

# Middle East Terrorist Activity in Latin America

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# Middle East Terrorist Activity in Latin America

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The attacks of September 11, 2001, and the U.S.-led war on terrorism, especially against groups with “global reach,” have refocused attention on the threat of Middle East–origin terrorism in Latin America. Not since Lebanese Hizballah (Party of God), allegedly working with Iran, carried out major attacks in Argentina in 1992 and 1994 has the subject received as much scrutiny.

In part, today’s concern is a result of the lingering legal and political fallout from those two attacks and the significant presence Hizballah maintains in the region. Yet in the wake of “9/11,” a new and urgent concern is whether Osama bin Laden’s Al Qaeda (the Base) is active within a small but radical segment of the estimated several million Muslim faithful in Latin America. One fear is that Al Qaeda might use the region as a “soft underbelly” to attack the continental United States. Another is that it could strike within Latin America itself.

Allegations abound, but at this writing there is no proof of dedicated Al Qaeda cells in Latin America.<sup>2</sup> This is not because Latin American police and security services have failed to look closely. There have been many investigations, at times with the support of the United States and others. In relative terms, Al Qaeda has shown considerably less interest in Latin America than it has in the other major regions of the globe.

Nonetheless, this is no cause for complacency. The 9/11 attacks show that Al Qaeda operatives can go undetected for significant periods of time and slip beneath the counterterrorist “radar.” In addition, the group has, at the least, probed Latin America. Reports that bin Laden himself visited Brazil in the 1990s are unconfirmed, but senior planner Khalid Sheikh Mohammed traveled there in

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<sup>1</sup> The views expressed herein are the author’s and not those of the U.S. Department of State or the U.S. government.

<sup>2</sup> “The International Terrorism Threat,” testimony of Ambassador Cofer Black, coordinator for counterterrorism, U.S. Department of State, before the U.S. House of Representatives, International Relations Committee, Subcommittee on International Terrorism, Nonproliferation and Human Rights, March 26, 2003, pp. 2–3 (<http://www.state.gov/s/ct/rls/rm/2003/19136.htm>).

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1995, a fact that came to light following his capture in Pakistan in March 2003.<sup>3</sup> U.S. forces in Afghanistan searching Al Qaeda facilities found travel advertisements for the so-called tri-border area of Paraguay, Argentina, and Brazil, where several Middle Eastern terrorist groups have operated for over a decade.<sup>4</sup> To varying degrees, Al Qaeda has been in touch with these groups in other parts of the world. One of them, the Egyptian Islamic Group (IG), enjoys only a limited presence in Latin America but is among bin Laden's closest terrorist allies. Its members in the region could provide Al Qaeda the foundation for a network capable of offering haven, transit, and logistical support for future attacks.

In assessing the current Middle East terrorist threat in Latin America, it seems useful to begin by tracing the origins of the problem to understand how its dimensions have evolved over several decades in a more dangerous direction.

### Avoiding the "Spillover" Problem: 1968 to 1991

Middle Eastern terrorism leapt onto the world stage in the late 1960s when Palestinian terrorists launched a series of high-profile airline hijackings, dramatically taking their struggle with Israel beyond the immediate area of conflict. Anger and frustration over the crushing Arab defeat in the 1967 Six-Day War provided the motive for this escalation, while new means of communication and increased international travel provided the opportunity. Sometimes working with Japanese and German radicals, Palestinian terrorists struck far and wide in the 1970s, as increased factionalism spawned new and more radical groups dedicated to Israel's demise. The Armenians, another Middle East-based movement, also turned to transnational terrorism to drive home their grievances against Turkey. Soviet regional clients, such as Syria, Iraq, and South Yemen, emerged as key terrorist sponsors. In the mid-1980s, radical Islam joined the fray in force. The Shia Muslim Hizballah, founded under Iranian tutelage, attacked repeatedly far from its Lebanese base.

Beyond the Middle East itself, most transnational attacks by these groups occurred in Western Europe, with Africa and to a lesser extent Asia also bearing some of the violence. These out-of-area attacks became so numerous that observers coined the phrase "Mideast spillover" to refer to the trend. Many Latin American countries also suffered heavily from terrorism in this period, but very little of it came from the Middle East. Terrorism in Latin America was almost exclusively the domain of groups and regimes indigenous to the hemisphere. The roots of the violence lay in regional politics and the Cold War struggle between communism and democracy.

Chronologies of terrorism from the late 1960s until the beginning of the 1990s contain relatively few references to attacks in Latin America by Middle Eastern

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<sup>3</sup> "Bin Laden Visited Brazil Border Area in 1995," Reuters, March 16, 2003; "Al Qaeda Suspect Was in Brazil in the 1990s, Police Say," *Miami Herald*, March 14, 2003, p. A18.

<sup>4</sup> "U.S. Expanding Effort to Block Terrorist Funds in Latin Region," *New York Times*, December 21, 2002, p. A12.

groups.<sup>5</sup> The infrequency of attacks, the small numbers of casualties, and the ambiguity that at times surrounded the identity of the perpetrators all kept the issue off the front pages.

- In May 1970, two Palestinians attacked the Israeli mission in Asunción, leaving one dead, although some doubts later surfaced whether the attack had a political motive linked to the Palestinian struggle.
- On a few occasions in the early 1970s, the Palestine Liberation Organization (PLO) was suspected of sending letter bombs to Israeli embassies in Latin America, although the devices, which were intercepted by security guards, appeared to have been mailed from outside of the region.
- Responsibility for a small bomb near the Egyptian chancery in Caracas in December 1977 went unclaimed. The murder of a Lebanese consul in Barranquilla, Colombia, in March 1976 also went unclaimed, as did a failed assassination attempt of another Lebanese consul in Brazil in January 1980.
- In August 1982, a small bomb damaged the Israeli embassy in Guatemala.
- In November 1982, a bomb at the Israeli mission in Quito killed two local guards and a bystander as it was being deactivated. Although an Ecuadorian group reportedly took credit, the sophistication of the device suggested a Middle East link. Several months later, the same embassy was strafed, without casualties. The attacks were probably motivated by Israel's incursion into Lebanon.
- Periodically, synagogues and Jewish schools in the region were damaged or vandalized, although at least a portion of this stemmed from local anti-Semitism.
- No one took credit for a small bomb at an Islamic-Egyptian cultural center in Montevideo in October 1990.

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<sup>5</sup> A comprehensive terrorism chronology is the series prepared by Edward F. Mickolus and his coauthors. See *Transnational Terrorism: A Chronology of Events, 1968–1979* (Westport, Conn.: Greenwood Press, 1980); *International Terrorism in the 1980s: A Chronology of Events*, 2 vols. (Ames: Iowa State University Press, 1989); *Terrorism, 1988–1991: A Chronology of Events and a Selectively Annotated Bibliography* (Westport, Conn.: Greenwood Press, 1993); *Terrorism, 1992–1995: A Chronology of Events and a Selectively Annotated Bibliography* (Westport, Conn.: Greenwood Press, 1997); *Terrorism, 1996–2001: A Chronology*, 2 vols. (Westport, Conn.: Greenwood Press, 2002). The RAND Corporation and the Oklahoma City National Memorial Institute for the Prevention of Terrorism maintain another extensive chronology. See [http://db.mipt.org/mipt\\_rand.cfm](http://db.mipt.org/mipt_rand.cfm). A study of Middle East–origin attacks in Western Europe from 1980 to 1989, noted that of 419 incidents that took place outside of the Middle East, only 2 percent occurred in Latin America. Dennis A. Pluchinsky, “Middle Eastern Terrorist Activity in Western Europe in the 1980s: A Decade of Violence,” in *European Terrorism Today and Tomorrow*, ed. Yonah Alexander and Dennis Pluchinsky (Washington, D.C.: Brassey's, Inc., 1992), p. 34.

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- During the 1991 Gulf War, Iraqi agents reportedly infiltrated Latin America, but no incidents were attributed to them. Two bombings that slightly damaged the UK embassy in Guatemala and at a Mormon Church near Brasilia may have been the work of ad hoc local Arabs. Though several left-wing Latin American groups used the conflict to justify a spate of attacks against U.S. targets, the terrorists' lack of connections to Saddam Hussein's regime suggested they were acting on their own "anti-imperialist" agenda.

### Early Beachheads in Cuba and Central America

Despite the paucity of spillover attacks in Latin America, Middle Eastern groups and state sponsors were hardly inactive in the region. The Palestinians saw revolutionary Cuba as a powerful symbol of Third World "liberation." Fidel Castro initially hesitated to back the PLO fully, but the embrace became complete after he severed diplomatic relations with Israel in 1973. Cuban advisers traveled throughout the Middle East offering courses at Palestinian camps in countries such as Algeria and Lebanon; Palestinian fighters likewise trained in Cuba, with nearly 300 on the island in 1977.<sup>6</sup>

The Palestinians also cultivated relations with Nicaragua's Sandinistas, even before the movement took power. They did so, in part, to undermine Nicaraguan dictator Somoza's close ties to Israel. In one celebrated case, a Sandinista was killed as part of a Palestinian team that tried to hijack an El Al airliner in London in 1970. Visiting Nicaragua in 1980 to celebrate the first anniversary of the Sandinista victory, PLO chairman Yassir Arafat declared that, "the road to Jerusalem leads through Managua." Not long after, PLO advisers arrived in Nicaragua, where they helped to train large numbers of terrorists from Latin America and Europe who flocked to Sandinista camps in the 1980s.<sup>7</sup>

### Enter Qadhafi

Among Middle Eastern state sponsors of terrorism, Libya initially emerged as the most active in Latin America. Like the Palestinians, Libya's Mu'ammar Qadhafi forged close relations with the Sandinistas. In April 1983, Brazil intercepted a falsely labeled Libyan shipment of more than 80 tons of weapons and explosives bound for Managua. Qadhafi too offered training to several Marxist-Leninist groups, such as Chile's Manuel Rodríguez Patriotic Front and Colombia's April 19<sup>th</sup> Movement (M-19). In March 1986, he publicly lamented the death of an M-19 leader, calling him "our friend and comrade."<sup>8</sup>

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<sup>6</sup> Georgie Anne Geyer, *Guerrilla Prince: The Untold Story of Fidel Castro* (Boston: Little, Brown and Company, 1991), p. 319; Roger W. Fontaine, *Terrorism: The Cuban Connection* (New York: Crane Russak and Co., 1988), p. 115.

<sup>7</sup> Gordon McCormick et al., *Nicaraguan Security Policy: Trends and Projections* (Santa Monica, Calif.: RAND, 1988), pp. 23–28.

<sup>8</sup> U.S. Department of State, *Libyan Activities in the Western Hemisphere* (Washington, D.C.: U.S. Department of State, August 1986), pp. 3–4.

The Libyan strongman, however, was bent on exploring new avenues in support of terrorism. Perhaps because of his competitive relationship with fellow dictator Castro, he was particularly meddlesome in the affairs of Cuba's Caribbean neighbors. In 1986, the head of Libya's International Center for Combating Imperialism met with delegates from Caribbean countries and urged them to show greater militancy. Libya trained the leader of the Jama'at al Muslimeen (Association of Muslims), Yasin Abu Bakr, who led a failed coup attempt against the government of Trinidad and Tobago in summer 1990.<sup>9</sup>

Though not always successful, Qadhafi urged some leftist terrorist groups in Latin America to strike U.S. targets. In 1990, he paid the Haitian Liberation Organization \$20,000 to attack the U.S. embassy in Port-au-Prince, but the group failed to follow through on the mission. A similar attempt to recruit Salvadoran rebels foundered. Libyan assistance to Perú's Revolutionary Movement Túpac Amaru (MRTA), however, appears to have paid off. In April 1986, several days after the U.S. bombing of Tripoli in retaliation for Libya's role in an anti-U.S. terrorist attack in West Berlin, MRTA bombed the residence of the U.S. ambassador in Lima. In 1988 and 1989, MRTA damaged U.S.-Peruvian binational centers on the anniversary of the 1986 air strikes. None of the attacks inflicted serious casualties, but the pattern suggested more than an expression of solidarity. A quid pro quo may have been struck, perhaps involving Libyan payments to the Peruvian terrorists.<sup>10</sup> There may have been additional Libyan gun-for-hire episodes, mainly in connection with small Central American groups. Nevertheless, as a rule, local terrorists in the region selected their targets based on their own ideology and aims, rather than on orders from the Middle East.

In the late 1980s, Qadhafi apparently tried to raise the stakes by unleashing his most dangerous Palestinian surrogate, the Abu Nidal Organization (ANO), into Latin America. The bid failed, however, when Peruvian police arrested three members of the group in Lima in July 1988. Confiscated documents suggested the trio planned to attack U.S. or Israeli interests or an international organization. In late July 1990, a leader of Lima's Jewish community was shot and wounded. Despite speculation of an ANO link, most evidence indicated the assault was the work of Perú's Shining Path trying to disrupt the Fujimori presidential inauguration.<sup>11</sup> Moreover, the xenophobic Maoist group was widely known to eschew cooperation with other terrorists.

By the early 1990s, the investigation into the December 1988 bombing of Pan Am flight 103 over Scotland increasingly pointed to Libyan culpability. This, combined with evidence tying Tripoli to the downing of a French UTA airliner over Niger in 1989, persuaded Qadhafi to retreat from terrorism in areas such as Latin America to avoid intensified international pressure.

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<sup>9</sup> Ibid., p. 6; U.S. Department of State, *Patterns of Global Terrorism, 1990* (Washington, D.C.: U.S. Department of State, April 1991), p. 35. Hereafter cited as *Patterns*, with appropriate year.

<sup>10</sup> U.S. Department of State, *Libya's Continuing Responsibility for Terrorism* (Washington, D.C.: U.S. Department of State, November 1991), p. 5; Mickolus, *International Terrorism in the 1980s*, vol. II, p. 382; *Patterns*, 1988, p. 52; *Patterns*, 1989, p. 21.

<sup>11</sup> *Patterns*, 1988, p. 22; Mickolus, *Terrorism, 1988–1991*, pp. 554–55.



## The Turning Point: 1992

It was Lebanon's Hizballah that finally brought Middle Eastern terrorism in all its lethality to Latin America. On March 17, 1992, a bomb ripped through the Israeli embassy in Buenos Aires, killing 29 and wounding nearly 245. Hizballah's Islamic Jihad Organization (IJO) took responsibility and authenticated its claim by releasing a videotape of its pre-attack surveillance of the building.<sup>12</sup>

A little more than two years later, on July 18, 1994, a bomb destroyed the Argentine-Israeli Mutual Association, known by its Spanish acronym AMIA. Most accounts put the death toll at 86, with 200 injuries, in what has been termed the worst act of anti-Semitic terrorism outside Israel since the end of World War II. The bombing of the AMIA cultural center bore all the hallmarks of Hizballah terrorism. Like the 1992 attack, it destroyed a symbolic Israeli-Jewish target, appeared to be a suicide operation, and utilized a vehicle packed with high explosives. Shortly after the AMIA explosion, a group calling itself Ansar Allah (Followers of God), a name associated with a faction of Hizballah, issued a manifesto in Lebanon implying that it had carried out the attack and that it also had a hand in the apparent suicide bombing of a commuter aircraft in Panama on July 19. All 21 aboard, 12 of whom were Jewish, died. Reported Hizballah activity in the Colón Free Zone, identification of the alleged aircraft bomber as Lebanese, and his use of the plastic explosive Semtex all lent credence to a strong suspicion that the group was responsible.<sup>13</sup>

Despite the absence of a clear claim for the AMIA incident, investigators are convinced that Hizballah staged the attack using a vehicle obtained from corrupt Argentine police. They have also accused Iran of helping to orchestrate the operation. In March 2003, following a nine-year investigation criticized for its slow and unprofessional character, an Argentine judge indicted four Iranian officials in connection with the bombing. The suspects include the former head of the Ministry of Intelligence and Security (MOIS) and former cultural attaché at the Iranian embassy in Buenos Aires. The indictment is based partly on revelations of a MOIS defector. In 1997, his testimony was key in obtaining convictions against Iranian officials in a German court for an earlier assassination of Kurdish dissidents in Berlin.<sup>14</sup> Though there is less evidence available on Iran's role in the 1992 embassy bombing, it is unlikely that Hizballah would have carried out such a major attack, both in terms of its operational dimensions and political implications, without at least tacit approval from its chief state sponsor.<sup>15</sup>

Several factors help to explain the attacks in Argentina. Both Hizballah and Iran were eager to exact dramatic revenge against Israel for losses inflicted against Hizballah in Lebanon. The destruction of the Israeli embassy came one

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<sup>12</sup> *Patterns*, 1992, p. 9.

<sup>13</sup> *Patterns*, 1994, pp. 11, 13.

<sup>14</sup> Sergio Kiernan, *A Glimmer of Hope: The AMIA Bombing, Five Years Later* (New York: American Jewish Committee, 1999), p. 2; "Argentine Judge Indicts 4 Iranian Officials in 1994 Bombing of Jewish Center," *New York Times*, March 10, 2003, p. A3.

<sup>15</sup> *Patterns*, 1992, p. 22.

month after Israeli Defense Forces killed Hizballah general secretary Sheikh Abbas al-Musawi in southern Lebanon. IJO claimed credit in the name of Musawi's son, who was killed with his father. The AMIA attack came two months after Israel kidnapped a top Shia cleric from Lebanon and a month after the bombing of Hizballah camps in that country.<sup>16</sup> For Hizballah and its Iranian sponsors, it was important not only to match, but also surpass Israel's reach against them. With the largest Jewish population in Latin America, Argentina offered a tempting target to help make their point.

As in the case of Hizballah's terrorism against the United States and France in the 1980s, the murder of Argentine citizens may have served larger Iranian goals, although the picture is murky. The ruling clerics in Tehran allegedly were angry with President Carlos Menem for discontinuing Argentina's nuclear technology cooperation with Iran in 1990–1991. Some observers have said that the mullahs also wanted to punish him for being the first Argentine head of state to visit Israel and for his perceived close cooperation with Washington. There also are unconfirmed charges that the government of Syria, another Hizballah patron, indirectly helped the group in the 1992 bombing to retaliate against the Syrian-descended Menem for reneging on a missile assistance project with Damascus.

Despite speculation about these various motives to punish Menem, there are also allegations that Tehran subsequently paid him \$10 million so that he would not reveal the full details of Iran's role in the AMIA bombing. This story emerged anew in the hotly contested 2003 Argentine presidential campaign and, along with other past charges of corruption, dogged Menem's candidacy. Shortly after taking office, the new Argentine president, Néstor Kirchner, announced in early June 2003 that he would release secret intelligence files dealing with the AMIA bombing.<sup>17</sup>

## The Tri-border Region

Motives aside, Hizballah and Iran would probably have been unable to carry out two complex attacks in Buenos Aires without the support infrastructure Hizballah had established—and continues to maintain—in the Muslim community located where Paraguay, Argentina, and Brazil intersect. Argentina's AMIA investigators have found evidence of coordination that includes records of phone calls between the Iranian embassy in Buenos Aires and suspected Hizballah members in this tri-

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<sup>16</sup> Magnus Ranstorp, *Hizb'allah in Lebanon: The Politics of the Western Hostage Crisis* (New York: St. Martin's Press, 1997), p. 107; Jeffrey Fields, "Islamist Terrorist Threat in the Tri-Border Region," *Nuclear Threat Initiative: Issues and Analysis* (October 2002), p. 1 ([http://www.nti.org/e\\_research/e3\\_16b.html](http://www.nti.org/e_research/e3_16b.html)).

<sup>17</sup> "Iran Blew Up Jewish Center in Argentina, Defector Says," *New York Times*, July 22, 2002, pp. A1, A6; "Slow-Motion Justice in Argentina," *New York Times*, March 11, 2003, p. A28; Blanca Madani, "New Report Links Syria to 1992 Bombing of Israeli Embassy in Argentina," *Middle East Intelligence Bulletin* (March 2000), pp. 1–6 ([http://www.meib.org/articles0003\\_s1.htm](http://www.meib.org/articles0003_s1.htm)); "Argentina to Release Secret Files on 1994 Bombing," Reuters, June 5, 2003.

border area. Many of the calls were traced to a mosque and a travel agency there.<sup>18</sup>

Between 20,000 and 60,000 individuals of Arab descent live in and around three key cities in a 40-square-kilometer triangle. Ciudad del Este, on the Paraguayan side of the Paraná River, was formerly a small village known as Puerto Stroessner but grew rapidly into Paraguay's second-largest city after the 1967 construction of a hydroelectric dam. Its sister city, Foz do Iguaçu, is just across the river in Brazil. Argentina's Puerto Iguazú is the smallest of the three towns. Most tri-border Arabs are of Lebanese origin and are heavily represented in commerce. Many of them moved to the area in the wake of the turmoil of the Lebanese civil war that raged from 1975 to 1990. Of those that adhere to Islam, approximately two-thirds are Sunni, while the remaining one-third is Shia. The area hosts several Islamic schools and Arab-language cable television stations.<sup>19</sup>

Besides providing Hizballah a community of fellow Lebanese and coreligionists, the tri-border region offers more to assist terrorist activity. Corruption and a weak central government presence facilitate a robust illegal arms trade, which according to a 1999 study, is serviced by over 100 illegal airstrips. In November 1996, police in Ciudad del Este arrested a Hizballah suspect in a raid against smugglers that netted a number of firearms. The Lebanese-born individual who was arrested was also implicated in a plan to bomb the U.S. embassy in Asunción.<sup>20</sup>

Border checks lack rigor, partly to encourage tourism to the popular Iguazú Falls, and false documents are easily obtained. The mid-1998 discovery of fraudulent Lebanese and South Korean passports for individuals in Ciudad del Este led to the conviction of an honorary Paraguayan consul in northern Argentina for selling visas for \$900 each. In May 2001, Paraguayan police arrested a suspected Lebanese national at Ciudad del Este airport with 17 fake passports. On average, 16 people enter the country illegally every week via the city's airport, according to Paraguay's civil aviation agency.<sup>21</sup> The tri-border area also affords illegal communications networks. Last year, Brazilian police in and around Foz

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<sup>18</sup> "South America Region Under Watch for Signs of Terrorists," *New York Times*, December 15, 2002, p. A32.

<sup>19</sup> Blanca Madani, "Hizballah's Global Finance Network: The Triple Frontier," *Middle East Intelligence Bulletin* (January 2002), pp. 1–2 ([http://www.meib.org/articles/0201\\_12.htm](http://www.meib.org/articles/0201_12.htm)).

<sup>20</sup> Susannah L. Dyer and Geraldine O'Callaghan, "One Size Fits All? Prospects for a Global Convention on Illicit Trafficking by 2000," British-American Security Information Council, no. 99.2 (April 1999), chapter II, p. 3 (<http://www.bascint.org/pubs/Research/1999onesize3b.htm>); William W. Mendel, "Paraguay's Ciudad del Este and the New Centers of Gravity," *Military Review*, vol. 82, no. 2 (March–April 2002): 53; Mickolus, *Terrorism, 1996–2001*, vol. I, p. 58.

<sup>21</sup> Mariano César Bartolomé, "La Triple Frontera: Principal Foco de Inseguridad en el Cono Sur Americano" (The Triple Frontier: Focal Point of Insecurity in the American Southern Cone), *Military Review* (Spanish ed.) (July–August 2002): 14–15 (<http://www-cgsc.army.mil/milrev/spanish/JulAug02/bartolome.asp>); Mario Daniel Montoya, "War on Terrorism Reaches Paraguay's Triple Border," *Jane's Intelligence Review* (December 2001), p. 13; Madani, "Hizballah's Global Finance Network," p. 1.

do Iguaçu shut down a dozen telephone-switching operations that allegedly evade the monitoring of telephone traffic.<sup>22</sup>

The region's thriving black market extends beyond weapons and documents. To avoid high tariffs, Brazilians come to Ciudad del Este to buy electronics and luxury goods. Much of the merchandise is illegal, but even legal goods are cheap because bribed customs officials fail to collect duties. If estimates that Ciudad del Este's markets generate \$12 billion annually are accurate, the city's economy is larger than that of the rest of Paraguay. Money laundering is pervasive. In 1999, a former president of the Brazilian Central Bank stated that about \$18 million was laundered daily in the banking agencies of Foz do Iguaçu.<sup>23</sup> Numerous organized crime rings in the area ply their services. Members of the Turkish mafia and Chinese triads can be found along with local criminals.<sup>24</sup> All of this affords terrorists a lucrative source of income, not only to fund local operations, but also to fill the coffers of their organizations in the Middle East.

The best picture of this brisk fund-raising is the case of Lebanese-born Assad Ahmad Barakat, the alleged Hizballah finance chief in the tri-border area. Barakat, the owner of one of Ciudad del Este's largest shopping malls, was arrested in Brazil in June 2002. He is seeking to avoid extradition to Paraguay, where he had established many businesses, legal and illegal. When Paraguayan authorities raided Barakat's electronics store in Ciudad del Este just after the 9/11 attacks, they found videos encouraging jihad (holy war) and a letter from Hizballah in Lebanon acknowledging receipt of \$3,535,149 from him in 2000.<sup>25</sup> Though Iranian funding is the largest single source of Hizballah's estimated yearly income of over \$100 million, Barakat's contribution has been significant. A Paraguayan chief prosecutor said that the tri-border finance chief's remittances to the group totaled some \$50 million since 1995.<sup>26</sup>

Barakat ran a network of fund-raisers. A Paraguayan court convicted one of them, Sobhi Mohammad Fayad, for tax evasion in late 2002. Fayad might have faced more serious charges, but Paraguay's new antiterrorism law is still awaiting approval. Indications that he had cased the U.S. embassy in Asunción in late 1998 suggested his involvement in operations as well as fund-raising.<sup>27</sup> Barakat also used family members to raise money. In May 2003, authorities at Asunción's airport arrested one of his relatives headed for Syria with 2.3 kilograms of

<sup>22</sup> "South America Region under Watch," p. A32.

<sup>23</sup> "U.S. Terrorist Search Reaches Paraguay," *Washington Post*, October 13, 2001, p. A21; "Terrorists Are Sought in Latin Smugglers' Haven," *New York Times*, September 27, 2001, p. A3; Statement of Ralf Mutschke, assistant director, Criminal Intelligence Directorate, INTERPOL, "The Threat Posed by the Convergence of Organized Crime, Drugs Trafficking and Terrorism," U.S. House of Representatives, Committee on the Judiciary, Subcommittee on Crime, December 13, 2000, p. 16 (<http://www.russianlaw.org/Mutschke.htm>).

<sup>24</sup> Montoya, "War on Terrorism Reaches Paraguay's Triple Border," p. 14.

<sup>25</sup> "South America Region Under Watch," p. A32.

<sup>26</sup> Jeffrey Goldberg, "In the Party of God: Hezbollah Sets Up Operations in South America and the United States," *New Yorker* (October 28, 2002), p. 77; Madani, "Hizballah's Global Finance Network," p. 3.

<sup>27</sup> *Patterns*, 2002, p. 72; Bartolomé, "La Triple Frontera": 10.

cocaine. The U.S. Drug Enforcement Administration (DEA) has previously reported that Hizballah members in the tri-border region were suspected of drug running. Pirated CDs and other media have also earned money for Barakat and Hizballah in the area. Several years ago, Paraguay arrested Lebanese businessman Ali Khalil Mehri for selling millions of dollars worth of pirated software and funneling a portion of the profits to Hizballah. Mehri fled Paraguay before he could be prosecuted.<sup>28</sup>

## Other Groups

At the same time that Hizballah was establishing itself in the tri-border region's cities, Sunni Muslim Middle East terrorist groups were doing the same, albeit on a smaller scale. The Islamic Resistance Movement (HAMAS), well known for its repeated suicide bombings in Israel, has also been identified by DEA as under suspicion for tri-border drug smuggling. Its members there also reportedly derive funds from pirated multimedia. The group's chief fund-raiser in the tri-border area is allegedly Ayman Ghotme, who also collected funds for the Holy Land Foundation, a now-closed Texas-based organization that sent money to HAMAS. One of the more prominent tri-border Sunni clerics, Sheikh Khalid Taqi al-Din, is primarily affiliated with HAMAS.<sup>29</sup>

Egypt has produced two Islamic terrorist organizations, the Egyptian Islamic Jihad (EIJ) under Ayman al-Zawahiri and the larger IG, whose spiritual leader, Sheikh Omar Abdel al-Rahman (the "Blind Sheikh"), is serving a life sentence in the United States for plots connected to the 1993 World Trade Center bombing. Of the two, the IG is known to have established a presence in tri-border cities. Though this presence is believed to be fairly small, it has included some important operatives. Until his arrest while transiting Uruguay in January 1999, Said Makhles, who helped plan the IG's 1997 massacre of 58 foreign tourists at Luxor, Egypt, was the group's top tri-border contact. Imprisoned on document fraud, Makhles is appealing his extradition to Egypt. In April 2002, Brazilian police in Foz do Iguaçu arrested IG member Mohammed Ali Soliman, wanted in Egypt, like Makhles, for involvement in the Luxor attack. He was released from custody later in the year because the Brazilian Supreme Court decided there was insufficient evidence to extradite him to Egypt. Shortly after Soliman's release,

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<sup>28</sup> "Clan Barakat Cuenta con un 'Ala de Narcos' en la Triple Frontera" (Barakat Clan Relies on a Narco Wing in the Triple Frontier), *ABC Color* (Asunción), May 12, 2003 (<http://www.abc.com.py/imprimir.php?pid=47523>); DEA, "Drugs and Terrorism: A New Perspective," *Drug Intelligence Brief*, September 2002, p. 3

(<http://www.usdoj.gov/dea/pubs/intel/02039/02039.html>); Jeremy Kinsell, "Hizballah Cells in Paraguay Upset the Neighbours," *Jane's Terrorism and Security Monitor* (August 2001), p. 7.

<sup>29</sup> DEA, p. 3; Matthew Levitt, "Criminal Enterprise in the Political Economy of Middle Eastern Terrorism," *Policywatch*, Washington Institute for Near East Policy (January 3, 2003), p. 2; Goldberg, "In the Party of God," p. 78.

however, Brazil arrested another IG member, Hesham al-Tarabili, also sought by Cairo for the Luxor incident.<sup>30</sup>

## Expanding Outside the Tri-border Region

Mokhles's presence in Uruguay—he had contacts in the Muslim community of Chui—was a sign that Middle Eastern groups had moved beyond the tri-border area, in part to avoid increased scrutiny there. By the mid-1990s, Hizballah had cells in Venezuela. Attention has focused on the group's presence among Lebanese Shia in the 12,000-strong Arab community on Margarita Island.<sup>31</sup> A recent U.S. investigation into Hizballah cigarette smuggling revealed that a member of the group involved in the enterprise entered the United States illegally from Venezuela in 1992.<sup>32</sup> Following the 9/11 attacks, Chile opened investigations of two businesses, Barakat, Ltd., owned by Assad Barakat, and Saleh Trading, Ltd, owned by another Lebanese, Khalil Saleh. The companies were allegedly fronts for money laundering, and two of Saleh's associates were arrested and charged with financing a terrorist group.<sup>33</sup>

There are several examples of Middle Eastern terrorist activity in Colombia. Hizballah cells have positioned themselves among Islamic sympathizers in the Arab community of some 8,000 in Maicao, the trade capital of northern Colombia's Guajira Peninsula. In 1997, police reportedly shut down a clandestine radio station in the city that had been broadcasting Hizballah propaganda. Hizballah also exploits the north coast's drug and money laundering networks to move money to Lebanon. Hizballah's presence in Maicao likely aids its use of cigarette smuggling for funding since the city is a major entry point for contraband cigarettes into Colombia.<sup>34</sup>

In late 1998, Colombian police discovered that an Arab male detained for illegal documentation was Mohammed Abdel Aal, an IG member, again wanted for the Luxor attack. He was quickly deported to Ecuador and reportedly was later turned over to Egyptian authorities. Aal may have been trying to contact the leftist Armed Revolutionary Forces of Colombia (FARC).<sup>35</sup>

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<sup>30</sup> Montoya, "War on Terrorism Reaches Paraguay's Triple Border," pp. 12–13; *Patterns*, 2002, p. 72.

<sup>31</sup> Statement of Hon. Philip Wilcox, coordinator for counterterrorism, Department of State, September 28, 1995, in U.S. House of Representatives, Committee on International Relations, "Terrorism in Latin America/AMIA Bombing in Argentina," p. 6; *Patterns*, 2001, p. 44.

<sup>32</sup> Timothy J. Burger and Elaine Shannon, "Hizballah is Moving Up the Threat Chart," Time.com (February 25, 2003), p. 1 (<http://www.time.com/time/world/article/0,8599,426711,00.html>).

<sup>33</sup> Madani, "Hizballah's Global Finance Network," p. 3.

<sup>34</sup> "Police Investigate Local Arab Ties with Terrorists," *EFE News*, December 10, 2001 ([http://www.prairienet.org/clm/clmnews\\_files/011210EFE01.html](http://www.prairienet.org/clm/clmnews_files/011210EFE01.html)); Ely Karmon, "Hizballah and the War on Terror," International Policy Institute for Counter-Terrorism (August 1, 2002), p. 6 (<http://www.ict.org.il/articles/articledet.cfm?articleid=444>); Mark Shapiro, "Big Tobacco," *Nation*, vol. 274, no. 17 (May 6, 2002): 11–20.

<sup>35</sup> "La Frontera de los 'Caballitos'" (The Little Horses' Border), *El Espectador* (Bogotá), November 18, 2001, p. 6

Perhaps the most bizarre episode of recent Middle Eastern terrorist interest in Colombia involves Iran and the FARC. In 1999, the government of President Andres Pastrana approved an Iranian offer to build a large beef processing and refrigeration facility in the heart of the FARC's demilitarized zone, which had been established to facilitate the country's then-ongoing peace talks. The ostensible aim was to export large quantities of meat to Iran. Bogotá purportedly saw the plant as a much-needed foreign investment and as a "carrot" to give the FARC an incentive to negotiate in good faith. The FARC was enthusiastic about the idea because it called for construction of a large airstrip in its Switzerland-sized zone. The Iranian connection, however, raised concern in Washington, and after reconsidering, the Pastrana administration shelved the project.<sup>36</sup>

The venture was inherently suspicious. Most of the Colombian cattle industry is located more than 300 miles to the northwest of the now-abolished rebel zone. Iranians involved in the meat plant venture resisted searches of their bags at Bogotá's airport. One resident of the FARC's zone with a keen interest in the meat plant was Dr. Carlos Ariel Charry, who ran a clinic. Charry was subsequently arrested in Mexico in 2000 for representing the FARC in a deal to send cocaine to Mexican traffickers in return for arms.<sup>37</sup>

The FARC's links to Middle Eastern terrorists do not appear as extensive as those it has forged with European groups, such as the Irish Republican Army (IRA) and probably Basque Fatherland and Freedom (ETA). Nevertheless, the FARC has likely worked with Islamic radicals as part of its arms procurement activities. In the late 1990s, the Colombian rebels established a drugs-for-guns exchange with major Brazilian trafficker Luis Da Costa, whose criminal ties included Middle Eastern money launderers with reported links to Islamic radicals in the tri-border area. The past several years have seen investigations of FARC representatives in both Brazil and Paraguay for involvement in arms deals.<sup>38</sup> Colombia's terrorist groups frequently use Panama with its Colón Free Zone to acquire and ship arms. Hizballah's presence in the zone makes it highly plausible

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([http://www.elespectador.com/periodismo\\_inv/2001/noviembre/nota1.htm](http://www.elespectador.com/periodismo_inv/2001/noviembre/nota1.htm)); Martin Arostegui, "Search for bin Laden Looks South," United Press International, October 12, 2001, p. 1 (<http://www.autentico.org/oa09505.html>); STRATFOR, Global Intelligence Update, "Terrorist Networks Being Broken in South America" (undated, but late 1998), p. 1 ([http://www.informationwar.org/terrorist\\_network/in\\_s-america.htm](http://www.informationwar.org/terrorist_network/in_s-america.htm)).

<sup>36</sup> Luz E. Nagle, *Plan Colombia: Reality of the Colombian Crisis and Implications for Hemispheric Security* (Carlisle, Pa.: Strategic Studies Institute, U.S. Army War College, December 2002), pp. 38–39 (<http://carlisle-www.army.mil/ssi/pubs/2002/pcrealty/pcrealty.pdf>); "Colombian Deal Halted," ABC News, January 6, 2000, pp. 1–3 ([http://abcnews.go.com/sections/world/DailyNews/colombiairan000106\\_lackey.html](http://abcnews.go.com/sections/world/DailyNews/colombiairan000106_lackey.html)).

<sup>37</sup> Kinsell, "Hizballah Cells in Paraguay Upset the Neighbours," p.7; Édgar Téllez et al, *Diario Íntimo de un Fracaso: Historia no Contada del Proceso de Paz con las FARC* (Intimate Diary of a Failure: the Untold Story of the Peace Process with the FARC) (Bogotá: Planeta, 2002), pp. 179–82; Mark S. Steinitz, *The Terrorism and Drug Connection in Latin America's Andean Region*, Policy Papers on the Americas (Washington, D.C.: CSIS, July 2002), p. 12.

<sup>38</sup> Steinitz, *The Terrorism and Drug Connection*, p. 14; "La Samba de las FARC" (The FARC's Samba), *Cambio* (Bogotá) (October 2, 2000), pp. 34–35; *Patterns*, 2000, p. 24.

that contact would occur as a result of a mutual interest in weapons and other contraband.<sup>39</sup>

## Al Qaeda and Friends

As noted at the outset, many allegations about the activities of Al Qaeda in Latin America remain uncorroborated. In March 2003, General James T. Hill, commander of the U.S. Southern Command, said he had insufficient evidence to support recent speculation that the group operated cells in the region.<sup>40</sup> Yet, even if Al Qaeda's presence in Latin America is nearly nonexistent or only rudimentary, the case for continued vigilance is strong.

The arrest of Mokhles and others hurt the IG in Latin America, but the group still probably provides Al Qaeda's best entrée into the region. Bin Laden forged an alliance with the IG in the early 1990s, when both he and Egyptian terrorists enjoyed haven in Sudan. Al Qaeda reportedly supported several major IG operations. These included the 1995 assassination attempt of Egyptian president Hosni Mubarak in Ethiopia and the Luxor massacre, an attack that apparently involved at least several IG members who subsequently turned up in Latin America.<sup>41</sup>

In February 1998, IG operations chief Rifa'i Taha Musa was one several terrorist leaders to sign bin Laden's *fatwah* (religious decree) against "Jews and Crusaders." Though Taha Musa was forced to distance himself from the decree as the IG declared a cease-fire with the Egyptian government in early 1999, it was not long before he and other hard-liners found themselves moving even closer to Al Qaeda. In September 2000, the IG operations chief appeared at bin Laden's

<sup>39</sup> Richard L. Millett, *Colombia's Conflicts: The Spillover Effects of a Wider War*, The North-South Agenda Papers (Miami, Fla.: Dante B. Fascell North-South Center, September 2002), pp. 12–13 (<http://miami.edu/nsc/publications/pub-ap-pdf/57AP.pdf>); *Patterns*, 2001, p. 44.

<sup>40</sup> "General: Islamists Find Latin America Funds," *Miami Herald*, March 9, 2003, p. A1. For allegations that Al Qaeda already has camps as well as cells in the tri-border area, see Sebastian Junger, "Terrorism's New Geography," *Vanity Fair* (December 2002), pp. 196, 202, 205. Another allegation is that Brazil and other tri-border countries "appear to have played a significant role in the planning of the 11 September attacks." See Paul J. Smith, "Transnational Terrorism and the al Qaeda Model: Confronting New Realities," *Parameters*, vol. 32, no. 2 (summer 2002): 38. While more evidence on 9/11 may yet turn up, there currently is no proof of a tri-border link to the four hijackings. On October 17, 2002, FBI director Robert S. Mueller testified before the Senate Select Committee on Intelligence that the 9/11 plot "was conceived in Afghanistan, with details developed and coordinated in Hamburg, Germany." See <http://intelligence.senate.gov/0210hrg/021017/mueller.pdf>. For a detailed account of the plot, see his September 26, 2002, statement for the record at <http://intelligence.senate.gov/0209hrg/020926/mueller.pdf>. See also CIA director George J. Tenet's testimony before the Joint Inquiry into Terrorist Attacks Against the United States," June 18, 2002 ([http://www.cia.gov/cia/public\\_affairs/speeches/archives/2002/dci\\_testimony\\_06182002.html](http://www.cia.gov/cia/public_affairs/speeches/archives/2002/dci_testimony_06182002.html)).

<sup>41</sup> Peter L. Bergen, *Holy War, Inc.: Inside the Secret World of Osama bin Laden* (New York: The Free Press, 2001), p. 86; Rohan Gunaratna, *Inside Al Qaeda: Global Network of Terror* (New York: Columbia University Press, 2002), p. 137; Yonah Alexander and Michael S. Swetnam, *Usama bin Laden's al-Qaida: Profile of a Terrorist Network* (Ardsley, N.Y.: Transnational Publishers, 2001), p. 22.



side in a videotape calling for the United States to release the “Blind Sheikh,” who had rescinded his support for the cease-fire. Bin Laden was also flanked by one of the sheikh’s sons, Assadallah, who ran an Al Qaeda training camp in Afghanistan. Though Taha Musa has not been heard from since roughly mid-2001, another hard-line IG leader, Mohammed Shawqi al-Islambouli, has continued to work closely with Al Qaeda. Even senior member Mustafa Hamza, who leads an IG faction that professes support for the cease-fire, has long cooperated with bin Laden and desires to maintain good relations with his network.<sup>42</sup> Despite the setbacks suffered at the hands of the Egyptian government and others since the late 1990s, the IG has not yet formally merged with Al Qaeda, as has Zawahiri’s smaller EIJ. Nevertheless, a significant portion of the IG leadership and apparatus outside of Egypt is, in practice, increasingly indistinguishable from bin Laden’s organization.<sup>43</sup>

Al Qaeda could exploit ties to other Sunni groups to penetrate Latin America. When top Al Qaeda operative Abu Zubaida was captured in Pakistan in early 2002, authorities found in his address book the name of HAMAS-linked Mohammed Dahroug Dahroug, who had lived in the tri-border area, trained in Afghanistan, and advocated jihad.<sup>44</sup> Paraguayan police arrested his nephew, Ali Nizar Dahroug, in June 2002 in Ciudad del Este and found in his office numerous counterfeit goods, false packing devices, and documents showing wire transfers to his uncle, apparently now in the Levant. Paraguayan authorities say that Ali Nizar transferred at least \$5 million and perhaps as much as \$10 million in 2000 and 2001 to bank accounts around the world.<sup>45</sup>

Sunni religious, charitable, and nongovernmental organizations have sometimes served as cover for Al Qaeda expansion. These entities are not nearly as active in Latin America as they are in other regions. Nevertheless, one organization, the Saudi-based World Assembly of Muslim Youth (WAMY), which has been linked to Al Qaeda funding, has a Latin American section. The Pakistan-headquartered Jama’at al Tabligh (Association for Preaching), the world’s largest Sunni proselytizing group, has sent members to South America and the Caribbean. Examples of Al Qaeda suspects whose alleged Tabligh links have been investigated include would-be shoe-bomber Richard Reid, arrested in Paris in December 2001, and six Yemeni-Americans arrested in Buffalo, New York, in September 2002, who subsequently pled guilty to supporting terrorism.<sup>46</sup>

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<sup>42</sup> Ed Blanche, “The Egyptians around Bin Laden,” *Jane’s Intelligence Review* (December 2001), p. 20; *Patterns*, 2002, p. 106; Alexander and Swetnam, *Usama bin Laden’s al-Qaida*, pp. 21–23.

<sup>43</sup> Gunaratna, *Inside Al Qaeda*, pp. 136, 165.

<sup>44</sup> Goldberg, “In the Party of God,” p. 78.

<sup>45</sup> *Patterns*, 2002, p. 73; Marc Perelman, “U.S. Probe Sees Terror Networks Sharing Men, Cash in Global Trail,” *Forward* (April 25, 2003), p. 2 (<http://www.forward.com/issues/2003/03.04.25/news1.html>).

<sup>46</sup> On WAMY, see Jean-Charles Brisard, *Terrorism Financing: Roots and Trends of Saudi Terrorism Financing*, an independent consultant’s report submitted to the president of the UN Security Council, December 19, 2002, p. 27. (<http://www.nationalreview.com/document/>)

There is, at this point, no evidence of Al Qaeda cooperation in Latin America with Hizballah, which likely remains the strongest Middle Eastern terrorist group in the region. Nevertheless, it appears that the two, despite Shia-Sunni differences, have worked together at a tactical level elsewhere. Al Qaeda members, for example, have trained with Hizballah in Lebanon. Al Qaeda also appears to have enjoyed ties to at least some Iranian officials. The presence of some of bin Laden's lieutenants in Iran has brought U.S. expressions of concern that Tehran has offered them sanctuary.<sup>47</sup> Further collaboration between Hizballah and Al Qaeda is possible in an area such as the tri-border where Shia-Sunni divisions seem less pronounced, perhaps because such differences are at times muted in an overwhelmingly Catholic region. Argentine intelligence has filmed meetings and monitored communications between Shia and Sunni extremists.<sup>48</sup>

Though the tri-border area continues to host many Islamic radicals, the increased publicity in recent years about the terrorist presence there and the downturn in economic fortunes as a result of the Argentine financial crisis have accelerated the movement of extremists to other cities in Brazil and the Southern Cone (e.g., São Paulo), as well as northward in Latin America. There are indications that the search for Al Qaeda, likewise, needs to be region wide. In February 2003, police at London's Gatwick airport detained a Bangladeshi-born Muslim male with a Venezuelan passport who had arrived from Caracas with a grenade in his luggage. The suspect, whose profile resembled that of shoe-bomber Reid, may have been on a reconnaissance mission testing security rather than on an attack mission.<sup>49</sup>

In March 2003, the FBI issued a domestic alert for a suspected Saudi-born Al Qaeda operative, Adnan al-Shukrijumah, whose travel in last several years included Panama, possibly to case the Canal. He holds, among others, passports from Guyana and Trinidad and Tobago, two Caribbean states with significant

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document-un122002.pdf); for the Tabligh, see "The Hunt for al Qaeda," *Los Angeles Times*, March 2, 2003, p. A1; "Bomb Suspect Was at Camp, Detainees Say," *Los Angeles Times*, December 27, 2001, p. A1; "US Tablighis Fear Crackdown," *rediff.com*, September 21, 2002 (<http://www.rediff.com/us/2002/sep/21us.htm>); "Sixth Man Pleads Guilty to al Qaeda Training," *New York Times*, May 20, 2003, p. A16.

<sup>47</sup> Gunaratna, *Inside Al Qaeda*, pp. 146–47; "Terror Alliance Has U.S. Worried; Hezbollah, Al Qaeda Seen Joining Forces," *Washington Post*, June 30, 2002, pp. A1, A20. The extent of Al Qaeda–Hizballah links remains controversial. For a view that downplays these connections, see Anders Strindberg, "Assessing the Hizballah Threat," *Jane's Intelligence Review* (March 2003), pp. 24–26. For Iranian connections, see Matthew Levitt, *Targeting Terror: U.S. Policy toward Middle Eastern State Sponsors and Terrorist Organizations, Post–September 11* (Washington, D.C.: Washington Institute for Near East Policy, 2002), pp. 62–64; "U.S. Calls on Iran to Stop Sheltering Top Al Qaeda Aides," *Washington Post*, August 29, 2002, p. A6; "U.S. Asks Iran to Crack Down on Qaeda Leaders Believed Active There," *New York Times*, May 22, 2003, p. A14.

<sup>48</sup> Gunaratna, *Inside Al Qaeda*, p. 166.

<sup>49</sup> Security and Intelligence Advising (SIA), "International Terrorism: The Importance and Evolution of the Tri-Border Area," February 2002, p. 5 (<http://www.siacorp.com/3border%20paper-abstract.pdf>); *Jane's Foreign Report*, no. 2726 (February 27, 2003), p. 2.

Muslim populations.<sup>50</sup> Jama'at al Muslimeen's Abu Bakr, who has served a jail sentence for his 1990 coup attempt, is one of a small but active number of radicals currently clamoring for an Islamic state in Trinidad and Tobago. The FBI was also concerned that al-Shukrijumah might have links to an Al Qaeda suspect of Puerto Rican heritage, José Padilla, arrested in Chicago in May 2002. Padilla's arrest was a reminder that Al Qaeda might recruit Muslims of Hispanic origin to cloak terrorist activity in the large U.S. Latino community.

In addition, widespread alien smuggling into the United States from Latin America remains an avenue Al Qaeda could employ to cross U.S. borders. A recent study showed that there were about 200 clandestine crossing points on the Guatemalan-Mexican border alone, with increasing numbers of Asians, Africans, and Middle Easterners entering Mexico to reach the United States. A smuggling ring known as the Abdullah organization, which specializes in bringing Middle Easterners into the United States through Mexico, may have terrorist ties.<sup>51</sup>

## Looking Ahead

For now, Hizballah's principal aim in Latin America appears to be fund-raising. The same holds true for HAMAS, with its lower profile in the area. The Palestinian fundamentalist group has never attacked in Latin America and has for years focused its targeting almost entirely against Israelis within Israel and the occupied territories. Nevertheless, HAMAS's escalating anti-U.S. rhetoric could signal a shift to a broader terrorist strategy.<sup>52</sup>

Hizballah's track record in Argentina makes it even less certain that it will stick to fund-raising in the region. In mid-2002, a White House counterterrorism official from the Clinton administration reported that Hizballah was bolstering its presence in several regions, including South America. Additionally, the group is believed to have moved entire families from Lebanon to South America to serve as "sleeper cells" for future activity.<sup>53</sup> Hizballah, in recent years, has focused on attacking Israeli targets in the Israeli-Lebanese border area, but the continued importance attached to overseas cadres underscores its intent to maintain a transnational terrorist capability. In July 2002, police in Ciudad del Este raided the apartment and office of an individual with alleged ties to money laundering

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<sup>50</sup> "Al Qaeda in America: The Enemy Within," *Newsweek* (June 23, 2003), p. 46; "Terror Suspect Has Guyana Passport," Associated Press, March 27, 2003.

<sup>51</sup> Comments of George W. Grayson in "Mexican Immigration after 9/11: New (and Old) Challenges," report of a conference held at the Nixon Center, Washington, D.C., August 6, 2002, p. 2. (<http://www.nixoncenter.org/Program%20Briefs/vol8no13immigration.htm>); Robert S. Leiken, *Enchilada Lite: A Post-9/11 Mexican Migration Agreement* (Washington, D.C.: Center for Immigration Studies, March 2002), p. 5 (<http://www.cis.org/articles/2002/leiken.html>).

<sup>52</sup> "U.S. Intelligence Agencies Warn that HAMAS May Attack U.S. Citizens and Facilities If War with Iraq Begins," *Time.com* (March 2, 2003), pp. 1–3 ([http://www.time.com/time/press\\_releases/article/0,8599,428002,00.html](http://www.time.com/time/press_releases/article/0,8599,428002,00.html)).

<sup>53</sup> "Terror Alliance Has U.S. Worried," *Washington Post*, June 30, 2002, p. A20; Daniel Pipes, *Militant Islam Reaches America* (New York: W.W. Norton, 2002), p. 146.

and Hizballah. Apart from documents detailing arms sales and large wire transfers, they found suspected bomb-making material.<sup>54</sup>

Nor can Iran be counted on to pursue moderation in Latin America. Responding to the charges in the AMIA bombing, Tehran recalled its top diplomat from Buenos Aires in March 2003. Ominously, the Iranian government warned that it would “adopt appropriate measures” if Argentina did not apologize for the indictment.<sup>55</sup> Though Israeli or Jewish interests would again be the most likely targets of Hizballah and Iran in Latin America, U.S. officials still see both as a threat to Americans worldwide.<sup>56</sup>

Since 9/11, Al Qaeda has come under unprecedented pressure. It has lost its Afghan base and seen roughly 3,000 organizers, operatives, and supporters arrested, including many top and secondary leaders. Yet, the organization has shown resilience and an ability to continue to mount attacks. Its depleted ranks can be filled in part by a segment of the large number of fighters who trained at various Al Qaeda camps in the 1990s. Estimates vary, but a leading RAND Corporation terrorism expert has put the number of trainees as high as 70,000.<sup>57</sup>

Even before the U.S.-led toppling of Saddam Hussein, Al Qaeda was enjoying success in recruiting new members among disaffected Muslim youth. Many observers believe that a downside of the Iraqi war will be a greater swelling of the terrorists’ ranks. This potential for increased recruitment bears watching in Latin America where there was widespread disapproval of the Iraq war and where Islam is reportedly the fastest-growing religion. Wahhabism, the ultra-conservative form of Islam advocated by bin Laden, is said to be on the rise in the southern cone.<sup>58</sup>

The threat and targeting pattern of Al Qaeda and its allies has broadened after 9/11, with implications for Latin America. Given the heavy U.S. business representation in the region, bin Laden’s terrorists would find many attractive targets to make good on several public threats to hurt the U.S. economy. With its added symbolism, the Panama Canal probably remains Latin America’s highest-value economic target. As the seaborne suicide bombing of the French oil tanker *Limburg* off Yemen in October 2002 suggests, Al Qaeda’s attempt to carry out its economic threats could involve non-U.S. victims. Moreover, the *Limburg* attack and the May 2003 attack on 21 U.S. and British gas stations in Karachi, Pakistan, all show a continued interest in hitting the petroleum industry. The upshot of these

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<sup>54</sup> *Patterns*, 2002, p. 73.

<sup>55</sup> “Iran Recalls Top Argentine Diplomat in Bomb Dispute,” Reuters, March 12, 2003; “Iran, Argentina Trade Charges on ‘94 Attack,” *Washington Post*, March 11, 2003, p. A16.

<sup>56</sup> “U.S. Traces Iran’s Ties to Terror through a Lebanese,” *New York Times*, January 17, 2002, p. A17; “Hezbollah Vows to Target U.S. Interests,” *Los Angeles Times*, April 17, 2003, pp. A1, A5.

<sup>57</sup> Bruce Hoffman, “The Leadership Secrets of Osama bin Laden: The Terrorist as CEO,” *Atlantic Monthly* (April 2003), p. 26.

<sup>58</sup> “Dutch Say al Qaeda Recruitment Succeeding,” *Washington Post*, December 10, 2002, p. A21; “Anger on Iraq Seen as New Qaeda Recruiting Tool,” *New York Times*, March 16, 2003, pp. A1, A16; “The Faraway War Set Latin America on Edge,” *New York Times*, April 20, 2003, sec. 4, p. 3; on Wahhabism, see “Drugs and Terrorism, Enhanced Security,” *Geopolitical Drug Newsletter* (November 2001), p. 4 (<http://www.geodrugs.net/fr/minilette.php3>).

actions is that Al Qaeda may be tempted to disrupt the U.S. economy by hitting oil facilities in Latin America, especially in Mexico and Venezuela, which supply about one-third of the United States' petroleum imports.

Latin America's Jewish community faces a threat from Al Qaeda. In April 2002, Al Qaeda bombed a synagogue in Tunisia, killing 16. Moroccan suicide bombers with suspected ties to the group bombed a Jewish community center and cemetery in May 2003. The bombing in October 2002 of a Bali nightclub full of Australians by an Al Qaeda-affiliated Indonesian group and Al Qaeda's attack on a Jewish-owned resort hotel in Kenya one month later underscore a willingness to strike at tourism. The industry is important to many Latin American countries, particularly in the Caribbean. Finally, one terrorism expert has recently predicted that, in general, there will be more Al Qaeda attacks in the "global south."<sup>59</sup>

Even under highly optimistic counterterrorism scenarios, Al Qaeda is likely to remain a significant threat for at least several years to come, with the capacity to inflict serious damage. A more pessimistic assessment by the respected, London-based International Institute for Strategic Studies (IISS) has suggested that it "could take a generation to dismantle" the group.<sup>60</sup> In either case, Latin America would do well to remember that bin Laden and his lieutenants have excelled at building relations with other organizations, inspiring like-minded extremists to action, and setting up new bases when they found themselves under pressure. After being expelled from Sudan in 1996 and moving rapidly to Afghanistan, Al Qaeda forged fresh alliances with a number of groups in disparate areas. In the wake of its ejection from Afghanistan and widespread crackdowns, it again appears to be reaching out to old friends and trying to make new ones.

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<sup>59</sup> Gunaratna, "An Assessment of the Threat from al-Qaeda in 2003," Maritime Security Council, March 25, 2003 (author's copy).

<sup>60</sup> IISS, *Strategic Survey, 2002/3: An Evaluation and Forecast of World Affairs* (Oxford: Oxford University Press, 2003), p. 9.

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