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The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC# 02638/88

27 July 1988

MEMORANDUM FOR: See Distribution

FROM: Andre LeGallo  
National Intelligence Officer for Counterterrorism

SUBJECT: ~~July~~ Warning and Forecast Report

1. The monthly warning meeting on terrorism was held on 22 July. Following is my report on the topics covered:

2. Iran. CIA briefed on the current status of the Iranian threat to US interests, the actions Iran is likely to take, where the US is at greatest risk, and the outlook for the future. [redacted]

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CIA believes Iran will eventually decide to retaliate for the accidental downing of IranAir Flight 655, but that Iranian leaders will first exhaust diplomatic efforts and then act in a way not to endanger initiatives to improve foreign relations. A decision to retaliate would probably be made by consensus of Iran's leaders--including Assembly Speaker Rafsanjani, the Prime Minister, the Intelligence and Interior Ministers, and the Iranian Revolutionary Guard Corps (IRGC). [redacted]

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Iran is aware that military retaliation against the US in the Persian Gulf is not a realistic option. It wants to continue to exploit its role as "victim"--from the IranAir incident--and retain the moral high ground. When Tehran retaliates, it will likely employ surrogates. Recent reporting of

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[redacted] indicate that Iranian-backed groups continue to prepare for attacks against US interests. Yet threats against the hostages in Lebanon have stopped, apparently following warnings by Iran and Hizballah spiritual guide, Shayk Fadlallah, not to link the hostages to the downing of IranAir Flight 655. [redacted]

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The areas of greatest risk for the US have not changed, but some aspects of the threat are different. Iran's apparent interest in using surrogates not previously linked to it may produce uncontrollable assets who may act without authority. Some groups, such as the Abu Nidal Organization (ANO) or other Palestinian groups, may seek involvement with Iran in order to garner a new sponsor. These groups offer Iran an attractive outlet--not being linked historically--and Tehran may opt to employ them, believing that its involvement would be hard to trace. Yet, while these groups may make demands on Iran for their assistance, we doubt that Tehran would accede in any arrangement that could jeopardize its security interests, e.g., providing ANO a base of operations. The danger is that these groups may act without Iranian authority. Indeed, some of these groups may claim attacks in the name of Iran, hoping to divert the blame.

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Another concern is that Hizballah or Palestinian extremists may act on their own out of a growing sense of frustration over the IranAir incident, the Gulf military situation, and the assassination of Abu Jihad. The danger of "freelancing" is increasing.

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The downing of IranAir Flight 655 is not seen as an isolated incident by Iran or many others in the Middle East, but as part of a larger US conspiracy to undermine and embarrass Iran and the Palestinians, and to help Israel. The emotional baggage from Iran, Lebanon, and the assassination of Abu Jihad sustains a high threat environment. As noted, uncontrolled individuals or groups could lash out in frustration--thus we believe the danger is increasing.

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Threats to US interests will continue at a high rate. The more likely incidents are hijackings or attacks against large numbers of US personnel. US interests are especially at risk in the Persian Gulf--particularly in Kuwait, Bahrain, and the UAE. Hijackings by Hizballah are possible, as with KU 422 and the Air Afrique incident. Indeed, hijackings are more likely to be initiated from countries where security is poor and where the hijackers have a support structure, such as obtains in many African countries. But the capability exists in Europe, as well. We have some indications that Iran is renewing contacts with members of the Lebanese North African terrorist cell arrested in France last year. We doubt that the hostages will be harmed.

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While a rogue operation sponsored by elements in Tehran is always possible, we do not believe one is likely. Rafsanjani appears to be in control, and he apparently does not believe that a terrorist incident would be beneficial at this time. Yet while Rafsanjani would be involved in such operational decisions, he may be forced to accede to more "radical" demands

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to hit the US. Terrorist attacks by Iran would serve to remind the US that Tehran still has the power to act and to damage the US position in the region. [REDACTED]

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The question is not whether--but when--Iran will strike. No one believes Iran has foresworn terrorism as a foreign policy tool. The confrontation will continue. The question is when it will be politically opportune for Tehran to employ terrorist tactics against the US. [REDACTED]

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3. 17 November. CIA briefed on the recent assassination of CAPT Nordeen, whether there is an emerging pattern to 17 November operations, and the prospects for improved Greek counterterrorist performance. At 0800, 28 June, CAPT Nordeen's vehicle passed a car approximately 100 meters from his home loaded with high explosives which were detonated by remote control--most likely by radio signal. Nordeen was killed instantly, and damage was done to buildings up to 100 meters away by blast, shrapnel, and debris. There were no other casualties. Two men were reported seen leaving the scene at high speed on a motorcycle shortly after the explosion. [REDACTED]

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CAPT Nordeen was driving a lightly armored Ford Grenada down a one-way street, after exiting the grounds of his home. 17 November noted in its communique that it was aware that he drove an armored vehicle and probably used that information to calculate the size of the device. A barrier of sand/cement bags reportedly was placed around the explosives, to channel the full force of the explosion toward the target. All of the circumstances of the attack indicate the group conducted a thorough surveillance of Nordeen's movements. The explosives car was stolen in January, but there is no evidence indicating how long the terrorists monitored Nordeen prior to the attack. [REDACTED]

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The US Embassy in Athens suggested that Nordeen may have been a backup or secondary target, but there is no hard evidence that this is the case. Analysis of a copy of the group's communique noted that the section dealing specifically with CAPT Nordeen appeared to have been a replacement for another text. In addition, one date on the claim was 14 June. Since no other portion of the text dealt with Nordeen or his position directly, the Embassy raised the possibility that, for unknown reasons, the priority target could not be attacked, and Nordeen was the fall-back. Nevertheless, the precision of the attack suggests more than two weeks of preparation went into the operation, and that the group had selected him earlier, at least as the secondary target. There is no information suggesting the identity of the putative priority target. [REDACTED]

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The group added a new dimension to the focus of its anti-American rhetoric. More graphically than in any previous communique, the group linked its antipathy towards the US and Turkey, going as far as asserting

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that the attacks on Americans will continue until the last Turkish soldier is out of Cyprus and the last American soldier is out of Greece. While 17 November's ideology may genuinely embrace an anti-Turkish theme, the group may be trying to bolster sagging tolerance of its attacks by linking public resistance to Athen's rapprochement with Ankara with its anti-American struggle. By portraying Washington as the force behind Turkish expansionism, the group may have hoped to transfer anti-Turkish sentiment to the US. [redacted]

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The claim letter also touched on the group's traditional themes. Papandreou was criticized for not following through on promises to close the US bases, break Athen's ties to NATO, and reform the country's economic structure. In addition, the author of the communique laid out an interesting military strategy for resolving the situation with Turkey, short of all-out war. [redacted]

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17 November probably began laying the ground work for revitalizing its campaign earlier in 1988. The anti-Turkish theme was given prominence in the letter claiming responsibility for the murder of a Greek businessman on 1 March. This theme was reemphasized with the attack on four Turkish Embassy cars on 23 May, in which two devices exploded and two did not. Although the group raised the US-Turkish link in the 1 March murder, it stated that the assassination of Nordeen was the second phase of an action begun with the latter attack on the Turkish cars, indicating that the group is planning a series of operations against US and Turkish interests in Greece. [redacted]

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17 November probably hopes to sustain the increased pace of its attacks against the US, particularly with another round of base talks going on this month. The group has carried out seven operations against US targets since 1975, but the last four have taken place since April 1987. In 1988, the group has conducted an attack at approximately two-month intervals. Furthermore, it has demonstrated it can prepare for several operations concurrently. The group apparently had been preparing the 28 June attack since at least January--when the car containing the bomb was stolen and shortly after the attempted assassination of a DEA official--but also planned and carried out the attack on the Greek businessman in March and the Turkish car bombing in May. The group may have exhausted itself with the rapid pace of the attacks. We suspect 17 November is a relatively small organization, and it may need a respite to organize the next round of attacks. [redacted]

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Clearly we expect US interests to continue as a prime target for 17 November. Nevertheless, the group is unlikely to ignore Greek interests. The series of attacks since April 1987 offers a number of possibilities for future targeting:

-In addition to demonstrating it can attack more secure targets, the group also may turn to greater use of smaller, non-lethal bombings--such as those against the Turkish cars and Greek tax

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offices--to protest Athen's policies and possibly draw less public criticism.

-The vehemence of the anti-Turkish rhetoric and the attacks on the cars indicates Turkish interests are at substantial risk. The group, however, may not yet be sure enough of public support to assassinate Turkish officials, particularly since it would draw attention away from the US.

-Much of the Nordeen communique was directed against the Greek military.

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them. The variety of methods for carrying out attacks demonstrated by the group presents greater security problems, as it has expanded the range of targets it can tatak. 17 November moved from point-blank assassinations to large explosive devices using remote control, in an orderly progression--although not without some problems. Only the most hardened facilities appear beyond the capability of the group to attack.

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The murder of Nordeen followed by the City of Poros attack appears to have shaken Athens out of its lethargy, if only because of the prospect of losing tourist revenue. Controversy within the intelligence community surrounds the issue of why Athens has made no progress in controlling domestic terrorism. Part of the problem is the poor state of the police investigative capability, once again demonstrated in its handling of the Nordeen attack. The lack of action also suggests an unwillingness--for a variety of reasons--by some in the government and police to move against 17 November, which had its genesis during the junta years when current government officials were active in the resistance. Even so, there is no hard evidence that links any government official directly to any of the Greek groups or that officials have intervened in investigations to protect the terrorists.

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4. Afghan Inspired Terrorism. CIA briefed on the terrorist implications of the Soviet withdrawal/Mujahedin ascension, the likely future Afghan Security Force (WAD) activities in Pakistan and their implications

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for the threat to US interests, the threat to US interests in Kabul, and the prospects for and threat posed by an Iranian-Mujahedin alliance. [REDACTED]

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In effect, the implications of the Soviet withdrawal for terrorism are unknown. Domestic and international terrorism will continue for the short term, especially during the withdrawal period. Over the longer term, CIA expects the WAD to be more concerned for its survival, as opposed to external targeting. Thus we may see a decrease in attacks on Pakistani civilian targets. The WAD will continue to try to assassinate Mujahedin leaders. [REDACTED]

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The Afghans are furious about the continuous rocket attacks. Also, a number of car bombings have occurred in Kabul and Jalalabad. While these actions don't fit the Mujahedin M.O.--targeting civilians--and are probably the product of regime factionalism, the regime may opt to conduct some spectacular operations in Pakistan as a warning. [REDACTED]

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Once the Soviet withdrawal is complete, a portion of the weaponry in the hands of the Mujahedin could drift to terrorist groups, especially those with ties to more radical fundamentalist elements. Some resistance forces already have ties with Iran. [REDACTED]

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The most serious threat is in Kabul, which is perforce a war zone. Americans, who look like Russians, could be attacked inadvertently. Also, there are some reports that Iran might sponsor attacks on the US Embassy. There are at least eight Iranian-sponsored groups in Afghanistan whose main concern is to expunge all foreign influence in the country, although few apparently have operational capabilities inside Kabul. To date, none have carried out attacks on western interests. [REDACTED]

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The regime appears committed to assuring security for the US Embassy; so CIA does not expect any significant attacks on that facility in the near future. But the threat should not be underestimated. The US remains a "common foe" for many radical elements. And the regime appears to be targeting western journalists, in an effort to delimit their movements.

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