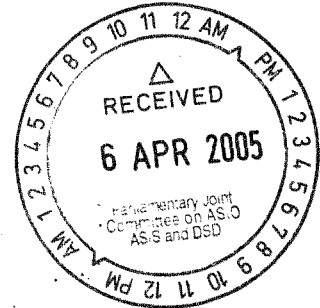


SEC LAW & JUSTICE



ATTORNEY-GENERAL
THE HON PHILIP RUDDOCK MP



05/2086

31 MAR 2005

The Hon David Jull MP
Committee Chairman
Parliamentary Joint Committee on ASIO, ASIS & DSD
Parliament House
CANBERRA ACT 2600

David
Dear Mr Jull

I am writing to advise you that a regulation is scheduled to be considered by the Federal Executive Council on 7 April 2005 specifying the Islamic Army of Aden as a terrorist organisation for the purposes of section 102.1 of the *Criminal Code Act 1995* (the Criminal Code). The Islamic Army of Aden (IAA) (also known as: Aden Abyan Islamic Army (AALA); Islamic Army of Aden Abayan) was specified as a terrorist organisation under the *Criminal Code Regulations 2002* with effect from 11 April 2003.

The regulation listing IAA will cease to have effect on the second anniversary of the day on which it took effect, pursuant to subsection 102.1(3) of the Criminal Code.

The regulation will be made on the basis that I continue to be satisfied on reasonable grounds that IAA is an organisation directly or indirectly engaged in, preparing, planning, assisting in or fostering the doing of a terrorist act (whether or not the act has occurred or will occur).

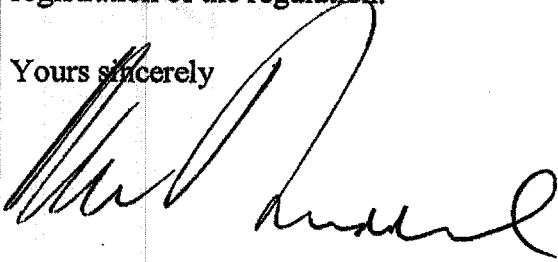
I made the decision to re-list IAA following careful consideration of unclassified intelligence information provided by the Australian Security Intelligence Organisation (ASIO) in relation to the organisation, as well as legal advice provided to me by the Australian Government Solicitor.

Section 102.1A of the Criminal Code provides that the Parliamentary Joint Committee on ASIO, ASIS and DSD may review the regulation 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 regulation, I enclose a copy of the Statement of Reasons provided by ASIO in relation to IAA, upon which my decision to re-list the organisation as a terrorist organisation was based. Additional information detailing the

procedure followed for the purposes of re-listing IAA will be provided to you upon the registration of the regulation.

Yours sincerely

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

Philip Ruddock

Attachment A**The Islamic Army of Aden (IAA)**

(Also known as: Aden Abyan Islamic Army (AAIA), Islamic Army of Aden Abayan)

The following information is based on publicly available details about the Islamic Army of Aden (IAA). These details have been corroborated by material from intelligence investigations into the activities of the IAA and by official reporting. ASIO assesses that the details set out below are accurate and reliable.

The IAA has been proscribed as a terrorist organisation in Australia, and by the United Nations and the governments of the United Kingdom and Canada.

Background

The Yemen-based IAA was formed by a splinter group of the Yemeni Islamic Jihad in 1996. The IAA is a Sunni extremist group that first came to public prominence in May 1998 when it issued statements detailing its intention to overthrow the Yemeni government and implement Sharia law. However, the group is believed to have developed during the early 1990s and members of what was to become the IAA were implicated in a series of attacks against US interests with the aim of forcing the withdrawal of US bases in Yemen supporting US operations in Somalia.

The IAA is associated with al-Qa'ida, which has a presence in Yemen, and has made public statements in support of Usama Bin Laden, al-Qa'ida and its terrorist activities.

The IAA predominantly operates in the southern governorates of Yemen – primarily Aden and Abyan. It uses bombings and kidnappings as a means of furthering its goals. In 1998, the IAA kidnapped 16 British, Australian and American tourists. Four tourists, including one Australian, were killed during a rescue attempt. The IAA also claimed responsibility for the suicide bomb attack against the *USS Cole* on 12 October 2000.

Objectives

The IAA aims to overthrow the current Yemeni government and establish an Islamist form of government, to remove all Western influence from Yemen and to support al-Qa'ida's efforts regionally in the global jihad.

Leadership and membership

The IAA's founder and former leader Zein al-Abidine al-Mihdar (aka Abu al-Hassan) was executed in 1999 for his role in the 1998 kidnapping of 16 Western tourists. Al-Mihdar and other founding members were veterans of the struggle in Afghanistan against the Soviets. The current leader is Khaled Abdennabi (aka Khalid 'Abd al-Nabi al-Yazidi).

The group is small, with an estimated 100 core members, which includes Yemenis and Saudis organised in cells. The group also has supporters among Yemeni tribes. The IAA employs kidnapping as a means of raising money through ransom and to apply pressure to the Yemeni government. This is also a traditional method for raising funds in Yemen by non-terrorist and tribal groups. Members of the IAA are also believed to reside in the United Kingdom, Sudan, Pakistan, Jordan and Eritrea.

Attachment A***Terrorist activities***

The IAA has been involved in a number of terrorist attacks against Yemeni government and Western targets. The attacks have employed a number of different methods, including bombing and kidnapping. Given the effectiveness and intensity of US supported counter-terrorism efforts in Yemen, the IAA's ability to conduct terrorist attacks has been significantly diminished. However, the group retains the capability and intent to undertake terrorist acts.

Terrorist attacks and activities for which the IAA has claimed responsibility or for which responsibility has been reliably attributed to IAA have included:

- August 2002: three Yemenis belonging to the IAA were convicted of carrying out bombing attacks in the southern port of Aden on 1 January 2001;
- 17 October 2002: Islamist extremist and reported spiritual leader of the IAA Abu-Hamzah al-Masri announced that the IAA had joined al-Qa'ida;
- 21 June 2003: attack a military medical convoy, wounding 7 soldiers;
- June 2003: arrest of four alleged IAA members and seizure of a car packed with hand grenades, explosives and rocket-propelled grenades that had been used in the attack on a military medical convoy 21 June 2003;
- 25 June 2003: clash between IAA members and government troops at the group's hideout in Harat – captured IAA members revealed they were waiting for orders to carry out terrorist operations; and
- 1 October 2003: alleged IAA car bomb attack against the US, UK and German embassies in Sana'a was disrupted.

Conclusion

ASIO assesses that the IAA is continuing to prepare, plan and foster the commission of acts involving threats to human life and serious damage to property. This assessment is based on publicly available details about the Islamic Army of Aden (IAA), which have been corroborated by information provided by reliable and credible intelligence sources and by official reporting.

In the course of pursuing its objectives of overthrowing the Yemeni Government and replacing it with an Islamic state, removing all Western influence from Yemen, and supporting al-Qa'ida's efforts regionally in the global jihad, the IAA is known to have engaged in actions that:

- are aimed at advancing the IAA's political and religious causes;

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Attachment A

- are intended to, or do, cause serious damage to property, the death of persons or endangerment of life;
- done with the intention of coercing or influencing by intimidation the governments and people of numerous countries; and
- are intended to cause, or have caused, serious risk to the safety of sections of the public in Yemen and other persons visiting areas in which it operates.

In view of the above information, the IAA is assessed to be directly or indirectly preparing, planning, and fostering the conduct of terrorist acts. Such acts include actions which are to be done and threats of actions which are to be made with the intention of advancing a political, religious or ideological cause and with the intention of coercing, or influencing by intimidation the Government and people of Yemen. The actions or threatened actions which the IAA are assessed to be involved in would, if successfully completed, cause serious physical harm and death to persons and serious damage to property.