



ATTORNEY-GENERAL
THE HON PHILIP RUDDOCK MP

07/6108

Submission No:.....1.....
Date Received: 9 May 2007
Secretary:

- 7 MAY 2007

The Hon David Jull MP
Chair
Parliamentary Joint Committee on Intelligence and Security
Parliament House
CANBERRA ACT 2600



Dear Mr Jull

I am writing to advise you that I have decided to re-list Hizballah's External Security Organisation (ESO) as a terrorist organisation for the purposes of section 102.1 of the *Criminal Code Act 1995* (the Criminal Code).

The ESO was first listed as a terrorist organisation by the *Criminal Code Amendment Regulations 2003 (No. 9)*, with effect from 5 June 2003. The ESO was re-listed as a terrorist organisation by the *Criminal Code Amendment Regulations 2005 (No. 9)*, with effect from 5 June 2005. Under subsection 102.1(3) of the Criminal Code these regulations will cease to have effect on 5 June 2007.

I am satisfied on reasonable grounds that the ESO is an organisation that is directly or indirectly engaged in, preparing, planning, assisting in or fostering the doing of a terrorist act (whether or not a terrorist act has occurred or will occur).

The re-listing of the ESO will ensure that the offence provisions under Division 102 of the Criminal Code will apply.

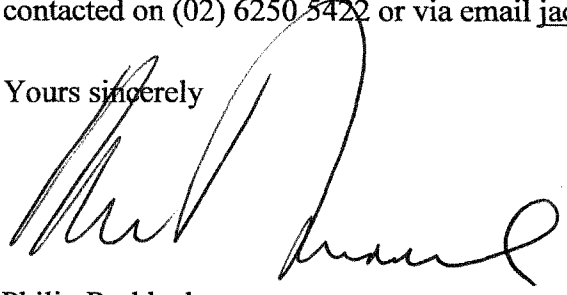
My decision to re-list the ESO was made following careful consideration of unclassified intelligence information provided by the Australian Security Intelligence Organisation (ASIO) in consultation with the Department of Foreign Affairs and Trade, in relation to these organisations, as well as legal advice provided to me by the Australian Government Solicitor.

Section 102.1A of the Criminal Code provides that the Parliamentary Joint Committee on Intelligence and Security may review the regulations as soon as possible after it has been made, and report the Committee's comments and recommendations to each House of the Parliament before the end of the applicable disallowance period for that House.

To assist the Committee, should it decide to review the regulations, I enclose a copy of the Statement of Reasons provided by ASIO, in relation to the ESO upon which my decision to re-list these organisations was based. Additional information detailing the procedure followed for the purposes of re-listing the ESO will be provided to you upon the registration of the regulations.

The action officer for this matter in my Department is Jackie Sudore-Flood who can be contacted on (02) 6250 5422 or via email jacqueline.sudore-flood@ag.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Philip Ruddock', written in a cursive style.

Philip Ruddock

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Attachment A

Hizballah's External Security Organisation (ESO)

(Also known as: Islamic Jihad Organisation and Hizballah International)

The following information is based on publicly available details about the organisation known as Hizballah's External Security Organisation (ESO). These details have been corroborated by material from intelligence investigations into the activities of Hizballah's ESO. ASIO assesses that the details set out below are accurate and reliable.

Hizballah's External Security Organisation has been listed as a terrorist organisation by the government of the United Kingdom. Hizballah (including the ESO) has been listed as a terrorist organisation by the governments of the United States and Canada.

Current status of Hizballah's ESO

Formed in Lebanon in 1982 in the wake of the Israeli occupation of southern Lebanon, Hizballah ("Party of God") emerged as a splinter group of former Amal clerics inspired by the Iranian Revolution. By the end of 1984, Hizballah had become an umbrella group covering several smaller organisations including the Lebanese al-Dawa Party, Islamic Amal and the Islamic Students Union. Hizballah evolved into a multi-faceted organisation including political, social and military components supported by Iran and Syria. The functions of the organisation include legitimate political and social activities. The ESO constitutes a distinct terrorist wing within Hizballah's structure.

Hizballah, including the ESO, receives substantial support from Iran, including financial, training, weapons, political and military assistance. Syria is also a significant supporter, particularly in the provision of political and military assistance.

In the 2006 conflict with Israel, Hizballah utilised Iranian-supplied military resources including Unmanned Aerial Vehicles (UAV) and a wide variety of short to long range rockets. It is assessed the ESO has access to these or similar resources.

The ESO is based in Lebanon. Hizballah has an international infrastructure including cells; charitable organisations and business enterprises (both legal and illegal) in the Middle East, Asia, Africa, Europe and North and South America, from which it derives significant financial support. In the Tri-Border area of South America alone it is estimated that Hizballah has raised millions of dollars through activities such as drug and arms smuggling and product piracy. It is assessed that the ESO would benefit from these funds.

Hizballah elements, under the direction of Imad Mughniyeh, provide training, operational support and material to Palestinian extremist groups, including the Palestinian Islamic Jihad, Hamas' Izz al-Din al-Qassam Brigades and Shia militia elements in Iraq. It is assessed elements of the ESO are likely involved in these activities.

Objectives

Hizballah is committed to armed resistance to the state of Israel and aims to liberate all Palestinian territories and Jerusalem from "Israeli occupation". Ultimately, Hizballah aims to create a Shia Islamic state in Lebanon and remove all Western and Israeli influences in the region. The ESO has undertaken terrorist acts in Israel and other countries in support of Hizballah objectives.

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Leadership and membership

There is limited information about the ESO's leadership. Reports indicate that Imad Mughniyeh, head of the Jihad Council within Hizballah's Shura Council, has responsibility for the ESO. Mughniyeh continues to be one of the FBI's most wanted terrorists and has been indicted for planning and participating in the hijacking of a commercial aircraft in June 1985 during which a US citizen was tortured and killed.

Hizballah is governed by Sheikh Hassan Nasrallah through a Shura Council, which presides over administrative, legislative, executive, judicial, political and military matters in consultation with Iran. The ESO, however, exercises autonomy distinct from the conventional military structure.

Hizballah's ESO engagement in terrorist activities

The ESO is responsible for a series of suicide bomb attacks, aircraft hijackings and kidnappings of Western and Israeli/Jewish targets in Israel, Western Europe and South America dating back to the early 1980s. Major terrorist attacks for which responsibility has been reliably attributed to the ESO include:

- A bomb attack against the Israeli embassy in Buenos Aires in 1992, which killed 28;
- A bomb attack on a Jewish cultural centre in Buenos Aires in 1994, which killed 96; and
- A bomb attack in Bangkok in 1994, probably targeting the Israeli Embassy, that was inadvertently thwarted by a traffic accident involving the truck carrying the explosives on its way to the target.

The ESO maintains its capacity to undertake significant terrorist attacks and, in February 2007, there were renewed reports that Mughniyeh was undertaking contingency planning for future attacks. It is assessed such planning includes identification and surveillance of prospective targets.

- The ESO has made efforts to recruit and infiltrate individuals into Israel to conduct acts of terrorism following the commencement of the second intifada in 2000 and has also been involved in at least three major attempts to smuggle arms to Palestinian militants since 2001.
- In October 2000, the ESO carried out the kidnapping of Israeli businessman Elhanan Tennenbaum in the UAE, who was only released in January 2004 after negotiations between Hizballah and the Israeli government, which were facilitated by German authorities.
- Throughout the 1990s, ESO's operatives were actively involved in the recruitment of Southeast Asian Sunni Muslims, planning attacks and gathering intelligence on US and Israeli shipping activities in the Malacca Straits.

Given the clandestine nature of the group, the ESO's activities do not have a high profile and the ESO does not claim responsibility for terrorist attacks. However, there is no indication the intent of the ESO has changed or its capability has diminished. Based on the above information, it is assessed that the ESO continues to have the capability and intent to conduct further terrorist attacks. It is assessed the ESO is active internationally and it is likely the ESO will undertake attacks if and when the opportunity arises, and in

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Attachment A

accordance with the strategic priorities of the ESO's parent organisation, Hizballah, or its state sponsors. The ESO's close association with Syria and Iran means that it could draw on significant resources for future activities.

Conclusion

The Criminal Code provides that for an organisation to be listed as a terrorist organisation, the Attorney-General must be satisfied that:

- (i) the organisation is directly or indirectly engaged in, preparing, planning, assisting in or fostering the doing of a terrorist act (whether or not a terrorist act has occurred or will occur); or
- (ii) the organisation advocates the doing of a terrorist act (whether or not a terrorist act has occurred or will occur).

On the basis of the above information, ASIO assesses that Hizballah's ESO is directly or indirectly preparing, planning, assisting in or fostering the doing of terrorist acts. It is submitted that the acts attributable to the Hizballah's ESO are terrorist acts as they:

- (i) are done with the intention of advancing a political cause, namely, creating a Shia Islamic state in Lebanon and removing all Western and Israeli influences in the region;
- (ii) are intended to coerce or influence by intimidation the governments of foreign countries, including Israel, and/or intimidate sections of the public; and
- (iii) constitute acts which cause serious physical harm to persons, including death, as well as serious damage to property.

This assessment is corroborated by information provided by reliable and credible intelligence sources.

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