based in Syria. The PKK also trains in the Bekaa Valley and its leader, Abdullah Ocalan, lives at least part time in Damascus, as noted above. Syria warmly welcomed Hamas founder Shaykh Yassin in May 1998 and allowed him to meet there with radical Palestinian and Hizballah leaders. However, *Patterns* 1997 notes that Syria sometimes acts to restrain the activities of some of the groups it harbors, suggesting it views these groups as a tool of its foreign policy.

Some observers have alleged that Syria had foreknowledge of the June 1996 Khobar Towers bombing.⁴⁹ These allegations are based largely on the unexplained death of one of the suspects, Jafar Shuwaykat, while he was in Syrian custody. Saudi investigators reportedly believe that equipment for that bomb resembles that used by Hizballah and was brought into Saudi Arabia from Lebanon, via Syria and Jordan.

Syria maintains that peace process rejectionist groups are fighting Israeli occupation of Palestinian land and of south Lebanon and are not violating any Syrian laws and will not be expelled. Syrian officials contend that when a comprehensive peace with Israel is achieved, terrorist groups will disband for lack of support.

Libya⁵⁰

Partly in response to international sanctions, Libya has attempted to appear responsive — while avoiding real concessions — to international demands on its alleged involvement in the bombings of Pan Am Flight 103 (December 21, 1988), as well as the 1989 bombing of a French airliner, UTA Flight 772, over Niger. The Pan Am incident killed 259 people aboard plus 11 on the ground; another 171 died in the UTA downing. Three U.N. Security Council resolutions — 731 of January 21, 1992; 748, of March 31, 1992; and 883, of November 11, 1993 — call on Libya to turn over the two Libyan intelligence agents (Abd al-Basit Ali al-Meghbrahi and Al Amin Khalifah Fhimah) indicted by the United States and the United Kingdom for the Pan Am 103 bombing. These resolutions prohibit air travel into and out of Libya or arms transfers to that country (Resolution 748); and freeze Libyan assets and prohibit the sale to Libya of petroleum-related equipment (Resolution 883). Libya has made proposals to try the two accused agents in third country courts, but these proposals were widely perceived as Libyan efforts to forestall handing over the two intelligence agents. On August 24, 1998, the Clinton Administration said it would accept a compromise under which the Pan Am 103 suspects are tried at a court in the Netherlands, but using Scottish judges and legal procedures. The Administration said most of the Pan Am victims' families favored the compromise, but some criticized it as an abandonment of U.S. demands that the suspects be tried in Britain or the United States. According to a draft U.N. Security Council resolution, international sanctions on Libya will be lifted once the two Pan Am suspects are handed over for the trial.

⁴⁹Friedman, Thomas. A Saudi-Iranian Schmooze. *New York Times* (editorial), May 1, 1997. p.A35.

⁵⁰For further information on Libya and its involvement in terrorism, see *Libya*, by Clyde Mark, CRS Issue Brief 93109 (updated regularly).

Libyan leader Qadhafi said on August 27 it will accept the proposal, but it is unclear whether or not Libya's statements represent unconditional acceptance of the trial plan.

Libya allowed a French magistrate to visit Libya in July 1996 to investigate the UTA 772 bombing. According to *Patterns 1997*, the French investigation concluded that Qadhafi's brother-in-law and intelligence operative, Muhammad al-Sanusi, masterminded the bombing. In late 1998 or in 1999, a French criminal court is expected to begin a trial in absentia of six Libyan suspects in the UTA bombing, all of whom are intelligence officers.

Some of Libyan leader Muammar Qadhafi's actions suggest he has not abandoned support for terrorism as an instrument of Libyan foreign policy. Although Qadhafi faces an Islamist threat to his regime in Libya, Qadhafi has urged radical Islamic rejectionists of the Arab-Israeli peace process to use all necessary means to oppose it, and he has hailed some of their acts of terrorism as "courageous." Libya provides some support for PIJ, according to *Patterns 1997*. In general, however, Libya is closer politically and ideologically to the leftwing nationalist Palestinian groups, and it provides safehaven and some assistance to the Abu Nidal Organization, which is headquartered in Libya. It also provides financial assistance to the PFLP-GC. In October 1996, German authorities issued warrants for four Libyans, believed to be in Libya, who are suspected of initiating the April 5, 1986 bombing of a Berlin nightclub (La Belle disco). That attack killed two U.S. military personnel and a Turkish woman, and triggered a U.S. military retaliatory raid on Tripoli and Benghazi ten days after the incident. In November 1997, Germany began a trial of 5 other defendants in the attack.

Sudan⁵¹

Sudan since 1996 has appeared to be primarily a passive sponsor of terrorism, although it shows some signs of being an active sponsor by protecting known terrorists and groups, allowing them to meet in Sudan, and permitting Iran to funnel assistance to them. Groups present in Sudan include the Abu Nidal Organization, Hamas, Palestinian Islamic Jihad, and Hizballah. Both President Umar Hassan al-Bashir and Islamist leader Hassan al-Turabi warmly welcomed Shaykh Yassin when he visited in May 1998, and formally allowed him to open a Hamas office in Khartoum. Egypt has accused Sudan of harboring the Egyptian opposition Islamic Group and Jihad, and Algeria has made the same charge in regard to its opposition Armed Islamic Group and Islamic Salvation Front. Sudan also supports opposition and insurgent groups in Uganda, Tunisia, Ethiopia, and Eritrea, according to *Patterns 1997*. Sudanese officials see these organizations as freedom fighters and say there is no reason to expel them from Sudan.

Sudan has refused to comply with three U.N. Security Council resolutions (1044 of January 31, 1996; 1054, of April 26, 1996, and 1070 of August 16, 1996) demanding it extradite the three Islamic Group suspects in the June 26, 1995 assassination attempt against President Mubarak, during his visit to Ethiopia.

⁵¹For further information on Sudan, see CRS Report 97-427 F, *Sudan: Civil War, Terrorism, and U.S. Relations*. April 3, 1997, by Ted Dagne, with the assistance of Donald Deng.

Sudanese diplomats at Sudan's U.N. mission in New York are alleged to have facilitated or had ties to conspirators planning to bomb the United Nations and other New York area targets in 1993. Partly in response to Sudan's behavior on these issues, the United States closed its Embassy in Khartoum in February 1996, although diplomatic relations were not broken. The U.S. Ambassador to Sudan has since worked out of the U.S. Embassy in Kenya, which was bombed on August 7. On the basis of Sudan's support for terrorism, its efforts to destabilize its neighbors, and its poor human rights record, on November 3, 1997, President Clinton banned U.S. trade with and investment in Sudan.

On the other hand, there are signs that Sudan's economic weakness and political isolation have left it susceptible to international pressure on the terrorism issue. In August 1994, Sudan turned over the terrorist Carlos (Ilyich Ramirez Sanchez) to France, possibly in an effort to counter U.S. charges that it harbors terrorists. Saudi and U.S. pressure apparently contributed to Sudan's decision to expel Usama bin Ladin in May 1996, although some of his followers and business associates remain there, as does his network of businesses, according to U.S. officials. The United States said that bin Ladin was associated financially with the alleged chemical plant in Sudan that the United States attacked on August 20, 1998. The chemical plant strike appeared to signal a U.S. belief that Sudan approved of or was involved in the August 7 U.S. embassy bombings, or that it might be allowing the bin Ladin network to try to field chemical weapons.

Hassan al-Turabi.⁵² The actions of Sudan's chief Islamic leader Hassan al-Turabi, who is about 67, complicate efforts to interpret Sudan's involvement in terrorism. Turabi, whose only formal position is Speaker of the National Assembly, sees himself as a guide for Sunni Islamists in and outside Sudan, and he does not want to be overshadowed by the Islamic revolution in Iran. Using the informal base of his Popular Arab and Islamic Conference organization, Turabi hosts major conferences on Islam in Khartoum, attended by members of radical Islamic organizations throughout the region. These conferences give the impression that Turabi is trying to promote regionwide Islamic revolution. He reportedly continues to be politically and ideologically close to Usama bin Ladin, even though Turabi acquiesced in bin Ladin's expulsion from Sudan in 1996. Bin Ladin sees Turabi as a mentor and an ideological source of inspiration. On the other hand, he has sometimes tried to broker reconciliation between radical Islamic movements and secular incumbents; for example, between Hamas and the PLO. He has had higher education in England and in France, and is well spoken.

Iraq⁵³

U.S.-Iraq differences over Iraq's regional ambitions and its record of compliance with ceasefire requirements will probably keep Iraq on the terrorism list as long as Saddam Husayn remains in power. Observers are virtually unanimous in assessing

⁵²Some of the information in this section is contained in Murphy, Dean. Neighbors Lose No Love Over Sudan Regime. Los Angeles Times, August 24, 1998.

⁵³For further information on Iraq, see Issue Brief IB92117, Iraqi Compliance With Ceasefire Agreements, updated regularly, by Kenneth Katzman.

Iraq's record of compliance with its postwar obligations as poor, and its human rights record as abysmal. However, international pressure on Iraq on these broader issues appears to have constrained Iraq's ability to use terrorism. Patterns 1997 reports that Iraq is rebuilding its intelligence network, but adds that there is no evidence that Iraq has directly participated in international terrorist attacks since 1993.

Since 1991, Iraq has conducted attacks on its opponents in northern Iraq, such as members of the opposition Iraqi National Congress (INC), as well as some outside Iraq, and it organized a failed assassination plot against former President Bush during his April 1993 visit to Kuwait. The international terrorist groups that Iraq harbors, including the Abu Nidal Organization, Abu Abbas' faction of the PLF (Abbas' family enjoys sanctuary in Baghdad, although Abbas himself has been based in the Gaza Strip since April 1998), and terrorist bomb-maker Abu Ibrahim, are relatively small and inactive. Iraq's contacts with more prominent terrorist groups, such as Hamas and the PFLP, appear to be limited, and Iraq has traditionally enjoyed relatively good relations with Yasir Arafat and the PLO. Arafat backed Iraq during the Iran-Iraq war and opposed military action to oust Iraq from Kuwait in 1991. In deference to Arafat, Iraq refused to receive Shaykh Yassin during his tour of Arab and Islamic countries (February - June 1998). As a lever in its relations with Iran, Iraq continues to host the Iranian opposition PMOI, and the PMOI's army, the National Liberation Army (NLA) has bases in Iraq, near the border with Iran. However, Iraq apparently has reduced support for the group as Iraq's relations with Tehran have improved over the past two years. PKK guerrillas are present in northern Iraq, although Iraq does not control most of the areas in which the PKK operates.

ASSETS OF MIDDLE EAST TERRORISM SPONSOR STATES IN THE UNITED STATES (AS OF END 1997)	
COUNTRY	NET ASSETS IN UNITED STATES
IRAN (added to list January 19, 1984)	\$20.2 million, consisting of blocked diplomatic property and related accounts
IRAQ (on list at inception, December 29, 1979, removed March 1982, restored to list September 13, 1990)	\$2.15 billion, primarily blocked bank deposits in U.S. Includes \$504 million blocked in U.S. banks' foreign branches, and \$211 million transferred to a U.N. escrow account
SYRIA (placed on list at inception, December 29, 1979)	\$109 million in liabilities of U.S. banking and non-banking institutions to Syrian institutions (not blocked).
SUDAN (added to list August 12, 1993)	\$18.9 million, consisting entirely of blocked bank deposits.
LIBYA (placed on list at inception, December 29, 1979)	\$967.2 million, primarily blocked bank deposits in U.S. Includes \$1.1 million blocked in U.S. banks' foreign branches.

Source: 1997 Annual Report to Congress on Assets in the United States Belonging to Terrorist Countries or International Terrorist Organizations. Office of Foreign Assets Control, Department of the Treasury. January 1998.

Controlling Middle Eastern Terrorism

Most observers believe it is not possible to prevent all acts of terrorism, no matter how comprehensive or well-implemented is U.S. counterterrorism policy. There is no universally agreed strategy, either within the United States or between the United States and its Middle Eastern and European allies, for countering Middle Eastern terrorism. There are a variety of options available to pressure terrorist groups and state sponsors, although success often depends on bilateral, multilateral, or international cooperation with U.S. efforts. Within the United States, efforts to deter suspected Middle Eastern terrorist groups are constrained by concerns about the infringement of civil liberties and contradictions with long-established immigration policies. An exhaustive discussion of U.S. efforts to combat Middle Eastern terrorism is beyond the scope of this paper, but the following sections highlight key recent Middle East counterterrorism initiatives and trends in the Administration and in Congress.⁵⁴

The U.S. approach to Middle Eastern terrorism has tended to vary with different circumstances and allied perceptions. Although the United States has tracked and brought several individual Middle Eastern terrorists to justice, U.S. counter-terrorism policy has tended to focus on pressuring state sponsors of terrorism, in part because terrorists with state backing in the past have been better able to conduct operations than groups without state sponsorship. To pressure Middle Eastern terrorist groups and their state sponsors, the United States has employed a combination of unilateral and multilateral measures, which U.S. officials maintain have succeeded in making state sponsors and their client groups more cautious.

Military Force

On the few occasions when the United States has used military force against Middle East sponsors of terrorism, such action has been generally unilateral. Although U.S. allies have often been the victims of Middle Eastern terrorism, they appear to believe that military retaliation will inspire a cycle of attack and reaction that might be difficult to control. On some occasions, U.S. allies have provided some logistic and diplomatic support for U.S. retaliatory attacks. The U.S. actions have almost always enjoyed strong congressional support.

Major U.S. attacks have taken place in retaliation for terrorist acts sponsored by Libya and Iraq. On April 15, 1986, the United States sent about 100 U.S. aircraft to bomb military installations in Libya. The attack was in retaliation for the April 2, 1986 bombing of a Berlin nightclub in which 2 U.S. military personnel were killed. President Reagan announced that there was considerable evidence of Libyan responsibility for that terrorist bombing. On June 26, 1993, the United States fired cruise missiles at the headquarters in Baghdad of the Iraqi Intelligence Service, which allegedly sponsored a failed assassination plot against former President George Bush during his Apr. 14-16, 1993 visit to Kuwait. (Other U.S. retaliation against Iraq since

⁵⁴An extended discussion of U.S. counter-terrorism policy, policy options, and legislation is provided by CRS Issue Brief 95112. Terrorism, the Future, and U.S. Foreign Policy. Updated regularly, by Raphael Perl.

1991 has been prompted by Iraqi violations of ceasefire terms not related to terrorism.) The August 20, 1998 cruise missile strikes against the bin Ladin network represented a U.S. strike against a group, not a state sponsor, and did not have the approval of the Taliban regime in Afghanistan or its patron, Pakistan. Sudan vehemently protested the simultaneous U.S. attack on the chemical plant in Khartoum, asserting it is only a pharmaceutical manufacturing plant.

U.S. military action against state sponsors of terrorism has had some effect on their support for terrorism, although not necessarily complete or long-lasting. Both Saddam Husayn and Muammar Qadhafi remained defiant of the United States after U.S. military action against them. Libya was quiescent after the attack, but it apparently returned to the use of terrorism in the December 1988 bombing of Pan Am 103 and the UTA bombing the following year. Since the 1993 strike, it has avoided attacking high profile U.S. targets.

Unilateral Economic Sanctions

The United States has been willing to apply economic sanctions unilaterally to state sponsors of terrorism, even though there is substantial disagreement among experts about the effectiveness of unilateral sanctions. The listing of a country as a state sponsor of terrorism alone triggers a wide range of U.S. economic sanctions. Countries on the list are prohibited from receiving U.S. foreign aid, Export-Import Bank guarantees, and sales of items on the U.S. Munitions Control List. U.S. exports to terrorism list countries are subject to strict licensing requirements that generally prohibit exports of items that can have military applications, such as advanced sensing, computation, or transportation equipment.⁵⁵

Placement on the U.S. terrorism list does not automatically trigger a total ban on trade with the United States. However, a U.S. trade ban is in effect for every Middle Eastern terrorism list state, except Syria, under separate Executive orders. Foreign aid appropriations bills over the past several years have barred any direct or indirect assistance to most states on the terrorism list. However, U.S. contributions to most international programs have continued to flow because of Administration waivers or specific agreements with non-governmental organizations that U.S. support would not benefit specific terrorism list countries. Section 327 of the Anti-Terrorism and Effective Death Penalty Act of 1996 (P.L. 104-132), building on identical provisions of previous foreign aid legislation, amends the International Financial Institutions Act (22 U.S.C. 262c et seq.) by requiring U.S. representatives to international lending institutions, such as the World Bank, to “use the voice and vote” of the United States to oppose loans to terrorism list states. As shown in the table above, the United States also tries to maintain some leverage over terrorism list states and groups by blocking some of their assets in the United States. The August 20 Executive order against the bin Ladin network was intended to try to choke off bin

⁵⁵The above list of sanctions are under the following authorities: Section 6(j) of the Export Administration Act, as amended [P.L. 96-72; 50 U.S.C. app. 2405 (j)]; Section 40 of the Arms Export Control Act, as amended [P.L. 90-629; 22 U.S.C. 2780]; and Section 620A of the Foreign Assistance Act of 1961, as amended [P.L. 87-195; 22 U.S.C. 2371].

Ladin's sources of funding, although U.S. officials acknowledged that doing so would take substantial international cooperation.

It does not appear that unilateral U.S. economic sanctions, by themselves, force major changes in the behavior of state sponsors of terrorism. Iraq expelled known terrorists and obtained removal from the list in 1982, but that removal was attributed by observers more to the merging of U.S. and Iraqi strategic interests in the early 1980s than to U.S. pressure on terrorism. (Iraq was reinstated to the list following the invasion of Kuwait.) Major U.S. allies did not join the U.S. trade ban imposed on Iran May 6, 1995 and the move did not, in itself, measurably alter Iran's objectionable behavior. On the other hand, virtually all Middle Eastern terrorism list states have publicly protested their inclusion on the list and other U.S. sanctions, suggesting that these sanctions are hurting politically and/or economically. Three years after being included on the terrorism list, Sudan expelled Usama bin Ladin from that country. U.S. officials assert that U.S. sanctions, even if unilateral, have made some terrorism state sponsors "think twice" about promoting terrorism.

Multilateral Approaches

In concert with U.S. unilateral sanctions, the United States has sought to develop multilateral approaches to combating Middle Eastern terrorism. This involves, in some cases, closer coordination of overall policies and on-the-ground cooperation, and, in other cases, attempting to persuade other countries to support sanctions against countries that sponsor terrorism. However, allied business interests and philosophical differences between the United States and its allies over how to dissuade states from sponsoring terrorism, have often hampered U.S. efforts to forge a multilateral consensus. In the case of Libya, some U.S. allies, which buy substantial amounts of Libyan light crude oil geared to certain refineries in Europe, have been reluctant to follow U.S. urging since 1994 to enact a U.N. ban on purchases of Libyan oil. In the case of Iran, European countries and Japan strongly opposed a 1996 law (the Iran-Libya Sanctions Act, ILSA, P.L. 104-172) imposing U.S. sanctions on foreign companies that invest in the energy sector of Iran or Libya. That law was intended to deny Iran and Libya the financial resources to fund terrorism and weapons and technology acquisitions.

The United States has tried to use or organize international meetings to forge greater multilateral cooperation on terrorism, although progress and implementation of agreed measures have been slow. In the wake of February and March 1996 suicide bombings in Israel, conducted by groups believed supported by Iran, President Clinton convened a March 13-14, 1996 "Summit of Peacemakers" in Sharm el-Sheikh, Egypt. Some critics maintain that the Sharm el-Sheikh meeting, attended by leaders or senior officials from 29 countries, as well as follow up meetings in Europe, was primarily symbolic, intended to shore up Prime Minister Peres in his upcoming election contest against Likud leader Binyamin Netanyahu. At the June 20-22, 1997 G-7 plus Russia summit in Denver, the participating foreign ministers agreed to further anti-terror cooperation by sharing information and coordinating their domestic legislation on fundraising by terrorist organizations.

On May 18, 1998, as part of a U.S.-European Union (EU) agreement under which the United States waived ILSA sanctions for EU firms, the United States and

the EU issued a joint declaration on counterterrorism cooperation. In that declaration, the two sides agreed to: implement or develop extradition and mutual legal assistance arrangements; work to cut off terrorists' sources of funding; continue to enhance the effectiveness of the Palestinian Authority in fighting terrorism; and to undertake further information-sharing and intelligence exchanges. On May 25, 1998, the EU countries agreed on a "code of conduct" to curb arms sales to states that might use the arms to support terrorism. However, the code is not legally binding on the EU states.⁵⁶

Bilateral Approaches

The United States has tried to aid some governments facing opposition from groups that conduct acts of terrorism. The Administration has sought to rein in the radical pro-Iranian Hizballah organization in Lebanon by providing military and law enforcement assistance to the government of Lebanon. In December 1996, the Administration initiated a new aid package for Lebanon; part of which consisted of training for Lebanon's internal security forces. The United States also has provided non-lethal aid, such as excess trucks and equipment, to PA security forces in an effort to strengthen them against the opposition Hamas and PIJ. Several Middle East countries, including Egypt, Israel, Jordan, Kuwait, Saudi Arabia, Tunisia, and Turkey, receive anti-terrorism assistance through the Anti-Terrorism Assistance Program run by the State Department Bureau of Diplomatic Security, in which the United States provides training in airport security, explosives detection, and crisis management.

The Administration has also tried to encourage better "on the ground" cooperation with governments in the region. In February 1995, Pakistan cooperated with U.S. law enforcement agents in capturing, in Pakistan, Ramzi Ahmad Yusuf (see above). At the time of his capture in June 1997, the State Department said Pakistan was helpful in the search for Mir Aimal Kansi, who was sought in connection with the Jan. 25, 1993 shooting outside CIA headquarters in Langley, Virginia. Two CIA employees were killed and three were wounded in that attack. (On January 23, 1998, Kansi was sentenced to death for the crime.)

On occasion, allies of the United States, probably for internal political or foreign policy reasons, have appeared reluctant to cooperate with U.S. efforts to capture terrorists. In 1985 Egypt gave safe passage to the hijackers of the cruise ship Achille Lauro; it offered them safe passage in return for their ending the hijacking. In this incident, Egypt apparently did not want to offend Arab states that might have accused Egypt of "selling out" Palestinians to the United States. In April 1995, according to U.S. officials, Saudi Arabia did not attempt to detain a known terrorist when a plane, on which he was believed to be a passenger, landed in Saudi Arabia. The terrorist is believed to be Imad Mughniyah, a Hizballah leader who reputedly held some of the U.S. hostages in Lebanon.⁵⁷ Saudi Arabia might not have wanted to antagonize radical Islamist elements inside Saudi Arabia or cause further deterioration in relations with Iran, which supports Hizballah. Saudi officials point out that there was very little

⁵⁶Plan Still Lets Rogue States Buy Arms. Associated Press, May 26, 1998.

⁵⁷Hizballah Denies Mughniyah on Board Plane. FBIS-NES-95-079. Apr. 25, 1995. p.44.

time for them to react to the U.S. request for help. The Director of the FBI, Louis Freeh, and Attorney General Janet Reno, have expressed dissatisfaction with the level of Saudi cooperation with the FBI investigation of the Khobar Towers bombing.

The Administration and Congress have sometimes taken steps to try to compel other governments' cooperation with U.S. anti-terrorism efforts. On June 21, 1995, President Clinton signed Presidential Decision Directive 39 (PDD-39), enabling U.S. law enforcement authorities to capture suspected terrorists by force from foreign countries that refuse to cooperate in their extradition.⁵⁸ Congress, in reaction to press reports about the Mughniyah incident, included a provision (Section 330) in the Anti-Terrorism and Effective Death Penalty Act of 1996 prohibiting the sale of arms to any country that the President certifies to Congress is not cooperating fully with U.S. anti-terrorism efforts. Sections 325 and 326 of that law amend the Foreign Assistance Act by requiring the President to withhold U.S. foreign assistance to any government that provides assistance or lethal military aid to any terrorism list country.

Selective Engagement

According to recent Patterns reports, it is the policy of the United States to apply maximum pressure on states that sponsor and support terrorists. However, the United States does conduct diplomacy with some state sponsors and countries that have influence on them, in order to curb state support for terrorism. The United States has no diplomatic relations with Iran, Iraq, or Libya, but it does have diplomatic relations with Sudan and Syria. The United States has engaged Syria in the Arab-Israeli peace process and has not moved to expand U.S. sanctions or persuade U.S. allies to impose sanctions on Syria. The United States has allowed U.S. private investment in Syria's oil and other industries to expand. As a by-product of its participation in the peace process, Syria conducts a dialogue with the United States on terrorism, and U.S. officials have occasionally expressed a measure of satisfaction with what they describe as declining Syrian support for terrorism and Syrian cooperation in resolving some specific terrorism cases. Throughout 1998, the United States has said it would welcome a dialogue with the Khatemi government, in part in an effort to reduce Iran's support for terrorism. Iran has not accepted the U.S. offer of dialogue because of factional infighting between Khatemi and his opponents. The United States might decide to offer incentives to the Taliban regime in Afghanistan in an effort to persuade it to turn over bin Ladin to U.S. law enforcement authorities (see above).

The Domestic Front

The February 1993 World Trade Center bombing, as well as Israeli allegations that month that Hamas was receiving funding and direction from Arab residents in the United States, placed greater focus in the Administration and Congress on domestic efforts to combat Middle Eastern terrorist groups. The Trade Center bombing exposed the vulnerability of the United States to Middle Eastern-inspired terrorism as did no other event previously. The bombing also sparked much academic research

⁵⁸Policy on Terror Suspects Overseas. Washington Post, February 5, 1997.

and law enforcement investigation into the activities of radical Muslims in the United States and alleged fundraising in the United States for Middle East terrorism.

U.S. responses to these trends were contained in President Clinton's January 23, 1995, Executive order on Middle Eastern terrorism, and in several provisions of the Anti-Terrorism and Effective Death Penalty Act of 1996. Some of the new measures, particularly those dealing with immigration and investigative powers, have drawn substantial criticism from U.S. civil liberties groups, which fear excessive intrusions by law enforcement authorities. These groups also have said that the prohibition on donations to groups allegedly involved in terrorism infringes free speech. Some Arab-American organizations have complained that U.S. residents and citizens of Arab descent are being unfairly branded by suspicions of terrorist involvement. Citing the April 1995 Oklahoma City bombing, some critics maintain that U.S. experts prematurely accuse Arab and Muslim groups of terrorist acts. For further information on domestic responses to terrorism, see: *CRS IB95112. Terrorism, the Future, and U.S. Foreign Policy. Updated regularly, by Raphael Perl.*