



Testimony of

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Before the

House Committee on International Relations
Subcommittee on Europe and Emerging Threats

“Islamic Extremism in Europe”

April 27, 2005

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Good afternoon, Mr. Chairman and Mr. Vice-Chairman, and thank you for the opportunity today to discuss the threat posed to Europe by Islamist extremism.

The deadly train bombings that killed almost 200 commuters in Madrid on March 11, 2004, shocked most Europeans, as the attacks represented the first massive strike by Islamist terrorists on European soil. The Madrid bombings, nevertheless, did not surprise security officials on both sides of the ocean, as the intelligence community was well aware that it was just a matter of time before Europe, one of the terrorists' favorite bases of operations, could become a target.

Over the last ten years, in fact, Europe has seen a troubling escalation of Islamist terrorist and extremist activities on its soil. This disturbing phenomenon is due to a combination of several factors and chiefly to:

- lax immigration policies that have allowed known Islamic radicals to settle and remain in Europe,
- the radicalization of significant segments of the continent's burgeoning Muslim population, and
- the European law enforcement agencies' inability to effectively dismantle terrorist networks, due to poor attention to the problem and/or the lack of proper legal tools.

Given these premises, it should come as no surprise that almost every single attack carried out or attempted by al Qaeda throughout the world has some link to Europe, even prior to 9/11. A Dublin-based charity provided material support to some of the terrorists who attacked the US Embassies in Kenya and Tanzania in 1998. Part of the planning for the thwarted Millennium bombing that was supposed to target the Los Angeles International Airport was conceived in London. False documents provided by a cell operating between Belgium and France allowed two al Qaeda operatives to portray themselves as journalists and assassinate Ahmed Shah Massoud, the commander of the Afghan Northern Alliance, just two days before 9/11. And, as we well know, the attacks of 9/11 were partially planned in Hamburg, Germany, where three of the four pilots of the hijacked planes had lived and met, and from where they received extensive financial and logistical support until the day of the attacks.

After 9/11, as the al Qaeda network became less dependent on its leadership in Afghanistan and more decentralized, the cells operating in Europe gained even additional importance. Most of the planning for the April 2002 bombing of a synagogue in the Tunisian resort town of Djerba that killed 21 mostly European tourists was done in Germany and France. According to Moroccan authorities, the funds for the May 2003 Casablanca bombings came from Moroccan cells operating between Spain, France, Italy and Belgium. And cells operating in Europe have also directly targeted the Old Continent. Only after 9/11, attacks have been either planned or executed in Madrid, Paris, London (in at least 4 different circumstances), Milan, Berlin, Porto and Amsterdam.

However, while investigations in all these cases revealed that different cells operating throughout Europe were involved in the planning of the operation, the role of these cells extends beyond the simple planning or execution of attacks. European-based Islamists raise or launder money, supply false documents and weapons and recruit new operatives for a global network that spans from the United States to the Far East. Within the last decade, their role has become essential to the mechanics of the network. It is, therefore, not far-fetched to speak of Europe as “a new Afghanistan,” a place that al Qaeda and others have chosen as its headquarters to direct operations.

Origins and developments of Islamist terrorism in Europe

The foundations for this security disaster were laid in the 1980's, when many European countries either granted political asylum or allowed the entrance to hundreds of Islamic fundamentalists, many of them veterans of the war in Afghanistan against the Soviets facing persecution in their home countries. Moved by humanitarian reasons, for decades countries like Britain, Sweden, Holland and Germany have made it their official policy to welcome political refugees from all over the world. But blinded by their laudable intentions of providing protection to all individuals suffering political persecutions from autocratic regimes throughout the world, most European countries never really distinguished between opponents of dictatorships who wanted to spread democracy and Islamic fundamentalists who had bloodied their hands in their home countries with heinous terrorist acts. As a consequence, some of the world's most radical Islamists facing prosecutions in the Middle East found not only a safe haven but also a new convenient base of operation in Europe.

Many European governments thought that, once in Europe, these committed Islamists would have stopped their violent activities. Europeans also naively thought that, by giving the mujaheddin asylum, they would have been spared their murderous wrath. All these assumptions turned out to be completely wrong. In fact, as soon as they settled on European soil, most Islamic radicals exploited the continent's freedom and wealth to continue their efforts to overthrow Middle Eastern governments, raising money and providing weapons and false documents for their groups operating in their countries of origin.

And it was in Europe that Islamic radicals from different countries converged and forged strategic alliances. Originally intending only to fight the secular regimes of their own countries, top members of various Islamist terrorists groups, drawn to the radical mosques of Europe, joined forces with their colleagues who all adhered to the same Salafi/Wahhabi ideology and shared the common dream of a global Islamic state. It was between London and Milan, for example, that the strategic alliance between Algerian and Tunisian terrorist groups was conceived. Europe, along with al Qaeda's Afghan training camps, was the place where Bin Laden's project of “global jihad” came to realization, as various Islamist groups progressively abandoned their local goals and embraced al Qaeda's strategy of attacking America and its allies worldwide.

Moreover, the mosques and networks established by radicals who had been given asylum played a crucial role in what could be considered Europe's biggest social and security problem, the radicalization of its growing Muslim population. Europe is facing monumental problems in trying to integrate the children and grandchildren of Muslim immigrants who have come to the continent since the 1960s. Dangerously high percentages of second- and third-generation Muslim immigrants live at the margins of European societies, stuck between unemployment and crime. While they hold French, Dutch or British passports, they do not have any attachment to their native land, feeling like foreigners in their home countries.

"After things didn't work out with work, I decided to devote myself to the Koran," explained an Islamic fundamentalist interviewed by the German magazine *Der Spiegel*. As they perceive themselves with no economic future, trapped in a country that does not accept them and without a real identity, many young European Muslims turn to their fathers' religion in their quest for direction. While some of them find solace in their rediscovered faith, others adopt the most belligerent interpretation of Islam, embarking on a holy war against their own country. According to a French intelligence report, radical Islam represents for some French Muslims *"a vehicle of protest against...problems of access to employment and housing, discrimination of various sorts, the very negative image of Islam in public opinion."*

Whether this troubling situation is due to the European societies' reluctance to fully accept newcomers or on some Muslims' refusal to adapt to new customs is hard to say. Nevertheless, given the burgeoning numbers of Muslim immigrants living in Europe, currently estimated between 15 and 20 million, the social repercussions of these sentiments are potentially explosive.

While it is true that the situation in the immigrant suburbs of many European cities is dramatic and that it is difficult for the children of Muslim immigrants to emerge in mainstream European society, the popular paradigm that equates militancy with poverty is simplistic and refuted by the facts. An overview of the European-born Muslim extremists that have been involved with terrorism, in fact, shows that many of them came from backgrounds of intact families, with financial stability and complete immersion in mainstream European society. The example of Omar Sheikh -- the British-born son of a wealthy Pakistani merchant who attended some of England's most prestigious private schools, led a Pakistani terrorist group and was jailed for his role in the beheading of Wall Street Journal reporter Daniel Pearl -- shows that the causes of radicalization are deeper for many individuals.

Nevertheless, it is undeniable that young, disaffected Muslims living at the margins of European societies are the ideal recruits for terrorist organizations. The recruitment takes place everywhere, from mosques to cafes in Arab neighborhoods of European cities to the internet. As in the US, European prisons are considered a particularly fertile breeding ground for radicalism, a place where young men already prone to violence can be easily turned into terrorists. In France, for example, where unofficial estimates indicate that

more than 60% of the inmates are Muslims (while Muslims represent only 10% of the total French population), authorities closely monitor the activities of Islamic fundamentalists, aware of the dangers of the radicalization of their jail population. Officials, who estimate that 300 militants are active in the Paris prisons alone, have seen cases of radicals who seek to get arrested on purpose so that they can recruit new militants in jail.

Similarly, in Spain, where one in ten inmates is of Moroccan or Algerian descent, Islamic radicals have been actively recruiting in jail for the last ten years. In October of 2004, Spanish authorities dismantled a cell that had been planning a bloody sequel to the March 11 Madrid bombings, intending to attack the Audiencia Nacional, Spain's national criminal court. Most of the men, who called themselves "*The Martyrs of Morocco*", had been recruited in jail, where they had been detained for credit card fraud and other common crimes and had no prior involvement with Islamic fundamentalism.

Current trends of terrorism financing in Europe

If the European criminal underworld provides an excellent recruiting pool, crime also constitutes a major source of financing for terrorist organizations. Islamic terrorist groups operating in Europe have resorted to all kinds of crimes to finance their operations, including robberies, document forging, fraud and the sale of counterfeited goods. But more alarming is the fact that Islamist groups have built strong operational alliances with criminal networks operating in Europe.

Over the last few years, Islamic terrorists have been actively involved in one of Europe's most profitable illegal activities, human smuggling. The GSPC, a radical Algerian Islamist group operating in the desert areas of North Africa, is actively involved in smuggling large groups of Sub-Saharan migrants across the desert and then to Europe, where the group can count on an extensive network of cells that provides the illegal immigrants with false documents and safe houses. In 2003, German authorities dismantled a network of Kurdish militants linked to Ansar al Islam, the terrorist group led by Abu Musab al Zarqawi that is battling US forces in Iraq. The Kurdish cells had organized a sophisticated and profitable scheme to smuggle hundreds of illegal Kurdish immigrants into Europe, raising hundreds of thousands of dollars. Considering that, on average, a migrant pays about \$4,000 to his smugglers and that around 500,000 illegal immigrants reach Europe every year, terrorist groups have all the reasons to get involved in the human smuggling business.

Likewise, the terrorists' use of drug trafficking is also considered a particularly serious problem by European authorities, which believe that terrorist organizations have infiltrated around two thirds of the \$12.5 billion-a-year Moroccan hashish trade. Evidence from recent terrorist operations reveals that profits from drug sales have directly financed terrorist attacks. According to Spanish authorities, Jamal Ahmidan, a known drug dealer and one of the operational masterminds of the Madrid train bombings, obtained the 220 pounds of dynamite that were used in the attacks in exchange for 66

pounds of hashish. And Ahmidan also flew to the island of Mallorca shortly before March 11 to arrange the sale of hashish and ecstasy, planning to use the profits for additional attacks. The scheme is not new to Moroccan groups, which have used profits from the drug sales to finance the thwarted attacks against American ships in Gibraltar in 2002 and the Casablanca bombings.

European authorities are confronting criminal activities with relative success, but are facing an uphill battle when they have to prove the links to terrorism. Severe evidentiary requirements and the secretive nature of terrorism financing have prevented Europeans from effectively tackling known networks that financed terrorist activities. The most commonly used legal tool, the designation as a “terrorism financier”, has had only modest results. In fact, since the various terrorism financing resolutions allow authorities only to freeze the bank accounts of suspected terrorism financiers, businesses, residential and commercial properties belonging to the designated individual cannot be touched.

The case of Youssuf Nada and Ahmed Idris Nasreddine is illustrative. Nada and Nasreddine operated a bank, Bank Al Taqwa, and a network of companies between Italy, Switzerland, Liechtenstein and the Bahamas. The US Treasury Department, which designated Al Taqwa and both men as terrorism financiers in the aftermath of the 9/11 attacks, claims that, since its foundation in 1988, Al Taqwa financed groups such as the Palestinian Hamas and the Algerian GIA. Moreover, according to the Treasury Department, Al Taqwa provided funding to al Qaeda until September of 2001 and granted a clandestine line of credit to “a close associate of Usama Bin Laden.” European authorities have also designated the bank and the two financiers, but with scant results. Both men, financial experts with decades of experience, have devised a system of front companies, figureheads and secret bank accounts in off-shore banking paradises that allowed them to circumvent resolutions and shelter their finances from the authorities’ action. And while Nada still maintains business interests in Switzerland and Liechtenstein, Nasreddine still owns a luxurious hotel in downtown Milan.

Legal obstacles

The problems faced by European authorities in tackling terrorism financing are the same that prevent them from successfully prosecuting and dismantling terrorist networks operating on the continent. In many European countries, laws prevent intelligence agencies from sharing information with prosecutors or law enforcement agencies unless they follow a lengthy and complicated procedure. With few exceptions, the monitoring of individuals has to be authorized by a judge based on extremely strong evidence of the suspect’s guilt presented to secure the order. Severe evidentiary requirements often prevent prosecutors from using information obtained by intelligence agencies in their cases. And prosecutors also have to prove the specific intent of an accomplice in a terrorist act, showing that he knowingly provided support to the person who carried out a terrorist attack.

These provisions are the product of centuries of democratic legal tradition and are meant to defend the citizen from the creation of a police state. They epitomize Europe's success in creating a civil society where the government cannot unduly interfere with its citizens' lives. But, at the same time, they create an ideal shelter for the terrorists. European laws need to be adapted to the new threat that it is facing.

"There has to be a balance between individual liberty on one hand and the efficiency of the system to protect the public on the other. In an ideal world, I would choose the first, but this is not an ideal world, and when dealing with Islamic extremists we have to be brutal sometimes," is the view of Alain Marsaud, a member of the French Parliament and an anti-terrorism magistrate. Marsaud's views represent France's attitude towards terrorism, as the French legal system provides investigators and anti-terrorism magistrates with powers that have no equal in Europe and in the United States as well.

But France is an isolated case. The aftermath of 9/11 showed that most European legal systems are not prepared to efficiently face the new legal issues that have arisen with the war on Islamic terrorism. The excellent work done by European intelligence agencies and law enforcement has often been thwarted by the courts, which are forced to enforce laws that do not adequately punish individuals that associate themselves for terrorist purposes. The German trials of Abdelghani Mzoudi and Mounir El Motassadeq, two of the accomplices of Mohammed Atta and the other hijackers in Hamburg, revealed how Europe often finds itself legally impotent against terrorism.

Mzoudi and Motassadeq, the only two men to go on trial in Europe in connection with the 9/11 attacks, have been engaged in a complicated legal battle against German authorities for more than three years. According to prosecutors, Mzoudi's Hamburg apartment served as the meeting place for a group of Islamic radicals who, bound by a common hatred for the United States and Jews, planned an attack that would shock the world. After countless meetings at Mzoudi's apartment, some members of the Hamburg cell went to the United States to attend flight schools and carry out the lethal 9/11 plan; others remained in Hamburg providing logistical help and wiring them money. Prosecutors assert that while the men who worked from Germany may not have known every detail of the plot, they were well-aware of the fatal intentions of their U.S.-based cohorts. For instance, Mounir Motassadeq allegedly told a friend, "[The 9/11 hijackers] want to do something big. The Jews will burn and we will dance on their graves."

Motassadeq and Mzoudi were charged in Hamburg with being accessories to the murder of more than 3,000 people and being members of a terrorist organization. Motassadeq was initially found guilty and sentenced to 15 years. Mzoudi's trial was more complicated, as, by the time it began, Ramzi Binalshibh, one of the key members of the Hamburg cell, had been arrested in Pakistan. Mzoudi's lawyers demanded that they could examine Binalshibh, whose testimony they alleged was essential to uncover Mzoudi's real role. Since the US government, which has detained Binalshibh since his arrest, refused to even disclose Binalshibh's location, German judges reluctantly acquitted Mzoudi. "*Mr. Mzoudi, you are acquitted, but this is no reason to celebrate,*" said the presiding judge, adding that the court was not convinced he was innocent and that he had

been acquitted only because the prosecution had failed to prove its case. A month after Mzoudi's acquittal, an appeal court ordered a retrial for Motassadeq, claiming that he had been denied a fair trial because the US had refused to allow the testimony of Binalshibh.

The difficulty faced by German prosecutors in the case of both Mzoudi and Motassadeq lies in the fact that the two were facilitators, sending money and providing apartments to terrorists but not actually carrying out terrorist acts themselves. Indeed, the lawyers for both men have argued that their clients believed they were simply helping fellow Muslims. When asked why he wired money to 9/11 pilot Marwan al-Shehhi, Motassadeq explained: *"I'm a nice person, that's the way I am."*

Great Britain, America's closest ally in Afghanistan and Iraq, has similarly tied its own hands. Radical imams openly preach hatred for the West and incite worshippers in the mosques of London to carry out attacks inside England. And recruiters have operated freely in Britain for more than a decade, as the story of Hassan Butt proves. With British forces still battling the Taliban in Afghanistan, the British public was shocked to read in the tabloids the interview with Hassan Butt, a British-born Muslim who bragged: *"I have helped to bring in at least 600 young British men. These men are here to engage in jihad against America and its allies... That there are so many should serve as a warning to the British government. All of them are prepared to die for the cause of Islam."* Despite his activities and his not-so-veiled threats to the British government, Butt was allowed to return to England undisturbed.

Upon his return to England, Butt was contacted by a reporter from *The Mirror* and agreed to be interviewed for the price of 100,000 Pounds. When *The Mirror's* reporter informed British counter-terrorism officials of the meeting and asked them if they wanted to interview Butt themselves, their response was shocking: *"I know this sounds ridiculous,"* said a detective from the Anti-Terrorist Squad, *"But we can't get involved. All our checks, all our intelligence, show that he is not wanted for any offences in the UK."* Since recruiting for a foreign terrorist organization operating overseas was not a crime in Britain, Butt could not be charged with any crime.

Another example of this frustrating situation and of its dangerous consequences is represented by the results of a 2003 Dutch intelligence investigation on a group of 40/50 young North African radicals. Dutch intelligence had collected important information on the men, revealing their ties to some of the masterminds of the May 2003 Casablanca bombings and other terrorists throughout Europe. Moreover, some of the men had expressed their desire to die as martyrs and to kill prominent members of the Netherlands' political and cultural establishment. In the fall of 2003, some of the men were arrested. Nevertheless, the men had committed no crime and the Dutch legal system forbade the use of information obtained by intelligence agencies in a trial. As a consequence, the men had to be released.

Predictably, after a few months, the group decided to go into action. Last November, one of its members, Mohammed Bouyeri, who had been under surveillance for months,

gunned down and tried to ritualistically behead in the middle of one of Amsterdam's busiest streets Theo van Gogh, a popular Dutch filmmaker who, according to Islamists, had dared to offend Islam with a controversial movie about the treatment of Muslim women.

A similar situation occurred in Spain, as some of the key planners and perpetrators of the Madrid train bombings had been known to Spanish intelligence as radical Islamists with ties to terrorism since 1999. Some of them had had their phone conversations intercepted and their apartments searched, but no charge could be brought against them since, technically, they had committed no crime.

Unfortunately, the results in the cases in Britain, Holland and Spain are not the exception, but the rule. The legal systems of most European countries do not have provisions that provide authorities with preemptive measures that can be taken against a known fundamentalist who is overheard saying he wants to "die as a martyr," unless evidence of a specific plan is also uncovered. Moreover, the laws of few European countries adequately punish activities that, while not directly harming people, are instrumental and necessary to the execution of a terrorist attack. Enabling a terrorist to enter the country by supplying him with a false document is equally important as providing him with the explosives, but few countries punish the two crimes with the same severity.

The Iraqi conflict and other repercussions for the United States

Before 9/11, recruiting individuals for a terrorist organization, as long as the group operated outside of the country, was not a crime in most European countries. While some countries have recently changed their laws to allow prosecution, the phenomenon of recruitment in Europe is taking place with even greater intensity than it did prior to 9/11, and its consequences are dire for both Europe and the United States. Shielded by the fact that recruitment for a terrorist organization is difficult to prosecute, and exploiting the widespread opposition to the Iraqi war within Muslim communities in Europe, recruiters have been sending hundreds of European Muslims to Iraq, joining the ranks of the insurgency that is fighting US and Iraqi forces on the ground.

In 2003, an investigation launched by Italian authorities dismantled a network that recruited more than 200 young Muslims in Germany, France, Sweden, Holland and Italy to train and fight with Ansar al Islam, the al Qaeda-linked group led by Abu Musab al Zarqawi that has carried out dozens of attacks against American and Iraqi civilian targets. Reportedly, five young Muslims recruited in Milan have died in suicide operations in Iraq, including the attack against the Baghdad hotel where US deputy secretary of defense Paul Wolfowitz was staying. The investigation revealed that the network that had sent the volunteers to Iraq was the same that had recruited hundreds of militants before 9/11 for the al Qaeda training camps in Afghanistan, showing the continuity and adaptability of terrorist networks that have been operating in Europe for more than a decade.

The Iraqi war is also presenting evidence of a different phenomenon, the involvement of extremely young European Muslims who do not belong to any organized network or terror group, but who, nevertheless, feel the sudden urge of fighting “the infidels.” While the Italians dismantled a very sophisticated network that had close links to Zarqawi and al Qaeda’s leadership, investigators throughout Europe have noticed that many of the volunteers who leave for Iraq are groups of teenagers, high-school students and petty criminals from the continent’s poor immigrant neighborhoods with no connections to a terrorist group, who seemingly decide to act on their own.

This phenomenon is the direct consequence of the social crisis that is affecting Europe, as local governments are struggling to integrate the continent’s soaring Muslim population. And while it is true that only a minority of the millions of Muslims living in Europe espouse radical views or support violent activities, the dangerous consequences of the actions of this minority cannot be overstated. Every act of violence or foiled terrorist plot increases the rift between Muslims and the native European population. The brutal killing of Van Gogh, for example, brought turmoil to the Netherlands, traditionally one of Europe’s most tolerant and peaceful societies. Mosques and Islamic schools were firebombed in the wake of the filmmaker’s assassination and a poll conducted after the attacks revealed that 40% of Dutch hoped that Muslims “no longer felt at home” in Holland. In retaliation, groups of Dutch Muslims attacked churches, igniting a spiral of hatred.

The spread of Islamic radicalism and terrorism in Europe needs to be closely monitored by the United States and not only for the historical and cultural links between the US to Europe. Hundreds of Islamist terrorists have, either by birth or through naturalization, European passports and can, therefore, enter the United States without a visa and with just a summary scrutiny once they attempt to enter the US borders. It is not a coincidence, for example, that the three men who have been charged just two weeks ago for their role in a plot to attack various financial institutions in the United States were all British citizens whom al Qaeda had dispatched on several surveillance missions to the States, counting on the fact that their British passports would have made their entrance into the US easier.

As the attacks of 9/11 have painfully shown, events that occur overseas can have a direct impact on the security of this country and its interests abroad. It is therefore crucial for the United States to follow carefully the events taking place in Europe and to closely cooperate with its European counterparts, as only a global effort can defeat this global enemy.