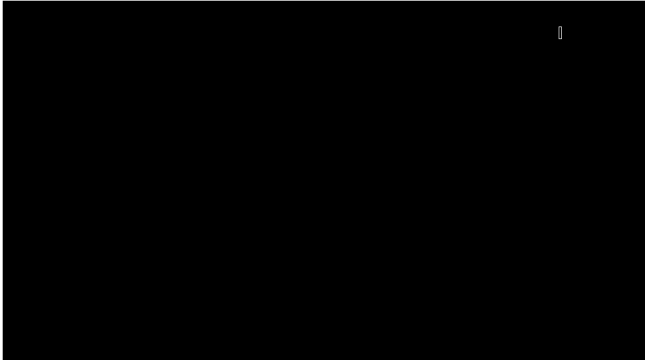


**Iran: Enhanced Terrorist Capabilities
and Expanding Target Selection**

(b)(1)
(b)(3)



*Terrorist Attacks Claimed by the
Turkish Islamic Jihad*

1985 A bomb exploded at an El Al airlines office in Istanbul, Turkey.

October 1988 A Saudi diplomat was shot and killed outside his residence in Ankara, Turkey.

October 1989 A Saudi military attache was severely injured in a car-bomb attack in Ankara, Turkey.

January 1990 A car bomb exploded under an unoccupied vehicle belonging to a Saudi diplomat in Ankara, Turkey.

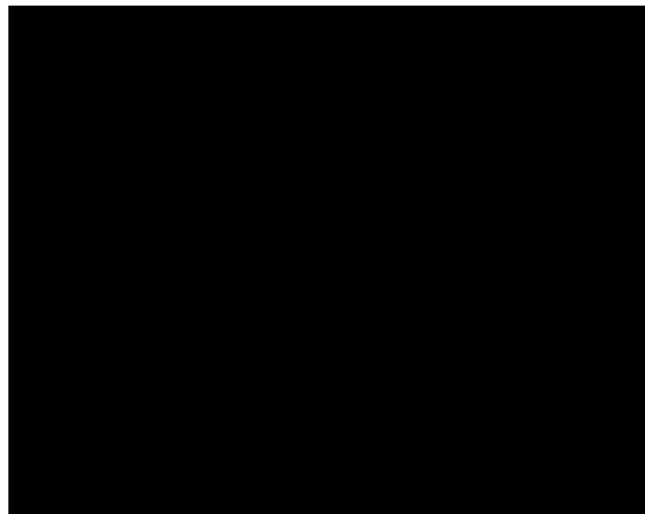
March 1991 An Iraqi diplomat was injured in a car-bomb attack in Ankara, Turkey.

October 1991 A USAF sergeant was killed and his wife injured in a car-bomb attack in Ankara, Turkey.

An Egyptian diplomat was seriously injured in a car-bomb attack in Ankara, Turkey.

March 1992 The Chief of Security at the Israeli Embassy in Ankara was killed in a car-bomb attack.

Iran is the only Middle Eastern state sponsor to be implicated in terrorist attacks so far in 1992. The 17 March 1992 Hizballah car-bomb attack that destroyed Israel's Embassy in Buenos Aires demonstrates Tehran's willingness to permit its surrogates to conduct large-scale attacks on Israeli targets world-wide. We believe Iran also is supporting Hizballah's plans to attack US interests



Turkey. The Iranian-backed, Turkish-based "Islamic Jihad" (TIJ) claimed responsibility for a 28 October 1991 car-bomb attack in Turkey, which killed a



USAF sergeant and injured his wife. The TIJ also claimed responsibility for another car-bomb attack later that day, which seriously wounded an Egyptian diplomat.





Police officers examine wreckage of the car in which Israel's chief security officer in Ankara was killed on 7 March 1992.

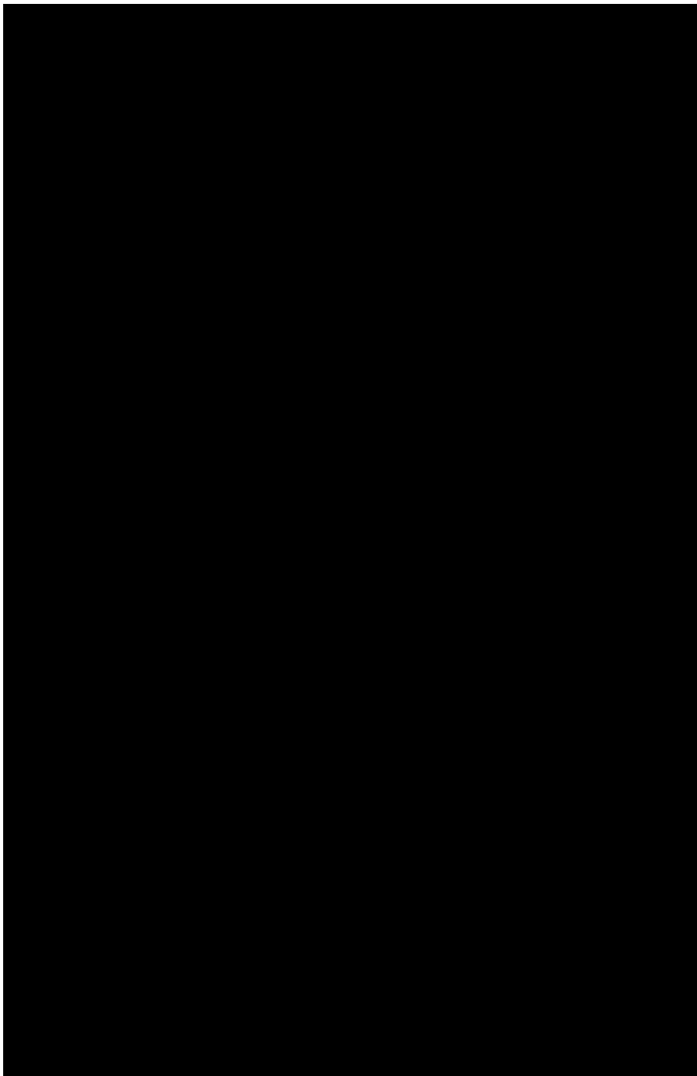
Reuters ©

[REDACTED]

We believe Tehran, at a minimum, has strong influence over TIJ's target selection; since 1985, the group has attacked eight of Iran's opponents—including US, Israeli, Iraqi, Saudi, and Egyptian targets.

[REDACTED]

[REDACTED]



Firemen and rescue workers search for survivors of the powerful car bomb that leveled much of the Israeli Embassy in Buenos Aires on 17 March 1992

AFP ©

Targeting Israel/Jewish Emigre Interests

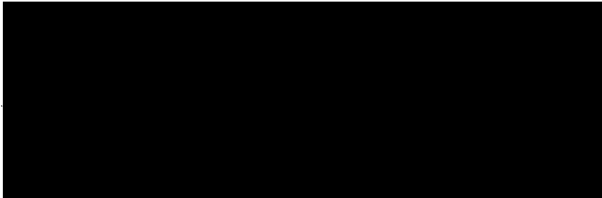
Iran is using surrogates—especially Hizballah—and possibly its own intelligence personnel—to take the lead in targeting Israeli interests. In February 1991, terrorists, who, we believe, had connections to Iranian intelligence, launched an unsuccessful rocket propelled grenade attack against the Israeli Vice Consul in Istanbul, [REDACTED]

[REDACTED] Iran and/or surrogates also appear to be responsible for the 7 March 1992 car-bomb attack in Ankara—claimed by the Turkish “Islamic Jihad”—that killed the Israeli Embassy’s chief security officer. Most recently, the IJO—a terrorist

wing of Hizballah—appears to have been responsible for the car-bomb attack on 17 March that destroyed Israel’s Embassy in Buenos Aires:

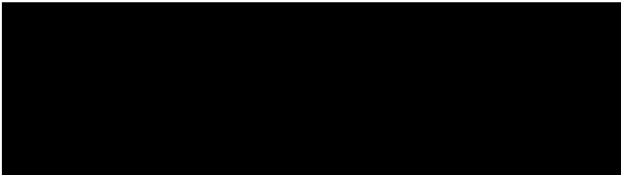
- On 18 March, the IJO claimed responsibility for destroying the Israeli Embassy. On 23 March, the group issued a second communique reiterating its

earlier claim that a suicide driver had perpetrated the attack and authenticated it by releasing a videotape of the Israeli Embassy before the attack.



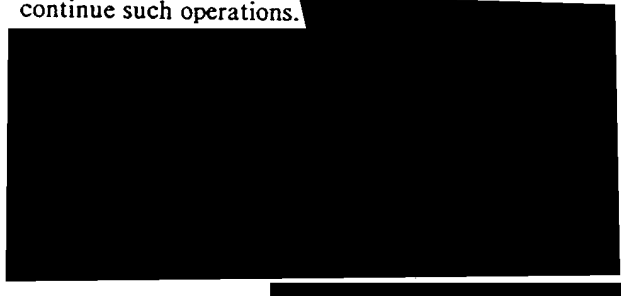
Iran and its surrogates also are targeting Jewish emigre interests. Groups with histories of support from Iran, for example, remain the likely suspects in the 23 December 1991 car-bomb attack against a bus of CIS Jewish emigres in Budapest, Hungary:

- As of late 1990, Hizballah and the Palestine Islamic Jihad (PIJ) began planning a joint operation against Jewish emigres at a Warsaw synagogue and the Budapest airport, [redacted]



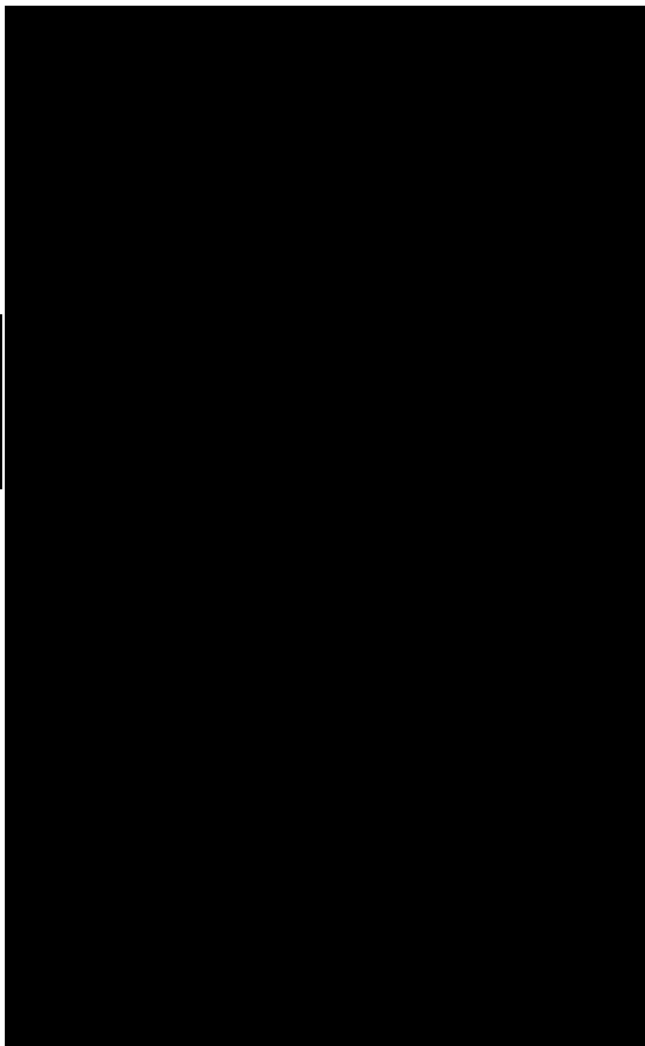
Attacks Against Traditional Targets Continue

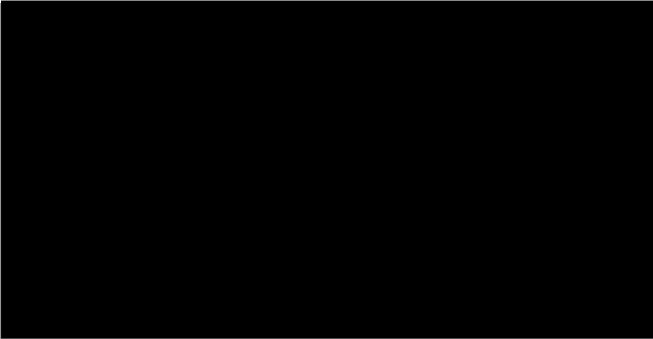
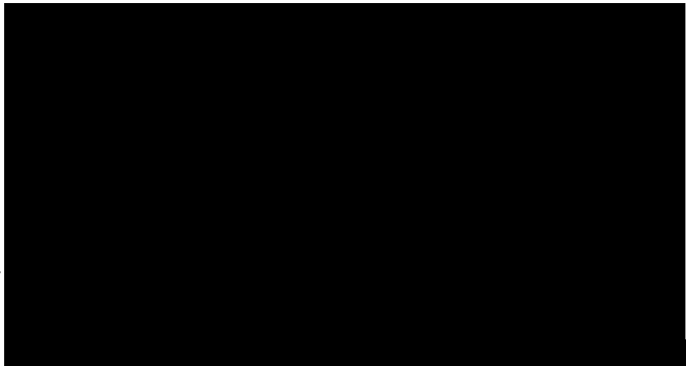
Iran is continuing to target antiregime dissidents, as it has since the early 1980s, and we judge Tehran will continue such operations.



Iranian agents also appear to have attacked the Italian and Japanese translators of *The Satanic Verses* in July 1991. Several days before he was attacked, the Italian translator claims to have been questioned about his past work by a man saying he was from the Iranian Embassy in Rome. The Japanese translator was killed

by his assailant. These operations suggest Iran has shifted from attacking organizations affiliated with the novel—publishing houses and bookstores—to individuals involved in its publication, as called for in the original *fatwa*. In February, Iranian Foreign Minister Velayati publicly confirmed that the death edict against Salman Rushdie remained in force, and Supreme Leader Khamenei's representative to an Iranian foundation reiterated the foundation's willingness to pay at least a \$1 million reward for Rushdie's death. [redacted]





Outlook

Tehran's already substantial terrorist capabilities will increase as it solidifies ties to Palestinian and Islamic fundamentalist organizations. For now, Iran will sponsor easily deniable attacks on US targets and allow Hizballah to retaliate for Musawi's assassination. Tehran also will encourage its surrogates to attack targets in Israel and the security zone in Lebanon, as well as Israeli and Jewish targets overseas as opportunities arise. Iran is unlikely, however, to initiate a major terrorist campaign unless the Arab-Israeli peace talks yield what Tehran views as unacceptable concessions on land or the political future of the occupied territories. In addition, Tehran's terrorist capabilities will further increase as it seeks to solidify relations with Palestinian groups and Islamic fundamentalist organizations. 