

Patterns of Global Terrorism

Released by the Office of the Coordinator for Counterterrorism
US Department of State
April 29, 2004

Middle East Overview

The Middle East continued to be the region of greatest concern in the global war on terrorism. Major terrorist attacks occurred in Morocco, Saudi Arabia, Iraq, and Israel during 2003, highlighting the damage that terrorism can wreak on innocent people. Terrorist groups and their state sponsors continued terrorist activities and planning throughout 2003. Active groups included al-Qaida, Islamic Resistance Movement (HAMAS), Hizballah, Palestine Islamic Jihad (PIJ), Ansar al-Islam (AI), and the remnants of the Zarqawi network, among others. Despite these discouraging indicators, significant counterterrorism cooperation continued on the part of almost all countries in the region. Furthermore, the regime of Iraqi tyrant Saddam Hussein was ousted from power by a US-led Coalition conducting Operation Iraqi Freedom, marking an important advance for the global war on terrorism.

Across the region, governments demonstrated the political will to tackle the threat of terrorism on their soil and lent their weight to bilateral and multilateral efforts to fight terror. Terrorist assets were targeted, as most Middle East governments froze al-Qaida financial assets pursuant to UN Security Council Resolutions 1373, 1267, 1333, 1390, and 1455. Many countries provided essential support to Coalition military activities in the liberation of Iraq and have continued vital support to ongoing operations in Afghanistan. Several countries signed or became parties to the international conventions and protocols relating to terrorism. Every country hosting an American diplomatic and/or military presence responded to US requests to provide enhanced security, particularly during Operation Iraqi Freedom. The United States provided training throughout the region to augment the capacity of our allies in the fight against terrorism.

Saudi Arabia suffered two major, horrific terrorist attacks during 2003 and responded with an aggressive campaign against the al-Qaida network in the Kingdom. Saudi cooperation with the United States improved markedly in 2003, particularly in the sharing of threat information and well-publicized steps to combat terrorist financing. Using its unique position in the Muslim world, Saudi Arabia also initiated an ideological campaign against Islamist terrorist organizations with the objective of denying extremists the use of Islam to justify terrorism. The Saudi Government has also widely publicized a rewards program for the capture of the Kingdom's most-wanted terrorist suspects. Saudi security forces arrested more than 600 individuals on counterterrorism charges following the attacks on 12 May. In addition, Saudi and Yemeni officials have met to develop joint approaches to better secure their shared land border to check the influx of weapons into Saudi Arabia from Yemen.

There were no reported terrorist attacks against Western targets in Yemen in 2003. The Government of Yemen made a number of key al-Qaida-related arrests in 2003, but it raised concerns with its release of extremists without full disclosure of information and its inability to recapture escaped USS Cole suspects. The United States and Yemen continue joint counterterrorism training and cooperation, and there has been significant progress on standing up the Yemen Coast Guard.

The other states of the Arabian Peninsula also made important progress, particularly in locating and blocking terrorist finances, sharing information and intelligence on terrorists and terrorist groups, and strengthening law enforcement cooperation.

Morocco stepped-up its already robust counterterrorism actions following the tragic suicide bombings in Casablanca on 16 May. Taking swift action to identify the culprits, Moroccan authorities uncovered the involvement of several deadly terrorist groups and took decisive legal actions to address the threat. Egypt continued to be a leader in the counterterrorism fight and increased its dialogue with the United States on this issue. Algeria also remained at the forefront of regional counterterrorism cooperation, supporting Coalition efforts against al-Qaida while acting decisively against indigenous terror groups. Tunisia ratified the International Convention on the Suppression of the Financing of Terrorism in February 2003, making Tunisia a party to all 12 international conventions and protocols relating to terrorism.

Jordan took decisive legal steps against terror, indicting 11 individuals for the murder of USAID officer Laurence Foley, and also brought charges against possible al-Qaida and Ansar al-Islam members suspected of planning attacks against tourists and foreigners. Israel maintained its 59 resolute stand against terrorism, weathering numerous casualties in terrorist attacks against civilians. Unfortunately, the Palestinian Authority (PA) continued to take insufficient steps to stop terrorist operations. Lebanon also remained problematic, as it continued to host numerous terrorist groups and refused to take actions against certain terrorist elements in the country.

Iran, Iraq, Libya, and Syria -- which have been designated as state sponsors of terrorism -- are discussed in the state sponsorship section of this report.

Algeria

Algeria continued to be a proactive and aggressive regional leader in the global Coalition against terrorism. Algeria's support of US counterterrorism efforts on a case-by-case basis demonstrated its strong overall support of Coalition efforts against al-Qaida. In May 2003, Algerian security forces secured the release of 17 of the 32 European hostages kidnapped by a faction of the Salafist Group for Call and Combat (GSPC) in February and March. The GSPC is believed to be under the new leadership of Nabil Sahraoui (a.k.a. Abu Ibrahim Mustapha). On 11 September 2003, the GSPC issued a statement declaring allegiance to several jihadist causes and leaders, including al-Qaida and Usama Bin Ladin. Algerian law enforcement and security forces continued to pursue GSPC terrorist

operatives, disrupting their activities and capturing or killing several of them. Algeria participated in a pan-Sahel regional counterterrorism seminar in Bamako, Mali, in October.

Algerian officials have stated that the number of active terrorists within the country has fallen from more than 25,000 in 1992 down to a few hundred today, due in large part to a series of successful offensives undertaken by Algerian security forces. Algeria has, in fact, made great strides toward eliminating terrorism in most parts of the country.

The Algerian Government has focused much of its counterterrorism efforts on the international level toward creating international consensus for an international convention against terrorism. This would include defining what constitutes an act of terror as distinct from an act of “national liberation.” To this end, Algeria hosted a summit in September 2002 of the African Union (formerly the Organization of African Unity—OAU) aimed at ensuring the implementation of the OAU’s 1999 Convention on the Prevention and Combating Terrorism. Algeria has strongly condemned acts of international terrorism.

With regard to enforcement and international agreements, Algeria has ratified all but one of the international conventions and protocols relating to terrorism. Algeria is gradually implementing, in its domestic legislative and regulatory systems, the requirements of these instruments, which may result -- among other changes -- in the extradition of wanted terrorists.

Algeria was among the first states to criminalize the financing of terrorism. The Finance Act of 2003 expanded these efforts by lifting banking secrecy regulations and formalizing procedures that banks and insurance companies must follow in reporting suspicious transactions to the Government’s Financial Information Processing Unit -- which turns over actionable information to the courts. In addition, Algeria is seeking an extradition treaty with the United States, and President Bouteflika has proposed an international treaty, under UN auspices, that would replace the need for individual bilateral extradition treaties.

Algeria is a party to 11 of the 12 international conventions and protocols relating to terrorism.

Bahrain

Bahrain is providing important support to our counterterrorism efforts, particularly efforts to block the financing of terror groups. Bahrain has continued to respond positively to requests for assistance to combat terror financing; it has frozen about \$18 million in terrorist-linked funds. Bahrain also continued to provide intelligence cooperation and made some significant arrests.

- . In February, the Government of Bahrain arrested five Bahrainis suspected of plotting terrorist attacks in Bahrain. In May, the Government released three of the five, claiming to have insufficient evidence to support a trial. In June and July, the other two were convicted -- one by a civilian criminal court

and one by court martial, for illegal gun 60 possession. In December, the King reduced the sentence of the civilian from three years to two.

- . In April, Bahrain expelled an Iraqi diplomat for involvement in setting off an explosive device near the entrance of the headquarters of the US Navy Fifth Fleet on 24 March. The Government also arrested the bomber -- an Iraqi Intelligence Service major -- tried him in open court, and sentenced him to three years in prison.

Bahrain's lack of a domestic conspiracy law hampers its ability to intervene against suspected extremist plots. This could encourage terrorists to value Bahrain as a potential logistic haven.

Bahrain is a party to five of the 12 international conventions and protocols relating to terrorism and is a signatory to the Convention for the Suppression of the Financing of Terrorism.

Egypt

The Egyptian and US Governments continued to deepen their already close cooperation on a broad range of counterterrorism and law-enforcement issues in 2003. The first US-Egypt Counterterrorism Joint Working Group meeting was held in Washington in July 2003. The United States continues to closely coordinate with Egyptian authorities on law enforcement and judicial matters involving terrorism. The Egyptian Government has agreed to provide assistance in an important terrorist trial scheduled to take place in New York in May 2004. Egyptian authorities, particularly the Central Bank, have tightened their assets-freezing regime, consistent with requirements under UNSC Resolutions 1373, 1267, 1333, 1390, and 1455 and E.O. 13224. Demonstrating Egypt's commitment to stanch the flow of funds to terrorist organizations, Egypt passed strong anti-money laundering legislation in 2002, enabling it to establish an anti-money laundering financial intelligence unit in March 2003. Egypt has significant antiterrorism legislation in place and did not see the need to enact new laws this year.

The Egyptian Government continued to place high priority on protecting US persons, facilities, and interests before and continuing after the Iraq war.

There is a high state of security for Americans and facilities and for American forces both stationed in Egypt and transiting the country to the Gulf, by air or through the Suez Canal. Both government and religious officials continued to make statements supporting the war on terrorism and condemning terrorist actions around the world. Egypt has maintained its strengthened airport security measures and has instituted more stringent port security measures.

Itself a victim of terrorism in the past, Egypt is actively monitoring and rooting out old and new cells of groups with violent tendencies. In January 2003, 43 members of a jihad group known as Gund Allah (Soldiers of God) were arrested for planning attacks against US and Israeli interests. They will be tried in the Military

Tribunal in 2004. The “zero tolerance” policy toward extremism has resulted in the arrest in October 2003 of 12 alleged members of Al-Takfir wa Al-Hijrah, in the continuing arrests of Al-Gama’at Al-Islamiyya (IG) members who do not agree with the historic leadership’s new policy of nonviolence, and in the discovery and arrest of extremist cells and nascent groups. A verdict is due in the spring of 2004 in the trial of 26 members (including three Britons) of the Islamic Liberation Party (Hizb Al Tahrir Al Islami), begun in October 2002. The prosecution has requested 25-year sentences for the defendants, charged with reviving an illegal, violent organization.

In October 2003, Egypt completed the release from prison of the historic leadership and as many as 1,000 members and supporters of the IG. This release, begun a year before, was based on what the Government considered to be a conversion in thought and religious values by the IG leadership, who authored several books and gave lengthy public interviews on their new nonviolent philosophy. This conversion has not been accepted by all IG members in Egypt and elsewhere and has given rise to reports in Egyptian media of new IG splinter cells who refuse to accept nonviolence.

The Egyptian judiciary is tough on terrorism. There is no plea bargaining in the Egyptian judicial system, and terrorists have historically been prosecuted to the full extent of the law. They are tried in Military Tribunals or in Emergency Courts, neither of which affords a right of appeal. There have been no terrorist cases tried in these courts this year. Press reports indicate that Egypt is actively involved with other nations to extradite Egyptian extremists from abroad. Egypt actively participates in a variety of bilateral counterterrorism and law-enforcement training opportunities. Egypt is also preparing to become a regional counterterrorism training hub for other Middle Eastern and North African nations.

Egypt is a party to nine of the international conventions and protocols relating to terrorism and is a signatory to an additional two, including the International Convention for the Suppression of the Financing of Terrorism.

Israel, the West Bank, and Gaza

Israel maintained staunch support for US-led counterterrorism operations as Palestinian terrorist groups conducted a large number of attacks in Israel, the West Bank, and Gaza Strip in 2003. HAMAS, the PIJ, and the al-Aqsa Martyrs Brigades -- all of which the United States has designated as Foreign Terrorist Organizations pursuant to Executive Order 13224 -- were responsible for most of the attacks, which included suicide bombings, shootings, and mortar firings against civilian and military targets. Terrorist attacks in 2003 killed almost 200 people (mostly Israelis, as well as a number of foreigners, including 16 US citizens), a decrease from the more than 350 people killed in 2002.

On 15 October, Palestinian militants attacked a US diplomatic convoy in Gaza with an improvised explosive device, killing three Americans. To date, this was the most lethal attack ever to directly target US interests in Israel, the West Bank,

or Gaza. The Popular Resistance Committee (PRC), a loose association of Palestinians with ties to various Palestinian militant organizations such as HAMAS, PIJ, and Fatah, claimed responsibility. Although that claim was later rescinded, and official investigations continue, the PRC remains the primary suspect in the attacks. At the end of the year, the Palestinian Authority (PA) had yet to identify the perpetrators and bring them to justice.

Israeli authorities arrested individuals claiming allegiance to al-Qaida, although the group does not appear to have an operational presence in Israel, the West Bank, or Gaza. Palestinian terrorist groups in these areas continue to focus their attention on attacking Israel and Israeli interests within Israel and the Palestinian territories, rather than engaging in operations worldwide.

Israel employed a variety of military operations in its counterterrorism efforts. Israeli forces launched frequent raids throughout the West Bank and Gaza, conducted targeted killings of suspected Palestinian terrorists, destroyed homes -- including those of families of suicide bombers -- imposed strict and widespread closures and curfews in Palestinian areas, and continued construction of an extensive security barrier. Israel expelled more than 12 alleged terrorists from the West Bank to Gaza in the fall of 2003. Israeli counterterrorism measures appear to have reduced the frequency of attacks; continuing attacks, however, show that the groups remained potent.

HAMAS was particularly active, carrying out more than 150 attacks, including shootings, suicide bombings, and standoff mortar-and-rocket attacks against civilian and military targets. The group was responsible for one of the deadliest attacks of the year -- the suicide bombing in June on a Jerusalem bus that killed 17 people and wounded 84. Although HAMAS continues to focus on conducting anti-Israeli attacks, it also claimed responsibility for the suicide bombing at a restaurant adjacent to the US Embassy in Tel Aviv, demonstrating its willingness to attack targets in areas frequented by foreigners.

The PIJ remained active in 2003, conducting several deadly attacks against Israeli targets, and began using women as suicide bombers. The PIJ claimed responsibility for one of the deadliest suicide bombings of 2003 -- a suicide bombing in October at a Haifa restaurant that killed 21 people and wounded at least 50. The PIJ also claimed responsibility for the joint attack in January with the al-Aqsa Martyrs Brigade for a double-suicide bombing in Tel Aviv, which killed 23 people and wounded more than 100 - the deadliest suicide bombing of the year.

The al-Aqsa Martyrs Brigade conducted numerous shooting attacks and suicide bombings in 2003. In August, a suicide bombing claimed by al-Aqsa in Rosh Ha'ayin killed two people and wounded at least 10. Al-Aqsa used at least three female suicide bombers in operations.

Hizballah remained a serious threat to the security of the region, continuing its call for the destruction of Israel and using Lebanese territory as a staging ground for terrorist operations. Hizballah was also involved in providing material support to

Palestinian terrorist groups to augment their capacity and lethality in conducting attacks against Israel.

Israel arrested several Jewish extremists in 2003 who were planning terrorist attacks against various Palestinian targets. Several prominent Jewish extremists were sentenced to prison for planning to detonate a bomb near a girls' school in East Jerusalem in 2002.

The PA's efforts to thwart terrorist operations were minimal in 2003. The PA security services remained fragmented and ineffective. The services were also hobbled by corruption, infighting, and poor leadership. There are indications that some personnel in the security services, including several senior officers, have continued to assist terrorist operations.

Israel has signed all 12 international conventions and protocols relating to terrorism and is a party to eight, including the International Convention for the Suppression of the Financing of Terrorism.

Jordan

The Jordanian Government continued to strongly support global counterterrorism efforts while remaining vigilant against the threat of terrorism at home. Jordan was highly responsive to the security needs of US citizens in the country.

In 2003, Jordan pursued several terrorism-related cases, some of which involved attempts at weapons smuggling and border infiltration. Jordan indicted 11 individuals in May 2003 for the murder in 2002 of USAID officer Laurence Foley, and several are currently standing trial for his murder. In September, the State Security Court charged 13 Jordanians -- allegedly affiliated with al-Qaida and Ansar al-Islam -- with conspiring to carry out attacks against tourists and foreigners. Jordanian authorities requested that Norway extradite Mullah Krekar -- the spiritual leader of Ansar al-Islam -- for involvement in a terrorist plot.

Suspected terrorists continued attempts to exploit Jordanian territory to transport weapons to and from groups in neighboring states or to use Jordanian territory to facilitate terrorist attacks. Jordanian authorities have successfully intercepted weapons shipments and personnel transiting the country at virtually all of its borders. Although largely responsive to US requests on terrorist-related issues, the Jordanian Government has shied away from measures that would be unpopular with Jordan's pro-Palestinian population. The Central Bank of Jordan rescinded instructions to commercial banks to freeze assets belonging to HAMAS-affiliated individuals in the face of harsh criticism from the public and Parliament, although the organization has not been active in Jordan since its leaders were expelled in 1999.

Jordan has signed 10 of the 12 international conventions and protocols relating to terrorism and is a party to eight, including the International Convention for the

Suppression of the Financing of Terrorism.

Kuwait

Kuwait continued to act in concert with the US Government and with its neighbors against a number of domestic threats to Kuwaiti and foreign interests and also provided significant support to US efforts to stem terror financing. During Operation Iraqi Freedom, Usama Bin Ladin and a previously unknown domestic group, the Kuwaiti HAMAS movement, threatened to continue carrying out attacks against Kuwait for aiding Coalition forces. The four terror attacks carried out against Coalition forces between October 2002 and December 2003 -- which resulted in the death of one US Marine and a US defense contractor -- have mobilized domestic counterterrorism efforts, but the potential for further attacks remains a concern. The Kuwaiti Government has taken significant measures to bolster force protection, and it also reacted swiftly and forcefully to detain and prosecute the perpetrators. However, some judges released suspects on bail pending trial and also commuted the sentences of others convicted in the attacks of 2002-03.

Kuwaiti officials and clerics also implemented preventative measures in the wake of terrorist bombings of Western housing compounds in Saudi Arabia in May and November. Soon after the May attacks, Kuwaiti security forces heightened alert levels. Kuwaiti officials and clerics also launched a vocal public campaign to denounce terrorism. In November, Kuwaiti clerics publicly applauded the recantation by extremist Saudi clerics of fatwas that encouraged violence and also discouraged their countrymen from engaging in jihad or harming Coalition forces based in Kuwait.

Kuwaiti officials have also heightened security along their border with Iraq to prevent militant infiltration and have also worked with Syria and Iran to develop procedures to increase intelligence sharing and enhance customs and border-monitoring cooperation. Kuwait also continued to implement every US-ordered terrorist-fund freeze. In August, the Government froze the assets of HAMAS over the objections of conservative elements of the Kuwaiti population.

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

Lebanon

Despite a decrease from the previous year in anti-US terror attacks in Lebanon and the introduction of counterterrorism legislation, Lebanon remains host to numerous US-designated terrorist groups. At the same time, a number of legislative, legal, and operational initiatives showed some promise in Lebanon's counterterrorism efforts. However, Beirut continues to demonstrate an unwillingness to take steps against Lebanese Hizballah, the PIJ, the Popular Front for the Liberation of Palestine-General Command (PFLP-GC), the Abu Nidal organization (ANO), and HAMAS.

The Lebanese Government recognizes as legitimate resistance groups those organizations that target Israel and permits them to maintain offices in Beirut. Beirut goes further by exempting what it terms “legal resistance” groups -- including Hizballah -- from money-laundering and terrorism- financing laws. Lebanese leaders, including President Emile Lahud, reject assessments of Hizballah’s global reach, instead concentrating on the group’s political wing and asserting that it is an integral part of Lebanese society and politics. In addition, Syrian and Iranian support for Hizballah activities in southern Lebanon, as well as training and assistance to Palestinian rejectionist groups, help promote an environment where terrorist elements flourish. Hizballah conducted multiple attacks in the Shab’a Farms region during 2003, including firing antitank rockets.

The Lebanese security forces remain unable or unwilling to enter Palestinian refugee camps -- the operational nodes of terrorist groups such as ‘Asbat al-Ansar and the Palestinian rejectionists -- and to deploy forces to much of the Beka’a Valley, southern Beirut, and the south of the country bordering Israel. Furthermore, Syria’s predominant role in Lebanon facilitates the Hizballah and Palestinian rejectionist presence in portions of Lebanon.

The Lebanese Government acknowledges the UN 1267 Sanctions Committee’s consolidated list but does not acknowledge groups identified by only the US Government: Beirut will not take action against groups designated solely by the United States. In addition, constitutional provisions prohibit the extradition of Lebanese nationals to a third country. Lebanese authorities further maintain that the Government’s provision of amnesty to Lebanese individuals involved in acts of violence during the civil war prevents Beirut from prosecuting many cases of concern to the United States -- including the hijacking in 1985 of TWA 847 and the murder of a US Navy diver on the flight -- and the abduction, torture, and murder of US hostages from 1984 to 1991. US courts have brought indictments against Hizballah operatives responsible for a number of those crimes, and some of these defendants remain prominent terrorist figures.

The Lebanese Government has insisted that “Imad Mugniyah” -- wanted in connection with the TWA hijacking and other terrorist acts, who was placed on the FBI’s list of most-wanted terrorists in 2001 -- is no longer in Lebanon. The Government’s legal system also has failed to hold a hearing on the prosecutor’s appeal in the case of Tawfi z Muhammad Farroukh, who -- despite the evidence against him -- was found not guilty of murder for his role in the killings of US Ambassador Francis Meloy and two others in 1976.

In October, the Lebanese National Assembly passed two bills strengthening existing legislation against money laundering and terrorist financing. Law 547 -- while differentiating between terrorism and what Lebanon calls the “legal resistance” of Hizballah and Palestinian rejectionists -- expands existing legislation on money laundering, making illicit any funds resulting from terrorism. Law 553 stipulates penalties for persons who financially support terrorist acts or organizations. A Special Investigations Commission in 2003 investigated 245 cases involving allegations of money laundering, including 22 related to terrorist financing. No accounts used for financing terrorism -- as defined by Beirut -- were

discovered in Lebanese financial institutions. Signifying the difficulty Lebanon will have in enforcing the new legislation, the Central Bank in September asked Lebanese financial institutions to identify accounts held by six HAMAS leaders whose assets are the target of a US freeze. The inquiry sparked a public uproar and caused the Central Bank to end the investigation.

Lebanon has taken other counterterrorism measures in 2003, primarily directed against Sunni extremists, including those affiliated with al-Qaida. For instance:

- . In May, a military tribunal convicted eight individuals of attempting to establish an al-Qaida cell in Lebanon.
- .
- . In July, Lebanese security forces began a series of arrests in connection with the bombing in April of a McDonald's, part of a series of bombings of Western food outlets during 2002-03.
- .
- . In September, military tribunals commenced hearing the cases of more than 40 individuals charged with planning or executing the series of restaurant attacks and planning to assassinate the US Ambassador to Lebanon and bomb the US Embassy in Beirut.
- .
- . In October, the Lebanese Government arrested three men and indicted 18 others in absentia on charges of preparing to carry out terrorist attacks and forging documents and passports.
- .
- . The Lebanese Government continued to cooperate with US officials in the investigation of the murder in November 2002 of a US citizen in Sidon.
- .
- . In December, Lebanese forces personnel cooperated with US Embassy security when a Lebanese man approached the Embassy carrying a bag containing TNT, nitroglycerin, and a detonator.
- .
- . In late December, a military tribunal sentenced 25 members of a terrorist group accused of targeting US official and commercial targets to prison terms ranging from six months to life.

Lebanon is a party to 10 of the 12 international conventions and protocols relating to terrorism.

Morocco

The Government of Morocco has remained a steadfast ally in the war on terror in the face of unprecedented terrorist activity in the Kingdom in 2003. King

Muhammad VI has unambiguously condemned those who espouse or conduct terrorism, has been a consistent voice for tolerance and moderation, and has worked to keep Rabat firmly on the side of the United States against extremists. Domestically, Morocco's historical record of vigilance against terrorist activity remained uninterrupted in 2003.

Despite these efforts, on 16 May, suicide bombers simultaneously detonated bombs at restaurants, hotels, and a Jewish cultural center in the seaside city of Casablanca, killing 42 -- including many of the bombers -- and wounding approximately 100 others. Moroccan authorities quickly identified the bombers as local adherents of the "Salafiya Jihadiya" movement. In the following months, investigators learned that many of those involved in orchestrating the attacks were Moroccan extremists who had trained in Afghanistan and had links to North African extremist groups -- mainly the Moroccan Islamic Combatant Group, the Libyan Islamic Fighting Group, and al-Qaida.

The attacks underscored the danger of terrorism from domestic extremists and their international allies, and Moroccan authorities reacted swiftly to reduce the threat. Days after the attacks, the Moroccan legislature passed a law that broadened the definition of terrorism, proposed heavy sentences for inciting terrorism, expanded the power of authorities to investigate suspected terrorists, and facilitated prosecution of terrorist cases. Throughout the summer and fall, authorities arrested hundreds of terrorist suspects and sentenced dozens to lengthy prison terms and, in some cases, executio

n. Courts tried in absentia extremists located overseas who were suspected of facilitating the attacks in Casablanca and issued warrants for their arrest. The King also took measures to facilitate greater information sharing between the country's security services and national police force.

Morocco is a party to 10 of the 12 international conventions and protocols relating to terrorism, including the International Convention for the Suppression of the Financing of Terrorism.

Oman

Oman continued to provide public statements of support for the global war on terrorism and has been responsive to requests for Coalition military and civilian support. During the last two years, the Government has implemented a tight anti-money laundering regime, including surveillance systems designed to identify unusual transactions. Omani financial authorities have committed to freezing the assets of any UN-listed individual found in Oman. There were no incidents of terrorist activity in Oman in 2003.

Oman has become a party to 10 of the 12 international conventions and protocols relating to terrorism but has not yet acceded to the other two, including the International Convention for the Suppression of the Financing of Terrorism.

Qatar

The Government of Qatar provided the United States with significant counterterrorism support during 2003, building on the bilateral cooperation it has maintained since September 11. Qatar provides ongoing support for Operation Enduring Freedom in Afghanistan and is a key regional ally. Amir Hamad bin Khalifa al-Thani has pledged his Government's full support to the global war on terrorism. When requested, Doha has provided additional security for US installations and facilities.

Doha has had some success in disrupting terrorist activity, although the security services traditionally have monitored extremists passively rather than attempting to penetrate or pursue them. Members of transnational terrorist groups and state sponsors of terrorism are present in Qatar. The security services' limited capabilities make it difficult for them to warn against or disrupt a terrorist attack by al-Qaida or affiliated groups.

Qatar remains cautious about taking any action that would cause embarrassment or public scrutiny when Gulf Cooperation Council nationals are involved.

Doha acceded to a number of international agreements during 2003. It also promulgated a revised version of its anti-money laundering law and drafted a criminal law to address terrorist- financing crimes. This law broadened the definition of money laundering to include any activities related to terrorist financing. It authorizes the Central Bank to freeze suspicious accounts. Doha participated in three anti-money laundering training courses organized by the US Government. Legislation provides for a financial intelligence unit, although it has not yet been effectively established.

Qatar is a party to seven of the 12 international conventions and protocols relating to terrorism.

Saudi Arabia

The terrorist attacks in Saudi Arabia on 12 May and 9 November galvanized Riyadh into launching a sustained crackdown against al-Qaida's presence in the Kingdom and spurred an unprecedented level of cooperation with the United States. Riyadh has aggressively attacked al-Qaida's operational and support network in Saudi Arabia and detained or killed a number of prominent operatives and financial facilitators.

The attack of 9 November, which resulted in the deaths of a number of Muslims and Arabs during the holy month of Ramadan, transformed Saudi public acceptance of the widespread nature of the threat in the Kingdom. This acceptance has facilitated increased security and counterterrorism efforts by the Saudi Government, including stepped up security at a variety of locations throughout the country, such as residential facilities.

The attacks also led Riyadh to implement a variety of programs aimed at directly combating terrorist activity. In early May 2003, the Saudis began to publicize their counterterrorist efforts, including naming 19 individuals most wanted by the security services for involvement in terrorist activities. In early December, Riyadh announced the names of 26 individuals -- including the seven remaining fugitives from the list of 19 -- wanted for terrorist-related activities and provided background information on the suspects to help the public to identify them. Soon thereafter, Saudi security forces killed operative Ibrahim bin Muhammad bin Abdallah al-Rayyis, a terrorist named on the list. Also in early December, Saudi authorities announced a rewards program -- ranging from \$270,000 to \$1.87 million -- for information leading to the arrest of suspects or the disruption of terrorist attacks and have used local newspapers to publish pleas from operatives' family members to turn themselves in to authorities.

Since May, Riyadh has arrested more than 600 individuals during counterterrorism operations and continues investigating the Riyadh attacks. Saudi security forces have suffered significant casualties while conducting counterterrorism operations and raids. Raids in Mecca, Riyadh, and Medina led to arrests and document seizures and netted large quantities of explosives and a variety of weapons. In July alone, security services seized more than 20 tons of explosive-making materials in Qassim. In November, the authorities seized a truck bomb at a reported al-Qaida safehouse in Riyadh. Meanwhile, Saudi officials met several times with their Yemeni counterparts in an effort to stanch the flow of weapons into Saudi Arabia from Yemen.

During the past year, Riyadh expanded its cooperation with the United States in combating terrorist financing. The Government prohibited the collection of cash donations at mosques or commercial establishments, and in May the central bank issued a banking circular prohibiting charities from depositing or withdrawing cash or transferring funds abroad. In August 2003, Saudi Arabia adopted a new anti-money laundering and antiterrorist financing law, which criminalized money laundering and terrorist financing. The law also established a single financial intelligence unit, as required by the Financial Action Task Force, to collect against and analyze suspicious financial transactions and placed stringent "know your customer" requirements in the banking system. The Kingdom also established with the United States a Joint Task Force on Terrorist Financing to facilitate law-enforcement cooperation at the operational level. On 22 December, the United States and Saudi Arabia publicly announced their request to the UN 1267 Sanctions Committee to add the names of two organizations and one individual to its consolidated list.

On both the domestic and international fronts, Saudi Arabia initiated an ideological campaign against Islamist terrorist organizations, using its unique credentials as the custodian of Islam's two holiest shrines. Senior Saudi Government and religious officials espouse a consistent message of moderation and tolerance, explaining that Islam and terrorism are incompatible. Notably, in October speeches at the Organization of Islamic Conference Summit in Malaysia and later in Pakistan, Crown Prince Abdullah recommended to a broader audience

concrete steps to counter extremism and improve relations between Muslims and non-Muslims.

For its part, Saudi Arabia has expressed its commitment to undertake internal political, social, and economic reforms aimed at combating the underlying causes of terrorism, and authorities have worked to delegitimize or correct those who would use Islam to justify terrorist acts. In early December, jailed cleric Ahmed al-Khalidi renounced his previous endorsement of violent jihad. Khalidi's statement followed similar public renunciations by extremist clerics Shaykh Ali bin Ali al-Khudayr and Nasir al-Fahd.

Saudi Arabia provided essential support to Operation Iraqi Freedom and continues to support Operation Enduring Freedom in Afghanistan.

Saudi Arabia has signed nine of the 12 international conventions and protocols relating to terrorism and is a party to six.

Tunisia

The Government of Tunisia has publicly supported the international Coalition against terrorism and has responded to US requests for information and assistance in blocking financial assets. Tunis's active stance against terrorism has been reinforced by its own recent experience with international terrorism. In April 2002, a suicide truck bomb detonated outside the el-Ghriba synagogue on the island of Djerba, killing more than 20.

In response to terrorism, the Government of Tunisia has taken steps to strengthen its laws and international agreements. The Tunisian legislature in December 2003 passed a comprehensive law to "support the international effort to combat terrorism and money laundering."

On the enforcement front, in March, Tunis issued a warrant for the arrest of Khalid Sheikh Mohammed for his role in the suicide truck bombing of the el-Ghriba synagogue in 2002. In addition, Belgacem Nawar, an uncle of Djerba suicide bomber Nizar Nawar, remains in Tunisian custody and is charged with complicity in the attack.

Tunis has consistently emphasized the threat that terrorism poses to security and stability in the region. Further, it has encouraged Libya to abandon terrorism and, in particular, to reach an agreement with France on additional compensation for the UTA airliner bombing of 1989. Domestically, the Tunisian Government has prohibited the formation of Islamist groups, which it believes pose a terrorist threat.

After the terrorist bombing of the UN compound in Baghdad, Tunis expressed its deep concern over the bombing and stated that it "firmly rejects any action aimed at undermining UN efforts to help Iraq and its brotherly people to recover security and stability and to complete the country's reconstruction process."

Since September 11, 2001, Tunis has each year called for an international conference to address the root causes of terrorism.

Tunisia ratified the International Convention on the Suppression of the Financing of Terrorism in February 2003, making it a party to 11 of the 12 international conventions and protocols relating to terrorism.

United Arab Emirates

In 2003, the United Arab Emirates continued to provide outstanding counterterrorism assistance and cooperation. The UAE Government publicly condemned acts of terrorism, including the attack in August against UN headquarters in Baghdad and the attack in November against a housing compound in Riyadh. In September, the UAE successfully hosted the annual International Monetary Fund/World Bank meetings, an event marked by close cooperation between the Dubai police and UAE armed forces.

In suppressing terrorist financing, the UAE Central Bank continued to aggressively enforce anti-money laundering regulations. Tightened oversight and reporting requirements for domestic financial markets resulted in a stronger legal and regulatory framework to deter abuse of the UAE financial system. The Central Bank has provided training programs to financial institutions on money laundering and terrorist financing.

It has also investigated financial transactions and frozen accounts in response to UN resolutions and internal investigations, as well as begun registering *hawala* dealers. The UAE has frozen the accounts of terrorist entities designated by the UN, and the US Government has provided the UAE with antiterrorism and anti-money laundering training, as well as technical assistance for bankers, prosecutors, judges, and police.

The UAE has provided assistance in several terrorist investigations. In early 2003, the UAE became a party to the 1973 Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons.

The UAE is a party to eight of the 12 international conventions and protocols relating to terrorism.

Yemen

There were no reported terrorist attacks against or kidnappings of Westerners in Yemen in 2003. The Republic of Yemen Government continued to cooperate with US law enforcement and to take action against al-Qaida and local extremists in 2003, including arresting several al-Qaida-associated individuals, disrupting an al-Qaida-affiliated cell targeting Western interests, and prosecuting and convicting the perpetrators of the shootings of three Americans in Jibla on 30 December 2002. Abed Abdulrazak al-Kamel, the shooter, and Ali Ahmed Mohamed Jarallah, the planner, were tried, convicted, and sentenced to death in separate trials in 2003. On 1 December 2003, a three-judge panel affirmed the death sentence of al-

Kamel, who will appeal the decision to the Yemen Supreme Court. Court officials expect that the conviction will be upheld and passed to President Saleh, who is likely to sign off on the order to carry out the sentence. Post representatives attended al-Kamel's trial and appeal proceedings, which were relatively transparent and openly reported in the local media.

Yemen publicly expressed its support for the global war on terrorism. In meetings with senior US officials, President Saleh underscored Yemen's determination to be an active counterterrorism partner.

However, there is still more work to be done to improve counterterrorism capabilities, including implementing a Maritime Security Strategy and increasing border security. Ongoing US-Yemeni cooperation includes counterterrorism training for Yemeni military forces, establishment of Yemeni Coast Guard capabilities (including seven 44-foot US-manufactured patrol boats arriving February 2004), and equipment and training for Yemen's Terrorist Interdiction Program.

Yemeni authorities arrested several high-profile al-Qaida associates in 2003. In late November, authorities arrested Muhammad Hamdi al-Ahdal (a.k.a. Abu Asim al-Makki -- the senior-most extremist in Yemen -- who has supported mujahedin and terrorist operations throughout the Middle East and in Chechnya. In late September, Yemeni authorities arrested several members of an al-Qaida-affiliated cell planning attacks against a variety of targets in the country. Following the attack in mid-June on a medical assistance convoy in the Abyan Governorate, US- and UK-trained Yemeni Central Security Forces (CSF) raided a facility used by the Aden-Abyan Islamic Army (AAIA -- the local extremist group suspected of orchestrating and conducting the attack -- and made a number of arrests. Consistent, but unconfirmed, reports from the press and other sources put the number of extremists killed or captured at between 20 and 30. CSF also indicated that a large amount of explosives and weapons were seized.

In October 2003, despite repeated statements that AAIA leader Khalid Abd-al-Nabi was dead, Yemeni officials revealed that he was not killed in the confrontations between the hardline Islamic group and a Yemeni army antiterrorism unit. Instead, al-Nabi surrendered to the Yemeni authorities, was released from custody, and is not facing charges for any of his activities. Earlier in 2003, authorities arrested al-Qaida operative Fawaz al-Rabi'I (a.k.a. Furqan) and al-Qaida associate Hadi Dulqum.

Land border security, particularly the long frontier with Saudi Arabia, is a major concern for Yemen. In the aftermath of the Riyadh bomb attacks in May 2003, the Government has improved cooperation with its Saudi neighbors. Representatives of both countries met several times in 2003 to discuss border security and ways to impede the flow of weapons from Yemen to Saudi Arabia. The Ministry of the Interior has an ambitious plan to establish 18 districts along the Yemeni-Saudi border to provide antismuggling defenses. In keeping with a bilateral security agreement, Sanaa and Riyadh have exchanged prisoners and terror suspects, including an operative from the Saudis most-wanted list.

The escape of 10 prisoners -- including several suspects in the USS Cole bombing of October 2000 -- from an Aden jail in April was a setback to bilateral counterterrorism efforts. Although Sanaa responded quickly, dismissing two senior security officers and several prison guards, eight of the escapees have not yet been apprehended.

Following the model of other Arab countries, including Egypt, an Islamic scholarly commission formed in August 2002 continued its dialogue with detainees arrested in connection with extremism and/or terrorist attacks, which reportedly include Yemeni returnees from Afghanistan and members of the Al Jihad organization. Before being released, the detainees are screened by Yemen's Political Security Organization and commit to uphold the Yemeni constitution and laws, the rights of non-Muslims, and the inviolability of foreign interests. Ninety-two detainees were released post-Ramadan in 2003.

In the latter part of 2003, senior government officials, including President Saleh, publicly announced the detainees' release -- some of whom may have ties to al-Qaida and other extremist groups -- because they reportedly had renounced violence. The public announcement of the releases preceded the sharing of information with the US Government, which has now identified specific concerns with several of the individuals released and is working with the Government on the issue.

Several terrorist organizations continued to maintain a presence in Yemen throughout 2003. HAMAS and PIJ are recognized as legal organizations -- and HAMAS maintains offices in Yemen -- but neither has engaged in terrorist activities, and PIJ does not have any known actual or operational presence. Al-Qaida is attempting to reconstitute an operational presence in Yemen. Other international terrorist groups with a presence in Yemen include remnants of the Egyptian Islamic Jihad and al-Gama'a al-Islamiyya.

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