

Attachment A**DRAFT****Hizballah's External Security Organisation (ESO)****(aka: Islamic Jihad Organisation)**

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 UK. Hizballah (including the ESO) has been listed as a terrorist organisation by the US and Canada.

Background

The Shi'a organisation Hizballah (Party of God) was formed in Lebanon in 1982 in the wake of the Iranian revolution and the Israeli invasion of Lebanon. While it began as a militia, the group has evolved into a multi-faceted organisation including political, social and military components. The functions of the organisation include legitimate political and social activities. However, the External Security Organisation (ESO) constitutes a distinct terrorist wing which evolved out of Hizballah's early terrorist activities and which continues to operate.

Hizballah, including the ESO, receives substantial support from Iran, including financial, training, weapons, explosives, political, diplomatic and organisational assistance. Hizballah recently utilised Iranian supplied Unmanned Aerial Vehicles (UAV) over northern Israel. Syria is also a significant supporter, particularly in the provision of diplomatic, political and logistical assistance.

While Hizballah's ESO is based in Lebanon, reliable sources indicate that it has an international infrastructure including cells and business enterprises (both legal and illegal) in the Middle East, Asia, Africa, Europe 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 hundreds of millions of dollars through activities such as drug and arms smuggling and product piracy. In 2004, US authorities uncovered a number of individuals in the US who were providing material and financial support to Hizballah.

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 Shi'a 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.

Attachment A

Leadership and membership

The current head of the ESO is Imad Mughniyeh, who reports directly to the Secretary General of Hizballah, Sheikh Hassan Nasrallah. Mughniyah is one of the FBI's most wanted terrorists and has been indicted for planning and participating in the highjacking of a commercial aircraft in June 1985.

Hizballah is governed by Sheikh Hassan Nasrallah through a Majlis al-Shura (Consultative 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.

The strength of the ESO is thought to be several hundred. Estimates of Hizballah's conventional military strength vary from 3000 to 5000 regular forces with 3000 to 15,000 reserves.

Terrorist activities

Hizballah's 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
- An aborted bomb attack in Bangkok in 1994, probably targeting the Israeli Embassy

Despite a downturn in terrorist attacks directly attributable to the ESO since 1994 reliable information indicates that Hizballah and the ESO maintain their capacity to undertake significant terrorist attacks and continue to engage in contingency planning for attacks against US and Israeli interests.

- Hizballah's ESO has continued 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, Hizballah's 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.
- In south-east Asia a number of Singaporean citizens were recruited by Hizballah's ESO in the late 1990s to carry out pre-attack intelligence on the US and Israeli embassies and regional shipping.

Attachment A

- Hizballah's ESO also attempted to establish networks in the Philippines, and to recruit Malaysian and Indonesian nationals, in the late 1990s.

The significant capabilities of the ESO which existed in 1994 remain extant. The ESO retains the capability to undertake significant terrorist attacks at short notice both in the Middle East and further abroad, in the event of a perceived threat to its interests or the interests of its state sponsors,

The ESO also continues to provide training, operational support and material - including weapons and explosives - to Palestinian extremist groups engaged in terrorist acts inside Israel and the Palestinian Territories, including Palestinian Islamic Jihad and HAMAS Izz al-Din al-Qassam Brigades, both of which have been listed as terrorist organisations by the Australian Government.

Conclusion

ASIO assesses that Hizballah's ESO is continuing to prepare, plan and foster the commission of acts involving threats to human life and serious damage to property. This assessment is corroborated by information provided by reliable and credible intelligence sources.

In the course of pursuing its objective of creating a Shi'a Islamic state in Lebanon and removing all Western and Israeli influences in the region. Hizballah's ESO is known to have engaged in actions that:

- are aimed at advancing the Hizballah's political and religious causes; and
- are intended to cause, or have caused, serious damage to property, the death of persons or endangerment of life.
- are intended to cause, or have caused, serious risk to the safety of sections of the public in Israel and other persons visiting areas in which it operates.

In view of the above information, Hizballah's ESO 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 Israel. The actions or threatened actions which the ESO are assessed to be involved in would, if successfully completed, cause serious physical harm and death to persons and serious damage to property.