

New challenges for the intelligence services in connection with the worldwide increased terrorist threat and insecurity with special regard to non-proliferation efforts of the international community

Mr. Chairman, Ladies and Gentlemen,

It is my great honor and privilege to address this panel meeting of experts and speak about the new challenges faced by intelligence services in connection with the increased terrorist threat and insecurity in our countries and with special regard to non-proliferation efforts of the international community.

Terrorist attacks like the one on the 11th of September in New York and numerous others since then in different countries all over the world gave evidences of that even the potentially most threatened countries are not prepared for the prevention of a well organized terrorist attack. According to recent expert studies the preparation for disaster situations (informing people, creation of special hospital capacities, installation of alert systems, detectors in big cities, improvement and storage of sophisticated personal protecting equipment etc.) can only diminish the number of civil victims of a terrorist attack, but can not provide perfect defense against it.

To meet this challenge priorities should be given to the use of means of intelligence, prevention and defense, the involvement of all state authorities concerned, among those intelligence services, police, customs, disaster prevention and health services and we should create the basis for a coordinated national and international fight against terrorism. Among others the following basic requirements must be met:

On national level:

1. Creation of the technical background for intelligence and prevention (for example research and development sophisticated detectors for explosives and weapons of mass destruction)
2. Restructuring and enforcement of human resources inside the intelligence services, ensuring the personal and technical, the legal and financial background of their work, the creation of special network of experts.
3. Permanent reviewing and case by case justified tightening of the export control policy
4. Harmonization of the international (EU, NATO standards) and national legislation.

On international level:

1. Continuous exchange of intelligence information among the closely cooperating countries inside the export control regimes and further strengthening of information exchange among intelligence services on bilateral and multilateral basis. Our efforts should be increased for the involvement of non-member countries sympathizing with fighting international terrorism and the necessary communication channels should be established for on-time alarming in case of emergency situations.
2. Enlargement of the number of cooperating countries in the export control regimes.
3. Fulfillment of the regime's common export control policy on national levels, mutual adaptation of experiences and "best practices", continuous training of export control officers and delegating experts for accomplishing international export control tasks.

After this short introduction let me speak about the specific export control and non-proliferation tasks of the Hungarian intelligence services and the experiences collected with special regard to fighting international terrorism. At the very beginning let me express our opinion that although the terrorist threat of the Republic of Hungary has been a little bit increasing lately, all domestic and foreign experts are agreed that our level of threat is still luckily low. At the same time the greater than before terrorist threat of our allies and other countries is forcing us to increase our efforts. Both the requirements emerging from our international obligations and our national legal regulations are forcing us to fight international terrorism. It is our firm belief that regarding those efforts a cooperation of domestic partner services and authorities is not sufficient, only a close and effective international cooperation can provide any hope for the successful fighting terrorism.

As Hungary concerned the Law on National Security inaugurated in 1995 stipulates the tasks of the Hungarian Information Office and according to those the Information Office collects information on terrorists organizations endangering our national security. Special attention is given to weapons of mass destruction or their components and the development, production and illicit trafficking of materials and equipment necessary for their construction. In the framework of export control regimes we are taking part in the intelligence and prevention of illicit trafficking of internationally controlled goods and technologies. The Information Office and other Hungarian intelligence services are also represented in the decision making process of the national export control licensing.

During this licensing procedure the Hungarian Information Office:

1. Takes part in checking the legitimacy and reliability of companies and persons (sellers, buyers, brokers) applying for export-import licenses and controls the background of specific shipments, business transactions. The Office is practically providing the risk analysis of those deliveries.
2. In case of well founded suspicion of illegal business activities the Information Office initiates intelligence operation in order to prevent the illicit trafficking of internationally controlled goods. To achieve the success of these operations we are closely cooperating with foreign partner services. This cooperation is particularly important and extended first of all for checking and finding fictive buyers or end-users, falsified end-user documents because their checking abroad is sometimes out of the limits of competence of the Information Office.

Non-proliferation and terrorism

Examining the issues of non-proliferation and terrorism one has to deal first of all with the problems of insecurity in a country caused by international terrorism because this is a given feature of a country and hardly influenced by its export control policy.

The assessment of the terrorist threat against Hungarian institutions and facilities and the analysis of terrorist attacks having been committed in different countries all over the world gave us the final result that key facilities for the Hungarian disaster prevention, like chemical factories, refineries, power stations, especially the Paks Nuclear Power Station could be attractive targets for terrorists. Damage could be extremely high too in case of attacks of oil pipelines, high voltage electric grids etc. The attack of those targets by terrorists could not only cause enormous financial losses but could create panic situation in the country which is usually the main aim of any terrorist action. As you can see from the list of the above mentioned sensitive facilities we have to admit that other countries in our region are in the same position, all they have similar production and service facilities.

As an example I can remind you the case when in one former soviet state a power station was halted and the local population remained without electricity supply because of exploding by terrorists some high voltage grid columns. Luckily there were no casualties during the recent 29 hours long electricity fallout in the USA and Canada but the authorities had to deal with a great panic. Experts are saying that if the terrorist attack on the 11th of September should have been followed by electricity fallout too the consequences could have been more severe.

It is well known that the Afghan and some African guerillas were trained by excellent experts for carrying out sabotage actions. It is worth mentioning that even during the hardest time of the cold war no attacks were carried out similar to the one on the 11th of September in New York or the one committed before by nerve gas in the Tokyo subway. One possible reason for that is that the aggressor could have been identified and should have been counted with a counterstrike. The other possible reason might be that the aim of military strikes is the elimination of military targets with the possible minimum civil losses. In contrary to that the main aim of terrorist organizations is to achieve maximum loss of civil life, creation of panic and insecurity by any spectacular and later well communicated terrorist action.

We have to admit that a nuclear disaster like the Chernobyl Nuclear Power Station's catastrophe could fulfill all the above mentioned criteria. Even after 11th of September US newspapers published rumors about the possibility of attacking by terrorists US power stations or trains carrying spent nuclear fuel. According to recent Russian news the Russian authorities arrested a person carrying explosives and threatening to blow up the Kurchatov Institute in Moscow. Details are not known but it could be also an alarming sign for us even if it was an amateur attempt.

We have to take these cases seriously in spite of the fact that a nuclear power station will never blow up like a nuclear bomb. Nevertheless providing the maximum security for such installations is feasible and reasonable and specific extra checking and controlling measures should be taken against terrorist attacks besides the commonly used conventional methods (like physical protection, guards on duty, electronic alarm systems, increased police presence and road control in the area). The same should be applied to safeguarding big chemical plants, refineries, oil pipelines etc.

The situation in the East and Central European region

Generally speaking due to their geographical location all countries in our region are transit countries and as such all the illicit trafficking routes are also going through of them. This is burdening the licensing authorities and the customs with great responsibility. For their effective work, stopping and confiscating illegal shipments of sensitive goods the information coming from intelligence sources are vital and playing a great role. As a result of their geographical location our countries are often the meeting places as well for arms traders and illicit traffickers and the identification of those illegal businesses, the partners taking part are among the tasks of our intelligence services.

Recently we can witness also some new trends such as our countries are emerging as potential sources for procuring goods and technologies for terrorist purposes. Changes of political system, privatization and closing down production facilities created chaotic situation at several places. News were published in East and Central Europe and the Balkan Region as well that dangerous goods, among those radioactive isotopes were found at closed factories, mines, laboratories or other omitted places.

Those materials in case of getting to the hands of unauthorized persons can become extremely dangerous. In normal circumstances the registration, use and stockpiling of those materials are strictly regulated. Closing down factories, laboratories and laying off the workers could have had the result that the employees just forgot to deal with the isotopes. In some cases they were just found during the rebuilding, renovation or demolition works of factory buildings. In some even worse cases the former employees have stolen the containers containing radioactive materials. We registered some cases here in Hungary too when isotopes were stolen and the uneducated thieves later tried to sell them. After unsuccessful attempts to sell those materials supposedly went to a garbage container and are seriously endangering the environment. Isotopes can not be used for the creation of a nuclear bomb but might be used for "dirty bombs". According to the "dirty bomb" experts the danger of this kind of bomb is not its mass destruction but the creation of panic and insecurity in the population due to mystery around and fear from radioactive materials.

The threat with radioactive isotopes is not a new phenomenon. In 1995 Chechen terrorists were threatening to place isotopes at different public places in Moscow and such a way kill several thousand people. This threat luckily was not coming true but it is a good evidence that terrorists are interested in radioactive materials. In that regard any disappearance of isotope or leakage of laboratories is a great concern for us and we have to take the necessary counter measures and strengthen the control and safeguard of those materials.

The movement of radioactive materials is simply detectable using mobile or fixed detectors. Some border station checkpoints are already installed such equipment but a more widespread use of detectors at traffic junctions (bridges, tunnels, highways) is also advisable.

Possibility of evading the export control system

A frequently used method for illicit trade and shipment of internationally controlled goods and technologies that goods are described differently what they really are and thus they are not getting into the export control system. During the Balkan conflict a Hungarian exporter put precision machine parts instead of conventional small arms spare parts in the Bill of Lading because he was sure that during the customs inspection only a specially trained expert could notice the difference. He failed but it became obvious that we have to provide regular training for our inspection teams. On grounds of expedience we have to create a control system that makes similar attempts impossible and assists our ground staff recognizing controlled goods by using sophisticated computer systems and electronic means of checking.

The following example can also illustrate the problems of intangible transfer. According to our information a small company in our region got an order for the development and the elaboration of production technology for a precision mechanical machine part capable of working at extreme conditions. Accidentally one engineer noticed the similarity of the machine part to that one he met before during his serve at a missile formation of the Hungarian Army. The specified part – without the knowledge of the participating project engineers – might have been used as a missile part. Knowing the great number of well qualified engineering companies in East and Central Europe and the decreasing number of lucrative orders it is quite understandable that those companies will not refuse any well paid order and if they signed a contract they will do their outmost to do the job hoping it will be followed by new ones. A proliferator consumer can easily abuse both the export control authorities and the contracted engineering companies by taking his illegal armaments build up program into small subprojects that could only be identified by great expertise and detailed investigation.

Finally let me speak a few words about specific threats when the abuse of export control is not the case because the terrorists will try fully neglect it. I would like to give you two examples:

1. The means of terrorist attacks will not be shipped to the target country by using false documents or just simply smuggled in, but it will be assembled fully within the country by procuring commercially available components, parts etc.. In order to do that a terrorist can get assistance from members of his terrorist organization settled down to that country before or agents recruited by himself or his organization and he can use the network of their covering firms.
2. The terrorist will “procure” only the knowledge that is he will only buy the experts, research workers having no moral reserves producing and giving the desirable arms to terrorists. Some cases those experts are under pressure of blackmail or threat. In order to minimize the risk of collaboration the experts are travelling to the target country too.

In such cases the identification of their proliferating work is very difficult and a well coordinated work of the services concerned is precondition for a successful intelligence operation (increased national security control, surveillance of movement and activity of target persons and in some cases limiting their basic human rights). It is even more difficult when we have to deal with state sponsored terrorism since the intelligence and prevention impeded by the active participation of the intelligence services of the given country.

Summary:

Fighting international terrorism and in order to minimize any terrorist threat of our country we have collected good experiences having cooperated with our foreign partner intelligence services but a more direct and closer cooperation could open new opportunities for the intelligence work in all participating states. In the future as before we would like to rely on the cooperation of intelligence services of our NATO Allies, the neighbouring and other countries in the East and Central European region facing similar threats and difficulties because we are deeply convinced that without a close cooperation we have no chance for the timely identification and prevention of terrorist attacks, illicit arms trade and proliferation activities.

Thank you for your attention.