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The shifting paradigm of Post-Cold war counterintelligence support to USAF operations : a Middle Eastern case study

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Monterey, California: Naval Postgraduate School

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THESIS

**THE SHIFTING PARADIGM OF
POST-COLD WAR COUNTERINTELLIGENCE
SUPPORT TO USAF OPERATIONS:
A MIDDLE EASTERN CASE STUDY**

by

Gabriel C. Lajeunesse

June 1999

Thesis Advisor:	Glenn E. Robinson
Co-Advisor:	Terry D. Johnson

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The threat to US Operations in the Middle East has changed significantly since the end of the Cold War, and although counterintelligence methodology has changed with it, additional modifications are needed. This thesis demonstrates the gap that has emerged in the ability of counterintelligence forces to counter the threat.

Increased military presence in the Middle East and the removal of the Cold War's checks and balances increase the impact of "rogue states" and non-state actors. Current counterintelligence methodology fails to adequately address the non-state-based threat. Revolutionary information technologies and the proliferation of nuclear, chemical and biological weapons ensure that non-state actors will pose a counterintelligence threat as great, or greater, than the state-based threat. The implication of this is significant. The Air Force Office of Special Investigations (AFOSI), the USAF Agency tasked with counterintelligence support, must restructure itself to meet this emerging threat.

A Classified annex to this thesis is published under separate cover. This annex outlines current AFOSI methodology and makes policy recommendations to allow AFOSI to better address the non-state-based threat.

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B.S., University of Massachusetts at Lowell, 1993

Submitted in partial fulfillment of the
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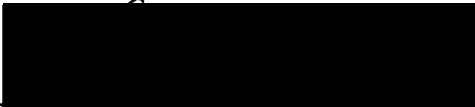
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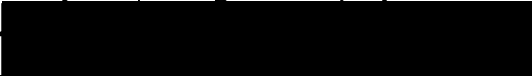**June 1999**

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iii

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ABSTRACT

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Increased military presence in the Middle East and the removal of the Cold War's checks and balances increase the impact of "rogue states" and non-state actors. Current counterintelligence methodology fails to adequately address the non-state-based threat. Revolutionary information technologies and the proliferation of nuclear, chemical and biological weapons ensure that non-state actors will pose a counterintelligence threat as great, or greater, than the state-based threat. The implication of this is significant. The Air Force Office of Special Investigations (AFOSI), the USAF Agency tasked with counterintelligence support, must restructure itself to meet this emerging threat.

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TABLE OF CONTENTS

I. INTRODUCTION

The operational emphasis of the US military over the past decade has shifted from communist containment to rapid response at trouble spots throughout the world. This new operational focus toward an "Expeditionary Air Force" exposes USAF personnel and resources to threats that seem to be much different than those faced in the past. The counterintelligence professional whose job is to counter the low intensity threat, must come to understand the nature of this threat. The questions which must be answered in order to understand this threat are: What is the counterintelligence threat to USAF operations in the Middle East? How has this changed since the end of the Cold War? What are the current policies and methodologies used by Counterintelligence (CI) Officers? Have they changed since the end of the Cold-War? Are changes necessary?

This thesis will provide answers to these questions. The threat to US Operations in the Middle East has changed significantly since the end of the Cold War, and although CI methodology has changed with it, additional modifications are needed. A gap has emerged between the threat and the ability of CI forces to counter the threat. Alternative methodologies are needed to close the gap and protect USAF Operations in the Middle East and around the world.

The change from a bipolar system to a unipolar system has resulted in a dramatic change in threat to USAF Operations. Increased presence in the Middle East in the 1990s and the a removal of the Cold War's checks and balances increase the impact of "rogue states" and non-state actors. This study will reveal shortfalls in CI methodology resulting from a failure to address non-state-based threat, complex operational environments (the

1

Middle East), and the change in the threat itself (i.e., rogue states, narco-terrorism, nuclear terrorism, cyber-terrorism, etc).

In Chapter II, various theories of international relations (IR) are discussed as they relate to the emerging "new world order." The theories presented will demonstrate that many political scientists agree that threats under the "New World Order" have changed significantly. Some of these theories also provide a useful framework for understanding this change. This discussion of IR is most helpful in its demonstration of networks (clan based, religious based, etc.) as a destabilizing organizational structure. In Chapter III, counterintelligence will be defined, and the Air Force Office of Special Investigations will be briefly examined.

Chapters IV, V, and VI are case studies which demonstrate the significance of non-state actors, "networks," which have changed the nature of the threat. These case studies demonstrate that the non-state threat posed by powerful networks must be considered as significant as the traditionally targeted state-based threat. Chapter IV consists of a discussion of terrorism, and the role states play in terrorism in the Middle East. While state-sponsorship of terrorism is often assumed to pose a great threat to US security, this chapter will show that it is the terrorist networks themselves that pose the greatest threat. Chapter V examines the Palestinian/Israeli situation, and demonstrates the importance of networks as a threat and challenge to the state. This discussion shows that networks of Israeli and Palestinian extremists will probably undermine any action taken by the states. Chapter VI examines the impact of the non-state-based threat, and shows that networks of non-state actors have grown in significance and impact in since the end of the Cold War. This increase in significance is due to two factors: 1) the

information revolution, and 2) the proliferation of Weapons of Mass Destruction. The cases were chosen because of their significance in the region. While some of the threats discussed may have a limited impact on the USAF, they all demonstrate the impact of non-state-based networks on regional security. Chapter VII concludes with a brief assessment of the findings to that point.

The study has a classified annex containing chapters VIII, IX, and X. These chapters consist of data obtained during fieldwork in Washington, DC. Chapter XIII provides a detailed account of the AFOSI CI structure and methodology. A description of methodologies used by counterparts but not used by AFOSI is also provided. Chapter IX discusses findings and recommendations for change within the AFOSI to close any gap between the threat (identified in Chapters IV, V, and VI) and current methodologies (described in Chapter XIII). Chapter X provides a brief synopsis of the answers our research questions.

The questions posed here are extremely important. Any gap in CI capability could result in disaster. It is critical that whatever gap exists be seen and eradicated by policy makers sooner rather than later. Though focussed on the Middle East, the hope is that conclusions logically drawn from the facts presented here will be readily applied to other regions.

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II. END OF THE COLD WAR: THE NEW WORLD ORDER

A.   INTERNATIONAL RELATIONS THEORY

To understand the post Cold War CI threat, one must first understand the interaction between international actors in the "new world order." There is no question that the demise of the Soviet Union and the end of the bi-polar world have dramatically changed the way actors interact on an international scale. The real questions are: 1) how have international relationships changed, and 2) what can be expected in the future? Traditional balance of power theorists pointed out that a bipolar system of international relations is inherently more stable than a multipolar system.

The balance of power system is considered to have a number of identifiable rules that the rational actor uses in relating with other states: 1) act to increase capabilities, but negotiate rather than fight, 2) fight rather than be prevented from increasing capabilities, 3) stop fighting rather than eliminate another major power, 4) oppose any coalition of nation-states or any single power that attempts to dominate the international system, 5) discourage nation-states from favoring a transition to a global collective-security system or to a world government, 6) after a war, permit the defeated or constrained powers to reenter the system as full fledged major powers, or act to raise some previously weaker power to the status of a major power, and 7) treat all members of the club of major powers as equals.[1]

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[1] Theodore A. Couloumbis and James H. Wolf, *Introduction to International Relations,* (Englewood Cliffs, NJ: Prentice-Hall Inc,1978).

Balance of power theorists have struggled for an answer to what the long term post cold-war world will look like in terms of international relations. Some argue that bi-polar or multipolar systems will emerge. A US/China bi-polar scenario by early next century is one often mentioned example of this perception of the future.

One should note that multi-polar systems are believed to be much more volatile than a bipolar system. Kaplan predicted two post cold-war models which seem to reflect the direction of the future state of international relations: 1) the multi-block model in which economic and political integration distributes power within region (i.e., the EU) and in which national powers no longer exist, and 2) the national fragmentation model in which political disintegration within the nation state results in ethnic, tribal and racial cleavages.[2]

What does balance of power theory mean in relation to CI? It predicts that other states could emerge in opposition to the United States. This may result in a bipolar or a multipolar world. This means that states which have not posed a CI threat in the past will now pose a threat as they attempt to step forward as a world or regional power. In any case, the checks and balances of the bipolar system are no longer in place to deter actors that pose a CI threat. In addition, balance of power theory predicts the possible development of a world order in which states are less important. In the current environment, fragmented states may emerge (under the national fragmented model) in which the CI threat may significantly increase.

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[2] Ibid.

B. BEYOND BALANCE OF POWER THEORY

Alternative theories of the future of international relations have emerged as well. The spectrum of views can be seen in contrasting two prominent but opposing views: Huntington vs. Fukuyama.

Huntington's basic argument is that there are various civilizations throughout the world (Islamic, Western., Latin American, African, Sinic, Hindu, Orthodox, Buddhist, and Japanese) that are essentially at odds with one another. For Huntington, civilizations, not states, are increasingly the most important unit of analysis of international behavior. This view holds that fundamental differences in these civilizations will inevitably result in a clash.[3]

Fukuyama is on the opposite end of the spectrum. His view is that the West (specifically the US, democracy, and capitalism) has won the battle of ideologies, and that the future of international relations will simply be a process of expanding and penetrating these values throughout the world. "We may be witnessing the end of history as such: that is, the end point of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government."[4] As markets open, economies will improve and democracy will prevail.

Fukuyama's argument is extremely enticing to the western mind. It seems logical that with the US as the only remaining superpower, a booming American economy, and a collection of engineers and MBAs ready to march through the international marketplace,

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[3] For a full discussion of this argument see Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order*, (New York: Simon and Schuster, 1996).

[4] Francis Fukuyama, "The End of History," *The National Interest*, 16 (Summer 1989), p. 4.

that it is only a matter of time before the entire world has been penetrated. It is simply a

matter of trickle down economics: the world gets rich and America gets richer.[5]

The problem with this argument is that it does not mirror what is actually

happening in the world. While some markets are penetrated, other states fall into anarchy

as warlords pit their fiefdoms against their rivals. Two insightful articles discuss this

trend, "The Coming Anarchy"[6], and "Jihad vs. McWorld."[7] In "The Coming Anarchy,"

Robert D. Kaplan discusses the growing trend of factionalism in the world. Rather than

moving towards unity and strength, much of the world is moving towards a type of

modern day tribalism which has not only destabilized individual states, but which often

has significant regional and international impact. The conflict in the Balkans is an

example of this phenomenon. In "Jihad vs. McWorld," two separate phenomena are

examined, both of which have similar results: the weakening of the state in its importance

as an international actor. "Jihad" refers to the same type of factionalism described in

"The Coming Anarchy." What the author calls "McWorld," multinational corporate

expansion/penetration, has similar results. Rather than solidify the state system, the

expansion of Multinational Corporations (MNCs) erode state and national identities and

weaken the hold the state has on its population. The masses become citizens of the world

rather than of any rigidly defined borders of a state, whether those borders are ethnic,

cultural, or geographic.

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[5] Ibid.

[6] Robert D. Kaplan, "The Coming Anarchy: how scarcity, crime, overpopulation, tribalism,
and disease are rapidly destroying the social fabric of our planet," *The Atlantic Monthly*, February, 1994,
Available [LEXIS/NEXIS]: NEWS/ALLNEWS, [6 May 99].

[7] Benjamin R. Barber,"Jihad vs McWorld," *The Atlantic Monthly*, February, 1992, Available
[LEXIS/NEXIS]: NEWS/ALLNEWS, [6 May 99].

It is almost as if there is a race between the two phenomena: on one hand, Fukuyama's unipolar world is trying to emerge in an increasingly global marketplace, while on the other, "warlords" try to keep societies fractionalized in order to control pockets of resources. Regardless of which "side" prevails, the resulting threat to the state system is the same.

This evolving threat is a cause for concern for the counterintelligence officer. As shown earlier, state systems tend to operate along the lines of predictable rules. This is because states have a stake in the system, and to step outside the norms of international behavior is to risk the protection that those rules provide you. These "rules" allow states to predict which issues another state will go to war over, and at what point negotiation should take place. The non-state actors of "Jihad" and "McWorld" have much less stake in the international system. These actors seek gain with an understanding that violence is acceptable.

This, if true, would be a dramatic change to the CI threat. In order to determine if this is actually a realistic world view, measurable parameters need to be established. The work of two theorists on networks is useful in defining these parameters: Migdal and Denoeux.

C. NETWORKS AS CENTERS OF POWER

In *Strong Societies and Weak States*, Joel Migdal demonstrates those circumstances which lead to the development of strong or weak states.[8] Migdal argued

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[8] Joel S. Migdal, *Strong Societies and Weak States: State Society Relationships and State Capabilities in the Third World,* (Princeton, NJ: Princeton University Press, 1988).

that the industrial revolution produced a radical break with the past which forever altered the world by the 1930s through market penetration. This break from the past allowed states to move from feudal systems of government to more modern systems. After this break with the feudal system occurred, those who controlled what Migdal terms the "strategies of survival" were the focal points of power. Those people to whom people must look for their means of production, subsistence, property rights, and identity are the focal points of power. This may be the government, or the economy in general, or it could be a gang "boss," a warlord, or a religious foundation. Migdal points out that the patron client relationship that develops "provide(s) not only a basis for personal survival, but also a link to a sphere of group identity and collective action."[9]

A particularly pertinent study of networks has been conducted by Guilain Denoeux. Denoeux demonstrated in his work *Urban Unrest in the Middle East* the role informal networks can play in social upheaval. His conclusions as to when informal networks become destabilizing are threefold:

1. The networks are under the influence of a counter-elite, which has access to far-ranging resources, independent of those controlled by the state.

2. This counter-elite feels threatened by hostile forces, which it sees as being directly or indirectly associated with the authorities.

3. The counter-elite benefits from a weak, suddenly weakened or indecisive central authority.[10]

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[9] Ibid, 27.

[10] Quoted from Guilain Denoeux, *Urban Unrest in the Middle East: A Comparative Study of Informal Networks in Egypt, Iran, and Lebanon*, SUNY Press, Albany, 1993, p. 202.

This is particularly interesting as it applies to CI. Those interested in understanding the threat to US forces should look for Deneoux's conditions to be met.

Deneoux's theory, if modified slightly, can become a useful tool in understanding the future of international relations. As discussed above, fractionalization and global economic penetration are competing forces that result in a similar outcome, the weakening of the state system. The end of the Cold War has removed the safety net of the balance of power system, creating an exploitable environment for states and non-states alike. It is possible that the timing of the ongoing "information revolution" will have an effect similar to Migdal's "break with the past" caused by penetration of the world market. The information revolution provides another radical break with the past. This break allows non-state actors to function on an international scene with influence once possessed only by state actors. Transnational Criminal Organizations (TCOs), Multinational Corporations (MNCs), and Transnational Terrorist Organizations are all examples of actors whose influence has been significantly strengthened by the information revolution.

In the wake of the information revolution, Denoeux's theory could be modified to state that networks become destabilizing on an international scale when the following condition are met.

First, the networks are transnational, meaning that they can cross borders with ease, and have membership or support structures across international borders. This transnational network will be facilitated by technology made available through the information revolution such as the internet, cellular communications, and encryption.

Second, the networks are under the direction of an autonomous counter-elite, which has access to far ranging resources independent of those controlled by the state. This counter-elite is essentially autonomous in that: 1) it does not answer to a state, 2) it can act without regard to any state, 3) it can not be significantly hindered in its endeavors by any state, and 4) it has resources that are hidden or maintained in such a way that no state could completely stop the flow of resources through the network.

Autonomous networks may consider responses by states in their decision making process (just as a state would), and would still be considered autonomous as long as it could act without regard to any state if it chose. The counter-elite need not be from some centralized leadership, but could be individual leaders of cells within the network. The information revolution has reduced the need for, and effectiveness of, hierarchical organizations. The counter-elite of the future is likely to be made up of low level leaders, who spread throughout the network in a decentralized fashion. These networks may or may not look to a central figure or body for guidance. The importance of the counter-elite is simply in the dissemination of resources. These resources do not have to be monetary. Although a certain level of financing would be necessary to maintain the network, funds do not necessarily have to be doled out to supporters within the network. Rather the "resources" in question, those that tie the network to the counter-elite, may be ideological or social in nature. In the Middle East, the resources provided by the counter-elite will often be a radical interpretation of Islam.

Third, the counter-elite has intentions which are international in nature. Meaning that the goals of the network, if accomplished, will affect multiple nations states.

The fourth requirement is the same as Denoeux's second: *this counter-elite feels threatened by hostile forces, which it sees as being directly or indirectly associated with the authorities.*

The fifth requirement is the same as Denoeux's third: *the counter-elite benefits from a weak, suddenly weakened or indecisive central authority.*

While it is beyond the scope of this paper to prove this adaptation of Deneoux's theory, the case studies presented will provide examples of non-state actors which fit this model. In addition, the Kurdistan Workers Party (PKK), various organizations of the Russian Mafia, the Usama bin-Laden Organization, and Hezbollah all are internationally destabilizing, and do meet the requirements of the model presented. As state sponsors of terrorism, Israeli/Palestinian peace, infowarfare, and WMD proliferation, are examined, keep Deneoux's model and the modified model in mind. To understand the post Cold War CI threat one must be able to understand how networks can become destabilizing both on an internal domestic level and on an international level.

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III. COUNTERINTELLIGENCE DEFINED

A.   COUNTERINTELLIGENCE TERMINOLOGY

To provide the reader with a working knowledge of counterintelligence, certain terms need to be defined. To keep these basic working terms unclassified, open source material has been used. While it is true that more exact definitions and explanations as they pertain to AFOSI may be found in US Air Force regulations, the unclassified versions are exact enough for the purpose of this discussion. The following terms are taken from the *CIA Insider's Dictionary*[11]:

counterintelligence (CI): all security measures, both active and passive, designed to ensure the safeguarding of information, personnel, equipment, and installations against the espionage sabotage, or subversive activities of foreign powers and their agencies, and of disaffected or dissident groups of individuals which constitute a threat to the national security or to an agency of the legally constituted government.

foreign counterintelligence (FCI): intelligence activity, with its resultant product, intended to detect, counteract, and/or prevent espionage and other clandestine intelligence activities, sabotage, international terrorist activities, or assassinations for or on behalf of foreign powers, organizations, or persons.

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[11] Leo D. Carl, an intelligence/counterintelligence proffesional with over 40 years experience compiled definitions contained in the *CIA Insider's Dictionary* from unclassified official US Government documents, (Washington, DC: NIBC Press, 1996).

counterespionage (CE): operations intended to negate, confuse, deceive, subvert, monitor or control the clandestine collection operations and/or agents of foreign governments or agencies; a very aggressive form of counterintelligence dedicated to the principle that the best form of defense is attack.

counterespionage (CE) operations: CE operations may be divided into a number of classes: 1) penetration operations (provocations, dangles, double agents, recruitments or defections in place, monitor operations (physical and technical surveillance), 3) neutralization operations (arrests, convictions), 4) deception operations (build up true data, deception, and misinformation, use of double agents or other conduits), 5) control operations, 6) elimination operations (attempts are made to remove all opposition elements from the country in which they are operating), 7) provocation operations, and 8) defection operations.

counterespionage (CE) techniques: CE utilizes the techniques and methods of operation of police and law enforcement agencies, intelligence-information collection agencies and various types of research agencies; whereas law enforcement agencies are primarily interested in the detection, apprehension, arrest, and conviction of wrongdoers, CE agencies are more interested in countering the opposition to obtain additional operational leads, transmit disinformation, saturate the opposition's assets with notional operations, confuse the opposition in various ways, and penetrate the opposition in any way they can.

B.   THE AIR FORCE OFFICE OF SPECIAL INVESTIGATIONS

With this set of terms as a building block, the role of the Air Force Office of Special Investigations may be discussed with greater understanding. AFOSI was created shortly after the inception of the USAF, and was modeled after the FBI. AFOSI's first commander, Joseph F. Carroll had been a deputy director of the FBI under J. Edgar Hoover before he accepted the charge to create the AFOSI. AFOSI, like the FBI, is responsible for felony criminal investigations, fraud investigations, and counterintelligence. The following is an official description of the AFOSI:

> The primary responsibilities of the Air Force Office of Special Investigations are criminal investigative and counterintelligence services. The organization seeks to identify, investigate and neutralize espionage, terrorism, fraud and other major criminal activities that may threaten Air Force and Department of Defense resources. AFOSI provides professional investigative service to commanders of all Air Force activities. The counterintelligence mission primarily is to counter the threat to Air Force security posed by hostile intelligence services and terrorist groups and to identify and assess the threat for Air Force commanders. AFOSI manages offensive and defensive activities to detect, counter and destroy the effectiveness of hostile intelligence services and terrorist groups that target the Air Force for espionage. This includes investigating the crimes of espionage, terrorism, technology transfer, computer infiltration and other specialized counterintelligence operations. The counterintelligence mission also includes providing personal protection to senior Air Force and other officials as well as supervising an extensive anti-terrorism program in geographic areas of heightened terrorist activity.[12]

Counterespionage operations are one aspect of AFOSI's CI effort. A former commander of AFOSI, BG Robert Hoffman spent much of his career in counterespionage

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[12] Available [Online]: http://www.af.mil/news/factsheets/Air_Force_Office_of_Special_I.html (10 Jan 99)

including a post in Isfahan, Iran at the time of the Iranian revolution.[13] Because of the

nature of AFOSI's CI efforts, most of the details are classified. There are several books

about CI conducted during World War II by agencies predating AFOSI that provide some

idea of CI methodology. Successes during WWII include the major CE/deception

campaigns that played a significant role in invasions into Normandy and Italy.[14]

There are a few isolated AFOSI CI cases that have been released to the public.

These provide some insight into CI methodologies. One such case involved the East

Germans in the 1960s. A man moved to West Berlin from East Germany in search of

work. He left his family behind until he could find suitable housing. He subsequently

found employment at a US Air Base. East German intelligence abducted his wife and

child, and told the man that he would have to collect intelligence on the Air Base if he

hoped to see his family again. Desperate, he sought help from US authorities who

directed him to the AFOSI, who in turn recruited him as a double agent (DA).

This case reveals many insightful details of CE methodology: 1) the DA was

never completely trusted, was frequently polygraphed and was surveilled or led to believe

he was being surveilled at all times, 2) the DA was allowed to pass information of limited

value to the opposition allowing him to fulfill the taskings they had required, 3) through

the course of the operation AFOSI was able to determine the modus operandi of the

opposition (locations of dead drops and communications methods, etc.) and identify a

number of opposition intelligence officers and agents. When it became apparent that the

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[13]*Biography of Brigadier General Robert Hoffman,* Available [Online]:
http://www.af.mil/news/biographies/hoffmann_ra.html , (10 Jan 99).

[14] For a good discussion of WWII CI see William Brand Simpson, *Special Agent in the Pacific, WWII:
Counterintelligence- Military, Political, Economic,* (New York: River Cross Publishing, 1995); Ewen
Montagu, *The Man Who Never Was: WWII Boldest Counterintelligence Operation,* or any of multitude of
books of this nature discussing Ultra and the allied deception campaigns of WWII.

opposition was dissatisfied with the DA, and that his family was at risk, AFOSI in cooperation with the Germans apprehended the intelligence officers, agents, and recovered the DA's wife and son.[15] Though this provides an interesting starting point, CE is only one aspect of AFOSI's CI mission. Details of these activities are not available from open source documents, but the following statements provide the reader some idea of what these "other activities" might include. The first is a news release about a new rapid deployment force protection (CI) team:

> The AFOSI Antiterrorism Specialty Teams (AST) will stand up in April 1997. The AST will provide rapid, global, complementing support to the 820th SFG and the deployed area commander by conducting specialized counterintelligence, antiterrorism, and force protection operations. Specific efforts include collection of threat information from local and host country security agencies as well as U.S. security and intelligence agencies, vulnerability assessments, surveillance and countersurveillance activities, investigative support of terrorist incidents, and high-risk protective service operations.[16]

The next citation comes from a discussion of AFOSI found in the Report of Investigation from the 1996 bombing of Khobar Towers in the Kingdom of Saudi Arabia:

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[15] For full detail of this classic double agent operation conducted by AFOSI see Miriam Ottenberg, *The Federal Investigators*, (NJ: Prentice Hall Inc, 1962), p 77-100.

[16] http://www.af.mil/lib/afissues/1997/app_b_31.html

AFOSI Detachment 241 was responsible for collecting, analyzing and disseminating threat information. They were also responsible for coordinating with US and host nation security and law enforcement agencies concerning threats to the security of the 4404th Wing. AFOSI Det 241 conducted vulnerability surveys to identify security weaknesses and recommend improvements. Counterintelligence is a unique discipline bridging intelligence, law enforcement and security countermeasures. AFOSI is responsible for CI in the Air Force. The role of CI in antiterrorism is to identify the threat. Additionally, CI provides warning of potential terrorist attacks and information for counterterrorism operations. The primary sources of CI for the antiterrorism program are open source information, criminal information, government intelligence, CI and local information. AFOSI agents at Dhahran were responsible for collecting, analyzing and disseminating threat information. AFOSI Det 241 collected information through various sources in Saudi Arabia to include weekly meetings at the Consulate and the US Embassy Riyadh. [Classified material omitted]. From March through June 1996, AFOSI Det 241 prepared over 35 Intelligence Information Reports (IIR) or CI Collection Reports (CICR) . Reported information covered a gamut of suspicious activity, information on suspected surveillances, [Classified material omitted] and request for assistance.[17]

This information provides a basis for understanding the problem AFOSI is facing. AFOSI is tasked with providing CI to the USAF and other appropriate DOD customers. It is obvious that AFOSI has some operational methodology for providing CI support to the USAF. Since AFOSI is concerned with the SOLIC/FIS (Foreign Intelligence Service) threat, it is clear that any fundamental change in the nature of that threat would be of concern. Once the threat has been discussed, an in depth examination of CI methodology will be completed in the classified section of this thesis.

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[17] Information Available [Online]: <http://www.af.mil/current/Khobar/part2ae.htm>, [10 Jan 99].

IV. STATE SPONSORS OF TERRORISM: THE DESPERATE SEARCH FOR AN EVIL EMPIRE

A. THE QUESTIONS

The end of the Cold War and the accompanying disruption of bipolar stability has created a sense in some circles of doom and foreboding. Leading technocrats from diplomatic, intelligence, and military communities have grown up in a world where Soviets lurked behind every corner. Every pocket of instability could be attributed to the age old battle between good and evil, or in modern day thought, democracy vs. communism. When the expected "great and lasting peace" failed to emerge, the immediate conclusion made by many was that new enemies must be somehow orchestrating the anarchy.

This initial suspicion led many security experts to conclude that there was an emerging evil empire afoot. Looking at troubles in Africa, the Balkans, and the Middle East, it became clear to the cold-warriors that state sponsored of terrorism was in fact the menace controlling the calamities confronting the West. The picture of rogue, pariah states diabolically plotting the downfall of the West through an inhumane war of attrition and terror has been ambitiously sold by these technocrats and been adopted in large measures by US leaders. Yet recent events have shifted the focus towards Usama bin Laden, the Saudi Arabian financier of many Islamist movements. These events have forced the US to reexamine the true nature of state/Islamist relations.

The question this case-study seeks to answer is: Are Islamic fundamentalist groups replacing "state sponsors of terrorism" as the primary SOLIC threat to US security in the Middle East?

The question is concerned with "real" threat rather than perceived threat. Some may argue that neither "rogue states" nor Islamists are a true threat to US security. They might say that a few acts of terrorism are not enough to impact US concerns, yet this view would ignore the growing potential for terrorist use of weapons of mass destruction. Growing financial resources, proliferation of WMD, and a past history of violence require the CI community to view terrorists as a real threat to US security. Even if these fears never come to fruition, any act of violence directed at US persons or operations is of concern to US security from a force protection standpoint. Counterintelligence practitioners are vitally concerned with protecting US interests from attack, no matter how minimal the damage may be.

The thought that state sponsors of terrorism are the primary threat to US security is fallacious in general. It assumes a coherent, pyramid type organization, with rogue state leadership at the top, extending control and authority down toward the lowest level of the client terrorist cell. This bureaucratic-authoritarian (or Soviet style) model simply does not apply to the relationship between State and Islamist. This is not to say that the relationship is not of concern; it is. However, the information presented will demonstrate that while relationships exist, it is the fundamentalists themselves (including all their peripheral social networks) that are of immediate concern.

A brief explanation of terms is appropriate at this juncture. Security in this discussion has reference to the protection of US personnel, resources, and operations *in*

the Middle East from acts of aggression violence, sabotage, or disruption. Threats to these interests could come through conventional warfare or those operations short of war. The threat from state sponsors and Islamic fundamentalists of gravest concern are those operations that are conducted on a day to day basis against those forces in the Middle East. These threats (threats short of war) primarily consist of: 1) terrorism, 2) intelligence operations, and 3) Special Operation/Low Intensity Conflict (SOLIC-including insurgent movements).

The terms Islamism and fundamentalism are used interchangeably. In speaking of Islamists and fundamentalists this paper is referring to the extremists within those subsets, those willing to take violent action in order to achieve their goals. Certainly there are Islamists and fundamentalists that pose no threat to US interests, but this paper is concerned with those that do.

The actual relationship between state sponsors and fundamentalist groups will be explored. Financial support to fundamentalist groups will be examined, looking at both state sponsors and independent fundraising. The level of control the state has over the group will also be key in understanding the state/Islamist relationship. This discussion will demonstrate that the fundamentalist groups are essentially free of financial and bureaucratic control by the state sponsor.

The intent of this paper is not to declare that state sponsors of terrorism are not a CI threat, they are. The purpose of this paper is to demonstrate that the cold-warrior paradigm has allowed the CI community to focus on only one part of the picture. By declaring that these rogue nations are the new threat, one tends to ignore the social networks collecting money, spreading propaganda, and training new recruits. The CI

community also often ignores the Islamists themselves. This enables the CI community to avoid the brutal 'ugliness' and inherent danger in taking on these elements through counterintelligence methodologies, preferring instead to focus on the still dangerous but potentially predictable states. The intent of this paper is simply to point out the true nature of the threat.

B.   DEBUNKING THE MYTH

The number 1 enemy in terms of international terrorism is Iran. The Israelis will tell you that... Iran is the number 1 country exporting and fomenting terrorism all over the world. Recently I came back from a trip to Argentina. I visited the site of the destroyed Buenos Aires Jewish Community Center, and, of course, Iran is suspected there. Whatever governments go to, whatever heads of states speak with, ask them for their honest assessment in terms of the terrorist threat. The name of Iran is always first and foremost...

Eliot L. Engle, US Congress.[18]

Iran sponsors global terrorism whether it is the Hezbollah first created by the Iranian revolutionary guard, the Hamas, or the Islamic Jihad, Iran finances and **directs** these groups.

Howard L. Berman, US Congress (emphasis added).[19]

Iran is the principle sponsor and financier of international terrorism activities against both the US and Israel, Mr Chairman, the government of Iran is richly deserving of its reputation as a pariah regime.

Sam Gejdenson, US Congress.[20]

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[18] Quoted from Elliot L. Engel's statement in, *US Policy Towards Iran: Hearing Before the Committee on International Relations*, (Washington: US Congress, 1996), p. 6.

[19] Quoted from Howard L. Berman's statement in *US Policy Towards Iran: Hearing Before the Committee on International Relations*, (Washington: US Congress, 1996) p. 5.

[20]Quoted from Sam Gejdenson's statement in *US Policy Towards Iran: Hearing Before the Committee on International Relations* (Washington: US Congress, 1996), p. 3.

These quotes are provided simply to demonstrate beliefs held about Iran by US leaders: 1) Iran is the premier financier of international terrorism, 2) Iran is everywhere, plotting its activities abroad, and 3) Iran directs or controls fundamentalist groups. Though Iran is the case in question at the hearing, and certainly the foremost candidate in the construction of a new "evil empire," similar statements have been made about other state sponsors of terrorism. The belief appears to be that state sponsors are to terrorists what the Soviets were to leftist groups, insurgents and communist parties. This implies a clear patron/client relationship. A similar view of international terrorism was held by US military and intelligence technocrats in the early 1980s. However, at that time the "evil empire" was the USSR, and it was believed that terrorists were simply puppets in the hands of the Soviets. This view was presented by Claire Sterling in *The Terror Network: The Secret War of International Terrorism.*[21] It was not an accurate portrayal then, and this case study will demonstrate that it is not accurate now.

Tony Lake, while serving as the Assistant to the President for National Security Affairs, provided a more nuanced view of rogue states. He defined Cuba, North Korea, Iran, Iraq and Libya as "backlash states," lacking resources "which would enable them to seriously threaten the democratic order being created around them."[22] While not as hostile a statement, Lake's essay reflected the growing concern of the Clinton Administration particularly in the area of WMD development.[23]

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[21] Claire Sterling, *The Terror Network: The Secret War of International Terrorism,* (New York: Holt, Rinehart and Winston, 1981).

[22] Anthony Lake, "A Group of Outlaws," *Foreign Affairs*, March/April 1994, Available: [Lexis/Nexis]: NEWS/ALLNEWS, [2 Dec 98].

[23] Ibid.

What exactly does state support for terrorism amount to? As shown above, some claim that Islamists are financed and controlled by their sponsors. From the point of view of the Congressmen quoted above, the Islamists are merely an extension of the state apparatus. While some claims states directly control the acts of Islamists, only sponsorship through training, financing, arms supply, and logistical support is actually demonstrable. Some cases can be identified in which groups acted as surrogates for, or at least accomplices with, states like Libya or Iran, but this is the exception rather than the norm. To understand the relative importance of state sponsors, two pivotal issues must be examined: financing and control.

1. Financing of Fundamentalist Groups

To identify Iran as the "principle sponsor and financier of international terrorism" seems to imply that funding for terrorism is predominately provided by Iran.[24] This statement could possibly have meant that Iran provides more funds for these groups than *any other state* (thus making them the principle sponsor *among the states* in the world), but taken in context it would appear to support the former interpretation (that Iran is the major source of funding for Islamist movements). Most statements from the US leaders about Iran and the other state sponsors ring a similar chord. These statements are significant in that they imply that actions by Islamists are nothing more than an extension of state policy. It suggests that without the state, fundamentalist groups would run out of money. It also suggests that fundamentalist groups are being propped up by Iran, Syria, Libya, and others, without whom they could not exist. Are the activities of Islamic

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[24] Gejdenson's statement in *US Policy Towards Iran*, p. 3.

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fundamentalists dependent upon financing from state-sponsors? The answer, at least at this point in history, appears to be "no."

a.   External Financing

Private donations to Islamist groups provide a non-state source of financing to these groups. Most notorious is the financial network run by Saudi billionaire Usama bin Laden. This extensive network funnels private donations from around the world toward terrorist operations. Usama bin Laden's organizations have taken on nearly state like qualities, providing support for operations through clandestine methods typically reserved for intelligence organizations. One example of this was bin Laden's support for the "front-company" that was used as a base of operations for the bombing of the US embassies in Nairobi and Tanzania.[25] Bin Laden is suspected of playing a significant role in funding and instigating arguably the most significant terrorist acts against the US in the 1990s: 1) the World Trade Center bombing; 2) the 1995 bombing of the US-run Saudi National Guard headquarters in Riyadh; 3) the Khobar Towers Bombing, and 4) the bombing of the US Embassies in Tanzania and Nairobi.[26]

In addition to wealthy contributors like bin-Laden, a significant proportion of the Islamist budget comes from vast networks of smaller donators (true for Hamas and Hezbollah especially). These "support" groups are active worldwide and are considered to be vast in the US itself. These networks are also set up to conduct domestic terrorism, and though apparently not active at this point, they provide Islamic groups an arm

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[25] Larry Neumeister, "Bin Laden Indicted for Bombings," *International News*, 5 November 1998, Available [Lexis/Nexis]: NEWS/ALLNEWS [2 Dec 98].

directly into the heart of America. These networks are also involved in procuring

weapons for the Islamist groups.[27]

One example of these networks was found in the crackdown on supporters

of Islamic terrorism just outside of Washington DC in 1997. Investigators found

evidence that hundreds of thousands of dollars were being transferred to Palestinian

groups and suggested that the money could easily have been in the millions. Noteworthy

is that this particular "cell" was small, and provide an example of what Islamist networks

are actively engaged in :

> The federal official and other officials said the gang built a fortune in the
> southwestern Virginia town of Roanoke through narcotics distribution,
> insurance scams involving arson, burglary, robbery and fraud. By the time
> of the arrests this week, agents had discovered that the group owned or
> had a financial interest in 33 restaurants, convenience stores and other
> businesses... One U.S. official familiar with the case identified one of the
> so-called "front organizations" by its acronym, SAAR. A counterterrorism
> source described SAAR as an investment-management agency that
> supports Hamas, a radical Palestinian group linked to numerous terrorist
> acts in Israel, and that has ties to Usama bin Laden, a wealthy Saudi
> radical who funds terrorist organizations [28]

In a similar case, the Holy Land Foundation in Texas funneled over $4

million a year to Hamas.[29] The International Islamic Relief Organization (IIRO), an NGO

based in Saudi Arabia, is estimated to collect over $20 million a year in contributions

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[26] Stefan Leader, "Cash for carnage: funding the modern terrorist," *Jane's Intelligence Review*, May 1,
1998. Available [Lexis/Nexis]: NEWS/ALLNEWS [24 Oct 98].

[27] Ibid.

[28] Knut Royce, "Bankrolling Terror With U.S. Dollars / Ties To Palestinian Front Groups, Newsday, March
7, 1997, Friday. Available [Lexis/Nexis]: NEWS/ALLNEWS, [24 Oct 98].

[29] Matthew Dorf, "Arrest of Palestinian Opens Way for Probe of U.S.-Hamas Link," JTA News, March 2,
1998, Available: [Online]: <http://www.virtual.co.il/news/jta/mar98/02-hama.htm>, [28 Oct 98].

destined for Islamic organizations in the West Bank and Gaza, particularly Hamas. [30] In light of these investigations, there is no doubt that these networks are able to generate massive amounts of money as they improve fundraising efforts on an international scale.

b.   *Funding Through Intra-Group Activities*

The fall of the Soviet Union resulted in decreased funding for the Islamist groups. It is not that these groups got a great deal direct of funding from the USSR (though surely Marxist groups like PFLP lost some level of support at the collapse of the Soviet Union), but that Soviet support to states like Syria and Libya could no longer be distributed to the extremist groups- the money just wasn't there any longer. In addition, with Khomeini's death in 1988, a war worn Iran became much less enthusiastic about exporting the "revolution." This decrease of support caused Islamists to move further toward independent means of obtaining capital. In addition to fundraising efforts among sympathizers abroad as discussed above, Islamist organizations developed their own economic infrastructure based on commercial enterprises and organized crime in the forms of extortion, narco-terrorism, arms trade, and robbery. [31]

The Palestinian groups have been able to accumulate significant legitimate wealth in the form of stocks, bonds, and business ventures estimated to be worth a few billion dollars. [32] An example of this move toward self-sustaining capital is a $2 million

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[30] Richard Z. Cesnoff and Robin Knight, "Who Funds Hamas? A helping hand from Saudi Arabia," US News, Available [Online]: <http://www.usnews.com/usnews/issue/8saudb.htm>, [28 Oct 98].

[31] Ibid, see also Gernot W. Morbach, *Terrorism and Organized Crime: The Alliance of Tomorrow? How to Counter a Possible Future Threat,* Naval Postgraduate School, Monterey, 1998.

[32] Stefan Leader, "Cash for carnage: funding the modern terrorist," Jane's Intelligence Review, May 1, 1998. Available [Lexis/Nexis]: NEWS/ALLNEWS [24 Oct 98].

metal works factory in Lebanon, owned by the secular terrorist organization, Popular Front for the Liberation of Palestine (PFLP).[33]

Narcotics trafficking is becoming a favored method of financing fundamentalist movements, particularly Hezbollah. Drug flow to the West becomes another weapon in the Jihad, as these groups slowly poison and weaken western society through the drug trade. This trade also provides significant funding for Hezbollah and other terrorist groups involved: "DEA sources estimate the 1996 turnover in the region at more than $12 billion, bringing illicit profits that contribute to the economies of Syria and Lebanon and provide heavy financial support to the terrorist organization Hezbollah."[34] Opium harvesting and refining are conducted in the Bekaa Valley under the control of the Hezbollah, through the Hamias, Shamas, and Ziatar families.[35]

Similar drugs for money/arms deals are conducted between the Sicilian Mafia and the Kurdistan Workers Party (PKK).[36] The organized crime/terror connection gets deeper, particularly with Hezbollah, as trades of drugs and counterfeits currency with Sicilian Mafia and Colombian Cartels are exchanged for good foreign exchange and much needed arms.[37] Counterfeiting by Hezbollah has been big business, and has forced the US to change its currency over the last few years: "According to the latest intelligence information, Hezbollah is operating a large printing/counterfeiting plant in

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[33] Ibid.

[34] Yedidya Atlas, "A Desert Storm of Drugs," 1997 News World Communications, Inc. September 1, 1997. Available [Lexis/Nexis]: NEWS/ALLNEWS [24 Oct 98].

[35] Ibid.

[36] For a good description of PKK financing and narcoterrorism see Ismet G. Imset's excellent and objective account of the Kurdish separatist movement in Turkey, *The PKK: A Report on Separatist Violence in Turkey,* (Ankara: Turkish Daily News Publications, 1992), p 155-169. Imset's journalistic account is based upon extensive interviews among PKK leadership and thus provides much insight.

the center of the city of Britel, turning out vast numbers of bogus bills in assorted currencies— U.S. dollars, German marks, Swiss and French francs."[38]

Other traditional organized crime techniques are employed by Islamists to obtain funds, particularly kidnapping for ransom, but also robbery (the Islamic Movement Organization frequently stole cars and robbed banks in Istanbul), and extortion. For example, "Saudi businessmen and wealthy Palestinians [and members of the Saudi royal family] have reportedly made large contributions to various terrorist groups. Unlike Bin Laden's voluntary contributions, these contributions appear, at least in some instances, to have been given in response to blackmail or as a subtle form of protection payment."[39]

2. Control of Fundamentalist Groups

The issue of control goes hand in hand with the financial issues just examined. In order to examine the relationship between the state-sponsors and the fundamentalists themselves, control becomes the defining element. Are the groups an extension of a state, acting at their command? Are the groups oblivious and independent of the states? Is reality somewhere between these? This is the crux of the matter. For the purposes of this paper, control indicates the ability for one actor to direct another actor to do

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[37]Atlas.

[38] Ibid. Information on Terrorism and Organized Crime abound and can be found through quick LEXIS/NEXI or internet inquiries. Atlas and Leader articles are the best unclassified accounts. For additional information see: "The Professional Newswire A Roundup of Money Laundering News," May 1998, Available [Lexis/Nexis]: NEWS/ALLNEWS, [2 Dec 98] (a great article demonstrating Hezbollah participation in organized crime in Latin America); or "US to Move on Overseas Counterfeiting Operation," Agence France Press, Feb 1996, Available [Lexis/Nexis]: NEWS/ALLNEWS, [2 Dec 98].

[39] Stefan Leader, "Cash for carnage: funding the modern terrorist," Jane's Intelligence Review, May 1, 1998. Available [Lexis/Nexis]: NEWS/ALLNEWS [24 Oct 98].

something, or to keep it from doing something. Certainly state sponsors control these groups to some extent, but what exactly is the extent of this control?

To believe that any external group, such as a foreign state, can somehow control the acts of Islamists is to give too much credit to the external actor. Indeed, even internal leadership would be unable to control all of the activities the members of the group would undertake. As Edward Rice explains:

> The general headquarters or other authority to which guerrilla or other irregular forces may be subordinate can send forth objectives it wants them to obtain and lay down the operational and other policies it wants them to follow. But commanders in the field are necessarily allowed a substantial degree of operational autonomy: no general headquarters could make detailed decisions for numerous small units scattered about it know not where, in circumstances of which it may be unaware, on behalf of commanders who may have to act as fast as they can think.[40]

For example, Hamas leadership explained in an interview that it has no control over its militant wing, the Izz al-Din al-Qassam Brigade. It is completely compartmented, with individual cell leaders who do not tell Hamas leadership of the plans in advance nor ask for permission to conduct attacks.[41]

In an environment where even internal leaders do not fully control operations, it is difficult to envision an external actor exerting massive influence. This is not to say that a group may not ask for assistance in a large operation from a state, or that a state will not ask for services from the groups it sponsors (as Iran often does with Hezbollah), but simply an acceptance of the idea that states can not and do not control the groups they

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[40] Edward E. Rice, *"Wars of the Third Kind: Conflict in Underdeveloped Countries,"* (Berkeley: University of California Press, 1988), p. 61-62.

[41] Ilana Kass and Bard O'Neill, *The Deadly Embrace: The Impact of Israeli and Palestinian Rejectionism on the Peace Process,* (New York : National Institute for Public Policy, 1997), p. 267.

support. The myth that Islamic militants are simply extensions of some state sponsor

must be dismissed. These groups are not "surrogates" of the states providing support.

They may be "subcontractors" or mercenaries in a particular situation, but this is an

exception rather than a rule. Edward Rice again sums up the issue quiet well:

> It is frequently charged that this or that revolutionary struggle or war of
> resistance is under the control of an outside power...attempts by outside to
> control a country's revolution are not likely to succeed, and the gratitude
> earned by foreign aid- even aid critical to the success of a revolution or a
> resistance movement- can be expected to prove transitory... one may see
> decentralization that characterizes guerrilla warfare as the key link of a
> chain. This imperative leads, first of all to the need for a self imposed
> discipline that can only arise from commitment to the objectives of the
> struggle. Since nationalism motivates so many wars of a third kind, such
> committed revolutionaries- while they may appreciate outside help- are
> unlikely to allow their movements to fall under foreign control.[42]

Evidence for this can be found in Hezbollah, the so called surrogate of Iran.

Though support to Hezbollah from Iran has continued since its founding in 1982 as a

response to the Israeli invasion of Lebanon, Iran's influence has significantly decreased.

Khomeini's death severed the personal loyalties between Iran and Hezbollah, and new

political realities have shaped Hezbollah policies more than Iranian influence (Syrian

influence in Lebanon, legitimization of Hezbollah as a political party, etc.). This is an

example of the transitory effect of state-sponsorship as a player over time in

revolutionary movements, as explained by Rice.[43]

Another issue central to this debate over state control over Islamic

Fundamentalists, comes from within the state-sponsor itself: Is the state actually

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[42] Rice, p. 76-78.

[43] For a full description of Hezbollah's changing role in Lebanon including the tensions in the relationship with Iran see Magnus Ranstorp, "Hezbollah's Future? - Part 1," Jane's Intelligence Review, January 1, 1995, Available [Lexis/Nexis]: NEWS/ALLNEWS, [24 Oct 98].

responsible for sponsoring terror? This may seem an odd question, yet the reality is that

the inability of the state to control its territory, its capital, and even sometimes its foreign

policy is something that should be considered.   US declared state-sponsors are

developing nations with limited capabilities as states. As Joel S. Migdal points out in

Strong Societies and Weak States, states with extensive social networks tend to be much

weaker as the networks vie for power with the central government. These "web-like"

social networks effectively become states within states. In fact, many states today control

very little of their borders and are essentially city states, possibly controlling the capital

and some economic centers but unable to expand authority beyond this limited sphere.[44]

For example: how accountable could one hold Syria for terrorism if it was discovered that

they had attempted to eradicate Hezbollah and the PKK in the Bekaa Valley, but couldn't

because they weren't strong enough, or key government officials had been paid off? This

is simply hypothetical, but a real life example of this phenomenon exists in the "greatest

exporter of terrorism," Iran.

How responsible is Iran for terrorism? Based on rhetoric and from a western

bureaucratic perspective, one would assume that operation and support are planned in

Tehran and approved by the President or the Supreme Leader. Many seem to believe that

funds, training, and weapons are provided to fundamentalists through an organized

hierarchy for the purposes of achieving certain objectives. This is decidedly not how the

system works.

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[44] For a full discussion of this phenomenon see Joel S. Migdal, *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World,* (Princeton, NJ: Priceton University Press, 1988).

A perfect example of a "state" within a state is the inability of the Iranian government to control its own Islamists during the recent Salmon Rushdie affair. President Khatami in his September 1998 visit to the United Nations reiterated Iran's stance before the world that it would not enforce Khomeini's fatwa calling for the death of the writer. This statement led immediately to the UK/Iranian announcement of reestablishing full diplomatic relations. Analysts have indicated that Khatami's efforts must have been discussed with and sanctioned by the Ayatollah Khameini, Iran's Supreme Leader (theological leader and effective Head of State) to ensure the move would have governmental support. Yet almost immediately after the announcement had been made, a private religious organization in Iran, the 15th of Khordad Foundation, raised its already existing 2.5 million dollar reward for Rushdie's death by $300,000. Thus, the state is not able to prevent these Islamist actions even when the stakes (badly needed foreign investment) are high. This seems to be a common theme with the Islamic republic of Iran. Khomeini did not have full control of the Islamists who initiated the US Embassy takeover/hostage crisis. A key aspect of Khatami's platform during his landslide victory in 1997 was a promise to stop the Islamist gangs who brutally punish those not following their brand of Islam (religious vigilantes). Does Iran control its support to terror? Does the Iranian government control Iran?

Iran has a number of powerful foundations like the 15th of Khordad Foundation which could undermine state desires and possess the resources to essentially conduct their own foreign policy (like the Rushdie bounty). These groups are quasi-state entities, but effectively private. The Iranian constitution indicates that these foundations are exempt from government control and regulation, and answer only to the guidance of the Supreme

Leader. Created from nationalized resources of the Shah's regime (capital and business interests left after the purge), as well as resources nationalized from previously foreign investments/business enterprises. These entities are extremely powerful. Key positions within these foundations were given to Khomeini supporters. In fact, the entire system, the autonomy of the foundations, the amount of resources they control and the "clients" given key position, would seem to indicate that Khomeini "bought" support, or more correctly, consolidated power through the distribution of these vast resources.

The following organizations enjoy this high level of autonomy from the state: Panzdah Khordad Foundation (Bonyad-e Panzdah Khordad), Martyr Foundation (Bonyad-e Shahid), Housing Foundation (Bonyad-e Maskan), Literacy Movement (Nehzat-e Savad-Amoozi), Supreme Council of Cultural Revolution (Shoraye Aali Enqelab-e Farhangi), Islamic Propaganda Organization (Sazeman-e Tablighat-e Islami), Land Allocation Committees (Hay'athaye Vagozari Zamin), and Foundation of the Oppressed (Bonyad-e Mostaz'afan also seen as Bonyad-e Mostazafan va Janbazan, Foundation for the Deprived and War Disabled).[45] Of these groups, the Foundation of the Oppressed seems to be the most significant as the largest business consortium in Iran controlling billions of dollars of resources. Evidence of Bonyad-e Mostaz'afan's strength is the $3 billion dollar investment it made in a gas pipeline from the Persian gulf to Pakistan.[46]

Bonyad-e Mostaz'afan has also been shown to have been a supporter of terrorism, particularly Hezbollah and Hamas. They have set up an airline providing

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[45] Taken from "Leadership," Iran YearBook 1996, Available [Online]:
<http://netiran.com/Htdocs/StateStructure/000000SSGG05.html>, [28 Oct 98].

direct flights to Tehran in support of Hezbollah, played a part in the Marine barracks bombing in Lebanon, and more recently have been linked to intelligence/terror networks in France and Tanzania.[47] Mohsen Rafiqdoost is the current head of the foundation. Rafiqdoost was a powerful bazaari with close ties to Khomeini (acting at one point as his bodyguard). Robert D. Kaplan sums up Rafiqdoost and his foundation's base of power:

> The Bonyad is made up of some 1,200 firms, and was established with money confiscated from the Shah's family and from prominent industrialists who fled the revolution. One Iranian, no fan of Rafiqdoost's, calls this foundation— ostensibly an operation to help the poor— "the greatest cartel in history." Rafiqdoost is, in all probability, worth tens or hundreds of millions of dollars.[48]

Kaplan traveled to Tehran in 1996 to interview Rafiqdoost. In his article, he mentions the probable connection between the foundation and terror, as well as noting that it truly appeared to be "a state within a state." There is little doubt that Bonyad-e Mostaz'afan and the other Iranian foundations are extremely powerful and work outside the confines of the state. With the level of power and capital in the hands of the most die-hard Khomeini ideologues there must be concern about the impact of support to Islamist networks.

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[46] Michael Lelyveld, "Turkmenistan/Iran: Oil Powers Race For Pakistan Market" Radio Free Europe/Radio Liberty, Boston, 10 February 1998, Available [Online]: <http://www.rferl.org/nca/features/1998/02/F.RU.980210140638.html>, [28 Oct 98].

[47] See the following articles regarding the groups support to terror: "NCRI Statement 8/11/98," Available [Online]: <http://iran-e-azad.org/english/ncr.980811.html>, [28 Oct 98]; "Brief on Iran No. 675," Representative Office of The National Council of Resistance of Iran, Washington, DC Wednesday, June 11, 1997, Available [Online]: <http://www.iran-e-azad.org/english/boi/06750611_97.html>; and "Regime Intelligence Agents in France Unmasked," The Iran Brief, Issue Number 31, dated 2/5/97, Serial 3112, Middle East Data Project, Inc., Available [Online]: <http://www.iran.org/news/TIB_970205.html>, [28 Oct 98].

[48] Robert D. Kaplan, "A Bazaari's World," The Atlantic Monthly, March 1996, Available [Online]: <http://www.theatlantic.com/atlantic/issues/96mar/bazaari/bazaari.htm>, [29 Oct 98].

Political cleavages among Iranians have resulted in a philosophically divided and weakened state. One can not help but wonder what these powerful, autonomous, state within a state-like conglomerates are doing within such a divided government. Certainly any policy they pursue is not subject to democratic process or debate. The point of this discussion is simply to answer the question: How responsible is Iran for terrorism? This effectually could be rewritten as: To what extent is Iran a state-sponsor of terrorism? To answer that question would require additional evidence, but just from this initial argument it can be seen that with Islamists running massive conglomerates in Iran, sponsorship need not come from (and may not come from) the state itself. If it were determined that private foundations were sponsoring terrorist groups, the situation would be the same as bin Laden's case (a sponsor but not a state sponsor).

C. IMPLICATIONS

It has been shown that while certain states do contribute large financial and logistical support to Islamic fundamentalist movements, significant financing also is derived from external (non-state) sponsors and internal income producing activities. The Islamists of the 1990s have become increasingly sophisticated in their methods of obtaining financing, enough so that most groups could continue to function without state sponsorship. Intricate networks of private sponsors, business ventures and collusion with organized crime will continue to allow Islamic fundamentalists to function without state sponsorship. High technical expertise among Islamists will probably result in cyberterror, infowarfare, and cybercrime in the 21st century. This will provide not only an effective weapon against the West, but also may provide additional income.

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Cooperation with organized crime and an increased level of income will possibly place weapons of mass destruction in the hands of Islamists. As Robert Blitzer of the FBI explains: "The consensus of the people in law enforcement and intelligence communities is that it's not a matter of if it's going to happen, it's when."[49] It is even feasible that a tactical nuclear device could be obtained. In the past nuclear terrorism has been improbable because of the large amounts of capital needed to obtain a nuclear device. This obstacle may not be as significant in the future as these groups continue to acquire revenues obtained from non-state sources. While States are logically more interested in developing the nuclear technology which will allow independent production of weapons, Islamists have no such need. A small suitcase bomb would provide enough impact for most Islamists. Islamists are the natural customers for isolated tactical nuclear devices leaving the Former Soviet Union (FSU).

Many more issues could be contained in this discussion of the impact of Islamist economic independence, but this should suffice to make the necessary point: the independent nature of Islamist financing allows for greater autonomy from state sponsors and places even more threatening methodologies at their disposal. The criminal activities in and of themselves create a new threat as counterfeit currency and narcotics spill into the West causing economic and social havoc.

The decentralized nature of Islamic fundamentalist groups is inconsistent with true control by a foreign power. Cleavages within state sponsors demonstrate the fractionalized nature of state support. Many of these states can barely control their own territorial boundaries, never mind an outside group such as the Islamists. The study of

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[49] Gernot W. Morbach, *Terrorism and Organized Crime: The Alliance of Tomorrow? How to Counter a Possible Future Threat,* (Monterey, Naval Postgraduate School, 1998), p. 32.

Iran clearly indicates that (at least in their case) sponsorship is often a function of "a state within a state," with private individuals or consortiums effectively creating their own foreign policy.

In light of this discussion, it is safe to say that the idea that states fully control the groups they sponsor is to drastically overestimate the power and influence of the state in question. Hamas is arguably the most effective Islamist group targeting Israel, and Usama bin Laden's networks have perpetrated the most significant attacks against the US in the 1990s. Neither of these groups is directed nor controlled by state sponsors. Even the case of Hezbollah/Iranian dependence has been shown to be at the least exaggerated, and possibly even incorrect.

Islamist groups are emerging as independent actors threatening US security in the Middle East. State sponsors with some level of influence and professional intelligence apparatus can not be discounted, yet the clear historical evidence of the 1990s has shown that this should not— can not— be the only concern of the CI community. Efforts to diminish state-sponsor's abilities to harm US interests should not be placed on the back burner, rather, Islamist themselves should be brought into focus as a legitimate target of US efforts.

V. THE POTENTIAL IMPACT OF PALESTINIAN INDEPENDENCE

The potential impact of non-state-based networks on stability in the Middle East has been demonstrated in our last case. While terrorism is a critical issue to counterintelligence professionals, regional conflicts and problems are also important. Counterintelligence is not concerned with conventional threats, but is concerned with regional stability. Issues affecting the Middle Eastern states are monitored by the CI community to ensure that US forces would be properly protected in the event of a deployment into an area.

The issue of Israeli/Palestinian peace is certainly one of the most significant in the Middle East. Examination of this issue will accomplish two things: 1) it will allow for a greater understanding of the actors and factors affecting the issue of Palestinian independence, and 2) it will provide insight into the potential threat to the US, should conflict arise and the US forces become involved.

This case is important in that it validates the hypothesis that non-state-based networks are becoming significant actors in the international scene, and can not be ignored by the CI professional. This case provides an excellent test for Deneoux's model.

A.   THE QUESTIONS

Many have expressed hopes that final status negotiations leading to an independent Palestine would result in long-term peace throughout the region. From a CI perspective this is a very important issue that deserves to be explored. What impact will

41

(would) Palestinian Independence have on Israeli security? The answer from some is that an independent Palestine would reduce all threats to Israeli security: the Palestinian Authority (PA) could then consolidate power, either eradicating or co-opting rejectionist movements like Hamas.

There are flaws in this line of thinking. The isolation of Hamas and other rejectionist movements would not be easily done. The decentralized nature of most insurgent groups is, in and of itself, enough to insure that some "die hard" cells will not follow along even if the leadership were co-opted. In addition, the guerilla warfare with Hezbollah in southern Lebanon, and the occupation of the Golan Heights are not addressed by Palestinian Independence. These are of course major issues grating at the prospects for peace as vested interests of Lebanon, Syria, and Iran would continue to be challenged by Israel in the wake of an independent Palestine. It is true that a withdrawal from Lebanon would be the logical next step in the peace process, and may be within the realm of reality. However, a withdrawal from the Golan Heights would be very hard to reach consensus on, and it would surrender a strategically vital piece of territory. This thesis will not examine these issues, but rather will seek to focus on the impact an independent Palestine on Israel and the West Bank/Gaza. The argument presented here is that politicized extremism among both Israelis and Palestinians coupled with regional tensions will continue to threaten the security of Israel.

The extremist elements within Middle Eastern society, including Israel, will contribute to continued security concerns for Israel. In addition, the Israeli "cult of the offensive" will continue to drive feelings of insecurity and may result in future pre-emptive actions that will threaten regional stability and security. Israel military and

nuclear capabilities will continue to fuel regional concerns, promoting arms races and WMD development, thus threatening Israeli security. In short, Palestinian independence will not dramatically affect the current situation.

The purpose of this chapter is not to "look into the crystal ball" and predict the future of Levantine stability, but rather to identify the various actors, factions, and issues that will continue to impact Israeli security. Particular attention will be paid to threats to security short of war: i.e., political violence, intelligence operations, and special operations.

The argument will be laid out in two complementary sections. The first will describe rejectionist and extremist elements among Israelis and Palestinians and their long term impact on Israeli security. This discourse will demonstrate that the required elements of Gulian Denoeux's theory on urban unrest are present, and that both Israel and Palestinian polities may be heading towards civil war. When this case study has been completed, it should be clear that Palestinian independence (or any territorial concession for that matter) is not a cure for Israel's security problems. Palestinian independence carries a facade of peace with negligible results.

B. REJECTIONIST AND EXTREMIST ELEMENTS WITHIN ISRAELI/PALESTINIAN SOCIETY

1. Terminology

Rejectionists, for the purpose of this paper, are those elements of Israeli and Palestinian society which oppose the Oslo accord. Extremists are those elements within the rejectionist camp that will use force to pursue their goals.

2. Israeli Rejectionism

The first segment of rejectionism are those political parties that stand opposed to the agreements reached in the Oslo Accord. The current leading coalition in Israel is led by Likud. The Likud/Tsomet/Gesher Bloc campaigned during the 1996 elections on a platform of: 1) opposition to territorial compromises, 2) advocacy of Israeli settlement in the West Bank, 3) opposition to any territorial partition of the West Bank and Gaza , 4) Jerusalem as the eternal and undivided capital of the Israeli State and 5) allegiance to status quo regarding religion and state.[50] A number of parties have stood for "centrist" platforms that include support for new settlements and limits on Palestinian autonomy. However, all of these parties, including Likud, are apt to make concessions toward peace if placed under political pressure.

The parties that represent hard line rejectionism are Moledet, Mafdal (National Religious Party-NRP), and United Torah Judaism. Moledet supports deportation of the Arabs and annexation of West Bank and Gaza. Mafdal supports territorial boundaries of biblical Israel, and settlements in those areas. Torah accepts Israel as the biblical land of Israel, and opposes any land concessions.[51]

The following polls from 1996 demonstrate the true level of philosophical cleavages.[52] These polls are used because they demonstrate the thought of Israelis at a point when these issues were foremost in their minds. The Yitzhak Rabin assassination, met by tears and cheers in the divergent camps, was still on everyone's mind, and the upcoming election would effectively choose which way the people wanted the peace

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[50] As described in "Israeli Election-Party Profiles," Jewish Agency Department for Jewish Zionist Education, 1996. Available [Online]: <http://www.jajz-ed.org.il/parties.html> [8 Nov 98].

[51] Ibid.

[52] "Israeli Election-Party Polls," Jewish Agency Department for Jewish Zionist Education, 1996. Available [Online]: <http://www.jajz-ed.org.il/polls.html> [8 Nov 98].

process to go. In this tense state, one would expect to find people voting based on ideology, not clientism or some other self interested reason .

Table 1: Projection Poll Showing Percentage of Popular Support of Israeli Voters
During the Months Prior to the 1996 Election for Prime Minister

	Nov-95	Dec-95	Jan-96	Feb-96	Mar-96	Apr-96
Peres	54	46	46	48	50	50
Netanyahu	23	28	30	48	47	45
Undecided	12	16	11	4	3	4

Source: Adapted from "Israeli Election-Party Polls," Jewish Agency Department for Jewish Zionist Education, 1996. Available [Online]: <http://www.jajz-ed.org.il/polls.html> [8 Nov 98].

Table 2: Knesset Mandate Projections Poll Showing the Number of Projected Seats by
Party Based Upon Polls of Israeli Voters Conducted During the Months Prior to the 1996 Elections

	Knesset Seats	Nov-95	Dec-95	Jan-96	Feb-96	Mar-96	Apr-96
Labor	44	46	44	44	40	43	44
Likud	32	30	31	29	40	43	42
Tzomet	8	6	5.5	5	*	*	*
Meretz	12	8	8.5	7	7	7	6
Moledet	3	2	3	2	1.5	1.5	2
NRP	6	6	6	7	6	6	5
Torah	4	4	4	4	4	4	4
Shas	6	5	4	4	4	4	4.5
Arab	5	6	6	6	7	7	7
Levy	-	2	2	4	3	*	*
3rd Way	-	3	4	4	4	2	1.5
Imgrnt.	-	2	3	4	4	4	4
Aloni	-	-	-	2	-	-	-

*Represents votes moved toward Likud Block (coalition)

Source: Adapted from "Israeli Polls," Jewish Agency Department for Jewish Zionist Education, 1996. Available [Online]: <http://www.jajz-ed.org.il/polls.html> [8 Nov 98].

A brief examination of these data indicate significant division within the State of Israel. Likud gained strength as it took on Levy and Tzomet coalition partners. Perez's position did not change very much throughout the course of the election, and Knessett projections varied little from party to party in the months prior to the election. This would indicate that people had an allegiance to a particular party and its platform.

The Likud coalition campaigned on a clearly rejectionist platform (support for settlements, no independent Palestine, no territorial concessions). In this election, a true representation of rejectionists, including extremist elements, can be seen in those voters supporting the Likud coalition. Netanyahu, the only acceptabel rejectionist canditade for prime minister, had support of about half of the Israeli population. Knesset polls shown in Table 2 indicate similar results (combining figures of Likud, Moledet, NRP, and Torah as representing rejectionism). The following public opinion polls demonstrate similar cleavages.[53] A poll regarding "Grapes of Wrath", the Israeli Defense Force's occupation of Southern Lebanon, found 41 percent supporting withdrawal and 45 percent supporting continued operations. In fact, in a follow up question 30 percent felt that the operation should be expanded further north. Based upon these figures the evidence seems to indicate that between 40-50 percent of Israelis support a rejectionist ideology. Some older polls tend to support this conclusion:[54]

Q. Do you support the use of terror to confront Arab terror? (May 1980)

A. Of Israeli Jews, 36.6% said yes, among Oriental Jews, 40% said yes

Q. A Jewish group to fight terror with terror should be created? (Dec 1983)

A. Of Israeli Jews, 18.7 % agreed.

Q. Can you justify or relate with understanding to the Jewish terrorist underground? (June 1984)

A. Of Israeli Jews, 62% agreed.

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[53] See "Israeli Polls," Jewish Agency Department for Jewish Zionist Education, 1996. Available [Online]: <http://www.jajz-ed.org.il/polls.html> [8 Nov 98].

[54] Ian Lustick, *For the land and the Lord: Jewish Fundamentalism in Israel,* (New York, Council on Foreign Relations Press), p. 189.

In order to understand the true impact of Jewish rejectionism on Israeli security, one must first examine the distinctions between the rejectionist groups, their motivations, and their methodology. Ilana Kass and Bard O'Neill break down rejectionists into three main groups: 1) the secular nationalist camp; 2) the national religious camp; and 3) the reactionary traditionalists.[55]

The secular-nationalists are the largest group, and overlap somewhat with the Labor Party as well. This group is motivated by an almost racist attitude toward the Arabs, and a fear for the survival of the Israeli State. For them, militarily sustainable borders are the rationale behind occupation and settlement. People from this ideological worldview tend to express their rejectionism through political participation, primarily through support of Likud, Moledet, and Tzomet.

The religious rejectionists primarily support the religious parties, especially the National Religious Party (NRP) Knesset faction, and Agudat Israel (now part of Torah). Gush Emunim is the grassroots arms of Agudat Israel with close relations with Beni Akiva (a Zionist youth movement).[56] These movements espouse the messianic tradition (the "Rabbi Kook school of thought"), and as movements they create strong social networks.

The reactionary-traditionalist faction also springs from the religious camp and comprises the true extremists, including groups such as Kach, Kahane Chai, Herev David, Eyal, and Bereshit.[57] The Hebron Massacre of 1994, the Rabin assassination, and

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[55] From Ilana Kass and Bard O'Neill, *The Deadly Embrace: The Impact of Israeli and Palestinian Rejectionism on the Peace Process*, (Lanham, Maryland: National Institute for Public Policy and University Press of America, 1997), p. 77-79.

[56] See Lustick, 42-69 for a rise of Gush Emunim.

[57] Kass and O'Neill, p. 78-79.

the nearly continuous violence and mayhem directed at Palestinians from Jewish settlers in occupied territories are all acts of these extremist elements.

Kass and O'Neill go on to describe the shared ideology of these religious elements: 1) Biblical Israel is God's eternal promise; 2) the Jews are God's chosen people; 3) isolation and hostility toward Israel are signs of being a unique, "chosen" people; 4) conflict with Arabs is part of the eternal struggle of good over evil; 5) God is communicating with Israel by historic events (e.g., the establishment of Israel and success in battle); 6) perseverance of the faithful is necessary to bring about the messianic kingdom (i.e., Israelis must settle, fight, expel the Arabs, and build the temple to help the messiah along); and 7) the messianic kingdom is imminent.[58] Based upon the analysis above, it can be concluded that about five to ten percent (including NRP, Torah, some overflow from other rejectionist parties) of Israeli's subscribe to this ideology.

It is easy to see how ideology of this nature could lead to conflict. One example of this can be found in attempts by Jewish religious zealots to take control of the Temple in 1990 that led to a bloody clash with Palestinians.[59] A group called "The Temple Mount Faithful" have laid the cornerstone for the "Third Temple." This type of activity is sure to cause problems between Arabs and Israelis. Yet some may be willing to overlook these groups as genuine threat to lasting peace. Observers may also assume that the Israeli government could repress either an attempt to take the Temple, or any other resistance. However, such an observation is not as accurate as some may believe.

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[58] Ibid, p. 79-88.

[59] For information on violence at the Temple Mount and messianic Judiasm Available [Online]:<http://triumph.simplenet.com/temple.htm> (20 Apr 1999).

3. The Impact of Israeli Rejectionists: The Network

Thus far, it has been determined that Israeli rejectionists are numerous, and that religious element is a small but important subset of both the rejectionists and the Israeli population at large. If these people were all rejectionists willing to work through the democratic process (meaning that they were willing to loose on critical issues for the good of democracy), there would be little problem. The rejectionists would compromise, and eventually some peace could be worked out. Of course the extremists are not so willing to let democracy take its course, some even rejecting democracy altogether (seeking a theocracy instead). The question really is what is their impact? In order to assess that, the relationship of the extremists to the whole must be understood.

Gush Emunim, the "bloc of the faithful," is at the very heart of the web-like social network binding the religious rejectionists together. For certain Israeli Children, rejectionist socialization starts at home in the earliest years, continuing through various organizational frameworks throughout school. Amazingly, children from this background are allowed to serve together in Yeshivat Hesder, or religious study combined with military service, further increasing the bonds of the Gush members.[60]

It is important to see Gush Emunim in its true colors: a well-organized social movement, penetrating every aspect of rejectionist culture. Not only are settlers supported and children indoctrinated, but a large number of immigrants are finding that Gush's support network provides what Migdal calls "strategies of survival," which "provide not only a basis for personal survival, but also a link for the individual from the

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[60] Lustick, p. 55-56.

49

realm of personal identity and self-serving action to a sphere of group identity and collective action."[61] Gush has helped move industry into the occupied territories, providing jobs for settler population. In effect Gush has become for Israeli settlers in the 1990s what Histadrut/Labor was in the 1920s-1930s for the immigrant population at that time.

Gush took advantage of the 1977 Likud victory, and legitimized Amana, Gush's (and now Israel's) settlement apparatus. In this role, Amana receives significant aid from international sources, including the World Zionist Organization.[62] Even though Gush members are a minority, its members have now assumed many senior bureaucratic positions, placing substantial state budgets at their disposal.[63] The Yesha council similarly allows Gush to control strategies of survival. Yesha, organized by Gush to represent the entire West Bank and all Gaza settlers "deals with such practical matters as water and land distribution, security, and lobbies on the settlers behalf."[64]

The respective memberships in Gush, in rejectionist political parties, and in extremist groups are often intertwined, creating a tight network that could easily be mobilized. The extremists will certainly be the first to take action. The extremists include the following: Israeli Defense Force (IDF) officers who transfer arms illegally and covertly to the settlers;[65] settlers who have stockpiled arms and developed defense

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[61] Migdal, p. 27.

[62] Kass and O'Neill, p. 143.

[63] Lustik, p. 59.

[64] Kass and O'Neill, p 145.

[65] See Kass and O'Neill, 104 for a discussion of IDF penetration by rejectionists.

plans for use in protecting their property in the event of Palestinian independence;[66] and settlers who routinely use violence against the Palestinians; beating, harassing, even shooting at them on a frequent basis. The occupied territories are Israel's equivalent to America's "Wild West." Some extremists even maintain that it is every Jew's duty to kill an Arab, ironically reminiscent of another brand of fascism of which the Jews have been victims.[67]

The crossflow of rejectionists should not be underestimated. The "Republic of Judea's" "founding members included Kach activists, Gush Emunim members, and secular nationalists identified with Likud and Moledet."[68] The group hopes to end the peace process, using terror as its means. If this does not work, secession is their answer, including the mobilization of its cells (alleged to have thousands of members) to defend against the expected IDF and PA onslaught.

Other groups also should be considered. The rejectionist group Shay proposes "Judean" separatism as a solution, and claims to be backed by 500 IDF reservists. The Joint Action Committee, Terror Victims Command, Eyal, United Zionist Command, Endeavor, Zu Arztenu, Dikuy Bogdim, Bereshit, Kach offshoots, and the Meshulam Sect all are groups dedicated to rejectionist ideology, and are armed and willing to act.[69] In

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[65] See Kass and O'Neill, 104 for a discussion of IDF penetration by rejectionists.

[66] Ibid, 102.

[67] See Jan Remares and Jan Abu Shakra's *Israel; Settler Violence in the Occupied Territories,* (Chicago: Palestine Human Rights Campaign, 1985), 198, Lustic, 69, 165 and Kass and O'Neill, 97-104 for a description of the general level of violence in the occupied territories.

[68] Kass and O'Neill, 146.

[69] Ibid, 145-150.

addition, these extremists and the more mainstream rejection groups receive substantial

funding from abroad, particularly the US.[70]

Among the religious rejectionists, it is extremely difficult to identify extremists

and non-extremists. They are from the same social groups and political parties. They

undoubtedly interact in a daily basis. In addition, because of their shared ideology, those

religious rejectionists who are not extremists are most likely sympathetic to the

extremists' causes. Both extremists and religious rejectionists will often share

membership in Gush, and may have attended school together or served in the military

together. The overall effect of this close relationship is that the rejectionists could easily

become extremists, should the conditions be right.

4. Palestinian Rejectionism

The following data taken from a poll (Table 3 below) were chosen because they

demonstrate Palestinian opinion and rejectionism at the earliest stages of the

establishment of the Palestinian Authority.[71] At that time, the long-awaited hope of

independence seemed within reach, and the reaction of the Palestinian population is

arguably an accurate representation of rejectionist views. Hamas, the Democratic Front

for the Liberation of Palestine (DFLP), the Popular Front for the Liberation of Palestine

(PFLP), and the Palestine Islamic Jihad (PIJ) combine to represent nearly 30 percent of

the population. Polls in August 1998 indicated 12 percent support of Hamas. In addition,

polls in October 1998 indicate that 51 percent of the Palestinians polled supported armed

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[70] Ibid, 160-173.

[71] "Nov 1993 Poll," Center for Palestinian Research and Studies, 1994, Available [Online]:
<http//:www.cprs-palestine.org/polls/index.html#1994> [18 Oct 98].

attacks against Israelis.[72] From these data, it can be inferred that a 30-50 percent

rejectionist population exists alongside a smaller but significant number of extremists

(probably five to ten percent).

Table 3: Percentage of Palestinian Support for Political Groups- Nov 1993 Poll

Hamas	14.6
PFLP	9.0
Fateh	41.3
Feda (Abed Rabo)	3.0
DFLP	2.3
Hizb El-Sha'b	3.0
Islamic Jihad	3.3
Independents	9.3
Others	14.2

SOURCE: Adapted from the "Nov 1993 Poll," Center for Palestinian Research and Studies, 1994, Available [Online]: <http//:www.cprs-palestine.org/polls/index.html#1994> [18 Oct 98].

5. The Impact of Palestinian Rejectionists: The Network

In Palestine, one finds web-like structures similar to those among Israeli

rejectionists. Most notably, Hamas has completely penetrated society, and provides the

strategies of survival for the Palestinians in the occupied territories. Kass and O'Neill

quote an IDF officer as saying that when a resident needs financial or social assistance:

"Instead of seeking it from official authorities, there is a good chance he will find his way

to Hamas."[73]

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[72] The Sep 1998 Poll is "September 1998 Poll," Center for Palestinian Research and Studies, 1998, Available [Online]: <http//:www.cprs-palestine.org/polls/poll35a.html> [18 Oct 98], while the Oct 98 Poll is "October 1998 Poll," Center for Palestinian Research and Studies, 1998, Available [Online]: <http//:www.cprs-palestine.org/polls/36a.html> [18 Oct 98].

[73] Kass and O'Neill, p. 266.

Hamas provides much in the way of social networks: contributing to mosques, schools, hospitals and universities (dispensing an estimated $70 million annually).[74] Hamas' massive budget is funded primarily from private donations, including large amounts from both US supporters (though the US government has been trying to crack down on this) and Saudis. The US State Department reports that much of the money donated to Hamas' charitable programs is funneled to terrorist activities.[75]

The militant wing of Hamas, the al-Quassam Brigades, are autonomous and compartmented, creating effective cells that can not be easily penetrated even from within the Hamas organization. They do not take orders from the main Hamas body, but rather have separate commanders making their own (often unilateral) decisions.[76] Hamas is estimated to have tens of thousands of supporters, and is extremely active in disrupting the peace process through such acts as the three suicide bombings in Israel during 1997.[77]

Additional rejectionist extremist groups include the Democratic and Popular Front for the Liberation of Palestine (DFLP and PFLP respectively) and PFLP's splinter groups, PFLP-GC (General Command), and the Palestine Liberation Front (PLF). These groups espouse a Marxist-Leninist ideology, though support for their activities dropped as the Soviet Union collapsed. Though their version of secularism is completely at odds with the Islamists, their rejectionist attitude attracts a certain number of followers, though

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[74] Ibid, p. 266.

[75] "Patterns of Global Terrorism, 1997," US State Department, 1998, Available [Online]: <http://www.state.gov/www/global/terrorism/1997Report/mideast.html>, [19 Oct 98].

[76] Ibid, p 267.

[77] See "The Players-Southern Lebanon," Feilding Travel, 1998, Available [Online]: <http://www.fieldingtravel.com/dp/dangerousplaces/lebanon/players.html>, [13 Oct 98]. for information on estimated membership. See "Patterns of Global Terrorism" for details of the three attacks and other less significant evidences of violence perpetrated by HAMAS.

not as many as Hamas (as demonstrated in Figure 3).[78] In addition the Palestine Islamic Jihad (PIJ) and Abu Nidal Organization (ANO) also control resources and their own network of supporters.[79]

Table 4: Number of Palestinian Refugees Registered by the United Nations

	IN CAMPS	NOT IN CAMPS	TOTAL
JORDAN	242,922	1,115,784	1,358,706
LEBANON	182,731	169,937	352,668
SYRIA	89,472	257,919	347,391
TOTAL	515,125	1,543,640	2,058,763

SOURCE: "Refugees registered with UNRWA," Shaml, 1998, Available [Online]: <http://www.shaml.org>, [19 Oct 98].

An additional element that also needs to be considered is the Palestinian Diaspora. As demonstrated above in Table 4, large numbers of Palestinian refugees have not taken part in the process of legitimizing the Oslo accords. The issue of "inside versus outside" political participation is of serious concern because "the Palestinian Diaspora feels irrelevant and marginalized as a result of the Oslo Accords, which limited the Palestinian question to Gaza and the West Bank."[80] As transition point for Palestinian refugees, camps were likely the basis of informal networks, and the cohesive nature of relationships built under such levels of duress will remain strong over time, possibly creating, in turn, networks from which to mobilize support.

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[78] "Players in Southern Lebanon."

[79] See "Pattern of Global Terrorism" for a more detailed description of these groups.

[80] From "The Next Explosion," Gaza Community Health Program, 1998, Available [Online]: <http://www.gcmhp.net/eyad/explosion.htm>, [19 Oct 1988].

C. THE IMPACT OF ISRAELI AND PALESTINIAN REJECTIONISM

In order to understand the potential impact of Israeli and Palestinian rejectionism on regional security, an analytical framework is needed. It is particularly difficult to measure the impact of non-states on international politics, yet in recent years an appropriate methodology has been introduced. As discussed in Chapter II, Denoeux has demonstrated the role informal networks can play in social upheaval.

The first two elements of his model have already been demonstrated in the course of this discussion. These networks are organized by a counter-elite, that feel threatened by the state, and they have independent resources. The last element, a weakened state, is the Pandora's box of the matter. Israel is strong and repressive.

According to Denoeux, a strong state can overcome urban unrest. Will Palestinian independence yield a strong state? The extremists will probably not give up their objectives. Even with a conservative estimate of five percent rejectionism among Israeli and Palestinian populations, a weak state is likely to result. This is due to the fact that regardless of whether the remainder of the population takes up arms themselves initially, there is a substantial (close to 50 percent on either side) segment of the population that will feel empathy for the extremists. This will undoubtedly result in cleavages (as in the penetrated IDF or the Palestinian Police Force), and could result in a breakdown of Israeli and Palestinian society.

The weakened states now provide the third and final element under Denoeux's model, and are ripe for upheaval. This upheaval could result in a very real and very ugly civil war within both polities. Some may believe that that a prediction of civil war is pure pessimism, that a few extremists could not cause such anarchy. The historical events in

the Soviet Union, Cuba, and the Islamic Republic of Iran demonstrate that minor cleavages can result in major upheavals.

A demonstration of various rejectionist elements that will have an impact on security has been presented. The discussion unfolded in an attempt to answer what impact Palestinian independence will (would) have on Israeli security. In answering this question, another question of similar magnitude must be answered first: What will (would) Palestinian Independence have on US security in the Middle East? The US is so inextricably linked to Israel in Arab minds, that the answer to the first question also answers the later. The same elements that see Israel as the enemy will see the US as a collaborator, or worse, an accomplice. Thus the US will face similar risks. Nowhere will this be more true than for the members of the US Armed Forces stationed in the Middle East. Nowhere is there a greater symbol of imperialism, the "Great Satan," than the men and women in uniform serving in the Middle East. Thus, in answering the question of security to Israel, one must examine the threat posed to US Forces abroad.

Security here does not refer to "national security," rather it refers to the security of personnel, resources, and operations from violence or other harmful exploitation. The analysis of conventional warfare is certainly worthwhile in and of itself, but the day-to-day threat to Israel will be from action Other Than War (OTW). The regional tension that lead to conventional conflict will first be expressed in these often undeclared hostilities. The main threat posed comes from the following: 1) political violence/terror; 2) intelligence operations; and 3) guerilla warfare and insurgent movements under the umbrella of special operations/low-intensity conflict (SOLIC). Often these three

elements bleed into one another, with intelligence officers conducting small, undeclared wars on behalf of their state. Each of these will be examined in turn.

1. The Potential For Political Violence

Land-for-peace will not remove terror as a tool against or by Israel. In fact, it is likely to intesify. The extremist elements within Israeli society have thus far been relatively quiet, enjoying the comforts of protection from the State. As concessions are made however, this element will become estranged, and new Jewish players will emerge engaging in their own campaign of violence. As was discussed earlier, these groups already have plans laid out to take action if necessary, and the "new world order" will mobilize these efforts. In addition, groups like Hamas and PIJ will recognize that only through terror can the new "peace" be dissolved, and will probably engage in heightened campaigns. Attacks may also occur outside Israel, where security is easier to penetrate and high-level targets can be attacked (like the Mossad Officer killed in Ankara by the Islamic Jihad in 1992).

This will be true of US targets as well. A strategy of attacking US interests would certainly increase pressure on Israel. This is particularly true with the threat of Weapons of Mass Destruction (WMD) coming into the hands of extremist organizations, which is of particular concern given the current level of penetration of Russia by the Mafia and the potential sale of WMD through organized crime to extremist organizations.

In short, Palestinian independence will not decrease the terrorist threat against Israel (or the US), but will in fact increase it. It is also important to note that the majority of this threat will not come from state-sponsored terrorism. The rejectionists on both sides are undoubtedly organized, para-state entities, not controlled by any third party.

2. Threat from Intelligence Operations

The above discussion should not imply that states will not be involved in the extremist activities of rejectionists- especially the Palestinian groups. In fact, they will probably provide as much support as possible. A destabilization of Israel would greatly benefit the states of the Middle East. This is particularly true of those with nuclear aspirations like the Kingdom of Saudi Arabia (KSA) and Iran. If Israel is distracted, it may be easier for WMD development to occur without detection and the inevitable Israeli pre-emptive strike.

Intelligence organizations from the Middle East will surely take advantage of the cleavages and urban unrest that will occur as a result of the new "peace." In addition, with heightened tensions, intelligence activity targeting Israeli and US interests will increase in order to ensure that the leaders of the Middle Eastern states stay informed. It is likely that this intelligence will be shared with Palestinian rejectionists. States like Iran will take advantage of these groups by providing funding, logistical support, and intelligence for operations that it sees in its best interests. Training will continue to be provided, and the rejectionist groups will independently establish their own "source nets" collecting information to be used in a potential attack. Israel with its large Palestinian working class is especially susceptible to penetration by collaborators, as is the US military and State Departments with their numerous national employees in located throughout the Middle East.

The Jewish rejectionists will also utilize their own intelligence network to gather information. Though it is not plausible for these groups to penetrate the Palestinian and Arab apparati very easily, they certainly will (and probably already have to a considerable extent) penetrate Israeli and US government offices, potentially providing

money, resources and even targeting information (for attacks against Jews seen as traitors to the cause— as was Yitzak Rabin). Again, Palestinian independence will not increase security, but will instead probably decrease it.

3. The Threat from Special Operations and Low-Intensity Conflict

The third and final threat to security, short of war, comes from SOLIC, and here again there would be an increase in the threat. For the reason mentioned above, rival states will continue to try and take advantage of Israeli destabilization by supporting guerilla and insurgent movements through money, logistics, intelligence, training and so forth. In addition to the general need to weaken Israel, such tactics may be seen as a more effective method for waging war. Surely a declared war would lead any of the rival states to a rapid defeat by Israel. SOLIC accomplishes much the same thing without taking as great a risk. Rhetoric can still be used by the rival leaders in order to help create a sense of an external threat that will help consolidate domestic power. In this manner, rivals can enjoy the "benefits" of war without the level of risk. Even without third-state support, Palestinian rejectionists are equipped to carry out SOLIC independently.

The other element of SOLIC will be the Israeli rejectionists. The impact of these groups can not be underestimated. With IDF training, and many combat experiences, the extremists will be no "rag tag" bunch.

SOLIC will create significant problems for Israel in that rebel groups can flee into Lebanon or Syria, and also because of the anticipated political outrage that would come from armed conflict between extremist Jews and IDF. The "Grapes of Wrath" operation has demonstrated to the Israelis the difficulty in fighting a guerilla war, and fighting such

a war in urban terrain would be that much more difficult. In addition to the problems posed to Israel, one should briefly consider the "mess" that the US would likely inherit as part of the inevitable peacekeeping force that would be sent.

Peace does not appear to provide any solution to Israel's security problem. What about the status quo? It appears that the cleavages discussed are continuing to grow. There are serious ideological differences in both camps that are not likely to be solved. Palestinian Independence would only speed up what is most likely an inevitable result. The cleavages that exist have the potential of creating a severe situation, along the lines of the Balkans or Algeria.

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VI. THE INCREASING IMPACT OF THE NON-STATE-BASED THREAT

A. THE QUESTIONS

In both issues examined (Terrorism and Israeli/Palestinian peace), networks of non-state actors are the organizations most likely to pose a CI threat to US forces. Whereas states will be the prime sponsors of espionage activity, non-state entities will become more involved in collecting intelligence. It is also true that states may choose to use terrorist organizations as "hired guns" in order to maintain plausible deniability, thus avoiding international censure. Yet, from a force-protection standpoint, non-state actors pose a threat regardless of state sponsorship.

If case studies of Kurdish separatism or other minority problems throughout the Middle East were conducted, they would reveal similar destabilizing networks. Cleavages based on tribal, religious, linguistic and ethnic differences are significant throughout the Middle East. To understand politics in the Middle East, one must understand the internal coalitions of organized crime, tribal leaders, religious authorities, and other powerful non-state networks.

The CI community is capable of handling a hierarchical state-based threat (as it did throughout the Cold War). Linguistic and cultural differences take some time to adjust to, but the threats and appropriate responses are familiar. The same is not true for the non-state-based threat. Certainly, the intelligence community has been interested in organized crime, terrorism, and ethnic/religious movements before, but these groups have never posed a significant threat to US interests.

Several questions now need to be asked. How significant is the CI threat posed to US forces by non-state actors? Is it different than the threat posed by similar groups

during the Cold War? Should the US be increasingly concerned about this non-state-based threat, or should the state-based threat continue to occupy a majority of the CI effort?

In answering these questions, two post Cold War developments tend to point toward the increased significance of non-state actors: 1) the "information revolution," and 2) the proliferation of technology and materials used in producing weapons of mass destruction. These two factors allow small groups of people to use methods that were once only available to the most powerful states. These developments will not cause non-state actors to displace state actors as a CI threat, but will elevate the non-state actor to a level of significance that can not be ignored. In some cases the state-based threat will be greatest, in others the non-state-based threat. The CI community will have to treat the non-state-based threat as seriously as any other threat. In order to determine how the CI community can work most efficiently to defend US interests from the non-state actor, one must first understand the two developments that have empowered them to this level.

B.   THE INFORMATION REVOLUTION

Although the internet and advanced communications technologies have been around for decades, it has been during the 1990s that compact, cheap, user-friendly technologies have made their way into the hands of the average consumer. Cellular and satellite communications, GPS, the explosion of the world-wide-web, e-mail, sophisticated encryption capabilities, scanners, color printer and copiers are all examples of cheap, user-friendly technologies that have made their way into consumers homes throughout the world.

The most significant thing that the information revolution accomplishes may be the power it gives to networks. The information revolution allows non-state actors to communicate securely, makes borders transparent, and projects and magnifies the power of the groups. This advance in communications technology has increased the power of non-hierarchical organizations:

> ... the information revolution favors and strengthens network forms of communication, while making life difficult for hierarchical forms. The rise of network forms of organization, particularly "all-channel networks," in which one node can communicate with every other node, is one of the single most important effects of the information revolution... It means that power is migrating to small, non-state actors who can organize sprawling networks more readily than traditional hierarchical nation-state actors. It means that conflicts will increasingly be waged by networks rather than by hierarchies.[81]

The ability to maintain all channels communication, in a secure fashion, without regard to national borders, is a great advantage of networks. The cellular, compartmented nature of these networks is significant. For example, groups can share information about tactics and methodologies, transfer funds and establish rendezvous points in a secure manner. At the same time (because there is no hierarchy to control operations strictly), specific operational details can be kept within a semi-autonomous cell. This means that even if one penetrated the senior-level leadership of a particular organization (e.g., Hamas), they would probably still not have access to the operational details needed to prevent an attack.

As the US prepares itself to meet the CI threat posed in the information age, a closer look at networks is needed. Even the threats posed by state actors will evolve

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[81] Alvin and Heidi Toffler, *In Athena's Camp,* John Arquilla and David Ronfeldt (eds.), (Santa Monica, Ca: RAND, 1997), p. 4.

because alliances of convenience continue to solidify between states, terrorist organizations, multi-national corporations, and transnational criminal organizations (TCOs). Arquilla and Rondfeldt have identified several likely implication of the information revolution: 1) the information revolution favors and strengthens networks; 2) hierarchies have a difficult time fighting networks; 3) it takes networks to fight networks; and 4) whoever masters the network form first will gain major advantages.[82]

In this world of connectivity, information becomes the weapon. What one knows, what the enemy knows, and how this information is obtained or manipulated is now critical. Societies that are more information dependant, such as the United States, are more vulnerable to attack through information warfare. In the discussion of information warfare, two types of conflict that non-state actors may wage will be examined: netwar, and cyberwar.[83]

Netwar is essentially a perception-management campaign, where an actor attempts to influence or manipulate what people know about it, whereas cyberwar is an attack on information technologies. For the purposes of this discussion, intelligence-collection activities will be categorized within the netwar spectrum, as it does not involve destructive attacks. Both Netwar and Cyberwar operate in an internetted environment, but are not limited to internet activities. For example, lobbyists can be part of a netwar strategy, and a bomb designed to take out a telephone switch could be considered cyberwar. Though these specific tactics could have been used for some time, it is the targeting and use of modern communication equipment to provide, deprive or manipulate

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[82] John Arquilla and David Ronfeldt, *In Athena's Camp*, John Arquilla and David Ronfeldt (eds.), (Santa Monica, Ca: RAND, 1997), 290.

information that makes cyberwar and netwar a modern phenomena. Though high-intensity cyberwar is probably only within the capability of state-based actors, low-intensity cyberwar, or cyberterrorism, is well within the realm of possible tactics for non-state actors.

Netwar poses a CI threat inasmuch as non-states use "cyber" technologies to recruit sympathizers and penetrate the US. Cyber-espionage may be the worst-case scenario of netwar. The encryption available today makes detection of this type of espionage difficult. In addition, hackers working as freelancers for either state or non-state actors could commit or facilitate espionage from a distance. While sensitive systems are protected, many Department of Defense (DOD) unclassified systems, systems of DOD contractors, and non-military targets are vulnerable to a theft of information.

Hackers penetrate DOD computers because the systems are vulnerable. In 1994, the Defense Information Systems Agency attacked 8,932 DOD servers and mainframes. They were able to access 88 percent of these systems, of though only four percent of intrusions were detected, and only 0.2 percent were ever reported.[84]

If the DOD is vulnerable, how many commercial computers are vulnerable? Hackers have stolen millions from banks and can manipulate telephone switches. Hacking is easier than ever with hacking software, free on the internet. There is significant fear of hacking getting into the "wrong hands." One such fear was demonstrated by "Blacknet," a site claiming to be able to provide any information for a

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[83] For a full discussion of these concepts and examples see John Arquilla and David Ronfeldt, *Cyberwar is Coming!*, (Santa Monica, Ca: Rand 1992), p 4-8.

fee. Blacknet itself was a hoax, but that does not alleviate concerns. The former head of

the FBI Computer Crime Squad noted the following:

> The concept of Blacknet is real. If you had something to sell you'd post it
> to Blacknet and they'd find customers for it. The capability exists to do
> that. The problem for law enforcement is how to investigate this activity[85]

High-tech espionage is netwarfare's greatest threat, and one of the CI professionals'

greatest concerns.

Cyberwar, or more aptly cyberterror, is another form of attack that can be

launched against US interests. Viruses, trojan horses, and worms are all computer-based

attacks that can be used against information systems. In addition, electronic weapons

such as HERF (High Energy Radio Frequency) guns and EMP (ElectroMagnetic Pulse)

weapons can be used to attack information systems in a stand-off type of attack. These

devices can be made from commercially available components.[86] HERF and EMP

weapons are designed to destroy communications equipment, computers, and any other

electronic equipment within range of its energy pulse. One such device allegedly has

been developed by a Russian defense contractor and is being marketed to terrorists. The

device, nicknamed "beer can" (because it was disguised as one), is reported by Gerry

Carp of the Defense Nuclear Agency to be effective against radar, radio stations, opto-

electronic and television devices. A sales brochure depicted terrorists attacking a

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[84] Mathew J. Littleton, *Information Age Terrorism: Towards Cyberterror*, (Monterey, Ca: Naval Postgraduate School, 1995), p85.

[85] As quoted by James Adams, *The Next World War: Computers are the Weapons and the Front Line is Everywhere*, (New York: Simon and Schuster, 1998), p162.

[86] Winn Schwartau, *Information Warfare: Choas on the Electronic Superhighway*, (New York, Thunder Mountain Press,1994),171-189.

computer center, an airfield, and a satellite ground station.[87] Some hackers claim that

HERF guns, which can destroy computers at a distance, can be built for around $300:

> Dark Tangent: A rucksack full of car batteries, a micro-capacitor and a directional antenna...You could park in a car and walk away. It's a poor man's nuke...There are only three or four people who know how to build one...if you experiment wrong you've [micro]waved yourself

> Dune: Yeah, this is a high energy device. You could be half a mile away and take out Oracle [computers].

> Dark Pulse: One pulse [would wipe out Oracle]. It dumps 2 million watts in one-thousandth of a second.

> Dune: If we had a Cessna and a HERF gun, you could fly over Silicon Valley and— POW!— there goes Sun Microsystems—POW!— there goes Intel![88]

The Defense Science Board warned that by 2005, cyber-attacks by terrorists,

TCO's, and foreign intelligence agencies will be widespread.[89] These attacks may be

committed in a stand-off fashion using a HERF or EMP device, or they may take the

form of a car-bomb on Wall Street, or viruses planted in software. There must be special

concern with the US infrastructure, since much of the software used commercially is

produced abroad and may have been tampered with.

In the early 1990s banks discovered viruses imbedded in their basic code that had

been surreptitiously planted by the Soviets ten years earlier, and would have enabled

them to take down the US banking system in the event of a war.[90] That would have been

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[87] Adams, p.150-153.

[88] Interview conducted by *Forbes ASAP* as quoted by Adams, p. 151.

[89] Adams, p. 182.

[90] Ibid, 175.

nearly two decades ago. The CI community must ask itself, what is capable today? A DOD study indicates the vulnerability of US infrastructure. During a 1997 exercise, Eligible Receiver, several NSA employees were allowed to attack US systems using only hacker technology available from the internet and personal computers purchased at retail stores.[91] It was determined during this exercise that not only could the "hackers" have attacked infrastructure (including shutting down power grids, telephone networks, etc.), but that it was virtually impossible to track the attackers. Cyberterrorists could attack the banking industry by shutting it down, could steal in order to fund their activities, could shut down the internet, and could attack power grids, communication networks, air-traffic control centers, or essentially any other information system Americans rely on.

The ease and low cost of computer technology will allow non-state actors to get into the infowarfare business. Amateur terrorist cells and lone anarchists with a little technical knowledge are currently capable of launching devastating attacks on the US in anonymity, from anywhere in the world. The psychological impact of an cyber attack can not be underestimated.

A hypothetical scenario might import the gravity of the situation. Two Islamists of Middle Eastern ethnicity watch a Hezbollah propaganda video describing the need for jihad. The two happen to be students at Columbia University, one studying computer science and the other engineering. They decide to take action by blacking out New York City through a cyber attack on the power grids, and subsequently call in to television news stations claiming the act on behalf of the Islamic Jihad. Deciding that was not enough, they make Moltov cocktails and cruise minority neighborhoods, attacking the

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[91] See details at [Online]: <http://www.senate.gov/~gov_affairs/62498minihan.htm>, <http://www.usnews.com/usnews/issue/980713/13cybe.htm>, or

areas by throwing firebombs through the windows of stores in an attempt to induce a riot. They call in to the television station again and announce that the "army of God" will continue to carry out attacks throughout the city in the name of Allah. If that is not enough to incite panic, they decide a few small explosive devices in public places (like Grand Central Station) would be appropriate. After that, they decide to build a HERF gun and "fry" the computers on Wall Street to induce financial chaos. The scenario could go on. The point is that one or two individuals could cause considerable trouble with readily available technology.

The advances in communication technology strengthen networks as a form of organization. This trend, coupled with the ease and significance of cyberterror advances the status of non-state entities as international actors.

C.   WEAPONS OF MASS DESTRUCTION

The other major development that has enabled non-state-actors to rise in significance in the post-Cold War era is the proliferation of weapons of mass destruction. The fact that non-states may possess and use weapons of mass destruction places them on an equal footing with states. Non-states actors can possess technologies that enable them to commit acts of war (or acts of terrorism) that would previously only have been available to more powerful states.

A full discussion of WMD proliferation is unnecessary for the purposes of this thesis. Numerous books, interviews, articles, and congressional hearings have been published that demonstrate the availability of these weapons. A small sample of this

discussion will suffice to demonstrate the probability of non-state actors possessing WMD.

Chemical and biological agents are easy to develop. The US Office of Technology Assessment determined that "The level of technological sophistication required...may be lower than was the case for some of the sophisticated bombs that have been used in civilian aircraft."[92] A nuclear device is "within reach of terrorists having sufficient resources to recruit a team of three or four technically qualified specialists," provided they have an appropriate quantity of fissile material.[93]

Unfortunately, as a result of the increasing influence of Russian Mafia, both fissile material and nuclear weapons themselves may be available on the black-market. A senior Russian General told US congressional leaders that 84 "suitcase bombs" (small tactical nuclear devices) were missing from Russia.[94] A number of arrests have been made as people attempt to smuggle highly enriched uranium from Russia. One example includes the arrest a Turkish national attempting to sell 2.5 kilograms of HEU smuggled from the Former Soviet Union to Iranian Intelligence officers.[95] Cases such as this demonstrate the problem that networks pose. Borders are increasingly porous, and do not hinder non-state actors. Of particular concern are smuggling efforts through the Caucuses to Turkey, or through Central Asia, as such material will likely find its way into the hands of pariah states or terrorists in the Middle East.

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[92] Office of Technology Assesment, *Technology against Terrorism: The Federal Effort*, (Washington DC: GPO, 1991), p. 51-52.

[93] Paul Leventhal and Yonah Alexander, *Preventing Nuclear Terrorism*, (Lexington, Ma: Lexington Books, 1987), p. 9, 58.

[94] Jessica Stern, *The Ultimate Terrorists*, (Cambridge Ma, Harvard University Pres, 1999), p. 90.

[95] Ibid, 98-99.

CI professionals attempting to understand the significance of non-state actors must examine WMD proliferation as a major turning point in history. Computer files seized from Hezbollah contained detailed instruction for the production of chemical weapons. The Hezbollah cell in question had recently obtained chemical protective gear and Katyusha rockets to deliver a chemical warhead.[96] President Clinton recently stated that "It is highly likely that a terrorist group will launch or threaten germ or chemical attack on American soil within the next few years."[97] A recent interview with Usama bin-Laden demonstrates that there are non-states seeking WMD:

> Miller [ABC Interviewer]: While bin Laden denied that he ordered the embassy bombings, he stopped short of denying another frightening charge, that he tried to develop chemical and nuclear weapons.
>
> bin Laden: If I seek to acquire such weapons, this is a religious duty. How we use them is up to us.[98]

Non-state actors can obtain chemical, biological and nuclear weapons. They can purchase them on the black market, or with sufficient resources develop them themselves. Poor economic conditions in Russia will increase the likelihood of both smuggling and a "brain drain" of WMD developers leaving Russia for new employment opportunities (potentially working for pariah states or non-state actors). The President of the United States believes that a WMD attack against Americans is imminent, but commented that such attacks will also be more likely to be directed against Americans abroad than within

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[96] David E. Kaplan, *Terrorisms Next Wave,* US News and World Reports, Available [Lexus/Nexis]: NEWS/ALLNEWS (8 Apr 99).

[97] Judith Miller and William J. Broad, *Clinton Describes Terrorim Threat for 21st Century,* The New York Times, Available [Online]: <http://www.nytimes.com/library/world/global/012299germ-warfare.html>, (22 Jan 99).

[98] http://abcnews.go.com/sections/world/DailyNews/binladen_wnt981224.html

the United States itself.[99] Finally one non-state actor, bin-Laden, readily admits seeking nuclear and/or chemical weapons. Clearly, the threat posed by the non-state actor becomes more significant when one factors in the potential use for WMD.

D. THE IMPACT OF NON-STATE ACTORS

Just how significant a CI threat do non-state actors pose? The advent of the information revolution, the proliferation of weapons of mass destruction, and the end of the checks and balances of the Cold War's are evolutions which mean that non-state actors pose a significant threat, maybe even more significant than the state-based threat. Will they? Only time will tell, but non-state actors have less of a stake in international stability than states, and are thus less likely to follow traditional norms of the international community.

In the Middle East, where religious radicals call for a jihad to exterminate the "great Satan," one can not doubt that small cells with appropriate funds could (and will) significantly threaten DOD resources and operations. Israel's Gush Emunim, Iran's Bonyads, Kurdish separatists, the "bin-Ladens" of the world, and even two or three "amateur" terrorists loosely connected to a larger militant network (such as the Islamists involved in the World Trade Center bombing) are all potential CI threats. The CI practitioner of the twenty-first century must be able address the non-state-based threat as much as he can the state-based threat.

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[99] Miller and Broad.

VII. THE FUTURE OF COUNTERINTELLIGENCE

Although a formal conclussion and summary of findings will be presented in the classified annex, a few observations should be made at this time for those without access to those final chapters.

The case studies presented have demontsrated that non-state actors (networks), will begin posing as great a CI threat as state-actors, perhaps greater. Hezbollah, Usama bin-Laden, and "amature" terrorist networks, will continue to become more autonomouse and more lethal due to the information revolution. In addition, alliances between networks, such those betweem the Russian Mafia and terrorist groups, will facilitate the transfer of devastating weapons, small arms, cash, and narcotics further increasing the threat to US persons and resources.

The implications of this are great. The focus of the US counterintelligence community must shift. An increased effort should be made to track and penetrate financial and criminal networks that aid Islamic fundamentalists. The alliances between crime and terror actually provide greater opportunities for exploitation.

The traditional moral dilemma in attacking the terrorist threat lies in the problems which would arise from running a source inside a terrorist cell. The US can not be placed in a position in which one of its agents may be forced to participate in an act of terrorism. The political costs are simply too high. However, the criminal and financial networks resulting from alliances between terrorism, espionage, and crime present a forum for exploitation which would provide some level of insight without the inherent risk of infiltrating a terrorist group directly. By targeting Islamist financial networks,

counterfeiting operations, narcotics trafficking, drug running, and "front" businesses, one can obtain vital intelligence. Using this information, one can shut down critical financing operations. In many instances this would not only be a victory against the terrorists themselves, but would also decrease the criminal threats these groups pose (e.g., by ending narcotics production in Bekaa Valley for example). The sooner the CI community drops the cold-war paradigm, forgets about creating a new "evil empire," and recognizes that non-state organizations are principle actors in the "new world order," the sooner it will be able to address this problem.

In addition to terrorist elements, Transnational Criminal Organizations (TCOs) pose a direct threat through weapons proliferation, whether conventional, nuclear, biological, or chemical. Increasing efforts must be made to track TCO's and their respective connections with terrorist, insurgents, and rogue states.

Even when states are the source of the threat, it is often divisions within the government are often the problem. For example, penetration into Khatami's regime in Iran will not counter the threat. Rather, CI/CE techniques should be applied against factions within the government. The Bonyads, the radical Ulema, and Bazaari's should be targeted by the CI community. In some states, intelligence services have proven to be beyond the control of the central government and as such pose an increased threat against which traditional methods should continue to be employed. While traditional methods must be employed against the state-based threat, the CI focus must shift towards the state within the state so that radical elements, TCO's, and domestic/transnational networks (as defined by Denoeux's criteria) can be exploited and neutralized.

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